ASBISc Enterprises Plc

INTERIM REPORT
FOR THE THREE MONTHS
ENDED 31 MARCH 2013

Limassol, May 9th, 2013

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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 1 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 quarterly 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 quarterly report contains financial statements of, and financial information relating to the Group. In particular, this quarterly report contains our interim consolidated financial statements for the three months ended 31 March 2013. The financial statements appended to this quarterly 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 quarterly 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 quarterly report may not conform exactly to the total figure given for that column or row.

Currency Presentation

Unless otherwise indicated, all references in this quarterly 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 quarterly 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 quarterly 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 quarterly 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 quarterly 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, Apple, 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 month period ended 31 March 2013

The principal events of the three months ended 31 March 2013 were as follows:

- Revenues increased by 17.05% to U.S. $ 443,824 from U.S. $ 379,183 in the corresponding period of 2012.
- Gross profit increased by 31.15% to U.S. $ 26,196 from U.S. $ 19,974 in the corresponding period of 2012.
- Gross profit margin increased by 12.05% to 5.90% from 5.27% in the corresponding period of 2012.
- Selling expenses increased by 25.86% to U.S. $ 11,835 from U.S. $ 9,403 in the corresponding period of 2012. This growth was slower than the growth in gross profit and was connected to the development of own brands that has positively affected the Company's profitability.
- Administrative expenses increased by 15.44% to U.S. $ 6,885 from U.S. $ 5,964 in the corresponding period of 2012. This is connected with the development of own brands sales.
- EBITDA increased by 54.23% to U.S. $ 8,150 in comparison to U.S. $ 5,284 in the corresponding period of 2012.
- Net profit after taxation increased by 48.15% to U.S. $ 3,344 in comparison to U.S. $ 2,257 in the corresponding period of 2012. This is due to changes in product portfolio and strong development of own brands sales.

Following table presents revenues breakdown by regions in the three month periods ended March 31st, 2013 and 2012 respectively (in U.S.$ thousand):

Region	Q1 2013	Q1 2012	Change (%)
Former Soviet Union	160,143	155,368	+3.07%
Central and Eastern Europe	169,054	122,453	+38.06%
Western Europe	42,456	30,743	+38.10%
Middle East and Africa	65,506	60,209	+8.80%
Other	6,665	10,411	-35.98%
Grand Total	443,824	379,183	+17.05%

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 three months ended March 31st, 2013 and 2012, have been converted into Euro and PLN as follows:

- Individual items of the balance sheet – based at average exchange rates quoted by the National Bank of Poland for a given balance sheet date December 31st, 2012, that is: 1 US$ = 3.0996 PLN and 1 EUR = 4.0882 PLN and March 31st, 2013, that is: 1 US$ = 3.2590 PLN and 1 EUR = 4.1774 PLN.

- Individual items in the income statement and cash flow statement – 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 January 1st to March 31st, 2013, that is 1 US$ = 3.1714 PLN and 1 EUR = 4.1738 PLN and January 1st to March 31st, 2012, that is: 1 US$ = 3.1318 PLN and 1 EUR = 4.1750 PLN.

	Period from 1 January to 31 March 2013			Period from 1 January to 31 March 2012		
	USD	PLN	EUR	USD	PLN	EUR
Revenue	**443,824**	**1,407,545**	**337,233**	**379,183**	**1,187,526**	**284,437**
Cost of sales	(417,628)	(1,324,466)	(317,329)	(359,209)	(1,124,971)	(269,454)
Gross profit	**26,196**	**83,079**	**19,905**	**19,974**	**62,555**	**14,983**
Selling expenses	(11,835)	(37,532)	(8,992)	(9,403)	(29,448)	(7,053)
Administrative expenses	(6,885)	(21,836)	(5,232)	(5,964)	(18,678)	(4,474)
Profit from operations	**7,477**	**23,711**	**5,681**	**4,608**	**14,430**	**3,456**
Financial expenses	(3,583)	(11,365)	(2,723)	(2,304)	(7,215)	(1,728)
Financial income	126	401	96	150	471	113
Other gains and losses	190	601	144	165	517	124
Share of loss from joint ventures	(18)	(56)	(13)	(43)	(134)	(32)
Profit before taxation	**4,192**	**13,293**	**3,185**	**2,576**	**8,069**	**1,933**
Taxation	(848)	(2,689)	(644)	(320)	(1,000)	(240)
Profit after taxation	**3,344**	**10,604**	**2,541**	**2,257**	**7,068**	**1,693**
Attributable to:						
Non-controlling interests	15	48	11	15	47	11
Owners of the parent	**3,329**	**10,557**	**2,529**	**2,242**	**7,022**	**1,682**

	USD (cents)	PLN (grosz)	EUR (cents)	USD (cents)	PLN (grosz)	EUR (cents)
Basic and diluted earnings per share from continuing operations	6.00	19.02	4.56	4.04	12.65	3.03

	Period from 1 January to 31 March 2013			Period from 1 January to 31 March 2012		
	USD	PLN	EUR	USD	PLN	EUR
Net cash outflows from operating activities	(36,660)	(116,263)	(27,856)	(38,119)	(119,381)	(28,594)
Net cash outflows from investing activities	(676)	(2,143)	(513)	(541)	(1,693)	(406)
Net cash inflows from financing activities	2,162	6,856	1,643	4,313	13,507	3,235
Net decrease in cash and cash equivalents	**(35,174)**	**(111,550)**	**(26,726)**	**(34,347)**	**(107,567)**	**(25,765)**
Cash at the beginning of the period	**(4,392)**	**(13,930)**	**(3,337)**	**19,251**	**60,291**	**14,441**
Cash at the end of the period	**(39,566)**	**(125,479)**	**(30,064)**	**(15,096)**	**(47,276)**	**(11,324)**

	As at 31 March 2013			As at 31 December 2012		
	USD	PLN	EUR	USD	PLN	EUR
Current assets	427,625	1,393,631	333,612	477,582	1,480,314	362,094
Non-current assets	28,699	93,531	22,390	29,255	90,680	22,181
Total assets	456,325	1,487,162	356,002	506,838	1,570,993	384,275
Liabilities	350,840	1,143,389	273,708	403,752	1,251,471	306,118
Equity	105,484	343,773	82,294	103,085	319,523	78,157

3. Organization of ASBIS Group

The following table presents our corporate structure as at March 31st, 2013:

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 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)
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 (100% subsidiary)
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 (SHENZHEN) CORP. (Shenzhen, China)	Full (100% subsidiary)
ASBIS DE GMBH, (Munchen, Germany)	Full (100% subsidiary)
EUROMALL BULGARIA EOOD (Sofia, Bulgaria)	Full (100% subsidiary)
Advanced Systems Company LLC (Riyadh, Kingdom of Saudi Arabia)	Full (100% subsidiary)
SHARK ONLINE a.s. (Bratislava, Slovakia)	Full (51% subsidiary)

4. Changes in the structure of the Company

During the three months ended March 31st, 2013 there were the following changes in the structure of the Company:

- ISA Hardware Hungary Commercial Limited Liability Co (Budapest, Hungary) has been removed from the company register database. This was due to the fact that this subsidiary was inactive for a number of years since it was conducting no operations. Therefore this subsidiary had no assets, no liabilities and no revenues. Removal from register was a part of the Company's efforts to simplify its structure.

Additionally after the end of the reporting period:

- on April 12th, 2013 the Company received information, that on April 12th, 2013 the Extraordinary General Meeting of Shareholders of Prestigio Plaza Sp. z o.o. (a subsidiary company) made a resolution on dissolution and liquidation of Prestigio Plaza Sp. z o.o. Decision on liquidation of Prestigio Plaza sp. z o.o. was made due to the fact that it was a non-active subsidiary, since all Group operations in Poland are already conducted through the Issuer's main subsidiary responsible for operations in Poland - Asbis PL Sp. z o.o. The Issuer expects to benefit from this decision due to decreased administrative expenses of the Group.
- on April 19th, 2013 the Company received information that following the decision of City Court in Sarajevo on April 15th, 2013, the Issuer's subsidiary in Bosnia and Herzegovina - Megatrend d.o.o. - changed its name to ASBIS d.o.o. The subsidiary's scope of operations consisting of distribution of IT hardware and software (including the Issuer's own brands) remains unchanged.

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

We have not published any forecasts for the three months period ended March 31st 2013. However on March 21st, 2013 we published the official forecast for the year 2013. According to this forecast, revenues are expected to reach between U.S. $ 1.85 billion and U.S.$ 1.95 billion, and net profit after tax between U.S. $ 11.0 million and U.S. $ 12.5 million. Having seen the results of Q1 2012, the Company fully sustains this forecast.

6. Information on dividend payment

For the three month period ended March 31st, 2013 no dividend was paid. However on March 22nd, 2013 the Company informed that the Board of Directors have taken a decision to recommend to the forthcoming Annual General Meeting of Shareholders the payment of a dividend amounting to U.S.$ 0.05 per share (compared to U.S.$ 0.04 per share in 2012). The total amount of dividend payout is U.S.$ 2,775 – approximately 30% of the Y2012 net profit after tax and it is subject to the approval of the forthcoming Annual Meeting of Shareholders.

7. 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.

