

State Printing House Plc.

Annual report

for the year ended December 31, 2008

Deloitte.

Deloitte Könyvvizsgáló és Tanácsadó Kft.
1068 Budapest, Dózsa György út 84/C.
Levélcíme: 1438 Budapest, Pf. 471

Tel: +36 (1) 428-6800
Fax: +36 (1) 428-6801
www.deloitte.com/Hungary

English translation of the Hungarian Original

INDEPENDENT AUDITORS' REPORT

**on the financial statements submitted for the forthcoming General Meeting
of Állami Nyomda Nyrt.**

To the Shareholders and Board of Directors of Állami Nyomda Nyrt.

We have audited the accompanying financial statements of Állami Nyomda Nyrt. (the "Company"), which comprise the balance sheet as at December 31, 2008 - which shows total assets of 7.116.344 thHUF and a retained profit for the year of 1.323.289 thHUF-, and the related profit and loss account for the year then ended and the supplement comprising a summary of significant accounting policies and other explanatory notes .

Management's responsibility

The Company's management is responsible for the preparation and fair presentation of these financial statements in accordance with Accounting Act and generally accepted accounting principles in Hungary. This responsibility includes: designing, implementing and maintaining internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error; selecting and applying appropriate accounting policies; and making accounting estimates that are reasonable in the circumstances.

Auditor's responsibility

Our responsibility is to express an opinion on the financial statements based on our audit. In addition, it is our responsibility to assess whether the accounting information in the Business Report is consistent with that contained in the financial statements.

We also audited the financial statements as of and for the year ended December 31, 2007 and issued an unqualified opinion. Reference is made to our report dated April 28, 2008.

We conducted our audit in accordance with Hungarian Standards on Auditing and applicable laws and regulations in Hungary. Those standards require that we comply with certain ethical requirements and that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement.

The audit involved performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. The purpose of making those risk assessment regarding the financial statements is not to express an opinion on the effectiveness of the entity's internal control.

Audit, Tax, Consulting, Financial Advisory.

Member of
Deloitte Touche Tohmatsu

Bejegyzve: Fővárosi Bíróság mint Cégbíróság
Cg.: 01-09-071057

The audit also included evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by management, as well as evaluating the overall presentation of the financial statements. Our work with respect to the Business Report was limited to checking it within the aforementioned scope, and did not include a review of any information other than that drawn from the audited accounting records of the Company. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Clause

We have audited the financial statements of Állami Nyomda Nyrt., including its sections and items and the supporting accounting records and certificates thereof, in accordance with the applicable National Standards on Auditing and have obtained reasonable assurance that the financial statements have been prepared pursuant to the Accounting Act and generally accepted accounting principles.

In our opinion, the financial statements give a true and fair view of the financial position of Állami Nyomda Nyrt. as at December 31, 2008. The Business Report corresponds to the figures included in the financial statements.

Budapest, February 06, 2009

(The original Hungarian language version has been signed)

.....
Gion Gábor

Deloitte Auditing and Consulting Ltd.
1068 Budapest, Dózsa György út 84/C.

000083

.....
Horváth Tamás

registered auditor
003449

Balance Sheet (in HUF thousands)

	Description	December 31, 2007	December 31, 2008
A.	FIXED ASSETS	2,354,503	3,063,682
I.	INTANGIBLE ASSETS	95,789	107,021
1.	Capitalized start-up and restructuring costs	2,303	1,594
2.	Capitalized value of research and development	14,509	9,262
3.	Concessions, licenses and similar rights and assets	66,564	48,467
4.	Intellectual property	12,413	47,698
5.	Goodwill	-	-
6.	Advances and prepayments on intangible assets	-	-
7.	Adjusted value of intangible assets	-	-
II.	TANGIBLE ASSETS	1,797,310	2,465,752
1.	Land and buildings and rights to immovable	90,620	133,915
2.	Plant and machinery, vehicles	1,458,378	2,070,347
3.	Other equipment, fixtures and fittings, vehicles	201,842	213,895
4.	Breeding stock	-	-
5.	Assets in course of construction	29,940	47,595
6.	Payment on account	16,530	-
7.	Adjusted value of tangible assets	-	-
III.	FINANCIAL INVESTMENTS	461,404	490,909
1.	Long-term participations in affiliated undertakings	457,257	487,019
2.	Long-term loan to affiliated undertakings	-	-
3.	Other long-term participations	-	-
4.	Long-term loan to independent undertakings	-	-
5.	Other long-term loans	4,147	3,890
6.	Securities signifying a long-term creditor relationship	-	-
7.	Adjusted value of financial investments	-	-

Balance Sheet for the year ended December 31, 2008

	Description	December 31, 2007	December 31, 2008
B.	CURRENT ASSETS	3,811,867	4,001,334
I.	INVENTORIES	742,928	740,517
1.	Raw materials and consumables	490,362	387,779
2.	Work in progress, intermediate and semi-finished products	119,400	121,810
3.	Animals for breeding and fattening, other livestock	-	-
4.	Finished products	111,031	114,235
5.	Goods for resale	22,135	115,843
6.	Advances and prepayments on inventories	-	850
II.	RECEIVABLES	1,327,339	1,246,117
1.	Accounts receivable (trade debtors)	1,050,576	1,046,300
2.	Receivables from affiliated undertakings	143,305	162,299
3.	Receivables from independent undertakings	-	-
4.	Bills of exchange receivable	-	-
5.	Other receivables	133,458	37,518
III.	SECURITIES	158,130	436,975
1.	Participations in affiliated undertakings	-	-
2.	Other participations	-	-
3.	Own shares and own partnership shares	158,130	436,975
4.	Securities signifying a creditor relation. for trading purposes	-	-
IV.	LIQUID ASSETS	1,583,470	1,577,725
1.	Cash in hand, checks	5,687	3,113
2.	Cash at bank	1,577,783	1,574,612
C.	PREPAYMENTS AND ACCRUED INCOME	30,440	51,328
1.	Accrued income	3,738	11,083
2.	Accrued costs, expenses	26,702	40,245
3.	Deferred expenses	-	-
	TOTAL ASSETS	6,196,810	7,116,344

Balance Sheet for the year ended December 31, 2008

	Description	December 31, 2007	December 31, 2008
D.	SHAREHOLDERS' EQUITY	3,613,135	4,936,324
I.	SHARE CAPITAL	1,449,876	1,449,876
	including: ownership shares repurchased at face value	10,878	41,209
II.	SHARE CAPITAL UNPAID	-	-
III.	CAPITAL RESERVE	250,686	250,686
IV.	ACCUMULATED PROFIT RESERVE	916,546	955,702
V.	TIED-UP RESERVE	509,761	956,871
VI.	REVALUATION RESERVE	-	-
VII.	PROFIT OR LOSS FOR THE YEAR	486,266	1,323,189
E.	PROVISIONS	3,617	4,527
1.	Provisions for expected liabilities	3,617	4,527
2.	Provisions for future expenses	-	-
3.	Other provisions	-	-
F.	LIABILITIES	2,229,025	1,841,146
I.	SUBORDINATED LIABILITIES	-	-
1.	Subordinated liabilities to affiliated undertakings	-	-
2.	Subordinated liabilities to independent undertakings	-	-
3.	Subordinated liabilities to other economic entities	-	-
II.	LONG-TERM LIABILITIES	-	229,352
1.	Long-term loans	-	-
2.	Convertible bonds	-	-
3.	Debts on issue of bonds	-	-
4.	Investment and development credits	-	-
5.	Other long-term credits	-	-
6.	Long-term liabilities to affiliated undertakings	-	-
7.	Long-term liabilities to independent undertakings	-	-
8.	Other long-term liabilities	-	229,352
III.	CURRENT LIABILITIES	2,229,025	1,611,794
1.	Short-term loans	-	-
	including: convertible bonds	-	-
2.	Other short-term credits	312,900	-
3.	Advances received from customers	6,554	5,899
4.	Accounts payable (trade creditors)	775,080	832,405
5.	Bills of exchange payable	-	-
6.	Short-term liabilities to affiliated undertakings	79,912	113,986
7.	Short-term liabilities to independent undertakings	-	-
8.	Other short-term liabilities	1,054,579	659,504
G.	ACCRUALS AND DEFERRED INCOME	351,033	334,347
1.	Deferred income	2,257	1,119
2.	Deferred costs, expenses	257,906	265,308
3.	Accrued income	90,870	67,920
	TOTAL EQUITY AND LIABILITIES	6,196,810	7,116,344

