ASBISc Enterprises Plc

INTERIM REPORT
FOR THE THREE AND TWELVE MONTHS
ENDED 31 DECEMBER 2013

Limassol, February 27th, 2014

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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 December 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 and twelve month periods ended 31 December 2013

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

- Revenues in Q4 2013 increased by 1.29% to U.S. $ 573,706 from U.S. $ 566,397 in the corresponding period of 2012.

- Gross profit in Q4 2013 increased by 22.79% to U.S. $ 35,643 from U.S. $ 29,027 in the corresponding period of 2012.

- Gross profit margin in Q4 2013 increased by 21.23% to 6.21% from 5.12% in the corresponding period of 2012. This was due to changes in product portfolio and intensive development of own brands sales.

- Selling expenses in Q4 2013 increased by 16.93% to U.S. $ 16,062 from U.S. $ 13,737 in the corresponding period of 2012. It is important to underline that the selling expenses in Q4 2013 grew much less than gross profit, and this increase is connected to the commissions for sales organization paid on the base of much better profitability.

- Administrative expenses in Q4 2013 increased by 24.60% to U.S. $ 8,375 from U.S. $ 6,721 in the corresponding period of 2012 – mostly due to significant investment in human resources to drive the business.

- EBITDA in Q4 2013 increased by 30.57% to U.S. $ 12,083 in comparison to U.S. $ 9,254 in the corresponding period of 2012.

- As a result, net profit after taxation in Q4 2013 increased by 11.52% to U.S. $ 4,953 in comparison to U.S. $ 4,442 in the corresponding period of 2012.

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

Region	Q4 2013	Q4 2012	Change (%)
Former Soviet Union	233,241	224,619	+3.84%
Central and Eastern Europe	244,410	205,280	+19.06%
Western Europe	35,537	60,583	-41.34%
Middle East and Africa	51,423	58,466	-12,05%
Other	9,095	17,448	-47.87%
Grand Total	573,706	566,397	+1.29%

The principal events of the twelve months ended 31 December 2013 were as follows:

- Revenues in Q1-Q4 2013 increased by 10.06% to U.S. $ 1,920,427 from U.S. $ 1,744,878 in the corresponding period of 2012. Therefore revenues in Y2013 were close to the upper range of the Company's financial forecast.

- Even more importantly, gross profit in Q1-Q4 2013 increased by 33.88% to U.S. $ 115,571 from U.S. $ 86,327 in the corresponding period of 2012. This confirms the Company's strategy to focus more on margins and development of own brands sales rather than just on increasing revenues.

- Gross profit margin in Q1-Q4 2013 increased by 21.64% to 6.02% from 4.95% in the corresponding period of 2012. This followed changes in product portfolio and development of own brands sales.

- Selling expenses in Q1-Q4 2013 increased by 29.81% - slower than gross profit - to U.S. $ 53,651 from U.S. $ 41,332 in the corresponding period of 2012. This was a result of more commissions to marketing and sales organizations, remunerated out of gross profit produced for the Company.

- Administrative expenses in Q1-Q4 2013 increased by 25.36% to U.S. $ 29,982 from U.S. $ 23,916 in the corresponding period of 2012. This was a result of more staff hired to support strong growth of the Company's operations, especially on own brands.

- EBITDA in Q1-Q4 2013 increased by 50.95% and reached U.S. $ 34,840 in comparison to U.S. $ 23,082 in the corresponding period of 2012.

- As a result, net profit after taxation in Q1-Q4 2013 grew by 40.51% to U.S. $ 12,712 in comparison to U.S. $ 9,047 in the corresponding period of 2012. Net profit in Y2013 exceeded the upper range of the Company's financial forecast (the Company forecasted NPAT for Y2013 to be in the range of U.S.$ 11.0 million and U.S.$ 12.5 million) and reconfirms the Company's ability to deliver for another consecutive year growing profits, well in line and even slightly exceeding its forecasts.

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

Region	Q1-Q4 2013	Q1-Q4 2012	Change (%)
Former Soviet Union	730,683	705,191	+3.61%
Central and Eastern Europe	741,549	607,563	+22.05%
Western Europe	181,659	145,033	+25.25%
Middle East and Africa	231,997	230,302	+0.74%
Other	34,540	56,789	-39.18%
Grand Total	1,920,427	1,744,878	+10.06%

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 three and twelve months ended December 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 December 31st, 2013, that is: 1 US$ = 3.0120 PLN and 1 EUR = 4.1472 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 October 1st to December 31st, 2012, that is 1 US$ = 3.1462 PLN and 1 EUR = 4.1099 PLN and October 1st to December 31st, 2013, that is 1 US$ = 3.0491 PLN and 1 EUR = 4.1745 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 December 31st,, 2012, that is 1 US$ = 3.2312 PLN and 1 EUR = 4.1736 PLN and January 1st to December 31st, 2013, that is 1 US$ = 3.1653 PLN and 1 EUR = 4.2110 PLN.

	Period from 1 October to 31 December 2013			Period from 1 October to 31 December 2012		
	USD	PLN	EUR	USD	PLN	EUR
Revenue	**573,706**	**1,749,288**	**419,041**	**566,397**	**1,781,998**	**433,587**
Cost of sales	(538,064)	(1,640,610)	(393,008)	(537,370)	(1,690,675)	(411,366)
Gross profit	**35,643**	**108,678**	**26,034**	**29,027**	**91,324**	**22,220**
Selling expenses	(16,062)	(48,975)	(11,732)	(13,737)	(43,218)	(10,516)
Administrative expenses	(8,375)	(25,535)	(6,117)	(6,721)	(21,147)	(5,145)
Profit from operations	**11,206**	**34,168**	**8,185**	**8,569**	**26,958**	**6,559**
Financial expenses	(5,295)	(16,144)	(3,867)	(3,657)	(11,505)	(2,799)
Financial income	295	900	216	338	1,063	259
Other gains and losses	160	488	117	129	405	99
Negative goodwill on acquisition of subsidiary	-	-	-	41	130	32
Share of profit from joint ventures	-	-	-	77	242	59
Profit before taxation	**6,367**	**19,413**	**4,650**	**5,497**	**17,293**	**4,208**
Taxation	(1,413)	(4,309)	(1,032)	(1,055)	(3,319)	(808)
Profit after taxation	**4,953**	**15,103**	**3,618**	**4,442**	**13,974**	**3,400**
Attributable to:						
Non-controlling interests	15	46	11	6	20	5
Owners of the Company	**4,938**	**15,057**	**3,607**	**4,435**	**13,955**	**3,395**

	USD (cents)	PLN (grosz)	EUR (cents)	USD (cents)	PLN (grosz)	EUR (cents)
Basic and diluted earnings per share from continuing operations	8.90	27.13	6.50	7.99	25.14	6.12

	Period from 1 January to 31 December 2013			Period from 1 January to 31 December 2012		
	USD	PLN	EUR	USD	PLN	EUR
Net cash inflows/(outflows) from operating activities	11,019	34,877	8,282	(38,228)	(123,523)	(29,596)
Net cash outflows from investing activities	(3,245)	(10,271)	(2,439)	(2,071)	(6,693)	(1,604)
Net cash (outflows)/inflows from financing activities	(2,891)	(9,151)	(2,173)	16,656	53,819	12,895
Net increase/(decrease) in cash and cash equivalents	**4,883**	**15,455**	**3,670**	**(23,644)**	**(76,397)**	**(18,305)**
Cash at the beginning of the period	**(4,392)**	**(13,903)**	**(3,302)**	**19,251**	**62,205**	**14,904**
Cash at the end of the period	**490**	**1,552**	**369**	**(4,392)**	**(14,192)**	**(3,401)**

	As at 31 December 2013			As at 31 December 2012		
	USD	PLN	EUR	USD	PLN	EUR
Current assets	592,676	1,785,139	430,444	477,582	1,480,314	362,094
Non-current assets	31,291	94,248	22,726	29,255	90,680	22,181
Total assets	623,966	1,879,387	453,170	506,838	1,570,993	384,275
Liabilities	510,518	1,537,680	370,776	403,752	1,251,471	306,118
Equity	113,448	341,707	82,395	103,085	319,523	78,157

	Period from 1 January to 31 December 2013			Period from 1 January to 31 December 2012		
	USD	**PLN**	**EUR**	**USD**	**PLN**	**EUR**
Revenue	**1,920,427**	**6,078,728**	**1,443,536**	**1,744,878**	**5,638,049**	**1,350,884**
Cost of sales	(1,804,856)	(5,712,912)	(1,356,664)	(1,658,551)	(5,359,109)	(1,284,050)
Gross profit	**115,571**	**365,817**	**86,872**	**86,327**	**278,940**	**66,834**
Selling expenses	(53,651)	(169,822)	(40,328)	(41,332)	(133,550)	(31,999)
Administrative expenses	(29,982)	(94,900)	(22,536)	(23,916)	(77,279)	(18,516)
Profit from operations	**31,939**	**101,095**	**24,007**	**21,079**	**68,111**	**16,320**
Financial expenses	(16,833)	(53,280)	(12,653)	(11,081)	(35,806)	(8,579)
Financial income	590	1,868	444	698	2,256	541
Other gains and losses	726	2,298	546	588	1,899	455
Negative goodwill on acquisition of subsidiary	-	-	-	41	134	32
Share of loss from joint ventures	(57)	(181)	(43)	(74)	(238)	(57)
Profit before taxation	**16,365**	**51,800**	**12,301**	**11,252**	**36,356**	**8,711**
Taxation	(3,652)	(11,561)	(2,745)	(2,205)	(7,123)	(1,707)
Profit after taxation	**12,712**	**40,238**	**9,556**	**9,047**	**29,233**	**7,004**
Attributable to:						
Non-controlling interests	46	147	35	37	119	29
Owners of the Company	**12,666**	**40,092**	**9,521**	**9,010**	**29,114**	**6,976**

	USD (cents)	PLN (grosz)	EUR (cents)	USD (cents)	PLN (grosz)	EUR (cents)
Basic and diluted earnings per share from continuing operations	22.82	72.24	17.15	16.29	52.64	12.61

4. Organization of ASBIS Group

The following table presents our corporate structure as at December 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)
ASBIS Estonia AS (formerly AS Asbis Baltic) (Tallin, 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 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)
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)
Asbis d.o.o. (former 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)
Prestigio China Corp. (former 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 (100% subsidiary)
SHARK Computers a.s. (Bratislava, Slovakia)	Full (100% subsidiary)

5. Changes in the structure of the Company

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

- Asbis-Baltik (Tallin, Estonia) changed its name to ASBIS Estonia AS. This change had only technical character and is connected with the development of business in Estonia and with the Issuer’s pursue for better recognition of the Company in specific countries. It will not have any impact on the subsidiary‘s operations in Estonia – since the Company’s subsidiary under the new name will have the same operations.
- E.M.EURO-MALL d.o.o. (former ISA Hardware s.r.o., Slovenia) was deregistered by the appropriate court following the Company’s application. The Issuer will continue its operations in Slovenia without any change, through its other subsidiary - Asbis Slovenia d.o.o (Trzin, Slovenia).
- Asbis Europe B.V (Schiphol, Netherlands) was liquidated due to the fact that this company was dormant and not conducting any operations, since the Group conducts all operations in the Netherlands through its other subsidiary ASBIS NL B.V.

