Corporate Equity Partners AG

Annual Report 2008

This Annual Report is an uncertified translation, only the German version is legally binding.

Addresses

Corporate Equity Partners AG

Company based in:
Obmoos 4
CH-6301 Zug
Switzerland

Subsidiary Companies

The Fantastic IP GmbH
Obmoos 4
CH-6301 Zug
Switzerland

The Fantastic TM GmbH
Obmoos 4
CH-6301 Zug
Switzerland

Corporate Equity Direct GmbH (formerly Mallebrann GmbH)
Obmoos 4
CH-6301 Zug
Switzerland

The Fantastic (USA) Inc. (in liquidation)
c/o CFO Advisory Services
1302 Colins Boulevard
Richardson, Texas 75081
USA

Legal Advice

Advice on statements relating to the future

This annual report describes the situation of the Corporate Equity Partners group on the 31st December 2008. Where it has been possible, current developments have also been reported upon. The annual report does however also contain some statements relating to the future, relating to future events or future financial developments. Such future-related statements are characterised by terms like e. g. “will”, “expects”, “could”, “estimates”, “plans”, “intends”, “is of the opinion”, “predicts” or similar terms. Statements relating to the future include uncertainties, known and unknown risks and/or other factors, that could lead individually or in their interaction to a situation in which the actual financial situation and/or the actual results, services or similar of Corporate Equity Partner AG differ from what is directly or implicitly expected in the statements relating to the future. The possible deviations can even be of a substantial scope.

Factors that have an influence on the actual development of the company are e. g. the development of the market, the general economic development in the countries and industries in which the company is active, the gaining/loss of qualified employees, fluctuations in the currency exchange rates, alterations in legislation and/or the regulatory environment, including taxation law but also including terrorist attacks, force majeure, acts of war, plague, inner unrest etc. *
The company warns investors explicitly against relying to a high degree upon statements relating to the future. These only reflect the opinion of the management at the point in time that the annual report was drawn up. Corporate Equity Partners AG accepts no obligation to realise or adhere to these statements relating to the future.

Advice on statements relating English Language Version

The company will not accept any liability arising from the use of the English language version of its annual report. The English language version has been translated with all due care, however, any errors or misunderstandings arising from the use of this version are at the risk of the reader. The only legally binging version is the German Language original Document.

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* This list is intended to give examples and is by no means complete.

CEP CORPORATE EQUITY PARTNERS AG

Group summary according to IFRS

	1st Jan - 31st Dec 2008 EUR	1st Jan – 31st Dec. 2007 EUR
Sales Revenues	0	0
Gross profit on sales	0	0
Operating Income (EBIT)	-692,823	-646,666
Annual Result	-568,548	-729,869

	EUR	EUR
Cash-Flow from Business Activity	1,990,737	-22,184
Cash-Flow from Investment Activity	-1,661	-6,506
Cash-Flow from Financing Activity	0	0
Changes in the Current Assets	2,262,489	-50,109
Current Assets at the End of the Year	2,400,021	137,532

	as per 31st Dec. 2008 EUR	as per 31st Dec. 2007 EUR
Fixed Assets	6,432	12,442
Current Assets	2,459,340	2,993,552
Short-term Liabilities	137,785	372,223
Long-term Liabilities	0	0
Shareholder Equity	2,327,987	2,633,771
Equity Ratio	94.4%	87.6%
Total Assets	2,465,772	3,005,994

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Report of the Administrative Board

Dear Shareholders,
Dear Friends of the Company,

In the financial year 2008, the team continued to make progress towards the implementation of the new business model. The company, Corporate Equity Partners AG, intends to build up a "multi-strategy" private equity company, aiming to offer a wide range of financial expertise to assist companies in whichever phase of development they may be, by offering them the right Private Equity Management Team.

For this purpose, Corporate Equity Partners intends, in the first step, to take a stake in existing private equity management companies specialising in these different segments, in order to expand the business through the circulation of new funds and structured customised products as a second step, together with the management of these Private Equity teams, based on their competence and deal flow by raising new funds.

As a result of our discussions with several Private Equity firms and teams during 2008, we were able to integrate a team into a subsidiary of Corporate Equity Partners AG. This team was inserted into Mallebrann GmbH, which was renamed Corporate Equity Direct GmbH. The expertise of this team is investing in companies which are in special and pre-insolvency situations.

Furthermore, we have had positive responses from our other targets making us optimistic that the business model Corporate Equity Partners AG is implementing is going to be well received.

It can reasonably be expected that in addition to business acumen and the financial resources, time will be a key requirement to successfully implement our business model. Our plan is based on the assumption that we will require a further 24 – 48 months to achieve our goal of becoming a "multi-strategy" Private Equity Company with a sustainable growth path.

The Board of Directors has supervised the management of the company during the entire financial year 2008 and was actively involved in the decision making process. The Board met formally four times during 2008 and in urgent cases, decisions were passed in writing. The articles of association were adhered to at all times in order to ensure that the decisions were reached in accordance with the aims of the company. After the departure of Markus Gildner who was both a Board Member and the Chief Financial Officer, Alexander Koppel was appointed Chief Financial Officer in his place on the 1st August 2008.

Mr Markus Gildner is not available for re-election to the Board of the company due to a re-alignment of his career. As a result, Paul A. Schröder was elected to the Board during the Annual

General Meeting on the 24th April 2008. Mr Schröder resigned from this position on the 26th May 2008. Hence the Board currently consists of Mr Cristián Mantzke and Mr Roger Meier.

During their meeting on the 25th March 2009, the Board Members discussed the financial statements of both Corporate Equity Partners AG and the Group as a whole for the year 2008 in detail. Corporate Equity Partners AG and the Corporate Equity Partners Group of Companies were audited be Deloitte, Zurich, Switzerland and passed without any restrictions or reservations. The Board of Directors is in agreement with the findings of the auditor and as a result has passed the financial statements for both the Company and the Group during this meeting on the 25th March 2009.

To complete a listing of the shares issued during the Financial Year 2006 on the Prime Standard of the Frankfurt Stock Exchange, the company had to restate the Financial Statements for the Financial Years 2004, 2005 and 2006. These restatements were subsequently passed during the Annual General Meeting that took place on the 24th April 2008. Also, the Financial Statements for the 2007 Financial Year needed to be reviewed in detail, which resulted in a delay in the listing of these shares.

We would like to take this opportunity to thank all the stakeholders and friends of the company for their trust in the company and the board of directors. We will continue to be fully committed to making Corporate Equity Partners a successful investment and reward the trust you have put in us.

Zug, March 2009

Cristián Mantzke President of the Administrative Board	Roger Meier Member of the Administrative Board

Company

Corporate Equity Partners AG

Corporate Equity Partners AG is now a parent company with four further subsidiary companies.

Group Structure

The Corporate Equity Partners group still shows traces of the old business activity at the end of the commercial year 2008 – not all subsidiary companies were dissolved or divested by the end of the report period.

