INTERIM REPORT
FOR THE SIX MONTHS
ENDED 30 JUNE 2010

Limassol, 11 August 2010

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DIRECTORS' REPORT ON THE COMPANY'S AND GROUP'S OPERATIONS

We have prepared this report as required by Paragraph 82 section 1 point 2 of the Regulation of the Ministry of Finance dated 19 February 2009 on current and periodic information to be published by issuers of securities and conditions of recognition of information required by the law of non-member country as equal.

PRESENTATION OF FINANCIAL AND OTHER INFORMATION

In this six month report all references to the Company apply to ASBISc Enterprises Plc and all references to the Group apply to ASBISc Enterprises Plc and its consolidated subsidiaries. Expressions such as "we", "us", "our" and similar apply generally to the Group (including its particular subsidiaries, depending on the country discussed), unless from the context it is clear that they apply to the Company alone.

Financial and Operating Data

This six month report contains financial statements of, and financial information relating to the Group. In particular, this six month report contains our interim consolidated financial statements for the six months ended 30 June 2010. The financial statements appended to this six month report are presented in U.S. dollars and have been prepared in accordance with International Accounting Standard ("IAS") 34.

The functional currency of the Company is U.S. dollars. Accordingly, transactions in currencies other than our functional currency are translated into U.S. dollars at the exchange rates prevailing on the applicable transaction dates.

Certain arithmetical data contained in this six month report, including financial and operating information, have been subject to rounding adjustments. Accordingly, in certain instances, the sum of the numbers in a column or a row in tables contained in this six month report may not conform exactly to the total figure given for that column or row.

Currency Presentation

Unless otherwise indicated, all references in this six month report to "U.S. $" or "U.S. dollars" are to the lawful currency of the United States; all references to "€" or the "Euro" are to the lawful currency of the member states of the European Union that adopt the single currency in accordance with the EC Treaty, which means the Treaty establishing the European Community (signed in Rome on 25 March 1957), as amended by the Treaty on European Union (signed in Maastricht on 7 February 1992) and as amended by the Treaty of Amsterdam (signed in Amsterdam on 2 October 1997) and includes, for this purpose, Council Regulations (EC) No. 1103/97 and No. 974/98; and all references to "PLN" or "Polish Zloty" are to the lawful currency of the Republic of Poland.

All references to U.S. dollars, Polish Zloty, Euro and other currencies are in thousands, except share and per share data, unless otherwise stated.

FORWARD-LOOKING STATEMENTS

This six month report contains forward-looking statements relating to our business, financial condition and results of operations. You can find many of these statements by looking for words such as "may", "will", "expect", "anticipate", "believe", "estimate" and similar words used in this six month report. By their nature, forward-looking statements are subject to numerous assumptions, risks and uncertainties. Accordingly, actual results may differ materially from those expressed or implied by the forward-looking statements. We caution you not to place undue reliance on such statements, which speak only as of the date of this six month report.

The cautionary statements set out above should be considered in connection with any subsequent written or oral forward-looking statements that we or persons acting on our behalf may issue. We do not undertake any obligation to review or confirm analysts' expectations or estimates or to release publicly any revisions to any forward-looking statements to reflect events or circumstances after the date of this six month report.

Part I Additional information

1. Overview

ASBISc Enterprises Plc is one of the leading distributors of Information Technology ("IT") products in Europe, Middle East and Africa (“EMEA”) Emerging Markets: Central and Eastern Europe, the Baltic States, the former Soviet Union, the Middle East and Africa, combining a broad geographical reach with a wide range of products distributed on a "one-stop-shop" basis. Our main focus is on the following countries: Russia, Slovakia, Ukraine, Poland, Czech Republic, Belarus, Romania, Croatia, Slovenia, Bulgaria, Serbia, Hungary, and Middle East countries (i.e. United Arab Emirates, Saudi Arabia, Qatar and other Gulf states).

The Group distributes IT components (to assemblers, system integrators, local brands and retail) as well as A-branded finished products like desktop PCs, laptops, servers, and networking (to SMB and retail). Our IT product portfolio encompasses a wide range of IT components, blocks and peripherals, and mobile IT systems. We currently purchase the majority of our products from leading international manufacturers, including Intel, Advanced Micro Devices ("AMD"), Seagate, Western Digital, Samsung, Microsoft, Toshiba, Dell, Acer, Lenovo and Hitachi. In addition, a significant part of our revenue is comprised of sales of IT products under our private labels, Prestigio and Canyon.

ASBISc commenced business in 1990 in Belarus and in 1995 we incorporated our holding company in Cyprus and moved our headquarters to Limassol. Our Cypriot headquarters support, through three master distribution centres (located in the Czech Republic, the United Arab Emirates and China), our network of 33 warehouses located in 26 countries. This network supplies products to the Group's in-country operations and directly to its customers in approximately 75 countries.

The Company’s registered and principal administrative office is at Diamond Court, 43 Kolonakiou Street, Ayios Athanasios, CY-4103 Limassol, Cyprus.

2. Executive summary for the three and six months periods ended June 30th, 2010

Following summary must be read in combination to the information on factors affecting the Company business for the period reported. This information can be found in point 15 and elsewhere in this document.

The principal events of the three months period ended June 30th, 2010, were as follows:

- Revenues in Q2 2010 increased by 16.57% to U.S.$ 269,562 from U.S.$ 231,255 in the corresponding period of 2009. That was possible because of better demand and upgraded product portfolio.

- Gross profit before currency movements in Q2 2010 increased by 38.81% to U.S.$ 14,186 from U.S.$ 10,220 in the corresponding period of 2009. Gross profit after currency movements (amounting to U.S.$ -2,337), in Q2 2010 increased by 1.39% to U.S.$ 11,849 from U.S.$ 11,687 in the corresponding period of 2009. The Group was for one more quarter severely affected by the steep volatilities of Euro and Euro pegged and other currencies against the US Dollar.

- Gross profit margin before foreign exchange losses was 5.26% compared to 4.42% in the corresponding period of 2009.

- Selling expenses in Q2 2010 increased by 18.91% to U.S.$ 7,279 from U.S.$ 6,121 in the corresponding period of 2009 following an increase in both sales and gross profit.

- Administrative expenses in Q2 2010 increased by 4.98% to U.S.$ 5,623 from U.S.$ 5,356 in the corresponding period of 2009. This was mostly achieved after the Group continued its strict expenses policy.

- EBITDA in Q2 2010 was negative and amounted to U.S.$ -308 compared to positive value of U.S.$ 919 in the corresponding period of 2009.

- Net loss attributable to owners of the parent for Q2 2010 amounted to U.S.$ 2,148 compared to net loss of U.S.$ 334 in the corresponding period of 2009. This was mostly due to foreign exchange losses due to high instability of local currencies and EUR/USD rate as well as a significant recognition of bad debts.

Following table presents revenues breakdown by regions in the three months period ended June 30th, 2010 and 2009 respectively (in U.S.$ thousands):

Region	Q2 2010	Q2 2009	Change %
Former Soviet Union	99,272	65,305	+52,01%
Central and Eastern Europe and Baltic States	88,002	89,126	-1,26%
Middle East and Africa	43,998	40,636	+8,27%
Western Europe	25,401	23,238	+9,31%
Other	12,888	12,950	-0,48%
Grand Total	**269,562**	**231,255**	**+16,56%**

The principal events of the six months periods ended June 30th, 2010, were as follows:

- Revenues in H1 2010 increased by 28% to U.S.$ 600,556 from U.S.$ 469,169 in the corresponding period of 2009. This was mostly due to better demand and upgraded product portfolio, in parallel with strengthening our market position.

- Gross profit before currency movements in H1 2010 increased by 35.64% to U.S.$ 31,325 from U.S.$ 23,094 in the corresponding period of 2009. This was mostly due to upgraded product portfolio allowing the Group better margins.

- Gross profit after currency movements (amounting to U.S.$ -4,034), in H1 2010 increased by 44.66% to U.S.$ 27,291 from U.S.$ 18,866 in the corresponding period of 2009.

- Gross profit margin before foreign exchange losses was 5.22% compared to 4.92% in the corresponding period of 2009 indicating a healthy increase in operational margins.

- Selling expenses in H1 2010 increased by 24.65% to U.S.$ 15,256 from U.S.$ 12,239 in the corresponding period of 2009 following the increase in both sales and gross profit.

- Administrative expenses in H1 2010 increased only slightly by 2.99% to U.S.$ 11,253 from U.S.$ 10,925 in the corresponding period of 2009 indicating the Group's ability to strictly control its costs.

- EBITDA in H1 2010 was positive and amounted to U.S.$ 2,249 compared to negative value of U.S.$ -2,866 in the corresponding period of 2009.

- Net loss attributable to owners of the parent for H1 2010 amounted to U.S.$ 2,021 compared to net loss of U.S.$ 6,528 in the corresponding period of 2009. This was mostly due to foreign exchange losses recorded during the reporting period.

Following table presents revenues breakdown by regions in the six months periods ended June 30th, 2010 and 2009 respectively (in U.S.$ thousands):

Region	H1 2010	H1 2009	Change %
Former Soviet Union	221,097	129,488	+70.75%
Central and Eastern Europe and Baltic States	202,590	183,138	+10.62%
Middle East and Africa	95,654	88,240	+8.40%
Western Europe	55,657	47,989	+15.98%
Other	25,559	20,314	+25.82%
Grand Total	**600,556**	**469,169**	**+28%**

3. Summary historical financial data

The following data sets out our summary historical consolidated financial information for the periods presented. You should read the information in conjunction with the interim condensed consolidated financial statements and results of operations contained elsewhere in this interim report.

For your convenience, certain U.S. $ amounts as of and for the six months ended 30 June 2010 and 2009, have been converted into Euro and PLN as follows:

- Individual items of the balance sheet (statement of financial position) – based at average exchange rates quoted by the National Bank of Poland for a given balance sheet date December 31st, 2009, that is: 1 US$ = 2.8503 PLN and 1 EUR = 4.1082 PLN and June 30th, 2010, that is: 1 US$ = 3.3946 PLN and 1 EUR = 4.1458 PLN

- Individual items in the income statement and cash flow statement (statement of cash flows) – based at exchange rates representing the arithmetic averages of the exchange rates quoted by the National Bank of Poland for the last day of each month in a given period 1 January to 30 June 2009, that is 1 US$ = 3.38565 PLN and 1 EUR = 4.518417 PLN and 1 January to 30 June 2010, that is 1 US$ = 3.057283 PLN and 1 EUR = 4.004233 PLN.

- Individual items in the income statement for separate Q2 2010 and 2009 – based at exchange rates representing the arithmetic averages of the exchange rates quoted by the National Bank of Poland for the last day of each month in a given period 1 April to 30 June 2009, that is 1 US$ = 3.213467 PLN and 1 EUR = 4.4374 PLN and 1 April to 30 June 2010, that is 1 US$ = 3.212767 PLN and 1 EUR = 4.0416 PLN.

