ASBISc Enterprises Plc

INTERIM REPORT
FOR THE THREE AND TWELVE MONTHS
ENDED 31 DECEMBER 2011

Limassol, February 28th, 2012

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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 2011. 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 2011

The principal events of the three months ended 31 December 2011 were as follows:

- Revenues in Q4 2011 decreased only slightly by 1.45% to U.S. $ 470,157 from U.S. $ 477, 069 in the corresponding period of 2010.

- Gross profit before currency movements in Q4 2011 increased significantly by 26.51% to U.S. $ 29,740 from U.S. $ 23,507 in the corresponding period of 2010.

- Gross profit after currency movements in Q4 2011 increased even stronger, by 34.94% to U.S. $ 29,428 from U.S. $ 21,809 in the corresponding period of 2010.

- Gross profit margin in Q4 2011 increased by 36.92% to 6.26% from 4.57% in the corresponding period of 2010.

- Selling expenses in Q4 2011 increased by 15.28% to U.S. $ 12,501 from U.S. $ 10,843 in the corresponding period of 2010. It is however important to underline that at the same time, selling expenses in Q4 2011 grew much less than gross profit.

- Administrative expenses in Q4 2011 decreased by 2.40% to U.S. $ 6,281 from U.S. $ 6,435 in the corresponding period of 2010. This was a function of cost-cutting actions undertaken during 2011. It is expected that administrative expenses will remain under strict control.

- EBITDA in Q4 2011 more than doubled and reached U.S. $ 11,465 in comparison to U.S. $ 5,328 in the corresponding period of 2010.

- Net profit after taxation in Q4 2011 reached U.S. $ 8,276 in comparison to U.S. $ 1,914 in the corresponding period of 2010.

Following table presents revenues breakdown by regions in the three month periods ended December 31st, 2011 and 2010 respectively (in U.S.$ thousand):

Region	Q4 2011	Q4 2010
Former Soviet Union	202,318	214,334
Central and Eastern Europe	166,903	166,701
Western Europe	31,029	26,980
Middle East and Africa	56,898	55,700
Other	13,008	13,355
Grand Total	470,157	477,069

The principal events of the twelve months ended 31 December 2011 were as follows:

- Revenues in Q1-Q4 2011 increased by 3.28% to U.S. $ 1,482,075 from U.S. $ 1,435,063 in the corresponding period of 2010.

- Gross profit before currency movements in Q1-Q4 2011 increased by 15.72% to U.S. $ 81,126 from U.S. $ 70,103 in the corresponding period of 2010.

- Gross profit after currency movements in Q1-Q4 2011 increased by 22.44% to U.S. $ 81,250 from U.S. $ 66,360 in the corresponding period of 2010.

- Gross profit margin in Q1-Q4 2011 increased by 18.55% to 5.48% from 4.62% in the corresponding period of 2010.

- Selling expenses in Q1-Q4 2011 increased by 20.79% to U.S. $ 40,421 from U.S. $ 33,464 in the corresponding period of 2010.

- Administrative expenses in Q1-Q4 2011 increased by 7.25% to U.S. $ 25,168 from U.S. $ 23,466 in the corresponding period of 2010.

- EBITDA in Q1-Q4 2011 increased by 50.73% and reached U.S. $ 18,748 in comparison to U.S. $ 12,439 in the corresponding period of 2010.

- Net profit after taxation in Q1-Q4 2011 reached U.S. $ 5,660 in comparison to a net profit after taxation of U.S. $ 1,302 in the corresponding period of 2010.

Following table presents revenues breakdown by regions in the twelve month periods ended December 31st, 2011 and 2010 respectively (in U.S.$ thousand):

Region	Q1-Q4 2011	Q1-Q4 2010
Former Soviet Union	614,905	588,379
Central and Eastern Europe	508,773	481,963
Western Europe	105,789	109,926
Middle East and Africa	205,790	203,452
Other	46,818	51,343
Grand Total	1,482,075	1,435,063

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, 2011 and 2010, 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, 2010, that is: 1 US$ = 2.9641 PLN and 1 EUR = 3.9603 PLN and December 31st, 2011, that is: 1 US$ = 3.4174 PLN and 1 EUR = 4.4168 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, 2010, that is 1 US$ = 2.9941 PLN and 1 EUR = 4.0094 PLN and October 1st to December 31st, 2011, that is 1 US$ = 3.3149 PLN and 1 EUR = 4.4365 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,' 2010, that is 1 US$ = 3.0402 PLN and 1 EUR = 4.0044 PLN and January 1st to December 31st, 2011, that is 1 US$ = 2.9679 PLN and 1 EUR = 4.1401 PLN.

	Period from 1 October to 31 December 2011			Period from 1 October to 31 December 2010		
	USD	PLN	EUR	USD	PLN	EUR
Revenue	**470,157**	**1,558,522**	**351,295**	**477,069**	**1,428,393**	**356,261**
Cost of sales	(440,417)	(1,459,937)	(329,074)	(453,562)	(1,358,010)	(338,707)
Gross profit before currency movements	**29,740**	**98,585**	**22,221**	**23,507**	**70,383**	**17,554**
Currency movements on gross profit	(312)	(1,032)	(233)	(1,698)	(5,085)	(1,268)
Gross profit after currency movements	**29,428**	**97,552**	**21,989**	**21,809**	**65,298**	**16,286**
Selling expenses	(12,501)	(41,439)	(9,340)	(10,843)	(32,466)	(8,098)
Administrative expenses	(6,281)	(20,820)	(4,693)	(6,435)	(19,268)	(4,806)
Profit from operations	**10,647**	**35,294**	**7,955**	**4,530**	**13,564**	**3,383**
Financial expenses	(2,416)	(8,010)	(1,806)	(2,754)	(8,244)	(2,056)
Financial income	582	1,929	435	676	2,024	505
Other gains and losses	154	511	115	104	311	78
Share of loss from joint ventures	(27)	(88)	(20)	(80)	(240)	(60)
Profit before taxation	**8,940**	**29,636**	**6,680**	**2,476**	**7,415**	**1,849**
Taxation	(665)	(2,203)	(497)	(562)	(1,684)	(420)
Profit after taxation	**8,276**	**27,433**	**6,183**	**1,914**	**5,731**	**1,429**
Attributable to:						
Non-controlling interests	228	754	170	152	456	114
Owners of the parent	**8,048**	**26,679**	**6,013**	**1,762**	**5,275**	**1,316**

	USD (cents)	PLN (grosz)	EUR (cents)	USD (cents)	PLN (grosz)	EUR (cents)
Basic and diluted earnings per share from continuing operations	14.50	48.07	10.83	3.17	9.49	2.37

	Period from 1 January to 31 December 2011			Period from 1 January to 31 December 2010		
	USD	PLN	EUR	USD	PLN	EUR
Net cash inflows/(outflows) from operating activities	11,063	32,833	7,930	(16,179)	(49,187)	(12,283)
Net cash outflows from investing activities	(3,470)	(10,299)	(2,488)	(5,597)	(17,016)	(4,249)
Net cash inflows/(outflows) from financing activities	(9,711)	(28,821)	(6,961)	6,574	19,985	4,991
Net decrease in cash and cash equivalents	**(2,118)**	**(6,287)**	**(1,519)**	**(15,202)**	**(46,218)**	**(11,542)**
Cash at the beginning of the period	**21,370**	**63,423**	**15,319**	**36,572**	**111,186**	**27,766**
Cash at the end of the period	**19,251**	**57,136**	**13,801**	**21,370**	**64,968**	**16,224**

	As at 31 December 2011			As at 31 December 2010		
	USD	PLN	EUR	USD	PLN	EUR
Current assets	408,801	1,397,037	316,301	435.383	1.290.519	325.864
Non-current assets	29,950	102,351	23,173	30.244	89.645	22.636
Total assets	438,751	1,499,387	339,474	465.627	1.380.164	348.500
Liabilities	342,980	1,172,099	265,373	373.860	1.108.158	279.817
Equity	95,771	327,288	74,101	91.767	272.006	68.683

	Period from 1 January to 31 December 2011			Period from 1 January to 31 December 2010		
	USD	**PLN**	**EUR**	**USD**	**PLN**	**EUR**
Revenue	**1,482,075**	**4,398,650**	**1,062,450**	**1,435,063**	**4,362,878**	**1,089,521**
Cost of sales	(1,400,949)	(4,157,876)	(1,004,294)	(1,364,960)	(4,149,750)	(1,036,298)
Gross profit before currency movements	**81,126**	**240,774**	**58,157**	**70,103**	**213,127**	**53,223**
Currency movements on gross profit	124	367	89	(3,744)	(11,381)	(2,842)
Gross profit after currency movements	**81,250**	**241,141**	**58,245**	**66,360**	**201,746**	**50,381**
Selling expenses	(40,421)	(119,966)	(28,977)	(33,464)	(101,738)	(25,407)
Administrative expenses	(25,168)	(74,697)	(18,042)	(23,466)	(71,342)	(17,816)
Profit from operations	**15,660**	**46,478**	**11,226**	**9,429**	**28,666**	**7,159**
Financial expenses	(9,331)	(27,693)	(6,689)	(8,308)	(25,259)	(6,308)
Financial income	275	816	197	894	2,719	679
Other gains and losses	499	1,481	358	289	880	220
Goodwill written off	(50)	(149)	(36)	-	-	-
Share of loss from joint ventures	(186)	(553)	(134)	(52)	(159)	(40)
Profit before taxation	**6,867**	**20,380**	**4,923**	**2,252**	**6,846**	**1,710**
Taxation	(1,206)	(3,581)	(865)	(950)	(2,888)	(721)
Profit after taxation	**5,660**	**16,799**	**4,058**	**1,302**	**3,959**	**989**
Attributable to:						
Non-controlling interests	243	720	174	353	1,073	268
Owners of the parent	**5,418**	**16,079**	**3,884**	**949**	**2,886**	**721**

	USD (cents)	PLN (grosz)	EUR (cents)	USD (cents)	PLN (grosz)	EUR (cents)
Basic and diluted earnings per share from continuing operations	9.76	28.97	7.00	1.71	5.20	1.30

4. Organization of ASBIS Group

The following table presents our corporate structure as at December 31st, 2011:

