



CEP CORPORATE
EQUITY
PARTNERS

Corporate Equity Partners Group
Third Quarter Financial Report 2010

Addresses

Corporate Equity Partners AG

Registered Office:
Obmoos 4
CH-6301 Zug
Switzerland

Subsidiaries

The Fantastic TM GmbH
Obmoos 4
CH-6301 Zug
Switzerland

Corporate Equity Direct GmbH
Obmoos 4
CH-6301 Zug
Switzerland

Legal Notice

Information on forward-looking statements

This Third Quarter Financial Report reflects the position of the Corporate Equity Partners Group on 30th September, 2010.

Wherever possible, current developments will also be described. However, the Third Quarter Financial Report also contains forward-looking statements which refer to future events or future financial developments. These forward-looking statements are denoted by terms such as "will", "expected", "could", "estimates", "plans", "intends", "is of the opinion", "predicts" or similar terms. Forward-looking statements contain uncertainties, known and unknown risks, and/or other factors which - individually or in conjunction with others - may mean that the actual financial position and/or the actual results, services, etc. of the Corporate Equity Partners Group may differ from the directly or implicitly anticipated situation in the forward-looking statements. The possible differences may, therefore, also be of a substantial nature.

Factors influencing the actual development of the Corporate Equity Partners Group include, for example, market trends, the general economic situation in countries and industries in which the Corporate Equity Partners Group operates, competition, the recruitment/ loss of qualified personnel, fluctuations in currency exchange rates, changes in legislation or the regulatory environment, including tax legislation, but also acts of terrorism, force majeure, acts of war, plagues, internal unrest, developments in international financial markets, etc. *

The Corporate Equity Partners Group expressly warns investors against relying on forward-looking statements to any great extent. These statements only reflect the opinion of management at the time of preparation of this Third Quarter Financial Report. The Corporate Equity Partners Group accepts no responsibility whatsoever for updating or checking these forward-looking statements.

* This list merely gives examples and is by no means complete.

Overview of the Group (according to IFRS)

EARNINGS POSITION	01.01 – 30.09.2010	01.01 – 30.09.2009
	EUR	EUR
Revenue	0	0
Gross profit on turnover	0	0
EBIT (earnings before interest and taxes)	-378,784	-778,898
Net profit or loss for the period	-377,171	-778,633

CASH FLOW	EUR	EUR
	Cash flow from current business activities	-425,687
Cash flow from investment activities	-2,651	0
Cash flow from financing activities	0	0
Exchange rate differences	144,592	-31,043
Increase/decrease in liquid assets	-283,746	-791,471
Liquid assets at the end of the third quarter	1,151,429	1,608,550

ASSET/CAPITAL STRUCTURE	30.09.2010	31.12.2009
	EUR	EUR
Long-term assets (fixed assets)	5,978	3,193
Short-term assets (current assets)	1,172,083	1,463,274
Short-term liabilities	51,801	106,412
Long-term liabilities	0	0
Equity capital	1,126,260	1,360,055
Equity ratio	95.6%	92.7%
Balance sheet total	1,178,061	1,466,467

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Report by the Board of Directors

Dear Shareholders,
Dear Friends of the Company,

In the third quarter of 2010 we continued to search for and analyse suitable companies that can contribute operational business to Corporate Equity Partners AG. The focus is in general on companies with a scalable business model and good growth prospects in which we could obtain a majority through a reverse merger. We have reviewed various business models and market segments in the future electro-mobility and technology industry and carried out more detailed analyses of some candidates.

The merger and acquisitions market and initial public offerings in German-speaking countries was quiet in the summer of 2010. Following the holiday period, our network presented mainly larger transactions or minority participations (mezzanine capital) that are not consistent with our investment strategy.

Since we strictly contain operating costs, we have time to find a suitable business partner but pursue such a search with great energy. Losses for the first three quarters of 2010 stand at EUR 377,171 and are thus 51.6% below the comparable period in the preceding year.

Management discussion and analysis to the Consolidated Interim Financial Statements at 30 September, 2010

The assets side of the balance sheet is primarily characterised by a decline in liquid assets, which decreased by 283,746 or 19.8% to EUR 1,151,429 as a result of the Group's on-going costs (status as of 31st December, 2009: EUR 1,435,175).