Profit or Loss Statement (total cost method, in HUF thousands)

	Description	FY 2007	FY 2008
01.	Net domestic sales	10,062,284	11,708,366
02.	Net external sales	770,746	661,784
I.	NET SALES REVENUE	10,833,030	12,370,150
03.	Change in stocks of finished goods and work in progress	(126,946)	5,614
04.	Own work capitalized	33,596	13,374
II.	OWN PERFORMANCE CAPITALIZED	(93,350)	18,988
III.	OTHER INCOME	78,946	97,915
	including: loss in value marked back	19,201	76,647
05.	Cost of raw materials and consumables	3,029,267	3,429,583
06.	Cost of services	1,341,829	1,691,780
07.	Cost of other service activities	52,279	57,412
08.	Cost of goods sold	172,883	201,542
09.	Cost of services sold (intermediated)	1,496,693	1,783,097
IV.	MATERIAL COSTS	6,092,951	7,163,414
10.	Wages and salaries	1,811,761	2,019,057
11.	Other employee benefits	251,863	292,036
12.	Contributions on wages and salaries	626,272	704,048
V.	STAFF COSTS	2,689,896	3,015,141
VI.	DEPRECIATION	502,722	554,476
VII.	OTHER OPERATING CHARGES	302,706	305,412
	including: loss in value	86,270	82,192
A.	OPERATING (TRADING) PROFIT	1,230,351	1,448,610
13.	Dividends and profit-sharing (received or due)	68,663	81,340
	including: from affiliated undertakings	68,663	81,340
14.	Capital gains on investments	-	-
	including: from affiliated undertakings	-	-
15.	Interest and capital gains on financial investments	-	-
	including: from affiliated undertakings	-	-
16.	Other interest and similar income (received or due)	18,475	33,659
	including: from affiliated undertakings	-	-
17.	Other income from financial transactions	38,859	66,007
VIII.	Income from financial transactions	125,997	181,006
18.	Losses on financial investments	-	-
	including: to affiliated undertakings	-	-
19.	Interest payable and similar charges	65,772	42,007
	including: to affiliated undertakings	-	-
20.	Losses on shares, securities and bank deposits	-	-
21.	Other expenses on financial transactions	43,640	62,260
IX.	Expenses on financial transactions	109,412	104,267
B.	PROFIT OR LOSS ON FINANCIAL TRANSACTIONS	16,585	76,739
C.	PROFIT OR LOSS ON ORDINARY ACTIVITIES	1,246,936	1,525,349
X.	Extraordinary income	23,567	25,545
XI.	EXTRAORDINARY EXPENSES	10,985	21,177
D.	EXTRAORDINARY PROFIT OR LOSS	12,582	4,368
E.	PROFIT BEFORE TAX	1,259,518	1,529,717
XII.	TAX PAYABLE	176,846	206,528
F.	PROFIT AFTER TAX	1,082,672	1,323,189
22.	Profit reserves used for dividends and profit-sharing	-	-
23.	Dividends and profit-sharing paid (approved)	596,406	-
G.	PROFIT OR LOSS FOR THE YEAR	486,266	1,323,189

Profit and Loss Statement for the year ended December 31, 2008

Profit or Loss Statement (turnover cost method, in HUF thousands)

	Description	FY 2007	FY 2008
01.	Net domestic sales	10,062,284	11,708,366
02.	Net external sales	770,746	661,784
I.	TOTAL SALES (REVENUES)	10,833,030	12,370,150
03.	Prime cost of sales accounted	5,168,941	5,886,784
04.	Original cost of goods sold	172,883	201,542
05.	Value of services sold (intermediated)	1,496,693	1,783,097
II.	DIRECT COSTS OF SALES	6,838,517	7,871,423
III.	GROSS INCOME FROM SALES	3,994,513	4,498,727
06.	Sales and marketing costs	280,947	325,238
07.	Administration costs	2,104,684	2,370,287
08.	Other general overhead	154,771	147,095
IV.	INDIRECT COAST OF SALES	2,540,402	2,842,620
V.	OTHER INCOME	78,946	97,915
	including: loss in value marked back	19,201	76,647
VI.	OTHER OPERATING CHARBGES	302,706	305,412
	including: loss in value	86,270	82,192
A.	INCOME FROM OPERATIONS	1,230,351	1,448,610
13.	Dividends and profit-sharing (received or due)	68,663	81,340
	including: from affiliated undertakings	68,663	81,340
14.	Capital gains on investments	-	-
	including: from affiliated undertakings	-	-
15.	Interest and capital gains on financial investments	-	-
	including: from affiliated undertakings	-	-
16.	Other interest and similar income (received or due)	18,475	33,659
	including: from affiliated undertakings	-	-
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22.	Profit reserves used for dividends and profit-sharing	-	-
23.	Dividends and profit-sharing paid (approved)	596,406	-
G.	PROFIT OR LOSS FOR THE YEAR	486,266	1,323,189

State Printing House Plc.

Supplementary Notes

for the year ended December 31, 2008

1 Index

1	INDEX	10
2	GENERAL INFORMATION	11
2.1	GENERAL INFORMATION ON THE COMPANY	11
2.2	THE ACTIVITIES AND THE HISTORY OF THE COMPANY	12
2.2.1	The activities of the Company	12
2.2.2	The history of the Company	13
2.3	MAIN PARTS OF THE ACCOUNTING POLICY	16
2.4	SIGNIFICANT ACHIEVEMENTS, EVENTS IN 2007	17
2.5	MAIN INFORMATION ON THE INVESTMENTS OF THE COMPANY	18
3	EXPLANATIONS FOR THE BALANCE SHEET ITEMS	18
3.1	INTANGIBLE ASSETS	18
3.2	TANGIBLE ASSETS	19
3.3	FINANCIAL ASSETS	20
3.4	INVENTORIES	21
3.5	RECEIVABLES	21
3.6	SECURITIES	22
3.7	PREPAYMENTS AND ACCRUED INCOME	23
3.8	EQUITY	24
3.9	PROVISIONS	25
3.10	SUBORDINATED LIABILITIES	25
3.11	LONG TERM LIABILITIES	25
3.12	SHORT TERM LIABILITIES	26
3.13	ACCRUALS AND DEFERRED INCOME	27
4	EXPLANATIONS TO THE PROFIT OR LOSS STATEMENT	28
4.1	ORDINARY REVENUES	28
4.2	ORDINARY COSTS	30
4.3	EXTRAORDINARY PROFIT	30
4.4	CORPORATE INCOME TAX	31
5	SUPPLEMENTARY INFORMATION	32
5.1	RESEARCH AND DEVELOPMENT	32
5.2	ENVIRONMENT PROTECTION	32
5.3	PERSONAL TYPE OF EXPENDITURES AND HEADCOUNTS	32
5.4	LIABILITIES DUE OVER 5 YEARS	33
5.5	DETAILS OF LISTED SHARES	33
5.6	OUT OF BALANCE SHEET ITEMS	34
5.7	CASH-FLOW	35
5.8	FINANCIAL INDICES	36

