ASBISc Enterprises Plc

INTERIM REPORT
FOR THE THREE AND TWELVE MONTHS
ENDED 31 DECEMBER 2012

Limassol, February 27th, 2013

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

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

PRESENTATION OF FINANCIAL AND OTHER INFORMATION

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

Financial and Operating Data

This quarterly report contains financial statements of, and financial information relating to the Group. In particular, this quarterly report contains our interim consolidated financial statements for the three months ended 31 December 2012. The financial statements appended to this quarterly report are presented in U.S. dollars and have been prepared in accordance with International Accounting Standard ("IAS") 34.

The functional currency of the Company is U.S. dollars. Accordingly, transactions in currencies other than our functional currency are translated into U.S. dollars at the exchange rates prevailing on the applicable transaction dates.

Certain arithmetical data contained in this quarterly report, including financial and operating information, have been subject to rounding adjustments. Accordingly, in certain instances, the sum of the numbers in a column or a row in tables contained in this quarterly report may not conform exactly to the total figure given for that column or row.

Currency Presentation

Unless otherwise indicated, all references in this quarterly report to "U.S. $" or "U.S. dollars" are to the lawful currency of the United States; all references to "€" or the "Euro" are to the lawful currency of the member states of the European Union that adopt the single currency in accordance with the EC Treaty, which means the Treaty establishing the European Community (signed in Rome on 25 March 1957), as amended by the Treaty on European Union (signed in Maastricht on 7 February 1992) and as amended by the Treaty of Amsterdam (signed in Amsterdam on 2 October 1997) and includes, for this purpose, Council Regulations (EC) No. 1103/97 and No. 974/98; and all references to "PLN" or "Polish Zloty" are to the lawful currency of the Republic of Poland.

All references to U.S. dollars, Polish Zloty, Euro and other currencies are in thousands, except share and per share data, unless otherwise stated.

FORWARD-LOOKING STATEMENTS

This quarterly report contains forward-looking statements relating to our business, financial condition and results of operations. You can find many of these statements by looking for words such as "may", "will", "expect", "anticipate", "believe", "estimate" and similar words used in this quarterly report. By their nature, forward-looking statements are subject to numerous assumptions, risks and uncertainties. Accordingly, actual results may differ materially from those expressed or implied by the forward-looking statements. We caution you not to place undue reliance on such statements, which speak only as of the date of this quarterly report.

The cautionary statements set out above should be considered in connection with any subsequent written or oral forward-looking statements that we or persons acting on our behalf may issue. We do not undertake any obligation to review or confirm analysts' expectations or estimates or to release publicly any revisions to any forward-looking statements to reflect events or circumstances after the date of this quarterly report.

Part I Additional information

1. Overview

ASBISc Enterprises Plc is one of the leading distributors of Information Technology ("IT") products in Europe, Middle East and Africa (“EMEA”) Emerging Markets: Central and Eastern Europe, the Baltic States, the Former Soviet Union, the Middle East and Africa, combining a broad geographical reach with a wide range of products distributed on a "one-stop-shop" basis. Our main focus is on the following countries: Russia, Slovakia, Ukraine, Poland, Czech Republic, Belarus, Romania, Croatia, Slovenia, Bulgaria, Serbia, Hungary, and Middle East countries (i.e. United Arab Emirates, Saudi Arabia, Qatar and other Gulf states).

The Group distributes IT components (to assemblers, system integrators, local brands and retail) as well as A-branded finished products like desktop PCs, laptops, servers, and networking to SMB and retail. Our IT product portfolio encompasses a wide range of IT components, blocks and peripherals, and mobile IT systems. We currently purchase the majority of our products from leading international manufacturers, including Intel, Advanced Micro Devices ("AMD"), Seagate, Western Digital, Samsung, Microsoft, Toshiba, Dell, Acer, Apple, Lenovo and Hitachi. In addition, a significant part of our revenue is comprised of sales of IT products under our private labels, Prestigio and Canyon.

ASBISc commenced business in 1990 in Belarus and in 1995 we incorporated our holding company in Cyprus and moved our headquarters to Limassol. Our Cypriot headquarters support, through three master distribution centres (located in the Czech Republic, the United Arab Emirates and China), our network of 33 warehouses located in 26 countries. This network supplies products to the Group's in-country operations and directly to its customers in approximately 75 countries.

The Company’s registered and principal administrative office is at Diamond Court, 43 Kolonakiou Street, Ayios Athanasios, CY-4103 Limassol, Cyprus.

2. Executive summary for the three and twelve month periods ended 31 December 2012

The principal events of the three months ended 31 December 2012 were as follows:

- Revenues in Q4 2012 increased by 20.47% to U.S. $ 566,397 from U.S. $ 470,157 in the corresponding period of 2011.
- Gross profit before currency movements in Q4 2012 decreased slightly by 2.40% to U.S. $ 29,027 from U.S. $ 29,740 in the corresponding period of 2011.
- Gross profit after currency movements in Q4 2012 decreased slightly, by 1.81% to U.S. $ 28,894 from U.S. $ 29,428 in the corresponding period of 2011.
- Gross profit margin in Q4 2012 decreased by 18.50% to 5.10% from 6.26% in the corresponding period of 2011. This was due to high base for Q4 2011 (owed to HDDs shortage) and a push for lower margins observed in different markets during the year.
- Selling expenses in Q4 2012 increased by 9.89% to U.S. $ 13,737 from U.S. $ 12,501 in the corresponding period of 2011. It is however important to underline that at the same time, selling expenses in Q4 2012 grew much less than revenues, and this increase is connected to the development of own brands.
- Administrative expenses in Q4 2012 increased by 7.02% to U.S. $ 6,721 from U.S. $ 6,281 in the corresponding period of 2011.
- EBITDA in Q4 2012 decreased by 19.28% to U.S. $ 9,254 in comparison to U.S. $ 11,465 in the corresponding period of 2011.

- Net profit after taxation in Q4 2012 decreased by 46.33% to U.S. $ 4,442 in comparison to U.S. $ 8,276 in the corresponding period of 2011. This was a result of one off higher margins in the HDD segment in Q4 2011.

Following table presents revenues breakdown by regions in the three month periods ended December 31st, 2012 and 2011 respectively (in U.S.$ thousand):

Region	Q4 2012	Q4 2011	Change (%)
Former Soviet Union	224,619	202,318	+11.02%
Central and Eastern Europe	205,280	166,903	+22.99%
Western Europe	60,583	31,029	+95.25%
Middle East and Africa	58,466	56,898	+2.76%
Other	17,448	13,008	+34.13%
Grand Total	566,397	470,157	+20.47%

The principal events of the twelve months ended 31 December 2012 were as follows:

- Revenues in Q1-Q4 2012 increased by 17.73% to U.S. $ 1,744,878 from U.S. $ 1,482,075 in the corresponding period of 2011. Therefore revenues in Y2012 were 12.57% higher than the lower range of the Company's financial forecast and 5.75% higher than the upper range of the Company's financial forecast for 2012. This confirms the Company's ability to grow in its market even in tough market conditions.

- Gross profit before currency movements in Q1-Q4 2012 increased by 6.41% to U.S. $ 86,327 from U.S. $ 81,126 in the corresponding period of 2011.

- Gross profit after currency movements in Q1-Q4 2012 increased by 5.19% to U.S. $ 85,468 from U.S. $ 81,250 in the corresponding period of 2011.

- Gross profit margin in Q1-Q4 2012 decreased by 10.65% to 4.90% from 5.48% in the corresponding period of 2011. This was due to a high base for 2011 (owed to Q4 2011 HDDs shortage) and a push for lower margins observed in different markets during the year.

- Selling expenses in Q1-Q4 2012 increased only slightly by 2.25% to U.S. $ 41,332 from U.S. $ 40,421 in the corresponding period of 2011. This was a result of rebuilt structure of expenses that connected selling expenses more to the growth in gross profit than in revenues.

- Administrative expenses in Q1-Q4 2012 decreased by 4.97% to U.S. $ 23,916 from U.S. $ 25,168 in the corresponding period of 2011. This was a result of cost restructuring actions continued in 2012.

- EBITDA in Q1-Q4 2012 increased by 23.11% and reached U.S. $ 23,082 in comparison to U.S. $ 18,748 in the corresponding period of 2011.

- Net profit after taxation in Q1-Q4 2012 grew by 59.84% to U.S. $ 9,047 in comparison to a net profit after taxation of U.S. $ 5,660 in the corresponding period of 2011. Net profit in Y2012 was close to the higher range of the Company's financial forecast (the Company forecasted NPAT for Y2012 to be in the range of U.S.$ 7.5 million and U.S.$ 9.5 million) and reconfirms the Company's ability to deliver for a second year profits well in line with its forecast.

Following table presents revenues breakdown by regions in the twelve month periods ended December 31st, 2012 and 2011 respectively (in U.S.$ thousand):

Region	Q1-Q4 2012	Q1-Q4 2011	Change (%)
Former Soviet Union	705,191	614,905	+14.68%
Central and Eastern Europe	607,563	508,773	+19.42%
Western Europe	145,033	105,789	+37.10%
Middle East and Africa	230,302	205,790	+11.91%
Other	56,789	46,818	+21.30%
Grand Total	1,744,878	1,482,075	+17.73%

3. Summary historical financial data

The following data sets out our summary historical consolidated financial information for the periods presented. You should read the information in conjunction with the interim condensed consolidated financial statements and results of operations contained elsewhere in this interim report.

For your convenience, certain U.S. $ amounts as of and for the three and twelve months ended December 31st, 2012 and 2011, have been converted into Euro and PLN as follows:

- Individual items of the balance sheet – based at average exchange rates quoted by the National Bank of Poland for a given balance sheet date December 31st, 2012, that is: 1 US$ = 3.0996 PLN and 1 EUR = 4.0882 PLN and December 31st, 2011, that is: 1 US$ = 3.4174 PLN and 1 EUR = 4.4168 PLN

- Individual items in the income statement and cash flow statement – based at exchange rates representing the arithmetic averages of the exchange rates quoted by the National Bank of Poland for the last day of each month in a given period October 1st to December 31st, 2012, that is 1 US$ = 3.1462 PLN and 1 EUR = 4.1099 PLN and October 1st to December 31st, 2011, that is 1 US$ = 3.3149 PLN and 1 EUR = 4.4365 PLN.

- Individual items in the income statement and cash flow statement – based at exchange rates representing the arithmetic averages of the exchange rates quoted by the National Bank of Poland for the last day of each month in a given period January 1st to December 31st,, 2012, that is 1 US$ = 3.2312 PLN and 1 EUR = 4.1736 PLN and January 1st to December 31st, 2011, that is 1 US$ = 2.9679 PLN and 1 EUR = 4.1401 PLN.

