State Printing House Plc
AGM proposals

ÁLLAMI NYOMDA
STATE PRINTING COMPANY

Annual General Meeting of
State Printing House Public Company Limited by Shares

Budapest, 28 April 2008

Agenda of the General Meeting:

1. Report of the Board of Directors on the Company's reports under the Accounting Act for the 2007 business year (balance sheet, profit & loss account, notes to the accounts and business report, hereinafter jointly referred to as "reports under the Accounting Act")

2. Proposal of the Board of Directors for the use of net earnings

3. Report of the Supervisory Board on the Company's reports under the Accounting Act for the 2007 business year and the proposal for the use of net earnings

4. Report of the Audit Committee on the Company's reports under the Accounting Act for the 2007 business year and the proposal for the use of net earnings

5. Report of the Auditor on the Company's reports under the Accounting Act for the 2007 business year and the proposal for the use of net earnings

6. Approval of the Company's reports under the Accounting Act for the 2007 business year, including a decision on the use of net earnings

7. Dismissal, election and reelection of corporate officers

8. Decision on the remuneration of Board members and the Auditor

9. Conversion of the Company's Series 'B' and 'C' employee shares granting preferential rights to dividends to ordinary shares Series 'A'.

10. Conversion of the par value of the Company's Series 'A' ordinary shares. (From ordinary shares with a par value of HUF 980 to ordinary shares with a par value of HUF 98)

11. Amendment to the Company's Statutes (in accordance with Section No. 9 and 10. of the agenda and Act CXX of 2001 on Capital Markets and the modification of TEÁOR /Classification of Economic Activities in Hungary/ numbers, and the Corporate Governance Recommendations of the Budapest Stock Exchange)

12. Approval of the Guidelines of the Company's Management Share Option Programme

13. Authorisation of the Board of Directors for acquiring treasury shares

14. Approval of the Statement on Corporate Governance Practice

ÁLLAMI NYOMDA
STATE PRINTING COMPANY

Documentation

To the Annual General Meeting

ÁLLAMI NYOMDA
STATE PRINTING COMPANY

Item No. 1

Report of the Board of Directors on the Company's reports under the Accounting Act for the 2007 business year (balance sheet, profit & loss account, notes to the accounts and business report, hereinafter jointly referred to as "reports under the Accounting Act")

ÁLLAMI NYOMDA
STATE PRINTING COMPANY

Record profit at State Printing House Plc

State Printing House Plc increased earnings per share (EPS) in 2007 by 10% to HUF 785 compared to a year earlier. Due to the effectiveness increasing programme announced at the beginning of 2007, operating income rose by 10%, EBITDA margin amounted to almost 15% in accordance with strategic objectives. Operating income of State Printing House amounted to HUF 1,391 million in 2007, an increase of 10% compared to the prior year figure. EBITDA exceeded HUF 2,000 million and reached HUF 2,004 million, a growth of HUF 157 million compared to 2006. Due to the outstanding sales revenue of parliamentary election forms in 2006 and the 2007 portfolio adjustment, the Company's net sales decreased by only 5%. The Company could make up for 50% of the missing sales revenue with sales of higher value added products. As a result of portfolio adjustment, the two most important product segments, security products and card production and personalization already account for 64% of sales revenue. Exports amounted to HUF 1,382 million, 10% of total sales.

SUMMARY

- State Printing House posted consolidated net sales of HUF 13.5 billion in 2007 which is HUF 0.7 billion (5%) lower than the 2006 figure. By filtering the single effects of parliamentary election forms' sales revenue last year (HUF 0.9 billion) and the portfolio adjustment according to our strategic objectives (HUF 0.6 billion), net sales rose by more than 6%, mainly with higher value added products.
- Exports amounted to HUF 1,382 million, a drop of 22% compared to last year. The share of export within total sales amounts to 10%. The primary reason of the decrease in export sales is that we fulfilled a larger (almost HUF 500 million worth) security ink order in 2006. For this product, we have a long term exclusive contract but there was no demand for delivery in 2007. By filtering the effect of this item, export sales rose by 9%.
- Consolidated EBITDA reached HUF 2,004 million, a growth of HUF 157 million compared to 2006. The EBITDA margin rose to 14.9% from the 13% seen in the previous year.
- Consolidated operating income amounted to HUF 1,391 million, an increase of HUF 126 million (10%) compared to the prior year figure. Consolidated net profit after interest income, taxation and minority interest was HUF 1,158 million, which means a growth of 98 million HUF (9%) compared to last year. Earnings per share (EPS) came to HUF 785 in 2007, a rise of HUF 69 (10%) over 2006.

ÁLLAMI NYOMDA
STATE PRINTING COMPANY

Introduction of Állami Nyomda Group

Name of the Company	Equity	Share of ownership (%)	Voting right
State Printing House Plc.	**HUF 1,449,876,000**	-	-
Gyomai Kner Nyomda Zrt.	HUF 200,000,000	92.8%	92.8%
Specimen Rt.	HUF 100,000,000	80.2%	80.2%
Security Audit Kft.	HUF 5,000,000	64.2%	64.2%
Tipo Direct SRL	RON 476,200	50.0%	50.0%
Direct Services OOD	BGN 570,000	50.0%	50.0%
Slovak Direct SRO	SKK 1,927,000	100.0%	100.0%
Állami Nyomda OOO	RUB 10 000	100,0%	100,0%

Main financial data and indicators (IFRS consolidated)

Name	FY 2006 HUF million	FY 2007 HUF million
Financial situation		
Non-current assets	2,283	2,169
Total assets	7,007	6,783
Shareholder's equity	4,131	4,390
Main categories of results		
Net sales	14,189	13,472
EBITDA	1,847	2,004
Profit after tax	1,070	1,169
Main indicators		
Return on investment (ROI) %	46.4%	53.4%
Return on equity (ROE) %	25.7%	26.4%
Earning per share (EPS) HUF	716	785

Sales of segments

The breakdown of net sales by segment is presented in the table below:

Sales segments	FY 2006 in HUF millions	FY 2007 in HUF millions	Change in HUF millions	Change %
Security products and solutions	4,747	5,428	+681	+14.35%
Card production and personalization	3,028	3,246	+218	+7.20%
Form production and personalization, data processing	4,032	3,065	-967	-23.98%
Traditional printing products	1,954	1,329	-625	-31.99%
Other	428	404	-24	-5.61%
Total net sales	**14,189**	**13,472**	**-717**	**-5.05%**

State Printing House Plc had consolidated net sales of HUF 13,472 million in 2007, a drop of 5% (HUF 717 million) compared to 2007.