Corporate Equity Partners AG, CH-Zug
Parent company

Fantastic IP GmbH, CH-Zug
Independent inactive Swiss subsidiary company

The Fantastic TM GmbH, CH-Zug
Independent inactive Swiss subsidiary company

Corporate Equity Direct GmbH, (formerly known as Mallebrann GmbH), CH-Zug
Independent inactive Swiss subsidiary company

The Fantastic (USA) Inc., USA
Independent foreign branch of the former The Fantastic Corporation AG, which is currently in liquidation.

Administrative Board and Management per 31.12.2008

Cristián Mantzke
President of the Administrative Board and CEO

Membership of company and supervisory committees:

The Fantastic IP GmbH, CH-Zug	Managing Director
The Fantastic TM GmbH, CH-Zug	Managing Director
Corporate Equity Direct GmbH, CH-Zug	Managing Director
Global Venture Partners GmbH, CH-Zug	Managing Director
CMB Real Estate GmbH, D-Frankfurt	Managing Director

Roger Meier
Member of the Administrative Board

Membership of company and supervisory committees:

Adastra AG, CH-Freienbach,	Member of the Administrative Board
ETWeb Software AG, CH-Solothurn	Member of the Administrative Board
ExecuTRACK Software AG, CH-Solothurn	Member of the Administrative Board

Personnel

The company employed two employees on average in the report period 2008.

Share Information

Corporate Equity Partners AG is a limited company registered in Switzerland in the canton of Zug in accordance with Swiss law, the titles of which are listed in the regulated market and quoted in the prime standard of the Frankfurt stock exchange. The company is therefore subject to the regulations of the Swiss Code of Obligations, the German Securities Trading Act and the German Stock Exchange Act.

WKN	A0MP58
ISIN	CH0030594847
Abbreviation	CED
Trading Places	Frankfurt, Xetra
Admission Segment	Prime Standard / Regulated Market
Designated Sponsor	Equinet AG, Frankfurt

Corporate Equity Partners AG Shares Outstanding

WKN (security identification number)	**ISIN**	**Quotation**	**Quantity**
A0MP58	CH0030594847	Prime Standard	12,794,621
A0MQNY	CH0030594862	Not listed	688,843,807
		Total:	**701,638,428**

Investor Relations

In the business year 2008 and in the course of the strategic realignment of the investor relations work, Corporate Equity Partners AG has given a special priority to investor relations work. As a company, that is itself active on the capital market and in private equity business, Corporate Equity Partners has very much recognised the importance of the factor "information" in the investment decision. Continual, up-to-date and transparent shareholder information is thus, just as important as permanent contact to representatives of institutional investors and the press.

The company plans in future to regularly present itself to investors, and to make its results and strategy available to investors and analysts, to explain the company.

To improve communication with the shareholders, participants in the capital market and analysts, the company remains contactable by telephone, fax and e-mail. Enquiries were answered straight away or with defined service levels.

In addition to the option of contact by telephone, the Internet site (http://www.corporate-equity.com) of Corporate Equity Partners AG was also of course available for the calling of the latest information.

Also in 2009, we plan to work on even better and more transparent communication to our shareholders and participants in the capital markets. The investor relations work directed towards English-speaking investors can also be strengthened in addition to that which is directed at German and Swiss shareholders.

For Shareholder's Enquiries:
Telephone: +41 (44) 350 2280 Fax: +41 (44) 350 2282
E-Mail: info@corporate-equity.com

Corporate Calendar

General Meeting 2009	30th April 2009
Semi-Annual Report 2009	end of August 2009
Annual Report 2008	end of March 2009

Shareholder Structure

Substantial single stockholders that were known to the company on the report cut-off date of 31.12.2008 and which had exceeded the threshold of 3% on share capital. The free flow amounts to 38.04% on the cut-off date 31.12.2008.

Global Derivative Trading GmbH	43.51%
Alliance Growth Foundation LTD.	9.97%
Cristián Mantzke	8.48%

Management Discussion and Analysis

Overview
Corporate Equity Partners AG is a limited company registered in Switzerland and quoted in the regulated market / prime standard of the Frankfurt stock exchange. On 31st December 2008, the company had three direct subsidiaries in Switzerland in which it held 100%. A further 100% subsidiary, The Fantastic Corporation USA Inc. is currently in liquidation and headquartered in the USA. The management of the company is based in Zug (Switzerland) and maintains a representation office in Zurich. The operative business of the group is since August 2006 conducted by the parent company Corporate Equity Partners AG. The subsidiary Corporate Equity Direct GmbH (previously Mallebrann GmbH), The Fantastic IP GmbH, The Fantastic TM GmbH, were not active during 2008. Regarding the Fantastic TM GmbH, there have been discussions within the American company for its sale.

After the departure from all operational activities in the field of software back in the year 2003 and the successful restructuring in the business year 2006, the group will concentrate exclusively on financial services, among others, in the segment of private equity.
Earlier business activities in the field of special software had no influence by the generation of licensing income upon the reporting for the group in 2008.

The new business activity in the field of private equity is in development and generated no sales revenues in 2007 and 2008.

The building up of an independent “multi-strategy” private equity house is planned as the strategic focus of Corporate Equity Partners AG. Corporate Equity Partners plans to be able to represent different investment classes of the segment private equity and thus to be able to possibly offer interested investors a higher degree of diversification.

The implementation of the business model can be carried out by means of the buy & build strategy.

The “multi-strategy class” approach means that one can unite different instruments in the field of private equity under one roof and thus, produce a relatively complete value adding chain for investors as well as the company. The instruments described above are for example later stage venture, buy out/in, mezzanine capital, value recovery and umbrella funds.

In the period of the report, the company employed on average two employees. In addition to this, individual members of the administrative board were active in comissions in the business management of various companies in the group. In June 2008, Mr. Koppel was employed as new employee and took the role of Chief Financial Officer in August 2008.

Changes in the Group of Investors

On the 16th December 2008 the Board of Directors of Corporate Equity Partners AG has given its consent to offer a consultant an option, with expiry 30th October 2009, to purchase 24% of Corporate Equity Direct GmbH, which was previously known as Mallebrann GmbH.

Consolidated Group Figures

The companies included in the consolidation of the Corporate Equity Partners group of companies in 2008 are, Corporate Equity Partners AG, Corporate Equity Direct GmbH (previously known as Mallebrann GmbH), The Fantastic TM GmbH and the Fantastic IP GmbH.

Accounting Standards

Since the 1st January 2004 the consolidated accounts of Corporate Equity Partners AG have been compiled in accordance with International Financial Reporting Standards (IFRS). The subsidiary companies of the group adhere to the accounting standards of the country in which they are headquartered or domiciled.

The corresponding reports of the subsidiary companies are adapted to the rules of IFRS upon the producing of the consolidated accounts. The consolidated accounts were duly audited by Deloitte AG, Zurich, Switzerland.

Year of the Report

These financial statements cover the reporting period 1st January 2008 to 31st December 2008.

Turnover

As in the prior reporting period, the company has not generated any turnover from its normal operating activity in the reporting period 1st January to 31st December 2008. As there were no costs incurred to achieve turnover, the gross profit of the company was nought.

