



# ANNUAL REPORT 2009



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## FOREWORD OF THE CEO

Dear clients and business partners,

we are pleased to introduce you the Annual Report for 2009. In 2009, we faced two great challenges. Already in January, the striking of the Slovak euro coins was terminated prematurely and we had to immediately ensure the supplementary production plan. The global recession crucially affected business conditions, mainly insofar as the financial sector concerns. I may state proudly, that the company has managed these challenges very successfully and the management of 2009 was a great step in executing its strategic goals.

Within the production of circulation coins, in 2009 we manufactured and shipped more than 846 millions of circulation and commemorative coins to 7 countries around the world. In the 2nd half of 2009, we were awarded three purchase orders for foreign circulation coins; this ensured our workload for the 2nd half of 2009 and 1st half of 2010.

Due to new technologies and more efficient processes, we also strengthened our manufacturing capacities for collector coins from precious metals. Also the 70 thousand pieces of collector coins made under the NBS Issue Plan are the proof of this strengthening. Such a number of collector coins made of precious metals was the highest in the modern era of our company. The investments and change of processes carried out in this area in 2009 will allow us also to participate in foreign bidding for collector coins of precious metals in the future.

The company advanced also in the area of marketing communication with its main target markets. In 2009, the change in company policy has aimed it to become, in Slovakia, the greatest seller of numismatic products made by our company and to introduce the company on foreign markets, mainly those within the EU. We doubled the sales of our factory store with comparison to 2008.

We also consider as a success the 1% increase of the 2009 sales generated by our medal production, in comparison to that of 2008, all this despite the interruption of the production scheduled for the summer in this area caused by the updating of the neutralization plant.

Through the distribution of the 2008 profit and the generation of positive trading income for 2009, the company increased its financial health and created sources sufficient to cover future company projects.

Finally, I can confirm that 2009 was a successful year and makes us responsible for the definition of new and ambitious targets for the future. Their common denominator consists in the further development of the

company through vast investments, and the satisfaction and trust of our clients and business partners. I am convinced that, despite the pressure caused by the recession, we will succeed thereupon. All this is also due to the team of colleagues and fellow workers whose professionalism can never be questioned. Therefore, my greatest thanks belong to them.



Mr. Vlastimil Kalinec  
Chief executive officer  
of Mincovňa Kremnica, štátny podnik

## COMPANY PROFILE

### Basic data:

_registered name	_Mincovňa Kremnica, štátny podnik
_registered office	_Štefánikovo námestie 25/24, 967 01 Kremnica, Slovakia
_corporate id	_00 010 448
_established on	_27.06.1988
_registered on	_01.07.1988
_legal form	_state-owned corporation
_registered equity capital	_EUR 10,000,000.00 (as of April 14th, 2010)
_scope of business	_business operations within the scope of free trade
	_automated processing of data
	_metal-working
	_locksmithery
	_manufacture of tools
	_grinding and polishing of metals except scissor and simple tool sharpening
	_metals electroplating
	_enameling
	_construction of mechanically driven machines
	_waste disposal business
	_road haulage
	_non-public passenger transport
	_public non-regular mass transportation
	_founding of ferrous and non-ferrous non-precious metals
	_goldsmithery, silversmithery, jewellery and ironmongery
	_stonemasonry
	_advertising
	_operation of own security service in accordance with Section 3, paragraph a/, clauses 3, 4, 5, 8 and 9 of Act No. 379/97 coll. on running private security and similar services
	_production of heat, distribution of electricity and heat in accordance with licence No. 2000 ET 0333 dated February 9, 2000 ME SR
	_purchase and sale of computers and accessories
	_precious metals founding (production of alloys, precious metals refining and fabrication of semi-products from precious metals)
	_power engineering – electricity supplies



## FOUNDATION DEED, FOUNDER AND PROPERTY PARTICIPATION

Mincovňa Kremnica, štátny podnik (hereinafter as "the Company") was established by a Foundation Deed issued by the Federal Ministry of Metallurgy, Mechanical Engineering and Electrical Engineering No. 22/1988 on June 17, 1988. By agreement of the Ministry of Economy of the Slovak Republic and the Ministry of Finance of the Slovak Republic pursuant to Section 3 of Slovak National Council Act No. 453/92 Coll. and in accordance with the provisions of Section 4 of Act No. 111/1990 Coll., the Company founder was changed on December 31, 1996.

