INTERIM REPORT
FOR THE SIX MONTHS
ENDED 30 JUNE 2011

Limassol, 18 August 2011

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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 2011. 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, 2011

Following summary must be read in combination to the information on factors affecting the Company business for the period reported.

In both Q2 2011 and H1 2011 the Company has managed to increase its revenues and profit margins compared to Q2 and H1 2010. However, the results have been negatively impacted by the extraordinary situation in Belarus, where the local currency has depreciated by more than 65% to USD causing losses of U.S.$ 2,500. The remaining factors affecting the Company's business for the in period reported was described elsewhere in this report.

The principal events of the three months period ended June 30th, 2011, were as follows:

- Revenues in Q2 2011 increased by 12.36% to U.S.$ 302,880 from U.S.$ 269,562 in the corresponding period of 2010. That was possible because of better demand and upgraded product portfolio.

- Gross profit before currency movements in Q2 2011 increased by 10.41% to U.S.$ 15,662 from U.S.$ 14,186 in the corresponding period of 2010. Gross profit after currency movements in Q2 2011 increased by 23.58% to U.S.$ 14,643 from U.S.$ 11,849 in the corresponding period of 2010.

- Gross profit margin before foreign exchange losses in Q2 2011 was 5.17% compared to 5.26% in the corresponding period of 2010. Gross profit margin after currency movements was 4,83% compared to 4,40% in the corresponding period of 2010.

- Selling expenses in Q2 2011 increased by 32.92% to U.S.$ 9,675 from U.S.$ 7,279 in the corresponding period of 2010 following an increase in both sales and gross profit as well as some additional costs related to the situation in Belarus.

- Administrative expenses in Q2 2011 increased 13.51% to U.S.$ 6,382 from U.S.$ 5,623 in the corresponding period of 2010.

- EBITDA in Q2 2011 was negative and amounted to U.S.$ -632 compared to a negative value of U.S.$ -308 in the corresponding period of 2010.

- Net loss attributable to owners of the parent for Q2 2011 amounted to U.S.$ 3,767 compared to net loss of U.S.$ 2,148 in the corresponding period of 2010. This was mostly related to extraordinary losses on consolidation (recorded in the financial expenses and on gross profit) of the Company's operations in Belarus after a huge depreciation of the local currency to USD and tough access to hard currency.

Following table presents revenues breakdown by regions in the three month periods ended June 30th, 2011 and 2010 respectively (in U.S.$ thousands):

Region	Q2 2011	Q2 2010	Change %
Former Soviet Union	115,032	99,272	+15.88%
Central and Eastern Europe and Baltic States	110,083	88,002	+25.09%
Middle East and Africa	41,824	43,998	-4.94%
Western Europe	23,574	25,401	-7.20%
Other	12,368	12,888	-4.04%
Grand Total	**302,880**	**269,562**	**+12.36%**

The principal events of the six month periods ended June 30th, 2011, were as follows:

- Revenues in H1 2011 increased by 8.65% to U.S.$ 652,499 from U.S.$ 600,556 in the corresponding period of 2010. This was mostly due to better demand and upgraded product portfolio, in parallel with strengthening of our market position.

- Gross profit before currency movements in H1 2011 increased by 7.82% to U.S.$ 33,775 from U.S.$ 31,325 in the corresponding period of 2010. This was mostly due to upgraded product portfolio allowing the Group better margins.

- Gross profit after currency movements in H1 2011 increased by 24,93% to U.S.$ 34,095 from U.S.$ 27,291 in the corresponding period of 2010.

- Gross profit margin before foreign exchange losses in H1 2011 was 5.18% compared to 5.22% in the corresponding period of 2010. Gross profit margin after currency movements was 5.23% compared to 4.54% in the corresponding period of 2010, indicating healthy growth in margins possible due to the Company's better hedging policy.

- Selling expenses in H1 2011 increased by 24.79% to U.S.$ 19,037 from U.S.$ 15,256 in the corresponding period of 2010, partially due to the increase in both sales and gross profit.

- Administrative expenses in H1 2011 increased by 13.05% to U.S.$ 12,721 from U.S.$ 11,253 in the corresponding period of 2010.

- EBITDA in H1 2011 was positive and amounted to U.S.$ 3,874 compared to U.S.$ 2,249 in the corresponding period of 2010.

- Net loss attributable to owners of the parent for H1 2011 amounted to U.S.$ 2,984 compared to net loss of U.S.$ 2,021 in the corresponding period of 2010. This was mostly due to losses recorded in Belarus during Q2 2011.

Following table presents revenues breakdown by regions in the six month periods ended June 30th, 2011 and 2010 respectively (in U.S.$ thousands):

Region	H1 2011	H1 2010	Change %
Former Soviet Union	260,159	221,097	+17.67%
Central and Eastern Europe and Baltic States	222,991	202,590	+10.07%
Middle East and Africa	93,625	95,654	-2.12%
Western Europe	53,163	55,657	-4.48%
Other	22,563	25,559	-11.72%
Grand Total	**652,499**	**600,556**	**+8.65%**

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 2011 and 2010, 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, 2010, that is: 1 US$ = 2.9641 PLN and 1 EUR = 3.9603 PLN and June 30th, 2011, that is: 1 US$ = 2.7517 PLN and 1 EUR = 3.9866 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 2010, that is 1 US$ = 3.057283 PLN and 1 EUR = 4.004233 PLN and 1 January to 30 June 2011, that is 1 US$ = 2.78875 PLN and 1 EUR = 3.9673 PLN.

- Individual items in the income statement for separate Q2 2011 and Q2 2010 – 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 2010, that is 1 US$ = 3.212767 PLN and 1 EUR = 4.0416 PLN and 1 April to 30 June 2011, that is 1 US$ = 2.7162 PLN and 1 EUR = 3.96036667 PLN.

	Period from 1 January to 30 June 2011			Period from 1 January to 30 June 2010		
	USD	PLN	EUR	USD	PLN	EUR
Revenue	**652,499**	**1,819,656**	**458,664**	**600,556**	**1,836,071**	**458,532**
Cost of sales	-618,724	-1,725,465	-434,922	-569,231	-1,740,301	-434,615
Gross profit before currency movements	**33,775**	**94,191**	**23,742**	**31,325**	**95,770**	**23,917**
Currency movements on gross profit	320	892	225	-4,034	-12,333	-3,080
Gross profit after currency movements	**34,095**	**95,083**	**23,967**	**27,291**	**83,437**	**20,837**
Selling expenses	-19,037	-53,090	-13,382	-15,256	-46,642	-11,648
Administrative expenses	-12,721	-35,475	-8,942	-11,253	-34,402	-8,592
Profit from operations	**2,337**	**6,518**	**1,163**	**783**	**2,393**	**598**
Financial expenses	-5,228	-14,580	-3,675	-3,464	-10,591	-2,645
Financial income	81	225	57	819	2,505	626
Other gains and losses	153	425	107	164	502	125
Share of (loss)/profit from joint ventues	-161	-448	-113	12	36	9
Loss before taxation	**-2,819**	**-7,860**	**-1,981**	**-1,686**	**-5,156**	**-1,288**
Taxation	-308	-860	-217	-235	-717	-179
Loss after taxation	**-3,127**	**-8,720**	**-2,198**	**-1,921**	**-5,873**	**-1,467**
Attributable to:						
Non-controlling interest	-143	-399	-101	100	306	77
Owners of the parent	**-2,984**	**-8,321**	**-2,097**	**-2,021**	**-6,179**	**-1,543**

	USD (cents)	PLN (grosz)	EUR (cents)	USD (cents)	PLN (grosz)	EUR (cents)
Basic and diluted earnings per share from continuing operations	-5.38	-14.99	-3.78	-3.64	-11.13	-2.78

	USD	PLN	EUR	USD	PLN	EUR
Net cash outflows from operating activities	-46,589	-129,924	-32,749	-61,095	-186,783	-46,647
Net cash outflows from investing activities	-2,962	-8,259	-2,082	-1,153	-3,524	-880
Net cash inflows from financing activities	2,801	7,812	1,969	2,003	6,123	1,529
Net increase/(decrease) in cash and cash equivalents	**-46,749**	**-130,372**	**-32,862**	**-60,244**	**-184,184**	**-45,997**
Cash at the beginning of the period	**21,370**	**59,594**	**15,021**	**36,572**	**111,810**	**27,923**
Cash at the end of the period	**-25,380**	**-70,777**	**-17,840**	**-23,673**	**-72,374**	**-18,074**

