
VGD - AVOS AUDIT s.r.o.

Translation of the Independent Auditor`s Report in Slovak language

INDEPENDENT AUDITOR`S REPORT

**for the period from 01.07.2013 to 30.09.2013
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 Magazín supplement for the period from July 1st 2013 to September 30th 2013 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 Magazín 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 2013 are as follows:

Periodical	July 2013	August 2013	September 2013
Pravda daily	48 867	49 532	48 436
Pravda Magazín supplement	50 746	49 348	48 705

Piešťany, 27th November 2013

VGD - AVOS AUDIT s.r.o.
Moskovská 13
811 08 Bratislava

Kancelária Piešťany, Námestie SNP 4
921 01 Piešťany
Obchodný register, zložka 74698/B
Licencia SKAu č. 269




Responsible Auditor
Ing. Erik Marek
Licencia SKAu č. 866

AVERAGE PRINT RUN AND PAID CIRCULATION OF DAILY PRAVDA IN 2013

	Month of edition											
	January	February	March	April	May	Jun	July	August	September	October	November	December
Print run							66 373	67 669	67 151			
Retail Sales							27 012	27 569	26 981			
Retail Sales B**							0	1	1			
Retail Sales C							-	-	-			
Subscriptions A							15 132	15 535	15 412			
Subscriptions B							-	-	-	-	-	-
Subscriptions C							-	-	-	-	-	-
Other Sales							6 723	6 428	6 043			
Paid Circulation *							48 867	49 532	48 436			
Returns							17 506	18 137	18 715			

13 pcs per month, an average of 0,5 pcs/edition

11 pcs per month, an average of 0,42 pcs/edition

15 pcs per month, an average of 0,6 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 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 2013 Sales in PEREX's own store range from 9 to 15 pieces, resulting in a monthly average of 0,35 - 0,6 pcs/issue.

AVERAGE PRINT RUN AND PAID CIRCULATION OF PRAVDA MAGAZINE IN 2013

	Month of edition											
	January	February	March	April	May	Jun	July	August	September	October	November	December
Print run							68 845	68 659	67 229			
Retail Sales							29 207	27 994	28 786			
Retail Sales B**							1	1	1			
Retail Sales C							-	-	-			
Subscriptions A							18 189	18 598	18 618			
Subscriptions B							-	-	-	-	-	-
Subscriptions C							-	-	-	-	-	-
Other Sales							3 350	2 755	1 300			
Paid Circulation *							50 746	49 348	48 705			
Returns							18 099	19 311	18 524			

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

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

4 pcs per month, an average of 1,0 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 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 2013 Sales in PEREX's own store range from 2 to 5 pieces, resulting in a monthly average of 0,40 - 1,0 pcs/issue.