ASBISc Enterprises Plc

INTERIM REPORT
FOR THE THREE MONTHS
ENDED 31 MARCH 2012

Limassol, May 8th, 2012

TABLE OF CONTENTS

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 March 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 month period ended 31 March 2012

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

- Revenues in Q1 2012 increased by 8.46% to U.S. $ 379,183 from U.S. $ 349,619 in the corresponding period of 2011.

- Gross profit before currency movements in Q1 2012 increased significantly by 10.28% to U.S. $ 19,974 from U.S. $ 18,113 in the corresponding period of 2011.

- Gross profit after currency movements in Q1 2012 increased by 2.67% to U.S. $ 19,972 from U.S. $ 19,453 in the corresponding period of 2011.

- Gross profit margin in Q1 2012 was 5.27% compared to 5.56% in the corresponding period of 2011.

- Selling expenses in Q1 2012 remained almost unchanged despite growth in revenues and gross profit and increased only by 0.43% to U.S. $ 9,403 from U.S. $ 9,363 in the corresponding period of 2011.

- Administrative expenses in Q1 2012 decreased by 5.91% to U.S. $ 5,964 from U.S. $ 6,339 in the corresponding period of 2011. This was a function of cost-cutting actions undertaken during 2011. It is expected that administrative expenses will remain under strict control.

- EBITDA in Q1 2012 grew by 17.28% to U.S. $ 5,284 in comparison to U.S. $ 4,506 in the corresponding period of 2011.

- Net profit after taxation in Q1 2012 grew by 172.41% to U.S. $ 2,257 in comparison to U.S. $ 829 in the corresponding period of 2011.

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

Region	Q1 2012	Q1 2011
Former Soviet Union	155,368	145,126
Central and Eastern Europe	122,453	112,908
Western Europe	30,743	29,589
Middle East and Africa	60,209	51,801
Other	10,411	10,195
Grand Total	379,183	349,619

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 months ended March 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, 2011, that is: 1 US$ = 3.4174 PLN and 1 EUR = 4.4168 PLN and March 31st, 2012, that is: 1 US$ = 3.1191 PLN and 1 EUR = 4.1616 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 March 31st, 2011, that is 1 US$ = 2.8613 PLN and 1 EUR = 3.9742 PLN and January 1st to March 31st, 2012, that is: 1 US$ = 3.1318 PLN and 1 EUR = 4.1750 PLN.

	Period from 1 January to 31 March 2012			Period from 1 January to 31 March 2011		
	USD	**PLN**	**EUR**	**USD**	**PLN**	**EUR**
Revenue	**379,183**	**1,187,526**	**284,437**	**349,619**	**1,000,364**	**251,715**
Cost of sales	(359,209)	(1,124,971)	(269,454)	(331,506)	(948,537)	(238,674)
Gross profit before currency movements	**19,974**	**62,555**	**14,983**	**18,113**	**51,826**	**13,041**
Currency movements on gross profit	(2)	(6)	(2)	1,340	3,833	965
Gross profit after currency movements	**19,972**	**62,549**	**14,982**	**19,453**	**55,660**	**14,005**
Selling expenses	(9,403)	(29,448)	(7,053)	(9,363)	(26,789)	(6,741)
Administrative expenses	(5,964)	(18,678)	(4,474)	(6,339)	(18,136)	(4,564)
Profit from operations	**4,606**	**14,424**	**3,455**	**3,752**	**10,734**	**2,701**
Financial expenses	(2,302)	(7,209)	(1,727)	(2,701)	(7,728)	(1,944)
Financial income	150	471	113	24	68	17
Other gains and losses	165	517	124	69	198	50
Share of loss from joint ventures	(43)	(134)	(32)	(72)	(206)	(52)
Profit before taxation	**2,576**	**8,069**	**1,933**	**1,072**	**3,066**	**772**
Taxation	(320)	(1,000)	(240)	(243)	(696)	(175)
Profit after taxation	**2,257**	**7,068**	**1,693**	**829**	**2,371**	**597**
Attributable to:						
Non-controlling interests	15	47	11	46	131	33
Owners of the parent	**2,242**	**7,022**	**1,682**	**783**	**2,240**	**564**

	USD (cents)	PLN (grosz)	EUR (cents)	USD (cents)	PLN (grosz)	EUR (cents)
Basic and diluted earnings per share from continuing operations	4.04	12.65	3.03	1.41	4.03	1.02

	Period from 1 January to 31 March 2012			Period from 1 January to 31 March 2011		
	USD	**PLN**	**EUR**	**USD**	**PLN**	**EUR**
Net cash outflows from operating activities	(38,119)	(119,381)	(28,594)	(33,056)	(94,583)	(23,799)
Net cash outflows from investing activities	(541)	(1,693)	(406)	(753)	(2,155)	(542)
Net cash inflows from financing activities	4,313	13,507	3,235	1,394	3,987	1,003
Net decrease in cash and cash equivalents	**(34,347)**	**(107,567)**	**(25,765)**	**(32,416)**	**(92,750)**	**(23,338)**
Cash at the beginning of the period	**19,251**	**60,291**	**14,441**	**21,370**	**61,145**	**15,385**
Cash at the end of the period	**(15,096)**	**(47,276)**	**(11,324)**	**(11,046)**	**(31,606)**	**(7,953)**

	As at 31 March 2012			As at 31 December 2011		
	USD	**PLN**	**EUR**	**USD**	**PLN**	**EUR**
Current assets	379,422	1,183,454	284,375	408,801	1,397,037	316,301
Non-current assets	30,111	93,919	22,568	29,950	102,351	23,173
Total assets	409,532	1,277,373	306,943	438,751	1,499,387	339,474
Liabilities	310,234	967,651	232,519	342,980	1,172,099	265,373
Equity	99,298	309,722	74,424	95,771	327,288	74,101

4. Organization of ASBIS Group

The following table presents our corporate structure as at March 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 (66.6% ownership)
ASBIS IT S.R.L.” (Rome, Italy)	Full (100% subsidiary)
ASBIS Kazakhstan LLP (Almaty, Kazakhstan)	Full (100% subsidiary)
Euro-Mall SRO (Bratislava, Slovakia)	Full (100% subsidiary)
ASBIS Taiwan (Taipei City, Taiwan)	Full (100% subsidiary)
AOSBIS TECHNOLOGY (SHENZHE) CORP. (Shenzhen, China)	48% ownership
ASBIS DE GMBH, (Munchen, Germany)	Full (100% subsidiary)
EUROMALL BULGARIA EOOD (Sofia, Bulgaria)	Full (100% subsidiary)
Advanced Systems Company LLC (Riyadh, Kingdom of Saudi Arabia)	Full (100% subsidiary)
ASBIS KOREA (Seoul, Korea)	Full (100% subsidiary)

5. Changes in the structure of the Company

During the three months ended March 31st, 2012 there were no changes in the structure of the Company and the Group.