	Period from 1 January to 30 June 2010			Period from 1 January to 30 June 2009		
	USD	PLN	EUR	USD	PLN	EUR
Revenue	**600,556**	**1,836,071**	**458,532**	**469,169**	**1,588,441**	**351,548**
Cost of sales	-569,231	-1,740,301	-434,615	-446,075	-1,510,253	-334,244
Gross profit before currency movements	**31,325**	**95,770**	**23,917**	**23,094**	**78,188**	**17,304**
Currency movements on gross profit	-4,034	-12,333	-3,080	-4,228	-14,315	-3,168
Gross profit after currency movements	**27,291**	**83,437**	**20,837**	**18,866**	**63,873**	**14,136**
Selling expenses	-15,256	-46,642	-11,648	-12,239	-41,437	-9,171
Administrative expenses	-11,253	-34,402	-8,592	-10,925	-36,990	-8,186
Profit/(loss) from operations	**783**	**2,393**	**598**	**-4,299**	**-14,554**	**-3,221**
Financial expenses	-3,464	-10,591	-2,645	-3,572	-12,095	-2,677
Financial income	819	2,505	626	647	2,189	484
Other gains and losses	164	502	125	370	1,251	277
Share of profit from joint ventures	12	36	9	-	-	-
Loss before taxation	**-1,686**	**-5,156**	**-1,288**	**-6,855**	**-23,209**	**-5,137**
Taxation	-235	-717	-179	335	1,133	251
Loss after taxation	**-1,921**	**-5,873**	**-1,467**	**-6,520**	**-22,076**	**-4,886**
Attributable to:						
Non-controlling interest	100	306	77	8	27	6
Owners of the parent	**-2,021**	**-6,179**	**-1,543**	**-6,528**	**-22,103**	**-4,892**

	USD (cents)	PLN (grosz)	EUR (cents)	USD (cents)	PLN (grosz)	EUR (cents)
Basic and diluted earnings per share from continuing operations	-3.64	-11.13	-2.78	-11.76	-39.82	-8.81

	USD	PLN	EUR	USD	PLN	EUR
Net cash outflows from operating activities	-61,095	-186,783	-46,647	-1,492	-5,051	-1,118
Net cash outflows from investing activities	-1,153	-3,524	-880	-2,594	-8,784	-1,944
Net cash inflows/(outflows) from financing activities	2,003	6,123	1,529	-3,359	-11,373	-2,517
Net increase/(decrease) in cash and cash equivalents	**-60,244**	**-184,184**	**-45,997**	**-7,445**	**-25,208**	**-5,579**
Cash at the beginning of the period	**36,572**	**111,810**	**27,923**	**12,934**	**43,790**	**9,692**
Cash at the end of the period	**-23,673**	**-72,374**	**-18,074**	**5,489**	**18,583**	**4,113**

	As at 30 June 2010			As at 31 December 2009		
	USD	PLN	EUR	USD	PLN	EUR
Current assets	318,383	1,080,782	260,693	357,920	1,020,179	248,328
Non-current assets	25,820	87,649	21,142	27,903	79,532	19,359
Total assets	**344,203**	**1,168,430**	**281,835**	**385,823**	**1,099,711**	**267,687**
Liabilities	256,443	870,520	209,976	294,471	839,332	204,307
Equity	87,760	297,910	71,858	91,352	260,379	63,380

	Period from 1 April to 30 June 2010			Period from 1 April to 30 June 2009		
	USD	PLN	EUR	USD	PLN	EUR
Revenue	**269,562**	**866,038**	**214,281**	**231,255**	**743,130**	**167,470**
Cost of sales	-255,376	-820,463	-203,004	-221,035	-710,289	-160,069
Gross profit before currency movements	14,186	45,576	11,277	10,220	32,841	7,401
Currency movements on gross profit	-2,337	-7,509	-1,858	1,467	4,715	1,063
Gross profit after currency movements	**11,849**	**38,067**	**9,419**	**11,687**	**37,557**	**8,464**
Selling expenses	-7,279	-23,384	-5,786	-6,121	-19,670	-4,433
Administrative expenses	-5,623	-18,065	-4,470	-5,356	-17,212	-3,879
(Loss)/profit from operations	**-1,053**	**-3,382**	**-837**	**210**	**675**	**152**
Financial expenses	-1,835	-5,896	-1,459	-1,757	-5,645	-1,272
Financial income	786	2,525	625	634	2,036	459
Other gains and losses	152	488	121	227	729	164
Share of profit from joint ventures	12	37	9	-	-	-
Loss before taxation	**-1,939**	**-6,228**	**-1,541**	**-686**	**-2,206**	**-497**
Taxation	-184	-591	-146	374	1,200	271
Loss after taxation	**-2,123**	**-6,819**	**-1,687**	**-313**	**-1,005**	**-227**
Attributable to:						
Non-controlling interests	25	80	20	21	69	16
Owners of the parent	**-2,148**	**-6,900**	**-1,707**	**-334**	**-1,074**	**-242**

	USD (cents)	PLN (grosz)	EUR (cents)	USD (cents)	PLN (grosz)	EUR (cents)
Basic and diluted earnings per share from continuing operations	-3.87	-12.43	-3.08	-0.60	-1.94	-0.44

4. Organization of ASBIS Group

The following table presents our corporate structure as at 30 June 2010:

Company	Consolidation
ASBISC Enterprises PLC	**Mother company**
Asbis Ukraine Limited (Kiev, Ukraine)	Full (100% subsidiary)
Asbis PL Sp.z.o.o (Warsaw, Poland)	Full (100% subsidiary)
AS Asbis Baltic (Tallinn, Estonia)	Full (100% subsidiary)
Asbis Romania S.R.L (Bucharest, Romania)	Full (100% subsidiary)
Asbis Cr d.o.o (Zagreb, Croatia)	Full (100% subsidiary)
Asbis d.o.o Beograd (Belgrade, Serbia)	Full (100% subsidiary)
Asbis Hungary Commercial Limited (Budapest, Hungary)	Full (100% subsidiary)
Asbis Bulgaria Limited (Sofia, Bulgaria)	Full (100% subsidiary)
Asbis CZ,spol.s.r.o (Prague, Czech Republic)	Full (100% subsidiary)
UAB Asbis Vilnius (Vilnius, Lithuania)	Full (100% subsidiary)
Asbis Slovenia d.o.o (Trzin, Slovenia)	Full (100% subsidiary)
Asbis Middle East FZE (Dubai, U.A.E)	Full (100% subsidiary)
Asbis SK sp.l sr.o (Bratislava, Slovakia)	Full (100% subsidiary)
Asbis Europe B.V (Schiphol, Netherlands)	Full (100% subsidiary)
Asbis Limited (Charlestown, Ireland)	Full (100% subsidiary)
FPUE Automatic Systems of Business Control (Minsk, Belarus)	Full (100% subsidiary)
E.M. Euro-Mall Ltd (former ISA Hardware Limited–Group) (Limassol, Cyprus)	Full (100% subsidiary)
OOO ‘ Asbis’-Moscow (Moscow, Russia)	Full (100% subsidiary)
Asbis Nordic AB (Jaelfaella, Sweden)	Full (100% subsidiary)
Asbis Morocco Limited (Casablanca, Morocco)	Full (100% subsidiary)

EUROMALL CZ s.r.o. (formerly ISA Hardware s.r.o.) (Prague, Czech Republic)	Full (100% subsidiary)
EUROMALL d.o.o. (formerly ISA Hardware d.o.o.) (Zagreb, Croatia)	Full (100% subsidiary)
ISA Hardware Hungary Commercial Limited Liability Co (Budapest, Hungary)	Full (100% subsidiary)
S.C. EUROMALL 2008 S.R.L (formerly ISA Hardware International S.R.L) (Bucharest, Romania)	Full (100% subsidiary)
ISA Hardware s.r.o Slovakia (Bratislava, Slovakia)	Full (100% subsidiary)
Euro-Mall SRB d.o.o. (former ISA Hardware d.o.o Beograd) (Belgrade, Serbia)	Full (100% subsidiary)
E.M.Euro-Mall D.o.o. (former ISA Hardware s.r.o Slovenia) (Ljubljana, Slovenia)	Full (100% subsidiary)
Prestigio Plaza Sp. z o.o (Warsaw, Poland)	Full (100% subsidiary)
Prestigio Plaza Ltd (formerly Prestigio Technologies) (Limassol, Cyprus)	Full (100% subsidiary)
Prestigio Europe s.r.o (Prague, Czech Republic)	Full (100% subsidiary)
Prestigio Ukraine Limited (Kiev, Ukraine)	Full (100% subsidiary)
ASBIS NL.B.V. (Amsterdam, Netherlands)	Full (100% subsidiary)
Asbis Kypros Ltd (Limassol, Cyprus)	Full (100% subsidiary)
Asbis TR Bilgisayar Limited Sirketi (Istanbul, Turkey)	Full (100% subsidiary)
SIA "ASBIS LV" (Riga, Latvia)	Full (100% subsidiary)
Megatrend d.o.o. (Sarajevo, Bosnia Herzegovina)	Full (90% ownership)
PTUE IT-MAX (Minsk, Belarus)	Full (100% subsidiary)
ASBIS Close Joint-Stock Company (former CZAO ASBIS) (Minsk, Belarus)	Full (66.6% ownership)
ASBIS IT S.R.L." (Rome, Italy)	Full (100% subsidiary)
ASBIS Kazakhstan LLP (Almaty, Kazakhstan)	Full (100% subsidiary)
Euro-Mall SRO (Bratislava, Slovakia)	Full (100% subsidiary)
ASBIS Taiwan (Taipei City, Taiwan)	Full (100% subsidiary)
AOSBIS TECHNOLOGY (SHENZHE) CORP. (Shenzhen, China)	48% ownership
ASBIS DE GMBH, (Munchen, Germany)	Full (100% subsidiary)
EUROMALL BULGARIA EOOD (Sofia, Bulgaria)	Full (100% subsidiary)
ION-Ukraine LLC (Kiev, Ukraine)	Full (100% subsidiary)
Advanced Systems Company LLC (Riyadh, Kingdom of Saudi Arabia)	Full (100% subsidiary)

5. Changes in the structure of the Company

During the six months ended 30 June 2010 there were the following changes in the structure of the Company and the Group:

Acquisitions:

1) EUROMALL BULGARIA EOOD (Sofia, Bulgaria) – 100% subsidiary

2) ION-Ukraine LLC (Kiev, Ukraine) – 100% subsidiary

3) Megatrend d.o.o. (Sarajevo, Bosnia Herzegovina) – additional 10% of shares were bought. Prior to the transaction the Company had 80% ownership and after it has 90% ownership

New entities established:

1) AOSBIS TECHNOLOGY (SHENZHE) CORP. (Shenzhen, China) - The Company holds 48% in its share capital.

2) ASBIS DE GMBH (Munchen, Germany) – 100% subsidiary

3) Advanced Systems Company LLC (Riyadh, Kingdom of Saudi Arabia) - 100% subsidiary

6. Discussion of the difference of the Company's results and published forecasts

We did not publish any forecasts with respect to the period of the six months ended 30 June 2010.

7. Information on dividend payment

In the period of six months ended 30 June 2010 no dividend has been paid.

8. Shareholders possessing more than 5% of the Company's shares as of the date of publication of the interim report

The following table presents shareholders possessing more than 5% of the Company's shares as of the date of publication of this report, according to our best knowledge. The information included in the table is based on the information received from the shareholders pursuant to Art. 69, sec. 1, point 2 of the Act on Public Offering, conditions governing the introduction of financial instruments to organized trading and public companies.