	Period from 1 October to 31 December 2012			Period from 1 October to 31 December 2011		
	USD	PLN	EUR	USD	PLN	EUR
Revenue	**566,397**	**1,781,998**	**433,587**	**470,157**	**1,558,522**	**351,295**
Cost of sales	(537,370)	(1,690,675)	(411,366)	(440,417)	(1,459,937)	(329,074)
Gross profit before currency movements	**29,027**	**91,324**	**22,220**	**29,740**	**98,585**	**22,221**
Currency movements on gross profit	(132)	(416)	(101)	(312)	(1,032)	(233)
Gross profit after currency movements	**28,894**	**90,908**	**22,119**	**29,428**	**97,552**	**21,989**
Selling expenses	(13,737)	(43,218)	(10,516)	(12,501)	(41,439)	(9,340)
Administrative expenses	(6,721)	(21,147)	(5,145)	(6,281)	(20,820)	(4,693)
Profit from operations	**8,436**	**26,543**	**6,458**	**10,647**	**35,294**	**7,955**
Financial expenses	(3,525)	(11,089)	(2,698)	(2,416)	(8,010)	(1,806)
Financial income	338	1,063	259	582	1,929	435
Other gains and losses	129	405	99	154	511	115
Negative goodwill on acquisition of subsidiary	41	130	32	-	-	-
Share of profit from joint ventures	77	242	59	(27)	(88)	(20)
Profit before taxation	**5,497**	**17,293**	**4,208**	**8,940**	**29,636**	**6,680**
Taxation	(1,055)	(3,319)	(808)	(665)	(2,203)	(497)
Profit after taxation	**4,442**	**13,974**	**3,400**	**8,276**	**27,433**	**6,183**
Attributable to:						
Non-controlling interests	6	20	5	228	754	170
Owners of the parent	**4,435**	**13,955**	**3,395**	**8,048**	**26,679**	**6,013**

	USD (cents)	PLN (grosz)	EUR (cents)	USD (cents)	PLN (grosz)	EUR (cents)
Basic and diluted earnings per share from continuing operations	7.99	25.14	6.12	14.50	48.07	10.83

	Period from 1 January to 31 December 2012			Period from 1 January to 31 December 2011		
	USD	PLN	EUR	USD	PLN	EUR
Net cash (outflows)/inflows from operating activities	(38,228)	(123,523)	(29,596)	11,063	32,833	7,930
Net cash outflows from investing activities	(2,071)	(6,693)	(1,604)	(3,470)	(10,299)	(2,488)
Net cash inflows/(outflows) from financing activities	16,656	53,819	12,895	(9,711)	(28,821)	(6,961)
Net decrease in cash and cash equivalents	**(23,644)**	**(76,397)**	**(18,305)**	**(2,118)**	**(6,287)**	**(1,519)**
Cash at the beginning of the period	**19,251**	**62,205**	**14,904**	**21,370**	**63,423**	**15,319**
Cash at the end of the period	**(4,392)**	**(14,192)**	**(3,401)**	**19,251**	**57,136**	**13,801**

	As at 31 December 2012			As at 31 December 2011		
	USD	PLN	EUR	USD	PLN	EUR
Current assets	477,582	1,480,314	362,094	408,801	1,397,037	316,301
Non-current assets	29,131	90,295	22,087	29,950	102,351	23,173
Total assets	506,713	1,570,609	384,181	438,751	1,499,387	339,474
Liabilities	403,628	1,251,086	306,024	342,980	1,172,099	265,373
Equity	103,085	319,523	78,157	95,771	327,288	74,101

	Period from 1 January to 31 December 2012			Period from 1 January to 31 December 2011		
	USD	PLN	EUR	USD	PLN	EUR
Revenue	**1,744,878**	**5,638,049**	**1,350,884**	**1,482,075**	**4,398,650**	**1,062,450**
Cost of sales	(1,658,551)	(5,359,109)	(1,284,050)	(1,400,949)	(4,157,876)	(1,004,294)
Gross profit before currency movements	**86,327**	**278,940**	**66,834**	**81,126**	**240,774**	**58,157**
Currency movements on gross profit	(860)	(2,777)	(665)	124	367	89
Gross profit after currency movements	**85,468**	**276,163**	**66,169**	**81,250**	**241,141**	**58,245**
Selling expenses	(41,332)	(133,550)	(31,999)	(40,421)	(119,966)	(28,977)
Administrative expenses	(23,916)	(77,279)	(18,516)	(25,168)	(74,697)	(18,042)
Profit from operations	**20,220**	**65,334**	**15,654**	**15,660**	**46,478**	**11,226**
Financial expenses	(10,231)	(33,059)	(7,921)	(9,331)	(27,693)	(6,689)
Financial income	708	2,286	548	275	816	197
Other gains and losses	588	1,899	455	499	1,481	358
Negative goodwill on acquisition of subsidiary	41	134	32	-	-	-
Goodwill written off	-	-	-	(50)	(149)	(36)
Share of loss from joint ventures	(74)	(238)	(57)	(186)	(553)	(134)
Profit before taxation	**11,252**	**36,356**	**8,711**	**6,867**	**20,380**	**4,923**
Taxation	(2,205)	(7,123)	(1,707)	(1,206)	(3,581)	(865)
Profit after taxation	**9,047**	**29,233**	**7,004**	**5,660**	**16,799**	**4,058**
Attributable to:						
Non-controlling interests	37	119	29	243	720	174
Owners of the parent	**9,010**	**29,114**	**6,976**	**5,418**	**16,079**	**3,884**

	USD (cents)	PLN (grosz)	EUR (cents)	USD (cents)	PLN (grosz)	EUR (cents)
Basic and diluted earnings per share from continuing operations	16.23	52.46	12.57	9.76	28.97	7.00

4. Organization of ASBIS Group

The following table presents our corporate structure as at December 31st, 2012:

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

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

5. Changes in the structure of the Company

During the three months ended December 31st, 2012 the Company finalized the process of purchasing the controlling interest in AOSBIS TECHNOLOGY (SHENZHEN) CORP. (Shenzen, China), in order to concentrate and optimize its trading activities in the Asian markets.

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

We have not published any forecasts for the three month period ended December 31st 2012. However on March 22nd, 2012 we published the official forecast for the year 2012. According to this forecast, revenues were expected to reach between U.S. $ 1.55 billion and U.S.$ 1.65 billion, and net profit after tax between U.S. $ 7.5 million and U.S. $ 9.5 million. Having seen the results of Q4 2012, the Company fully confirms this forecast. Actually, the Company:

- generated revenue of U.S.$ 1,744,878, which is 12.57% higher than the lower range of the Company’s financial forecast and 5.75% higher than the upper range of the Company’s financial forecast for 2012.
- delivered net profit after tax amounting to U.S.$ 9,047, which is close to the upper range of the forecasted NPAT and exceeds the lower range by +20.63%.

The final information on 2012 results will be published on March 27th, 2013 in the Annual Report for Y2012 that will contain audited financial statements.

7. Information on dividend payment

For the three month period ended December 31st, 2012 no dividend was paid.

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

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

Name	Number of shares	% of share capital	Number of votes	% of votes
KS Holdings Ltd	25,676,361	46.26%	25,676,361	46.26%
Quercus Towarzystwo Funduszy Inwestycyjnych S.A. Quercus Parasolowy SFIO and Quercus Absolutnego Zwrotu FIZ)*	3,274,931	5.90%	3,274,931	5.90%
Alpha Ventures S.A.	3,200,000	5.77%	3,200,000	5.77%
ING OFE	2,872,954	5.18%	2,872,954	5.18%
ASBISc Enterprises PLC (buy-back program)	138,389	0.249%	138,389	0.249%
Free float	20,337,365	36.64%	20,337,365	36.64%
Total	**55,500,000**	**100.00%**	**55,500,000**	**100.00%**

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

In the three months period ended on December 31st, 2012 the Company received the following information about changes in its shareholders structure:
(1) On November 13th, 2012 the Company received from Aviva Investors Poland S.A. acting on Aviva Investors Poland S.A.'s own name, as a entity which performs the actions consisting in management of investment portfolios of fund which governing body is Aviva Investors Poland Towarzystwo Funduszy Inwestycyjnych S.A. and on behalf of Aviva Investors Funduszu Inwestycyjnego Otwartego and Aviva Investors Specjalistycznego Funduszu Inwestycyjnego Otwartego (further „the Funds") notification that the Funds descended below the threshold of 5% of total number of votes at the Company's General Meeting of Shareholders. Descending below the threeshold occured as a result of transaction of sale of the Company's shares conducted on November 8th, 2012, settled on November 13th, 2012.
Before the abovementioned event:
1. the Funds held altogether 3,506,149 Company's shares consisting of 6,32% of the Company's share capital and entitling to 3,506,149 votes which correspond to 6,32% of the total votes in the Company,
2. Aviva Investors Poland S.A. managed portfolios, that are composed of one or more financial instruments, and entitle Aviva Investors Poland S.A., acting as the manager, to exercise voting rights at the Company's General Meeting of Shareholders on behalf of principals, held 3 506 149 shares of the Company, that correspond to 6,32% of the Company's share capital and entitle to 3 506 149 votes that corresponds to 6,32% of total votes at the Company's General Meeting of Shareholders.
According to the notification after the abovementioned event:
1. the Funds hold altogether 2,762,251 Company's shares consisting of 4,98% of the Company's share capital and entitling to 2,762,251 votes which correspond to 4,98% of the total votes in the Company,
2. Aviva Investors Poland S.A. managed portfolios, that are composed of one or more financial instruments, and entitle Aviva Investors Poland S.A., acting as the manager, to exercise voting rights

at the Company's General Meeting of Shareholders on behalf of principals, hold 2 762 251 shares of the Company, that correspond to 4,98% of the Company's share capital and entitle to 2 762 251 votes that correspond to 4,98% of total votes at the Company's General Meeting of Shareholders.

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

During the three month period ended December 31st, 2012 as well as for the period between November 7th, 2012 (the date of publication of the Interim Report for Q3 2012) and February 27th, 2013 (date of this report) there were no changes in the number of shares possessed by the members of the Board of Directors. The table below presents the number of shares held by the members of the Board of Directors as of the date of this report. The information included in the table below is based on information received from members of our Management Board pursuant to Art. 160 sec. 1 of the Act on Public Trading.

Name	Number of Shares	% of the share capital
Siarhei Kostevitch (directly and indirectly)	25,718,127	46.34%
Laurent Journoud	400,000	0.72%
Marios Christou	350,000	0.63%
Constantinos Tziamalis	35,000	0.06%
Efstathios Papadakis	0	0%
Chris Pavlou	0	0%

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

10. Changes in the members of managing bodies

During the three month period ended December 31st, 2012 there were no changes in the members of the Company's Board of Directors.

11. Administrative and court proceedings against the Company

As of December 31st, 2012, no court, arbitration or administrative proceedings whose single or aggregate value exceeds 10% of our equity were pending against us or any of the members of our Group.

12. Related Party Transactions

During the three months ended December 31st, 2012 we did not have any material related party transaction exceeding the Polish Zloty equivalent of Euro 500 thousand other than typical or routine transactions.

13. Information on guarantees granted to third parties

Neither us, nor any of our affiliates or subsidiary companies have granted any guarantees or secured any third party credits for an amount exceeding 10% of its equity within the three months ended December 31st, 2012. The total bank guarantees raised by the Group (mainly to Group suppliers) as at December 31st, 2012 was U.S. $ 8,270 – as per note number 21 to the financial statements – which is less than 10% of the Company's equity.

14. Information on changes in conditional commitments or conditional assets, occurred since the end of last fiscal year

No changes in conditional commitments or conditional assets, occurred since the end of the last fiscal year.

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

In the three month period ended December 31st, 2012 the Company's results of operations have been affected and are expected to continue to be affected by a number of factors, including the effects of currency fluctuations, competition and price pressures, low gross profit margins, potential inventory obsolescence and price erosion, the worldwide unstable financial environment, credit risk and seasonality.

Despite tough economic environment, the Company was able to benefit from its broad geographic presence and improved product portfolio and significantly increase its revenues at a double digit pace. What is even more important, business growth was faster than the markets' growth, and the Company improved its market share. The Company is expected to continue to benefit from this in the future.

However the economic environment affected gross profit margins in the market. The Company's gross profit margins grew slower than revenues. Expenses remained under control and grew by a single digit.

The Company was again able to secure itself from a high volatility of its trading currencies against USD and volatility of EUR/USD pair. The hedging actions have shielded the Company from any material currency losses, similarly to previous quarters of 2012. This confirms the effectiveness of the foreign exchange hedging strategy adopted by the Company; it is the Company's intention to further enhance this policy going forward.

As a result, net profit after tax generated in Q4 2012 was at the expected level and allowed the Company to close 2012 with U.S.$ 9,047 of net profit after tax, close to the upper range of the forecast. This was achieved despite lower NPAT in Q4 2012 than in Q4 2011 (owed to HDDs exceptional shortage in Q4 2011).