Additionally in Q4 2011 the Company started process of selling of ASBIS KOREA (Seoul, Korea) as this company was not bringing profit to the Group and purchasing of controlling interest in AOSBIS TECHNOLOGY (SHENZHE) CORP. (Shenzen, China), in order to concentrate and optimize trading activities on the Asian markets. These processes were however not fully completed in Q1 2012, and are expected to be closed in Q2 2012.

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 March 31st, 2012. However on March 22nd, 2012 we published the official forecasts for year 2012. According to this forecast, the revenues are expected to reach between U.S. $ 1.55 billion and U.S.$ 1.65 billion, and net profit after tax is expected to reach between U.S. $ 7.5 million and U.S. $ 9.5 million in 2012. Having seen the results of Q1 2012, the Company fully sustains this forecast.

7. Information on dividend payment

For the period ended March 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	5.76%	3,200,000	5.76%
Aviva Investors Poland S.A. funds (Aviva Investors Fundusz Inwestycyjny Otwarty and Aviva Investors Specjalistyczny Fundusz Inwestycyjny Otwarty)**	2,919,414	5.26%	2,919,414	5.26%
ASBISc Enterprises PLC (buy-back program)	91,000	0.164%	91,000	0.164%
Free float	20,338,294	36.65%	20,338,294	36.65%
Total	**55,500,000**	**100.00%**	**55,500,000**	**100.00%**

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

In the three months period ended on March 31st, 2012 the Company received the following information about changes in shareholders structure:
(1) On January 19th, 2012 the Company received from Aviva Investors Poland SA acting on behalf of Aviva Investors Funduszu Inwestycyjnego Otwartego (" the Fund"), as an entity, which Aviva Investors Poland Towarzystwo Funduszy Inwestycyjnych S. A. has commissioned to manage the investment portfolios of its investment funds, which body it is, an indication that as a result of sales of shares made on the 13th January 2012 (settled on the 13th January 2012), the level of commitment of the Fund in the total number of votes at the general meeting of the Company decreased.

Consequent to the above event, the Fund disclosed that it held 2 543 976 shares of the Company, representing 4.58% of share capital of the Company, entitling to 2 543 976 votes, which represent 4.58% of total votes at the general meeting of the Company.

Prior to the above change the Fund had 2 843 976 shares of the Company, representing 5.12% of the share capital of the Company and entitling it to 2 843 976 votes, which represented 5.12% of total votes at the general meeting of the Company.

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

During the three month period ended March 31st, 2012 as well as for the period between March 29th, 2012 (the date of publication of the Annual Report for 2011) and May 8th, 2012 (date of this report) there were no changes in the number of shares possessed by the members of the Board of Directors. The table below presents the number of shares held by the members of the Board of Directors as of the date of this report. The information included in the table below is based on information received from members of our Management Board pursuant to Art. 160 sec. 1 of the Act on Public Trading.

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

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

10. Changes in the members of managing bodies

During the three month period ended March 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 March 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 March 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 March 31st, 2012. The total bank guarantees raised by the Group (mainly to Group suppliers) as at March 31st, 2012 was U.S. $ 7,998 – as per note number 21 to the financial statements – which is less than 10% of the Company's equity.

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

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

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

In the three months period ended March 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 previous problems with currency losses, Q1 2012 results – as a third quarter in a row - are free from material currency losses. This is despite high volatility of our trading currencies against USD and volatility of EUR/USD pair. This confirms the quality of foreign exchange hedging adopted by the Company; it is the Company's intention to further enhance this policy going forward.

Q1 2012 was another consecutive quarter of improvement for the Company at all levels. This improvement included significant growth in revenues and gross profit, only minimal increase in selling expenses that grew significantly slower than revenues and gross profit, decrease in administrative and financial expenses, good hedging resulting in minimizing currency losses to almost zero level and - as a result - significant increase of operating profit and net profit after tax.

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

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

Currency fluctuations

As mentioned in previous reports, the Company's reporting currency is the U.S. dollar. 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 very crucial 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 Q1 2012, when despite fluctations in the currency environment (see below chart), the Company was again able to limit FX influence on its results.

EUR/USD in Q1 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.

Low gross profit margins

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

Inventory obsolescence and price erosion

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

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

Credit risk

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

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

Worldwide financial environment

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

However, there are many uncertainties about the world economy and especially the Euro-zone - followed by volatility of currencies and fragility of demand in many markets. Although the Company was able to secure from these factors in Q1 (i.e. there were no major currency losses) similarly to Q3 and Q4 of 2011, it is of extreme importance to follow this strategy in future periods and focus more on growing profitability rather than on growing revenues.

Seasonality

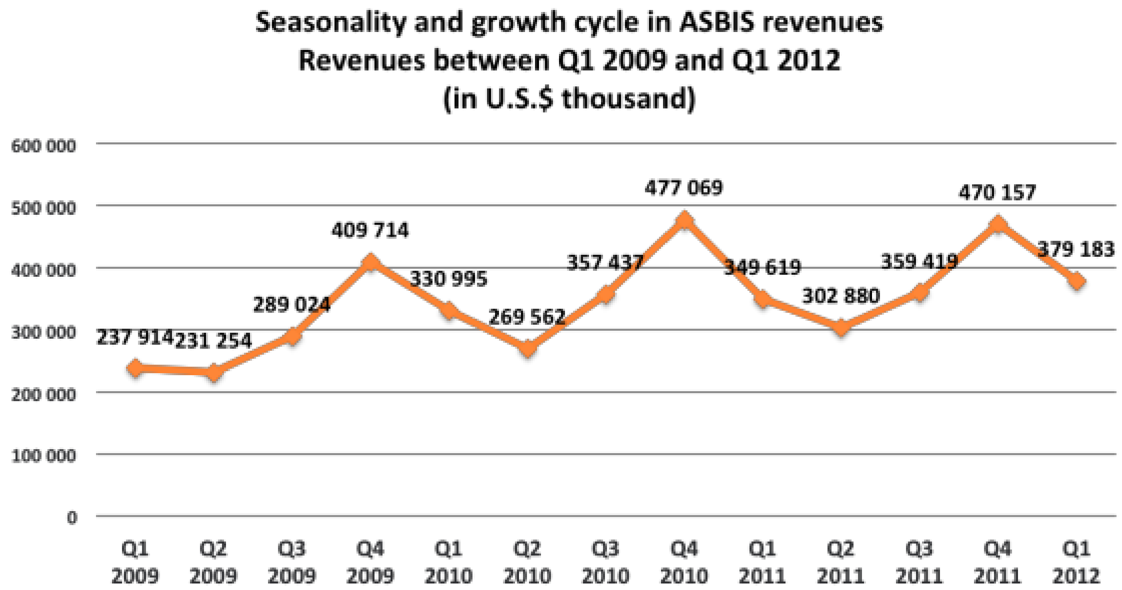
Traditionally the IT distribution industry in which the Company operates experiences high demand during the months prior to and leading up to the Christmas and New Year holiday period. In particular, IT distributors' demand tends to increase in the period starting from September to the end of the year.