Sales of **security products and solutions** came to HUF 5,428 million in 2007 which means a year-on-year rise of HUF 681 million (14%). The reason for this improvement first of all is that the turnover of tax stamps increased and we sold security equipment (mainly equipments used for personalizing security products) for a Hungarian system integrator in a project. The sales revenue of the product segment was also influenced by the fact that we fulfilled a larger (almost HUF 500 million worth) export security ink order in 2006 but there was no demand for delivery in 2007.

The Company's revenues from **card production and personalization** totalled HUF 3,246 million in 2007, a HUF 218 million (7%) increase compared to the previous year. According to international trends, phone card sales are decreasing compared to the basis which was partly compensated by the rising bank card and commercial card sales. Sales revenue from document cards rose by 8%. From September, this key product segment has continued to expand, so we count on long term growth in the document personalization service. The expanded machine park of the printing house personalizes further documents. As a result of this project, the sales revenue growth of personalization amounts to HUF 317 million from September.

The Company's revenues from **form production, personalization and data processing** came to HUF 3,065 million in 2007, a HUF 967 million (24%) drop compared to 2006. The change in the sales revenue of this product group is mainly the result of the almost HUF 900 million missing sales revenue of last year's parliamentary and municipal election forms. By disregarding this single item, revenues of the segment is stable, the market expansion of business form personalization achieved on the Romanian and Bulgarian markets could not totally compensate the decreasing trading tendency on the Hungarian market

Sales of **traditional printing products** amounted to HUF 1,329 million in 2007, which is HUF 625 million (32%) lower than a year earlier. The change is contributed to the fact that the Company examined the profitability of this segment and adjusted the portfolio.

Other sales totalled HUF 404 million in 2007, which means a drop of HUF 24 million (6%) year-on-year. This segment mainly comprises revenues from the sale of commercial materials and goods.

Export sales by segment

Sales segments	FY 2006 in HUF millions	FY 2007 in HUF millions	Change in HUF millions	Change %
Security products and solutions	734	225	(509)	-69.35%
Card production and personalization	650	481	(169)	-26.00%
Form production and personalization, data processing	364	597	233	64.01%
Traditional printing products	-	-	-	-
Other	24	79	55	229.17%
Total export sales	**1,772**	**1,382**	**(390)**	**-22.01%**
Export %	**12.49%**	**10.26%**		

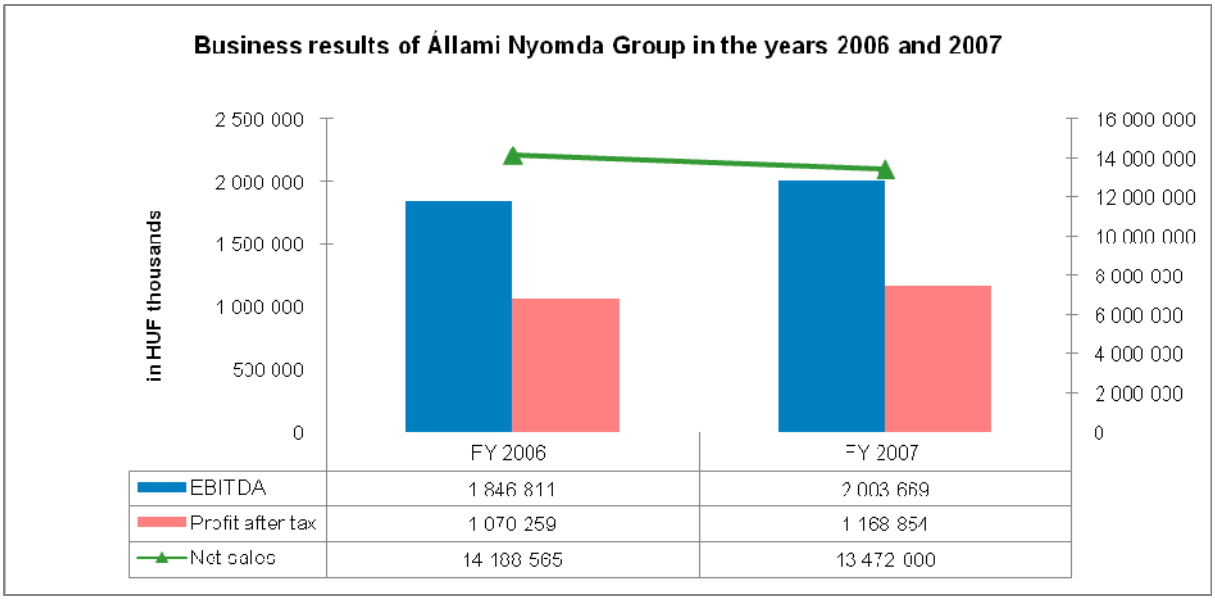
Exports amounted to HUF 1,382 million in 2007, which represents a 22% decrease compared to the corresponding 2006 period. The primary reason of the decrease in export sales is that we fulfilled a larger (almost HUF 500 million worth) security ink order in 2006. For this product, we have a long term exclusive contract but so far there was no demand for delivery in 2007. By filtering the effect of this item, export sales rose by 9%. According to international trends and the Company's strategy, the export sales of lower value added phone cards decreased by HUF 317 million, which was partly compensated by the bank card and commercial card orders. Due to the significantly rising market demand, our sales revenue from foreign form personalization and data processing rose by 64% compared to a year earlier.

Products worth over HUF 1,191 million were sold to strategic target countries (Poland, Romania, Bulgaria, Slovakia, the Czech Republic and Ukraine) which account for 86% of total export sales.

Financial analysis

The table below presents the calculation of operating income according to the so-called "total cost accounting" method.

Description	FY 2006 in HUF millions	FY 2007 in HUF millions	Index (%)
Net sales	14,189	13,472	94.95%
Capitalized value of assets produced	(16)	(97)	606.25%
Material expenses	8,658	7,705	88.99%
Personnel expenses	3,456	3,400	98.38%
Depreciation	582	613	105.33%
Other expenses	212	266	125.47%
Operating income	1,265	1,391	109.96%
Net income	1,060	1,158	109.25%
EBITDA	1,847	2,004	108.50%
EBITDA margin (%)	13.02%	14.88%	



Net sales totalled HUF 13,472 million in 2007, a HUF 717 million drop year-on-year.

