ASBISc Enterprises Plc

INTERIM REPORT
FOR THE THREE AND NINE MONTHS
ENDED 30 SEPTEMBER 2014

Limassol, November 6th, 2014

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

We have prepared this report as required by Paragraph 82 section 1 point 1 of the Regulation of the Ministry of Finance dated 19 February 2009 on current and periodic information to be published by issuers of securities and conditions of recognition of information required by the law of non-member country as equal.

PRESENTATION OF FINANCIAL AND OTHER INFORMATION

In this quarterly report all references to the Company apply to ASBISc Enterprises Plc and all references to the Group apply to ASBISc Enterprises Plc and its consolidated subsidiaries. Expressions such as "we", "us", "our" and similar apply generally to the Group (including its particular subsidiaries, depending on the country discussed), unless from the context it is clear that they apply to the Company alone.

Financial and Operating Data

This quarterly report contains financial statements of, and financial information relating to the Group. In particular, this quarterly report contains our interim consolidated financial statements for the three months ended 30 September 2014. 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 2014

The principal events of the three months ended 30 September 2014 were as follows:

- Revenues in Q3 2014 decreased by 11.31% to U.S. $ 388,659 from U.S. $ 438,243 in the corresponding period of 2013. This was due to tough situation in the markets of Russia and Ukraine that was only partially offset by developed business in other regions. However, revenues in Q3 2014 were already higher than in the previous quarters of the year.

- Gross profit in Q3 2014 decreased by 20.60% to U.S. $ 22,297 from U.S. $ 28,081 in the corresponding period of 2013 as a result of lower revenues and lower gross profit margins.

- Gross profit margin in Q3 2014 decreased by 10.47% to 5.74% from 6.41% in the corresponding period of 2013 due to higher competition and turbulence of the major markets of operations.

- Selling expenses in Q3 2014 decreased by 21.74% to U.S. $ 10,456 from U.S. $ 13,360 in the corresponding period of 2013 – much faster than the decrease in revenues emanating from cost cutting actions conducted by the Company. Selling expenses were also lower than in both previous quarters of 2014.

- Administrative expenses in Q3 2014 decreased by 2.95% to U.S. $ 7,106 from U.S. $ 7,322 in the corresponding period of 2013, due to the cost saving actions from the Company. Further savings in administration expenses are expected in next quarters.

- EBITDA in Q3 2014 decreased by 36.84% to U.S. $ 5,112 from U.S. $ 8,094 in the corresponding period of 2013.

- Net profit after taxation in Q3 2014 amounted to U.S. $ 494 compared to U.S. $ 3,042 in the corresponding period of 2013. It is however important to underline that the Company returned to profitability after two consecutive loss generating quarters.

The following table presents revenues breakdown by regions in the three month periods ended September 30th, 2014 and 2013 respectively (in U.S.$ thousand):

Region	Q3 2014	Q3 2013
Central and Eastern Europe	145,614	155,726
Former Soviet Union	134,693	173,282
Middle East and Africa	60,310	55,065
Western Europe	30,898	42,570
Other	16,145	11,601
Total	388,659	438,243

The nine month results were under the pressure of the crisis in Ukraine and Russia beginning from February 2014 that has affected both revenues and profitability. Despite this negative factor, the Company has decreased its expenses adapting to the new market realities. The principal events of the nine months ended 30 September 2014 were as follows:

- Revenues in Q1-Q3 2014 decreased by 18.87% to U.S. $ 1,092,585 from U.S. $ 1,346,721 in the corresponding period of 2013.

- Gross profit in Q1-Q3 2014 decreased by 19.42% to U.S. $ 64,405 from U.S. $ 79,928 in the corresponding period of 2013.

- Gross profit margin in Q1-Q3 2014 decreased to 5.89% from 5.94% in the corresponding period of 2013.

- Selling expenses in Q1-Q3 2014 decreased by 12.87% to U.S. $ 32,753 from U.S. $ 37,589 in the corresponding period of 2013.

- Administrative expenses in Q1-Q3 2014 increased by 3.21% to U.S. $ 22,300 from U.S. $ 21,607 in the corresponding period of 2013.

- EBITDA in Q1-Q3 2014 decreased by 50.72% to U.S. $ 11,215 from U.S. $ 22,758 in the corresponding period of 2013.

- As a result, in Q1-Q3 2014 the Company realized a net loss after taxation of U.S. $ 4,331 compared to a net profit after taxation of U.S.$ 7,759 in the corresponding period of 2013.

The following table presents revenues breakdown by regions in the nine month periods ended September 30th, 2014 and 2013 respectively (in U.S.$ thousand):

Region	Q1-Q3 2014	Q1-Q3 2013
Central and Eastern Europe	461,356	497,139
Former Soviet Union	361,164	497,442
Middle East and Africa	159,106	180,574
Western Europe	81,863	146,122
Other	29,095	25,445
Total	1,092,585	1,346,721

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, 2014 and 2013, 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, 2013, that is: 1 US$ = 3.0120 PLN and 1 EUR = 4.1472 PLN and September 30th, 2014, that is: 1 US$ = 3.2973 PLN and 1 EUR = 4.1755 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, 2013, that is 1 US$ = 3.1788 PLN and 1 EUR = 4.2415 PLN and July 1st to September 30th, 2014, that is 1 US$ = 3.2011 PLN and 1 EUR = 4.1841 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, 2013, that is 1 US$ = 3.2040 PLN and 1 EUR = 4.2231 PLN and January 1st to September 30th, 2014, that is 1 US$ = 3.1030 PLN and 1 EUR = 4.1803 PLN.

	Period from 1 July to 30 September 2014			Period from 1 July to 30 September 2013		
	USD	PLN	EUR	USD	PLN	EUR
Revenue	**388,659**	**1,244,138**	**297,349**	**438,243**	**1,393,086**	**328,442**
Cost of sales	(366,363)	(1,172,764)	(280,291)	(410,162)	(1,303,824)	(307,397)
Gross profit	**22,297**	**71,374**	**17,058**	**28,081**	**89,262**	**21,045**
Selling expenses	(10,456)	(33,471)	(8,000)	(13,360)	(42,469)	(10,013)
Administrative expenses	(7,106)	(22,746)	(5,436)	(7,322)	(23,273)	(5,487)
Profit from operations	**4,735**	**15,157**	**3,623**	**7,399**	**23,520**	**5,545**
Financial expenses	(4,275)	(13,684)	(3,271)	(3,858)	(12,263)	(2,891)
Financial income	45	144	35	96	305	72
Other gains and losses	22	70	17	208	661	156
Profit before taxation	**527**	**1,687**	**403**	**3,845**	**12,223**	**2,882**
Taxation	(33)	(107)	(26)	(804)	(2,555)	(602)
Profit for the period	**494**	**1,581**	**378**	**3,042**	**9,668**	**2,279**
Attributable to:						
Non-controlling interests	15	47	11	13	40	10
Owners of the Company	**479**	**1,534**	**367**	**3,029**	**9,628**	**2,270**

	USD (cents)	PLN (grosz)	EUR (cents)	USD (cents)	PLN (grosz)	EUR (cents)
Basic and diluted earnings per share from continuing operations	0.86	2.76	0.66	5.46	17.35	4.09

	Period from 1 January to 30 September 2014			Period from 1 January to 30 September 2013		
	USD	PLN	EUR	USD	PLN	EUR
Net cash (outflows)/inflows from operating activities	(28,811)	(89,400)	(21,386)	6,091	19,517	4,621
Net cash outflows from investing activities	(1,637)	(5,079)	(1,215)	(2,317)	(7,424)	(1,758)
Net cash outflows from financing activities	(5,295)	(16,429)	(3,930)	(2,142)	(6,863)	(1,625)
Net (decrease)/increase in cash and cash equivalents	**(35,742)**	**(110,908)**	**(26,531)**	**1,632**	**5,230**	**1,238**
Cash at the beginning of the period	**490**	**1,521**	**364**	**(4,392)**	**(14,073)**	**(3,332)**
Cash at the end of the period	**(35,252)**	**(109,387)**	**(26,167)**	**(2,760)**	**(8,843)**	**(2,094)**

	As at 30 September 2014			As at 31 December 2013		
	USD	PLN	EUR	USD	PLN	EUR
Current assets	452,053	1,490,555	356,977	592,676	1,785,139	430,444
Non-current assets	29,234	96,392	23,085	31,291	94,248	22,726
Total assets	481,287	1,586,948	380,062	623,966	1,879,387	453,170
Liabilities	379,242	1,250,474	299,479	510,518	1,537,680	370,776
Equity	102,045	336,474	80,583	113,448	341,707	82,395

	Period from 1 January to 30 September 2014			Period from 1 January to 30 September 2013		
	USD	**PLN**	**EUR**	**USD**	**PLN**	**EUR**
Revenue	**1,092,585**	**3,390,290**	**811,016**	**1,346,721**	**4,314,894**	**1,021,736**
Cost of sales	(1,028,180)	(3,190,441)	(763,209)	(1,266,793)	(4,058,803)	(961,096)
Gross profit	**64,405**	**199,849**	**47,807**	**79,928**	**256,090**	**60,640**
Selling expenses	(32,753)	(101,633)	(24,312)	(37,589)	(120,435)	(28,518)
Administrative expenses	(22,300)	(69,197)	(16,553)	(21,607)	(69,228)	(16,393)
Profit from operations	**9,352**	**29,020**	**6,942**	**20,733**	**66,427**	**15,730**
Financial expenses	(14,373)	(44,600)	(10,669)	(11,538)	(36,968)	(8,754)
Financial income	642	1,992	477	295	945	224
Other gains and losses	110	341	82	566	1,813	429
Share of loss from joint ventures	-	-	-	(57)	(183)	(43)
Profit before taxation	**(4,269)**	**(13,247)**	**(3,169)**	**9,998**	**32,034**	**7,585**
Taxation	(62)	(192)	(46)	(2,239)	(7,174)	(1,699)
Profit for the period	**(4,331)**	**(13,439)**	**(3,215)**	**7,759**	**24,860**	**5,887**
Attributable to:						
Non-controlling interests	25	79	19	31	100	24
Owners of the Company	**(4,356)**	**(13,517)**	**(3,234)**	**7,728**	**24,760**	**5,863**

	USD (cents)	PLN (grosz)	EUR (cents)	USD (cents)	PLN (grosz)	EUR (cents)
Basic and diluted earnings per share from continuing operations	(7.85)	(24.36)	(5.83)	13.92	44.61	10.56

4. Organization of ASBIS Group

The following table presents our corporate structure as at September 30th, 2014:

Company	**Consolidation Method**
ASBISC Enterprises PLC	**Mother company**
Asbis Ukraine Limited (Kiev, Ukraine)	Full (100% subsidiary)
Asbis PL Sp.z.o.o (Warsaw, Poland)	Full (100% subsidiary)
ASBIS Estonia AS (formerly AS Asbis Baltic) (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 Limited (Charlestown, Ireland)	Full (100% subsidiary)
FPUE Automatic Systems of Business Control (Minsk, Belarus)	Full (100% subsidiary)
E.M. Euro-Mall Ltd (former ISA Hardware Limited–Group) (Limassol, Cyprus)	Full (100% subsidiary)
OOO ‘ Asbis’-Moscow (Moscow, Russia)	Full (100% subsidiary)

