

Mint of Finland Group Annual Report 2008



MINT of FINLAND GROUP

Proof of Service





*Improving
customer focus is
our highest priority*

A legacy to build on

The year 2008 was a period of transition at the Mint of Finland Group. In April, Raimo Makkonen retired as CEO and President of the Group after serving the company for over twenty years. As the new CEO and President I would like to thank him for his contribution to the success of the Group. In twenty years the Group achieved a new level of technological expertise, introduced the use of direct marketing for numismatic products and expanded its base of operations in the Nordic countries. Now we need to bring our core strengths – quality, flexibility, innovation – even closer to the customer. This is why we have improved customer focus throughout the organisation in 2008, and will continue to do so in the coming years.

As a first measure, we have restructured Mint of Finland Ltd into three business units: Circulation Coins, Collector Coins and Medals, and Gifts and Decorations. With this organisational change, we aim to develop a more proactive approach to meeting customer needs, while improving our capabilities to monitor the profitability of product segments. We are also reaching out to new

markets, introducing a new ERP solution, and further developing our reporting practices.

At the same time we have streamlined our focus on core markets and competencies. As a result, Svenska Medalj AB was sold to an outside party and Rahapaja Insignia merged with the parent company during the year under review.

We are confident that these changes will help us gain a stronger foothold in global markets. To ensure continued growth, we need to invest in the development of new product concepts and sales channels, as well as pursue business opportunities in the former CIS Republics, future Euro zone countries and other parts of the world.

Growing uncertainty

In 2008, the global economic downturn and violent fluctuation in metal prices had a direct impact on the Group's profitability. Copper, nickel and aluminium prices increased at the beginning of 2008, only to drop dramatically towards the end of the year. This sudden drop in nickel and copper prices from record highs, matched

with the rise in precious metal rates, made pricing and stock evaluation difficult.

Despite these developments, the Group's volume of orders for the coming year seems positive, with Thailand submitting the Mint of Finland's largest ever order for circulation coins. We also strengthened our position as the world's leading supplier of euro coinage and expanded our retail operations in the Baltic market.

In the gifts and decoration business, we introduced new production methods and focused on the growing demand for recognition awards in companies and organisations.

Trust in the future

At Mint of Finland we believe that demand for metal coinage, collector coins and new merit and recognition products will continue to grow in the coming years. There is also every indication that the

volume of euro coins in circulation will increase and that more countries will adopt metal coinage. The lifespan of metal coins is measured in decades, not months, thereby making coinage an environmentally sound choice. Our goal is to help our customers to fully profit from these opportunities in the future.

In closing, I would like to thank our personnel for their understanding and cooperation during this past year. Their professionalism has always been proof of our commitment to customer service.

Maarit Aarni-Sirviö
President and CEO



From left: Niina Vainio, Operator
Matti Rastas, Vice President, Circulation Coins



“We are transforming
our business to boost
your revenue.”

Leadership at your service

In 2008, the Mint of Finland's Circulation Coin unit completed deliveries to Sweden, Ireland and Cyprus, and received a major order from Thailand, with production scheduled for 2009. The unit also complemented its packaging selection with clear plastic sachets and actively surveyed new business opportunities in Asia. At the same time Mint of Finland continued to strengthen its position as the leading supplier of coinage for new Eurozone countries.

Steel on the rise

The violent fluctuation in metal prices throughout the year led many central banks to shift from conventional metal coinage – nickel and copper alloys – to plated steel coinage. This measure aims to reduce raw materials costs and improve seigniorage revenue. Despite the global downturn, market for plated steel coinage is expected to increase in the coming years, as more and more countries seek to renew their circulation coin stocks. Much, however, depends on how well blank suppliers can meet this growing demand for steel-based coinage.



From left:

One krona, Sweden

50 stang, Thailand

2 euro, Finland



In Europe, the future of 1- and 2-cent euro coins in major euro zone countries is a key concern. Roughly 50% of Europe's mint production capacity is taken up by low denomination coins, and any decision to phase out these coins would have a major impact on the mint industry, as surplus production capacity would flood the market for circulations coins in Europe. On the other hand, increasing economic uncertainty has prompted several EU member states with national currencies to reconsider membership in the Eurozone. Their joining the currency union would increase demand for euro coinage.

Proactive attitude

Mint of Finland, in response to these challenges, is adopting a more proactive approach to developing customer and supplier relationships. The company aims to increase investment in marketing and project management capabilities, while continuously upgrading manufacturing resources and design expertise. Now, more than ever, growth lies in new export markets and the ability to anticipate evolving customer needs.