	As at 30 June 2011			As at 31 December 2010		
	USD	PLN	EUR	USD	PLN	EUR
Current assets	333,296	917,130	230,053	435,383	1,290,519	325,864
Non-current assets	32,431	89,239	22,385	30,244	89,645	22,636
Total assets	**365,726**	**1,006,369**	**252,438**	465,627	1,380,164	348,500
Liabilities	275,709	758,669	190,305	373,860	1,108,158	279,817
Equity	90,017	247,700	62,133	91,767	272,006	68,683

	Period from 1 April to 30 June 2011			Period from 1 April to 30 June 2010		
	USD	PLN	EUR	USD	PLN	EUR
Revenue	**302,880**	**822,683**	**207,729**	**269,562**	**866,038**	**214,281**
Cost of sales	-287,218	-780,141	-196,987	-255,376	-820,463	-203,004
Gross profit before currency movements	15,662	42,542	10,742	14,186	45,576	11,277
Currency movements on gross profit	-1,020	-2,770	-700	-2,337	-7,509	-1,858
Gross profit after currency movements	**14,643**	**39,772**	**10,043**	**11,849**	**38,067**	**9,419**
Selling expenses	-9,675	-26,278	-6,635	-7,279	-23,384	-5,786
Administrative expenses	-6,382	-17,335	-4,377	-5,623	-18,065	-4,470
Loss from operations	**-1,414**	**-3,842**	**-970**	**-1,053**	**-3,382**	**-837**
Financial expenses	-2,527	-6,865	-1,733	-1,835	-5,896	-1,459
Financial income	57	155	39	786	2,525	625
Other gains and losses	83	226	57	152	488	121
Share of profit from joint ventures	-89	-241	-61	12	37	9
Loss before taxation	**-3,890**	**-10,567**	**-2,668**	**-1,939**	**-6,228**	**-1,541**
Taxation	-65	-177	-45	-184	-591	-146
Loss after taxation	**-3,955**	**-10,743**	**-2,713**	**-2,123**	**-6,819**	**-1,687**
Attributable to:						
Non-controlling interests	-189	-513	-130	25	80	20
Owners of the parent	**-3,767**	**-10,231**	**-2,583**	**-2,148**	**-6,900**	**-1,707**
	USD (cents)	PLN (grosz)	EUR (cents)	USD (cents)	PLN (grosz)	EUR (cents)
Basic and diluted earnings per share from continuing operations	-6.79	-18.43	-4.66	-3.87	-12.43	-3.08

4. Organization of ASBIS Group

The following table presents our corporate structure as at 30 June 2011:

Company	Consolidation Method
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)
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, (Munich, 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)
ASBIS KOREA (Seoul, Korea)	Full (100% subsidiary)

5. Changes in the structure of the Company

During the six months ended June 30th, 2011 there were no changes in the structure of the Company and the Group.

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

We did not publish any forecasts for the three month period ended June 30th 2011. However on February 23rd, 2011 we published the official forecasts for the year 2011 assuming revenues between U.S. $ 1,6 billion and U.S.$ 1,65 billion, and net profit after tax between U.S. $ 6 million and U.S. $ 7,5 million. Having seen that the results of H1 2011, and especially of Q2 2011, have been heavily affected by the extraordinary situation in Belarus, the Company has decided to amend these forecasts. This was done on July 28th, 2011. The amended financial forecast for 2011 assumes no changes to the previously forecasted revenues (between U.S. $ 1,6 billion and U.S.$ 1,65 billion) but the forecast of net profit after tax has been changed to between U.S. $ 3 million and U.S.$ 4,5 million.

7. Information on dividend payment

In the period of six months ended 30 June 2011 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.

In the six months period ended on June 30th, 2011 the Company has not receive any information about any change in this structure.

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%
Alpha Ventures S.A.	3,200,000	5.76%	3,200,000	5.76%
Aviva Investors	2,919,414	5,26%	2,919,414	5,26%
Free float	23,704,225	42.71%	23,704,225	42.71%*
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 month period ended on 30 June 2011 as well as in the period between May 11th, 2011 (the date of the publication of the first quarter results) and August 18th, 2011 (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)	25,718,127	46.34%
Laurent Journoud	400,000	0.72%
Marios Christou	350,000	0.63%
Constantinos Tziamalis	35,000	0.06%
Efstathios Papadakis	0	0%
Kyriacos Christofi	0	0%

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Siarhei Kostevitch holds shares as the ultimate beneficial owner of KS Holdings Ltd.

10. Changes in the members of managing bodies

During the six months period ended June 30th, 2011 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 30th, 2011 re-elected Mr. Constantinos Tziamalis and Mr. Laurent Journoud to the Board of Directors.

11. Administrative and court proceedings against the Company

As of 30 June 2011, 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, 2011 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, 2011. The total bank guarantees raised by the Group (mainly to Group suppliers) as at June 30th, 2011 was U.S. $ 7,949 – as per note number 21 to the financial statements – which is below 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, 2011 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 currency fluctuations (especially in Belarus for Q2 2011), competition and price pressures, low gross profit margins, potential inventory obsolescence and price erosion, the worldwide unstable financial environment, credit risk and seasonality.

Despite the previous problems with currency losses, the Q2 2011 results confirm the quality of foreign exchange hedging solutions introduced by the Company in 2010. These efforts allowed the Company to be much less dependent to currency changes. It is the Company's intention to sustain such effective policy in the future. However, the good efficiency of the Company's hedging to the natural fluctuations of currency market, was not enough to mitigate the extraordinary effect of the steep double devaluation in Belarus. Therefore, despite good growth in revenues and gross profit, the Company's profitability was heavily affected in Q2 2011.

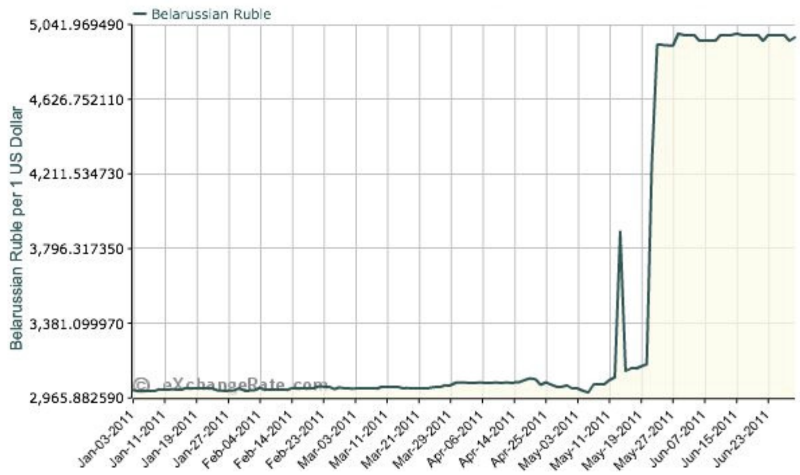
It is important to underline that excluding the extraordinary and un-foreseen situation in Belarus, the Company improved its revenues, gross profit, by better gross profit margins arising from improved product portfolio and operating results. This improvement was possible mostly due to better demand in the F.S.U. countries and stable sales levels in other regions. Although it is expected that the situation in Belarus may affect the Company's operations with additional U.S.$ 1 million of losses during the second part of the year, the Company's management strongly believes that with the situation in the other markets the Company will be able to deliver much better value in 2011 than in 2010.

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

Currency fluctuations

As mentioned in previous reports, the Company's reporting currency is the U.S. dollar. Traditionally around 40% of the Company's revenues were denominated in U.S. dollars. Following the Company's efforts to decrease currency risk, this number grew to more than 50% back in 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 in a steep manner against the U.S. Dollar, the Group's reporting currency. Despite the fluctations in the currency environment, the Company was able to limit the influence of normal currency fluctuations on its results due to better hedging policy. However the results were affected by the unusual, unforeseeable and unavoidable material depreciation of the Belarussian currency to USD.

USD/BYR in H1 2011



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.

This paid off in H1 2011 when – even despite the situation in Belarus - the gross profit margin after currency movements grew by 15.20% to 5.23% from 4.54% in H1 2010.

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 not easily granting 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.

