

VGD - AVOS AUDIT s. r. o.

Translation of the Independent Auditor's Report in Slovak language

INDEPENDENT AUDITOR'S REPORT

**for the months August 2011 and October 2011
concerning verification of the average print run and paid
circulation of periodicals published by**

P E R E X, a. s. Bratislava

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 months August 2011 and October 2011 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 months of August 2011 and October 2011 are as follows:

Periodical	August	October
Pravda daily	53 624	54 399
Pravda Magazín supplement	52 428	50 977

Piešťany, 27th August 2012

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Responsible Auditor
 Ing. Erik Marek
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AVERAGE PRINT RUN AND PAID CIRCULATION OF DAILY PRAVDA IN 2011

	Month of publication											
	January	February	March	April	May	June	July	August	September	October	November	December
Print run								70 446		70 471		
Retail Sales								30 154		33 523		
Retail Sales B**								0		1		
Retail Sales C								-		-		
Subscriptions A								15 071		14 932		
Subscriptions B								-		-		
Subscriptions C								-		-		
Other Sales								8 398		5 943		
Paid Circulation *								53 624		54 399		
Returns								16 822		16 072		

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

13 pcs per month, an average of 0,5 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:	Sales in PEREX's own store currently range from 1 to 21 pieces, resulting in a monthly average of 0,04 - 0,88 pcs/issue.

Pravda

AVERAGE PRINT RUN AND PAID CIRCULATION OF PRAVDA MAGAZINE IN 2011

	Month of publication											
	January	February	March	April	May	June	July	August	September	October	November	December
Print run												
Retail Sales								69 893		69 635		
Retail Sales B**								32 356		33 354		
Retail Sales C								1		1		
Subscriptions A								-		-		
Subscriptions B								17 502		17 463		
Subscriptions C								-		-		
Other Sales								-		-		
Paid Circulation *								2 570		160		
Returns								52 428		50 977		
								17 465		18 658		

3 pcs per month, an average of 0,6 pcs/edition

4 pcs per month, an average of 1 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:	Sales in PEREX's own store currently range from 1 to 6 pieces, resulting in a monthly average of 0,2 - 1,5 pcs/issue.