Company	**Consolidation Method**
ASBISC Enterprises PLC	**Mother company**
Asbis Ukraine Limited (Kiev, Ukraine)	Full (100% subsidiary)
Asbis PL Sp.z.o.o (Warsaw, Poland)	Full (100% subsidiary)
AS Asbis Baltic (Tallinn, Estonia)	Full (100% subsidiary)
Asbis Romania S.R.L (Bucharest, Romania)	Full (100% subsidiary)
Asbis Cr d.o.o (Zagreb, Croatia)	Full (100% subsidiary)
Asbis d.o.o Beograd (Belgrade, Serbia)	Full (100% subsidiary)
Asbis Hungary Commercial Limited (Budapest, Hungary)	Full (100% subsidiary)
Asbis Bulgaria Limited (Sofia, Bulgaria)	Full (100% subsidiary)
Asbis CZ,spol.s.r.o (Prague, Czech Republic)	Full (100% subsidiary)
UAB Asbis Vilnius (Vilnius, Lithuania)	Full (100% subsidiary)
Asbis Slovenia d.o.o (Trzin, Slovenia)	Full (100% subsidiary)
Asbis Middle East FZE (Dubai, U.A.E)	Full (100% subsidiary)
Asbis SK sp.l sr.o (Bratislava, Slovakia)	Full (100% subsidiary)

Asbis Europe B.V (Schiphol, Netherlands)	Full (100% subsidiary)
Asbis Limited (Charlestown, Ireland)	Full (100% subsidiary)
FPUE Automatic Systems of Business Control (Minsk, Belarus)	Full (100% subsidiary)
E.M. Euro-Mall Ltd (former ISA Hardware Limited–Group) (Limassol, Cyprus)	Full (100% subsidiary)
OOO ‘ Asbis’-Moscow (Moscow, Russia)	Full (100% subsidiary)
Asbis Morocco Limited (Casablanca, Morocco)	Full (100% subsidiary)
EUROMALL CZ s.r.o. (formerly ISA Hardware s.r.o.) (Prague, Czech Republic)	Full (100% subsidiary)
EUROMALL d.o.o. (formerly ISA Hardware d.o.o.) (Zagreb, Croatia)	Full (100% subsidiary)
ISA Hardware Hungary Commercial Limited Liability Co (Budapest, Hungary)	Full (100% subsidiary)
S.C. EUROMALL 2008 S.R.L (formerly ISA Hardware International S.R.L) (Bucharest, Romania)	Full (100% subsidiary)
ISA Hardware s.r.o Slovakia (Bratislava, Slovakia)	Full (100% subsidiary)
Euro-Mall SRB d.o.o. (former ISA Hardware d.o.o Beograd) (Belgrade, Serbia)	Full (100% subsidiary)
E.M.Euro-Mall D.o.o. (former ISA Hardware s.r.o Slovenia) (Ljubljana, Slovenia)	Full (100% subsidiary)
Prestigio Plaza Sp. z o.o (Warsaw, Poland)	Full (100% subsidiary)
Prestigio Plaza Ltd (formerly Prestigio Technologies) (Limassol, Cyprus)	Full (100% subsidiary)
Prestigio Europe s.r.o (Prague, Czech Republic)	Full (100% subsidiary)
ASBIS NL.B.V. (Amsterdam, Netherlands)	Full (100% subsidiary)
Asbis Kypros Ltd (Limassol, Cyprus)	Full (100% subsidiary)
Asbis TR Bilgisayar Limited Sirketi (Istanbul, Turkey)	Full (100% subsidiary)
SIA “ASBIS LV” (Riga, Latvia)	Full (100% subsidiary)
Megatrend d.o.o. (Sarajevo, Bosnia Herzegovina)	Full (90% ownership)
PTUE IT-MAX (Minsk, Belarus)	Full (100% subsidiary)
ASBIS Close Joint-Stock Company (former CZAO ASBIS) (Minsk, Belarus)	Full (66.6% ownership)
ASBIS IT S.R.L.” (Rome, Italy)	Full (100% subsidiary)
ASBIS Kazakhstan LLP (Almaty, Kazakhstan)	Full (100% subsidiary)
Euro-Mall SRO (Bratislava, Slovakia)	Full (100% subsidiary)
ASBIS Taiwan (Taipei City, Taiwan)	Full (100% subsidiary)
AOSBIS TECHNOLOGY (SHENZHE) CORP. (Shenzhen, China)	48% ownership
ASBIS DE GMBH, (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)
ASBIS KOREA (Seoul, Korea)	Full (100% subsidiary)

5. Changes in the structure of the Company

During the three months ended December 31st, 2011 there were the following changes in the structure of the Company and the Group:

- Asbis Ukraine sold its subsidiary company ION-Ukraine in Kiev, Ukraine since it was dormant. The Company was sold at nominal share capital value.
- the liquidation process of Asbis Nordic AB, Jaelfaella, Sweden, was completed and remaining assets have been distributed to Asbisc Enterprises PLC. Asbis Nordic AB was inactive and not trading since 2005 and placed under voluntary liquidation in 2009.

Additionally in Q4 2011 the Company started process of selling of ASBIS KOREA (Seoul, Korea) as this company was not bringing profit to the Group and purchasing of controlling interest in AOSBIS TECHNOLOGY (SHENZHE) CORP. (Shenzen, China), in order to concentrate and optimize trading activities on the Asian markets. These processes were however not fully completed in Q4 2011, and are expected to be closed in Q1 2011.

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

We have not published any forecasts for the three month period ended December 31st, 2011. However on February 23rd, 2011 we published the official forecasts for year 2011. These forecasts were corrected on July 28th, 2011 because of the extraordinary situation in Belarus. According to this forecast, the revenues were expected to reach between U.S. $ 1,6 billion and U.S.$ 1,65 billion, and net profit after tax was expected to reach between U.S. $ 3 million and U.S. $ 4,5 million for the whole year.

Having seen the results of Q4 2011, the Company generated revenue of U.S.$ 1,482,075, which is equal to 92,62% of forecasted value. However in the same time the Company delivered net profit after tax amounting to U.S.$ 5,660, exceeding the lower range of forecasted value by +88.67% and exceeding the upper range of forecasted value by +25.78%. This was a result of the Company strategy to focus more on profitability than on simple increase of low margin revenue. The final information on 2011 results will be published on March 30th, 2012 in the Annual Report for Y2011 that will contain the audited financial statements for Y2011.

7. Information on dividend payment

For the period ended December 31st, 2011 no dividend was paid.

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

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

Name	Number of shares	% of share capital	Number of votes	% of votes
KS Holdings Ltd	25,676,361	46.26%	25,676,361	46.26%
Quercus Towarzystwo Funduszy Inwestycyjnych S.A. Quercus Parasolowy SFIO and Quercus Absolutnego Zwrotu FIZ)*	3,274,931	5.90%	3,274,931	5.90%
Alpha Ventures S.A.	3,200,000	5.76%	3,200,000	5.76%
Aviva Investors Poland S.A. funds (Aviva Investors Fundusz Inwestycyjny Otwarty and Aviva Investors Specjalistyczny Fundusz Inwestycyjny Otwarty)	2,919,414	5.26%	2,919,414	5.26%
ASBISc Enterprises PLC (buy-back program)	57,164	0.1030%	57,164	0.1030%
Free float	20,372,130	36.71%	20,372,130	36.71%
Total	**55,500,000**	**100.00%**	**55,500,000**	**100.00%**

* Including 2,775,045 shares corresponding to 5.00% votes at the AGM held by Quercus Parasolowy SFIO - according to notification from December 9th, 2011.
** According to notification from August 18th, 2010.

In the three months period ended on December 31st, 2011 the Company received the following information about changes in shareholders structure:
(1) On December 9th, 2011 the Company has received from Quercus Towarzystwo Funduszy Inwestycyjnych S.A. acting on behalf of governed investment fund Quercus Parasolowy SFIO („the Fund") the notification about increase by Fund itself the share in total number of votes in the Company and about exceeding of the threshold of 5% in total number of votes at the Company's General Meeting of Shareholders. This occurred as a result of the transaction on the regulated market conducted on December 5th, 2011. Before the change the Fund held 2,765,045 shares of the Company, that corresponds to 4.98% of the Company's share capital. These shares entitled to 2,765,045 votes at the Company's General Meeting of Shareholders, that corresponded to 4.98% of the total number of shares at the General Meeting of Shareholders. As of December 8th, 2011 the

Fund held 2,775,045 shares of the Company, that corresponds to 5% of the Company's share capital. These shares entitled to 2,775,045 votes at the Company's General Meeting of Shareholders, that corresponded to 5% of the total number of shares at the General Meeting of Shareholders. In the same time Quercus Towarzystwo Funduszy Inwestycyjnych S.A. informed that the Fund together with Quercus Absolutnego Zwrotu FIZ ("the Funds") increased their share and exceeded the threshold of 5% in total number of votes at the Company's General Meeting of Shareholders. The exceeding of the threshold of 5% of the total number of votes together by the Funds occurred due to the transaction on the regulated market on April 20th 2011. Before change in share the Funds together held 2,613,725 shares, corresponding to 4.71% of the Company's share. These shares entitled to 2,613,725 votes at the Company's General Meeting of Shareholders, which corresponded to 4.71% of the total number of votes at the Company's General Meeting of Shareholders. As of December 8th, 2011 the Funds together held 3,274,931 shares of the Company, corresponding to 5.90% of the Company's share capital. These shares entitled to 3,274,931 votes at the Company's General Meeting of Shareholders, which corresponded to 5.90% of the total number of votes at the Company's General Meeting of Shareholders.
(2) On December 9th, 2011 the Company has received from Aviva Investors Poland S.A. acting on behalf of Aviva Investors Fundusz Inwestycyjny Otwarty, as entity which performs the actions consisting management of investment portfolios of mutual funds for which the governing body is Aviva Investors Poland Towarzystwo Funduszy Inwestycyjnych SA, the notification about exceeding of the threshold of 5% in total number of votes at the Company's General Meeting of Shareholders. This occured due to the purchase transaction performed on December 1st, 2011 (settlement day of transaction on December 6th, 2011). As a result of the abovementioned transaction the Aviva Investors Fundusz Inwestycyjny Otwarty hold 2,841,345 shares of the Company, that corresponds to 5.12% of the Company's share capital and 5.12% of total votes. Before the abovementioned transaction Aviva Investors Fundusz Inwestycyjny Otwarty held 2,641,345 Company's shares consisting of 4.76% of the Company's share capital and entitling to 2,641,345 votes which correspond to 4.76% of the total votes in the Company. After the end of reported period, on January 19th, 2012 the Company received information from Aviva Investors Poland S.A. that Aviva Investors Fundusz Inwestycyjny Otwarty went below 5% threshold again due to sale of shares on January 13th, 2012. According to this notification after this transaction this fund had 2,543,976 of the Company's shares that corresponds to 4.58% of the Company's share capital and 4.58% of total votes.

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

During the three month period ended December 31st, 2011 as well as for the period between November 9th, 2011 (the date of publication of the Interim Report for Q3 2011) and February 28th, 2012 (date of this report) there were no changes in the number of shares possessed by the members of the Board of Directors. The table below presents the number of shares held by the members of the Board of Directors as of the date of this report. The information included in the table below is based on information received from members of our Management Board pursuant to Art. 160 sec. 1 of the Act on Public Trading.