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%
Quercus Towarzystwo Funduszy Inwestycyjnych S.A. Quercus Parasolowy SFIO and Quercus Absolutnego Zwrotu FIZ)*	3,274,931	5.90%	3,274,931	5.90%
Alpha Ventures S.A.	3,200,000	5.77%	3,200,000	5.77%
ING OFE	2,872,954	5.18%	2,872,954	5.18%
ASBISc Enterprises PLC (buy-back program)	138,389	0.249%	138,389	0.249%
Free float	20,337,365	36.64%	20,337,365	36.64%
Total	**55,500,000**	**100.00%**	**55,500,000**	**100.00%**

* Including 2,775,045 shares corresponding to 5.00% votes at the AGM held by Quercus Parasolowy SFIO - according to notification from December 9th, 2011.

In the three months period ended on March 31st, 2013 the Company has not received any information about changes in its shareholders structure.

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

During the three month period ended March 31st, 2013 as well as for the period between March 27th, 2013 (the date of publication of the Annual Report for 2012) and May 9th, 2013 (date of this report) there were no changes in the number of shares possessed 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. 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%
Chris Pavlou	0	0%

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

9. Changes in the members of managing bodies

During the three month period ended March 31st, 2013 there were no changes in the members of the Company's Board of Directors.

10. Administrative and court proceedings against the Company

As of March 31st, 2013, 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.

11. Related Party Transactions

During the three months ended March 31st, 2013 we did not have any material related party transaction exceeding the Polish Zloty equivalent of Euro 500 thousand other than typical or routine transactions.

12. 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 three months ended March 31st, 2013. The total bank guarantees raised by the Group (mainly to Group suppliers) as at March

31st, 2013 was U.S. $ 6,068 – as per note number 21 to the financial statements – which is less than 10% of the Company's equity.

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

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

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

In the three month period ended March 31st, 2013 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, competition and price pressures, low gross profit margins, potential inventory obsolescence and price erosion, the worldwide unstable financial environment, credit risk, seasonality and development of own brands business.

Despite tough economic environment, the Company has been able to benefit from its broad geographic presence and improved third party and own brands product portfolio and significantly increase its revenues and profits at a double digit pace. Revenue growth was faster than the markets' growth and therefore the Company improved its market share. What is even more important, profitability grew even faster than revenues. This was possible because of strong development of own brands business and some changes in third party product portfolio, as the Company decided to stop distributing some low margin product lines in several markets. The Company is expected to continue to benefit from these factors in the future.

Upgraded product portfolio also allowed to significantly increase gross profit margins compared to the corresponding period of 2012, even despite the fact that in Q1 2012 the Company's results were positively affected by once-off higher margins on sales of HDDs. Expenses remained under control and grew only in line with strong increase of own brands business.

The Company was again able to secure itself from a high volatility of its trading currencies against USD and volatility of EUR/USD pair. The hedging actions have shielded the Company from any material currency losses, similarly to several previous quarters. This again confirms the effectiveness of the foreign exchange hedging strategy adopted by the Company; it is the Company's intention to further enhance this policy going forward.

As a result, in Q1 2013 EBITDA grew 54.23% and NPAT grew by 48.15% compared to the corresponding period of 2012. It is worth mentioning that NPAT generated in Q1 2013 of U.S.$ 3,344 is more than 30% of the lower part of the financial forecast range for Y2013.

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

Currency fluctuations

As mentioned in previous reports, the Company's reporting currency is the U.S. dollar. About 50% of the Company's revenues are denominated in U.S. dollars, while the balance is denominated in Euro and other currencies, some of which are pegged to the Euro. Since most of the Company's trade payable balances are denominated in U.S. dollars (about 80%), the Company is exposed to foreign exchange risk that remains a crucial risk factor that might affect the Group's results in the future. Although 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, the Group has adopted hedging strategies to tackle this problem and become successful. This was visible also in Q1 2013, when despite fluctations in the currency environment (see below chart), the Company was again able to limit the FX influence on its results. The Company lost on currencies only about U.S.$ 187 in Q1 2013 as the currency movements on gross profit were offset by financial income.

EUR/USD in Q1 2013

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.

Despite the fact that the economic environment leads customers in many markets to push on prices which generally affects the margins, the Company was able to increase its margins due to significantly rebuild product portfolio.

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 Q1 2013 the Company's gross profit margin was higher than in the corresponding period of 2012, even despite one-off positive impact from HDD business than affected Q1 2012 results. This was possible due to rebuild product portfolio and significantly increased sales of own brands that allows the Company to generate significantly higher margins than in third party products.

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 elect to proceed with price reductions in order 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 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 where the Company is not able 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 throughout 2010 and 2011. This included recovery signals from some of our markets (especially in the Former Soviet Union countries), and stabilization in some of others. Following some recovery the Company undertook efforts to benefit from these signals both in revenues and profitablity. The revised strategy and adaptation to the new environment, i.e. by rebuilding product portfolio, paid off in terms of increased market share and sales.

However, there are many uncertainties about the world economy and especially the Euro-zone - followed by volatility of currencies and fragility of demand in many markets. Although the Company was able to secure itself from these factors in Q1 2013 (i.e. there were no major currency losses) similarly to several previous periods, it is of extreme importance to follow this strategy in future periods and focus more on growing profitability rather than just on growing revenues.

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.

After temporary changes in the traditional seasonality, observed in 2008 and 2009, the trend returned in 2010 and continues since then. However even if Q1 2013 was expected to be strong in sales, the Company overachieved its assumptions, due to strong development of own brands sales.

If there will be no dramatical changes in the overall economic surrounding, traditional seasonality effect is expected to be seen also in next quarters of 2013. It is expected that Q2 2013 will be slower in revenues due to traditional seasonality, however it may be positively affected both in revenues and profitability by own brands business. However, due to a lot of uncertainities about the economic situation in Europe, the Company will continue to focus more on profitability than on revenues growth.

Development of own brands business

Due to the Company's strategy to focus more on profitability than on revenues itself, the Company increased its engagement into development of own brands business that allow to generate much higher gross profit margins. This included development of tablet, smartphones, GPS and other product lines that are sold under Prestigio and Canyon brands in all regions of the Company's operations.

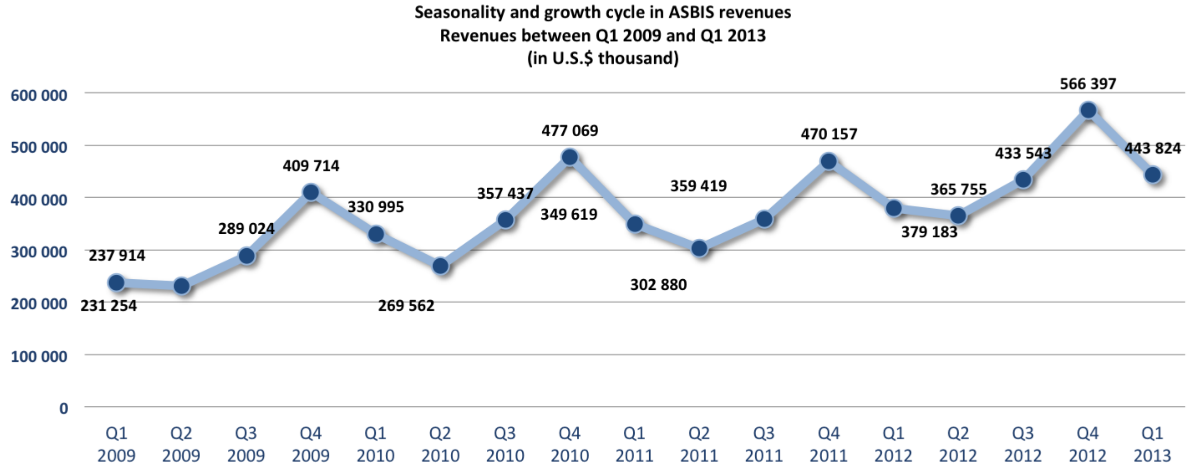
Due to the fact that the Company's products, namely tablets and smartphones, were well welcomed by the markets, it is expected that further development of own brands business may positively affect further revenues and profits. It is however a risk that competition will intensify and the company might not be able to sustain profitability levels.

It is also important to understand, that despite all Company's efforts, there can be no 100% assurance of similar development pace in further periods. This is because there may be significant change in market trends, customer preferences or in technology that may affect pace of development of own brands business of the Company, and therefore its results.

