ASBISc Enterprises plc

INTERIM REPORT
FOR THE THREE MONTHS
ENDED DECEMBER 31, 2007

Limassol, 28 February 2008

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We have prepared this quarterly report as required by Paragraph 86 section 1 point 1 of the Regulation of the Ministry of Finance dated 19 October 2005 on current and periodic information to be published by issuers of securities.

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 2007. The financial statements appended to this quarterly report are presented in U.S. dollars and have been prepared in accordance with International Financial Reporting Standards ("IFRS").

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; all references to "C£" or the "Cypriot pound" are to the lawful currency of the Republic of Cyprus; and all references to "PLN" or "Polish Zloty" are to the lawful currency of the Republic of Poland.

All references to U.S. dollars, Euro, Polish Zloty 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

We are one of the leading distributors of Information Technology ("IT") products in 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: Poland, Czech Republic, Slovakia, Romania, Croatia, Slovenia, Bulgaria, Serbia, Hungary, Russia, Ukraine, and Middle East countries (i.e. United Arab Emirates, Qatar).

We distribute servers, desktop PCs, laptops and networking to assemblers, system integrators and retailers. 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, Samsung and Microsoft. In addition, a growing part of our revenue is comprised of sales of IT products under our private labels, Prestigio and Canyon. In addition, we offer "white label" products, which are products that are distributed through the Group and branded with some of our largest customers' own brands.

Our business began in 1992 in Belarus and in 1995 we incorporated our holding company in Cyprus and moved our headquarters to Limassol. Our Cypriot headquarters support, through four master distribution centers (located in the Czech Republic, the Netherlands, Finland and the United Arab Emirates.), our network of 31 warehouses located in 19 countries. This network supplies products to the Group's in-country operations and directly to its customers in approximately 70 countries.

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

2. Executive summary for the three months and the year ended 31 December 2007

The principal events of the three months ended 31 December 2007, were as follows:

- Revenue from sale of central processing units (“CPUs”) increased by 34.3% comparing to the corresponding period of 2006, increasing sales of CPUs to U.S. $ 140,484.
- Revenue from sale of hard disk drives (“HDDs”) increased by 2.2% comparing to the corresponding period of 2006, increasing sales of HDDs to U.S. $ 80,008.
- Our revenues increased by 35.7% to U.S.$ 464,221 from U.S.$ 342,146 in the corresponding period of 2006.
- Revenues from our private labels, Canyon and Prestigio, increased by 19.4% to U.S. $ 35,586 form U.S. $ 29,736 in the corresponding period of 2006.
- Our gross profit increased by 43.7% to U.S.$ 25,651 from U.S.$ 17,856 in the corresponding period of 2006. Our gross profit margin increased to 5.5% compared to 5.2% in the corresponding period of 2006.
- Our EBITDA increased by 47.7% to U.S.$ 12,434 from U.S.$ 8,418 in the corresponding period of 2006. Our EBITDA margin was 2.7% compared to 2.5% in 2006.
- Our net profit after taxation and before deduction of flotation expenses increased by 51.9% to U.S.$ 9,366 from U.S.$ 6,164 in the corresponding period of 2006.

- Our earnings per share increased by 85.8% to U.S. $ 0.18 from U.S. $ 0.10 in the corresponding period of 2006.

- We debuted on the Warsaw Stock Exchange on 30 October 2007.

The principal events of the year ended 31 December 2007, were as follows:

- Revenue from sale of central processing units ("CPUs") increased by 19.6% comparing to 2006, increasing sales of CPUs to U.S. $ 402,843

- Revenue from sale of hard disk drives ("HDDs") increased by 21.4% comparing to 2006, increasing the sales of HDDs to U.S. $ 265,967.

- Our revenues increased by 38.5% to U.S.$ 1,397,349 from U.S.$ 1,008,795 in 2006.

- Revenues from our private labels, Canyon and Prestigio, increased by 34.8% to U.S. $ 102,937 from U.S. $ 76,466 in 2006.

- Our gross profit increased by 42.5% to U.S.$ 67,939 from U.S.$ 47,693 in 2006. Our gross profit margin increased to 4.9% compared to 4.7% in 2006.

- Our EBITDA increased by 54.2% to U.S.$ 27,636 from U.S.$ 17,927 in 2006. Our EBITDA margin was 2.0% compared to 1.8% in 2006.

- Our net profit after taxation and before deduction of flotation expenses increased by 68.8% to U.S.$ 18,686 from U.S.$ 11,070 in 2006.

- Our earnings per share increased by 92.2% to U.S. $ 0.38 from U.S. $ 0.20 in 2006.

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 31 December 2007 and 2006, 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 31 December 2006, that is: 1 US$ = 2.9105 PLN and 1 EUR = 3.8312 PLN and 31 December 2007, that is: 1 US$ = 2.4350 PLN and 1 EUR = 3.5820 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 1 January to 31 December 2006, that is 1 US$ = 3.0898 PLN and 1 EUR = 3.8991 PLN and 1 January to 31 December 2007, that is 1 US$ = 2.7484 PLN and 1 EUR = 3.7768 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 1 October to 31 December 2006, that is 1 US$ = 2.9549 PLN and 1 EUR = 3.8450 PLN and 1 October to 31 December 2007, that is 1 US$ = 2.4698 PLN and 1 EUR = 3.6131 PLN.

	Period from 1 October to 31 December 2007			Period from 1 October to 31 December 2006		
	USD	**PLN**	**EUR**	**USD**	**PLN**	**EUR**
Revenue	**464,221**	**1,146,532**	**317,327**	**342,146**	**1,011,008**	**262,941**
Cost of sales	(438,569)	(1,083,179)	(299,792)	(324,291)	(958,247)	(249,219)
Gross profit	**25,651**	**63,354**	**17,534**	**17,856**	**52,761**	**13,722**
Selling expenses	(9,138)	(22,570)	(6,247)	(5,675)	(16,771)	(4,362)
Administrative expenses	(4,573)	(11,293)	(3,126)	(4,308)	(12,728)	(3,310)
Profit from operations	**11,940**	**29,490**	**8,162**	**7,872**	**23,262**	**6,050**
Financial expenses	(1,969)	(4,863)	(1,346)	(1,287)	(3,802)	(989)
Financial income	513	1,266	350	68	201	52
Other written off	187	461	128	307	908	236
Goodwill written off	(223)	(551)	(152)	0	0	0
Profit before taxation	**10,448**	**25,804**	**7,142**	**6,961**	**20,569**	**5,349**
Taxation	(1,082)	(2,673)	(740)	(796)	(2,353)	(612)
Profit after taxation	**9,366**	**23,131**	**6,402**	**6,164**	**18,215**	**4,737**
Listing expenses written off	0	0	0	(1,597)	(4,720)	(1,228)
Profit attributable to members	**9,366**	**23,131**	**6,402**	**4,567**	**13,495**	**3,510**
	USD (cents)	PLN (grosz)	EUR (cents)	USD (cents)	PLN (grosz)	EUR (cents)
Earnings per share						
Basic and diluted from continuing operations	17.67	43.64	12.08	9.51	28.10	7.31
	USD	**PLN**	**EUR**	**USD**	**PLN**	**EUR**
Net cash inflows from operating activities	9,832	24,283	6,721	884	2,612	679
Net cash outflows from investing activities	(4,199)	(10,370)	(2,870)	(65)	(191)	(50)
Net cash inflows from financing activities	21,747	53,712	14,866	8,206	24,247	6,306

