ASBISc Enterprises Plc

INTERIM REPORT
FOR THE THREE AND NINE MONTHS
ENDED 30 SEPTEMBER 2015

Limassol, November 5th, 2015

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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 2015. 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: Slovakia, Poland, Czech Republic, Romania, Croatia, Slovenia, Bulgaria, Serbia, Hungary, Middle East countries (i.e. United Arab Emirates, Saudi Arabia, Qatar and other Gulf states), Russia, Belarus and Ukraine.

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 31 warehouses located in 24 countries. This network supplies products to the Group's in-country operations and directly to its customers in approximately 60 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 2015

Q3 of 2015 was a breaking point for the Group and its operations in 2015. Whilst in the first half of the year, the Group faced a series of negative events which led to significant losses, from Q3 2015 the results were much improved compared to both previous quarters of 2015. Moreover, despite sales were still lower than in Q3 2014, the Company was able to produce operating and net profit. This was possible due to operational improvement driven by an increase in gross profit margin and significantly decreased expenses.

This confirms that a number of issues have been already fixed and the Company’s Directors believe that in Q4 2015 the Company is expected to deliver further improvement in its results.

The principal events of the three months ended 30 September 2015 were as follows:

- Revenues in Q3 2015 decreased by 26.00% to U.S. $ 287,606 from U.S. $ 388,659 in Q3 2014. In the same time, Q3 2015 revenues were already 17.22% higher compared to Q2 2015. The increase in Q3 2015 as compared to previous periods of the year was possible due to improvement in main markets and the Company's focus on its core competences.

- Gross profit in Q3 2015 decreased by 40.14% to U.S. $ 13,347 from U.S. $ 22,297 in Q3 2014. In the same time gross profit increased by 61.28% as compared to Q2 2015. This was possible due to increase in gross profit margins, after the old stock issue was solved.

- Gross profit margin in Q3 2015 decreased to 4.64% from 5.74% in Q3 2014. In the same time, gross profit margin in Q3 2015 was 37.59% higher as compared to 3.57% in Q2 2015.

- Selling expenses in Q3 2015 decreased by 40.28% to U.S. $ 6,244 from U.S. $ 10,456 in Q3 2014. Moreover, selling expenses were also 10.34% lower as compared to Q2 2015. This is especially important as the selling expenses decreased while sales and gross profit grew. The decrease in selling expenses was possible due to restructuring actions undertaken by the Group in H1 2015.

- Administrative expenses in Q3 2015 decreased by 41.50% to U.S. $ 4.157 from U.S. $ 7,106 in Q3 2014. Moreover, administrative expenses were also reduced by 17.61% as compared to Q2 2015, due to restructuring actions undertaken by the Group.

- EBITDA in Q3 2015 was positive and amounted to U.S. $ 3,588 as compared to a negative value of U.S. $ 3,091 in Q2 2015 and positive number of U.S. $ 5,438 in Q3 2014.

- As a result, the Group profit from operations and net result were much improved as compared to previous quarters of 2015. In Q3 2015, profit from operations amounted to U.S. $ 2,946, as compared to U.S. $ 3,734 loss from operations in Q2 2015 and profit of U.S. $ 4,735 in Q3 2014. More importantly, in Q3 2015 the Group produced U.S. $ 153 of net profit, as compared to a net loss of U.S. $ 6,941 in Q2 2015 and U.S. $ 494 profit in Q3 2014. Further improvement is expected in the quarters to come. It is also important to underline that the Company returned to profitability after two consecutive loss generating quarters.

- It is also very important to stress out that the Company has generated a strong cash from operating activities amounting to U.S. $ 18,197.

The following table presents revenues breakdown by regions in the three month periods ended September 30th, 2015 and 2014 respectively (in U.S.$ thousand):

Region	Q3 2015	Q2 2015	Q3 2014	Change Q3/Q2	Change Q3/Q3
Central and Eastern Europe	125,066	101,127	145,614	+23.67%	-14.70%
Former Soviet Union	90,770	87,144	134,693	+4.16%	-32.61%
Middle East and Africa	43,342	37,585	60,310	+15.32%	-51.34%
Western Europe	15,036	9,183	30,898	+63.74%	-28.13%
Other	13,392	10,313	16,145	+29.85%	-17.05%
Total	287,606	245,353	388,659	+17.22%	-26.00%

The nine month results were under a significant impact from H1 2015 losses. However, the full year results are expected to be much improved, as the Company started to generate profits again from Q3 2015. The principal events of the nine month period ended September 30th, 2015, were as follows:

- Revenues in Q1-Q3 2015 decreased by 25.43% to U.S. $ 814,767 from U.S. $ 1,092,585 in the corresponding period of 2014.

- Gross profit in Q1-Q3 2015 decreased by 55.74% to U.S. $ 28,509 from U.S. $ 64,405 in the corresponding period of 2014.

- Gross profit margin in Q1-Q3 2015 decreased to 3.50% from 5.89% in the corresponding period of 2014.

- Selling expenses in Q1-Q3 2015 decreased by 29.33% to U.S. $ 23,148 from U.S. $ 32,753 in the corresponding period of 2014.

- Administrative expenses in Q1-Q3 2015 decreased by 33.82% to U.S. $ 14,758 from U.S. $ 22,300 in the corresponding period of 2014.

- EBITDA in Q1-Q3 2015 was negative and amounted to U.S. $ 7,483, as compared to positive EBITDA of U.S. $ 11,540 in the corresponding period of 2014.

- As a result, in Q1-Q3 2015 the Company posted a net loss after taxation of U.S. $ 19,191, compared to a net loss after taxation of U.S. $ 4,331 in the corresponding period of 2014.

The following table presents revenues breakdown by regions in the nine month periods ended September 30th, 2015 and 2014 respectively (in U.S.$ thousand):

Region	Q1-Q3 2015	Q1-Q3 2014
Central and Eastern Europe	355,717	461,356
Former Soviet Union	258,419	361,164
Middle East and Africa	122,816	159,106
Western Europe	39,325	81,863
Other	38,490	29,095
Total	814,767	1,092,585

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, 2015 and 2014, 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, 2014, that is: 1 US$ = 3.5072 PLN and 1 EUR = 4.2623 PLN and September 30th, 2015, that is: 1 US$ = 3.7754 PLN and 1 EUR = 4.2386 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, 2015, that is 1 US$ = 3.7821 PLN and 1 EUR = 4.2073 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, 2015, that is 1 US$ = 3.7453 PLN and 1 EUR = 4.1585 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 2015			Period from 1 July to 30 September 2014		
	USD	PLN	EUR	USD	PLN	EUR
Revenue	**287,606**	**1,087,754**	**258,540**	**388,659**	**1,244,138**	**297,349**
Cost of sales	(274,259)	(1,037,275)	(246,542)	(366,363)	(1,172,764)	(280,291)
Gross profit	**13,347**	**50,479**	**11,998**	**22,297**	**71,374**	**17,058**
Selling expenses	(6,244)	(23,616)	(5,613)	(10,456)	(33,471)	(8,000)
Administrative expenses	(4,157)	(15,723)	(3,737)	(7,106)	(22,746)	(5,436)
Profit from operations	**2,946**	**11,141**	**2,648**	**4,735**	**15,157**	**3,623**
Financial expenses	(2,743)	(10,375)	(2,466)	(4,275)	(13,684)	(3,271)
Financial income	62	233	55	45	144	35
Other gains and losses	(56)	(212)	(50)	22	70	17
Profit before taxation	**208**	**788**	**187**	**527**	**1,687**	**403**
Taxation	(55)	(208)	(50)	(33)	(107)	(26)
Profit for the period	**153**	**580**	**138**	**494**	**1,581**	**378**
Attributable to:						
Non-controlling interests	0	0	0	15	47	11
Owners of the Company	**153**	**580**	**138**	**479**	**1,534**	**367**

	USD (cents)	PLN (grosz)	EUR (cents)	USD (cents)	PLN (grosz)	EUR (cents)
Basic and diluted earnings per share from continuing operations	0.28	1.04	0.25	0.86	2.76	0.66

	Period from 1 July to 30 September 2015			Period from 1 July to 30 September 2014		
	USD	PLN	EUR	USD	PLN	EUR
Net cash inflows from operating activities	18,197	68,824	16,358	24,778	79,318	18,957
Net cash outflows from investing activities	(578)	(2,186)	(520)	(370)	(1,183)	(283)
Net cash inflows/(outflows) from financing activities	1,909	7,219	1,716	(19,032)	(60,923)	(14,561)
Net increase in cash and cash equivalents	**19,528**	**73,857**	**17,554**	**5,377**	**17,212**	**4,114**
Cash at the beginning of the period	**(37,460)**	**(141,677)**	**(33,674)**	**(40,629)**	**(130,057)**	**(31,084)**
Cash at the end of the period	**(17,932)**	**(67,821)**	**(16,120)**	**(35,252)**	**(112,845)**	**(26,970)**

	As at 30 September 2015			As at 31 December 2014		
	USD	PLN	EUR	USD	PLN	EUR
Current assets	354,825	1,339,605	316,049	464,706	1,629,817	382,380
Non-current assets	28,378	107,138	25,277	28,454	99,795	23,413
Total assets	383,202	1,446,743	341,326	493,160	1,729,611	405,793
Liabilities	302,258	1,141,144	269,227	389,522	1,366,130	320,515
Equity	80,945	305,598	72,099	103,639	363,481	85,278