Results of operations

Three month period ended March 31st, 2013 compared to the three month period ended March 31st, 2012

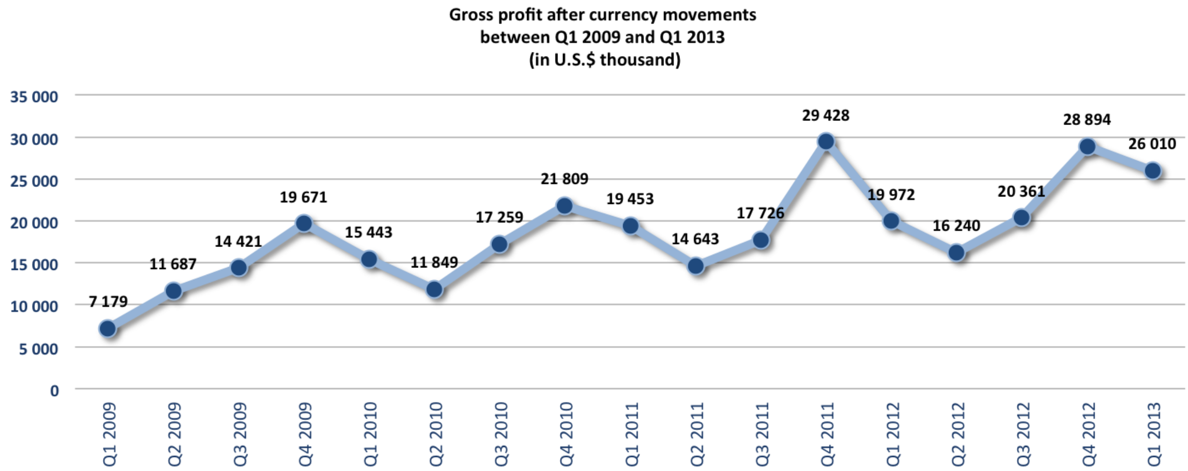
Revenues: In Q1 2013 the Company's revenues increased by 17.05% to U.S.$ 443,824 from U.S. $ 379,183 in the corresponding period of 2012. This was possible mostly because of stronger position of the Company in its markets, gained at a cost of weakening competition from smaller distributors, upgraded product portfolio and stronger sales of own brands.



- **Gross profit:** In Q1 2013 gross profit increased due to upgraded product portfolio, increase in own brands business and successful currency hedging. It is worth to underline, that this growth was produced even despite that in Q1 2012 gross profit was supported by one-off higher margins in HDD segment.

  Gross profit in Q1 2013 increased by 31.15% to U.S. $ 26,196 from U.S. $ 19,974 in the corresponding period of 2012.

  Due to the effectiveness of the Company's operations in all of its countries, continuation of growth in gross profit is expected in further periods of 2013, assuming the overall economic environment will not change dramatically.

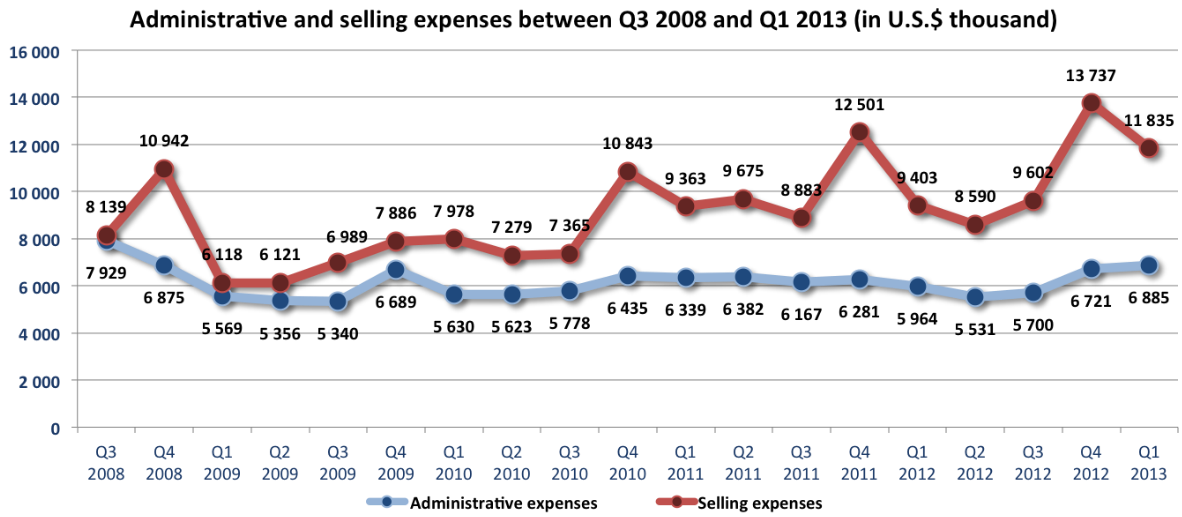


- **Gross profit margin:** In Q1 2013 gross profit margin increased significantly by 12.05% to 5.90% from 5.27% in the corresponding period of 2012. This was mostly due to higher sales of own brands and changes in the product portfolio (included an intentional decrease in the distribution of some low margin products in several markets, such as laptops distribution in Russia).

- **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 and gross profit, as was the case of Q1 2013.

  Selling expenses in Q1 2013 increased by 25.86% to U.S. $ 11,835 from U.S. $ 9,403 in the corresponding period of 2012. This growth is connected to the development of own brands and was slower than the growth in gross and net profit.

- **Administrative expenses** largely comprise of salaries and wages of administration personnel and rent expense. Administrative expenses in Q1 2013 increased by 15.44% to U.S. $ 6,885 from U.S. $ 5,964 in the corresponding period of 2012. This was partly related to investments made in the development of own brands sales. It is however expected that administrative expenses will remain under strict control in 2013.



- **Operating profit:** In Q1 2013 operating profit increased by 62.27% to U.S. $ 7,477 compared to U.S. $ 4,608 in the corresponding period of 2012.

  This clearly shows a constant upgrade in the Company's operations and efficiencies that allows the Company's management to be optimistic about future results.

- **EBITDA:** In Q1 2013 EBITDA increased by 54.23% to U.S. $ 8,150 in comparison to U.S. $ 5,284 in the corresponding period of 2012.

- **Net profit:** Net profit after taxation in Q1 2013 increased by 48.15% to U.S. $ 3,344 in comparison to U.S. $ 2,257 in the corresponding period of 2012.

Sales by regions and countries

Traditionally and throughout the Company's operations, the F.S.U. countries and CEE regions are contributing the majority of our revenues. This was also the case in Q1 2013, although we also grew significantly in all other major regions of our operations. However the most important development of Q1 2013 was strong increase of sales in CEE, which allowed this region to become our region no. 1 in revenues. This was possible due to strong increase of own brands' and smartphone's sales in CEE, while in the same time revenues derived in F.S.U. were slightly higher than Q1 2012.

As a result of these developments, revenues derived from F.S.U. countries grew by +3.07% in Q1 2013 compared to the corresponding period of 2012, while revenues derived in CEE countries grew by +38.06% for the same period. Additionally in Q1 2013 our revenues in Western Europe grew by +38.10% and in the Middle East and Africa by +8.80%. This clearly confirms that the broad geographic coverage of the Company's operations, strong product portfolio and investments in own brands development, allow the Company to benefit from any positive changes in different markets.

Following the above mentioned factors, the contribution of the F.S.U. region in total revenues decreased to 36.08% in Q1 2013, compared to 40.97% in Q1 2012 while the CEE region's contribution grew to 38.09% in Q1 2013 from 32.29% in Q1 2012. Western Europe's contribution grew to 9.57% in Q1 2013 compared to 8.11% in Q1 2012. Finally, although sales in the Middle East and Africa region grew, its contribution in total revenues decreased to 14.76% in Q1 2013 from 15.88% in Q1 2012 following stronger growths in other regions.

Country-by-country analysis confirms that even with the recent turbulences in the world's economy, the Company is able to deliver growing sales, despite the fact that the main focus is on profitability, rather than sales growth.

Revenues derived in our single biggest market - Russia - decreased by 2.84% in Q1 2013 compared to Q1 2012 following a change in the product mix achieved by the group. Sales in Slovakia grew by +14.09% for the same period. Sales in Ukraine – traditionally one of our biggest markets – in Q1 2013 decreased by 8.21% as a result of again less laptop but more private label sales. However, it is expected that sales in Ukraine will increase again later in 2013 and this country may again become our market no. 2 or no. 3, due to its size and potential demand.

Additionally, it is also worth to notice the significant growth in sales in some other countries like Kazakhstan (+10.47%) or - even more significantly - in Belarus, Lithuania and Saudi Arabia that allowed them to enter our top-10 list in Q1 2013 compared to Q1 2012.

The table below provides a geographical breakdown of sales in the three month periods ended March 31st, 2013 and 2012.

	Q1 2013		Q1 2012	
	U.S. $ thousand	% of total revenues	U.S. $ thousand	% of total revenues
Former Soviet Union	160,143	36.08%	155,368	40.97%
Central and Eastern Europe	169,054	38.09%	122,453	32.29%
Middle East and Africa	65,506	14.76%	60,209	15.88%
Western Europe	42,456	9.57%	30,743	8.11%
Other	6,665	1.50%	10,411	2.75%
Total	443,824	100%	379,183	100%

Revenue breakdown – Top 10 countries in Q1 2013 and Q1 2012 (in U.S. Dollar thousand)

	Q1 2013		Q1 2012	
	Country	Sales U.S. $ thousand	Country	Sales U.S. $ thousand
1.	**Russia**	88,766	**Russia**	91,357
2.	**Slovakia**	38,097	**Ukraine**	37,108
3.	**Bulgaria**	37,316	**United Arab Emirates**	33,666
4.	**United Arab Emirates**	36,447	**Slovakia**	33,391
5.	**Ukraine**	34,062	**Czech Republic**	19,823
6.	**Czech Republic**	19,096	**Kazakhstan**	15,522
7.	**Kazakhstan**	17,147	**Bulgaria**	10,678
8.	**Belarus**	17,110	**The Netherlands**	10,022
9.	**Lithuania**	16,863	**Romania**	8,290
10.	**Saudi Arabia**	15,991	**Poland**	8,237
11.	**Other**	122,931	**Other**	111,089
	Total revenue	443,824	**Total revenue**	379,183

Sales by product lines

In Q1 2013 the Group continued its profit oriented strategy, that includes changes in product portfolio towards an increase of sales of products that offer higher gross profit margins. This also included a focus on booming smartphones and tablets segments, as well as further development of own brands sales. Revenues from sales of CPUs and laptops decreased, while revenues from tablets, smartphones and own brands multiplied. Revenues from sale of software have also decreased as this was connected with changes in the type of software sold. Decreased contribution of traditional IT components and laptops and increased sales of new booming high margin products has positively affected our overall gross profit margin and profitability.