Worldwide financial environment

The world's financial crisis has eased significantly throughout 2010 and this trend continued in Q2 and H1 2011. The recovery signals from some of our markets were strong again especially in the Former Soviet Union countries. On the other hand, the situation in other markets stabilized enough to sustain the sales levels, even despite the unexpected factors, like the situation in the North African countries. Following some recovery the Company undertakes efforts to benefit from these signals both in revenues and profitablity. The Company has revised its strategy and has adapted to the new environment, i.e. by rebuilding its product portfolio. This has paid off from increasing demand in many markets of the Company's operations, as the Company was able to win market share from the weaker competitors.

The Company tries to benefit from growing markets, but the main focus is on margins and profitability, not sales. This was visible in Q1 2011 results, and would have been visible also in Q2 2011 (and therefore H1 2011 results) if not the extraordinary and unavoidable situation in Belarus that adversely affected the Companys results.

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 till the year end.

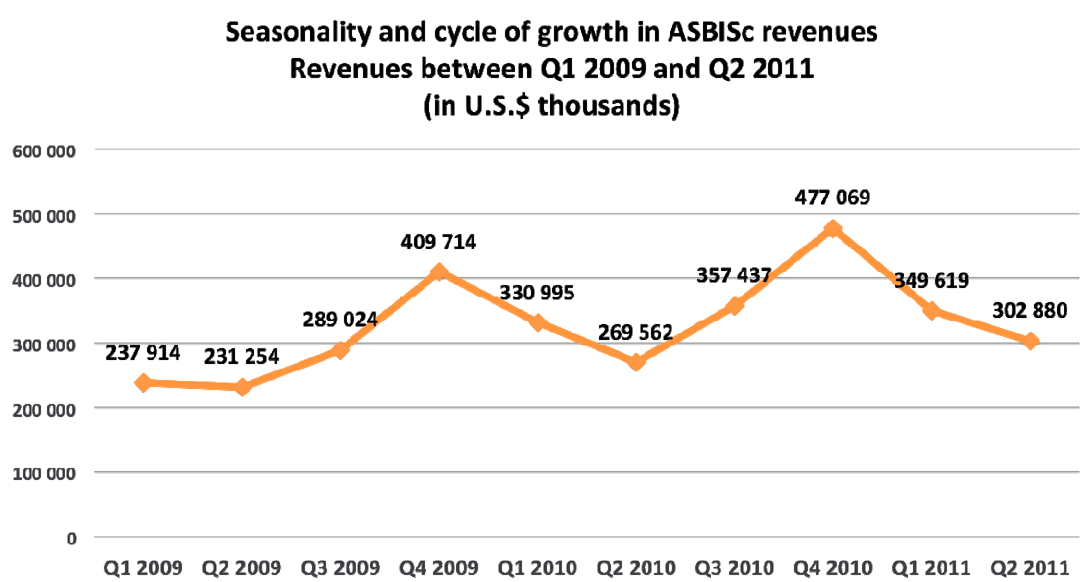
This situation has changed in the second part of 2008 and in 2009 when the world's financial crisis limited demand and sales levels, as well as some of our customers' ability to buy. However, there have been more signals of recovery in the second part of 2009 and 2010; this is continued up to date. As of the date of this report, the Company's management believes that the traditional seasonality shall be visible in the markets during 2011, which is expected to positively affect the Company's results in the forthcoming quarters.

Results of Operations

Three and six month periods ended 30 June 2011 compared to the three and six month periods ended 30 June 2010

Revenues: Revenues grew both in Q2 2011 (+12.36%) and H1 2011 (+8.65%) compared to the corresponding periods of 2010.

Although in 2011 the Company limited its sales in Belarus, due to economic issues in the country, sales levels increased in other countries, due to upgraded product portfolio and the Company's stronger market position. It is expected that sales levels will continue to grow in the second part of the year.



- **Gross profit:** Gross profit grew significantly both in Q2 2011 and in H1 2011. It is also important to underline that due to better hedging policies, this growth was observed both before and after currency movements excluding the influence of Belarus.

Before currency movements:

Gross profit before currency movements for Q2 2011 has increased by 10.41% to U.S.$ 15,662 from U.S.$ 14,186 in the corresponding period of 2010.

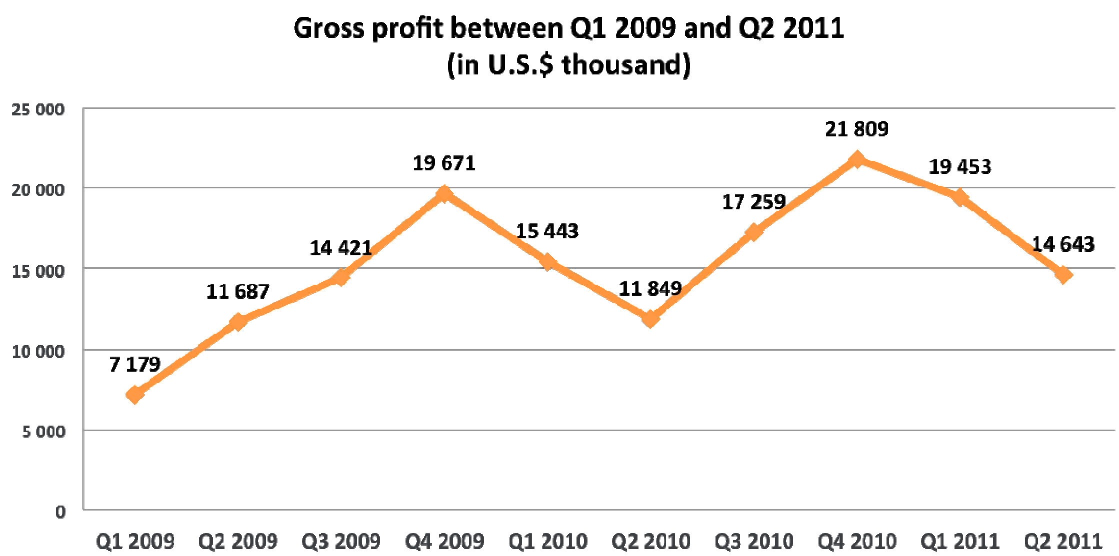
Gross profit before currency movements for H1 2011 has increased by 7.82% to U.S.$ 33,775 from U.S.$ 31,325 in the corresponding period of 2010. This was mostly due to upgraded product portfolio allowing the Group better margins.

After currency movements:

Gross profit after currency movements in Q2 2011 has increased by 23.58% to U.S.$ 14,643 from U.S.$ 11,849 in the corresponding period of 2010.

Gross profit after currency movements in H1 2011 has increased by 24.93% to U.S.$ 34,095 from U.S.$ 27,291 in the corresponding period of 2010.

Despite that, it is expected that due to good effectiveness of the Company's operations in all other countries growth in gross profit is expected for the second part of the year, assuming the overall economic environment will not change dramatically.



- **Gross profit margin:** In both Q2 2011 and H1 2011 the Company was able to generate better margins due to upgraded product portfolio. The gross profit margin has been negatively affected by the situation in Belarus. The gross profit margin before foreign exchange losses in Q2 2011 was 5.17% compared to 5.26% in the corresponding period of 2010. Gross profit margin after currency movements was 4.83% compared to 4.40% in the corresponding period of 2010.

  Gross profit margin before foreign exchange losses in H1 2011 was 5.18% compared to 5.22% in the corresponding period of 2010. Gross profit margin after currency movements was 5.23% compared to 4.54% in the corresponding period of 2010, indicating an improved hedging policy and stabilization of Euro and other Eastern European currencies to U.S. Dollar.