	Period from 1 October to 31 December 2007			Period from 1 October to 31 December 2006		
	USD	**PLN**	**EUR**	**USD**	**PLN**	**EUR**
Net decrease in cash and cash equivalents	**27,380**	**67,624**	**18,716**	**9,024**	**26,665**	**6,935**
Cash at the beginning of the period	1,905	4,706	1,303	4,226	12,487	3,248
Cash at the end of the period	29,286	72,330	20,019	13,250	39,154	10,183

	Period from 1 January to 31 December 2007			Period from 1 January to 31 December 2006		
	USD	**PLN**	**EUR**	**USD**	**PLN**	**EUR**
Revenue	**1,397,349**	**3,840,473**	**1,016,859**	**1,008,795**	**3,116,974**	**801,464**
Cost of sales	(1,329,409)	(3,653,749)	(967,419)	(961,102)	(2,969,612)	(763,573)
Gross profit	**67,939**	**186,724**	**49,440**	**47,693**	**147,361**	**37,891**
Selling expenses	(25,358)	(69,693)	(18,453)	(17,291)	(53,425)	(13,737)
Administrative expenses	(16,845)	(46,296)	(12,258)	(14,318)	(44,241)	(11,376)
Profit from operations	**25,737**	**70,735**	**18,729**	**16,084**	**49,695**	**12,778**
Financial expenses	(5,192)	(14,270)	(3,778)	(3,850)	(11,896)	(3,059)
Financial income	750	2,062	546	142	440	113
Other written off	337	926	245	383	1,184	304
Goodwill written off	(223)	(613)	(162)	0	0	0
Profit before taxation	**21,409**	**58,840**	**15,579**	**12,759**	**39,423**	**10,137**
Taxation	(2,723)	(7,485)	(1,982)	(1,689)	(5,218)	(1,342)
Profit after taxation	**18,686**	**51,355**	**13,598**	**11,070**	**34,205**	**8,795**
Listing expenses written off	0	0	0	(1,597)	(4,935)	(1,269)
Profit attributable to members	**18,686**	**51,355**	**13,598**	**9,473**	**29,270**	**7,526**
	USD (cents)	**PLN (grosz)**	**EUR (cents)**	**USD (cents)**	**PLN (grosz)**	**EUR (cents)**
Earnings per share						
Basic and diluted from continuing operations	37.94	104.27	27.61	19.74	60.99	15.68
	USD	**PLN**	**EUR**	**USD**	**PLN**	**EUR**
Net cash inflows from operating activities	1,097	3,015	798	(8,779)	(27,124)	(6,974)
Net cash outflows from investing activities	(7,612)	(20,920)	(5,539)	(1,060)	(3,276)	(842)
Net cash inflows from financing activities	22,550	61,976	16,410	10,911	33,712	8,668
Net increased in cash and cash equivalents	**16,035**	**44,071**	**11,669**	**1,072**	**3,312**	**852**
Cash at the beginning of the period	13,250	36,418	9,642	12,179	37,630	9,676
Cash at the end of the period	29,286	80,489	21,311	13,250	40,941	10,527

	As of 31 December 2007			As of 31 December 2006		
	USD	**PLN**	**EUR**	**USD**	**PLN**	**EUR**
Current assets	348,367	848,275	236,816	227,622	662,494	172,921
Non-current assets	17,304	42,136	11,763	8,530	24,826	6,480
Total assets	365,672	890,411	248,579	236,152	687,320	179,401
Liabilities	269,971	657,380	183,523	175,999	512,246	133,704
Equity	95,700	233,031	65,056	60,153	175,074	45,697

4. Organisation of ASBIS Group

The following table lists all members of the Group

Company	Consolidation Method
ASBISC Enterprises PLC	**Mother company**
Asbis Ukraine Limited (Kiev, Ukraine)	Full (100% subsidiary)
ISA Hardware 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 YU d.o.o (Belgrade, Serbia)	Full (100% subsidiary)
Asbis Hungary Limited (Budapest, Hungary)	Full (100% subsidiary)
Asbis Bulgaria Limited (Sofia, Bulgaria)	Full (100% subsidiary)
Asbis CZ,spol.s.r.o (Praque, 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)
ZAO Automatic Systems of Business Control (Minsk, Belarus)	Full (100% subsidiary)
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 Fin OY (Helsinki, Finland)	Full (100% subsidiary)
Asbis Marocco Limited (Casablanca, Marocco)	Full (100% subsidiary)
Warranty RU Limited (Moscow, Russia)	Full (99% subsidiary)
Comptizon Ltd (British Virgin Islands)	Full (100% subsidiary)
ISA Hardware s.r.o (Prague, Czech Republic)	Full (100% subsidiary)
ISA Hardware d.o.o (Zagreb, Croatia)	Full (100% subsidiary)
ISA Hardware Hungary Commercial Limited Liability Co (Budapest, Hungary)	Full (100% subsidiary)
ISA Hardware International S.R.L (Bucharest, Romania)	Full (100% subsidiary)
ISA Hardware s.r.o Slovakia (Bratislava, Slovakia)	Full (100% subsidiary)
ISA Hardware d.o.o Beograd (Belgrade, Serbia)	Full (100% subsidiary)
ISA Hardware s.r.o Slovenia (Lublana, Slovenia)	Full (100% subsidiary)
ISA Hardware SP.Z.O.O (Warsaw, Poland)	Full (100% subsidiary)
Prestigio Technologies (Cyprus) Ltd (Limassol, Cyprus)	Full (100% subsidiary)
Prestigio Europe s.r.o (Prague, Czech Republic)	Full (100% subsidiary)
Prestigio Limited (Moscow, Russia)	Full (100% subsidiary)
Prestigio Ukraine Limited (Kiev, Ukraine)	Full (100% subsidiary)
Canyon Technology Ltd (Hong Kong, People’s Republic of China)	Full (100% subsidiary)
Canyon Technology B.V. (Amsterdam, Netherlands)	Full (100% subsidiary)
Asbis Kypros Ltd (Limassol, Cyprus)	Full (100% subsidiary)

5. Changes in the structure of the Company

During the three months ended 31 December 2007 there were no changes in the structure of the Company or the Group, other than the acquisition of Microval Commercial Ltd on 26 October 2007 and further renamed to Asbis Kypros Ltd on 13 December 2007.

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

We did not publish any forecasts with respect to the period of the three months ended 31 December 2007.

7. 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 our 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%
Maizuri Enterprises Ltd	4,800,000	8.65%	4,800,000	8.65%
Alpha Ventures S.A.	3,200,000	5.76%	3,200,000	5.76%
Sangita Enterprises Ltd	2,800,000	5.05%	2,800,000	5.05%
Free float*	19,023,639	34.28%	19,023,639	34.28%
Total	**55,500,000**	**100.00%**	**55,500,000**	**100.00%**

* Shareholders with more than 1% stake who are under a lock-up agreement until 30 October 2008 are included in the free float, as well as for all the shares stated above, approximately 15% of the free float is under the lock up agreement. Total free float as at 31 December 2007 was about 20%.