The table below sets a breakdown of revenues, by product, for Q1 2013 and 2012 (U.S.$ thousand):

	Q1 2013		Q1 2012	
	U.S. $ thousand	% of total revenues	U.S. $ thousand	% of total revenues
Central processing units (CPUs)	66,545	14.99%	88,428	23.32%
Hard disk drives (HDDs)	52,086	11.74%	43,241	11.40%
Software	26,844	6.05%	30,329	8.00%
PC-mobile (laptops)	64,217	14.47%	75,956	20.03%
Tablets	57,794	13.02%	13,758	3.63%
Smartphones	80,746	18.19%	16,112	4.25%
Other	95,592	21.54%	111,360	29.37%
Total revenue	**443,824**	**100%**	**379,183**	**100%**

In the three month period ended March 31st, 2013:

- Revenue from sale of central processing units ("CPUs") decreased by 24.75% to U.S. $ 66,545 from U.S. $ 88,428 in the corresponding period of 2012. This was mostly due to lower unit sales (that followed changes in the product portfolio of major vendors and the Company's decision to focus on more profitable product lines), partially offset by slightly higher average sales prices ("ASP").

- Revenue from sale of hard disk drives ("HDDs") increased by 20.46% to U.S. $ 52,086 from U.S. $ 43,241 in the corresponding period of 2012. This was due to higher unit sales, partially offset by lower ASP.

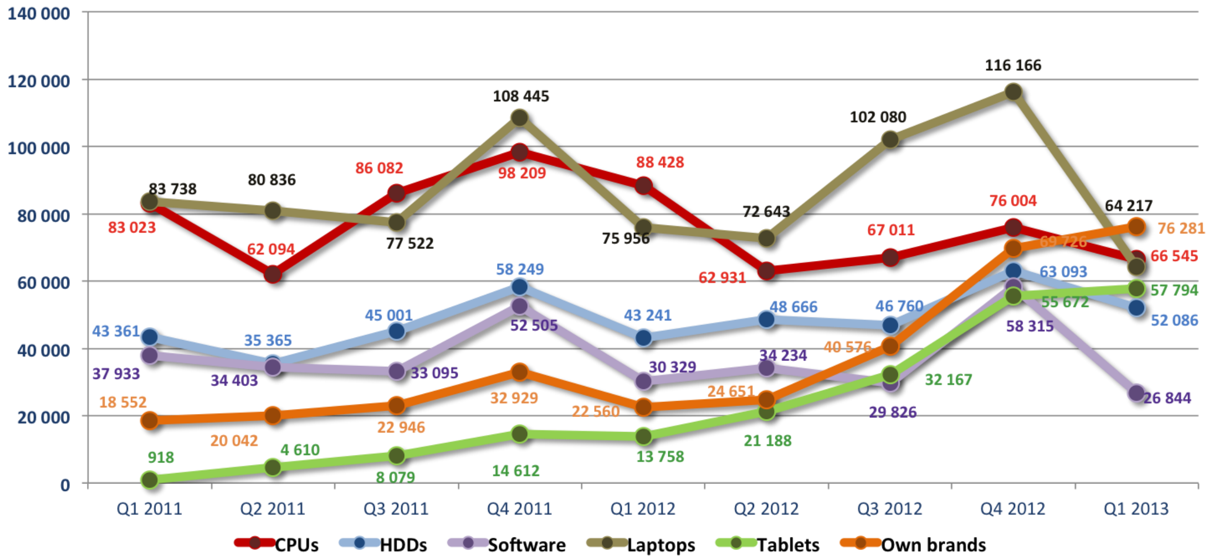
- Revenue from sale of software decreased by 11.49% to U.S. $ 26,844 from U.S. $ 30,329 in the corresponding period of 2012. This was connected with changes in the product portfolio since the Company is offering more software products with higher margin (but are characterized by lower average selling price that was only partially offset by higher unit sales).

- Revenue from sale of PC-mobile ("laptops") decreased by 15.45% to U.S. $ 64,217 from U.S. $ 75,956 in the corresponding period of 2012. This was mostly due to lower unit sales that followed the Company's decision to gradually step away from this segment in certain markets due to low margins.

- Revenue from sale of tablets increased by 320.09% to U.S.$ 57,794 from U.S.$ 13,758 in the corresponding period of 2012. This was mostly due to significantly higher unit sales.

- Revenue from sale of smartphones increased by 401.15% to U.S.$ 80,746 from U.S.$ 16,112 in the corresponding period of 2012. This was mostly due to significantly higher unit sales.

Changes in revenues breakdown by main product lines between Q1 2011 and Q1 2013 (in U.S.$ thousand)

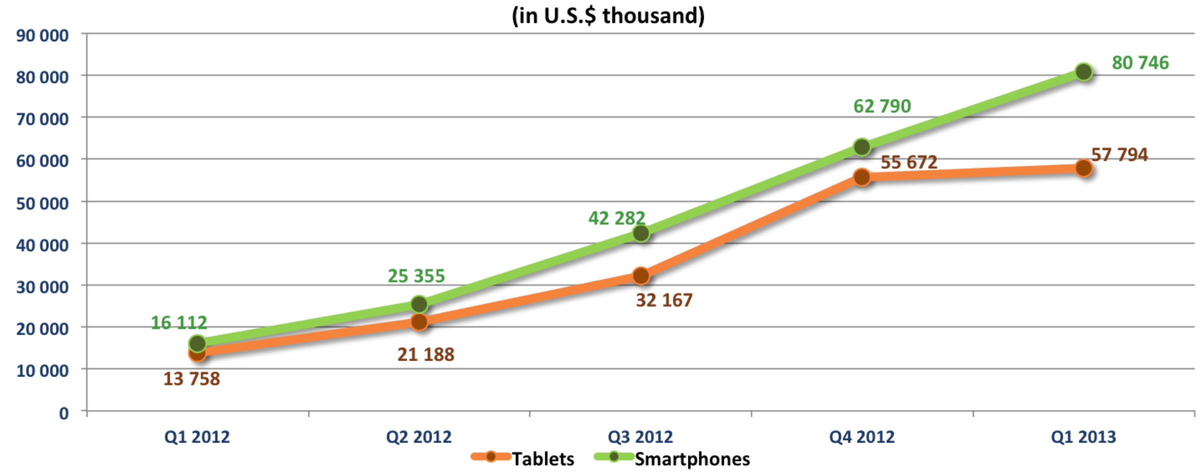


In Q1 2013 the four main product lines' share in total revenue was 47.25%, compared to 62.75% in the corresponding period of 2012. This was a result of the Company's focus on the booming segments of smartphones and tablets and of strong growth in sales of own brands – Canyon and Prestigio. The Company strategically develops this business, since it traditionally allows for reach double-digit gross margins.

- Revenues from own brands grew to a new historical record of U.S.$ 76,281 in Q1 2013, compared to U.S.$ 22,560 in Q1 2012. As a result, own brands' contribution in total revenue was 17.19%, compared to 5.95% in Q1 2012 (and 12.31% in Q4 2012).

The Company's intention is to further develop its own brand sales so in the mid term its contribution to total sales will be higher than 10%. This should be possible because of undertaken efforts that include more products of lighter technology, as well as growing sales of tablets and smartphones under the Prestigio brand in many regions of our operations. The Company also develops its smartphone segment by signing agreements with other vendors for different countries. This is due to market expectations that the smartphones segment will grow significantly in the next couple of years. This should allow the Company to benefit from this new segment in the next four years.

Revenues from sale of tablets and smartphones between Q1 2012 and Q1 2013 (in U.S.$ thousand)



Apart from its main product categories, the Group also develops other segments offering high margins, like display products (+11.03%), accessories and multimedia (+24.45%), flash memory (+14.30%) and networking products (+63.76%) that grew significantly in Q1 2013 compared to the corresponding period of 2012.

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. The following table presents a summary of cash flows for the three months ended March 31st, 2013 and 2012:

	Three months ended March 31st	
	2013	**2012**
	U.S. $	
Net cash outflows from operating activities	(36,660)	(38,119)
Net cash outflows from investing activities	(676)	(541)
Net cash inflows from financing activities	2,162	4,313
Net decrease in cash and cash equivalents	(**35,174**)	(**34,347**)

Net cash outflows from operating activities

Net cash outflows from operations amounted to U.S. $ 36,660 for the three months ended March 31st, 2013, compared to outflows of U.S. $ 38,119 in the corresponding period of 2012. These outflows were primarily connected with the fast development of Prestigio business that required increased working capital.