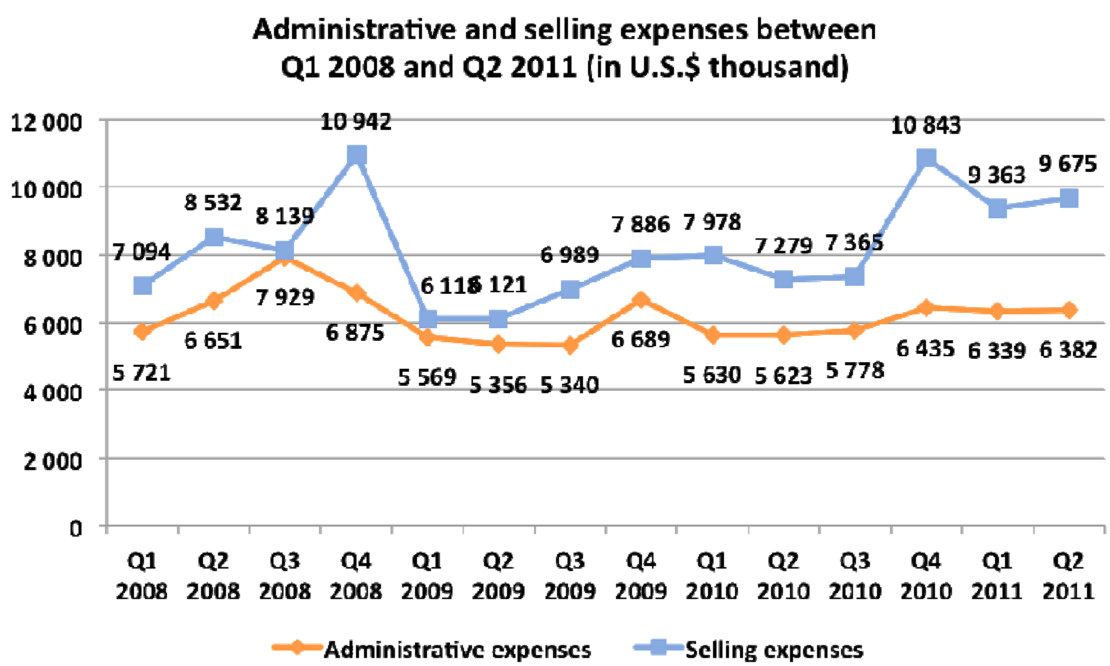
- **Selling expenses** largely comprise of salaries and benefits paid to sales employees (sales, marketing and logistics departments), marketing and advertising fees, commissions, and traveling expenses. Selling expenses usually grow together (but not in-line) with growing sales which was also the case of H1 2011. Additionally, in Q2 2011 the selling expenses were negatively affected by the economic situation in Belarus.

Selling expenses in Q2 2011 increased by 32.92% to U.S.$ 9,675 from U.S.$ 7,279 in the corresponding period of 2010 following an increase in both sales and gross profit as well as some additional costs related to Belarus.

Selling expenses in H1 2011 increased by 24.79% to U.S.$ 19,037 from U.S.$ 15,256 in the corresponding period of 2010 following an increase in both sales and gross profit.

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

  Administrative expenses in Q2 2011 increased 13.51% to U.S.$ 6,382 from U.S.$ 5,623 in the corresponding period of 2010. This increase was mostly related to extra costs incurred in Belarus. Admin expenses for H1 2011 have increased by 13.05% to U.S.$ 12,721 from U.S.$ 11,253 in the corresponding period of 2010.



- **Operating profit:** In Q2 2011 the Company had an operating loss of U.S. $ 1,414 compared to operating loss of U.S. $ 1,053 in the corresponding period of 2010. For H1 2011 the Company has generated an operating profit that amounted to U.S. $ 2,337 compared to operating profit of U.S. $ 783 in the corresponding period of 2010. This enables the Company's management to be more optimistic about the future.

- **EBITDA:** In Q2 2011 EBITDA was negative and amounted to U.S.$ -632 compared to a negative value of U.S.$ -308 in the corresponding period of 2010. However, H1 2011 EBITDA was positive and amounted to U.S.$ 3,874 compared to U.S.$ 2,249 in the corresponding period of 2010.

- **Net profit/loss:** Due to extraordinary losses arising mainly from the devaluation and dramatic changes in the economic surrounding in Belarus, both Q2 and H1 2011 net result was negative.

Sales by regions and countries

Traditionally and throughout the Company's operation, the region contributing the majority of revenues has been the Former Soviet Union. This changed temporarily in 2009, when the Central and Eastern European 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 the first position in the Company's structure of revenues in 2010. This was also the case of Q2 and H1 2011 when revenues derived from F.S.U.

countries grew by 15.88% in Q2 2011 and by 17.67% in H1 2011, compared to the corresponding period of 2010. In addition, sales revenue in CEE grew by 25.09% in Q2 2011 and by 10.07% in H1 2011, while other regions remained relatively stable after their significant growth during the crisis.

Country-by-country analysis confirms that the Company's biggest single market – Russia – with +18,65% growth has driven the Company's sales, even despite slower growth in some other markets like Slovakia (+0.89%) and Ukraine (+4.68%). Apart from that, revenues grew also in many smaller countries, i.e. in the Czech Republic by +18.98% or in Saudi Arabia by +19.38%. Overall, this allowed the Company to increase its revenues by 8.65% in H1 2011.

The table below provides a geographical breakdown of sales in the six month periods ended 30 June 2011 and 2010.

	H1 2011		H1 2010	
	U.S. $ thousands	% of total revenues	U.S. $ thousands	% of total revenues
Former Soviet Union	260,159	39.87%	221,097	36,82%
Central and Eastern Europe	222,991	34.18%	202,590	33,73%
Middle East and Africa	93,625	14.35%	95,654	15,93%
Western Europe	53,163	8.15%	55,657	9,27%
Other	22,563	3.46%	25,559	4,26%
Total	652,499	100%	600,556	100%

Revenue breakdown – Top 10 countries in Q2 2011 and Q2 2010 (in U.S. Dollar thousands)

	Q2 2011		Q2 2010	
	Country	Sales	Country	Sales
1.	**Russia**	69,276	**Russia**	59,393
2.	**Slovakia**	38,629	**Slovakia**	32,022
3.	**Ukraine**	27,278	**Ukraine**	23,641
4.	**Czech Republic**	17,726	**United Arab Emirates**	15,428
5.	**United Arab Emirates**	15,018	**Czech Republic**	14,218
6.	**Kazakhstan**	13,432	**Saudi Arabia**	11,663
7.	**Saudi Arabia**	11,538	**Belarus**	9,447
8.	**Hungary**	8,081	**The Netherlands**	7,934
9.	**Romania**	7,748	**Kazakhstan**	5,969
10.	**Bulgaria**	7,025	**Hungary**	5,931
11.	**Other**	87,130	**Other**	83,917
	TOTAL	**302,880**	**TOTAL**	**269,562**

Revenue breakdown – Top 10 countries in H1 2011 and H1 2010 (in U.S. Dollar thousands)

	H1 2011		H1 2010	
	Country	Sales	Country	Sales
1.	**Russia**	151,640	**Russia**	127,805
2.	**Slovakia**	70,483	**Slovakia**	69,864

3.	**Ukraine**	62,929	**Ukraine**	60,116
4.	**Czech Republic**	36,908	**United Arab Emirates**	33,788
5.	**United Arab Emirates**	34,531	**Czech Republic**	31,020
6.	**Saudi Arabia**	25,620	**Saudi Arabia**	21,461
7.	**Kazakhstan**	23,966	**Belarus**	20,973
8.	**Belarus**	17,583	**The Netherlands**	18,939
9.	**Romania**	16,602	**Turkey**	13,552
10.	**Bulgaria**	14,828	**Croatia**	13,190
11.	**Other**	197,410	**Other**	189,850
	TOTAL	**652,499**	**TOTAL**	**600,556**

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 2011 and 2010 (U.S.$ thousands):

	H1 2011		H1 2010	
	U.S. $ thousands	% of total revenues	U.S. $ thousands	% of total revenues
Central processing units (CPUs)	145,118	22.24%	129,176	21.51%
Hard disk drives (HDDs)	78,725	12.07%	81,984	13.65%
Software	72,336	11.09%	40,042	6.67%
PC-mobile (laptops)	170,101	26.07%	129,832	21.62%
Other	186,219	28.54%	219,522	36.55%
Total revenue	**652,499**	**100%**	**600,556**	**100%**

In the six month period ended June 30th, 2011:

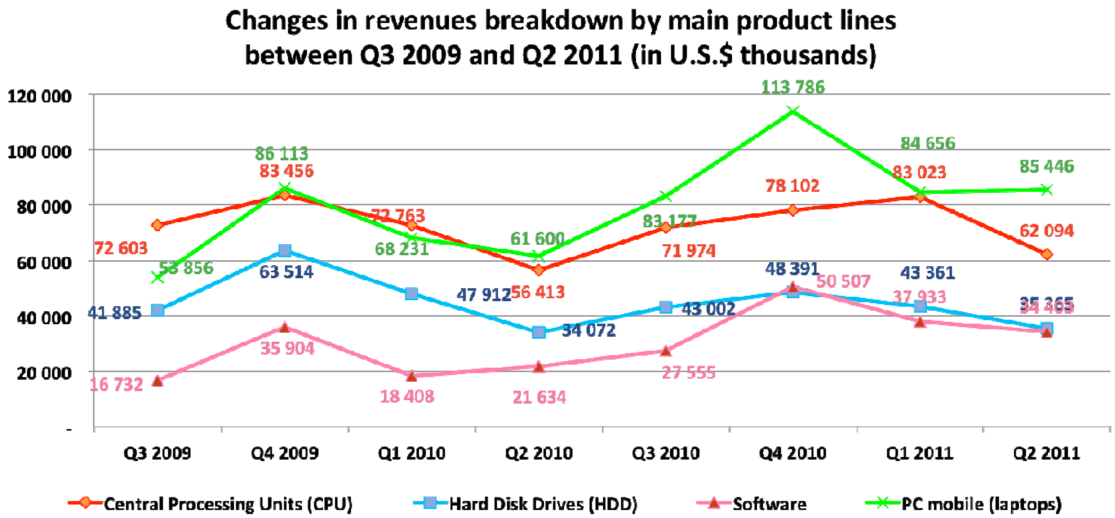
- Revenue from sale of central processing units ("CPUs") increased by 12.34% to U.S. $ 145,118 from U.S. $ 129,176 in the corresponding period of 2010. This was possible due to increased unit sales.

- Revenue from sale of hard disk drives ("HDDs") decreased slightly by 3.98% to U.S. $ 78,725 from U.S. $ 81,984 in the corresponding period of 2010. This was mostly due to lower average selling price only partially offset by higher unit sales.

- Revenue from sale of PC-mobile ("laptops") increased by 31.02% to U.S. $ 170,101 from U.S. $ 129,832 in the corresponding period of 2010. This was possible mostly due to +40.64% 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 80.65% to U.S. $ 72,336 from U.S. $ 40,042 in the corresponding period of 2010. This increase of revenue from sales of software was connected with 111.88% increase in unit sales because of improved product portfolio (i.e. Microsoft, Symantec, Kerio, Kaspersky) in many countries.

- Apart from its main product categories, the Group is developing segments with high margins, like display products (+55.57%), accessories and multimedia (+64.32%) and networking products (+90.10%) that grew significantly in H1 2011 compared to the corresponding period of 2010.



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 2011 own brands contribution in total sales revenue was close to 6%. 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. However, as the own total sales grow fast, the Company focuses more on the profitability delivered by the own brands, which is significantly higher than in other product lines.

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. In H1 2011 the Company signed a number of new contracts to complete its product portfolio in different countries. This shall be further continued, as it is one of the best solutions to win market share and improve results in particular countries.

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 has become more available and at a lower cost; this has decreased the Group's weighted average cost of debt.

The following table presents a summary of cash flows for the six months ended June 30th, 2011 and 2010:

	Six months ended June 30th	
	2011	**2010**
	U.S. $	
Net cash outflows from operating activities	(46,589)	(61,095)
Net cash outflows from investing activities	(2,962)	(1,153)
Net cash inflows from financing activities	2,801	2,003
Net decrease in cash and cash equivalents	(46,749)	(60,244)

Net cash outflows from operations

Net cash outflows from operations amounted to U.S. $ 46,589 for the six months ended June 30th 2011, compared to U.S. $ 61,095 in the corresponding period of 2010. This is primarily due to more efficient management of inventory and receivables.

Net cash outflows from investing activities

Net cash outflows from investing activities was U.S. $ 2,962 for the six months ended June 30th 2011, compared to U.S. $ 1,153 in the corresponding period of 2010. This was mostly due to purchase of the building in Belarus and major improvements in the new building in Cyprus.

Net cash inflows from financing activities

Net cash inflows from financing activities was U.S. $ 2,801 for the six months ended June 30th 2011, compared to U.S. $ 2,003 for the corresponding period of 2010. 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, cash and cash equivalents has decreased by U.S. $ 46,749, compared to a decrease of U.S. $ 60,244 in the corresponding period of 2010.

16. Factors which may affect our results in the future

Economic situation in Belarus

The Company has been the market leader in the distribution of IT and consumer electronics in Belarus. The losses that the Company has suffered in Belarus in Q2 2011 were caused solely by economic situation in the country. This had resulted in an unpredictable steep devaluation of local currency (more than 65%) to U.S. Dollar that has significantly affected the overall business environment and the Company’s operations.

It is important to underline, that in the management’s opinion the steps undertaken secure the Company’s operations and profitability in this country in the future, under the condition that there will be no further extraordinary factors similar to the devaluation in Q2 2011. However, as nobody can predict what can happen in the country in the future, the Company is closely monitoring the situation and is taking proper actions to safeguard its interests in the country.

The Group’s ability to increase revenues and market share

The very well diversified geographic coverage of the Group’s revenues ensures that the Company divides the risk of lower sales in particular country by the possibility of higher sales in a number of other countries. However, still Russia and F.S.U. are the biggest contributors of the Company’s revenues. Therefore, it is very important to constantly increase the quality of sales in these markets. This has been successful in H1 2011 due to better product portfolio and healthy market situation. It is very important however to remain focused in all markets we operate and ensure increased revenues and market share.

Despite the recovery in all major markets, particular markets experience problems from time to time, as it was the case of Belarus in Q2 2011. This affects the Company’s results on the profitability side. Luckily, at this point in time, the management does not foresee any other country with such or similar problems further this year.

The Group has to ensure that all elements for success remain in place and be adaptive to all challenges which might be faced. Fierce competition, vendor relationships, positive cash-flow position and proper risk management are considered as critical success factors throughout 2011. The ability of the Group to keep a high standard in all aforementioned factors should be proven extremely important for our profitability during the following quarters. The management believes that it has taken all necessary steps to weather all these challenges, however factors outside the ordinary course of business might affect the Group's result at any point in time.

Currency volatilities:

The multi-currency environment that the Group operates in exposes its financial results to steep currency fluctuations. Despite the currency movements during the whole of H1 2011, the hedging policy of the Group has proven successful and should be followed without exception.

It is the management's opinion that if not the extraordinary situation in Belarus occured, the Company's results in Q2 2011 and H1 2011 would have been much better. Unfortunately, this situation is attributed to external factors that have not been visible to us.

But as the situation now in Belarus seems to be under control, it is not likely to repeat in the future; also the management feels that it is in a much stronger position to accommodate currency volatilities and expect no material negative effect from this in the future.

It is the management's aim 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 2011 and going forward, the Group will continue to be exposed to the 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.

Ability of the Group to control increased expenses:

The worldwide crisis has led the Group to take severe cost cutting actions during 2009. Following the increased demand and improved business environment, the Group has decided to invest into human capital and proceeded with hiring personnel at positions which are considered critical in order to ensure better service of the markets and customers. This has increased expenses. The management has, as a result, started a new wave of cost cutting actions to decrease its expenses and deliver improved results going forward.

Ability to further develop its product portfolio:

Because of its size, geographical coverage and good relationships with vendors, the Company, has managed to build an extensive product portfolio, which has played a significant role in our increased revenues during last year and in H1 2011. It is very crucial for the Company to continue refining its product mix by adding new product lines with higher gross (and net) profit margins which will boost its profitability.

Products like CPUs and HDDs have reached saturation on their life cycle and the need for new and higher margin products is becoming of extreme importance. The Group makes sure that more A-branded finished products are added to its portfolio as well as new technology products, like tablet PC, e-book readers and other new technologically advanced products.

17. Information about important events that occurred after the period ended on June 30th, 2011 and before this report release

According to our best knowledge, in the period between June 30th, 2011 and August 18th, 2011 no events have occurred that could affect the Company's operations or financial stability.