The Company's management strongly believes that if the overal economic situation will not change dramatically, further improvement of results will be visible in 2013.

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

Currency fluctuations

As mentioned in previous reports, the Company's reporting currency is the U.S. dollar. About 50% of the Company's revenues are denominated in U.S. dollars, while the balance is denominated in Euro and other currencies, some of which are linked to the Euro. Since most of the Company's trade payable balances are denominated in U.S. dollars (about 80%), the Company is exposed to foreign exchange risk that remains a crucial risk factor that might affect the Group's results in the future. Although the problem persists and will persist as the Euro and other Eastern European currencies fluctuate in a steep manner against the U.S. Dollar, the Group's reporting currency - the Group has adopted hedging strategies to tackle this problem and become successful. This was visible also in Q4 2012, when despite fluctations in the currency environment (see below chart), the Company was again able to limit the FX influence on its results. The Company lost on currencies only about U.S.$ 132 in Q4 2012 as the currency movements on gross profit were offset by financial income.

EUR/USD in Q4 2012

Competition and price pressure

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

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

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

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

This was especially the case of Q4 2012 when the economic environment led customers in many markets to stronger push on prices which affected the margins, compared to the corresponding period of 2011.

Low gross profit margins

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

In Q4 2012 the Company's gross profit margin was lower than in the comparable period of 2011. This was a result of both the exceptional gains in the HDD segment in 2011 and stronger customer push for lower prices as a result of economic turbulences in many markets.

In order to tackle this problem, the Company continues its strategy of product portfolio diversification by adding more A-branded goods, software, smartphones and, most importantly, more of its own brands sales in order to reach better margins in the future.

Inventory obsolescence and price erosion

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

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

Credit risk

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

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

Worldwide financial environment

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

However, there are many uncertainties about the world economy and especially the Euro-zone - followed by volatility of currencies and fragility of demand in many markets. Although the Company was able to secure itself from these factors in Q4 2012 (i.e. there were no major currency losses) similarly to several previous periods, it is of extreme importance to follow this strategy in future periods and focus more on growing profitability rather than just on growing revenues – especially since the markets are fussy and customers may continue the pressure on prices affecting the gross profit margins as was the case of Q4 2012.

Seasonality

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

After temporary changes in the traditional seasonality, observed in 2008 and 2009, the trend returned in 2010 and was also clearly visible in Q4 2012. This meant growth in sales and profits compared previous quarters of 2012, since last quarter of the year traditionally allows to produce about 50% of the annual profits.

If there will be no dramatical changes in the overall economic surrounding, traditional seasonality effect is expected to be seen also in 2013. However, due to a lot of uncertainities about the economic situation in Europe, the Company will continue to focus more on profitability than on revenues growth.

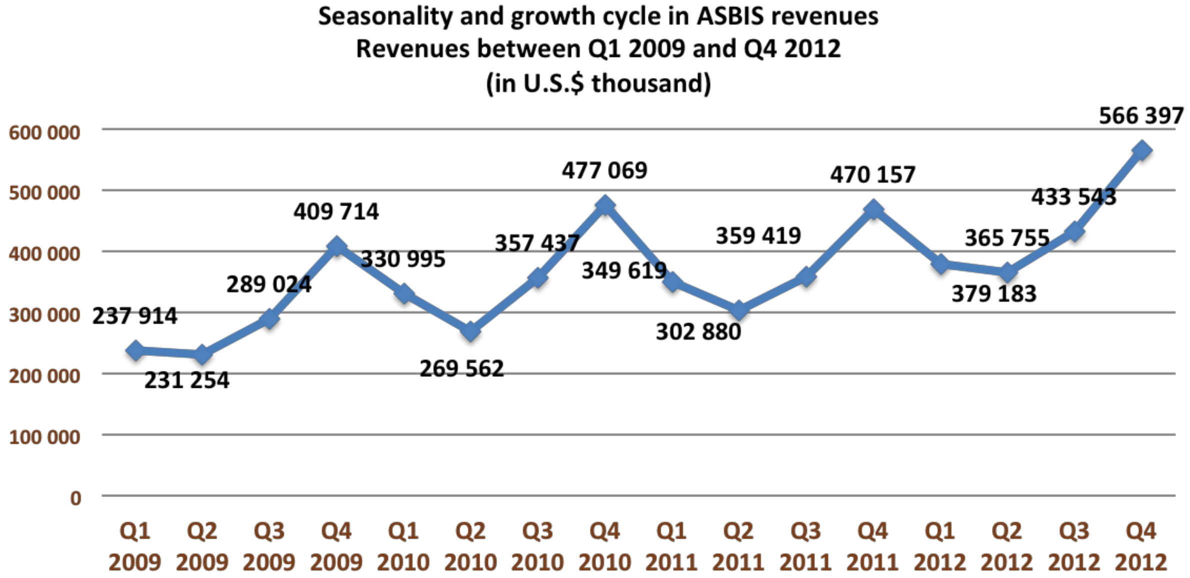
Results of Operations

Three and twelve month periods ended 31 December 2012 compared to the three and twelve month periods ended 31 December 2011

Revenues: Traditionally annual sales reach their peak in Q4. This was also the case of Q4 2012. In Q4 2012 the Company's revenues increased by 20.47% to U.S.$ 566,397 from U.S. $ 470,157 in the corresponding period of 2011. This was possible mostly because of stronger position of the Company in its markets, gained at a cost of weakening competition from smaller distributors, and upgraded product portfolio.

For the twelve months of 2012 revenues increased by 17.73% to U.S. $ 1,744,878 from U.S. $ 1,482,075 in the corresponding period of 2011. Revenues in Y2012 were 12.57% higher than the lower range of the Company's financial forecast and 5.75% higher than the upper range.

The management considers this as a good achievement, having in mind its focus on profitability. At this point in time it is expected that revenues will grow again in 2013. More details on the expected growth in revenues will be announced in the financial forecasts for 2013.



- **Gross profit:** Although gross profit decreased slightly in Q4 2012, it increased in the twelve months of 2012, as compared to the corresponding periods of 2011. The Q4 2012 decrease was a result of exceptional gains owed to HDDs segment in 2011, accompanied by stronger customers' push on prices in Q4 2012. In the same time the twelve months increase in gross profit was a direct result of the Company's stronger market position, upgraded product portfolio as well as more effective currency hedging.

Before currency movements:

Gross profit before currency movements in Q4 2012 decreased by 2.40% to U.S. $ 29,027 from U.S. $ 29,740 in the corresponding period of 2011.

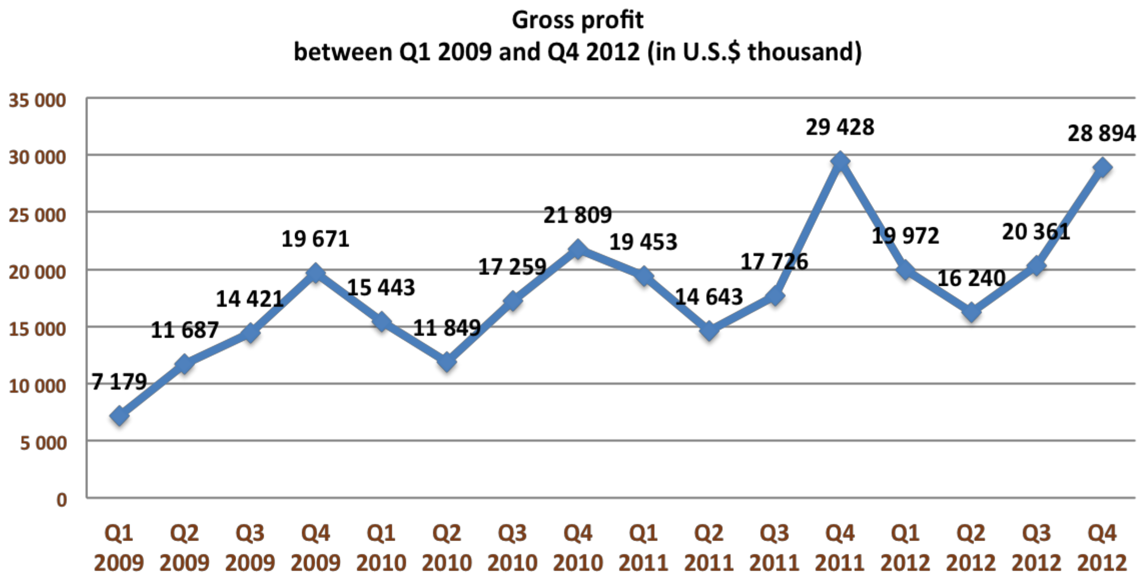
Gross profit before currency movements in Q1-Q4 2012 increased by 6.41% to U.S. $ 86,327 from U.S. $ 81,126 in the corresponding period of 2011.

After currency movements:

Gross profit after currency movements in Q4 2012 decreased slightly, by 1.81% to U.S. $ 28,894 from U.S. $ 29,428 in the corresponding period of 2011.

Gross profit after currency movements in Q1-Q4 2012 increased by 5.19% to U.S. $ 85,468 from U.S. $ 81,250 in the corresponding period of 2011.

Due to the effectiveness of the Company's operations in all of its countries, continuation of growth in gross profit is expected in 2013, assuming the overall economic environment will not change dramatically.



- **Gross profit margin:** Gross profit margin decreased both in Q4 2012 and in the twelve months of 2012. This was mostly due to a high base for 2011 (owed to HDDs shortage), specific issues faced with a number of components and laptop suppliers, as well as due to overall environment allowing customers pushing for lower margins. The Q4 2012 decrease compared to the corresponding period of 2011 was also a result of the extraordinary increase in margins from large HDD segment observed in 2011.

  Gross profit margin after currency movements in Q4 2012 decreased by 18.50% to 5.10% from 6.26% in the corresponding period of 2011. This was a result of a high base for 2011 (owed to HDDs shortage) and a strong push for lower margins in different markets.

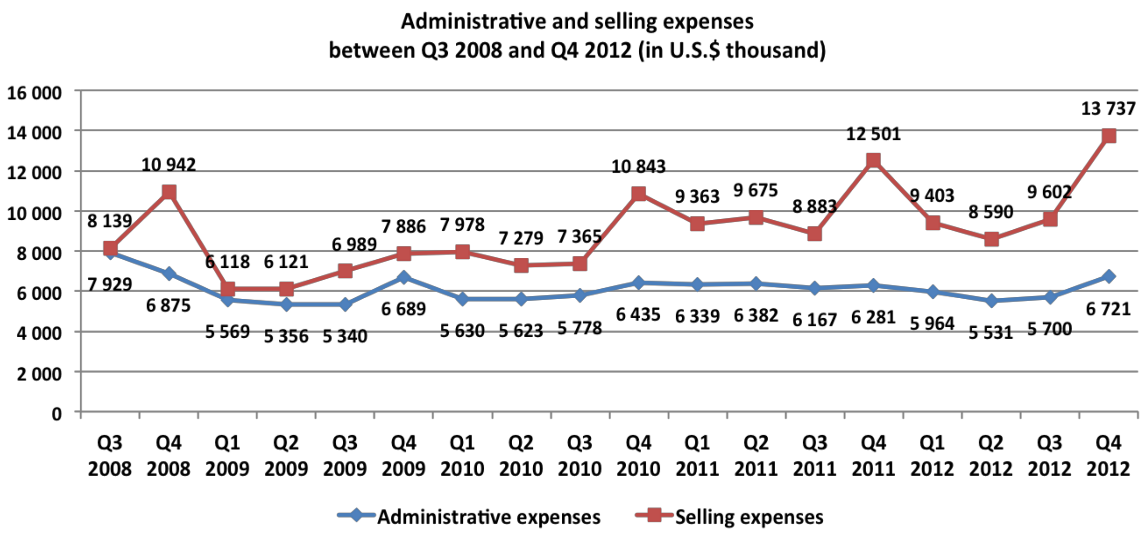
  Gross profit margin after currency movements in Q1-Q4 2012 decreased by 10.65% to 4.90% from 5.48% in the corresponding period of 2011. This was a result of a high base for 2011 (owed to HDDs shortage) and a strong push for lower margins observed in different markets during the year.