Name	Number of Shares	% of the share capital
Siarhei Kostevitch (directly and indirectly)	25,718,127	46.34%
Laurent Journoud	400,000	0.72%
Marios Christou	350,000	0.63%
Constantinos Tziamalis	35,000	0.06%
Efstathios Papadakis	0	0%
Kyriacos Christofi	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, 2011 there were no changes in the members of the Company's Board of Directors.

11. Administrative and court proceedings against the Company

As of December 31st, 2011, no court, arbitration or administrative proceedings whose single or aggregate value exceeds 10% of our equity were pending against us or any of the members of our Group.

12. Related Party Transactions

During the three months ended December 31st, 2011 we did not have any material related party transaction exceeding the Polish Zloty equivalent of Euro 500 thousand other than typical or routine transactions.

13. Information on guarantees granted to third parties

Neither us, nor any of our affiliates or subsidiary companies have granted any guarantees or secured any third party credits for an amount exceeding 10% of its equity within the three months ended December 31st, 2011. However, the total bank guarantees raised by the Group (mainly to Group suppliers) as at December 31st, 2011 was U.S. $ 8,705 – as per note number 21 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 months period ended December 31st, 2011 the Company's results of operations have been affected and are expected to continue to be affected by a number of factors, including the effects of currency fluctuations, competition and price pressures, low gross profit margins, potential inventory obsolescence and price erosion, the worldwide unstable financial environment, credit risk and seasonality.

Despite the previous problems with currency losses, visible especially in Q2 2011 due to rapid changes in the Belarussian currency, Q4 2011 results – as a second quarter in a row - are free from material currency losses, despite high volatility of our trading currencies against USD and volatility of EUR/USD pair. This confirms the quality of foreign exchange hedging introduced by the Company and it is the Company's intention to enhance this policy going forward.

Q4 2011 was another quarter of improvement for the Company at all levels. This included lower administrative expenses, positive dynamic of gross profit growth significantly exceeding pace of selling expenses growth, good hedging resulting in decreasing currency losses to a minimum level and significant increase of operating profit and net profit after tax. The Company was able to deliver net profit after tax significantly exceeding the financial forecast, as it was ammended after the Belarus effects.

The Company's management strongly believes that if the overal economic situation will not change dramatically, further improvement of results will be visible in 2012.

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

Currency fluctuations

As mentioned in previous reports, the Company's reporting currency is the U.S. dollar. Traditionally around 40% of the Company's revenues were denominated in U.S. dollars. Following the Company's efforts to decrease currency risk, this number grew to more than 50% back in 2009 and remained unchanged since then, while the balance was denominated in Euro and other currencies, some of which are linked to the Euro. Since most of the Company's trade payable balances are denominated in U.S. dollars (about 80%), the Company was exposed to foreign exchange risk. Foreign exchange risk remains a very crucial factor that might affect the Group's results in the future. On the other hand, the Group has adopted hedging strategies to tackle this problem. The problem persists and will persist as the Euro and other Eastern European currencies fluctuate in a steep manner against the U.S. Dollar, the Group's reporting currency. Despite fluctations in the currency environment (see below chart), in Q4 2011 the Company was again able to limit FX influence on its results due to improved hedging policy.

EUR/USD in Q4 2011

Competition and price pressure

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

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

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

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

Low gross profit margins

The Company's gross profit margins, like those of other distributors of IT products, are low and the Company expects them to remain low in the foreseeable future. Increased competition arising from industry consolidation and low demand for certain IT products may hinder the Company's ability to maintain or improve its gross margins. A portion of the Company's operating expenses is relatively fixed, and planned expenditures are based in part on anticipated orders that are forecasted with limited visibility of future demand. As a result, the Company may not be able to reduce its operating expenses as a percentage of revenue in order to mitigate any reductions in gross margins in the future. In order to tackle this problem, the Company continues its strategy of product portfolio diversification by adding more A-branded goods, laptops, software and more own brands sales to traditional IT components business, in order to reach better margins in the future.

Inventory obsolescence and price erosion

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

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

Credit risk

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

Due to the recent market developments following the credit crisis that affected all countries the Group operates in, credit risk has become one of the most important factors that might affect the Group's results in the future. Despite the fact that the Group has managed to credit insure a large portion of its receivables, credit insurance companies are nowadays more risk averse and they are not easily granting credit limits to customers. As a result the Group is exposed to more credit risk and the ability of the Group to analyse and assess its credit risk is of extremely high importance.

Worldwide financial environment

The world's financial crisis has eased throughout 2010 and 2011. This included recovery signals from some of our markets (especially in the Former Soviet Union countries), and stabilization in some of others. Following some recovery the Company undertook efforts to benefit from these signals both in revenues and profitablity. The revised strategy and adaptation to the new environment, i.e. by rebuilding product portfolio, paid off in terms of increased market share and sales.

However, there are many uncertainties about the world economy and especially the Euro-zone. It is followed by volatility of currencies and fragility of demand in many markets. Although the Company was able to secure from these factors in Q4 (i.e. there were no major currency losses) similarly to Q3 2011, it is of extreme importance to follow this strategy in future periods and focus more on growing profitability rather than on growing revenues.

The period ended December 31st, 2011 was positively affected from the shortage in HDD products due to the floods in Thailand, who led the leading HDD supliers to cut the supply and therefore we have experienced higher margins on HDD product segment. This is not expected to continue after Q2 2012.

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.

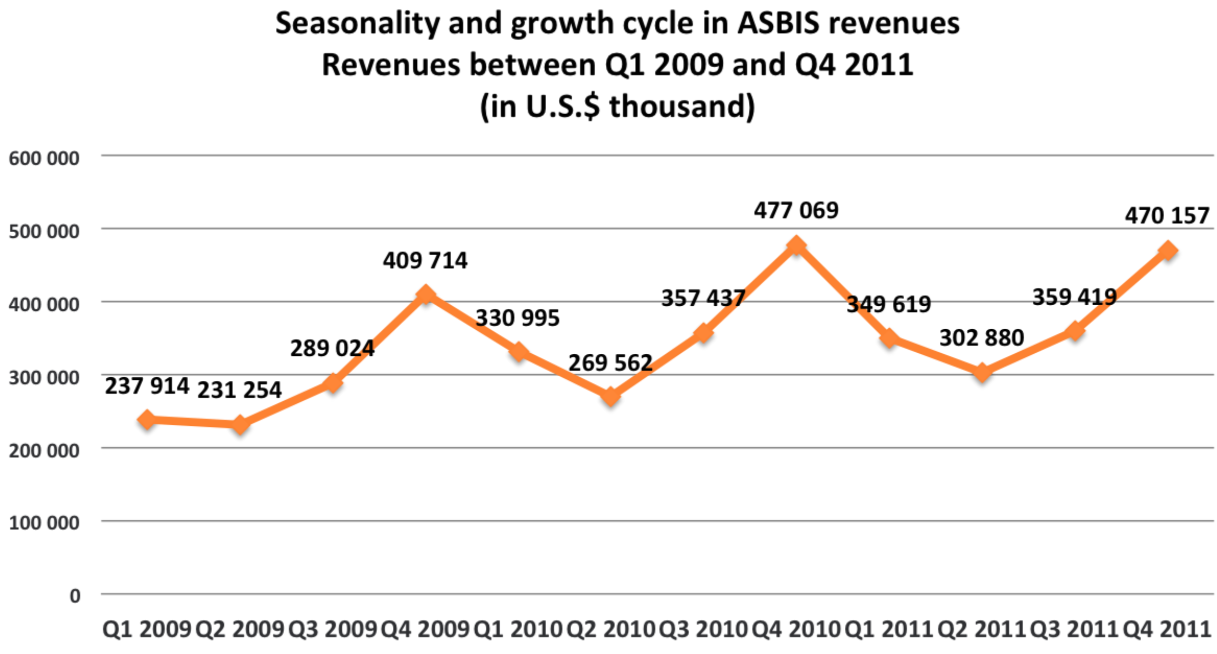
After temporary changes in the traditional seasonality, observed in 2008 and 2009, the trend returned in 2010 and was also clearly visible in Q4 2011. However, a number of uncertainties about the situation in Europe led the Company to focus rather on profitability than on sales. Therefore the Company decided not to drive upwards Q4 2011 sales but focus on good margin sales. If there will be no dramatical changes in the overall economic surrounding, traditional seasonality effect is expected to be seen also in 2012.

Results of Operations

Three and twelve month periods ended 31 December 2011 compared to the three and twelve month periods ended 31 December 2010

Revenues: Traditionally annual sales reach it peak in Q4, this was also the case of Q4 2011. In Q4 2011 the Company's revenues decreased slightly by 1.45% to U.S.$ 470,157 from U.S. $ 477,069 in the corresponding period of 2010. This was a result of the Company's focus on profitability coupled with supply issues faced in the HDD market and a significant slowdown of business in Belarus.

For the twelve months of 2011 revenues increased by 3.28% to U.S. $ 1,482,075 from U.S. $ 1,435,063 in the corresponding period of 2010. The management considers this as a good achievement, having in mind its focus on profitability and limitation of sales in Belarus (a market who generated significant revenues in Y2010) starting from Q2 2011. At this point in time it is expected that revenues will grow again in 2012. Exact size of the expected growth in revenues will be announced in the financial forecasts for 2012.



- **Gross profit:** Gross profit grew significantly both in Q4 2011 and in the twelve months of 2011. This was possible due to more effective hedging (excluding the unavoidable influence of Belarus in Q2 2011), upgrade of product portfolio and shortage in HDD segment.

  Before currency movements:

  Gross profit before currency movements in Q4 2011 increased by 26.51% to U.S. $ 29,740 from U.S. $ 23,507 in the corresponding period of 2010.