The silver Mika Waltari collector coin was launched at the main event of the jubilee year held at the Old Student House in Helsinki. On the 19th September in 2008, one hundred years was passed since the birth of writer Mika Waltari. In honour of the 100-year anniversary of his birth, a 10 euro silver collector coin was launched at a celebration arranged in Helsinki by the Mika Waltari association.

Meeting your expectations

In February 2008, Mint of Finland's Collector Coins and Medals unit launched the first Finnish collector coin to use colour. The 10 euro silver collector coin displays a blue-and-white Finnish flag on the obverse side. The company also minted its first platinum coin as part a three-coin set in commemoration of Republic of Estonia 90 years. The two other coins in the set were silver and gold. For Latvia, the company supplied a collector coin with colour motifs on both sides.

Demand for collector coins and medals was strong throughout the past year, and order books are good for

the beginning of the next year. This included an order from Mint of Finland's newest customer, Armenia.

Year-long price volatility, especially in precious metal prices, posed a challenge during the year under review. This trend is expected to continue in the following year.

New shapes, more colour

The trend towards colour and exotic designs in collector coins is expected to strengthen in the coming years, as well as collection themes with global appeal. On this front, the Mint of Finland is developing in co-operation with the Bank of Estonia uniquely shaped collector coins, which will be issued in 2009.

From left: Juha Ruskola, Vice President, Collector Coins and Medals

Satu Nuorala, Project Manager

Pekka Kärkinen, Head of International Sales

“From design to final delivery – we anticipate your needs.”

From left:

Autumn colors, medal

Vikings, collector coin

Swan, 1 kg silver medal

*Finnish war and the birth of
autonomy, gold collector coin*



Online sales and marketing are also increasing in popularity, not least because they are the preferred way to reach young collectors, but also because they enable improved access to the global marketplace. As a result, Mint of Finland's sales company for numismatic and collectible products, Nordic Moneta Ltd, continued to invest in the development of online sales capabilities. Nordic Moneta Ltd is also planning to expand its base of operations in the Baltic in the following year.

Fast, flexible, reliable

Mint of Finland is a trusted partner, who is recognised for its project management expertise. From initial design

work to final delivery, we help our customers realize their ambition on time and as planned. Our strengths are sound communication skills proven in numerous international projects, flexibility based on quick adaptation to changing needs, and the reliability that comes with lasting partnerships.

With the new organisational structure, the Collector Coins and Medals unit is better prepared to provide its customers with the best service possible.

*From left: Jarkko Paajanen, Production Manager
Risto Salmenoja, Designer
Mika Peippo, Vice President, Gifts and Decorations*



“ We offer the gift of
lasting recognition ”

New capabilities, esteemed expertise

The Mint of Finland's Gifts and Decorations unit has a long history of designing and manufacturing superior quality award and decoration solutions – especially in the area of merit products and badges of honour. In August of last year, the unit was reorganized in order to increase customer responsiveness and focus. To achieve this target, the unit has enhanced in its existing product portfolio, the Rahapaja Design Collection and invested in its Unique product concept, which offers exclusive custom-designed corporate gifts, personnel gifts, jewellery, art objects and art medals.

Customers have also benefited from new precision moulding tools and the expertise of master enameller Seija Berg, whose company was acquired by the Mint of Finland in 2008. Her legacy will continue at Mint of Finland, thanks to an ongoing training programme.

Awards with a unique character

Demand for staff recognition solutions and well-designed gifts is expected to increase in the coming years, as companies seek new ways to honour and award interests groups, personnel and valued customers. Even in times



Honouring achievement

Decorations are important in a world where work has a central place in our lives. They are symbols in which achievement is crystallised into a beautiful and cherished memento. Despite its long and honourable European heritage, the Finnish system of official badges of honour also plays a vital role in modern Finnish society.

Kirsti Paakkanen was awarded the Commander of the Order of the White Rose of Finland for her life's work as a business leader and entrepreneur. "I deeply appreciate this recognition of my contribution to Finnish business life. The decoration is a precious symbol of not only my work, but also my Finnish identity," says Kirsti Paakkanen.

of great uncertainty, design objects made from metal can be a powerful gesture of recognition and gratitude. With a metalworking heritage dating to Carl Fabergé, Mint of Finland has the design expertise and technology to make your award and gift stand out with character.