In the Company Register of Banská Bystrica District Court the Company was registered on July 1, 1988 in section Pš, file No. 3/S.

The sole proprietor of the Company is the Ministry of Finance of the SR, Štefanovičova 5, Bratislava.

## BODIES AND ORGANIZATIONAL SCHEME OF THE ENTERPRISE

Supervisory Board is a supervisory and regulatory body of the Enterprise with 5 members.

The chairman	Mr. Jozef Zaťko
Members	Mr. Pavol Ochotnický
	Mr. Juraj Družbacký
	Mr. Anton Kollár
	Mr. Dušan Privalinec

## STATUTORY BODY OF THE ENTERPRISE

This is the Enterprise Director, Mr. Vlastimil Kalinec. The other statutory representatives of the Enterprise are the following::

I. statutory representative	Mr. Miroslav Hutýra
II. statutory representative	Mr. Ľuboš Kupec
III. statutory representative	Mr. Alžbeta Schmidtová
IV. statutory representative	Mr. Dušan Horváth

## EXECUTIVE MANAGEMENT OF THE ENTERPRISE

Chief executive officer:	Mr. Vlastimil Kalinec
Business manager:	Mr. Ľuboš Kupec
Financial manager:	Mr. Alžbeta Schmidtová
HR manager:	Mr. Katarína Zoričáková
Production manager:	Mr. Miroslav Hlaváč
Technical manager:	Mr. Dušan Horváth
Quality manager:	Mr. Dana Tenkelová

## ORGANIZATIONAL STRUCTURE OF THE COMPANY

Chief Executive Officer					
secretariate					
commercial div.	financial div.	HR div.	production div.	technical div.	QM, MRK, OM and Environment Div.
■ atelier	■ accounting dep.	■ HR	■ production manager	■ technical development	■ quality control
■ marketing	■ financial dep.	■ payroll dep.	■ coin production	■ maintenance	■ environment protection
■ procurement	■ investments	■ IT	■ process engineering		■ warehouse of coining die
■ expedition			■ medal production		
■ factory store		■ security services	■ production of precious metal		
■ transport			■ engraving		

## MISSION, VISION AND GOALS

### VISION

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- The vision of the Mint of Kremnica is to be perceived worldwide as a modern and state-of-the-art company the name of which is synonymous with expertise, trust and reliability.

### MISSION

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- ensure satisfaction of our external customers and all involved parties through the quality of our products and services
- ensure the long-term prosperity of the Company
- provide a suitable and stimulating working environment for our employees

### STRATEGIC GOALS

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- high quality of service and final product with optimum costs
- high level of business culture
- permanent increase in the business capital value
- production portfolio comparable with the world's best competitors



## CIRCULATION COINS

In 2009, we manufactured circulation coins for Národná Banka Slovenska (additional striking of euro coins) and for Bangladesh, Nicaragua, Paraguay and Uruguay.

In total, Mincovňa Kremnica has struck 846,550,000 pieces of circulation coins in 2009. As far as the quantity of delivered circulation coins, this was the third most successful year since the independence of the Slovak Republic. This figure was exceeded only in 2008, due to the striking of new Slovak euro coins, and in 2004, when the company carried out a big job for Bangladesh.