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

The table below presents the number of shares held by the members of the Board of Directors as of the date of this report. There were no changes in the number of shares of the Company held by the members of the Board of Directors between 9 November 2007 (the date of the publication of the third quarter results) and 28 February 2008 (date of this quarterly 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	25,676,361	46.26%
John Hirst	75,600	0.14%
Marios Christou	400,000	0.72%
Laurent Journoud	400,000	0.72%
Constantinos Tziamalis	35,000	0.06%

9. Administrative and court proceedings against the Company

As of 31 December 2007, 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.

10. Related Party Transactions

During the three months ended 31 December 2007 we did not have any material related party transactions exceeding the Polish Zloty equivalent of Euro 500 other than typical or routine transactions.

11. 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 31 December 2007.

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

Principal Factors Affecting Financial Condition and Results of Operations

Our results of operations have been affected and are expected to continue to be affected by a number of factors, including competition and price pressures, low gross profit margins, potential inventory obsolescence and price erosion, currency fluctuations, interest rate fluctuations, credit risk, growth markets and seasonality. These factors are discussed in more detail below.

Competition and price pressure

The IT distribution industry is a highly competitive market, particularly with regards to product selection and quality, inventory, price, customer services and credit availability and hence is open to margin pressure from competitors and new entrants. We compete at the international level with a wide variety of suppliers of varying sizes, covering different product categories and geographic markets. In particular, in each of the markets in which we operate we face competition from a number of either international distributors such as Avnet Inc., Tech Data Corp., Ingram Micro Inc. and Arrow Electronics Inc., which are much larger than us, but do not always cover the same geographic regions with local presence as we do, as well as from regional or local distributors, such as Elko, mainly in the Baltic States, Russia, Ukraine and the Adriatic Region, Kvazar Micro, and Millennium Distribution in the Former Soviet Union, ABC Data and Action in Poland and ATC and 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 our sales prices. Such pressures may also lead to loss of market share in certain of our markets. Price pressures can have a material adverse effect on our profit margins and our overall profitability, especially in view of the fact that our gross profit margins, like those of most of our competitors, are low and sensitive to sales price fluctuations.

Low gross profit margins

Our gross profit margins, like those of other distributors of IT products, are low and we expect them to remain low in the future. Increased competition arising from industry consolidation and low demand for certain IT products may hinder our ability to maintain or improve our gross margins. A portion of our 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, we may not be able to reduce our operating expenses as a percentage of revenue in order to mitigate any reductions in gross margins in the future.

Inventory obsolescence and price erosion

We are often required to buy components according to forecasted requirements and orders of our customers and in anticipation of market demand. The market for IT 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 components. As we increase the scope of our business and, in particular, of inventory management for our customers, there is an increasing need for us to hold inventory to serve as a buffer in anticipation of the actual needs of our customers. This increases the risk of inventory becoming devalued or obsolete and could affect our 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 us to lower our prices to stay competitive. Our ability to manage our inventory and protect our business against price erosion is critical to our success.

A number of our most significant contracts with our major suppliers contain advantageous contract terms that protect us against exposure to price fluctuations, defective products and stock obsolescence. Specifically, our contracts include terms such as (i) a price protection policy, which allows us to request reimbursement from suppliers for inventory in transit or held at our warehouses in the event that product prices decline; (ii) a stock rotation policy under which we have the right to return to the supplier slow moving inventory in exchange for credit, which reduces our exposure to obsolescence of inventory; and (iii) a return material authorization policy under which we can return defective items to our suppliers in return for either credit, replacement or refurbished products.

Currency fluctuations

Our reporting currency is the U.S. dollar. Approximately half of our revenues is denominated in U.S. dollars, while the balance of our revenues are denominated in Euro and other currencies, certain of which are linked to the Euro. A substantial part of our trade payable balances are denominated in U.S. dollars. In addition, approximately half of our operating expenses are denominated in U.S. dollars and the other half in Euro or other currencies, certain of which are linked to the Euro.

As a result, reported results are affected by movements in exchange rates, particularly in the exchange rate of the U.S. dollar against the Euro and other currencies of the countries in which we operate, including the Slovakian Crown, the Czech Crown and the Polish Zloty. In particular, a strengthening of the U.S. dollar against the Euro and other currencies of the countries in which we operate may result in a decrease in our revenues, as reported in U.S. dollars, which would have a negative impact on our operating and net profit, despite a positive impact on our operating expenses. On the other hand, a devaluation of the U.S. dollar against the Euro and other currencies of the countries in which we operate may have a positive impact on our revenues, as reported in U.S. dollars, which would have a positive impact on operating and net profit despite a negative impact on our operating expenses, as was the case in 2007.

In addition, exchange rate fluctuations of the U.S. dollar against other currencies of countries in which we operate may result in translation gains or losses reflected in our consolidated financial statements.

Furthermore, major devaluation or depreciation of any such currencies may result in disruption in the international currency markets and may limit our ability to transfer or to convert such currencies into U.S. dollars and other currencies.

Interest rate fluctuations

As at 31 December 2007, our total borrowings (excluding amounts due to factoring creditors) amounted to U.S. $ 42,904 and for the year 2007 our interest expense was U.S. $ 2,778 on those borrowings, compared to a profit after taxation of U.S. $ 18,686. Substantially all of our borrowings bear interest at a floating rate, i.e. either U.S. LIBOR or local base rates, plus a certain spread. Therefore any fluctuation in U.S. LIBOR or in other interest rates applicable to our borrowings would have an impact on our financial expense, in particular any increase in such rates would increase our financial expense, and this, in turn, would adversely affect our operating profit and financial situation.

Credit risk

We buy components from our suppliers on our own account and resell them to our customers. We extend credit to some of our customers at terms ranging from 15 to 45 days or, in certain cases, to 90 days. Our payment obligations towards our suppliers under such agreements are separate and distinct from our customers' obligations to pay for their purchases, except in limited cases in which our arrangements with our suppliers require it to resell to certain resellers or sub-distributors. Thus, we are liable to pay our suppliers regardless of whether our customers pay for their respective purchases. As our profit margin is relatively low compared to the total price of the products sold, in the event we are unable to recover payments from our customers, we are exposed to a financial liquidity risk. We have in place credit insurance which covers such an eventuality for approximately 50% of our revenue.

Growth markets

Information technology penetration in the markets in which we operates, is still significantly lower than in more mature Western European markets. As a result, demand for relevant products in these markets is growing and we expect it to continue to grow in the foreseeable future. In addition, in a number of these markets, including Russia and Ukraine, we believe that there will be improvements in applicable import regulations which should have a positive effect on demand for our products. Our aim is to benefit from such growth in order to increase our revenue and potentially our market share.

