

“SOS-AUDIT” LTD

INDEPENDENT AUDITOR’ S REPORT N 15

*On of “Artsakh HEK” Open Joint Stock Company annual financial statement as at 31 December, 2011*

*To the Board of Directors of “Artsakh HEK” Open Joint Stock Company:*

We have audited the accompanying consolidated financial statement “Artsakh HEK” Open Joint Stock Company, which comprise the consolidated statement of financial position as at 31 December, 2011 and the consolidated statements of income, changes in equity, cash flows and a summary of significant accounting policies and other explanatory notes.

*Management’s Responsibility for the Financial Statements:*

Management is responsible for preparation and fair presentation of these consolidated financial statements based on International Financial Reporting Standards. This responsibility includes the necessary control system, which allows preparing the financial statements free from material misstatements, whether due to fraud or error.

*Auditor’s responsibility*

Our responsibility is to express our opinion 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 financial misstatement. An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statement. The procedures selected on the auditor’s judgment, including the assessment of the risk of material misstatement of the financial statement 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 the accounting policies applied, and the reasonableness of accounting estimates made by management, as well as evaluating of 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 accompanying consolidated financial statements present fairly, in all material respect the financial position of “Artsakh HEK” Open Joint Stock Company as of 31 December, 2011 and its financial performance and its cash flows for the year then ended in accordance with Financial Reporting Standards.

3 April 2012

Sos –Audit Ltd

Manvel Ghazaryan

Director

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Auditor