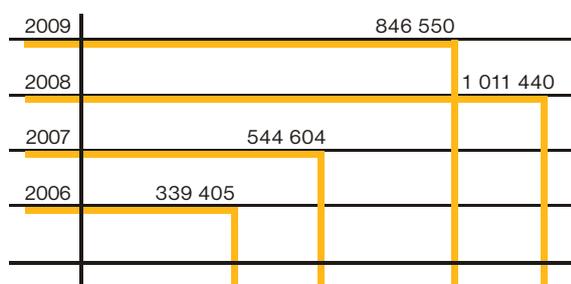


Diagram 1- Number of struck circulation coins in thousands for the years from 2006 to 2009.

During 2009, the Company was successful in bidding for three jobs for circulation coins for national banks abroad. This filled the production workload also for 2010.

## COMMEMORATIVE AND COLLECTOR COINS

In 2009, and within the NBS Issue Plan, the Company struck one million of 2-euro coins in the memory of November 17th, 1989.

During 2008 and 2009, the precious metal workshop underwent restructuralization, which allowed for the increase in both the manufacturing capacity and production efficiency. This positively influenced the production of collector coins within the NBS Issue Plan so that in 2009, we doubled the production of 10 and 20 euros collector coins of up to 68,300 pieces. Moreover, Mincovňa Kremnica purchased, for further trading, more than one half of these coins and thus became the market leader in the sale of the products manufactured in its own premises.

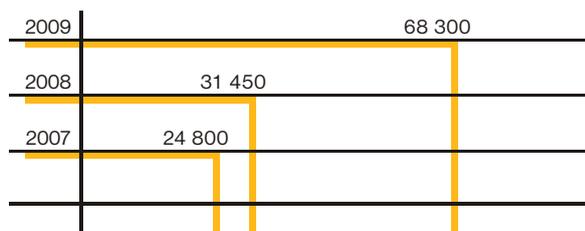


Diagram 2 - Quantity of collector coins manufactured and shipped from 2007 to 2009.

COMMEMORATIVE COIN	QUANTITY in pcs
10 EUROS, AUREL STODOLA 150th anniversary of the birth (for the NBS 2009 Issue Plan)	23,400
10 EUROS, UNESCO MONUMENTS wooden churches (for the NBS 2010 Issue plan)	22,400
20 EUROS, VEĽKÁ FATRA NATIONAL PARK (for the NBS 2009 Issue Plan)	22,500

Table 1 - Commemorative and Collector Coins Struck in MK during 2009.

## MEDAL PRODUCTION

During the summer of 2009, medal production was completely stopped due to the updating of the Company's neutralization plant. Despite the fact, in 2009, we managed to exceed the quantity of produced pieces and the sales total by 1% in comparison with 2008, achieving a total of 3.2 millions of euros.

Our medal workshop includes the manufacture of medals of different materials (including precious metals), badges, miniatures, stamps, plates, surface treatment on substrates brought by customers (e.g. gold, silver or PTFE plating), manufacture of tie pins, spoons and, last but not least, decorations and insignia. The number of pieces manufactured for this segment exceeds 400,000 pcs/year for the second consecutive year.

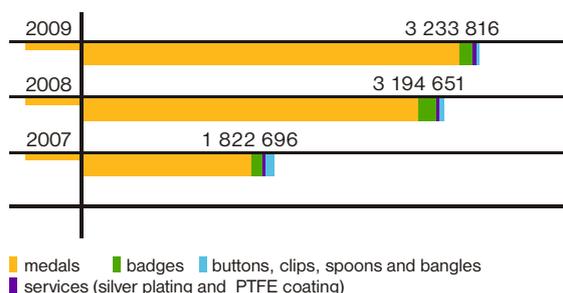


Diagram 3 - Sales in EUR achieved by the individual medal product lines from 2007 to 2009.