2 General information

2.1 General information on the Company

Company name:	State Printing House Public Company Limited by Shares
Abbreviate company name:	State Printing House Plc.
Seat:	1102 Budapest, Halom u. 5.
Premises of the Company:	1108 Budapest, Fátyolka utca 1-3. 3060 Pásztó, Fő utca 141.
Tax registration number:	10793509-2-44
Company registration number:	01-10-042030
Central Statistical Office reg.No:	10793509-2221-114-01
Date of Foundation:	3 rd October 1992
Share capital of the Company:	The Company's share capital is HUF 1,449,875,700, of which HUF 350,000,000 is cash contribution, while HUF 1,099,875,700 is non-cash contribution

Place of publishing the announcements:

The Company publishes its announcements on its website www.allaminyomda.hu, in the cases as set forth in the regulations, such announcements will be published in the Companies Bulletin. In addition while the registered shares of the Company are traded on the Budapest Stock Exchange (hereinafter: BSE), the Company meets its disclosure requirements in the way as set forth in the regulations of the Budapest Stock Exchange (hereinafter: BSE).

Members of the Board of Directors of the Company:

Dr. Ákos Erdős (chairman)
György Gyergyák (vice-chairman)
Dr. Mihály Arnold
Dr. György Festetics
Péter Heim
Gábor Zsámboki

Members of the Supervisory Board of the Company:

Dr. Tamás Sárközy
Dr. Istvánné Gömöri (vice-chairman)
Ferenc Berkesi
Dr. Imre Repa
Dr. István Stumpf
György Vajda

Auditor of the Company: Deloitte Könyvvizsgáló és Tanácsadó Kft. (seat: 1068 Budapest, Dózsa György út 84/c) MKVK registration No.: 000083); appointed auditor: Tamás Horváth (MKVK membership number: 003449)

ISIN code of the share series involved in the Stock Exchange Listing of the Company:

Common shares of series "A": HU 0000093257

Name and address of the persons authorized to represent the Company, and to sign the annual report:

Gábor Zsámboki, Chief Executive Officer,
1028 Budapest, Csokonai utca 22.

Name and address of the person responsible for the accounting services:

Tamás Karakó, Chief Financial Officer,
3956 Viss, Ady Endre u. 5-7.

2.2 The activities and the history of the Company

2.2.1 The activities of the Company

The activities of Állami Nyomda are organized around five product groups.

Security forms and solutions include tax stamps, securities, documents of value (food/meal vouchers, motorway stickers, other vouchers), stamps, paper-based documents, and the products and security solutions developed by the Document Security Laboratory.

The card production and personalization product group comprises the production and personalization of plastic and paper-based cards, including various card-based documents such as student ID cards, identity cards, driver's licenses, vehicle registration cards, health insurance cards and other card documents as well as bankcards, phone cards, access cards, transportation cards and commercial cards.

The business and administrative forms product group is made up of the production of forms and related personalization and data processing works. This category includes business forms, personalized forms, administrative forms, continuous stationery-based products, lottery forms and election forms as well as electronic document management and data processing tasks, such as bulk electronic archiving and contract storage.

The category of traditional printing products consists of the production and sale of hardcover and paperback books, magazines, textbooks, notes, calendars and agendas as well as the manufacturing of information and packaging materials.

The other commercial activities category includes the sale of every product or service that is not related to the core activities of Állami Nyomda and cannot be classified into any of the four categories mentioned above. Revenues from transportation services and the sale of (raw) materials are also posted here.

2.2.2 The history of the Company

The predecessor of Állami Nyomda, a subsidiary of Vienna-based Staatsdruckerei, was established in Temesvár (currently Timisoara, Romania) in 1851.

Állami Nyomda was privatised in 1993, when 70% of its shares were acquired by Láng Kiadó és Holding Rt., and 15.9% was purchased by the Company's employees under an Employee Stock Ownership Plan (ESOP). The remainder of the shares were given to municipalities where the Company's sites were located.

After the sale of the building complex in the Buda Castle District in 1994, the new printing plant – financed by the Company itself – was opened at Halom utca 5. in Budapest's 10th district on 4 October 1994. In the same year Állami Nyomda leased the machinery of SZÜV Leporello Nyomda and took over its clients and most of its employees. In the year following the takeover the Company's production portfolio was made up of the dominant business forms, security documents and lottery forms.

In 1997, the shareholders and management of Állami Nyomda set a new direction for further development: content provision, information technology and the production of plastic cards. In December 1997, Baring Central European Investments BV carried out a HUF 1.2 billion capital increase in the Company, acquiring a 43% ownership interest. The emergence of the new investor allowed the creation of a completely new business line, the production and personalisation of plastic cards. The capital investment, designed to ensure advanced technology for the new operations, was

implemented in the following year at the Company's new premises at Fátyolka street 1-3. in Budapest's 10th district.

Állami Nyomda carried out additional developments at its Fátyolka street plant in 2000, creating the conditions for manufacturing chip cards. In 2004 the Company won a HUF 150 million non-refundable grant – in part funded by the European Union – to further improve its chip card production. In 2002 Állami Nyomda also launched its electronic archiving services as a security company that has appropriate data protection, secure processing and safekeeping to offer complex services for partners that place a great emphasis on security.

Állami Nyomda and Tipoholding of Romania established a Romania joint venture, Tipo Direct s.r.o. in September 2004. In Bulgaria the Company teamed up with local company Power Solution o.o.d. to set up a joint venture, Direct Services o.o.d. in February 2005. In order to strengthen its regional presence, in April 2005, Állami Nyomda took steps to form another two companies: Slovak Direct s.r.o. in Slovakia and Állami Nyomda o.o.o. in Russia.

Állami Nyomda obtained an ISO 9001 quality management certificate in 1997, and an ISO 14001 environmental management certificate in 2001. Since 1999 it has been licensed to produce and personalize Visa and MasterCard bankcards, and in 2002 it was granted a TüvIT TU4 certificate for the production of mobile airtime vouchers and chip-based phonecards. In 2002 the Company became a certified supplier to NATO. Since 2003 it has operated in compliance with one of the most comprehensive information protection standards, BS 7799-2 (ISO 27001 version since 2006).

The ordinary shares of Állami Nyomda were listed in Category "A" of the Budapest Stock Exchange (BSE) on 8 December 2005.

1. Table: Structure of the Shareholders

Shareholders	Total equity					
	Beginning of period (1 January 2008)			End of period (31 December 2008)		
	% ¹	% ²	Shares	% ¹	% ²	Shares
Domestic institutions	42.69%	45.59%	631,603	38.72%	39.86%	5,729,516
Foreign institutions	32.62%	34.84%	482,604	37.95%	39.06%	5,614,778
Domestic private individuals	9.20%	9.82%	136,064	10.25%	10.55%	1,516,064
Foreign private individuals	0.24%	0.25%	3,492	0.31%	0.32%	45,714
Employees, managing officials	11.45%	6.24%	169,413	9.06%	9.32%	1,339,987
Treasury stock	0.75%	0.00%	11,100	2.84%	0.00%	420,500
Shareholders as part of the state budget	0.00%	0.00%	-	0.00%	0.00%	-
International development institutions	0.00%	0.00%	-	0.00%	0.00%	-
Other	3.05%	3.26%	45,189	0.87%	0.89%	128,091
TOTAL:	100.00%	100.00%	1,479,465	100.00%	100.00%	14,794,650

¹ Ownership interest

² Voting rights that entitle the holder to participate in decision making at the general meeting of the issuer.