	Period from 1 January to 30 September 2015			Period from 1 January to 30 September 2014		
	USD	PLN	EUR	USD	PLN	EUR
Revenue	**814,767**	**3,051,547**	**733,810**	**1,092,585**	**3,390,290**	**811,016**
Cost of sales	(786,258)	(2,944,773)	(708,134)	(1,028,180)	(3,190,441)	(763,209)
Gross profit	**28,509**	**106,773**	**25,676**	**64,405**	**199,849**	**47,807**
Selling expenses	(23,148)	(86,694)	(20,848)	(32,753)	(101,633)	(24,312)
Administrative expenses	(14,758)	(55,273)	(13,292)	(22,300)	(69,197)	(16,553)
Profit/(loss) from operations	**(9,397)**	**(35,194)**	**(8,463)**	**9,352**	**29,020**	**6,942**
Financial expenses	(10,158)	(38,044)	(9,149)	(14,373)	(44,600)	(10,669)
Financial income	256	959	231	642	1,992	477
Other gains and losses	23	86	21	110	341	82
Profit/(loss) before taxation	**(19,276)**	**(72,194)**	**(17,361)**	**(4,269)**	**(13,247)**	**(3,169)**
Taxation	85	317	76	(62)	(192)	(46)
Profit/(loss) for the period	**(19,191)**	**(71,876)**	**(17,284)**	**(4,331)**	**(13,439)**	**(3,215)**
Attributable to:						
Non-controlling interests	2	5	1	25	79	19
Owners of the Company	**(19,193)**	**(71,882)**	**(17,286)**	**(4,356)**	**(13,517)**	**(3,234)**

	USD (cents)	PLN (grosz)	EUR (cents)	USD (cents)	PLN (grosz)	EUR (cents)
Basic and diluted earnings per share from continuing operations	(34.58)	(129.52)	(31.15)	(7.85)	(24.36)	(5.83)

	USD	PLN	EUR	USD	PLN	EUR
Net cash outflows from operating activities	(42,918)	(160,741)	(38,654)	(28,811)	(89,400)	(21,386)
Net cash outflows from investing activities	(2,475)	(9,270)	(2,229)	(1,637)	(5,079)	(1,215)
Net cash outflows from financing activities	(1,955)	(7,323)	(1,761)	(5,295)	(16,429)	(3,930)
Net decrease in cash and cash equivalents	**(47,348)**	**(177,333)**	**(42,644)**	**(35,742)**	**(110,908)**	**(26,531)**
Cash at the beginning of the period	**29,416**	**110,173**	**26,493**	**490**	**1,521**	**364**
Cash at the end of the period	**(17,932)**	**(67,161)**	**(16,150)**	**(35,252)**	**(109,387)**	**(26,167)**

4. Organization of ASBIS Group

The following table presents our corporate structure as at September 30th, 2015:

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 in liquidation (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)
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)
ASBIS UK LTD (Hounslow, England)	Full (100% subsidiary)

5. Changes in the structure of the Company

During the three months ended September 30th, 2015 there were the following changes in the structure of the Company and the Group:

- On July 27th, 2015 the Company received information that on July 21st, 2015 an application for liquidation of the inactive subsidiary company ASBIS DE GmbH filed by the Company, has been approved by proper court and liquidation of this subsidiary has been started. The liquidation process has been started due to the Company's efforts to build more lean and cost effective organization. As a result, customers in Germany will be served directly through the Company, and the Company will further decrease its admin expenses.
  Therefore, closure of this subsidiary will not have any impact on the Issuer’s operations in Germany.

- After the reporting period the Company completed the process of restructuring its operations in Poland. Thus, activities were divided between ASBIS PL Sp. z o.o. (Warsaw, Poland) that will conduct mainly RMA related activities and a new subsidiary - ASBIS POLAND Sp. z o.o. (Warsaw, Poland) that will conduct all new sales activities, with a possibility of introducing new product lines to Poland.

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

We have not published any forecasts for the three months period ended September 30th, 2015.

7. Information on dividend payment

In the period of the three months ended 30 September 2015 no dividend has been paid. The Annual General Meeting of Shareholders voted for retaining the 2014 profits as capital reserve.

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%

* 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 amended by the notification from July 14th, 2015.

In the three month period ended on September 30th, 2015 the Company received the following information about changes in the shareholders' structure:

(1) On July 14th, 2015 the Company has received from Quercus Towarzystwo Funduszy Inwestycyjnych S.A. acting on behalf of governed investment fund QUERCUS Parasolowy SFIO („the Fund") notification that following to sale of the Company's shares on July 10th, 2015 total share of this Fund on its own 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 above mentioned sale of shares the Fund had 2 780 204 Company's shares that were equal to 5,01% in the Company's share capital and had 2 780 204 votes from these shares, that were equal to 5,01% of total number of votes.

According to the notification, after the abovementioned sale of shares the Fund holds 2 680 204 Company's shares, equal to 4,83% in the Company's share capital and have 2 680 204 votes from these shares, equal to 4,83% of total number of votes.

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

During the three month period ended on 30 September 2015 as well as in the period between August 6th, 2015 (the date of the publication of the six months results) and November 5th, 2015 (date of this report) there were no changes in the number of shares possessed by the members of the Board of Directors.

The table below presents the number of shares held by the members of the Board of Directors as of the date of this report. The information included in the table below is based on information received from the members of our Management Board pursuant to Art. 160 sec. 1 of the Act on Public Trading.

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%
Yuri Ulasovich	210,000	0.38%
Constantinos Tziamalis	55,000	0.10%
Demos Demou	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, 2015 there were the following changes in the members of the Company's Board of Directors:

(1) On September 29th, 2015 Mr. Yuri Ulasovich was appointed to the Board of Directors as an Executive Director.
(2) On August 13th, 2015 Mr. Efstathios Papadakis, non-executive Director of the Company has resigned from his position.
(3) On August 7th, 2015 Mr. Demos Demou has been appointed to the Board of Directors as a Non-Executive Director.

11. Significant administrative and court proceedings against the Company

As of September 30th, 2015, 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, 2015 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 decreased corporate guarantees to support its subsidiaries' local financing from U.S.$ 177,663 at December 31st, 2014 (and U.S.$ 179,826 at June 30th, 2015) to U.S.$ 156,146 at September 30th, 2015, 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, 2015 was U.S. $ 10,658 – as per note number 17 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 have occurred since the end of the last fiscal year.

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

In the three month period ended September 30th, 2015, the Company's results of operations have been adversely affected and are expected to continue to be affected by a number of factors. These factors were: the in-country crisis seriously affecting major markets, currency fluctuations, competition and price pressures, low gross profit margins, potential inventory obsolescence and price erosions, the worldwide unstable financial environment, seasonality, development of own brand business, high cost of debt, warranty claims and overstock of own brand products.

As in H1 2015 and the beginning of Q3 2015 a major work of selling out old own branded goods stock has been completed, the margins and cash flow in Q3 have significantly improved. The Company continues a back-to-back supply policy for own brands business, to ascertain that no such problem will arise again in the future.
While expenses were reduced significantly, our hedging policy has shielded the Company's business and a further improvement has been noted in our major markets (as compared to Q2 2015), Q3 2015 results cannot be viewed as the end of the challenging times for ASBIS. A number of negative factors are expected to continue affecting our results.

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

The in-country crisis affecting two of our major markets and our gross profit and gross profit margin

As reported in previous reports, we have experienced during 2014 and 2015 to-date, a severe crisis in our third largest market (in terms of 2013 sales) - Ukraine, which has resulted into a significantly 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 2015. The Company is undertaking a number of measures to protect itself from this crisis and mitigate its risks. Weaknesses of these markets have also affected some of our customers.

This is especially important, since the situation in Ukraine started showing some improvement. It is now very difficult to conduct business due to weak market demand and the foreign exchange restrictions imposed by the central bank. We have improved our situation in this market and - although our sales levels are far from normal - we had a positive outcome from operations in this country. Our situation in Russia has also improved, as we have scaled the expense side of our business in this country. If there will be no more dramatic changes and crisis de-escalates, we expect further improvement in both countries.

Currency fluctuations

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 has adopted hedging strategies to tackle this problem.

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, 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 tablet and smartphone segments where we have experienced the entrance of a number of strong competitors. This has led into a lower gross profit margin, especially in the tablet segment. We have adressed these changes by changing our product portfolio. While we do not abandon the tablet segment, we will focus on better specs and higher gross profit margin generating devices.

Low gross profit margins

The Company’s business is both traditional distribution of third party products and own brand sales. This allows the Company to deliver healthier gross profit margins when conditions are favourable. However, the own brand business, being in IT sector, cannot be un-affected by the general turmoil around.

In the traditional distribution business, the Company’s gross profit margins, like those of other distributors of IT products, are low and the Company expects that in the distribution arm of its business they will remain low in the foreseeable future. Increased competition arising from industry consolidation and low demand for certain IT products may hinder the Company’s ability to maintain or improve its gross margins. A portion of the Company’s operating expenses is relatively fixed, and planned expenditures are based in part on anticipated orders that are forecasted with limited visibility of future demand. As a result, the Company may not be able to reduce its operating expenses as a percentage of revenue in order to mitigate any reductions in gross margins in the future.

Therefore, the Company has developed the own brand business, that allows to generate higher gross profit margins. Since this business already accounts for a significant part of total sales, it positively affects the overall gross profit margins 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 it is 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 in time to satisfy consumer needs and be able to sell the previous technology as well.

Inventory obsolescence and price erosion

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

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

For the own brand business division, the Company needs to balance between satisfying consumer demand and risk of inventory obsolence or price erosion, by having the proper level of inventory. This risk was faced in H1 2015, when we had to sell excess stock from Q4 2014 at lower prices in order not to be left with obsolete inventories.

Credit risk

The Company buys components and finished products from its suppliers on its own account and resells them to its customers. The Company extends credit to some of its customers at terms ranging from 21 to 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 where 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 60% 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 risk 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 do not easily grant credit limits to customers. As a result, the Group is exposed to increased credit risk and its ability to analyse and assess 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, continuing to-date, which has led to a significant instability in these countries' financial environment. However, with the experience we gained, the management strongly believes today the Company is much more flexible and much better prepared to weather any obstacles that may arise due to worldwide financial environment.

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 till the end of the year.

Development of own brand business

The Company's strategy is to focus more on profitability than on revenues, thus 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 own brands and the fact that we are not the manufacturers of these products, certain warranty issues have arisen and have negatively affected our results. The Company is undertaking all possible 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 brand business and therefore its results.