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

We have not published any forecasts for the three months period ended December 31st 2013. However on March 21st, 2013 we published the official forecast for the year 2013. According to this forecast, revenues were 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 Q4 2013 the Company fully confirms this forecast. Actually, the Company:

- generated revenues of U.S.$ 1,920,427, which is close to the upper range of the Company's financial forecast for 2013.
- delivered net profit after tax amounting to U.S.$ 12,712, which exceeds the upper range of the Company's financial forecast for 2013.

The final information on 2013 results will be published on March 27th, 2014 in the Annual Report for Y2013 that will contain audited financial statements.

7. Information on dividend payment

For the three month period ended December 31st, 2013 no dividend was paid. However a dividend has been paid in June 2013. This followed a resolution of the Company's AGM from June 4th, 2013. The dividend pay-out was U.S.$ 0.05 per share, in line with the recommendation of the Board of Directors. The dividend record date was June 15th, 2013 and the dividend pay-out date was June 22nd, 2013.

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.

Name	**Number of shares**	**% of share capital**	**Number of votes**	**% of votes**
KS Holdings Ltd	22,676,361	40.86%	22,676,361	40.86%
Quercus Towarzystwo Funduszy Inwestycyjnych S.A. (Quercus Parasolowy SFIO and Quercus Absolutnego Zwrotu FIZ)*	3,274,931	5.90%	3,274,931	5.90%
ING OFE	2,872,954	5.18%	2,872,954	5.18%
Noble Funds Towarzystwo Funduszy Inwestycyjnych S.A. (Noble Funds Fundusz Inwestycyjny Otwarty, Noble Fund 2DB Fundusz Inwestycyjny Zamknięty, Noble Fund Opportunity Fundusz Inwestycyjny Zamknięty)	2,780,500	5.01%	2,780,500	5.01%
ASBISc Enterprises PLC (buy-back program)	118,389	0.21%	118,389	0.21%
Free float	23,776,865	42.84%	23,776,865	42.84%
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 dated December 9th, 2011.

In the three months period ended on December 31st, 2013 the Company received the following information about changes in its shareholders structure:

(1) On October 25th, 2013 the Company received from ALPHA VENTURES S.A. (further „AV") notification that AV descended below the threshold of 5% of total number of votes at the Company's General Meeting of Shareholders. Descending below the threshold occurred as a result of transaction of sale of 1 800 000 Company's shares conducted on October 23rd, 2013.
AV informed that before the abovementioned event it held 3 200 000 Company's shares corresponding to 5,77% of the Company's share capital and entitling to 3 200 000 votes which correspond to 5,77% of the total votes in the Company.
According to the notification after the abovementioned event AV held 1 400 000 Company's shares corresponding to 2,52% of the Company's share capital and entitling to 1 400 000 votes which correspond to 2,52% of the total votes in the Company.

(2) On December 17th, 2013 the Company has received from Noble Funds Towarzystwo Funduszy Inwestycyjnych S.A. notification that following the purchase of the Company's shares on December 13th, 2013, the total shares of Noble Funds Fundusz Inwestycyjny Otwarty, Noble Fund 2DB Fundusz Inwestycyjny Zamknięty and Noble Fund Opportunity Fundusz Inwestycyjny Zamknięty managed by Noble Funds Towarzystwo Funduszy Inwestycyjnych S.A. (altogether „the Funds") exceeded the threshold of 5% of total number of votes at the Company's General Meeting of Shareholders.

According to the notification, before the abovementioned purchase of shares the Funds had in total 2 765 500 Company's shares that were equal to 4,98% in the Company's share capital and had 2 765 500 votes at the Company's General Meeting of Shareholders, that were equal to 4,98% of total number of votes.
According to the notification, at December 16th, 2013 the Funds altogether held 2 780 500 Company's shares, equal to 5,01% in the Company's share capital and had 2 780 500 votes at the Company's General Meeting of Shareholders, equal to 5,01% of total number of votes.

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

During the three month period ended on 31 December 2013 as well as in the period between November 7th, 2013 (the date of the publication of the Q3 2013 results) and February 27th, 2014 (date of this report) there was only one change in the number of shares possessed by the members of the Board of Directors. On October 31st, 2013 the Company received notification from one of its Directors who informed that he sold 150,000 of the Company's shares at the average price of PLN 6.97 per share on September 26th, 2013 in ordinary market transactions at the Warsaw Stock Exchange.

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)	22,718,127	40.93%
Marios Christou	248,000	0.45%
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.

10. Changes in the members of managing bodies

During the three month period ended December 31st, 2013 there was only one change in the members of the Company's Board of Directors. On November 15th, 2013 Mr. Laurent Journoud, executive Director of the Company has resigned from his position with effect as of the same date. His resignation was approved by the Company's Board of Directors. Mr. Journoud has not disclosed the reasons of his resignation.

11. Significant administrative and court proceedings against the Company

As of December 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.

12. Related Party Transactions

During the three months ended December 31st, 2013 we have not had 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

The Company has increased corporate guarantees to support its subsidiaries' local financing from U.S.$ 186,832 at September 30th, 2013 to U.S.$ 188,815 at December 31st, 2013, representing more than 10% of the Company's equity. The total bank guarantees and letters of credit raised by the Group (mainly to Group suppliers) as at December 31st 2013 was U.S. $ 8,044 – as per note number 19 to the financial statements – which is less than 10% of the Company's equity.

14. 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.

15. 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 December 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.

Similar to a number of previous periods, the Company has continued its strategy to focus more on profitability than just on revenues. Therefore, changes in product portfolio continued and included an intentional decrease in sales of a number of low profit product lines and increase in sales of booming high gross profit segments of tablets and smartphones (both own brands and third party).

The Company also continued to benefit from improved market share and better recognition of own brands in different geographies. This is expected to continue to benefit the Company from access to growing base of direct customers in different geographies. At the end of 2013 the Company had direct access to almost 1.5 million of Prestigio users. This creates a significant opportunity for the Company for its future performance, as it plans to introduce new products for all these clients.

All the abovementioned factors, allowed the Company to significantly increase its gross profit margins. Gross profit margin grew significantly compared to both the corresponding period of 2012 and any other quarter of 2013. At the same time, expenses grew only in relation to investments in highly profitable own brands business, and their growth was slower than the growth in gross profit.

The hedging actions have shielded the Company from any material currency losses despite the high volatility of the Company's trading currencies against USD. This again confirms the effectiveness of the foreign exchange hedging strategy adopted by the Company.

As a result, while revenues were comparable to Q4 2012, profitability grew on all levels, much faster than revenues.

In Q4 2013 EBITDA grew by 30.57% and NPAT grew by 11.52% compared to the corresponding period of 2012.

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. About 40% of the Company's revenues are denominated in U.S. dollars, while the balance is denominated in Euro, RUB 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 successfully.

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 is standing on two legs, traditional distribution of third party products and own brands sales.

In the traditional distribution business, the Company's gross profit margins, like those of other distributors of IT products, are low and the Company expects that in distribution arm of its business they will 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.

Therefore the Company develops the own brands business, that allows to generate much higher gross profit margins. Since this business is already responsible for significant part of the total sales, it positively affects the overall gross profit margins and overall profitability of the Company. However this business is also connected with risks, including the risk of technology change, the risk of changes in demand and customer preferences. Additionally, no matter the product line and no matter if its own brand or third party, the margins shrink over the time, due to more market entrants and market saturation. Therefore it is extremely important for the Company to foresee the market demand changes and offer new products right in time to satisfy consumer needs and be able to sell the previous technology as well.

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.

For the own brands business division, the Company needs to balance between satisfying the consumer demand and risk of inventory obsolence or price erosion, by having the proper level of inventory – not to small to satisfy demand and develop sales and market position, and not to big in order to avoid the risk of unsold inventories.

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 the last years. This included recovery signals from some of our markets (especially in the Former Soviet Union countries), and stabilization in some of others. Following partial 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 our 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 Q4 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 and improving cash flow 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. Q4 2013 sales was strong as expected. Although in total numbers it was only 1.29% higher than in Q4 2012, it is important to underline, that it was caused by intentionally decreased engagement in low margin businesses. This was the case of laptops, since the Company has decided to stay in this segment only in countries where it has a leading position. This piece of sales was substituted by more profitable product lines, like own brands. As a result, the Company increased its profitability. This trend is expected to continue.

If there will be no dramatic changes in the overall economic surrounding, traditional seasonality effect is expected to be seen also in 2014.

Increased cost of debt

Having increased private label business implies a much higher need for cash available to support the growth. The group has managed to raise cash from various financial institutions however in certain cases the cost of this financing is above the weighted average cost of debt.