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 2011

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ASBISC ENTERPRISES PLC

INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

FOR THE PERIOD ENDED

30 JUNE 2011

ASBISC ENTERPRISES PLC

INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS
FOR THE PERIOD ENDED 30 JUNE 2011

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 19^{th}, 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 17^{th}, 2011

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 2011 and the related interim consolidated statements of comprehensive income, changes in equity and cash flows for the period from 1 January 2011 to 30 June 2011 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 2011 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, 17 August 2011

INTERIM CONSOLIDATED INCOME STATEMENT
FOR THE PERIOD ENDED 30 JUNE 2011

	Notes	For the six months ended 30 June 2011 *US$*	For the six months ended 30 June 2010 *US$*
Revenue	5,25	652.498.824	600.556.331
Cost of sales		(618.723.513)	(569.231.234)
Gross profit before currency movements		33.775.311	31.325.097
Currency movements on gross profit	6	319.769	(4.033.867)
Gross profit after currency movements		34.095.080	27.291.230
Selling expenses		(19.037.323)	(15.256.042)
Administrative expenses		(12.720.609)	(11.252.585)
Profit from operations		2.337.148	782.603
Financial expenses	8	(5.228.085)	(3.464.194)
Financial income	8	80.665	819.399
Other gains and losses	7	152.464	164.226
Share of (loss)/profit from joint ventures	30	(160.768)	11.627
Loss before taxation	9	(2.818.576)	(1.686.339)
Taxation	10	(308.210)	(234.516)
Loss after taxation		(3.126.786)	(1.920.855)
Attributable to:			
Non-controlling interest		(143.022)	100.216
Owners of the parent		(2.983.764)	(2.021.071)
		(3.126.786)	(1.920.855)
		US$ cents	US$ cents
Earnings per share			
Basic and diluted from continuing operations		(5,38)	(3,64)

INTERIM CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME
FOR THE PERIOD ENDED 30 JUNE 2011

	For the six months ended 30 June 2011 *US$*	For the six months ended 30 June 2010 *US$*
Loss after taxation	(3.126.786)	(1.920.855)
Other comprehensive income:		
Exchange difference on translating foreign operations	1.546.593	(1.421.909)
Other comprehensive income/(loss) for the period	1.546.593	(1.421.909)
Total comprehensive loss for the period	(1.580.193)	(3.342.764)
Total comprehensive loss attributable to:		
Non-controlling interests	(132.795)	72.186
Owners of the parent	(1.447.398)	(3.414.950)
	(1.580.193)	(3.342.764)

INTERIM CONSOLIDATED STATEMENT OF FINANCIAL POSITION
AS AT 30 JUNE 2011

ASSETS	Notes	Unaudited as at 30 June 2011 US$	Audited as at 31 December 2010 US$
Current assets			
Inventories	12	102.344.245	103.619.085
Trade receivables	13	212.327.318	275.599.851
Other current assets	14	6.810.291	7.430.162
Derivative financial asset	15	53.467	5.379
Current taxation	10	567.058	348.667
Cash at bank and in hand	26	11.193.349	48.380.080
Total current assets		333.295.728	435.383.224
Non-current assets			
Goodwill	29	600.730	600.730
Property, plant and equipment	16	28.761.561	26.283.605
Investments in joint ventures	30	413.267	685.632
Available-for-sale financial assets	18	9.580	9.580
Intangible assets	17	1.714.380	1.672.152
Deferred tax assets	11	930.935	991.821
Total non-current assets		32.430.453	30.243.520
Total assets		365.726.181	465.626.744
LIABILITIES AND EQUITY			
Liabilities			
Current liabilities			
Trade payables		164.185.638	263.969.863
Other current liabilities	19	41.057.403	51.132.058
Derivative financial liability	20	61.097	138.840
Current taxation	10	160.239	839.316
Short term obligations under finance leases	23	257.267	267.835
Bank overdrafts and short term loans	21	64.647.466	52.070.722
Total current liabilities		270.369.110	368.418.634
Non-current liabilities			
Long term liabilities	22	5.144.873	5.168.634
Long term obligations under finance leases	23	195.126	272.590
Total non-current liabilities		5.339.999	5.441.224
Total liabilities		275.709.109	373.859.858
Equity			
Share capital	24	11.100.000	11.100.000
Share premium		23.518.243	23.518.243
Retained earnings and other components of equity		55.269.736	56.717.134
Equity attributable to owners of the parent		89.887.979	91.335.377
Non-controlling interests		129.093	431.509
Total equity		90.017.072	91.766.886
Total liabilities and equity		365.726.181	465.626.744

The financial statements were approved by the Board on 17 August 2011.

Siarhei Kostevitch
Director

Constantinos Tziamalis
Director

INTERIM CONSOLIDATED STATEMENT OF CHANGES IN EQUITY
FOR THE PERIOD ENDED 30 JUNE 2011

	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 2009 and 1 January 2010	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
Income for the period 1 July 2010 to 31 December 2010	-	-	2.970.356	-	2.970.356	252.547	3.222.903
Other comprehensive income for the period 1 July 2010 to 31 December 2010	-	-	-	762.747	762.747	4.990	767.737
Dividend payment to non-controlling interests	-	-	-	-	-	(1.127)	(1.127)
Non-controlling interest on establishment of new subsidiary	-	-	-	-	-	17.357	17.357
Balance at 31 December 2010	11.100.000	23.518.243	57.224.454	(507.320)	91.335.377	431.509	91.766.886
Loss for the period 1 January 2011 to 30 June 2011	-	-	(2.983.764)	-	(2.983.764)	(143.022)	(3.126.786)
Other comprehensive income for the period 1 January 2011 to 30 June 2011	-	-	-	1.536.366	1.536.366	10.227	1.546.593
Dividend payment to non-controlling interests	-	-	-	-	-	(169.621)	(169.621)
Balance at 30 June 2011	11.100.000	23.518.243	54.240.690	1.029.046	89.887.979	129.093	90.017.072

INTERIM CONSOLIDATED STATEMENT OF CASH FLOWS
FOR THE PERIOD ENDED 30 JUNE 2011

	Notes	For the six months ended 30 June 2011 US$	For the six months ended 30 June 2010 US$
Loss for the period before tax and minority interest		(2.818.576)	(1.686.339)
Adjustments for:			
Exchange difference arising on consolidation		396.589	711.398
Provision for bad debts and receivables written off		615.454	1.189.519
Bad debts recovered		(8.248)	(744)
Depreciation	16	1.223.791	1.105.724
Amortization of intangible assets	17	312.624	360.247
Gains arising on business combinations		(4.364)	-
Share of loss/(profit) from joint ventures	30	160.768	(11.627)
Interest received		(50.020)	(251.870)
Interest paid		2.424.168	1.849.474
(Profit)/loss from the sale of property, plant and equipment and intangible assets		(4.979)	15.357
Operating profit before working capital changes		2.247.207	3.281.139
Decrease/(increase) in inventories		1.274.840	(18.651.837)
Decrease in trade receivables		62.665.327	19.135.438
Decrease/(increase) in other current assets		571.783	(1.227.192)
Decrease in trade payables		(99.784.225)	(44.341.761)
Decrease in other current liabilities		(10.036.437)	(17.070.519)
(Decrease)/increase in other long-term liabilities		(68.102)	97.157
Cash outflows from operations		(43.129.607)	(58.777.575)
Taxation paid, net	10	(1.034.821)	(467.488)
Interest paid		(2.424.168)	(1.849.474)
Net cash outflows from operating activities		(46.588.596)	(61.094.537)
Cash flows from investing activities			
Interest received		50.020	251.870
Purchase of property, plant and equipment	16	(2.850.585)	(933.068)
Purchase of intangible assets	17	(418.278)	(194.093)
Net payments on business combinations		-	(311.180)
Net cash acquired on business combinations		-	22.869
Proceeds from sale of property, plant and equipment and intangible assets		257.276	11.032
Net cash outflows from investing activities		(2.961.567)	(1.152.570)
Cash flows from financing activities			
Dividends paid to non-controlling interests		(169.621)	(187.857)
Repayments of long term loans and long term obligations under finance lease		(33.124)	(845.303)
Proceeds of short term loans and short term obligations under finance lease		3.003.819	3.035.856
Net cash inflows from financing activities		2.801.074	2.002.696
Net decrease in cash and cash equivalents		(46.749.089)	(60.244.411)
Cash and cash equivalents at beginning of the period		21.369.517	36.571.758
Cash and cash equivalents at end of the period	26	(25.379.572)	(23.672.653)

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 condensed consolidated financial statements for the six months ended 30 June 2011 have been prepared in accordance with International Accounting Standard (IAS) 34, Interim Financial Reporting, as adopted by the European Union (EU).

The 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 2010.

3. Basis of consolidation

The 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 2010.

The condensed consolidated financial statements are presented in US$.