Seasonality

The IT distribution industry in which we operate experiences high demand during the months prior to and leading up to the Christmas and New Year holiday period. In particular, for distributors of IT components, such as ours, demand tends to increase in the period starting from September to the end of the year. During these periods prices for our products tend to increase, which may have a positive effect on our gross profit margin. During these periods we may, however, experience, and in certain cases in the past had experienced, shortages in product supply due to higher demand.

Results of Operations

Three months ended 31 December 2007 compared to the three months ended 31 December 2006

Revenues: Our revenues increased by 35.7% to U.S. $ 464,221 in the three months ended December 31, 2007 from U.S. $ 342,146 in the corresponding period of 2006. This increase reflected an increase in units sold and a limited positive impact as a result of the weakening of the U.S. dollar against the Euro and Euro-linked currencies, partially offset by declining average sales prices for certain products distributed.

The table below sets forth a breakdown of our revenues, by product, for the three months ended 31 December 2007 and 2006:

	For the three months ended 31 December			
	2007		2006	
	U.S. $ thousands	% of total revenues	U.S. $ thousands	% of total revenues
Central Processing Units (CPUs)	140,484	30.3%	104,641	30.6%
Hard Disk Drives (HDDs)	80,008	17.2%	78,292	22.9%
Software	59,604	12.8%	22,934	6.7%
PC-mobile (laptops)	48,815	10.5%	15,904	4.6%
Other	135,310	29.2%	120,375	35.2%
Total revenue	**464,221**	**100.0%**	**342,146**	**100.0%**

Revenues from central processing units ("CPUs") increased by 34.3% to U.S. $ 140,484 (30.3% of our revenues) in the three months ended 31 December 2007, from U.S. $ 104,641 (30.6% of our revenues) in the corresponding period of 2006, mainly due to increase in unit sales and higher average selling price (ASP).

Revenues from the sale of hard disk drives ("HDDs") increased by 2.2% to U.S. $ 80,008 (17.2% of our revenues) in the three months ended 31 December 2007, from U.S. $ 78,292 (22.9% of our revenues) in the corresponding period of 2006, mainly due to an increase in average selling price (ASP).

Revenues from the sale of software increased by 159.9% to U.S. $ 59,604 (12.8% of our revenues) in the three months ended 31 December 2007 from U.S. $ 22,934 (6.7% of our revenues) in the corresponding period of 2006, mainly due to increased demand for Microsoft software especially in Russia.

Revenues from the sale of PC-mobile (laptops) increased by 206.9% to U.S. $ 48,815 (10.5% of our revenues) in the three months ended 31 December 2007 from U.S. $ 15,904 (4.6% of our revenues) in the corresponding period of 2006, mainly due to an increase in sales of Toshiba and Dell laptops.

Most of our product categories include sales of private label products, such as flash memory, monitors, accessories and multimedia products. Revenues derived from sales of our private label products reached U.S. $ 35,586 (7.4% of our revenues in the three months ended 31 December 2007), compared to U.S. $ 29,736 (7.6% in the corresponding period of 2006).

The table below provides a geographical breakdown of sales in the three months ended 31 December 2007 and 2006:

	For the three months ended 31 December			
	2007		2006	
	U.S. $ thousands	% of total revenues	U.S. $ thousands	% of total revenues
Former Soviet Union	233,905	50.4%	185,254	54.1%
Eastern Europe	152,472	32.9%	122,415	35.8%
Western Europe	35,199	7.6%	18,876	5.5%
Middle East & Africa	39,166	8.4%	14,006	4.1%
Other	3,479	0.7%	1,595	0.5%
Total revenues	**464,221**	**100.0%**	**342,146**	**100.0%**

The table below provides a country-by-country breakdown of sales in our most important markets for the three months ended 31 December 2007 and 2006:

	For the three months ended 31 December			
	2007		2006	
	U.S. $ thousands	% of total revenues	U.S. $ thousands	% of total revenues
Russia	135,935	29.3%	102,152	29.9%
Ukraine	77,934	16.8%	64,519	18.9%
Slovakia	52,830	11.4%	35,527	10.4%
Poland	20,862	4.5%	18,274	5.3%
United Arab Emirates	19,573	4.2%	10,077	2.9%
Czech Republic	19,186	4.1%	22,648	6.6%
Romania	17,415	3.8%	15,914	4.7%
Other	120,486	25.9%	73,035	21.3
Total	**464,221**	**100.0%**	**342,146**	**100.0%**

Gross Profit: Our gross profit for the three months ended 31 December 2007 increased by 43.7% to U.S. $25,651 from U.S. $17,856 in the corresponding period of 2006.

Our gross profit margin (gross profit as a percentage of revenues) improved to 5.5% in the three months ended 31 December 2007, compared to 5.2% in the corresponding period of 2006. This increase in gross profit margin was mainly a result of improved product mix, increased sales and margin of laptops, software, and private label products. Although revenues from private label products increased by 19.4% the contribution towards the overall gross profit declined as a result of the dramatic increase in certain other product lines (i.e. Software, PC Mobile).

Selling Expenses: 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 increased by 61% to U.S. $ 9,138 in the three months ended 31 December 2007 from U.S. $ 5,675 in the corresponding period of 2006. This increase was driven primarily by increased investment in marketing and advertising of our own private label brands, Canyon and Prestigio, and an increase in salaries and benefits paid to sales employees mainly due to increase in gross profit.

Selling expenses represented 2% and 1.7% of our revenues for the three months ended 31 December 2007 and 2006, respectively.

Administrative Expenses: Administrative expenses largely comprise of salaries and wages and rent expense.

Administrative expenses increased by 6.2% to U.S. $ 4,573 in the three months ended 31 December 2007 from U.S. $ 4,308 in the corresponding period of 2006.

Administrative expenses represented 1% and 1.3% of our revenues for each of the three month periods ended 31 December 2007 and 2006, respectively.

Operating Profit: Our operating profit for the three months ended 31 December 2007 increased by 51.7% to U.S. $ 11,940, from U.S. $ 7,872 in the corresponding period of 2006.

Operating margin (operating profit as a percentage of revenues) increased to 2.6% for the three months ended 31 December 2007 from 2.3% for the corresponding period of 2006, mainly due to an increase in gross profit margin partly offset by an increase in our operating expenses as a percentage of revenue.

Profit Before Taxation: Profit before taxation increased by 50.1% to U.S. $ 10,448 for the three months ended 31 December 2007 from U.S. $ 6,961 for the corresponding period of 2006.

Profit attributable to members: Profit attributable to members more than doubled to U.S. $ 9,366 for the three months ended 31 December 2007 from U.S. $ 4,567 for the corresponding period of 2006.

Earnings per share: Earnings per share increased by 85.8% to U.S. $ 0.18 for the three months ended 31 December 2007 compared to U.S. $ 0.10 for the corresponding period of 2006.

Liquidity and Capital Resources

We have in the past funded our liquidity requirements, including ongoing operating expenses and capital expenditures and investments, for the most part, through operating cash flows, debt financing and equity financing. We expect to fund our liquidity requirements, for the most part, through operating cash flows, debt financing and equity financing.