## FACTORY STORE

In 2009, the Company's effort to become the biggest seller of numismatic goods in Slovakia and of its own products in the EU has borne full-bodied results. In comparison to 2008, we doubled the sales of our factory store. The company permanently expands its markets through active marketing tools and participation at numismatic fairs. This is also supported successfully by our internet shop, where our customers may learn about our future issue plans and purchase numismatic items, which can be sent directly to their homes. In 2008, we also made two expositions

accessible to the public, one that compares the past and present technologies for coins fabrication and the second offers insight into the real production of circulation coins. Public interest in this has also been proven by the double amount of entrance tickets sold in 2009 for the exposition.

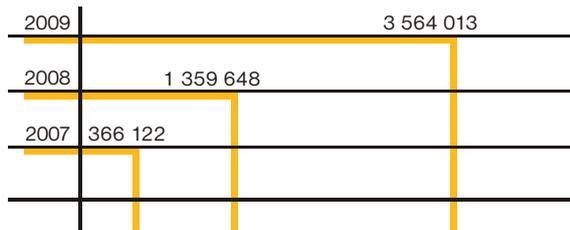


Diagram 4 - Sales in EUR achieved by the factory store from 2007 to 2009.



## PERSONNEL POLICY

Mincovňa Kremnica employs a wide range of professionals within its organizational structure. The Company places emphasis on the continuous professional education of staff and on the respect of the values of its human resources policy, which is defined in the relevant corporate documents and is strictly followed. The Company's human resources policy is based on transparency, honour, trust, dignity and individual responsibility.

In 2009, the Company spent notable resources on staff training.

In order to satisfy employees, the Company contributes also through the additional generation of a social fund from available profit (2.5% in 2008). The Company and the labour union therein make summer holidays for employees abroad possible, contributing thereto from the social fund. The Company also contributes from the social fund to employees' commuting costs.

The 2009 average headcount was 236; this is a reduction by 9% in comparison with 2008 (260). The reason of this reduction consisted in the finalization of the continuous production in the 2009 winter months and the transfer of the strike blanks production to another company. The percentage of employees working in the Company more than 6 years also demonstrates their high loyalty: 66% in 2009.

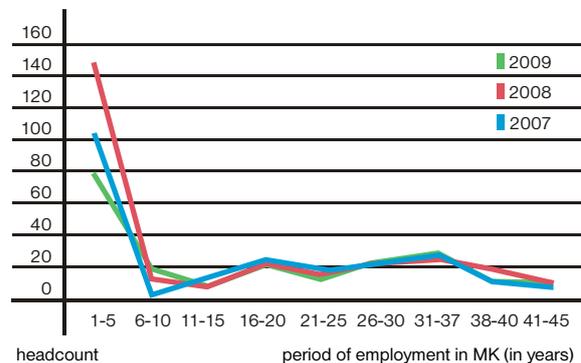


Diagram 5 - Number of the Company employees by their employment period in years.



Mincovňa Kremnica Supervisory Board, in compliance with Slovak law during the performance of its activities, has carried out the tasks based on the Company Articles and Supervisory Board Statute and took decisions on issues under its authority.

In 2009, there were 9 meetings of the Supervisory Board. The Company management informed the Supervisory Board members on its business activities, compliance with trading and financial plans of the Company, its assets status and investment plan progress.

Due to the global economic and financial recession, the Supervisory Board placed emphasis on the Company capacity in the area of the risk management and undertook detailed monitoring. The Supervisory Board received the information on the progress of the most important projects and other facts continuously related to the Company development.

In 2009, the Supervisory Board approved as follows: 2008 Financial Statements, 2008 available profit distribution, 2008 Annual Report, 2009 Trading and Financial plan, the Company Development Concept for 2010 – 2012, 2009 Investment Plan and the Company Trading and Financial Plan for the 1st Quarter of 2010.

Within its authority, the Supervisory Board appointed an external auditor for the 2009 financial statements of the Company and the credit contracts with the bank financing the Company for short-term credit links in order to buy raw materials for the manufacture of circulation coins.

The Supervisory Board undertook due diligence of the bookkeeping for 2008 and of all contracts of the Company from 2006.