Warranty claims from own brand products

Increased own brands business require us to put extra efforts to avoid any problems with quality of devices. Despite all our efforts, we have noticed significant returns on specific models produced the last three years.

This risk has affected us in H1 2015 when we had to provide for losses due to the decline of certain ODMs to satisfy their contractual obligations on products with epidemic failure. Unfortunatelly, these factories refused to do so and we were forced to re-assess our provisions for returns and recognize a significant loss. The Group is undertaking all possible steps towards ensuring proper compensation. This includes both negotiations and legal actions.

In order to avoid such problems in the future, a much more scrutinized selection of suppliers is currently in place, which ,however, does not guarantee elimination of the risk of warranty losses.

High cost of debt

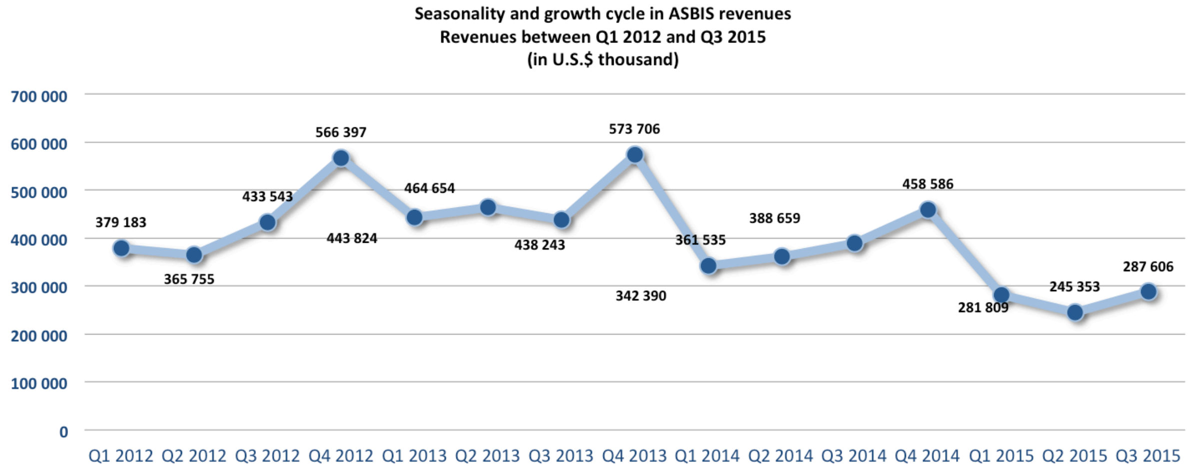
Private label business means a much higher need for cash available to support growth. The Group has managed to raise cash from various financial institutions, however in certain cases the cost of this financing is expensive. The Company has already negotiated better terms with some of its supply-chain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

Despite that, steps undertaken by the Company allowed to decrease its financial expenses in Q3 2015 as compared to both Q2 2015 and Q3 2014 by 18.78% and 35.83% respectively. This is mainly related to lower utilization of financing lines and decreased Prestigio business.

Results of operations

Three and nine month periods ended 30 September 2015 compared to the three and nine month periods ended 30 September 2014

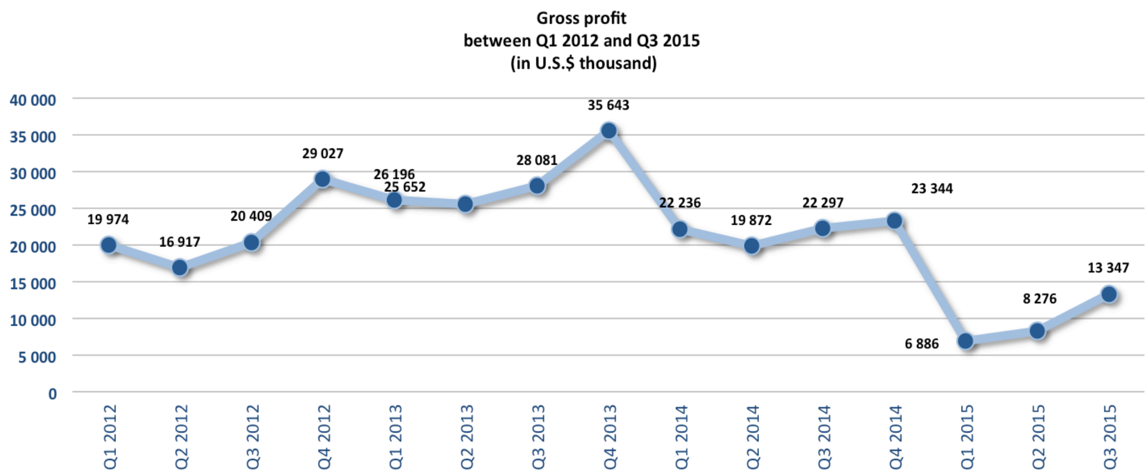
- **Revenues:** Despite the decrease compared to Q3 and the nine months of 2014, the Company has experienced a positive increase of revenues during Q3 2015 when compared with two precedent quarters of the year. This was possible following a combination of factors including the focus of the Company on its core strengths and competences.
  Revenues in Q3 2015 decreased by 26.00% to U.S. $ 287,606 from U.S. $ 388,659 in Q3 2014. In the same time, Q3 2015 revenues were 17.22% higher compared to Q2 2015.
  Revenues in Q1-Q3 2015 decreased by 25.43% to U.S. $ 814,767 from U.S. $ 1,092,585 in the corresponding period of 2014. This decrease is mostly related to H1 2015.



- **Gross profit:** In Q3 2015 and in Q1-Q3 2015 gross profit has decreased compared to the corresponding periods of 2014. However, gross profit in Q3 2015 grew significantly as compared to Q2 2015. The positive trend in gross profit observed in Q3 2015 is expected to continue.

  Gross profit in Q3 2015 decreased by 40.14% to U.S. $ 13,347 from U.S. $ 22,297 in Q3 2014. In the same time gross profit increased by 61.28% as compared to Q2 2015.

  Gross profit in Q1-Q3 2015 decreased by 55.74% to U.S. $ 28,509 from U.S. $ 64,405 in the corresponding period of 2014.



- **Gross profit margin:** In Q3 2015 gross profit margin started growing after the old stock problem was solved in Q2 2015. Further improvement is expected in Q4 2015.

  Gross profit margin in Q3 2015 decreased to 4.64% from 5.74% in Q3 2014. In the same time, gross profit margin in Q3 2015 was 37.59% higher as compared to 3.57% in Q2 2015.

  Gross profit margin in Q1-Q3 2015 decreased to 3.50% from 5.89% in the corresponding period of 2014.

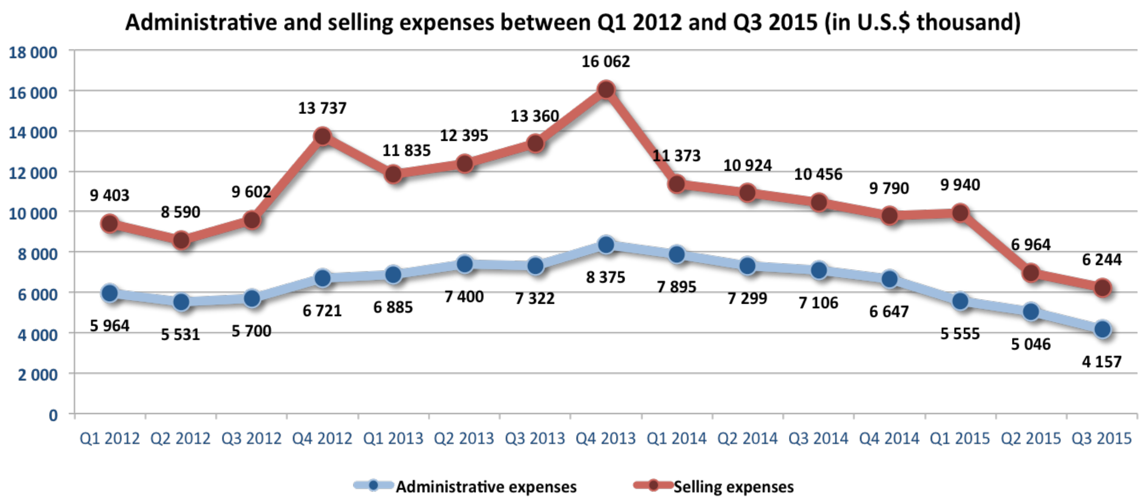
- **Selling expenses** largely comprise of salaries and benefits paid to sales employees (sales, marketing and logistics departments), marketing and advertising fees, commissions, and traveling expenses. Selling expenses usually grow together (but not in-line) with growing sales and, most importantly,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

Selling expenses in Q3 2015 decreased by 40.28% to U.S. $ 6,244 from U.S. $ 10,456 in Q3 2014. In addition, selling expenses were also 10.34% lower as compared to Q2 2015. This is very important as the selling expenses decreased while sales and gross profit grew. The decrease in selling expenses was possible due to restructuring actions undertaken by the Group in 2015.

Selling expenses in Q1-Q3 2015 decreased by 29.33% to U.S. $ 23,148 from U.S. $ 32,753 in the corresponding period of 2014.

- **Administrative expenses** largely comprise of salaries and wages of administration personnel and rent expense. In Q3 2015 we continued to decrease it. Administrative expenses in Q3 2015 decreased by 41.50% to U.S. $ 4.157 from U.S. $ 7,106 in Q3 2014. Furthermore, administrative expenses were also reduced by 17.61% as compared to Q2 2015.

  Administrative expenses in Q1-Q3 2015 decreased by 33.82% to U.S. $ 14,758 from U.S. $ 22,300 in the corresponding period of 2014.



- **Operating profit:** In Q3 2015 the Company had an operating profit of U.S. $ 2,946, compared to a loss of U.S. $ 3,738 in Q2 2015 and a profit of U.S. $ 4,735 in Q3 2014.