Depreciation

Depreciation for the financial year 2008 amounted to EUR 8,003 compared to the prior year 2007, of EUR 4,228.

EBITDA

The cost of operations in 2008 rose by EUR 42,382 or 6.6% and reached EUR 684,820 compare to EUR 642,438 in financial year 2007. Gross Turnover for the years 2008 and 2007 were EUR 0. This means that operating costs equal EBITDA. The personnel costs have risen by EUR 19,397 or 7.4% compare to the previous year and reached 282,688 (financial year 2007 EUR 263,291). Just as the SG&H costs which rose by EUR 27,504 or 6.1% in the period. SG&H costs for 2008 were EUR 478,427 (2007 EUR 450,923). These additional costs were mainly incurred to implement the new business strategy and the preparation for the listing of the 2006 issued shares. Main items covered in this section are General, Financing, IT, Legal, Audit and Advisory costs. No other expenses were incurred in 2008, while they will still EUR 16,515 in 2007.

Further revenues were obtained from tax refunds and refunds from the BaFin and claims against the previous board members.

Write Offs
In the year 2008 the company had EUR 8,003 in write offs which is an increase of EUR 3,775 or 98.3% compare to the prior year (2007 EUR 4,228).

Operating Result
For the reporting period, the operating result was EUR -692,823 and has increased by EUR 46,157 or 7.1% to the comparative prior year period were it was EUR -646,666.

Financial Investment
Corporate Equity Partners Group significantly improves its 2008 returns from financial investments by EUR 207,096 while in the financial year 2007 the Corporate Equity Partners Group achieved a loss of EUR -82,821, compare to a profit in 2008 of EUR 124,275. This was due to a foreign exchange profit of EUR 77,105 in 2008.

Pre-tax Results
Pre-tax results for the financial year 2008 were EUR -568,548 which has improved significantly due to the revenues from investments by EUR 160,939 or 22.1% in comparison to the prior year (2007 EUR -729,487). There were no taxes applicable to the Corporate Equity Partners Group for the year 2008. In 2007, there were taxes of EUR 382 applicable, increasing the loss for 2007 to EUR 729,869.

Liquidity and Financial Resources, Cash-Flow
The operative cash-flow for the year 2008 was EUR 1,990,737 (financial year 2007 EUR -22,184). The positive cash flow is mainly due to the reduction in short term investment by EUR 2,824,467 (prior year 2007 EUR 819,169). A further positive effect on the operational cash flow resulted from the depreciation of EUR 8,003 (prior year 2007 EUR 4,228). The cash flow from investment activity in 2008 amounted to EUR -1,661 (financial year 2007 EUR -6,506) and was due to investments in mobile tangible assets. In 2007, the company had put EUR 3,271 as rent deposit and invested EUR 3,235 in tangible mobile assets. The cash flow from financing activity was nought in both 2008 and 2007. In the financial year 2008, there were positive foreign exchange effects of EUR 273,413 after negative foreign exchange effects of EUR 21,419 in 2007.

Asset Values, Total Assets
The current assets on the 31.12.2008 were EUR 2,459,340 or 99.7% of all assets of the Corporate Equity Partners Group. On the 31.12.2007 the current assets were EUR 2,993,552 or 99.6% of all assets. By far the largest position was short term investments of EUR 2,400,021 in 2008. In 2007, this was EUR 137,532. The strong increase on liquid assets of EUR 2,262,489 or 1,645.1% was due to the liquidation of short term financial investment on 2008. As a result, short term financial investments were EUR 0 on the 31.12.2008 (31.12.2007 EUR 2,824,467). An immaterial claim on related parties of EUR 33,598 (31.12.2007 EUR 0), claims on third parties of EUR 18,352 (31.12.2007 EUR 9,473) and active accruals of EUR 7,369 (31.12.2007 EUR 22,080) were accounted for. Long term assets were at the end of the financial year EUR 6,432 or

0.3% of total assets of Corporate Equity Partners Group (31.12.2007 EUR 12,442 or 0.4%). The long term assets were composed of rent deposit of EUR 3,676 (31.12.2007 EUR 3,271), IT system EUR 2,486 (31.12.2007 EUR 2,846), other tangible assets EUR 1 (31.12.2007 EUR 1) and writes and licences EUR 269 (31.12.2007 EUR 242). All non tangible assets were valued at EUR 0 at the end of the financial year 2008 (31.12.2007 EUR 6,082).

The Balance Sheet value has been reduced by EUR 540,222 or 18% to EUR 2,465,772 (31.12.2007 EUR 3,005,994).

Equity Capital, Liabilities

Short term debt was EUR 137,785 on the 31.12.2008 (31.12.2007 EUR 372,223) which is a reduction of EUR 234,438 or 63%. On 31.12.2008 short term debt amounted to 5.6% of total assets of the Corporate Equity Partners Group (31.12.2007 12.4%). The largest amount contributing to this figure were deferrals of EUR 61,692 (2007 EUR 61,023) an increase of EUR 669 or 1.1%. The second major item contributing to this figure were accounts payable due to deliveries of products and services which were reduced significantly by EUR 202,965 or 80.6% (2007 EUR 251,926).

Of minor importance were financial liabilities of EUR 4,692 (2007 EUR 0) and tax liabilities of EUR 3,627 (2007 EUR 3,638).

In both 2007 and 2008 Corporate Equity Partners Group had no long term debt.

Developments after the End of the Business Year

A 100% subsidiary, Mallebrann GmbH, was renamed Corporate Equity Direct GmbH in line with the decision of the Board dating 28.10.2008 and was entered in to the Trade register as such on the 19.01.2009.

Current Situation of the Corporate Equity Partners Group

The group is developing in line with management expectations. The building of new structures has commenced successfully. The fine tuning of the concept for the development of a private equity group is making headway.

In 2008 the company had extensive discussions with private equity companies regarding their take over or acquiring a significant stake and an agreement was reached with a team at the end of 2008. The team will build internal capacities for value recovery investment and will be operating under the Corporate Equity Direct GmbH umbrella.

The management currently expects the company to achieve its objectives within the next 24 to 48 months.

Risks

The risk profile of the Corporate Equity Partners Group has not changed in the year 2008. The building of the private equity business is still subject to major risks. It is, for example, not guaranteed that the acquisition and integration of new and established private equity groups will be successful. Furthermore, it is uncertain that if through such acquisitions the Corporate Equity Partners Group can obtain the level of revenues required to cover its costs. It can also not be guaranteed that it will be successful in initiating new private equity funds and/or new investment vehicles or products.

The strategic alignment of the Corporate Equity Partners Group towards the private equity business makes the group particularly subject to developments in financial markets. This is particularly true regarding the funding of Corporate Equity Partners Group through the raising of shareholders' funds or private equity and other vehicles. It is to be noted that the current financial crisis is making difficult to obtain new funds from investors.

Furthermore, the group is subject to the fundamental take over risk when incorporating established private equity firms. Generally, acquisitions are subject to a higher level of risks, even after extensive due diligence, this is particularly true for private equity groups as they hold stakes in other companies which also need to be valued.

