

**BUSINESS REPORT IN RESPECT OF
THE SUPERVISORY BOARD OF MENNICA POLSKA S.A.
ACTIVITY IN THE YEAR 2007**

1. General information

The year 2007 was the second financial year in the activity of the Supervisory Board of the 5th tenure at Mennica Polska S.A.

Until November 28th, 2007 the Supervisory Board was composed of six people, as follows:

- Zbigniew Jakubas - the President of the Supervisory Board
- Piotr Sendeki - the Vice-President of the Supervisory Board
- Krzysztof Malicki - the Secretary of the Supervisory Board
- Leszek Biedka - the Member of the Supervisory Board
- Marek Felbur - the Member of the Supervisory Board
- Krzysztof Mikołajczak - the Member of the Supervisory Board

On November 28th, 2007 the Extraordinary General Meeting of Shareholders of Mennica S.A. dismissed Mr. Leszek Biedka from the position of the Member of the Supervisory Board.

The Extraordinary General Meeting of Shareholders of Mennica S.A., being in session that day, completed the composition of the Supervisory Board of Mennica S.A. by choosing Mrs. Ewa Sibrecht-Ońska as the Member. From that day on until the end of year 2007 the Supervisory Board was composed as follows:

- Zbigniew Jakubas - the President of the Supervisory Board
- Piotr Sendeki - the Vice-President of the Supervisory Board
- Krzysztof Malicki - the Secretary of the Supervisory Board
- Ewa Sibrecht-Ońska - the Member of the Supervisory Board
- Marek Felbur - the Member of the Supervisory Board
- Krzysztof Mikołajczak - the Member of the Supervisory Board

The Supervisory Board of Mennica Polska S.A. met in total seven times during 2007, including one two-day meeting. Thirty-four resolutions were passed.

The Supervisory Board constantly monitored the Company's activities in all fields, i.e. in particular:

- based on the analysis of the documents submitted by the Company's Management Board and on the information supplied by the Members of the Management Board of Mennica Polska S.A. and the Directors of Departments invited to take part in the meetings, the Supervisory Board was informed about the current activity of the Company as well as its financial and basic economic rates,
- the Supervisory Board was informed about the current activity of the Capital Group of Mennica Polska S.A., which was presented by the Management Board of Mennica Polska S.A. and the Presidents of Subsidiary Companies and was also informed about the financial condition of those Companies, through the analysis of provided documents and information regarding their productivity and economical results,
- the Supervisory Board supervised the realization of the Company's operational plan accepted for year 2007,
- the Supervisory Board, within the framework of its authority, passed resolutions essential for the proper running of the Company. In particular it appointed the Management Board of the 5th Tenure, assessed the Company's reports for year 2006 and chose the Auditor to carry out the controls of the Company's reports for year 2007.

2. The course of individual meetings of the Supervisory Board

2.1 The meeting of the Supervisory Board - February 23rd, 2007

The meeting of the Supervisory Board was held on February 23rd, 2007 and was summoned at a request from the President of the Supervisory Board. Six members of the Board took part in this meeting.

During that meeting the Supervisory Board discussed the financial results obtained in the fourth quarter of year 2006 and in twelve months of year 2006.

The Supervisory Board was informed about the activities of the Department of Building Investments and the Department of Electronic Payments and Development and discussed the financial results of the Monetary Center and the Sales Center.

The Management Board supplied the Supervisory Board with the Operational Plan for year 2007 together with the projected budget.

The Supervisory Board was informed about the results obtained by the Company Mennica - Metale Szlachetne and its development plan for the coming years.

2.2 The meeting of the Supervisory Board - March 20th, 2007

The meeting of the Supervisory Board was held on March 20th, 2007 and was summoned at a request from the President of the Supervisory Board. Six members of the Board took part in this meeting.

The Supervisory Board passed in the circular mode the resolution regarding the approval of the 2007 budget, submitted by the Management Board.

The Supervisory Board assessed the Company's financial statements for the financial year 2006, as well as the Management Board Report in respect of the Company's Activity for the period from January 1st to December 31st, 2006.

The statements' content was analyzed and the expert controllers' opinion and reports were taken into account.

The Board declared that the Company's financial statements and the Management Board Reports in respect of the Company's Activity in year 2006 are consistent with both the books and documents as well as with the state of the art.

Based on the positive assessment of the above mentioned statements and reports for year 2006, the Supervisory Board passed resolutions which recommended the General Meeting of Shareholders to approve those statements and reports.

In the course of further proceedings, the Supervisory Board passed resolutions which recommended the General Meeting of Shareholders to give positive consideration to the motions submitted by the Management Board of Mennica Polska S.A. in the following cases: the allotment of net profit obtained in year 2006, the declarations of obeying the corporate governance rules, the Company's purchase of the real estate located at 9 Waliców Street. Furthermore, the Supervisory Board moved for granting vote of acceptance to the President and Members of the Management Board.

During this meeting the Supervisory Board accepted the Supervisory Board Report in respect of the activity in year 2006.

2.3 The meeting of the Supervisory Board - April 11th and 16th, 2007

The two-day meeting of the Supervisory Board was held on April 11th and 16th, 2007. It was summoned at a request from the President of the Supervisory Board. Six members of the Board took part in this meeting.

The Supervisory Board passed in the circular mode the resolution in respect of giving the consent to increasing of the share capital and taking up shares of the Company Mennica – Metale Szlachetne Sp. z o.o.

Then the Supervisory Board discussed the activity of the Department of Building Investments and the current situation in the Department of Payments.