- For Q1-Q3 2015 operating loss amounted to U.S.$ 9,397 as compared to operating profit of U.S.$ 9,352 in Q1-Q3 2014. This relates to losses of H1 2015.

- **EBITDA:** In Q3 2015 EBITDA was positive and amounted to U.S. $ 3,588 as compared to a negative value of U.S. $ 3,091 in Q2 2015 and positive number of U.S. $ 5,438 in Q3 2014.

  EBITDA in Q1-Q3 2015 was negative and amounted to U.S. $ 7,483 as compared to positive EBITDA of U.S. $ 11,540 in the corresponding period of 2014.

- **Net profit:** As a result of higher sales and gross profit and lower expenses, in Q3 2015 the Group generated a net profit of U.S. $ 153, as compared to a net loss of U.S. $ 6,941 in Q2 2015 and U.S. $ 494 profit in Q3 2014. In Q1-Q3 2015 the Company posted a net loss after taxation of U.S. $ 19,191 compared to a net loss after taxation of U.S.$ 4,331 in the corresponding period of 2014.

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 2015. However, due to the political tensions related to large F.S.U countries spreading to nearby markets, the CEE region contribution in total revenues continued its dominance , similar to a number of previous quarters. Despite that, in Q3 2015 revenues in all our major regions grew, when compared to H1 sales.

Revenues derived from the F.S.U. region in Q3 2015 was 32.61% lower than in Q3 2014 but already 4.16% higher than in Q2 2015. For the Q1-Q3 2015, sales to this region decreased by 28.45%.

Sales in the Central and Eastern Europe region in Q3 2015 have decreased by 14.70% compared to Q3 2014 but already grew by 23.67% as compared to Q2 2015. This improvement since Q2 2015 is the result of a new product offering, after we resolved our old stock issue.

Sales in Western Europe in Q3 2015 decreased by 51.34% compared to Q3 2014, but already grew by 63.74% as compared to Q2 2015. For Q1-Q3 2015 sales in Western Europe decreased by 51.96%. This region, following the Company's decision to optimize its operations by focusing on its core strengths will not be in the focus of the Group going forward, with the exception of certain markets where we enjoy good margins. On the contrary the Group is reshaping its MEA operations and it is expecting to see positive results out of this region including much higher revenues emanating from an enhanced product portfolio and an improved market reach. The sales in CEE region in Q3 2015 - compared to Q2 2015- grew much faster than sales in the F.S.U. region. The CEE contribution in our total sales increased to 43.49% which makes the Group's results less vulnerable of the fragile situation in the F.S.U. countries.

Country-by-country analysis confirms that the decrease in sales was significantly lower in most of our markets. Our business in Ukraine was highly affected as it decreased by 27.93% in Q3 2015 compared to Q3 2014, however, with lower sales we already delivered better results from this market. Sales in Slovakia grew significantly by 21.14% while Czech business decreased by 24.89%. Sales in Belarus grew by 6.89%. The devaluation of the Kazakhstan Tenge has impacted this market and we need time to adapt to new realities; our sales in Kazakhstan decreased by 42.80%.

It is expected that we will grow in all of our major geographies in Q4 2015, as the old stock issue was already resolved and we have improved our product portfolio.

The tables below provides a geographical breakdown of sales in the three and nine month periods ended 30 September 2015 and 2014.

	Q3 2015		Q2 2015		Q3 2014	
	U.S. $ thousand	% of total revenues	U.S. $ thousand	% of total revenues	U.S. $ thousand	% of total revenues
Central and Eastern Europe	125,066	43.49%	101,127	41.22%	145,614	37.72%
Former Soviet Union	90,770	31.56%	87,144	35.52%	134,693	34.66%
Middle East and Africa	43,342	15.07%	37,585	15.32%	60,310	15.52%
Western Europe	15,036	5.23%	9,183	3.74%	30,898	7.95%
Other	13,392	4.66%	10,313	4.20%	16,145	4.15%
Total	287,606	100%	245,353	100%	388,659	100%

	Q1-Q3 2015		Q1-Q3 2014	
	U.S. $ thousand	% of total revenues	U.S. $ thousand	% of total revenues
Central and Eastern Europe	355,717	43.66%	461,356	42.23%
Former Soviet Union	258,419	31.72%	361,164	33.06%
Middle East and Africa	122,816	15.07%	159,106	14.56%
Western Europe	39,325	4.83%	81,863	7.49%
Other	38,490	4.72%	29,095	2.66%
Total	814,767	100%	1,092,585	100%

Revenue breakdown – Top 10 countries in Q3 2015 and Q3 2014 (in U.S. Dollar thousand)

	Q3 2015		Q3 2014	
	Country	Sales	Country	Sales
1.	Slovakia	65,201	Russia	74,614
2.	Russia	45,733	Slovakia	53,821
3.	United Arab Emirates	33,336	United Arab Emirates	45,381
4.	Kazakhstan	14,851	Kazakhstan	25,965
5.	Belarus	14,291	Poland	20,758
6.	Ukraine	12,981	United Kingdom	18,793
7.	Czech Republic	12,203	Ukraine	18,013
8.	Romania	10,990	Czech Republic	16,247
9.	Bulgaria	7,642	Romania	13,860
10.	Croatia	6,300	Belarus	13,369
11.	Other	64,078	Other	87,838
	TOTAL	**287,606**	TOTAL	**388,659**

Revenue breakdown – Top 10 countries in Q1-Q3 2015 and Q1-Q3 2014 (in U.S. Dollar thousand)

	Q1-Q3 2015		Q1-Q3 2014	
	Country	Sales	Country	Sales
1.	Slovakia	159,608	Russia	210,801
2.	Russia	128,767	Slovakia	156,697
3.	United Arab Emirates	95,628	United Arab Emirates	110,879
4.	Kazakhstan	67,693	Poland	78,190
5.	Poland	43,011	Ukraine	57,109
6.	Czech Republic	35,645	Czech Republic	54,606
7.	Romania	31,787	Kazakhstan	47,338
8.	Belarus	29,778	United Kingdom	39,785
9.	Ukraine	26,956	Romania	39,272
10.	Bulgaria	19,713	Belarus	38,468
11.	Other	176,181	Other	259,441
	TOTAL	**814,767**	TOTAL	**1,092,585**

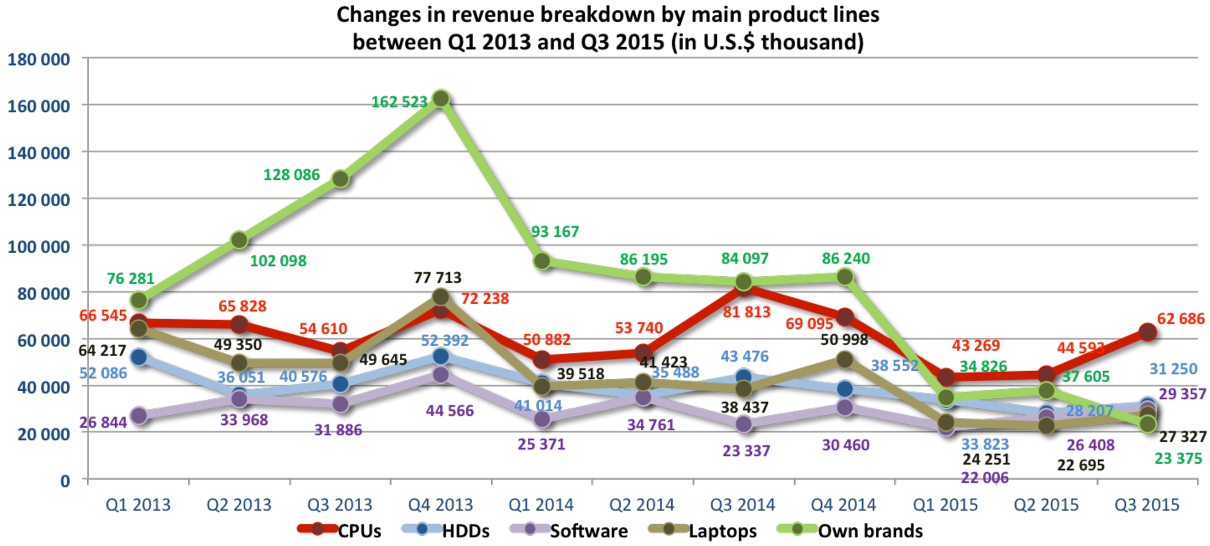
Sales by product lines

Starting from February 2014 our revenues have been under a serious pressure resulting from the turbulence in our major markets which also affected a number of countries across our operations. This has not changed in 2015 to date and thus the lower revenues in all product lines the Group carries.

Additionally, our revenues from own brands were negatively affected by the excess stock inherited from Q4 2014. This was mostly because we focused on selling out the old stock instead of conducting new business. This started to change in Q3 2015 when our revenues from major product lines - although still lower than in Q3 2014 - started showing improvement as compared to previous periods of 2015 (revenues from CPUs, HDDs, Software and Laptops grew significantly).

We continue our efforts to weather this crisis and increase revenues as fast as possible, mainly through addressing our products more agressively and by focusing on specific product groups. This is possible because ASBIS remains the distributor of first choice for many worldwide suppliers. A major and good example is APPLE that has entrusted an i-phone distribution to ASBIS for Ukraine, Belarus and Kazakhstan.

The chart below indicates the trends in sales per product lines



In Q3 2015 revenues from own brand business decreased by 72.20% compared to Q3 2014 while in Q1-Q3 2015 it decreased by 76.85%. This is a direct result of the Company strategy to decrease the number of product lines offered under own brands and decrease the number of models within specific product lines. This allows the Company to focus only on the best performing models.

From other product lines, in Q3 2015 the Company noticed a positive trend in software (+25.80%), peripherals (+7.04%), display product (+34.70%), memory modules (+15.15%), servers and server blocks (+37.08%) and flash memory (+20.37%). For Q1-Q3 2015 we have posted a significant growth in servers and server blocks (+17.71%) and networking products (+7.79%). The share of the four traditional product lines (CPUs, HDDs, laptops and software) in total revenue grew to 52.37% in Q3 2015, compared to 48.13% in Q3 2014.

