

VGD SLOVAKIA s. r. o.

Translation of the Independent Auditor`s Report in Slovak language

INDEPENDENT AUDITOR`S REPORT

**for the period from 1.10.2015 to 31.12.2015
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 1.10.2015 to 31.12.2015 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 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 1.10.2015 to 31.12.2015 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 2015 are as follows:

Periodical	October 2015	November 2015	December 2015
<i>Pravda</i> daily	40 549	40 203	42 812
<i>Pravda Magazín</i> supplement	42 825	41 870	47 001

Piešťany, 12th February 2016

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Responsible auditor
Ing. Erik Marek
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AVERAGE PRINT RUN AND PAID CIRCULATION OF DAILY PRAVDA IN 2015

	Month of edition											
	January	February	March	April	May	Jun	July	August	September	October	November	December
Print run								12 pcs per month, an average of 0,44 pcs/editio		60 210	59 768	61 241
Retail Sales										24 598	24 741	25 107
Retail Sales B**										0	1	0
Retail Sales C								12 pcs per month, an average of 0,5 pcs/editio		5	4	3
Subscriptions A										13 824	13 694	13 925
Subscriptions B								128 pcs per month, an average of 4,74 pcs/editio		-	-	-
Subscriptions C										-	-	-
Other Sales										2 122	1 764	3 776
Paid Circulation *								101 pcs per month, an average of 4,21 pcs/editio		40 549	40 203	42 812
Returns										19 661	19 565	18 429

10 pcs per month, an average of 0,42 pcs/editio

75 pcs per month, an average of 3,13 pcs/editio

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.
Subscriptions A:	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 B:	Subscriptions distributed by Slovenská pošta, a.s. under a contract with PEREX.
Subscriptions C:	Subscriptions distributed by a distribution network owned by a publisher domiciled in the Slovak Republic.
Other Sales:	Subscriptions delivered by Mediaprint-Kapa Pressegrasso, a.s., or other independent distribution network of an alternative postal service operator.
Paid Circulation:	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.
Returns:	It is the sum of all sales.
* Comment:	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.
	In 2015 Sales in PEREX's own store range from 10 to 255 pieces, resulting in a monthly average of 0,42 - 10,63 pcs/issue.

AVERAGE PRINT RUN AND PAID CIRCULATION OF PRAVDA MAGAZINE IN 2015

	Month of edition												
	January	February	March	April	May	Jun	July	August	September	October	November	December	
Print run													4 pcs per month, an average of 0,8 pcs/edition
Retail Sales								3 pcs per month, an average of 0,6 pcs/edition		62 916	62 936	65 158	
Retail Sales B**										1	1	1	
Retail Sales C								2 pcs per month, an average of 0,5 pcs/edition		5	4	3	
Subscriptions A										16 464	16 450	16 519	
Subscriptions B								24 pcs per month, an average of 4,8 pcs/edition		-	-	-	
Subscriptions C										-	-	-	
Other Sales										133	183	345	
Paid Circulation *								16 pcs per month, an average of 4,0 pcs/edition		42 825	41 870	47 001	
Returns										20 091	21 066	18 157	

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.
Subscriptions A:	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 B:	Subscriptions distributed by Slovenská pošta, a.s. under a contract with PEREX.
Subscriptions C:	Subscriptions distributed by a distribution network owned by a publisher domiciled in the Slovak Republic.
Other Sales:	Subscriptions delivered by Mediaprint-Kapa Pressegrasso, a.s., or other independent distribution network of an alternative postal service operator.
Paid Circulation:	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.
Returns:	It is the sum of all sales.
* Comment:	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.
	In 2015 Sales in PEREX's own store range from 2 to 5 pieces, resulting in a monthly average of 0,5 - 1,00 pcs/issue.