Asbis Morocco Limited (Casablanca, Morocco)	Full (100% subsidiary)
EUROMALL CZ s.r.o. (formerly ISA Hardware s.r.o.) (Prague, Czech Republic)	Full (100% subsidiary)
EUROMALL d.o.o. (formerly ISA Hardware d.o.o.) (Zagreb, Croatia)	Full (100% subsidiary)
S.C. EUROMALL 2008 S.R.L (formerly ISA Hardware International S.R.L) (Bucharest, Romania)	Full (100% subsidiary)
ISA Hardware s.r.o Slovakia (Bratislava, Slovakia)	Full (100% subsidiary)
Euro-Mall SRB d.o.o. (former ISA Hardware d.o.o Beograd) (Belgrade, Serbia)	Full (100% subsidiary)
Prestigio Plaza Sp. z o.o (Warsaw, Poland)	Full (100% subsidiary)
Prestigio Plaza Ltd (formerly Prestigio Technologies) (Limassol, Cyprus)	Full (100% subsidiary)
Prestigio Europe s.r.o (Prague, Czech Republic)	Full (100% subsidiary)
Prestigio Plaza NL.B.V. (Amsterdam, Netherlands)	Full (100% subsidiary)
Asbis Kypros Ltd (Limassol, Cyprus)	Full (100% subsidiary)
Asbis TR Bilgisayar Limited Sirketi (Istanbul, Turkey)	Full (100% subsidiary)
SIA "ASBIS LV" (Riga, Latvia)	Full (100% subsidiary)
Asbis d.o.o. (former Megatrend d.o.o.) (Sarajevo, Bosnia Herzegovina)	Full (90% ownership)
PTUE IT-MAX (Minsk, Belarus)	Full (100% subsidiary)
ASBIS Close Joint-Stock Company (former CZAO ASBIS) (Minsk, Belarus)	Full (100% subsidiary)
ASBIS Kazakhstan LLP (Almaty, Kazakhstan)	Full (100% subsidiary)
Euro-Mall SRO (Bratislava, Slovakia)	Full (100% subsidiary)
ASBIS Taiwan (Taipei City, Taiwan)	Full (100% subsidiary)
Prestigio China Corp. (former AOSBIS TECHNOLOGY (SHENZHEN) CORP.) (Shenzhen, China)	Full (100% subsidiary)
ASBIS DE GMBH, (Munchen, Germany)	Full (100% subsidiary)
EUROMALL BULGARIA EOOD (Sofia, Bulgaria)	Full (100% subsidiary)
Advanced Systems Company LLC (Riyadh, Kingdom of Saudi Arabia)	Full (100% subsidiary)
SHARK ONLINE a.s. (Bratislava, Slovakia)	Full (100% subsidiary)
SHARK Computers a.s. (Bratislava, Slovakia)	Full (100% subsidiary)
E-vision Production Unitary Enterprise (Minsk, Belarus)	Full (100% subsidiary)

5. Changes in the structure of the Company

During the three months ended September 30th, 2014 there were the following changes in the structure of the Company and the Group:

- On July 31st, 2014 the Company has received information that the Issuer's inactive subsidiary ASBIS IT S.R.L." (Rome, Italy) has been deregistered from the competent registry on December 30th, 2013. The Issuer continues its operations in Italy for own brands business through ASBISc Enterprises Plc.
- On August 11th, 2014 it has received information about registration at the competent court on August 7th, 2014 of its new subsidiary in Belarus - E-vision Production Unitary Enterprise (Minsk, Belarus) with a capital of 1,100,000 Belarusian Ruble. The subsidiary was incorporated in order to enter the High Tech Park in Belarus with the purpose of engaging mainly in IT-programming services and software development for the ASBIS Group.

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

We have not published any forecasts for the three months ended September 30th, 2014. However, on May 8th 2014 the Company has published official financial forecasts for Y2014 that included the effects of the political and economic turbulence in Ukraine, Russia and Kazakhstan. According to this forecast, the Company expected to generate from U.S.$ 1.6 billion to U.S.$ 1.75 billion revenues, while net profit after tax for the whole year was expected to range from U.S.$ 4 million to U.S.$ 5 million. Having seen the results of Q3 2014 and having seen that development of operations in CEE and WE markets is not fast enough to offset the negative effects of crisis in the markets of Russia and Ukraine, on November 6th, 2014 the Company has amended its financial forecasts for Y2014. According to this amendment the Company expects to generate from U.S.$ 1.45 billion to U.S.$ 1.60

billion revenues, while net profit after tax for the whole year is expected to range from U.S.$ 1 million to U.S.$ 2 million.

7. Information on dividend payment

In the three month period ended 30 September 2014 a dividend of U.S.$ 0.06 per share (compared to U.S.$ 0.05 per share in 2013) has been paid. This followed a resolution of the Company's AGM from June 5th, 2014. The dividend pay-out was in line with the recommendation of the Board of Directors. The dividend record date was June 18th, 2014 and the dividend pay-out date was July 3rd, 2014.

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

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

Name	Number of shares	% of share capital	Number of votes	% of votes
KS Holdings Ltd	22,676,361	40.86%	22,676,361	40.86%
Quercus Towarzystwo Funduszy Inwestycyjnych S.A. Quercus Parasolowy SFIO and Quercus Absolutnego Zwrotu FIZ)*	3,274,931	5.90%	3,274,931	5.90%
ING OFE	2,872,954	5.18%	2,872,954	5.18%
ASBISc Enterprises PLC (buy-back program)	13,389	0.02%	13,389	0.02%

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

In the three month period ended on September 30th, 2014 the Company did not receive any information about any changes in this structure. However, after the reported period end the Company received the following information about changes in the shareholders structure:

(1) On October 22nd, 2014 the Company has received from Noble Funds Towarzystwo Funduszy Inwestycyjnych S.A. notification that following to sale of the Company's shares on October 21st 2014, the share of Noble Funds Fundusz Inwestycyjny Otwarty („the Fund") managed by Noble Funds Towarzystwo Funduszy Inwestycyjnych S.A. descended below the threshold of 5% of total number of votes at the Company's General Meeting of Shareholders.
According to the notification, before the abovementioned sale of shares the Fund had 2 815 753 of the Company's shares that were equal to 5,07% in the Company's share capital and had 2 815 753 votes at the Company's General Meeting of Shareholders, that were equal to 5,07% of total number of votes.
According to the notification, after the abovementioned sale of shares the Fund hold 2 739 496 of the Company's shares, equal to 4,94% in the Company's share capital and have 2 739 496 votes at the Company's General Meeting of Shareholders, equal to 4,94% of total number of votes

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

The table below presents the number of shares held by the members of the Board of Directors as of the date of this report. During the three month period ended on 30 September 2014 as well as in the period between August 7th, 2014 (the date of the publication of the H1 2014 results) and November 6th, 2014 (date of this report) there were two changes in the number of shares possessed by the members of the Board of Directors.

(1) On October 13th, 2014 the Company received notification on the basis of art. 160 of Act on Trading on financial instruments from Mr. Marios Christou, Director and the Company's CFO,

that on October 13th, 2014 he received information that the Company filed with a brokerage house a disposition to transfer to him with no consideration 20.000 shares of the Company

(2) On October 13th, 2014 the Company received notification on the basis of art. 160 of Act on Trading on financial instruments from Mr. Constantinos Tziamalis, Director of the Company, that on October 13th 2014 he received information that the Company filed with a brokerage house a disposition to transfer to him with no consideration 20.000 shares of the Company.

The information included in the table below is based on information received from members of our Management Board pursuant to Art. 160 sec. 1 of the Act on Public Trading.

Name	Number of Shares	% of the share capital
Siarhei Kostevitch (directly and indirectly)	22,718,127	40.93%
Marios Christou	268,000	0.48%
Constantinos Tziamalis	55,000	0.10%
Efstathios Papadakis	0	0%
Chris Pavlou	0	0%

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

10. Changes in the members of managing bodies

During the three month period ended September 30th, 2014 there were no changes in the members of the Company's Board of Directors.

11. Significant administrative and court proceedings against the Company

As of September 30th, 2014, 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 nine months ended September 30th, 2014 we have not had any material related party transaction exceeding the Polish Zloty equivalent of Euro 500 thousand other than typical or routine transactions.

13. Information on guarantees granted to third parties

The Company has increased corporate guarantees to support its subsidiaries' local financing from U.S.$ 188,815 at December 31st, 2013 (and U.S.$ 249,948 at June 30th, 2014) to U.S.$ 229,500 at September 30th, 2014, representing more than 10% of the Company's equity. The total bank guarantees and letters of credit raised by the Group (mainly to Group suppliers) as at September 30th, 2014 was U.S. $ 13,509 – as per note number 18 to the financial statements – which is more 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

Both in the three month and nine month period ended September 30th, 2014 the Company's results of operations have been affected and are expected to continue to be affected by a number of factors.

These factors are: the instability of Ukraine's political and financial environment and the involvement of Russia into the Ukrainian crisis, currency fluctuations, competition and price pressures, low gross profit margins, potential inventory obsolescence and price erosion, the worldwide unstable financial environment, and seasonality.

Due to a turbulence in the big markets of Russia and Ukraine resulting in lower demand and lower revenues, the Company decided to focus on the development of sales in other regions – mainly CEE and WE, in order to offset the negative effects on its profitability. This was successful in Q3 2014 when revenues grew compared to both previous quarters of the year. In certain territories the barriers to entry are higher and further efforts are needed.

While the revenues were growing, the Company was also able to limit its expenses following a second wave of cost cutting program. This resulted in significantly lower selling and admin expenses in Q3 2014 compared to the corresponding period of 2013.

Stricter FX hedging strategy allowed also to avoid any currency losses in Q3 2013, unlike the previous quarters of the year. Having considered the complicated situation in the F.S.U. markets, the Company limited its business to the level hedging was possible.

The pace of development on CEE and other regions, combined with the fact that economies of Russia and Ukraine have weakened and local currencies depreciated to historicaly low levels, may not allow the usual seasonality of Q4; therefore, the Company deemed necessary the amendment of its financial forecasts for Y2014.

We still expect to deliver a good profitability in Q4 2014, but, in the management's opinion, today's market situation, will limit the Company's profitability for the whole year, so that the net profit after taxation for Y2014 is expected to range between U.S.$ 1 million and U.S.$ 2 million.

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

Instability of Ukraine's political and financial environment and the involvement of Russia in the crisis

We have experienced during the course of 2014 to-date, a severe crisis in our third largest market (in terms of 2013 sales) - Ukraine, which has resulted into a lower demand from customers and a significant devaluation of the local currency (UAH) to US Dollar, our reporting currency. Russia is also deeply involved in this crisis and this is significantly affecting our largest market in terms of revenues and profit contribution. If this situation is not eased and stability does not return soon to the region, the Company's results are expected to continue to be adversely affected during 2014. The Company is undertaking a number of measures to protect itself from this crisis and mitigate possible losses.

After a very tough Q1 2014 and a better Q2, in Q3 the Company has seen some improvement in its operations. This is however still not comparable to 2013, due to a much lower demand and depreciation of local currencies. Therefore, in Q3 2014, the Company continued to conduct its operations in the region only to the level it can be financed locally and sell only to selected customers, so the Company does not hold any additional significant risks in case the crisis becomes tougher.

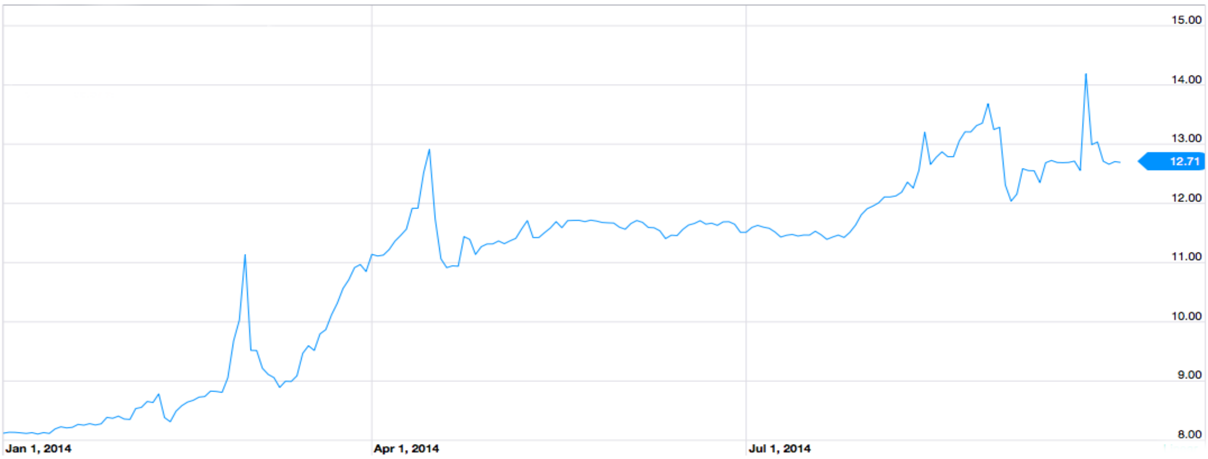
This strategy has been proved to be the right one, since in Q2 2014 it allowed the Company to decrease losses in this markets, and to produce profits in Q3 2014. However, further improvement will depend not only from the Company's efforts but also from the overall economic situation in the region.