The table below sets a breakdown of revenues, by product lines, for Q3 2015, Q2 2015 and Q3 2014:

	Q3 2015		Q2 2015		Q3 2014	
	U.S. $ thousand	% of total revenues	U.S. $ thousand	% of total revenues	U.S. $ thousand	% of total revenues
Central processing units (CPUs)	62,686	21.80%	44,593	18.18%	81,813	21.05%
Smartphones	36,497	12.69%	39,523	16.11%	77,726	20.00%
Hard disk drives (HDDs)	31,250	10.87%	28,207	11.50%	43,476	11.19%
Software	29,357	10.21%	26,408	10.76%	23,337	6.00%
PC-mobile (laptops)	27,327	9.50%	22,695	9.25%	38,437	9.89%
Tablets	13,922	4.84%	21,183	8.63%	44,744	11.51%
Other	86,566	30.10%	62,743	25.57%	79,127	20.36%
Total revenue	287,606	100%	**245,353**	**100%**	**388,659**	**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. While our cash flow was stretched in H1 2015, it has significantly improved in Q3 2015 and we generated a positive number on cash from operations. This allowed us to improve the nine months cash flow and much improve our cash position at the end of quarter 3, 2015. Further improvement in cash flow is expected in Q4 2015.

The following table presents a summary of cash flows for the nine months ended September 30th, 2015 and 2014:

	Nine months ended September 30th	
	2015	**2014**
	U.S. $	
Net cash outflows from operating activities	(42,918)	(28,811)
Net cash outflows from investing activities	(2,475)	(1,637)
Net cash outflows from financing activities	(1,955)	(5,295)
Net decrease in cash and cash equivalents	(47,348)	(35,742)

Net cash inflows/outflows from operations

Net cash outflows from operations amounted to U.S. $ 42,918 for the nine months ended September 30th, 2015, compared to outflows of U.S. $ 28,811 in the corresponding period of 2014. This is mainly attributed to lower profitability and improved working capital management.

For Q3 2015 stand-alone, the Company has generated inflows from operations of U.S.$ 18,197 due to improved working capital utilization and finalized sale-out of old stock.

Net cash outflows from investing activities

Net cash outflows from investing activities was U.S. $ 2,475 for the nine months ended September 30th 2015, compared to U.S. $ 1,637 in the corresponding period of 2014. These outflows relate to on-going investments for fixed assets (such as computers, furniture etc.) and acquisition of an intangible asset.

Net cash outflows from financing activities

Net cash outflows from financing activities was U.S. $ 1,955 for the nine months ended September 30th 2015, compared to outflows of U.S. $ 5,295 in the corresponding period of 2014. Decreased outflows mostly relate to less external financing needed by the Group (therefore, lower utilization of bank debt) and no dividend payment in 2015.

Net decrease in cash and cash equivalents

As a result of increased working capital efficiency, improved profitability and decreased financing, in Q1-Q3 2015 cash and cash equivalents have decreased by U.S. $ 47,348, compared to a decrease of U.S. $ 35,742 in the corresponding period of 2014.

16. Factors which may affect our results in the future

Political and economic stability in Europe and our regions

The turbulence that started in Ukraine and also affected Russia has caused a significant demand reduction. This has affected revenues and gross profit margins, but also negatively impacted some of our customers, whose financial situation has worsened.

Furthermore, recent negative developments in CEE economies do not allow the Company to offset the negative results of F.S.U.

The weak economics in the F.S.U. are considered by the management as a crucial external factor, which might adversely affect our results, in the short term; however, we remain confident -given also a recent appreciation in demand in Ukraine- that we are in a position to properly manage this crisis and get stronger out of it. This was proven in Q3 2015 when the Company returned to profitability, while the focus was still mostly on CEE region and only small signs of improvement were noticed in the F.S.U. countries.

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

The 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. Russia is no longer our number one country in terms of revenues. Slovakia, that took over the first spot (as a country) and CEE (as a region) are the most important to the Company's revenues, and we need to adapt to any changes that might arise in these geographies.

Since the CEE contribution to our total revenues grew at the cost of the F.S.U. region, our reliance on a single region has decreased. Therefore, we now pay more attention to any possible market developments in all other growing regions, focusing especially on our core competences.

Despite all 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. It is of extreme importance for the Company to prepare its structure to offset such a 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.

The Group's ability to increase gross profit margins

The Group's gross profit margin has increased in Q3 2015 as compared to previous quarters of 2015, but decreased as compared to Q3 2014. The increase in Q3 2015 compared to Q2 2015 is related to sales conducted in normal conditions (i.e. no old stock issues), while the decrease in Q3 2015 compared to Q3 2014 and Q1-Q3 2015 to Q1-Q3 2014 is related mainly to the significant reduction in demand and the instability in many markets we operate.

Having solved the negative impact of factors and adapted to market changes, the margins in Q3 2015 have started to grow. This is expected to continue in the remaining of the year. However, the pace of this growth is hard to estimate, as the margins may remain under pressure due to enhanced competition together with lower demand in a number of markets. It is of extreme importance for the Group to manage its stock level and refine its product portfolio in order to achieve optimum gross profit margins.

Currency volatilities

The multi-currency environment that the Group operates in exposes its financial results to steep currency fluctuations. Although volatility of a number of currencies in Q3 2015 and Q1-Q3 2015 was strong, we have been successfully shielded by our hedging policy. Therefore, the hedging strategy should be followed and further improved without any exception in the remainder of 2015. Inability of the Group to hedge certain currencies like the UAH and the BYR might expose the Company into FX losses, though our exposure in these currencies has much decreased.

Ability of the Group to control expenses

Selling, admin and financial expenses in Q3 2015 and Q1-Q3 2015 decreased as compared to Q2 2015, Q3 2014 and Q1-Q3 2014. The decrease in expenses is a result of restructuring actions undertaken by the Company. This included less employees, changed compensation schemes and stricter expense controls.

We consider cost control to be a significant factor towards delivering improved results going forward and the Group is undertaking significant steps towards further 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 and benefit from its access to end users. New products that are now under consideration will be crucial for further growth of revenues, since the tablet segment has already shown signs of saturation in many markets. At the same time, the smartphone segment is expected to continue growing for another couple of years, as forecasted by independent analysts. This, however, cannot be guaranteed since we had experienced a significant slowdown in all markets. It is of extreme importance to have the right products on time to the markets and avoid any overstock problems of the past. We cannot be certain for any market changes and any unforeseen issues which might arise, therefore the ability to adapt to new environment is very important.

Ability to decrease the average cost of debt

Fast development of own brand business that – by its nature – consumes more cash, has led to an increase in debt and in the average cost of debt in the past. We have addressed this issue beginning of 2014, in order to decrease debt and the average cost of debt by optimizing the utilization of financial facilities on one side and improving working capital utilization on the other.

Additionally, as we decided to continue the own brand business with less product lines and focus on less models, it will be easier to plan operations and arrange financing for the Group. It is also very important for the Group to continue enjoying the financial facilities required.

Ability to cover warranty claims from customers

Increased own brand business require us to be very careful with customer satisfaction when it comes to after sales services relating mostly to the quality of our products. Since we do not manufacture the devices ourselves, we have built warranty provisions and signed separate agreements with our suppliers to cover us against warranty losses of such products. As described in our risk factors, certain suppliers might refuse to cover our increased warranty cost and, is such a case, we will be forced to cover it from our own funds, thereby negatively impacting our results.

We have reviewed all our contracts with factories, and we sign new ones only after making sure the contractor will be able and willing to pay any contractual penalties that may arise. This is an important part of our cooperation with third party factories, to make sure the warranty risk is mitigated.

17. Information about important events that occurred after the period ended on September 30th, 2015 and before this report release

According to our best knowledge, in the period between September 30th, 2014 and November 5th, 2015 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, 2015

ASBISC ENTERPRISES PLC

CONDENSED CONSOLIDATED INTERIM FINANCIAL STATEMENTS
FOR THE PERIOD ENDED 30 SEPTEMBER 2015

ASBISC ENTERPRISES PLC

CONDENSED CONSOLIDATED INTERIM FINANCIAL STATEMENTS
FOR THE PERIOD ENDED 30 SEPTEMBER 2015

CONTENTS

CONDENSED CONSOLIDATED INTERIM INCOME STATEMENT
FOR THE NINE MONTHS ENDED 30 SEPTEMBER 2015

	Note	For the three months ended 30 September 2015 US$	For the three months ended 30 September 2014 US$	For the nine months ended 30 September 2015 US$	For the nine months ended 30 September 2014 US$
Revenue	5,24	287,605,747	388,659,400	814,766,966	1,092,584,540
Cost of sales		(274,258,874)	(366,362,687)	(786,258,320)	(1,028,179,454)
Gross profit		13,346,873	22,296,713	28,508,646	64,405,086
Selling expenses		(6,244,076)	(10,456,039)	(23,147,511)	(32,752,997)
Administrative expenses		(4,157,111)	(7,105,797)	(14,757,890)	(22,299,987)
Profit/(loss) from operations		2,945,686	4,734,877	(9,396,755)	9,352,102
Financial income	8	569,790	45,104	771,839	642,040
Financial expenses	8	(3,251,258)	(4,274,884)	(10,673,683)	(14,373,030)
Other gains and losses	6	(55,909)	21,907	22,814	109,876
Profit/(loss) before tax	7	208,309	527,004	(19,275,785)	(4,269,012)
Taxation	9	(55,060)	(33,275)	84,703	(61,873)
Profit/(loss) for the period		153,249	493,729	(19,191,082)	(4,330,885)
Attributable to:					
Owners of the company		153,287	479,178	(19,192,534)	(4,356,177)
Non-controlling interests		(38)	14,551	1,452	25,292
		153,249	493,729	(19,191,082)	(4,330,885)
		US$ cents	US$ cents	US$ cents	US$ cents
Earnings per share					
Basic and diluted from continuing operations		0.28	0.86	(34.58)	(7.85)

