INTERIM REPORT
FOR THE THREE MONTHS
ENDED 31 DECEMBER 2010

Limassol, February 23rd, 2011

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

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

PRESENTATION OF FINANCIAL AND OTHER INFORMATION

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

Financial and Operating Data

This quarterly report contains financial statements of, and financial information relating to the Group. In particular, this quarterly report contains our interim consolidated financial statements for the three months ended 31 December 2010. 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, 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 months ended 31 December 2010

The principal events of the three months ended 31 December 2010 were as follows:

- Revenues in Q4 2010 increased by 16.44% to U.S.$ 477,069 from U.S.$ 409,714 in the corresponding period of 2009. The increase was mainly attributed to the increased demand in all markets the group operates.

- Gross profit before currency movements in Q4 2010 increased by 19.56% to U.S.$ 23,507 from U.S.$ 19,661 in the corresponding period of 2009.

- Gross profit after currency movements in Q4 2010 increased by 10.87% to U.S.$ 21,809 from U.S.$ 19,671 in the corresponding period of 2009.

- Gross profit margin in Q4 2010 was 4.57% compared to 4.78% in the corresponding period of 2009.

- Selling expenses in Q4 2010 increased by 29.31% to U.S.$ 10,843 from U.S.$ 8,386 in the corresponding period of 2009 following an increase in both sales and gross profit .

- Administrative expenses in Q4 2010 increased by 3.99% to U.S.$ 6,435 from U.S.$ 6,189 in the corresponding period of 2009.

- EBITDA in Q4 2010 amounted to U.S.$ 5,328 compared to U.S.$ 5,851 in the corresponding period of 2009.

- Net profit for Q4 2010 amounted to U.S.$ 1,914 compared to U.S.$ 2,413 in the corresponding period of 2009.

The principal events of the twelve months ended 31 December 2010 were as follows:

- Revenues in twelve months of 2010 increased by 23,45% to U.S.$ 1,435,063 from U.S.$ 1,162,458 in the corresponding period of 2009. That was possible because of increased demand, upgraded product portfolio and the Company's stronger market position.

- Gross profit before currency movements in the twelve months of 2010 increased by 23.22% to U.S.$ 70,103 from U.S.$ 56,894 in the corresponding period of 2009.

- Gross profit after currency movements in the twelve months of 2010 increased by 25.31% to U.S.$ 66,360 from U.S.$ 52,957 in the corresponding period of 2009.

- Gross profit margin in the twelve months of 2010 was 4.62% compared to 4.56% in the corresponding period of 2009.

- Selling expenses in the twelve months of 2010 increased by 20.97% to U.S.$ 33,464 from U.S.$ 27,664 in the corresponding period of 2009 following an strong increase in both sales and gross profit.

- Administrative expenses in the twelve months of 2010 increased only slightly by 4.74% to U.S.$ 23,466 from U.S.$ 22,404 in the corresponding period of 2009.

- EBITDA in the twelve months of 2010 grew more than double, by 114,99% and amounted to U.S.$ 12,439 compared to U.S.$ 5,786 in the corresponding period of 2009.

- Net profit in the twelve months of 2010 amounted to U.S.$ 1,302 compared to a net loss of U.S.$ 2,997 in the corresponding period of 2009.

  Following table presents revenues breakdown by regions in the three and twelve month periods ended December 31st, 2010 and 2009 respectively (in U.S.$ thousands):

Region	Q4 2010	Q4 2009	Q1 – Q4 2010	Q1 – Q4 2009
Former Soviet Union	214,334	152,467	588,379	372,574
Central and Eastern Europe	166,701	156,663	481,963	457,844
Western Europe	26,980	38,411	109,926	110,974
Middle East and Africa	55,700	51,480	203,452	182,897
Other	13,355	10,693	51,343	38,169
Grand Total	477,069	409,714	1,435,063	1,162,458

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, 2010 and 2009, have been converted into Euro and PLN as follows:

- Individual items of the balance sheet – based at average exchange rates quoted by the National Bank of Poland for a given balance sheet date December 31st, 2010, that is: 1 US$ = 2.9641 PLN and 1 EUR = 3.9603 PLN and December 31st, 2009, that is: 1 US$ = 2.8503 PLN and 1 EUR = 4.1082 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, 2010, that is 1 US$ = 3.0402 PLN and 1 EUR = 4.0044 PLN and January 1st to December 31st, 2009, that is 1 US$ = 3.1236 PLN and 1 EUR = 4.3406 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, 2010, that is 1 US$ = 2.9941 PLN and 1 EUR = 4.0094 PLN and October 1st to December 31st, 2009, that is 1 US$ = 2.8212 PLN and 1 EUR = 4.1648 PLN.

	Period from 1 October to 31 December 2010			**Period from 1 October to 31 December 2009**		
	USD	**PLN**	**EUR**	**USD**	**PLN**	**EUR**
Revenue	**477,069**	**1,428,393**	**356,261**	**409,714**	**1,155,886**	**277,537**
Cost of sales	(453,562)	(1,358,010)	(338,707)	(390,053)	(1,100,417)	(264,219)
Gross profit before currency movements	**23,507**	**70,383**	**17,554**	**19,661**	**55,468**	**13,318**
Currency movements on gross profit	(1,698)	(5,085)	(1,268)	9	27	6
Gross profit after currency movements	**21,809**	**65,298**	**16,286**	**19,671**	**55,495**	**13,325**
Selling expenses	(10,843)	(32,466)	(8,098)	(8,386)	(23,658)	(5,681)
Administrative expenses	(6.435)	(19,268)	(4,806)	(6,189)	(17,460)	(4,192)
Profit from operations	**4,530**	**13,564**	**3,383**	**5,096**	**14,377**	**3,452**
Financial expenses	(2,754)	(8,244)	(2,056)	(2,462)	(6,945)	(1,668)
Financial income	676	2,024	505	20	56	13
Other gains and losses	104	311	78	335	945	227
Share of loss from joint ventures	(80)	(240)	(60)	-	-	-
Profit before taxation	2,476	**7,415**	**1,849**	**2,989**	**8,433**	**2,025**
Taxation	(562)	(1,684)	(420)	(577)	(1,626)	(391)
Profit after taxation	1,914	**5,731**	**1,429**	**2,413**	**6,807**	**1,634**
Attributable to:						
Non-controlling interests	152	456	114	107	303	73
Owners of the parent	**1,762**	**5,275**	**1,316**	**2,305**	**6,504**	**1,562**
	USD (cents)	PLN (grosz)	EUR (cents)	USD (cents)	PLN (grosz)	EUR (cents)
Basic and diluted earnings per share from continuing operations	3.17	9.49	2.37	4.15	11.72	2.81

	Period from 1 January to 31 December 2010			Period from 1 January to 31 December 2009		
	USD	PLN	EUR	USD	PLN	EUR
Net cash inflows/(outflows) from operating activities	(16,179)	(49,187)	(12,283)	34,169	106,731	24,589
Net cash outflows from investing activities	(5,597)	(17,016)	(4,249)	(3,393)	(10,599)	(2,442)
Net cash inflows/(outflows) from financing activities	6,574	19,985	4,991	(7,138)	(22,297)	(5,137)
Net increase/(decrease) in cash and cash equivalents	**(15,202)**	**(46,218)**	**(11,542)**	**23,638**	**73,835**	**17,010**
Cash and cash equivalents at the beginning of the period	**36,572**	**111,186**	**27,766**	**12,934**	**40,401**	**9,308**
Cash and cash equivalents at the end of the period	**21,370**	**64,968**	**16,224**	**36,572**	**114,236**	**26,318**

	As at 31 December 2010			As at 31 December 2009		
	USD	PLN	EUR	USD	PLN	EUR
Current assets	435,383	1,290,519	325,864	357,920	1,020,179	248,328
Non-current assets	29,964	88,815	22,426	27,903	79,532	19,359
Total assets	465,347	1,379,334	348,390	385,823	1,099,711	267,687
Liabilities	373,580	1,107,328	279,607	294,471	839,332	204,307
Equity	91.767	272,006	68,683	91,352	260,379	63,380

	Period from 1 January to 31 December 2010			Period from 1 January to 31 December 2009		
	USD	PLN	EUR	USD	PLN	EUR
Revenue	**1,435,063**	**4,362,878**	**1,089,521**	**1,162,458**	**3,631,052**	**836,532**
Cost of sales	(1,364,960)	(4,149,750)	(1,036,298)	(1,105,564)	(3,453,338)	(795,590)
Gross profit before currency movements	**70,103**	**213,127**	**53,223**	**56.894**	**177,714**	**40,942**
Currency movements on gross profit	(3,744)	(11,381)	(2,842)	(3.937)	(12,297)	2,833
Gross profit after currency movements	**66,360**	**201,746**	**50,381**	**52,957**	**165,417**	**38,109**
Selling expenses	(33,464)	(101,738)	(25,407)	(27,664)	(86,410)	(19,907)
Administrative expenses	(23,466)	(71,342)	(17,816)	(22,404)	(69,982)	(16,123)
Profit from operations	**9,429**	**28,666**	**7,159**	**2,889**	**9,025**	**2,079**
Financial expenses	(8,308)	(25,259)	(6,308)	(7,042)	(21,996)	(5,068)
Financial income	894	2,719	679	626	1,956	451
Other gains and losses	289	880	220	707	2,208	509
Negative goodwill written off	-	-	-	2	6	1
Share of loss from joint ventures	(52)	(159)	(40)	-	-	-
Profit/(loss) before taxation	**2.252**	**6,846**	**1,710**	**(2,817)**	**(8,801)**	**(2,028)**
Taxation	(950)	(2,888)	(721)	(179)	(559)	(129)
Profit/(loss) after taxation	**1,302**	**3,959**	**989**	**(2,997)**	**(9,360)**	**(2,156)**
Attributable to:						
Non-controlling interests	353	1,073	268	212	662	153
Owners of the parent	**949**	**2,886**	**721**	**(3,208)**	**(10,022)**	**(2,309)**