Claims against third parties declined by EUR 10,411 or 41.3% from EUR 25,234 (31st December, 2009) to EUR 14,823. Accrued income increased by EUR 2,966 or 103.5% from EUR 2,865 (31st December, 2009) to EUR 5,831. Current assets - which constitute 99.5% of all assets of Corporate Equity Partners Group as of 30th September, 2010 - declined from EUR 1,463,274 to EUR 1,172,083 (- EUR 291,191 or 19.9%) during the reporting period.

Long-term assets rose from EUR 3,193 to EUR 5,978 (+ EUR 2,785 or 87.2%) due to a purchase of IT equipment. The balance sheet total declined by EUR 288,406 or 19.7% from EUR 1,466,467 to EUR 1,178,061.

On the liabilities side of the balance sheet, accounts payable were reduced by EUR 18,888 or 74.8% to EUR 6,355 (status as of 31 December, 2009: EUR 25,243). In addition, other liabilities decreased by EUR 19,070 or 80.0% from EUR 23,845 as of 31st December, 2009 to EUR 4,775. Accrued expenses declined by EUR 15,381 or 27.5% from EUR 56,018 as of 31 December, 2009 to EUR 40,637.

The Corporate Equity Partners Group had no long term debt, either on 31 December, 2009 or on 30 September, 2010.

Equity of the Corporate Equity Partners Group declined by EUR 233,795 or 17.2% from EUR 1,360,055 to EUR 1,126,260. This was caused by a loss in the amount of EUR 377,171 for the nine month period, although this was offset by positive changes in currency differentials during the reporting period in the amount of EUR 143,376. The comprehensive loss amounted to EUR -233.795 compared to EUR -811.140 in the previous year period. The equity ratio was 95.6% compared with 92.7% on 31 December, 2009.

The Statement of Comprehensive Income also shows no revenue in the 9-month financial statements for 2010. Compared with the same period in the preceding year personnel costs fell by EUR 102,889 or 39.7% to EUR 156,505 (previous year's period: EUR 259,394). The cost-cutting measures introduced by the Board of Directors have had their full effect on personnel costs.

There were marked changes also in administrative expenses and general costs, which were reduced by EUR 255,791 or 53.6% from EUR 477,275 (previous year's period) to EUR 221,484. This decrease was mainly attributable to much lower costs for external consultants, rents, and other incidental expenses. In the reporting period, both the other operating income decreased from EUR 143,004 (January - September, 2009) to EUR 0, and other operating expenses from EUR 181,660 (January - September, 2009) to EUR 0.

Operating loss before depreciation was reduced to EUR -377,989 (same period in 2009: EUR -775,325). This decrease was primarily attributable to much lower administrative expenses and general costs, lower personnel costs, as well as the reduction of other operating expenses to EUR 0, resulting in an improvement of EUR 397,336 or 51.3% compared to the same period in 2009.

Depreciation declined by EUR 1,597 or 44.7% from EUR 3,573 in the same period in 2009 to EUR 1,976. Profits in the amount of EUR 1,181 from the disposal of a subsidiary accrued during the reporting period. No comparable profits occurred in the same period of 2009.

As a result, earnings before interest and tax (EBIT) improved by EUR 400,114 or 51.4% from EUR -778,898 (same period in previous year) to EUR -378,784. The financial result was marginally improved from EUR 265 in the same period of the previous year to EUR 1,613.

Losses for the first three quarters of 2010 amounted to EUR 377,171, compared with EUR 778,633 in the same period of the previous year. This represents a reduction in losses of EUR 401,462 or 51.6% for the period.

The **Cash Flow Statement** shows a total cash outflow of EUR 283,746, which is primarily attributable to a cash outflow from current business activities in the amount of EUR 425,687. However, positive differentials in currency exchange rates reduced the cash outflow by EUR 144,592. Cash flow from investment activities was EUR -2,651 and cash flow from financing activities EUR 0.

On 30th September, 2010, liquid assets amounted to EUR 1,151,429, compared to EUR 1,435,175 on 31 December, 2009.