Net cash outflows from investing activities

Net cash outflows from investing activities was U.S. $ 676 for the three months ended March 31st, 2013, compared to U.S. $ 541 in the corresponding period of 2012. These outflows relate to on-going investments for fixed assets, such as computers, furniture etc.

Net cash inflows from financing activities

Net cash inflows from financing activities was U.S. $ 2,162 for the three months ended March 31st, 2013, compared to U.S. $ 4,313 for the corresponding period of 2012. This is primarily connected with additional financing to support growth in business and increased working capital.

Net decrease in cash and cash equivalents

As a result of the Company's efforts to serve a growing demand the cash and cash equivalents position decreased by U.S. $ 35,174 for the three months ended March 31st, 2013, compared to a decrease of U.S. $ 34,347 in the corresponding period of 2012. It is worth to underline that despite the decrease in these two periods was similar the Company has produced much increased revenues and profits.

15. Factors which may affect our results in the future

<u>Political and economic stability in Europe and our regions</u>

Uncertainty in the Euro-zone and the debt-crisis observed recently in Europe affects banks and consumers' purchasing power, demand in the markets and gross profit margins. Therefore, it is of extreme importance for the Company to adapt its strategy to the recent economic and political developments and react fast to the external environment (products, vendors and customer relations) in order to continue its growth in sales and ensure that all sales are conducted with satisfactory margins.

It is also important to work internally on issues such as currency hedging since the FX environment - that reacts to macroeconomic changes - affects the Company's results.

Having in mind the lesson learnt during crisis, the management strongly believes that the Company is much better prepared to weather any changes that may arise following political and economic swings in Europe and worldwide. It was proven in Q1 2013 that despite turbulences in Cyprus, the Company has not been affected on either the financial or the operational level.

The Group's ability to increase revenues and market share while focusing on profits

The very well diversified geographic coverage of the Group's revenues ensures that the Company mitigates the risk of lower sales in a particular country with the possibility of higher sales in a number of other countries. Since Russia (as a country) and F.S.U. (as a region) are the biggest contributors to the Company's revenues, it is very important to adapt to any market changes that might arise in these geographies. However with growing importance of CEE region, that in Q1 2013 already became our region no. 1 in revenues, we need to pay more attention also to any possible market developments in this region, especially since a significant chunk of sales is generated from relatively new product lines, including our own brands.

However, despite all precautionary measures taken by the Company, the possibility of a decrease in demand and sales in a particular country cannot be excluded in the future, as was the case of Belarus in 2011. Such situation may limit the overall growth therefore it is of extreme importance for the Company to prepare its structure to offset such situation with higher sales in other markets. This means both a constant upgrade of the product portfolio and close relations with customers to win more market share from weaker competitors and weather any unforeseen issues that may appear in the future.

The Group's ability to increase gross profit margins

In Q1 2013 the gross profit margin achieved by the Company increased significantly compared to Q1 2012, despite a positive impact on Q1 2012 results from the HDD segment. This is very significant if we consider the fact that in Q1 2013 the overall situation in the world's economy was still shaky resulting in lower demand and stronger push on prices from customers in many markets.

Increase of gross profit margin observed in Q1 2013 was possible due to a strong increase of own brands business and some changes implemented in the product portfolio.

It is of extreme importance for the Company to continue working on refining its third party and own products portfolio and strengthening its market position to increase gross profit margins and generate solid profits from growing revenues. Development of the Company's own brands business is a major focus for the Company.

Currency volatilities

The multi-currency environment that the Group operates in exposes its financial results to steep currency fluctuations. Currency movements in Q1 2013 were successfully weathered by the hedging policy of the Group and this should be followed without any exception (despite the fact that this hedging policy limits not only risk of currency losses, but also the possibility of currency gains when local currencies move favourably against the U.S. Dollar).

It is also important to underline that with such a turbulent environment there is no perfect hedging strategy that could completely eliminate the foreign exchange risk. Therefore going forward, the Group will continue to be exposed to currency volatilities despite precautionary measures taken. It is our belief that should the currency environment stabilize, the results of the Group will be further improved.

Ability of the Group to control expenses

Both admin and selling expenses grew in Q1 2013, mostly due to investments made towards the development of own brands business. At the same time revenues and profits grew at a faster pace. This confirms the success of the Company's cost restructuring program introduced during the last two years. It resulted in strict control of administrative expenses, while selling expenses structure was rebuilt to grow slower than revenues and gross profit. Since there is still space for improvement, the Company is expected to continue the enhancements and drive for increased profits.

Ability to further develop the Group's product portfolio, both third party and own brands

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 Q1 2013. It is very crucial for the Company to continue refining its product mix constantly by adding new product lines with higher gross (and net) profit margins which will boost its profitability and stop distributing low margin product lines in selected markets. Additionally, it is also important for the Company to develop its own brands and introduce them to all countries of operations and not only, as this strategy has proven to be successful again in Q1 2013, positively affecting both revenues and profitability.

17. Information about important events that occurred after the period ended on March 31st, 2013 and before this report release

According to our best knowledge, in the period between March 31st, 2013 and May 9th, 2013 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 Condensed Consolidated Financial Statements
for the period ended March 31st, 2013

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INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

FOR THE PERIOD ENDED

31 MARCH 2013

ASBISC ENTERPRISES PLC

INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS
FOR THE PERIOD ENDED 31 MARCH 2013

C o n t e n t s

INTERIM CONSOLIDATED INCOME STATEMENT
FOR THE PERIOD ENDED 31 MARCH 2013

	Notes	For the three months ended 31 March 2013 US$	For the three months ended 31 March 2012 US$
Revenue	5,26	443.824.371	379.183.207
Cost of sales		(417.628.153)	(359.208.943)
Gross profit		26.196.218	19.974.264
Selling expenses		(11.834.470)	(9.402.785)
Administrative expenses		(6.885.152)	(5.964.014)
Profit from operations		7.476.596	4.607.465
Financial expenses	8	(3.583.434)	(2.303.788)
Financial income	8	126.386	150.364
Other gains and losses	7	189.600	165.165
Share of loss from joint ventures	31	(17.512)	(42.874)
Profit before tax	9	4.191.636	2.576.332
Taxation	10	(847.950)	(319.447)
Profit for the period		3.343.686	2.256.885
Attributable to:			
Non-controlling interests		14.990	14.884
Owners of the parent company		3.328.696	2.242.001
		3.343.686	2.256.885
		US$ cents	US$ cents
Earnings per share			
Basic and diluted from continuing operations		6,00	4,04

INTERIM CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME
FOR THE PERIOD ENDED 31 MARCH 2013

	For the three months ended 31 March 2013 US$	For the three months ended 31 March 2012 US$
Profit for the period	3.343.686	2.256.885
Other comprehensive (loss)/income:		
Exchange difference on translating foreign operations	(988.939)	1.301.674
Reclassification adjustments relating to foreign operations liquidated and disposed of in the period	(1.667)	-
Other comprehensive (loss)/income for the period	(990.606)	1.301.674
Total comprehensive income for the period	2.353.080	3.558.559
Total comprehensive income attributable to:		
Non-controlling interests	10.588	18.857
Owners of the parent company	2.342.492	3.539.702
	2.353.080	3.558.559

INTERIM CONSOLIDATED STATEMENT OF FINANCIAL POSITION
AS AT 31 MARCH 2013

ASSETS	Notes	Unaudited as at 31 March 2013 US$	Audited as at 31 December 2012 US$
Non-current assets			
Goodwill	30	550.517	550.517
Property, plant and equipment	16	26.401.151	26.719.271
Investment in joint ventures	31	39.517	57.029
Available-for-sale financial assets	18	11.794	11.794
Intangible assets	17	1.133.510	1.189.736
Deferred tax assets	11	562.846	726.878
Total non-current assets		28.699.335	29.255.225
Current assets			
Inventories	12	142.945.703	110.266.827
Trade receivables	13	250.136.939	315.390.086
Other current assets	14	20.546.610	20.335.161
Derivative financial asset	15	378.677	47.379
Current taxation	10	443.996	545.153
Cash at bank and in hand	27	13.173.365	30.997.616
Total current assets		427.625.290	477.582.222
Total assets	26	456.324.625	506.837.447
EQUITY AND LIABILITIES			
Equity			
Share capital	25	11.100.000	11.100.000
Share premium		23.518.243	23.518.243
Retained earnings and other components of equity		70.714.713	68.326.230
Equity attributable to owners of the parent		105.332.956	102.944.473
Non-controlling interests		151.262	140.674
Total equity		105.484.218	103.085.147
Liabilities			
Non-current liabilities			
Long term borrowings	22	3.321.209	3.543.167
Other long term liabilities	23	374.919	338.465
Deferred tax liabilities	11	199.633	124.029
Total non-current liabilities		3.895.761	4.005.661
Current liabilities			
Trade payables		200.473.760	258.798.436
Other current liabilities	19	23.836.112	22.709.370
Derivative financial liability	20	10.707	527.086
Current taxation	10	412.641	671.275
Short term borrowings	21	122.211.426	117.040.472
Total current liabilities		346.944.646	399.746.639
Total liabilities		350.840.407	403.752.300
Total equity and liabilities		456.324.625	506.837.447

The financial statements were approved by the Board on 8 May 2013.