	USD (cents)	PLN (grosz)	EUR (cents)	USD (cents)	PLN (grosz)	EUR (cents)
Basic and diluted earnings per share from continuing operations	1.71	5.20	1.30	(5.78)	(18.06)	(4.16)

4. Organization of ASBIS Group

The following table presents our corporate structure as at December 31st, 2010:

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 Nordic AB (Jaelfaella, Sweden)	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)

ION-Ukraine LLC (Kiev, Ukraine)	Full (100% subsidiary)
Advanced Systems Company LLC (Riyadh, Kingdom of Saudi Arabia)	Full (100% subsidiary)
ASBIS KOREA (Seoul, Korea)	Full (100% subsidiary)

5. Changes in the structure of the Company

During the three months ended December 31st, 2010 there were no changes in the structure of the Company and the Group.

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

We did not publish any forecasts for the three month period ended December 31st, 2010.

7. Information on dividend payment

For the period of the three months ended 31 December 2010 no dividend has been 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%
Alpha Ventures S.A.	3,200,000	5.76%	3,200,000	5.76%
Aviva Investors	2,919,414	5,26%	2,919,414	5,26%
Free float	23,704,225	42.71%	23,704,225	42.71%*
Total	**55,500,000**	**100.00%**	**55,500,000**	**100.00%**

On October 8th, 2010 the Company received from MAIZURI ENTERPRISES LTD information pursuant to the provisions of art. 69 sec. 1 clause 2 of the Act of July 29th, 2005 on public offering and on the conditions of introducing financial instruments to an organized trading system and on public companies (Dz.U.2005, 184, 1539, as amended) about decrease in the number of possessed shares of the Company below the threshold of 5% of total number of votes on the Company's General Meeting as a result of transactions of sale of a total number of 2.400.000 shares of the Company conducted on October 5th, 2010 as package transactions realized at the Warsaw Stock Exchange. MAIZURI ENTERPRISES LTD informed that before the abovementioned transactions it held 4.800.000 shares in the Company, accounting for 8,73% of the Company's share capital, which vested in their holder 4.800.000 votes at the general meeting of the Company, such votes constituting 8,73% of the overall number of votes. MAIZURI ENTERPRISES LTD informed that after the abovementioned transactions it held 2.400.000 shares in the Company, accounting for 4,36% of the Company's share capital, which vested in their holder 2.400.000 votes at the general meeting of the Company, such votes constituting 4,36% of the overall number of votes.

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

During the three month period ended December 31st, 2010 as well as for the period between November 9th, 2010 (the date of publication of the Q3 report) and February 23rd, 2011 (date of this report) there were the following changes in the number of shares possessed by the members of the Board of Directors.

On October 8th, 2010 the Company received notification on the basis of art. 160 of Act on Trading on financial instruments from Mr. Siarhei Kostevitch, Chairman of the Board of Directors and the Company's CEO, who informed that on October 5th, 2010 he purchased a total number of 21,766 shares of the Company on the average price of PLN 4.01 per share. Transactions were conducted as ordinary market session transactions on the Warsaw Stock Exchange.

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%

10. Changes in the members of managing bodies

During the three month period ended December 31st, 2010 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, 2010, 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, 2010 we did not have any material related party transaction exceeding the Polish Zloty equivalent of Euro 500 thousands other than typical or routine transactions.

13. Information on guarantees granted to third parties

Neither us, nor any of our affiliates or subsidiary companies had granted any guarantees or secured any third party credits for an amount exceeding 10% of its equity within the three months ended December 31st, 2010. However, the total bank guarantees raised by the Group (mainly Group suppliers) as at December 31st, 2010 amounted to U.S. $ 7,825 – as per note number 18 to the financial statements – which exceeded 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, 2010 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.

Although strong instability on EUR/USD pair led the Company to suffer from foreign exchange losses, the foreign exchange hedging teams were able to drastically limit such losses.

Despite the impact from the aforementioned factors the Company increased its revenues, gross profit and profit from operations significantly compared to the corresponding period of 2009. This was possible mostly due to better demand in the Company's main markets, improved product portfolio and good operational efficiencies combined with solid foundation built during the crisis times.This enabled the Company to increase its market share in particular markets and increase sales. As a result, the Company generated a net profit of US$ 1,914 in Q4 2010 and therefore net profit for whole twelve months of 2010 reached US$ 1,302 compared to net loss of US$ 2,997 in 2009.

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

Currency fluctuations

As mentioned in previous reports, the Company's reporting currency is the U.S. dollar. Traditionally around 40% of the Company's revenues were denominated in U.S. dollars. Following the Company's efforts to decrease currency risk, this number grew to more than 50% in Q3 2009 and remained unchanged since then, while the balance was denominated in Euro and other currencies, some of which are linked to the Euro. Since most of the Company's trade payable balances are denominated in U.S. dollars (about 80%), the Company was exposed to foreign exchange risk. Foreign exchange risk remains a very crucial factor that might affect the Group's results in the future. On the other hand, the Group is adopting all hedging strategies possible to tackle this problem. The problem persists and will persist as the Euro and other Eastern European currencies fluctuate in a steep manner against the U.S. Dollar, the Group's reporting currency.

It is worth mentioning that during 2010 the Company introduced foreign exchange hedging teams that are to protect the company against movements of the exchange rates. Despite the increased volatility in Q4 2010 the Group's hedging policy has resulted to a much less negative effect during the period under discussion.

EUR/USD fluctuations in Q4 2010

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 cancelling and/or withdrawing 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 significantly throughout 2010 and this trend continued in Q4. It was especially visible on sales and profitability levels compared to corresponding periods of 2009. These recovery signals from some of our markets were strong, especially from the Former Soviet Union countries. Following some recovery the Company undertakes efforts to benefit from these signals both in revenues and profitablity. The Company has revised its strategy and has adapted to the new environment, i.e. by rebuilding its product portfolio. This paid off in line from the increasing demand in many markets of the Company's operations, as the Company was able to win market share from the weaker competitors.

The Company expects that the impact of the crisis will continue to ease in 2011. It is however important to underline that several markets where the Group operates are still under the effects of the crisis and this might cause adverse effects during 2011. Another recent development with political instability of some countries where the Group operates (Egypt, Tunisia, etc) might also play a negative role during 2011. The Group closely monitors the situation and makes all necessary decisions to safeguard its interests.

Seasonality

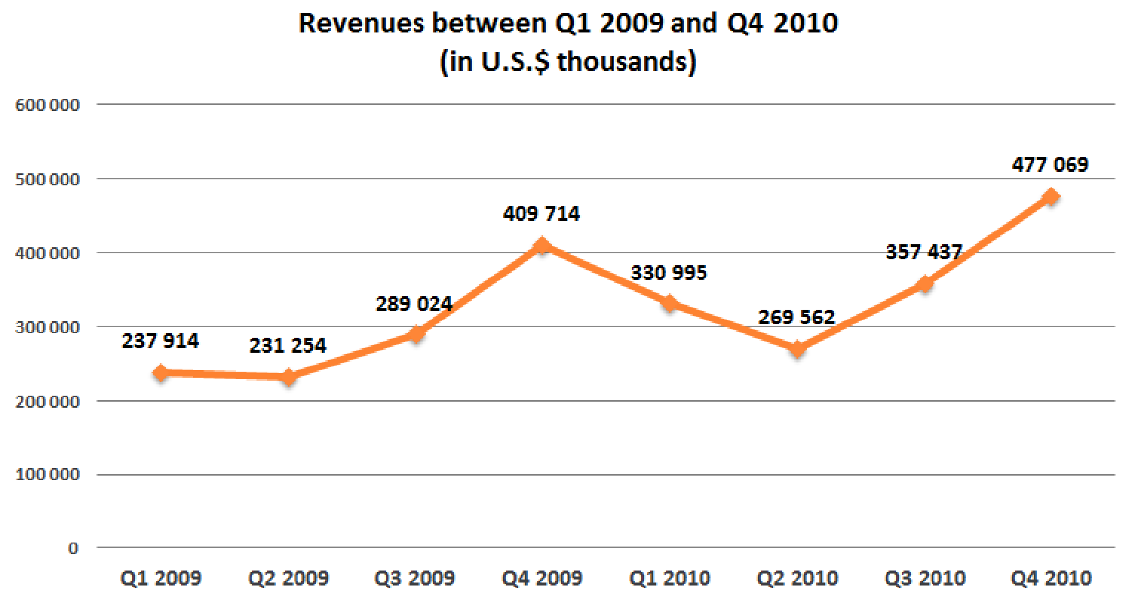
Traditionally the IT distribution industry in which the Company operates experiences high demand during the months prior to and leading up to the Christmas and New Year holiday period. In particular, IT distributors' demand tends to increase in the period starting from September to the end of the year.