CONDENSED CONSOLIDATED INTERIM STATEMENT OF OTHER COMPREHENSIVE INCOME
FOR THE NINE MONTHS ENDED 30 SEPTEMBER 2015

	For the three months ended 30 September 2015 US$	For the three months ended 30 September 2014 US$	For the nine months ended 30 September 2015 US$	For the nine months ended 30 September 2014 US$
Profit/(loss) for the period	153,249	493,729	(19,191,082)	(4,330,885)
Other comprehensive loss				
Exchange difference on translating foreign operations	(1,187,933)	(2,633,229)	(3,502,933)	(3,749,454)
Other comprehensive loss for the period	(1,187,933)	(2,633,229)	(3,502,933)	(3,749,454)
Total comprehensive loss for the period	(1,034,686)	(2,139,500)	(22,694,015)	(8,080,339)
Total comprehensive loss attributable to:				
Owners of the company	(1,035,634)	(2,141,940)	(22,682,366)	(8,091,583)
Non-controlling interests	948	2,440	(11,649)	11,244
	(1,034,686)	(2,139,500)	(22,694,015)	(8,080,339)

CONDENSED CONSOLIDATED INTERIM STATEMENT OF FINANCIAL POSITION AS AT 30 SEPTEMBER 2015

	Notes	As at 30 September 2015 US$	As at 31 December 2014 US$
ASSETS			
Non-current assets			
Property, plant and equipment	10	23,139,939	24,358,674
Intangible assets	11	2,771,198	1,438,467
Available-for-sale financial assets	12	11,794	11,794
Goodwill	28	1,599,878	1,734,340
Deferred tax assets	21	855,027	910,954
Total non-current assets		28,377,836	28,454,229
Current assets			
Inventories	13	113,214,890	132,322,616
Trade receivables	14	206,137,031	262,334,038
Other current assets	15	12,349,235	11,353,220
Derivative financial asset	26	430,083	183,804
Current taxation	9	994,039	847,119
Cash at bank and in hand	27	21,699,317	57,665,105
Total current assets		354,824,595	464,705,902
Total assets		383,202,431	493,160,131
EQUITY AND LIABILITIES			
Equity			
Share capital	16	11,100,000	11,100,000
Share premium		23,518,243	23,518,243
Retained earnings and other components of equity		46,171,305	68,853,671
Equity attributable to owners of the parent		80,789,548	103,471,914
Non-controlling interests		155,002	166,651
Total equity		80,944,550	103,638,565
Non-current liabilities			
Long term borrowings	18	967,769	1,615,712
Other long term liabilities	19	494,175	455,063
Deferred tax liabilities	21	44,766	47,667
Total non-current liabilities		1,506,710	2,118,442
Current liabilities			
Trade payables		176,776,880	256,100,201
Other current liabilities	22	19,191,894	30,244,306
Short term borrowings	17	104,472,345	99,262,555
Derivative financial liability	25	207,197	1,264,863
Current taxation	9	102,855	531,199
Total current liabilities		300,751,171	387,403,124
Total liabilities		302,257,881	389,521,566
Total equity and liabilities		383,202,431	493,160,131

The financial statements were approved by the Board of Directors on 4 November 2015.

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Constantinos Tziamalis
Director

Marios Christou
Director

CONDENSED CONSOLIDATED INTERIM STATEMENT OF CHANGES IN EQUITY
FOR THE PERIOD ENDED 30 SEPTEMBER 2015

	Attributable to the 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 2014	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)
Dividend declared	-	-	-	-	(3,322,717)	(3,322,717)	-	(3,322,717)
Profit for the period 1 October 2014 to 31 December 2014	-	-	-	-	5,307,165	5,307,165	2,643	5,309,808
Other comprehensive loss for the period 1 October 2014 to 31 December 2014	-	-	-	(3,774,830)	-	(3,774,830)	(7,037)	(3,781,867)
Share-based payments	-	-	65,304	-	-	65,304	-	65,304
Balance at 31 December 2014	11,100,000	23,518,243	(14,211)	(8,137,253)	77,005,135	103,471,914	166,651	103,638,565
(Loss)/profit for the period 1 January 2015 to 30 September 2015	-	-	-	-	(19,192,534)	(19,192,534)	1,452	(19,191,082)
Other comprehensive loss for the period 1 January 2015 to 30 September 2015	-	-	-	(3,489,832)	-	(3,489,832)	(13,101)	(3,502,933)
Balance at 30 September 2015	11,100,000	23,518,243	(14,211)	(11,627,085)	57,812,601	80,789,548	155,002	80,944,550

CONDENSED CONSOLIDATED INTERIM STATEMENT OF CASH FLOWS
FOR THE PERIOD ENDED 30 SEPTEMBER 2015

	Note	For the three months ended 30 September 2015 US$	For the three months ended 30 September 2014 US$	For the nine months ended 30 September 2015 US$	For the nine months ended 30 September 2014 US$
Profit/(loss) for the period before tax and minority interest		208,309	527,004	(19,275,786)	(4,269,012)
Adjustments for:					
Exchange difference arising on consolidation		(1,198,255)	(1,630,496)	(2,362,935)	(2,021,808)
Depreciation of property, plant and equipment	10	498,812	614,553	1,524,704	1,901,481
Amortisation of intangible assets	11	143,798	88,288	389,199	286,815
Loss from the sale of property, plant and equipment and intangible assets	6	72,832	5,241	65,509	83,732
Provision for bad debts and receivables written off		614,071	456,463	2,716,605	1,328,452
Bad debts recovered	6	(280)	(8,254)	(4,347)	(14,946)
Interest received	8	(19,532)	(15,149)	(63,590)	(136,256)
Interest paid	8	1,406,416	2,136,081	4,667,326	6,320,819
Operating profit/(loss) before working capital changes		1,726,171	2,173,731	(12,343,315)	3,479,277
(Increase)/decrease in inventories		(7,365,060)	(725,557)	19,107,726	19,893,161
(Increase)/decrease in trade receivables		(5,294,071)	(5,047,093)	53,484,749	98,297,412
(Increase)/decrease in other current assets		(3,296,127)	233,862	(1,242,295)	5,693,732
Increase/(decrease) in trade payables		41,332,346	36,747,747	(79,323,316)	(105,372,922)
(Decrease)/increase in other current liabilities		(2,728,132)	193,289	(12,599,441)	(20,079,401)
Increase in other non-current liabilities		18,436	16,603	39,112	44,042
Decrease in factoring creditors		(4,742,196)	(6,003,443)	(4,865,426)	(23,120,304)
Cash inflows/(outflows) from operations		19,651,367	27,589,139	(37,742,206)	(21,165,003)
Interest paid	8	(1,406,416)	(2,136,081)	(4,667,326)	(6,320,819)
Taxation paid, net	9	(47,539)	(674,626)	(508,419)	(1,324,915)
Net cash inflows/(outflows) from operating activities		18,197,412	24,778,432	(42,917,951)	(28,810,737)

CONDENSED CONSOLIDATED INTERIM STATEMENT OF CASH FLOWS
FOR THE PERIOD ENDED 30 SEPTEMBER 2015

	Note	For the three months ended 30 September 2015	For the three months ended 30 September 2014	For the nine months ended 30 September 2015	For the nine months ended 30 September 2014
		US$	US$	US$	US$
Cash flows from investing activities					
Purchase of intangible assets	11	(156,029)	(269,694)	(1,739,971)	(721,634)
Purchase of property, plant and equipment	10	(467,505)	(324,234)	(940,235)	(1,488,650)
Proceeds from sale of property, plant and equipment and intangible assets		25,940	209,287	141,512	437,163
Interest received	8	19,532	15,149	63,590	136,256
Net cash outflows from investing activities		(578,062)	(369,492)	(2,475,104)	(1,636,865)
Cash flows from financing activities					
Payment of final dividend		-	(3,322,717)	-	(3,322,717)
Repayments of long term loans and long term obligations under finance lease		(157,197)	(384,086)	(647,943)	(771,528)
Proceeds/(repayments) of short term borrowings and short term obligations under finance lease		2,065,793	(15,325,121)	(1,307,215)	(1,200,275)
Net cash inflows/(outflows) from financing activities		1,908,596	(19,031,924)	(1,955,158)	(5,294,520)
Net increase/(decrease) in cash and cash equivalents		19,527,946	5,377,016	(47,348,213)	(35,742,122)
Cash and cash equivalents at beginning of the period		(37,459,900)	(40,628,954)	29,416,259	490,184
Cash and cash equivalents at end of the period	27	(17,931,954)	(35,251,938)	(17,931,954)	(35,251,938)

NOTES TO THE CONDENSED CONSOLIDATED INTERIM FINANCIAL STATEMENTS FOR THE PERIOD ENDED 30 SEPTEMBER 2015

1. Incorporation and principal activities

Asbisc Enterprises Plc was incorporated in Cyprus on 9 November 1995 with limited liability. These condensed consolidated interim financial statements ("interim financial statements") as at and for the nine months ended 30 September 2015 comprise the interim financial statements of the company and its subsidiaries (together referred to as the "group"). 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

These interim financial statements have been prepared in accordance with IAS 34 *Interim Financial Reporting*. They do not include all the information required for a complete set of IFRS financial statements and they should be read in conjunction with the audited financial statements for the year ended 31 December 2014. However, 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 2014.

These interim financial statements were authorised for issue by the company's Board of Directors on 4 November 2015.

(b) Use of judgments and estimates

Preparing the interim financial statements 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. The 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 2014.