Siarhei Kostevitch **Director**	**Marios Christou** **Director**

INTERIM CONSOLIDATED STATEMENT OF CHANGES IN EQUITY
FOR THE PERIOD ENDED 31 MARCH 2013

	Attributable to owners of the parent							
	Share capital US$	**Share premium US$**	**Treasury stock US$**	**Retained earnings US$**	**Translation of foreign operations US$**	**Total US$**	**Non-controlling interests US$**	**Total equity US$**
Balance at 1 January 2012	11.100.000	23.518.243	(3.857)	62.641.996	(1.880.083)	95.376.299	394.835	95.771.134
Profit for the year	-	-	-	2.242.001	-	2.242.001	14.884	2.256.885
Other comprehensive income for the year	-	-	-	-	1.297.701	1.297.701	3.973	1.301.674
Buyback of shares	-	-	(31.345)	-	-	(31.345)	-	(31.345)
Balance at 31 March 2012	11.100.000	23.518.243	(35.202)	64.883.997	(582.382)	98.884.656	413.692	99.298.348
Profit for the year	-	-	-	6.768.215	-	6.768.215	21.937	6.790.152
Other comprehensive loss for the year	-	-	-	-	(391.744)	(391.744)	(1.334)	(393.078)
Payment of final dividend	-	-	-	(2.214.643)	-	(2.214.643)	-	(2.214.643)
Acquisition of shares from non-controlling interests (note 32)	-	-	-	(6.379)	-	(6.379)	(293.621)	(300.000)
Buyback of shares	-	-	(95.632)	-	-	(95.632)	-	(95.632)
Balance at 31 December 2012	11.100.000	23.518.243	(130.834)	69.431.190	(974.126)	102.944.473	140.674	103.085.147
Profit for the period	-	-	-	3.328.696	-	3.328.696	14.990	3.343.686
Other comprehensive loss for the period	-	-	-	-	(986.204)	(986.204)	(4.402)	(990.606)
Share-based payments	-	-	36.656	9.335	-	45.991	-	45.991
Balance at 31 March 2013	11.100.000	23.518.243	(94.178)	72.769.221	(1.960.330)	105.332.956	151.262	105.484.218

INTERIM CONSOLIDATED STATEMENT OF CASH FLOWS
FOR THE PERIOD ENDED 31 MARCH 2013

	Notes	For the three months ended 31 March 2013 US$	For the three months ended 31 March 2012 US$
Profit for the period before tax and minority interest		4.191.636	2.576.332
Adjustments for:			
Exchange difference arising on consolidation		(590.322)	928.660
Provision for bad debts and receivables written off		846.889	663.650
Bad debts recovered		(12.026)	(3.125)
Depreciation	16	564.590	565.746
Amortisation of intangible assets	17	108.585	112.996
Share of loss from joint ventures	31	17.512	42.874
Buyback of shares		45.991	-
Interest received	8	(34.193)	(93.154)
Interest paid	8	1.875.120	1.188.305
Loss/(profit) from the sale of property, plant and equipment and intangible assets		7.134	(7.200)
Operating profit before working capital changes		7.020.916	5.975.084
Increase in inventories		(32.678.877)	(14.685.887)
Decrease in trade receivables		64.418.283	16.989.451
Decrease in factoring creditors		(14.562.299)	(4.465.980)
Increase in other current assets		(542.747)	(3.626.035)
Decrease in trade payables		(58.324.677)	(33.793.548)
Increase/(decrease) in other current liabilities		610.365	(2.881.550)
Increase in other non-current liabilities		36.455	36.110
Cash outflows from operations		(34.022.581)	(36.452.355)
Taxation paid, net	10	(762.237)	(478.397)
Interest paid	8	(1.875.120)	(1.188.305)
Net cash outflows from operating activities		(36.659.938)	(38.119.057)
Cash flows from investing activities			
Interest received	8	34.193	93.154
Purchase of property, plant and equipment	16	(699.567)	(486.379)
Purchase of intangible assets	17	(58.567)	(208.175)
Buyback of ordinary shares		-	(31.345)
Proceeds from sale of property, plant and equipment and intangible assets		48.332	92.158
Net cash outflows from investing activities		(675.609)	(540.587)
Cash flows from financing activities			
Repayments of long term loans and long term obligations under finance lease		(221.958)	(4.996)
Proceeds of short term borrowings and short term obligations under finance lease		2.383.884	4.317.852
Net cash outflows from financing activities		2.161.926	4.312.856
Net decrease in cash and cash equivalents		(35.173.621)	(34.346.788)
Cash and cash equivalents at beginning of the period		(4.392.311)	19.251.306
Cash and cash equivalents at end of the period	27	(39.565.932)	(15.095.482)

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 three months ended 31 March 2013 have been prepared in accordance with International Accounting Standard (IAS) 34, Interim Financial Reporting.

The interim condensed consolidated financial statements were approved by the Board of Directors on 8 May 2013.

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 2012.

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 interim condensed consolidated financial statements have been prepared under the historical cost convention except for derivative financial instruments which are measured at fair value.

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 2012.

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 three months ended 31 March 2013 are consistent with those followed for the preparation of the annual financial statements for the year 2012 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 2013. The adoption of new and revised standards and interpretations did not have any material effect on the group's condensed consolidated financial statements.

5. Changes to the presentation of the financial statements

The following changes in the presentation of the financial statements have been made:

(i) Due to the fact the group has increased the use of short-term derivative financial instruments to minimise the risk on balances and material transactions denominated in currencies other than US Dollars, the group's reporting currency, currency movements on gross profit have been reclassified from the face of interim consolidated statement of comprehensive income to financial income and/or financial expenses. The balance is now netted off with the foreign exchange gain or loss previously included in financial income or financial expenses (note 8).

(ii) As derivative charges now form a higher proportion of financial expenses they were detached from bank charges and are now shown separately within financial expenses (note 8).

5. Changes to the presentation of the financial statements (continued)

(iii) Factoring creditors amount is considered to be too material to be classified under other current liabilities. Therefore for a better interpretation of the financial statements, factoring creditors have been reclassified from other current liabilities to short term borrowings (note 19 and note 21).

(iv) Finance leases amount is considered to be immaterial to be shown on the face of interim consolidated statement of financial position, therefore it has been reclassified to short term borrowings and long term borrowings (note 21 and note 22).

6. Effects of seasonality

The group's revenue and consequently its profitability are 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.

7. Other gains and losses

	For the three months ended 31 March 2013 US$	For the three months ended 31 March 2012 US$
(Loss)/profit on disposal of property, plant and equipment	(7.134)	7.200
Bad debts recovered	12.026	3.125
Rental income	60.736	120.170
Other income	123.972	34.670
	189.600	165.165

8. Financial expense, net

	For the three months ended 31 March 2013 US$	For the three months ended 31 March 2012 US$
Financial income		
Interest income	34.193	93.154
Other financial income	92.193	57.210
	126.386	150.364
Financial expense		
Bank interest	1.875.120	1.188.305
Bank charges	409.472	328.488
Derivative charges	86.991	137.422
Factoring interest	765.348	307.011
Factoring charges	122.100	85.701
Other financial expenses	40.930	11.604
Other interest	102.188	9.183
Net exchange loss	181.285	236.074
	3.583.434	2.303.788
Net	(3.457.048)	(2.153.424)

9. Profit before tax

	For the three months ended 31 March 2013 US$	For the three months ended 31 March 2012 US$
Profit before tax is stated after charging:		
(a) Depreciation	564.590	565.746
(b) Amortisation of intangible assets	108.585	112.996
(c) Auditors' remuneration	120.001	146.156
(d) Directors' remuneration – executive (Note 28)	244.985	120.175
(e) Directors' remuneration – non-executive (Note 28)	11.516	9.872

10. Taxation

	For the three months ended 31 March 2013 US$	For the year ended 31 December 2012 US$
Payable/(receivable) balance 1 January	126.122	(338.289)
Provision for the period/year	610.118	1.765.960
Under provision of prior year periods	6.215	159.123
Exchange difference on retranslation	(11.573)	40.303
Amounts paid, net	(762.237)	(1.500.975)
Net (receivable)/payable balance 31 March/ 31 December	(31.355)	126.122

	For the three months ended 31 March 2013 US$	For the year ended 31 December 2012 US$
Tax receivable	(443.996)	(545.153)
Tax payable	412.641	671.275
Net	(31.355)	126.122

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

	For the three months ended 31 March 2013 US$	For the three months ended 31 March 2012 US$
Provision for the period	610.118	343.899
Under/(over) provision of prior years	6.215	(124.388)
Deferred tax charge (note 11)	231.617	99.936
Charge for the period	847.950	319.447

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 three months ended 31 March 2013 US$	For the year ended 31 December 2012 US$
Debit balance on 1 January	(602.849)	(870.510)
Deferred tax charge for the period (note 10)	231.617	279.436
Exchange difference on retranslation	8.019	(11.775)
Debit balance on 31 March/ 31 December	(363.213)	(602.849)

	For the three months ended 31 March 2013 US$	For the year ended 31 December 2012 US$
Deferred tax assets	(562.846)	(726.878)
Deferred tax liabilities	199.633	124.029
Net deferred tax assets	(363.213)	(602.849)