This situation changed in the second part of 2008 and in 2009 when the world's financial crisis limited demand and sales levels, as well as some of our customers' ability to buy. However there were more signals of recovery in the second part of 2009 and in 2010. This was reflected in growing sales, that was visible also in Q4 2010 compared to Q4 2009. If this trend continues, the traditional seasonality will be visible again in 2011.

Results of Operations

Three and twelve months ended December 31st, 2010 compared to the three and twelve months ended December 31st, 2009:

- **Revenues:** As it was expected, sales levels continued to grow in Q4 2010, as it seems that the traditional seasonality effect came back to the distribution market. It is important to underline that revenues grew significantly both in Q4 2010 and in the whole twelve months period. In Q4 2010 revenues increased by 16.44% to U.S.$ 477,069 from U.S.$ 409,714 in the corresponding period of 2009. At the same time revenues in the twelve months of 2010 grew by 23,45% to U.S.$ 1,435,063 from U.S.$ 1,162,458 in the corresponding period of 2009. That was possible because of better demand, upgraded product portfolio and the Company's stronger market position.



- **Gross profit:** Gross profit grew both in Q4 2010 and in the twelve months of 2010. However different growth dynamics were observed in the first and second part of the whole twelve months period, similarly to revenues described above. Because of the significant importance of the foreign exchange impact on gross profit, the Group has decided to present the figures both before and after currency movements.

  Gross profit before currency movements:

  Gross profit before currency movements in Q4 2010 increased by 19.56% to U.S.$ 23,507 from U.S.$ 19,661 in the corresponding period of 2009.

  Gross profit before currency movements in the twelve months of 2010 increased by 23.22% to U.S.$ 70,103 from U.S.$ 56,894 in the corresponding period of 2009.

  The abovementioned stated data confirm the better situation in the Company's markets and the Company's ability to benefit from higher sales and its stronger market position.

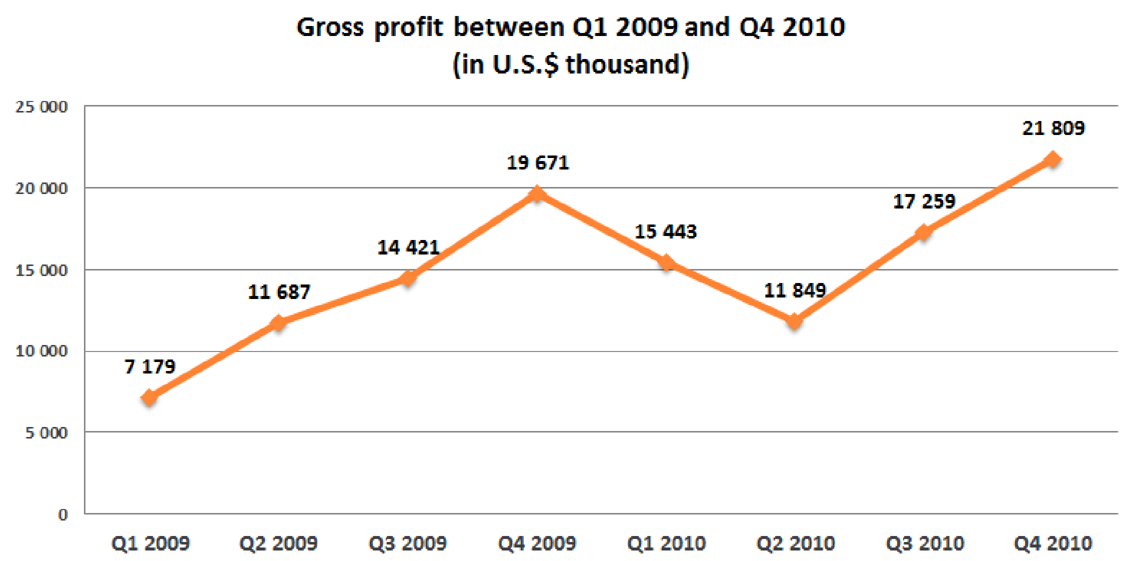
  Gross profit after currency movements:

- Gross profit after currency movements in Q4 2010 increased by 10.87% to U.S.$ 21,809 from U.S.$ 19,671 in the corresponding period of 2009.

- Gross profit after currency movements in the twelve months of 2010 increased by 25.31% to U.S.$ 66,360 from U.S.$ 52,957 in the corresponding period of 2009.

  If the overall economy will not change dramatically, growth in gross profit should continue to be seen in the next periods.

  Gross profit margin in Q4 2010 was 4.57% compared to 4.78% in the corresponding period of 2009. Gross profit margin in the twelve months of 2010 was 4.62% compared to 4.56% in the corresponding period of 2009.



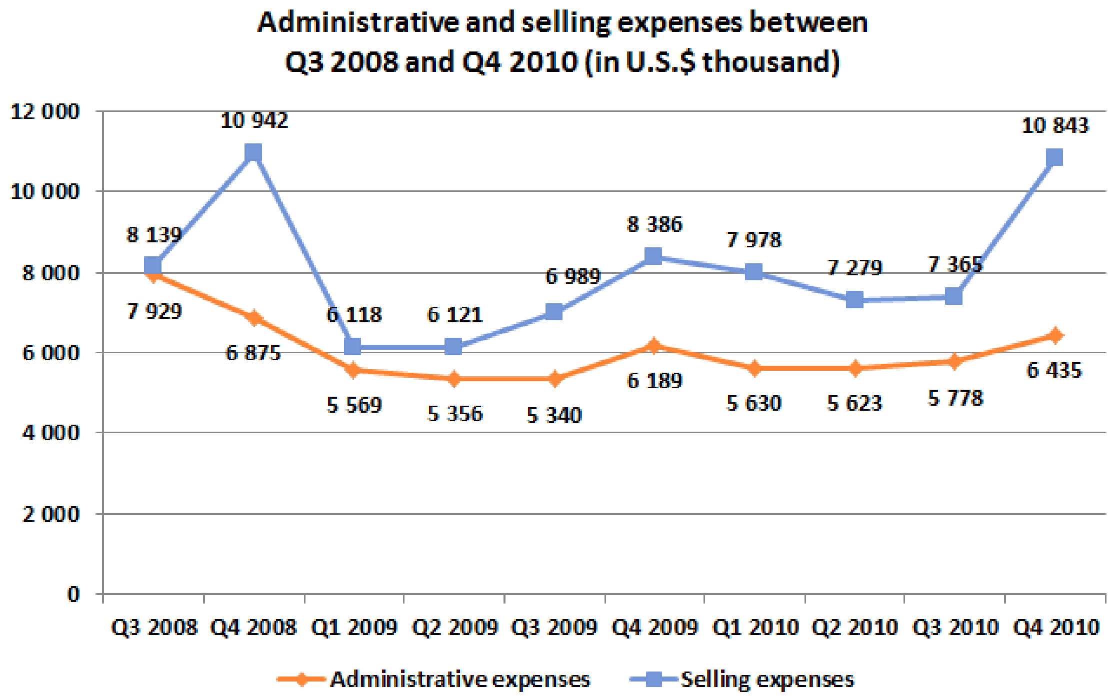
- ***Selling expenses*** largely comprise of salaries and benefits paid to sales employees (sales, marketing and logistics departments), marketing and advertising fees, commissions, and traveling expenses.

  Selling expenses in Q4 2010 increased by 29.31% to U.S.$ 10,843 from U.S.$ 8,386 in the corresponding period of 2009 **following an increase in both sales and gross profit**. As a result the selling expenses represented 2.27% of the Company revenues compared to 2.05% in the corresponding period of 2009.

  Selling expenses in the twelve months of 2010 increased by 20.97% to U.S.$ 33,464 from U.S.$ 27,664 in the corresponding period of 2009. As a result, **selling expenses/revenues ratio dropped slightly in 2010**, as the selling expenses represented 2.33% of the Company revenues compared to 2.38% in the corresponding period of 2009.

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

  Administrative expenses in Q4 2010 remained under control and increased slightly by 3.99% to U.S.$ 6,435 from U.S.$ 6,189 in the corresponding period of 2009. Administrative expenses in the twelve months 2010 increased only slightly by 4.74% to U.S.$ 23,466 from U.S.$ 22,404 in the corresponding period of 2009. In the same time its growth was significantly lower than the growth in revenues and gross profit.



- **Operating profit:** In Q4 2010 the operating profit amounted to U.S. $ 4,530 compared to operating profit of U.S. $ 5,096 in the corresponding period of 2009. For the whole 2010 operating profit amounted to U.S.$ 9,429 compared to U.S.$ 2,889 in 2009. This confirms improved operational efficiency and effectiveness of the Company's operations.

- **Profit before taxation:** In Q4 2010 profit before taxation amounted to U.S. $ 2,476 compared to U.S. $ 2,989 in the corresponding period of 2009. In the same time profit before taxation for the twelve months of 2010 amounted to 2,252 compared to a loss of U.S.$ 2,817 in 2009.