Currency fluctuations

As mentioned in previous reports, the Company's reporting currency is the U.S. dollar. About 40% of the Company's revenues are denominated in U.S. dollars, while the balance is denominated in Euro, RUB and other currencies, some of which are pegged to the Euro. Since most of the Company's trade payable balances are denominated in U.S. dollars (about 80%), the Company is exposed to foreign exchange risk that remains a crucial risk factor that might affect the Group's results in the future. Although the problem persists and will persist as the Euro and other Eastern European currencies fluctuate in a steep manner against the U.S. Dollar, the Group's reporting currency, the Group has adopted hedging strategies to tackle this problem successfully.

However, in Q1 2014 the Group has faced a strong depreciation of the Ukrainian Hryvnia and the Russian Ruble emanating from the political turbulence in Ukraine. Additionally, the Group has absorbed another unexpected fx loss, due to the devaluation of the Kazakhstan Tenge. All these were offset to a certain extent by natural hedging i.e. by having liabilities in local currencies; however these developments have resulted in significant currency losses.
The Company has undertaken all necessary steps and no more FX losses were generated in Q2 2014 and Q3 2014. Unfortunately, the abovementioned one-off losses have adversely affected the nine month results are expected to do the same with the full year numbers.
Steep devaluation of local currencies also result to lower gross profit margins since hedging on receivables is not enough to accommodate the future pre-agreed deals with customers. The Group has a forward looking hedging strategy in place, however this is costly and drives up financial expenses.

USD/UAH in Q1-Q3 2014



USD/RUB in Q1-Q3 2014

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 a 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.

This was also visible in the tablets and smartphones segments where we have experienced the entrance of a number of new competitors (i.e. Lenovo, Samsung etc.) which has led into lower gross profit margin.

Low gross profit margins

The Company's business is twofold – the traditional distribution of third party products and own brand sales.

In the traditional distribution business, the Company's gross profit margins, like those of other distributors of IT products, are low and are expected 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.

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

Inventory obsolescence and price erosion

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

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

For the own brands business division, the Company needs to balance between satisfying consumer demand on one side and risk of inventory obsolence or price erosion on the other, by having the proper inventory level.

This was the case of Q1 2014, that due to the unexpected clash in Ukraine, the Company was left with large stocks (both third party and own brands) that were purchased to satisfy expected demand and the Company had to partially sell them off at a lower margin in Q2 and Q3 of 2014.

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 90 days or, in a few cases, to 120 days. The Company's payment obligations towards its suppliers under such agreements are separate and distinct from its customers' obligations to pay for their purchases, except in limited cases which the Company's arrangements with its suppliers require the Company to resell to certain resellers or distributors. Thus, the Company is liable to pay its suppliers regardless of whether its customers pay for their respective purchases. As the Company's profit margin is relatively low compared to the total price of the products sold, in the event where the Company is not able to recover payments from its customers, it is exposed to a financial liquidity risk. The Company has in place credit insurance which covers such an eventuality for approximately 55 percent of its revenue.

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

Worldwide financial environment

The world's financial crisis has eased throughout the last years. This included recovery signals from some of our markets and stabilization in some of others. Following partial recovery, the Company has undertaken certain efforts to benefit from these signals both in revenues and profitablity. The revised strategy and adaptation to the new environment, i.e. by rebuilding our product portfolio, has paid off in terms of increased market share and sales.

However, there are many uncertainties about the world economy and especially the Euro-zone, followed by volatility of currencies and fragility of demand in many markets. Additionally, from time to time, unpredictable situations may happen in selected markets, as was the case of Ukraine and Russia in 2014 to date, which has led to significant instability in the country's financial environment.

In many cases, the Company is able to secure itself from such factors. However, the Company is not immune 100% from any external factors, as shown in H1 2014, the results of which have been significantly affected by the situation in Ukraine and Russia.

Therefore, it is of extreme importance to follow a strategy of further securing the Company from external factors and improving it constantly in future periods and focus more on growing profitability and improving cash flow rather than just on growing revenues.

Seasonality

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

Traditional seasonality effect is expected to be seen also in 2014, despite the turbulence faced in Q1 2014 in the F.S.U. countries. However, due to depreciation of local currencies in Russia and Ukraine, for this region, the Company foresees the seasonality effect to be weaker in 2014 compared to 2013.

Development of own brand business

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

Due to the fact that the Company's products, namely tablets and smartphones, were well welcomed by the markets, it is expected that further development of own brands business may positively affect further revenues and profits. However, competition has already been intensified and the Company may not be able to sustain its profitability levels. In addition to competition, due to increased volumes of our brands and the fact that we are not the manufacturers of these products, certain warranty and quality issues which are possible to arise, might adversely affect our results. The company is undertaking all quality control measures to mitigate this risk, but given the volumes and the large amount of factories used to produce these products, these controls might not be enough.

Despite the Company's efforts, there can be no assurance of a similar development pace in own brand business in future periods. This is because there may be a significant change in market trends, customer preferences or technology changes that may affect the development of own brands business of the Company, and therefore its results. Therefore the Company, similar to the past, has started to invest in new technologies, that will be sold under own brands.

Increased cost of debt

Increased private label business implies a much higher need for cash available to support growth. The Group has managed to raise cash from various financial institutions, however in certain cases the cost of this financing is above the weighted average cost of debt due to sanctions. The Company has already negotiated better terms with some of its supply-chain financiers and is currently undertaking certain extra steps to further lower cost of financing. However, the sanctions imposed to Russia have resulted in significantly increased cost of facilities in this country and this may limit our efforts to decrease the average cost of debt.

Results of Operations

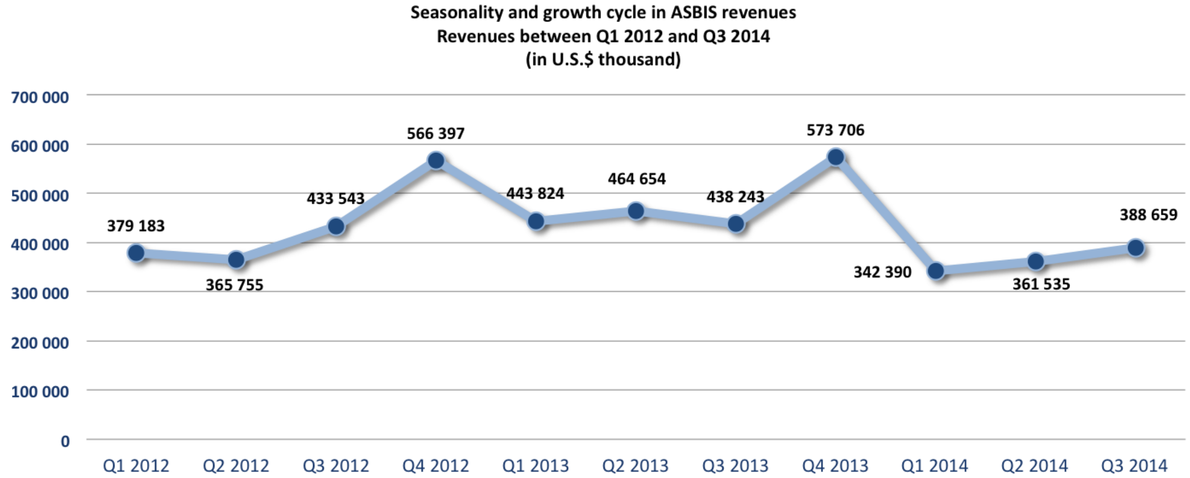
Three and nine month periods ended 30 September 2014 compared to the three and nine month periods ended 30 September 2013

- **Revenues:** In H1 2014 revenues have been negatively affected by the crisis in Ukraine, that has also influenced many other markets. The Company's management considers March and April to be the weakest months due to the crisis in the F.S.U.. However, as expected the revenues started growing in Q3 2014 compared to Q1 and Q2 2014.

  Revenues in Q3 2014 decreased by 11.31% to U.S. $ 388,659 from U.S. $ 438,243 in the corresponding period of 2013. This was due to the tough situation in the markets of Russia and Ukraine that was only partially offset by increased business in other regions.

  Revenues in Q1-Q3 2014 decreased by 18.87% to U.S. $ 1,092,585 from U.S. $ 1,346,721 in the corresponding period of 2013.

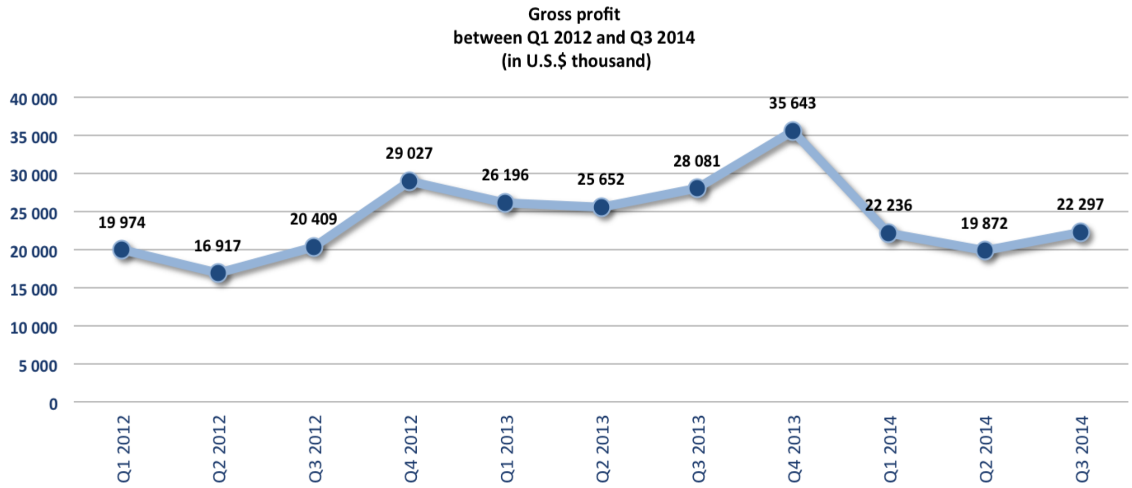
  It is forecasted that the Company will close the year with revenues between U.S.$ 1.45 billion and U.S.$ 1.60 billion.



- **Gross profit:** Gross profit has decreased significantly in H1 2014 due to the crisis in Ukraine that affected many other countries, most importantly our market no.1 – Russia. However, it has started growing beginning of Q3 2014 and this is expected to continue.

  Gross profit in Q3 2014 decreased by 20.60% to U.S. $ 22,297 from U.S. $ 28,081 in the corresponding period of 2013 as a result of lower revenues and lower margins (related to competition and the flushing actions of old inventory accumulated in H1).

  Gross profit in Q1-Q3 2014 decreased by 19.42% to U.S. $ 64,405 from U.S. $ 79,928 in the corresponding period of 2013.



- **Gross profit margin:** In Q3 2014 gross profit margin decreased by 10.47% to 5.74% from 6.41% in the corresponding period of 2013. Gross profit margin in Q3 2014 was already higher than in Q2 2014.

  Gross profit margin in Q1-Q3 2014 decreased by 0.68% to 5.89% from 5.94% in the corresponding period of 2013.