Operating income came to HUF 1,391 million, an increase of HUF 126 million (10%) compared to the previous year. The rise in operating income was mainly due to the higher ratio in sales revenue of higher value added products, and the favourable development of cost structure and exchange rates.

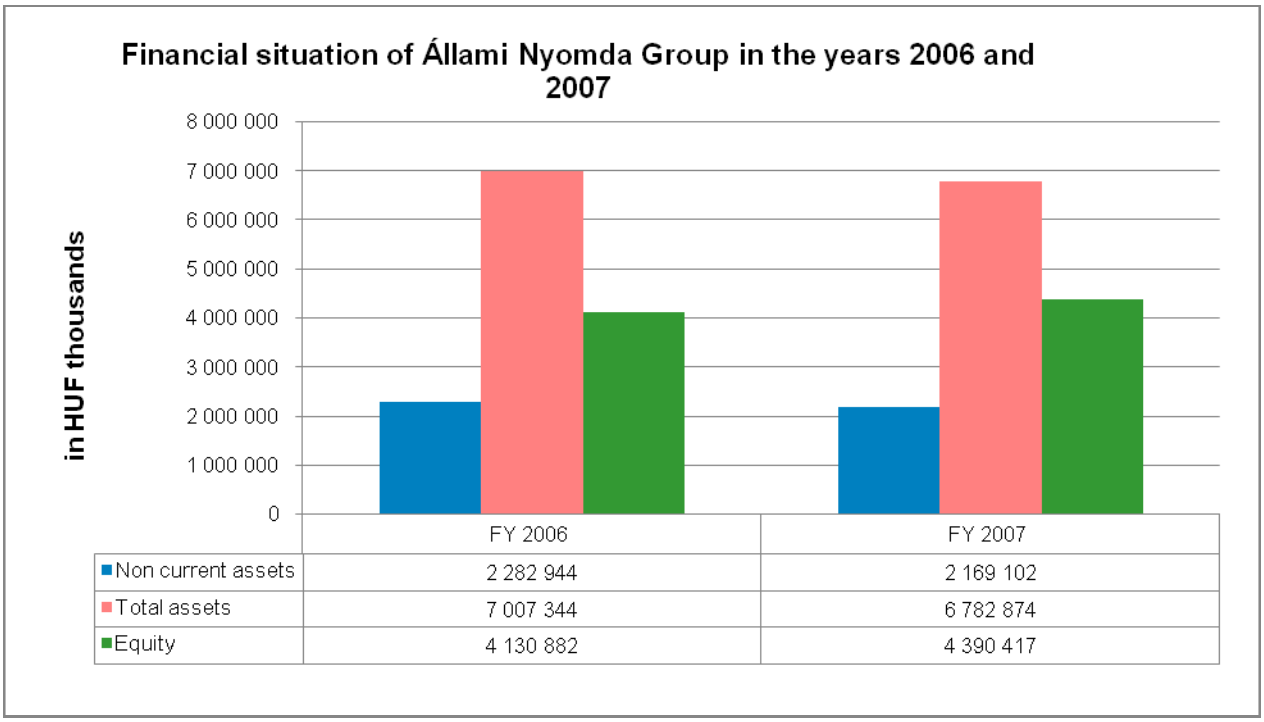
Gross profit totalled HUF 4,755 million, which means a 35.3% gross margin, almost 3.5% improvement compared to the figure of the previous year (31.8%). General (SG&A) expenses amounted to HUF 3,098 million in 2007, which equals 23% of net sales. Material expenses dropped by 11% (HUF 953 million) last year. The change in material expenses reflects the change in the composition of sales revenue (portfolio adjustment, higher value added products).

The capitalized value of own performance line shows the capitalized value of assets produced and the change in inventories manufactured. These figures were driven mainly by the change in inventories in both periods presented.

Personnel expenses totalled HUF 3,400 million, which means a 1.6% (HUF 56 million) decrease compared to the previous year.

EBITDA amounted to HUF 2,004 million due to change in operating income, an increase of HUF 157 million (9%). So the EBITDA margin amounts to 14.9%, a 1.9% rise compared to the 2007 figure (13%).

Net interest income amounted to HUF 5 million in 2007. Net income – after financial operations, taxation and minority interest – came to HUF 1,158 million in 2007, a growth of 9% compared to the previous year.



The Company had total assets of HUF 6,783 million on 31 December 2007, which means a decrease of 3% (HUF 224 million) compared to a year ago.

Receivables amounted to HUF 1,752 million which represents a 2% decrease year-on-year. Cash and bank amounted to HUF 1,787 million at the end of the reporting period, which means a HUF 677 million (61%) rise compared to a year ago. The change is caused by the fact that cash-flow from operating activities in 2007 exceeded the 2006 figure by HUF 503 million.

Inventories totalled HUF 838 million, which means a HUF 419 million (33%) decrease from the 2006 figure. The change was caused by the HUF 280 million decrease in raw materials and the HUF 134 million drop in self-produced stocks.