In addition to this, the Corporate Equity Partners Group will opportunistically make use of opportunities in the capital markets to invest company assets short term. This may result in the total loss of funds invested which could jeopardise its continued existence.

On the 31.12.2008, 97.3% of the assets of the company consisted of cash at bank which may be at risk should the international financial crisis worsen and banks go insolvent.

In the financial years 2007 and 2008 the Corporate Equity Partners Group achieved no profit from turnover. At the same time, costs were incurred for the building of the future operations. This lead to regular losses and cash outflows. It is not clear when the Corporate Equity Partners Group will earn revenues. As a result, the company may need to raise more capital. It is however uncertain if this can be implemented and if so, under which conditions. It can, however, not being ignored that any future fundraising could have a detrimental effect on the current shareholders.

Every investment in the future business revenues is subject to this set of assumptions regarding the economic environment; it cannot be guaranteed that these assumptions will occur. This risk can lead to grave errors in decision making by the management.

With regard to the risks of future developments, an explicit warning has been issued at the beginning of this annual report.

Zug, in March 2008
Corporate Equity Partners AG

Cristián Mantzke President of the Administrative Board	Roger Meier Member of the Administrative Board

CEP CORPORATE EQUITY PARTNERS AG

consolidated financial statements of Corporate Equity Partners AG and Subsidiary Companies

CEP CORPORATE EQUITY PARTNERS AG

as at 31st December 2008

incl. Comparison Periods and Appendix References

including translated Auditors' Report

Auditors’ Report

To the general meeting of
CORPORATE EQUITY PARTNERS AG, ZUG

As statutory auditor, we have audited the accompanying consolidated financial statements of Corporate Equity Partners AG, which comprise the consolidated balance sheet, consolidated pofit and loss statement, consolidated cash flow statement, consolidated movement in shareholders’ equity and notes to the consolidated financial statements for the year ended December 31, 2008. The previous year’s figures have been audited by another auditor, who issued an unqualified report dated March 28, 2008.

Board of Directors’ Responsibility
The Board of Directors is responsible for the preparation of the consolidated financial statements in accordance with International Financial Reporting Standards (IFRS) and the requirements of Swiss law. This responsibility includes designing, implementing and maintaining an internal control system relevant to the preparation and fair presentation of consolidated financial statements that are free from material misstatement, whether due to fraud or error. The Board of Directors is further responsible for selecting and applying appropriate accounting policies and making accounting estimates that are reasonable in the circumstances.

Group Auditor’s Responsibility
Our responsibility is to express an opinion on these consolidated financial statements based on our audit. We conducted our audit in accordance with Swiss law and Swiss Auditing Standards and the International Standards on Auditing (ISA). Those standards require that we plan and perform the audit to obtain reasonable assurance whether the consolidated financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the consolidated financial statements. The procedures selected depend on the auditor’s judgment, including the assessment of the risks of material misstatement of the consolidated financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers the internal control system relevant to the entity’s preparation and fair presentation of the consolidated financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity’s internal control system. An audit also includes evaluating the appropriateness of the accounting policies used and the reasonableness of accounting estimates made, as well as evaluating the overall presentation of the consolidated financial statements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Opinion
In our opinion, the consolidated financial statements for the year ended December 31, 2008 give a true and fair view of the financial position, the results of operations and the cash flows in accordance with International Financial Reporting Standards (IFRS) and comply with Swiss law.

Report on Other Legal Requirements

We confirm that we meet the legal requirements on licensing according to the Auditor Oversight Act (AOA) and independence (article 728 CO and article 11 AOA) and that there are no circumstances incompatible with our independence.

In accordance with article 728a paragraph 1 item 3 CO and Swiss Auditing Standard 890, we confirm that an internal control system exists, which has been designed for the preparation of the consolidated financial statements according to the instructions of the Board of Directors.

We recommend that the consolidated financial statements submitted to you be approved.

Deloitte AG

Martin Welser	Thomas Stähli
Licensed audit expert	Licensed audit expert
Auditor in charge	

Zurich, March 25, 2009
MWE/TST/rca

Consolidated balance sheet

ASSETS

	Reference to the Appendix	31.12.2008 EUR	31.12.2007 EUR
Current Assets			
Cash and cash equivalents	3	2,400,021	137,532
Short-term Financial Investments	4	0	2,824,467
Receivables from Related Parties	10	33,598	0
Receivables from Third Parties		18,352	9,473
Accruals and Deferrals		*7,369*	22,080
Total Current Assets		***2,459,340***	***2,993,552***
Fixed Assets			
TANGIBLE FIXED ASSETS			
Rent Deposit Account		3,676	3,271
EDP Appendices		2,486	2,846
Other Tangible Assets		1	1
INTANGIBLE FIXED ASSETS			
Rights and Licences		269	242
Other Intangible Fixed Assets		0	6,082
Total Fixed Assets		***6,432***	***12,442***
TOTAL ASSETS		**2,465,772**	**3,005,994**

LIABILITIES

	Reference to the Appendix	31.12.2008 EUR	31.12.2007 EUR
Current Liabilities			
Liabilities from Deliveries and Services		48,961	251,926
Other Liabilities		18,813	55,636
Short term Liabilities		4,692	0
Tax Liabilities		3,627	3,638
Accrued Liabiities		61,692	61,023
Total Current Liabilities		***137,785***	***372,223***
Long-term Liabilities			
Other Reserves	5	0	0
Total Long-term Liabilities		***0***	***0***
Shareholders´Equity			
Share Capital	11	4,452,639	4,452,639
Currency Differences		544,951	282,187
NET PROFIT/LOSS FOR THE YEAR			
Profit / Loss Brought Forward		-2,101,055	-1,371,186
Profit / Loss for the Financial Year		-568,548	-729,869
Total Equity Capital		***2,327,987***	***2,633,771***
TOTAL LIABILITIES		**2,465,777**	**3,005,994**

Consolidated profit and loss statement

	Reference to the Appendix	1st Jan – 31st Dec 2008 EUR	1st Jan – 31st Dec 2007 EUR
Sales revenues		0	0
Cost of Services Provided		0	0
Gross Profit		***0***	***0***
Personnel Costs		-282,688	-263,291
Administration and General Costs		-478,427	-450,923
Other Operational Costs	7	0	-16,515
Other Operational Revenues	8	76,295	88,291
Total Operating Costs		**-684,820**	**-642,438**
Earnings Before Interest Depreciation and Amortisation (EBITDA)		***-684,820***	***-642,438***
Depreciation		-8,003	-4,228
Operating Revenues (EBIT)		***-692,823***	***-646,666***
Financing Revenues		53,165	99,837
Financing Costs		-5,995	-6,123
Capital Gains/Losses (Net)		77,105	-176,535
Total Financial Result		**124,275**	**-82,821**
Pre-Tax Profit/Loss		***-568,548***	***-729,487***
Taxes	9	0	-382
NET PROFIT / LOSS FOR THE YEAR		***-568,548***	***-729,869***
Undiluted and Diluted Result per 1,000 Shares		[1] **-0.98**	[1] **-1.04**
Undiluted and Diluted Result per Share		[1] **-0.0008**	[1] **-0.0010**