Based on the above-mentioned facts, the Supervisory Board recommended to the founder to approve the 2008 Financial Statements of the Company, 2008 available profit distribution, 2009 Trading and Financial Plan and the Company Development Concept for 2010 – 2012.

Mr. Jozef Zaťko  
Chairman of the Supervisory Board  
Mincovňa Kremnica, štátny podnik



CONFORMITY REPORT  
FOR THE ANNUAL REPORT AND FINANCIAL STATEMENTS

under Act No. 540/2007 of L.C., §23(5)

*I. I verified the Financial Statements of Mincovňa Kremnica, štátny podnik as of December 31st, 2009 mentioned in the 2009 Annual Report of the Company, which I issued the Auditor's Statement as follows:*

*In my opinion, the financial statement provides truthful and impartial insight on the financial status of Mincovňa Kremnica, štátny podnik, as of December 31st, 2009, its bottom line and cash flows during the year ending at the mentioned date, in accordance with the Accountancy Act.*

*II. I also verified the conformity of the Annual Report with the above mentioned financial statements. The Company management is responsible for the exactness of the Annual Report. My obligation consists in the issuing of an opinion on the conformity of the Annual Report with the financial statement, based on the verification. I carried out the verification in accordance with International Accounting Standards. These standards require the audit and verification scheduling and performance in a manner giving appropriate certainty that the information included in the Annual Report, which is represented in the Financial Statements, are in conformity with the corresponding financial statement in all their relevant points. I compared the information included in the Annual Report with that mentioned in the Financial Statement as of December 31st, 2009. I did not verify other data and information, except the accounting data in the financial statements and accountancy books. I am convinced that the performed verification gives an appropriate base for the expression of the Auditor's opinion.*

*I, hereby offer my opinion that the accounting data mentioned in the Annual Report conforms, in all relevant aspects, with the above mentioned financial statements.*

*Done in Banská Bystrica on May 10th, 2010*

*Ms. Mária Šotkovská  
Auditor with SKAU license No. 33*

## THE 2009 ECONOMIC RESULTS

Also in 2009, the adverse effects of the ongoing restructurization of the Company took place. Although the global recession and production decrease affected 2009, Mincovňa Kremnica had a gross profit of 5.5 million euros and thus is one of the many successful Slovak companies.

The favourable development of the corporate management influenced also the indebtedness index, which increased from 48% in 2008 to 23% as of December 31st, 2009.

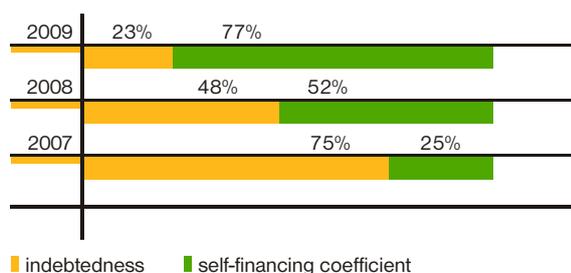


Diagram 6 - The Company indebtedness and self-financing coefficient from 2007 to 2009.

The Company balance amount at the end of the 2009 reached 20.3 million euros; in comparison with 2008, this is a decrease by 10%.

Due to profit generation, company equity at the end of 2009 increased to 15.6 million euros, which is an increase by 3.7 million euros with regard to 2008 (a 31-% increase).

ROE reached 28% and ROA 21% at the end of 2009.

In 2009, the Company invested 1.9 million euros on acquisitions. These consisted mostly of updating of technologies. Due to its technical background, the Company is one of the most sophisticated mints in Europe. In 2009, the Company made the acquisitions solely from proper resources, depreciation and operative revenues. The biggest investment in 2009 was the neutralization plant update, ensuring the company is in compliance with the legal limits for waste water discharge.