According to the share register the voting right of the shareholders listed below is over 5%, and the following groups of investors form the structure of shareholders as at December 31, 2008.

2. Table: Structure of shareholders over 5% share

Name	Voting right (%)	Ownership interest (%)
<i>Shareholders over 5% share</i>		
EG Capital SA	24.07%	24.78%
Aegon Magyarország Magánnyugdíjpénztár Vagyonkezelés	9.72%	10.01%
Genesis Emerging Markets Opportunities Fund Limited	6.52%	6.71%
AEGON Magyarország Általános Biztosító Zrt.	5.85%	6.02%
<i>Other shareholders below 5% share</i>		
Domestic institutions	23.15%	23.83%
Foreign institutions	7.36%	7.57%
Domestic private individuals	10.25%	10.55%
Foreign private individuals	0.31%	0.32%
Employees, managing officials	9.06%	9.32%
Treasury stock	2.84%	0.00%
other	0.87%	0.89%

The shares issued by the company are made up of the following:

Series 'A' shares: 14,794,650 pieces of registered, dematerialized ordinary shares with a nominal value of HUF 98 each.

In accordance with the General Meeting resolution No. 13/2008 (28 April 2008), the Company purchased 309,500 pieces of treasury shares with a nominal value of HUF 30,331 thousands altogether in the year 2008.

The Chairman of the Board of Directors of State Printing House Plc and the Vice-chairman of the Supervisory Board, as owners of EG Capital SA. and Láng Vagyonkezelő Zrt. have an indirect ownership of 3,714,210 shares which equals 25.84% voting right.

AEGON Magyarország Befektetési Alapkezelő Zrt., as portfolio manager authorized with voting right has control all over the ordinary shares of State Printing House Plc. owned in the AEGON Group. Therefore AEGON Magyarország Befektetési Alapkezelő Zrt. has cumulated voting right of 23.49%.

2.3 Main parts of the accounting policy

According to the Act of Accounting Section no. 12, paragraph no. 3, State Printing House Plc. prepares double-entry bookkeeping. State Printing House Plc. meets its reporting obligation by preparing the annual report. The cut-off date of the annual report is December 31, 2008. Balance sheet preparation date is January 15, 2009.

Accounting principle instructions

2% of balance sheet total qualifies as major error for the period. 20% of equity disclosed in the annual report of the last financial year qualifies as error corrupting true and fair view. The principal of prudence and true and fair view dominate the accounting at the Company, these are applied beside the going concern principle, taking into consideration other accounting principles as well.

Depreciation method

The applied depreciation method is gross value based linear method, calculated from the date of put into use during the useful life of the asset. Depreciation is posted monthly.

By taking advantage of the Act of Accounting Section no. 80, paragraph no. 2, State Printing House Plc. records concessions, licenses, similar rights, intellectual properties and tangible assets under purchase value of HUF 100,000 in one amount as depreciation cost at the time of put into use.

Inventory valuation

Inventories are valued according to the Act of Accounting (paragraph no. 47-51.), decreased by the accounted loss in value and increased by the reversed loss in value. Purchased inventories are disclosed at real purchase price. Self-manufactured stocks are valued on direct cost basis supported by prime cost calculation

Foreign exchange rate applied

In case of revaluation of assets and liabilities denominated in foreign currency, the Company applies uniformly the exchange rate published by the National Bank of Hungary.

The net foreign exchange difference deriving from year end revaluation, regarding the effect on the profit for the year, is considered to be significant over HUF 1,000 thousands.

Consolidation

Due to the changes in shareholders' structure, State Printing House Plc. is obliged to prepare a consolidated annual report of the Group since 2005. When preparing the consolidated annual report, Gyomai Kner Nyomda Zrt., Specimen Rt., Security Audit Kft., Slovak Direct S.r.o., are considered to be subsidiaries, while Tipó Direct S.r.l. (Romanian) and Direct Services O.o.d (Bulgarian) are considered to be joint ventures. The consolidated annual report is prepared according to the International Financial Reporting Standards.

2.4 Significant achievements, events in 2008

Net sales revenue amounted to HUF 12,370 million in 2008, out of which export sales totalled HUF 662 million. Operating income came to HUF 1,449 million, an increase of HUF 219 million (17.8%) compared to the previous year. Income before tax was HUF 1,530 million while EBITDA amounted to HUF 2,003 million. Net income after financial operations, extraordinary profit and taxation was HUF 1,323 million.

Operating income came to HUF 1,449 million, an increase of HUF 219 million (17.8%) compared to 2007. The rise in operating income was mainly due to the higher sales revenue and the change in the composition of product structure.

Gross profit totalled HUF 4,499 million, which means a 36.4% gross margin. General (SG&A) expenses amounted to HUF 2,843 million in 2008, which equals 23% of net sales. Material expenses increased by 17.6% (HUF 1,070 million) in 2008, which was caused by the rising volume of sales mainly.

In 2008, interest expenses paid after the loans taken by the Company fell in 2007 while received interests and dividends received from subsidiaries increased. As a result, income from financial activities amounted to HUF 77 million in 2008, a rise of HUF 60 million year-on-year.

Income tax expense amounted to HUF 207 million in 2008, which means an increase of HUF 30 million due to the rise of income. Profit after tax came to HUF 1,323 million, a growth of HUF 240 million (22.2%) compared to prior year.

The global financial crisis did not have a significant effect on the results of the Company in 2008. Though the share price of the State Printing House ordinary shares listed on the Budapest Stock Exchange similarly to the most listed share prices decreased due to the financial crisis, the results of the Company were not reflected in its share price.

2.5 Main information on the investments of the company

3. Table: Subsidiaries and joint ventures based on the financial data of the last known year (in HUF thousands)

Investment	Seat	Year	Owner-ship interest %	Voting right %	Registered capital	Reserves	Profit for 2008	Total equity	Qualification based on HAL ¹
Gyomai Kner Nyomda Zrt.	Gyomaendrőd	2008	92.80%	92.80%	200,000	408,377	74,945	683,322	Subsidiary
Specimen Papír és Nyomdaipari Rt.	Budapest	2008	90.00%	90.00%	100,000	40,636	13,461	154,097	Subsidiary
Slovak Direct Kft.	Bratislava	2008	100.00%	100.00%	17,029	1,612	11,031	29,672	Subsidiary
Security Audit Kft.(*)	Budapest	2008	72.00%	72.00%	5,000	2,870	2,953	10,823	Subsidiary
Állami Nyomda Kft.	Moszkva	2008	100.00%	100.00%	64	-	-	-	Subsidiary
Tipo Direct Kft.	Cluj-Napoca	2008	50.00%	50.00%	31,776	48,198	12,809	92,783	Joint venture
Direct Services Kft.	Sofia	2008	50.00%	50.00%	61,741	45,384	61,458	168,583	Joint venture

(*) Considering the stake of Állami Nyomda Nyrt. in Specimen Zrt., the indirect ownership interest is (90.0*80.0) 72.0%

The Company bought additional ownership interest in Specimen Zrt. in October 2008. The ownership interest increased to 90.0%.

Specimen Zrt. holds an 80% ownership interest in Security Audit Kft.