[1] Number of shares (weighted average): 701,638,428 (previous year 85,505,912)

CEP CORPORATE EQUITY PARTNERS AG

Consolidated cash flow statement

Cash-Flow from Current Business Activity:	Reference to the Appendix	1st Jan – 31st Dec 2008 EUR	1st Jan – 31st Dec 2007 EUR
Loss for the Year before Taxes		-568,548	-729,487
Transition from Annual Loss to Operating Costs			
from Current Operations:			
Depreciations		8,003	4,228
Financing Revenues		-53,165	-99,837
Financing Costs		5,995	6,123
Decrease / Increase in Reserves affecting Net Income	5	0	-66,017
Decrease / Increase in Reserves due to Payments	5	0	-256,466
Decrease / Increase of the Short-term Claims		-25,136	-9,504
Decrease / Increase of the Short-term Financial Investments		2,824,467	819,169
Decrease / Increase of the Short-term Liabilities		-248,049	215,893
Interest and Dividends Paid		-5,995	-6,123
Interest and Dividends Received		53,165	99,837
Recovered Revenue Tax		0	0
Cash Inflow (Outflow) from Current Business Activity		***1,990,737***	***-22,184***
Cash-Flow from Investment Activity:			
Investments into Mobile Tangible Assets		-1,661	-3,235
Investments into Intangible Assets		0	0
Rent Deposit Account		0	-3,271
Cash Inflow (Outflow) from Investment Activity		***-1,661***	***-6,506***
Cash-Flow from Financing Activity:			
Capital Increase		0	0
Cash Inflow (Outflow) from Financing Activity		***0***	***0***
Profits / Losses due to Exchange Rate fluctuations		273,413	-21,419
Increase / Decrease in Cash or Cash Equivalents		**2,262,489**	**-50,109**
Current Assets at the Beginning of the Business Year		**137,532**	**187,641**
Current Assets at the End of the Business Year		**2,400,021**	**137,532**

Changes in shareholders' equity

(all figures in EUR)

Equity Capital	Share Capital	Currency Differences	Profit / Loss Carried Forward	Total Equity Capital
Status as of 01.01.2007	**4,452,639**	**378,899**	**-1,371,186**	**3,460,352**
Currency Differences		-96,712		-96,712
Period Loss			-729,869	-729,869
Status as of 31.12.2007	**4,452,639**	**282,187**	**-2,101,055**	**2,633,771**
Equity Capital	**Share Capital**	**Currency Differences**	**Profit / Loss Carried Forward**	**Total Equity Capital**
Status as of 01.01.2008	**4,452,639**	**282,187**	**-2,101,055**	**2,633,771**
Currency Differences		**262,764**		**262,764**
Period Loss			**-568,548**	**-568,548**
Status as of 31.12.2008	**4,452,639**	**544,951**	**-2,669,603**	**2,327,987**

Notes

1. Business Activity

"Corporate Equity Partners AG" ("the Company") is a Swiss Pubic Limited Company with headquarters in Zug, Obmoos 4.

The commercial activity of the Company, according to the entry in the trade register, essentially comprises the acquisition, holding and administration of investments in other companies and the development, marketing, distribution and support of software solutions for data transferral via satellite, radio cable network and other types of transferral and for the accompanying applications in the field of information technology.

Subsequent to the realignment of the company, it commenced operations, however, it has not generated any turnover from ordinary business activity in the financial year 2008.

2. Principles applied in this Consolidation and Valuation

Principle for the Presentation of Accounts

The consolidated accounts were produced in accordance with the International Financial Reporting Standards (IFRS). The valuation and balance sheet methods were applied in line with those used in the prior years 2006 and 2007. The reporting currency is EURO, as it is expected that the company will predominantly be generating income in EURO from its future operations.

The company has implemented all new and changed IFRS standards and interpretations that became applicable for the business year beginning on the 1st January 2008. Changes in IFRS (namely IFRIC 9, 11, 12 and 14 just as changes in IAS 39 and IFRS 7) had no effect on the consolidated accounts.

The new standards and interpretations which were passed but not implemented at the time the financial statements were produced (namely IFRS 8 Operative Segments, IFRIC 13, 14, 16, 17, 18 and changes to IAS 1, IAS 23, IAS 27, IAS 32, IFRS1, IFRS 2 and IFRS 3) will have no or no material effect on the consolidated accounts.

Consolidation Approach

The consolidated financial statements, consist of the balance sheet, profit and loss account, cash flow statement, equity capital accounts and appendix, are based on the annual accounts of the companies included in the consolidated group of companies.

The individual company accounts compiled in accordance with local and national regulations and practices have been converted and summarised along the guidelines established for the consolidated financial statements, thereby applying IFRS in order to ensure a uniform application and interpretation of the valuation and consolidation principles.

Consolidation Principles

The consolidated accounts contain all domestic and foreign companies in which the Company owns 50% or more of the shares, either directly or indirectly, or upon which the Company exercises control in another way.

Consolidation Group
These audited consolidated accounts comprise the Company and its subsidiaries “The Fantastic IP GmbH”, “The Fantastic TM GmbH” and “Corporate Equity Direct GmbH” (formerly known as “Mallebrann GmbH”) will together be referred to as “the concern”.

Corporate Equity Partners AG	Switzerland	Holding
The Fantastic IP GmbH	Switzerland	100%
The Fantastic TM GmbH	Switzerland	100%
Corporate Equity Direct GmbH (formerly known as Mallebrann GmbH)	Switzerland	100%

The following subsidiary in the USA is not included in these consolidated accounts:

			Liquidation Concluded
The Fantastic Corporation Inc.	USA	100%	expected 2009

The liquidation of the subsidiaries “The Fantastic Corporation (UK) LTD” and “The Fantastic Holding Corporation (UK) LTD” was concluded during the first half of 2007. An immaterial extraordinary profit has been recognised in the profit and loss statement under “other revenue”.

Because the current liquid resources of “The Fantastic Corporation (USA) Inc.” are not substantial in comparison with the rest of the total assets of the Concern and no more substantial transactions are expected, except the return of liquid resources, and it is no longer expected that further claims will be brought by third parties against this subsidiary company, no consolidation has been carried out.

Conversion of Foreign Currencies and Currency Differences
The accounting of the Concern companies is carried out in the currency of the economic region in which the respective company is primarily active (functional currency). At present, this is especially the Swiss Franc (CHF). Transactions in foreign currencies are converted into the functional currency at the exchange rates that were applicable on the day of the transaction, or at the average rate of the month. Balance sheet items in foreign currency are converted at the period-end exchange rate on the balance sheet date. Profits and losses from foreign currency transactions and from the revaluation at the period-end exchange rate are recorded as affecting net income.