On June 30th, 2010 Sangita Enterprises Limited with its registered office in British Virgin Islands conducted transaction of sale of all possessed Company's shares in a total number of 2.800.000 and therefore decreased its share in overall number of votes at the Company's general meeting of shareholders below 5%. These transactions were conducted outside the regulated market, under civil law agreements. Before these transactions Sangita Enterprises Limited held 2.800.000 shares in the Company, accounting for 5,05% of the Company's share capital, which vested in their holder 2.800.000 votes at the general meeting of the Company, such votes constituting 5,05% of the overall number of votes. After these transactions Sangita Enterprises Limited does not hold any shares in the Company.

The abovementioned shares were bought by Sangita Enterprises Limited's ultimate beneficial owners in person who are the Company's employees.

Name	Number of shares	% of share capital	Number of Votes	% of votes
KS Holdings Ltd	25,676,361	46.26%	25,676,361	46.26%
Maizuri Enterprises Ltd	4,800,000	8.65%	4,800,000	8.65%
Alpha Ventures S.A.	3,200,000	5.76%	3,200,000	5.76%
Free float	21,823,639	39.32%	21,823,639	39.32%
Total	**55,500,000**	**100.00%**	**55,500,000**	**100.00%**

9. Changes in the number of shares owned by the members of the Board of Directors

The table below presents the number of shares held by the members of the Board of Directors as of the date of this report. During the six months period ended on 30 June 2010 as well as in the period between 6 May 2010 (the date of the publication of the first quarter results) and 11 August 2010 (date of this report) there were no changes in the number of shares possessed by the members of the Board of Directors.

The information included in the table below is based on information received from members of our Management Board pursuant to Art. 160 sec. 1 of the Act on Public Trading.

Name	Number of Shares	% of the share capital
Siarhei Kostevitch (directly and indirectly)	25,696,361	46.30%
Marios Christou	350,000	0.63%
Laurent Journoud	400,000	0.72%
Constantinos Tziamalis	35,000	0.06%
Efstathios Papadakis	0	0%
Kyriacos Christofi	0	0%

10. Changes in the members of managing bodies

During the six months period ended 30 June 2010 there were no changes in the members of the Company's Board of Directors, apart from the fact that the Company's Annual General Meeting of Shareholders held on May 18th, 2010 re-elected Mr. Siarhei Kostevitch and Mr. Marios Christou to the Board of Directors.

11. Administrative and court proceedings against the Company

As of 30 June 2010, no court, arbitration or administrative proceedings whose single or aggregate value exceeds 10% of our equity were pending against us or any of the members of our Group.

12. Related Party Transactions

During the six months ended June 30th, 2010 we did not have any material related party transaction exceeding the Polish Zloty equivalent of Euro 500 thousand other than typical or routine transactions.

13. Information on guarantees granted to third parties

Neither us, nor any of our affiliates or subsidiary companies have granted any guarantees or secured any third party credits for an amount exceeding 10% of its equity within the six months ended June 30th, 2010. However, the total bank guarantees raised by the Group (mainly to Group suppliers) as at June 30th, 2010 amounted to U.S. $ 10.780 – as per note number 18 to the financial statements – which exceeded 10% of the Company's equity.

14. Information on changes in conditional commitments or conditional assets, occurred since the end of last fiscal year

There were no changes in conditional commitments or conditional assets, occurred since the end of last fiscal year.

15. Other information important for the assessment of our personnel, economic and financial position, as well as our financial results

In the six month period ended June 30th, 2010 the Company's results of operations have been affected and are expected to continue to be affected by a number of factors, including the effects of the world's financial crisis, currency fluctuations, competition and price pressures, low gross profit margins, potential inventory obsolescence and price erosion, credit risk and seasonality.

Out of the aforementioned factors two were the most important ones; the currency fluctuations and the credit risk. These factors had adversely affected the Company's profitability.

Despite the impact from these factors the Company increased its revenues significantly compared to the corresponding period of 2009. This was possible mostly due to better demand in the Company's main markets, improved product portfolio and good operational efficiencies combined with solid foundation built during the crisis times.This enabled the Company to increase its market share in particular markets and increase sales.

Below we present all factors that affected and continue to affect our business:

World's Financial Crisis

The world's financial crisis has eased during the first six months of 2010, especially when compared to the corresponding period of 2009, however its adverse effects are still visible in all markets the Group operates. Bank lending is still not available in many markets and consumer fear on a possible double dip of the economies are still major factors in the business environment.There are recovery signals from some of our markets, especially from the Former Soviet Union countries. Following some recovery the Company undertakes efforts to benefit from these signals, especially on sales level. The

Company has revised its strategy and has adapted to the new environment, i.e. by rebuilding its product portfolio. This paid off in line from the increasing demand in many markets of the Company's operations, as the Company was able to win market share from the weaker competitors.

We expect that the impact of the crisis will continue throughout the whole 2010, however we are confident that with better market position we will be able to continue enjoying the benefits of increased demand.

Currency fluctuations

As mentioned in previous reports, the Company's reporting currency is the U.S. dollar. Traditionally approximately 40% of the Company's revenues were denominated in U.S. dollars. Due to the Company's efforts to decrease currency risk, this number grew to more than 50% in Q3 2009 and remained unchanged since then, while the balance was denominated in Euro and other currencies, some of which are linked to the Euro. Since most of the Company's trade payable balances are denominated in U.S. dollars (about 80%), the Company was exposed to foreign exchange risk.Foreign exchange risk remains a very crucial factor that might affect the Group's results in the future. On the other hand, the Group is adopting all hedging strategies possible to tackle this problem. The problem persists and will persist as the Euro and other Eastern European currencies fluctuate so steep against the U.S. Dollar, the Group's reporting currency. The problems faced within the Eurozone had led the Euro and other Eastern European currencies into a steep depreciation against the U.S. Dollar, which made our hedging efforts extremely difficult. This resulted in currency losses in both Q1 and Q2 2010.

EUR/USD in H1 2010

Competition and price pressure

The IT distribution industry is a highly competitive market, particularly with regards to products selection and quality, inventory, price, customer services and credit availability and hence is open to margin pressure from competitors and new entrants. The Company competes at the international level with a wide variety of distributors of varying sizes, covering different product categories and geographic markets. In particular, in each of the markets in which the Company operates it faces competition from:

a) international distributors such as Avnet Inc., Tech Data Corp., Ingram Micro Inc. and Arrow Electronics Inc., which are much larger than the Company, but do not always cover the same geographic regions with local presence as the Company does,

b) regional or local distributors, such as Elko, mainly in the Baltic States, Russia, Ukraine, Kvazar Micro and Merlion in the Former Soviet Union, AB, ABC Data and Action in Poland and ATC and ED System-BGS Levi in the Czech Republic and Slovakia.

Competition and price pressures from market competitors and new market entrants may lead to significant reductions in the Company's sales prices. Such pressures may also lead to loss of market share in certain of the Group's markets. Price pressures can have a material adverse effect on the Company's profit margins and its overall profitability, especially in view of the fact that its gross profit margins, like those of most of its competitors, are low and sensitive to sales price fluctuations.

Low gross profit margins

The Company's gross profit margins, like those of other distributors of IT products, are low and the Company expects them to remain low in the foreseeable future. Increased competition arising from industry consolidation and low demand for certain IT products may hinder the Company's ability to maintain or improve its gross margins. A portion of the Company's operating expenses is relatively fixed, and planned expenditures are based in part on anticipated orders that are forecasted with limited visibility of future demand. As a result, the Company may not be able to reduce its operating expenses as a percentage of revenue in order to mitigate any reductions in gross margins in the future.

In order to tackle this problem, the Company continues its strategy of product portfolio diversification by adding more A-branded goods, laptops, software and more own brands sales to traditional IT components business, in order to reach better margins in the future.

When comparing the presented Company's gross profit margins with that of competitors, it is important to remember that the Company counts part of foreign exchange effect connected with sales in its gross profit. This has an adverse effect on the presented gross profit margin (assuming FX losses, as the case of H1 2010) and creates a difference compared to that of other IT distributors. If this effect is excluded, the presented gross profit margin would increase significantly.

Inventory obsolescence and price erosion

The Company is often required to buy components and finished products according to forecasted requirements and orders of its customers and in anticipation of market demand. The market for IT finished products and components is characterized by rapid changes in technology and short product shelf life, and, consequently, inventory may rapidly become obsolete. Due to the fast pace of technological changes, the industry may sometimes face a shortage or, at other times, an oversupply of IT products. As the Company increases the scope of its business and, in particular, of inventory management for its customers, there is an increasing need to hold inventory to serve as a buffer in anticipation of the actual needs of the Company's customers. This increases the risk of inventory becoming devalued or obsolete and could affect the Company's profits either because prices for obsolete products tend to decline quickly, or as a result of the need to make provisions for write-offs. In an oversupply situation, other distributors may resort to price reductions to dispose of their existing inventories, forcing the Company to lower its prices to stay competitive. The Company's ability to manage its inventory and protect its business against price erosion is critical to its success.

A number of the Company's most significant contracts with its major suppliers contain advantageous contract terms that protect the Company against exposure to price fluctuations, defective products and stock obsolescence.

Credit risk

The Company buys components and finished products from its suppliers on its own account and resells them to its customers. The Company extends credit to some of its customers at terms ranging from 21 to 60 days or, in a few cases, to 90 days. The Company's payment obligations towards its suppliers under such agreements are separate and distinct from its customers' obligations to pay for their purchases, except in limited cases in which the Company's arrangements with its suppliers require the Company to resell to certain resellers or distributors. Thus, the Company is liable to pay its suppliers regardless of whether its customers pay for their respective purchases. As the Company's profit margin is relatively low compared to the total price of the products sold, in the event the Company is unable to recover payments from its customers, it is exposed to a financial liquidity risk. The Company has in place credit insurance which covers such an eventuality for approximately 50 percent of its revenue.

Due to the recent market developments following the credit crisis that affected all countries the Group operates in, credit risk has become one of the most important factors that might affect the Group's results in the future. Despite the fact that the Group has managed to credit insure a large portion of its receivables, credit insurance companies are nowadays more risk averse and they are cancelling and/or withdrawing credit limits to customers. As a result the Group is exposed to more credit risk and the ability of the Group to analyse and assess its credit risk is of extremely high importance.

Seasonality

Traditionally the IT distribution industry in which the Company operates experiences high demand during the months prior to and leading up to the Christmas and New Year holiday period. In particular, IT distributors' demand tends to increase in the period starting from September to the end of the year.

This situation changed in the second part of 2008 and in 2009 when the world's financial crisis limited demand and sales levels, as well as some of our customers' ability to buy. However there were more signals of recovery in the second part of 2009 and in H1 2010. This was reflected in growing sales. If this trend continues, the traditionall seasonality will be visible again.

