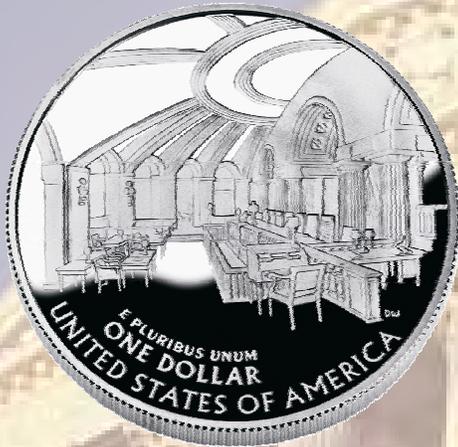




FY2005 3rd Quarterly Financial Report of the United States Mint Commemorative Coin Programs



*For the financial reporting
period April 1, 2005
through June 30, 2005*



PROGRAM-WIDE SUMMARY

Modern commemorative coins authorized by Congress and produced by the United States Mint date from the introduction of the George Washington 250th Anniversary Half Dollar in 1982. Congress has authorized a total of 47 commemorative coin programs through 2008, honoring people, places, events, and institutions of significance in American history and culture. Surcharges from the sales of these coins help fund a variety of organizations and projects that benefit the community at large. United States Mint commemorative coin programs have collected approximately \$440.5 million in surcharges over the past 23 years for many worthy recipient organizations.

Commemorative coins are beneficial, not only to numismatic enthusiasts and the recipient organizations, but also by reaffirming the history of our Nation. To ensure that commemorative coin programs reap the benefits of the reforms of 1996, the United States Mint must continue to execute and oversee these coin programs in a conscientious, prudent and business-like manner.

FINANCIAL REPORTING

The attached financial summary provides cumulative program data through the end of the 3rd quarter of FY05. The matching funds criterion established by the Commemorative Coin Reform Act of 1996 (CCRA), as amended by Title II of Public Law 108-15 (April 23, 2003), requires commemorative coin programs to link public funding of special projects to private support by requiring recipient organizations to show receipts of donations from private sources “in an amount that is equal to or greater than the total amount of the proceeds of such surcharge derived from the sale of such numismatic item.” The CCRA makes commemorative coin program recipient organizations partners in bearing the risks of commemorative coin programs, and it assures that the United States Mint recovers its cost of operating such coin programs.

The estimated program profit (loss) is total net revenue minus net operating cost less surcharges collected. This quarterly interim profit and loss analysis was prepared using the accrual basis of accounting.

2004 Thomas Alva Edison Commemorative Coin Program

Program Highlights

The 2004 Thomas Alva Edison Commemorative Coin Act, Public Law 105-331, authorized the production of up to 500,000 silver dollar coins. This silver dollar commemorates the 125th anniversary of the invention of the light bulb by Thomas Alva Edison. Sales began on February 11, 2004, and ended December 29, 2004.

Surcharges from the sale of these coins are authorized to be divided among eight organizations dedicated to paying tribute to Edison. These eight are eligible to receive 1/8 of the surcharge include the Museum of Arts and History, Edison Birthplace Association, National Park Service, Edison Plaza Museum, Edison Winter Home and Museum, Edison Institute, Edison Memorial Tower and the Hall of Electrical History.

Analysis of Financial Position

Through the end of the program, the United States Mint shipped a total of 303,205 coins, generating total program revenue of \$10.8 million. The program has collected \$3.0 million in surcharges and is showing a profit of approximately \$.58 million.

Thus far, the United States Mint has distributed equal surcharge payments of \$379,145 to the Friends of Edison National Historic Site, the Port Huron Museum and the Schenectady Museum, bringing the total amount of surcharges paid through the program to \$1.14 million.

2004 Lewis and Clark Expedition Bicentennial Commemorative Coin Program

Program Highlights

The 2004 Lewis and Clark Expedition Bicentennial Commemorative Coin Act, Public Law 106-126, authorized the production of up to 500,000 silver dollar coins. This silver dollar commemorates the bicentennial of the historic expedition conducted by the Corps of Discovery. The program surcharges are authorized to be paid to the National Lewis and Clark Bicentennial Council (2/3) and the National Park Service (1/3), for activities associated with commemorating the bicentennial of the Lewis and Clark expedition. The United States Mint sold the coin between May 12 and December 23, 2004.

Analysis of Financial Position

Through the end of the program, the United States Mint shipped a total of 494,004 coins (including special sets), generating total program revenue of \$25.1 million. The program collected \$ 4.94 million in surcharges and showed a profit of approximately \$4.56 million.

2005 Chief Justice John Marshall Commemorative Coin Program

Program Highlights

Legislation for a commemorative coin honoring Chief Justice John Marshall passed in July 2004, and was signed into law by the President on August 6, 2004. The legislation authorizes a silver dollar with a design emblematic of Chief Justice John Marshall and his immeasurable contributions to the Constitution of the United States and the Supreme Court of the United States. The maximum mintage is 400,000 coins, and a surcharge of \$10 per coin is authorized to go to the Supreme Court Historical Society.