After temporary changes in the traditional seasonality, observed in 2008 and 2009, the trend returned in 2010 and was also clearly visible in Q1 2012. If there will be no dramatical changes in the overall economic surrounding, traditional seasonality effect is expected to be seen also in following quarters of 2012. However, due to a lot of uncertainities about economic situation in Europe, the Company decided to focus more on profitability than on revenues itself. This was clearly visible in Q1 2012, when profiits grew much stronger than revenues. The Company's management intends to continue this strategy in the future.

Results of Operations

Three month period ended 31 March 2012 compared to the three month period ended 31 March 2011

Revenues: In Q1 2012 the Company's revenues increased by 8.46% to U.S.$ 379,183 from U.S. $ 349,619 in the corresponding period of 2011. This was a result of the Company's upgraded product portfolio, stronger market position and weakening competition in many markets, resulting in stable growth in sales in all regions of our operations.



- **Gross profit:** Gross profit in Q1 2012 grew both before and after currency movements compared to Q1 2011. This was possible due to upgraded product portfolio (resulting in growing revenues at good margins) and more effective hedging.

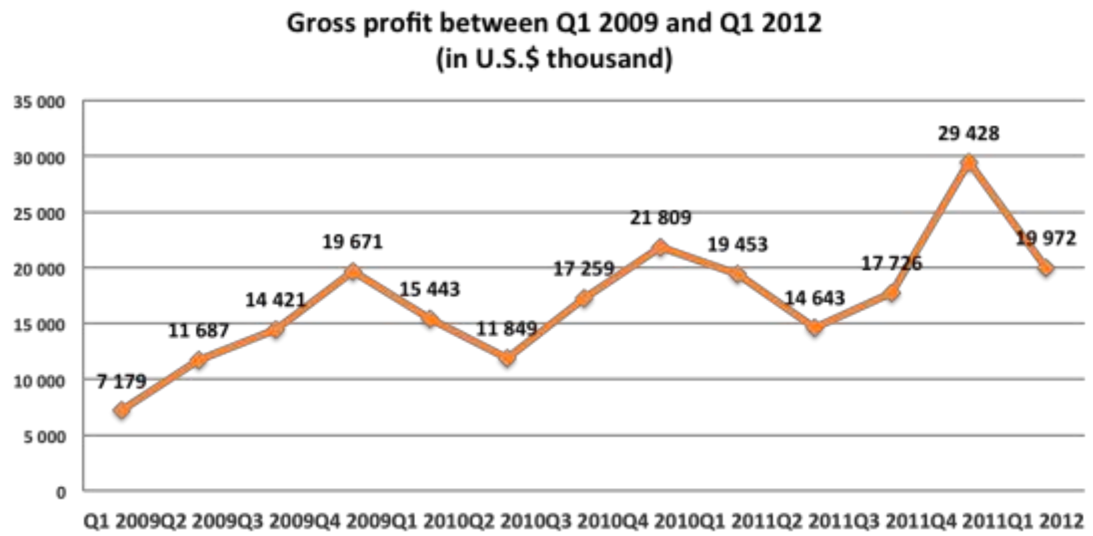
  Before currency movements:

  Gross profit before currency movements in Q1 2012 increased by 10.28% to U.S. $ 19,974 from U.S. $ 18,113 in the corresponding period of 2011.

  After currency movements:

  Gross profit after currency movements in Q1 2012 increased by 2.67% to U.S. $ 19,972 from U.S. $ 19,453 in the corresponding period of 2011.

  The difference in growth of gross profit before and after currency movements reflects change in the Company's currency hedging strategy, as now it shields the Company from currency losses at the cost of not benefiting from favorable currency movements (that improved Q1 2011 results by more than U.S.$ 1,340). If the overall economy surrounding will not change dramatically, it is expected that gross profit will grow again in further quarters of 2012 compared to corresponding quarters of 2011.

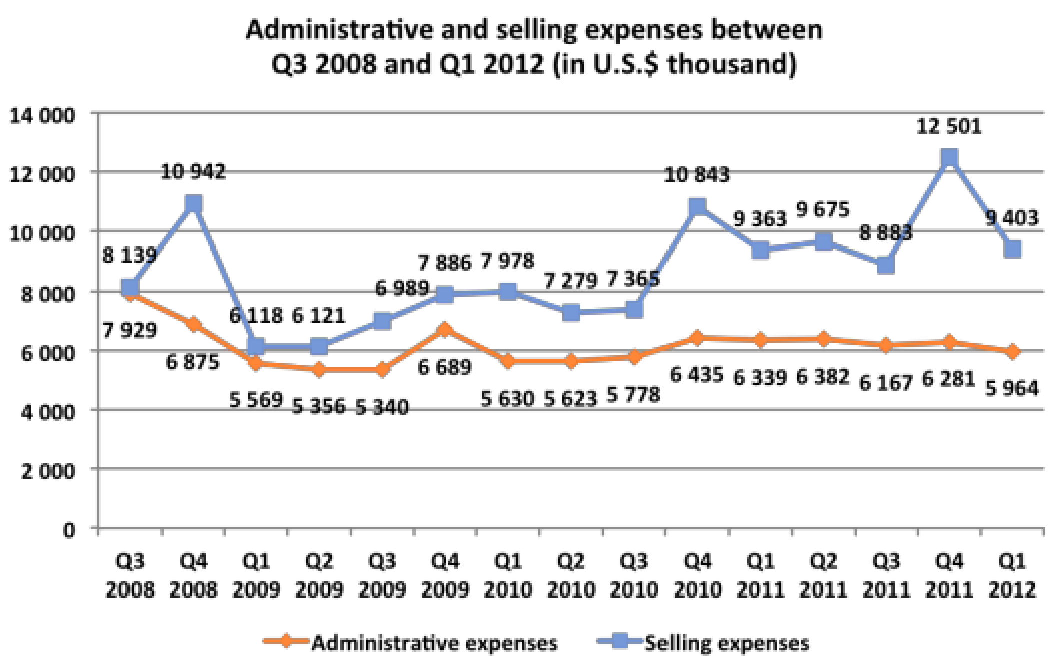


- **Gross profit margin:** Gross profit margin after currency movements in Q1 2012 was 5.27% compared to 5.56% in the corresponding period of 2011. This was mainly due to the positive impact of FX gains in Q1 of 2011.

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

  Selling expenses in Q1 2012 increased only slightly by 0.43% to U.S. $ 9,403 from U.S. $ 9,363 in the corresponding period of 2011. It is however important to underline that at the same time, selling expenses in Q1 2012 grew significantly slower than revenues and gross profit. It is the Company's intention to further reduce selling expenses as a function of gross profit in 2012.