The accounting policies adopted for the preparation of the condensed consolidated financial statements for the six months ended 30 June 2011 are consistent with those followed for the preparation of the annual financial statements for the year 2010 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 2011. The adoption of new and revised standards and interpretations did not have any material effect on the group's 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.

6. Currency movements on gross profit

	For the six months ended 30 June 2011	For the six months ended 30 June 2010
	US$	*US$*
Realised currency movements on trading activities	634.137	(3.661.308)
Unrealised currency movements on trading activities	771.266	(888.634)
Realised (loss)/gain on executed forward contracts	(1.190.537)	395.008
Net unrealised gain on unexecuted forward contracts	104.903	121.067
Gain/(loss) on currency movements	319.769	(4.033.867)

7. Other gains and losses

	For the six months ended 30 June 2011	For the six months ended 30 June 2010
	US$	*US$*
Rental income	61.648	87.395
Gain/(loss) on disposal of property, plant and equipment	4.979	(15.357)
Bad debts recovered	8.248	744
Other income	77.589	91.444
	152.464	164.226

8. Financial expense, net

	For the six months ended 30 June 2011	For the six months ended 30 June 2010
	US$	*US$*
Interest income	50.020	251.870
Net exchange gain	-	471.499
Other financial income	30.645	96.030
	80.665	819.399
Bank interest	2.424.168	1.849.474
Bank charges	938.506	675.607
Factoring interest	498.662	556.297
Factoring charges	185.347	124.701
Other financial expenses	90.181	71.610
Other interest	74.055	186.505
Net exchange loss	1.017.166	-
	5.228.085	3.464.194
Net	(5.147.420)	(2.644.795)

9. Loss before taxation

	For the six months ended 30 June 2011	For the six months ended 30 June 2010
	US$	*US$*
The loss before taxation is stated after charging:		
(a) Depreciation	1.223.791	1.105.724
(b) Amortization	312.624	360.247
(c) Auditor’s remuneration	290.432	272.891
(d) Directors’ remuneration – executive (Note 27)	308.973	245.654
(e) Directors’ remuneration non-executive (Note 27)	21.082	19.810

10. Taxation

	For the six months ended 30 June 2011 *US$*	For the year ended 31 December 2010 *US$*
Credit balance 1 January	490.649	64.659
Tax asset from subsidiaries acquired	-	(278)
Provision for the period/year	221.296	1.315.092
Under provision of prior year periods	4.387	7.477
Exchange difference on retranslation	(88.330)	(4.877)
Amounts paid, net	(1.034.821)	(891.424)
Net (debit)/credit balance 30 June/31 December	(406.819)	490.649

	For the six months ended 30 June 2011 *US$*	For the year ended 31 December 2010 *US$*
Tax receivable	(567.058)	(348.667)
Tax payable	160.239	839.316
Net	(406.819)	490.649

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

	For the six months ended 30 June 2011 *US$*	For the six months ended 30 June 2010 *US$*
Provision for the period	221.296	237.414
Under provision of prior years	4.387	-
Deferred tax charge/(income)	82.527	(2.898)
Charge for the period	308.210	234.516

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. Deferred tax

	For the six months ended 30 June 2011 US$	For the year ended 31 December 2010 US$
Debit balance on 1 January	(991.821)	(625.795)
Deferred tax charge/(credit) for the period (note 10)	82.527	(372.675)
Exchange difference on retranslation	(21.641)	6.649
Debit balance on 31 March/ 31 December	(930.935)	(991.821)

12. Inventories

	As at 30 June 2011 *US$*	As at 31 December 2010 *US$*
Goods held for resale	92.284.465	99.006.701
Goods in transit	11.294.508	5.524.296
Provision for slow moving and obsolete stock	(1.234.728)	(911.912)
	102.344.245	103.619.085

13. Trade receivables

	As at 30 June 2011 *US$*	As at 31 December 2010 *US$*
Trade receivables	218.132.145	280.952.154
Allowance for doubtful debts	(5.804.827)	(5.352.303)
	212.327.318	275.599.851

14. Other current assets

	As at 30 June 2011 *US$*	As at 31 December 2010 *US$*
Other debtors and prepayments	3.321.645	3.001.796
VAT and other taxes refundable	2.280.355	3.244.704
Employee floats	312.305	326.032
Deposits and advances to service providers	895.986	857.630
	6.810.291	7.430.162

15. Derivative financial asset

	As at 30 June 2011 *US$*	As at 31 December 2010 *US$*
<u>Derivative financial assets carried at fair value through profit or loss</u>		
Foreign currency forward contracts	53.467	5.379
	53.467	5.379

16. 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 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	106.863	3.402.910	31.920	222.353	195.453	598.214	645.938	5.203.651
Disposals	-	-	(5.690)	(78.566)	(150.004)	(241.565)	(275.108)	(750.933)
Foreign exchange difference on retranslation	(838.908)	-	(59)	(88.697)	(87.433)	(121.372)	(196.426)	(1.332.895)
At 31 December 2010	18.784.078	3.402.910	169.199	2.067.071	2.684.502	3.511.657	5.554.015	36.173.432
Additions	1.173.025	709.493	-	197.985	158.322	198.623	413.137	2.850.585
Disposals	-	-	-	(22.951)	(93.470)	(354.560)	(218.284)	(689.265)
Transfers	4.112.403	(4.112.403)	-	-	-	-	-	-
Foreign exchange difference on retranslation	850.635	-	(781)	106.265	127.889	151.349	253.365	1.488.722
At 30 June 2011	24.920.141	-	168.418	2.348.370	2.877.243	3.507.069	6.002.233	39.823.474
Accumulated depreciation								
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 year	477.917	-	18.342	215.720	296.810	527.081	766.735	2.302.605
Disposals	-	-	(5.690)	(52.701)	(51.475)	(229.582)	(258.111)	(597.559)
Foreign exchange difference on retranslation	(80.471)	-	(104)	(33.364)	(41.712)	(62.179)	(106.675)	(324.505)
At 31 December 2010	1.762.694	-	24.794	1.004.049	1.352.034	1.935.678	3.810.578	9.889.827
Charge for the period	253.448	-	9.434	110.926	132.124	292.693	425.166	1.223.791
Disposals	-	-	-	(19.671)	(50.704)	(262.046)	(188.639)	(521.060)
Foreign exchange difference on retranslation	67.702	-	5.359	49.684	77.234	96.001	173.375	469.355
At 30 June 2011	2.083.844	-	39.587	1.144.988	1.510.688	2.062.326	4.220.480	11.061.913
Net book value								
At 30 June 2011	22.836.297	-	128.831	1.203.382	1.366.555	1.444.743	1.781.753	28.761.561
At 31 December 2010	17.021.384	3.402.910	144.405	1.063.022	1.332.468	1.575.979	1.743.437	26.283.605

Assets under construction which related to the reconstruction and renovation of a newly acquired building in Cyprus were completed and transferred to land and buildings in June 2011 at the total cost of US$ 4.112.403. During 2011 the group also acquired property in Belarus of total cost value US$ 1.173.025.

17. Intangible assets

	Computer software US$	Patents and licenses US$	Total US$
Cost			
At 1 January 2010	6.533.961	679.436	7.213.397
Additions	121.457	129.601	251.058
Disposals upon disposal of subsidiaries	(76)	-	(76)
Disposals	(90.219)	(23.766)	(113.985)
Foreign exchange difference on retranslation	(53.518)	(12.013)	(65.531)
At 31 December 2010	6.511.605	773.258	7.284.863
Additions	161.171	257.107	418.278
Disposals/ write-offs	(300.182)	(23.446)	(323.628)
Foreign exchange difference on retranslation	73.798	8.471	82.269
At 30 June 2011	6.446.392	1.015.390	7.461.782
Accumulated amortization			
At 1 January 2010	4.483.801	553.797	5.037.598
Charge for the year	623.931	83.123	707.054
Disposals upon disposal of subsidiaries	(76)	-	(76)
Disposals	(89.806)	-	(89.806)
Foreign exchange difference on retranslation	(34.832)	(7.227)	(42.059)
At 31 December 2010	4.983.018	629.693	5.612.711
Charge for the period	264.559	48.065	312.624
Disposals/ write-offs	(233.629)	(5.905)	(239.534)
Foreign exchange difference on retranslation	55.617	5.984	61.601
At 30 June 2011	5.069.565	677.837	5.747.402
Net book value			
At 30 June 2011	1.376.827	337.553	1.714.380
At 31 December 2010	1.528.587	143.565	1.672.152

18. Available-for-sale financial assets

	Country of incorporation	Participation %	Cost US$	Impairment US$	As at 30 June **2011** US$	As at 31 December **2010** 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

19. Other current liabilities

	As at 30 June 2011 *US$*	As at 31 December 2010 *US$*
Factoring creditors (i)	26.373.428	32.373.068
Non-trade accounts payable	3.347.787	4.578.205
Salaries payable and related costs	1.162.970	1.217.365
VAT payable	4.285.012	6.106.819
Amount due to directors – executive	1.976	20.630
Amounts due to directors – non-executive	11.186	10.402
Unpaid consideration for investment in joint venture	-	115.961
Accruals and deferred income	5.875.044	6.709.608
	41.057.403	51.132.058

(i) As at 30 June 2011 the group enjoyed factoring facilities of US$ 45.748.145 (31 December 2010: US$ 48.245.810). The factoring facilities are secured as mentioned in note 21.