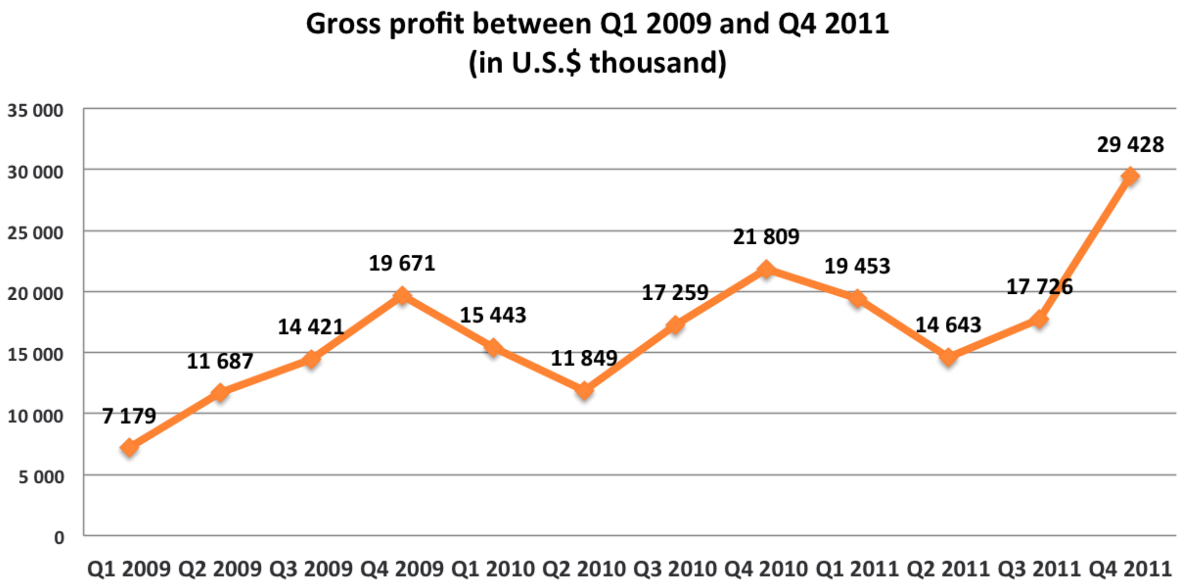
  Gross profit before currency movements in Q1-Q4 2011 increased by 15.72% to U.S. $ 81,126 from U.S. $ 70,103 in the corresponding period of 2010.

  After currency movements:

  Gross profit after currency movements in Q4 2011 increased by 34.94% to U.S. $ 29,428 from U.S. $ 21,809 in the corresponding period of 2010.

  Gross profit after currency movements in Q1-Q4 2011 increased by 22.44% to U.S. $ 81,250 from U.S. $ 66,360 in the corresponding period of 2010.

  If the overall economy surrounding will not change dramatically, it is expected that gross profit will grow again in 2012.



- **Gross profit margin:** In both Q4 2011 and the twelve months of 2011 the Company was able to generate better margins due to upgraded product portfolio and better hedging strategy.

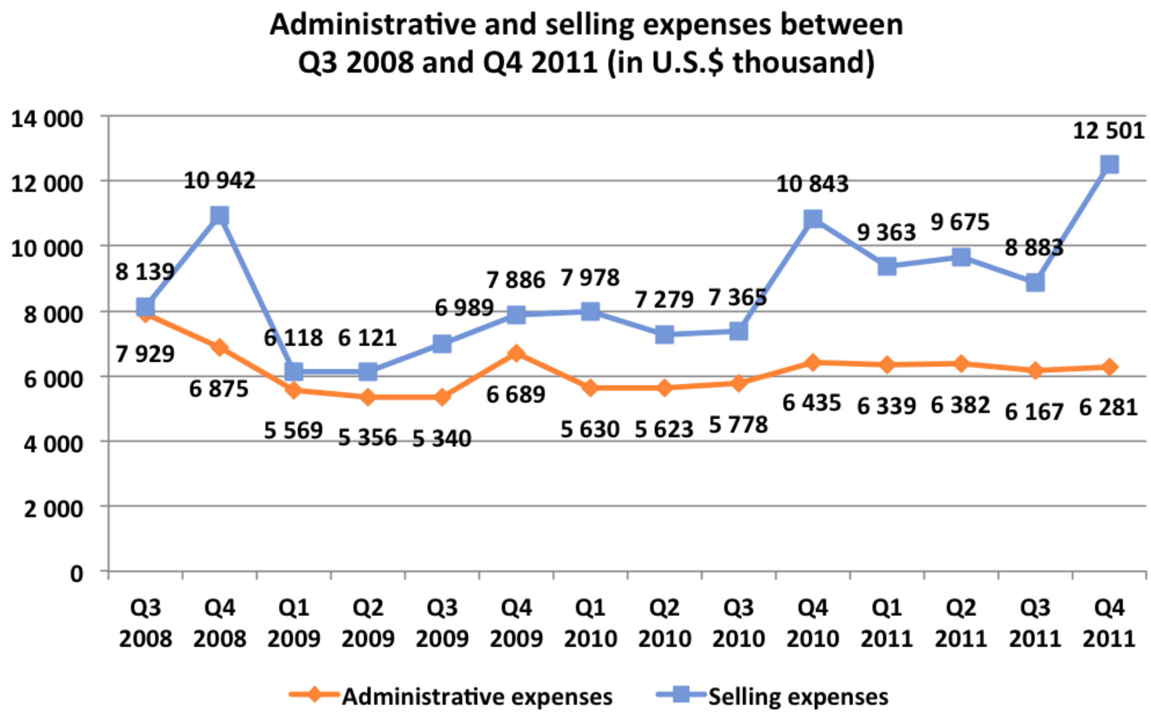
  Gross profit margin after currency movements in Q4 2011 increased by 36.92% to 6.26% from 4.57% in the corresponding period of 2010.

  Gross profit margin after currency movements in Q1-Q4 2011 increased by 18.55% to 5.48% from 4.62% in the corresponding period of 2010.

- **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 sales and gross profit which was also the case of Q4 2011.

Selling expenses in Q4 2011 increased by 15.28% to U.S. $ 12,501 from U.S. $ 10,843 in the corresponding period of 2010. It is however important to underline that at the same time, selling expenses in Q4 2011 grew significantly slower than gross profit. It is the Company's intention to further reduce selling expenses as a function of gross profit in 2012.

- **Administrative expenses** largely comprise of salaries and wages of administration personnel and rent expense. Administrative expenses in Q4 2011 decreased by 2.40% to U.S. $ 6,281 from U.S. $ 6,435 in the corresponding period of 2010. This was a function of cost-cutting actions undertaken during 2011 and it is expected that administrative expenses remain under strict control.



- **Operating profit:** In Q4 2011 the operating profit was more than double and amounted to U.S. $ 10,647 compared to operating profit of U.S. $ 4,530 in the corresponding period of 2010.

  For the twelve months of 2011 the Company generated operating profit that amounted to U.S. $ 15,660 compared to operating profit of U.S. $ 9,429 in the corresponding period of 2010. The trend in operating profit is much more favorable for the Company, and it is expected that operating profit may grow again in 2012.

- **EBITDA:** In Q4 2011 EBITDA was more than double and reached U.S. $ 11,465 in comparison to U.S. $ 5,328 in the corresponding period of 2010. EBITDA in Q1-Q4 2011 increased by 50.73% and reached U.S. $ 18,748 in comparison to U.S. $ 12,439 in the corresponding period of 2010.

- **Net profit:** Net profit after taxation in Q4 2011 reached U.S. $ 8,276 in comparison to U.S. $ 1,914 in the corresponding period of 2010. For the twelve months of 2011 the Company generated net profit after taxation amounting to U.S. $ 5,660 in comparison to a net profit after taxation of U.S. $ 1,302 in the corresponding period of 2010.

Sales by regions and countries

Traditionally and throughout the Company's operation, the region contributing the majority of revenues has been the Former Soviet Union. This changed temporarily in 2009, when the Central and Eastern Europe region was less affected by the world's financial crisis. However, together with recovery of big markets like Russia and Ukraine, F.S.U. regained the first position in the Company's structure of revenues in 2010. This was also the case in 2011. In Q4 2011 revenues derived from F.S.U. countries dropped by 5.61% as a result of the Company's effort to focus on good margin sales rather than on sales itself. However for the twelve months of 2011 sales in F.S.U. countries confirmed the growing trend by +4.51% increase year on year. Revenues in CEE were stable in Q4 and grew by 5.56% in the twelve months of 2011, while revenues in the Middle East and Africa remained almost unchanged in Q4 2011 and twelve months of 2011 compared to corresponding periods of 2010. The stable sales base allowed the Company to focus on rebuilding its product portfolio and sales strategy to focus more on profitability; the results of this step were clearly visible in the income statement.

Country-by-country analysis confirms that even with the recent turbulence in the world's economy, the Company is able to deliver a relatively stable level of sales. Revenues derived in the three biggest markets - Russia, Ukraine and Slovakia - remained almost unchanged in Q4 2011 compared to Q4 2010, +7.81% growth in sales in Slovakia offset 2.45% and 4.46% drop in sales in Russia and Ukraine respectively. In the same time revenues derived from some other countries, like United Arab Emirates (+37.10%), Czech Republic (+8,74%), Kazakhstan (+66,13%), Bulgaria (+16,61%) and Romania (+21%) have grown significantly.

The table below provides a geographical breakdown of sales in the three month periods ended December 31st, 2011 and 2010.

	Q4 2011		Q4 2010	
	U.S. $ thousand	% of total revenues	U.S. $ thousand	% of total revenues
Former Soviet Union	202,318	43.03%	214,334	44.93%
Central and Eastern Europe	166,903	35.50%	166,701	34.94%
Middle East and Africa	56,898	12.10%	55,700	11.68%
Western Europe	31,029	6.60%	26,980	5.66%
Other	13,008	2.77%	13,355	2.80%
Total	470,157	100%	477,069	100%

Revenue breakdown – Top 10 countries in Q4 2011 and Q4 2010 (in U.S. Dollar thousand)

	Q4 2011		Q4 2010	
	Country	Sales U.S. $ thousand	Country	Sales U.S. $ thousand
1.	**Russia**	117,307	**Russia**	120,252
2.	**Slovakia**	58,637	**Slovakia**	54,387
3.	**Ukraine**	49,587	**Ukraine**	51,904
4.	**United Arab Emirates**	29,000	**Czech Republic**	26,011
5.	**Czech Republic**	28,285	**Belarus**	25,593
6.	**Kazakhstan**	24,260	**United Arab Emirates**	21,153
7.	**Bulgaria**	14,038	**Saudi Arabia**	15,407
8.	**Romania**	12,662	**Kazakhstan**	14,603
9.	**Saudi Arabia**	10,681	**Bulgaria**	12,039
10.	**Croatia**	9,103	**Romania**	10,464
11.	**Other**	116,597	**Other**	125,257
	Total revenue	470,157	**Total revenue**	477,069

Sales by product lines

The Group has for Q4 2011 confirmed its profit-oriented strategy using rebuilt product portfolio and improving its market position. This resulted in stronger sales of main product lines at the cost of other categories that offer lower margins. Together with better margins on HDD business and own brands, the result was a better gross profit margin.