In 2009, the unit will re-evaluate its jewellery offering due to the changing market situation and invest in marketing, new recognition and award solutions, as well as new retail channels. Demand for merit products and badges of honour is expected to remain stable throughout the next year.

The future is in coins

At Mint of Finland, we believe in the future of coins. Despite the popularity of bank and credit cards, metal coinage is continuing to grow in importance as a means of payment. Coins are not only cost effective and emotionally significant, but also ideal for small purchases, unexpected situations and service charges. Such factors will also continue to support future growth in coin circulation and minting.

Our target is to become one of Europe's major mints. Our success factors are cost-effectiveness coupled with manufacturing excellence, flexibility, renewal capacity, and proven design capabilities. Finnish technological expertise

also plays a vital role in coin production. Our thousand-year-old history has been refined to meet modern requirements.

Our operations are guided by a customer-oriented approach, which is also the basis for our first-rate project management expertise. Especially the provision of circulation coins is dependent on trust and respect, as ministries of finance and central banks require partial state-ownership of the mint before signing a supply agreement. Our in-depth knowledge of markets and ability to anticipate change has also helped us to succeed in the field of numismatic and award products.

Warm relations between relatives

Bank of Estonia and Mint of Finland have been partners since the beginning of the 1990's. Over the years the mutual trust and understanding have grown and there seems no end to it. The co-operation between these two consist of issuing and producing any kind of coins – collector coins and circulation coins. The first collector coin was minted in the Mint of Finland in 1991.

"There are two things we appreciate in a partner in general, namely cost efficiency and average quality. By average quality we mean that the whole minting process is highly standardized and the coin is as flawless as it can be. Besides

that we have found out that the Mint of Finland has over the top expertise in logistics and they are more technologically advanced than many mints in the world," states Deputy Governor Rein Minka from the Bank of Estonia.

Finnish and Estonian people are relatives. They share the same Finno-Ugric language tradition. Perhaps it is also due to the same linguistic background why Mint of Finland and Bank of Estonia get along so well. "We do understand each other. It is important that we are so close," tells Mr Minka from the Bank of Estonia. "Mint of Finland always wants to follow customer's needs. Kodar coins are examples of true success stories between us. Kodar coin has long traditions among our people. Estonian women used to wear jewelries that had a coin in the middle. These jewelries were called kodars," ends Deputy Governor Minka.



The Board of Directors



From top left:

Pentti Kivinen

Jukka Ohtola

Anssi Pihkala

From below left:

Catharina Stackelberg-Hammarén

Raimo Sailas

Hille Korhonen

Raimo Olavi Sailas, 1945

M.Sc. (Econ)

Chairman of the Board

Current place of work: Ministry of Finance

Other positions of trust: Chairman of Board in Sitra,
Member of the Board in The Finnish Federation for Local
Heritage, Chairman of the Work Efficiency Institute's
Comission, Member of the Board in Biomedicum Helsinki
Foundation

Member of Board of Mint of Finland since 1993

Anssi Pihkala, 1963

Master of Laws

Member of the Board

Current place of work: Hansel Ltd

Other positions of trust: Member of the Board,
KL-Kuntahankinnat Oy, Vice Chairman of the Board in
Finnish Association of Purchasing and Logistics
Member of Board of Mint of Finland since 2008

Jukka Ohtola, 1967

M.Sc. (Econ), CEFA

Member of the Board

Current place of work: Prime Minister's Office

Other positions of trust: Member of the Board in Boreal
Plant Breeding Ltd

Member of Board of Mint of Finland since 2008

Pentti Kivinen, 1943

Licentiate in Laws

Vice Chairman of the Board

Current place of work: The Finnish Fair Cooperative

Other positions of trust: Member of the Board in
Finnish National Opera

Member of Board of Mint of Finland since 2008

Hille Korhonen, 1961

Licentiate of Science (Technology)

Member of the Board

Current place of work: Fiskars Corporation

Other positions of trust: Member of the Board in Nokian
Tyres plc, Member of Economic Delegation in Central
Chamber of Commerce

Member of Board of Mint of Finland since 2008

Catharina Stackelberg-Hammarén, 1970

M.Sc. (Econ)

Member of the Board

Current place of work: Marketing Clinic

Member of Board of Mint of Finland since 2004

Mint of Finland Group is world's only minting organisation with three national mints integrated into one business group.

Mint of Finland Ltd is divided into three business units: Circulation Coins, Collector Coins and Medals, Gifts and Decorations.