Zug, 30th November, 2010



Oliver Krautscheid
President of the Board of Directors



Roger Meier
Deputy President
of the Board of Directors



Markus Gildner
Member of the Board of Directors

Consolidated Financial Statements of the Corporate Equity Partners
Group



CEP CORPORATE
EQUITY
PARTNERS

as of 30th September, 2010

These 3rd Quarter Interim Financial Statements have not been audited, or
reviewed by the auditor

Consolidated Interim Balance Sheet

ASSETS

		Sep. 30, 2010	Dec. 31, 2010
	Reference to Notes	EUR	EUR
<i>Short-term assets (current assets)</i>			
Liquid assets	6	1,151,429	1,435,175
Other receivables from third parties		14,823	25,234
Accrued assets		5,831	2,865
<i>Total short-term assets</i>		1,172,083	1,463,274
<i>Long-term assets (fixed assets)</i>			
TANGIBLE ASSETS			
IT equipment		5,977	3,192
INTANGIBLE ASSETS			
Rights and licences		1	1
<i>Total long-term assets</i>		5,978	3,193
TOTAL ASSETS		1,178,061	1,466,467

LIABILITIES

		Sep. 30, 2010	Dec. 31, 2010
	Reference to Notes	EUR	EUR
<i>Short-term liabilities</i>			
Trade accounts payable		6,355	25,243
Other liabilities		4,775	23,845
Short-term financial liabilities		0	3
Tax liabilities		34	1,303
Accrued liabilities		40,637	56,018
<i>Total short-term liabilities</i>		51,801	106,412
<i>Total long-term liabilities</i>			
		0	0
<i>Equity capital</i>			
Share capital	7	1,438,190	1,438,190
Currency differences		677,101	533,725
NET LOSS			
- Profit/loss carried forward		-611,860	344,856
- Net loss for the period		-377,171	-956,716
<i>Total equity capital</i>		1,126,260	1,360,055
TOTAL LIABILITIES			
		1,178,061	1,466,467

Statement of Comprehensive Income

		Jan. 1 – Sep. 30, 2010	Jan. 1 – Sep. 30, 2009
	Reference to Notes	EUR	EUR
Revenues		0	0
Sales expenses		0	0
Gross profit on turnover		0	0
Personnel costs		-156,505	-259,394
Administrative expenses and general costs	5	-221,484	-477,275
Other operating expenses		0	-181,660
Other operating income		0	143,004
Total operating expenses		-377,989	-775,325
EBITDA (earnings before interest, taxes, depreciation, and amortisation)		-377,989	-775,325
Depreciation		-1,976	-3,573
Profit from the sale of a subsidiary company	9	1,181	0
EBIT (earnings before interest and taxes)		-378,784	-778,898
Finance income		1,226	2,249
Finance expenses		-764	-1,105
Exchange rate gains/losses (net)		1,151	-879
Total financial result		1,613	265
EBT (earnings before taxes)		-377,171	-778,633
Taxes		0	0
Net loss for the period		-377,171	-778,633
Undiluted and diluted results per share		¹⁾ -0.0538	¹⁾ -0.1110
¹⁾ Number of shares: 7,016,400 (prior year: 7,016,384)			
NET LOSS FOR THE PERIOD		-377,171	-778,633
Other results			
- Currency differences		143,376	-32,507
COMPREHENSIVE RESULT		-233,795	-811,140

Group Cash Flow Statement

	Reference to Notes	Jan. 1 – Sep. 30, 2010	Jan. 1 – Sep. 30, 2009
		EUR	EUR
<i>Cash flow from current business activities:</i>			
Pre-tax loss for the period		-377,171	-778,633
<i>Reconciliation of loss in period to cash outflow from current business activities:</i>			
Depreciation		1,976	3,573
Finance income		-1,226	-2,249
Finance expenses		764	1,105
Decrease/ increase in short-term accounts receivable		9,650	43,418
Decrease/ increase in short-term liabilities		-60,142	-28,786
Interest and dividends paid		-764	-1,105
Interest and dividends received		1,226	2,249
<i>Cash inflow/outflow from current business activities</i>		-425,687	-760,428
<i>Cash flow from investment activities:</i>			
Investments in movable tangible assets		-3,831	0
Profit from sale of a subsidiary		1,180	0
<i>Cash inflow/outflow from investment activities</i>		-2,651	0
<i>Cash flow from financing activities:</i>			
<i>Cash inflow/outflow from financing activities</i>		0	0
Exchange rate differences		144,592	-31,043
Increase/decrease in liquid assets		-283,746	-791,471
Liquid assets at start of period		1,435,175	2,400,021
Liquid funds at end of period		1,151,429	1,608,550