- **Selling expenses** largely comprise of salaries and benefits paid to sales employees (sales, marketing and logistics departments), marketing and advertising fees, commissions, and traveling expenses. Selling expenses usually grow together (but not in-line) with growing sales and gross profit, as was the case of Q4 2012 when they grew significantly slower than revenues. However, for the twelve months of 2012 the Company was able to significantly limit this growth compared to the growth in revenues and gross profit. This was possible due to changes in cost structure that tied selling expenses more to gross profit than on revenues. As a result:

  - selling expenses in Q4 2012 increased by 9.89% to U.S. $ 13,737 from U.S. $ 12,501 in the corresponding period of 2011
  - selling expenses in Q1-Q4 2012 increased only slightly by 2.25% to U.S. $ 41,332 from U.S. $ 40,421 in the corresponding period of 2011

- **Administrative expenses** largely comprise of salaries and wages of administration personnel and rent expense. Administrative expenses in Q4 2012 increased by 7.02% to U.S. $ 6,721 from U.S. $ 6,281 in the corresponding period of 2011. This was connected with higher expenses related to the strong development of own brands; it is expected that administrative expenses will remain under strict control in 2013.

  In the twelve months of 2012 administrative expenses decreased by 4.97% to U.S. $ 23,916 from U.S. $ 25,168 in the corresponding period of 2011. This was a result of cost restructuring actions continued in 2012. It is expected that administrative expenses will remain under strict control in 2013.



- **Operating profit:** In Q4 2012 the operating profit reached U.S. $ 8,436 compared to operating profit of U.S. $ 10,647 in the corresponding period of 2011. This was mostly due to extraordinary gains in the HDD segment observed in 2011.

  However, in the twelve months of 2012 the Company's operating profit grew significantly by 29.11% to U.S. $ 20,220 compared to operating profit of U.S. $ 15,660 in the corresponding period of 2011. This was mostly due to stronger market position and upgraded product portfolio.

  This clearly shows a constant upgrade in the Company's operations and efficiencies that allows the Company's management to be optimistic about future results. It is expected that operating profit will grow in 2013.

- **EBITDA:** In Q4 2012 EBITDA decreased by 19.28% to U.S. $ 9,254 in comparison to U.S. $ 11,465 in the corresponding period of 2011. EBITDA in Q1-Q4 2012 increased by 23.11% and reached U.S. $ 23,082 in comparison to U.S. $ 18,748 in the corresponding period of 2011.

- **Net profit:** Net profit after taxation in Q4 2012 decreased by 46.33% to U.S. $ 4,442 in comparison to U.S. $ 8,276 in the corresponding period of 2011. This was a result of one off higher margins in HDD segment in Q4 2011. For the twelve months of 2012 net profit after taxation grew by 59.84% to U.S. $ 9,047 in comparison to U.S. $ 5,660 in the corresponding period of 2011. Net profit in Y2012 was in the higher range of the Company's financial forecast that assumed between U.S.$ 7,500 and U.S.$ 9,500 (it is worth to underline that it was 20.63% higher than the lower range of the forecast) and confirms the Company's ability to deliver according to its forecast. It is also important to underline that this profit was generated with almost no currency losses or gains, but purely from operations. This clearly shows a step ahead in the Company's strategy to hedge itself from currency volatilities.

Sales by regions and countries

Traditionally and throughout the Company's operations, the F.S.U. countries and CEE regions are contributing the majority of our revenues. This was also the case in Q4 2012, although we also grew significantly in all other major regions of our operations. Revenues derived from F.S.U. countries grew by +11.02% in Q4 2012 and by 14.68% in the twelve months of 2012 compared to the corresponding periods of 2011. However in the same time we grew even faster in the CEE region (+22.99% in Q4 2012 and +19.42% in the twelve months of 2012) and in Western Europe (+95.25% and + 37.10% respectively). This clearly confirms that the broad geographic coverage of the Company's operations allows the Company to benefit from any positive changes in different markets. As a result of the above contribution the F.S.U. region's chunk in our total revenues decreased to 39.66% in Q4 2012 compared to 43.03% in Q4 2011 while the CEE region contribution grew to 36.24% in Q4 2012 from 35.50% in Q4 2011. Western Europe contribution grew to 10.70% in Q4 2012 compared to 6.60% in Q4 2011. We also had growth in sales in Middle East and thus the Company was able to increase its total revenues by +20.47% in Q4 2012 and by 17.73% in the twelve months of 2012. This trend is expected to continue in 2013, under the condition that there will be no dramatic changes in the overall market situation. It is however important to underline that the Company will continue to focus on profitability rather than just on increasing revenues at low margins.

Country-by-country analysis confirms that even with the recent turbulences in the world's economy, the Company is able to deliver growing sales, despite the fact that our main focus is on profitability, rather than sales growth. Revenues derived in our single biggest market - Russia - grew significantly by +13.28% in Q4 2012 compared to Q4 2011 and by +13.43% in the twelve months of 2012 compared to the corresponding period of 2011. Sales in Slovakia grew by +13.32% and by +5.71% in the same periods, becoming our market no.2 instead of Ukraine. Q4 2012 in Ukraine was specific since most of enterpreneurs were awaiting for a devaluation of the local currency. This made us more careful and revenues derived in Ukraine in Q4 2012 grew only by 1.37% compared to Q4 2011. It would have grown more, but the Company was not willing to increase its FX exposure. However, it is expected that Ukraine will become our market no. 2 again in 2013, due to its size and internal demand. Additionally to the growth in our three biggest markets, it is also worth to notice the significant growth in some other countries. In Q4 2012 our revenues in Bulgaria grew by +110.17% compared to Q4 2011 while United Kingdom joined our top-10 list with sales of U.S.$ 24,984 (which was a significant chunk of overall growth of Western Europe region in our total revenues). In the period of twelve months of 2012, it is worth to underline the significant growth of sales in Belarus (by 65.84%), confirming the Company's ability to rebuild after the temporary turbulences of 2011. Other important factor of growth was sales in United Arab Emirates that grew by 39.02% in the twelve months of 2012 compared to the corresponding period of 2011, confirming the Company's strong position in the MEA region.

The table below provides a geographical breakdown of sales in the three month periods ended December 31st, 2012 and 2011.

	Q4 2012		Q4 2011	
	U.S. $ thousand	% of total revenues	U.S. $ thousand	% of total revenues
Former Soviet Union	224,619	39.66%	202,318	43.03%
Central and Eastern Europe	205,280	36.24%	166,903	35.50%
Middle East and Africa	58,466	10.32%	56,898	12.10%
Western Europe	60,583	10.70%	31,029	6.60%
Other	17,448	3.08%	13,008	2.77%
Total	566,397	100%	470,157	100%

Revenue breakdown – Top 10 countries in Q4 2012 and Q4 2011 (in U.S. Dollar thousand)

	Q4 2012		Q4 2011	
	Country	Sales U.S. $ thousand	Country	Sales U.S. $ thousand
1.	**Russia**	132,881	**Russia**	117,307
2.	**Slovakia**	66,449	**Slovakia**	58,637
3.	**Ukraine**	50,265	**Ukraine**	49,587
4.	**Bulgaria**	29,504	**United Arab Emirates**	29,000
5.	**United Arab Emirates**	28,485	**Czech Republic**	28,285
6.	**United Kingdom**	24,984	**Kazakhstan**	24,260
7.	**Czech Republic**	24,554	**Bulgaria**	14,038
8.	**Belarus**	20,516	**Romania**	12,662
9.	**Kazakhstan**	16,495	**Saudi Arabia**	10,681
10.	**Lithuania**	15,176	**Croatia**	9,103
11.	**Other**	157,089	**Other**	116,597
	Total revenue	566,397	**Total revenue**	470,157

Sales by product lines

The Group has for Q4 2012 confirmed its profit-oriented strategy using rebuilt product portfolio and improving its market position. This resulted in strong increase of revenues from our main product lines (with the exception of CPU segment that was offset by other segments) and from our own brands.

The table below sets a breakdown of revenues, by product, for Q4 2012 and 2011 (U.S.$ thousand):

	Q4 2012		Q4 2011	
	U.S. $ thousand	% of total revenues	U.S. $ thousand	% of total revenues
Central processing units (CPUs)	76,004	13.42%	98,209	20.89%
Hard disk drives (HDDs)	63,093	11.14%	58,249	12.39%
Software	58,315	10.30%	52,505	11.17%
PC-mobile (laptops)	116,166	20.51%	108,445	23.07%
Tablets	55,672	9.83%	14,612	3.11%
Other	197,146	34.81%	138,136	29.38%
Total revenue	**566,397**	**100%**	**470,157**	**100%**

In the three month period ended December 31st, 2012:

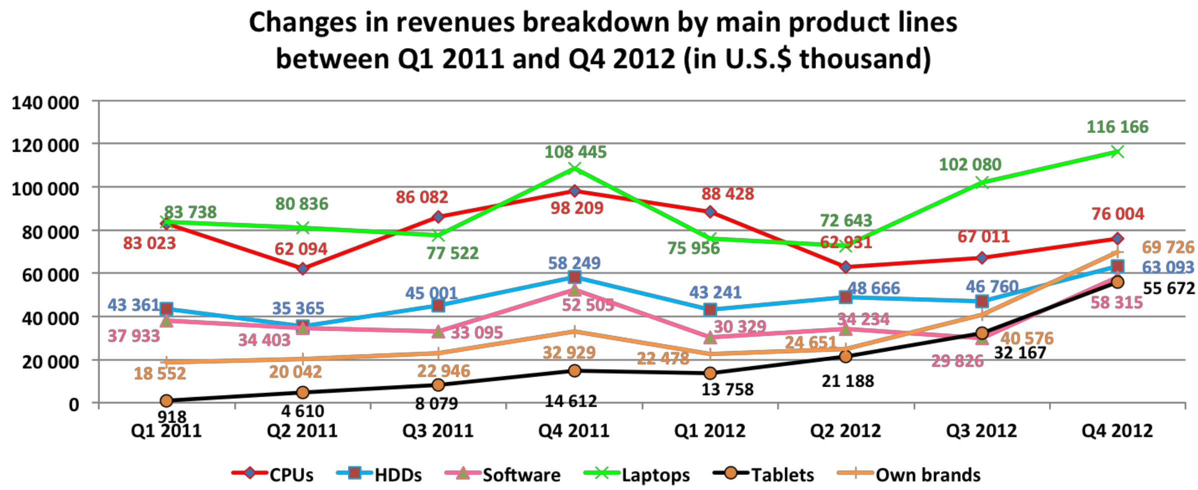
- Revenue from sale of central processing units ("CPUs") decreased by 22.61% to U.S. $ 76,004 from U.S. $ 98,209 in the corresponding period of 2011. This was (similarly to Q3 of 2012) mostly due to lower unit sales (that followed changes in product portfolio of major vendors), partially offset by slightly higher average sales prices ("ASP").

- Revenue from sale of hard disk drives ("HDDs") increased by 8.32% to U.S. $ 63,093 from U.S. $ 58,249 in the corresponding period of 2011. This was due to higher unit sales, partially offset by lower ASP.

- Revenue from sale of software increased by 11.06% to U.S. $ 58,315 from U.S. $ 52,505 in the corresponding period of 2011. This increase of revenue from sale of software was connected with higher average sales prices (following much improved product portfolio), partially offset by lower unit sales.