- **Administrative expenses** largely comprise of salaries and wages of administration personnel and rent expense. Administrative expenses in Q1 2012 decreased by 5.91% to U.S. $ 5,964 from U.S. $ 6,339 in the corresponding period of 2011. This was a function of cost-cutting actions undertaken during 2011 and it is expected that administrative expenses remain under strict control.



- **Operating profit:** In Q1 2012 the operating profit grew by 22.77% to U.S. $ 4,606 compared to U.S. $ 3,752 in the corresponding period of 2011.

- **EBITDA:** In Q1 2012 EBITDA grew by 17.28% to U.S. $ 5,284 compared to U.S. $ 4,506 in the corresponding period of 2011.

- **Net profit:** Net profit after taxation in Q1 2012 grew by 172.41% to U.S. $ 2,257 compared to U.S. $ 829 in the corresponding period of 2011. This was mainly due to higher gross profit, lower administration and financial expenses and upgraded currency hedging.

Sales by regions and countries

Traditionally and throughout the Company's operation (with the exception of 2009 when the Central and Eastern Europe region was less affected by the world's financial crisis), the region contributing the majority of revenues has been the Former Soviet Union. This was also the case in Q1 2012. In Q1 2012 revenues derived from F.S.U. countries increased by 7.06% to U.S.$ 155,368 (equal to 40.97% of our total revenues) and revenues in CEE grew even stronger, by 8.45% to U.S.$ 122,453 (equal to 32.29% of our total revenues). In the same time revenues in the Middle East and Africa grew significantly by 16.23% to U.S.$ 60,209 (equal to 15.88% of our total revenues), as a result of upgraded product portfolio and better market position in this region. Other regions were stable, with 3.90% growth in sales in Western Europe and 2.12% growth in other markets. The landscape described above is a result of the Company's strategy to focus on its main markets, allowing it to generate growing revenues at better margins, than the saturated markets of Western Europe. Results of this step are clearly visible in the income statement.

Country-by-country analysis confirms that even with the recent turbulence in the world's economy, the Company has built a solid basis for revenue growth in 2012 and can benefit from it by upgrading its product portfolio offered in different markets. Russia – our biggest single market - distanced other biggest markets with significant 10.92% growth in revenues, while in traditional number two and three - Ukraine and Slovakia – grew by 4.09% and 4.82% respectively. It is worth to notice that sales in United Arab Emirates grew by an impressive 72.54%, and therefore this country became our market no. 3 instead of Slovakia. In the same time revenues derived from some other countries have grown significantly (i.e. Kazakhstan by +47.35%), and this allowed the Company to produce overall 8.46% growth in revenues. It is also worth to notice that in Q1 2012 Belarus re-entered top-10 list, due to some market recovery after turbulences in 2011.

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

	Q1 2012		Q1 2011	
	U.S. $ thousand	% of total revenues	U.S. $ thousand	% of total revenues
Former Soviet Union	155,368	40.97%	145,126	41.51%
Central and Eastern Europe	122,453	32.29%	112,908	32.29%
Middle East and Africa	60,209	15.88%	51,801	14.82%
Western Europe	30,743	8.11%	29,589	8.46%
Other	10,411	2.75%	10,195	2.92%
Total	379,183	100%	349,619	100%

Revenue breakdown – Top 10 countries in Q1 2012 and Q1 2011 (in U.S. Dollar thousand)

	Q1 2012		Q1 2011	
	Country	Sales U.S. $ thousand	Country	Sales U.S. $ thousand
1.	**Russia**	91,357	**Russia**	82,364
2.	**Ukraine**	37,108	**Ukraine**	35,651
3.	**United Arab Emirates**	33,666	**Slovakia**	31,854
4.	**Slovakia**	33,391	**United Arab Emirates**	19,513
5.	**Czech Republic**	19,823	**Czech Republic**	19,182
6.	**Kazakhstan**	15,522	**Saudi Arabia**	14,082
7.	**Bulgaria**	10,678	**Belarus**	13,877
8.	**The Netherlands**	10,022	**Kazakhstan**	10,534
9.	**Romania**	8,290	**The Netherlands**	9,163
10.	**Belarus**	8,039	**Romania**	8,854
11.	**Other**	111,287	**Other**	104,545
	Total revenue	379,183	**Total revenue**	349,619

Sales by product lines

The Group has for Q1 2011 again confirmed its profit-oriented strategy using rebuilt product portfolio and improving its market position. This resulted in stronger sales of main product lines at the cost of other categories that offer lower margins.

The table below sets a breakdown of revenues, by product, for Q1 2012 and 2011 (U.S.$ thousand):

	Q1 2012		Q1 2011	
	U.S. $ thousand	% of total revenues	U.S. $ thousand	% of total revenues
Central processing units (CPUs)	88,428	23.32%	83,023	23.75%
Hard disk drives (HDDs)	43,241	11.40%	43,361	12.40%
Software	30,329	8.00%	37,933	10.85%
PC-mobile (laptops)	89,713	23.66%	84,656	24.21%
Other	127,472	33.62%	100,646	28.79%
Total revenue	**379,183**	**100%**	**349,619**	**100%**

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

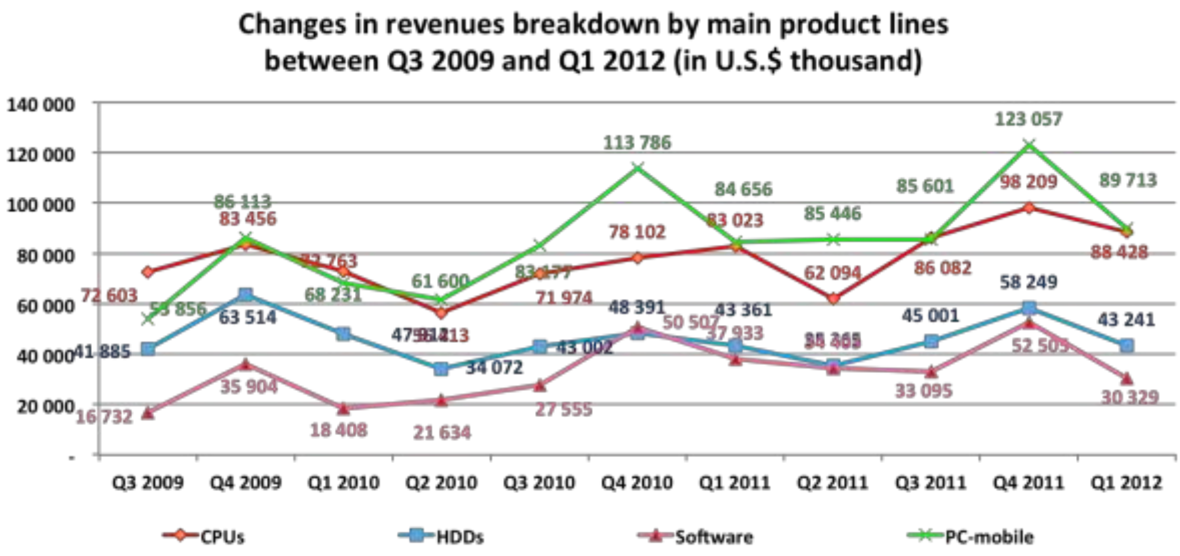
- Revenue from sale of central processing units ("CPUs") increased by 6.51% to U.S. $ 88,428 from U.S. $ 83,023 in the corresponding period of 2011. This was possible due to increased average selling price.