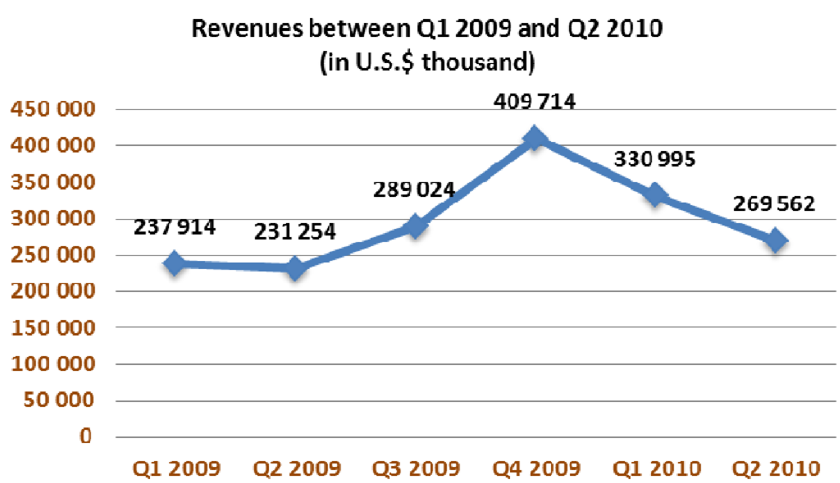
Results of Operations

Three and six months periods ended 30 June 2010 compared to the three and six months periods ended 30 June 2009

Revenues: It is important to underline that revenues grew significantly both in Q2 2010 and in the whole H1 2010. However different growth dynamics were observed in the first and second part of the whole six month period. While, In Q2 2010 revenues increased by 16.57% to U.S.$ 269,562 from U.S.$ 231,255 in the corresponding period of 2009, in H1 2010 revenues increased by 28% to U.S. $ 600,556 from U.S. $ 469,169 in the corresponding period of 2009.

Increased sales levels were connected with upgraded products portfolio and the Company's stronger market position while difference in growth dynamics came out from changes in demand that followed temporary uncertainty in the global economy observed in Q2 2010 (i.e. situation in Greece and its consequence to whole EU economy). The steep depreciation of the Euro and the Euro pegged currencies has led the Company to postpone and/or cancel some sales which carried a significant amount of foreign exchange risk.

Despite that, it is expected that sales levels will continue to grow in the second part of the year.



- **Gross profit:** Gross profit grew both in Q2 2010 and in whole H1 2010. However different growth dynamics were observed in the first and second part of the whole six month period. It is also important to underline the strong growth of gross profit before currency movements.

Before currency movements:

Gross profit before currency movements in Q2 2010 increased by 38.81% to U.S.$ 14,186 from U.S.$ 10,220 in the corresponding period of 2009. This was mostly due to upgraded product portfolio.

Gross profit before currency movements in H1 2010 increased by 35.64% to U.S.$ 31,325 from U.S.$ 23,094 in the corresponding period of 2009. This was mostly due to upgraded product portfolio.

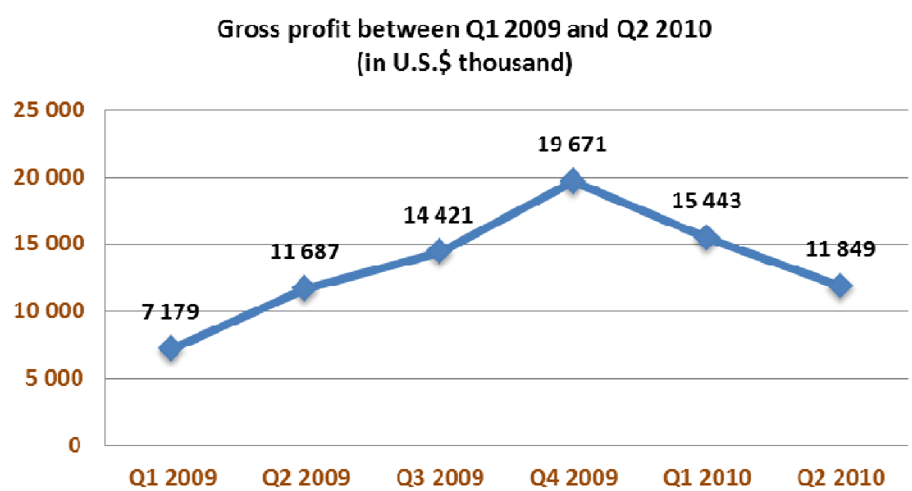
After currency movements:

Gross profit after currency movements in Q2 2010 increased by 1.39% to U.S.$ 11,849 from U.S.$ 11,687 in the corresponding period of 2009. It is important to note that during Q2 of 2009, there was a positive effect from the currency movements in the gross profit number of the mentioned period.

Gross profit after currency movements in H1 2010 increased by 44.66% to U.S.$ 27,291 from U.S.$ 18,866 in the corresponding period of 2009.

This difference in growth dynamics was mostly connected with the fact that in the second part of whole six month period the Company was affected by significant currency losses that reduced Q2 2010 gross profit compared to gains of U.S.$ 1,467 in Q2 2009.

Despite that, due to upgraded product portfolio and stronger market position, significant year-on-year growth in gross profit from operations was visible in whole H1 2010. If the overall economy surrounding will not change dramatically, growth in gross profit should be seen also in the second part of the year.



- **Gross profit margin:** In both Q2 2010 and whole H1 2010 was affected twofold. On the one hand, the Company was able to generate better margins due to upgraded product portfolio. On the other hand, gross profit margin was affected by currency losses. This gave a twofold effect. While gross profit margin (after the foreign exchange effect) in Q2 2010 decreased to 4.4%, compared to 5.1% for Q2 2009, for the whole H1 2010 it increased to 4.54% compared to 4.02% for H1 2009.

  It is also important to underline growing gross profit margin before currency movements.

  In Q2 2010 gross profit margin before foreign exchange losses was 5.26% compared to 4.42% in the corresponding period of 2009.

In H1 2010 gross profit margin before foreign exchange losses was 5.22% compared to 4.92% in the corresponding period of 2009.

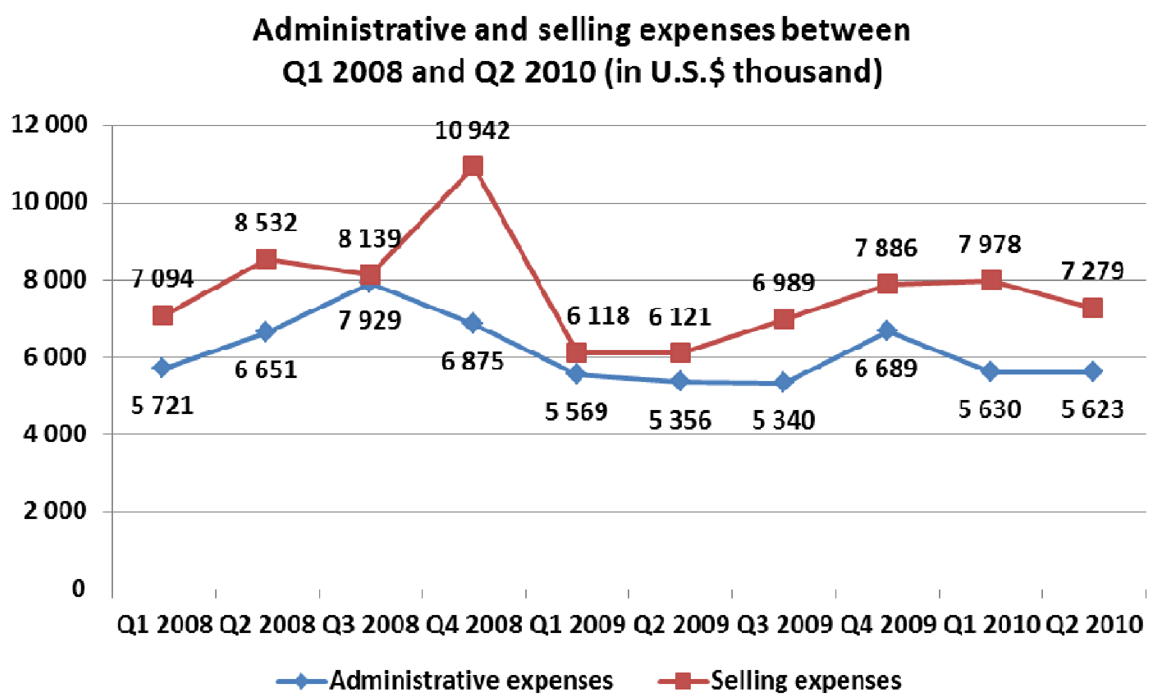
- **Selling expenses** largely comprise of salaries and benefits paid to sales employees (sales, marketing and logistics departments), marketing and advertising fees, commissions, and traveling expenses. Selling expenses usually grow together (but not in-line) with growing sales which was also the case of Q2 and H1 2010.

  In Q2 2010 selling expenses increased by 18.91% to U.S.$ 7,279 from U.S.$ 6,121 in the corresponding period of 2009 (but in the same time they were lower than in Q1 2010), and in the whole H1 2010 selling expenses increased by 24.65% to U.S.$ 15,256 from U.S.$ 12,239 in the corresponding period of 2009.

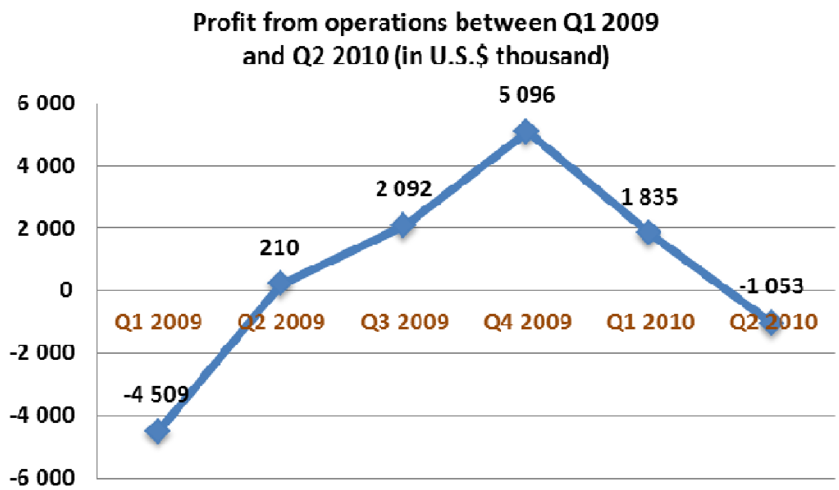
- **Administrative expenses** largely comprise of salaries and wages and rent expense.

  In both Q2 and H1 2010 administrative expenses increased only slightly. While in Q2 2010 administrative expenses increased by 4.98% to U.S.$ 5,623 from U.S.$ 5,356 in the corresponding period of 2009 (but in the same time they were lower than in Q1 2010), for the whole H1 2010 administrative expenses increased by 2.99% to U.S.$ 11,253 from U.S.$ 10,925 in the corresponding period of 2009.

  This confirms the Company's commitment to continue a very strict cost control strategy that allows the administrative expenses remain almost unchanged, despite growing sales and gross profit year-on-year.



- **Operating profit:** In Q2 2010 the Company had an operating loss of U.S. $ 1,053 compared to operating profit of U.S. $ 210 in the corresponding period of 2009. This was mostly due to recognition of bad debts and currency losses. However for the whole H1 2010 the Company generated operating profit that amounted to U.S. $ 783 compared to operating loss of U.S. $ 4,299 in the corresponding period of 2009. This enables the Company's management to be more optimistic about the future than the same time last year.



- **EBITDA:** In Q2 2010 was negative and amounted to U.S.$ -308 compared to positive value of U.S.$ 919 in the corresponding period of 2009. In the same time in H1 2010 EBITDA was positive and amounted to U.S.$ 2,249 compared to negative value of U.S.$ -2,866 in the corresponding period of 2009. This was mostly due to the organization better effectiveness.