- Revenue from sale of PC-mobile ("laptops") increased by 7.12% to U.S. $ 116,166 from U.S. $ 108,445 in the corresponding period of 2011. This was mostly due to significantly higher unit sales while the average sales price remained relatively stable.

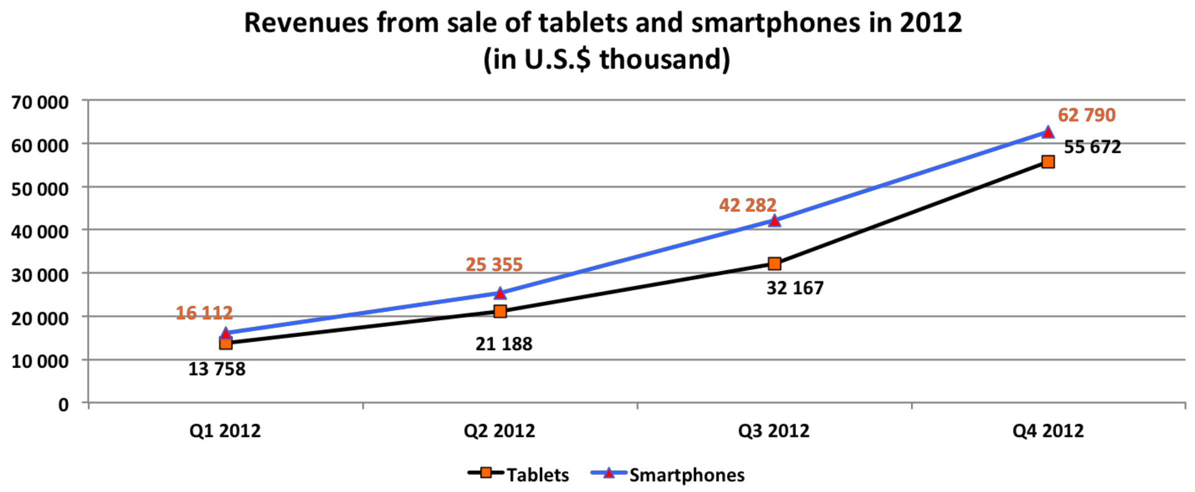
- Revenue from sale of tablets increased by 281.00% to U.S.$ 55,672 from U.S.$ 14,612 in the corresponding period of 2011. This was mostly due to significantly higher unit sales.



In Q4 2012 the four main product lines' share in total revenue was 55.36%, compared to 67.51% in the corresponding period of 2011. This was a result of strong growth in sales of own brands – Canyon and Prestigio. The Company strategically develops this business, since it traditionally allows the Company to reach double-digit gross margins.

- Revenues from own brands grew to a historical record of U.S.$ 69,726 in Q4 2012, compared to U.S.$ 32,929 in Q4 2011. As a result, own brands' contribution in total revenue was 12.31% in Q4 2012, compared to 7% in Q4 2011; for the twelve months of 2012 its contribution to total revenues was 9.03% compared to 6.4% in 2011.

The Company's intention is to further develop its of own brand sales so in the mid term its contribution to total sales will be higher than 10%. This should be possible because of undertaken efforts that include more products of lighter technology, as well as growing sales of tablets and smartphones under the Prestigio brand in many regions of our operations. The Company also develops its smartphone segment by signing agreements with other vendors for different countries (i.e. in Q4 2012 the Company has signed an exclusive agreement with Research in Motion for distribution of selected BlackBerry smartphones in Russia). This is due to market expectations that the smartphones segment will grow significantly in the next couple of years.



Apart from its main product categories, the Group develops segments with high margins, like display products (+49.57%%), servers and server blocks (+96.69%), flash memory and SSD (+63.92%) and networking products (+109.31%) that grew significantly in Q4 2012 compared to the corresponding period of 2011.

For the twelve months of 2012, the revenue breakdown by product lines was the following (U.S.$ thousand):

	Q1-Q4 2012		Q1-Q4 2011	
	U.S. $ thousand	% of total revenues	U.S. $ thousand	% of total revenues
Central processing units (CPUs)	294,374	16.87%	329,408	22.23%
Hard disk drives (HDDs)	201,760	11.56%	181,976	12.28%
Software	152,704	8.75%	157,936	10.66%
PC-mobile (laptops)	366,845	21.02%	350,541	23.65%
Tablets	122,785	7.04%	28,219	1.90%
Other	606,409	34,75%	433,994	29.28%
Total revenue	**1,744,878**	**100%**	**1,482,075**	**100%**

Liquidity and Capital Resources

The Company has in the past funded its liquidity requirements, including ongoing operating expenses and capital expenditures and investments, for the most part, through operating cash flows, debt financing and equity financing. The following table presents a summary of cash flows for the twelve months ended December 31st, 2012 and 2011:

	Twelve months ended December 31st	
	2012	2011
	U.S. $	
Net cash (outflows)/inflows from operating activities	(38,228)	11,063
Net cash outflows from investing activities	(2,071)	(3,470)
Net cash inflows/(outflows) from financing activities	16,656	(9,711)
Net decrease in cash and cash equivalents	(23,644)	(2,118)

Net cash (outflows)/inflows from operating activities

Net cash outflows from operations amounted to U.S. $ 38,228 for the twelve months ended December 31st, 2012, compared to inflows of U.S. $ 11,063 in the corresponding period of 2011. This is primarily due to worsening of working capital during the year, as the Prestigio business is developing at fast pace and requires an increased working capital.

Net cash outflows from investing activities

Net cash outflows from investing activities was U.S. $ 2,071 for the twelve months ended December 31st, 2012, compared to U.S. $ 3,470 in the corresponding period of 2011. This was mostly due to lower expenditure for real-estate purchases.

Net cash inflows/(outflows) from financing activities

Net cash inflows from financing activities was U.S. $ 16,656 for the twelve months ended December 31st, 2012, compared to outflows of U.S. $ 9,711 for the corresponding period of 2011. This is reflecting the ability of the Company to borrow more in certain countries and finance its growing working capital needs.

Net decrease in cash and cash equivalents

As a result of the Company's efforts to serve growing demand and increased sales, the cash and cash equivalents position decreased by U.S. $ 23,644 for the twelve months ended December 31st, 2012, compared to a decrease of U.S. $ 2,118 in the corresponding period of 2011.

16. Factors which may affect our results in the future

Political and economic stability in Europe and our regions

Uncertainty in the Euro-zone and the debt-crisis observed recently in Europe affects banks and consumers' purchasing power, demand in the markets and gross profit margins. Therefore, it is of extreme importance for the Company to adapt its strategy to the recent economic and political developments and react fast to the external environment (products, vendors and customer relations) in order to continue its growth in sales and ensure that all sales are conducted with satisfactory margins.

It is also important to work internally on issues such as currency hedging since the FX environment - that reacts to macroeconomic changes - affects the Company's results.

Having in mind the lesson learnt during crisis, the management strongly believes that the Company is much better prepared to weather any changes that may arise following political and economic swings in Europe and worldwide.

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

The very well diversified geographic coverage of the Group's revenues ensures that the Company mitigates the risk of lower sales in a particular country with the possibility of higher sales in a number of other countries. However, still Russia (as a country) and F.S.U. (as a region) are the biggest contributors to the Company's revenues. Therefore, it is very important to adapt to any market changes that might arise in these geographies. Additionally, despite all precautionary measures taken by the Company, the possibility of a decrease in demand and sales in a particular country is not excluded in the future (as was the case of Belarus in 2011).

Although at this point in time the management does not foresee any other country with such problems in 2013, in such an unlikely situation the growth in revenues in the future may be limited. Therefore, it is of extreme importance for the Company to prepare its structure to offset such unlikely situation with higher sales in other markets. This means both a constant upgrade of product portfolio and close relations with customers to win more market share from weaker competitors and to weather any unforeseen issues that may appear in the future.

The Group's ability to increase gross profit margins

In Q4 2012 and in the twelve months of 2012 the gross profit margins achieved by the Company decreased due to several factors, including the overall situation in the world's economy that resulted in lighter demand and stronger push on prices from customers resulting in decreased margins. Some changes in margins on A-branded goods like laptops also had a significant role. However, these are perceived as temporary, and is expected to perish together with the stabilization of the Euro-zone and traditional seasonality in 2013. Therefore, it is of extreme importance for the Company to work on refining its product portfolio and strengthening its market position to increase gross profit margins and generate solid profits from growing revenues. Development of the Company's own brands business is a major focus for the Company.

Currency volatilities

The multi-currency environment that the Group operates in exposes its financial results to steep currency fluctuations. Currency movements in Q4 2012 and in the twelve months of 2012 were successfully weathered by the hedging policy of the Group and this should be followed without exception (even despite the fact that this hedging policy limits not only risk of currency losses, but also the possibility of currency gains when local currencies moves favourably against the U.S. Dollar).

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

Ability of the Group to control expenses

Both admin and selling expenses grew in Q4 2012, but in the twelve months of 2012 admin expenses decreased while selling expenses grew only slightly, while revenues and profits grew significantly. This confirms the success of the Company's cost restructuring program introduced during the last two years. It resulted in strict control of administrative expenses, while selling expenses structure was rebuilt to grow slower than revenues and gross profit. Since there is still space for improvement, the Company is expected to continue the enhancements in order to push profitability forward.

Ability to further develop the Group's product portfolio

Because of its size, geographical coverage and good relationships with vendors, the Company has managed to build an extensive product portfolio, which has played a significant role in our increased revenues during Q4 2012 and the twelve months of 2012. It is very crucial for the Company to continue refining its product mix constantly by adding new product lines with higher gross (and net) profit margins which will boost its profitability. Additionally to external vendor products, it is also important for the Company to develop its own brands and introduce them to all countries of operations and not only.

17. Information about important events that occurred after the period ended on December 31st, 2012 and before this report release

According to our best knowledge, in the period between December 31st, 2012 and February 27th, 2013 no events have occurred that could affect the Company's operations or financial stability.

Part II Financial Information

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

Report and Condensed Consolidated Financial Statements
for the period ended December 31st, 2012

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FOR THE PERIOD ENDED 31 DECEMBER 2012

C o n t e n t s

INTERIM CONSOLIDATED INCOME STATEMENT
FOR THE PERIOD ENDED 31 DECEMBER 2012

	Notes	For the three months ended 31 December 2012 US$	For the three months ended 31 December 2011 US$	For the twelve months ended 31 December 2012 US$	For the twelve months ended 31 December 2011 US$
Revenue	5, 25	566.396.925	470.156.557	1.744.877.804	1.482.074.819
Cost of sales		(537.370.322)	(440.416.728)	(1.658.550.700)	(1.400.948.708)
Gross profit before currency movements		29.026.603	29.739.829	86.327.104	81.126.111
Currency movements on gross profit	6	(132.164)	(311.454)	(859.490)	123.532
Gross profit after currency movements		28.894.439	29.428.375	85.467.614	81.249.643
Selling expenses		(13.736.669)	(12.500.671)	(41.331.477)	(40.421.076)
Administrative expenses		(6.721.377)	(6.280.734)	(23.916.354)	(25.168.223)
Profit from operations	25	8.436.393	10.646.970	20.219.783	15.660.344
Financial expenses	8	(3.524.495)	(2.416.444)	(10.231.264)	(9.330.941)
Financial income	8	337.717	582.020	707.555	275.034
Other gains and losses	7	128.678	154.215	587.627	498.821
Negative goodwill on acquisition of subsidiary	31	41.363	-	41.363	-
Goodwill written off	29	-	-	-	(50.213)
Share of profit/(loss) from joint ventures	30	76.951	(26.470)	(73.508)	(186.410)
Profit before taxation	9, 25	5.496.607	8.940.291	11.251.556	6.866.635
Taxation	10	(1.054.993)	(664.686)	(2.204.519)	(1.206.415)
Profit after taxation		4.441.614	8.275.605	9.047.037	5.660.220
Attributable to:					
Non-controlling interest		6.182	227.542	36.821	242.678
Owners of the parent		4.435.432	8.048.063	9.010.216	5.417.542
		4.441.614	8.275.605	9.047.037	5.660.220
		US$ cents	US$ cents	US$ cents	US$ cents
Earnings per share					
Basic and diluted from continuing operations		7,99	14,50	16,23	9,76