Change in Group Equity Capital

All figures in EUR

Equity capital	Share capital	Currency-differences	Loss carried-forward	Total equity capital
As of 01.01.2009	4,452,639	544,951	-2,669,603	2,327,987
Items from the overall result:				
- Currency differences		-32,507		-32,507
- Net loss for the period			-778,633	-778,633
Overall Result		-32,507	-778,633	-811,140
As of 30.09.2009	4,452,639	512,444	-3,448,236	1,516,847

Equity capital	Share capital	Currency-differences	Loss carried-forward	Total equity capital
As of 01.01.2010	1,438,190	533,725	-611,860	1,360,055
Items from the overall result:				
- Currency differences		143,376		143,376
- Net loss for the period			-377,171	-377,171
Overall Result		143,376	-377,171	-233,795
As of 30.09.2010	1,438,190	677,101	-989,031	1,126,260

Notes to the Consolidated Interim Financial Statements

1. Business Activities

Corporate Equity Partners AG is a Swiss Public Limited Company, whose head office is located at Obmoos 4 in Zug. As a result of reorganisation, the company operated during the first nine months, but did not generate any revenues from its ordinary business activities.

2. Main Valuation and Accounting Methods

Preparation of the Consolidated Financial Statements

These Consolidated Interim Financial Statements, which have not been audited or reviewed by an auditor, were prepared in accordance with the generally recognised principles of International Accounting Standard (IAS) 34 "Interim Financial Reporting". The valuation and accounting methods were applied in line with those used in the 2009 Consolidated Financial Statements. The reporting currency is the Euro since the Company will generate significant revenue in Euro in its future business activities.

Scope of Consolidated Financial Statements

These Consolidated Interim Financial Statements, which have not been audited or reviewed by an auditor, include the following companies: "Corporate Equity Partners AG" and its subsidiaries "The Fantastic TM GmbH and "Corporate Equity Direct GmbH" (together the "Group").

Corporate Equity Partners AG	Switzerland	Holding
The Fantastic TM GmbH	Switzerland	100%
Corporate Equity Direct GmbH	Switzerland	100%

The following subsidiary in Switzerland is no longer included in these Consolidated Financial Statements because it was sold to a member of the Board of Directors in the course of the first quarter, 2010.

The Fantastic IP GmbH	Switzerland	100%
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Liquidation of the following subsidiary in the USA was completed successfully in the first six months of 2010:

			Liquidation completed
The Fantastic Corporation (USA) Inc.	USA	100%	May 2010

A minor disposal profit is identified in the Statement of Comprehensive Income under "other business income".

Revenue recognition

Revenues are realised at the time of delivery of goods and acceptance of services by the customer.

Liquid assets

The company treats all capital investments with high fungibility and a due date of up to 3 months from the date of acquisition as liquid assets.

Reserves

Reserves are all current liabilities whose due date and amount cannot be finally evaluated and whose cause lies in the past. Management has estimated the value of reserves and their likelihood of occurrence to the best of its knowledge.

Pension obligations

Staff pensions are calculated according to the regulations and customs in Switzerland. All employees receive insurance cover for retirement, invalidity, and death in the staff pension scheme "Sammelstiftung VITA" (Zurich). Occupational pension contributions are paid by the company and employees according to relevant legislation and the provisions of the respective schemes.

Due to legal guarantees, the pension plan of CEP AG is classified under IAS 19 as performance-oriented. The pension obligations will be recalculated actuarially at the end of the year.