The following table presents a summary of cash flows for the years 2007 and 2006:

	Year ended 31 December	
	2007	**2006**
	U.S. $ thousands	
Net cash inflows/(outflows) from operating activities	1,097	(8,779)
Net cash outflows from investing activities	(7,612)	(1,060)
Net cash inflows from financing activities	22,550	10,911
Net increase in cash and cash equivalents	16,035	1,072

Net cash inflows/(outflows) from operations

Net cash inflows from operations amounted to U.S. $ 1,097 for the year 2007, compared to cash outflows of U.S. $ 8,779 for 2006. The increase was primarily due to increased profitability and shorter cash-to-cash cycle, partially offset by an increase in taxation.

Net cash outflows from investing activities

Net cash outflows from investing activities was U.S. $ 7,612 in the year 2007, compared to U.S. $ 1,060 in 2006. This increase is mainly due to the acquisition of property, plant and equipment in Bratislava and Dubai.

Net cash inflows from financing activities

Net cash inflows from financing activities was U.S. $ 22,550 for the year ended 31 December 2007, compared to U.S. $ 10,911 for 2006. This increase was primarily due to the inflow of net proceeds from the issuance of shares at a premium of U.S. $ 16,880 partially offset by a decrease in proceeds from short term bank loans to U.S. $ 5,081 for the year 2007 from U.S. $ 12,023 in 2006.

Commitments and Contingencies

We do enter into financial arrangements with off-balance sheet risk in the ordinary course of our business.

As at 31 December 2007 we were committed in respect of purchases of inventory for an aggregate value of U.S. $ 7,745 which were in transit at 31 December 2007 and delivered in January 2008.

As at 31 December 2007, we were contingently liable in respect of bank guarantees in the aggregate amount of U.S. $ 6,581 (as compared to U.S. $ 4,211 as at 31 December 2006), which we had extended mainly to our vendors.

13. Factors which may affect our results in the future

The Middle East operations had experienced significant growth and, as a result, we had acquired a warehouse in Dubai (Jebel Ali – free trade zone area) to support increasing business.

We are considering opening a new subsidiary in the Kingdom of Saudi Arabia. This is after Toshiba franchised ASBIS for the country. It is expected that this will boost both the revenues and profits from the Middle East region as this is one of the fastest growing markets.

We are in the final stages of establishing our greenfield operations in Turkey. A country with more than 60 million inhabitants and a total PC market exceeding 2 million PCs in 2007, is expected to bring significant value to the Group towards the end of this year and in the following years.

As it was mentioned in the prospectus dated 4 October 2007, we had acquired land and started construction of a warehouse and office space in Bratislava, Slovakia. This project is expected to improve operational efficiency. It is build on very high standards and its capacity will largely increase business of all new business lines that ASBIS Slovakia has invested into during the last three months. Our subsidiary in Slovakia has come to an agreement with Sun Microsystems and this is expected to boost significantly its profit margins.

Most external researches (IDC and Gartner) increased their growth estimations for mobile computers (laptops) market what may positively impact our results of operations as we signed contracts with top laptop manufacturers (Toshiba/Dell)

Part II Financial Information

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

Report and Unaudited Financial Statements for the period ended 31 December 2007

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ASBISC ENTERPRISES PLC

UNAUDITED CONSOLIDATED INCOME STATEMENT
FOR THE PERIOD ENDED 31 DECEMBER 2007
(Expressed in United States Dollars)

	Notes	Period from 1 October to 31 December 2007 *US$*	Period from 1 October to 31 December 2006 *US$*	Period from 1 January to 31 December 2007 *US$*	Period from 1 January to 31 December 2006 *US$*
Revenue		464,220,786	342,146,251	1,397,348,678	1,008,794,597
Cost of sales		(438,569,449)	(324,290,726	(1,329,409,427	(961,101,730)
Gross profit		**25,651,337**	**17,855,525**	**67,939,251**	**47,692,867**
Selling expenses		(9,138,434)	(5,675,494)	(25,357,804)	(17,290,825)
Administrative expenses		(4,572,617)	(4,307,549)	(16,844,589)	(14,318,319)
Profit from operations		**11,940,286**	**7,872,482**	**25,736,858**	**16,083,723**
Financial expenses	5	(1,968,974)	(1,286,738)	(5,192,225)	(3,850,106)
Financial income	5	512,683	67,890	750,371	142,271
Other income	4	186,703	307,188	336,760	383,238
Goodwill written off		(222,963)	-	(222,963)	**-**
Profit before taxation	6	**10,447,735**	**6,960,822**	**21,408,801**	**12,759,126**
Taxation	7	(1,082,200)	(796,383)	(2,723,275)	(1,688,816)
Profit after taxation		**9,365,535**	**6,164,439**	**18,685,526**	**11,070,310**
Listing expenses written off		-	(1,597,310)	-	(1,597,310)
Profit attributable to members		**9,365,535**	**4,567,129**	**18,685,526**	**9,473,000**
Weighted average basic and diluted shares outstanding		53,000,000	48,000,000	49,250,000	48,000,000
Weighted average basic and diluted earnings per share from continuing operations, in US$ cent		17.67	9.51	37.94	19.74

ASBISC ENTERPRISES PLC

UNAUDITED CONSOLIDATED BALANCE SHEET
AS AT 31 DECEMBER 2007
(Expressed in United States Dollars)

		Unaudited as at 31 December 2007	Audited as at 31 December 2006
ASSETS	Notes	*US$*	*US$*
Current assets			
Inventories		88,279,393	46,177,803
Trade receivables	8	209,740,666	148,790,371
Other current assets	9	5,150,240	4,726,356
Cash and cash equivalents	20	45,197,152	27,927,606
Total current assets		**348,367,451**	**227,622,136**
Non-current assets			
Property, plant and equipment	10	16,190,268	7,161,929
Investments	12	99,580	99,580
Intangible assets	11	1,014,383	1,268,250
Total non-current assets		**17,304,231**	**8,529,759**
Total assets		**365,671,682**	**236,151,895**
LIABILITIES AND EQUITY			
Liabilities			
Current liabilities			
Trade payables		181,850,153	117,453,360
Other current liabilities	14	44,635,126	22,960,319
Current taxation	7	314,464	278,181
Short term obligations under finance leases	17	68,676	144,527
Bank overdrafts and short term loans	15	40,767,798	34,377,172
Total current liabilities		**267,636,217**	**175,213,559**
Non-current liabilities			
Long term liabilities	16	2,257,497	666,058
Long term obligations under finance leases	17	54,878	74,715
Deferred tax liability		22,595	44,997
Total non-current liabilities		**2,334,970**	**785,770**
Total liabilities		**269,971,187**	**175,999,329**
Equity			
Share capital	18	11,100,000	9,600,000
Share premium		23,518,243	8,138,039
Reserves		61,082,252	42,414,527
Total equity		**95,700,495**	**60,152,566**
Total liabilities and equity		**365,671,682**	**236,151,895**

ASBISC ENTERPRISES PLC

UNAUDITED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY
FOR THE PERIOD ENDED 31 DECEMBER 2007
(Expressed in United States Dollars)