AB Myntverket has a history of producing Swedish circulation coins and official collector coins, and has belonged to the Group since 2002.

Mint of Norway Ltd produces official Norwegian circulation and collector coins, and has belonged to the Group since 2003.

Nordic Moneta Ltd sells and markets numismatic products for the Mint of Finland Group. In Finland, Nordic Moneta Ltd operates under name Rahapaja Moneta, in Sweden as Mynthuset Sverige, and in Denmark as Mønthuset Danmark.



MINT of FINLAND GROUP

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Report of the Board of Directors

BUSINESS DEVELOPMENT AND BUSINESS RISKS

In the field of circulation coins in particular, domestic demand is expected to remain at its current level, while competition will continue to intensify in the export market. The diversification of company business and enhancing the range of products and services will continue to be the company's key success factors in the face of toughening competition.

Powerful fluctuations continued in metal prices throughout the period, markedly weakening profitability. Since it can be anticipated that such volatility will continue, the company is seeking to respond through purchasing agreements.

FINANCIAL RESULT

Group net sales fell by 20% on the previous year, totalling EUR 96.0 million. An operating loss of EUR 1.8 million, or -1.9% of net sales, was recorded (EUR 4.8 million or 4.0% of net sales). The consolidated operating loss for the period came to EUR 3.8 million or -3.9% of net sales (EUR 1.1 million or 0.9% of net sales).

One-off restructuring operations such as the sale of Svenska Medalj AB, organisational changes and the related HR rearrangements, alongside write-downs on stock due to falls in metal prices, burdened the financial results. In addition, the net sales and results of Nordic Moneta Oy Ab came in clearly under budget.

However, cash flow from operations was positive, thanks to the success of reductions in working capital.

CAPITAL EXPENDITURE

The Group's net capital expenditure totalled EUR 1.7 million.

CHANGES IN GROUP STRUCTURE

In August, Mint of Finland Ltd. sold the operations of the unprofitable Svenska Medalj AB.

On 31 December 2008, Rahapaja Insignia Oy merged with its parent company.

PERSONNEL

During the year, Mint of Finland Ltd. employed an average of 268 persons (263), of which 160 (162) worked in Finland. By the year end, there were 264 employees. Salaries and bonuses paid throughout the year totalled EUR 15.3 million (EUR 15.3 million).

ORGANISATION

Raimo Makkonen was President and CEO until 31st March 2008, being succeeded by Maarit Aarni-Sirviö from 1st April 2008.

Until the AGM held on 7th April 2008, the Board of Directors comprised the following members: Raimo Sailas (Chairman), Pertti Antikainen, Catarina Fagerholm,

Aki Salmi and Catharina Stackelberg-Hammarén. Thereafter, the membership was as follows: Raimo Sailas (Chairman), Pentti Kivinen, Hille Korhonen, Jukka Ohtola, Anssi Pihkala and Catharina Stackelberg-Hammarén. Tuokko Tilintarkastus Oy was the company auditor, with Timo Tuokko (Authorised Public Accountant) acting as the chief auditor.

In 2008, the firm's organisational structure was shifted to a profit-centre basis.

PROSPECTS FOR 2009

In line with its new strategy, approved by the Board in 2008, Mint of Finland Ltd aims to become one of Europe's largest mints of circulation coins. Its success will be based on the following:

- efficient production
- strategic market competencies
- cooperation with/stake in blank supplier
- continuous development.

In terms of Collector Coins and Medals, Mint of Finland seeks to be a pioneer in design and technology, while turning Gifts and Decorations into a profitable business by investing in higher margin products.

Group net sales should rise from 2008's level. Profitability should improve on the period under review due to the

efficiency boost gained from the restructuring carried out in 2008, which will begin to take effect in 2009. We expect our net sales from production to rise despite fierce competition, while those in other business areas will grow slightly.

Mint of Finland's greatest risk lies in delays in the signature of the contract for Thailand's one baht coin, and the potential cancellation of the deal. Should this approved deal be cancelled, the associated costs will rise to several million euros.

Product development will focus on the creation of new product platforms and applications. Investment will be targeted at the development of the security features of coinage. Moreover, utilisation of new metal and non-metal materials will be further enhanced as product parts and in the variation of products' surface and visual features. Product and process development expenditure will grow year-on-year, through investment in student diploma projects and participation in broader-scale industrial development projects.

BOARD'S PROPOSAL FOR PROFIT DISTRIBUTION

The Board of Directors of Mint of Finland Ltd proposes that no dividend be distributed by the parent company and the loss of EUR 2,964,151.54 be transferred to the retained earnings account.