The consolidated accounts are presented in Euro (presentation currency). The annual reports of the Concern companies (currently especially CHF annual reports) 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, profit and loss statement at the average exchange rate of the period). The conversion differences resulting from this are shown in the equity capital and only shown as affecting net income in the case of a possible deconsolidation of the Group Company.

Main sources of uncertainty in estimations and exercising of discretion in the application of accounting and valuation methods
Accounting requires that the management make estimates and assumptions which influence the extent of the assets and liabilities shown as well as contingent liabilities and contingent assets at the point in time of the accounting, but also costs and income in the report period. The assumptions and estimates are based upon knowledge from the past and various other factors that can be seen as relevant under the given circumstances. The actual results later arising can deviate from these estimates.

The consolidated accounts as of 31st December 2008 contain no substantial sources of uncertainty, or issues that would require discretional judgement by the management, regarding estimates or one off items which would have a material effect on the accounting and valuation methods.

Cash or Cash Equivalents
The Concern treats all capital investments with high liquidity and a maturity of up to three months from the date of the acquisition as liquid funds.

Short-term Financial Investments
Short-term financial investments consist of fixed term deposits and loans that are held for the purpose of the short-term financial investment. Short-term financial investments are valued at the market value. The profits or losses arising from these investments are added/deducted from net income.

Fixed Assets
The fixed assets are valued at acquisition cost less accumulated depreciation in accordance with IAS 16. Maintenance, repair and renovation costs are deducted from net income, whereas substantial acquisitions of fixed assets are reflected in the balance sheet. Acquisition costs and accumulated depreciation relating to the retirement of these assets are netted off. Profits and losses resulting from the retirement of items of the fixed assets are recorded in the profit and loss statements.

A linear depreciation over the expected useful life of the asset is applied:

Type	**Duration**
Technical Plant and Machinery	5 years
Office Furniture	5 years
Vehicles	4 years
IT Hardware	3 years

Intangible Assets
Intangible assets (patents and similar rights) that have been bought from third parties are entered at acquisition cost, minus accumulated depreciation.

The depreciation is debited to the profit and loss account under the item "depreciation", on a linear basis over the expected useful life. Intangible capital goods are depreciated commencing with the date of first use. The expected useful live of these assets are:

Type	**Duration**
Software	3 years
Patents and similar Rights	5 years

Reduction in Value of Assets (Impairment)
At least at every accounting date, it is judged whether there are indications of an impairment of the accounting values of the assets of the Concern. When there are such indications, the achievable value of the assets is investigated. A loss from the impairment is entered in the accounts if the present accounting value is higher than the achievable value. The higher of the two, net re-sell value and value obtained through use is applied in the valuation model. The value from use is obtained from the estimated future cash flows derived from the assets' use. The discount rate used for this corresponds to the average capital interest rate of the country in which the asset is located, taking into account the specific risks of the asset.

Reserves
Reserves are all present commitments for which the date and amount cannot be conclusively assessed and the causes of which lie in the past. The Management has estimated the extent and probability of such an occurrence according to the best of its knowledge.

Income Tax
Income taxes include all taxes that are applied to the taxable profit of the Company and its Subsidiaries. Deferred taxes on as yet unused tax losses carried forward have – in accordance with IAS 12.24 and IAS 12.35 – not been recorded, as such amounts cannot be made use of with sufficient certainty.

Personnel Pension Arrangements and other Services for Employees
The Company's pension plan adheres to the regulations and specific situations prevalent in Switzerland. The employees are in a pension plan of an insurance company ("Sammelstiftung VITA") which includes insurance cover for pension, invalidity and death. The contributions of the occupational pension plan are paid by the employer and employees in accordance with the laws and regulations outlined in the respective codes of conduct. Due to the legal guarantees, this pension plan is classified as performance-orientated under IAS 19.

The cost of this pension plan and the cash value of the pension commitment are determined on the basis of actuarial assumptions using the projected unit credit method. The evaluation of the pension commitment is carried out annually by an independent expert.

Ongoing pension claims are recorded in the period of the profit and loss account in which they arise. Profits and losses from insurance calculations are recorded in the profit and loss account as soon as they exceed 10% of the cash value of the pension commitment (and/or 10% of the pension assets, if higher).

Employee Participation Plan
The Company has in its history maintained numerous employee stock option plans (called "ESOP" in the following) for the benefit of members of the administrative board, of employees of the Company, of contractual partners or of a company in which the Company is directly or indirectly involved.

All options are non-transferable and may only be exercised as long as the beneficiary is in an ongoing employment relationship or contractual relationship to the Company or to a company in which the Company is directly or indirectly involved, unless the beneficiary was already entitled to exercise the options on the day of the termination.

Most plans include conditions about the "termination of employment". These stipulate the forfeiture of options in the event that the employment relationship is ended, although a distinction is made between immediate and ordinary termination according to Swiss labour law and between employees and members of administrative boards. In addition to the IPO ESOP, all plans include conditions concerning the case of a "change in control". The majority of these stipulate that – in the case of the combination of more than 50% of the entire share capital in the ownership of one party (or in the case of the sale of all assets of the Company) - the options can be exercised immediately regardless of any possible vesting or restriction periods. The guaranteed options are without exception call options that have been issued respectively to individual beneficiary employees of the Company and the free advisers and agents and also to employees, free advisers and agents of the Subsidiaries. All the options are "covered options" that are covered from the start (by authorised capital).

The options have been issued gratis (e.g. contractual earnings or bonus) among all ESOPs. The option was exercised by sending in the written exercise notice. The shares then had to be released in cash according to all ESOPs.

All options issued were not certified as security papers and could not be traded on the stock exchange.

The development of the number of outstanding options under the options plans still running is explained in the table below:

Relevant Options Programmes	Number of Options*	Exercise Price (in CHF)	Valid Until
US ESOP III	4‘359‘665	1) Fair market value	31.12.2009
of which are exercisable options	4‘359‘665	1) Fair market value	

*) adjusted by stock split 2001 and reverse split 2006

1) The exercise prices of the option plan lie between CHF 1.80 - CHF 3.00. Because an individual exercise price was agreed upon for every beneficiary person, there exists no fixed exercise price.
No new options were issued in the course of the years 2006, 2007 and 2008.

Transactions with Related Persons or Parties
Someone who can directly or indirectly exert a significant influence on financial or operational decisions of the Company or in the Concern count as related persons or parties (natural or legal). Companies that are directly or indirectly run by related persons or parties also count as related.

FINANCIAL INSTRUMENTS AND FINANCIAL RISK MANAGEMENT

Financial Instruments
The financial instruments of the Concern consist of liquid funds, short-term financial investments, claims, and liabilities. Financial instruments are then shown in the balance sheet of the Concern if the Concern becomes the party of the contractual conditions of the instrument, which in the case of the purchase or sale of a financial instrument corresponds to the trading day. The accounting value of financial instruments such as liquid funds and claims and liabilities essentially corresponds to the market value due to the short-term maturities of these financing instruments.

Risk Management in general
Through the involvement of the Board of Directors and the Management, risks are constantly reviewed. The company, due to its small size, does not have a formal risk management process. All transactions are reviewed by at least two officers of the company.

