

VGD - **AVOS** AUDIT s.r.o.

Translation of the Independent Auditor`s Report in Slovak language

INDEPENDENT AUDITOR`S REPORT

**for the period from 1.1.2014 to 31.3.2014
concerning verification of the average print run and paid
circulation of periodicals published by**

P E R E X , a . s .

INDEPENDENT AUDITOR'S REPORT

We were appointed to verify Average Print Run and Paid Circulation of Pravda daily and Average Print Run and Paid Circulation of Pravda Magazin supplement for the period from January 1st 2014 to March 31st 2014 in accordance with the Print Run and Paid Circulation Calculation Methodology approved by the Board of Directors of P E R E X , a. s. on July 24th 2012, as submitted to us.

Auditor's Responsibility

Our responsibility is to express an opinion on the data submitted to us 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 that the submitted data are free of material misstatements

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the submitted data. The procedures selected depend on our judgment, including the assessment of the risks of material misstatement in the submitted data, whether due to fraud or error. In making those risk assessments, we consider internal control relevant to the entity's preparation and objective presentation of the data on numbers of printed and sold copies in order to design audit procedures that are appropriate in the circumstances.

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

Opinion

Having reviewed the mutual links between the accounting records and the Average Print Run and Paid Circulation of Pravda daily and Average Print Run and Paid Circulation of Pravda Magazin supplement, as included in this Report, we have found no material misstatements and confirm that the average numbers of sold copies of the periodicals mentioned below in the reported months of 2014 are as follows:


Periodical	January 2014	February 2014	March 2014
Pravda daily	48 909	48 407	49 673
Pravda Magazin supplement	48 432	46 805	46 548

Piešťany, 30th May 2014

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921 01 Piešťany
Obchodný register, zložka 74698/B
Licencia SKAu č. 269




Responsible Auditor
Ing. Erik Marek
Licencia SKAu č. 866

	Month of edition											
	January	February	March	April	May	Jun	July	August	September	October	November	December
Print run	66 532	66 311	66 676									
Retail Sales	27 553	27 113	28 244									
Retail Sales B**	1	1	1									
Retail Sales C	-	-	3									
Subscriptions A	15 093	14 957	15 078									
Subscriptions B	-	-	-	-	-	-	-	-	-	-	-	-
Subscriptions C	-	-	-	-	-	-	-	-	-	-	-	-
Other Sales	6 263	6 337	6 348									
Paid Circulation *	48 909	48 407	49 673									
Returns	17 622	17 904	17 003									

Explanations:

Print Run:	Number of copies printed and invoiced by the print provider. The supplier invoice is duly recorded in the PEREX's accounting and paid to the supplier's account.
Retail Sales A:	Sales through the distribution network of the independent distributor Mediaprint-Kapa Pressegrasso, a.s., under a contract with PEREX.
Retail Sales B:	Sales through in-house store or the in-house distribution network. Presently, PEREX does not operate its own distribution network. PEREX sells Pravda copies in its own store which is accesible on the premises of the company's registered office.
Retail Sales C:	Sales through a distribution network owned by a publisher domiciled in the Slovak Republic.
	The sales take place outside the distribution network of the independent distributor Mediaprint-Kapa Pressegrasso, a.s.
	These sales may include sales through news-vendors.
Subscriptions A:	Subscriptions distributed by Slovenská pošta, a.s. under a contract with PEREX.
Subscriptions B:	Subscriptions distributed by a distribution network owned by a publisher domiciled in the Slovak Republic.
Subscriptions C:	Subscriptions delivered by Mediaprint-Kapa Pressegrasso, a.s., or other independent distribution network of an alternative postal service operator.
Other Sales:	Included in other sales are copies sold directly to the buyer under a purchase order or contract. Ordered copies are invoiced to the buyer. The invoice is duly recorded in the PEREX's accounting. The price of copies ordered and invoiced is at least 50% of the basic cover price. See the calculation methodology.
Paid Circulation:	It is the sum of all sales.
Returns:	Included in returned copies are copies destined for sale (whether directly, through distributors, news-agents or otherwise) that were not sold.
* Comment:	The calculation of average values of respective sale types leads to rounding and hence to a possible difference of +1pcs or -1pcs to the average paid circulation, which is calculated as a proportion of the sum of all the sales and the number of issues in a given month.
** Comment:	In 2014 Sales in PEREX's own store range from 13 to 15 pieces, resulting in a monthly average of 0,54 - 0,6 pcs/issue.

	5 pcs per month, an average of 1 pcs/edition			4 pcs per month, an average of 1 pcs/edition			3 pcs per month, an average of 0,75 pcs/edition			Month of edition		
	January	February	March	April	May	Jun	July	August	September	October	November	December
Print run	65 571	66 256	66 256									
Retail Sales	30 378	28 613	27 854									
Retail Sales B**	1	1	1									
Retail Sales C	-	-	2			-	-	-	-	-	-	-
Subscriptions A	17 880	18 019	18 519									
Subscriptions B	-	-	-	-	-	-	-	-	-	-	-	-
Subscriptions C	-	-	-	-	-	-	-	-	-	-	-	-
Other Sales	173	173	173									
Paid Circulation *	48 432	46 805	46 548									
Returns	17 139	19 451	19 708									

Explanations:

Print Run:	Number of copies printed and invoiced by the print provider. The supplier invoice is duly recorded in the PEREX's accounting and paid to the supplier's account.
Retail Sales A:	Sales through the distribution network of the independent distributor Mediaprint-Kapa Pressegrasso, a.s., under a contract with PEREX.
Retail Sales B:	Sales through in-house store or the in-house distribution network. Presently, PEREX does not operate its own distribution network. PEREX sells Pravda copies in its own store which is accesible on the premises of the company's registered office.
Retail Sales C:	Sales through a distribution network owned by a publisher domiciled in the Slovak Republic.
	The sales take place outside the distribution network of the independent distributor Mediaprint-Kapa Pressegrasso, a.s.
	These sales may include sales through news-vendors.
Subscriptions A:	Subscriptions distributed by Slovenská pošta, a.s. under a contract with PEREX.
Subscriptions B:	Subscriptions distributed by a distribution network owned by a publisher domiciled in the Slovak Republic.
Subscriptions C:	Subscriptions delivered by Mediaprint-Kapa Pressegrasso, a.s., or other independent distribution network of an alternative postal service operator.
Other Sales:	Included in other sales are copies sold directly to the buyer under a purchase order or contract. Ordered copies are invoiced to the buyer. The invoice is duly recorded in the PEREX's accounting. The price of copies ordered and invoiced is at least 50% of the basic cover price. See the calculation methodology.
Paid Circulation:	It is the sum of all sales.
Returns:	Included in returned copies are copies destined for sale (whether directly, through distributors, news-agents or otherwise) that were not sold.
* Comment:	The calculation of average values of respective sale types leads to rounding and hence to a possible difference of +1 pcs or -1 pcs to the average paid circulation, which is calculated as a proportion of the sum of all the sales and the number of issues in a given month.
** Comment:	In 2014 Sales in PEREX's own store range from 3 to 5 pieces, resulting in a monthly average of 0,75 - 1 pcs/issue.