- **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, most importantly, gross profit.

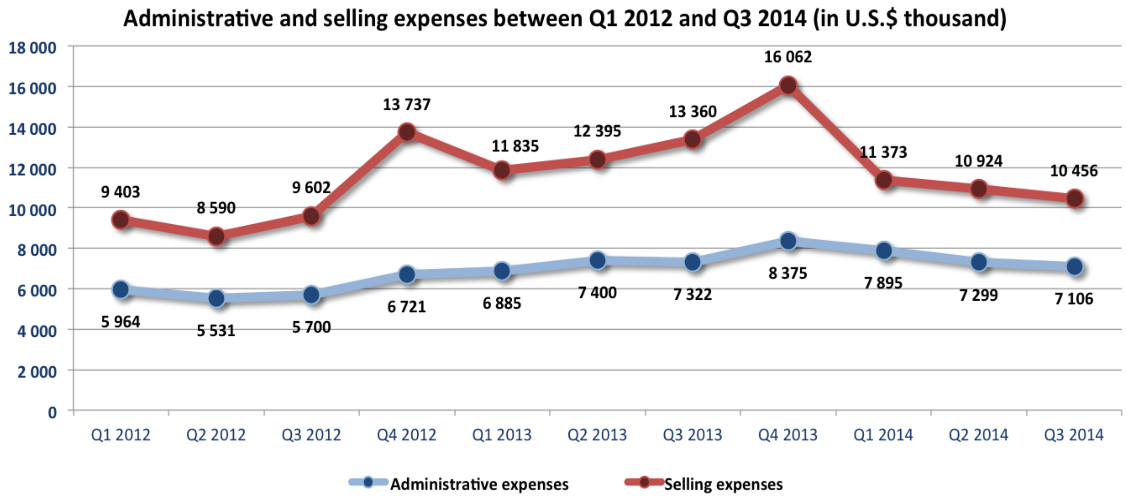
  Selling expenses in Q3 2014 decreased by 21.74% to U.S. $ 10,456 from U.S. $ 13,360 in the corresponding period of 2013 – much faster than the decrease in revenues, due to gross profit generated by the Company. Selling expenses were also lower than in both previous quarters of 2014.

  Selling expenses in Q1-Q3 2014 decreased by 12.87% to U.S. $ 32,753 from U.S. $ 37,589 in the corresponding period of 2013.

- **Administrative expenses** largely comprise of salaries and wages of administration personnel and rent expense. Following the turbulence in the markets of Russia and Ukraine, the Company has initiated a cost cutting program to save on expenses. This included a reorganization of some subsidiaries (i.e. less admin employees in a number of countries, moving operations from Ireland to England to be closer to customers, etc.). These actions resulted in decreasing administrative expenses in Q3 2014 and this trend is expected to continue in the future.

Administrative expenses in Q3 2014 decreased by 2.95% to U.S. $ 7,106 from U.S. $ 7,322 in the corresponding period of 2013, due to further cost saving efforts from the Company. They were also lower than in both preceding quarters.

Administrative expenses in Q1-Q3 2014 increased by 3.21% to U.S. $ 22,300 from U.S. $ 21,607 in the corresponding period of 2013.



- **Operating profit:** In Q3 2014 the Company had an operating profit of U.S. $ 4,735, compared to U.S. $ 7,399 in the corresponding period of 2013. For Q1-Q3 2014 operating profit amounted to U.S.$ 9,352 compared to U.S.$ 20,733 in the corresponding period of 2013.

- **EBITDA:** In Q3 2014 EBITDA decreased by 36.84% to U.S. $ 5,112 from U.S. $ 8,094 in the corresponding period of 2013.

  EBITDA in Q1-Q3 2014 decreased by 50.72% to U.S. $ 11,215 from U.S. $ 22,758 in the corresponding period of 2013.

- **Net profit:** Net profit after taxation in Q3 2014 amounted to U.S. $ 494 compared to U.S. $ 3,042 in the corresponding period of 2013. It is however important to underline that the Company returned to profitability after Q1 and Q2 of this year in losses.

  For the Q1-Q3 2014 the net result was overshadowed by losses of H1 2014 related to turbulences in Russia and Ukraine. As a result, in Q1-Q3 2014 the Company realized a net loss after taxation of U.S. $ 4,331 compared to a net profit after taxation of U.S.$ 7,759 in the corresponding period of 2013.

Sales by regions and countries

Traditionally and throughout the Company's operations, the F.S.U. and the CEE regions contribute the majority of our revenues. This has not changed in Q3 2014 and Q1-Q3 2014, however due to the political turbulence in Ukraine spreading to nearby markets, the CEE region contribution in total revenues has grown significantly at the cost of the F.S.U. region.

Revenues derived in the F.S.U region in Q3 2014 decreased by 22.27% for the same reasons as in Q1 and Q2 2014 (crisis in Ukraine that also affected Russia) and as a result sales to this region in Q1-Q3 2014 decreased by 27.40%.

Sales in the Central and Eastern Europe region in Q3 2014 have decreased by 5.85% and for the whole Q1-Q3 2014 by 7.20%. Despite the decrease in total numbers for this region, the Company's business was actually growing healthily in many countries of the region (especially Poland, Slovakia), and the decrease was mostly related to Bulgaria (similarly to Q2 2014) and to a decrease in the low margin trading business.

Similarly, sales in Western Europe in total numbers was lower by 27.42% in Q3 2014 and by 43.98% in Q1-Q3 2014 due to limited trading business of smartphones coupled with lost revenue from Ukrainian clients buying through Western European subsidiaries. However, Western European sales have actually grown, as in the case of United Kingdom, where revenues lifted by 43.65% in Q3 2014.

As a result of the above mentioned facts, the contribution of the F.S.U. region in our total sales decreased significantly both in Q3 2014 and in Q1-Q3 2014, while the contribution of other regions – most importantly CEE – has grown. This should make the Company's business more stable in the future, due to lower dependence from one region. Therefore, the Company intends to further support this trend in the future, especially by further developing its own brands business in CEE and Western Europe.

Country-by-country analysis confirms that the major decrease in sales was noted in the markets directly affected by the political crisis in Ukraine. Similarly to H1, the decrease in Ukraine was the most dramatic, since demand in this country was lower by about 50%. Additionally, the Company decided for more selective sales financed only from local sources. As a result, revenues in Ukraine have decreased by 53.70% in Q3 2014 and by 45.44% in Q1-Q3 2014 compared to the corresponding periods of 2013. In conjunction to this, revenues derived from our single biggest market - Russia – have decreased by 22.73% in Q3 2014 and 26.31% in Q1-Q3 2014 compared to the corresponding periods of 2013. On the other hand though, the Company was able to increase sales in markets that were not directly affected by the crisis in Ukraine, like in Poland (+49.09% in Q3 2014 and +136.38% in Q1-Q3 2014), Slovakia (+37.64% in Q3 2014 and +30.16% in Q1-Q3 2014), U.A.E. (+39.28% in Q3 2014 and +5.83% in Q1-Q3 2014) and even started significantly growing in countries that were previously affected by this crisis, like Kazakhstan (+59.26% in Q3 2014) and in the United Kingdom (+43.65% in Q3 2014).

The table below provides a geographical breakdown of sales in the three month periods ended 30 September 2014 and 2013.

	Q3 2014		Q3 2013	
	U.S. $ thousand	% of total revenues	U.S. $ thousand	% of total revenues
Central and Eastern Europe	145,614	37.72%	155,726	35.53%
Former Soviet Union	134,693	34.66%	173,282	39.54%
Middle East and Africa	60,310	15.52%	55,065	12.56%
Western Europe	30,898	7.95%	42,570	9.71%
Other	16,145	4.15%	11,601	2.65%
Total	388,659	100%	438,243	100%

The table below provides a geographical breakdown of sales in the nine month periods ended 30 September 2014 and 2013.

	Q1-Q3 2014		Q1-Q3 2013	
	U.S. $ thousand	% of total revenues	U.S. $ thousand	% of total revenues
Central and Eastern Europe	461,356	42.23%	497,139	36.91%
Former Soviet Union	361,164	33.06%	497,442	36.94%
Middle East and Africa	159,106	14.56%	180,574	13.41%

Western Europe	81,863	7.49%	146,122	10.85%
Other	29,095	2.66%	25,445	1.89%
Total	1,092,585	100%	1,346,721	100%

Revenue breakdown – Top 10 countries in Q3 2014 and Q3 2013 listed by performance

(in U.S. Dollar thousand)

Country	SALES PERFORMANCE		
	Q3 2014	Q3 2013	Change %
Kazakstan	25,965	16,303	59.26%
Poland	20,758	13,923	49.09%
United Kingdom	18,793	13,083	43.65%
United Arab Emirates	45,381	32,583	39.28%
Slovakia	53,821	39,104	37.64%
Romania	13,860	10,653	30.11%
Czech Republic	16,247	19,326	-15.93%
Russia	74,614	96,557	-22.73%
Belarus	13,369	19,067	-29.88%
Ukraine	18,013	38,902	-53.70%

Revenue breakdown – Top 10 countries in Q1-Q3 2014 and Q1-Q3 2013 listed by performance

(in U.S. Dollar thousand)

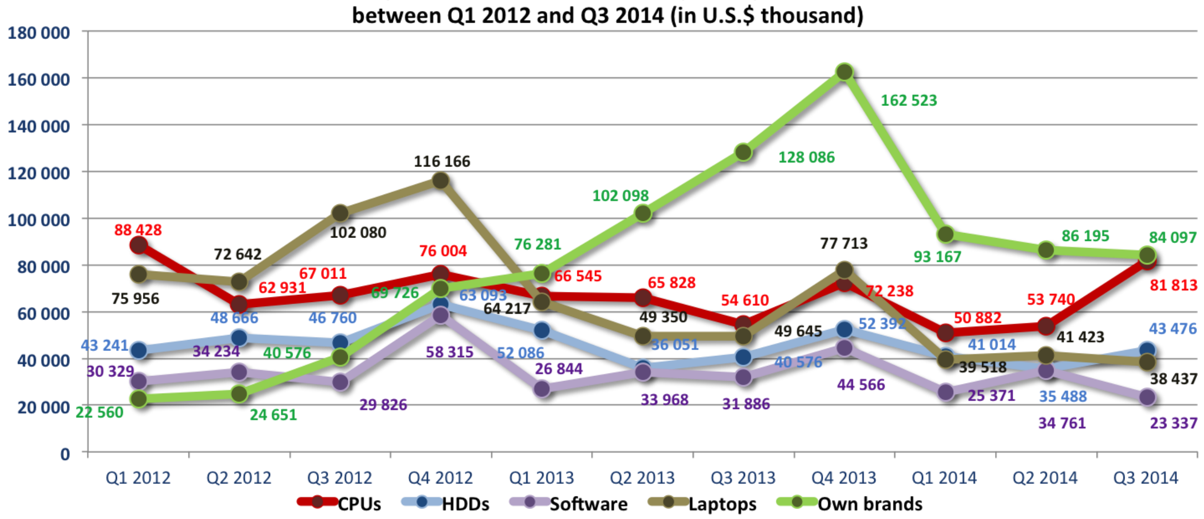
Country	SALES PERFORMANCE		
	Q1-Q3 2014	Q1-Q3 2013	Change %
Poland	78,190	33,077	136.38%
Slovakia	156,697	120,389	30.16%
Romania	39,272	33,420	17.51%
United Arab Emirates	110,879	104,770	5.83%
Czech Republic	54,606	53,136	2.77%
Kazakhstan	47,338	47,441	-0.22%
United Kingdom	39,785	47,506	-16.25%
Belarus	38,468	51,416	-25.18%
Russia	210,801	286,074	-26.31%
Ukraine	57,109	104,668	-45.44%

Sales by product lines

Y2014 to date is under a great pressure from the turbulence in Ukraine that affected sales in a number of countries across our operations beginning from February. This was reflected in sales of almost all main product lines to date. However, as a result of management's efforts to adapt the business to new market realities, in Q3 2014 total revenues started growing again. The total number of revenues was however not evenly distributed to all product lines. Revenues from sale of CPUs and HDDs grew compared to Q3 2013, while revenues from other main product lines, including own brands, decreased. For Q1-Q3 2014 compared to Q1-Q3 2013, revenues from all main product lines decreased due to the market turbulence.