KEY FIGURES 2004–2008

	2008	2007	2006	2005	2004
Net sales (€ 1,000)	96,035	120,507	122,243	104,962	105,121
Operating profit (%)	- 1.9%	4.0%	9.0%	5.5%	11.9%
Return on investment %	- 2.3%	5.4%	12.0%	6.5%	13.9%
Equity ratio	73.0%	70.3%	64.4%	65.5%	60.2%
Average no. of personnel	268	263	247	233	244

PROFIT AND LOSS ACCOUNT

Mint of Finland Group

EUR 1,000	1.1.–31.12.2008	1.1.–31.12.2007
Net sales	96,035	120,507
Increase in stocks of finished and non-finished goods +/-	1,209	-803
Other operating income	331	264
Raw materials and services	-63,541	-77,183
Personnel costs	-15,323	-15,297
Depreciation	-1,473	-1,515
Other operating expenses	-19,073	-21,133
Operating profit	-1,836	4,840
Financial income and expenses	382	1,436
Profit before appropriations and taxes	-1,454	6,276
Extraordinary items	451	-1,632
Profit before appropriations and taxes	-1,003	4,644
Income taxes	-1,166	-2,244
Minority interest	-1,586	-1,311
Profit for the financial year	-3,755	1,089

Mint of Finland Ltd

EUR 1,000	1.1.–31.12.2008	1.1.–31.12.2007
Net sales	24,981	36,688
Increase in stocks of finished and non-finished goods +/-	1,264	-2,310
Other operational income	365	963
Raw materials and services	-22,128	-30,381
Personnel costs	-5,603	-5,036
Depreciation	-858	-753
Other operating expenses	-3,868	-3,853
Operating profit	-5,848	-4,682
Financial income and expenses	2,819	8,371
Extraordinary income	0	0
Profit before appropriations and taxes	-3,028	3,688
Appropriations	64	-64
Income taxes	0	2
Profit for the financial year	-2,964	3,626

BALANCE SHEET

Mint of Finland Group

ASSETS

EUR 1,000	31.12.2008	31.12.2007
Fixed assets and other long-term investments		
Intangible assets	536	545
Tangible assets	3,958	4,691
Investments	15	11
Total	4,510	5,247
Inventories and financial assets		
Inventories	21,586	21,235
Long-term receivables	1,020	1,380
Current receivables	13,379	19,282
Cash in hand and at banks	31,771	37,480
Total	67,757	79,378
TOTAL	72,267	84,625

LIABILITIES AND EQUITY

EUR 1,000	31.12.2008	31.12.2007
Shareholders' equity		
Share capital	5,000	5,000
Share premium reserve	6,448	6,448
Reserve fund	188	216
Retained earnings	44,846	46,739
Profit of the period	-3,755	1,089
Total	52,726	59,492
Minority interest	9,075	10,113
Liabilities		
Long-term liabilities	1,134	1,650
Short-term liabilities	9,332	13,369
Total	10,466	15,020
TOTAL	72,267	84,625

BALANCE SHEET

Mint of Finland Ltd

ASSETS

EUR 1,000	31.12.2008	31.12.2007
Fixed assets and other long-term investments		
Intangible assets	371	489
Tangible assets	1,697	1,933
Advance payments	58	0
Investments	11,232	11,903
Total	13,358	14,325
Inventories and financial assets		
Inventories	14,031	12,684
Long-term receivables	0	0
Current receivables	2,686	6,803
Cash in hand and at banks	23,736	24,892
Total	40,454	44,379
TOTAL	53,812	58,704

LIABILITIES AND EQUITY

EUR 1,000	31.12.2008	31.12.2007
Shareholders' equity		
Share capital	5,000	5,000
Share premium reserve	6,448	6,448
Retained earnings	42,445	40,619
Profit of the period	-2,964	3,626
Total	50,929	55,693
Appropriations		
Depreciation difference	0	64
Liabilities		
Long-term liabilities	0	0
Short-term liabilities	2,883	2,947
TOTAL	53,812	58,704