- **Net profit/loss:** Due to bad debts provisions (US$ 1,190) and currency losses arising from volatility of local currencies and EUR/USD pair, both Q2 and H1 2010 net result was negative.

  In Q2 2010 net loss amounted to U.S.$ 2,123 compared to net loss of U.S.$ 313 in the corresponding period of 2009. For the whole H1 2010, net loss amounted to U.S.$ 1,921 compared to net loss of U.S.$ 6,520 in the corresponding period of 2009.

  The management believes that the provisions undertaken will not be repetitive and therefore no surprises are expected during the H2 of 2010.

Sales by regions and countries

Traditionally and throughout the last years of the Company's operation, the region contributing the majority of revenues has been the Former Soviet Union. This changed temporarily in 2009, when Central and Eastern Europe region was less affected by the world's financial crisis. However together with recovery of big markets like Russia and Ukraine, F.S.U. regained position no 1 in the Company's structure of revenues in Q1 2010. This continued in Q2 2010 and was the case for the whole H1 2010 when revenues derived in F.S.U. countries grew by +70,75% compared to the corresponding period of 2009.

Additionally, in H1 2010 the Company was able to increase its revenues in all other major regions of its operations. Central and Eastern European countries revenues grew by 10.62%, Western Europe by 15.98% and the Middle East and Africa by 8.40% - confirming good performance shown even during the crisis times.

Country-by-country analysis confirms signs of recovery in the Company's biggest markets. Sales in Russia grew by 77.36% and in Ukraine by 45.61%. Revenues in Slovakia grew by 5.80% confirming good performance of this country and enabling this country to move to position number two in the Company's top-10 countries list. All of this was possible because of a much enhanced product portfolio which was built during the very tough crisis times.

The table below provides a geographical breakdown of sales in the six months periods ended 30 June 2010 and 2009.

	H1 2010		H1 2009	
	U.S. $ thousands	% of total revenues	U.S. $ thousands	% of total revenues
Former Soviet Union	221,097	36,82%	129,488	27,6%
Central and Eastern Europe	202,590	33,73%	183,138	39.0%
Middle East and Africa	95,654	15,93%	88,240	18.8%
Western Europe	55,657	9,27%	47,989	10.2%
Other	25,559	4,26%	20,314	4.3%
Total	600,556	100%	469,169	100%

Revenue breakdown – Top 10 countries in H1 2010 and H1 2009 (in U.S. Dollar thousands)

	H1 2010		H1 2009	
	Country	Sales	Country	Sales
1.	**Russia**	127,805	**Russia**	72,061
2.	**Slovakia**	69,864	**Slovakia**	66,034
3.	**Ukraine**	60,116	**Ukraine**	41,286
4.	**United Arab Emirates**	33,788	**United Arab Emirates**	33,629
5.	**Czech Republic**	31,020	**Czech Republic**	27,215
6.	**Saudi Arabia**	21,461	**Poland**	18,737
7.	**Belarus**	20,973	**The Netherlands**	18,325
8.	**The Netherlands**	18,939	**Turkey**	15,250
9.	**Turkey**	13,552	**Germany**	13,873
10.	**Croatia**	13,190	**Bulgaria**	12,982
11.	**Other**	189,850	**Other**	149,778
	TOTAL	**600,556**	**TOTAL**	**469,169**

Sales by product lines

Despite the fact that Q2 is traditionally the weakest quarter in a year, the Group was able to generate growth from all major product lines it carries due to upgraded product portfolio and better market position.

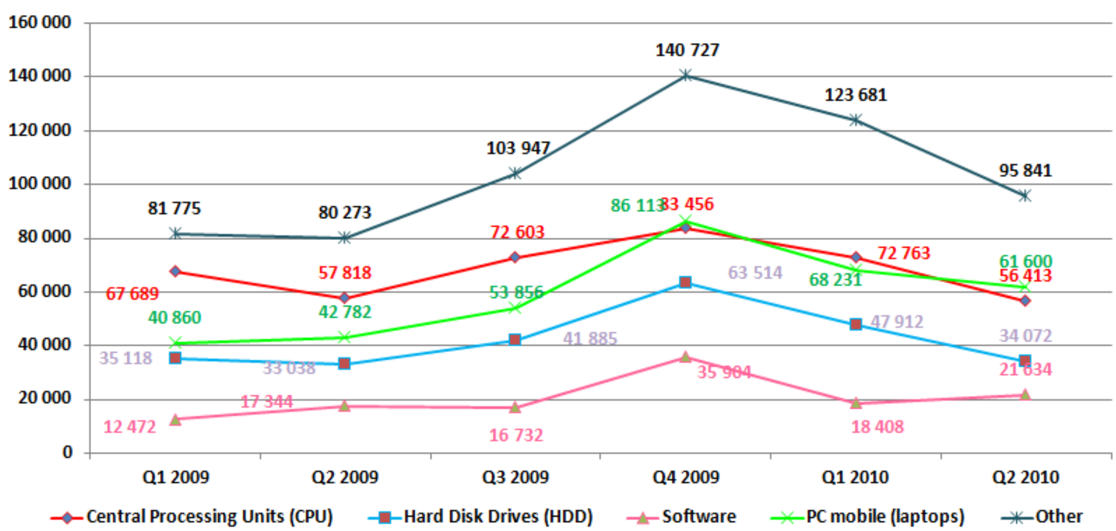
The table below sets a breakdown of revenues, by product, for H1 2010 and 2009 (U.S.$ thousands):

	H1 2010		H1 2009	
	U.S. $ thousands	% of total revenues	U.S. $ thousands	% of total revenues
Central processing units (CPUs)	129,176	21.51%	125,524	26.75%
Hard disk drives (HDDs)	81,984	13.65%	68,215	14.54%
Software	40,042	6.67%	29,816	6.36%
PC-mobile (laptops)	129,832	21.62%	83,765	17.85%
Other	219,522	36.55%	161,850	34.5%
Total revenue	**600,556**	**100%**	**469,169**	**100%**

In the six month period ended June 30th, 2010:

- Revenue from sale of central processing units ("CPUs") increased by 2.91% to U.S. $ 129,176 from U.S. $ 125,524 in the corresponding period of 2009. This was possible due to stable unit sales and slightly higher average selling price.
- Revenue from sale of hard disk drives ("HDDs") increased by 20.19% to U.S. $ 81,984 from U.S. $ 68,215 in the corresponding period of 2009. This was possible mostly due to higher unit sales and slightly higher average selling price.
- Revenue from sale of PC-mobile ("laptops") increased by 55% to U.S. $ 129,832 from U.S. $ 83,765 in the corresponding period of 2009. This was possible mostly due to +64.85% growth in unit sales following a complete coverage of this product segment by adding all major vendors in its portfolio.
- Revenue from sale of software increased by 34.30% to U.S. $ 40,042 from U.S. $ 29,816 in the corresponding period of 2009. This increase of revenue from sale of software was connected with 74.94% increase in unit sales possible due to better sales of Microsoft software and development of other software (i.e. Symantec, Kerio, Kaspersky) sales.
- Apart from its main product categories, the Group is developing segments with high margins, like PC-desktop (+51.36%), display products (+77.80%), memory modules (+45.59%), accessories and multimedia (+125.73%) that grew significantly in H1 2010 compared to the corresponding period of 2009.

Revenues breakdown by product lines between Q1 2009 and Q2 2010 (in U.S.$ thousands)



The Company is also developing its own brands, Canyon and Prestigio, as traditionally it allows the Company to reach double digit gross margins. In H1 2010 own brands contribution in total sales revenue was close to 5%. It is the Company's intention to further develop own brands sales so that in the medium term their contribution in total sales revenue will reach 10%. This should be possible because of undertaken efforts to rebuild the own brands product portfolio in the direction of lighter technology.

The Group is also focusing on improving its margins and decreasing reliance on the traditional components segment by broadening its product portfolio and signing more distribution agreements with mostly finished-goods vendors.

Liquidity and Capital Resources

The Company has in the past funded its liquidity requirements, including ongoing operating expenses and capital expenditures and investments, for the most part, through operating cash flows, debt financing and equity financing. Financing in Russia and certain other markets became more available and at a lower cost; this decreased the Group's weighted average cost of debt.

The following table presents a summary of cash flows for the six months ended 30 June 2010 and 2009:

	Six months ended 30 June 2010	2009
	U.S. $	
Net cash outflows from operating activities	(61,095)	(1,492)
Net cash outflows from investing activities	(1,153)	(2,594)
Net cash inflows/(outflows) from financing activities	2,003	(3,359)
Net decrease in cash and cash equivalents	(60,244)	(7,445)

Net cash outflows from operations

Net cash outflows from operations amounted to U.S. $ 61,095 for the six months ended 30 June 2010, compared to U.S. $ 1,492 in the corresponding period of 2009. This is primarily due to the increased inventory and receivables, following a much increased demand in whole H1 2010.

Net cash outflows from investing activities

Net cash outflows from investing activities was U.S. $ 1,153 in the six months ended 30 June 2010, compared to U.S. $ 2,594 in the corresponding period of 2009. This decrease in the cash outflows was mainly due to lower expenditure on property, plant and equipment.

Net cash inflows/(outflows) from financing activities

Net cash intflows from financing activities amounted to U.S. $ 2,003 for the six months ended 30 June 2010, compared to outflows of U.S. $ 3,359 for the corresponding period of 2009. This increase was primarily due to lower cost of financing and more available bank lines in certain countries.

Net decrease in cash and cash equivalents

As a result of the Company's efforts to serve growing demand and increased sales, the cash and cash equivalents position decreased by U.S. $ 60,244 compared to a decrease of U.S. $ 7,445 in the corresponding period of 2009.

16. Factors which may affect our results in the future

The Group's ability to increase revenues with the easing of global economic slowdown

The dramatic global economic environment has affected many markets of the Company's operations in the past. However the situation in the Company's biggest markets, like Russia and Ukraine started getting better in the second part of 2009 and this trend continued in H1 2010. Therefore, the Company was able to benefit from weaker competition in some markets, from improved product portfolio and as a result managed to win more market share in particular countries. This was reflected in sales volumes. If this trend will continue revenues of 2010 should exceed those of 2009.

Moreover, the Company's large geographical presence, allows it to partially limiting dependence on particular markets. It is with no doubt that the demand in its biggest markets, like Russia and Ukraine - alongside the always strong CEE and with increasing importance of Middle East region - will remain the key success factor determining the Company's sales levels.

It is still important to underline that results will remain under the influence of the overall economic environment. Having seen signals of recovery in several markets where the Company operates, we remain optimistic about the future. However, we do not exclude the possibility of a double dip of the economies that could delay growth.

Upgrading Credit risk management

As the Group benefits from growing demand, quality of its receivables becomes highly important. During H1 2010 the Group decided to follow a much more prudent strategy and undertake increased provisions for Bad Debts that adversely affected its results.

In order to avoid such a case in the future, it is of extreme importance to take special care about customers and quality of sales. The Group has managed to weather the crisis without having significant losses from unpaid receivables. The ability of the Group to insure a large portion of its receivables was proven significant and it will play a more significant role in the future. The credit risk function within the Group has been enhanced by additions of both human resources and other risk analysis tools.

Management of Currency volatilities

The multi-currency environment that the Group operates in exposes its financial results to steep currency fluctuations. This was again the case in the whole H1 2010, and especially in Q2 2010. Despite implemented hedging strategies foreign exchange losses could not be avoided.