Financial instruments comprise financial assets and financial liabilities. Financial assets mainly consist of bank balances, receivables and investments. Financial liabilities mainly consist of trade payables, factoring balances, bank overdrafts and loans. The Directors consider that the carrying amount of the company's/group's financial instruments approximate their fair value at the reporting date. Financial assets and financial liabilities carried at fair value through profit or loss represent foreign currency derivative contracts categorized as a Level 2 (inputs other than quoted prices included within level 1 that are observable for the asset or liability, either directly (that is, as prices) or indirectly (that is, derived from prices).

3. Significant accounting policies

The accounting policies adopted for the preparation of the condensed consolidated interim financial statements for the nine months ended 30 September 2015 are consistent with those followed for the preparation of the annual financial statements for the year 2014 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 2015. The adoption of new and revised standards and interpretations did not have any material effect on the group's condensed consolidated financial statements.

4. 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.

5. Significant events and transactions

For the period ended September 2015, the group has posted a net loss mainly due to the following important events:

- negative trends faced in its biggest markets of operations – namely Russia and Ukraine – emanating from the turbulence in the region
- issues with excessive own brand inventory that led to the need to lower prices to sell it out
- increased warranty losses from own brand products due to the refusal of certain ODMs to satisfy their contractual obligations towards the group on products with epidemic failure.

However, the net loss was partially offset by a significant decrease in expenses, an increased focus on Central Eastern Europe region and a more precise and conservative approach on purchases.

6. Other gains and losses

	For the three months ended 30 September 2015 US$	For the three months ended 30 September 2014 US$	For the nine months ended 30 September 2015 US$	For the nine months ended 30 September 2014 US$
Loss on disposal of property, plant and equipment	(72,832)	(5,241)	(65,509)	(83,732)
Other income/(loss)	7,817	(12,828)	55,320	115,352
Bad debts recovered	280	8,254	4,347	14,946
Rental income	8,826	31,722	28,656	63,310
	(55,909)	21,907	22,814	109,876

7. Profit/(loss) before tax

	For the three months ended 30 September 2015 US$	For the three months ended 30 September 2014 US$	For the nine months ended 30 September 2015 US$	For the nine months ended 30 September 2014 US$
Profit/(loss) before tax is stated after charging:				
(a) Amortisation of intangible assets (Note 11)	143,798	88,288	389,199	286,815
(b) Depreciation (Note 10)	498,812	614,553	1,524,704	1,901,481
(c) Auditors' remuneration	89,809	101,730	252,953	349,499
(d) Directors' remuneration – executive (Note 29)	64,584	90,138	214,492	331,357
(e) Directors' remuneration – non-executive (Note 29)	576	9,160	16,126	31,506

NOTES TO THE CONDENSED CONSOLIDATED INTERIM FINANCIAL STATEMENTS
FOR THE PERIOD ENDED 30 SEPTEMBER 2015

8. Financial expense, net

	For the three months ended 30 September 2015 US$	For the three months ended 30 September 2014 US$	For the nine months ended 30 September 2015 US$	For the nine months ended 30 September 2014 US$
Financial income				
Interest income	19,532	15,149	63,590	136,256
Other financial income	42,064	29,955	192,325	505,784
Net exchange gain	508,194	-	515,924	-
	569,790	45,104	771,839	642,040
Financial expense				
Bank interest	1,406,416	2,136,081	4,667,326	6,320,819
Bank charges	218,910	364,830	1,024,600	1,072,809
Derivative charges	268,120	175,999	560,114	480,801
Factoring interest	927,918	916,435	2,933,013	2,850,900
Factoring charges	118,565	196,138	405,104	487,983
Other financial expenses	11,196	134,298	53,441	225,650
Other interest	300,133	266,215	1,030,085	658,670
Net exchange loss	-	84,888	-	2,275,398
	3,251,258	4,274,884	10,673,683	14,373,030
Net	(2,681,468)	(4,229,780)	(9,901,844)	(13,730,990)

9. Tax

	For the nine months ended 30 September 2015 US$	For the year ended 31 December 2014 US$
Receivable/payable balance 1 January	(315,919)	351,591
Provision for the period/year	(130,460)	893,202
Under provision of prior year periods	12,640	23,559
Exchange difference on retranslation	50,974	(42,216)
Amounts paid, net	(508,419)	(1,542,056)
Net receivable balance 30 September/31 December	(891,184)	(315,920)

9. Tax (continued)

	For the nine months ended 30 September 2015 US$	For the year ended 31 December 2014 US$
Tax receivable	(994,039)	(847,119)
Tax payable	102,855	531,199
Net	(891,184)	(315,920)

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

	For the three months ended 30 September 2015 US$	For the three months ended 30 September 2014 US$	For the nine months ended 30 September 2015 US$	For the nine months ended 30 September 2014 US$
Provision for the period	40,587	149,474	(130,460)	178,408
Over/Under provision of prior years	(47)	(290)	12,640	19,593
Deferred tax charge (Note 21)	14,519	(115,909)	33,117	(136,128)
Charge/(credit) for the period	55,059	33,275	(84,703)	61,873

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 CONDENSED CONSOLIDATED INTERIM FINANCIAL STATEMENTS
FOR THE PERIOD ENDED 30 SEPTEMBER 2015

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 2014	24,605,978	24,879	7,220,034	174,406	3,653,398	3,061,788	3,764,420	42,504,903
Additions	17,292	-	636,005	-	279,627	109,444	121,374	1,163,742
Disposals	(432,761)	-	(433,336)	(4,103)	(353,914)	(151,784)	(242,356)	(1,618,254)
Transfers	24,822	(24,822)	-	-	-	-	-	-
Foreign exchange difference on retranslation	(1,704,439)	(57)	(595,519)	(846)	(458,594)	(345,833)	(390,185)	(3,495,473)
At 31 December 2014	22,510,892	-	6,827,184	169,457	3,120,517	2,673,615	3,253,253	38,554,918
Additions	268,608	796,563	127,606	198,990	-	-	37,832	1,429,599
Disposals	-	-	(174,300)	-	(415,724)	(83,610)	(74,384)	(748,018)
Foreign exchange difference on retranslation	(838,314)	-	(333,145)	600	(232,140)	(228,493)	(265,291)	(1,896,783)
At 30 September 2015	21,941,186	796,563	6,447,345	369,047	2,472,653	2,361,512	2,951,410	37,339,716
Accumulated depreciation								
At 1 January 2014	3,393,288	-	5,067,589	75,480	1,985,309	1,761,161	2,240,471	14,523,298
Charge for the year	463,461	-	860,590	18,454	453,924	399,739	305,521	2,501,689
Disposals	(350,520)	-	(402,904)	(3,543)	(251,252)	(83,569)	(167,822)	(1,259,610)
Foreign exchange difference on retranslation	(348,346)	-	(438,098)	(458)	(261,358)	(267,418)	(253,455)	(1,569,133)
At 31 December 2014	3,157,883	-	5,087,177	89,933	1,926,623	1,809,913	2,124,715	14,196,244
Charge for the period	417,360	-	532,107	16,106	253,977	121,561	183,593	1,524,704
Disposals	-	-	(163,273)	-	(297,379)	(26,389)	(74,384)	(561,425)
Foreign exchange difference on retranslation	(153,928)	-	(356,390)	728	(138,266)	(131,259)	(180,631)	(959,746)
At 30 September 2015	3,421,315	-	5,099,621	106,767	1,744,955	1,773,826	2,053,293	14,199,777
Net book value								
At 30 September 2015	18,519,871	796,563	1,347,724	262,280	727,698	587,686	898,117	23,139,939
At 31 December 2014	19,353,009	-	1,740,007	79,524	1,193,894	863,702	1,128,538	24,358,674

11. Intangible assets

	Computer software US$	Patents and licenses US$	Total US$
Cost			
At 1 January 2014	6,708,587	1,145,482	7,854,069
Additions	899,068	12,364	911,432
Disposals/ write-offs	(73,474)	(598)	(74,072)
Foreign exchange difference on retranslation	(219,118)	(61,592)	(280,710)
At 31 December 2014	7,315,063	1,095,656	8,410,719
Additions	574,113	1,165,857	1,739,971
Disposals/ write-offs	(18,201)	(23,733)	(41,934)
Foreign exchange difference on retranslation	(92,961)	3,624	(89,338)
At 30 September 2015	7,778,014	2,241,404	10,019,418
Accumulated amortisation			
At 1 January 2014	5,904,126	1,022,154	6,926,280
Additions from acquisitions of subsidiaries	298,073	75,790	373,863
Disposals/ write-offs	(58,373)	(533)	(58,906)
Foreign exchange difference on retranslation	(216,854)	(52,131)	(268,985)
At 31 December 2014	5,926,972	1,045,280	6,972,252
Charge for the period	220,102	169,097	389,199
Disposals/ write-offs	(7,282)	(14,223)	(21,505)
Foreign exchange difference on retranslation	(72,372)	(19,354)	(91,726)
At 30 September 2015	6,067,420	1,180,800	7,248,220
Net book value			
At 30 September 2015	1,710,594	1,060,604	2,771,198
At 31 December 2014	1,388,091	50,376	1,438,467

12. 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 2015 US$	As at 31 December 2014 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

13. Inventories

	As at 30 September 2015 US$	**As at 31 December 2014 US$**
Goods in transit	22,295,513	17,354,875
Goods held for resale	98,215,140	116,866,430
Provision for slow moving and obsolete stock	(7,295,763)	(1,898,689)
	113,214,890	132,322,616

Movement in provision for slow moving and obsolete stock

	As at 30 September 2015 US$	**As at 31 December 2014 US$**
On 1 January	1,898,689	2,115,332
Net movement for the period/year	5,458,390	(91,690)
Exchange difference	(61,317)	(124,953)
On 30 September/31 December	7,295,762	1,898,689

14. Trade receivables

	As at 30 September 2015 US$	**As at 31 December 2014 US$**
Trade receivables	211,729,511	268,515,408
Allowance for doubtful debts	(5,592,480)	(6,181,370)
	206,137,031	262,334,038

15. Other current assets

	As at 30 September 2015 US$	**As at 31 December 2014 US$**
Deposits and advances to service providers	619,490	776,259
Employee floats	78,820	62,994
VAT and other taxes refundable	6,147,974	6,753,191
Other debtors and prepayments	5,502,951	3,760,776
	12,349,235	11,353,220

16. Share capital

	As at 30 September 2015 US$	As at 31 December 2014 US$
Authorised		
63,000,000 (2014: 63,000,000) shares of US$ 0.20 each	12,600,000	12,600,000
Issued and fully paid		
55,500,000 (2014: 55,500,000) ordinary shares of US$ 0.20 each	11,100,000	11,100,000

17. Short term borrowings

	As at 30 September 2015 US$	As at 31 December 2014 US$
Bank overdrafts (Note 27)	39,631,271	28,248,846
Current portion of long term loans	893,463	933,554
Bank short term loans	28,271,861	29,523,070
Short term obligations under finance leases (Note 20)	58,773	74,688
Total short term debt	68,855,368	58,780,158
Factoring creditors	35,616,977	40,482,397
	104,472,345	99,262,555

Summary of borrowings and overdraft arrangements

As at 30 September 2015 the group enjoyed factoring facilities of US$ 83,638,711 (31 December 2014: US$ 83,045,488).