CASH FLOW STATEMENT

EUR 1,000

	Mint of Finland Group		Mint of Finland Ltd	
	1.1.–31.12.2008	1.1.–31.12.2007	1.1.–31.12.2008	1.1.–31.12.2007
Cash flow from operating activities				
Operating profit	-1,836	4,840	-5,848	-4,682
Adjustments	2,245	970	858	1,178
Change in working capital	3,371	9,905	2,706	6,235
Interest paid and other expenses	-304	-487	-1,133	-47
Dividends received	0	0	3,159	7,513
Interest received	1,172	1,548	793	905
Other financial items	-2,575	375	0	0
Income taxes paid	-2,531	-3,023	0	-33
Net cash from operating activities	-458	14,129	535	11,069
Cash flow from investing activities				
Investments in intangible and tangible assets	-1,736	-1,999	-626	-1,274
Proceeds from sale of intangible and tangible assets	766	73	63	46
Loans granted	0	-25	0	0
Other investments	-8	-2,699	0	-3,149
Payments of loan receivables	0	0	0	387
Proceeds from sale of other assets	4	0	671	0
Net cash used in investing activities	-974	-4,650	109	-3,990
Cash flow from financing activities				
Repayment of short-term loans	0	0	0	0
Drawing of long-term loans	132	1,599	0	0
Repayment of long-term loans	-609	0	0	0
Dividends paid	-3,800	-7,126	-1,800	-1,500
Received and paid Group contributions	0	0	0	0
Net cash used in financing activities	-4,277	-5,526	-1,800	-1,500
Change in cash and cash equivalents	-5,709	3,953	-1,156	5,579
Cash and cash equivalents 1.1	37,480	33,527	24,892	19,313
Cash and cash equivalents 31.12	31,771	37,480	23,736	24,892
Change in working capital:				
Increase (-) / decrease (+) in trade and other receivables	5,975	5,976	4,116	5,243
Increase (-) / decrease (+) in stocks	-351	8,447	-1,347	3,942
Increase (+) / decrease (-) in trade and other payables	-2,252	-4,518	-64	-2,950
	3,371	9,905	2,706	6,235

NOTES TO THE FINANCIAL STATEMENTS

Principles of preparation of the consolidated financial statements

The consolidated financial statements, which include all Group companies, have been prepared using the acquisition cost method. The difference between the subsidiaries' acquisition cost and equity at the time of acquisition is presented as consolidated goodwill and Group reserve without allocating them to the subsidiaries' assets. Consolidated goodwill and Group reserve have been offset. Intra-Group transactions and margins have been eliminated.

The profit and loss accounts of Group's companies outside the euro area have been converted into euros according to the financial year's average exchange rate, and their balance sheets according to the exchange rate on the closing date. Euro conversion differences are incorporated into the previous year's net profits. This also includes conversion differences for the equity of Group companies outside the euro area.

Figures of Nordic Moneta Group have not yet been confirmed by the Board.

Tangible and intangible assets and depreciation

Tangible and intangible assets are stated at their historical cost less planned depreciation. Planned depreciation is calculated on a straight-line basis to write off the costs of the assets over their expected useful lives.

Depreciation periods are:

Intangible assets and other expenses	
with long-term effect	3–5 years
Goodwill	5 years
Consolidated goodwill	5 years
Buildings	25 years
Production machinery	3–10 years
Equipment	3–5 years

Valuation of inventories

Inventories are valued according to the FIFO principle at their acquisition cost, or the replacement value – which is lower than the acquisition value – or the not realisable value. Variable costs have been included in the inventory

value. The inventories of the parent company include the value of the inventories transferred to the parent company in connection with the acquisition of production operations of Rahapaja Insignia Oy.

There is a batch of blanks which can only be used for producing a certain type of coins included in the inventories worth of 2,4 M€. The blanks have been acquired due to a competitive bidding won. The final contract agreement has not been signed yet. In case the final agreement will not be signed there will be a need for a write-off of 2,2 M€. In case this happens the company will have a right for a corresponding compensation.

Moneys and bank balances

Moneys and bank balances include liquid assets, bank accounts, and deposits under three months.

Currency items

Other than euro receivables and liabilities have been converted to euros in accordance with the average rate of the European Central Bank on the closing date.

Pensions

The pension coverage for the personnel of the Group's companies has been handled through external pension insurance companies. The pension expenses will be written into expenses during the growth year. The pension expenses for the personnel of the Norwegian company (31 persons) and the expenses that fall on the accounting period are based on the estimates of the actuary.

Deferred taxes

Deferred tax assets or liabilities are calculated on the temporary differences between their carrying amount and tax base, using the tax base for subsequent years confirmed on the balance sheet date.

The balance sheet includes deferred tax liabilities in their entirety and deferred tax assets based on their estimated, probable amount. Group income tax assets and liabilities are presented as separate items in the balance sheet.