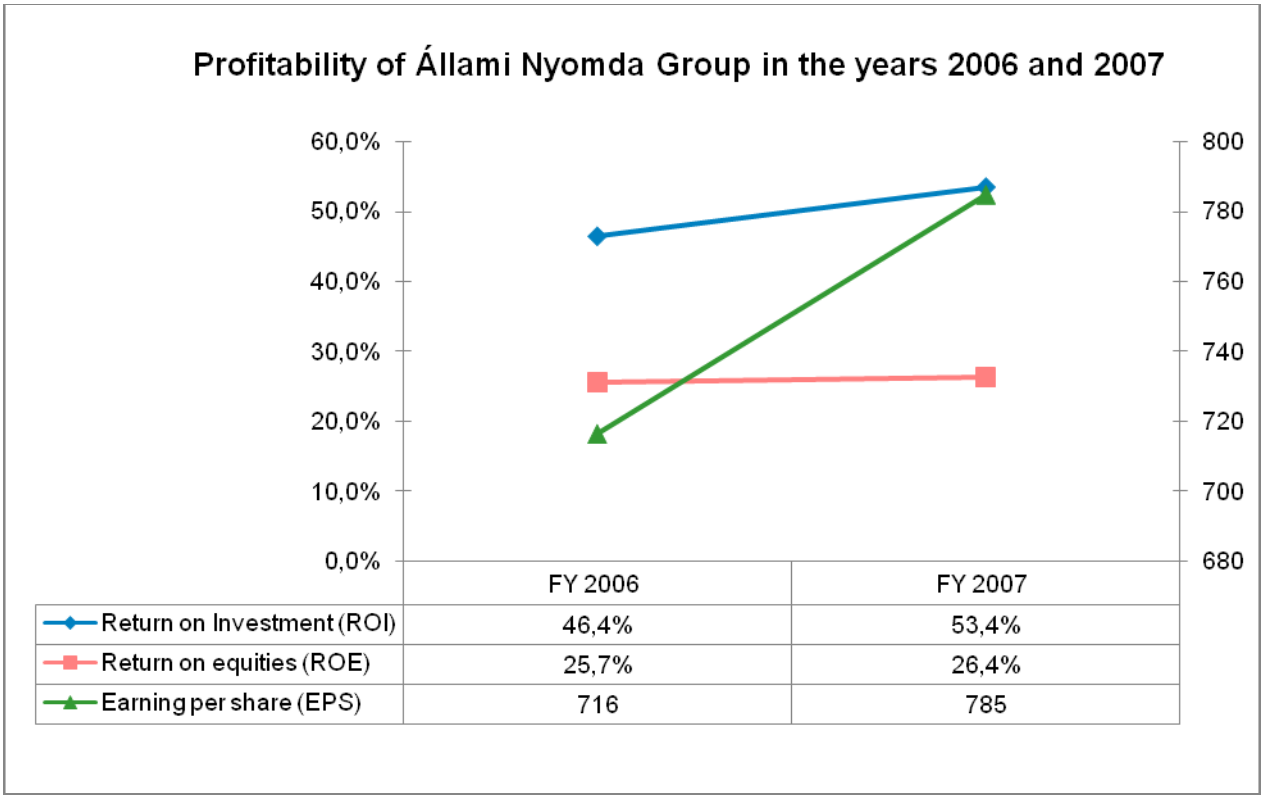
Other current assets and prepayments amounted to HUF 237 million, which is HUF 334 million lower than a year earlier. The change is caused by the fact that a significant amount of advance for investment was included in this line of the balance sheet last year.

The value of property, plant and equipment at the end of December 2007 dropped by 4.7 % compared to the 2006 figure.

Accounts payable decreased by 18% to HUF 955 million in 2007. The lower figure is attributed to the lower material and subcontractor turnover.

Other liabilities and accruals totalled HUF 936 million, which means an increase of 14%. The reasons for this change are mainly the liabilities which are in effect at the balance-sheet date but will be due next month and the accruals at the end of the reporting period.

Short term loans amount to HUF 313 million at the end of 2007 which contains those parts of long term loans that are due within a year. The book value of the Company's medium-term foreign exchange loan is HUF 169 million, which is due within a year. Among loans, a HUF-based medium-term investment loan is indicated, its balance amounted to HUF 144 million at the end of the reporting period which is also due within a year.



	FY 2006	FY 2007
Return on Investment (ROI)	46,4%	53,4%
Return on equities (ROE)	25,7%	26,4%
Earning per share (EPS)	716	785

The profitability of Állami Nyomda Group exceeded the level of the previous year in 2007. Return on equity amounted to 26.4% while return on investment was 53.4%. Earning per share rose by HUF 69 to HUF 785 due to the net income which increased by 9%.

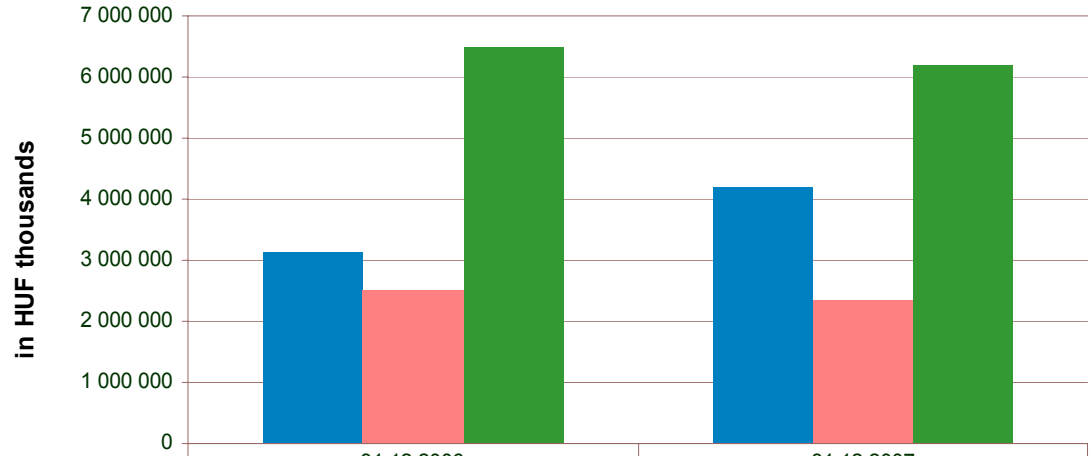
The Board of Directors has examined the operation of the Company's internal controls, and found them effective and has not found such event where there would be a deviation from the internal controls.

Activity and operation of State Printing House Plc. in 2007

The largest company in the Group is the parent company State Printing House Plc. which accounts for 85% of consolidated net sales prepared according to international accounting rules (IFRS) and for 93% of total assets. The Company produces security products and solutions (tax stamps, security stickers), plastic and paper cards (document, bank, telephone and commercial cards), personalized business and administration forms. Furthermore, the company produces traditional printing products and sells other products as a supplementary activity.

Aside from the production activities, State Printing House Plc. coordinates and controls the activities of the companies in the Group and sets the medium-term strategic goals and objectives of the Group.