- **EBITDA:** In Q4 2010 amounted to U.S.$ 5,328 compared to U.S.$ 5,891 in the corresponding period of 2009. EBITDA in the twelve months of 2010 grew 114,99% and amounted to U.S.$ 12,439 compared to U.S.$ 5,786 in the corresponding period of 2009.

- **Net profit after taxation:** Net profit for Q4 2010 amounted to U.S.$ 1,914 compared to U.S.$ 2,413 in the corresponding period of 2009. In the twelve months of 2010 net profit amounted to U.S.$ 1,302 compared to a net loss of U.S.$ 2,997 in the corresponding period of 2009.

Sales by regions and countries

Traditionally and throughout the Company's operation, the region contributing the majority of revenues has been the Former Soviet Union. This changed temporarily in 2009, when the Central and Eastern Europe region was less affected by the world's financial crisis. However, together with recovery of big markets like Russia and Ukraine, F.S.U. regained the first position in the Company's structure of revenues in 2010. This was also the case of Q4 2010 when revenues derived in F.S.U. countries grew by +40.58% compared to the corresponding period of 2009.

Additionally, in Q4 2010 the Company was able to increase its revenues in the Central and Eastern Europe by +6.41% and in the Middle East by +8.20%. On the other hand sales in Western Europe dropped by 29.76%.

Country-by-country analysis confirms signs of recovery in the Company's biggest markets. Sales in Russia grew by +43.09% and in Ukraine by 10.44%. This drove overall revenues and profitability up. In the same time, revenues in the Czech Republic grew by +20.50% and in Belarus by 59.08% confirming much better market picture in Q4 2010 compared to Q4 2009 and was possible because of a much enhanced product portfolio which was built during the very tough crisis times. This covered easily the slight 8.47% drop in Slovakia revenues – the country where performance during crisis times of 2009 was much better than the average.

The tables below provide a geographical breakdown of sales in the three month periods ended December 31st, 2010 and 2009.

	Q4 2010		Q4 2009	
	U.S. $ thousands	% of total revenues	U.S. $ thousands	% of total revenues
Former Soviet Union	214,334	44.93%	152,467	37.21%
Central and Eastern Europe	166,701	34.94%	156,663	38.24%
Middle East and Africa	55,700	11.68%	51,480	12.56%
Western Europe	26,980	5.66%	38,411	9.37%
Other	13,355	2.80%	10,693	2.61%
Total	**477,069**	**100%**	**409,714**	**100%**

Revenue breakdown – Top 10 countries in Q4 2010 and Q4 2009 (in U.S. Dollar thousands)

	Q4 2010		Q4 2009	
	Country	Sales U.S. $ thousands	Country	Sales U.S. $ thousands
1.	**Russia**	120,292	**Russia**	84,037
2.	**Slovakia**	54,387	**Slovakia**	59,421
3.	**Ukraine**	51,904	**Ukraine**	46,997
4.	**Czech Republic**	26,011	**United Arab Emirates**	22,283
5.	**Belarus**	25,593	**Czech Republic**	21,585
6.	**United Arab Emirates**	21,153	**Belarus**	16,088
7.	**Saudi Arabia**	15,407	**Germany**	12,972
8.	**Kazakhstan**	14,603	**Bulgaria**	11,340
9.	**Bulgaria**	12,039	**Romania**	10,467
10.	**Romania**	10,464	**Croatia**	9,781
11.	**Other**	125,257	**Other**	114,744
	TOTAL	**477,069**	**TOTAL**	**409,714**

Sales by product lines

The table below sets a breakdown of revenues, by product, for Q4 2010 and Q4 2009 (U.S.$ thousands):

	Q4 2010		Q4 2009	
	U.S. $ thousands	% of revenues	U.S. $ thousands	% of revenues
Central processing units (CPUs)	78,102	16.37%	83,456	20.37%
Hard disk drives (HDDs)	48,391	10.14%	63,514	15.50%
Software	50,507	10.59%	35,904	8.76%
PC-mobile (laptops)	113,786	23.85%	86,113	21.02%
Other	186,282	39.05%	140,727	34.35%
Total revenue	**477,069**	**100%**	**409,714**	**100%**

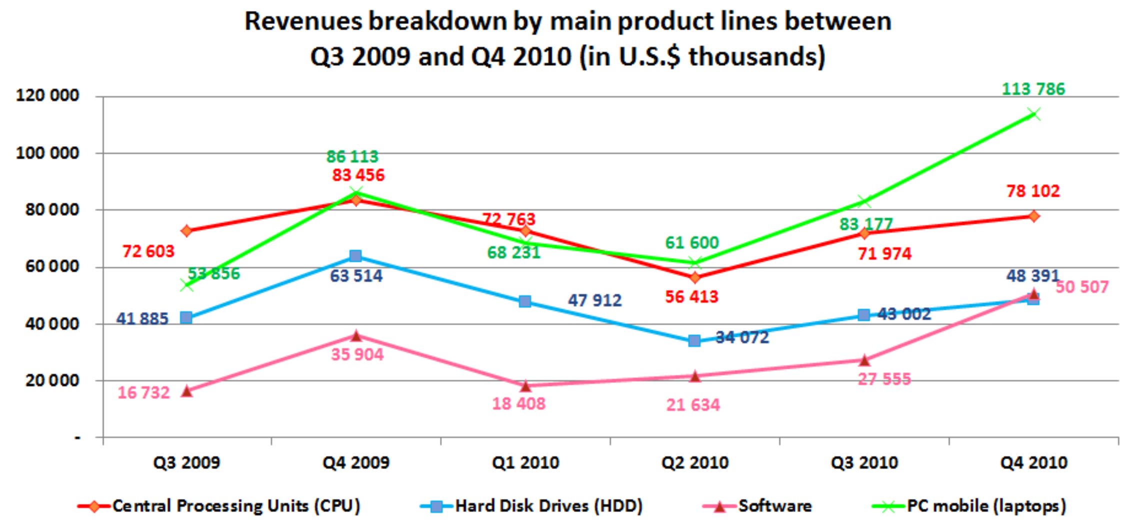
Revenue breakdown by product lines confirms what the Company well predicted and prepared for a drop in revenues from sales of components and strong move to finished goods, A-branded goods, accessories, multimedia and own brands. As the Company has early predicted this change, it prepared its product portfolio, despite a drop in components business, revenues from other segments grew significantly resulting in strong growth of general revenue of the Company in Q4 2010 compared to the corresponding period of 2009.

- In the three month period ended December 31st, 2010 revenue from sale of central processing units ("CPUs") decreased by 6.41% to U.S. $ 78,102 from U.S. $ 83,456 in the corresponding period of 2009. It is however important to underline that in the whole 2010 revenues from sale of CPUs decreased only slightly by 0.83% to U.S.$ 279,253 compared to U.S.$ 281,583 in 2009. Additionally Q4 2010 revenues from CPUs were the highest quarterly revenues from CPUs in 2010.

- In the three month period ended December 31st, 2010 revenue from sale of hard disk drives ("HDDs") decreased by 23.81% to U.S. $ 48,391 from U.S. $ 63,514 in the corresponding period of 2009. In the same time Q4 revenues were the highest quarterly revenues from HDDs in 2010.

- In the three month period ended December 31st, 2010 revenue from sale of software increased by 40.67% to U.S. $ 50,507 from U.S. $ 35,904 in the corresponding period of 2009 and almost doubled compared to Q3 2010 reaching its highest quarterly value in 2010. For the whole 2010 revenues from sale of software grew by 43,24% to U.S.$ 118,104 compared to U.S.$ 82,452 in 2009.

- In the three month period ended December 31st, 2010 revenue from sale of PC-mobile ("laptops") increased by 32.14% to U.S. $ 113,786 from U.S. $ 86,113 in the corresponding period of 2009 and almost doubled compared to Q1 or Q2 2010 reaching its highest quarterly value in 2010. This segment has become the number one contributor in the Group's revenues for another consecutive quarter in a row. As it was expected and because of the convergence in the IT market towards finished products, the Group was fast enough to early adapt into the new environment and managed to increase its market share in the PC laptop segment. This is visible in the whole 2010 sales, when revenues derived from sale of laptops grew by 46.06% to U.S.$ 326,795 compared to U.S.$ 223,734 in 2009.



Despite the main categories, the Group is developing segments with high margins, like peripherals or accessories and multimedia. In the three month period ended December 31st, 2010 revenue from sale of:

- peripherals increased by 48.16% to U.S. $ 26,315 from U.S. $ 17,761 in the corresponding period of 2009,
- accessories and multimedia increased by 111.53% to U.S. $ 21,265 from U.S. $ 10,053 in the corresponding period of 2009.

The Company is also developing its own brands, Canyon and Prestigio, as traditionally it allows the Company to reach double digit gross margins. In Q4 2010 own brands contribution in total sales revenue was about 5% while it contributed about 15% in gross profitability.

