INTERIM REPORT
FOR THE THREE AND NINE MONTHS
ENDED 30 SEPTEMBER 2011

Limassol, November 9th, 2011

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

We have prepared this report as required by Paragraph 82 section 1 point 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 30 September 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 nine month periods ended 30 September 2011

The principal events of the three months ended 30 September 2011 were as follows:

- Revenues in Q3 2011 increased by 0.55% to U.S. $ 359,419 from U.S. $ 357,437 in the corresponding period of 2010.

- Gross profit before currency movements in Q3 2011 increased by 15.32% to U.S. $ 17,611 from U.S. $ 15,271 in the corresponding period of 2010.

- Gross profit after currency movements in Q3 2011 increased by 2.70% to U.S. $ 17,726 from U.S. $ 17,259 in the corresponding period of 2010.

- Gross profit margin in Q3 2011 increased by 2.14% to 4.93% from 4.83% in the corresponding period of 2010.

- Selling expenses in Q3 2011 increased by 20.61% to U.S. $ 8,883 from U.S. $ 7,365 in the corresponding period of 2010. It is however important to underline that at the same time, selling expenses in Q3 2011 were reduced compared to previous quarters of 2011, due to the restructuring of the sales organization compensation structure.

- Administrative expenses in Q3 2011 increased by 6.72% to U.S. $ 6,167 from U.S. $ 5,778 in the corresponding period of 2010. It is important to underline, that at the same time administrative expenses were reduced compared to previous quarters of 2011.

- EBITDA in Q3 2011 reached U.S. $ 3,410 in comparison to U.S. $ 4,862 in the corresponding period of 2010.

- Net profit after taxation in Q3 2011 reached U.S. $ 511 in comparison to U.S. $ 1,309 in the corresponding period of 2010. It is especially important that this profit was generated with almost no currency losses or gains, while in Q3 2010 the Company had currency gains of U.S.$ 1,989. This clearly shows a step ahead in the Company's strategy to hedge itself from currency volatilities.

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

Region	Q3 2011	Q3 2010
Former Soviet Union	152,428	152,948
Central and Eastern Europe	118,880	112,672
Western Europe	21,597	27,290
Middle East and Africa	55,266	52,098
Other	11,247	12,429
Grand Total	359,419	357,437

The principal events of the nine months ended 30 September 2011 were as follows:

- Revenues in Q1-Q3 2011 increased by 5.63% to U.S. $ 1,011,918 from U.S. $ 957,994 in the corresponding period of 2010.

- Gross profit before currency movements in Q1-Q3 2011 increased by 10.28% to U.S. $ 51,386 from U.S. $ 46,596 in the corresponding period of 2010.

- Gross profit after currency movements in Q1-Q3 2011 increased by 16.32% to U.S. $ 51,821 from U.S. $ 44,551 in the corresponding period of 2010.

- Gross profit margin in Q1-Q3 2011 increased by 10.12% to 5.12% from 4.65% in the corresponding period of 2010.

- Selling expenses in Q1-Q3 2011 increased by 23.43% to U.S. $ 27,920 from U.S. $ 22,621 in the corresponding period of 2010.

- Administrative expenses in Q1-Q3 2011 increased by 10.90% to U.S. $ 18,888 from U.S. $ 17,031 in the corresponding period of 2010.

- EBITDA in Q1-Q3 2011 reached U.S. $ 7,283 in comparison to U.S. $ 7,111 in the corresponding period of 2010.

- Net loss after taxation in Q1-Q3 2011 reached U.S. $ 2,615 in comparison to a net loss after taxation of U.S. $ 612 in the corresponding period of 2010. This was mainly because of losses connected with Belarus in Q2 2011.

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

Region	Q1-Q3 2011	Q1-Q3 2010
Former Soviet Union	412,587	374,045
Central and Eastern Europe	341,870	315,262
Western Europe	74,760	82,946
Middle East and Africa	148,891	147,752
Other	33,810	37,988
Grand Total	1,011,918	957,994

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 nine months ended September 30th, 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 September 30th, 2011, that is: 1 US$ = 3.2574 PLN and 1 EUR = 4.4112 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 July 1st to September 30th, 2010, that is 1 US$ = 3.0521 PLN and 1 EUR = 3.9996 PLN and July 1st to September 30th, 2011, that is 1 US$ = 2.9793 PLN and 1 EUR = 4.1894 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 September 30th, 2010, that is 1 US$ = 3.0556 PLN and 1 EUR = 4.0027 PLN and January 1st to September 30th, 2011, that is 1 US$ = 2.8523 PLN and 1 EUR = 4.0413 PLN.

	Period from 1 July to 30 September 2011			Period from 1 July to 30 September 2010		
	USD	PLN	EUR	USD	PLN	EUR
Revenue	**359,419**	**1,070,818**	**255,602**	**357,437**	**1,090,935**	**272,761**
Cost of sales	(341,809)	(1,018,350)	(243,078)	(342,167)	(1,044,327)	(261,108)
Gross profit before currency movements	**17,611**	**52,468**	**12,524**	**15,271**	**46,608**	**11,653**
Currency movements on gross profit	115	343	82	1,989	6,069	1,518
Gross profit after currency movements	**17,726**	**52,812**	**12,606**	**17,259**	**52,677**	**13,171**
Selling expenses	(8,883)	(26,465)	(6,317)	(7,365)	(22,479)	(5,620)
Administrative expenses	(6,167)	(18,373)	(4,386)	(5,778)	(17,636)	(4,409)
Profit from operations	**2,676**	**7,973**	**1,903**	**4,116**	**12,563**	**3,141**
Financial expenses	(2,156)	(6,425)	(1,534)	(2,837)	(8,657)	(2,165)
Financial income	82	245	59	145	442	110
Other gains and losses	192	573	137	21	65	16
Impairment of goodwill	(50)	(150)	(36)	-	-	-
Share of profit from joint ventures	1	3	1	16	49	12
Profit before taxation	**745**	**2,219**	**530**	**1,462**	**4,462**	**1,116**
Taxation	(234)	(696)	(166)	(153)	(467)	(117)
Profit after taxation	**511**	**1,524**	**364**	**1,309**	**3,995**	**999**
Attributable to:						
Non-controlling interests	158	471	113	100	306	77
Owners of the parent	**353**	**1,052**	**251**	**1,209**	**3,688**	**922**

	USD (cents)	PLN (grosz)	EUR (cents)	USD (cents)	PLN (grosz)	EUR (cents)
Basic and diluted earnings per share from continuing operations	0.64	1.90	0.45	2.18	6.65	1.66

	Period from 1 January to 30 September 2011			Period from 1 January to 30 September 2010		
	USD	PLN	EUR	USD	PLN	EUR
Net cash outflows from operating activities	(30,902)	(88,141)	(21,810)	(46,846)	(143,144)	(35,762)
Net cash outflows from investing activities	(3,303)	(9,421)	(2,331)	(2,158)	(6,593)	(1,647)
Net cash inflows/(outflows) from financing activities	(6,721)	(19,168)	(4,743)	7,985	24,399	6,096
Net increase/(decrease) in cash and cash equivalents	**(40,925)**	**(116,730)**	**(28,884)**	**(41,019)**	**(125,337)**	**(31,313)**
Cash at the beginning of the period	**21,370**	**60,952**	**15,082**	**36,572**	**111,749**	**27,918**
Cash at the end of the period	**(19,555)**	**(55,777)**	**13,802**	**(4,447)**	**(13,589)**	**(3,395)**

	As at 30 September 2011			As at 31 December 2010		
	USD	PLN	EUR	USD	PLN	EUR
Current assets	367,849	1,198,230	271,634	435,383	1,290,519	325,864
Non-current assets	31,207	101,654	23,045	30,244	89,645	22,636
Total assets	399,056	1,299,885	294,678	465,627	1,380,164	348,500
Liabilities	310,156	1,010,303	229,031	373,860	1,108,158	279,817
Equity	88,900	289,582	65,647	91,767	272,006	68,683