3 Explanations for the balance sheet items

3.1 Intangible assets

4. Table: Movement table of intangible assets

Description	January 1, 2008	Increase	Decrease	Reclassification	December 31, 2008
Capitalized start-up and restructuring costs	54,053	-	-	-	54,053
Capitalized value of research and development	112,379	-	-	-	112,379
Concessions, licenses and similar rights and assets	121,341	25,751	-	(1,284)	145,808
Intellectual property	319,475	47,027	285	1,284	367,501
Goodwill	-	-	-	-	-
Advances and prepayments on intangible assets	-	-	-	-	-
Adjusted value of intangible assets	-	-	-	-	-
GROSS VALUE	607,248	72,778	285	-	679,741
Capitalized start-up and restructuring costs	51,750	709	-	-	52,459
Capitalized value of research and development	97,870	5,247	-	-	103,117
Concessions, licenses and similar rights and assets	54,777	42,328	-	236	97,341
Intellectual property	307,062	13,262	285	(236)	319,803

¹ Hungarian Accounting Law (Act C. of 2000)

Goodwill	-	-	-	-	-
Advances and prepayments on intangible assets	-	-	-	-	-
ACCUMULATED DEPRECIATION	511,459	61,546	285	-	572,720
NET VALUE	95,789	11,232	-	-	107,021

In the year 2008, the gross value of intangible assets increased which was mainly the result of software purchases.

3.2 Tangible assets

5. Table: Movement table of tangible assets

Description	January 1, 2008	Increase	Decrease	Reclassification	December 31, 2008
Land and buildings and rights to immovable	95,491	49,205	-	-	144,696
Plant and machinery, vehicles	4,578,425	1,018,212	37,174	-	5,559,463
Other equipment, fixtures and fittings, vehicles	848,245	92,850	3,159	-	937,936
Assets in course of construction	29,940	1,177,915	1,160,260	-	47,595
Payment on account	16,530	191,588	208,118	-	-
Adjusted value of tangible assets	-	-	-	-	-
GROSS VALUE	5,568,631	2,529,770	1,408,711	-	6,689,690
	-	-	-	-	-
Land and buildings and rights to immovable	4,871	5,910	-	0	10,781
Plant and machinery, vehicles	3,120,047	406,244	37,175	0	3,489,116
Other equipment, fixtures and fittings, vehicles	646,403	80,787	3,149	0	724,041
Assets in course of construction	-	0	0	0	0
Payment on account	-	0	0	0	0
ACCUMULATED DEPRECIATION	3,771,321	492,941	40,324	0	4,223,938
NET VALUE	1,797,310	2,036,829	1,368,387	-	2,465,752

The growth of tangible assets was driven mainly by the investments performed to expand card personalization capacities which were partly financed by leasing.

The reasons for decreasing plant machinery, vehicles and other equipments were selling, reclassifying and the accounting of the disposal of HUF 1,826 thousands worth assets which were amortized to zero. Extraordinary amortization due to disposal was not accounted.

Assets in course of construction grew because the card examining machinery and the security monitoring systems were not activated until the end of the year.

Our capital investments are put into use rounded to thousand Hungarian forints. HUF 7 thousands rounding difference was created due to this method.

3.3 Financial assets

6. Table: Movement table of financial assets

Description	January 1, 2008	Increase	Decrease	December 31, 2008
Long-term participations in affiliated undertakings	486,585	29,762	-	516,347
Other long-term participations	-	-	-	-
Other long-term loans	4,147	-	257	3,890
GROSS VALUE	490,732	29,762	257	520,237
	-	-	-	
Long-term participations in affiliated undertakings	29,328	-	-	29,328
Other long-term participations	-	-	-	-
Other long-term loans	-	-	-	-
LOSS IN VALUE	29,328	-	-	29,328
NET VALUE	461,404	29,762	257	490,909

The Company increased its ownership in Specimen Kft. to 90%.

Exchange gain from the revaluation of foreign investments at the end of the year came to HUF 2,726 thousands.

Long term flat-loans given to employees are represented on the line of other long term loans.

7. Table: Differences in purchase and nominal value of investments

Description	net book value	Investments'	
		purchase value	nominal value
Gyomai Kner Nyomda Zrt.	290,596	290,596	185,620
Specimen Rt.	136,513	165,841	90,000
Slovak Direct (Slovakian)	16,938	12,569	12,569
Tipo Direct (Romanian)	15,741	14,725	14,725
Direct Services (Bulgarian)	27,167	29,008	29,008
Állami Nyomda Kft (Russian)	64	84	84
Total:	487,019	512,823	332,006

According to the equity valuation of the investments, the net book value of the investments is not higher than the fair market value of them, so the company did not account any loss in value in 2008 on the investments. The difference between net book value and purchase value derives from the year end revaluation of investments denominated in foreign currency beside loss in value posted in the previous years.

3.4 Inventories

8. Table: Inventories

Description	December 31, 2007	December 31, 2008	Change	Change %
Raw materials and consumables	490,362	387,779	(102,583)	-20.92%
Work in progress, intermediate and semi-finished products	119,400	121,810	2,410	2.02%
Finished products	111,031	114,235	3,204	2.89%
Goods for resale	22,135	115,843	93,708	423.35%
Advances and prepayments on inventories	-	850	850	-
Total:	742,928	740,517	(2,411)	-0.32%

9. Table: Loss in value for inventories

Description	December 31, 2007	Increase	Decrease	December 31, 2008
Raw materials and consumables	26,126	24,122	1,591	48,657
Finished products	10,095	8,835	9,989	8,941
Goods for resale	38,615	7,345	22,723	23,237
Total:	74,836	40,302	34,303	80,835

The impairment loss of inventories increased by only HUF 5,999 thousands compared to the corresponding period of last year.

3.5 Receivables

10. Table: Receivables

Description	December 31, 2007	December 31, 2008	Change	Change %
Receivables (trade debtors)	1,050,576	1,046,300	(4,276)	-0.41%
- domestic debtors	1,000,036	1,011,828	11,792	1.18%
- foreign debtors	95,526	79,004	(16,522)	-17.30%
- write-off receivables	(44,986)	(44,532)	454	-1.01%
Receivables from affiliated undertakings	143,305	162,299	18,994	13.25%
- subsidiary with direct control	143,305	162,299	18,994	13.25%
- joint companies	-	-	-	-
Other receivables	133,458	37,518	(95,940)	-71.89%
Tax receivables	63,565	2,693	(60,872)	-95.76%
Receivables from employees	4,570	3,509	(1,061)	-23.22%
Advances given to services	15,609	-	(15,609)	-100.00%
Money given for short term period	24,375	24,375	-	0.00%
Debit balance creditors	318	3,026	2,708	851.57%
Other	25,021	3,915	(21,106)	-84.35%
Total:	1,327,339	1,246,117	(81,222)	-6.12%

The balance of trade account receivables came to HUF 1,046 million, which is the same as last year.

The change in other receivables compared to the prior year was caused by the decrease in tax receivables and advances given to services.

3.6 Securities

11. Table: Securities

Description	January 1, 2008	Increase	Decrease	December 31, 2008
Participations in affiliated undertakings	-	-	-	-
Own shares and own partnership shares	158,130	278,845	-	436,975
GROSS VALUE	158,130	278,845	-	436,975
Participations in affiliated undertakings	-	-	-	-
Own shares and own partnership shares	-	-	-	-
LOSS IN VALUE	-	-	-	-
Participations in affiliated undertakings	-	-	-	-
Own shares and own partnership shares	158,130	278,845	-	436,975
NET VALUE	158,130	278,845	-	436,975

12. Table: Repurchased treasury shares

Description	Shares	Nominal value	Purchase value
January 1, 2008	11,100	10,878	158,130
Purchase on Budapest Stock Exchange	18,900	18,522	194,036
Total	30,000	29,400	352,166
	-	-	-
Share transformation	300,000	29,400	352,166
Purchase on Budapest Stock Exchange	120,500	11,809	84,809
Sales on Budapest Stock Exchange	-	-	-
December 31, 2008	420,500	41,209	436,975

In accordance with the General Meeting resolution No. 13/2008 (28 April 2008), the Company purchased 309,500 pieces of treasury shares with a nominal value of HUF 30,331 thousands altogether in the year 2008.