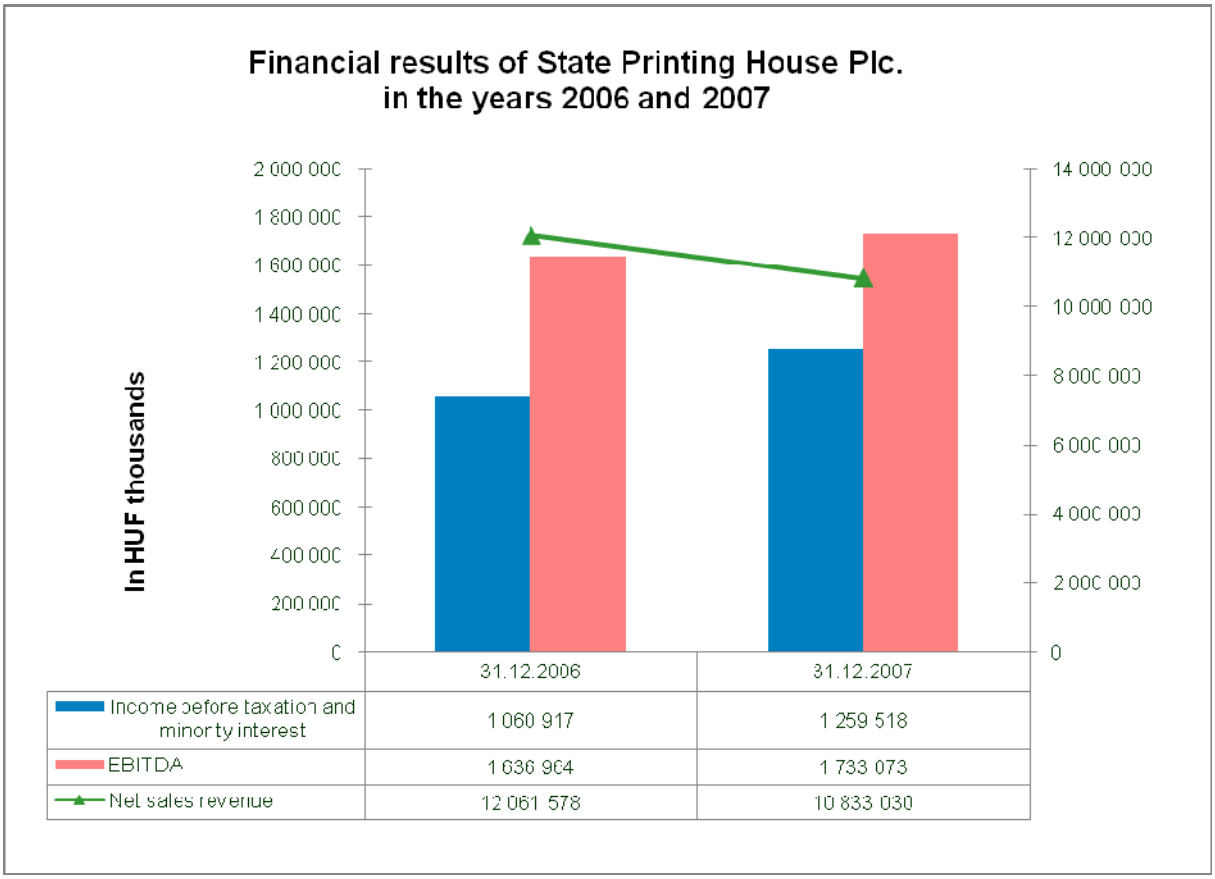
Financial situation of State Printing House Plc. in the years 2006 and 2007



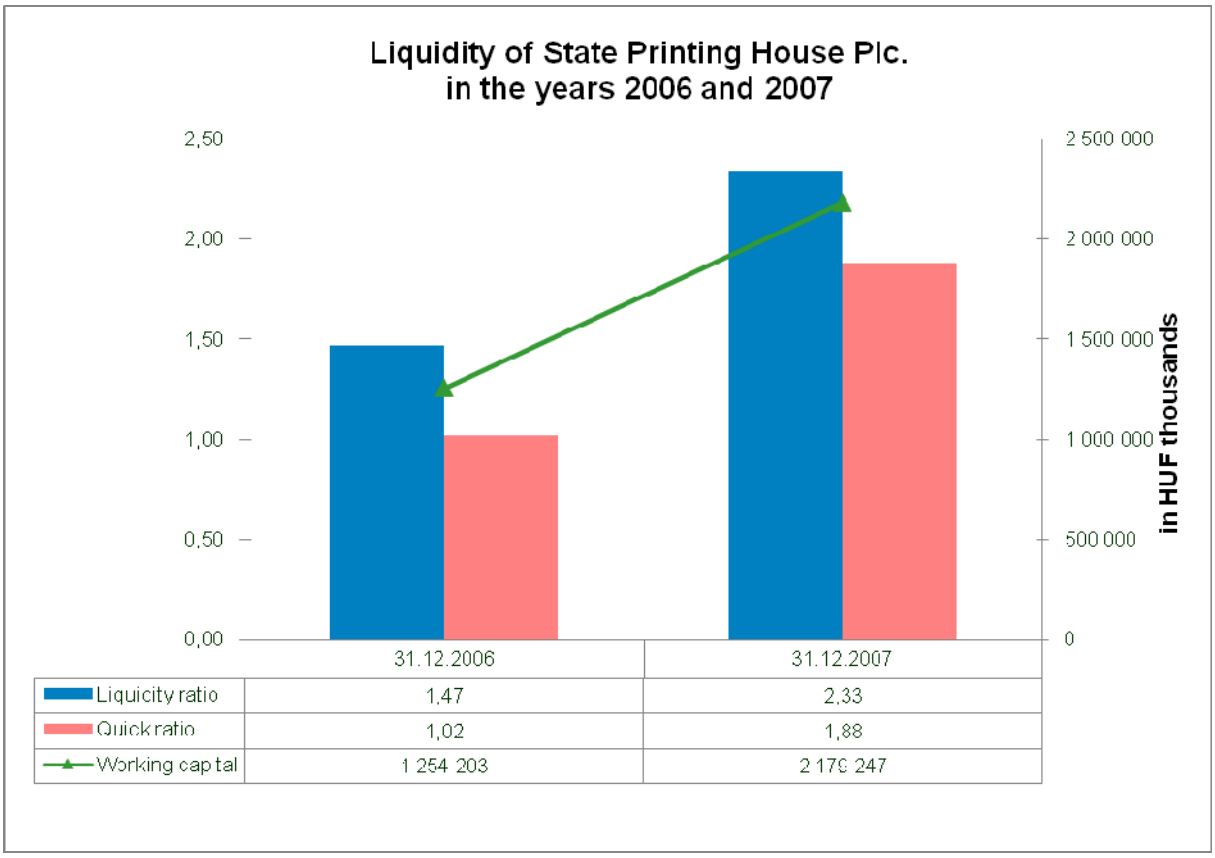
	31.12.2006	31.12.2007
Equity	3 126 869	4 209 540
Non current assets	2 501 020	2 354 503
Total assets	6 484 164	6 196 810

Shareholder's equity amounted to HUF 4,210 million at the end of the reporting period, which presents a HUF 1,083 million rise compared to the previous year. The change was defined by the net income in the reporting period.