	Period from 1 January to 30 September 2011			Period from 1 January to 30 September 2010		
	USD	PLN	EUR	USD	PLN	EUR
Revenue	**1,011,918**	**2,886,295**	**714,200**	**957,994**	**2,927,246**	**731,318**
Cost of sales	(960,532)	(2,739,725)	(677,932)	(911,398)	(2,784,867)	(695,747)
Gross profit before currency movements	**51,386**	**146,569**	**36,268**	**46,596**	**142,378**	**35,571**
Currency movements on gross profit	435	1,241	307	(2,045)	(6,250)	(1,561)
Gross profit after currency movements	**51,821**	**147,810**	**36,575**	**44,551**	**136,129**	**34,009**
Selling expenses	(27,920)	(79,637)	(19,706)	(22,621)	(69,121)	(17,269)
Administrative expenses	(18,888)	(53,873)	(13,331)	(17,031)	(52,040)	(13,001)
Profit from operations	**5,013**	**14,300**	**3,538**	**4,899**	**14,969**	**3,740**
Financial expenses	(7,385)	(21,063)	(5,212)	(5,829)	(17,812)	(4,450)
Financial income	163	465	115	493	1,505	376
Other gains and losses	345	983	243	186	567	142
Impairment of goodwill	(50)	(143)	(35)	-	-	-
Share of (loss)/profit from joint ventures	(160)	(456)	(113)	28	85	21
Loss before taxation	**(2,074)**	**(5,915)**	**(1,464)**	**(224)**	**(686)**	**(171)**
Taxation	(542)	(1,545)	(382)	(388)	(1,185)	(296)
Loss after taxation	**(2,615)**	**(7,460)**	**(1,846)**	**(612)**	**(1,870)**	**(467)**
Attributable to:						
Non-controlling interests	15	43	11	201	613	153
Owners of the parent	**(2,631)**	**(7,503)**	**(1,857)**	**(813)**	**(2,483)**	**(620)**

	USD (cents)	PLN (grosz)	EUR (cents)	USD (cents)	PLN (grosz)	EUR (cents)
Basic and diluted earnings per share from continuing operations	(4.74)	(13.52)	(3.35)	(1.46)	(4.47)	(1.12)

4. Organization of ASBIS Group

The following table presents our corporate structure as at September 30th, 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, (Munich, Germany)	Full (100% subsidiary)
EUROMALL BULGARIA EOOD (Sofia, Bulgaria)	Full (100% subsidiary)
ION-Ukraine LLC (Kiev, Ukraine)	Full (100% subsidiary)
Advanced Systems Company LLC (Riyadh, Kingdom of Saudi Arabia)	Full (100% subsidiary)
ASBIS KOREA (Seoul, Korea)	Full (100% subsidiary)

5. Changes in the structure of the Company

During the three months ended September 30th, 2011 there was only one change in the structure of the Company and the Group. Asbis Nordic AB (Jaelfaella, Sweden) liquidation process has been completed following its incentive status.

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

We have not publish any forecasts for the three month period ended September 30th, 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. The revenues are expected to reach between U.S. $ 1,6 billion and U.S.$ 1,65 billion, and net profit after tax is expected to reach between U.S. $ 3 million and U.S. $ 4,5 million for the whole year. Having seen the results of Q3 2011, the Company is confident that it can reach the profitability levels forecasted.

7. Information on dividend payment

For the period ended September 30th, 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.

In the three and nine month periods ended on September 30th, 2011 the Company did not receive any information about any change in this structure.

Name	Number of shares	% of share capital	Number of Votes	% of votes
KS Holdings Ltd	25,676,361	46.26%	25,676,361	46.26%
Alpha Ventures S.A.	3,200,000	5.76%	3,200,000	5.76%
Aviva Investors	2,919,414	5,26%	2,919,414	5,26%
Free float	23,704,225	42.71%	23,704,225	42.71%*
Total	**55,500,000**	**100.00%**	**55,500,000**	**100.00%**

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

During the three month period ended September 30th, 2011 as well as for the period between August 18th, 2011 (the date of publication of the Interim Report for H1 2011) and November 9th, 2011 (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 September 30th, 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 September 30th, 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 September 30th, 2011 we did not have any material related party transaction exceeding the Polish Zloty equivalent of Euro 500 thousand other than typical or routine transactions.

13. Information on guarantees granted to third parties

Neither us, nor any of our affiliates or subsidiary companies have granted any guarantees or secured any third party credits for an amount exceeding 10% of its equity within the three months ended September 30th, 2011. However, the total bank guarantees raised by the Group (mainly to Group suppliers) as at September 30th, 2011 was U.S. $ 9,748 – as per note number 21 to the financial statements – which is above 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 September 30th, 2011 the Company's results of operations have been affected and are expected to continue to be affected by a number of factors, including the effects of currency fluctuations, 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, Q3 2011 results are free from material currency losses, despite steep volatilities of our trading currencies against USD. This confirms the quality of foreign exchange hedging introduced by the Company. It is the Company intention to sustain such effective policy in the future. It will be especially important because of the recent economic instability in the Euro-zone reflected in main currency pairs.

It is important to underline that (excluding the extraordinary and unforeseen situation in Belarus in Q2 2011), in Q3 2011 the Company continued to improve its results at all levels. This was possible mostly due to the Company's improvement in operating efficiency that allowed to benefit from both growing and stable markets.

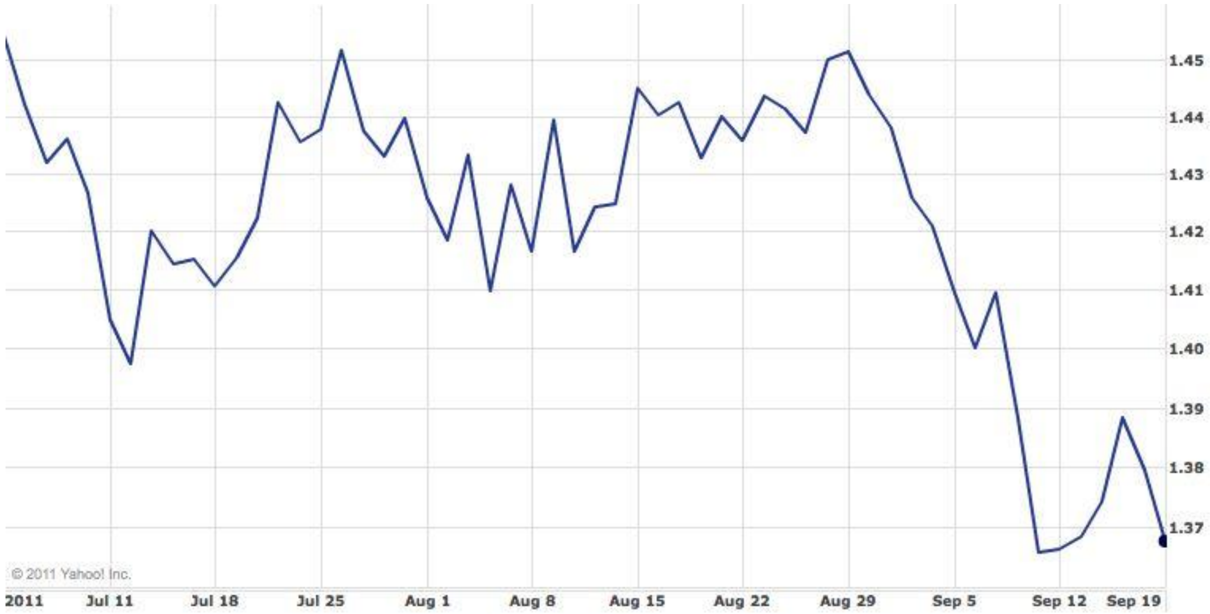
The Company's management strongly believes that if the overal economic situation will not change dramatically, further improvement of results will be visible in Q4 2011 and the financial forecasts are expected to be realized.

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 all hedging strategies possible to tackle this problem. The problem persists and will persist as the Euro and other Eastern European currencies fluctuate in a steep manner against the U.S. Dollar, the Group's reporting currency. Despite fluctations in the currency environment (see below chart), in Q3 2011 the Company was able to limit FX influence on its results due to improved hedging policy.

EUR/USD in Q3 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 the nine months of 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 Q3 (i.e. there were no major currency losses), it is of extreme importance to follow this strategy in future periods and focus more on growing profitability rather than on growing revenues .