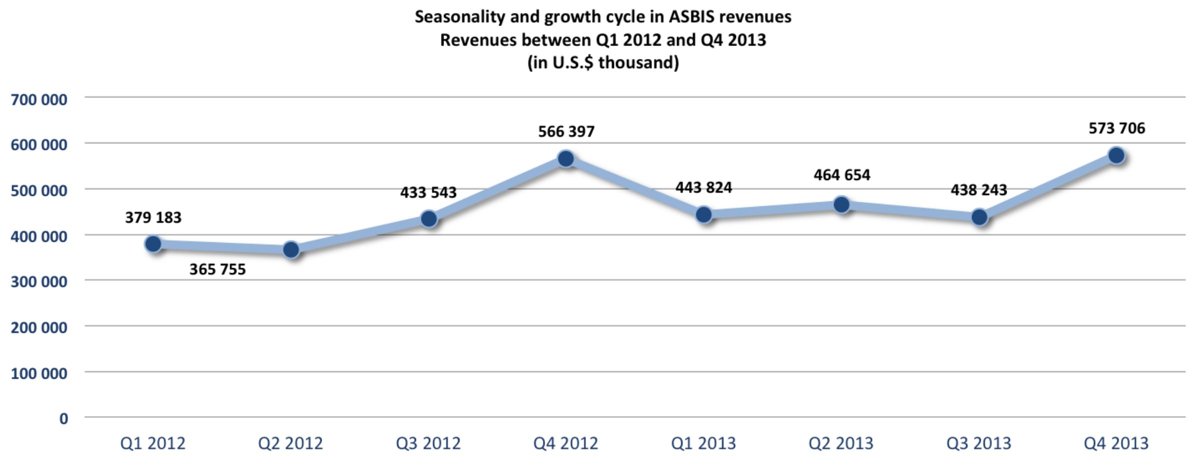
The company should undertake all necessary steps to ensure lower cost of financing to be able to enjoy the benefits from its revenue growth.

Results of Operations

Three and twelve month periods ended 31 December 2013 compared to the three and twelve month periods ended 31 December 2012

Revenues: In Q4 2013 revenues reached its annual peak and increased by 1.29% to U.S. $ 573,706 from U.S. $ 566,397 in the corresponding period of 2012.

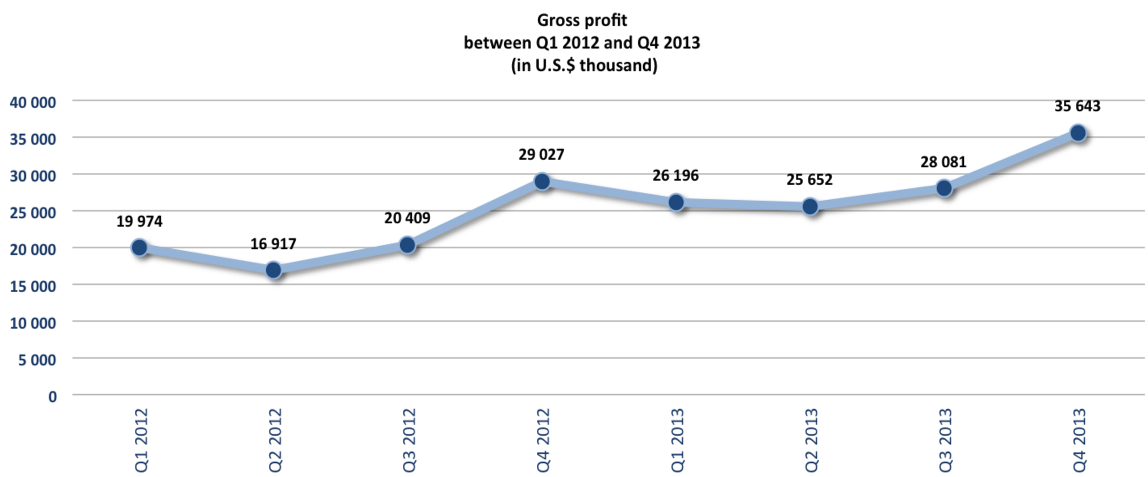
For the twelve months of 2013 revenues increased by 10.06% to U.S. $ 1,920,427 from U.S. $ 1,744,878 in the corresponding period of 2012. Therefore, revenues in Y2013 were close to the upper range of the Company's financial forecast.



- **Gross profit:** The Company continues improvement of margins and profitability. Therefore, gross profit grew significantly both in Q4 2013 and in Q1-Q4 2013 due to upgraded product portfolio and increase in own brands business.

  Gross profit in Q4 2013 increased by 22.79% to U.S. $ 35,643 from U.S. $ 29,027 in the corresponding period of 2012.

  Even more importantly, gross profit in Q1-Q4 2013 increased by 33.88% to U.S. $ 115,571 from U.S. $ 86,327 in the corresponding period of 2012. This confirms the Company's strategy, to focus more on margins and development of own brands sales rather than just increasing revenues.



- **Gross profit margin:** Due to changes in product portfolio, that included more own brands sales and distribution of third party products (only when they allow for a leading market position and satisfactory margins) the gross profit margin grew significantly both in Q4 2013 and Q1-Q4 2013.

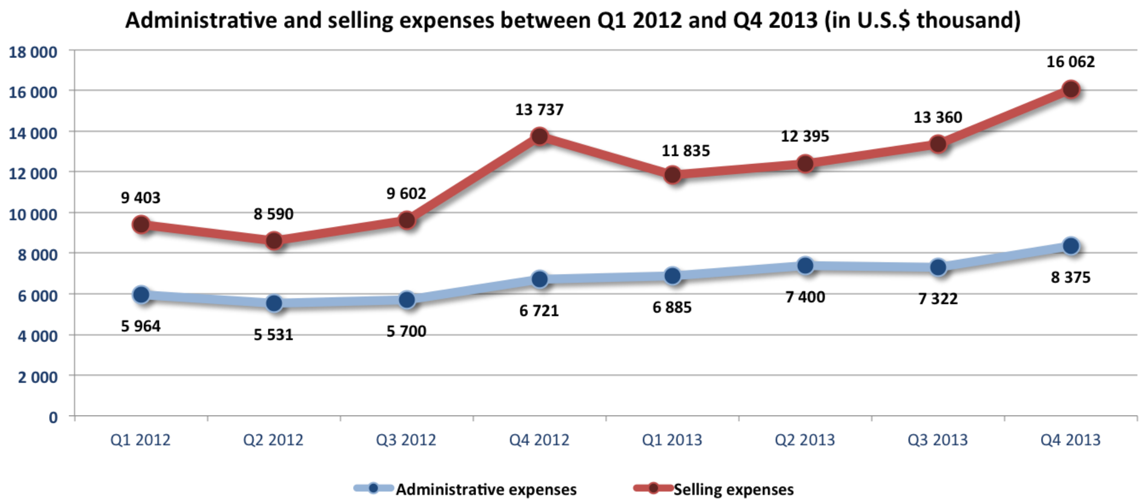
  Gross profit margin in Q4 2013 increased by 21.23% to 6.21% from 5.12% in the corresponding period of 2012. Gross profit margin in Q1-Q4 2013 increased by 21.64% to 6.02% from 4.95% in the corresponding period of 2012.

- **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 and – as expected – this was also the case of Q4 2013 and Q1-Q4 2013. They were additionally increased by investment in development of own brands sales. However, at the same time, selling expenses grew slower than gross profit.

  Selling expenses in Q4 2013 increased by 16.93% to U.S. $ 16,062 from U.S. $ 13,737 in the corresponding period of 2012.
  Selling expenses in Q1-Q4 2013 increased by 29.81% to U.S. $ 53,651 from U.S. $ 41,332 in the corresponding period of 2012.

- **Administrative expenses** largely comprise of salaries and wages of administration personnel and rent expense. They increased both in Q4 2013 and in Q1-Q4 2013 - mostly due to investments in own brands organization and higher number of employees.

  Administrative expenses in Q4 2013 increased by 24.60% to U.S. $ 8,375 from U.S. $ 6,721 in the corresponding period of 2012 – mostly due to more engineers and other staff hired.
  Administrative expenses in Q1-Q4 2013 increased by 25.36% to U.S. $ 29,982 from U.S. $ 23,916 in the corresponding period of 2012.



- **Operating profit** increased both in Q4 2013 and in Q1-Q4 2013.

  In Q4 2013 the Company has increased its operating profit by 30.78% to U.S. $ 11,206 compared to U.S. $ 8,569 in the corresponding period of 2012.

  In Q1-Q4 2013 the Company has increased its operating profit by 51.52% to U.S. $ 31,939 compared to U.S. $ 21,079 in the corresponding period of 2012.

  This clearly shows – for another quarter in a row - a constant upgrade in the Company's operations and improved efficiencies that allow the Company's management to be optimistic about future results.

- **EBITDA:** In Q4 2013 EBITDA increased by 30.57% to U.S. $ 12,083 in comparison to U.S. $ 9,254 in the corresponding period of 2012. For Q1-Q4 2013 EBITDA increased by 50.95% and reached U.S. $ 34,840 in comparison to U.S. $ 23,082 in the corresponding period of 2012.

- **Net profit:** In Q4 2013 net profit after taxation increased by 11.52% to U.S. $ 4,953 in comparison to U.S. $ 4,442 in the corresponding period of 2012.

As a result, net profit after taxation in Q1-Q4 2013 grew by 40.51% to U.S. $ 12,712 in comparison to U.S. $ 9,047 in the corresponding period of 2012. Net profit in Y2013 exceeded the upper range of the Company's financial forecast (the Company forecasted NPAT for Y2013 to be in the range of U.S.$ 11.0 million and U.S.$ 12.5 million) and reconfirms the Company's ability to deliver for another consecutive year growing profits, well in line and even exceeding its forecasts.

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 has not changed in 2013. The most important development of Q4 2013 was a strong increase of sales in Central and Eastern Europe and successful substitution of low margin products in F.S.U. by own brands that allowed the Company to return on the path of growth of revenues in this geography.

To be more specific, revenues derived in F.S.U countries grew by 3.84% in Q4 2013 and by 3.61% in Q1-Q4 2013. In Central and Eastern Europe the Company generated a growth of 19.06% in Q4 2013 and of 22.05% in Q1-Q4 2013.

At the same time, in Q4 2013 sales in Western Europe and in the Middle East and Africa decreased compared to the corresponding period of 2012 (respectively by 41.34% and by 12.05%). In case of Western Europe this was mainly due to redirection of business and sales to the territories where we enjoy higher margins. However, for the twelve months of 2013 revenues derived in both of these geographies increased by 25.25% and 0.74% respectively. The Company expects further growth in revenues from both of these geographies in 2014, due to development of own brands sales.

Following the above mentioned facts, contribution of specific regions in total revenues of the Company in Q4 2013 has changed compared to Q4 2012: F.S.U. countries' contribution was 40.66% compared to 39.66%, Central and Eastern Europe contribution grew to 42.60% from 36.24% (mostly due to own brands), Western Europe decreased to 6.19% from 10.70% and the Middle East and Africa decreased to 8.96% from 10.32%.