## REDUCED BALANCE SHEET AS OF DECEMBER 31ST, 2009

ASSETS	2009 in thousands of EUR	2008 in thousands of EUR
<b>Non-current assets</b>	<b>9,748</b>	<b>8,889</b>
Long-term intangible assets	38	15
Long-term tangible assets	9,710	8,873
Long-term financial assets	0	0
<b>Current assets</b>	<b>10,607</b>	<b>13,936</b>
Inventory	2,378	3,630
Long-term receivables	55	288
Short-term receivables	3,716	3,269
Financial accounts	4,458	6,750
Accruals	10	13
<b>Total</b>	<b>20,365</b>	<b>22,838</b>

INTERNAL SOURCES	2009 in thousands of EUR	2008 in thousands of EUR
<b>Equity</b>	<b>15,647</b>	<b>11,938</b>
Registered capital	10,000	4,806
Capital funds	98	26
Retained-earning funds	1,100	674
Bottom lines for past years	95	-2,776
Net bottom line for the accounting period	4,354	9,208
<b>Liabilities</b>	<b>4,702</b>	<b>10,881</b>
Reserves	449	563
Long-term payables	742	474
Short-term payables	2,195	9,453
Trade payables	1,601	5,172
Bank credits	1,316	390
Deferrals	16	19
<b>Total</b>	<b>20,365</b>	<b>22,838</b>

Table 2 - Balance Sheet with Reduced Extent

## NON-CURRENT ASSETS

In 2009, the Company booked assets worth 5.1 million euros and, the balance of the long-term assets acquisition account as of December 31st, 2009, is 432,600 euros.

Since 2008, the amount of non-current assets has increased by 859,000 euros.

As of December 31st, 2009, the Company did not register any liens on its long-term assets.

As of December 2009, the Company registers 19 shares of Prago-Union, a.s. among its assets, with a face value of CZK 100,000.00 each. Based on the rule of cautiousness, the Company created a non-fiscal amortization equal to the full book value of these shares.

ITEM	Jan 1st, 2009 in euros	increments In euros	decreases in euros, - sign	Dec 31st, 2009 in euros
<b>changes of acquisition prices</b>	<b>18,256,091</b>	<b>8,286,196</b>	<b>-6,810,456</b>	<b>19,731,831</b>
software	105,402	0	-96	105,305
acquired long-term intangible assets	3,306	30,026	-3,306	30,026
total long-term intangible assets:	108,708	30,026	-3,402	135,332
grounds	225,497	465	0	225,962
buildings	3,620,299	4,203,463	-15,116	7,808,646
movable assets	10,697,310	940,571	-483,115	11,154,765
acquired long-term tangible assets	3,538,221	2,008,922	-5,144,498	402,644
paid advance payments	66,057	1,102,749	-1,164,325	4,481
total long-term tangible assets:	18,147,383	8,256,170	-6,807,054	19,596,499
change in amortizations status (assets annual depreciation and liquidation)	<b>-9,367,472</b>	<b>498,327</b>	<b>-1,115,058</b>	<b>-9,984,203</b>
software	-93,275	96	-4,606	-97,784
total long-term intangible assets:	-93,275	96	-4,606	-97,784
buildings	-2,313,191	15,116	-318,352	-2,616,428
movable assets	-6,961,006	483,115	-792,101	-7,269,992
total long-term tangible assets:	-9,274,197	498,230	-1,110,453	-9,886,419
<b>change of residual values</b>	<b>8,888,619</b>	<b>8,784,523</b>	<b>-7,925,515</b>	<b>9,747,628</b>
total long-term intangible assets:	15,433	30,123	-8,008	37,548
total long-term tangible assets	8,873,186	8,754,400	-7,917,507	9,710,080

Table 3 - List of changes in long-term assets of the Company in 2009.

## CURRENT ASSETS

The current assets status as of the end 2009 is lower by 3.3 million euros in comparison with the same period of the previous year. The 2008 end status was affected by high share of unfinished items in the job of Slovak euro coins at the end of 2008.

Materials, products, goods and advance payments paid for inventory are included in the Company's inventory. The inventory status at the 2009 end, equal to 2.4 million euros is equal to 65% of the inventory status at the end of the previous year.