The main risks result from a further development in the international financial markets and as a result in the ability to raise further funds for the company and to implement its strategic realignment. Furthermore, a risk exits in being able to identify and execute appropriate investments.

Risk Management
Management can make use of derivative financial instruments for the purpose of securing the share price, especially for hedging currency risks. Hedge-accounting accounting IAS 39 is not used. No derivative financial instruments are held for speculative purposes. When derivative financial instruments are first shown on the balance sheet they are recorded at the market value on the date of sale and then revaluated at the market value on each following balance sheet date. Changes in the market value of the financial instruments are shown in the profit and loss account.

a) Credit Risks
Credit risks and risks in connection with the defaulting of an opposing party are monitored. The short-term financial investments are subject to a credit risk. The Management does not however expect any defaulting, due to the credit rating of the opposing parties. The accounting values correspond to the maximum default risk.

b) Liquidity Risks
Due to the existing short-term investments in fixed term deposits and loans, which can be sold at any time, there are no liquidity risks at present. The maturity structure of the contractual liabilities that is required by IFRS 7 is omitted, as no longer-term or interest debts exist.

c) Market Risks
c1) Interest Rate Risks
The Concern is not subject to any substantial interest rate risks.

c2) Foreign Currency Risks
As the financial assets and liabilities of the Concerns are partly held in foreign currency, the Concern is subject to a certain currency risk.

Investments in Subsidiary companies outside the Euro region are not hedged. Because exchange rate differences from the consolidations of these companies are shown in the equity capital, profits and losses relating to this only have effect on net income in the event of a sale or liquidation of the company in question.

If, on 31st December 2008, the EURO had increased in value by 5.0% against the Swiss Franc and all other variables had remained constant, the loss (after tax) of EUR 120,000 would have been reduced. A fall in value of the currency would have caused a corresponding increase in the loss. This would have been primarily to be attributed to currency profits/losses due to the conversion of the balance sheet items from CHF into EUR.

c3) Fair Value Risks
On 31.12.2008 there were no material fair value risks.

Capital Management
In the framework of capital planning, the Company aims to secure the ongoing financial requirements for continuation of the Company and to provide the necessary funds for the achieving of the aims of the reorientation of the Company. The Management can carry out adjustments in view of the planned reorientation.

Explanations of the Consolidated Concern Accounts

3. Cash and Cash Equivalents

	31.12.2008		31.12.2007
Current Account Deposits	EUR 384,141	EUR	137,532
Money Market Fund Deposits [1]	EUR 2,0150880	EUR	0
Total Current Assets	**EUR 2,400,021**	**EUR**	**137,532**

[1] The Money Market Fund had a duration of less than 3 months and are therefore seen in accordance to IFRS to be cash equivalent.

4. Short-term Financial Investments

		31.12.2008		31.12.2007
Loans [1]	EUR	0	EUR	1,760,000
Fixed Term [2] Deposits:	EUR	0	EUR	1,064,467
Total	**EUR**	**0**	**EUR**	**2,824,467**

1) This is a loan in EUR with a running time until Dec. 2012, Interest: 5,125%, which is held for the purpose of short-term capital investment. This investment was sold in Q1 2008.
2) The short-term financial investments are evaluated as affecting net income at the current market value to be added (category FVTPL “fair value through profit and loss” according to IAS 39).

5. Reserves

Development in Reserves:

	2008	**2007**
Reserves on 1st January	0	322,483
Increases	0	0
Write-offs against Profit and Loss Account	0	-66,017
Use	0	-256,466
Exchange Rate Differences	0	0
At Year End	**0**	**0**

Uncertainties relating to the value-added tax accounting still existed from the active period of "The Fantastic Corporation". The negotiations and reaudits were concluded successfully. The reserve that had already been formed in 2005 was sufficient for the claim of the Swiss tax authority VAT Dept. The reserve was dissolved in the profit and loss accounts under "other income".

6. Pension Plans (Pension Scheme Commitments)

Annual Cost of the Undertaking	01.01.-31.12.2008	01.01.-31.12.2007
1. Running Service Cost	17	17
2. Interest on the Pension Obligations	1	0
3. Expected Revenue from Planned Assets	-1	0
4. Pension Costs of the Period	**17**	**17**

Development of the Obligations	01.01.-31.12.2008	01.01.-31.12.2007
1. Pension Obligations, Start Period	21	0
2. Running Service Cost	17	17
3. Interest	1	0
4. Employee Contributions	12	7
5. (Profits) / Losses Relating To Insurance	2	(1)
6. Pension Payments through Pension Assets and Net Adjustment	(6)	(2)
7. Pension Obligations End Period	**47**	**21**

Currency Swiss Francs

Development of the Assets	01.01.-31.12.2008	01.01.-31.12.2007
1. Market Value of the Assets, Start Period	11	0
2. Expected Revenue	1	0
3. Profit/Loss	-1	0
2. Employee Contributions	12	7
3. Employer Contributions	11	6
4. Pension Payments through Pension Assets and Net Adjustment	-6	-2
5. Market Value of the Assets, End of Year	**28**	**11**

Summary of the Coverage Status	31.12.2008	31.12.2007
1. Pension Obligations	47	21
2. Market Value of the Assets	-28	-11
3. Under- (Over-) coverage, 1+2	**19**	**10**
4. Profits (/Losses) not yet Amortised	-2	1
5. Pension Liabilities/(Assets)	**17**	**11**

Development of the Pension Liabilities/(Asset Values)	01.01.-31.12.2008	01.01.-31.12.2007
1. Pension Liabilities/(Asset Values), Start of Year	11	0
2. Pension Costs of the Period	17	17
3. Employer Contributions	-11	-6
4. Pension Liabilities/(Assets), End of Year	**17**	**11**

Substantial Security Categories	31.12.2008	31.12.2007
1. Shares	4	2
2. Bonds	15	5
3. Real Estate	3	1
4. Liquid Funds and other Financial Investments	6	3
5. Total	**28**	**11**
6. of which are Financial Instruments of the Company	0	0
7. of which are Real Estate Rented by the Company or Other Assets	0	0

Development of Actuarial Profits / Losses as per	31.12.2008	31.12.2007
1. Actuarial Profit / Loss – beginning of year	1	0
2. Actuarial Profit / Loss – due to change in assumptions	0	2
3. Actuarial Profit / Loss – difference to historic values	-2	-1
4. Profit / Loss – on Asset Plan	-1	0

5. Total	**-2**	**1**

Currency Swiss Francs

Calculation Assumptions as of	31.12.2008	31.12.2007
1. Technical Interest Rate	3.50%	3.50%
2. Annual Wage Growth	2.00%	2.00%
3. Annual Pension Indexing	0.00%	0.00%

Assumptions for the Determining of Annual Cost	01.01.-31.12.2008	01.01.-31.12.2007
1. Technical Interest Rate	3.00%	2.75%
2. Expected Revenue from the Assets	2.75%	2.75%

The estimated contribution toward the plan by the employer are CHF14,000 for the financial year 2009.