For the twelve months of 2013 contribution of these regions was slightly different, since the difference in dynamics between F.S.U and CEE was not so significant. This was due to the fact that own brands smartphones business in CEE increased strongly in the second part of 2013. As a result, in Q1-Q4 2013 F.S.U. countries' contribution in total revenues decreased to 38.05% from 40.41%, CEE increased to 38.61% from 34.82%, Western Europe increased to 9.46% from 8.31% and MEA decreased to 12.08% from 13.20% following stronger growth in other regions.

In the management opinion, increased share of different regions in total revenues at a cost of F.S.U. region increases the Company's security, since its dependence from one large region decreases. Therefore, the Company intends to further support this trend in the future, especially by developing its own brands business.

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 and cash flow rather than on sales growth.

Revenues derived in our single biggest market - Russia - decreased by 6.08% in Q4 2013 and increased by 1.83% in Q1-Q4 2013 in comparison to the corresponding periods of 2012. The decrease in Q4 2013 was related to the fact that in Q4 2012 the Company was selling off laptops in Russia, to close this business in this geography, and the own brands had to substitute the abandoned segment throughout 2013. The PC mobile segment had a much higher average selling price than our private labels.

The Company has also delivered a significant growth in a number of other markets, both in Q4 2013 and in Q1-Q4 2013. Over these periods, sales in Slovakia grew by +51.77% and by 26.55% respectively; sales in Ukraine grew by 17.44% in Q4 and decreased by 2.12% in Q1-Q4. The Company has also generated a strong growth of sales in the Czech Republic (+49.01% and +9.43%), United Arab Emirates (21.05% and +10.88%), Belarus (+32.48% and +41.76%) and Kazakhstan (+13.42% and +1.67%).

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

	Q4 2013		Q4 2012	
	U.S. $ thousand	% of total revenues	U.S. $ thousand	% of total revenues
Former Soviet Union	233,241	40.66%	224,619	39.66%
Central and Eastern Europe	244,410	42.60%	205,280	36.24%
Middle East and Africa	51,423	8.96%	58,466	10.32%
Western Europe	35,537	6.19%	60,583	10.70%
Other	9,095	1.59%	17,448	3.08%
Total	573,706	100%	566,397	100%

Revenue breakdown – Top 10 countries in Q4 2013 and Q4 2012 (in U.S. Dollar thousand)

	Q4 2013		Q4 2012	
	Country	Sales U.S. $ thousand	Country	Sales U.S. $ thousand
1.	**Russia**	124,806	**Russia**	132,881
2.	**Slovakia**	100,853	**Slovakia**	66,449
3.	**Ukraine**	59,032	**Ukraine**	50,265
4.	**Czech Republic**	36,587	**Bulgaria**	29,504
5.	**United Arab Emirates**	34,482	**United Arab Emirates**	28,485
6.	**Bulgaria**	30,069	**United Kingdom**	24,984
7.	**Belarus**	27,181	**Czech Republic**	24,554
8.	**Kazakhstan**	18,709	**Belarus**	20,516
9.	**Romania**	16,411	**Kazakhstan**	16,495
10.	**Poland**	10,928	**Lithuania**	15,176
11.	**Other**	114,651	**Other**	157,089
	Total revenue	573,706	**Total revenue**	566,397

Revenue breakdown – Top 10 countries in Q1-Q4 2013 and Q1-Q4 2012 (in U.S. Dollar thousand)

	Q1-Q4 2013		Q1-Q4 2012	
	Country	Sales U.S. $ thousand	Country	Sales U.S. $ thousand
1.	**Russia**	410,880	**Russia**	403,488
2.	**Slovakia**	221,242	**Slovakia**	174,827
3.	**Ukraine**	163,699	**Ukraine**	167,249
4.	**United Arab Emirates**	139,252	**United Arab Emirates**	125,588
5.	**Bulgaria**	107,690	**Bulgaria**	82,813
6.	**Czech Republic**	89,722	**Czech Republic**	81,991

7.	**Belarus**	78,597	**Kazakhstan**	65,063
8.	**Kazakhstan**	66,149	**Belarus**	55,442
9.	**United Kingdom**	56,391	**United Kingdom**	47,911
10.	**Romania**	49,831	**Lithuania**	47,085
11.	**Other**	536,974	**Other**	493,421
	Total revenue	1,920,427	**Total revenue**	1,744,878

Sales by product lines

In Q4 2013 the Group continued enforcing its profit oriented strategy, which includes changes in product portfolio towards the increase of sales of products which generate higher gross profit margins. This also included a focus on booming smartphones and tablets segments, as well as further development of own brands sales.

In Q4 2013 revenues from sales of traditional components and laptops decreased, while sales of new products characterized by higher margins increased. Revenues from CPUs sales decreased by 4.96% (due to lower average sales price) and revenues from HDDs decreased by 16.96% (due to lower unit sales). In the same time, revenues from software decreased by 23.58% (due to lower unit sales, lower average sales price and a decrease in sales of laptops). Revenues from laptops decreased by 33.10%.

However, the most important development of Q4 2013 was further growth of new, booming and highly profitable segments of tablets and smartphones, including own brands. Revenues from tablets (both own brands and third party) grew by 98.76% in Q4 2013 compared to Q4 2012, and revenues from smartphones grew by 25.84% over the same periods.

In Q1-Q4 2013 tendencies were very similar, as sales of traditional segments: CPUs, HDDs and Laptops have decreased by 11.94%, 10.24% and 34.33% respectively. Software has delivered higher profits despite lower revenues (10.11% decrease), while tablets and smartphones grew by 172.38% and 141.93% respectively.

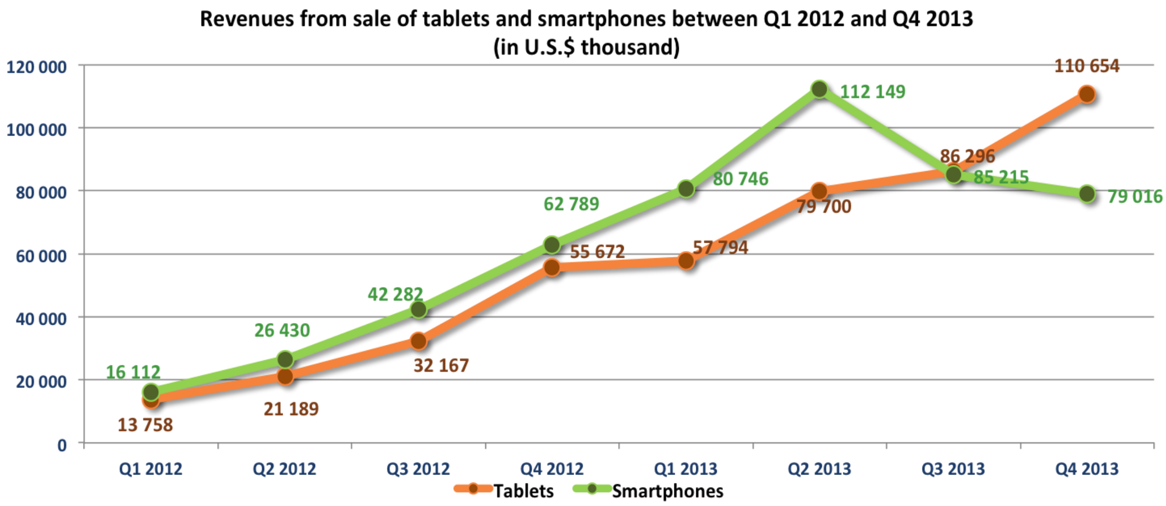
All these changes have positively affected the Company’s profitability, since high margin segments grew at a cost of low margin segments. As a result, gross profit grew significantly.

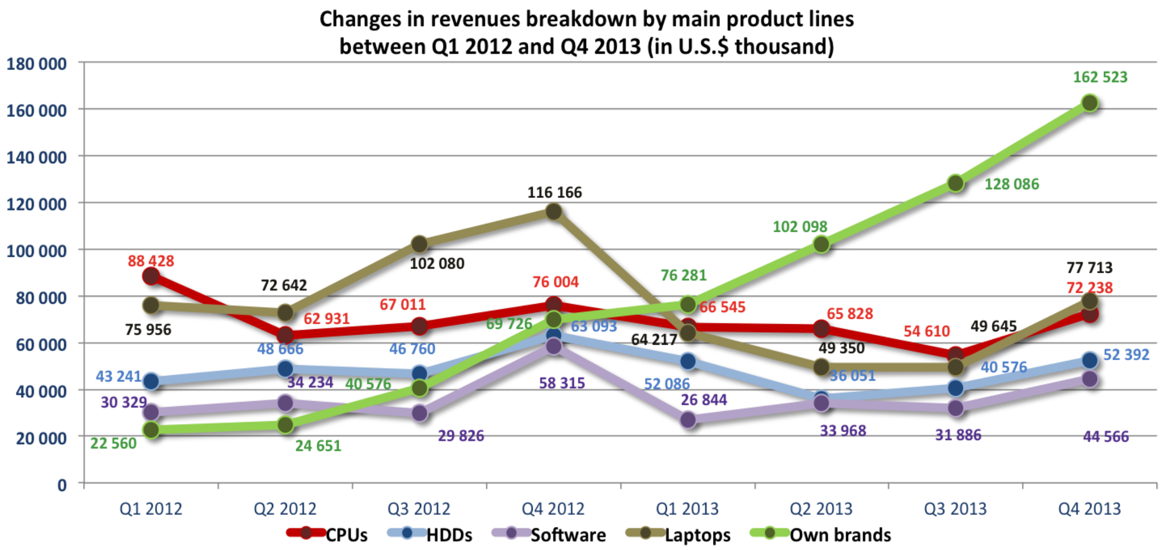
The table below sets a breakdown of revenues, by product category, for Q4 2013 and 2012 (U.S.$ thousand):

	Q4 2013		Q4 2012	
	U.S. $ thousand	% of total revenues	U.S. $ thousand	% of total revenues
Tablets	110,654	19.29%	55,672	9.83%
Smartphones	79,016	13.77%	62,789	11.09%
PC-mobile (laptops)	77,713	13.55%	116,166	20.51%
Central processing units (CPUs)	72,238	12.59%	76,004	13.42%
Hard disk drives (HDDs)	52,392	9.13%	63,093	11.14%
Software	44,566	7.77%	58,315	10.30%
Other	137,128	23.90%	134,357	23.72%
Total revenue	**573,706**	**100%**	**566,397**	**100%**

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

- Revenues from sale of tablets increased by 98.76% to U.S.$ 110,654 from U.S.$ 55,672 in the corresponding period of 2012. This was mostly due to significantly higher unit sales.
- Revenues from sale of smartphones increased by 25.84% to U.S.$ 79,016 from U.S.$ 62,789 in the corresponding period of 2012. This was mostly due to significantly higher unit sales.