- Revenue from sale of hard disk drives ("HDDs") decreased slightly by 0.28% to U.S. $ 43,241 from U.S. $ 43,361 in the corresponding period of 2011. This was a result of lower unit sales conducted at higher average selling price and better margins.

- Revenue from sale of software decreased by 20.04% to U.S. $ 30,329 from U.S. $ 37,933 in the corresponding period of 2011. This was mostly connected with lower unit sales only partially offset by higher average selling price.

- Revenue from sale of PC-mobile ("laptops") increased by 5.97% to U.S. $ 89,713 from U.S. $ 84,656 in the corresponding period of 2011. This was mostly due to growth in unit sales and relatively stable average selling price.

- Apart from its main product categories, the Group is also developing other segments that allow to reach attractive margins. In Q1 2012 the most significant growth compared to the corresponding period of 2011 was in revenues from sales of PC desktop (+58.62%), display products (+137.83%), servers and server blocks (+234.88%) and accessories and multimedia (+23.33%). In Q1 2012 the Group has started successfully trading of smartphones which has boosted its product offering.



The Company is also developing its own brands, Canyon and Prestigio, as traditionally it allows the Company to reach double digit gross profit margins. Own brands contribution in total revenues was about 6% in Q1 2012.

Liquidity and Capital Resources

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

The following table presents a summary of cash flows for the three months ended March 31st, 2012 and 2011:

	Three months ended March 31st	
	2012	**2011**
	U.S. $	
Net cash outflows from operating activities	(38,119)	(33,056)
Net cash outflows from investing activities	(541)	(753)
Net cash inflows from financing activities	4,313	1,394
Net decrease in cash and cash equivalents	(34,347)	(32,416)

Net cash outflows from operating activities

Net cash outflows from operations amounted to U.S. $ 38,119 for the three months ended March 31st, 2012, compared to outflows of U.S. $ 33,056 in the corresponding period of 2011. This was primarily due to higher utilization of working capital while revenues grew, in order to take advantage of early payment discounts offered by suppliers and increase profitability.

Net cash outflows from investing activities

Net cash outflows from investing activities was U.S. $ 541 for the three months ended March 31st, 2012, compared to outflows of U.S. $ 753 in the corresponding period of 2011. This was mostly due to lower investments in land and buildings.

Net cash inflows from financing activities

Net cash inflows from financing activities was U.S. $ 4,313 for the three months ended March 31st, 2012, compared to inflows of U.S. $ 1,394 for the corresponding period of 2011. This was primarily due to raising some extra bank short-term lines from existing bankers.

Net decrease in cash and cash equivalents

As a result, the Company's cash and cash equivalents decreased by U.S. $ 34,347 compared to a decrease of U.S. $ 32,416 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 and demand in the markets. Therefore, it is of extreme importance for the Company to adapt its strategy to the recent economic and political developments and react fast to the external environment (products, vendors and customer relations) and, same time, work internally on issues such as currency hedging, operational effectiveness, etc. Having in mind the lesson learnt during crisis, the management strongly believes that the Company is much better prepared to 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 of the Company's revenues. Therefore, it is very important to adapt to any market changes that might arise. This means both a constant upgrade of product portfolio and close relations with customers to weather any currency or other issues that may appear in the future.

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

Additionally, particular markets experience problems from time to time, resulting in a temporary decrease of revenues, as was the case of Belarus in 2011. Although as of this point in time, the management does not foresee any other country with such problems in 2012, in such an unlikely situation the growth in revenues in the future may be limited.

Currency volatilities:

The multi-currency environment that the Group operates in exposes its financial results to steep currency fluctuations. Currency movements during Q1 2012 were weathered by the hedging policy of the Group, which has proven successful and should be followed without exception (even despite the fact that this hedging policy limits not only risk of currency losses, but also possibility of currency gains when local currencies moves favourably against U.S. Dollar).

Q1 2012 was the third consecutive quarter when the currency volatility was high but the Company has not suffered any major currency losses. This confirms the management opinion that the Company's hedging policy works well. Having in mind the recent political and economic developments in Euro-zone connected with debt-crisis, it is very important to adapt to any market changes as they appear, and therefore to avoid negative scenarios.

It is also important to underline, that with such 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 increased expenses:

The worldwide crisis has led the Group to take severe cost cutting actions during 2009. Following the increased demand and improved business environment, the Group decided to invest into human capital and proceeded with hiring personnel at positions which are considered critical in order to ensure better service of the markets and customers, which has driven expenses in Q1-Q3 2011. As these investments have not paid off to the expected level of profit, reduction of expenses continued in 2011. It is important to underline that while the administrative expenses are under strict control, also selling expenses structure was rebuilt to only grow at a slower pace than the growth of gross profit. The effect of these actions is clearly visible in Q1 2012 results when administrative expenses decreased by 5.91% compared to Q1 2011 and selling expenses grew only by 0.43% while revenues grew by 8.46% and gross profit grew by more than 2.67% (or by more than 10.28% if positive currency movements from Q1 2011 were excluded). The Company will continue its strict expenses policy in order to push profitability forward.

Ability to further develop its product portfolio:

Because of its size, geographical coverage and good relationships with vendors, the Company has managed to build an extensive product portfolio, which has played a significant role in our increased revenues during the twelve months of 2011. This was also the case of Q1 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.

Products like CPUs and HDDs have reached saturation and the need for introduction of higher margin products is becoming of extreme importance. The Group makes sure that more A-branded finished products are added on its portfolio as well as new technology products, like Tablet PC, E-book readers and other new technologically advanced products.

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

According to our best knowledge, in the period between March 31st, 2012 and May 8th, 2012 no events have occurred that could affect the Company's operations or financial stability.