Seasonality

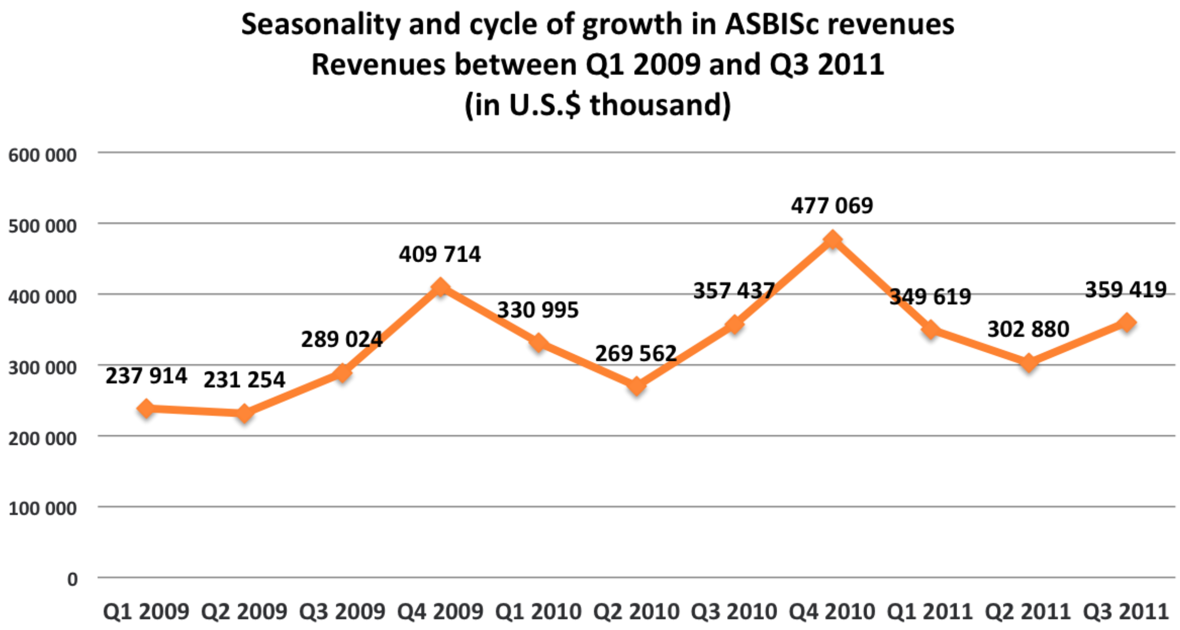
Traditionally the IT distribution industry in which the Company operates experiences high demand during the months prior to and leading up to the Christmas and New Year holiday period. In particular, IT distributors' demand tends to increase in the period starting from September to the end of the year.

After temporary changes in the traditional seasonality, observed in 2008 and 2009, the trend returned in 2010 and is also clearly visible in 2011 to date.

Results of Operations

Three and nine month periods ended 30 September 2011 compared to the three and nine month periods ended 30 September 2010

Revenues: As the seasonality effect is visible in the markets again, it was no surprise that revenues grew in Q3 2011 compared to both Q3 2010 and Q2 2011. In Q3 2011 revenues grew by 0.55% to U.S. $ 359,419 from U.S. $ 357,437 in the corresponding period of 2010. This growth should have been higher if not of the Company's decision to limit its operations in Belarus due to instability of its currency. More importantly during the first nine months of 2011 revenues increased by 5.63% to U.S. $ 1,011,918 from U.S. $ 957,994 in the corresponding period of 2010. If this traditional trend of seasonality will continue, revenues are expected to reach an annual peak in Q4 2011.



- **Gross profit:** Gross profit grew significantly both in Q3 2011 and in the first nine months of 2011. This was possible not only because of better sales, but also due to more effective hedging (excluding the unavoidable influence of Belarus in Q2 2011).

  Before currency movements:

- Gross profit before currency movements in Q3 2011 increased by 15.32% to U.S. $ 17,611 from U.S. $ 15,271 in the corresponding period of 2010.

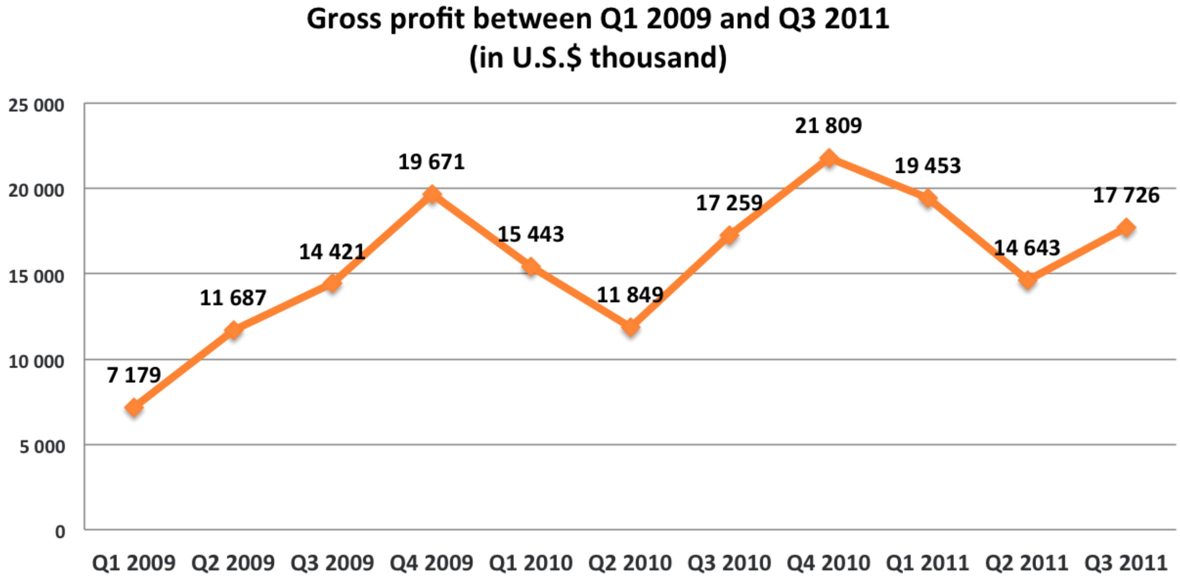
- Gross profit before currency movements in Q1-Q3 2011 increased by 10.28% to U.S. $ 51,386 from U.S. $ 46,596 in the corresponding period of 2010.

  After currency movements:

- Gross profit after currency movements in Q3 2011 increased by 2.70% to U.S. $ 17,726 from U.S. $ 17,259 in the corresponding period of 2010.

- Gross profit after currency movements in Q1-Q3 2011 increased by 16.32% to U.S. $ 51,821 from U.S. $ 44,551 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 Q4 2011.



- **Gross profit margin:** In both Q3 2011 and the first nine months of 2011 the Company was able to generate better margins due to upgraded product portfolio and better hedging (even if gross profit margin was affected by the situation in Belarus).

  Gross profit margin after currency movements in Q3 2011 increased by 2.14% to 4.93% from 4.83% in the corresponding period of 2010.

  Gross profit margin after currency movements in Q1-Q3 2011 increased by 10.12% to 5.12% from 4.65% in the corresponding period of 2010.

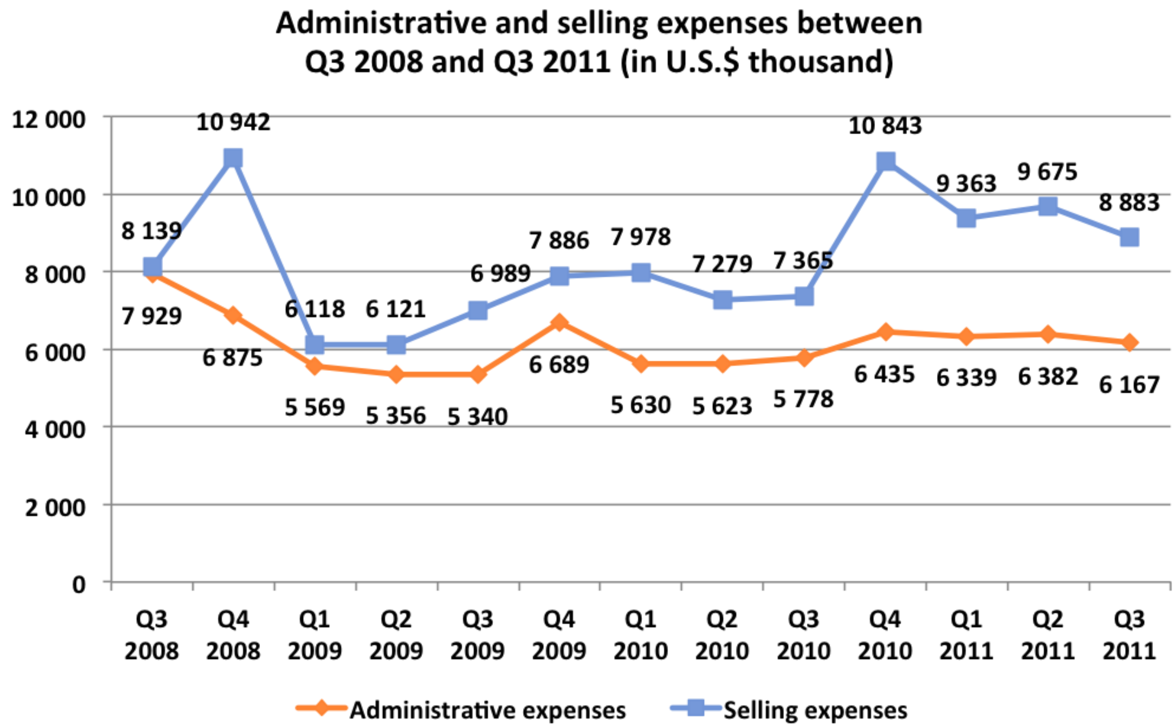
- **Selling expenses** largely comprise of salaries and benefits paid to sales employees (sales, marketing and logistics departments), marketing and advertising fees, commissions, and traveling expenses. Selling expenses usually grow together (but not in-line) with growing sales and gross profit which was also the case of Q3 2011.