- Revenues from sale of PC-mobile ("laptops") decreased by 33.10% to U.S. $ 77,713 from U.S. $ 116,166 in the corresponding period of 2012.
- Revenues from sale of central processing units ("CPUs") decreased by 4.96% to U.S. $ 72,238 from U.S. $ 76,004 in the corresponding period of 2012.
- Revenues from sale of hard disk drives ("HDDs") decreased by 16.96% to U.S. $ 52,392 from U.S. $ 63,093 in the corresponding period of 2012. This was due to lower unit sales and lower ASP.
- Revenues from sale of software decreased by 23.58% to U.S. $ 44,566 from U.S. $ 58,315 in the corresponding period of 2012. This was connected with changed product portfolio (the Company is offering more software products with higher margin but are characterized by lower average selling price).

The table below sets a breakdown of revenues, by product, for Q1-Q4 2013 and Q1-Q4 2012:

	Q1-Q4 2013		Q1-Q4 2012	
	U.S. $ thousand	% of total revenues	U.S. $ thousand	% of total revenues
Smartphones	357,126	18.60%	147,614	8.46%
Tablets	334,444	17.42%	122,786	7.04%
Central processing units (CPUs)	259,221	13.50%	294,374	16.87%
PC-mobile (laptops)	240,925	12.55%	366,845	21.02%
Hard disk drives (HDDs)	181,105	9.43%	201,760	11.56%

Software	137,263	7.15%	152,704	8.75%
Other	410,343	21.37%	458,795	26,29%
Total revenue	**1,920,427**	**100%**	**1,744,878**	**100%**

In Q4 2013 the four traditional product lines' (CPUs, HDDs, Laptops and Software) share in total revenue was 42.62%, compared to 58.21% 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 allows for higher gross margins.

- In Q4 2013 revenues from own brands grew by 133.09% to a new historical record of U.S.$ 162,523 (more than in the whole 2012), compared to U.S.$ 69,726 in Q4 2012. Own brands' contribution in total revenue was 28.33%, compared to 12.31% in Q4 2012.
- In Q1-Q4 2013 revenues from own brands grew by 197.60% to a new historical record of U.S.$ 468,988 compared to U.S.$ 157,590 in Q1-Q4 2012. Own brands' contribution in total revenue was 24.42%, compared to 9.03% in Q1-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 remain at above 20%. 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 all regions of our operations. The Company also develops its smartphones segment by signing agreements with third party vendors for different countries. This is due to market expectations that the smartphones segment will grow significantly in the next couple of years. It is especially important since the Company's expectation is that the smartphones segment will grow in the future faster than the tablets segment that is expected to be saturated in 2015-2016. This strategy should allow the Company to benefit from this new segment in the next few years. However, the Company is currently preparing its next generation own branded products.

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 twelve months ended December 31st, 2013 and 2012:

	Twelve months ended December 31st	
	2013	**2012**
	U.S. $	
Net cash inflows/(outflows) from operating activities	11,019	(38,228)
Net cash outflows from investing activities	(3,245)	(2,071)
Net cash (outflows)/inflows from financing activities	(2,891)	16,656
Net increase/(decrease) in cash and cash equivalents	4,883	(23,644)

Net cash inflows/(outflows) from operations

Net cash inflows from operations amounted to U.S. $ 11,019 for the twelve months ended December 31st, 2013, compared to outflows of U.S. $ 38,288 in the corresponding period of 2012 and thus a positive trend in operating cash flows was continued as expected by the Company. It is important to underline, that the Company was able to generate a positive number on operating cash flows both in Q4 2013 and for the twelve months of 2013 despite much increased cash consuming own brands business. This was primarily due to better utilization of working capital. It is the Company's aim to further improve its profitability and cash flow from operations in the near future.

Net cash outflows from investing activities

Net cash outflows from investing activities was U.S. $ 3,245 for the twelve months ended December 31st, 2013, compared to U.S. $ 2,071 in the corresponding period of 2012. These outflows relate to on-going investments for fixed assets, such as computers, furniture etc.

Net cash (outflows)/inflows from financing activities

Net cash outflows from financing activities was U.S. $ 2,891 for the twelve months ended December 31st, 2013, compared to inflows of U.S. $ 16,656 for the corresponding period of 2012. This is primarily related to a dividend payment made in June 2013 and better utilization of working capital.

Net increase/(decrease) in cash and cash equivalents

As a result of improved cash flows and working capital management, cash and cash equivalents have increased by U.S. $ 4,883, compared to a decrease of U.S. $ 23,644 in the corresponding period of 2012.

16. Factors which may affect our results in the future

Political and economic stability in Europe and our regions

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.

Additionally, from time to time, the Company faces turbulences in random countries, as is the case of Ukraine recently. Having good knowledge of local markets is crucial for successful weathering obstacles like this.

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. However, with the right FX risk strategies confirmed many times in the past, the Company may securely operate in different markets even when their currencies strongly appreciate or depreciate to U.S. Dollar (like is the case of Russian Ruble recently).

Having in mind the lesson learnt during the breakup of this 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 the territories we operate.

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 CEE (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.

Since CEE and Western Europe regions contribution in our total revenues grow at a cost of F.S.U., our reliance on one geography decreases. On the other hand, we need to pay more attention also to any possible market developments in these growing regions, 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. Such situation may limit 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

The Group increased its gross profit margin significantly both in Q4 2013 and in Q1-Q4 2013 compared to the corresponding periods of 2012. This was achieved due to an upgraded product portfolio and much increased own brands business (mostly smartphones and tablets) despite the fact that the overall situation in the world's economy is still weak resulting in lower demand and stronger push on prices from customers in many markets.

Therefore, it is of extreme importance for the Company to continue working on refining its third party as well as its own products portfolio (by adding high margin products from booming segments and forecasting new market trends to offer new products at right times) and strengthening its market position to increase gross profit margins and generate solid profits from growing revenues.

Currency volatilities

The multi-currency environment that the Group operates in exposes its financial results to steep currency fluctuations. Currency movements in Q4 2013 and Q1-Q4 2013 were successfully weathered by the hedging policy of the Group and this should be followed without any exception during 2014.

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 administration and selling expenses grew in Q4 2013 and Q1-Q4 2013. This was mostly due to investments made towards the development of own brands business, increased number of employees to support this development and increased commissions for the sales and marketing organization related to higher gross profit. We consider cost control to be a significant factor towards delivering improved results.

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. It is crucial for the Company to continue refining its product mix constantly by adding new product lines with higher gross (and net) profit margins to boost its profitability.

It will be also important to develop new product lines inside the own brands portfolio, to support growth of this business and benefit from its access to end users with whom the Company may interact at any time. New products that are now under development, will be crucial for further growth of revenues, since the Company expects the tablet segment to saturate somewhere between 2015 and 2016. However, in the same time, the smartphones segment is expected to grow for another couple of years, as forecasted by independent analysts. Thus, new technologies, like smart home, smart health, wearable IT and other, that are currently under development in the Group, will be crucial for further growth of profitability.

Ability to decrease the average cost of debt

Fast development of own brands business, that – by its nature – consumes more cash but results in higher profits than traditional IT distribution business, has led to increased average cost of debt, mainly due to increased factoring utilization in the F.S.U. countries. Increased average cost of debt negatively affects the Company's profitability. Therefore, it is of extreme importance for the Company to decrease its cost of debt without slowing down fast growing own brands business. Therefore, the Company should consider different scenario to lower its financing cost and deliver higher value to its shareholders.

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

According to our best knowledge, in the period between December 31st, 2013 and February 27th, 2014 no events have occurred that could affect the Company's operations or its 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 and year ended December 31st, 2013

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ASBISC ENTERPRISES PLC

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FOR THE PERIOD ENDED 31 DECEMBER 2013

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INTERIM CONSOLIDATED INCOME STATEMENT
FOR THE PERIOD ENDED 31 DECEMBER 2013

	Note	For the three months ended 31 December 2013 US$	For the three months ended 31 December 2012 US$	For the twelve months ended 31 December 2013 US$	For the twelve months ended 31 December 2012 US$
Revenue	6,26	573,706,413	566,396,925	1,920,427,254	1,744,877,804
Cost of sales		(538,063,802)	(537,370,322)	(1,804,856,301)	(1,658,550,700)
Gross profit		35,642,611	29,026,603	115,570,953	86,327,104
Selling expenses		(16,061,970)	(13,736,669)	(53,651,018)	(41,331,477)
Administrative expenses		(8,374,719)	(6,721,377)	(29,981,472)	(23,916,354)
Profit from operations		11,205,922	8,568,557	31,938,463	21,079,273
Financial income	9	295,243	337,717	590,057	698,216
Financial expenses	9	(5,294,583)	(3,656,659)	(16,832,647)	(11,081,415)
Other gains and losses	7	160,112	128,678	725,949	587,627
Negative goodwill on acquisition of subsidiary		-	41,363	-	41,363
Share of profit/(loss) from joint ventures	12	-	76,951	(57,029)	(73,508)
Profit before tax	8	6,366,694	5,496,607	16,364,793	11,251,556
Taxation	10	(1,413,343)	(1,054,993)	(3,652,435)	(2,204,519)
Profit for the period/year		4,953,351	4,441,614	12,712,358	9,047,037
Attributable to:					
Owners of the company		4,938,287	4,435,432	12,665,962	9,010,216
Non-controlling interests		15,064	6,182	46,396	36,821
		4,953,351	4,441,614	12,712,358	9,047,037
		US$ cents	US$ cents	US$ cents	US$ cents
Earnings per share					
Basic and diluted from continuing operations		8.90	7.99	22.82	16.29

CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME
FOR THE PERIOD ENDED 31 DECEMBER 2013

	For the three months ended 31 December 2013 US$	For the three months ended 31 December 2012 US$	For the twelve months ended 31 December 2013 US$	For the twelve months ended 31 December 2012 US$
Profit for the period/year	4,953,351	4,441,614	12,712,358	9,047,037
Other comprehensive income:				
Exchange difference on translating foreign operations	337,880	519,020	232,233	924,019
Reclassification adjustments relating to foreign operations liquidated and disposed of in the period	122,952	-	121,285	(15,423)
Other comprehensive income for the period/year	460,832	519,020	353,518	908,596
Total comprehensive income for the period/year	5,414,183	4,960,634	13,065,876	9,955,633
Total comprehensive income attributable to:				
Owners of the company	5,396,279	4,951,777	13,013,071	9,916,173
Non-controlling interests	17,904	8,857	52,805	39,460
	5,414,183	4,960,634	13,065,876	9,955,633