	Share capital US$	Share premium account US$	Retained earnings US$	Foreign exchange reserve US$	Total US$
Balance at 1 January 2006	**9,600,000**	**8,138,039**	**32,531,547**	**690,051**	**50,959,637**
Profit for the period from 1 January 2006 to 31 December 2006	-	-	9,473,000	-	9,473,000
Excess of net assets transferred to the group compared to the purchase consideration paid for the acquisition of subsidiary companies	-	-	37,681	-	37,681
Payment of dividend for 2005	-	-	(960,000)	-	(960,000)
Exchange difference arising on consolidation	-	-	-	642,248	642,248
Balance at 31 December 2006/ 1	**9,600,000**	**8,138,039**	**41,082,228**	**1,332,299**	**60,152,566**
Profit for the period from 1 January 2007 to 31 December 2007	-	-	18,685,526	-	18,685,526
Issue of shares	1,500,000	17,318,761	-	-	18,818,761
Cost related to issue of shares		(1,938,557)	-	-	(1,938,557)
Payment of dividend for 2006	-	-	(960,000)	-	(960,000)
Exchange difference arising on	-	-	-	942,199	942,199
Balance at 31 December 2007	**11,100,000**	**23,518,243**	**58,807,754**	**2,274,498**	**95,700,495**

ASBISC ENTERPRISES PLC

UNAUDITED CONSOLIDATED CASH FLOW STATEMENT
FOR THE PERIOD ENDED 31 DECEMBER 2007
(Expressed in United States Dollars)

	Notes	Period from 1 October to 31 December 2007 *US$*	Period from 1 October to 31 December 2006 *US$*	Period from 1 January to 31 December 2007 *US$*	Period from 1 January to 31 December 2006 *US$*
Profit for the period before tax and minority interest		10,447,735	6,960,822	21,408,801	12,759,126
Adjustments for:					
Exchange difference arising on consolidation		47,563	(201,570)	309,552	117,254
Listing expenses written-off		-	(1,597,310)	-	(1,597,310)
Depreciation	10	287,350	360,642	1,127,390	1,133,232
Amortization of intangible assets	11	207,144	185,202	771,690	710,085
Goodwill written off		222,963	(39,031)	222,963	-
Interest received		(86,196)	(67,890)	(415,417)	(115,831)
Interest paid		930,336	693,277	2,777,555	1,620,161
Profit from the sale of property, plant and equipment and intangible assets		(29,492)	(1,416)	(54,668)	(11,546)
Operating profit before working capital changes		**12,027,403**	**6,292,726**	**26,147,867**	**14,615,171**
(Increase)/decrease in inventories		(8,235,345)	44,318,124	(42,101,590)	13,284,743
(Increase)/decrease in trade receivables		(747,724)	(15,312,102)	(60,950,295)	(37,604,098)
(Increase)/decrease in other current assets		(789,111)	2,333,175	(423,885)	(558,828)
Increase/(decrease) in trade payables		(6,660,668)	(36,685,510)	64,396,793	1,949,308
Increase/(decrease) in other current liabilities		16,367,619	1,458,953	19,492,784	2,427,870
Cash inflows/(outflows) from operations		**11,962,174**	**2,405,366**	**6,561,674**	**(5,885,834)**
Taxation paid, net	7	(1,200,055)	(828,455)	(2,686,991)	(1,272,515)
Interest paid		(930,336)	(693,277)	(2,777,555)	(1,620,161)
Net cash inflows/(outflows) from operations		**9,831,783**	**883,634**	**1,097,128**	**(8,778,510)**
Cash flows from investing activities					
Interest received		86,196	67,890	415,417	115,831
Purchase of property, plant and equipment	10	(4,147,027)	(379,155)	(7,550,034)	(1,104,675)
Purchase of intangible assets	11	(96,798)	(161,542)	(567,214)	(526,349)
Payments to acquire investments in subsidiary		(49,447)	(21,047)	(49,447)	(21,047)
Net cash acquired from acquisition of subsidiary		(125,217)	430,963	(125,217)	430,963
Proceeds from sale of property, plant and and intangible assets		133,435	(1,836)	264,734	54,435
Increase in investments		-	-	-	(9,580)
Net cash inflows/(outflows) from investing activities		**(4,198,858)**	**(64,727)**	**(7,611,761)**	**(1,060,422)**
Cash flows from financing activities					
Dividends paid	23	-	-	(960,000)	(960,000)
Net proceeds from issue of share capital at a premium		16,880,205	-	16,880,205	-
Proceeds/(repayments) of long term loans and long term obligations under finance lease		1,583,755	94,506	1,549,200	(152,397)
Proceeds/(repayments) of short term loans and short term obligations under finance lease		3,283,353	8,111,064	5,080,514	12,023,147
Net cash inflows/(outflows) from financing activities		**21,747,313**	**8,205,570**	**22,549,919**	**10,910,750**
Net increase in cash and cash equivalents		**27,380,238**	**9,024,477**	**16,035,285**	**1,071,818**
Cash and cash equivalents at beginning of the period	20	**1,905,488**	**4,225,964**	**13,250,441**	**12,178,623**
Cash and cash equivalents at end of the period	20	**29,285,726**	**13,250,441**	**29,285,726**	**13,250,441**

NOTES TO THE UNAUDITED FINANCIAL STATEMENTS
FOR THE PERIOD ENDED 31 DECEMBER 2007
(Expressed in United States Dollars)

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 ultimate holding company of the group is K.S. Holding Limited, a company incorporated in Cyprus.

2. Basis of preparation

These un-audited financial statements have been prepared in accordance with International Accounting Standard (IAS) 34, Interim Financial Reporting.

Significant accounting policies

The accounting policies adopted are consistent with those followed in the preparation of the group's annual financial statements for the year ended 31 December 2006.
The financial statements have been prepared under historical cost convention.

3. 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.

4. Other income

	Period from 1 January to 31 December 2007 *US$*	Period from 1 January to 31 December 2006 *US$*
Bad debts recovered	98,208	77,360
Other income	238,552	305,878
	336,760	383,238

5. Financial income/(expenses), net

	Period from 1 January to 31 December 2007 *US$*	Period from 1 January to 31 December 2006 *US$*
Interest income	415,417	115,831
Other financial income	6,070	6,629
Exchange gain, net	328,884	19,811
	750,371	142,271
Bank interest	2,777,555	1,620,161
Bank charges	857,155	609,832
Factoring interest	692,965	573,451
Factoring charges	560,986	552,045
Other financial expenses	116,509	266,405
Interest to suppliers	187,055	228,212
	(5,192,225)	(3,850,106)
Net	(4,441,854)	(3,707,835)

(Expressed in United States Dollars)

6. Profit before taxation

	Period from 1 January to 31 December 2007 *US$*	Period from 1 January to 31 December 2006 *US$*
Profit before taxation is stated after crediting:		
(a) Exchange gain	328,884	19,811
and after charging:		
(b) Depreciation	1,127,390	1,133,232
(c) Amortization of intangible assets	771,690	710,085
(d) Bank interest and charges	3,634,710	2,229,993
(e) Auditors' remuneration	639,066	630,681
(f) Directors' remuneration – executive	622,707	562,709
(g) Directors' remuneration – non executive	136,178	21,000

7. Taxation

	Period from 1 January to 31 December 2007 *US$*	Period from 1 January to 31 December 2006 *US$*
Credit/(debit) balance 1 January	278,181	(76,446)
Provision for the period/year	2,729,389	1,622,736
(Over)/Under provision of prior years	(6,114)	4,406
Amounts paid, net	(2,686,991)	(1,272,515)
Credit balance 31 December	314,464	278,181

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.