12. Inventories

	As at 31 March 2013 US$	As at 31 December 2012 US$
Goods held for resale	128.068.110	98.190.659
Goods in transit	16.950.573	14.464.674
Provision for slow moving and obsolete stock	(2.072.980)	(2.388.506)
	142.945.703	110.266.827

13. Trade receivables

	As at 31 March 2013 US$	As at 31 December 2012 US$
Trade receivables	255.583.142	322.024.321
Allowance for doubtful debts	(5.446.203)	(6.634.235)
	250.136.939	315.390.086

14. Other current assets

	As at 31 March 2013 US$	As at 31 December 2012 US$
Other debtors and prepayments	4.921.912	4.048.314
VAT and other taxes refundable	14.436.712	15.259.198
Employee floats	225.175	141.187
Deposits and advances to service providers	962.811	886.462
	20.546.610	20.335.161

15. Derivative financial asset

	As at 31 March 2013 US$	As at 31 December 2012 S$
<u>Derivative financial assets carried at fair value through profit or loss</u>		
Foreign currency derivative contracts	378.677	47.379

NOTES TO THE INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS FOR THE PERIOD ENDED 31 MARCH 2013

16. Property, plant and equipment

	Land and buildings US$	Warehouse machinery US$	Furniture and fittings US$	Office equipment US$	Motor vehicles US$	Computer hardware US$	Total US$
Cost							
At 1 January 2012	23.816.881	174.324	2.212.224	2.627.340	3.220.417	5.625.295	37.676.481
Additions from acquisitions of subsidiaries	-	-	138.363	110.804	49.054	41.461	339.682
Additions	219.055	3.717	253.655	541.783	308.701	811.263	2.138.174
Disposals upon disposal of subsidiaries	-	-	(8.150)	-	(575)	(3.551)	(12.276)
Disposals	(218.595)	(17.792)	(97.638)	(34.739)	(350.312)	(173.320)	(892.396)
Foreign exchange difference on retranslation	261.772	1.290	53.912	101.845	99.898	147.198	665.915
At 31 December 2012	24.079.113	161.539	2.552.366	3.347.033	3.327.183	6.448.346	39.915.580
Additions	12.949	1.104	247.217	51.618	109.975	276.704	699.567
Disposals	(20.465)	(4.917)	(20.006)	(6.783)	(54.403)	(46.353)	(152.927)
Foreign exchange difference on retranslation	(352.582)	(302)	(45.013)	(51.515)	(52.751)	(114.376)	(616.539)
At 31 March 2013	23.719.015	157.424	2.734.564	3.340.353	3.330.004	6.564.321	39.845.681
Accumulated depreciation							
At 1 January 2012	2.244.479	48.456	1.147.232	1.415.039	2.049.312	4.147.589	11.052.107
Charge for the year	581.145	19.084	237.367	278.205	447.316	764.389	2.327.506
Additions from acquisitions of subsidiaries	-	-	66.318	30.334	17.835	16.893	131.380
Disposals upon disposal of subsidiaries	-	-	(1.087)	-	(96)	(853)	(2.036)
Disposals	(105.786)	(12.121)	(62.490)	(6.612)	(273.827)	(169.944)	(630.780)
Foreign exchange difference on retranslation	47.473	506	20.167	90.501	21.960	137.525	318.132
At 31 December 2012	2.767.311	55.925	1.407.507	1.807.467	2.262.500	4.895.599	13.196.309
Charge for the period	141.389	4.875	61.487	70.938	101.129	184.772	564.590
Disposals	(1.838)	(224)	(3.034)	(1.236)	(53.507)	(38.122)	(97.961)
Foreign exchange difference on retranslation	(55.075)	196	(26.269)	(8.758)	(40.688)	(87.814)	(218.408)
At 31 March 2013	2.851.787	60.772	1.439.691	1.868.411	2.269.434	4.954.435	13.444.530
Net book value							
At 31 March 2013	20.867.228	96.652	1.294.873	1.471.942	1.060.570	1.609.886	26.401.151
At 31 December 2012	21.311.802	105.614	1.144.859	1.539.566	1.064.683	1.552.747	26.719.271

17. Intangible assets

	Computer software US$	Patents and licenses US$	Total US$
Cost			
At 1 January 2012	6.306.937	1.033.834	7.340.771
Additions	127.447	136.354	263.801
Disposals upon disposal of subsidiaries	(1.878)	-	(1.878)
Disposals/ write-offs	(51.993)	(47.423)	(99.416)
Foreign exchange difference on retranslation	98.771	5.831	104.602
At 31 December 2012	6.479.284	1.128.596	7.607.880
Additions	34.081	24.486	58.567
Disposals/ write-offs	(36)	(827)	(863)
Foreign exchange difference on retranslation	(24.899)	(7.824)	(32.723)
At 31 March 2013	6.488.430	1.144.431	7.632.861
Accumulated amortization			
At 1 January 2012	5.141.664	691.904	5.833.568
Charge for the year	361.339	172.881	534.220
Disposals upon disposal of subsidiaries	(544)	-	(544)
Disposals/ write-offs	(49.862)	(655)	(50.517)
Foreign exchange difference on retranslation	97.923	3.494	101.417
At 31 December 2012	5.550.520	867.624	6.418.144
Charge for the period	65.886	42.699	108.585
Disposals/ write-offs	(12)	(350)	(362)
Foreign exchange difference on retranslation	(21.727)	(5.289)	(27.016)
At 31 March 2013	5.594.667	904.684	6.499.351
Net book value			
At 31 March 2013	893.763	239.747	1.133.510
At 31 December 2012	928.764	260.972	1.189.736

18. Available-for-sale financial assets

	Country of incorporation	Participation %	Cost US$	Impairment US$	As at 31 March 2013 US$	As at 31 December 2012 US$
Investments held in related companies						
E-Vision Ltd	Cyprus	18%	90.000	(90.000)	-	-
Other investments						
Asekol s.r.o.	Czech Republic	9,09%	9.580	-	9.580	9.580
Regnon S.A.	Poland	0,01%	2.214	-	2.214	2.214
			101.794	(90.000)	11.794	11.794

19. Other current liabilities

	As at 31 March 2013 US$	As at 31 December 2012 US$
Non-trade accounts payable	2.564.613	3.258.306
Salaries payable and related costs	2.218.777	1.602.385
VAT payable	2.752.948	7.203.435
Amount due to directors – executive (note 28)	5.581	5.272
Amount due to directors – non-executive (note 28)	3.576	-
Unpaid consideration for investment in joint venture	-	277.832
Accruals and deferred income	16.290.617	10.362.140
	23.836.112	22.709.370

20. Derivative financial liability

	As at 31 March 2013 US$	As at 31 December 2012 US$
Derivative financial liabilities carried at fair value through profit or loss		
Foreign currency derivative contracts	10.707	527.086

21. Short term borrowings

	As at 31 March 2013 US$	As at 31 December 2012 US$
Bank overdrafts (note 27)	52.739.297	35.389.927
Bank short term loans	38.025.067	35.665.386
Current portion of long term loans	666.893	680.301
Short term obligations under finance leases (note 24)	70.576	32.966
Total short term debt	91.501.833	71.768.580
Factoring creditors	30.709.593	45.271.892
	122.211.426	117.040.472

Summary of borrowings and overdraft arrangements

As at 31 March 2013 the group enjoyed factoring facilities of US$ 60.813.835 (31 December 2012: US$ 61.552.577).

In addition, the group as at 31 March 2013 had the following financing facilities with banks in the countries that the company and its subsidiaries are operating:

- overdraft lines of US$ 59.790.408 (31 December 2012: US$ 59.091.759)
- short term loans/revolving facilities of US$ 44.801.734 (31 December 2012: US$ 45.041.320)
- bank guarantee and letter of credit lines of US$ 8.500.745 (31 December 2012: US$ 8.569.791)

The group had for the period ending 31 March 2013 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 8.3% (31 December 2012: 7,8%).

21. Short term borrowings (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:

- 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 to subsidiary companies
- Assignment of insurance policies
- Pledged deposits of US$ 3.034.364 (31 December 2012: US$ 2.344.577)

22. Long term borrowings

	As at 31 March 2013 US$	As at 31 December 2012 US$
Bank loans	3.264.235	3.474.945
Long term obligations under finance leases (note 24)	56.974	68.222
	3.321.209	3.543.167

23. Other long term liabilities

	As at 31 March 2013 US$	As at 31 December 2012 US$
Other long term liabilities	374.919	338.465

24. Finance leases

	As at 31 March 2013 US$	As at 31 December 2012 US$
Obligation under finance lease	127.550	101.188
Less: Amount payable within one year	(70.576)	(32.966)
Amounts payable within 2-5 years inclusive	56.974	68.222

25. Share capital

	As at 31 March 2013 US$	As at 31 December 2012 US$
Authorised		
63.000.000 (2012: 63.000.000) shares of US$ 0,20 each	12.600.000	12.600.000
Issued, called-up and fully paid		
55.500.000 (2012: 55.500.000) ordinary shares of US$ 0,20 each	11.100.000	11.100.000

26. 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, Central Eastern Europe, Western Europe and Middle East & Africa.