The extraordinary general meeting of State Printing House Plc on 15 December 2008 approved the modification of Section 9.4 of the Company's Statutes which involved the annulment of the 10% treasury share purchase limit. Furthermore, the shareholders supported the proposal that the Board of Directors could purchase treasury shares up to 20% of share capital for the next 18 months.

3.7 Prepayments and accrued income

13. Table: Prepayments and accrued income

Description	December 31, 2007	December 31, 2008	Change	Change %
Accrued income	3,738	11,083	7,345	196.50%
- Interest	3,738	9,423	5,685	152.09%
- Subsidy	-	-	-	-
- Other	-	1,660	1,660	-
Accrued costs, expenses	26,702	40,245	13,543	50.72%
- Licence fee of softwares	9,260	28,505	19,245	207.83%
- Fee related to photo processing	9,824	5,653	(4,171)	-42.46%
- Other	7,618	6,087	(1,531)	-20.10%
Deferred expenses	-	-	-	-
			-	0.00%
Total	30,440	51,328	20,888	68.62%

Among prepayments, the year-on-year increase was the result of the change in the invoicing period of software licence fees.

3.8 Equity

14. Table: Equity movement table

Description	Share capital	Capital reserve	Accumulated profit reserve	Tied-up reserve	Profit or loss for the year
Value as at December 31, 2007	1,449,876	250,686	916,546	509,761	486,266
Increase	-	-	818,001	778,845	1,323,189
- reclassifying last year's profit	-	-	486,266		
- creating development reserve	-	-	325,779	500,000	
- purchase of treasury shares	-	-		278,845	
- increase of tied-up reserve	-	-			
- depreciation of foundation costs and research and development costs	-	-	5,956		
- current year profit					1,323,189
Decrease	-	-	778,846	331,735	486,266
- reclassifying last year's profit	-	-			486,266
- creating development reserve	-	-	500,000		
- reversal of development reserve	-	-		325,779	
- depreciation of foundation costs and research and development costs	-	-		5,956	
- purchase of treasury shares	-	-	278,845		
Value as at December 31, 2008	1,449,876	250,686	955,702	956,871	1,323,189

15. Table: Changes in tied-up reserve

Description	December 31, 2007	December 31, 2008	Change	Change %
Net value of capitalized start-up and restructuring costs	2,303	1,594	-709	-30.8%
Net capitalized value of research and development	14,509	9,262	-5,247	-36.2%
Repurchased treasury shares	158,130	436,975	278,845	176.3%
Development reserve	334,819	509,040	174,221	52.0%
Total tied-up reserve:	509,761	956,871	447,110	87.7%

The Company took advantage of the corporate tax law and raised development reserve in amount of HUF 500 million. Tied-up reserve in book value of purchased treasury shares was created, which increased tied-up reserve by HUF 278.8 million compared to prior year figure.

3.9 Provisions

16. Table: Provisions

Description	December 31, 2007	December 31, 2008	Change
Provisions for expected liabilities	3,617	4,527	910
- Other provisions for expected liabilities	3,617	4,527	910
Provisions for future expenses	-	-	-
Other provisions	-	-	-
Total:	3,617	4,527	910

Provision is raised on the not redeemed “loyalty points” in connection with the “Lojalitás” client project.

3.10 Subordinated liabilities

The Company has no subordinated liabilities.

3.11 Long term liabilities

17. Table: Long term liabilities

Description	Value
	In HUF thousands
Long term liabilities as at December 31,	0
Long term part of leasing liability	229,352
Long term liabilities as at December 31, 2008	229,352

The Company modernized its card personalization equipment partly in leasing construction, this balance sheet line includes the part of the liability which is due after a year.

The Company had HUF 84.7 million lease liabilities at year end 2007. The long term part of the lease liabilities was reclassified in 2008.

3.12 Short term liabilities

18. Table: Short term liabilities

Description	December 31, 2007	December 31, 2008	Change	Change %
Short-term loans	-	-	-	-
Other short-term credits	312,900	-	(312,900)	-100.00%
Advances received from customers	6,554	5,899	(655)	-9.99%
Accounts payable (trade creditors)	775,080	832,405	57,325	7.40%
- domestic creditors	647,275	665,868	18,593	2.87%
- foreign creditors	127,805	166,537	38,732	30.31%
Short-term liabilities to affiliated undertakings	79,912	113,986	34,074	42.64%
- Subsidiary with direct control	-	-	-	-
- Subsidiary with majority control	79,912	113,986	34,074	42.64%
- Joint companies	-	-	-	-
Short-term liabilities to independent undertakings	0	0	0	-
Other short-term liabilities	1,054,579	659,504	(395,075)	-37.46%
- tax liability	397,483	456,918	59,435	14.95%
- liability against employees	48,664	50,267	1,603	3.29%
- other receivables reclassified	464	27	(437)	-94.18%
- short term part of leasing liability	-	140,093	-	0.00%
- dividend approved	596,406	-	(596,406)	-100.00%
- other liabilities	11,562	12,199	637	5.51%
Total:	2,229,025	1,611,794	(617,231)	-27.69%

The Company repaid its HUF-based medium-term investment loan in Q3 2008, so State Printing House does not have any long or short term loans at the moment. There was no bank overdraft on 31 December 2008.

Accounts payable totalled HUF 832 million, a rise of 7.4% compared to the end of 2007. The liability rose due to the increase in material and subcontractor turnover.

Other short term liabilities decreased by HUF 395 million due to dividend payment approved for the year 2007 and paid in 2008, and by including the short term part of leasing liability, and the 14.95% rise of tax liabilities.

3.13 Accruals and deferred income

19. Table: Accruals and deferred income

Description	December 31, 2007	December 31, 2008	Change	Change %
Deferred income	2,257	1,119	(1,138)	-50.42%
- deferred income	520	-	(520)	-
- OCR identifying system	1,737	1,119	(618)	-35.58%
Deferred costs, expenses	257,906	265,308	7,402	2.87%
- Bonus and its contributions	232,398	232,093	(305)	-0.13%
- Bank interests	9,800	3,414	(5,624)	-62.23%
- Trade creditors' invoices	12,657	29,801	16,382	122.08%
- Taxes on representation costs	3,051	-	(3,051)	-100.00%
- Other	-	-	-	-
Accrued income	90,870	67,920	(22,950)	-25.26%
- EU subsidy	90,870	67,920	(22,950)	-25.26%
Total:	351,033	334,347	(16,686)	-4.75%

The Company purchased equipments to improve card production operation in amount of HUF 507 million in 2005, to which HUF 150 million of non-reimbursable EU subsidy has been won, which was immediately accrued in line with the relevant standards. The release of accrued income is in proportion with the depreciation charged. HUF 23 million accrued income was released in 2008. The Company has fulfilled all its obligations connected to the subsidy in 2008.