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

	Period from 1 January to 31 December 2007 US$	Period from 1 January to 31 December 2006 US$
Corporation tax for the period	2,729,389	1,622,736
Underprovision of prior years	(6,114)	4,406
Deferred tax charge	-	61,674
Provision for the period	2,723,275	1,688,816

(Expressed in United States Dollars)

8. Trade receivables

	As at 31 December 2007 US$	As at 31 December 2006 US$
Trade receivables	212,230,205	150,948,946
Allowance for doubtful debts	(2,489,539)	(2,158,575)
	209,740,666	148,790,371

9. Other current assets

	As at 31 December 2007 US$	As at 31 December 2006 US$
Other debtors and prepayments	2,201,394	2,070,308
VAT and other taxes refundable	1,883,234	1,878,527
Loan due from fellow subsidiary company	117,844	118,096
Loans advanced	39,367	24,165
Advances to suppliers	58,504	114,802
Employee floats	272,046	137,511
Deposits	577,851	199,612
Amount due from ultimate holding company	-	63,205
Amount due from executive directors	-	120,130
	5,150,240	4,726,356

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

ASBISC ENTERPRISES PLC

NOTES TO THE UNAUDITED FINANCIAL STATEMENTS
FOR THE PERIOD ENDED 31 DECEMBER 2007
(Expressed in United States Dollars)

10. Property, plant and equipment

	Land and buildings	Warehouse machinery	Furniture and fittings	Office equipment	Motor vehicles	Computer hardware	Total
	US$	*US$*	*US$*	*US$*	*US$*	*US$*	*US$*
Cost							
At 1 January 2006	4,734,874	85,619	662,465	1,034,362	1,441,501	2,754,356	10,713,177
Foreign exchange difference on opening balances	349,604	13,544	49,217	89,571	154,027	194,770	850,733
Additions from the acquisition of subsidiary	-	44,427	1,601	1,194	61,314	4,488	113,024
Additions	63,544	-	251,445	138,828	265,711	385,147	1,104,675
Disposals	-	-	(1,955)	(33,631)	(158,180)	(113,950)	(307,716)
At 1 January 2007	5,148,022	143,590	962,773	1,230,324	1,764,373	3,224,811	12,473,893
Foreign exchange difference on opening balances	356,148	15,114	114,481	90,978	155,895	238,963	971,579
Additions from the acquisition of subsidiary	-	-	8,511	9,604	59,602	21,328	99,045
Additions	7,418,715	6,083	184,293	602,649	772,047	748,270	9,732,057
Disposals	-	-	(13,123)	(106,842)	(424,116)	(640,088)	(1,184,169)
At 31 December 2007	12,922,885	164,787	1,256,935	1,826,713	2,327,801	3,593,284	22,092,405
Accumulated depreciation							
At 1 January 2006	462,487	43,837	319,135	546,338	836,038	1,841,702	4,049,537
Foreign exchange difference on opening balances	34,037	6,400	23,474	64,590	83,092	147,882	359,475
Charge for the year	142,418	31,545	85,436	131,714	243,163	498,956	1,133,232
On acquisition of subsidiary	-	14,068	114	131	19,149	1,085	34,547
Disposals	-	-	(1,822)	(31,513)	(123,861)	(107,631)	(264,827)
At 1 January 2007	638,942	95,850	426,337	711,260	1,057,581	2,381,994	5,311,964
Foreign exchange difference on opening balances	52,708	11,899	30,671	80,542	107,169	195,959	478,948
Charge for the period	147,561	25,404	127,806	145,944	285,066	395,609	1,127,390
On acquisition of subsidiary	-	-	1,043	1,642	10,960	6,447	20,092
Disposals	-	-	(5,069)	(103,739)	(327,936)	(599,513)	(1,036,257)
At 31 December 2007	839,211	133,153	580,788	835,649	1,132,840	2,380,496	5,902,137
Net book value							
31 December 2007	12,083,674	31,634	676,147	991,064	1,194,961	1,212,788	16,190,268
31 December 2006	4,509,080	47,740	536,436	519,064	706,792	842,817	7,161,929

Land and buildings include assets under construction of US$ 6,474,166.

ASBISC ENTERPRISES PLC

NOTES TO THE UNAUDITED FINANCIAL STATEMENTS
FOR THE PERIOD ENDED 31 DECEMBER 2007
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11. Intangible assets

	Computer software *US$*	Patents and licenses *US$*	Total *US$*
Cost			
At 1 January 2006	3,594,088	220,654	3,814,742
Foreign exchange difference on opening balances	94,014	-	94,014
Additions	415,402	110,947	526,349
Disposals	(5,821)	-	(5,821)
At 1 January 2007	4,097,683	331,601	4,429,284
Foreign exchange difference on opening balances	110,709	5,506	116,215
Additions from the acquisition of subsidiary	1,164	-	1,164
Additions	340,113	227,101	567,214
Disposals	(318,683)	(8,745)	(327,428)
At 31 December 2007	4,230,986	555,463	4,786,449
Accumulated depreciation			
At 1 January 2006	2,315,571	55,946	2,371,517
Foreign exchange difference on opening balances	85,253	-	85,253
Charge for the year	560,638	149,447	710,085
Disposals	(5,821)	-	(5,821)
At 1 January 2007	2,955,641	205,393	3,161,034
Foreign exchange difference on opening balances	103,057	808	103,865
Charge for the year	609,479	162,211	771,690
On acquisition of subsidiary	752	-	752
Disposals	(263,526)	(1,749)	(265,275)
At 31 December 2007	3,405,403	366,663	3,772,066
Net book value			
31 December 2007	825,583	188,800	1,014,383
31 December 2006	1,142,042	126,208	1,268,250

12. Investments

	Country of incorporation	Percentage of participation	As at 31 December 2007 *US$*	As at 31 December 2006 *US$*
Share at cost of acquisition				
Investments held in fellow subsidiaries				
E-Vision Limited	Cyprus	18%	90,000	90,000
Other investments				
Asekol s.r.o.	Czech Republic	9.09%	9,580	9,580
			99,580	99,580

FOR THE PERIOD ENDED 31 DECEMBER 2007
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13. Acquisitions

During the year the company acquired 100% of the share capital of Asbis Kypros Limited (formerly "Microval Commercial Limited"). The difference between the carrying value of the net liabilities transferred and the consideration paid, which relates to the losses generated by the above subsidiary prior to the date of acquisition of US$222,963, had been written-off.

The net carrying value of underlying separately identifiable assets and liabilities transferred to the group during the year were as follows:

	As at 31 December 2007
Tangible and intangible assets	79,364
Inventories	548,548
Receivables	619,014
Other receivables	17,875
Payables and accruals	(1,313,099)
Cash and cash equivalents	(125,217)
Net identifiable assets and liabilities	(173,516)
Group's interest in net assets acquired	222,963
Total purchase consideration	**49,447**

Net cash outflow arising on transfer:

Total purchase consideration	(49,447)
Cash and cash equivalents transferred	(125,217)
Net cash outflow	**(174,664)**

The difference between the carrying value of the net liabilities transferred to the group and the consideration paid is the goodwill of US$222,963.