It is the management's target to take all possible measures to mitigate currency risks; however in this turbulent environment there is no perfect hedging strategy that could eliminate the foreign exchange risk. Therefore, in 2010 and going forward, the Group will continue to be exposed to currency volatilities despite all precautionary measures taken. It is our belief that should the currency environment stabilize, the results of the Group will be much improved.

Development of product portfolio

Because of its size, geographical coverage and good relationships with vendors, the Company, even in crisis times of 2008 and 2009, was able to significantly upgrade its product portfolio. This will be continued in 2010 and going forward. The Company's strategy to refine its product portfolio includes:

1) Development of the A Branded finished products by signing more distribution agreements with laptop producers for different countries. This has resulted in growth of the Company's market share in particular countries and in a change in the overall revenues breakdown structure. It is expected that the finished products segment will continue to increase its contribution in the Company's revenues in the near future.

2) Development of the software business arm by signing distribution agreements with Microsoft for additional countries and other software producers for different countries of the Company's operations. As gross profit margin on software sales is higher than that for the components segment, it is expected that this development will positively affect the Company's results in the future.

3) Development of private label brands (Canyon and Prestigio) by adding more products in the already enhanced portfolio.

Stronger development of finished products and software segments is a part of the Company's strategy to benefit from its large geographical coverage by offering customers a complete portfolio of hardware and software solutions.

17. Information about important events that occurred between the balance sheet date - June 30th 2010 and the date of this report release

According to our best knowledge in the period between June 30th 2010 and August 11th 2010 no important events that can affect the company operations or financial stability occurred.

Part II Financial Information

The financial information of ASBISc Enterprises Plc presented as a part of this report is as follows:

Report and Interim Condensed Consolidated Financial Statements
for the period ended 30 June 2010

Contents	**Page**

ASBISC ENTERPRISES PLC

INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

FOR THE PERIOD ENDED

30 JUNE 2010

ASBISC ENTERPRISES PLC

INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS
FOR THE PERIOD ENDED 30 JUNE 2010

C o n t e n t s

BOARD OF DIRECTORS REPRESENTATIONS

In accordance with the requirements of the Regulation of the Ministry of Finance from February 19th, 2009 on current and periodical information published by issuers of securities, and on conditions of recognition of information required by the law of a non-member country as equal, the Board of Directors of ASBISC ENTERPRISES PLC hereby represents that:

- to its best knowledge, the interim condensed consolidated financial statements and the comparative data have been prepared in accordance with the compulsory accounting policies and that they give a true, fair and clear reflection of the group's financial position and its financial result, and that the semi-annual report from operations gives a true view of the group's development, achievements, and position, including description of basic risks and threats;

- the registered audit company which reviewed the interim condensed consolidated financial statements was appointed in accordance with the legal regulations and the said company and the registered auditors who performed the review fulfilled the conditions for issuing an unbiased and independent review report, in accordance with the principles of compulsory regulations and professional standards.

Limassol, August 10th, 2010

AUDITORS' REVIEW REPORT

TO THE BOARD OF DIRECTORS OF ASBISC ENTERPRISES PLC

Introduction

We have reviewed the accompanying interim condensed consolidated financial statements of Asbisc Enterprises PLC on pages 3 to 19 which comprise the interim consolidated statement of financial position as at 30 June 2010 and the related interim consolidated statements of comprehensive income, changes in equity and cash flows for the period from 1 January 2010 to 30 June 2010 and a summary of significant accounting policies and other explanatory notes. Management is responsible for the preparation and fair presentation of this interim condensed consolidated financial statements in accordance with International Accounting Standard 34, *"Interim Financial Reporting"* ("IAS 34"). Our responsibility is to express a conclusion on this interim condensed consolidated financial statements based on our review.

Scope of Review

We conducted our review in accordance with International Standard on Review Engagements 2410, "Review of Interim Financial Information Performed by the Independent Auditor of the Entity". A review of interim financial information consists of making inquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and other review procedures. A review is substantially less in scope than an audit conducted in accordance with International Standards on Auditing and consequently does not enable us to obtain assurance that we would become aware of all significant matters that might be identified in an audit. Accordingly, we do not express an audit opinion.

Conclusion

Based on our review, nothing has come to our attention that causes us to believe that the accompanying interim condensed consolidated financial statements do not give a true and fair view of the financial position of the entity as at 30 June 2010 and of its financial performance and its cash flows for the six month period then ended in accordance with International Accounting Standard 34, *"Interim Financial Reporting"* ("IAS 34").

DELOITTE LIMITED
Certified Public Accountants (Cyprus)

Limassol, 10 August 2010

INTERIM CONSOLIDATED INCOME STATEMENT
FOR THE PERIOD ENDED 30 JUNE 2010
(Expressed in United States Dollars)

	Notes	For the six months ended 30 June 2010 *US$*	For the six months ended 30 June 2009 *US$*
Revenue	5,22	600.556.331	469.168.595
Cost of sales		(569.231.234)	(446.074.795)
Gross profit before currency movements		31.325.097	23.093.800
Currency movements on gross profit	6	(4.033.867)	(4.228.003)
Gross profit after currency movements		27.291.230	18.865.797
Selling expenses		(15.256.042)	(12.239.131)
Administrative expenses		(11.252.585)	(10.925.440)
Profit/(loss) from operations		782.603	(4.298.774)
Financial expenses	8	(3.464.194)	(3.572.362)
Financial income	8	819.399	646.529
Other gains and losses	7	164.226	369.616
Share of profit from joint ventures	27	11.627	-
Loss before taxation	9	(1.686.339)	(6.854.991)
Taxation	10	(234.516)	334.671
Loss after taxation		(1.920.855)	(6.520.320)
Attributable to:			
Non-controlling interest		100.216	8.065
Owners of the parent		(2.021.071)	(6.528.385)
		(1.920.855)	(6.520.320)
		US$ cents	US$ cents
Earnings per share			
Basic and diluted from continuing operations		(3,64)	(11,76)

INTERIM CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME
FOR THE PERIOD ENDED 30 JUNE 2010
(Expressed in United States Dollars)

	For the six months ended 30 June 2010 *US$*	For the six months ended 30 June 2009 *US$*
Loss after taxation	(1.920.855)	(6.520.320)
Other comprehensive income:		
Exchange difference on translating foreign operations	(1.421.909)	(849.563)
Other comprehensive loss for the period	(1.421.909)	(849.563)
Total comprehensive loss for the period	(3.342.764)	(7.369.883)
Total comprehensive income attributable to:		
Non-controlling interests	72.186	(10.060)
Owners of the parent	(3.414.950)	(7.359.823)
	(3.342.764)	(7.369.883)

INTERIM CONSOLIDATED STATEMENT OF FINANCIAL POSITION
AS AT 30 JUNE 2010
(Expressed in United States Dollars)

		Unaudited as at 30 June 2010	Audited as at 31 December 2009
ASSETS	**Notes**	***US$***	***US$***
Current assets			
Inventories	11	102.128.586	83.476.504
Trade receivables	12	194.125.739	214.444.867
Other current assets	13	8.212.248	6.985.056
Current taxation	10	319.175	156.135
Cash at bank and in hand	23	13.596.867	52.857.260
Total current assets		318.382.615	357.919.822
Non-current assets			
Goodwill	26	600.730	550.517
Property, plant and equipment	14	22.285.763	24.541.436
Investments in joint ventures	27	363.224	-
Available-for-sale financial assets	16	9.580	9.580
Intangible assets	15	1.962.609	2.175.799
Deferred tax assets		598.103	625.795
Total non-current assets		25.820.009	27.903.127
Total assets		344.202.624	385.822.949
LIABILITIES AND EQUITY			
Liabilities			
Current liabilities			
Trade payables		165.987.863	210.325.327
Other current liabilities	17	26.823.478	43.777.114
Current taxation	10	149.649	220.794
Short term obligations under finance leases	20	166.177	101.409
Bank overdrafts and short term loans	18	59.761.960	35.806.853
Total current liabilities		252.889.127	290.231.497
Non-current liabilities			
Long term liabilities	19	3.424.215	4.099.294
Long term obligations under finance leases	20	129.266	140.626
Total non-current liabilities		3.553.481	4.239.920
Total liabilities		256.442.608	294.471.417
Equity			
Share capital	21	11.100.000	11.100.000
Share premium		23.518.243	23.518.243
Retained earnings and other components of equity		52.984.031	56.413.886
Equity attributable to owners of the parent		87.602.274	91.032.129
Non-controlling interests		157.742	319.403
Total equity		87.760.016	91.351.532
Total liabilities and equity		344.202.624	385.822.949

The financial statements were approved by the Board on 10 August 2010.

Constantinos Tziamalis
Director

Marios Christou
Director

INTERIM CONSOLIDATED STATEMENT OF CHANGES IN EQUITY
FOR THE PERIOD ENDED 30 JUNE 2010
(Expressed in United States Dollars)

	Attributable to owners of the parent						
	Share capital US$	Share premium US$	Retained earnings US$	Translation of foreign operations US$	Total US$	Non-controlling interests US$	Total equity US$
Balance at 31 December 2008 and 1 January 2009	11.100.000	23.518.243	59.498.454	765.535	94.882.232	131.049	95.013.281
(Loss)/income for the period 1 January 2009 to 30 June 2009	-	-	(6.528.385)	-	(6.528.385)	8.065	(6.520.320)
Other comprehensive loss for the period 1 January 2009 to 30 June 2009	-	-	-	(831.438)	(831.438)	(18.125)	(849.563)
Balance at 30 June 2009	11.100.000	23.518.243	52.970.069	(65.903)	87.522.409	120.989	87.643.398
Income for the period 1 July 2009 to 31 December 2009	-	-	3.320.005	-	3.320.005	203.835	3.523.840
Other comprehensive income/(loss) for the period 1 July 2009 to 31 December 2009	-	-	-	189.715	189.715	(5.421)	184.294
Balance at 31 December 2009	11.100.000	23.518.243	56.290.074	123.812	91.032.129	319.403	91.351.532
(Loss)/income for the period 1 January 2010 to 30 June 2010	-	-	(2.021.071)	-	(2.021.071)	100.216	(1.920.855)
Other comprehensive loss for the period 1 January 2010 to 30 June 2010	-	-	-	(1.393.879)	(1.393.879)	(28.030)	(1.421.909)
Dividend payment to non-controlling interests	-	-	-	-	-	(187.857)	(187.857)
Acquisition of shares from non-controlling interests	-	-	(14.905)	-	(14.905)	(45.990)	(60.895)
Balance at 30 June 2010	11.100.000	23.518.243	54.254.098	(1.270.067)	87.602.274	157.742	87.760.016

INTERIM CONSOLIDATED STATEMENT OF CASH FLOWS
FOR THE PERIOD ENDED 30 JUNE 2010
(Expressed in United States Dollars)