The value of non-current assets was HUF 2,355 million, a growth of HUF 146 million compared to the previous year. The drop in the value of total assets was caused by the HUF 133 million decrease in current assets (mainly inventories and accounts receivable) besides the decrease of non current assets.



Sales revenue of State Printing House Plc. was HUF 10,833 million in 2007, which means a drop of 10% compared to the previous year, which can mainly be attributed to the HUF 900 million missing sales revenue of parliamentary and municipality elections and the effect of the portfolio adjustment.
EBITDA amounted to HUF 1,733 million while income before tax and minority interest was HUF 1,260 million. The rise of both indicators was due to the higher ratio sales of products with higher value added and the favourable development of cost structure and exchange rates.



Liquidity indicators of the Company increased compared to the previous year, liquidity ratio amounted to 2.33, which represents a 59% rise. Working capital of State Printing House Plc. was HUF 2,179 million in 2007 which reached this high level as a result of decrease in current liabilities.

[...]/2008 Annual General Meeting Resolution (proposal)

The AGM of Shareholders accepted the report of the Board of Directors on the Company's reports under the Accounting Act for the 2007 business year.

Item No. 2

Proposal of the Board of Directors for the use of net earnings

The Board of Directors proposes that the General Meeting should decide over the payment of further HUF 593,266 thousands dividend besides the HUF 3,140 thousands dividend to be paid for Series 'B' and 'C' dividend preferential employee shares. According to the proposal, the Company can pay HUF 401 dividend for the Series 'A' registered ordinary shares, HUF 29 additional dividend besides the HUF 401 (altogether HUF 430 per share) for the Series 'B' dividend preferential shares, and HUF 39 additional dividend besides the HUF 401 (altogether HUF 440 per share) after the 2007 business results. The dividend of treasury shares will be distributed to the shareholders proportionately.

[...]/2008 Annual General Meeting Resolution (proposal)

The AGM of Shareholders accepted the proposal of the Board of Directors for the use of profit.

ÁLLAMI NYOMDA
STATE PRINTING COMPANY

Item No. 3

Report of the Supervisory Board on the Company's reports under the Accounting Act for the 2007 business year and the proposal for the use of net earnings

ÁLLAMI NYOMDA
STATE PRINTING COMPANY

Report of the Supervisory Board of State Printing House Plc. on the Company's operations between 1 January 2007 – 31 December 2007

At its 7 April 2008 meeting the Supervisory Board finalized its report as follows.
In compliance with its obligations set forth in the Companies Act, the Supervisory Board was continuously monitoring the activities of the Company's executive management during the year. In addition to requesting verbal presentations, the Supervisory Board also used the written materials received to follow up on the problems the Company faced and the efforts made to solve them. The Chairman of the Supervisory Board regularly attended the meetings of the Board of Directors as a permanent invitee. The members and the Chairman of the Supervisory Board also attended the meetings of the Board of Directors several times.
The key issues discussed at the meetings included matters related to managing of the Company and to public operation. In addition, the agenda also included action plans laying the foundations for market success and effectiveness, and the monitoring of the financial reporting system. No notifications were received from shareholders in 2007, thus the Supervisory Board did not have to take a stand in any such matter.

State Printing House Plc. continued its successful operations in 2007 and closed a highly successful year from a shareholder perspective, posting further growth of earnings per share. Operating income rose by 10% to HUF 1,391 million, the EBITDA margin was nearly 15% in accordance with the strategic objectives. EBITDA exceeded HUF 2 billion and came to HUF 2,004 million due to the announced effectiveness increasing programme and the portfolio adjustment. The high-quality work of the Company's Board of Directors and executive management contributed significantly to the accomplishments of the year.

According to the independent auditor's report, the Company's 2007 annual report was prepared in compliance with the applicable provisions of the Accounting Act, while the Company's 2007 consolidated annual report was prepared in compliance with the applicable provisions of the International Financial Reporting Standards accepted in the European Union. The Supervisory Board has discussed the report of the Board of Directors on the business operations of State Printing House Plc. and studied the independent auditor's report on the Company's annual report. It is the opinion of the Supervisory Board that the 2007 activities of State Printing House Plc. were in compliance with all applicable laws and regulations.

On the basis of the above, the Supervisory Board – in agreement with the independent auditor's opinion – has found that the annual report is in accordance with the provisions of the Accounting Act and general accounting principles, and proposes that the General Meeting should approve the annual report with total assets of HUF 6,196.810 million and a net profit of HUF 1,082.672 million.

Furthermore, the Supervisory Board – in agreement with the independent auditor's opinion – has found that the consolidated annual report is in accordance with the provisions of the International Financial Reporting Standards accepted in the European Union, and proposes that the General Meeting should approve the consolidated annual report with total assets of HUF 6,782.874 million and a net profit of HUF 1,158.216 million.

Furthermore, the Supervisory Board proposes approval of the proposal of the Board of Directors for the distribution of profits and statement on Corporate Governance Practice report .

Budapest, 7 April 2008

Dr. Tamás Sárközy
Chairman of the Supervisory Board

[...]/2008 Annual General Meeting Resolution (proposal)

The AGM of Shareholders accepted the relevant report of the Supervisory Board on the Company's reports under the Accounting Act and on the determination of the profit for the 2007 business year.

ÁLLAMI NYOMDA
STATE PRINTING COMPANY

Item No. 4

Report of the Audit Committee on the Company's reports under the Accounting Act for the 2007 business year and the proposal for the use of net earnings

ÁLLAMI NYOMDA
STATE PRINTING COMPANY

Report of the Audit Committee of State Printing House Plc. on the Company's operations between 1 January 2007 – 31 December 2007

The Audit Committee elected on 30 March 2007 has performed its duties in accordance with the provisions set out in Act IV of 2006 on Corporate Law and the statutes of State Printing House Plc. The committee has discussed the Company's reports prepared in accordance with the Accounting Act.

The consolidated annual report prepared according to the international accounting standards, and the annual report prepared in accordance with the Hungarian accounting standards presented to the Annual General Meeting comply with all applicable law and regulations. For this reason, the Audit committee proposes to the Annual General Meeting the approval of the presented financial reports.