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 twelve months ended December 31st, 2010 and 2009:

	Twelve months ended December 31st	
	2010	**2009**
	U.S. $	
Net cash inflows/(outflows) from operating activities	(16.179)	34.169
Net cash outflows from investing activities	(5.597)	(3.393)
Net cash inflows/(outflows) from financing activities	6.574	(7.138)
Net increase/(decrease) in cash and cash equivalents	(15.202)	23.638

Net cash inflows/(outflows) from operations

Net cash outflows from operations amounted to U.S. $ 16,179 for the twelve months ended December 31st, 2010, compared to cash inflows of U.S. $ 34,169 in the corresponding period of 2009. This is primarily due to increased inventory and receivables, following a much increased demand in Q4 and the whole of 2010.

Net cash outflows from investing activities

Net cash outflows from investing activities was U.S. $ 5,597 in the twelve months ended December 31st, 2010, compared to U.S. $ 3,393 in the corresponding period of 2009. This increase in the cash outflows was mainly due to a purchase of a second building in Cyprus.

Net cash inflows/(outflows) from financing activities

Net cash inflows from financing activities was U.S. $ 6,574 for the twelve months ended December 31st, 2010, compared to net cash outflows of U.S. $ 7,138 for the corresponding period of 2009. This increase was primarily due to lower cost of financing and more available bank lines in certain countries.

Net increase/(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. $ 15,202 compared to an increase of U.S. $ 23,638 in the corresponding period of 2009.

16. Factors which may affect our results in the future

The Group's ability to sustain and increase its revenues

The dramatic global economic environment has affected many markets of the Company's operations in the past two years. However, the situation in the Company's biggest markets, like Russia and Ukraine, started getting better in the second part of 2009 and this trend continued in 2010. Therefore, the Company was able to benefit from weaker competition in some markets and improved product portfolio. As a result, the Company managed to win more market share in particular countries; this was reflected in sales volumes. If this trend will continue, revenues of 2011 should exceed those of 2010.

Moreover, the Company's large geographical presence, allows the Company to partially limit dependence on particular markets. It is with no doubt that the demand in its biggest markets, like Russia and Ukraine, and with increasing importance of the Middle East region - will remain the key success factor determining the Company's sales levels. What is more important, strong growth in main markets combined with good diversification of revenues, visible i.e. in growing importance of the Middle East region, allows the Company to offset temporarily lower revenues in other regions and/or specific countries.

It is critical however to underline that a change in the volatile business environment might cause a decrease in revenues of the Group. Following the recent recession which hit all markets of the Group, it is very important to be alert and follow all developments on a timely manner and adapt to possible changes that might arise.

The Group's ability to increase gross profit margin

In Q4 2010 and in the whole twelve months of 2010, the Company was able to benefit from its stronger market position and better demand arising from easing of the world's financial crisis. However, the markets changed and the Company faced a push for lowering gross profit margins.

Therefore, it is a matter of strong importance for the Company to further develop its product portfolio; to offer more A-branded products, software, and - most of all - more of its own brands, as they enable the Company to reach improved margins than in the case of components business. It is the Company's belief that its efforts to develop sales of products from all abovementioned segments will be visible in 2011 results. In particular, it is the Company's management target to increase sales of own brands.

Managing credit risk

As the Group benefits from growing demand, quality of its receivables becomes highly important. However after following a much more prudent strategy throughout 2010 we do not foresee cases that would affect our results other than in the ordinary course of business.

Despite that, it is a matter of extreme importance to take special care about customers and quality of sales. The Group has managed to weather the crisis without having significant losses from unpaid receivables. The ability of the Group to insure a large portion of its receivables was proven significant and it will play a more significant role in the future. The credit risk function within the Group has been enhanced both in human resources and other risk analysis tools.

Management of currency volatilities

The multi-currency environment that the Group operates in exposes its financial results to steep currency fluctuations. Although the currencies moved favourably in Q3 2010 and the Company did not suffer currency losses, large instability of EUR/USD pair in Q4 led the Company to face the foreign exchange issue again, similarly to those of Q1 and Q2 2010. Because of efforts of the foreign exchange teams (established mid 2010), the Company was able to offset this negative effect arising from changes in foreign exchanges; still, this was not enough to make the Company totally immune to such changes. Therefore, it is still a matter of great importance to take special care about this part of our business. It is the management's target to take all possible measures to mitigate currency risks; however, in this turbulent environment there is no perfect hedging strategy that could eliminate the foreign exchange risk. As a result, in 2011 and going forward, the Group expects to continue to be exposed to currency volatilities despite all precautionary measures taken. It is our belief that should the currency environment stabilize, the results of the Group are expected to be improved and be more predictable.

Development of product portfolio

Because of its size, geographical coverage and good relationships with vendors, the Company, even in crisis times, was able to significantly upgrade its product portfolio. This is expected to continue in 2011 and going forward. The Company's strategy to refine its product portfolio includes:

1) Development of the A Branded finished products by signing more distribution agreements with laptop producers for different countries. This has resulted in growth of the Company's market share in particular countries and in a change in the overall revenues breakdown structure. It is expected that the finished products segment will continue to increase its contribution in the Company's revenues in the near future.

2) Development of the software business arm by signing distribution agreements with Microsoft for additional countries and other software producers for different countries of the Company's operations. As gross profit margin on software sales is higher than that for the components business, it is expected that this development will positively affect the Company's results in the future.

3) Development of private label brands (Canyon and Prestigio) by adding more products in the already enhanced portfolio.

17. Information about important events that occurred after the period ended on December 31st, 2010 and before this report release

According to our best knowledge, in the period between December 31st, 2010 and February 23st, 2011 no events have occurred that could affect the Company's operations or financial stability.

Part II Financial Information

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

Report and Condensed Financial Statements for the period ended December 31st, 2010

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FOR THE PERIOD ENDED

31 DECEMBER 2010

ASBISC ENTERPRISES PLC

CONSOLIDATED FINANCIAL STATEMENTS
FOR THE PERIOD ENDED 31 DECEMBER 2010

C o n t e n t s

CONSOLIDATED INCOME STATEMENT
FOR THE PERIOD ENDED 31 DECEMBER 2010
(Expressed in United States Dollars)

	Notes	For the three months ended 31 December 2010 US$	For the three months ended 31 December 2009 US$	For the twelve months ended 31 December 2010 US$	For the twelve months ended 31 December 2009 US$
Revenue	5,22	477.069.055	409.714.121	1.435.062.727	1.162.457.483
Cost of Sales		(453.561.901)	(390.052.891)	(1.364.959.676)	(1.105.563.543)
Gross Profit before currency movements		23.507.154	19.661.230	70.103.051	56.893.940
Currency movements on gross profit	6	(1.698.277)	9.431	(3.743.551)	(3.936.795)
Gross profit after currency movements		21.808.877	19.670.661	66.359.500	52.957.145
Selling expenses		(10.843.373)	(8.385.796)	(33.464.347)	(27.663.644)
Administrative expenses		(6.435.385)	(6.188.675)	(23.466.273)	(22.404.170)
Profit from operations		4.530.119	5.096.190	9.428.880	2.889.331
Financial income	8	676.143	19.718	894.249	626.224
Financial expenses	8	(2.753.558)	(2.461.822)	(8.308.245)	(7.041.820)
Other gains and losses	7	103.797	335.079	289.423	706.908
Negative goodwill written off		-	-	-	1.927
Share of loss from joint ventures	27	(80.124)	-	(52.365)	-
Profit/(loss) before taxation	9	2.476.377	2.989.165	2.251.942	(2.817.430)
Taxation	10	(562.256)	(576.506)	(949.894)	(179.050)
Profit/(loss) after taxation		1.914.121	2.412.659	1.302.048	(2.996.480)
Attributable to:					
Non-controlling interest		152.242	107.303	352.763	211.900
Owners of the parent		1.761.879	2.305.356	949.285	(3.208.380)
		1.914.121	2.412.659	1.302.048	(2.996.480)
		US$ cents	US$ cents	US$ cents	US$ cents
Earnings per share					
Basic and diluted from continuing operations		3,17	4,15	1,71	(5,78)

CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME
FOR THE PERIOD ENDED 31 DECEMBER 2010
(Expressed in United States Dollars)

	For the three months ended 31 December 2010 *US$*	For the three months ended 31 December 2009 *US$*	For the twelve months ended 31 December 2010 *US$*	For the twelve months ended 31 December 2009 *US$*
Profit/(loss) after taxation	1.914.121	2.412.659	1.302.048	(2.996.480)
Other comprehensive loss:				
Exchange difference on translating foreign operations	(230.826)	(150.532)	(658.481)	(447.305)
Reclassification adjustments relating to foreign operations liquidated and disposed off in the period	-	-	4.309	(217.964)
Other comprehensive loss for the period	(230.826)	(150.532)	(654.172)	(665.269)
Total comprehensive income/(loss) for the period	1.683.295	2.262.127	647.876	(3.661.749)
Total comprehensive income/(loss) attributable to:				
Non-controlling interests	151.990	98.121	329.723	188.354
Owners of the parent	1.531.305	2.164.006	318.153	(3.850.103)
	1.683.295	2.262.127	647.876	(3.661.749)

CONSOLIDATED STATEMENT OF FINANCIAL POSITION
AS AT 31 DECEMBER 2010
(Expressed in United States Dollars)