In addition, the group as at 30 September 2015 had the following financing facilities with banks in the countries that the company and its subsidiaries are operating:

- overdraft lines of US$ 48,193,463 (31 December 2014: US$ 51,761,403)
- short term loans/revolving facilities of US$ 48,791,046 (31 December 2014: US$ 58,023,364)
- bank guarantee and letters of credit lines of US$ 10,657,866 (31 December 2014: US$ 11,484,368)

The Weighted Average Cost of Debt (cash lines and factoring lines) for the period was 9.2% (for 2014: 8.0%).

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$ 4,364,950 (31 December 2014: US$ 6,222,423)

During the nine months ended 30 September 2015, the group repaid debts of US$ 647,943.

18. Long term borrowings

	As at 30 September 2015 US$	As at 31 December 2014 US$
Bank loans	934,517	1,538,139
Long term obligations under finance leases (Note 20)	33,252	77,573
	967,769	1,615,712

19. Other long term liabilities

	As at 30 September 2015 US$	As at 31 December 2014 US$
Pension provision	494,175	455,063

20. Finance leases

	As at 30 September 2015 US$	As at 31 December 2014 US$
Obligation under finance lease	92,025	152,261
Less: Amount payable within one year	(58,773)	(74,688)
Amounts payable within 2-5 years inclusive	33,252	77,573

21. Deferred tax

	For the nine months ended 30 September 2015 US$	For the year ended 31 December 2014 US$
Debit balance on 1 January	(863,287)	(257,138)
Deferred tax charge/(credit) for the period/year (Note 9)	33,117	(640,694)
Exchange difference on retranslation	19,909	34,545
Debit balance on 30 September/31 December	(810,261)	(863,287)

	For the nine months ended 30 September 2015 US$	For the year ended 31 December 2014 US$
Deferred tax assets	(855,027)	(910,954)
Deferred tax liabilities	44,766	47,667
Net deferred tax assets	(810,261)	(863,287)

22. Other current liabilities

	As at 30 September 2015 US$	As at 31 December 2014 US$
Salaries payable and related costs	1,392,760	1,475,960
Amount due to directors - executive (Note 29)	662	1,122,681
VAT payable	6,036,287	10,305,056
Accruals and deferred income	9,871,171	14,538,916
Non-trade accounts payable	1,891,014	2,801,693
	19,191,894	30,244,306

23. Commitments and contingencies

As at 30 September 2015 the group was committed in respect of purchases of inventories of a total cost value of US$ 4,226,284 (31 December 2014: US$ 3,258,157) which were in transit at 30 September 2015 and delivered in October 2015. Such inventories and the corresponding liability towards the suppliers have not been included in these financial statements since, according to the terms of purchase title of the goods had not passed to the group at period/year end.

As at 30 September 2015 the group was contingently liable in respect of bank guarantees and letters of credit lines of US$ 10,657,866 (31 December 2014: US$ 11,484,368) which the group has extended mainly to its suppliers.

As at 30 September 2015 the group had no other capital or legal commitments and contingencies.

24. 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 2015 US$	For the three months ended 30 September 2014 US$	For the nine months ended 30 September 2015 US$	For the nine months ended 30 September 2014 US$
Former Soviet Union	90,769,594	134,692,513	258,419,014	361,164,255
Central Eastern Europe	125,066,385	146,614,236	355,717,283	461,356,223
Western Europe	15,035,634	30,897,761	39,324,742	81,862,532
Middle East & Africa	43,342,247	60,310,133	122,815,866	159,106,345
Other	13,391,887	16,144,757	38,490,061	29,095,185
	287,605,747	388,659,400	814,766,966	1,092,584,540

24. Operating segments (continued)

1.3 Segment results

	For the three months ended 30 September 2015 US$	For the three months ended 30 September 2014 US$	For the nine months ended 30 September 2015 US$	For the nine months ended 30 September 2014 US$
Former Soviet Union	2,249,426	1,860,629	(6,898,750)	4,396,546
Central Eastern Europe	116,253	2,424,364	457,464	4,885,736
Western Europe	214,824	177,711	(1,150,363)	(554,934)
Middle East & Africa	98,980	117,036	(736,023)	624,027
Other	266,203	155,137	(1,069,083)	727
Profit/(loss) from operations	2,945,686	4,734,877	(9,396,755)	9,352,102
Net financial expenses	(2,681,468)	(4,229,780)	(9,901,844)	(13,730,990)
Other gains and losses	(55,909)	21,907	22,814	109,876
Profit/(loss) before taxation	208,309	527,004	(19,275,785)	(4,269,012)

1.4 Inter-segment revenues

Selling segment	**Purchasing segment**	**For the three months ended 30 September 2015 US$**	**For the three months ended 30 September 2014 US$**
Western Europe	Middle East & Africa	-	7,031

1.5 Segment capital expenditure (CAPEX)

	As at 30 September 2015 US$	As at 31 December 2014 US$
Former Soviet Union	4,294,439	5,033,410
Central Eastern Europe	11,455,085	11,635,459
Western Europe	99,317	143,273
Middle East & Africa	3,462,988	3,446,663
Unallocated	8,199,184	7,272,676
	27,511,013	27,531,481

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24. Operating segments (continued)

1.6 Segment depreciation and amortization

	For the three months ended 30 September 2015 US$	For the three months ended 30 September 2014 US$	For the nine months ended 30 September 2015 US$	For the nine months ended 30 September 2014 US$
Former Soviet Union	104,354	176,261	363,426	570,754
Central Eastern Europe	203,325	257,126	610,520	780,817
Western Europe	25,108	10,039	32,973	49,788
Middle East & Africa	62,844	65,841	187,011	226,700
Unallocated	246,978	193,574	719,972	560,237
	642,609	702,841	1,913,902	2,188,296

1.7 Segment assets

	As at 30 September 2015 US$	As at 31 December 2014 US$
Former Soviet Union	106,834,710	168,000,256
Central Eastern Europe	143,777,415	151,910,016
Western Europe	27,277,175	58,422,613
Middle East & Africa	52,247,459	24,173,211
Total	330,136,759	402,506,096
Assets allocated in capital expenditure (1.5)	27,511,013	27,531,481
Other unallocated assets	25,554,659	63,122,554
Consolidated assets	383,202,431	493,160,131

25. Derivative financial liability

	As at 30 September 2015 US$	As at 31 December 2014 US$
Derivative financial liabilities carried at fair value through profit or loss		
Foreign currency derivative contracts	207,197	1,264,863

26. Derivative financial asset

	As at 30 September 2015 US$	As at 31 December 2014 US$
Derivative financial assets carried at fair value through profit or loss		
Foreign currency derivative contracts	430,083	183,804

27. Cash and cash equivalents

	As at 30 September 2015 US$	As at 31 December 2014 US$
Cash at bank and in hand	21,699,317	57,665,105
Bank overdrafts (Note 17)	(39,631,271)	(28,248,846)
	(17,931,954)	29,416,259

The cash at bank and in hand balance includes an amount of US$ 4,364,950 (31 December 2014: US$ 6,222,423) which represents pledged deposits.

28. Goodwill

	As at 30 September 2015 US$	As at 31 December 2014 US$
At 1 January	1,734,340	1,969,009
Foreign exchange difference on retranslation	(134,462)	(234,669)
At 30 September/31 December (note i)	1,599,878	1,734,340

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

	As at 30 September 2015 US$	As at 31 December 2014 US$
ASBIS d.o.o. (BA) (formerly Megatrend D.O.O. Sarajevo)	391,052	424,419
SHARK Computers a.s.	1,208,826	1,309,921
	1,599,878	1,734,340

29. Transactions and balances of key management

	For the three months ended 30 September 2015 US$	For the three months ended 30 September 2014 US$	For the nine months ended 30 September 2015 US$	For the nine months ended 30 September 2014 US$
Directors' remuneration - executive (Note 7)	64,584	90,138	214,492	331,357
Directors' remuneration - non executive (Note 7)	576	9,160	16,126	31,506
	65,160	99,298	230,618	362,863

	As at 30 September 2015 US$	As at 31 December 2014 US$
Amount due to directors – executive (Note 22)	662	1,122,681

30. Business combinations

Disposals of subsidiaries to 30 September 2015

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 Taiwan Co. Ltd	Information Technology	13 April 2015	100%

31. Fair values

Financial instruments comprise financial assets and financial liabilities. Financial assets mainly consist of bank balances, receivables and investments. Financial liabilities mainly consist of trade payables, factoring balances, bank overdrafts and loans. The Directors consider that the carrying amount of the company's/group's financial instruments approximate their fair value at the reporting date. Financial assets and financial liabilities carried at fair value through profit or loss represent foreign currency derivative contracts categorized as a Level 2 (inputs other than quoted prices included within level 1 that are observable for the asset or liability, either directly (that is, as prices) or indirectly (that is, derived from prices).