INTERIM CONSOLIDATED STATEMENT OF FINANCIAL POSITION
AS AT 31 DECEMBER 2013

	Notes	As at 31 December 2013 US$	As at 31 December 2012 US$
ASSETS			
Non-current assets			
Property, plant and equipment	11	27,981,605	26,719,271
Intangible assets	13	927,789	1,189,736
Investment in joint ventures	12	-	57,029
Available-for-sale financial assets	14	11,794	11,794
Goodwill	30	1,969,009	550,517
Deferred tax assets	23	400,670	726,878
Total non-current assets		31,290,867	29,255,225
Current assets			
Inventories	15	171,965,789	110,266,827
Trade receivables	16	367,048,481	315,390,086
Other current assets	17	16,323,358	20,335,161
Derivative financial asset	28	42,043	47,379
Current taxation	10	519,296	545,153
Cash at bank and in hand	29	36,776,501	30,997,616
Total current assets		592,675,468	477,582,222
Total assets		623,966,335	506,837,447
EQUITY AND LIABILITIES			
Equity			
Share capital	18	11,100,000	11,100,000
Share premium		23,518,243	23,518,243
Retained earnings and other components of equity		78,670,332	68,326,230
Equity attributable to owners of the parent		113,288,575	102,944,473
Non-controlling interests		159,801	140,674
Total equity		113,448,376	103,085,147
Non-current liabilities			
Long term borrowings	20	2,712,201	3,543,167
Other long term liabilities	21	382,125	338,465
Deferred tax liabilities	23	143,532	124,029
Total non-current liabilities		3,237,858	4,005,661
Current liabilities			
Trade payables		317,002,958	258,798,436
Other current liabilities	24	45,762,464	22,709,370
Short term borrowings	19	143,251,994	117,040,472
Derivative financial liability	27	391,798	527,086
Current taxation	10	870,887	671,275
Total current liabilities		507,280,101	399,746,639
Total liabilities		510,517,959	403,752,300
Total equity and liabilities		623,966,335	506,837,447

The financial statements were approved by the Board on 26 February 2014.

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Constantinos Tziamalis	**Marios Christou**
Director	**Director**

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

	Attributable to owners of the parent							
	Share capital US$	Share premium US$	Treasury stock US$	Translation of foreign operations US$	Retained earnings US$	Total US$	Non-controlling interests US$	Total US$
Balance at 1 January 2012	11,100,000	23,518,243	(3,857)	(1,880,083)	62,641,996	95,376,299	394,835	95,771,134
Profit for the year	-	-	-	-	9,010,216	9,010,216	36,821	9,047,037
Other comprehensive income for the year	-	-	-	905,957	-	905,957	2,639	908,596
Payment of final dividend	-	-	-	-	(2,214,643)	(2,214,643)	-	(2,214,643)
Acquisition of shares from non-controlling interests	-	-	-	-	(6,379)	(6,379)	(293,621)	(300,000)
Buyback of shares	-	-	(126,977)	-	-	(126,977)	-	(126,977)
Balance at 31 December 2012	11,100,000	23,518,243	(130,834)	(974,126)	69,431,190	102,944,473	140,674	103,085,147
Profit for the year	-	-	-	-	12,665,962	12,665,962	46,396	12,712,358
Other comprehensive income for the year	-	-	-	347,109	-	347,109	6,409	353,518
Payment of final dividend	-	-	-	-	(2,768,081)	(2,768,081)	-	(2,768,081)
Acquisition of shares from non-controlling interests (note 32)	-	-	-	-	16,368	16,368	(33,678)	(17,310)
Share-based payments	-	-	51,319	-	31,425	82,744	-	82,744
Balance at 31 December 2013	11,100,000	23,518,243	(79,515)	(627,017)	79,376,864	113,288,575	159,801	113,448,376

CONSOLIDATED STATEMENT OF CASH FLOWS
FOR THE PERIOD ENDED 31 DECEMBER 2013

	Note	For the three months ended 31 December 2013 US$	For the three months ended 31 December 2012 US$	For the twelve months ended 31 December 2013 US$	For the twelve months ended 31 December 2012 US$
Profit for the period/year before tax and minority interest		6,366,694	5,496,607	16,364,793	11,251,556
Adjustments for:					
Exchange difference arising on consolidation		368,147	197,608	206,849	586,155
Depreciation of property, plant and equipment	11	768,063	644,956	2,479,214	2,327,506
Amortisation of intangible assets	13	108,962	172,781	422,720	534,220
Share of (profit)/loss from joint ventures	12	-	(76,951)	57,029	73,508
(Profit)/loss from the sale of property, plant and equipment and intangible assets		(48,076)	12,010	(179,483)	18,157
Provision for bad debts and receivables written off		2,181,411	1,880,032	4,953,753	3,466,163
Bad debts recovered		(12,237)	(27,172)	(46,794)	(64,830)
Profit arising on business combinations		-	(41,363)	-	(40,888)
Interest received	9	(79,810)	(54,836)	(173,489)	(219,207)
Interest paid	9	2,023,873	1,917,606	7,210,405	5,887,184
Share based payments		-	-	82,744	-
Operating profit before working capital changes		11,677,027	10,121,278	31,377,741	23,819,524
(Increase)/decrease in inventories		(24,301,786)	17,732,759	(60,934,593)	1,237,972
Increase in trade receivables		(80,642,542)	(57,139,572)	(56,111,586)	(78,710,068)
(Increase)/decrease in other current assets		(2,155,502)	(276,559)	4,027,162	(10,495,761)
Increase in trade payables		90,464,618	32,017,804	55,925,370	12,249,873
Increase in other current liabilities		11,098,007	4,749,502	22,783,984	5,504,434
(Decrease)/increase in other non-current liabilities		(38,158)	(76,835)	43,660	47,093
Increase in factoring creditors		1,515,179	12,214,097	24,261,569	15,506,776
Cash inflows/(outflows) from operations		7,616,843	19,342,474	21,373,307	(30,840,157)
Interest paid	9	(2,023,873)	(1,917,606)	(7,210,405)	(5,887,184)
Taxation paid, net	10	(665,797)	(531,018)	(3,144,422)	(1,500,975)
Net cash inflows/(outflows) from operating activities		4,927,173	16,893,850	11,018,480	(38,228,316)

CONSOLIDATED STATEMENT OF CASH FLOWS
FOR THE PERIOD ENDED 31 DECEMBER 2013

	Note	For the three months ended 31 December 2013 US$	For the three months ended 31 December 2012 US$	For the twelve months ended 31 December 2013 US$	For the twelve months ended 31 December 2012 US$
Cash flows from investing activities					
Purchase of intangible assets	13	(37,853)	(1,704)	(171,113)	(263,801)
Purchase of property, plant and equipment	11	(1,074,713)	(963,208)	(3,647,086)	(2,138,174)
Proceeds from sale of property, plant and equipment and intangible assets		104,937	111,771	384,446	292,356
Interest received	9	79,810	54,836	173,489	219,207
Buyback of ordinary shares		-	(25,179)	-	(126,977)
Net payments on business combinations		-	-	(64,125)	(285,524)
Net cash acquired on business combinations		-	118,771	79,428	231,574
Net cash outflows from investing activities		(927,819)	(704,713)	(3,244,961)	(2,071,339)
Cash flows from financing activities					
Payment of final dividend		-	-	(2,768,081)	(2,214,643)
Repayments of long term loans and long term obligations under finance lease		(116,172)	(136,197)	(830,966)	(613,137)
(Repayments)/proceeds of short term borrowings and short term obligations under finance lease		(632,956)	3,445,007	708,023	19,483,818
Net cash (outflows)/inflows from financing activities		(749,128)	3,308,810	(2,891,024)	16,656,038
Net increase/(decrease) in cash and cash equivalents		3,250,226	19,497,947	4,882,495	(23,643,617)
Cash and cash equivalents at beginning of the period/year		(2,760,042)	(23,890,258)	(4,392,311)	19,251,306
Cash and cash equivalents at end of the period/year	29	490,184	(4,392,311)	490,184	(4,392,311)

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
FOR THE PERIOD ENDED 31 DECEMBER 2013

1. Incorporation and principal activities

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

(a) Statement of compliance

The interim condensed consolidated financial statements for the three and twelve months ended 31 December 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 26 February 2014 and have not been audited by the group's independent auditors.

Selected explanatory notes are included to explain events and transactions that are significant to an understanding of the changes in financial position and performance of the group since the last annual consolidated financial statements as at and for the year ended 31 December 2012. 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.

(b) Judgments and estimates

Preparing the interim financial report requires Management to make judgments, estimates and assumptions that affect the application of accounting policies and the reported amounts of assets and liabilities, income and expense. Actual results may differ from these estimates. In preparing these interim condensed consolidated financial statements, significant judgments made by Management in applying the group's accounting policies and the key sources of estimation uncertainty were the same as those that applied to the consolidated financial statements as at and 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 interim condensed consolidated financial statements are presented in US Dollars (US$).

The accounting policies adopted for the preparation of the interim condensed consolidated financial statements for the three and twelve months ended 31 December 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 that 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

5. Changes to the presentation of the financial statements

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 9).

(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 9).

(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 24).

(iv) Finance leases amount is considered to be immaterial to be shown on the face of the interim consolidated statement of financial position, therefore it has been reclassified to short term borrowings and long term borrowings (note 19 and note 20).

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 demand for the group's products.