During the second part of the meeting, i.e. on April 16th, 2007 the Supervisory Board voted by secret ballot and appointed the Management Board of the 5th Tenure at Mennica Polska S.A., composed as follows:

- ◆ Mr. Tadeusz Steckiewicz - the President of the Management Board,
- ◆ Mrs. Barbara Sissons - the Member of the Management Board,
- ◆ Mr. Leszek Kula - the Member of the Management Board,

2.4 The meeting of the Supervisory Board - May 28th, 2007

The meeting of the Supervisory Board was held on May 28th, 2007 and was summoned at a request from the President of the Supervisory Board. Six members of the Supervisory Board took part in this meeting.

The Supervisory Board assessed the report in respect of the Capital Group of Mennica Polska S.A. activity in the financial year 2006 and assessed the consolidated financial statements of the Capital Group of Mennica Polska S.A. for the turnover year 2006. The statements' content was analyzed and the expert controller's report was taken into account. The Board declared that both the Capital Group of Mennica Polska S.A. financial statements and the Management Board Report in respect of the Capital Group of Mennica Polska S.A. Activity in year 2006 are consistent with the books and documents.

Based on the positive assessment of the above mentioned statements and reports for year 2006, the Supervisory Board passed resolutions which recommended the General Meeting of Shareholders to approve those statements and reports.

Furthermore, the Supervisory Board was informed about the current activity of the Company and the Subsidiary Companies for the period of four months of year 2007.

In particular the Supervisory Board discussed the activity of the Department of Building Investments and the Department of Electronic Payments. Additionally, the Supervisory Board got to know the presentation prepared by the Management Board in respect of Planning and Controlling Systems for Mennica Polska S.A.

2.5 The meeting of the Supervisory Board - July 24th, 2007

The meeting of the Supervisory Board was held on July 24th, 2007 and was summoned at a request from the President of the Supervisory Board. Six members of the Board took part in this meeting.

The Supervisory Board was informed about the current situation of the Company and the Subsidiary Companies for the period of January – May 2007.

The Supervisory Board heard the Management Board's motion in respect of choosing the Auditor to carry out the controls of the Company and Capital Group of Mennica Polska S.A. financial statements and passed resolution, choosing the audit company System Rewident Sp. z o.o. to carry out the controls of the year 2007 statements.

2.6 The meeting of the Supervisory Board - September 18th, 2007

The meeting of the Supervisory Board was held on September 18th, 2007 and was summoned at a request from the President of the Supervisory Board. Four members of the Board took part in this meeting.

The Supervisory Board unanimously passed resolutions in respect of justifying the absence of two Members of the Supervisory Board of Mennica Polska S.A. - Mr. Leszek Biedka and Mr. Krzysztof Mikołajczak – at the Supervisory Board meeting held on September 18th, 2007.

The Supervisory Board discussed the Company's current activity for the period of seven months of the year 2007. The Subsidiary Companies' activity was discussed in the further part of the meeting. The Supervisory Board heard the Management Board's motion in respect of giving consent to sale of the apartments located in the housing estate "Rajska Jabłoń" and unanimously passed the resolution regarding that matter.

2.7 The meeting of the Supervisory Board - October 30th 2007

The meeting of the Supervisory Board was held on October 30th, 2007 and was summoned at a request from the President of the Supervisory Board. Six members of the Board took part in this meeting.

The Supervisory Board discussed the Company's current activity and financial results for the period of nine months of the year 2007.

3. CAPITAL GROUP OF MENNICA POLSKA S.A.

3.1 Mennica – Metale Szlachetne Sp. z o.o. (since January 1st, 2008 - Mennica-Metale Szlachetne S.A.)

The most profitable Company in the Capital Group of Mennica Polska S.A. is Mennica - Metale Szlachetne Sp. z o.o. The Company's financial situation is very strong. In 2007 the Company started transformation process to become the joint stock company. The process came to an end in January 2008.

3.2 Mennica Ochrona Sp. z o.o.

The Company Mennica Ochrona Sp. z o.o. has stable financial situation and is capable of self-financing its activities. There are no plans for restructuring the Company in the short-term horizon; the Company functions within the framework of the Capital Group to ensure the highest quality protection services rendered for the basic activity of Mennica Polska S.A., which is producing, storage and transportation of money and other values.

3.3. Mennica Invest Sp. z o.o.

This Company's activity concentrated mainly on resolving any court disputes to which the Company was the party and collecting any receivables due to the Company and also on repaying the amounts due. Within the framework of its executive proceedings the Company regained the real estate located at 9 Waliców Street, which enabled repayment of majority of the liabilities due to Mennica Polska S.A. as part of *datio in solutum*.

3.4 Mennica Elektroniczne Transakcje S.A. (until October 26th, 2007 Mennica Metale S.A.)

The operational activity of Mennica Metale S.A. in the first six months of year 2007 was suspended. In the second half of year 2007 the Company started to render the IT services for the Department of Electronic Payments of Mennica Polska S.A.

3.4 Mennica Technologie S.A.

On September 7th, 2007 the Company was deleted from the Register of Entrepreneurs, following the liquidation proceedings.

4. Brief evaluation of the Company and the Capital Group's condition for year 2007.

The year 2007 was, in the assessment of the Supervisory Board, a very good year for the Company Mennica Polska S.A. as well as for the Capital Group.

Both Mennica Polska S.A. and the Subsidiary Companies realized the assumed financial results and goals.

The Company conducted its activity in accordance with the valid regulations set out for public companies, including in particular all the declared rules of the corporate governance.

The Supervisory Board does not see anything that could pose a threat to the Company's functioning, and the financial results obtained in 2007 shall be assessed as highly satisfactory and very promising for the future.

Signed by the Members of the Supervisory Board
MENNICA POLSKA S.A.

.....
(Zbigniew Jakubas)

.....
(Marek Felbur)

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(Piotr Sendeki)

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(Krzysztof Malicki)

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(Krzysztof Mikołajczak)