Translation

INDEPENDENT AUDITORS' REPORT

To the Shareholders of Stock Company
Kurzemes ciltslietu un mākslīgās apsēklošanas stacija

Report on the Financial Statements

We have audited the accompanying financial statements on pages 7 to 20 of Stock Company Kurzemes ciltslietu un mākslīgās apsēklošanas stacija which comprise the balance sheet as of 31 December 2010 and the income statement, statement of changes in equity and 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 requirements of the Annual Accounts Act of the Republic of Latvia. This responsibility includes: designing, implementing and maintaining internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error; selecting and applying appropriate accounting policies; and making accounting estimates that are reasonable in the circumstances.

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 as adopted by the Latvian Association of certified auditors. 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.

Statement

In our opinion, the accompanying financial statements give a true and fair view of the financial position of Stock Company Kurzemes ciltslietu un mākslīgās apsēklošanas stacija as of 31 December 2010, and of its financial performance and its cash flows for the year then ended in accordance with the requirements of the Annual Accounts Act of the Republic of Latvia.

Report on the Management Report

We have read the Management Report set out on pages 5 to 6 and did not identify material inconsistencies between the financial information contained in the Management Report and that contained in the financial statements for 2010.

Certified auditors' company
Revidentu serviss Ltd
Audit company licence No. 15

ZVĒRINĀTS REVIDENTS AIVARS RUTKIS Mag. Sc. Soc. 1994 2010 SERTIFIKĀTS NR. 18

Mag.sc.soc., Aivars Rutkis
Certified auditor, Certificate No. 18
Chairman on of the Board

21.03.2011.
Dobele, Dobeles novads, Krasta 4-39, Latvia

21.03.2011, 4.1.- 63.