Tangible assets

Tangible assets are valued in accordance with IAS 16 at the lower of either the cost of acquisition or cost of production. Maintenance, repair, and renovation costs are recognised as expenses while essential additions to intangible assets are capitalised. Acquisition costs and cumulative depreciation relating to the retirement of tangible assets are eliminated. Profits or losses from the retirement of tangible assets are recorded in the Statement of Comprehensive Income. Tangible assets are depreciated on a linear basis over the period of their anticipated life.

Foreign currency conversion and currency differences

The accounts of the Group companies are maintained in the currency of the economic area in which the individual company primarily operates (functional currency). The Swiss Franc (CHF) is currently the most frequently used currency for bookkeeping and accounting purposes.

Transactions in foreign currencies are converted into the functional currency using the exchange rate applying on the date of the transaction or, if necessary, based on the average exchange rate for the month. Balance sheet items in foreign currency are converted at the exchange rate current on the balance sheet date. Profits and losses arising from foreign currency transactions and from revaluations at the period-end exchange rate are recorded as having an effect on net income.

The Consolidated Financial Statements are reported in Euro (presentation currency). The annual financial statements of the Group companies (currently only CHF annual financial statements) are converted at the exchange rates valid on the balance sheet date using the cut-off date method (balance sheet items at the exchange rate on the cut-off day, Statement of Comprehensive Income at the average exchange rate for the period). The resulting conversion differences are shown in the equity capital and are only recorded as affecting net income in the case of a possible deconsolidation of the Group company.

Taxes on income

Taxes on income include all taxes relating to the taxable profit of the company and its subsidiaries. In accordance with IAS 12.24 and IAS 12.35, deferred taxes on as yet unused tax losses carried forward have not been recorded since these amounts cannot be determined with sufficient certainty.

Credit risks

Financial instruments which may represent a substantial credit risk to the company are mainly liquid assets accounts receivable. The company holds cash deposits at various financial institutions. The company tries to minimise the risk of dependence on a single credit institute.

Market value of financial instruments

The book value of financial instruments such as liquid assets, receivables and liabilities primarily corresponds to the market value on account of the short due dates of these financial instruments.

3. Main Sources of Estimation Uncertainty

The preparation of the Consolidated Interim Financial Statements in accordance with the principles of proper accounting calls for estimates and assumptions by the company's Board of Directors. These estimates and assumption may have an influence on the figures in the Consolidated Interim Financial Statements and on the related Notes. The actual results may differ from the estimates and assumptions made by the Board of Directors.

The Group Consolidated Financial Statements as of September 30th, 2010 do not contain any significant sources of estimation uncertainty or special discretionary questions when using the accounting and valuation methods.

4. Legal Disputes

The Group and its affiliated companies were not involved in any court proceedings and were not party to legal claims during the period under review.

5. Business Transactions with Related Parties

In accordance with IAS 24, relationships and business transactions with economically associated firms and natural persons must be disclosed since their relationship may affect the Group's net worth, financial situation, and profitability.

Remuneration of members of the Board of Directors and Management

All figures in EUR

	01.01.2010 – 30.09.2010			
	Oliver Krautscheid Chairman of the Board of Directors	Roger Meier Member of the Board of Directors	Markus Gildner Member of the Board of Directors	Total
Salaries	0	0	0	0
Board members fees	59,713	6,430	34,505	100,648
Consultancy fees	0	0	0	0
Pension contributions	0	0	0	0

	01.01.2009 – 30.09.2009				
	Oliver Krautscheid Chairman of the Board of Directors	Roger Meier Member of the Board of Directors	Markus Gildner Member of the Board of Directors	Cristiàn Mantzke Member of the Board of Directors	Total
Salaries	0	0	0	47,688	47,688
Board members fees	41,779	9,896	14,819	3,760	70,254
Consultancy fees	0	0	0	0	0
Pension contributions	0	0	0	1,297	1,297

Other payments to related parties

	01.01.2010 – 30.09.2010		01.01.2009 – 30.09.2009	
Fees to Lutz RA ¹⁾	EUR	43,515	EUR	53,099
Global Agenda GmbH ²⁾	EUR	11,526	EUR	0
Total	EUR	55,041	EUR	53,099

¹⁾ Mr Roger Meier, Member of the Board of Directors, is a partner in the law firm "Lutz Rechtsanwälte".

