

**Translation of the Independent Auditor`s
Report in Slovak language**

INDEPENDENT AUDITOR`S REPORT

for the period from 1.1.2017 to 31.3.2017

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 of the average print run and paid circulation of periodicals

to the Statutory Body of P E R E X , a . s .

We have performed verification of quarterly report of the average print run and paid circulation of Pravda periodicals and average print run and paid circulation of Pravda Magazín for the period from 1.1.2017 to 31.3.2017 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.

Responsibility of Statutory Body

Statutory body is responsible for the preparation of this quarterly report of the average print run and paid circulation of Pravda periodicals and average print run and paid circulation of Pravda Magazín 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.

Auditor's Responsibility

Our responsibility is to express an opinion on items included in this quarterly report are in accordance with approved methodology. We performed our verification in accordance with International Standards of Assurance Engagement (ISAE 3000 - Assurance Engagements Other than Audits or Reviews of Historical Financial Information). This standard require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance that items included in quarterly report are free of material misstatements

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in this quarterly report. The procedures selected depend on our judgment, including the assessment of the risks of material misstatement, whether due to fraud or error. In making those risk assessments, we consider internal control relevant to the entity's preparation of this quarterly report that give a true and fair view 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 opinion.



Opinion

In our opinion, quarterly report of the average print run and paid circulation of Pravda periodicals and average print run and paid circulation of Pravda Magazín for the period from 1.1.2017 to 31.3.2017 are prepared, in all material respects, 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.

We confirm that the average numbers of sold copies of the periodicals mentioned below in the reported months of 2016 are as follows:

Periodical	January 2017	February 2017	March 2017
Pravda daily	36 614	36 293	35 890
Pravda Magazín supplement	41 724	40 717	39 507

Piešťany, 22nd May 2017



VGD SLOVAKIA s. r. o.
 Moskovská 13
 811 08 Bratislava

Responsible auditor
 Ing. Erik Marek
 SKAU License No. 866

Office Piešťany, Námestie SNP 4
 921 01 Piešťany
 Companies Register, Insert No.74698/B
 SKAU License No. 269



	Month of edition											
	January	February	March	April	May	Jun	July	August	September	October	November	December
Print run	52 800	53 123	53 542									
Retail Sales	24 056	23 624	22 634									
Retail Sales B**	0	0	0									
Retail Sales C	-	-	-									
Subscriptions A	12 029	12 113	12 160									
Subscriptions B	-	-	-									
Subscriptions C	-	-	-									
Other Sales	529	556	1 096									
Paid Circulation *	36 614	36 293	35 890									
Returns	16 187	16 830	17 652									

9 pcs per month, an average of 0,36 pcs/edition

11 pcs per month, an average of 0,46 pcs/edition

12 pcs per month, an average of 0,44 pcs/edition

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 accessible 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 2017 Sales in PEREX's own store range from 9 to 12 pieces, resulting in a monthly average of 0,36 - 0,46 pcs/issue.

	Month of edition											
	January	February	March	April	May	Jun	July	August	September	October	November	December
Print run	57 609	57 616	58 607									
Retail Sales	27 409	26 385	24 592									
Retail Sales B**	0	1	1									
Retail Sales C	-	-	-									
Subscriptions A	14 259	14 300	14 303									
Subscriptions B	-	-	-									
Subscriptions C	-	-	-									
Other Sales	56	31	611									
Paid Circulation *	41 724	40 717	39 507									
Returns	15 885	16 899	19 101									

1 pcs per month, an average of 0,25 pcs/edition

3 pcs per month, an average of 0,75 pcs/edition

3 pcs per month, an average of 0,60 pcs/edition

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 accessible 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 2017 Sales in PEREX's own store range from 1 to 3 pieces, resulting in a monthly average of 0,25 - 0,75 pcs/issue.