	Notes	For the six months ended 30 June 2010 US$	For the six months ended 30 June 2009 US$
Loss for the period before tax and minority interest		(1.686.339)	(6.854.991)
Adjustments for:			
Exchange difference arising on consolidation		711.398	(46.760)
Provision for bad debts and receivables written off		1.189.519	312.207
Bad debts recovered		(744)	(67.026)
Depreciation	14	1.105.724	1.017.411
Amortization of intangible assets	15	360.247	415.568
Negative goodwill written off		-	(3.251)
Share of profit from joint ventures	27	(11.627)	-
Interest received		(251.870)	(645.915)
Interest paid		1.849.474	2.213.986
Loss from the sale of property, plant and equipment and intangible assets		15.357	41.226
Operating profit/(loss) before working capital changes		3.281.139	(3.617.545)
(Increase)/decrease in inventories		(18.651.837)	3.583.563
Decrease in trade receivables		19.135.438	49.917.890
Increase in other current assets		(1.227.192)	(1.044.203)
Decrease in trade payables		(44.341.761)	(32.793.973)
Decrease in other current liabilities		(17.070.519)	(15.100.777)
Increase in other long-term liabilities		97.157	11.059
Cash (outflows)/inflows from operations		(58.777.575)	956.014
Taxation paid, net	10	(467.488)	(234.021)
Interest paid		(1.849.474)	(2.213.986)
Net cash outflows from operating activities		(61.094.537)	(1.491.993)
Cash flows from investing activities			
Interest received		251.870	645.915
Purchase of property, plant and equipment		(933.068)	(2.153.041)
Purchase of intangible assets	15	(194.093)	(1.318.988)
Net payments to acquire investments in subsidiary companies and joint ventures		(311.180)	(8.928)
Net cash acquired from acquisition of subsidiary		22.869	98.655
Proceeds from sale of property, plant and equipment and intangible assets		11.032	142.041
Net cash outflows from investing activities		(1.152.570)	(2.594.346)
Cash flows from financing activities			
Dividends paid to non-controlling interests		(187.857)	-
Repayments of long term loans and long term obligations under finance lease		(845.303)	(404.724)
Proceeds/(repayments) of short term loans and short term obligations under finance lease		3.035.856	(2.954.332)
Net cash inflows/(outflows) from financing activities		2.002.696	(3.359.056)
Net decrease in cash and cash equivalents		(60.244.411)	(7.445.395)
Cash and cash equivalents at beginning of the period		36.571.758	12.934.088
Cash and cash equivalents at end of the period	23	(23.672.653)	5.488.693

1. Incorporation and principal activities

Asbisc Enterprises Plc was incorporated in Cyprus on 9 November 1995 with limited liability. The group's and the company's principal activity is the trading and distribution of computer hardware and software. The main shareholder of the company is K.S. Holdings Limited, a company incorporated in Cyprus.

Since 30th October 2007 the company is listed at the Warsaw Stock Exchange.

2. Basis of preparation

The interim condensed consolidated financial statements for the six months ended 30 June 2010 have been prepared in accordance with International Accounting Standard (IAS) 34, Interim Financial Reporting, as adopted by the European Union (EU).

The interim condensed consolidated financial statements do not include all the information and disclosures required for the annual financial statements and should be read in conjunction with the audited financial statements for the year ended 31 December 2009.

3. Basis of consolidation

The interim condensed consolidated financial statements, consolidate the financial statements of the company and its subsidiaries, which are together referred to as the group.

4. Significant accounting policies

The condensed financial statements have been prepared under the historical cost convention.

The preparation of the interim condensed consolidated financial statements, according to IFRS's require the group's management to make judgments and estimates which have a material impact on the amounts presented in the financial statements.

These judgments and estimates are consistent with those followed for the preparation of the group's annual financial statements for the year 2009.

The interim condensed consolidated financial statements are presented in US$.

The accounting policies adopted for the preparation of the interim condensed consolidated financial statements for the six months ended 30 June 2010 are consistent with those followed for the preparation of the annual financial statements for the year 2009 except for the adoption by the group of all the new and revised standards and interpretations issued by the International Accounting Standards Board (IASB) and the International Financial Reporting Interpretations Committee (IFRIC) of the IASB that are relevant to its operations and effective for annual periods beginning on 1 January 2010. The adoption of new and revised standards and interpretations did not have any material effect on the group's interim condensed consolidated financial statements.

5. Effects of seasonality

The group's revenue and consequently its profitability is significantly lower during the first half of the year. The seasonality is driven by increased household expenditure during the Christmas period as well as the commencement of the academic period during the second half of the year resulting in a positive effect on the demand for the group's products.

(Expressed in United States Dollars)

6. Currency movements on gross profit

	For the six months ended 30 June 2010 *US$*	For the six months ended 30 June 2009 *US$*
Realised currency movements on trading activities	(3.661.308)	(3.566.499)
Unrealised currency movements on trading activities	(888.634)	(661.504)
Realised gain on executed forward contracts	395.008	-
Net unrealised gain on unexecuted forward contracts	121.067	-
Loss on currency movements	(4.033.867)	(4.228.003)

7. Other gains and losses

	For the six months ended 30 June 2010 *US$*	For the six months ended 30 June 2009 *US$*
Rental income	87.395	89.060
Loss on disposal of property, plant and equipment	(15.357)	-
Bad debts recovered	744	67.026
Other income	91.444	213.530
	164.226	369.616

8. Financial expense, net

	For the six months ended 30 June 2010 *US$*	For the six months ended 30 June 2009 *US$*
Interest income	251.870	645.915
Net exchange gain	471.499	-
Other financial income	96.030	614
	819.399	646.529
Bank interest	1.849.474	2.213.986
Bank charges	675.607	520.429
Factoring interest	556.297	328.652
Factoring charges	124.701	219.823
Other financial expenses	71.610	16.905
Other interest	186.505	35.291
Net exchange loss	-	237.276
	3.464.194	3.572.362
Net	(2.644.795)	(2.925.833)

9. Loss before taxation

	For the six months ended 30 June 2010 *US$*	For the six months ended 30 June 2009 *US$*
The loss before taxation is stated after charging:		
(a) Depreciation	1.105.724	1.017.411
(b) Amortization	360.247	415.568
(c) Auditor's remuneration	272.891	234.394
(d) Directors' remuneration – executive (Note 24)	245.654	164.425
(e) Directors' remuneration non-executive (Note 24)	19.810	51.210

(Expressed in United States Dollars)

10. Taxation

	For the six months ended 30 June 2010 *US$*	For the year ended 31 December 2009 *US$*
Credit/(debit) balance 1 January	64.659	(2.663.619)
Tax asset from subsidiaries acquired	(278)	-
Tax asset on disposal of subsidiary	-	628.040
Provision for the period/year	237.414	643.811
Under provision of prior year periods	-	12.571
Exchange difference on retranslation	(3.833)	241.492
Amounts (paid)/received, net	(467.488)	1.202.364
Net (debit)/credit balance 30 June/31 December	(169.526)	64.659

	For the six months ended 30 June 2010 *US$*	For the year ended 31 December 2009 *US$*
Tax receivable	(319.175)	(156.135)
Tax payable	149.649	220.794
Net	(169.526)	64.659

The consolidated taxation charge for the period consists of the following:

	For the six months ended 30 June 2010 *US$*	For the six months ended 30 June 2009 *US$*
Provision for the period	237.414	30.066
Under provision of prior years	-	7.394
Deferred tax income	(2.898)	(372.131)
Charge/(credit) for the period	234.516	(334.671)

The taxation charge of the group comprises corporation tax charge in Cyprus on the taxable profits of the company and those of its subsidiaries which are subject to tax in Cyprus and corporation tax in other jurisdictions on the results of the foreign subsidiary companies.

11. Inventories

	As at 30 June 2010 *US$*	As at 31 December 2009 *US$*
Goods held for resale	94.520.936	78.755.070
Goods in transit	8.719.137	6.060.882
Provision for slow moving and obsolete stock	(1.111.487)	(1.339.448)
	102.128.586	83.476.504

(Expressed in United States Dollars)

12. Trade receivables

	As at 30 June 2010 *US$*	As at 31 December 2009 *US$*
Trade receivables	199.008.724	219.001.324
Allowance for doubtful debts	(4.882.985)	(4.556.457)
	194.125.739	214.444.867

Movement in provision for doubtful debts:	For the six months ended 30 June 2010 *US$*	For the year ended 31 December 2009 *US$*
On 1 January	4.556.457	3.548.253
Provisions during the period/year	1.189.519	1.530.770
Amount written-off as uncollectible	(438.935)	(530.070)
Bad debts recovered	(744)	(291.108)
Exchange difference	(423.312)	298.612
On 30 June/31 December	4.882.985	4.556.457

13. Other current assets

	As at 30 June 2010 *US$*	As at 31 December 2009 *US$*
Other debtors and prepayments	2.918.118	2.648.844
VAT and other taxes refundable	3.731.361	3.133.742
Financial assets at fair value through profit and loss	121.422	-
Employee floats	501.032	350.425
Deposits and advances to service providers	940.315	852.045
	8.212.248	6.985.056

(Expressed in United States Dollars)

14. Property, plant and equipment

	Land and buildings US$	Assets under construction US$	Warehouse machinery US$	Furniture and fittings US$	Office equipment US$	Motor vehicles US$	Computer hardware US$	Total US$
Cost								
At 1 January 2009	12.915.207	5.551.839	223.219	1.682.730	2.659.536	3.260.333	5.302.632	31.595.496
Additions from acquisition of subsidiaries	-	-	-	26.934	39.085	-	14.947	80.966
Additions	183.592	1.198.901	74.546	337.103	268.759	315.429	672.348	3.050.678
Disposals upon sale of subsidiaries	-	-	-	-	-	-	(1.661)	(1.661)
Disposals	-	-	(150.132)	(61.343)	(264.195)	(305.502)	(729.625)	(1.510.797)
Transfers	6.182.145	(6.182.145)	-	-	-	-	-	-
Foreign exchange difference on retranslation	235.179	(568.595)	(4.605)	25.604	23.087	6.120	119.250	(163.960)
At 1 January 2010	19.516.123	-	143.028	2.011.028	2.726.272	3.276.380	5.377.891	33.050.722
Additions from acquisition of subsidiaries	-	-	-	953	214	-	1.720	2.887
Additions	47.988	-	-	110.328	110.556	376.993	287.203	933.068
Disposals	-	-	-	(21.551)	(15.819)	(135.927)	(170.657)	(343.954)
Foreign exchange difference on retranslation	(1.723.982)	-	(112)	(180.803)	(205.310)	(277.449)	(431.194)	(2.818.850)
At 30 June 2010	17.840.129	-	142.916	1.919.955	2.615.913	3.239.997	5.064.963	30.823.873
Accumulated depreciation								
At 1 January 2009	1.023.510	-	146.353	655.709	1.069.118	1.373.247	2.857.061	7.124.998
Charge for the year	330.181	-	14.769	232.527	261.270	541.094	746.591	2.126.432
Disposals upon sale of subsidiaries	-	-	-	-	-	-	(1.186)	(1.186)
Disposals	-	-	(144.652)	(36.347)	(217.163)	(240.733)	(322.280)	(961.175)
Foreign exchange difference on retranslation	11.557	-	(4.224)	22.505	35.186	26.750	128.443	220.217
At 1 January 2010	1.365.248	-	12.246	874.394	1.148.411	1.700.358	3.408.629	8.509.286
Charge for the period	228.567	-	7.149	103.908	144.747	265.768	355.585	1.105.724
Disposals	-	-	-	(19.538)	(2.837)	(127.637)	(170.621)	(320.633)
Foreign exchange difference on retranslation	(142.713)	-	(26)	(76.497)	(111.204)	(163.158)	(262.669)	(756.267)
At 30 June 2010	1.451.102	-	19.369	882.267	1.179.117	1.675.331	3.330.924	8.538.110
Net book value								
At 30 June 2010	16.389.027	-	123.547	1.037.688	1.436.796	1.564.666	1.734.039	22.285.763
At 31 December 2009	18.150.875	-	130.782	1.136.634	1.577.861	1.576.022	1.969.262	24.541.436

Assets under construction which related to the construction of warehouse and offices in Belarus (US$ 2.791.971) and the Middle East (US$ 3.390.174) became operational in 2009 and were transferred to land and buildings. Land and buildings of a total cost value of US$ 14.406.149 (2009 US$ 13.616.698) have been mortgaged for financing purposes.