More importantly trends started changing positively compared to previous quarters of the year. As a result, in Q3 2014 we have noticed increase in sales of CPUs and HDDs (compared to both Q1 and Q2 2014), only minor decrease in own brands and laptops sales, and the decrease in sales of software.

Changes in revenues breakdown by main product lines between Q1 2012 and Q3 2014 (in U.S.$ thousand)



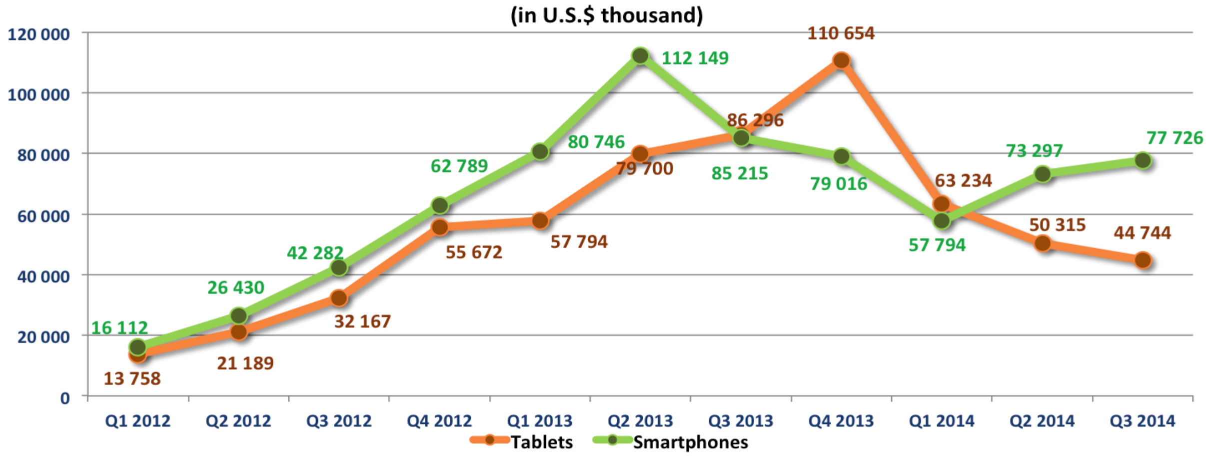
Revenues from own brands business decreased in Q3 2014 compared to Q3 2013 by 34.34% and the share of own brands business in total revenues in Q3 2014 decreased to 21.64% from 29.23% in Q3 2013 but in Q1-Q3 2014 it grew to 24.11% compared to 22.76% in Q1-Q3 2013. In order to offset the negative effects emanating from the turbulence in Ukraine and Russia, the Company focused on the development of own brands sales in other regions, most importantly in CEE and WE regions. Effects of this development were already seen in sales revenues from countries like United Kingdom, and more effects are expected in the future. The Company's intention is to further develop its own brand sales. This should be possible because of undertaken efforts that include more products of lighter technology, as well as sales of tablets and smartphones under the Prestigio brand in all regions of our operations.

From smaller product lines, the Company noticed a positive trend in desktop PCs (+23.93% in Q3 2014), servers and servers blocks (+48.78% in Q3 2014), CPUs and HDDs while corporate customers started to invest in IT infrastructure. The share of the four traditional product lines' (CPUs, HDDs, Laptops and Software) in total revenue was 48.13% in Q3 2014, compared to 40.32% in Q3 2013 and 46.61% in Q1-Q3 2014 compared to 42.44% in Q1-Q3 2013.

Revenues from smartphones decreased by 8.79% in Q3 2014 compared to Q3 2013, and by 27.03% in Q1-Q3 2014 compared to Q1-Q3 2013. The small decrease of Q3 2014 is related mostly to the turbulence in Ukraine and Russia, while for Q1-Q3 2014 (similarly to H1 2014) is related mostly to third party products. More importantly, revenues from smartphones grew in Q3 2014 for a second consecutive quarter, based mostly on own brands business. Further increase is expected due to both Prestigio development and increase of Apple sales mostly in Kazakhstan.

Revenues from tablets decreased by 48.15% in Q3 2014 and by 29.27% in Q1-Q3 2014 compared to the corresponding periods of 2013. This was connected with lower business in Ukraine and Russia and marginal growth noted in this market segment due to saturation.

Revenues from sale of tablets and smartphones between Q1 2012 and Q3 2014 (in U.S.$ thousand)



The table below sets a breakdown of revenues, by product lines, for Q3 2014 and Q3 2013:

	Q3 2014		Q3 2013	
	U.S. $ thousand	% of total revenues	U.S. $ thousand	% of total revenues
Central processing units (CPUs)	81,813	21.05%	54,610	12.46%
Smartphones	77,726	20.00%	85,215	19.44%
Tablets	44,744	11.51%	86,296	19.69%
Hard disk drives (HDDs)	43,476	11.19%	40,576	9.26%
PC-mobile (laptops)	38,437	9.89%	49,645	11.33%
Software	23,337	6.00%	31,886	7.28%
Other	79,127	20.36%	90,016	20.54%
Total revenue	**388,659**	**100%**	**438,243**	**100%**

The table below sets a breakdown of revenues, by product lines, for Q1-Q3 2014 and Q1-Q3 2013:

	Q1-Q3 2014		Q1-Q3 2013	
	U.S. $ thousand	% of total revenues	U.S. $ thousand	% of total revenues
Smartphones	202,937	18.57%	278,110	20.65%
Central processing units (CPUs)	186,435	17.06%	186,983	13.88%
Tablets	158,292	14.49%	223,790	16.62%
Hard disk drives (HDDs)	119,979	10.98%	128,714	9.56%
PC-mobile (laptops)	119,378	10.93%	163,212	12.12%
Software	83,469	7.64%	92,697	6.88%
Other	222,094	20.33%	273,215	20.29%
Total revenue	**1,092,585**	**100%**	**1,346,721**	**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. The following table presents a summary of cash flows for the nine months ended September 30th, 2014 and 2013:

	Nine months ended September 30th	
	2014	2013
	U.S. $	
Net cash (outflows)/inflows from operating activities	(28,811)	6,091
Net cash outflows from investing activities	(1,637)	(2,317)
Net cash outflows from financing activities	(5,295)	(2,142)
Net (decrease)/increase in cash and cash equivalents	(35,742)	1,632

Net cash (outflows)/inflows from operations

Net cash outflows from operations amounted to U.S. $ 28,811 for the nine months ended September 30th 2014, compared to inflows of U.S. $ 6,091 in the corresponding period of 2013. This is attributed to increased working capital utilization and lower profitability. However, for Q3 2014 standalone, the Company generated positive cash flows (inflows) from operations of U.S.$ 24,778 due to improved working capital utilization.

Net cash outflows from investing activities

Net cash outflows from investing activities was U.S. $ 1,637 for the nine months ended September 30th 2014, compared to U.S. $ 2,317 in the corresponding period of 2013. These outflows relate to on-going investments for fixed assets, such as computers, furniture etc.

Net cash outflows from financing activities

Net cash outflows from financing activities was U.S. $ 5,295 for the nine months ended September 30th 2014, compared to outflows of U.S. $ 2,142 in the corresponding period of 2013. This primarily relates to repayment of some loans and payment of final dividend.

Net (decrease)/increase in cash and cash equivalents

As a result of increased working capital utilization and lower profitability, cash and cash equivalents have decreased by U.S. $ 35,742, compared to an increase of U.S. $ 1,632 in the corresponding period of 2013. However for the Q3 2014 standalone, the Company generated a net increase in cash and cash equivalents of U.S.$ 5,377.

16. Factors which may affect our results in the future

Political and economic stability in Ukraine and Russia

Following the recent developments in two of our top three major markets, Ukraine and Russia, the Company has been facing significant demand reduction in both countries. This uncertainty has led to a change in consumers' purchasing behaviour since the fear of war is looming in both countries. This has created FX losses and lost sales for the Company in Q1 2014. Beginning from Q2 2014 the Company was able to hedge against currencies and faced no FX losses, but limited demand in both of these big markets continued to negatively affect our results.

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 much altered external environment (products, vendors and customer behaviour) and create opportunities to offset lower business in one region with higher sales in other regions, namely Central and Eastern Europe ("CEE") and Western Europe.

The crisis in F.S.U. countries is considered by the management as a crucial external factor which might adversely alter our results, in the short term; however we remain confident that we will be in a position to properly manage this crisis and get stronger out of it.

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 we do mitigate the risk of lower sales in a particular country with the possibility of higher sales in a number of other countries. Since Russia (as a country) and CEE (as a region) are the biggest contributors to the Company's revenues, it is very important to adapt to any market changes that might arise in these geographies.

Since CEE and Western Europe regions contribution in our total revenues grew at the cost of the F.S.U. region, our reliance on one geography decreases. This is especially important while facing the crisis in Ukraine also affecting Russia. Therefore, we now pay more and more attention to any possible market developments in all other growing regions, focusing especially on own brands.

However, the pace of this development may not be fast enough to offset the negative effects of the situation in F.S.U. countries in the short term and may be also costly in the meaning of temporary sacrifice of margins. Therefore, improvement in the results may be hindered over a longer period of time.

Despite all precautionary measures taken by the Company, the possibility of a decrease in demand and sales in a particular country cannot be excluded in the future. Such situation may limit overall growth (as was the case of H1 2014 due to Ukraine and Russia). Therefore it is of extreme importance for the Company to prepare its structure to offset such situation with higher sales in other markets. This means both a constant upgrade of the product portfolio and close relations with customers to win more market share from weaker competitors and weather any unforeseen issues that may appear in the future.

The Group's ability to increase gross profit margins

The Group has increased its gross profit margin in Q3 2014, compared to Q2 2014, however for Q1-Q3 2014 it was slightly lower than in the corresponding period of 2013 due to the turbulence in Ukraine and Russia. The margins may remain under pressure due to enhanced competition and the Company's efforts to quickly gain market share in WE and CEE (at a cost of temporarily lower margins) to offset lower sales in F.S.U. However, in the mid-term the gross profit margins are expected to increase due to an upgraded product portfolio and an increased own brands business (smartphones, tablets and new lines).

It is of extreme importance for the Company to continue working on refining its third party as well as its own products portfolio by adding high margin products for growing segments and forecasting new market trends to offer new products at the right time.

Currency volatilities

The multi-currency environment that the Group operates in exposes its financial results to steep currency fluctuations. Currency movements in Q1 2014 were strongly related to the Ukrainian crisis and the devaluation in the Kazakhstan currency (Tenge) that could not be successfully weathered by the hedging policy of the Group. This was however a once-off unpredictable situation that is not expected to be repeated in the near future. The Company is now in a position to manage it and had no major FX losses both in Q2 2014 and in Q3 2014, nor expects any later in Q4 2014. Therefore, the hedging strategy should be followed and further improved without any exception during the remainder of 2014 and 2015.

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

Ability of the Group to control expenses

Selling expenses in Q3 2014 and Q1-Q3 2014 have decreased as a result of both lower gross profit and cost cutting actions. In the same time administration expenses decreased in Q3 2014 and grew slightly in Q1-Q3 2014. However, the Company continues its cost cutting actions and therefore administrative expenses should also decrease in Q4 2014. We consider cost control to be a significant factor towards delivering improved results going forward and the Group is undertaking significant steps towards reducing its expenses.

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

Because of its size, geographical coverage and good relationship with vendors, the Company has managed to build an extensive product portfolio. It is crucial for the Company to continue refining its product mix constantly by adding new product lines with higher gross (and net) profit margins to boost its profitability.