EUR 1,000

	2008	2007
1. Net sales by market area		
Finland	31,374	35,740
Other EU countries	46,137	67,244
NON-EU countries	18,523	17,523
Total	96,035	120,507
2. Materials and services	2008	2007
Materials and equipment		
Purchases during the financial year	54,095	69,882
Change in inventories	269	-2,092
	54,363	67,790
External services	9,178	9,394
Total	63,541	77,183
3. Personnel	2008	2007
Number of employees during the financial year		
White collar	182	171
Blue collar	86	92
Total	268	263
Personnel costs		
Wages and salaries	12,250	12,043
Pension costs	1,673	1,794
Other indirect personnel costs	1,400	1,460
Total	15,323	15,297
4. Depreciation	2008	2007
Depreciation according to plan tangible and intangible assets	1,473	1,515
Spesification of depreciation by balance sheet item included under fixed assets.		
5. Financial income and expenses	2008	2007
Interest and financial income	1,849	1,923
Interest expenses and other financial expenses	-1,467	-487
Total	382	1,436
Interest and financial expenses includes exchange rate gains.	-406	375
6. Extraordinary items	2008	2007
Change in periodizing fond	451	-1,632
7. Income taxes	2008	2007
Income taxes on ordinary operations	926	2,318
Change in deferred taxes	239	-74
Income taxes total	1,166	2,244

EUR 1,000

8. Assets					
Intangible assets	Intangible rights	Goodwill	Consolidated goodwill	Other long-term exp.	Total
Acquisition cost Jan. 1, 2008	1,219	22,853	1,150	1,181	26,403
Exchange gains/losses	-47	-2,929			-2,976
Increase	36			110	146
Decrease					0
Acquisition cost Dec. 31, 2008	1,208	19,924	1,150	1,291	23,573
Accumulated depreciation Jan. 1, 2008	1,054	22,694	1,166	945	25,858
Exchange gains/losses	-46	-2,906			-2,952
Decrease					0
Depreciation of the financial year	92	34	-91	96	131
Accumulated depreciation Dec. 31, 2008	1,100	19,822	1,075	1,040	23,037
Book value Dec. 31, 2008	108	101	75	251	536
Tangible assets	Land	Building	Machinery and equipment	Total	Investments
Acquisition cost Jan. 1, 2008	426	1,640	17,519	19,585	11
Exchange gains/losses	-59	-172	-844	-1,076	
Increase		109	1,481	1,590	8
Decrease			766	766	4
Acquisition cost Dec. 31, 2008	366	1,576	17,390	19,332	15
Accumulated depreciation Jan. 1, 2008	0	301	14,593	14,894	0
Exchange gains/losses +/-		4	-926	-921	
Decrease			-60	-60	
Depreciation of the financial year		71	1,270	1,342	
Accumulated depreciation Dec. 31, 2008	0	376	14,998	15,374	0
Book value Dec. 31, 2008	366	1,199	2,393	3,958	15

9. Group companies

Companies owned by the parent company:	Group and parent company ownership-%	Domicile and country
Oy Nordic Moneta Ab	50	Vantaa, Finland
AB Myntverket	100	Eskilstuna, Sweden
Rahapaja Insignia Oy	100	Vantaa, Finland
Det Norske Myntverket AS	50	Kongsberg, Norway
Kiinteistö Oy Äkäslöste	55.78	Kolari, Finland
Insnia AB	100	Eskilstuna, Sweden
Beremal Oy	100	Helsinki, Finland
Companies owned by subsidiaries:		
Mynthuset Sverige AB	100	Malmö, Sweden
Mønthuset Danmark AS	100	Copenhagen, Denmark
Eesti Mundiari OÜ	100	Tallinn, Estonia
Latvijas Monētu Nams SIA	100	Riga, Latvia
Nordic Coin AB	100	Eskilstuna, Sweden
Monetu Namai	100	Vilnius, Lithuania

EUR 1,000

10. Inventories	2008	2007
Raw materials and supplies	12,011	12,943
Unfinished goods/products	1,767	1,192
Finished goods/products	6,954	6,538
Advance payments	854	561
Total	21,586	21,235

11. Receivables	2008	2007
Long-term receivables		
Long-term receivables	670	837
Deferred tax assets	351	543
Total	1,020	1,380

Current receivables		
Trade receivables	10,388	14,184
Income tax receivables	377	665
VAT receivable	1,041	0
Accrued income and prepaid expenses	1,573	4,434
Total	13,379	19,282