INTERIM CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME
FOR THE PERIOD ENDED 31 DECEMBER 2012

	For the three months ended 31 December 2012 US$	For the three months ended 31 December 2011 US$	For the twelve months ended 31 December 2012 US$	For the twelve months ended 31 December 2011 US$
Profit after taxation	4.441.614	8.275.605	9.047.037	5.660.220
Other comprehensive income/(loss):				
Exchange difference on translating foreign operations	519.020	(1.273.994)	924.017	(1.375.525)
Reclassification adjustments relating to foreign operations liquidated and disposed off in the period	-	(71)	(15.423)	(71)
Other comprehensive income/(loss) for the period	519.020	(1.274.065)	908.594	(1.375.596)
Total comprehensive income for the period	4.960.634	7.001.540	9.955.631	4.284.624
Total comprehensive income attributable to:				
Non-controlling interests	8.857	222.148	39.460	239.845
Owners of the parent	4.951.777	6.779.392	9.916.171	4.044.779
	4.960.634	7.001.540	9.955.631	4.284.624

INTERIM CONSOLIDATED STATEMENT OF FINANCIAL POSITION
AS AT 31 DECEMBER 2012

ASSETS	Notes	Unaudited as at 31 December 2012 US$	Audited as at 31 December 2011 US$
Non-current assets			
Goodwill	29	550.517	550.517
Property, plant and equipment	16	26.719.271	26.624.374
Investment in joint ventures	30	57.029	387.625
Available-for-sale financial assets	18	11.794	9.580
Intangible assets	17	1.189.736	1.507.203
Deferred tax assets	11	602.849	870.510
Total non-current assets		29.131.196	29.949.809
Current assets			
Inventories	12	110.266.827	111.640.208
Trade receivables	13	315.390.086	237.990.821
Other current assets	14	20.335.161	9.315.104
Derivative financial asset	15	47.379	559.106
Current taxation	10	545.153	427.765
Cash at bank and in hand	26	30.997.616	48.868.023
Total current assets		477.582.222	408.801.027
Total assets	25	506.713.418	438.750.836
EQUITY AND LIABILITIES			
Equity			
Share capital	24	11.100.000	11.100.000
Share premium		23.518.243	23.518.243
Retained earnings and other components of equity		68.326.230	60.758.056
Equity attributable to owners of the parent		102.944.473	95.376.299
Non-controlling interests		140.674	394.835
Total equity		103.085.147	95.771.134
Liabilities			
Non-current liabilities			
Long term liabilities	22	3.813.410	4.354.620
Long term obligations under finance leases	23	68.222	93.056
Total non-current liabilities		3.881.632	4.447.676
Current liabilities			
Trade payables		258.798.436	244.663.923
Other current liabilities	19	67.981.262	47.248.478
Derivative financial liability	20	527.086	1.215
Current taxation	10	671.275	89.476
Short term obligations under finance leases	23	32.966	171.339
Bank overdrafts and short term loans	21	71.735.614	46.357.595
Total current liabilities		399.746.639	338.532.026
Total liabilities		403.628.271	342.979.702
Total equity and liabilities		506.713.418	438.750.836

The financial statements were approved by the Board on 26 February 2013.

Siarhei Kostevitch
Director

Marios Christou
Director

INTERIM CONSOLIDATED STATEMENT OF CHANGES IN EQUITY
FOR THE PERIOD ENDED 31 DECEMBER 2012

	Attributable to owners of the parent							
	Share capital US$	**Share premium US$**	**Treasury stock US$**	**Retained earnings US$**	**Translation of foreign operations US$**	**Total US$**	**Non-controlling interests US$**	**Total equity US$**
Balance at 1 January 2011	11.100.000	23.518.243	-	57.224.454	(507.320)	91.335.377	431.509	91.766.886
Profit for the year	-	-	-	5.417.542		5.417.542	242.678	5.660.220
Other comprehensive loss for the year	-	-	-		(1.372.763)	(1.372.763)	(2.833)	(1.375.596)
Dividend payment to non-controlling interests	-	-	-	-	-	-	(276.519)	(276.519)
Buyback of shares	-	-	(3.857)	-	-	(3.857)	-	(3.857)
Balance at 31 December 2011	11.100.000	23.518.243	(3.857)	62.641.996	(1.880.083)	95.376.299	394.835	95.771.134
Profit for the year	-	-	-	9.010.216	-	9.010.216	36.821	9.047.037
Other comprehensive income for the year	-	-	-	-	905.955	905.955	2.639	908.594
Payment of final dividend	-	-	-	(2.214.643)	-	(2.214.643)	-	(2.214.643)
Acquisition of shares from non-controlling interests (note 31)	-	-	-	(6.379)	-	(6.379)	(293.621)	(300.000)
Buyback of shares	-	-	(126.977)	-	-	(126.977)	-	(126.977)
Balance at 31 December 2012	11.100.000	23.518.243	(130.834)	69.431.190	(974.128)	102.944.471	140.674	103.085.145

INTERIM CONSOLIDATED STATEMENT OF CASH FLOWS
FOR THE PERIOD ENDED 31 DECEMBER 2012

	Notes	For the three months ended 31 December 2012 US$	For the three months ended 31 December 2011 US$	For the twelve months ended 31 December 2012 US$	For the twelve months ended 31 December 2011 US$
Profit for the period before tax and minority interest		5.496.607	8.940.291	11.251.556	6.866.635
Adjustments for:					
Exchange difference arising on consolidation		197.608	(604.786)	586.155	(1.020.901)
Provision for bad debts and receivables written off		1.880.032	1.746.584	3.466.163	2.694.732
Bad debts recovered	7	(27.172)	(4.649)	(64.830)	(27.147)
Depreciation of property, plant and equipment	9, 16	644.956	693.100	2.327.506	2.501.801
Amortisation of intangible assets	9, 17	172.781	124.802	534.220	586.150
Profit arising on business combinations		(41.363)	(10.224)	(40.888)	(14.589)
Goodwill written off		-	-	-	50.213
Share of (profit)/loss from joint ventures	30	(76.951)	26.470	73.508	186.410
Interest received		(54.836)	(37.386)	(219.207)	(160.190)
Interest paid		1.917.606	1.206.561	5.887.184	4.950.972
Loss/(profit) from the sale of property, plant and equipment and intangible assets		12.010	(38.705)	18.157	(28.978)
Operating profit before working capital changes		10.121.278	12.042.058	23.819.524	16.585.108
Decrease/(increase) in inventories		17.732.759	(5.131.491)	1.237.972	(8.021.122)
(Increase)/decrease in trade receivables		(57.139.572)	(4.305.070)	(78.710.068)	34.941.445
Increase in other current assets		(276.559)	(901.698)	(10.495.761)	(2.438.669)
Increase/(decrease) in trade payables		32.017.804	33.199.076	12.249.873	(19.301.861)
Increase/(decrease) in other current liabilities		16.963.599	8.918.343	21.011.210	(3.905.522)
(Decrease)/increase in other long-term liabilities		(76.835)	32.809	47.093	24.954
Cash inflows/(outflows) from operations		19.342.474	43.854.027	(30.840.157)	17.884.333
Taxation paid, net	10	(531.018)	(683.038)	(1.500.975)	(1.870.742)
Interest paid		(1.917.606)	(1.206.561)	(5.887.184)	(4.950.972)
Net cash inflows/(outflows) from operating activities		16.893.850	41.964.428	(38.228.316)	11.062.619

INTERIM CONSOLIDATED STATEMENT OF CASH FLOWS (continued)
FOR THE PERIOD ENDED 31 DECEMBER 2012

	Notes	For the three months ended 31 December 2012 US$	For the three months ended 31 December 2011 US$	For the twelve months ended 31 December 2012 US$	For the twelve months ended 31 December 2011 US$
Cash flows from investing activities					
Interest received		54.836	37.386	219.207	160.190
Purchase of property, plant and equipment	16	(963.208)	(202.326)	(2.138.174)	(3.400.304)
Purchase of intangible assets	17	(1.704)	(11.772)	(263.801)	(518.506)
Net proceeds/(payments) on business combinations		-	6.571	(285.524)	6.571
Net cash acquired/(disposed) on business combinations		118.771	(109)	231.574	(109)
Buyback of shares		(25.179)	(3.857)	(126.977)	(3.857)
Proceeds from sale of property, plant and equipment and intangible assets		111.771	6.895	292.356	285.981
Net cash outflows from investing activities		(704.713)	(167.212)	(2.071.339)	(3.470.034)
Cash flows from financing activities					
Dividends paid to non-controlling interests		-	(126.135)	-	(276.519)
Payment of final dividend		-	-	(2.214.643)	-
Repayments of long term loans and long term obligations under finance lease		(136.197)	(383.413)	(613.137)	(1.018.503)
Proceeds/(repayments) of short term loans and short term obligations under finance lease		3.445.007	(2.481.145)	19.483.818	(8.415.774)
Net cash inflows/(outflows) from financing activities		3.308.810	(2.990.693)	16.656.038	(9.710.796)
Net increase/(decrease) in cash and cash equivalents		19.497.947	38.806.523	(23.643.617)	(2.118.211)
Cash and cash equivalents at beginning of the period		(23.890.258)	(19.555.217)	19.251.306	21.369.517
Cash and cash equivalents at end of the period	26	(4.392.311)	19.251.306	(4.392.311)	19.251.306

1. Incorporation and principal activities

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

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

2. Basis of preparation

The interim condensed consolidated financial statements for the three and twelve months ended 31 December 2012 have been prepared in accordance with International Accounting Standard (IAS) 34, Interim Financial Reporting.

The interim condensed consolidated financial statements were approved by the Board of Directors on 26 February 2013.

The interim condensed consolidated financial statements do not include all the information and disclosures required for the annual financial statements and should be read in conjunction with the audited financial statements for the year ended 31 December 2011.

3. Basis of consolidation

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

4. Significant accounting policies

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

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

These judgments and estimates are consistent with those followed for the preparation of the group's annual financial statements for the year 2011.

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

The accounting policies adopted for the preparation of the interim condensed consolidated financial statements for the three and twelve months ended 31 December 2012 are consistent with those followed for the preparation of the annual financial statements for the year 2011 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 2012. The adoption of new and revised standards and interpretations did not have any material effect on the group's condensed consolidated financial statements.

