Auditor's Report

on the verification of financial statements

of "Člověk v tísni - společnost při České televizi, o.p.s."
(People in Need)

as at 31 December 2006
Identification data:

Name of the accounting unit: Člověk v tísni – společnost při České televizi, o.p.s. (PEOPLE IN NEED)

Registered office: 120 00 Prague 2
Sokolská 1869/18

Id number: 25 75 52 77

Legal status: Benevolent Society

Executive Board: Vlasta Lajčaková
Chairwoman of the Executive Board

Auditing firm: AUDIT SERVIS, spol. s r.o.
140 00 Praha 4, Kloboučnická 14
Licence no. 10 of the Chamber of Auditors of the Czech Republic

Auditor - statutory representative: Ing. Květoslava Vyleťalová
Licence no. 256 of the Chamber of Auditors of the Czech Republic

Audited period: from 1 January 2006 till 31 December 2006

Date of the execution of the Report: 29 June 2006

Addressee of the Report: Executive Board and founders of the Organization
AUDITOR’S STATEMENT TO THE EXECUTIVE BOARD AND FOUNDERS OF THE ČLOVĚK V TÍSNI – SPOLEČNOST PŘI ČESKÉ TELEVIZI, O.P.S. (PEOPLE IN NEED)

Based upon our audit, we issued the Auditor’s Report dated 28 June 2007 on the financial statements compiled in Czech in accordance with regulations effective in the Czech Republic. The financial statements for the year ended 31 December 2006, contain the Balance Sheet, Profit and Loss Account and the Notes to the Financial Statements including the Cash Flow Statement. The Auditor’s Report includes the auditor’s statement of the following wording:

"We have audited the accompanying financial statements of Člověk v tísni – společnost při České televizi, o.p.s. (PEOPLE IN NEED), which comprise the balance sheet as of 31 December 2006, Profit and Loss Account from 1 January to 31 December 2006 and the Notes to this Financial, and a summary of significant accounting policies and other explanatory notes. Information about Člověk v tísni – společnost při České televizi, o.p.s. is presented in Note 1.1. to these financial statements.

Statutory Body’s Responsibility for the Financial Statements
The Statutory Body of Člověk v tísni – společnost při České televizi, o.p.s. is responsible for the preparation and fair presentation of these financial statements in accordance with Czech accounting regulations. This responsibility includes: designing, implementing and maintaining internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error; selecting and applying appropriate accounting policies; and making accounting estimates that are reasonable in the circumstances.

Auditor’s Responsibility
Our responsibility is to express an opinion on these financial statements based on our audit. We conducted our audit in accordance with the Act on Auditors and International Standards on Auditing and the related application guidelines issued by the Chamber of Auditors of the Czech Republic. Those standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor’s judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity’s preparation and fair presentation of the financial statements 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 audit opinion.

**Opinion**

In our opinion, the financial statements give a true and fair view of the state of the assets, liabilities, equity and financial position of Člověk v tísni – společnost při České televizi, o.p.s. as of 31 December 2006, and of the expenses, income and results of its operations for the year 2006 in accordance with Czech accounting regulations."

The company prepared the Balance Sheet, Profit and Loss Account and Cash Flow Statement in English. The enclosed English version of the financial statements truly reflects the financial statements audited by us.

Financial statements as at 31 December 2006 (Balance Sheet, Profit and Loss Account and Cash Flow Statement) are Annexes 1, 2 and 3 hereto.

In Prague on 29 June 2007

Auditing firm: AUDIT SERVIS, spol. s r.o.
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