  Selling expenses in Q3 2011 increased by 20.61% to U.S. $ 8,883 from U.S. $ 7,365 in the corresponding period of 2010. It is however important to underline that despite the growth in sales, the selling expenses in Q3 2011 were reduced compared to previous quarters of 2011. This was possible due to the restructuring of the sales organization packages.

  It is expected that the selling expenses will be further reduced in Q4 2011, subject to growth in sales and gross profit.

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

  Administrative expenses in Q3 2011 increased by 6.72% to U.S. $ 6,167 from U.S. $ 5,778 in the corresponding period of 2010. It is important to underline, that in the same time administrative expenses were reduced compared to previous quarters of 2011.



- **Operating profit:** In Q3 2011 the Company had an operating profit for both Q3 2011 and for the first nine months of 2011.

  In Q3 2011 the operating profit amounted to U.S. $ 2,676 compared to operating profit of U.S. $ 4,116 in the corresponding period of 2010.

  For the first nine months of 2011 the Company generated operating profit that amounted to U.S. $ 5,013 compared to operating profit of U.S. $ 4,899 in the corresponding period of 2010. It would have been even higher if not for the effect of Belarus in Q2 2011. Excluding that, the trend in operating profit is much more favorable for the Company, and therefore it is expected that operating profit will grow again in Q4 2011.

- **EBITDA:** In Q3 2011 reached U.S. $ 3,410 in comparison to U.S. $ 4,862 in the corresponding period of 2010. EBITDA in Q1-Q3 2011 reached U.S. $ 7,283 in comparison to U.S. $ 7,111 in the corresponding period of 2010.

- **Net profit/loss:** Net profit after taxation in Q3 2011 reached U.S. $ 511 in comparison to U.S. $ 1,309 in the corresponding period of 2010. It is especially important that the Company is profitable again after unexpected losses suffered in Q2 2011 because of the economic situation in Belarus.

  Profits of Q3 2011 were not enough yet to offset Q2 2011 losses. Therefore after the first nine months of 2011 the Company suffered a net loss after taxation amounting to U.S. $ 2,615 in comparison to a net loss after taxation of U.S. $ 612 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 Q3 2011 revenues derived from F.S.U. countries remained stable year-on-year, while in the first nine months of 2011 grew by +10.30% compared to the corresponding period of 2010. In addition sales revenues in CEE grew by 5.51% in Q3 2011 and by 8.44% in the first nine months of 2011. Finally, revenues in the Middle East and Africa grew by 6.08% in Q3 2011 and by 0.77% in the first nine months of the year. Strong growth in main markets listed above allowed the Company to offset temporarily lower revenues in smaller regions so the total revenues grew by 0.55% in Q3 2011 compared to Q3 2010, while after nine months of 2011 the Company increased total revenues by 5.63% year-on-year to U.S.$ 1,011,918 compared to U.S.$ 957,994 in the first nine months of 2010.

Country-by-country analysis confirms that even with the recent turbulences 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 Q3 2011 compared to Q3 2010. In the same time revenues derived from some other countries, like United Arab Emirates (+39.21%), Czech Republic (+6,54%) or Kazakhstan (+82,09%) have grown.

The table below provides a geographical breakdown of sales in the three month periods ended September 30th, 2011 and 2010.

	Q3 2011		Q3 2010	
	U.S. $ thousand	% of total revenues	U.S. $ thousand	% of total revenues
Former Soviet Union	152,428	42.41%	152,948	42.79%
Central and Eastern Europe	118,880	33.08%	112,672	31.52%
Middle East and Africa	55,267	13.15%	52,098	14.58%
Western Europe	21,597	6.01%	27,290	7.63%
Other	11,247	5.36%	12,429	3.48%
Total	359,419	100%	357,437	100%

Revenue breakdown – Top 10 countries in Q3 2011 and Q3 2010 (in U.S. Dollar thousand)

	Q3 2011		Q3 2010	
	Country	Sales U.S. $ thousand	Country	Sales U.S. $ thousand
1.	**Russia**	86,765	**Russia**	87,067
2.	**Ukraine**	38,382	**Ukraine**	40,003
3.	**Slovakia**	36,256	**Slovakia**	37,136
4.	**United Arab Emirates**	26,808	**United Arab Emirates**	19,357
5.	**Czech Republic**	19,719	**Czech Republic**	18,508
6.	**Kazakhstan**	17,001	**Belarus**	15,344
7.	**Saudi Arabia**	11,931	**Saudi Arabia**	12,165
8.	**Romania**	9,250	**Poland**	9,534
9.	**Bulgaria**	8,536	**Kazakhstan**	9,336
10.	**Croatia**	8,153	**The Netherlands**	8,002
11.	**Other**	96,619	**Other**	101,086
	Total revenue	359,419	**Total revenue**	357,437

Sales by product lines

Despite the fact that Q3 contains the summer months, that are traditionally low season, the Group was able to generate growth from all major product lines it carries due to upgraded product portfolio and better market position.

The table below sets a breakdown of revenues, by product, for Q3 2011 and 2010 (U.S.$ thousand):

	Q3 2011		Q3 2010	
	U.S. $ thousand	% of total revenues	U.S. $ thousand	% of total revenues
Central processing units (CPUs)	86,082	23.95%	71,974	20.14%
Hard disk drives (HDDs)	45,001	12.52%	43,002	12.03%
Software	33,095	9.21%	27,555	7.71%
PC-mobile (laptops)	85,601	23.82%	83,177	23.27%
Other	109,640	30.50%	131,729	36.85%
Total revenue	**359,419**	**100%**	**357,437**	**100%**

In the three month period ended September 30th, 2011:

- Revenue from sale of central processing units ("CPUs") increased by 19.60% to U.S. $ 86,082 from U.S. $ 71,974 in the corresponding period of 2010. This was possible due to increased unit sales.

- Revenue from sale of hard disk drives ("HDDs") increased by 4.65% to U.S. $ 45,001 from U.S. $ 43,002 in the corresponding period of 2010. This was mostly due to growing average selling price and relatively stable unit sales.

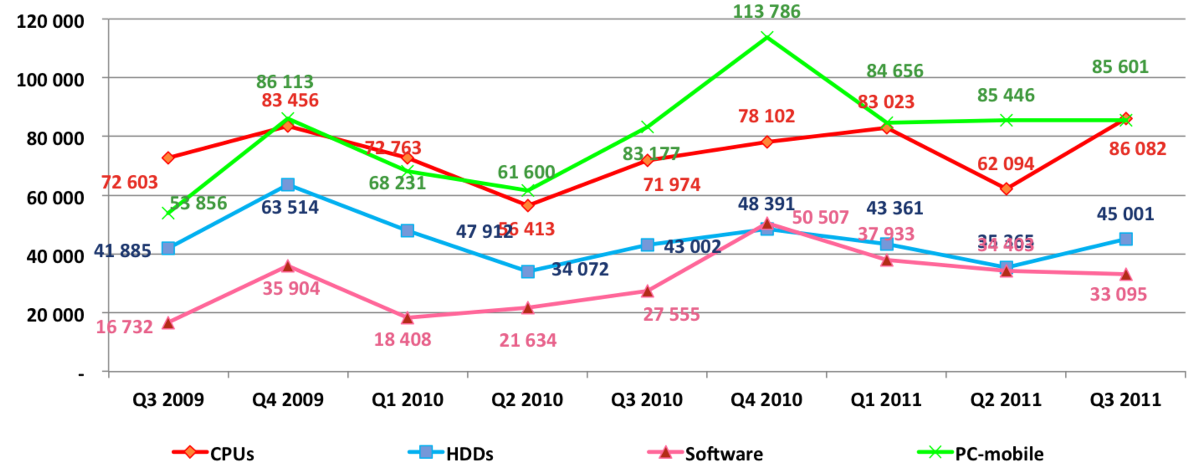
- Revenue from sale of software increased by 20.11% to U.S. $ 33,095 from U.S. $ 27,555 in the corresponding period of 2010. This increase of revenue from sale of software was connected with 37.72% increase in unit sales of different software because of improved product portfolio (i.e. Microsoft, Symantec, Kerio, Kaspersky) in many countries.

- Revenue from sale of PC-mobile ("laptops") increased by 2.91% to U.S. $ 85,601 from U.S. $ 83,177 in the corresponding period of 2010. This was mostly due growth in unit sales partially offset by lower average selling price during summer months.

In Q3 2011 the four main product lines increased their share in total revenue to 69.50% from 63.15% in the corresponding period of 2010.

- Apart from its main product categories, the Group is developing segments with high margins, like accessories and multimedia (+31.00%) and networking products (+137.70%) that grew significantly in Q3 2011 compared to the corresponding period of 2010. This is reflected in better margins and profitability.