The table below sets a breakdown of revenues, by product, for Q4 2011 and 2010 (U.S.$ thousand):

	Q4 2011		Q4 2010	
	U.S. $ thousand	% of total revenues	U.S. $ thousand	% of total revenues
Central processing units (CPUs)	98,209	20.89%	78,102	16.37%
Hard disk drives (HDDs)	58,249	12.39%	48,391	10.14%
Software	52,505	11.17%	50,507	10.59%
PC-mobile (laptops)	123,057	26.17%	113,786	23.85%
Other	138,136	29.38%	186,282	39.05%
Total revenue	**470,157**	**100%**	**477,069**	**100%**

In the three month period ended December 31st, 2011:

- Revenue from sale of central processing units ("CPUs") increased by 25.74% to U.S. $ 98,209 from U.S. $ 78,102 in the corresponding period of 2010. This was possible due to increased unit sales.

- Revenue from sale of hard disk drives ("HDDs") increased by 20.37% to U.S. $ 58,249 from U.S. $ 48,391 in the corresponding period of 2010. This was due to good timing of stock sourcing and efficient management during shortage period resulting in sales with better margins.

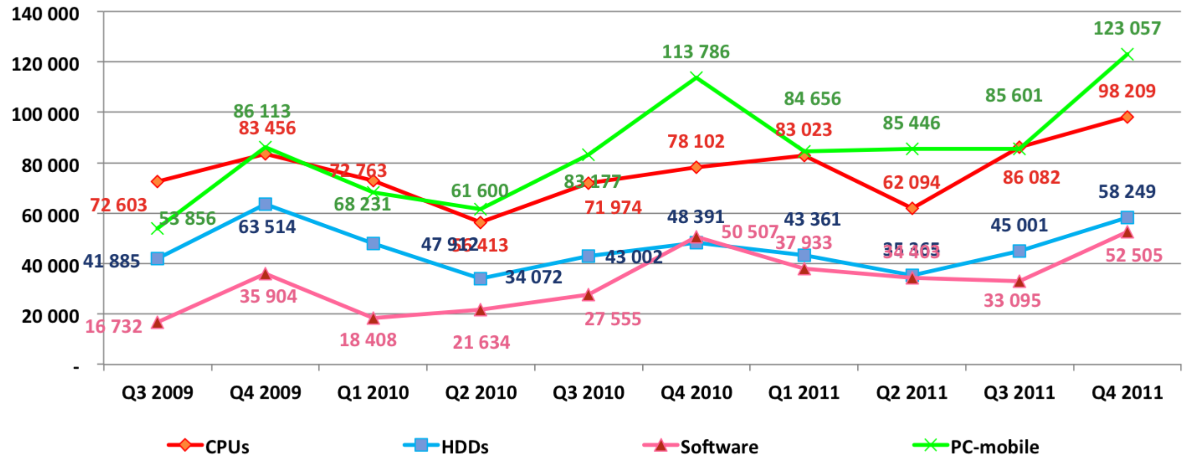
- Revenue from sale of software increased by 3.96% to U.S. $ 52,505 from U.S. $ 50,507 in the corresponding period of 2010. This increase of revenue from sale of software was connected with 81.68% increase in unit sales of different software because of improved product portfolio (i.e. Microsoft, Symantec, Kerio, Kaspersky) in many countries that allowed to offset the decrease in the average selling price.

- Revenue from sale of PC-mobile ("laptops") increased by 8.15% to U.S. $ 123,057 from U.S. $ 113,786 in the corresponding period of 2010. This was mostly due to stable growth in unit sales and relatively stable average selling price.

Following the Company's strategy to focus on product lines allowing good profitability, in Q4 2011 the four main product lines increased their share in total revenue to 70.62% from 60.95% in the corresponding period of 2010.

- Apart from its main product categories, the Group is also developing other segments that allow to reach attractive margins. In Q4 2011 the most significant growth compared to the corresponding period of 2010 was due to sales of display products (+154.38%), flash memory (+1253.37%) and networking products (+171.19%).

Changes in revenues breakdown by main product lines between Q3 2009 and Q4 2011 (in U.S.$ thousand)



The Company is also developing its own brands, Canyon and Prestigio, as traditionally it allows the Company to reach double digit gross margins. Own brands contribution in total revenues grew during the twelve months of 2011 reaching 7% contribution in total revenues in Q4 2011 (for the twelve months own brands contribution in total revenues was 6.4%). It is the Company's intention to further develop own brands sales so that in the medium term their contribution in total sales revenue will reach 10%. This should be possible because of undertaken efforts to rebuild the own brands product portfolio in the direction of lighter technology.

For the twelve months of 2011 revenue breakdown by product lines was the following (U.S.$ thousand):

	Q1-Q4 2011		Q1-Q4 2010	
	U.S. $ thousand	% of total revenues	U.S. $ thousand	% of total revenues
Central processing units (CPUs)	329,408	22.23%	279,253	19.46%
Hard disk drives (HDDs)	181,976	12.28%	173,378	12.08%
Software	157,936	10.66%	118,104	8.23%
PC-mobile (laptops)	378,760	25.56%	326,795	22.77%
Other	433,994	29.28%	537,533	37.46%
Total revenue	**1,482,075**	**100%**	**1,435,063**	**100%**

Liquidity and Capital Resources

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

The following table presents a summary of cash flows for the twelve months ended December 31st, 2011 and 2010:

	Twelve months ended December 31st	
	2011	**2010**
	U.S. $	
Net cash inflows/(outflows) from operating activities	11,063	(16,179)
Net cash outflows from investing activities	(3,470)	(5,597)
Net cash (outflows)/inflows from financing activities	(9,711)	6,574
Net decrease in cash and cash equivalents	(2,118)	(15,202)

Net cash inflows/(outflows) from operating activities

Net cash inflows from operations amounted to U.S. $ 11,063 for the twelve months ended December 31st, 2011, compared to outflows of U.S. $ 16,179 in the corresponding period of 2010. This was primarily due to better management of working capital and improved profitability.

Net cash outflows from investing activities

Net cash outflows from investing activities was U.S. $ 3,470 for the twelve months ended December 31st, 2011, compared to U.S. $ 5,597 in the corresponding period of 2010. This was mostly due to lower investments in land and buildings.

Net cash (outflows)/inflows from financing activities

Net cash outflows from financing activities was U.S. $ 9,711 for the twelve months ended December 31st, 2011, compared to inflows of U.S. $ 6,574 for the corresponding period of 2010. This was primarily due to repayment of some expensive bank lines, that were not necessary for the Company's operations.

Net decrease in cash and cash equivalents

As a result of the Company's improved cash from operating activities and repayment of certain financing lines, cash and cash equivalents decreased by U.S. $ 2,118 compared to a decrease of U.S. $ 15,202 in the corresponding period of 2010.

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 and demand in the markets. 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) and, same time, work internally on issues such as currency hedging, operational effectiveness, etc.. Having in mind the lesson learnt during crisis, the management strongly believes that the Company is much better prepared to any changes that may arise following political and economic swings in Europe and worldwide.

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. However, still Russia (as a country) and F.S.U. (as a region) are the biggest contributors of the Company's revenues. Therefore, it is very important to adapt to any market changes that might arise. This means both a constant upgrade of product portfolio and close relations with customers to weather any currency or other issues that may appear in the future.

Despite the possibilities to increase revenue that may be observed in the markets in the future, the Company has decided to focus more on profit generation. Therefore, it is possible that revenues will not grow with double digit pace. However, it is the Company's intention to increase the quality of this growth in revenues to generate better gross profit margins through sale of higher margin products.

Additionally, particular markets experience problems from time to time, resulting in a temporary decrease of revenues, as was the case of Belarus in 2011. Although as of this point in time, the management does not foresee any other country with such problems in 2012, in such an unlikely situation the growth in revenues in the future may be limited. Therefore, it is of extreme importance for the Company to achieve better profitability from the delivered revenues level.

Currency volatilities:

The multi-currency environment that the Group operates in exposes its financial results to steep currency fluctuations. Currency movements during Q4 2011 and for the twelve months of 2011 were weathered by the hedging policy of the Group which has proven successful and should be followed without exception.

Though Q4 2011 was the second consecutive quarter when the currency volatility was high, the Company has not suffered any major currency losses. This confirms the management opinion that its hedging policy works well. Having in mind the recent political and economic developments in Euro-zone connected with debt-crisis, it is very important to adapt to any market changes as they appear, and therefore to avoid scenarios like the Belarus one in Q2 2011.

Having said the above, it is important to underline, that with such turbulent environment there is no perfect hedging strategy that could completely eliminate the foreign exchange risk. Therefore in 2012 and 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 much improved.

Ability of the Group to control increased expenses:

The worldwide crisis has led the Group to take severe cost cutting actions during 2009. Following the increased demand and improved business environment, the Group decided to invest into human capital and proceeded with hiring personnel at positions which are considered critical in order to ensure better service of the markets and customers. This has driven up expenses during the last three precedent quarters. These expenses were additionally increased by extra costs connected with Belarus in Q2 2011, when this market started to experience problems. As these investments have not paid off with the expected level of profit, reduction of expenses was continued in Q3-Q4 2011. It is important to underline that while the administrative expenses are under strict control, also selling expenses structure was rebuilt to only grow at a much slower pace than the Company's gross profit. The Company will continue its strict expenses policy in order to push profitability forward.

Ability to further develop its product portfolio:

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

Although the Company has managed to benefit from the significant price increase in HDD's (due to the floods in Thailand), this is considered as one off event and is not expected to continue. Products like CPUs and HDDs have reached saturation and the need for introduction of higher margin products is becoming of extreme importance. The Group makes sure that more A-branded finished products are added on its portfolio as well as new technology products, like Tablet PC, E-book readers and other new technologically advanced products.

17. Information about important events that occurred after the period ended on December 31st, 2011 and before this report release

According to our best knowledge, in the period between December 31st, 2011 and February 28th, 2012 no events have occurred that could affect the Company's operations or financial stability.