4 Explanations to the profit or loss statement

4.1 Ordinary revenues

20. Table: Sales of different segments (in HUF millions)

Description	Value in HUF millions
Security forms and solutions	5,800
Card production and personalization	3,759
Business and administrative forms, personalization, data processing	2,061
Traditional printing products	362
Other	388
Total:	12,370

21. Table: Sales revenue from related parties

Description	FY 2007	FY 2008	Change	Change %
Related party				
Gyomai Kner Nyomda Zrt	1,960	683	-1,277	-65.15%
Specimen Zrt.	28,005	33,654	5,649	20.17%
Tipo Direct S.R.L.	115,990	92,462	-23,528	-20.28%
Slovak Direct S.R.O.	112,456	146,904	34,448	30.63%
Direct Services O.O.D.	60,057	72,577	12,520	20.85%
Total:	318,468	346,280	27,812	8.73%

As the sales revenue of the Company grew, so did the sales from related parties increase. Other significant financial or extraordinary revenue was not posted against these companies.

Costs and expenses against related parties amounted to HUF 280 million altogether.

22. Table: Sales of different regional markets

Description	Value in HUF thousands
Domestic sales	11,708,366
Sales within the EU	561,902
Romania	127,801
Slovakia	141,706
Czech Republic	15,547
Poland	124,702
Bulgaria	79,086
Ireland	19,346
Germany	13,857
Austria	7,366
Cyprus	26,327
Slovenia	1,043
The Netherlands	2,584
Portugal	2,037
France	500
Export outside the EU	99,882
Montenegro	8,743
Albania	62,952
Ukraine	1,893
Switzerland	9,449
Turkey	1,109
Moldavia	4,513
Serbia	7,258
Croatia	1,005
South-Africa	2,796
Singapore	164
Total:	12,370,150

23. Table: Other income

Description	FY 2007	FY 2008	Change	Change %
Other income:				
- reversed loss in value - inventories	5,539	34,451	28,912	521.97%
- reversed loss in value - trade receivables	13,662	42,344	28,682	209.94%
- revenue from sales of fixed assets	25,261	10,408	(14,853)	-58.80%
- income from settlement of damages	1,216	3,035	1,819	149.59%
- subsidies received for operating purposes	4,515	-	(4,515)	-100.00%
- default interest received	19,632	2,647	(16,985)	-86.52%
- rebate received	6,237	676	(5,561)	-89.16%
- other not classified	2,884	4,354	1,470	50.97%
Total:	78,946	97,915	18,969	24.03%

4.2 Ordinary costs

24. Table: Other expenditures

Description	FY 2007	FY 2008	Change	Change %
Other expenditures:				
- local operational tax	138,431	159,712	21,281	15.37%
- book value of assets sold	21,971	10	(21,961)	-99.95%
- inventory scrap, loss in value	101,340	79,565	(21,775)	-21.49%
- write-off receivables	14,104	41,890	27,786	197.01%
- taxes (without local operational tax)	887	1,294	407	45.89%
- late payment interest	11,416	5,102	(6,314)	-55.31%
- write-off bad debts	9,643	12,980	3,337	34.61%
- provision	3,617	910	(2,707)	-74.84%
- other	1,297	3,949	2,652	204.47%
Total:	302,706	305,412	2,706	0.89%

4.3 Extraordinary profit

25. Table: Extraordinary profit

Description	FY 2007	FY 2008	Change	Change %
Extraordinary income:				
- subsidy for development	22,950	22,950	-	-
- contribution in kind	-	45	45	-
- acquiring assets for no refund	617	2,550	1,933	313.29%
Total:	23,567	25,545	1,978	8.39%
Extraordinary expenditure:				
- net book value of contribution in kind	-	-	-	-
- donation given	5,522	6,850	1,328	24.05%
- remitted receivables	4,930	14,327	9,397	190.61%
- transmitting assets for no refund	294	-	(294)	-100.00%
- other	239	-	(239)	-100.00%
Total:	10,985	21,177	10,192	92.78%
Extraordinary profit or (loss)	12,582	4,368	(8,214)	-65.28%

The accrued income of EU subsidy (for development purposes) is reversed in proportion of the depreciation charged on the assets as extraordinary revenue. The amount of it was HUF 23 million thousands in 2008.

4.4 Corporate income tax

26. Table: Corporate tax base modifying items

Description	FY 2007	FY 2008
Profit before tax:	1,259,518	1,529,717
depreciation according to accounting law	502,722	554,476
write-off receivables, prior year decreasing	14,104	41,890
Remission of debts	4,930	14,327
accounting depreciation of assets derecognized	21,971	40,323
other	15,972	11,377
Tax base increasing items total:	559,699	662,393
depreciation according to tax law	377,748	352,339
creation of development reserve	314,880	500,000
dividend received	68,663	81,340
Taxes paid to local municipality	138,431	159,712
subsidies received without repayment obligation	22,950	22,950
write-off receivables, decrease according to accounting law	13,662	42,344
current year costs of research and development	31,750	38,449
Tax depreciation of assets derecognized	20,790	40,323
other	10,549	12,307
Tax base decreasing items total:	999,423	1,249,764
Tax base:	819,794	942,346
- calculated tax	131,167	150,775
- correction related to previous years	-	-
- solidarity tax	45,679	55,753
Profit after tax:	1,082,672	1,323,189
Dividend paid from accumulated profit reserve	-	-
Approved dividend	596,406	-
Profit or (loss) for the year:	486,266	1,323,189

27. Table: Solidarity tax

Description	2008
Profit before tax:	1,529,717
donation given	6,850
services provided with no refund	0
+tax base increasing items total:	6,850
subsidy received without repayment obligation	22,950
current year costs of research and development	38,449
dividend received	81,340
- tax base decreasing total:	142,739
Tax base:	1,393,828
Solidarity tax	55,753

5 Supplementary information

For the sake of a more complete valuation of the annual report we give the following supplement:

5.1 Research and development

The company has two significant R&D areas:

- 1, R&D projects included in the activity of the Document Security Laboratory
- 2, The development of products has a significant role relating to new tenders.

The direct cost of basic research, applied research and experimental development incurred in the current year is HUF 38,449 thousands.

5.2 Environment protection

The company has ISO 14001:2004 Environmental Control System certificate audited by Det-Norske Veritas. The expiry date of the certification is January 11, 2010. The environmental certificate covers the following fields: printed products, security products, plastic cards, development, production and sales of document security materials as well as archiving, data processing, database management, storing of documents for fee, intelligent card chip implantation and encoding.

Dangerous waste is continuously eliminated after leaving the company sites. In 2008, 36,842 kg dangerous waste was transported and eliminated.

5.3 Personal type of expenditures and headcounts

28. Table: Average statistical number of full time employees

Number of employees	FY 2007	FY 2008
Physical employees	415	429
Intellectual employees	134	132
Total number of employees:	549	561

29. Table: Payroll costs

Description	FY 2007	FY 2008
Wages and salaries of physical employees	791,482	901,372
Wages and salaries of non-physical employees	771,752	862,396
Other wages and salaries	248,527	255,289
Total salaries and wages	1,811,761	2,019,057

30. Table: Other personal type expenditures, contributions

Description	FY 2007	FY 2008
- motivational	82,497	105,265
- social	40,415	41,988
- cost reimbursement	70,592	83,730
- other	58,359	61,053
Total other personal type expenditures	251,863	292,036
Social security contributions	546,650	612,658
Other contributions	-	-
- employer's contribution	55,123	61,841
- rehabilitation contribution	1,132	1,365
- vocational contribution	18,462	24,141
- START (Entrants') contribution	4,905	4,043
Total contributions:	626,272	704,048

31. Table: Fees paid related to managing the Company

Description	FY 2007	FY 2008
Fees paid to the Members of the Board of Directors	12,480	15,612
Fees paid to the Members of Supervisory Board	8,820	10,262

The audit fee paid for the audit of the 2008 financial statements is HUF 7,500 thousands.