Changes in revenues breakdown by main product lines between Q3 2009 and Q3 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. In Q3 2011 own brands contribution in total sales revenue was close to 6%. It is the Company's intention to further develop own brands sales so that in the medium term their contribution in total sales revenue will reach 10%. This should be possible because of undertaken efforts to rebuild the own brands product portfolio in the direction of lighter technology.

Growth in sales of main product lines observed in Q3 2011 is a continuation of good trend observed earlier this year. This is clearly visible in revenue breakdown by product lines after the first nine months of 2011 and 2010 (U.S.$ thousand):

	Q1-Q3 2011		Q1-Q3 2010	
	U.S. $ thousand	% of total revenues	U.S. $ thousand	% of total revenues
Central processing units (CPUs)	231,199	22.85%	201,151	21.00%
Hard disk drives (HDDs)	123,726	12.23%	124,987	13.05%
Software	105,431	10.42%	67,597	7.06%
PC-mobile (laptops)	255,703	25.27%	213,009	22.23%
Other	295,859	29.24%	351,251	36.67%
Total revenue	**1,011,918**	**100%**	**957,994**	**100%**

It is expected that the growth trend will continue also in Q4 2011 and help the Company to fulfill the financial forecasts for 2011 assuming revenues between U.S.$ 1.6 billion and U.S.$ 1.65 billion.

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 nine months ended September 30th, 2011 and 2010:

	Nine months ended September 30th	
	2011	2010
	U.S. $	
Net cash outflows from operating activities	(30,902)	(46,846)
Net cash outflows from investing activities	(3,303)	(2,158)
Net cash (outflows)/inflows from financing activities	(6,720)	7,985
Net decrease in cash and cash equivalents	(40,925)	(41,019)

Net cash outflows from operations

Net cash outflows from operations amounted to U.S. $ 30,902 for the nine months ended September 30th, 2011, compared to outflows of U.S. $ 46,846 in the corresponding period of 2010. This was primarily due to the decreased inventory and more efficient management of receivables.

Net cash outflows from investing activities

Net cash outflows from investing activities was U.S. $ 3,303 for the nine months ended September 30th, 2011, compared to U.S. $ 2,158 in the corresponding period of 2010. This was mostly due to purchase of the building in Belarus in Q2 2011.

Net cash (outflows)/inflows from financing activities

Net cash outflows from financing activities was U.S. $ 6,720 for the nine months ended September 30th, 2011, compared to inflows of U.S. $ 7,985 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 efforts to serve growing demand and increased sales, the cash and cash equivalents position decreased by U.S. $ 40,925 compared to a decrease of U.S. $ 41,019 in the corresponding period of 2010.

16. Factors which may affect our results in the future

Political and economic stability in Europe

Uncertainty about the Euro-zone and 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 the last 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

The very well diversified geographic coverage of the Group's revenues ensures that the Company divides the risk of lower sales in a particular country by 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 in there, similarly to Q3 2011. This means both a constant upgrade of product portfolio and close relations with customers to weather any currency or other issues that may arise in the future.

Despite the recovery in all major markets, particular markets experience problems from time to time, as it was the case of Belarus in Q2 2011. This affected the Company's nine months results on the profitability side. As of this point in time, the management does not foresee any other country with such problems further this year.

Currency volatilities:

The multi-currency environment that the Group operates in exposes its financial results to steep currency fluctuations. Despite the currency movements during Q3 2011 and nine months of 2011, the hedging policy of the Group has proven successful and should be followed without exception.

The case of Q3 2011, when the currency volatility was high and the Company did not suffer any currency losses confirms the management opinion that the hedging works well. The case of Belarus in Q2 2011 was extraordinary and one-off factor that is not likely to affect its results in the future. However, with recent political and economic developments in Euro-zone connected with debt-crisis, it is of extreme importance focus on market changes and adapt to them as they appear. Especially because with this turbulent environment there is no perfect hedging strategy that could completely eliminate the foreign exchange risk.

Therefore in 2011 and going forward, the Group will continue to be exposed to the currency volatilities despite all precautionary measures taken. It is our belief that should the currency environment stabilize, the results of the Group will be much improved.

Ability of the Group to control increased expenses:

The worldwide crisis has led the Group to take severe cost cutting actions during 2009. Following the increased demand and improved business environment, the Group 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, expenses were reduced again in Q3 2011. There was no negative effect to revenues during this process and therefore the Company will continue the cost-cutting actions and further reduce expenses in Q4 2011 and push on increasing its profitability.

Ability to further develop its product portfolio:

Because of its size, geographical coverage and good relationships with vendors, the Company, has managed to build an extensive product portfolio, which has played a significant role in our increased revenues during last year and in first nine 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.

Products like CPUs and HDDs have reached saturation on their life cycle and the need for new and higher margin products is becoming of extreme importance. The Group makes sure that more A-branded finished products are added 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 September 30th, 2011 and before this report release

According to our best knowledge, in the period between September 30th, 2011 and November 9th, 2011 no events have occurred that could affect the Company's operations or financial stability.

Part II Financial Information

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

Report and Condensed Consolidated Financial Statements for the period ended September 30th, 2011

Contents

ASBISC ENTERPRISES PLC

INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

FOR THE PERIOD ENDED

30 SEPTEMBER 2011

ASBISC ENTERPRISES PLC

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

C o n t e n t s

INTERIM CONSOLIDATED INCOME STATEMENT
FOR THE PERIOD ENDED 30 SEPTEMBER 2011

	Notes	For the three months ended 30 September 2011 *US$*	For the three months ended 30 September 2010 *US$*	For the nine months ended 30 September 2011 *US$*	For the nine months ended 30 September 2010 *US$*
Revenue	5,25	359.419.439	357.437.341	1.011.918.263	957.993.672
Cost of sales		(341.808.466)	(342.166.541)	(960.531.979)	(911.397.775)
Gross profit before currency movements		17.610.973	15.270.800	51.386.284	46.595.897
Currency movements on gross profit	6	115.218	1.988.592	434.987	(2.045.275)
Gross profit after currency movements		17.726.191	17.259.392	51.821.271	44.550.622
Selling expenses		(8.883.082)	(7.364.931)	(27.920.405)	(22.620.974)
Administrative expenses		(6.166.879)	(5.778.302)	(18.887.489)	(17.030.887)
Profit from operations		2.676.230	4.116.159	5.013.377	4.898.761
Financial expenses	8	(2.156.375)	(2.836.512)	(7.384.459)	(5.829.207)
Financial income	8	82.312	144.726	162.977	492.626
Other gains and losses	7	192.143	21.401	344.607	185.626
Impairment of goodwill	29	(50.213)	-	(50.213)	-
Share of profit/(loss) from joint ventures	30	828	16.132	(159.940)	27.759
Profit/(loss) before taxation	9	744.925	1.461.906	(2.073.651)	(224.435)
Taxation	10	(233.519)	(153.122)	(541.729)	(387.638)
Profit/(loss) after taxation		511.406	1.308.784	(2.615.380)	(612.073)
Attributable to:					
Non-controlling interest		158.158	100.305	15.136	200.521
Owners of the parent		353.248	1.208.479	(2.630.516)	(812.594)
		511.406	1.308.784	(2.615.380)	(612.073)
		US$ cents	US$ cents	US$ cents	US$ cents
Earnings per share					
Basic and diluted from continuing operations		0,64	2,18	(4,74)	(1,46)

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

	For the three months ended 30 September 2011 *US$*	For the three months ended 30 September 2010 *US$*	For the nine months ended 30 September 2011 *US$*	For the nine months ended 30 September 2010 *US$*
Profit/(loss) after taxation	511.406	1.308.784	(2.615.380)	(612.073)
Other comprehensive (loss)/income:				
Exchange difference on translating foreign operations	(1.648.124)	998.563	(101.531)	(423.346)
Other comprehensive (loss)/income for the period	(1.648.124)	998.563	(101.531)	(423.346)
Total comprehensive (loss)/income for the period	(1.136.718)	2.307.347	(2.716.911)	(1.035.419)
Total comprehensive (loss)/income attributable to:				
Non-controlling interests	150.492	105.547	17.697	177.733
Owners of the parent	(1.287.210)	2.201.800	(2.734.608)	(1.213.152)
	(1.136.718)	2.307.347	(2.716.911)	(1.035.419)