5. Effects of seasonality

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

6. Currency movements on gross profit	For the three months ended 31 December 2012 US$	For the three months ended 31 December 2011 US$	For the twelve months ended 31 December 2012 US$	For the twelve months ended 31 December 2011 US$
Realised currency movements on trading activities	1.599.013	2.959.477	(98.119)	180.344
Unrealised currency movements on trading activities	(648.688)	(4.080.746)	1.579.873	(1.469.813)
Realised (loss)/gain on executed forward contracts	(1.297.399)	757.981	(1.242.096)	579.573
Net unrealised gain/(loss) on unexecuted forward contracts	214.910	51.834	(1.099.148)	833.428
(Loss)/gain on currency movements	(132.164)	(311.454)	(859.490)	123.532

7. Other gains and losses	For the three months ended 31 December 2012 US$	For the three months ended 31 December 2011 US$	For the twelve months ended 31 December 2012 US$	For the twelve months ended 31 December 2011 US$
Rental income	65.146	118.344	416.081	269.436
(Loss)/gain on disposal of property, plant and equipment	(12.010)	38.705	(18.157)	28.978
Bad debts recovered	27.172	4.649	64.830	27.147
Other income/(loss)	48.370	(7.483)	124.873	173.260
	128.678	154.215	587.627	498.821

8. Financial expense, net

	For the three months ended 31 December 2012 US$	For the three months ended 31 December 2011 US$	For the twelve months ended 31 December 2012 US$	For the twelve months ended 31 December 2011 US$
Interest income	54.836	37.386	219.207	160.190
Other financial income	282.881	74.671	479.009	114.844
Net exchange gain	-	469.963	9.339	-
	337.717	582.020	707.555	275.034
Bank interest	1.917.606	1.206.561	5.887.184	4.950.972
Bank charges	517.689	539.435	1.864.989	1.782.376
Factoring interest	693.465	528.371	1.867.838	1.302.479
Factoring charges	150.439	47.339	390.447	335.522
Other financial expenses	45.586	47.702	110.902	191.411
Other interest	77.777	47.036	109.904	134.266
Net exchange loss	121.933	-	-	633.915
	3.524.495	2.416.444	10.231.264	9.330.941
Net	(3.186.778)	(1.834.424)	(9.523.709)	(9.055.907)

9. Profit before taxation

	For the three months ended 31 December 2012 US$	For the three months ended 31 December 2011 US$	For the twelve months ended 31 December 2012 US$	For the twelve months ended 31 December 2011 US$
The profit before taxation is stated after charging:				
(a) Depreciation of property, plant and equipment	644.956	693.100	2.327.506	2.501.801
(b) Amortisation of intangible assets	172.781	124.802	534.220	586.150
(c) Auditor's remuneration	113.176	239.499	421.223	733.945
(d) Directors' remuneration – executive (note 27)	187.611	207.352	691.705	702.066
(e) Directors' remuneration non-executive (note 27)	11.383	10.040	43.829	41.706

10. Taxation

	For the year ended 31 December 2012 US$	For the year ended 31 December 2011 US$
(Debit)/credit balance 1 January	(338.289)	490.649
Tax asset on disposal of subsidiary	-	41
Provision for the period/year	1.765.960	1.147.023
Under/(over) provision of prior year periods	159.123	(38.608)
Exchange difference on retranslation	40.303	(66.652)
Amounts paid, net	(1.500.975)	(1.870.742)
Net credit/(debit) balance 31 December	126.122	(338.289)

	For the year ended 31 December 2012 US$	For the year ended 31 December 2011 US$
Tax receivable	(545.153)	(427.765)
Tax payable	671.275	89.476
Net	126.122	(338.289)

10. Taxation (continued)

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

	For the three months ended 31 December 2012 US$	For the three months ended 31 December 2011 US$	For the twelve months ended 31 December 2012 US$	For the twelve months ended 31 December 2011 US$
Provision for the period	713.447	616.618	1.765.960	1.147.023
Under/(over) provision of prior years	222.856	(43.000)	159.123	(38.608)
Deferred tax charge (note 11)	118.690	91.068	279.436	98.000
Charge for the period	1.054.993	664.686	2.204.519	1.206.415

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

11. Deferred tax

	For the year ended 31 December 2012 US$	For the year ended 31 December 2011 US$
Debit balance on 1 January	(870.510)	(991.821)
Deferred tax charge for the period (note 10)	279.436	98.000
Exchange difference on retranslation	(11.775)	23.311
Debit balance on 31 December	(602.849)	(870.510)

12. Inventories

	As at 31 December 2012 US$	As at 31 December 2011 US$
Goods held for resale	98.190.659	97.085.963
Goods in transit	14.464.674	16.433.482
Provision for slow moving and obsolete stock	(2.388.506)	(1.879.237)
	110.266.827	111.640.208

13. Trade receivables

	As at 31 December 2012 US$	As at 31 December 2011 US$
Trade receivables	321.918.889	244.645.546
Allowance for doubtful debts	(6.528.803)	(6.654.725)
	315.390.086	237.990.821

14. Other current assets

	As at 31 December 2012 US$	As at 31 December 2011 US$
Other debtors and prepayments	4.048.314	3.428.339
VAT and other taxes refundable	15.259.198	4.828.442
Employee floats	141.187	223.356
Deposits and advances to service providers	886.462	834.967
	20.335.161	9.315.104

15. Derivative financial asset

	As at 31 December 2012 US$	As at 31 December 2011 S$
Derivative financial assets carried at fair value through profit or loss		
Foreign currency derivative contracts	47.379	559.106

16. Property, plant and equipment

	Land and buildings US$	Assets under construction US$	Warehouse machinery US$	Furniture and fittings US$	Office equipment US$	Motor vehicles US$	Computer hardware US$	Total US$
Cost								
At 1 January 2011	18.784.078	3.402.910	169.199	2.067.071	2.684.502	3.511.657	5.554.015	36.173.432
Additions	1.386.612	709.493	3.792	252.758	203.921	231.227	612.501	3.400.304
Disposals	-	-	-	(65.558)	(197.050)	(428.094)	(394.254)	(1.084.956)
Transfers	4.112.403	(4.112.403)	-	-	-	-	-	-
Foreign exchange difference on retranslation	(466.212)	-	1.333	(42.047)	(64.033)	(94.373)	(146.967)	(812.299)
At 31 December 2011	23.816.881	-	174.324	2.212.224	2.627.340	3.220.417	5.625.295	37.676.481
Additions from acquisitions of subsidiaries	-	-	-	138.363	110.804	49.054	41.461	339.682
Additions	219.055	-	3.717	253.655	541.783	308.701	811.263	2.138.174
Disposals upon disposal of subsidiaries	-	-	-	(8.150)	-	(575)	(3.551)	(12.276)
Disposals	(218.595)	-	(17.792)	(97.638)	(34.739)	(350.312)	(173.320)	(892.396)
Foreign exchange difference on retranslation	261.772	-	1.290	53.912	101.845	99.898	147.198	665.915
At 31 December 2012	24.079.113	-	161.539	2.552.366	3.347.033	3.327.183	6.448.346	39.915.580
Accumulated depreciation								
At 1 January 2011	1.762.694	-	24.794	1.004.049	1.352.034	1.935.678	3.810.578	9.889.827
Charge for the year	565.426	-	19.285	224.636	261.882	556.936	873.636	2.501.801
Disposals	-	-	-	(39.884)	(138.447)	(351.120)	(393.748)	(923.199)
Foreign exchange difference on retranslation	(83.641)	-	4.377	(41.569)	(60.430)	(92.182)	(142.877)	(416.322)
At 31 December 2011	2.244.479	-	48.456	1.147.232	1.415.039	2.049.312	4.147.589	11.052.107
Charge for the year	581.145	-	19.084	237.367	278.205	447.316	764.389	2.327.506
Additions from acquisitions of subsidiaries	-	-	-	66.318	30.334	17.835	16.893	131.380
Disposals upon disposal of subsidiaries	-	-	-	(1.087)	-	(96)	(853)	(2.036)
Disposals	(105.786)	-	(12.121)	(62.490)	(6.612)	(273.827)	(169.944)	(630.780)
Foreign exchange difference on retranslation	47.473	-	506	20.167	90.501	21.960	137.525	318.132
At 31 December 2012	2.767.311	-	55.925	1.407.507	1.807.467	2.262.500	4.895.599	13.196.309
Net book value								
At 31 December 2012	21.311.802	-	105.614	1.144.859	1.539.566	1.064.683	1.552.747	26.719.271
At 31 December 2011	21.572.402	-	125.868	1.064.992	1.212.301	1.171.105	1.477.706	26.624.374

17. Intangible assets

	Computer software US$	Patents and licenses US$	Total US$
Cost			
At 1 January 2011	6.511.605	773.258	7.284.863
Additions	154.760	363.746	518.506
Disposals/ write-offs	(307.169)	(84.796)	(391.965)
Foreign exchange difference on retranslation	(52.259)	(18.374)	(70.633)
At 31 December 2011	6.306.937	1.033.834	7.340.771
Additions	127.447	136.354	263.801
Disposals upon disposal of subsidiaries	(1.878)	-	(1.878)
Disposals/ write-offs	(51.993)	(47.423)	(99.416)
Foreign exchange difference on retranslation	98.771	5.831	104.602
At 31 December 2012	6.479.284	1.128.596	7.607.880
Accumulated amortization			
At 1 January 2011	4.983.018	629.693	5.612.711
Charge for the year	456.938	129.212	586.150
Disposals/ write-offs	(245.220)	(51.499)	(296.719)
Foreign exchange difference on retranslation	(53.072)	(15.502)	(68.574)
At 31 December 2011	5.141.664	691.904	5.833.568
Charge for the year	361.339	172.881	534.220
Disposals upon disposal of subsidiaries	(544)	-	(544)
Disposals/ write-offs	(49.862)	(655)	(50.517)
Foreign exchange difference on retranslation	97.923	3.494	101.417
At 31 December 2012	5.550.520	867.624	6.418.144
Net book value			
At 31 December 2012	928.764	260.972	1.189.736
At 31 December 2011	1.165.273	341.930	1.507.203

18. Available-for-sale financial assets

	Country of incorporation	Participation %	Cost US$	Impairment US$	As at 31 December 2012 US$	As at 31 December 2011 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	-
			101.794	(90.000)	11.794	9.580

19. Other current liabilities

	As at 31 December 2012 US$	As at 31 December 2011 US$
Factoring creditors (i)	45.271.892	29.765.116
Non-trade accounts payable	3.258.306	3.233.257
Salaries payable and related costs	1.602.385	1.371.575
VAT payable	7.203.435	4.880.799
Amount due to directors – executive (note 27)	5.272	6.449
Amounts due to directors – non-executive (note 27)	-	10.043
Unpaid consideration for investment in joint venture	277.832	-
Accruals and deferred income	10.362.140	7.981.239
	67.981.262	47.248.478

(i) As at 31 December 2012 the group enjoyed factoring facilities of US$ 62.040.142 (31 December 2011: US$ 45.740.348). The factoring facilities are secured as mentioned in note 21.

20. Derivative financial liability

	As at 31 December 2012 US$	As at 31 December 2011 US$
Derivative financial liabilities carried at fair value through profit or loss		
Foreign currency derivative contracts	527.086	1.215

21. Bank overdrafts and short term loans

	As at 31 December 2012 US$	As at 31 December 2011 US$
Bank overdrafts (note 26)	35.389.927	29.616.717
Bank short term loans	35.665.386	16.071.488
Current portion of long term loans	680.301	669.390
	71.735.614	46.357.595

Summary of borrowings and overdraft arrangements

The group as at 31 December 2012 had the following financing facilities with banks in the countries that the company and its subsidiaries are operating:

- overdraft lines of US$ 59.091.759 (31 December 2011: US$ 52.644.277)
- short term loans/revolving facilities of US$ 44.553.755 (31 December 2011: US$ 24.189.249)
- bank guarantees of US$ 8.269.791 (31 December 2011: US$ 8.704.773)

The group had for the year ending 31 December 2012 cash lines (overdrafts, loans and revolving facilities) and factoring lines.

The Weighted Average Cost of Debt (cash lines and factoring lines) for the year was 7,8% (31 December 2011: 6,9%)

21. Bank overdrafts and short term loans (continued)

Summary of borrowings and overdraft arrangements (continued)

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

- First, second and third floating charges over all assets of the company
- Mortgage on land and buildings that the group owns in Cyprus, Czech Republic, Belarus, Middle East, Bulgaria, Slovakia and Ukraine
- Charge over receivables and inventories
- Corporate guarantees to the extent of facilities granted
- Assignment of insurance policies
- Pledged deposits of US$ 2.344.577 (31 December 2011: US$ 1.859.022)

22. Long term liabilities

	As at 31 December 2012 US$	As at 31 December 2011 US$
Bank loans	3.474.945	4.063.249
Other long term liabilities	338.465	291.371
	3.813.410	4.354.620

The bank loans are secured as disclosed in note 21.