7. Other Operational Costs

In 2008 the company had no other operational costs, in 2007 the other operational costs consisted primarily of pre-tax credit entered on the books as affecting net income.

8. Other Operational Revenue

In 2008 the main sources of other operational revenues were a refund from the BaFin attributable to the prior year and a claim against Messrs Cristián Mantzke (Chief Executive Officer) and Markus Gildner (former Chief Financial Officer) who offered to recompense the company for a loss incurred in conjunction with the purchase of a bond. This offer of refunding the company for the loss was made without acceptance of any liability and was done on a voluntary basis.

In 2007, the other operational revenues consisted primarily of pre-tax credit brought in, small liquidation surpluses and from the dissolving of the reserve for the revision of value-added tax.

9. Income Taxes

Income taxes recorded in the profit and loss accounts

		2008		**2007**
Pre-Tax Loss	EUR	-557,827	EUR	-729,487
Expected Tax Revenue with a Tax Rate of 16%	EUR	89,252	EUR	116,718
Effect of Unused Tax Losses, Not Recorded As Deferred Tax Assets	EUR	-89,252	EUR	-116,718
Rebate of Earlier Tax Years	EUR	0	EUR	0
Income Tax Owed for the Current Year	EUR	0	EUR	-382
Effective Tax Revenue and/or Tax Costs	**EUR**	**0**	**EUR**	**-382**

Tax Losses Carried Forward and Tax Credits

Tax losses carried forward, for which no deferred tax assets have been recorded:

		2008		**2007**
Forfeiture 2007			EUR	50,571,846
Forfeiture 2008	EUR	67,556,364	EUR	60,647,510
Forfeiture 2009	EUR	26,886,096	EUR	24,136,509
Forfeiture 2010	EUR	15,031,293	EUR	13,494,073
Forfeiture 2011	EUR	568,071	EUR	509,975
Forfeiture 2012	EUR	1,427,635	EUR	1,281,634
Forfeiture 2013	EUR	509,046	EUR	495,992
Forfeiture 2014	EUR	808,056		
Total	**EUR**	**112,786,561**	**EUR**	**151,137,539**

10. Business Transactions with Related Persons

According to IAS 24, connections and business transactions with commercially related companies and natural persons are to be stated as their connection can have an effect on the asset, financial and revenue situation of the Concern.

Claims on Related Parties	01.01.-31.12.2008		01.01.-31.12.2007	
Related Parties [1)]	EUR	33,598	EUR	0
Total	**EUR**	**33,598**	**EUR**	**0**

[1)] This claim is against Messrs Cristián Mantzke (Chief Executive Officer) and Markus Gildner (former Chief Financial Officer) who offered to recompense the company for a loss incurred in conjunction with the purchase of a bond. This offer of refunding the company for the loss was made without acceptance of any liability and was done on a voluntary basis.

Salaries of Board Members and Management

	01.01.2008 – 31.12.2008			01.01.2007 – 31.12.2007			
	Cristián Mantzke	Roger Meier	**Total**	Cristián Mantzke	Roger Meier	Markus Gildner	**Total**
Salaries	90,812	0	**90,812**	86,867	0	0	**86,867**
Board Members Fees	0	17,141	**17,141**	56,805	20,064	18,526	**95,395**
Consultancy Fees	0	0	**0**	0	0	42,239	**42,239**
Pension Contributions	2,383	0	**2,383**	2,270	0	0	**2,270**

	01.01.-31.12.2008		01.01.-31.12.2007	
Fees Lutz RA [1)]	EUR	22,024	EUR	0
Fees Kloter RA [2)]	EUR	58,929	EUR	101,724
Total	**EUR**	**80,953**	**EUR**	**101,724**

[1)] Mr. Roger Meier, member of the administrative board, is a partner in the solicitors firm "Lutz Rechtsanwälte" since 01.07.2008.
[2)] Mr. Roger Meier, member of the administrative board, was a partner in the solicitors firm "Kloter Rechtsanwälte" until 30.06.2008

11. Share Capital

	2008	2007
Number of registered shares	701.637.428	701.637.428
Number of authorised shares [1)]	180.000.000	180.000.000
Number of conditional shares [2)]	120.000.000	120.000.000
Par value per share (CHF)	0,01	0,01
Share capital in EUR [3)]	4.452.639	4.452.639

[1)] At the general meeting from 24 April 2007 the Board of Directors was entitled to increase the share capital at any time until 24 April 2009 by a maximum amount of CHF 1.800.000 by issuing a maximum of 180.000.000 fully paid up, transferable shares with a nominal value of CHF 0,01 per share.

[2)] The Company's share capital will be increased by a maximum amount of CHF 1.200.000 by issuing a maximum of 120.000.000 fully paid up transferable shares with a nominal value of CHF 0,01 per share by the exercise of warrants which are granted to the Board of Directors and employees of the company or its subsidiaries based on one ore several employee stock purchases plans approved by the Board of Directors.

[3)] The Company's share capital has been converted from CHF in EUR by the time of the last capital increase in the year 2006. Exchange rate: 1,57578.

12. Capital Measures in the Report Year 2007

--- None ---

13. Events After The Accounting Cut-off Date

Mallebrann GmbH, was renamed Corporate Equity Direct GmbH in line with the decision of the Board dating 28.10.2008 and was entered in to the Trade register as such on the 19.01.2009.

14. Approval by the Administrative Board

The consolidated accounts were released for publication by the administrative board on 25th March 2009.

14. English Version:

This Annual Report is a translation from German. Only the German version is legally binding.

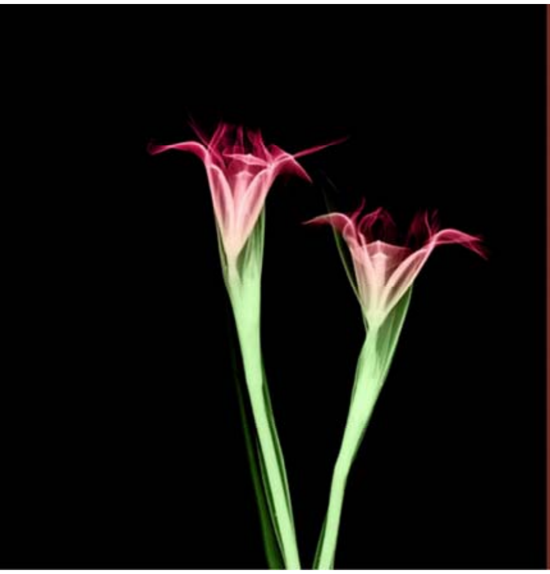
15. Confirmed by oath

In all conscience we assure, that all facts and figures, given according the accounting standards, are materially true and accurate, reflecting the assets, financial profitability and stage of development of the company.
The financial report, the course of business and the situation of the company are reflecting the actual circumstances and are explaining significant risks and opportunities regarding the future development of the corporation

Zug, in March 2008

Cristián Mantzke President of the Administrative Board	Roger Meier Member of the Administrative Board

Imprint



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