



INDEPENDENT AUDITORS' REPORT

To the shareholders of A/S „Rīgas Elektromašīnbūves rūpnīca”

Report on the Financial Statements

We have audited the accompanying 2012 financial statements of A/S „Rīgas Elektromašīnbūves rūpnīca”, reg. No. 40003042006, (further “the Company”), which are set out on pages 6 through 20 of the accompanying 2012 Annual Report and which comprise the balance sheet as at 31 December 2012, the income statement, the statement of changes in equity and the cash flow statement for the year then ended, and a summary of significant accounting policies and other explanatory notes.

Management's Responsibility for the Financial Statements

Management is responsible for the preparation and fair presentation of these financial statements in accordance with the Law of the Republic of Latvia on Annual Reports, 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.

Auditor's Responsibility

Our responsibility is to express an opinion on these 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.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, 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 auditor considers 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.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Opinion

In our opinion the financial statements give a true and fair view of the financial position of the Company as of 31 December 2012 and of its financial performance and its cash flows for the year then ended in accordance with the Republic of Latvia Annual Accounts Law .

Report on Other Legal and Regulatory Requirements

We have read the management report for 2012 set out on pages 4. to 5 of the accompanying annual report for 2012 and did not identify material inconsistencies between the financial information contained in the management report and that contained in the financial statements for 2012.

“Rigas Audits” Ltd,

Licence No. 103,


Janis Meziels

Chairman of the Board ,

Riga, 29 April 2013




Evalds Figurnovs

Certified auditor of Latvia

Certificate No. 38