It will be also important to develop new product lines inside the own brands portfolio, to support growth of this business and benefit from its access to end users with whom the Company may interact at any time. New products that are now under development will be crucial for further growth of revenues, since the Company expects the tablet segment to saturate somewhere between 2015 and 2016. At the same time, the smartphones segment is expected to continue growing for another couple of years, as forecasted by independent analysts.

Ability to decrease the average cost of debt

Fast development of own brands business that – by its nature – consumes more cash, has led to an increase in debt and in the average cost of debt. This is an issue that the Group has already addressed, in order to decrease its debt and the average cost of debt by optimizing the utilization of its financial facilities. Results are clearly visible and further improvement is expected in Q4 2014 and in 2015.

17. Information about important events that occurred after the period ended on September 30th, 2014 and before this report release

According to our best knowledge, in the period between September 30th, 2014 and November 6th, 2014 no events have occurred that could affect the Company's operations or its financial stability.

Part II Financial Information

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

Report and Interim Condensed Consolidated Financial Statements for the period ended September 30th, 2014

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INTERIM CONSOLIDATED INCOME STATEMENT
FOR THE PERIOD ENDED 30 SEPTEMBER 2014

	Note	For the three months ended 30 September 2014 US$	For the three months ended 30 September 2013 US$	For the nine months ended 30 September 2014 US$	For the nine months ended 30 September 2013 US$
Revenue	5,25	388,659,400	438,242,798	1,092,584,540	1,346,720,841
Cost of sales		(366,362,687)	(410,162,314)	(1,028,179,454)	(1,266,792,499)
Gross profit		22,296,713	28,080,484	64,405,086	79,928,342
Selling expenses		(10,456,039)	(13,360,013)	(32,752,997)	(37,589,048)
Administrative expenses		(7,105,797)	(7,321,449)	(22,299,987)	(21,606,752)
Profit from operations		4,734,877	7,399,022	9,352,102	20,732,542
Financial income	8	45,104	95,922	642,040	294,814
Financial expenses	8	(4,274,884)	(3,857,678)	(14,373,030)	(11,538,064)
Other gains and losses	6	21,907	207,815	109,876	565,836
Share of loss from joint ventures	11	-	-	-	(57,029)
Profit/(loss) before tax	7	527,004	3,845,081	(4,269,012)	9,998,099
Taxation	9	(33,275)	(803,612)	(61,873)	(2,239,092)
Profit/(loss) for the period		493,729	3,041,469	(4,330,885)	7,759,007
Attributable to:					
Owners of the company		479,178	3,028,757	(4,356,177)	7,727,675
Non-controlling interests		14,551	12,712	25,292	31,332
		493,729	3,041,469	(4,330,885)	7,759,007
		US$ cents	US$ cents	US$ cents	US$ cents
Earnings per share					
Basic and diluted from continuing operations		0.86	5.46	(7.85)	13.92

INTERIM CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME
FOR THE PERIOD ENDED 30 SEPTEMBER 2014

	For the three months ended 30 September 2014 US$	For the three months ended 30 September 2013 US$	For the nine months ended 30 September 2014 US$	For the nine months ended 30 September 2013 US$
Profit/(loss) for the period	493,729	3,041,469	(4,330,885)	7,759,007
Other comprehensive loss:				
Exchange difference on translating foreign operations	(2,633,229)	(135,900)	(3,749,454)	(105,649)
Reclassification adjustments relating to foreign operations liquidated and disposed of in the period	-	-	-	(1,667)
Other comprehensive loss for the period	(2,633,229)	(135,900)	(3,749,454)	(107,316)
Total comprehensive (loss)/income for the period	(2,139,500)	2,905,569	(8,080,339)	7,651,691
Total comprehensive (loss)/income attributable to:				
Owners of the company	(2,141,940)	2,898,568	(8,091,583)	7,616,790
Non-controlling interests	2,440	7,001	11,244	34,901
	(2,139,500)	2,905,569	(8,080,339)	7,651,691

INTERIM CONSOLIDATED STATEMENT OF FINANCIAL POSITION
AS AT 30 SEPTEMBER 2014

	Notes	As at 30 September 2014 US$	As at 31 December 2013 US$
ASSETS			
Non-current assets			
Property, plant and equipment	10	25,555,992	27,981,605
Intangible assets	12	1,339,518	927,789
Available-for-sale financial assets	13	11,794	11,794
Goodwill	29	1,813,641	1,969,009
Deferred tax assets	22	512,801	400,670
Total non-current assets		29,233,746	31,290,867
Current assets			
Inventories	14	152,072,628	171,965,789
Trade receivables	15	267,437,564	367,048,481
Other current assets	16	10,441,881	16,323,358
Derivative financial asset	27	229,787	42,043
Current taxation	9	882,486	519,296
Cash at bank and in hand	28	20,988,922	36,776,501
Total current assets		452,053,268	592,675,468
Total assets		481,287,014	623,966,335
EQUITY AND LIABILITIES			
Equity			
Share capital	17	11,100,000	11,100,000
Share premium		23,518,243	23,518,243
Retained earnings and other components of equity		67,256,032	78,670,332
Equity attributable to owners of the parent		101,874,275	113,288,575
Non-controlling interests		171,045	159,801
Total equity		102,045,320	113,448,376
Non-current liabilities			
Long term borrowings	19	1,940,672	2,712,201
Other long term liabilities	20	426,166	382,125
Deferred tax liabilities	22	139,970	143,532
Total non-current liabilities		2,506,808	3,237,858
Current liabilities			
Trade payables		211,630,038	317,002,958
Other current liabilities	23	25,859,710	45,762,464
Short term borrowings	18	138,885,958	143,251,994
Derivative financial liability	26	215,149	391,798
Current taxation	9	144,031	870,887
Total current liabilities		376,734,886	507,280,101
Total liabilities		379,241,694	510,517,959
Total equity and liabilities		481,287,014	623,966,335

The financial statements were approved by the Board on 5 November 2014.

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

INTERIM CONSOLIDATED STATEMENT OF CHANGES IN EQUITY
FOR THE PERIOD ENDED 30 SEPTEMBER 2014

	Attributable to owners of the parent							
	Share capital US$	**Share premium US$**	**Treasury stock US$**	**Translation of foreign operations US$**	**Retained earnings US$**	**Total US$**	**Non-controlling interests US$**	**Total US$**
Balance at 1 January 2013	11,100,000	23,518,243	(130,834)	(974,126)	69,431,190	102,944,473	140,674	103,085,147
Profit for the period 1 January 2013 to 30 September 2013	-	-	-	-	7,727,675	7,727,675	31,332	7,759,007
Other comprehensive (loss)/income for the period 1 January 2013 to 30 September 2013	-	-	-	(110,885)	-	(110,885)	3,569	(107,316)
Payment of final dividend	-	-	-	-	(2,768,081)	(2,768,081)	-	(2,768,081)
Acquisition of shares from non-controlling interests	-	-	-	-	16,368	16,368	(33,678)	(17,310)
Share-based payments	-	-	51,319	-	31,425	82,744	-	82,744
Balance at 30 September 2013	11,100,000	23,518,243	(79,515)	(1,085,011)	74,438,577	107,892,294	141,897	108,034,191
Profit for the period 1 October 2013 to 31 December 2013	-	-	-	-	4,938,287	4,938,287	15,064	4,953,351
Other comprehensive income for the period 1 Ocotber 2013 to 31 December 2013	-	-	-	457,994	-	457,994	2,840	460,834
Balance at 31 December 2013	11,100,000	23,518,243	(79,515)	(627,017)	79,376,864	113,288,575	159,801	113,448,376
(Loss)/profit for the period 1 January 2014 to 30 September 2014	-	-	-	-	(4,356,177)	(4,356,177)	25,292	(4,330,885)
Other comprehensive loss for the period 1 January 2014 to 30 September 2014	-	-	-	(3,735,406)	-	(3,735,406)	(14,048)	(3,749,454)
Dividends declared	-	-	-	-	(3,322,717)	(3,322,717)	-	(3,322,717)
Balance at 30 September 2014	11,100,000	23,518,243	(79,515)	(4,362,423)	71,697,970	101,874,275	171,045	102,045,320

INTERIM CONSOLIDATED STATEMENT OF CASH FLOWS
FOR THE PERIOD ENDED 30 SEPTEMBER 2014

	Note	For the three months ended 30 September 2014 US$	For the three months ended 30 September 2013 US$	For the nine months ended 30 September 2014 US$	For the nine months ended 30 September 2013 US$
Profit/(loss) for the period before tax and minority interest		527,004	3,845,081	(4,269,012)	9,998,099
Adjustments for:					
Exchange difference arising on consolidation		(1,630,496)	639,018	(2,021,808)	(161,300)
Depreciation of property, plant and equipment	10	614,553	590,812	1,901,481	1,711,151
Amortisation of intangible assets	12	88,288	103,758	286,815	313,758
Share of loss from joint ventures	11	-	-	-	57,029
Profit/(loss) from the sale of property, plant and equipment and intangible assets		5,241	(68,262)	83,732	(131,407)
Provision for bad debts and receivables written off		456,463	994,983	1,328,452	2,772,342
Bad debts recovered		(8,254)	(9,481)	(14,946)	(34,557)
Interest received	8	(15,149)	(34,238)	(136,256)	(93,679)
Interest paid	8	2,136,081	1,498,533	6,320,819	5,186,532
Share based payments		-	36,753	-	82,744
Operating profit before working capital changes		2,173,731	7,596,957	3,479,277	19,700,712
(Increase)/decrease in inventories		(725,557)	(19,906,598)	19,893,161	(36,632,807)
(Increase)/decrease in trade receivables		(5,047,093)	(20,805,427)	98,297,412	24,530,956
Decrease in other current assets		233,862	10,263,815	5,693,732	6,182,664
Increase/(decrease) in trade payables		36,747,747	30,115,034	(105,372,922)	(34,539,247)
Increase/(decrease) in other current liabilities		193,289	7,337,894	(20,079,401)	11,685,978
Increase in other non-current liabilities		16,603	26,807	44,042	81,818
(Decrease)/increase in factoring creditors		(6,003,443)	11,126,071	(23,120,304)	22,746,390
Cash inflows/(outflows) from operations		27,589,139	25,754,553	(21,165,003)	13,756,464
Interest paid	8	(2,136,081)	(1,498,533)	(6,320,819)	(5,186,532)
Taxation paid, net	9	(674,626)	(1,297,686)	(1,324,915)	(2,478,625)
Net cash inflows/(outflows) from operating activities		24,778,432	22,958,334	(28,810,737)	6,091,307

INTERIM CONSOLIDATED STATEMENT OF CASH FLOWS
FOR THE PERIOD ENDED 30 SEPTEMBER 2014

	Note	For the three months ended 30 September 2014 US$	For the three months ended 30 September 2013 US$	For the nine months ended 30 September 2014 US$	For the nine months ended 30 September 2013 US$
Cash flows from investing activities					
Purchase of intangible assets	12	(269,694)	(36,828)	(721,634)	(133,260)
Purchase of property, plant and equipment	10	(324,234)	(950,934)	(1,488,650)	(2,572,374)
Proceeds from sale of property, plant and equipment and intangible assets		209,287	109,513	437,163	279,511
Interest received	8	15,149	34,238	136,256	93,679
Net payments on business combinations		-	-	-	(64,125)
Net cash acquired on business combinations		-	-	-	79,428
Net cash outflows from investing activities		(369,492)	(844,011)	(1,636,865)	(2,317,141)
Cash flows from financing activities					
Payment of final dividend		(3,322,717)	-	(3,322,717)	(2,768,081)
(Repayments)/proceeds of long term loans and long term obligations under finance lease		(384,086)	66,771	(771,528)	(714,795)
(Repayments)/proceeds of short term borrowings and short term obligations under finance lease		(15,325,121)	592,164	(1,200,275)	1,340,979
Net cash (outflows)/inflows from financing activities		(19,031,924)	658,935	(5,294,520)	(2,141,897)
Net increase/(decrease) in cash and cash equivalents		5,377,016	22,773,258	(35,742,122)	1,632,269
Cash and cash equivalents at beginning of the period		(40,628,954)	(25,533,300)	490,184	(4,392,311)
Cash and cash equivalents at end of the period	28	(35,251,938)	(2,760,042)	(35,251,938)	(2,760,042)

NOTES TO THE INTERIM CONSOLIDATED FINANCIAL STATEMENTS
FOR THE PERIOD ENDED 30 SEPTEMBER 2014

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.