ASSETS	Notes	Unaudited as at 31 December 2010 US$	Audited as at 31 December 2009 US$
Current assets			
Inventories	11	103.619.085	83.476.504
Trade receivables	12	275.599.851	214.444.867
Other current assets	13	7.435.541	6.985.056
Current taxation	10	348.667	156.135
Cash at bank and in hand	23	48.380.080	52.857.260
Total current assets		435.383.224	357.919.822
Non-current assets			
Goodwill	26	600.730	550.517
Property, plant and equipment	14	26.283.605	24.541.436
Investments in joint ventures	27	685.632	-
Available-for-sale financial assets	16	9.580	9.580
Intangible assets	15	1.672.152	2.175.799
Deferred tax assets		711.821	625.795
Total non-current assets		29.963.520	27.903.127
Total assets		465.346.744	385.822.949
LIABILITIES AND EQUITY			
Liabilities			
Current liabilities			
Trade payables		263.969.863	210.325.327
Other current liabilities	17	51.270.898	43.777.114
Current taxation	10	559.316	220.794
Short term obligations under finance leases	20	267.835	101.409
Bank overdrafts and short term loans	18	52.070.722	35.806.853
Total current liabilities		368.138.634	290.231.497
Non-current liabilities			
Long term liabilities	19	5.168.634	4.099.294
Long term obligations under finance leases	20	272.590	140.626
Total non-current liabilities		5.441.224	4.239.920
Total liabilities		373.579.858	294.471.417
Equity			
Share capital	21	11.100.000	11.100.000
Share premium		23.518.243	23.518.243
Retained earnings and other components of equity		56.717.134	56.413.886
Equity attributable to owners of the parent		91.335.377	91.032.129
Non-controlling interests		431.509	319.403
Total equity		91.766.886	91.351.532
Total liabilities and equity		465.346.744	385.822.949

The financial statements were approved by the Board on 22 February 2010

Siarhei Kostevitch
Director

Marios Christou
Director

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY
FOR THE PERIOD ENDED 31 DECEMBER 2010
(Expressed in United States Dollars)

	Attributable to owners of the parent						
	Share capital US$	**Share premium US$**	**Retained earnings US$**	**Translation of foreign operations US$**	**Total US$**	**Non-controlling interests US$**	**Total equity US$**
Balance at 31 December 2008 and 1 January 2009	11.100.000	23.518.243	59.498.454	765.535	94.882.232	131.049	95.013.281
(Loss)/income for the period 1 January to 31 December 2009	-	-	(3.208.380)	-	(3.208.380)	211.900	(2.996.480)
Other comprehensive loss for the period 1 January to 31 December 2009	-	-	-	(641.723)	(641.723)	(23.546)	(665.269)
Balance at 31 December 2009 and 1 January 2010	11.100.000	23.518.243	56.290.074	123.812	91.032.129	319.403	91.351.532
Income for the period 1 January to 31 December 2010	-	-	949.285	-	949.285	352.763	1.302.048
Other comprehensive loss for the period 1 January to 31 December 2010	-	-	-	(631.132)	(631.132)	(23.040)	(654.172)
Dividend payment to non-controlling interests	-	-	-	-	-	(188.984)	(188.984)
Non-controlling interest on establishment of new subsidiary	-	-	-	-	-	17.357	17.357
Acquisition of shares from non-controlling interests	-	-	(14.905)	-	(14.905)	(45.990)	(60.895)
Balance at 31 December 2010	11.100.000	23.518.243	57.224.454	(507.320)	91.335.377	431.509	91.766.886

CONSOLIDATED STATEMENT OF CASH FLOWS
FOR THE PERIOD ENDED 31 DECEMBER 2010
(Expressed in United States Dollars)

	Notes	For the three months ended 31 December 2010 US$	For the three months ended 31 December 2009 US$	For the twelve months ended 31 December 2010 US$	For the twelve months ended 31 December 2009 US$
Profit/(loss) for the period before tax and minority interest		2.476.377	2.989.165	2.251.942	(2.817.430)
Adjustments for:					
Exchange difference arising on consolidation		52.509	468.042	379.462	(44.927)
Provision for bad debts and receivables written off		1.003.983	1.026.588	2.368.507	1.530.770
Bad debts recovered		(29.761)	(223.143)	(52.844)	(291.108)
Depreciation	14	630.614	587.836	2.302.605	2.126.432
Amortization of intangible assets	15	166.915	167.235	707.054	769.782
Gains arising on business combinations		-	(47.775)	(176)	(51.026)
Share of loss from joint ventures	27	80.124	-	52.365	-
Interest received		(177.529)	(19.718)	(483.815)	(626.224)
Interest paid		1.300.697	988.375	4.340.601	4.196.570
Loss/(profit) from the sale of property, plant and equipment and intangible assets		85.232	(37.270)	150.674	(2.897)
Operating profit before working capital changes		5.589.161	5.899.335	12.016.375	4.789.942
Decrease/(increase) in inventories		4.102.534	10.331.847	(20.142.337)	(2.103.308)
Increase in trade receivables		(39.680.198)	(34.991.502)	(63.465.562)	(13.807.926)
Decrease/(increase) in other current assets		815.024	1.099.423	(450.485)	1.244.111
Increase in trade payables		49.069.588	24.429.827	53.640.238	35.527.824
Increase in other current liabilities		12.235.309	17.872.541	7.372.537	11.467.074
Increase in other long-term liabilities		32.437	28.791	82.350	45.600
Cash inflows/(outflows) from operations		32.163.855	24.670.262	(10.946.884)	37.163.317
Taxation (paid)/recovered, net	10	(195.734)	1.297.621	(891.424)	1.202.364
Interest paid		(1.300.697)	(988.375)	(4.340.601)	(4.196.570)
Net cash inflows/(outflows) from operating activities		30.667.424	24.979.508	(16.178.909)	34.169.111

CONSOLIDATED STATEMENT OF CASH FLOWS (continued)
FOR THE PERIOD ENDED 31 DECEMBER 2010
(Expressed in United States Dollars)

	Notes	For the three months ended 31 December 2010 US$	For the three months ended 31 December 2009 US$	For the twelve months ended 31 December 2010 US$	For the twelve months ended 31 December 2009 US$
Cash flows from investing activities					
Interest received		177.529	19.718	483.815	626.224
Purchase of property, plant and equipment		(3.227.918)	(707.672)	(5.201.888)	(3.314.559)
Purchase of intangible assets	15	(25.963)	(35.279)	(251.058)	(1.375.930)
Net (payments)/proceeds on business combinations		(364.680)	6.613	(675.607)	(2.315)
Net cash (disposed)/acquired on business combinations		-	(9.221)	22.793	89.434
Proceeds from sale of property, plant and equipment and intangible assets		1.763	383.876	25.116	583.904
Net cash outflows from investing activities		(3.439.269)	(341.965)	(5.596.829)	(3.393.242)
Cash flows from financing activities					
Dividends paid to non-controlling interests		(627)	-	(188.984)	-
Proceeds/(repayments) of long term loans and long term obligations under finance lease		1.754.795	(321.083)	1.057.247	(779.716)
(Repayments)/proceeds of short term loans and short term obligations under finance lease		(3.165.654)	(1.134.123)	5.705.234	(6.358.483)
Net cash (outflows)/inflows from financing activities		(1.411.486)	(1.455.206)	6.573.497	(7.138.199)
Net increase/(decrease) in cash and cash equivalents		25.816.669	23.182.337	(15.202.241)	23.637.670
Cash and cash equivalents at beginning of the period		(4.447.152)	13.389.421	36.571.758	12.934.088
Cash and cash equivalents at end of the period	23	21.369.517	36.571.758	21.369.517	36.571.758

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 twelve months ended 31 December 2010 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 2009.

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 2009.

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 twelve months ended 31 December 2010 are consistent with those followed for the preparation of the annual financial statements for the year 2009 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 2010. 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.

(Expressed in United States Dollars)

6. Currency movements on gross profit	For the three months ended 31 December 2010 *US$*	For the three months ended 31 December 2009 *US$*	For the twelve months ended 31 December 2010 *US$*	For the twelve months ended 31 December 2009 *US$*
Realised currency movements on trading activities	300.486	57.428	(2.660.330)	(2.501.114)
Unrealised currency movements on trading activities	(2.092.510)	(47.997)	(824.314)	(1.435.681)
Realised loss on executed forward contracts	(179.173)	-	(125.446)	-
Net unrealised gain/(loss) on unexecuted forward contracts	272.920	-	(133.461)	-
(Loss)/gain on currency movements	(1.698.277)	9.431	(3.743.551)	(3.936.795)

7. Other gains and losses	For the three months ended 31 December 2010 *US$*	For the three months ended 31 December 2009 *US$*	For the twelve months ended 31 December 2010 *US$*	For the twelve months ended 31 December 2009 *US$*
Rental income	44.443	45.292	175.494	180.193
Loss on disposal of property, plant and equipment	(85.232)	-	(150.674)	-
Bad debts recovered	29.761	223.143	52.844	291.108
Other income	114.825	66.644	211.759	235.607
	103.797	335.079	289.423	706.908