(Expressed in United States Dollars)

14. Other current liabilities

	As at 31 December 2007 *US$*	As at 31 December 2006 *US$*
Factoring creditors (note a)	13,707,714	9,670,740
Salaries payable and related costs	1,903,354	605,448
VAT payable	8,886,163	4,265,374
Amount due to directors - executive	38,318	53,366
Amount due to directors - non-executive	28,411	21,000
Non-trade accounts payable	13,726,390	3,228,154
Accruals and deferred income	6,344,776	5,116,237
	44,635,126	22,960,319

Note a: The group enjoyed as at 31 December 2007 factoring facilities of US$32,008,699 (2006: US$25,030,728). These factoring facilities are secured as mentioned in note 15.

15. Bank overdrafts and short term loans

	As at 31 December 2007 *US$*	As at 31 December 2006 *US$*
Bank overdrafts	15,911,426	14,677,165
Bank short term loans	24,577,864	19,494,450
Current portion of long term loans	278,508	205,557
	40,767,798	34,377,172

The group as at 31 December 2007 had the following financial facilities with banks in the countries that the company and its subsidiaries are operating:
- overdraft lines of US$25,980,656 (31 December 2006: US$ 16,590,934)
- short term loans/revolving facilities US$30,134,980 (31 December 2006: US$ 19,819,699)
- bank guarantees US$ 6,581,440 (31 December 2006: US$ 4,210,843)

The group had for the period ending 31 December 2007 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 8.5% (2006: 9.0%).
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 floating charge over all assets of the company for a total amount of US$4,000,000
- Second floating charge on the whole undertaking including the company's uncalled capital, goodwill and book debts for US$2,000,000 plus interest
- Third floating charge over all assets of the company for a total amount of US$1,200,000
- Fourth floating charge over all assets of the company for an amount of US$1,000,000
- Mortgage on ¼ of property of Diamond Properties Ltd (Vendor of the property for the company's head office premises acquired in Limassol) for the amount of US$2,800,000 and assignment of the sales contract between Diamond Properties Ltd and the company
- Mortgage on land and buildings that the group owns in Czech Republic, Ukraine and Slovakia
- Personal guarantees of the Chief Executive Officer for certain facilities granted to the Cyprus company
- Charge over receivables and inventories
- Corporate guarantees and, in some cases, by also cross guarantees by all group companies to the extent of facilities granted
- Assignment of insurance policies
- Pledged deposits of US$2,901,663 (31 December 2006: US$ 3,885,064)

(Expressed in United States Dollars)

16. Long term liabilities

	As at 31 December 2007 *US$*	As at 31 December 2006 *US$*
Bank loans	2,136,096	612,602
Other long term liabilities	121,401	53,456
	2,257,497	666,058

17. Finance leases

	As at 31 December 2007 *US$*	As at 31 December 2006 *US$*
Obligation under finance leases	123,554	219,242
Less: Amount payable within one year	(68,676)	(144,527)
Amount payable within 2-5 years inclusive	54,878	74,715

18. Share capital

	As at 31 December 2007 *US$*	As at 31 December 2006 *US$*
Authorised		
63,000,000 shares of US$ 0.20 each (2006: 48,000,000 ordinary shares of US$ 0.20 each	12,600,000	12,600,000
Issued, called-up and fully paid		
55,500,000 ordinary shares of US$0.20 each	11,100,000	9,600,000

On 17 September 2007 the Board of Directors decided to issue 7,500,000 ordinary shares of US$0.20 each at a premium of US$ 17,318,761.

On 31 December, 2007 the issued and fully paid share capital of the company consisted of 55,500,000 ordinary shares of US$0.20 each.

19. Segmental reporting

The group operates in a single segment of the distribution of IT components in a number of geographical regions
The following table produces an analysis of the group's sales by geographical market, irrespective of the origin of the goods.

	Sales revenue by geographical market	
	Period from 1 January to 31 December 2007 *US$*	Period from 1 January to 31 December 2006 *US$*
Former Soviet Union	681,730,050	491,246,643
Eastern Europe	452,913,972	342,540,983
Western Europe	124,738,564	88,783,690
Middle East & Africa	111,642,542	68,656,262
Other	26,323,550	17,567,019
Total revenue	1,397,348,678	1,008,794,597

(Expressed in United States Dollars)

20. Cash and cash equivalents

	As at 31 December 2007 US$	As at 31 December 2006 US$
Cash at bank	45,197,152	27,927,606
Bank overdrafts - note 15	(15,911,426)	(14,677,165)
	29,285,726	**13,250,441**

The cash at bank balances include an amount of US$2,901,663 (31 December 2006: US$3,885,064) which represents pledged deposits.

21. Related party transactions and balances

The holding company of the group is K.S. Holdings Limited, a company incorporated in Cyprus. Transactions between the company and its subsidiaries have been eliminated on consolidation. In the normal course of business, the group undertook during the period on an arm's-length basis transactions with the fellow subsidiary company E-Vision Limited And its subsidiaries as follows:

	Period from 1 January to 31 December 2007 US$	Period from 1 January to 31 December 2006 US$
Purchase of services and computer software – E-Vision Limited	575,000	570,000
Interest income	7,844	8,096

Related party balances	As at 31 December 2007 US$	As at 31 December 2006 US$
Loan due from fellow subsidiary company		
E-Vision Limited	117,844	118,096

The loan receivable from E-Vision Limited is unsecured and bears interest of 3 months Libor + 2% per annum.

Transactions and balances of key management	Period from 1January to 31 December 2007 US$	Period from 1 January to 31 December 2006 US$
Directors' remuneration – executive	622,707	562,709
Directors' remuneration – non executive	136,178	21,000
	758,885	**583,709**

	As at 31 December 2007 US$	As at 31 December 2006 US$
Amount due to directors		
- executive	38,318	53,366
- non executive	28,411	21,000
	66,729	**74,366**
	-	120,130
Amount due from directors		

22. Commitments and contingencies

As at 31 December 2007 the group was committed in respect of purchases of inventories of a total cost value of US$ 7,744,576 which were in transit at 31 December 2007 and delivered in January 2008. 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 company as at the period end.

As at 31 December 2007 the group was contingently liable in respect of bank guarantees of US$6,581,440 which the group had extended mainly to its suppliers as at 31 December 2007.

As at 31 December 2007 the group had capital commitments of approximately US$1,570,000 representing the estimated cost of completion of the building under construction in Slovakia.

As at 31 December 2007 the group had no other legal commitments and contingencies.

23. Dividends

The Board of Directors proposed the payment of a final dividend of US$0.02 per share for the year ended 31 December 2006 which in total amounted to US$960,000. The dividend was approved on 23 April 2007 at the Company's annual general meeting and paid on 11 May 2007.

24. Events after the balance sheet date

No significant events occurred after the balances