

Independent auditors' report

**To the shareholders of Acme Corporation SIA**

Report on the Consolidated Financial Statements

1. We have audited the accompanying consolidated financial statements on pages 8 to 41 of Acme Corporation SIA and its subsidiaries (the Group) which comprise the consolidated balance sheet as at 31 December 2011 and the consolidated statement of comprehensive income, consolidated statement of changes in equity and consolidated cash flow statement for the year then ended and a summary of significant accounting policies and other explanatory notes.

*Management's Responsibilities for the Consolidated Financial Statements*

2. Management is responsible for the preparation and fair presentation of these consolidated financial statements in accordance with the International Financial Reporting Standards as adopted by the European Union, and for such internal control as management determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

*Auditors' Responsibility*

3. Our responsibility is to express an opinion on these consolidated financial statements based on our audit. We conducted our audit in accordance with International Standards on Auditing. Those standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance whether the financial statements are free from material misstatement.
4. An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditors' judgement, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditors consider internal control relevant to the entity's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.
5. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

*Opinion*

6. In our opinion, the accompanying consolidated financial statements give a true and fair view of the financial position of Acme Corporation SIA and its subsidiaries as at December 31, 2011 and of its financial performance and its cash flows for the year then ended in accordance with the International Financial Reporting Standards as adopted by the European Union.

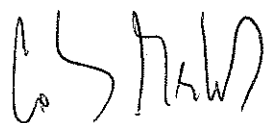
*Emphasis of matter*

Without qualifying our opinion, we draw attention to Note 2.3 in the consolidated financial statements. As at 31 December 2011 the Group's current liabilities exceeded its current assets by LVL 911 295 (EUR 1 296 655) and its total liabilities exceeded its total assets by LVL 8 196 624 (EUR 11 662 745). The Group's investment properties have been pledged to secure the bank borrowings. If the Group fails in servicing these borrowings or is unable to extend them beyond the initially set maturity of 30 March 2013, the bank would be entitled to take over the investment properties. These conditions, along with other matters set forth in Note 2.3, indicate the existence of a material uncertainty, which may cast significant doubt about the Group's ability to continue as a going concern.

**Report on other legal and regulatory requirements**

7. We have read the Management Report set out on pages 3 to 4 and did not identify material inconsistencies between the financial information presented in this report and that contained in the consolidated financial statements for the year ended December 31, 2011.
8. We have assured ourselves that the Group has prepared the corporate governance report for the year 2011 (included on pages 42 to 55 of accompanying consolidated financial statements for 2011) and verified information in this report according to the requirements enlisted in the section 56.1 first paragraph clauses 3, 4, 6, 8 and 9 and in the third paragraph of section 56.2 of the Act of the Republic of Latvia On Financial Instruments Market.

Merhels Revidenti Konsultanti SIA  
Licensed audit firm, license No. 1



Edvards Merhels  
Member of the Board



Dace Merhele  
Certified auditor, certificate No. 157

Riga, 26 April 2012