

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

INDEPENDENT AUDITOR`S REPORT

for the period from 1.7.2016 to 30.9.2016

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 1.7.2016 to 30.9.2016 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 1.7.2016 to 30.9.2016 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	July 2016	August 2016	September 2016
Pravda daily	39 644	37 320	37 181
Pravda Magazín supplement	40 954	42 618	40 464

Piešťany, 23th November 2016

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 Responsible auditor
 Ing. Erik Marek
 SKAU License No. 866

	Month of edition											
	January	February	March	April	May	Jun	July	August	September	October	November	December
Print run							59 414	57 487	53 812			
Retail Sales							24 795	23 288	24 193			
Retail Sales B**							0	0	1			
Retail Sales C							-	-	-			
Subscriptions A							13 232	13 319	12 377			
Subscriptions B							-	-	-			
Subscriptions C							-	-	-			
Other Sales							1 616	713	611			
Paid Circulation *							39 644	37 320	37 181			
Returns							19 770	20 167	16 631			

12 pcs per month, an average of 0,48 pcs/edition

12 pcs per month, an average of 0,50 pcs/edition

9 pcs per month, an average of 0,35 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 -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 2016 Sales in PEREX's own store range from 9 to 13 pieces, resulting in a monthly average of 0,35 - 0,50 pcs/issue.

	Month of edition											
	January	February	March	April	May	Jun	July	August	September	October	November	December
Print run							62 260	62 547	58 272			
Retail Sales							24 982	24 558	25 481			
Retail Sales B**							1	0	1			
Retail Sales C							-	-	-			
Subscriptions A							15 938	15 944	14 571			
Subscriptions B							-	-	-			
Subscriptions C							-	-	-			
Other Sales							34	2 116	412			
Paid Circulation *							40 954	42 618	40 464			
Returns							21 306	19 928	17 809			

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.
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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 2016 Sales in PEREX's own store range from 2 to 5 pieces, resulting in a monthly average of 0,40 - 1,00 pcs/issue.