23. Finance leases

	As at 31 December 2012 US$	As at 31 December 2011 US$
Obligation under finance lease	101.188	264.395
Less: Amount payable within one year	(32.966)	(171.339)
Amounts payable within 2-5 years inclusive	68.222	93.056

24. Share capital

	As at 31 December 2012 US$	As at 31 December 2011 US$
Authorised		
63.000.000 (2011: 63.000.000) shares of US$ 0,20 each	12.600.000	12.600.000
Issued, called-up and fully paid		
55.500.000 (2011: 55.500.000) ordinary shares of US$ 0,20 each	11.100.000	11.100.000

25. Operating segments

1.1 Reportable segments

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

1.2 Segment revenues

	For the three months ended 31 December 2012 US$	For the three months ended 31 December 2011 US$	For the twelve months ended 31 December 2012 US$	For the twelve months ended 31 December 2011 US$
Former Soviet Union	224.619.323	202.318.047	705.191.019	614.904.827
Central Eastern Europe	205.280.147	166.902.854	607.562.459	508.773.173
Western Europe	60.583.074	31.029.161	145.032.777	105.788.935
Middle East & Africa	58.466.098	56.898.122	230.302.370	205.789.517
Other	17.448.283	13.008.373	56.789.179	46.818.367
	566.396.925	470.156.557	1.744.877.804	1.482.074.819

1.3 Segment results

	For the three months ended 31 December 2012 US$	For the three months ended 31 December 2011 US$	For the twelve months ended 31 December 2012 US$	For the twelve months ended 31 December 2011 US$
Former Soviet Union	1.323.302	2.035.348	7.699.232	6.918.061
Central Eastern Europe	4.495.279	5.392.770	7.274.777	6.262.774
Western Europe	958.187	374.782	1.821.565	443.005
Middle East & Africa	1.513.612	2.893.361	2.858.761	2.083.576
Other	146.013	(49.291)	565.448	(47.072)
Profit from operations	8.436.393	10.646.970	20.219.783	15.660.344
Net financial expenses	(3.186.778)	(1.834.424)	(9.523.709)	(9.055.907)
Other gains and losses	128.678	154.215	587.627	498.821
Share of profit/((loss) from joint ventures	76.951	(26.470)	(73.508)	(186.410)
Negative goodwill on acquisition of subsidiary	41.363	-	41.363	-
Goodwill written off	-	-	-	(50.213)
Profit before taxation	5.496.607	8.940.291	11.251.556	6.866.635

25. Operating segments (continued)

1.4 Inter-segment revenues

Selling segment	Purchasing segment	For the three months ended 31 December 2012 US$	For the three months ended 31 December 2011 US$
Central Eastern Europe	Former Soviet Union	-	902.049
Western Europe	Middle East & Africa	265.912	194.503

Selling segment	Purchasing segment	For the twelve months ended 31 December 2012 US$	For the twelve months ended 31 December 2011 US$
Central Eastern Europe	Former Soviet Union	-	902.049
Western Europe	Middle East & Africa	1.548.327	1.628.682

1.5 Segment capital expenditure (CAPEX)

	As at 31 December 2012 US$	As at 31 December 2011 US$
Former Soviet Union	5.824.790	5.178.003
Central Eastern Europe	11.432.230	11.453.320
Western Europe	223.187	381.430
Middle East & Africa	3.715.677	4.025.647
Unallocated	7.263.640	7.643.694
	28.459.524	28.682.094

1.6 Segment depreciation and amortisation

	For the three months ended 31 December 2012 US$	For the three months ended 31 December 2011 US$	For the twelve months ended 31 December 2012 US$	For the twelve months ended 31 December 2011 US$
Former Soviet Union	128.797	158.413	464.459	478.947
Central Eastern Europe	268.204	315.654	1.000.816	1.162.334
Western Europe	49.915	51.719	196.745	231.954
Middle East & Africa	99.790	107.627	400.893	403.592
Unallocated	271.031	184.489	798.813	811.124
	817.737	817.902	2.861.726	3.087.951

25. Operating segments (continued)

1.7 Segment assets	**As at 31 December 2012 US$**	**As at 31 December 2011 US$**
Former Soviet Union	210.096.826	180.309.160
Central Eastern Europe	149.716.271	123.512.702
Western Europe	43.191.478	33.416.766
Middle East & Africa	59.456.572	57.489.213
Total	462.461.147	394.727.841
Assets allocated in capital expenditure (1.5)	28.459.524	28.682.094
Other unallocated assets	15.792.747	15.340.901
Consolidated assets	506.713.418	438.750.836

26. Cash and cash equivalents

	As at 31 December 2012 US$	**As at 31 December 2011 US$**
Cash at bank and in hand	30.997.616	48.868.023
Bank overdrafts (note 21)	(35.389.927)	(29.616.717)
	(4.392.311)	19.251.306

The cash at bank and in hand balances include an amount of US$ 2.344.577 (31 December 2011: US$ 1.859.022) which represents pledged deposits.

27. Transactions and balances of key management

	For the three months ended 31 December 2012 US$	**For the three months ended 31 December 2011 US$**	**For the twelve months ended 31 December 2012 US$**	**For the twelve months ended 31 December 2011 US$**
Directors' remuneration – executive (note 9)	187.611	207.352	691.705	702.066
Directors' remuneration - non executive (note 9)	11.383	10.040	43.829	41.706
	198.994	217.392	735.534	743.772

	As at 31 December 2012 US$	**As at 31 December 2011 US$**
Amount due to directors – executive (note 19)	5.272	6.449
Amount due to directors – non-executive (note 19)	-	10.043
	5.272	16.492

28. Commitments and contingencies

As at 31 December 2012 the group was committed in respect of purchases of inventories of a total cost value of US$ 3.369.260 which were in transit at 31 December 2012 and delivered in January 2013. Such inventories and the corresponding liability towards the suppliers have not been included in these financial statements since, according to the terms of purchase title of the goods had not passed to the group as at the period end.

As at 31 December 2012 the group was contingently liable in respect of bank guarantees of US$ 8.269.791 (31 December 2011: US$ 8.704.773) which the group had extended mainly to its suppliers.

As at 31 December 2012 the group had no other capital or legal commitments and contingencies.

29. Goodwill

	As at 31 December 2012 US$	As at 31 December 2011 US$
At 1 January	550.517	600.730
Goodwill written off (note ii)	-	(50.213)
At 31 December (note i)	550.517	550.517

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

	As at 31 December 2012 US$	As at 31 December 2011 US$
Megatrend D.O.O. Sarajevo	550.517	550.517

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

	As at 31 December 2012 US$	As at 31 December 2011 US$
Euromall Bulgaria EOOD	-	41.416
ION-Ukraine LLC	-	8.797
	-	50.213

30. Investments in joint ventures

	As at 31 December 2012 US$	As at 31 December 2011 US$
Cost		
At 1 January	626.400	737.997
Full acquisition of joint venture (note 31(1.2))	(240.000)	-
Decrease in share capital	-	(111.597)
At 31 December	386.400	626.400
Accumulated share of profits from joint ventures		
At 1 January	(238.775)	(52.365)
Share of losses from joint ventures during the year	(73.508)	(186.410)
Full acquisition of joint venture (note 31(1.3))	(17.088)	-
At 31 December	(329.371)	(238.775)
Investments in joint ventures recorded under the equity method of consolidation	57.029	387.625

31. Business combinations

1. Acquisitions

1.1. Acquisition of shares from non-controlling interests to 31 December 2012

During the year the group acquired the remaining 33,33% of the share capital of CJSC "ASBIS" in Belarus from the non-controlling interests and now owns the full 100% of its share capital. From the difference between the group's interest in the net assets acquired and the consideration paid, the following loss arose:

- Loss on the acquisition of shares from non-controlling interest of CJSC "ASBIS" of US$ 6.379 which was debited directly to equity.

Name of entity	Type of operations	Date acquired	% acquired	% owned
CJSC "ASBIS"	Information Technology	1 June 2012	33,33%	100%

1.2. Acquisition of remaining shares of joint venture to 31 December 2012

During the year the group acquired the remaining 52% of the share capital of AOSBIS Technology (Shenzhen) Corp. in China and obtained the total 100% of its share capital. The finalization of acquisition formalities and the effect of changes in the ownership interest, took place during the three months ended 31 December 2012. From the difference between the group's interest in the net assets acquired and the consideration paid, the following gain arose:

- Negative goodwill on the acquisition of shares of AOSBIS Technology (Shenzhen) Corp. in China of $41.363 which was credited directly to income statement.

Name of entity	Type of operations	Date acquired	% acquired	% owned
AOSBIS Technology (Shenzhen) Corp.	Information Technology	18 May 2012	52%	100%

31. Business combinations (continued)
1. Acquisitions (continued)

1.3. Acquired assets and liabilities

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

	2012 US$	2011 US$
Tangible and intangible assets	1.444.219	-
Inventories	1.978.505	-
Receivables	3.168.983	-
Other receivables	525.566	-
Short term loans	(485.313)	-
Payables	(5.133.469)	-
Other payables and accruals	(238.843)	-
Cash and cash equivalents	197.498	-
Net identifiable assets and liabilities	1.457.146	-
Group's interest in net assets acquired	869.904	-
Share of profits previously recognized as joint venture	(17.088)	-
Total purchase consideration	(817.832)	-
Net gain	34.984	-
Loss on the acquisition through equity	(6.379)	-
Negative goodwill credited in income statement	41.363	-
	34.984	-

1.4. Financial information regarding acquired joint venture

	1 January to 31 December 2012 US$	Acquisition date to 31 December 2012 US$
Revenue for the period	8.616.863	4.681.414
Profit for the period	-	-

2. Disposals of subsidiaries

2.1. Disposals to 31 December 2012

During the period the group sold 100% of the share capital of ASBIS KOREA CO. LTD. From the difference between the group's interest in the net assets sold and the consideration received, the following loss arose:

- Loss on sale of ASBIS KOREA CO. LTD of US$ 475 which was debited to the income statement

Name of disposed entity	Type of operations	Date sold/ liquidated	% sold
ASBIS KOREA CO. LTD	Information Technology	22 June 2012	100%

31. Business combinations (continued)
2. Disposals of subsidiaries (continued)

2.2. Disposals 2011

During the year 2011 the group sold 100% of the share capital for one of its dormant subsidiaries ION Ukraine. From the difference between the group's interest in the net assets sold and the consideration received, the following gains arose:

- Gain on sale of ION Ukraine of US$ 10.224 which was credited to the income statement

Name of disposed entity	Type of operations	Date sold/ liquidated	% sold
ION UKRAINE	Information Technology	12 December 2011	100%

2.3. Disposed assets and liabilities

The net carrying value of underlying separately identifiable assets and liabilities disposed from the group at the date of disposal were as follows:

	As at 31 December 2012 US$	**As at 31 December 2011 US$**
Tangible and intangible assets	11.574	-
Inventories	135.411	-
Receivables	30.526	-
Tax receivable	-	41
Other receivables	60.430	-
Payables and accruals	(92.800)	(3.803)
Short term loans	(17.387)	-
Cash and cash equivalents	(112.803)	109
Net identifiable assets and liabilities	14.951	(3.653)
Group's interest in net assets and liabilities sold	14.951	(3.653)
(Loss)/gain on sale of subsidiaries	(475)	10.224
Total sale consideration received	14.476	6.571

Net cash flow arising on transfer:

Total sale consideration received	14.476	6.571
Cash and cash equivalents disposed	112.803	(109)
Net cash inflow	127.279	6.462

2.4. Financial information regarding disposed subsidiaries

	1 January to disposal date 2012 US$	**1 January to disposal date 2011 US$**
Revenue for the period	-	-
Loss for the period	-	(1.355)

32. Comparative figures

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

33. Significant events and transactions

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

34. Events after the reporting period

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