(Expressed in United States Dollars)

15. Intangible assets

	Computer software US$	Patents and licenses US$	Total US$
Cost			
At 1 January 2009	5.493.326	672.454	6.165.780
Additions from acquisition of subsidiaries	1.380	-	1.380
Additions	1.369.405	6.525	1.375.930
Disposals	(413.671)	(2.397)	(416.068)
Foreign exchange difference on retranslation	83.521	2.854	86.375
At 1 January 2010	6.533.961	679.436	7.213.397
Additions	96.507	97.586	194.093
Disposals	(27.427)	(175)	(27.602)
Foreign exchange difference on retranslation	(123.104)	(25.617)	(148.721)
At 30 June 2010	6.479.937	751.230	7.231.167
Accumulated amortization			
At 1 January 2009	4.074.654	489.329	4.563.983
Charge for the year	706.320	63.462	769.782
Disposals	(382.966)	(1.717)	(384.683)
Foreign exchange difference on retranslation	85.793	2.723	88.516
At 1 January 2010	4.483.801	553.797	5.037.598
Charge for the period	317.274	42.973	360.247
Disposals	(24.359)	(175)	(24.534)
Foreign exchange difference on retranslation	(86.410)	(18.343)	(104.753)
At 30 June 2010	4.690.306	578.252	5.268.558
Net book value			
At 30 June 2010	1.789.631	172.978	1.962.609
At 31 December 2009	2.050.160	125.639	2.175.799

16. Available-for-sale financial assets

	Country of incorporation	Participation %	Cost US$	Impairment US$	As at 30 June 2010 US$	As at 31 December 2009 US$
Investments held in related companies						
E-Vision Ltd	Cyprus	18%	90.000	(90.000)	-	-
Other investments at cost						
Asekol s.r.o.	Czech Republic	9,09%	9.580	-	9.580	9.580
			99.580	(90.000)	9.580	9.580

(Expressed in United States Dollars)

17. Other current liabilities

	As at 30 June 2010 *US$*	As at 31 December 2009 *US$*
Factoring creditors (i)	15.395.133	24.359.986
Non-trade accounts payable	2.378.205	4.822.123
Salaries payable and related costs	863.479	1.372.243
VAT payable	2.824.304	9.294.206
Amount due to directors – executive	1.117	1.071
Amounts due to directors – non-executive	9.811	14.790
Financial liability at fair value through profit and loss	355	-
Unpaid consideration for investment in joint venture	111.597	-
Accruals and deferred income	5.239.477	3.912.695
	26.823.478	43.777.114

(i) As at 30 June 2010 the group enjoyed factoring facilities of US$ 39.697.158 (31 December 2009: US$ 34.962.429). The factoring facilities are secured as mentioned in note 18.

18. Bank overdrafts and short term loans

	As at 30 June 2010 *US$*	As at 31 December 2009 *US$*
Bank overdrafts	37.269.520	16.285.502
Bank short term loans	21.904.778	18.657.298
Current portion of long term loans	587.662	864.053
	59.761.960	35.806.853

Summary of borrowings and overdraft arrangements

The group as at 30 June 2010 had the following financing facilities with banks in the countries that the company and its subsidiaries are operating:

- overdraft lines of US$ 44.955.139 (31 December 2009: US$ 41.158.551)
- short term loans/revolving facilities of US$ 23.167.787 (31 December 2009: US$ 20.947.902)
- bank guarantees of US$ 10.780.443 (31 December 2009: US$ 11.970.088)

The group had for the period ending 30 June 2010 cash lines (overdrafts, loans and revolving facilities) and factoring lines.

The Weighted Average Cost of Debt (cash lines and factoring lines) for the period was 6,6% (2009: 8,3%).

The factoring, overdraft and revolving facilities as well as the loans granted to the company and its subsidiaries by their bankers are secured by:

- First, second and third floating charges over all assets of the company
- Mortgage on land and buildings that the group owns in Cyprus, Czech Republic and Slovakia
- Charge over receivables and inventories
- Corporate guarantees and, in some cases, cross guarantees by all group companies to the extent of facilities granted
- Assignment of insurance policies
- Pledged deposits of US$ 889.822 (31 December 2009: US$ 910.489)

(Expressed in United States Dollars)

19. Long term liabilities

	As at 30 June 2010 *US$*	As at 31 December 2009 *US$*
Bank loans	3.142.991	3.915.227
Other long term liabilities	281.224	184.067
	3.424.215	4.099.294

20. Finance leases

	As at 30 June 2010 *US$*	As at 31 December 2009 *US$*
Obligation under finance lease	295.443	242.035
Less: Amount payable within one year	(166.177)	(101.409)
Amounts payable within 2-5 years inclusive	129.266	140.626

21. Share Capital

	As at 30 June 2010 *US$*	As at 31 December 2009 *US$*
Authorised		
63.000.000 (2009: 63.000.000) shares of US$ 0,20 each	12.600.000	12.600.000
Issued, called-up and fully paid		
55.500.000 (2009: 55.500.000) ordinary shares of US$ 0,20 each	11.100.000	11.100.000

22. Operating segments

1.1 Reportable segments

The group mainly operates in a single industry segment as a distributor of IT products. The group's operating segments are based on geographic location, and the measure of segment profit is profit from operations. The group operates in four principal geographical areas – Former Soviet Union, Eastern Europe, Western Europe and Middle East & Africa.

1.2 Segment revenues

	For the six months ended 30 June 2010 *US$*	For the six months ended 30 June 2009 *US$*
Former Soviet Union	221.096.763	129.487.594
Central Eastern Europe	202.590.253	183.138.094
Western Europe	55.656.449	47.988.792
Middle East & Africa	95.653.962	88.240.020
Other	25.558.904	20.314.095
	600.556.331	469.168.595

(Expressed in United States Dollars)

22. Operating segments (continued)

1.3 Segment results

	For the six months ended 30 June 2010 *US$*	For the six months ended 30 June 2009 *US$*
Former Soviet Union	348.863	(3.661.368)
Central Eastern Europe	303.229	(837.810)
Western Europe	105.364	(66.856)
Middle East & Africa	(202.219)	418.267
Other	227.366	(151.007)
Profit/(loss) from operations	782.603	(4.298.774)
Net financial expenses	(2.644.795)	(2.925.833)
Other gains and losses	164.226	369.616
Share of profit from joint ventures	11.627	-
Loss before taxation	(1.686.339)	(6.854.991)

1.4 Inter-segment revenues

Selling segment	Purchasing segment	For the six months ended 30 June 2010 US$	For the six months ended 30 June 2009 US$
Middle East & Africa	Former Soviet Union	-	518.751
Western Europe	Middle East & Africa	821.272	358.700

1.5 Segment capital expenditure (CAPEX)

	As at 30 June 2010 *US$*	As at 31 December 2009 *US$*
Former Soviet Union	4.352.421	4.412.332
Central Eastern Europe	11.560.713	13.545.517
Western Europe	510.566	636.818
Middle East & Africa	4.196.429	4.164.720
Unallocated	4.228.973	4.508.365
	24.849.102	27.267.752

(Expressed in United States Dollars)

22. Operating segments (continued)

1.6 Segment depreciation and amortisation

	For the six months ended 30 June 2010 *US$*	For the six months ended 30 June 2009 *US$*
Former Soviet Union	173.770	130.174
Central Eastern Europe	512.824	511.484
Western Europe	115.442	124.126
Middle East & Africa	171.985	136.111
Unallocated	491.950	531.084
	1.465.971	1.432.979

1.7 Segment assets	As at 30 June 2010 *US$*	As at 31 December 2009 *US$*
Former Soviet Union	127.265.812	129.247.148
Eastern Europe	88.794.013	119.860.646
Western Europe	27.489.402	36.583.229
Middle East & Africa	58.123.804	56.681.836
Total	301.673.031	342.372.859
Assets allocated in capital expenditure (1.5)	24.849.102	27.267.752
Other unallocated assets	17.680.491	16.182.338
Consolidated assets	344.202.624	385.822.949

23. Cash and cash equivalents

	As at 30 June 2010 *US$*	As at 31 December 2009 *US$*
Cash at bank and in hand	13.596.867	52.857.260
Bank overdrafts (Note 18)	(37.269.520)	(16.285.502)
	(23.672.653)	36.571.758

The cash at bank and in hand balances include an amount of US$ 889.822 (31 December 2009: US$ 910.489) which represents pledged deposits.

(Expressed in United States Dollars)

24. Transactions and balances of key management

	For the six months ended 30 June 2010 *US$*	For the six months ended 30 June 2009 *US$*
Directors' remuneration - executive	245.654	164.425
Directors' remuneration - non executive	19.810	51.210
	265.464	215.635

	As at 30 June 2010 *US$*	As at 31 December 2009 *US$*
Amount due to directors - executive	1.117	1.071
Amount due to directors - non executive	9.811	14.790
	10.928	15.861

25. Commitments and contingencies

As at 30 June 2010 the group was committed in respect of purchases of inventories of a total cost value of US$7.392.364 which were in transit at 30 June 2010 and delivered in July 2010. Such inventories and the corresponding liability towards the suppliers have not been included in these financial statements since, according to the terms of purchase title of the goods had not passed to the group as at the period end.

As at 30 June 2010 the group was contingently liable in respect of bank guarantees of US$10.780.443 which the group had extended mainly to its suppliers.

As at 30 June 2010 the group had no other legal commitments and contingencies.

26. Goodwill

	As at 30 June 2010 *US$*	As at 31 December 2009 *US$*
At 1 January	550.517	550.517
Goodwill arising from business combinations	50.213	-
At 30 June/31 December	600.730	550.517

The capitalized goodwill arose from the business combinations of the following subsidiaries:

	As at 30 June 2010 *US$*	As at 31 December 2009 *US$*
Megatrend D.O.O. Sarajevo	550.517	550.517
Euromall Limited Bulgaria EOOD	41.416	-
ION-Ukraine LLC	8.797	-
	600.730	550.517

(Expressed in United States Dollars)

27. Investments in joint ventures

	As at 30 June 2010 *US$*	As at 31 December 2009 *US$*
Cost		
At 1 January	-	-
Investments in joint ventures during the period/year	351.597	-
At 30 June/ 31 December	351.597	-
Accumulated share of profits from joint ventures		
At 1 January	-	-
Share of profits from joint ventures during the period/year	11.627	-
At 30 June/ 31 December	11.627	-
Investments in joint ventures recorded under the equity method of consolidation	363.224	-

28. Comparative figures

Where necessary, comparative figures have been restated to coincide with the presentation of the current period's condensed financial statements.

29. Events after the balance sheet date

No significant events occurred after the end of the reporting period.