Part II Financial Information

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

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

Contents	**Page**

ASBISC ENTERPRISES PLC

INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

FOR THE PERIOD ENDED

31 MARCH 2012

ASBISC ENTERPRISES PLC

INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS
FOR THE PERIOD ENDED 31 MARCH 2012

C o n t e n t s

ASBISC ENTERPRISES PLC

INTERIM CONSOLIDATED INCOME STATEMENT
FOR THE PERIOD ENDED 31 MARCH 2012

	Notes	For the three months ended 31 March 2012 US$	For the three months ended 31 March 2011 US$
Revenue	5,25	379.183.207	349.618.579
Cost of Sales		(359.208.943)	(331.505.702)
Gross profit before currency movements		19.974.264	18.112.877
Currency movements on gross profit	6	(1.968)	1.339.711
Gross profit after currency movements		19.972.296	19.452.588
Selling expenses		(9.402.785)	(9.362.629)
Administrative expenses		(5.964.014)	(6.338.507)
Profit from operations		4.605.497	3.751.452
Financial expenses	8	(2.301.820)	(2.700.692)
Financial income	8	150.364	23.740
Other gains and losses	7	165.165	69.243
Share of loss from joint ventures	30	(42.874)	(72.071)
Profit before tax	9	2.576.332	1.071.672
Taxation	10	(319.447)	(243.170)
Profit for the period		2.256.885	828.502
Attributable to:			
Non-controlling interests		14.884	45.744
Owners of the parent company		2.242.001	782.758
		2.256.885	828.502
		US$ cents	US$ cents
Earnings per share			
Basic and diluted from continuing operations		4,04	1,41

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

	For the three months ended 31 March 2012 US$	For the three months ended 31 March 2011 US$
Profit for the period	2.256.885	828.502
Other comprehensive income:		
Exchange difference on translating foreign operations	1.301.674	1.144.182
Other comprehensive income for the period	1.301.674	1.144.182
Total comprehensive income for the period	3.558.559	1.972.684
Total comprehensive income attributable to:		
Non-controlling interests	18.857	48.358
Owners of the parent company	3.539.702	1.924.326
	3.558.559	1.972.684

ASBISC ENTERPRISES PLC

INTERIM CONSOLIDATED STATEMENT OF FINANCIAL POSITION
AS AT 31 MARCH 2012

	Note	Unaudited as at 31 March 2012 US$	Audited as at 31 December 2011 US$
ASSETS			
Non-current assets			
Goodwill	29	550.517	550.517
Property, plant and equipment	16	26.857.955	26.624.374
Investment in joint ventures	30	344.751	387.625
Available-for-sale financial assets	18	9.580	9.580
Intangible assets	17	1.561.481	1.507.203
Deferred tax assets	11	786.521	870.510
Total non-current assets		30.110.805	29.949.809
Current assets			
Inventories	12	126.326.095	111.640.208
Trade receivables	13	220.340.846	237.990.821
Other current assets	14	13.487.234	9.315.104
Derivative financial asset	15	13.011	559.106
Current taxation	10	685.467	427.765
Cash at bank and in hand	26	18.568.920	48.868.023
Total current assets		379.421.573	408.801.027
Total assets		409.532.378	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		64.266.413	60.758.056
Equity attributable to owners of the parent		98.884.656	95.376.299
Non-controlling interests		413.692	394.835
Total equity		99.298.348	95.771.134
Liabilities			
Non-current liabilities			
Long term liabilities	22	4.375.898	4.354.620
Long term obligations under finance leases	23	102.891	93.056
Total non-current liabilities		4.478.789	4.447.676
Current liabilities			
Trade payables		210.870.374	244.663.923
Other current liabilities	19	39.414.794	47.248.478
Derivative financial liability	20	487.368	1.215
Current taxation	10	88.230	89.476
Short term obligations under finance leases	23	144.842	171.339
Bank overdrafts and short term loans	21	54.749.633	46.357.595
Total current liabilities		305.755.241	338.532.026
Total liabilities		310.234.030	342.979.702
Total equity and liabilities		409.532.378	438.750.836

The financial statements were approved by the Board on 7 May 2012.

Siarhei Kostevitch	**Marios Christou**
Director	**Director**

INTERIM CONSOLIDATED STATEMENT OF CHANGES IN EQUITY FOR THE PERIOD ENDED 31 MARCH 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 period 1 January 2011 to 31 March 2011	-	-	-	782.758	-	782.758	45.744	828.502
Other comprehensive income for the period 1 January 2011 to 31 March 2011	-	-	-	-	1.141.568	1.141.568	2.614	1.144.182
Dividend payment to non-controlling interests	-	-	-	-	-	-	(276.519)	(276.519)
Balance at 31 March 2011	11.100.000	23.518.243	-	58.007.212	634.248	93.259.703	203.348	93.463.051
Profit for the period 1 April 2011 to 31 December 2011	-	-	-	4.634.784	-	4.634.784	196.934	4.831.718
Other comprehensive loss for the period 1 April 2011 to 31 December 2011	-	-	-	-	(2.514.331)	(2.514.331)	(5.447)	(2.519.778)
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 period 1 January 2012 to 31 March 2012	-	-	-	2.242.001	-	2.242.001	14.884	2.256.885
Other comprehensive income for the period 1 January 2012 to 31 March 2012	-	-	-	-	1.297.701	1.297.701	3.973	1.301.674
Buyback of ordinary shares	-	-	(31.345)	-	-	(31.345)	-	(31.345)
Balance at 31 March 2012	11.100.000	23.518.243	(35.202)	64.883.997	(582.382)	98.884.656	413.692	99.298.348

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

	Notes	For the three months ended 31 March 2012 US$	For the three months ended 31 March 2011 US$
Profit for the period before tax and minority interest		2.576.332	1.071.672
Adjustments for:			
Exchange difference arising on consolidation		928.660	390.563
Provision for bad debts and receivables written off		663.650	367.890
Bad debts recovered		(3.125)	(7.926)
Depreciation	16	565.746	596.950
Amortisation of intangible assets	17	112.996	157.092
Share of loss from joint ventures	30	42.874	72.071
Interest received	8	(93.154)	(13.140)
Interest paid	8	1.188.305	1.177.570
(Profit)/loss from the sale of property, plant and equipment and intangible assets		(7.200)	20.237
Operating profit before working capital changes		5.975.084	3.832.979
Increase in inventories		(14.685.887)	(21.210.744)
Decrease in trade receivables		16.989.451	42.740.045
(Increase)/decrease in other current assets		(3.626.035)	800.323
Decrease in trade payables		(33.793.548)	(49.596.573)
Decrease in other current liabilities		(7.347.531)	(7.666.677)
Increase in other non-current liabilities		36.110	5.697
Cash outflows from operations		(36.452.356)	(31.094.950)
Taxation paid, net	10	(478.397)	(783.306)
Interest paid	8	(1.188.305)	(1.177.570)
Net cash outflows from operating activities		(38.119.058)	(33.055.826)
Cash flows from investing activities			
Interest received	8	93.154	13.140
Purchase of property, plant and equipment	16	(486.379)	(675.892)
Purchase of intangible assets	17	(208.175)	(169.698)
Buyback of ordinary shares		(31.345)	-
Proceeds from sale of property, plant and equipment and intangible assets		92.158	79.246
Net cash outflows from investing activities		(540.587)	(753.204)
Cash flows from financing activities			
(Repayments)/proceeds of long term loans and long term obligations under finance lease		(4.996)	54.930
Proceeds of short term loans and short term obligations under finance lease		4.317.853	1.615.157
Dividends paid to non-controlling interests		-	(276.519)
Net cash inflows from financing activities		4.312.857	1.393.568
Net decrease in cash and cash equivalents		(34.346.788)	(32.415.462)
Cash and cash equivalents at beginning of the period		19.251.306	21.369.517
Cash and cash equivalents at end of the period	26	(15.095.482)	(11.045.945)

1. Incorporation and principal activities

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

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

2. Basis of preparation

The condensed consolidated financial statements for the three months ended 31 March 2012 have been prepared in accordance with International Accounting Standard (IAS) 34, Interim Financial Reporting, as adopted by the European Union (EU).