5.4 Liabilities due over 5 years

The Company has no liabilities due over 5 years.

5.5 Details of listed shares

32. Table: Structure of shares

Number Mark	Description	Number of shares	Nominal value	Amount (in HUF thousands)
A	Shares traded on the Budapest Stock Exchange	14,794,650	98	1,449,876

According to the resolutions of the Annual General Meeting held on 28 April 2008, the transformation of 9,475 pieces of registered dematerialised employee shares Series 'B' (ISIN code: HU0000089172) and 73,470 pieces of registered dematerialised employee shares Series 'C' (ISIN code: HU0000089180) issued by the Company both with a par value of HUF 980 into dematerialized,

registered ordinary shares Series 'A' (ISIN code: HU0000079835) with a face value of HUF 980 was executed on 7 July 2008. During the transformation, one piece of ordinary share was credited on the shareholders' securities account for one piece of employee share. As a result of the transformation of the ordinary shares with a par value of HUF 980, the first trading day at BSE (Budapest Stock Exchange, hereinafter referred to as BSE) of the new registered, dematerialized ordinary shares with a par value of HUF 98 (ISIN code: HU0000093257) was 8 July 2008. The settlement of the first trading day at BSE of ordinary shares with a par value of HUF 98 is 11 July 2008. During the transformation, ten piece of ordinary share with a par value of HUF 98 was credited on the shareholders' securities account for one piece of ordinary share with a par value of HUF 980.

1. Table: Voting rights

Share series	No. of issued pieces	No. of treasury shares	Shares with voting rights	Voting right per share	Total voting rights
Series 'A'	14,794,650	420,500	14,374,150	1	14,374,150
Total	14,794,650	420,500	14,374,150	-	14,374,150

5.6 Out of balance sheet items

33. Table: Out of balance sheet items

Description	Value
Raiffeisen Bank ZRt, Bank guarantee, GVOP	180,000
Raiffeisen Bank ZRt, Bank guarantee, Concorde Értékpapír ZRt	150,000
Raiffeisen Bank ZRt, Bank guarantee to different tenders	93,949
Total bank guarantee in HUF:	423,949
Raiffaisen Bank guarantee for tenders in EUR	6,820
Raiffaisen Bank guarantee for tenders in BGN	500 000

The bank guarantee of HUF 180 million to GVOP is connected to the subsidy of HUF 150 million with no repayment obligation. The bank guarantee of Concorde Értékpapír Zrt in value of 150 million occurred due to the stock exchange listing.

5.7 Cash-flow

	In HUF thousands	FY 2007	FY 2008	Change %
	Profit before tax	1,259,518	1,529,717	21.5%
	- Transmitting treasury shares to employees with no refund	-	-	-
	- Dividend	(68,663)	(81,340)	-18.5%
	- Acquiring / transmitting assets with no refund	4,905	4,299	-12.4%
	- Other income of development reserve	(22,950)	(22,950)	0.0%
1.	Adjusted profit before tax	1,172,810	1,429,726	21.9%
2.	Accounted depreciation	502,722	554,476	10.3%
3.	Accounted loss in value	67,069	5,555	-91.7%
4.	Difference between formation and utilization of provisions	(898)	910	201.3%
5.	Fixed assets sold	(3,290)	(10,398)	-216.0%
6.	Variation in accounts payable (trade creditors)	(211,178)	57,325	127.1%
7.	Variation in other short-term liabilities	(149,981)	(501,748)	-234.5%
8.	Variation in accrued and deferred liabilities	23,888	6,264	-73.8%
9.	Variation in trade debtors	423,083	4,730	-98.9%
10.	Variation in current assets (w/o trade debtors and liquid	231,538	73,358	-68.3%
11.	Variation in accrued and deferred assets	8,016	(20,888)	-360.6%
12.	Tax paid or payable (on profit)	(176,846)	(206,528)	-16.8%
13.	Dividends, shares paid or payable	(596,406)	-	100.0%
I.	OPERATION CASH-FLOW:	1,290,527	1,392,782	7.9%
14.	Purchase of fixed assets	-378,450	-806,880	-113.2%
15.	Sale of fixed assets	25,260	10,408	-58.8%
16.	Dividend received	68,663	81,340	18.5%
II.	INVESTMENT CASH-FLOW:	-284,527	-715,132	-151.3%
17.	Receipts from shares issue (capital influx)	-	-	-
18.	Receipts from the issue of bonds and securities signifying	-	-	-
19.	Cash paid for leasing liability	-	(85,057)	-
20.	Repayment, termination or redemption of long-term loans	891	257	-71.2%
21.	Non-repayable assets received	-	-	-
22.	Purchase of treasury shares	-	(278,845)	-
23.	Redeemed bonds and securities signifying a creditor	-	-	-
24.	Loan installment payments	(412,500)	(312,900)	24.1%
25.	Long-term loans and bank deposits	-	-	-
26.	Non-repayable assets transferred	(5,522)	(6,850)	-24.0%
27.	Variation in liabilities due to founders and in other long-	-	-	-
III.	FINANCIAL CASH-FLOW:	(417,131)	(683,395)	-63.8%
		-	-	0.0%
IV.	VARIATION OF FINANCIAL ASSETS:	588,869	-5,745	-101.0%
	Cash and equivalents at the beginning of the period	994,601	1,583,470	59.2%
	Cash and equivalents at the end of the period	1,583,470	1,577,725	-0.4%

5.8 Financial indices

34. Table: Liquidity, financial and other efficiency indices

Description		FY 2007	FY 2008	Change %
A	Current assets	3,811,867	4,001,334	4.97%
B	Inventories	742,928	740,517	-0.32%
C	Trade receivables	1,050,576	1,046,300	-0.41%
D	Cash and equivalents	1,583,470	1,577,725	-0.36%
E	Equity	3,613,135	4,936,323	36.62%
F	Short term liabilities	2,229,025	1,611,794	-27.69%
G	Trade creditors	775,080	832,405	7.40%
H	Total equity and liabilities	6,196,810	7,116,344	14.84%
I	Net sales	10,833,030	12,370,150	14.19%
J	Material type expenditures	6,092,951	7,163,414	17.57%
K	Operating (trading) profit	1,230,351	1,448,610	17.74%
L	Average statistical number of employees	549	561	2.19%
Liquidity indices:				
Short term liquidity I.: (A / F)		1.71	2.48	45.03%
Short term liquidity II.: ((A – B) / F)		1.38	2.02	46.38%
Quick ratio: (D / F)		0.71	0.98	38.03%
Dynamic liquidity: (K / F)		0.55	0.90	63.64%
Financial indices:				
Debtors day: ((C _{Current} + C _{Prior}) / 2 * (365 / I))		71	31	-56.34%
Creditors day: ((G _{Current} + G _{Prior}) / 2 * (365 / J))		46	41	-10.87%
Other efficiency indices:				
Return on net sales: (K / I)		11.36%	11.71%	3.08%
Return on equity (K / E)		34.05%	29.35%	-13.80%
Net sales headcount ratio (in HUF '000/person): (I / L)		19,732	22,050	11.75%

Budapest, February 06. 2009

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Chief Executive Officer

STATEMENT ON RESPONSIBILITY

to the 2008 Annual Financial Report of State Printing House Public Company Limited by Shares

The 2008 Annual Financial Report of State Printing House Public Company Limited by Shares contains true data and statements and does not conceal any fact that in the Issuer's opinion might have significance for the evaluation of the Issuer's position.

State Printing House Plc. takes the responsibility for paying that proven damage which was caused by the lack of regular and extraordinary disclosures or by their misleading content.

Budapest, 6 February 2009

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Chief Executive Officer