INTERIM CONSOLIDATED STATEMENT OF FINANCIAL POSITION
AS AT 30 SEPTEMBER 2011

ASSETS	Notes	Unaudited as at 30 September 2011 *US$*	Audited as at 31 December 2010 *US$*
Current assets			
Inventories	12	106.508.717	103.619.085
Trade receivables	13	235.427.685	275.599.851
Other current assets	14	8.374.524	7.430.162
Derivative financial asset	15	597.988	5.379
Current taxation	10	486.507	348.667
Cash at bank and in hand	26	16.453.220	48.380.080
Total current assets		367.848.641	435.383.224
Non-current assets			
Goodwill	29	550.517	600.730
Property, plant and equipment	16	27.609.756	26.283.605
Investments in joint ventures	30	414.095	685.632
Available-for-sale financial assets	18	9.580	9.580
Intangible assets	17	1.643.663	1.672.152
Deferred tax assets	11	979.594	991.821
Total non-current assets		31.207.205	30.243.520
Total assets		399.055.846	465.626.744
LIABILITIES AND EQUITY			
Liabilities			
Current liabilities			
Trade payables		211.468.926	263.969.863
Other current liabilities	19	38.309.248	51.132.058
Derivative financial liability	20	21.824	138.840
Current taxation	10	156.183	839.316
Short term obligations under finance leases	23	270.311	267.835
Bank overdrafts and short term loans	21	55.131.486	52.070.722
Total current liabilities		305.357.978	368.418.634
Non-current liabilities			
Long term liabilities	22	4.741.164	5.168.634
Long term obligations under finance leases	23	57.115	272.590
Total non-current liabilities		4.798.279	5.441.224
Total liabilities		310.156.257	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		53.982.526	56.717.134
Equity attributable to owners of the parent		88.600.769	91.335.377
Non-controlling interests		298.820	431.509
Total equity		88.899.589	91.766.886
Total liabilities and equity		399.055.846	465.626.744

The financial statements were approved by the Board on 8 November 2011.

Siarhei Kostevitch
Director

Marios Christou
Director

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

	Attributable to owners of the parent						
	Share capital *US$*	**Share premium** *US$*	**Retained earnings** *US$*	**Translation of foreign operations** *US$*	**Total** *US$*	**Non-controlling interests** *US$*	**Total equity** *US$*
Balance at 1 January 2010	11.100.000	23.518.243	56.290.074	123.812	91.032.129	319.403	91.351.532
(Loss)/income for the period 1 January 2010 to 30 September 2010	-	-	(812.594)	-	(812.594)	200.521	(612.073)
Other comprehensive loss for the period 1 January 2010 to 30 September 2010	-	-	-	(400.558)	(400.558)	(22.788)	(423.346)
Dividend payment to non-controlling interests	-	-	-	-	-	(188.356)	(188.356)
Acquisition of shares from non-controlling interests	-	-	(14.905)	-	(14.905)	(45.990)	(60.895)
Balance at 30 September 2010	11.100.000	23.518.243	55.462.575	(276.746)	89.804.072	262.790	90.066.862
Income for the period 1 October 2010 to 31 December 2010	-	-	1.761.879	-	1.761.879	152.242	1.914.121
Other comprehensive loss for the period 1 October 2010 to 31 December 2010	-	-	-	(230.574)	(230.574)	(252)	(230.826)
Dividend payment to non-controlling interests	-	-	-	-	-	(628)	(628)
Non-controlling interest on establishment of new subsidiary	-	-	-	-	-	17.357	17.357
Balance at 31 December 2010	11.100.000	23.518.243	57.224.454	(507.320)	91.335.377	431.509	91.766.886
(Loss)/income for the period 1 January 2011 to 30 September 2011	-	-	(2.630.516)	-	(2.630.516)	15.136	(2.615.380)
Other comprehensive (loss)/income for the period 1 January 2011 to 30 September 2011	-	-	-	(104.092)	(104.092)	2.561	(101.531)
Dividend payment to non-controlling interests	-	-	-	-	-	(150.386)	(150.386)
Balance at 30 September 2011	11.100.000	23.518.243	54.593.938	(611.412)	88.600.769	298.820	88.899.589

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

	Notes	For the three months ended 30 September 2011 US$	For the three months ended 30 September 2010 US$	For the nine months ended 30 September 2011 US$	For the nine months ended 30 September 2010 US$
Profit/(loss) for the period before tax and minority interest		744.925	1.461.906	(2.073.651)	(224.435)
Adjustments for:					
Exchange difference arising on consolidation		(793.468)	(384.945)	(416.116)	326.953
Provision for bad debts and receivables written off		332.694	175.005	948.148	1.364.524
Bad debts recovered		(14.250)	(22.339)	(22.498)	(23.083)
Depreciation	16	584.911	566.267	1.808.702	1.671.991
Amortization of intangible assets	17	148.723	179.891	461.348	540.138
Losses/(gains) arising on business combinations		50.213	(176)	45.849	(176)
Share of (profit)/loss from joint ventures	30	(828)	(16.132)	159.940	(27.759)
Interest received		(72.784)	(54.416)	(122.804)	(306.287)
Interest paid		1.320.242	1.190.430	3.744.410	3.039.904
Loss from the sale of property, plant and equipment and intangible assets		14.706	50.085	9.727	65.442
Operating profit before working capital changes		2.315.084	3.145.576	4.543.055	6.427.212
Increase in inventories		(4.164.472)	(5.593.034)	(2.889.631)	(24.244.871)
(Increase)/decrease in trade receivables		(23.418.811)	(42.920.802)	39.246.516	(23.785.364)
Increase in other current assets		(2.108.754)	(38.317)	(1.536.971)	(1.265.509)
Increase/(decrease) in trade payables		47.283.287	48.912.411	(52.500.937)	4.570.650
(Decrease)/increase in other current liabilities		(2.787.428)	12.207.748	(12.823.865)	(4.862.771)
Increase/(decrease) in other long-term liabilities		60.247	(47.244)	(7.855)	49.913
Cash inflows/(outflows) from operations		17.179.153	15.666.338	(25.969.688)	(43.110.740)
Taxation paid, net	10	(152.883)	(228.201)	(1.187.704)	(695.690)
Interest paid		(1.320.242)	(1.190.430)	(3.744.410)	(3.039.904)
Net cash inflows/(outflows) from operating activities		15.706.028	14.247.707	(30.901.802)	(46.846.334)

INTERIM CONSOLIDATED STATEMENT OF CASH FLOWS (continued)
FOR THE PERIOD ENDED 30 SEPTEMBER 2011

	Notes	For the three months ended 30 September 2011 *US$*	For the three months ended 30 September 2010 *US$*	For the nine months ended 30 September 2011 *US$*	For the nine months ended 30 September 2010 *US$*
Cash flows from investing activities					
Interest received		72.784	54.416	122.804	306.287
Purchase of property, plant and equipment	16	(347.393)	(1.042.665)	(3.197.978)	(1.975.733)
Purchase of intangible assets	17	(88.457)	(31.003)	(506.734)	(225.095)
Net payments on business combinations		-	253	-	(310.927)
Net cash acquired on business combinations		-	(76)	-	22.793
Proceeds from sale of property, plant and equipment and intangible assets		21.809	14.083	279.086	25.115
Net cash outflows from investing activities		(341.257)	(1.004.992)	(3.302.822)	(2.157.560)
Cash flows from financing activities					
Dividends paid to non-controlling interests		-	-	(150.384)	(188.356)
(Repayments)/proceeds of long term loans and long term obligations under finance lease		(601.966)	147.753	(635.090)	(697.548)
(Repayments)/proceeds of short term loans and short term obligations under finance lease		(8.938.443)	5.835.033	(5.934.629)	8.870.888
Net cash (outflows)/inflows from financing activities		(9.540.409)	5.982.786	(6.720.103)	7.984.984
Net increase/(decrease) in cash and cash equivalents		5.824.362	19.225.501	(40.924.727)	(41.018.910)
Cash and cash equivalents at beginning of the period		(25.379.572)	(23.672.653)	21.369.517	36.571.758
Cash and cash equivalents at end of the period	26	(19.555.210)	(4.447.152)	(19.555.210)	(4.447.152)

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 nine months ended 30 September 2011 have been prepared in accordance with International Accounting Standard (IAS) 34, Interim Financial Reporting, as adopted by the European Union (EU).

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

3. Basis of consolidation

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

4. Significant accounting policies

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

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

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

The condensed consolidated financial statements are presented in US$.

The accounting policies adopted for the preparation of the condensed consolidated financial statements for the nine months ended 30 September 2011 are consistent with those followed for the preparation of the annual financial statements for the year 2010 except for the adoption by the group of all the new and revised standards and interpretations issued by the International Accounting Standards Board (IASB) and the International Financial Reporting Interpretations Committee (IFRIC) of the IASB that are relevant to its operations and effective for annual periods beginning on 1 January 2011. The adoption of new and revised standards and interpretations did not have any material effect on the group's condensed consolidated financial statements.