The company is listed on the Warsaw Stock Exchange since 30th October 2007.

2. Basis of preparation

(a) Statement of compliance

The interim condensed consolidated financial statements for the nine months ended 30 September 2014 have been prepared in accordance with International Accounting Standard (IAS) 34 Interim Financial Reporting.

The interim condensed consolidated financial statements were approved by the Board of Directors on 5 November 2014 and have not been audited by the group's independent auditors.

Selected explanatory notes are included to explain events and transactions that are significant to an understanding of the changes in financial position and performance of the group since the last annual consolidated financial statements as at and for the year ended 31 December 2013. The interim condensed consolidated financial statements do not include all the information and disclosures required for the annual financial statements and should be read in conjunction with the audited financial statements for the year ended 31 December 2013.

(b) Judgments and estimates

Preparing the interim financial report requires Management to make judgments, estimates and assumptions that affect the application of accounting policies and the reported amounts of assets and liabilities, income and expense. Actual results may differ from these estimates. In preparing these interim condensed consolidated financial statements, significant judgments made by Management in applying the group's accounting policies and the key sources of estimation uncertainty were the same as those that applied to the consolidated financial statements as at and for the year ended 31 December 2013.

3. Basis of consolidation

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

4. Significant accounting policies

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

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

The accounting policies adopted for the preparation of the interim condensed consolidated financial statements for the nine months ended 30 September 2014 are consistent with those followed for the preparation of the annual financial statements for the year 2013 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 2014. 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 demand for the group's products.

NOTES TO THE INTERIM CONSOLIDATED FINANCIAL STATEMENTS
FOR THE PERIOD ENDED 30 SEPTEMBER 2014

6. Other gains and losses

	For the three months ended 30 September 2014 US$	For the three months ended 30 September 2013 US$	For the nine months ended 30 September 2014 US$	For the nine months ended 30 September 2013 US$
(Loss)/profit on disposal of property, plant and equipment	(5,241)	68,262	(83,732)	131,407
Other (loss)/income	(12,828)	74,043	115,352	230,037
Bad debts recovered	8,254	9,481	14,946	34,557
Rental income	31,722	56,029	63,310	169,835
	21,907	207,815	109,876	565,836

7. Profit/(loss) before tax

	For the three months ended 30 September 2014 US$	For the three months ended 30 September 2013 US$	For the nine months ended 30 September 2014 US$	For the nine months ended 30 September 2013 US$
Profit/(loss) before tax is stated after charging :				
(a) Amortisation of intangible assets (Note 12)	88,288	103,758	286,815	313,758
(b) Depreciation (Note 10)	614,553	590,812	1,901,481	1,711,151
(c) Auditors' remuneration	101,730	127,464	349,499	372,832
(d) Directors' remuneration – executive (Note 30)	90,138	222,106	331,357	715,211
(e) Directors' remuneration – non-executive (Note 30)	9,160	11,673	31,506	34,617

8. Financial expense, net

	For the three months ended 30 September 2014 US$	For the three months ended 30 September 2013 US$	For the nine months ended 30 September 2014 US$	For the nine months ended 30 September 2013 US$
Financial income				
Interest income	15,149	34,238	136,256	93,679
Other financial income	29,955	61,684	505,784	201,135
	45,104	95,922	642,040	294,814
Financial expense				
Bank interest	2,136,081	1,498,533	6,320,819	5,186,532
Bank charges	364,830	376,004	1,072,809	1,188,555
Derivative charges	175,999	224,096	480,801	410,776
Factoring interest	916,435	1,435,880	2,850,900	3,301,372
Factoring charges	196,138	128,875	487,983	367,454
Other financial expenses	134,298	60,027	225,650	131,281
Other interest	266,215	98,181	658,670	316,467
Net exchange loss	84,888	36,082	2,275,398	635,627
	4,274,884	3,857,678	14,373,030	11,538,064
Net	(4,229,780)	(3,761,756)	(13,730,990)	(11,243,250)

9. Tax

	For the nine months ended 30 September 2014 US$	For the year ended 31 December 2013 US$
Payable balance 1 January	351,591	126,122
Provision for the period/year	178,408	3,229,703
Under provision of prior year periods	19,593	64,860
Exchange difference on retranslation	36,868	75,328
Amounts paid, net	(1,324,915)	(3,144,422)
Net (receivable)/payable balance 30 September/ 31 December	(738,455)	351,591

	For the nine months ended 30 September 2014 US$	For the year ended 31 December 2013 US$
Tax receivable	(882,486)	(519,296)
Tax payable	144,031	870,887
Net	(738,455)	351,591

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

	For the three months ended 30 September 2014 US$	For the three months ended 30 September 2013 US$	For the nine months ended 30 September 2014 US$	For the nine months ended 30 September 2013 US$
Provision for the period	149,474	781,950	178,408	2,112,903
(Over)/under provision of prior years	(290)	68,594	19,593	62,497
Deferred tax charge (Note 22)	(115,909)	(46,932)	(136,128)	63,692
Charge for the period	33,275	803,612	61,873	2,239,092

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

NOTES TO THE INTERIM CONSOLIDATED FINANCIAL STATEMENTS
FOR THE PERIOD ENDED 30 SEPTEMBER 2014

10. Property, plant and equipment

	Land and buildings US$	Assets under construction US$	Computer hardware US$	Warehouse machinery US$	Motor vehicles US$	Furniture and fittings US$	Office equipment US$	Total US$
Cost								
At 1 January 2013	24,079,113	-	6,448,346	161,539	3,327,183	2,552,366	3,347,033	39,915,580
Additions from acquisitions of subsidiaries	94,491	-	32,214	-	252,672	77,620	183,131	640,128
Additions	133,317	130,269	1,363,654	18,297	1,029,056	578,516	393,977	3,647,086
Disposals	(46,303)	-	(714,519)	(5,398)	(1,003,499)	(176,061)	(182,872)	(2,128,652)
Transfers	107,803	(107,803)	-	-	-	-	-	-
Foreign exchange difference on retranslation	237,557	2,413	90,339	(32)	47,986	29,347	23,151	430,761
At 31 December 2013	24,605,978	24,879	7,220,034	174,406	3,653,398	3,061,788	3,764,420	42,504,903
Additions	163,157	-	632,312	-	335,318	108,809	249,054	1,488,650
Disposals	(27,019)	-	(412,098)	(3,292)	(324,079)	(158,686)	(344,478)	(1,269,652)
Transfers	24,822	(24,822)	-	-	-	-	-	-
Foreign exchange difference on retranslation	(1,162,264)	(57)	(364,879)	(621)	(335,578)	(229,679)	(277,616)	(2,370,694)
At 30 September 2014	23,604,674	-	7,075,369	170,493	3,329,059	2,782,232	3,391,380	40,353,207
Accumulated depreciation								
At 1 January 2013	2,767,311	-	4,895,599	55,925	2,262,500	1,407,507	1,807,467	13,196,309
Acquisitions through business combinations	40,129	-	27,748	-	249,799	68,494	179,140	565,310
Charge for the year	571,720	-	769,726	19,837	408,986	408,018	300,927	2,479,214
Disposals	(8,296)	-	(705,080)	(309)	(985,242)	(150,359)	(74,934)	(1,924,220)
Foreign exchange difference on retranslation	22,424	-	79,596	27	49,266	27,501	27,871	206,685
At 31 December 2013	3,393,288	-	5,067,589	75,480	1,985,309	1,761,161	2,240,471	14,523,298
Charge for the period	454,520	-	634,280	13,883	349,703	238,656	210,439	1,901,481
Disposals	(6,977)	-	(316,105)	(3,292)	(194,040)	(82,492)	(146,108)	(749,014)
Foreign exchange difference on retranslation	(168,971)	-	(258,829)	(334)	(181,534)	(118,343)	(150,539)	(878,550)
At 30 September 2014	3,671,860	-	5,126,935	85,737	1,959,438	1,798,982	2,154,263	14,797,215
Net book value								
At 30 September 2014	19,932,814	-	1,948,434	84,756	1,369,621	983,250	1,237,117	25,555,992
At 31 December 2013	21,212,690	24,879	2,152,445	98,926	1,668,089	1,300,627	1,523,949	27,981,605

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11. Investment in joint ventures

	As at 30 September 2014 US$	As at 31 December 2013 US$
Cost		
At 1 January	-	386,400
Full acquisition of joint venture (Note 31(1.1.))	-	(386,400)
At 30 September/ 31 December	-	-
Accumulated share of losses from joint ventures		
At 1 January	-	(329,371)
Share of losses from joint ventures during the year	-	(57,029)
Full acquisition of joint venture (Note 31(1.2.))	-	386,400
At 30 September/ 31 December	-	-

12. Intangible assets

	Computer software US$	Patents and licenses US$	Total US$
Cost			
At 1 January 2013	6,479,284	1,128,596	7,607,880
Additions from acquisitions of subsidiaries	76,012	-	76,012
Additions	144,904	26,209	171,113
Disposals/ write-offs	(8,587)	(1,053)	(9,640)
Foreign exchange difference on retranslation	16,974	(8,270)	8,704
At 31 December 2013	6,708,587	1,145,482	7,854,069
Additions	709,284	12,350	721,634
Disposals/ write-offs	(69,163)	(556)	(69,719)
Foreign exchange difference on retranslation	(145,070)	(30,975)	(176,045)
At 30 September 2014	7,203,638	1,126,301	8,329,939
Accumulated amortisation			
At 1 January 2013	5,550,520	867,624	6,418,144
Charge for the year	270,147	152,573	422,720
Additions from acquisitions of subsidiaries	76,012	-	76,012
Disposals/ write-offs	(8,508)	(602)	(9,110)
Foreign exchange difference on retranslation	15,955	2,559	18,514
At 31 December 2013	5,904,126	1,022,154	6,926,280
Charge for the period	220,372	66,443	286,815
Disposals/ write-offs	(69,031)	(430)	(69,461)
Foreign exchange difference on retranslation	(127,951)	(25,262)	(153,213)
At 30 September 2014	5,927,516	1,062,905	6,990,421
Net book value			
At 30 September 2014	1,276,122	63,396	1,339,518
At 31 December 2013	804,461	123,328	927,789

NOTES TO THE INTERIM CONSOLIDATED FINANCIAL STATEMENTS
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13. Available-for-sale financial assets

The details of the investments are as follows:

	Country of incorporation	Participation %	Cost US$	Impairment US$	As at 30 September 2014 US$	As at 31 December 2013 US$
Investments held in related companies						
E-Vision Ltd	Cyprus	18%	90,000	(90,000)	-	-
Other investments						
Asekol s.r.o.	Czech Republic	9.09%	9,580	-	9,580	9,580
Regnon S.A.	Poland	0.01%	2,214	-	2,214	2,214
			101,794	(90,000)	11,794	11,794

14. Inventories

	As at 30 September 2014 US$	As at 31 December 2013 US$
Goods in transit	15,106,402	17,825,607
Goods held for resale	139,419,127	156,255,514
Provision for slow moving and obsolete stock	(2,452,901)	(2,115,332)
	152,072,628	171,965,789

15. Trade receivables

	As at 30 September 2014 US$	As at 31 December 2013 US$
Trade receivables	273,531,246	372,917,867
Allowance for doubtful debts	(6,093,682)	(5,869,386)
	267,437,564	367,048,481

16. Other current assets

	As at 30 September 2014 US$	As at 31 December 2013 US$
Deposits and advances to service providers	799,429	832,353
Employee floats	114,811	83,303
VAT and other taxes refundable	5,241,537	10,817,197
Other debtors and prepayments	4,286,104	4,590,505
	10,441,881	16,323,358

17. Share capital

	As at 30 September 2014 US$	As at 31 December 2013 US$
Authorised		
63,000,000 (2013: 63,000,000) shares of US$ 0.20 each	12,600,000	12,600,000
Issued and fully paid		
55,500,000 (2013: 55,500,000) ordinary shares of US$ 0.20 each	11,100,000	11,100,000

18. Short term borrowings

	As at 30 September 2014 US$	As at 31 December 2013 US$
Bank overdrafts (Note 28)	56,240,860	36,286,317
Current portion of long term loans	742,536	813,416
Bank short term loans	35,409,107	36,542,091
Short term obligations under finance leases (Note 21)	80,298	76,709
Total short term debt	92,472,801	73,718,533
Factoring creditors	46,413,157	69,533,461
	138,885,958	143,251,994

Summary of borrowings and overdraft arrangements

As at 30 September 2014 the group enjoyed factoring facilities of US$ 94,934,420 (31 December 2013: US$ 108,434,684).