Budapest, 7 April 2008

Dr. Istvánné Gömöri
Chairwoman of the Audit Committee

ÁLLAMI NYOMDA
STATE PRINTING COMPANY

[...]/2008 Annual General Meeting Resolution (proposal)

The AGM of Shareholders accepted the relevant report of the Audit Committee on the Company's reports under the Accounting Act and on the distribution of profit for the 2007 business year.

ÁLLAMI NYOMDA
STATE PRINTING COMPANY

Item No. 5

Report of the Auditor on the Company's reports under the Accounting Act for the 2007 business year and the proposal for the use of net earnings

Deloitte.

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English translation of the Hungarian Original

INDEPENDENT AUDITOR'S REPORT

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

We have audited the accompanying consolidated financial statements of Állami Nyomda Nyrt. and subsidiaries, which comprise the consolidated balance sheet as at December 31, 2007, and the related consolidated income statement, statement of changes in equity and cash flow statement for the year then ended, and a summary of significant accounting policies and other explanatory notes.

Management's Responsibility for the Financial Statements

Management is responsible for the preparation and fair presentation of these consolidated financial statements in accordance with International Financial Reporting Standards as adopted by the European Union. 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 these cc ted financial statements based on our audit. 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 ethical requirements and plan and perform the audit to obtain reasonable assurance whether the consolidated financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the consolidated financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the consolidated financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. An audit also includes 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 consolidated financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Opinion

In our opinion, the consolidated financial statements give a true and fair view of the consolidated financial position of Állami Nyomda Nyrt. and subsidiaries as of December 31, 2007, and of its consolidated financial performance and its cash flows for the year then ended in accordance with International Financial Reporting Standards as adopted by the European Union.

Budapest, February 15, 2008

(The original Hungarian language version has been signed)

.....
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.....
Horváth Tamás
Registered Auditor
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INDEPENDENT AUDITORS' REPORT

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

To the Shareholders 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, 2007 - which shows total assets of 6,196,810 thHUF and a retained profit for the year of 1,082,672 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 .

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.

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, 2006 and issued an unqualified opinion. Reference is made to our report dated March 30, 2007.

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.

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, 2007. The Business Report corresponds to the figures included in the financial statements.

Budapest, February 15, 2008

(The original Hungarian language version has been signed)

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Jack Bell

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

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.....

Horváth Tamás

registered auditor
003449

ÁLLAMI NYOMDA
STATE PRINTING COMPANY

[...]/2008 Annual General Meeting Resolution (proposal)

The AGM of Shareholders accepted the relevant report of the Auditor of the Company on the Company's reports under the Accounting Act and on the determination of the profit for the 2007 business year.

ÁLLAMI NYOMDA
STATE PRINTING COMPANY

Item No. 6

Approval of the Company's reports under the Accounting Act for the 2007 business year, including a decision on the use of net earnings

(Please find the reports attached.)

[...]/2008 Annual General Meeting Resolution (proposal)

The AGM of Shareholders approved the balance sheet of the Company with assets vs. equity and liabilities of HUF 6,196,810 thousand, profit after tax of HUF 1,082,672 thousand, net profit of HUF 1,082,672 thousand, and approved the consolidated balance sheet of the Company with assets vs. equity and liabilities of HUF 6,782,874 thousand, profit after tax of HUF 1,168,854 thousand, net profit of HUF 1,158,216 thousand, with the amendment that after paying HUF 3,140 thousand dividend on the dividend preferential employee shares series "B" and "C", HUF 596,406 thousand dividend will be paid together to the shareholders from the profit after tax, the remaining part of the profit after tax will be part of the accumulated profit reserve. In results of the above mentioned events the net profit of the Company will be HUF 486,266 thousands. The date of paying dividend is 21 May 2008.

ÁLLAMI NYOMDA
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Item No. 7

Dismissal, election and reelection of corporate officers

Verbal proposal

ÁLLAMI NYOMDA
STATE PRINTING COMPANY

Item No. 8

Decision on the remuneration of Board members and the Auditor

Verbal proposal

Item No. 9

Conversion of the Company’s Series ‘B’ and ‘C’ dividend preferential employee shares to Series ‘A’ ordinary shares.

The Board of Directors of State Printing House Plc proposes to the General Meeting the conversion of Series ‘B’ and ‘C’ dividend preferential employee shares to Series A registered ordinary shares with a par value of HUF 980. After the decision of the General Meeting, 9,475 pieces of Series B dividend preferential shares with a par value of HUF 980 (HUF 9,285,500 altogether) and the 73,470 pieces of Series C dividend preferential shares with a par value of HUF 980 (HUF 72,000,600 altogether) will be converted, and the number of Series ‘A’ registered ordinary shares with a par value of HUF 980 will amount to 1,479,465 pieces. Keeping the shareholders’ interest in mind, the conversion does not affect the amount of share capital and does not modify the EPS forecasts of the Company. Earnings per share have been fixed together with Series ‘A’, ‘B’, ‘C’ shares so far as well.

ÁLLAMI NYOMDA
STATE PRINTING COMPANY

[...]/2008 Annual General Meeting Resolution (proposal)

The General Meeting converts the 9,475 pieces of Series B dividend preferential shares with a par value of HUF 980 (HUF 9,285,500 altogether) and the 73,470 pieces of Series C dividend preferential shares with a par value of HUF 980 (HUF 72,000,600 altogether) to altogether 82,945 pieces of Series ‘A’ registered ordinary shares with a par value of HUF 980 in a way that the number of Series ’A’ registered ordinary shares with a par value of HUF 980 will change to 1,479,465 pieces and the ‘B’ and ’C’ share category cease to exist by the conversion.

Item No. 10

Conversion of the par value of the Company's Series 'A' ordinary shares (from ordinary share with a par value of HUF 980 to ordinary share with a par value of HUF 98)

The Board of Directors approves the conversion of the ordinary shares' par value. The proposal presented to the General Meeting involves the division of shares with 1:10 ratio ("stock split") that is modifying the ordinary shares' par value by increasing the number of the Company's issued shares simultaneously with the same ratio. After the stock split, 10 pieces of Series 'A' registered ordinary shares with a par value of HUF 98 will be issued in a dematerialised form instead of 1 piece of Series 'A' registered ordinary share with a par value of 980. After this, the number of Series 'A' registered ordinary shares with a par value of HUF 98 listed on the Budapest Stock Exchange will amount to 14,794,650. The modification of the shares' par value affects neither the share capital (HUF 1,449,875,700) nor the shareholders' ownership stake in the Company.