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

3. Basis of consolidation

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

4. Significant accounting policies

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

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

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

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

The accounting policies adopted for the preparation of the condensed consolidated financial statements for the three months ended 31 March 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 March 2012 US$	For the three months ended 31 March 2011 US$
Realised currency movements on trading activities	275.908	784.623
Unrealised currency movements on trading activities	1.161.825	1.288.649
Realised loss on executed derivative contracts	(272.441)	(402.208)
Net unrealised loss on unexecuted derivative contracts	(1.167.260)	(331.353)
(Loss)/gain on currency movements	(1.968)	1.339.711

7. Other gains and losses

	For the three months ended 31 March 2012 US$	For the three months ended 31 March 2011 US$
Profit/(loss) on disposal of property, plant and equipment	7.200	(20.237)
Bad debts recovered	3.125	7.926
Rental income	120.170	30.303
Other income	34.670	51.251
	165.165	69.243

8. Financial expense, net

	For the three months ended 31 March 2012 US$	For the three months ended 31 March 2011 US$
Financial income		
Interest income	93.154	13.140
Other financial income	57.210	10.600
	150.364	23.740
Financial expense		
Bank interest	1.188.305	1.177.570
Bank charges	465.910	391.570
Factoring interest	307.011	151.649
Factoring charges	85.701	99.613
Other financial expenses	11.604	76.958
Other interest	9.183	48.228
Net exchange loss	234.106	755.104
	(2.301.820)	(2.700.692)
Net	(2.151.456)	(2.676.952)

9. Profit before tax

	For the three months ended 31 March 2012 US$	For the three months ended 31 March 2011 US$
Profit before tax is stated after charging:		
(a) Depreciation	565.746	596.950
(b) Amortisation of intangible assets	112.996	157.092
(c) Auditors' remuneration	146.156	175.695
(d) Directors' remuneration – executive (Note 27)	120.175	149.352
(e) Directors' remuneration – non-executive (Note 27)	9.872	10.362

10. Taxation

	For the three months ended 31 March 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	343.899	1.147.023
Over provision of prior year	(124.388)	(38.608)
Exchange difference on retranslation	(62)	(66.652)
Amounts paid net	(478.397)	(1.870.742)
Net debit balance 31 March/ 31 December	(597.237)	(338.289)

Tax receivable	(685.467)	(427.765)
Tax payable	88.230	89.476
Net	(597.237)	(338.289)

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

	For the three months ended 31 March 2012 US$	For the three months ended 31 March 2011 US$
Provision for the period	343.899	209.413
Over provision of prior years	(124.388)	-
Deferred tax charge (note 11)	99.936	33.757
Charge for the period	319.447	243.170

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 three months ended 31 March 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)	99.936	98.000
Exchange difference on retranslation	(15.947)	23.311
Debit balance on 31 March/ 31 December	(786.521)	(870.510)

12. Inventories

	As at 31 March 2012 US$	As at 31 December 2011 US$
Goods held for resale	107.375.163	97.085.963
Goods in transit	21.171.487	16.433.482
Provision for slow moving and obsolete stock	(2.220.555)	(1.879.237)
	126.326.095	111.640.208

13. Trade receivables

	As at 31 March 2012 US$	As at 31 December 2011 US$
Trade receivables	227.956.871	244.645.546
Allowance for doubtful debts	(7.616.025)	(6.654.725)
	220.340.846	237.990.821

14. Other current assets

	As at 31 March 2012 US$	As at 31 December 2011 US$
Other debtors and prepayments	4.083.551	3.428.339
VAT and other taxes refundable	8.350.795	4.828.442
Employee floats	234.495	223.356
Deposits and advances to service providers	818.393	834.967
	13.487.234	9.315.104

The directors consider that the carrying amount of other current assets of the group approximate their fair value.

15. Derivative financial asset

	As at 31 March 2012 US$	As at 31 December 2011 US$
Derivative financial assets carried at fair value through profit or loss		
Foreign currency derivative contracts	13.011	559.106
	13.011	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	3.272	-	-	17.283	281.616	69.028	115.180	486.379
Disposals	-	-	(15.272)	(71.439)	(47.892)	(147.903)	(122.349)	(404.855)
Foreign exchange difference on retranslation	305.412	-	1.370	49.918	63.410	74.586	111.906	606.602
At 31 March 2012	24.125.565	-	160.422	2.207.986	2.924.474	3.216.128	5.730.032	38.364.607
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 period	141.297	-	4.733	54.444	58.547	122.839	183.886	565.746
Disposals	-	-	(9.598)	(65.556)	(33.577)	(143.015)	(118.099)	(369.845)
Foreign exchange difference on retranslation	65.030	-	474	25.569	38.716	49.366	79.489	258.644
At 31 March 2012	2.450.806	-	44.065	1.161.689	1.478.725	2.078.502	4.292.865	11.506.652
Net book value								
At 31 March 2012	21.674.759	-	116.357	1.046.297	1.445.749	1.137.626	1.437.167	26.857.955
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	80.899	127.276	208.175
Disposals/ write-offs	(38.277)	(48.154)	(86.431)
Foreign exchange difference on retranslation	28.994	9.178	38.172
At 31 March 2012	6.378.553	1.122.134	7.500.687
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 period	76.683	36.313	112.996
Disposals/ write-offs	(35.880)	(165)	(36.045)
Foreign exchange difference on retranslation	24.951	3.736	28.687
At 31 March 2012	5.207.418	731.788	5.939.206
Net book value			
At 31 March 2012	1.171.135	390.346	1.561.481
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 March 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
			99.580	(90.000)	9.580	9.580

19. Other current liabilities

	As at 31 March 2012 US$	As at 31 December 2011 US$
Factoring creditors (i)	25.299.136	29.765.116
Non-trade accounts payable	3.162.715	3.233.257
Salaries payable and related costs	1.399.692	1.371.575
VAT payable	2.437.848	4.880.799
Amount due to directors – executive	3.215	6.449
Amounts due to directors – non-executive	10.308	10.043
Accruals and deferred income	7.101.880	7.981.239
	39.414.794	47.248.478

(i) As at 31 March 2012 the group enjoyed factoring facilities of US$ 49.521.254 (31 December 2011: US$ 45.740.348). The factoring facilities are secured as mentioned in note 21.