8. Financial expense, net

	For the three months ended 31 December 2010 *US$*	For the three months ended 31 December 2009 *US$*	For the twelve months ended 31 December 2010 *US$*	For the twelve months ended 31 December 2009 *US$*
Interest income	177.529	19.718	483.815	626.224
Net exchange gain	328.379	-	53.859	
Other financial income	170.235	-	356.575	
	676.143	19.718	894.249	626.224
Bank interest	1.300.697	988.375	4.340.601	4.196.570
Bank charges	561.678	392.984	1.651.024	1.219.661
Factoring interest	409.533	413.850	1.249.905	916.401
Factoring charges	391.121	77.626	618.032	340.150
Other financial expenses	56.958	50.444	172.493	75.923
Other interest	33.571	-	276.190	21.623
Net exchange loss	-	538.543	-	271.492
	2.753.558	2.461.822	8.308.245	7.041.820
Net	(2.077.415)	(2.442.104)	(7.413.996)	(6.415.596)

(Expressed in United States Dollars)

9. Profit/(loss) before taxation

	For the three months ended 31 December 2010 US$	For the three months ended 31 December 2009 US$	For the twelve months ended 31 December 2010 US$	For the twelve months ended 31 December 2009 US$
Profit/(loss) before taxation is stated after charging:				
(a) Depreciation	630.614	587.836	2.302.605	2.126.432
(b) Amortization	166.915	167.235	707.054	769.782
(c) Auditor's remuneration	176.978	309.098	607.955	678.639
(d) Directors' remuneration – executive (Note 24)	178.644	145.230	559.627	523.998
(e) Directors' remuneration non-executive (Note 24)	10.095	14.790	39.627	85.237

10. Taxation

	For the year ended 31 December 2010 US$	For the year ended 31 December 2009 US$
Credit/(debit) balance 1 January	64.659	(2.663.619)
Tax asset from subsidiaries acquired	(278)	-
Tax asset on disposal of subsidiary	-	628.040
Provision for the year	1.035.092	643.811
Under provision of prior year	7.477	12.571
Exchange difference on retranslation	(4.877)	241.492
Amounts (paid)/recovered, net	(891.424)	1.202.364
Net credit balance 31 December	210.649	64.659
Tax receivable	(348.667)	(156.135)
Tax payable	559.316	220.794
Net	210.649	64.659

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

	For the three months ended 31 December 2010 US$	For the three months ended 31 December 2009 US$	For the twelve months ended 31 December 2010 US$	For the twelve months ended 31 December 2009 US$
Provision for the period	648.189	620.600	1.035.092	643.811
Under provision of prior years	5.465	99.024	7.477	12.571
Deferred tax income	(91.398)	(143.118)	(92.675)	(477.332)
Charge for the period	562.256	576.506	949.894	179.050

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.

(Expressed in United States Dollars)

11. Inventories

	As at 31 December 2010 *US$*	As at 31 December 2009 *US$*
Goods held for resale	99.006.701	78.755.070
Goods in transit	5.524.296	6.060.882
Provision for slow moving and obsolete stock	(911.912)	(1.339.448)
	103.619.085	83.476.504

12. Trade receivables

	As at 31 December 2010 *US$*	As at 31 December 2009 *US$*
Trade receivables	280.952.154	219.001.324
Allowance for doubtful debts	(5.352.303)	(4.556.457)
	275.599.851	214.444.867

<u>Movement in provision for doubtful debts:</u>	For the year ended 31 December 2010 *US$*	For the year ended 31 December 2009 *US$*
On 1 January	4.556.457	3.548.253
Provisions during the year	2.368.507	1.530.770
Amount written-off as uncollectible	(1.364.409)	(530.070)
Bad debts recovered	(52.844)	(291.108)
Exchange difference	(155.408)	298.612
On 31 December	5.352.303	4.556.457

13. Other current assets

	As at 31 December 2010 *US$*	As at 31 December 2009 *US$*
Other debtors and prepayments	3.195.354	2.648.844
VAT and other taxes refundable	2.522.907	3.133.742
Employee floats	326.032	350.425
Financial asset at fair value through profit and loss	533.618	-
Deposits and advances to service providers	857.630	852.045
	7.435.541	6.985.056

(Expressed in United States Dollars)

14. 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 2009	12.915.207	5.551.839	223.219	1.682.730	2.659.536	3.260.333	5.302.632	31.595.496
Additions from acquisition of subsidiaries	-	-	-	26.934	39.085	-	14.947	80.966
Additions	183.592	1.198.901	74.546	337.103	268.759	315.429	672.348	3.050.678
Disposals upon sale of subsidiaries	-	-	-	-	-	-	(1.661)	(1.661)
Disposals	-	-	(150.132)	(61.343)	(264.195)	(305.502)	(729.625)	(1.510.797)
Transfers	6.182.145	(6.182.145)	-	-	-	-	-	-
Foreign exchange difference on retranslation	235.179	(568.595)	(4.605)	25.604	23.087	6.120	119.250	(163.960)
At 1 January 2010	19.516.123	-	143.028	2.011.028	2.726.272	3.276.380	5.377.891	33.050.722
Additions from acquisition of subsidiaries	-	-	-	953	214	-	1.720	2.887
Additions	106.863	3.402.910	31.920	222.353	195.453	598.214	645.938	5.203.651
Disposals	-	-	(5.690)	(78.566)	(150.004)	(241.565)	(275.108)	(750.933)
Foreign exchange difference on retranslation	(838.908)	-	(59)	(88.697)	(87.433)	(121.372)	(196.426)	(1.332.895)
At 31 December 2010	18.784.078	3.402.910	169.199	2.067.071	2.684.502	3.511.657	5.554.015	36.173.432
Accumulated depreciation								
At 1 January 2009	1.023.510	-	146.353	655.709	1.069.118	1.373.247	2.857.061	7.124.998
Charge for the year	330.181	-	14.769	232.527	261.270	541.094	746.591	2.126.432
Disposals upon sale of subsidiaries	-	-	-	-	-	-	(1.186)	(1.186)
Disposals	-	-	(144.652)	(36.347)	(217.163)	(240.733)	(322.280)	(961.175)
Foreign exchange difference on retranslation	11.557	-	(4.224)	22.505	35.186	26.750	128.443	220.217
At 1 January 2010	1.365.248	-	12.246	874.394	1.148.411	1.700.358	3.408.629	8.509.286
Charge for the year	477.917	-	18.342	215.720	296.810	527.081	766.735	2.302.605
Disposals	-	-	(5.690)	(52.701)	(51.475)	(229.582)	(258.111)	(597.559)
Foreign exchange difference on retranslation	(80.471)	-	(104)	(33.364)	(41.712)	(62.179)	(106.675)	(324.505)
At 31 December 2010	1.762.694	-	24.794	1.004.049	1.352.034	1.935.678	3.810.578	9.889.827
Net book value								
At 31 December 2010	17.021.384	3.402.910	144.405	1.063.022	1.332.468	1.575.979	1.743.437	26.283.605
At 31 December 2009	18.150.875	-	130.782	1.136.634	1.577.861	1.576.022	1.969.262	24.541.436

Assets under construction which related to the construction of warehouse and offices in Belarus (US$ 2.791.971) and the Middle East (US$ 3.390.174) became operational in 2009 and were transferred to land and buildings. During 2010 the group acquired land and building in Cyprus of capitalized cost of US$ 3.402.910 which at 31 December 2010 was under reconstruction and renovation. Land and buildings of a total cost value of US$ 18.746.536 (2009 US$ 13.616.698) have been mortgaged for financing purposes.

(Expressed in United States Dollars)

15. Intangible assets

	Computer software US$	Patents and licenses US$	Total US$
Cost			
At 1 January 2009	5.493.326	672.454	6.165.780
Additions from acquisition of subsidiaries	1.380	-	1.380
Additions	1.369.405	6.525	1.375.930
Disposals	(413.671)	(2.397)	(416.068)
Foreign exchange difference on retranslation	83.521	2.854	86.375
At 1 January 2010	6.533.961	679.436	7.213.397
Additions	121.457	129.601	251.058
Disposals upon disposal of subsidiaries	(76)	-	(76)
Disposals	(90.219)	(23.766)	(113.985)
Foreign exchange difference on retranslation	(53.518)	(12.013)	(65.531)
At 31 December 2010	6.511.605	773.258	7.284.863
Accumulated amortization			
At 1 January 2009	4.074.654	489.329	4.563.983
Charge for the year	706.320	63.462	769.782
Disposals	(382.966)	(1.717)	(384.683)
Foreign exchange difference on retranslation	85.793	2.723	88.516
At 1 January 2010	4.483.801	553.797	5.037.598
Charge for the year	623.931	83.123	707.054
Disposals upon disposal of subsidiaries	(76)	-	(76)
Disposals	(89.806)	-	(89.806)
Foreign exchange difference on retranslation	(34.832)	(7.227)	(42.059)
At 31 December 2010	4.983.018	629.693	5.612.711
Net book value			
At 31 December 2010	1.528.587	143.565	1.672.152
At 31 December 2009	2.050.160	125.639	2.175.799

16. Available-for-sale financial assets

	Country of incorporation	Participation %	Cost US$	Impairment US$	As at 31 December 2010 US$	As at 31 December 2009 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

(Expressed in United States Dollars)

17. Other current liabilities

	As at 31 December 2010 *US$*	As at 31 December 2009 *US$*
Factoring creditors (i)	32.373.068	24.359.986
Non-trade accounts payable	4.049.966	4.822.123
Salaries payable and related costs	1.217.365	1.372.243
VAT payable	6.106.819	9.294.206
Amount due to directors – executive	20.630	1.071
Amounts due to directors – non-executive	10.402	14.790
Financial liability at fair value through profit and loss	619.982	-
Unpaid consideration for investment in joint venture	115.961	-
Accruals and deferred income	6.756.705	3.912.695
	51.270.898	43.777.114

(i) As at 31 December 2010 the group enjoyed factoring facilities of US$ 48.245.810 (31 December 2009: US$ 34.962.429). The factoring facilities are secured as mentioned in note 18.