EUR 1,000

12. Shareholders' equity	2008	2007
Share capital Jan. 1 and Dec. 31	5,000	5,000
Share premium reserve Jan. 1	6,448	6,448
Transfers from retained earnings	0	0
Transfers to reserve fund	0	0
Share premium reserve Dec. 31	6,448	6,448
Reserve fund Jan. 1	216	115
Transfers from retained earnings	0	0
Transfers from share premium reserve	0	0
Translation differences	-28	101
Reserve fund Dec. 31	188	216
Retained earnings Jan. 1	47,828	49,615
Transfers to share	0	0
Translation differences	-1,182	-1,376
Distribution of dividend	-1,800	-1,500
Retained earnings Dec. 31	44,846	46,739
Net profit of the financial year	-3,755	1,089
Shareholders' equity, total	52,726	59,492
Distributable Shareholders' equity	41,090	47,828

13. Deferred tax assets and liabilities	2008	2007
Deferred tax assets		
From timing differences	261	125
For consolidation entries	90	418
Deferred tax liabilities		
Appropriations	11	51

14. Liabilities	2008	2007
Long-term liabilities		
Deferred tax liabilities	11	51
Tax liabilities due to timing differences	990	1,599
Long-term debts	132	0
Total	1,134	1,650
Short-term liabilities		
Repayment of long-term loans	0	0
Advances received	918	4
Trade payables	4,172	4,982
Other short-term liabilities	236	741
Income tax liabilities	-539	1,113
Other accrued liabilities	4,545	6,529
Total	9,332	13,369

AUDITOR'S REPORT

To Mint of Finland Ltd's Annual General Meeting

We have audited Mint of Finland Ltd's accounting, financial statements, Board of Directors' report and administration for January 1–December 31, 2008. The financial statements comprise the Consolidated and Parent Company Balance Sheet, the Consolidated and Parent Company Profit and Loss Account, the Cash Flow Statement and the Notes to the Financial Statements.

The Board of Directors and the President and CEO are responsible for the preparation of the financial statements and Board of Directors' report, and for ensuring their fair presentation of the required information in accordance with the laws and regulations in force in Finland. The Board of Directors is responsible for the due arrangement of the control of the company's accounts and financial administration, and the President and CEO for ensuring that the company's accounting is in accordance with the law and that its financial affairs are organised in a reliable manner.

The auditor is charged with performing the audit in line with the good auditing practices applicable in Finland and issuing its opinion, on the basis of said audit of the Financial Statements, Consolidated Financial Statements and Board of Directors' report. In this respect, good practices presuppose abidance by the relevant ethical principles and the planning and performance of the audit in such a manner as to obtain reasonable assurance that the Financial Statements and Board of Directors' report are free of any material misstatement and that the members of the parent company's Board of Directors and the President and CEO have acted in accordance with the Limited Liability Companies Act.

Through the auditing procedures, the accuracy of the figures and information given in the Financial Statements and Board of Directors' report must be verified, said auditing procedures being adopted based on the auditor's professional judgment and assessment of the risk that the final accounts are subject to any material misstatement, be this due to error or fraud. In planning said auditing procedures, the auditor also evaluates the internal control of the preparation of the

Financial Statements and their presentation. Furthermore, the overall presentation of the Financial Statements and Board of Directors' report, the accounting principles applied and any significant estimates made by management are evaluated.

This audit was performed in abidance with good auditing practice in Finland. We believe that the auditing procedures we have applied provide a sufficient basis for the opinion we express herein.

We hereby submit our opinion that the Financial Statements and Board of Directors' report, which present a loss for the period of EUR 2,964,151.54 for the parent company, and a consolidated loss of EUR 3,755,228, give a fair and true statement of the financial performance and position of the group and parent company, as per the rules and regulations pertaining to the preparation of financial statements and board of directors' reports in Finland. The information contained in the Board of Directors' report is consistent with that in the Financial Statements.

We recommend that the Financial Statements and Board of Directors' report be adopted. The proposal by the Board of Directors regarding the use of the loss shown on the balance sheet is in compliance with the Limited Liability Companies Act. We recommend that the members of the Board of Directors as well as the President and CEO of the parent company should be discharged from liability for the financial period audited by us.

Helsinki, 16th March 2009

Tuokko Tilintarkastus Oy,
Authorized Public Accountants



Timo Tuokko
Authorized Public Accountant