20. Derivative financial liability

	As at 31 March 2012 US$	As at 31 December 2011 US$
Derivative financial liabilities carried at fair value through profit or loss		
Foreign currency derivative contracts	487.368	1.215
	487.368	1.215

21. Bank overdrafts and short term loans

	As at 31 March 2012 US$	As at 31 December 2011 US$
Bank overdrafts	33.664.402	29.616.717
Bank short term loans	20.393.489	16.071.488
Current portion of long term loans	691.742	669.390
	54.749.633	46.357.595

Summary of borrowings and overdraft arrangements

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

- overdraft lines of US$ 54.193.688 (31 December 2011: US$ 52.644.277)
- short term loans/revolving facilities of US$ 28.230.897 (31 December 2011: US$ 24.189.249)
- bank guarantees of US$ 7.998.280 (31 December 2011: US$ 8.704.773)

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

The Weighted Average Cost of Debt (cash lines and factoring lines) for the period was 7,1% (2011: 5,8%)

21. Bank overdrafts and short term loans (continued)

Summary of borrowings and overdraft arrangements (continued)

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

- First, second and third floating charges over all assets of the company
- Mortgage on land and buildings that the group owns in Cyprus, Czech Republic, Belarus, Middle East, Bulgaria, Slovakia and Ukraine
- Charge over receivables and inventories
- Corporate guarantees to the extent of facilities granted
- Assignment of insurance policies
- Pledged deposits of US$ 1.683.014 (31 December 2011: US$ 1.859.022)

22. Long term liabilities

	As at 31 March 2012 US$	As at 31 December 2011 US$
Bank loans	4.048.417	4.063.249
Other long term liabilities	327.481	291.371
	4.375.898	4.354.620

23. Finance leases

	As at 31 March 2012 US$	As at 31 December 2011 US$
The Group		
Obligation under finance lease	247.733	264.395
Less: Amount payable within one year	(144.842)	(171.339)
Amounts payable within 2-5 years inclusive	102.891	93.056

24. Share Capital

	As at 31 March 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. Information reported to the chief operating decision maker for the purposes of allocating resources to the segments and to assess their performance is based on geographical locations. 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 March 2012 US$	For the three months ended 31 March 2011 US$
Former Soviet Union	155.368.206	145.126.432
Central Eastern Europe	122.452.467	112.907.830
Western Europe	30.743.010	29.588.943
Middle East & Africa	60.208.621	51.800.767
Other	10.410.903	10.194.607
	379.183.207	349.618.579

1.3 Segment results

	For the three months ended 31 March 2012 US$	For the three months ended 31 March 2011 US$
Former Soviet Union	2.703.287	3.538.904
Central Eastern Europe	747.587	(543.656)
Western Europe	343.841	636.458
Middle East & Africa	650.525	(93.906)
Other	160.257	213.652
Profit from operations	4.605.497	3.751.452
Net financial expenses	(2.151.456)	(2.676.952)
Other gains and losses	165.165	69.243
Share of loss from joint ventures	(42.874)	(72.071)
Profit before tax	2.576.332	1.071.672

1.4 Inter-segment revenues

Selling segment	Purchasing segment	For the three months ended 31 March 2012 US$	For the three months ended 31 March 2011 US$
Western Europe	Middle East & Africa	477.807	488.721

25. Operating segments (continued)

1.5 Segment capital expenditure (CAPEX)

	As at 31 March 2012 US$	As at 31 December 2011 US$
Former Soviet Union	5.622.309	5.178.003
Central Eastern Europe	11.620.257	11.453.320
Western Europe	350.549	381.430
Middle East & Africa	3.954.188	4.025.647
Unallocated	7.422.650	7.643.694
	28.969.953	28.682.094

1.6 Segment depreciation and amortisation

	For the three months ended 31 March 2012 US$	For the three months ended 31 March 2011 US$
Former Soviet Union	100.022	110.134
Central Eastern Europe	251.932	278.822
Western Europe	51.512	60.223
Middle East & Africa	99.785	85.414
Unallocated	175.491	219.449
	678.742	754.042

1.7 Segment assets

	As at 31 March 2012 US$	As at 31 December 2011 US$
Former Soviet Union	167.549.635	180.309.160
Central Eastern Europe	108.381.622	123.512.702
Western Europe	33.603.282	33.416.766
Middle East & Africa	58.930.808	57.489.213
Total	368.465.347	394.727.841
Assets allocated in capital expenditure (1.5)	28.969.953	28.682.094
Other unallocated assets	12.097.078	15.340.901
Consolidated assets	409.532.378	438.750.836

26. Cash and cash equivalents

	As at 31 March 2012 US$	As at 31 December 2011 US$
Cash at bank and in hand	18.568.920	48.868.023
Bank overdrafts (Note 21)	(33.664.402)	(29.616.717)
	(15.095.482)	19.251.306

The cash at bank and in hand balances include an amount of US$ 1.683.014 (31 December 2011: US$ 1.859.022) which represents pledged deposits.

27. Transactions and balances of key management

	For the three months ended 31 March 2012 US$	For the three months ended 31 March 2011 US$
Directors' remuneration - executive	120.175	149.352
Directors' remuneration - non executive	9.872	10.362
	130.047	159.714

	As at 31 March 2012 US$	As at 31 December 2011 US$
Amount due to directors - executive	3.215	6.449
Amount due to directors - non executive	10.308	10.043
	13.523	16.492

28. Commitments and contingencies

As at 31 March 2012 the group was committed in respect of purchases of inventories of a total cost value of US$ 708.905 which were in transit at 31 March 2012 and delivered in April 2012. Such inventories and the corresponding liability towards the suppliers have not been included in these financial statements since, according to the terms of purchase title of the goods had not passed to the group as at the period end.

As at 31 March 2012 the group was contingently liable in respect of bank guarantees of US$ 7.998.280 (31 December 2011: US$ 8.704.773) which the group has extended mainly to its suppliers.

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

29. Goodwill

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

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

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

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

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

30. Investment in joint ventures

	As at 31 March 2012 US$	As at 31 December 2011 US$
Cost		
At 1 January	626.400	737.997
Decrease in share capital	-	(111.597)
At 31 March/December	626.400	626.400
Accumulated share of losses from joint ventures		
At 1 January	(238.775)	(52.365)
Share of losses from joint ventures during the period	(42.874)	(186.410)
At 31 March/December	(281.649)	(238.775)
Investment in joint ventures recorded under the equity method of consolidation	344.751	387.625

31. Comparative figures

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

32. Events after the reporting period

No significant events occurred after the end of the reporting period