Part II Financial Information

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

Report and Condensed Consolidated Financial Statements
for the period ended December 31st, 2011

Contents	**Page**

ASBISC ENTERPRISES PLC

CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

FOR THE PERIOD ENDED

31 DECEMBER 2011

ASBISC ENTERPRISES PLC

CONSOLIDATED FINANCIAL STATEMENTS
FOR THE PERIOD ENDED 31 DECEMBER 2011

C o n t e n t s

CONSOLIDATED INCOME STATEMENT
FOR THE PERIOD ENDED 31 DECEMBER 2011

	Notes	For the three months ended 31 December 2011 *US$*	For the three months ended 31 December 2010 *US$*	For the twelve months ended 31 December 2011 *US$*	For the twelve months ended 31 December 2010 *US$*
Revenue	5,25	470.156.557	477.069.055	1.482.074.819	1.435.062.727
Cost of Sales		(440.416.728)	(453.561.901)	(1.400.948.708)	(1.364.959.676)
Gross Profit before currency movements		29.739.829	23.507.154	81.126.111	70.103.051
Currency movements on gross profit	6	(311.454)	(1.698.277)	123.532	(3.743.551)
Gross profit after currency movements		29.428.375	21.808.877	81.249.643	66.359.500
Selling expenses		(12.500.671)	(10.843.373)	(40.421.076)	(33.464.347)
Administrative expenses		(6.280.734)	(6.435.385)	(25.168.223)	(23.466.273)
Profit from operations		10.646.970	4.530.119	15.660.344	9.428.880
Financial income	8	582.020	676.143	275.034	894.249
Financial expenses	8	(2.416.444)	(2.753.558)	(9.330.941)	(8.308.245)
Other gains and losses	7	154.215	103.797	498.821	289.423
Goodwill written off	29	-	-	(50.213)	-
Share of loss from joint ventures	30	(26.470)	(80.124)	(186.410)	(52.365)
Profit before taxation	9	8.940.291	2.476.377	6.866.635	2.251.942
Taxation	10	(664.686)	(562.256)	(1.206.415)	(949.894)
Profit after taxation		8.275.605	1.914.121	5.660.220	1.302.048
Attributable to:					
Non-controlling interest		227.542	152.242	242.678	352.763
Owners of the parent		8.048.063	1.761.879	5.417.542	949.285
		8.275.605	1.914.121	5.660.220	1.302.048
		US$ cents	US$ cents	US$ cents	US$ cents
Earnings per share					
Basic and diluted from continuing operations		14,50	3,17	9,76	1,71

CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME
FOR THE PERIOD ENDED 31 DECEMBER 2011

	For the three months ended 31 December 2011 *US$*	For the three months ended 31 December 2010 *US$*	For the twelve months ended 31 December 2011 *US$*	For the twelve months ended 31 December 2010 *US$*
Profit after taxation	8.275.605	1.914.121	5.660.220	1.302.048
Other comprehensive loss:				
Exchange difference on translating foreign operations	(1.273.994)	(230.826)	(1.375.525)	(658.481)
Reclassification adjustments relating to foreign operations liquidated and disposed off in the period	(71)	-	(71)	4.309
Other comprehensive loss for the period	(1.274.065)	(230.826)	(1.375.596)	(654.172)
Total comprehensive income for the period	7.001.540	1.683.295	4.284.624	647.876
Total comprehensive income attributable to:				
Non-controlling interests	222.148	151.990	239.845	329.723
Owners of the parent	6.779.392	1.531.305	4.044.779	318.153
	7.001.540	1.683.295	4.284.624	647.876

ASBISC ENTERPRISES PLC

CONSOLIDATED STATEMENT OF FINANCIAL POSITION
AS AT 31 DECEMBER 2011

ASSETS	Notes	Unaudited as at 31 December 2011 *US$*	Audited as at 31 December 2010 *US$*
Current assets			
Inventories	12	111.640.208	103.619.085
Trade receivables	13	237.990.821	275.599.851
Other current assets	14	9.315.104	7.430.162
Derivative financial asset	15	559.106	5.379
Current taxation	10	427.765	348.667
Cash at bank and in hand	26	48.868.023	48.380.080
Total current assets		408.801.027	435.383.224
Non-current assets			
Goodwill	29	550.517	600.730
Property, plant and equipment	16	26.624.374	26.283.605
Investments in joint ventures	30	387.625	685.632
Available-for-sale financial assets	18	9.580	9.580
Intangible assets	17	1.507.203	1.672.152
Deferred tax assets	11	870.510	991.821
Total non-current assets		29.949.809	30.243.520
Total assets		438.750.836	465.626.744
LIABILITIES AND EQUITY			
Liabilities			
Current liabilities			
Trade payables		244.663.923	263.969.863
Other current liabilities	19	47.248.478	51.132.058
Derivative financial liability	20	1.215	138.840
Current taxation	10	89.476	839.316
Short term obligations under finance leases	23	171.339	267.835
Bank overdrafts and short term loans	21	46.357.595	52.070.722
Total current liabilities		338.532.026	368.418.634
Non-current liabilities			
Long term liabilities	22	4.354.620	5.168.634
Long term obligations under finance leases	23	93.056	272.590
Total non-current liabilities		4.447.676	5.441.224
Total liabilities		342.979.702	373.859.858
Equity			
Share capital	24	11.100.000	11.100.000
Share premium		23.518.243	23.518.243
Retained earnings and other components of equity		60.758.056	56.717.134
Equity attributable to owners of the parent		95.376.299	91.335.377
Non-controlling interests		394.835	431.509
Total equity		95.771.134	91.766.886
Total liabilities and equity		438.750.836	465.626.744

The financial statements were approved by the Board on 24 February 2012

Siarhei Kostevitch
Director

Marios Christou
Director

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY
FOR THE PERIOD ENDED 31 DECEMBER 2011

	Attributable to equity holders of the parent							
	Share capital US$	Share premium US$	Treasury stock US$	Retained earnings US$	Translation of foreign operations US$	Total US$	Non-controlling interests US$	Total equity US$
Balance at 1 January 2009	11.100.000	23.518.243	-	59.498.454	765.535	94.882.232	131.049	95.013.281
(Loss)/income for the year	-	-	-	(3.208.380)	-	(3.208.380)	211.900	(2.996.480)
Other comprehensive loss for the year	-	-	-	-	(641.723)	(641.723)	(23.546)	(665.269)
Balance at 31 December 2009	11.100.000	23.518.243	-	56.290.074	123.812	91.032.129	319.403	91.351.532
Income for the year	-	-	-	949.285	-	949.285	352.763	1.302.048
Other comprehensive loss for the year	-	-	-	-	(631.132)	(631.132)	(23.040)	(654.172)
Dividend payment to non-controlling interests	-	-	-	-	-	-	(188.984)	(188.984)
Non-controlling interest on establishment of new subsidiary	-	-	-	-	-	-	17.357	17.357
Acquisition of shares from non-controlling interests	-	-	-	(14.905)	-	(14.905)	(45.990)	(60.895)
Balance at 31 December 2010	11.100.000	23.518.243	-	57.224.454	(507.320)	91.335.377	431.509	91.766.886
Income for the year	-	-	-	5.417.542	-	5.417.542	242.678	5.660.220
Other comprehensive loss for the year	-	-	-	-	(1.372.763)	(1.372.763)	(2.833)	(1.375.596)
Dividend payment to non-controlling interests	-	-	-	-	-	-	(276.519)	(276.519)
Buyback of shares	-	-	(3.857)	-	-	(3.857)	-	(3.857)
Balance at 31 December 2011	11.100.000	23.518.243	(3.857)	62.641.996	(1.880.083)	95.376.299	394.835	95.771.134

CONSOLIDATED STATEMENT OF CASH FLOWS
FOR THE PERIOD ENDED 31 DECEMBER 2011

	Notes	For the three months ended 31 December 2011 *US$*	For the three months ended 31 December 2010 *US$*	For the twelve months ended 31 December 2011 *US$*	For the twelve months ended 31 December 2010 *US$*
Profit for the period before tax and minority interest		8.940.291	2.476.377	6.866.635	2.251.942
Adjustments for:					
Exchange difference arising on consolidation		(604.786)	52.509	(1.020.901)	379.462
Provision for bad debts and receivables written off		1.746.584	1.003.983	2.694.732	2.368.507
Bad debts recovered		(4.649)	(29.761)	(27.147)	(52.844)
Depreciation	16	693.100	630.614	2.501.801	2.302.605
Amortization of intangible assets	17	124.802	166.915	586.150	707.054
Gains arising on business combinations		(10.224)	-	(14.589)	(176)
Goodwill written off	29	-	-	50.213	-
Share of loss from joint ventures	30	26.470	80.124	186.410	52.365
Interest received		(37.386)	(177.529)	(160.190)	(483.815)
Interest paid		1.206.561	1.300.697	4.950.972	4.340.601
(Profit)/loss from the sale of property, plant and equipment and intangible assets		(38.705)	85.232	(28.978)	150.674
Operating profit before working capital changes		12.042.058	5.589.161	16.585.108	12.016.375
(Increase)/decrease in inventories		(5.131.491)	4.102.534	(8.021.122)	(20.142.337)
(Increase)/decrease in trade receivables		(4.305.070)	(39.680.198)	34.941.445	(63.465.562)
(Increase)/decrease in other current assets		(901.698)	815.024	(2.438.669)	(450.485)
Increase/(decrease) in trade payables		33.199.076	49.069.588	(19.301.861)	53.640.238
Increase/(decrease) in other current liabilities		8.918.343	12.235.309	(3.905.522)	7.372.537
Increase in other long-term liabilities		32.809	32.437	24.954	82.350
Cash inflows/(outflows) from operations		43.854.027	32.163.855	17.884.333	(10.946.884)
Taxation paid, net	10	(683.038)	(195.734)	(1.870.742)	(891.424)
Interest paid		(1.206.561)	(1.300.697)	(4.950.972)	(4.340.601)
Net cash inflows/(outflows) from operating activities		41.964.428	30.667.424	11.062.619	(16.178.909)

CONSOLIDATED STATEMENT OF CASH FLOWS (continued)
FOR THE PERIOD ENDED 31 DECEMBER 2011

	Notes	For the three months ended 31 December 2011 *US$*	For the three months ended 31 December 2010 *US$*	For the twelve months ended 31 December 2011 *US$*	For the twelve months ended 31 December 2010 *US$*
Cash flows from investing activities					
Interest received		37.386	177.529	160.190	483.815
Purchase of property, plant and equipment		(202.326)	(3.227.918)	(3.400.304)	(5.201.888)
Purchase of intangible assets	17	(11.772)	(25.963)	(518.506)	(251.058)
Net proceeds/(payments) on business combinations		6.571	(364.680)	6.571	(675.607)
Net cash (disposed)/acquired on business combinations		(109)	-	(109)	22.793
Buyback of shares		(3.857)	-	(3.857)	-
Proceeds from sale of property, plant and equipment and intangible assets		6.895	1.763	285.981	25.116
Net cash outflows from investing activities		(167.212)	(3.439.269)	(3.470.034)	(5.596.829)
Cash flows from financing activities					
Dividends paid to non-controlling interests		(126.135)	(627)	(276.519)	(188.984)
(Repayments)/proceeds of long term loans and long term obligations under finance lease		(383.413)	1.754.795	(1.018.503)	1.057.247
(Repayments)/proceeds of short term loans and short term obligations under finance lease		(2.481.145)	(3.165.654)	(8.415.774)	5.705.234
Net cash (outflows)/inflows from financing activities		(2.990.693)	(1.411.486)	(9.710.796)	6.573.497
Net increase/(decrease) in cash and cash equivalents		38.806.523	25.816.669	(2.118.211)	(15.202.241)
Cash and cash equivalents at beginning of the period		(19.555.217)	(4.447.152)	21.369.517	36.571.758
Cash and cash equivalents at end of the period	26	19.251.306	21.369.517	19.251.306	21.369.517

1. Incorporation and principal activities

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

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

2. Basis of preparation

The condensed consolidated financial statements for the three and twelve months ended 31 December 2011 have been prepared in accordance with International Accounting Standard (IAS) 34, Interim Financial Reporting, as adopted by the European Union (EU).