²⁾ Mr Markus Gildner, Member of the Board of Directors, is Managing Director of Global Agenda GmbH.

6. Liquid assets

	30.09.2010		31.12.2009	
Current account deposits	EUR	1,053,542	EUR	23,597
Money market fund deposits ¹⁾	EUR	97,887	EUR	1,411,578
Total liquid assets	EUR	1,151,429	EUR	1,435,175

¹⁾ The money market funds have a term of less than 3 months from the reporting date and are therefore shown, in accordance with IFRS, in the liquid assets.

7. Share capital

	30.09.2010	31.12.2009
Number of issued shares	7,016,400	7,016,400
Number of authorised shares ¹⁾	3,399,984	3,399,984
Number of conditional shares ²⁾	1,200,000	1,200,000
Nominal value per share (CHF)	0.35	0.35
Share capital in EUR ³⁾	1,438,190	1,438,190

¹⁾ At the general meeting on 30 April, 2009, the Board of Directors was authorised to increase the share capital at any time before 1 April, 2011 to a maximum amount of 340,000,000 by issuing new fully-paid-up bearer shares each with a nominal value of CHF 0.01 up to a maximum amount of CHF 3,400,000. As a result of the capital measures described under Item 8, the number of shares has been reduced from 340,000,000 to 3,399,984.

²⁾ The share capital can be increased by issuing a maximum of 120,000,000 fully paid-up bearer shares each with a nominal value of CHF 0.01 up to a maximum amount of CHF 1,200,000. This is exercised by means of option rights which are granted to members of the Board of Directors and employees of the Group or its subsidiaries based on one or more employees' ownership plans approved by the Board of Directors. As a result of the reverse share split in the ratio of 100:1 described in Item 8, the number of bearer shares has been reduced from 120,000,000 to 1,200,000.

³⁾ The share capital is converted at the exchange rate prevailing on the date of the capital transactions.

8. Capital undertakings in the 2009 financial year (new bearer share issue/ recapitalisation)

1. Increase in approved capital – issue of new bearer shares

Based on the approved capital increase agreed by the general meeting on 30 April, 2009, the Board of Directors decided to issue 1,572 new bearer shares at CHF 0.01 to staff member Alexander Koppel. The date of issue was set at 29 September, 2009 and the shares were fully paid up in cash.

2. Recapitalisation

As a result of the shareholders' decision at the general meeting on 21 October, 2009, the implementation of the following capital measures took place before the end of the financial year:

a. Reverse split of shares 100:1

701,640,000 bearer shares, each with a nominal value of CHF 0.01, were converted to 7,016,400 bearer shares, each with a nominal value of CHF 1.00.

b. Reduction of share capital

By the reduction in nominal value of each bearer share from CHF 1.00 to CHF 0.35, the share capital of the company was reduced in the amount of CHF 4,560,660.00, partially eliminating the adverse balance arising from the company's losses.

9. Disposal of subsidiaries

Profit from the sale of "The Fantastic IP GmbH"

18.02.2010

Liquid assets	EUR	7,977
Accounts receivable	EUR	9
Accrued liabilities	EUR	-10
<i>Net assets</i>	<i>EUR</i>	<i>7,976</i>
Selling price	EUR	9,157
<u>./. Net assets</u>	<u>EUR</u>	<u>-7,976</u>
Profit	EUR	1,181

Net accrual of funds from the sale of "The Fantastic IP GmbH"

27.09.2010

Selling price	EUR	9,157
<u>./. Liquid assets subsidiary</u>	<u>EUR</u>	<u>-7,977</u>
Net accrual of funds	EUR	1,180

10. Events after the Balance Sheet Date

None

11. Approval by the Board of Directors

The Consolidated Interim Financial Statements were approved for publication by the Board of Directors on 30 November, 2010.

12. Legally Binding Version

These Consolidated Interim Financial Statements will be published in German and English. The legally binding version is the German version. The English version is merely a translation.

Imprint



CEP CORPORATE
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Published by:
Corporate Equity Partners AG
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