5. Effects of seasonality

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

NOTES TO THE INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS FOR THE PERIOD ENDED 30 SEPTEMBER 2011

6. **Currency movements on gross profit**	For the three months ended 30 September 2011 *US$*	For the three months ended 30 September 2010 *US$*	For the nine months ended 30 September 2011 *US$*	For the nine months ended 30 September 2010 *US$*
Realised currency movements on trading activities	(3.413.270)	700.492	(2.779.133)	(2.960.816)
Unrealised currency movements on trading activities	1.839.667	2.156.830	2.610.933	1.268.195
Realised gain/(loss) on executed forward contracts	1.012.129	(341.280)	(178.408)	53.727
Net unrealised gain/(loss) on unexecuted forward contracts	676.692	(527.450)	781.595	(406.381)
Gain/(loss) on currency movements	115.218	1.988.592	434.987	(2.045.275)

7. **Other gains and losses**	For the three months ended 30 September 2011 *US$*	For the three months ended 30 September 2010 *US$*	For the nine months ended 30 September 2011 *US$*	For the nine months ended 30 September 2010 *US$*
Rental income	89.443	43.658	151.092	131.053
Loss on disposal of property, plant and equipment	(14.706)	(50.085)	(9.727)	(65.442)
Bad debts recovered	14.250	22.339	22.498	23.083
Other income	103.156	5.489	180.744	96.932
	192.143	21.401	344.607	185.626

8. **Financial expense, net**

	For the three months ended 30 September 2011 *US$*	For the three months ended 30 September 2010 *US$*	For the nine months ended 30 September 2011 *US$*	For the nine months ended 30 September 2010 *US$*
Interest income	72.784	54.416	122.804	306.287
Other financial income	9.528	90.310	40.173	186.339
	82.312	144.726	162.977	492.626
Bank interest	1.320.242	1.190.430	3.744.410	3.039.904
Bank charges	304.435	413.739	1.242.942	1.089.347
Factoring interest	275.447	284.075	774.108	840.372
Factoring charges	102.836	102.211	288.183	226.911
Other financial expenses	53.528	43.925	143.709	115.535
Other interest	13.175	56.113	87.231	242.618
Net exchange loss	86.712	746.019	1.103.876	274.520
	(2.156.375)	(2.836.512)	(7.384.459)	(5.829.207)
Net	(2.074.063)	(2.691.786)	(7.221.482)	(5.336.581)

9. Profit/(loss) before taxation

	For the three months ended 30 September 2011 *US$*	For the three months ended 30 September 2010 *US$*	For the nine months ended 30 September 2011 *US$*	For the nine months ended 30 September 2010 *US$*
The profit/(loss) before taxation is stated after charging:				
(a) Depreciation	584.911	566.267	1.808.702	1.671.991
(b) Amortization	148.723	179.891	461.348	540.138
(c) Auditor's remuneration	204.014	158.086	494.446	430.977
(d) Directors' remuneration – executive (Note 27)	185.741	135.329	494.714	380.983
(e) Directors' remuneration non-executive (Note 27)	10.584	9.722	31.666	29.532

10. Taxation

	For the nine months ended 30 September 2011 *US$*	For the year ended 31 December 2010 *US$*
Credit balance 1 January	490.649	64.659
Tax asset from subsidiaries acquired	-	(278)
Provision for the period/year	530.405	1.315.092
Under provision of prior year periods	4.392	7.477
Exchange difference on retranslation	(168.066)	(4.877)
Amounts paid, net	(1.187.704)	(891.424)
Net (debit)/credit balance 30 September/31 December	(330.324)	490.649

	For the nine months ended 30 September 2011 *US$*	For the year ended 31 December 2010 *US$*
Tax receivable	(486.507)	(348.667)
Tax payable	156.183	839.316
Net	(330.324)	490.649

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

	For the three months ended 30 September 2011 *US$*	For the three months ended 30 September 2010 *US$*	For the nine months ended 30 September 2011 *US$*	For the nine months ended 30 September 2010 *US$*
Provision for the period	309.109	149.489	530.405	386.903
Under provision of prior years	5	2.012	4.392	2.012
Deferred tax (income)/charge	(75.595)	1.621	6.932	(1.277)
Charge for the period	233.519	153.122	541.729	387.638

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 nine months ended 30 September 2011 *US$*	For the year ended 31 December 2010 *US$*
Debit balance on 1 January	(991.821)	(625.795)
Deferred tax charge/(credit) for the period (note 10)	6.932	(372.675)
Exchange difference on retranslation	5.295	6.649
Debit balance on 30 September/ 31 December	(979.594)	(991.821)

12. Inventories

	As at 30 September 2011 *US$*	As at 31 December 2010 *US$*
Goods held for resale	87.585.079	99.006.701
Goods in transit	20.023.237	5.524.296
Provision for slow moving and obsolete stock	(1.099.599)	(911.912)
	106.508.717	103.619.085

13. Trade receivables

	As at 30 September 2011 *US$*	As at 31 December 2010 *US$*
Trade receivables	240.564.749	280.952.154
Allowance for doubtful debts	(5.137.064)	(5.352.303)
	235.427.685	275.599.851

14. Other current assets

	As at 30 September 2011 *US$*	As at 31 December 2010 *US$*
Other debtors and prepayments	4.131.114	3.001.796
VAT and other taxes refundable	3.037.425	3.244.704
Employee floats	410.698	326.032
Deposits and advances to service providers	795.287	857.630
	8.374.524	7.430.162

15. Derivative financial asset

	As at 30 September 2011 *US$*	As at 31 December 2010 *US$*
Derivative financial assets carried at fair value through profit or loss		
Foreign currency forward contracts	597.988	5.379
	597.988	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	1.306.112	709.493	-	226.749	213.907	252.408	489.309	3.197.978
Disposals	-	-	-	(24.771)	(132.602)	(454.189)	(395.641)	(1.007.203)
Transfers	4.112.403	(4.112.403)	-	-	-	-	-	-
Foreign exchange difference on retranslation	95.201	-	(2.887)	4.486	(3.049)	(71.316)	40.573	63.008
At 30 September 2011	24.297.794	-	166.312	2.273.535	2.762.758	3.238.560	5.688.256	38.427.215
Accumulated depreciation								
At 1 January 2010	1.365.248	-	12.246	874.394	1.148.411	1.700.358	3.408.629	8.509.286
Charge for the year	477.917	-	18.342	215.720	296.810	527.081	766.735	2.302.605
Disposals	-	-	(5.690)	(52.701)	(51.475)	(229.582)	(258.111)	(597.559)
Foreign exchange difference on retranslation	(80.471)	-	(104)	(33.364)	(41.712)	(62.179)	(106.675)	(324.505)
At 31 December 2010	1.762.694	-	24.794	1.004.049	1.352.034	1.935.678	3.810.578	9.889.827
Charge for the period	370.199	-	14.046	167.894	197.953	419.226	639.384	1.808.702
Disposals	-	-	-	(20.358)	(88.765)	(350.011)	(337.181)	(796.315)
Foreign exchange difference on retranslation	(21.967)	-	4.585	(3.242)	(2.693)	(50.655)	(10.783)	(84.755)
At 30 September 2011	2.110.926	-	43.425	1.148.343	1.458.529	1.954.238	4.101.998	10.817.459
Net book value								
At 30 September 2011	22.186.868	-	122.887	1.125.192	1.304.229	1.284.322	1.586.258	27.609.756
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	184.339	322.395	506.734
Disposals/ write-offs	(300.383)	(21.390)	(321.773)
Foreign exchange difference on retranslation	(12.646)	(9.348)	(21.994)
At 30 September 2011	6.382.915	1.064.915	7.447.830
Accumulated amortization			
At 1 January 2010	4.483.801	553.797	5.037.598
Charge for the year	623.931	83.123	707.054
Disposals upon disposal of subsidiaries	(76)	-	(76)
Disposals	(89.806)	-	(89.806)
Foreign exchange difference on retranslation	(34.832)	(7.227)	(42.059)
At 31 December 2010	4.983.018	629.693	5.612.711
Charge for the period	372.568	88.780	461.348
Disposals/ write-offs	(238.380)	(5.468)	(243.848)
Foreign exchange difference on retranslation	(18.029)	(8.015)	(26.044)
At 30 September 2011	5.099.177	704.990	5.804.167
Net book value			
At 30 September 2011	1.283.738	359.925	1.643.663
At 31 December 2010	1.528.587	143.565	1.672.152

18. Available-for-sale financial assets

	Country of incorporation	Participation %	Cost US$	Impairment US$	As at 30 September 2011 US$	As at 31 December 2010 US$
Investments held in related companies						
E-Vision Ltd	Cyprus	18%	90.000	(90.000)	-	-
Other investments at cost						
Asekol s.r.o.	Czech Republic	9,09%	9.580	-	9.580	9.580
			99.580	(90.000)	9.580	9.580

19. Other current liabilities

	As at 30 September 2011 *US$*	As at 31 December 2010 *US$*
Factoring creditors (i)	23.323.109	32.373.068
Non-trade accounts payable	2.956.663	4.578.205
Salaries payable and related costs	1.125.206	1.217.365
VAT payable	5.392.459	6.106.819
Amount due to directors – executive	3.440	20.630
Amounts due to directors – non-executive	10.536	10.402
Unpaid consideration for investment in joint venture	-	115.961
Accruals and deferred income	5.497.835	6.709.608
	38.309.248	51.132.058

(i) As at 30 September 2011 the group enjoyed factoring facilities of US$ 43.564.742 (31 December 2010: US$ 48.245.810). The factoring facilities are secured as mentioned in note 21.