7. Other gains and losses

	For the three months ended 31 December 2013 US$	For the three months ended 31 December 2012 US$	For the twelve months ended 31 December 2013 US$	For the twelve months ended 31 December 2012 US$
Profit/(loss) on disposal of property, plant and equipment	48,076	(12,010)	179,483	(18,157)
Other income	42,578	48,370	272,615	124,873
Bad debts recovered	12,237	27,172	46,794	64,830
Rental income	57,221	65,146	227,057	416,081
	160,112	128,678	725,949	587,627

8. Profit before tax

	For the three months ended 31 December 2013 US$	For the three months ended 31 December 2012 US$	For the twelve months ended 31 December 2013 US$	For the twelve months ended 31 December 2012 US$
Profit before tax is stated after charging :				
(a) Amortisation of intangible assets (Note 13)	108,962	172,781	422,720	534,220
(b) Depreciation (Note 11)	768,063	644,956	2,479,214	2,327,506
(c) Auditors' remuneration	126,332	113,176	499,165	421,223
(d) Directors’ remuneration – executive (Note 31)	491,979	179,725	1,207,190	683,819
(e) Directors’ remuneration – non-executive (Note 31)	11,999	11,383	46,616	43,829

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
FOR THE PERIOD ENDED 31 DECEMBER 2013

9. Financial expense, net

	For the three months ended 31 December 2013 US$	For the three months ended 31 December 2012 US$	For the twelve months ended 31 December 2013 US$	For the twelve months ended 31 December 2012 US$
Financial income				
Interest income	79,810	54,836	173,489	219,207
Other financial income	215,433	282,881	416,568	479,009
	295,243	337,717	590,057	698,216
Financial expense				
Bank interest	2,023,873	1,917,606	7,210,405	5,887,184
Bank charges	424,017	369,005	1,612,572	1,276,932
Derivative charges	269,353	148,684	680,130	588,057
Factoring interest	1,584,682	693,465	4,886,053	1,867,838
Factoring charges	185,115	150,439	552,569	390,447
Other financial expenses	71,304	45,586	202,584	110,902
Other interest	74,053	77,777	390,520	109,904
Net exchange loss	662,186	254,097	1,297,814	850,151
	5,294,583	3,656,659	16,832,647	11,081,415
Net	(4,999,340)	(3,318,942)	(16,242,590)	(10,383,199)

10. Tax

	For the twelve months ended 31 December 2013 US$	For the twelve months ended 31 December 2012 US$
Payable/(receivable) balance 1 January	126,122	(338,289)
Provision for the period/year	3,229,703	1,765,960
Under provision of prior year periods	64,859	159,123
Exchange difference on retranslation	75,329	40,303
Amounts paid, net	(3,144,422)	(1,500,975)
Net payable balance 31 December	351,591	126,122

10. Tax (continued)

	For the twelve months ended 31 December 2013 US$	For the twelve months ended 31 December 2012 US$
Tax receivable	(519,296)	(545,153)
Tax payable	870,887	671,275
Net	351,591	126,122

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

	For the three months ended 31 December 2013 US$	For the three months ended 31 December 2012 US$	For the twelve months ended 31 December 2013 US$	For the twelve months ended 31 December 2012 US$
Provision for the period/year	1,116,800	713,447	3,229,703	1,765,960
Under provision of prior years	2,363	222,856	64,860	159,123
Deferred tax charge (note 23)	294,180	118,690	357,872	279,436
Charge for the period/year	1,413,343	1,054,993	3,652,435	2,204,519

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.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
FOR THE PERIOD ENDED 31 DECEMBER 2013

11. Property, plant and equipment

	Land and buildings US$	Assets under construction US$	Computer hardware US$	Warehouse machinery US$	Motor vehicles US$	Furniture and fittings US$	Office equipment US$	Total US$
Cost								
At 1 January 2012	23,816,881	-	5,625,295	174,324	3,220,417	2,212,224	2,627,340	37,676,481
Additions from acquisitions of subsidiaries	-	-	41,461	-	49,054	138,363	110,804	339,682
Additions	219,055	-	811,263	3,717	308,701	253,655	541,783	2,138,174
Disposals upon disposal of subsidiaries	-	-	(3,551)	-	(575)	(8,150)	-	(12,276)
Disposals	(218,595)	-	(173,320)	(17,792)	(350,312)	(97,638)	(34,739)	(892,396)
Foreign exchange difference on retranslation	261,772	-	147,198	1,290	99,898	53,912	101,845	665,915
At 31 December 2012	24,079,113	-	6,448,346	161,539	3,327,183	2,552,366	3,347,033	39,915,580
Additions from acquisitions of subsidiaries	94,491	-	32,214	-	252,672	77,620	183,131	640,128
Additions	133,317	130,269	1,363,654	18,297	1,029,056	578,516	393,977	3,647,086
Disposals	(46,303)	-	(714,519)	(5,398)	(1,003,499)	(176,061)	(182,872)	(2,128,652)
Transfers	107,803	(107,803)	-	-	-	-	-	-
Foreign exchange difference on retranslation	237,557	2,413	90,339	(32)	47,986	29,347	23,151	430,761
At 31 December 2013	24,605,978	24,879	7,220,034	174,406	3,653,398	3,061,788	3,764,420	42,504,903
Accumulated depreciation								
At 1 January 2012	2,244,479	-	4,147,589	48,456	2,049,312	1,147,232	1,415,039	11,052,107
Charge for the year	581,145	-	764,389	19,084	447,316	237,367	278,205	2,327,506
Additions from acquisitions of subsidiaries	-	-	16,893	-	17,835	66,318	30,334	131,380
Disposals upon disposal of subsidiaries	-	-	(853)	-	(96)	(1,087)	-	(2,036)
Disposals	(105,786)	-	(169,944)	(12,121)	(273,827)	(62,490)	(6,612)	(630,780)
Foreign exchange difference on retranslation	47,473	-	137,525	506	21,960	20,167	90,501	318,132
At 31 December 2012	2,767,311	-	4,895,599	55,925	2,262,500	1,407,507	1,807,467	13,196,309
Acquisitions through business combinations	40,129	-	27,748	-	249,799	68,494	179,140	565,310
Charge for the year	571,720	-	769,726	19,837	408,986	408,018	300,927	2,479,214
Disposals	(8,296)	-	(705,080)	(309)	(985,242)	(150,359)	(74,934)	(1,924,220)
Foreign exchange difference on retranslation	22,424	-	79,596	27	49,266	27,501	27,871	206,685
At 31 December 2013	3,393,288	-	5,067,589	75,480	1,985,309	1,761,161	2,240,471	14,523,298
Net book value								
At 31 December 2013	21,212,690	24,879	2,152,445	98,926	1,668,089	1,300,627	1,523,949	27,981,605
At 31 December 2012	21,311,802	-	1,552,747	105,614	1,064,683	1,144,859	1,539,566	26,719,271

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12. Investment in joint ventures

	As at 31 December 2013 US$	As at 31 December 2012 US$
Cost		
At 1 January	386,400	626,400
Full acquisition of joint venture (note 32(1.1.a))	(386,400)	(240,000)
At 31 December	-	386,400
Accumulated share of losses from joint ventures		
At 1 January	(329,371)	(238,775)
Share of losses from joint ventures during the year	(57,029)	(73,508)
Full acquisition of joint venture (note 32(1.2.a))	386,400	(17,088)
At 31 December	-	(329,371)
Investments in joint ventures recorded under the equity method of consolidation	-	57,029

13. 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 from acquisitions of subsidiaries	76,012	-	76,012
Additions	144,904	26,209	171,113
Disposals/ write-offs	(8,587)	(1,053)	(9,640)
Foreign exchange difference on retranslation	16,974	(8,270)	8,704
At 31 December 2013	6,708,587	1,145,482	7,854,069
Accumulated amortisation			
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 year	270,147	152,573	422,720
Additions from acquisitions of subsidiaries	76,012	-	76,012
Disposals/ write-offs	(8,508)	(602)	(9,110)
Foreign exchange difference on retranslation	15,955	2,559	18,514
At 31 December 2013	5,904,126	1,022,154	6,926,280
Net book value			
At 31 December 2013	804,461	123,328	927,789
At 31 December 2012	928,764	260,972	1,189,736

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
FOR THE PERIOD ENDED 31 DECEMBER 2013

14. Available-for-sale financial assets

The details of the investments are as follows:

	Country of incorporation	Participation %	Cost US$	Impairment US$	As at 31 December 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

15. Inventories

	As at 31 December 2013 US$	As at 31 December 2012 US$
Goods in transit	17,825,607	14,464,674
Goods held for resale	156,255,514	98,190,659
Provision for slow moving and obsolete stock	(2,115,332)	(2,388,506)
	171,965,789	110,266,827

16. Trade receivables

	As at 31 December 2013 US$	As at 31 December 2012 US$
Trade receivables	372,917,867	322,024,321
Allowance for doubtful debts	(5,869,386)	(6,634,235)
	367,048,481	315,390,086

17. Other current assets

	As at 31 December 2013 US$	As at 31 December 2012 US$
Deposits and advances to service providers	832,353	886,462
Employee floats	83,303	141,187
VAT and other taxes refundable	10,817,197	15,259,198
Other debtors and prepayments	4,590,505	4,048,314
	16,323,358	20,335,161

18. Share capital

	As at 31 December 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 and fully paid		
55,500,000 (2012: 55,500,000) ordinary shares of US$ 0.20 each	11,100,000	11,100,000

19. Short term borrowings

	As at 31 December 2013 US$	As at 31 December 2012 US$
Bank overdrafts (Note 29)	36,286,317	35,389,927
Current portion of long term loans	813,416	680,301
Bank short term loans	36,542,091	35,665,386
Short term obligations under finance leases (note 22)	76,709	32,966
Total short term debt	73,718,533	71,768,580
Factoring creditors	69,533,461	45,271,892
	143,251,994	117,040,472

Summary of borrowings and overdraft arrangements

As at 31 December 2013 the group enjoyed factoring facilities of US$ 108,434,684 (31 December 2012: US$ 61,552,577).

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

- overdraft lines of US$ 57,134,972 (31 December 2012: US$ 59,091,759)
- short term loans/revolving facilities of US$ 85,348,277 (31 December 2012: US$ 45,041,320)
- bank guarantee and letters of credit lines of US$ 8,043,997 (31 December 2012: US$ 8,569,791)

The group had for the year ending 31 December 2013 cash lines (overdrafts, loans and revolving facilities) and factoring lines.

The Weighted Average Cost of Debt (cash lines and factoring lines) for the year was 8.7% (31 December 2012: 7.8%).