A deferred fiscal receivable equal to 55,000 euros is registered among the long-term receivables of the Company.

	Dec 31st, 2009 in EUR	Dec 31st, 2008 in EUR
before the due date	3,594,034	2,581,307
after the due date	168,535	694,165
<b>Total</b>	<b>3,762,569</b>	<b>3,275,472</b>

Table 4 - Distribution of short-term payables receivables (gross) by their current due date.

Amortization at full value (100%) is created for uncollectible receivables. Their status as of December 31st, 2009, was 46,500 euros. The Company did not register any receivables related to associated entities.

At the end of 2009, the balance of financial accounts (cash in desk, valuables and bank accounts of the Company) was 4.5 million euros.

## INTERNAL SOURCES AND LIABILITIES

The Company's internal sources increased by 3.7 million euros in comparison with 2008. The Company has a net profit equal to 4.4 million euros. The equity share is 77%; at the end of 2008, it was 52%.

As of 31 December, 2009, the total payables of the Company equal to 4.7 million euros with regard to 2008 (a 57%-decrease, by 6.2 million euros).

At the end of 2009, the Company registered payables for leasing equal to 198,000 euros. The Company has transferred into long-term payables the doubtful payables to Prvá Generačná a.s. equal to 307,000 euros.

Short-term payables decreased by 7.3 million euros (minus 77% when compared to 2008). The short-term trade payables decreased by 3.6 million euros (minus 69%).

	Dec 31st, 2009 in EUR	Dec 31st, 2008 in EUR
short-term payables before due date	1,973,552	9,427,384
short-term payables after due date	221,810	25,194

Table 5 - Distribution of short-term payables by their due date

As of December 31st, 2009, the Company did not register any trade payables to associated entities.

As of December 31st, 2009, the Company had a credit

contract signed for 3 million euros with its bank for material costs necessary for the production of circulation coins for a foreign partner. As of December 31st, 2009, the Company has spent 1.3 million euros from this credit contract.

#### PROFIT AND LOSS STATEMENT AS OF DECEMBER 31ST, 2009

In 2009, the Company generated a net profit equal to 4,4 million euros. The performance of jobs for circulation coins had the biggest effect on the profit generation. As far as the quantity of circulation coins produced, 2009 is the third best year since 1993 in Mincovňa Kremnica. The Company generated an added value equal to 8.9 million euros.

<b>REVENUES</b>	<b>2009</b>	<b>2008</b>
	in thousands of EUR	in thousands of EUR
sales of goods	3,564	1,360
sales of own products and services	27,706	55,533
change of internal organizational inventories value	-353	-525
asset revenue	384	526
sales of materials	1,422	909
other revenues based on business activities	566	244
revenue interests	21	178
exchange rate gains	172	713
<b>total</b>	<b>33,484</b>	<b>58,937</b>

<b>COSTS</b>	<b>2009</b>	<b>2008</b>
	in thousands of EUR	in thousands of EUR
costs incurred for the acquisition of the goods for sale	2,421	1,030
production consumption	19,979	38,705
personal costs	3,055	3,724
taxes and fees	22	22
depreciations and amortizations to long-term intangible and tangible assets	1,115	1,103
residual value of sold materials	1,082	930
other costs of the business activities	211	738
cost interests	28	352
exchange rate losses	233	717
other costs of the financial activities	118	135
<b>Total</b>	<b>28,264</b>	<b>47,456</b>

<b>TRADING RESULTS</b>	<b>2009</b>	<b>2008</b>
	in thousands of EUR	in thousands of EUR
gross profit	1,143	330
added value	8,902	17,158
operative trading result	5,784	11,793
trading result of financial activities	-256	-313
trading result from current activities	5,527	11,481
income tax (current + extraordinary)	-1,173	-2,273
<b>Trading result for the accounting period</b>	<b>4,354</b>	<b>9,208</b>