18. Bank overdrafts and short term loans

	As at 31 December 2010 *US$*	As at 31 December 2009 *US$*
Bank overdrafts	27.010.563	16.285.502
Bank short term loans	24.382.256	18.657.298
Current portion of long term loans	677.903	864.053
	52.070.722	35.806.853

Summary of borrowings and overdraft arrangements

The group as at 31 December 2010 had the following financing facilities with banks in the countries that the company and its subsidiaries are operating:

- overdraft lines of US$ 52.167.256 (31 December 2009: US$ 41.158.551)
- short term loans/revolving facilities of US$ 31.257.789 (31 December 2009: US$ 20.947.902)
- bank guarantees of US$ 7.825.171 (31 December 2009: US$ 11.970.088)

The group had for the year ending 31 December 2010 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 7,4% (2009: 8,0%)

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

- 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 and Slovakia
- Charge over receivables and inventories
- Corporate guarantees and, in some cases, cross guarantees by all group companies to the extent of facilities granted
- Assignment of insurance policies
- Pledged deposits of US$ 888.327 (31 December 2009: US$ 910.489)

(Expressed in United States Dollars)

19. Long term liabilities

	As at 31 December 2010 *US$*	As at 31 December 2009 *US$*
Bank loans	4.902.217	3.915.227
Other long term liabilities	266.417	184.067
	5.168.634	4.099.294

20. Finance leases

	As at 31 December 2010 *US$*	As at 31 December 2009 *US$*
Obligations under finance leases	540.425	242.035
Less: Amount payable within one year	(267.835)	(101.409)
Amounts payable within 2-5 years inclusive	272.590	140.626

21. Share Capital

	As at 31 December 2010 *US$*	As at 31 December 2009 *US$*
Authorised		
63.000.000 (2009: 63.000.000) shares of US$ 0,20 each	12.600.000	12.600.000
Issued, called-up and fully paid		
55.500.000 (2009: 55.500.000) ordinary shares of US$ 0,20 each	11.100.000	11.100.000

22. Operating segments

1.1 Reportable segments

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

1.2 Segment revenues

	For the three months ended 31 December 2010 *US$*	For the three months ended 31 December 2009 *US$*	For the twelve months ended 31 December 2010 *US$*	For the twelve months ended 31 December 2009 *US$*
Former Soviet Union	214.333.681	152.466.949	588.378.541	372.573.766
Central Eastern Europe	166.700.797	156.662.871	481.963.173	457.844.333
Western Europe	26.979.853	38.410.536	109.926.026	110.973.607
Middle East & Africa	55.699.862	51.480.440	203.452.084	182.896.942
Other	13.354.862	10.693.325	51.342.903	38.168.835
	477.069.055	409.714.121	1.435.062.727	1.162.457.483

(Expressed in United States Dollars)

22. Operating segments (continued)

1.3 Segment results

	For the three months ended 31 December 2010 *US$*	For the three months ended 31 December 2009 *US$*	For the twelve months ended 31 December 2010 *US$*	For the twelve months ended 31 December 2009 *US$*
Former Soviet Union	1.169.752	1.686.530	4.825.323	(533.426)
Central Eastern Europe	3.655.709	2.644.000	3.946.892	1.859.348
Western Europe	(924.697)	(329.252)	132.867	134.249
Middle East & Africa	1.461.515	983.989	555.560	1.236.813
Other	(832.160)	110.923	(31.762)	192.347
Profit from operations	4.530.119	5.096.190	9.428.880	2.889.331
Net financial expenses	(2.077.415)	(2.442.104)	(7.413.996)	(6.415.596)
Other gains and losses	103.797	335.079	289.423	708.835
Share of loss from joint ventures	(80.124)	-	(52.365)	-
Profit/(loss) before taxation	2.476.377	2.989.165	2.251.942	(2.817.430)

1.4 Inter-segment revenues

Selling segment	Purchasing segment	For the three months ended 31 December 2010 *US$*	For the three months ended 31 December 2009 *US$*
Middle East & Africa	Former Soviet Union	-	511.056
Western Europe	Middle East & Africa	747.327	397.761

Selling segment	Purchasing segment	For the twelve months ended 31 December 2010 *US$*	For the twelve months ended 31 December 2009 *US$*
Middle East & Africa	Former Soviet Union	-	1.356.685
Western Europe	Middle East & Africa	2.063.148	991.927

1.5 Segment capital expenditure (CAPEX)

	As at 31 December 2010 *US$*	As at 31 December 2009 *US$*
Former Soviet Union	4.276.064	4.412.332
Central Eastern Europe	12.354.783	13.545.517
Western Europe	511.741	636.818
Middle East & Africa	4.092.835	4.164.720
Unallocated	7.321.064	4.508.365
	28.556.487	27.267.752

(Expressed in United States Dollars)

22. Operating segments (continued)

1.6 Segment depreciation and amortisation

	For the three months ended 31 December 2010 *US$*	For the three months ended 31 December 2009 *US$*	For the twelve months ended 31 December 2010 *US$*	For the twelve months ended 31 December 2009 *US$*
Former Soviet Union	105.469	50.137	365.945	242.874
Central Eastern Europe	312.196	326.710	1.102.140	1.111.535
Western Europe	63.729	59.850	237.124	242.369
Middle East & Africa	98.379	79.303	360.852	270.513
Unallocated	217.756	239.071	943.598	1.028.923
	797.529	755.071	3.009.659	2.896.214

1.7 Segment assets

	As at 31 December 2010 *US$*	As at 31 December 2009 *US$*
Former Soviet Union	189.253.508	129.247.148
Eastern Europe	128.640.027	119.860.646
Western Europe	35.239.222	36.583.229
Middle East & Africa	64.908.466	56.681.836
Total	418.041.223	342.372.859
Assets allocated in capital expenditure (1.5)	28.556.487	27.267.752
Other unallocated assets	18.749.034	16.182.338
Consolidated assets	465.346.744	385.822.949

23. Cash and cash equivalents

	As at 31 December 2010 *US$*	As at 31 December 2009 *US$*
Cash at bank and in hand	48.380.080	52.857.260
Bank overdrafts (Note 18)	(27.010.563)	(16.285.502)
	21.369.517	36.571.758

The cash at bank and in hand balances include an amount of US$ 888.327 (31 December 2009: US$ 910.489) which represents pledged deposits.

(Expressed in United States Dollars)

24. Transactions and balances of key management

	For the three months ended 31 December 2010 *US$*	For the three months ended 31 December 2009 *US$*	For the twelve months ended 31 December 2010 *US$*	For the twelve months ended 31 December 2009 *US$*
Directors' remuneration – executive	178.644	145.230	559.627	523.998
Directors' remuneration – non-executive	10.095	14.790	39.627	85.237
	188.739	160.020	599.254	609.235

	As at 31 December 2010 *US$*	As at 31 December 2009 *US$*
Amount due to directors – executive	20.630	1.071
Amount due to directors – non-executive	10.402	14.790
	31.032	15.861

25. Commitments and contingencies

As at 31 December 2010 the group was committed in respect of purchases of inventories of a total cost value of US$23.235.721 which were in transit as at 31 December 2010 and delivered in January 2011. Such inventories and the corresponding liability towards the suppliers have not been included in these financial statements since, according to the terms of purchase, title of the goods has not passed to the group as at the year end.

As at 31 December 2010 the group was contingently liable in respect of bank guarantees of US$ 7.825.171 which the group had extended mainly to its suppliers.

As at 31 December 2010 the group had no other legal commitments and contingencies.

26. Goodwill

	As at 31 December 2010 *US$*	As at 31 December 2009 *US$*
At 1 January	550.517	550.517
Goodwill arising from business combinations	50.213	-
At 31 December	600.730	550.517

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

	As at 31 December 2010 *US$*	As at 31 December 2009 *US$*
Megatrend D.O.O. Sarajevo	550.517	550.517
Euromall Limited Bulgaria EOOD	41.416	-
ION-Ukraine LLC	8.797	-
	600.730	550.517

(Expressed in United States Dollars)

27. Investments in joint ventures

	As at 31 December 2010 *US$*	As at 31 December 2009 *US$*
Cost		
At 1 January	-	-
Investments in joint ventures during the year	737.997	-
At 31 December	737.997	-
Accumulated share of profits from joint ventures		
At 1 January	-	-
Share of losses from joint ventures during the year	(52.365)	-
At 31 December	(52.365)	-
Investments in joint ventures recorded under the equity method of consolidation	685.632	-

28. Comparative figures

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

29. Events after the reporting period

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