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$ 3,103,256 (31 December 2012: US$ 2,344,577)

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20. Long term borrowings

	As at 31 December 2013 US$	As at 31 December 2012 US$
Bank loans	2,572,295	3,474,945
Long term obligations under finance leases (note 22)	139,906	68,222
	2,712,201	3,543,167

21. Other long term liabilities

	As at 31 December 2013 US$	As at 31 December 2012 US$
Other long term liabilities	382,125	338,465

22. Finance leases

	As at 31 December 2013 US$	As at 31 December 2012 US$
Obligation under finance lease	216,615	101,188
Less: Amount payable within one year	(76,709)	(32,966)
Amounts payable within 2-5 years inclusive	139,906	68,222

23. Deferred tax

	For the twelve months ended 31 December 2013 US$	For the year ended 31 December 2012 US$
Debit balance on 1 January	(602,849)	(870,510)
Deferred tax charge for the year (note 10)	357,872	279,436
Exchange difference on retranslation	(12,161)	(11,775)
Debit balance on 31 December	(257,138)	(602,849)

23. Deferred tax (continued)

	For the twelve months ended 31 December 2013 US$	For the year ended 31 December 2012 US$
Deferred tax assets	(400,670)	(726,878)
Deferred tax liabilities	143,532	124,029
Net deferred tax assets	(257,138)	(602,849)

24. Other current liabilities

	As at 31 December 2013 US$	As at 31 December 2012 US$
Salaries payable and related costs	1,848,821	1,602,385
Amount due to directors - executive (Note 31)	481,506	5,272
VAT payable	15,789,382	7,203,435
Accruals and deferred income	24,235,684	10,362,140
Non-trade accounts payable	3,407,071	3,258,306
Unpaid consideration for full acquisition of joint venture	-	277,832
	45,762,464	22,709,370

25. Commitments and contingencies

As at 31 December 2013 the group was committed in respect of purchases of inventories of a total cost value of US$ 1,315,130 which were in transit at 31 December 2013 and delivered in January 2014. 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 has not passed to the group at year end.

As at 31 December 2013 the group was contingently liable in respect of bank guarantees and letters of credit lines of US$ 8,043,997 (31 December 2012: US$ 8,569,791) which the group has extended mainly to its suppliers.

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

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
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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 December 2013 US$	For the three months ended 31 December 2012 US$	For the twelve months ended 31 December 2013 US$	For the twelve months ended 31 December 2012 US$
Former Soviet Union	233,241,284	224,619,323	730,683,121	705,191,019
Central Eastern Europe	244,409,768	205,280,147	741,548,448	607,562,459
Western Europe	35,537,256	60,583,074	181,659,235	145,032,777
Middle East & Africa	51,423,136	58,466,098	231,996,997	230,302,370
Other	9,094,969	17,448,283	34,539,453	56,789,179
	573,706,413	566,396,925	1,920,427,254	1,744,877,804

1.3 Segment results

	For the three months ended 31 December 2013 US$	For the three months ended 31 December 2012 US$	For the twelve months ended 31 December 2013 US$	For the twelve months ended 31 December 2012 US$
Former Soviet Union	1,273,181	1,475,729	8,964,805	7,595,217
Central Eastern Europe	5,609,433	4,386,027	15,362,609	8,144,525
Western Europe	1,126,661	1,020,474	2,061,628	2,870,708
Middle East & Africa	3,091,137	1,563,046	5,233,723	1,909,603
Other	105,510	123,281	315,698	559,220
Profit from operations	11,205,922	8,568,557	31,938,463	21,079,273
Net financial expenses	(4,999,340)	(3,318,942)	(16,242,590)	(10,383,199)
Other gains and losses	160,112	128,678	725,949	587,627
Negative goodwill on acquisition of subsidiary	-	41,363	-	41,363
Share of profit/(loss) from joint ventures	-	76,951	(57,029)	(73,508)
Profit before taxation	6,366,694	5,496,607	16,364,793	11,251,556

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
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26. Operating segments (continued)

1.4 Inter-segment revenues

		For the three months ended 31 December 2013 US$	For the three months ended 31 December 2012 US$
Western Europe	Middle East & Africa	1,219	265,912

		For the twelve months ended 31 December 2013 US$	For the twelve months ended 31 December 2012 US$
Western Europe	Middle East & Africa	130,534	1,548,327

1.5 Segment capital expenditure (CAPEX)

	As at 31 December 2013 US$	As at 31 December 2012 US$
Former Soviet Union	6,208,510	5,824,790
Central Eastern Europe	13,796,935	11,432,230
Western Europe	154,961	223,187
Middle East & Africa	3,602,488	3,715,677
Unallocated	7,115,509	7,263,640
	30,878,403	28,459,524

1.6 Segment depreciation and amortisation

	For the three months ended 31 December 2013 US$	For the three months ended 31 December 2012 US$	For the twelve months ended 31 December 2013 US$	For the twelve months ended 31 December 2012 US$
Former Soviet Union	337,397	128,797	764,743	464,459
Central Eastern Europe	261,025	268,204	994,716	1,000,816
Western Europe	19,711	49,915	96,476	196,745
Middle East & Africa	90,525	99,790	349,477	400,893
Unallocated	168,367	271,031	696,522	798,813
	877,025	817,737	2,901,934	2,861,726

26. Operating segments (continued)

1.7 Segment assets

	As at 31 December 2013 US$	As at 31 December 2012 US$
Former Soviet Union	278,748,322	210,096,826
Central Eastern Europe	136,434,170	149,750,203
Western Europe	88,810,232	43,191,478
Middle East & Africa	71,725,239	59,456,572
Total	575,717,963	462,495,079
Assets allocated in capital expenditure (1.5)	30,878,403	28,459,524
Other unallocated assets	17,369,969	15,882,844
Consolidated assets	623,966,335	506,837,447

27. Derivative financial liability

	As at 31 December 2013 US$	As at 31 December 2012 US$
Derivative financial liabilities carried at fair value through profit or loss		
Foreign currency derivative contracts	391,798	527,086

28. Derivative financial asset

	As at 31 December 2013 US$	As at 31 December 2012 US$
Derivative financial assets carried at fair value through profit or loss		
Foreign currency derivative contracts	42,043	47,379

29. Cash and cash equivalents

	As at 31 December 2013 US$	As at 31 December 2012 US$
Cash at bank and in hand	36,776,501	30,997,616
Bank overdrafts (note 19)	(36,286,317)	(35,389,927)
	490,184	(4,392,311)

The cash at bank and in hand balance includes an amount of US$ 3,103,256 (31 December 2012: US$ 2,344,577) which represents pledged deposits.

30. Goodwill

	As at 31 December 2013 US$	As at 31 December 2012 US$
At 1 January	550,517	550,517
Additions (note 32)	1,422,923	-
Foreign exchange difference on retranslation	(4,431)	-
At 31 December (note i)	1,969,009	550,517

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

	As at 31 December 2013 US$	As at 31 December 2012 US$
ASBIS d.o.o. (BA) (formerly Megatrend D.O.O. Sarajevo)	481,067	550,517
SHARK Computers a.s.	1,487,942	-
	1,969,009	550,517

31. Transactions and balances of key management

	For the three months ended 31 December 2013 US$	For the three months ended 31 December 2012 US$	For the twelve months ended 31 December 2013 US$	For the twelve months ended 31 December 2012 US$
Directors' remuneration - executive (note 8)	491,979	179,725	1,207,190	683,819
Directors' remuneration - non executive (note 8)	11,999	11,383	46,616	43,829
	503,978	191,108	1,253,806	727,648

	As at 31 December 2013 US$	As at 31 December 2012 US$
Amount due to directors – executive (note 24)	481,506	5,272

32. Business combinations

1. Acquisitions

1.1.a. Acquisition of shares from non-controlling interests to 31 December 2013

During the year, the group has acquired the remaining 49% of the share capital of SHARK Online a.s. in Slovakia 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 gain arose:

- Gain on the acquisition of shares from non-controlling interest of SHARK Online a.s. of US$ 16,368 which was credited directly to equity.

Name of entity	Type of operations	Date acquired	% acquired	% owned
SHARK Online a.s.	Information Technology	16 May 2013	49%	100%

1.1.b. Acquisition of shares from non-controlling interests 2012

During the year 2012, the group has 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.a. Acquisition of remaining shares of joint venture to 31 December 2013

During the year, the group has acquired the remaining 50% of the share capital of SHARK Computers a.s. in Slovakia and obtained the total 100% of its share capital. From the difference between the group's interest in the net assets acquired and the consideration paid, the following goodwill arose:

- Goodwill on the acquisition of shares of SHARK Computers a.s. in Slovakia of $1,422,923 (note 30) which was capitalised in the statement of financial position.

Name of entity	Type of operations	Date acquired	% acquired	% owned
SHARK Computers a.s.	Information Technology	16 May 2013	50%	100%

1.2.b. Acquisition of remaining shares of joint venture 2012

During the year 2012, the group has 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%

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:

32. Business combinations (continued)

	As at 31 December 2013 US$	As at 31 December 2012 US$
Tangible and intangible assets	98,517	1,444,219
Inventories	777,901	1,978,505
Receivables	730,439	3,168,983
Other receivables	36,297	525,566
Short term loans	(345,542)	(485,313)
Payables	(2,678,926)	(5,133,469)
Other payables and accruals	(154,941)	(238,843)
Cash and cash equivalents	228,877	197,498
Net identifiable assets and liabilities	(1,307,378)	1,457,146
Group's interest in net (liabilities)/assets acquired	(1,342,430)	869,904
Share of loss/(profits) previously recognized as joint venture	386,400	(17,088)
Total purchase consideration	(450,525)	(817,832)
Net (loss)/gain	(1,406,555)	34,984
Gain/(loss) on the acquisition through equity	16,368	(6,379)
Negative goodwill credited in income statement	-	41,363
Goodwill capitalised in statement of financial position (note 30)	(1,422,923)	-
	(1,406,555)	34,984

1.4. Financial information regarding acquired entities

	1 January to 31 December 2013 US$	Acquisition date to 31 December 2013 US$
Revenue for the year/period	9,114,561	6,373,689
(Loss)/profit for the year/period	(72,202)	16,295

	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.a. Disposals to 31 December 2013

During the year the following group's subsidiaries went into liquidation. No gains or losses arose on the events.

Name of disposed entity	Type of operations	Date liquidated	% liquidated
ISA Hardware Hungary Commercial Ltd	Information Technology	31 March 2013	100%
Asbis Europe B.V.	Information Technology	11 October 2013	100%
E.M. Euro-Mall d.o.o.	Information Technology	11 December 2013	100%

2.1.b. Disposals 2012

During the year 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:

32. Business combinations (continued)

- 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%

2.2. 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 December 2013 US$	**As at 31 December 2012 US$**
Tangible and intangible assets	-	11,574
Inventories	-	135,411
Receivables	-	30,526
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.