20. Derivative financial liability

	As at 30 September 2011 *US$*	As at 31 December 2010 *US$*
<u>Derivative financial liabilities carried at fair value through profit or loss</u>		
Foreign currency forward contracts	21.824	138.840
	21.824	138.840

21. Bank overdrafts and short term loans

	As at 30 September 2011 *US$*	As at 31 December 2010 *US$*
Bank overdrafts	36.008.430	27.010.563
Bank short term loans	18.384.435	24.382.256
Current portion of long term loans	738.621	677.903
	55.131.486	52.070.722

Summary of borrowings and overdraft arrangements

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

- overdraft lines of US$ 53.161.561 (31 December 2010: US$ 52.167.256)
- short term loans/revolving facilities of US$ 26.710.424 (31 December 2010: US$ 31.257.789)
- bank guarantees of US$ 9.748.211 (31 December 2010: US$ 7.825.171)

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

The Weighted Average Cost of Debt (cash lines and factoring lines) for the period ending 30 September 2011 was 6,6% (p/e 30 September 2010: 6,8%)

21. Bank overdrafts and short term loans (continued)

Summary of borrowings and overdraft arrangements (continued)

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

- First, second and third floating charges over all assets of the company
- Mortgage on land and buildings that the group owns in Cyprus, Czech Republic, Belarus, Middle East, Bulgaria, Slovakia and Ukraine
- Charge over receivables and inventories
- Corporate guarantees to the extent of facilities granted
- Assignment of insurance policies
- Pledged deposits of US$ 3.008.548 (31 December 2010: US$ 888.327)

22. Long term liabilities

	As at 30 September 2011 *US$*	As at 31 December 2010 *US$*
Bank loans	4.482.602	4.902.217
Other long term liabilities	258.562	266.417
	4.741.164	5.168.634

23. Finance leases

	As at 30 September 2011 *US$*	As at 31 December 2010 *US$*
Obligation under finance lease	327.426	540.425
Less: Amount payable within one year	(270.311)	(267.835)
Amounts payable within 2-5 years inclusive	57.115	272.590

24. Share Capital

	As at 30 September 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 30 September 2011 *US$*	For the three months ended 30 September 2010 *US$*	For the nine months ended 30 September 2011 *US$*	For the nine months ended 30 September 2010 *US$*
Former Soviet Union	152.428.302	152.948.097	412.586.780	374.044.860
Central Eastern Europe	118.879.502	112.672.123	341.870.319	315.262.376
Western Europe	21.597.280	27.289.724	74.759.774	82.946.173
Middle East & Africa	55.266.916	52.098.260	148.891.395	147.752.222
Other	11.247.439	12.429.137	33.809.995	37.988.041
	359.419.439	357.437.341	1.011.918.263	957.993.672

1.3 Segment results

	For the three months ended 30 September 2011 *US$*	For the three months ended 30 September 2010 *US$*	For the nine months ended 30 September 2011 *US$*	For the nine months ended 30 September 2010 *US$*
Former Soviet Union	2.280.201	3.306.708	4.882.714	3.655.571
Central Eastern Europe	1.157.482	(12.046)	870.004	291.183
Western Europe	(205.197)	952.200	68.224	1.057.564
Middle East & Africa	(457.719)	(703.736)	(809.785)	(905.955)
Other	(98.537)	573.033	2.220	800.398
Profit from operations	2.676.230	4.116.159	5.013.377	4.898.761
Net financial expenses	(2.074.063)	(2.691.786)	(7.221.482)	(5.336.581)
Other gains and losses	192.143	21.401	344.607	185.626
Share of profit/(loss) from joint ventures	828	16.132	(159.940)	27.759
Impairment of goodwill	(50.213)	-	(50.213)	-
Profit/(loss) before taxation	744.925	1.461.906	(2.073.651)	(224.435)

25. Operating segments (continued)

1.4 Inter-segment revenues

Selling segment	Purchasing segment	For the three months ended 30 September 2011 US$	For the three months ended 30 September 2010 US$
Western Europe	Middle East & Africa	437.084	494.549

Selling segment	Purchasing segment	For the nine months ended 30 September 2011 US$	For the nine months ended 30 September 2010 US$
Western Europe	Middle East & Africa	1.434.179	1.315.821

1.5 Segment capital expenditure (CAPEX)

	As at 30 September 2011 US$	As at 31 December 2010 US$
Former Soviet Union	5.291.720	4.276.064
Central Eastern Europe	12.197.822	12.354.783
Western Europe	448.271	511.741
Middle East & Africa	4.134.356	4.092.835
Unallocated	7.731.768	7.321.064
	29.803.937	28.556.487

1.6 Segment depreciation and amortisation

	For the three months ended 30 September 2011 US$	For the three months ended 30 September 2010 US$	For the nine months ended 30 September 2011 US$	For the nine months ended 30 September 2010 US$
Former Soviet Union	106.578	86.706	320.533	260.476
Central Eastern Europe	265.673	277.120	846.680	789.944
Western Europe	53.884	57.953	180.235	173.395
Middle East & Africa	107.757	90.487	295.965	262.473
Unallocated	199.742	233.892	626.637	725.841
	733.634	746.158	2.270.050	2.212.129

25. Operating segments (continued)

1.7 Segment assets	As at 30 September 2011 *US$*	As at 31 December 2010 *US$*
Former Soviet Union	162.294.764	189.253.508
Eastern Europe	103.020.293	128.640.027
Western Europe	33.298.891	35.239.222
Middle East & Africa	54.861.035	64.908.466
Total assets allocated between segments	353.474.983	418.041.223
Assets allocated in capital expenditure (1.5)	29.803.937	28.556.487
Other unallocated assets	15.776.926	19.029.034
Consolidated assets	399.055.846	465.626.744

26. Cash and cash equivalents

	As at 30 September 2011 *US$*	As at 31 December 2010 *US$*
Cash at bank and in hand	16.453.220	48.380.080
Bank overdrafts (Note 21)	(36.008.430)	(27.010.563)
	(19.555.210)	21.369.517

The cash at bank and in hand balances include an amount of US$ 3.008.548 (31 December 2010: US$ 888.327) which represents pledged deposits.

27. Transactions and balances of key management

	For the three months ended 30 September 2011 *US$*	For the three months ended 30 September 2010 *US$*	For the nine months ended 30 September 2011 *US$*	For the nine months ended 30 September 2010 *US$*
Directors' remuneration - executive	185.741	135.329	494.714	380.983
Directors' remuneration - non executive	10.584	9.722	31.666	29.532
	196.325	145.051	526.380	410.515

	As at 30 September 2011 *US$*	As at 31 December 2010 *US$*
Amount due to directors - executive	3.440	20.630
Amount due to directors - non executive	10.536	10.402
	13.976	31.032

28. Commitments and contingencies

As at 30 September 2011 the group was committed in respect of purchases of inventories of a total cost value of US$ 1.891.154 which were in transit at 30 September 2011 and delivered in October 2011. Such inventories and the corresponding liability towards the suppliers have not been included in these financial statements since, according to the terms of purchase title of the goods had not passed to the group as at the period end.

As at 30 September 2011 the group was contingently liable in respect of bank guarantees of US$ 9.748.211 (31 December 2010: US$ 7.825.171) which the group had extended mainly to its suppliers.

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

29. Goodwill

	As at 30 September 2011 *US$*	As at 31 December 2010 *US$*
Cost		
At 1 January	600.730	550.517
Goodwill arising from business combinations	-	50.213
At 30 September/ 31 December (note i)	600.730	600.730
Impairment		
At 1 January	-	-
Impairment charge for the period/year	50.213	-
At 30 September/ 31 December (note ii)	50.213	-
Net book value		
At 1 January	600.730	550.517
At 30 September/ 31 December	550.517	600.730

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

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

ii. The impairment of the goodwill relates to the business combinations of the following subsidiaries:

	As at 30 September 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 30 September 2011 *US$*	As at 31 December 2010 *US$*
Cost		
At 1 January	737.997	-
Decrease in share capital	(111.597)	-
Investments in joint ventures during the period/year	-	737.997
At 30 September/ 31 December	626.400	737.997
Accumulated share of profits from joint ventures		
At 1 January	(52.365)	-
Share of losses from joint ventures during the period/year	(159.940)	(52.365)
At 30 September/ 31 December	(212.305)	(52.365)
Investments in joint ventures recorded under the equity method of consolidation	414.095	685.632

31. Comparative figures

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

32. Events after the balance sheet date

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