20. Derivative financial liability

	As at 30 June 2011 *US$*	As at 31 December 2010 *US$*
Derivative financial liabilities carried at fair value through profit or loss		
Foreign currency forward contracts	61.097	138.840
	61.097	138.840

21. Bank overdrafts and short term loans

	As at 30 June 2011 *US$*	As at 31 December 2010 *US$*
Bank overdrafts	36.572.921	27.010.563
Bank short term loans	27.275.498	24.382.256
Current portion of long term loans	799.047	677.903
	64.647.466	52.070.722

Summary of borrowings and overdraft arrangements

The group as at 30 June 2011 had the following financing facilities with banks in the countries that the company and its subsidiaries are operating:

- overdraft lines of US$ 51.501.390 (31 December 2010: US$ 52.167.256)
- short term loans/revolving facilities of US$ 29.258.547 (31 December 2010: US$ 31.257.789)
- bank guarantees of US$ 7.949.049 (31 December 2010: US$ 7.825.171)

The group had for the period ending 30 June 2011 cash lines (overdrafts, loans and revolving facilities) and factoring lines.

The Weighted Average Cost of Debt (cash lines and factoring lines) for the period ending 30 June 2011 was 6,3% (p/e 30 June 2010: 6,6%)

21. Bank overdrafts and short term loans (continued)

Summary of borrowings and overdraft arrangements (continued)

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, Belarus, Middle East, Bulgaria, Slovakia and Ukraine
- Charge over receivables and inventories
- Corporate guarantees to the extent of facilities granted
- Assignment of insurance policies
- Pledged deposits of US$ 1.614.086 (31 December 2010: US$ 888.327)

22. Long term liabilities

	As at 30 June 2011 *US$*	As at 31 December 2010 *US$*
Bank loans	4.946.558	4.902.217
Other long term liabilities	198.315	266.417
	5.144.873	5.168.634

23. Finance leases

	As at 30 June 2011 *US$*	As at 31 December 2010 *US$*
Obligation under finance lease	452.393	540.425
Less: Amount payable within one year	(257.267)	(267.835)
Amounts payable within 2-5 years inclusive	195.126	272.590

24. Share Capital

	As at 30 June 2011 *US$*	As at 31 December 2010 *US$*
Authorised		
63.000.000 (2010: 63.000.000) shares of US$ 0,20 each	12.600.000	12.600.000
Issued, called-up and fully paid		
55.500.000 (2010: 55.500.000) ordinary shares of US$ 0,20 each	11.100.000	11.100.000

25. 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 2011 *US$*	For the six months ended 30 June 2010 *US$*
Former Soviet Union	260.158.478	221.096.763
Central Eastern Europe	222.990.817	202.590.253
Western Europe	53.162.494	55.656.449
Middle East & Africa	93.624.479	95.653.962
Other	22.562.556	25.558.904
	652.498.824	600.556.331

1.3 Segment results

	For the six months ended 30 June 2011 *US$*	For the six months ended 30 June 2010 *US$*
Former Soviet Union	2.602.513	348.863
Central Eastern Europe	(287.478)	303.229
Western Europe	273.421	105.364
Middle East & Africa	(352.067)	(202.219)
Other	100.759	227.366
Profit from operations	2.337.148	782.603
Net financial expenses	(5.147.420)	(2.644.795)
Other gains and losses	152.464	164.226
Share of (loss)/profit from joint ventures	(160.768)	11.627
Loss before taxation	(2.818.576)	(1.686.339)

1.4 Inter-segment revenues

Selling segment	**Purchasing segment**	For the six months ended 30 June 2011 US$	For the six months ended 30 June 2010 US$
Western Europe	Middle East & Africa	997.095	821.272

25. Operating segments (continued)

1.5 Segment capital expenditure (CAPEX)

	As at 30 June 2011 *US$*	As at 31 December 2010 *US$*
Former Soviet Union	5.375.544	4.276.064
Central Eastern Europe	13.135.819	12.354.783
Western Europe	511.814	511.741
Middle East & Africa	4.164.770	4.092.835
Unallocated	7.888.724	7.321.064
	31.076.671	28.556.487

1.6 Segment depreciation and amortisation

	For the six months ended 30 June 2011 *US$*	For the six months ended 30 June 2010 *US$*
Former Soviet Union	213.955	173.770
Central Eastern Europe	581.007	512.824
Western Europe	126.351	115.442
Middle East & Africa	188.208	171.985
Unallocated	426.894	491.950
	1.536.415	1.465.971

1.7 Segment assets

	As at 30 June 2011 *US$*	As at 31 December 2010 *US$*
Former Soviet Union	144.829.267	189.253.508
Eastern Europe	101.867.340	128.640.027
Western Europe	29.059.754	35.239.222
Middle East & Africa	45.309.128	64.908.466
Total	321.065.489	418.041.223
Assets allocated in capital expenditure (1.5)	31.076.671	28.556.487
Other unallocated assets	13.584.021	19.029.034
Consolidated assets	365.726.181	465.626.744

26. Cash and cash equivalents

	As at 30 June 2011 *US$*	As at 31 December 2010 *US$*
Cash at bank and in hand	11.193.349	48.380.080
Bank overdrafts (Note 21)	(36.572.921)	(27.010.563)
	(25.379.572)	21.369.517

The cash at bank and in hand balances include an amount of US$ 1.614.086 (31 December 2010: US$ 888.327) which represents pledged deposits.

27. Transactions and balances of key management

	For the six months ended 30 June 2011 *US$*	For the six months ended 30 June 2010 *US$*
Directors' remuneration - executive	308.973	245.654
Directors' remuneration - non executive	21.082	19.810
	330.055	265.464

	As at 30 June 2011 *US$*	As at 31 December 2010 *US$*
Amount due to directors - executive	1.976	20.630
Amount due to directors - non executive	11.186	10.402
	13.162	31.032

28. Commitments and contingencies

As at 30 June 2011 the group was committed in respect of purchases of inventories of a total cost value of US$ 706.094 which were in transit at 30 June 2011 and delivered in July 2011. 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 2011 the group was contingently liable in respect of bank guarantees of US$ 7.949.049 (31 December 2010: US$ 7.825.171) which the group had extended mainly to its suppliers.

As at 30 June 2011 the group had no other legal commitments and contingencies.

29. Goodwill

	As at 30 June 2011 *US$*	As at 31 December 2010 *US$*
At 1 January	600.730	550.517
Goodwill arising from business combinations	-	50.213
At 30 June/ 31 December	600.730	600.730

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

	As at 30 June 2011 *US$*	As at 31 December 2010 *US$*
Megatrend D.O.O. Sarajevo	550.517	550.517
Euromall Limited Bulgaria EOOD	41.416	41.416
ION-Ukraine LLC	8.797	8.797
	600.730	600.730

30. Investments in joint ventures

	As at 30 June 2011 *US$*	As at 31 December 2010 *US$*
Cost		
At 1 January	737.997	-
Decrease in share capital	(111.597)	-
Investments in joint ventures during the period/year	-	737.997
At 30 June/ 31 December	626.400	737.997
Accumulated share of profits from joint ventures		
At 1 January	(52.365)	-
Share of losses from joint ventures during the period/year	(160.768)	(52.365)
At 30 June/ 31 December	(213.133)	(52.365)
Investments in joint ventures recorded under the equity method of consolidation	413.267	685.632

31. Comparative figures

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

32. Events after the balance sheet date

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