ÁLLAMI NYOMDA
STATE PRINTING COMPANY

[...]/2008 Annual General Meeting Resolution (proposal)

The General Meeting approves the proposal on the division of Series 'A' registered ordinary shares with a par value of HUF 980 with 1:10 ratio ("stock split") that is modifying the par value of the ordinary shares which embodies the Company's share capital by increasing the number of the Company's issued shares simultaneously with the same ratio in a way that 10 pieces of Series 'A' registered ordinary shares with a par value of HUF 98 will be issued in a dematerialised form instead of 1 piece of Series 'A' registered ordinary share with a par value of 980. After this, the number of Series 'A' registered ordinary shares with a par value of HUF 98 listed on the Budapest Stock Exchange will amount to 14,794,650.

ÁLLAMI NYOMDA
STATE PRINTING COMPANY

Item No. 11

Amendment to the Company's Statutes (in accordance with Section No. 9 and 10. of the agenda and Act CXX of 2001 on Capital Markets and the modification of TEÁOR /Classification of Economic Activities in Hungary/ numbers, and the Recommendations on Corporate Governance Practice of the Budapest Stock Exchange)

Please find the amended Statutes attached.

The General Meeting has converted the Series 'B' and 'C' dividend preferential shares to Series 'A' ordinary shares with is Resolution No. …/2008 and it has decided on the modification of the Series 'A' ordinary shares' par value with is Resolution No. …/2008. These modifications need to be included in the Statutes.

The TEÁOR (Classification of Economic Activities in Hungary) has changed effective from 1 January 2008 so the Board of Directors proposes the modification of the Company's activities according to the attached proposal.

Act CXX of 2001 on Capital Markets has changed concerning announcement of acquisition of ownership which also needs to be included in the Statutes.

ÁLLAMI NYOMDA
STATE PRINTING COMPANY

[...]/2008 Annual General Meeting Resolution (proposal)

The General Meeting has amended the Company's Statutes in accordance with the conversion of Series 'B' and 'C' dividend preferential shares, the modification of the par value of Series 'A' ordinary shares, the modification of Act CXX of 2001 on Capital Markets, the modification of TEÁOR /Classification of Economic Activities in Hungary/ numbers, and the Recommendations on Corporate Governance Practice of the Budapest Stock Exchange.

With the amendment, the Sections 6., 7.1., 8.1., 8.2., 8.3., 9.6.1. and 10.5. of the Statutes has been modified.

ÁLLAMI NYOMDA
STATE PRINTING COMPANY

Item No. 12.

Approval of the Guidelines of the Company's Management Share Option Programme

GUIDELINES OF THE MANEGEMENT SHARE OPTION PROGRAMME OF STATE PRINTING HOUSE PLC

1. Goal of the Share Programme, duration

The goal of the Share Programme is to support the realization of the strategic goals of State Printing House Plc for the business years 2008-2012 and to motivate and acknowledge the achievement of the management.

2. Number of shares involved in the Programme

In the frame of the programme, option can be acquired for **80,000/(800.000)*** pieces of shares which currently equals to **5.7%/(5.4%)*** of the shares issued by the Company.

3. Authorisation of the Board of Directors

In the frame of the Share Programme, the Board of Directors has decision rights in the following questions:

a) Selection of those people for whom the options will be offered

b) Defining allocation of Optional Shares among participants and periods

c) Setting the terms of Option Agreement

d) Interpretation of Share Programme and the Option Agreement.

4. Terms of calling down shares

a) Option for one-third of optional shares can be taken up if the stock exchange closing price of the Shares exceeds HUF 18,000/(1,800)* on the 5 trading days before the day of calling.

b) Option for one-third of optional shares can be taken up if the stock exchange closing price of the Shares exceeds HUF 21,000/(2,100)* on the 5 trading days before the day of calling.

c) Option for one-third of optional shares can be taken up if the stock exchange closing price of the Shares exceeds HUF 25,000/(2,500)* on the 5 trading days before the day of calling.

5. Way of calling down the Option

Optional Shares can be called down partly during the calling period. In the case of a partial calling, the Option Agreement is still effective for not called Option Shares.

6. Setting the Option price

The purchase price of purchasable shares in a given optional period amounts to the average stock exchange price weighted by turnover of the 180 days prior to the opening of the option.

* In case the par value modification of ordinary shares specified in agenda item No. 10 is approved.

ÁLLAMI NYOMDA
STATE PRINTING COMPANY

[...]/2008 Annual General Meeting Resolution (proposal)

The General Meeting approves the presented guidelines of the Management Share Option Programme and authorises the Board of Directors to create the detailed rules and regulations of the Management Share Option Programme.

Item No. 13.

Authorisation of the Board of Directors for buying treasury shares

The General Meeting authorises the Board of Directors of the Company to buy Series 'A' registered ordinary shares with a par value of HUF 98 issued by State Printing House Plc up to maximum 10% of the Company's share capital (147,946 pieces / (1,479,465 pieces)*) at the Budapest Stock exchange in accordance with the applicable law and regulations in order to cover the planned employee and management share option programme of the Company and the to ensure the possibility of a prompt intervention in case of share price fluctuation. The share price of the share acquisitions must be at least the par value and at most the 120% of the average stock exchange closing price fixed at the Budapest Stock Exchange in the week preceding the stock exchange transaction.

By the present authorisation, the Board of Directors may exercise the right of share acquisition until 28 October 2009.

* In case the par value modification of ordinary shares specified in agenda item No. 10 is approved.

General meeting agenda item no 13: Authorisation of the Board of Directors for buying treasury shares

ÁLLAMI NYOMDA
STATE PRINTING COMPANY

[...]/2008 Annual General Meeting Resolution (proposal)

The General Meeting authorises the Board of Directors to buy treasury shares in trading at the Budapest Stock Exchange until 28 October 2009 with the proviso that the purchase price must be at least the par value and at most the 120% of the average stock exchange closing price fixed at the Budapest Stock Exchange in the week preceding the stock exchange transaction.

General meeting agenda item no. 14: Approval of Statement on Corporate Governance Practice

ÁLLAMI NYOMDA
STATE PRINTING COMPANY

Item No. 14.

Approval of the Statement on Corporate Governance Practice

Please find the Statement attached.

General meeting agenda item no. 14: Approval of Statement on Corporate Governance Practice

ÁLLAMI NYOMDA
STATE PRINTING COMPANY

[...]/2008 Annual General Meeting Resolution (proposal)

The General Meeting approves the presented Statement on Corporate Governance Practice.