1.2 Segment revenues

	For the three months ended 31 March 2013 US$	For the three months ended 31 March 2012 US$
Former Soviet Union	160.142.976	155.368.206
Central Eastern Europe	169.054.011	122.452.467
Western Europe	42.455.793	30.743.010
Middle East & Africa	65.506.441	60.208.621
Other	6.665.150	10.410.903
	443.824.371	379.183.207

1.3 Segment results

	For the three months ended 31 March 2013 US$	For the three months ended 31 March 2012 US$
Former Soviet Union	3.729.820	2.716.355
Central Eastern Europe	2.572.502	812.164
Western Europe	245.266	353.408
Middle East & Africa	862.384	562.915
Other	66.624	162.623
Profit from operations	7.476.596	4.607.465
Net financial expenses	(3.457.048)	(2.153.424)
Other gains and losses	189.600	165.165
Share of loss from joint ventures	(17.512)	(42.874)
Profit before taxation	4.191.636	2.576.332

26. Operating segments (continued)

1.4 Inter-segment revenues

Selling segment	Purchasing segment	For the three months ended 31 March 2013 US$	For the three months ended 31 March 2012 US$
Western Europe	Middle East & Africa	127.883	477.807

1.5 Segment capital expenditure (CAPEX)

	As at 31 March 2013 US$	As at 31 December 2012 US$
Former Soviet Union	5.907.386	5.824.790
Central Eastern Europe	11.094.975	11.432.230
Western Europe	215.881	223.187
Middle East & Africa	3.650.879	3.715.677
Unallocated	7.216.057	7.263.640
	28.085.178	28.459.524

1.6 Segment depreciation and amortisation

	For the three months ended 31 March 2013 US$	For the three months ended 31 March 2012 US$
Former Soviet Union	137.164	100.022
Central Eastern Europe	234.131	251.932
Western Europe	27.081	51.512
Middle East & Africa	93.374	99.785
Unallocated	181.425	175.491
	673.175	678.742

26. Operating segments (continued)

1.7 Segment assets	**As at 31 March 2013 US$**	**As at 31 December 2012 US$**
Former Soviet Union	187.060.484	210.096.826
Central Eastern Europe	109.839.458	149.750.203
Western Europe	54.221.645	43.191.478
Middle East & Africa	69.209.734	59.456.572
Total	420.331.321	462.495.079
Assets allocated in capital expenditure (1.5)	28.085.178	28.459.524
Other unallocated assets	7.908.126	15.882.844
Consolidated assets	456.324.625	506.837.447

27. Cash and cash equivalents

	As at 31 March 2013 US$	**As at 31 December 2012 US$**
Cash at bank and in hand	13.173.365	30.997.616
Bank overdrafts (note 21)	(52.739.297)	(35.389.927)
	(39.565.932)	(4.392.311)

The cash at bank and in hand balance includes an amount of US$ 3.034.364 (31 December 2012: US$ 2.344.577) which represents pledged deposits.

28. Transactions and balances of key management

	For the three months ended 31 March 2013 US$	**For the three months ended 31 March 2012 US$**
Directors' remuneration – executive (note 9)	244.985	120.175
Directors' remuneration – non-executive (note 9)	11.516	9.872
	256.501	130.047

	As at 31 March 2013 US$	**As at 31 December 2012 US$**
Amount due to directors – executive (note 19)	5.581	5.272
Amount due to directors – non-executive (note 19)	3.576	-
	9.157	5.272

29. Commitments and contingencies

As at 31 March 2013 the group was committed in respect of purchases of inventories of a total cost value of US$ 2.420.082 which were in transit at 31 March 2013 and delivered in April 2013. 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 31 March 2013 the group was contingently liable in respect of bank guarantees of US$ 6.067.745 (31 December 2012: US$ 6.136.791) which the group had extended mainly to its suppliers.

As at 31 March 2013 the group had no other capital or legal commitments and contingencies.

30. Goodwill

	As at 31 March 2013 US$	As at 31 December 2012 US$
At 1 January	550.517	550.517
At 31 March/ December (note i)	550.517	550.517

i. The capitalized goodwill arose from the business combinations of the following subsidiary:

	As at 31 March 2013 US$	As at 31 December 2012 US$
ASBIS d.o.o. (BA) (formerly Megatrend D.O.O. Sarajevo)	550.517	550.517

31. Investment in joint ventures

	As at 31 March 2013 US$	As at 31 December 2012 US$
Cost		
At 1 January	386.400	626.400
Full acquisition of joint venture (note 32(1.2))	-	(240.000)
At 31 March/ December	386.400	386.400
Accumulated share of profits from joint ventures		
At 1 January	(329.371)	(238.775)
Share of losses from joint ventures during the period/year	(17.512)	(73.508)
Full acquisition of joint venture (note 32(1.3))	-	(17.088)
At 31 March/ December	(346.883)	(329.371)
Investments in joint ventures recorded under the equity method of consolidation	39.517	57.029

32. Business combinations

1. Acquisitions

1.1. Acquisition of shares from non-controlling interests 2012

During the year the group acquired the remaining 33,33% of the share capital of CJSC "ASBIS" in Belarus from the non-controlling interests and now owns the full 100% of its share capital. From the difference between the group’s interest in the net assets acquired and the consideration paid, the following loss arose:

- Loss on the acquisition of shares from non-controlling interest of CJSC "ASBIS" of US$ 6.379 which was debited directly to equity.

Name of entity	Type of operations	Date acquired	% acquired	% owned
CJSC "ASBIS"	Information Technology	1 June 2012	33,33%	100%

1.2. Acquisition of remaining shares of joint venture 2012

During the year the group acquired the remaining 52% of the share capital of AOSBIS Technology (Shenzhen) Corp. in China and obtained the total 100% of its share capital. The finalization of acquisition formalities and the effect of changes in the ownership interest, took place during the three months ended 31 December 2012. From the difference between the group’s interest in the net assets acquired and the consideration paid, the following gain arose:

- Negative goodwill on the acquisition of shares of AOSBIS Technology (Shenzhen) Corp. in China of $41.363 which was credited directly to income statement.

Name of entity	Type of operations	Date acquired	% acquired	% owned
AOSBIS Technology (Shenzhen) Corp.	Information Technology	18 May 2012	52%	100%

32. Business combinations (continued)
1. Acquisitions (continued)

1.3. Acquired assets and liabilities

The net carrying value of underlying separately identifiable assets and liabilities transferred to the group at the date of acquisition was as follows:

	2013 US$	2012 US$
Tangible and intangible assets	-	1.444.219
Inventories	-	1.978.505
Receivables	-	3.168.983
Other receivables	-	525.566
Short term loans	-	(485.313)
Payables	-	(5.133.469)
Other payables and accruals	-	(238.843)
Cash and cash equivalents	-	197.498
Net identifiable assets and liabilities	-	1.457.146
Group's interest in net assets acquired	-	869.904
Share of profits previously recognized as joint venture	-	(17.088)
Total purchase consideration	-	(817.832)
Net gain	-	34.984
Loss on the acquisition through equity	-	(6.379)
Negative goodwill credited in income statement	-	41.363
	-	34.984

1.4. Financial information regarding acquired joint venture

	1 January to 31 December 2012 US$	Acquisition date to 31 December 2012 US$
Revenue for the year/period	33.428.166	23.236.640
Loss for the year/period	(385.611)	(445.536)

2. Disposals of subsidiaries

2.1. Disposals to 31 March 2013

During the period the group's subsidiary ISA Hardware Hungary Commercial Ltd went into liquidation. No gain or loss arose on the event.

Name of disposed entity	Type of operations	Date liquidated	% liquidated
ISA Hardware Hungary Commercial Ltd	Information Technology	31 March 2012	100%

32. Business combinations (continued)
2. Disposals of subsidiaries (continued)

2.2. Disposals 2012

During the period the group sold 100% of the share capital of ASBIS KOREA CO. LTD. From the difference between the group's interest in the net assets sold and the consideration received, the following loss arose:

- Loss on sale of ASBIS KOREA CO. LTD of US$ 475 which was debited to the income statement

Name of disposed entity	Type of operations	Date sold	% sold
ASBIS KOREA CO. LTD	Information Technology	22 June 2012	100%

2.3. Disposed assets and liabilities

The net carrying value of underlying separately identifiable assets and liabilities disposed from the group at the date of disposal were as follows:

	As at 31 March 2013 US$	As at 31 December 2012 US$
Tangible and intangible assets	-	11.574
Inventories	-	135.411
Receivables	-	30.526
Tax receivable	-	-
Other receivables	-	60.430
Payables and accruals	-	(92.800)
Short term loans	-	(17.387)
Cash and cash equivalents	-	(112.803)
Net identifiable assets and liabilities	-	14.951
Group's interest in net assets and liabilities sold	-	14.951
Loss on sale of subsidiaries	-	(475)
Total sale consideration received	-	14.476
Net cash flow arising on transfer:		
Total sale consideration received	-	14.476
Cash and cash equivalents disposed	-	112.803
Net cash inflow	-	127.279

33. Comparative figures

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

34. Significant events and transactions

All significant events and transactions that are required to be disclosed in accordance with International Accounting Standard (IAS) 34, Interim Financial Reporting, have been included in the current set of interim condensed consolidated financial statements.

35. Events after the reporting period

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