In addition, the group as at 30 September 2014 had the following financing facilities with banks in the countries that the company and its subsidiaries are operating:

- overdraft lines of US$ 57,499,564 (31 December 2013: US$ 57,134,972)
- short term loans/revolving facilities of US$ 67,328,730 (31 December 2013: US$ 85,348,277)
- bank guarantee and letters of credit lines of US$ 13,508,583 (31 December 2013: US$ 8,043,997)

The group had for the period ending 30 September 2014 cash lines (overdrafts, loans and revolving facilities) and factoring lines.

The Weighted Average Cost of Debt (cash lines and factoring lines) for the period was 7.9% (for 2013: 8.7%).

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

- Floating charges over all assets of the company
- Mortgage on land and buildings that the group owns in Cyprus, Czech Republic, Belarus, Middle East, Bulgaria, Slovakia and Ukraine
- Charge over receivables and inventories
- Corporate guarantees to the extent of facilities granted to subsidiary companies
- Assignment of insurance policies
- Pledged deposits of US$ 4,868,486 (31 December 2013: US$ 3,103,256)

19. Long term borrowings

	As at 30 September 2014 US$	As at 31 December 2013 US$
Bank loans	1,841,222	2,572,295
Long term obligations under finance leases (Note 21)	99,450	139,906
	1,940,672	2,712,201

20. Other long term liabilities

	As at 30 September 2014 US$	As at 31 December 2013 US$
Pension provision	426,166	382,125

21. Finance leases

	As at 30 September 2014 US$	As at 31 December 2013 US$
Obligation under finance lease	179,748	216,615
Less: Amount payable within one year	(80,298)	(76,709)
Amounts payable within 2-5 years inclusive	99,450	139,906

22. Deferred tax

	For the nine months ended 30 September 2014 US$	For the year ended 31 December 2013 US$
Debit balance on 1 January	(257,138)	(602,849)
Deferred tax (credit)/charge for the period/year (Note 9)	(136,128)	357,872
Exchange difference on retranslation	20,435	(12,161)
Debit balance on 30 September/ 31 December	(372,831)	(257,138)

	For the nine months ended 30 September 2014 US$	For the year ended 31 December 2013 US$
Deferred tax assets	(512,801)	(400,670)
Deferred tax liabilities	139,970	143,532
Net deferred tax assets	(372,831)	(257,138)

23. Other current liabilities

	As at 30 September 2014 US$	As at 31 December 2013 US$
Salaries payable and related costs	1,698,926	1,848,821
Amount due to directors - executive (Note 30)	1,512,455	481,506
VAT payable	7,039,984	15,789,382
Accruals and deferred income	11,377,892	24,235,684
Non-trade accounts payable	4,230,453	3,407,071
	25,859,710	45,762,464

24. Commitments and contingencies

As at 30 September 2014 the group was committed in respect of purchases of inventories of a total cost value of US$ 1,000,586 (31 December 2013: US$ 1,315,130) which were in transit at 30 September 2014 and delivered in October 2014. Such inventories and the corresponding liability towards the suppliers have not been included in these financial statements since, according to the terms of purchase title of the goods has not passed to the group at period/year end.

As at 30 September 2014 the group was contingently liable in respect of bank guarantees and letters of credit lines of US$ 13,508,583 (31 December 2013: US$ 8,043,997) which the group has extended mainly to its suppliers.

As at 30 September 2014 the group had no other capital or legal commitments and contingencies.

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

1.2 Segment revenues

	For the three months ended 30 September 2014 US$	For the three months ended 30 September 2013 US$	For the nine months ended 30 September 2014 US$	For the nine months ended 30 September 2013 US$
Former Soviet Union	134,692,513	173,281,513	361,164,255	497,441,837
Central Eastern Europe	146,614,236	155,725,645	461,356,223	497,138,680
Western Europe	30,897,761	42,569,952	81,862,532	146,121,979
Middle East & Africa	60,310,133	55,064,983	159,106,345	180,573,861
Other	16,144,757	11,600,705	29,095,185	25,444,484
	388,659,400	438,242,798	1,092,584,540	1,346,720,841

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25. Operating segments (continued)

1.3 Segment results

	For the three months ended 30 September 2014 US$	For the three months ended 30 September 2013 US$	For the nine months ended 30 September 2014 US$	For the nine months ended 30 September 2013 US$
Former Soviet Union	1,860,629	2,552,335	4,396,546	7,691,624
Central Eastern Europe	2,424,364	4,195,539	4,885,736	9,753,177
Western Europe	177,711	113,676	(554,934)	934,966
Middle East & Africa	117,036	458,380	624,027	2,142,585
Other	155,137	79,092	727	210,190
Profit from operations	4,734,877	7,399,022	9,352,102	20,732,542
Net financial expenses	(4,229,780)	(3,761,756)	(13,730,990)	(11,243,250)
Other gains and losses	21,907	207,815	109,876	565,837
Share of loss from joint ventures	-	-	-	(57,030)
Profit/(loss) before taxation	527,004	3,845,081	(4,269,012)	9,998,099

1.4 Inter-segment revenues

Selling segment	Purchasing segment	For the three months ended 30 September 2014 US$	For the three months ended 30 September 2013 US$
Western Europe	Middle East & Africa	-	780

Selling segment	Purchasing segment	For the nine months ended 30 September 2014 US$	For the nine months ended 30 September 2013 US$
Western Europe	Middle East & Africa	7,031	129,315

1.5 Segment capital expenditure (CAPEX)

	As at 30 September 2014 US$	As at 31 December 2013 US$
Former Soviet Union	5,402,515	6,208,510
Central Eastern Europe	12,366,260	13,796,935
Western Europe	168,841	154,961
Middle East & Africa	3,499,429	3,602,488
Unallocated	7,272,106	7,115,509
	28,709,151	30,878,403

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25. Operating segments (continued)

1.6 Segment depreciation and amortisation

	For the three months ended 30 September 2014 US$	For the three months ended 30 September 2013 US$	For the nine months ended 30 September 2014 US$	For the nine months ended 30 September 2013 US$
Former Soviet Union	176,261	162,446	570,754	427,346
Central Eastern Europe	257,126	258,404	780,817	733,691
Western Europe	10,039	22,736	49,788	76,766
Middle East & Africa	65,841	83,400	226,700	258,952
Unallocated	193,574	167,584	560,237	528,154
	702,841	694,570	2,188,296	2,024,909

1.7 Segment assets

	As at 30 September 2014 US$	As at 31 December 2013 US$
Former Soviet Union	179,703,937	278,748,322
Central Eastern Europe	130,414,178	136,434,170
Western Europe	51,898,977	88,810,232
Middle East & Africa	71,010,702	71,725,239
Total	433,027,794	575,717,963
Assets allocated in capital expenditure (1.5)	28,709,151	30,878,403
Other unallocated assets	19,550,069	17,369,969
Consolidated assets	481,287,014	623,966,335

26. Derivative financial liability

	As at 30 September 2014 US$	As at 31 December 2013 US$
Derivative financial liabilities carried at fair value through profit or loss		
Foreign currency derivative contracts	215,149	391,798

27. Derivative financial asset

	As at 30 September 2014 US$	As at 31 December 2013 US$
Derivative financial assets carried at fair value through profit or loss		
Foreign currency derivative contracts	229,787	42,043

28. Cash and cash equivalents

	As at 30 September 2014 US$	As at 31 December 2013 US$
Cash at bank and in hand	20,988,922	36,776,501
Bank overdrafts (Note 18)	(56,240,860)	(36,286,317)
	(35,251,938)	490,184

The cash at bank and in hand balance includes an amount of US$ 4,868,486 (31 December 2013: US$ 3,103,256) which represents pledged deposits.

29. Goodwill

	As at 30 September 2014 US$	As at 31 December 2013 US$
At 1 January	1,969,009	550,517
Additions (Note 31)	-	1,422,923
Foreign exchange difference on retranslation	(155,368)	(4,431)
At 30 September/ 31 December (note i)	1,813,641	1,969,009

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

	As at 30 September 2014 US$	As at 31 December 2013 US$
ASBIS d.o.o. (BA) (formerly Megatrend D.O.O. Sarajevo)	443,302	481,067
SHARK Computers a.s.	1,370,339	1,487,942
	1,813,641	1,969,009

30. Transactions and balances of key management

	For the three months ended 30 September 2014 US$	For the three months ended 30 September 2013 US$	For the nine months ended 30 September 2014 US$	For the nine months ended 30 September 2013 US$
Directors' remuneration - executive (Note 7)	90,138	222,106	331,357	715,211
Directors' remuneration - non executive (Note 7)	9,160	11,673	31,506	34,617
	99,298	233,779	362,863	749,828

	As at 30 September 2014 US$	As at 31 December 2013 US$
Amount due to directors – executive (Note 23)	1,512,455	481,506

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31. Business combinations

1. Acquisitions

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

During the year, the group has acquired the remaining 49% of the share capital of SHARK Online a.s. in Slovakia from the non-controlling interests and now owns the full 100% of its share capital. From the difference between the group's interest in the net assets acquired and the consideration paid, the following gain arose:

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

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

1.2. Acquisition of remaining shares of joint venture to 31 December 2013

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

- Goodwill on the acquisition of shares of SHARK Computers a.s. in Slovakia of $1,422,923 (Note 29) which was capitalised in the statement of financial position.

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

1.3. Acquired assets and liabilities

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

	As at 30 September 2014 US$	As at 31 December 2013 US$
Tangible and intangible assets	-	98,517
Inventories	-	777,901
Receivables	-	730,439
Other receivables	-	36,297
Short term loans	-	(345,542)
Payables	-	(2,678,926)
Other payables and accruals	-	(154,941)
Cash and cash equivalents	-	228,877
Net identifiable assets and liabilities	-	(1,307,378)
Group's interest in net liabilities acquired	-	(1,342,430)
Share of loss previously recognized as joint venture	-	386,400
Total purchase consideration	-	(450,525)
Net loss	-	(1,406,555)
Gain on the acquisition through equity	-	16,368
Goodwill capitalised in statement of financial position (Note 29)	-	(1,422,923)
	-	(1,406,555)

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31. Business combinations (continued)

1.4. Financial information regarding acquired entities

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

2. Disposals of subsidiaries

2.1. Disposals to 30 September 2014

During the period the following group's subsidiary went into liquidation. No gain or loss arose on the event.

Name of disposed entity	Type of operations	Date liquidated	% liquidated
- Asbis IT S.R.L.	Information Technology	30 December 2013	100%

2.2. Disposals to 31 December 2013

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

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

32. Significant events and transactions

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

33. Events after the reporting period

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