The condensed consolidated financial statements do not include all the information and disclosures required for the annual financial statements and should be read in conjunction with the audited financial statements for the year ended 31 December 2010.

3. Basis of consolidation

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

4. Significant accounting policies

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

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

These judgments and estimates are consistent with those followed for the preparation of the group's annual financial statements for the year 2010.

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

The accounting policies adopted for the preparation of the condensed consolidated financial statements for the three and twelve months ended 31 December 2011 are consistent with those followed for the preparation of the annual financial statements for the year 2010 except for the adoption by the group of all the new and revised standards and interpretations issued by the International Accounting Standards Board (IASB) and the International Financial Reporting Interpretations Committee (IFRIC) of the IASB that are relevant to its operations and effective for annual periods beginning on 1 January 2011. The adoption of new and revised standards and interpretations did not have any material effect on the group's condensed consolidated financial statements.

5. Effects of seasonality

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

6. Currency movements on gross profit	For the three months ended 31 December 2011 *US$*	For the three months ended 31 December 2010 *US$*	For the twelve months ended 31 December 2011 *US$*	For the twelve months ended 31 December 2010 *US$*
Realised currency movements on trading activities	2.959.477	300.486	180.344	(2.660.330)
Unrealised currency movements on trading activities	(4.080.746)	(2.092.510)	(1.469.813)	(824.314)
Realised gain/(loss) on executed derivative contracts	757.981	(179.173)	579.573	(125.446)
Net unrealised gain/(loss) on unexecuted derivative contracts	51.834	272.920	833.428	(133.461)
(Loss)/gain on currency movements	(311.454)	(1.698.277)	123.532	(3.743.551)

7. Other gains and losses	For the three months ended 31 December 2011 *US$*	For the three months ended 31 December 2010 *US$*	For the twelve months ended 31 December 2011 *US$*	For the twelve months ended 31 December 2010 *US$*
Rental income	118.344	44.443	269.436	175.494
Profit/(loss) on disposal of property, plant and equipment	38.705	(85.232)	28.978	(150.674)
Bad debts recovered	4.649	29.761	27.147	52.844
Other (loss)/income	(7.483)	114.825	173.260	211.759
	154.215	103.797	498.821	289.423

8. Financial expense, net

	For the three months ended 31 December 2011 *US$*	For the three months ended 31 December 2010 *US$*	For the twelve months ended 31 December 2011 *US$*	For the twelve months ended 31 December 2010 *US$*
Interest income	37.386	177.529	160.190	483.815
Net exchange gain	469.963	328.379	-	53.859
Other financial income	74.671	170.235	114.844	356.575
	582.020	676.143	275.034	894.249
Bank interest	1.206.561	1.300.697	4.950.972	4.340.601
Bank charges	539.435	561.678	1.782.376	1.651.024
Factoring interest	528.371	409.533	1.302.479	1.249.905
Factoring charges	47.339	391.121	335.522	618.032
Other financial expenses	47.702	56.958	191.411	172.493
Other interest	47.036	33.571	134.266	276.190
Net exchange loss	-	-	633.915	-
	2.416.444	2.753.558	9.330.941	8.308.245
Net	(1.834.424)	(2.077.415)	(9.055.907)	(7.413.996)

9. Profit before taxation

	For the three months ended 31 December 2011 *US$*	For the three months ended 31 December 2010 *US$*	For the twelve months ended 31 December 2011 *US$*	For the twelve months ended 31 December 2010 *US$*
Profit before taxation is stated after charging:				
(a) Depreciation	693.100	630.614	2.501.801	2.302.605
(b) Amortization	124.802	166.915	586.150	707.054
(c) Auditor’s remuneration	239.499	176.978	733.945	607.955
(d) Directors’ remuneration – executive (Note 27)	207.352	178.644	702.066	559.627
(e) Directors’ remuneration non-executive (Note 27)	10.040	10.095	41.706	39.627

10. Taxation

	For the year ended 31 December 2011 *US$*	For the year ended 31 December 2010 *US$*
Credit balance 1 January	490.649	64.659
Tax asset from subsidiaries acquired	-	(278)
Tax asset on disposal of subsidiary	41	-
Provision for the year	1.147.023	1.315.092
(Over)/under provision of prior year	(38.608)	7.477
Exchange difference on retranslation	(66.652)	(4.877)
Amounts paid, net	(1.870.742)	(891.424)
Net (debit)/credit balance 31 December	(338.289)	490.649
Tax receivable	(427.765)	(348.667)
Tax payable	89.476	839.316
Net	(338.289)	490.649

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

	For the three months ended 31 December 2011 *US$*	For the three months ended 31 December 2010 *US$*	For the twelve months ended 31 December 2011 *US$*	For the twelve months ended 31 December 2010 *US$*
Provision for the period	616.618	648.189	1.147.023	1.315.092
(Over)/under provision of prior years	(43.000)	5.465	(38.608)	7.477
Deferred tax charge/ (credit)	91.068	(91.398)	98.000	(372.675)
Charge for the period	664.686	562.256	1.206.415	949.894

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

11. Deferred tax

	For the year ended 31 December 2011 *US$*	For the year ended 31 December 2010 *US$*
Debit balance on 1 January	(991.821)	(625.795)
Deferred tax charge/(credit) for the year (note 10)	98.000	(372.675)
Exchange difference on retranslation	23.311	6.649
Debit balance on 31 December	(870.510)	(991.821)

12. Inventories

	As at 31 December 2011 *US$*	As at 31 December 2010 *US$*
Goods held for resale	97.085.963	99.006.701
Goods in transit	16.433.482	5.524.296
Provision for slow moving and obsolete stock	(1.879.237)	(911.912)
	111.640.208	103.619.085

<u>Movement in provision for slow moving and obsolete stock</u>	For the year ended 31 December 2011 *US$*	For the year ended 31 December 2010 *US$*
On 1 January	911.912	1.339.448
Net movement for the year	1.075.508	(461.891)
Exchange difference	(108.183)	34.355
On 31 December	1.879.237	911.912

13. Trade receivables

	As at 31 December 2011 *US$*	As at 31 December 2010 *US$*
Trade receivables	244.645.546	280.952.154
Allowance for doubtful debts	(6.654.725)	(5.352.303)
	237.990.821	275.599.851

<u>Movement in provision for doubtful debts:</u>	For the year ended 31 December 2011 *US$*	For the year ended 31 December 2010 *US$*
On 1 January	5.352.303	4.556.457
Provisions during the year	2.694.732	2.368.507
Amount written-off as uncollectible	(964.595)	(1.364.409)
Bad debts recovered	(27.147)	(52.844)
Exchange difference	(400.568)	(155.408)
On 31 December	6.654.725	5.352.303

14. Other current assets

	As at 31 December 2011 *US$*	As at 31 December 2010 *US$*
Other debtors and prepayments	3.428.339	3.001.796
VAT and other taxes refundable	4.828.442	3.244.704
Employee floats	223.356	326.032
Deposits and advances to service providers	834.967	857.630
	9.315.104	7.430.162

15. Derivative financial asset

	As at 31 December 2011 *US$*	As at 31 December 2010 *US$*
Derivative financial assets carried at fair value through profit or loss		
Foreign currency derivative contracts	559.106	5.379
	559.106	5.379

16. Property, plant and equipment

	Land and buildings US$	Assets under construction US$	Warehouse machinery US$	Furniture and fittings US$	Office equipment US$	Motor vehicles US$	Computer hardware US$	Total US$
Cost								
At 1 January 2010	19.516.123	-	143.028	2.011.028	2.726.272	3.276.380	5.377.891	33.050.722
Additions from acquisition of subsidiaries	-	-	-	953	214	-	1.720	2.887
Additions	106.863	3.402.910	31.920	222.353	195.453	598.214	645.938	5.203.651
Disposals	-	-	(5.690)	(78.566)	(150.004)	(241.565)	(275.108)	(750.933)
Foreign exchange difference on retranslation	(838.908)	-	(59)	(88.697)	(87.433)	(121.372)	(196.426)	(1.332.895)
At 31 December 2010	18.784.078	3.402.910	169.199	2.067.071	2.684.502	3.511.657	5.554.015	36.173.432
Additions	1.386.612	709.493	3.792	252.758	203.921	231.227	612.501	3.400.304
Disposals	-	-	-	(65.558)	(197.050)	(428.094)	(394.254)	(1.084.956)
Transfers	4.112.403	(4.112.403)	-	-	-	-	-	-
Foreign exchange difference on retranslation	(466.212)	-	1.333	(42.047)	(64.033)	(94.373)	(146.967)	(812.299)
At 31 December 2011	23.816.881	-	174.324	2.212.224	2.627.340	3.220.417	5.625.295	37.676.481
Accumulated depreciation								
At 1 January 2010	1.365.248	-	12.246	874.394	1.148.411	1.700.358	3.408.629	8.509.286
Charge for the year	477.917	-	18.342	215.720	296.810	527.081	766.735	2.302.605
Disposals	-	-	(5.690)	(52.701)	(51.475)	(229.582)	(258.111)	(597.559)
Foreign exchange difference on retranslation	(80.471)	-	(104)	(33.364)	(41.712)	(62.179)	(106.675)	(324.505)
At 31 December 2010	1.762.694	-	24.794	1.004.049	1.352.034	1.935.678	3.810.578	9.889.827
Charge for the year	565.426	-	19.285	224.636	261.882	556.936	873.636	2.501.801
Disposals	-	-	-	(39.884)	(138.447)	(351.120)	(393.748)	(923.199)
Foreign exchange difference on retranslation	(83.641)	-	4.377	(41.569)	(60.430)	(92.182)	(142.877)	(416.322)
At 31 December 2011	2.244.479	-	48.456	1.147.232	1.415.039	2.049.312	4.147.589	11.052.107
Net book value								
At 31 December 2011	21.572.402	-	125.868	1.064.992	1.212.301	1.171.105	1.477.706	26.624.374
At 31 December 2010	17.021.384	3.402.910	144.405	1.063.022	1.332.468	1.575.979	1.743.437	26.283.605