Designs for the Chief Justice John Marshall Silver Dollar were released in late January, and the coin was offered for sale beginning April 25, 2005, available in both proof and uncirculated coin options. This was followed by a ceremony in the Upper Great Hall of the United States Supreme Court, where the coin was ceremonially presented to the Supreme Court Historical Society. The program also includes a Coin & Chronicles Set, which will feature the Chief Justice John Marshall Uncirculated Silver Dollar, along with an intaglio print of a statue of Marshall and a booklet about the Chief Justice and his importance to the Supreme Court, written by the Supreme Court Historical Society. This product, along with the full direct mail offering, will be dropped in the fourth quarter of 2005. A proof condition Chief Justice John Marshall Silver Dollar will also be included as part of the 2005 United States Mint American Legacy Collection™, which is also scheduled for a fourth quarter release.



Analysis of Financial Position

Through the end of the 3rd quarter, the United States Mint sold a total of 115,634 coins, generating total program revenue of \$4.2 million. The program collected \$1.2 million in surcharges and showed a loss of approximately (\$ 85) thousand. Profits for this commemorative coin will fluctuate throughout the life of the program, as both sales and expenses continue to be recorded.

2005 Marine Corps 230th Anniversary Commemorative Coin Program

Program Highlights

Legislation passed for a silver dollar honoring the 230th Anniversary of the United States Marine Corps and was signed into law on August 6, 2004. The design is to be emblematic of the warrior ethos of the United States Marine Corps. The legislation calls for a maximum mintage of 500,000 coins, but the Marine Corps Heritage Foundation submitted a request to the Secretary of the Treasury seeking to increase that number to 600,000. That request was granted. The \$10 surcharge per coin is authorized to go to the Marine Corps Heritage Foundation.



Designs for the Marine Corps 230th Anniversary Silver Dollar were unveiled in late February at a ceremony to mark the 60th anniversary of the Battle for Iwo Jima. A launch ceremony at United States Marine Headquarters in Quantico, Virginia, is planned for the fourth quarter of 2005. In addition to both proof and uncirculated single coin options, the Marine Corps 230th Anniversary Silver dollar will be included in two special sets. An uncirculated coin will be included in a coin and stamp set that will also contain an original three-cent

United States postage stamp commemorating the battle for Iwo Jima. A proof version of the coin will be included in the 2005 United States Mint American Legacy Collection™, and all options go on sale July 20, 2005. The Marine Corps Coin & Stamp Set is limited to 50,000 units, while the United States Mint American Legacy Collection™ has a limit of up to 100,000 units.



2006 Benjamin Franklin Commemorative Coin Program

Public Law 108-464, approved December 21, 2004

During this quarter, designs were prepared and submitted for the 2006 Benjamin Franklin Silver Dollars. The legislation calls for two silver dollars. One will feature an image of a young Benjamin Franklin on the obverse with a reverse design emblematic of his role as a patriot and statesman, and the other will feature an image of an older Benjamin Franklin on the obverse with a reverse design emblematic of his role in establishing the coinage and currency of the United States. Designs were executed by the United States Mint sculptor-engravers. These designs were reviewed by the Franklin Institute, the recipient organization, and representatives from the Benjamin Franklin Tercentenary. The designs were also reviewed by the Commission of Fine Arts and the Citizens Coinage Advisory Committee. The United States Mint anticipates releasing the coin in early 2006.

2007 Jamestown 400th Anniversary Commemorative Coin Program

Public Law 108-289, approved August 6, 2004

The United States Mint also started the design process for the Jamestown 400th Anniversary Coin Program in the third quarter of 2005. This is a two-coin program featuring a gold \$5 coin and a silver dollar. Designs for both coins are to be emblematic of the settlement of Jamestown, the first permanent English settlement in America. The recipient organizations provided source materials and design theme suggestions, and artists

from the Artistic Infusion Program (AIP) and the United States Mint sculptor-engravers were asked to submit designs. These designs are due at the end of July. This program is expected to launch in early 2007.

2008 American Bald Eagle Recovery and National Emblem Commemorative Coin Program

Public Law 108-486, approved December 23, 2004

As reported in the second quarter, a preliminary meeting was held with the recipient organization for the American Bald Eagle Program, which will launch in 2008. The recipient organization, the American Eagle Foundation, has been asked to provide source materials and design guidance for the three coins (gold, silver and clad), which are expected to launch in early 2008. Designs for this program are to be emblematic of the bald eagle and its history, natural biology and national symbolism.

MARKET-BASED RESEARCH AND PRICING FOR ALL UNITED STATES MINT COMMEMORATIVE COIN PROGRAMS

As part of our overall marketing research program, the United States Mint utilized data from focus groups with active United States Mint customers to provide market-based research in support of our 2003–2004 commemorative coin programs. The United States Mint is using this focus group data to gauge the level of customer appeal for products to help support its 2005 commemorative coin programs.

Commemorative coin pricing includes estimating consumer demand and costs associated with producing and selling the item. The United States Mint continually strives to achieve the greatest efficiencies in the production of commemorative coins to keep the prices as low as possible.