Table No. 6: Profit and loss statement

## ANALYSIS OF SELECTED FINANCIAL INDICATORS

<b>LIQUIDITY ANALYSIS</b>	<b>2007</b>	<b>2008</b>	<b>2009</b>
emergency liquidity of 1st grade	0.22	0.69	1.27
current liquidity of 2nd grade	0.69	1.02	2.33
overall liquidity of 3rd grade	1.65	1.39	3.01
<b>LIQUIDITY ANALYSIS</b>	<b>2007</b>	<b>2008</b>	<b>2009</b>
short-term receivables in thousands of EUR	1,967	3,269	3,716
KD* collection time in days	51	21	37
KD* trade payables in thousands of EUR	1,402	5,172	1,601
due period of KD* trade payables in days	38	33	18
<b>PROFITABILITY ANALYSIS</b>	<b>2007</b>	<b>2008</b>	<b>2009</b>
ROE	5%	77%	28%
ROA	1%	40%	21%
sales profitability	1%	16%	14%
<b>INDEBTEDNESS ANALYSIS</b>	<b>2007</b>	<b>2008</b>	<b>2009</b>
self-funding coefficient	25%	52%	77%
overall indebtedness	75%	48%	23%
<b>TOTAL NET OPERATIVE CAPITAL IN THOUSANDS OF EUR</b>	<b>2007</b>	<b>2008</b>	<b>2009</b>
	2,345	3,970	7,096

\* KD = short-term

Table No. 7: - selected financial indicators.

## FUTURE DEVELOPMENT

In order to reach strategic and business goals, the Company intends to continue in the restructuralization of the manufacturing process in a manner that will reach the top level of the West-European mints for the individual segments of the production in 2013.

The Company plans its investments for the future years aimed at increasing production quality and, first of all, its efficiency. The second area of investments will be in the reconstruction of the buildings. Mincovňa Kremnica is one of the oldest industrial objects in the world and most of the premises have not undergone any reconstruction since WW I. All premises that have not been subject to reconstruction after 2006 will require vast repairs. So we plan to reach the level, which this National Cultural Monument deserves.

The Company will fund the investment projects from internal sources – depreciation and operative revenues. We suppose that the permanently increasing competition will increase the demand for very quick implementation of new processes into the manufacture. The Company's task will consist in the generation of profit sufficient for the financing of its operative and investment needs, thus remaining in the short list of mints, which are successful on the international market. This is the only way how to ensure the long-term work of Mincovňa Kremnica and the continuity of its glorious past, ensuring Slovakia's good reputation throughout the world.

## PROFIT DISTRIBUTION

The available 2009 profit distribution undergoes the approval of the Company establishing entity, i.e. Ministry of Finance of the Slovak Republic. The Company proposes to use the profit to strengthen its registered capital and to increase its reserves and social funds.

<b>Item</b>	<b>AMOUNT</b>
<b>No. ITEM</b>	<b>in EUR</b>
	<b>available 2009 net profit</b>
	<b>4,354,211.52</b>
1	registered capital increase
	2,700,000.00
2	contribution to the reserve fund
	1,444,000.00
3	contribution to the social fund
	108,855.00
4	retained profit (establishing entity to define its use)
	101,356.52

Table No.8 - Available 2009 Profit Distribution Proposal.

## ADDITIONAL INFORMATION

Based on Act No. 111/1990 of L.C. on state-owned companies as amended and on §20 of the Act No. 431/2002 of L.C. on accountancy, we state as follows:

In 2009, no expenses were made for research and development activities.

After the accountancy period, no events of specific importance with effects on the 2009 financial statements of the Company occurred.

The Company has no organic unit abroad.

## CONTACT

The Annual Report of Mincovňa Kremnica is issued annually. It is addressed to the establishing entity, business partners, analysts, banks and Company staff. This one was issued in August 2010 and it is available at the CEO Secretariat.

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