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

17. Intangible assets

	Computer software US$	Patents and licenses US$	Total US$
Cost			
At 1 January 2010	6.533.961	679.436	7.213.397
Additions	121.457	129.601	251.058
Disposals upon disposal of subsidiaries	(76)	-	(76)
Disposals	(90.219)	(23.766)	(113.985)
Foreign exchange difference on retranslation	(53.518)	(12.013)	(65.531)
At 31 December 2010	6.511.605	773.258	7.284.863
Additions	154.760	363.746	518.506
Disposals/ write-offs	(307.169)	(84.796)	(391.965)
Foreign exchange difference on retranslation	(52.259)	(18.374)	(70.633)
At 31 December 2011	6.306.937	1.033.834	7.340.771
Accumulated amortization			
At 1 January 2010	4.483.801	553.797	5.037.598
Charge for the year	623.931	83.123	707.054
Disposals upon disposal of subsidiaries	(76)	-	(76)
Disposals	(89.806)	-	(89.806)
Foreign exchange difference on retranslation	(34.832)	(7.227)	(42.059)
At 31 December 2010	4.983.018	629.693	5.612.711
Charge for the year	456.938	129.212	586.150
Disposals/ write-offs	(245.220)	(51.499)	(296.719)
Foreign exchange difference on retranslation	(53.072)	(15.502)	(68.574)
At 31 December 2011	5.141.664	691.904	5.833.568
Net book value			
At 31 December 2011	1.165.273	341.930	1.507.203
At 31 December 2010	1.528.587	143.565	1.672.152

18. Available-for-sale financial assets

	Country of incorporation	Participation %	Cost US$	Impairment US$	As at 31 December 2011 US$	As at 31 December 2010 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
			99.580	(90.000)	9.580	9.580

19. Other current liabilities

	As at 31 December 2011 *US$*	As at 31 December 2010 *US$*
Factoring creditors (i)	29.765.116	32.373.068
Non-trade accounts payable	3.233.257	4.578.205
Salaries payable and related costs	1.371.575	1.217.365
VAT payable	4.880.799	6.106.819
Amount due to directors – executive	6.449	20.630
Amounts due to directors – non-executive	10.043	10.402
Unpaid consideration for investment in joint venture	-	115.961
Accruals and deferred income	7.981.239	6.709.608
	47.248.478	51.132.058

(i) As at 31 December 2011 the group enjoyed factoring facilities of US$ 45.740.348 (31 December 2010: US$ 48.245.810). The factoring facilities are secured as mentioned in note 21.

20. Derivative financial liability

	As at 31 December 2011 *US$*	As at 31 December 2010 *US$*
<u>Derivative financial liabilities carried at fair value through profit or loss</u>		
Foreign currency derivative contracts	1.215	138.840
	1.215	138.840

21. Bank overdrafts and short term loans

	As at 31 December 2011 *US$*	As at 31 December 2010 *US$*
Bank overdrafts	29.616.717	27.010.563
Bank short term loans	16.071.488	24.382.256
Current portion of long term loans	669.390	677.903
	46.357.595	52.070.722

Summary of borrowings and overdraft arrangements

The group as at 31 December 2011 had the following financing facilities with banks in the countries that the company and its subsidiaries are operating:

- overdraft lines of US$ 52.644.277 (31 December 2010: US$ 52.167.256)
- short term loans/revolving facilities of US$ 24.189.249 (31 December 2010: US$ 31.257.789)
- bank guarantees of US$ 8.704.773 (31 December 2010: US$ 7.825.171)

The group had for the year ending 31 December 2011 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 6.9 % (2010: 7,4%)

21. Bank overdrafts and short term loans (continued)

Summary of borrowings and overdraft arrangements (continued)

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

- First, second and third floating charges over all assets of the company.
- Mortgage on land and buildings that the group owns in Cyprus, Czech Republic, Belarus, Middle East, Bulgaria, Ukraine and Slovakia
- Charge over receivables and inventories
- Corporate guarantees and, in some cases, cross guarantees by all group companies to the extent of facilities granted
- Assignment of insurance policies

Pledged deposits of US$ 1.859.022 (31 December 2010: US$ 888.327)

22. Long term liabilities

	As at 31 December 2011 *US$*	As at 31 December 2010 *US$*
Bank loans	4.063.249	4.902.217
Other long term liabilities	291.371	266.417
	4.354.620	5.168.634

23. Finance leases

	As at 31 December 2011 *US$*	As at 31 December 2010 *US$*
Obligations under finance leases	264.395	540.425
Less: Amount payable within one year	(171.339)	(267.835)
Amounts payable within 2-5 years inclusive	93.056	272.590

24. Share Capital

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

25. Operating segments

1.1 Reportable segments

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

1.2 Segment revenues

	For the three months ended 31 December 2011 *US$*	For the three months ended 31 December 2010 *US$*	For the twelve months ended 31 December 2011 *US$*	For the twelve months ended 31 December 2010 *US$*
Former Soviet Union	202.318.047	214.333.681	614.904.827	588.378.541
Central Eastern Europe	166.902.854	166.700.797	508.773.173	481.963.173
Western Europe	31.029.161	26.979.853	105.788.935	109.926.026
Middle East & Africa	56.898.122	55.699.862	205.789.517	203.452.084
Other	13.008.373	13.354.862	46.818.367	51.342.903
	470.156.557	477.069.055	1.482.074.819	1.435.062.727

1.3 Segment results

	For the three months ended 31 December 2011 *US$*	For the three months ended 31 December 2010 *US$*	For the twelve months ended 31 December 2011 *US$*	For the twelve months ended 31 December 2010 *US$*
Former Soviet Union	2.035.348	1.169.752	6.918.061	4.825.323
Central Eastern Europe	5.392.770	3.655.709	6.262.774	3.946.892
Western Europe	374.782	(924.697)	443.005	132.867
Middle East & Africa	2.893.361	1.461.515	2.083.576	555.560
Other	(49.291)	(832.160)	(47.072)	(31.762)
Profit from operations	10.646.970	4.530.119	15.660.344	9.428.880
Net financial expenses	(1.834.424)	(2.077.415)	(9.055.907)	(7.413.996)
Other gains and losses	154.215	103.797	498.821	289.423
Goodwill written off	-	-	(50.213)	-
Share of loss from joint ventures	(26.470)	(80.124)	(186.410)	(52.365)
Profit before taxation	8.940.291	2.476.377	6.866.635	2.251.942

25. Operating segments (continued)

1.4 Inter-segment revenues

Selling segment	Purchasing segment	For the three months ended 31 December 2011 *US$*	For the three months ended 31 December 2010 *US$*
Central Eastern Europe	Former Soviet Union	902.049	-
Western Europe	Middle East & Africa	194.503	747.327

Selling segment	Purchasing segment	For the twelve months ended 31 December 2011 *US$*	For the twelve months ended 31 December 2010 *US$*
Central Eastern Europe	Former Soviet Union	902.049	-
Western Europe	Middle East & Africa	1.628.682	2.063.148

1.5 Segment capital expenditure (CAPEX)

	As at 31 December 2011 *US$*	As at 31 December 2010 *US$*
Former Soviet Union	5.178.003	4.276.064
Central Eastern Europe	11.453.320	12.354.783
Western Europe	381.430	511.741
Middle East & Africa	4.025.647	4.092.835
Unallocated	7.643.694	7.321.064
	28.682.094	28.556.487

1.6 Segment depreciation and amortisation

	For the three months ended 31 December 2011 *US$*	For the three months ended 31 December 2010 *US$*	For the twelve months ended 31 December 2011 *US$*	For the twelve months ended 31 December 2010 *US$*
Former Soviet Union	158.413	105.469	478.947	365.945
Central Eastern Europe	315.654	312.196	1.162.334	1.102.140
Western Europe	51.719	63.729	231.954	237.124
Middle East & Africa	107.627	98.379	403.592	360.852
Unallocated	184.489	217.756	811.124	943.598
	817.902	797.529	3.087.951	3.009.659

25. Operating segments (continued)

1.7 Segment assets

	As at 31 December 2011 *US$*	As at 31 December 2010 *US$*
Former Soviet Union	180.309.160	189.253.508
Eastern Europe	123.512.702	128.640.027
Western Europe	33.416.766	35.239.222
Middle East & Africa	57.489.213	64.908.466
Total	394.727.841	418.041.223
Assets allocated in capital expenditure (1.5)	28.682.094	28.556.487
Other unallocated assets	15.340.901	19.029.034
Consolidated assets	438.750.836	465.626.744

26. Cash and cash equivalents

	As at 31 December 2011 *US$*	As at 31 December 2010 *US$*
Cash at bank and in hand	48.868.023	48.380.080
Bank overdrafts (Note 21)	(29.616.717)	(27.010.563)
	19.251.306	21.369.517

The cash at bank and in hand balances include an amount of US$ 1.859.022 (31 December 2010: US$ 888.327) which represents pledged deposits.

27. Transactions and balances of key management

	For the three months ended 31 December 2011 *US$*	For the three months ended 31 December 2010 *US$*	For the twelve months ended 31 December 2011 *US$*	For the twelve months ended 31 December 2010 *US$*
Directors' remuneration – executive	207.352	178.644	702.066	559.627
Directors' remuneration – non-executive	10.040	10.095	41.706	39.627
	217.392	188.739	743.772	599.254

	As at 31 December 2011 *US$*	As at 31 December 2010 *US$*
Amount due to directors – executive	6.449	20.630
Amount due to directors – non-executive	10.043	10.402
	16.492	31.032

28. Commitments and contingencies

As at 31 December 2011 the group was committed in respect of purchases of inventories of a total cost value of US$3.217.332 which were in transit as at 31 December 2011 and delivered in January 2012. 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 as at the year end.

As at 31 December 2011 the group was contingently liable in respect of bank guarantees of US$ 8.704.773 which the group had extended mainly to its suppliers.

As at 31 December 2011 the group had no other legal commitments and contingencies.

29. Goodwill

	As at 31 December 2011 *US$*	As at 31 December 2010 *US$*
At 1 January	600.730	550.517
Goodwill arising from business combinations	-	50.213
Goodwill written off (note ii)	(50.213)	-
At 31 December (note i)	550.517	600.730

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

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

ii. The write-off of goodwill relates to the business combinations of the following subsidiaries:

	As at 31 December 2011 *US$*	As at 31 December 2010 *US$*
Euromall Limited Bulgaria EOOD	41.416	-
ION-Ukraine LLC	8.797	-
	50.213	-

30. Investments in joint ventures

	As at 31 December 2011 *US$*	As at 31 December 2010 *US$*
Cost		
At 1 January	737.997	-
Decrease in share capital	(111.597)	-
Investments in joint ventures during the year	-	737.997
At 31 December	626.400	737.997
Accumulated share of profits from joint ventures		
At 1 January	(52.365)	-
Share of losses from joint ventures during the year	(186.410)	(52.365)
At 31 December	(238.775)	(52.365)
Investments in joint ventures recorded under the equity method of consolidation	387.625	685.632

31. Comparative figures

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

32. Events after the reporting period

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