

TOYE & COMPANY PLC (“Toye” or the “Company”)

29 APRIL 2009

PRELIMINARY RESULTS

RESULTS FOR THE YEAR ENDED 31 DECEMBER 2008

Chairman’s Statement

RESULTS

Turnover for the year ended 31st December 2008 amounted to £8,604,610 compared to £8,662,517 for the previous year. As reported at the half year the sales for the month of March 2008 fell dramatically compared with the equivalent month in 2007. The reduction in sales for the first half year against the same period for the previous year was £249,674. It is therefore pleasing that in the second half year, despite an even worse economic situation, improvement in sales narrowed the year-on-year shortfall to just £57,907, representing a decrease in annual sales of less than 1%.

Overall we recorded a loss for the year of £267,440, as against a profit of £28,576 in 2007. There was a significant improvement in the rate of loss declared with £195,082 of the loss being attributable to the first half year. Charged to this loss are depreciation, interest payable, redundancy costs and stock write downs. Also charged to this loss is reorganisation expenditure which has been partially paid for out of the proceeds of the sale of the Bury St Edmunds property.

DIVIDEND

Your Board considers that it would be imprudent to pay a dividend. It is more important at this time to ensure that capital repayments and interest payable are made to the bank to reduce our levels of indebtedness, incurred partly by the payments made in 2004 on winding up the Defined Benefit Pension Scheme, and to preserve cash flow. Furthermore, only those aspects of the ongoing programme of reorganisation that are significant priorities, and essential to unlocking the company’s future potential, are being supported during 2009.

TRADING

The Company is making steady improvement in its exposure to the markets, service and operational procedure, with sales in most market areas remaining steady and showing some growth in the retail sector. However, there has been some decline brought about by a reduction in membership of various societies that we supply as well as a significant tightening of budgets in the corporate and lower profile sports markets. Although certain export markets have reduced, we continue to supply both quality of product and service to the Defence Clothing Integrated Product Team of the UK Ministry of Defence.

The dual effects of higher raw materials costs and increased processing costs, due to an increase in the volume but not the value of orders, have without doubt contributed to our loss.

The reduction in margins is most clearly illustrated by the recent award to your Company of the MOD medal ribbon contract. Previously, this type of contract was awarded by submitting a tender detailing best prices for the specified products with the procurement decision made on the basis of value for money and quality. Now however the price is settled through an internet auction process which favours the lowest bidder and takes no account of quality or expertise. Your Company won the internet auction, but with significantly lower returns. This does not satisfy value for money, or partnering, or indeed any of the criteria set by the MOD, but is simply a question of the lowest price, apparently irrespective of specification, quality or location of supplier. The Minister of Defence Procurement states that this process saves taxpayers’ money. In the short term this policy may save the MOD money, but it will result in the progressive loss of many UK-based SMEs and their skills, it will reduce their ability to update or replace equipment, eliminate apprentice training programmes, create more redundancies, adding further to national unrest and unemployment costs. Ultimately this will lead to a significantly smaller base of suppliers and reduced quality.

Despite all this it was important to your Company that we retain the MOD ribbon contract as this provides a volume production platform which is so essential to keep your Company’s prices competitive in both the UK and export markets in this specialist field.

Margins were further eroded through MOD and other government contracts requiring that prices be fixed at the outset and with no supplier protection allowed from extraordinary cost increases. Some of these contracts are nearing four years’ duration and the costings were based on very different data at the time of pricing. Although

our prices took account of an inflationary increase over the life of a contract, the actual increase in costs has been far higher, especially with regard to raw material prices, many of which are quoted in dollars. Statutory increases in minimum pay have not helped. The Company is continuing to adjust its trading practice to these market conditions.

We have closed the Bury St. Edmunds tie manufacturing unit, and sold the building. Sadly this meant the redundancy of Mr Chris De Brick, the highly experienced factory manager, and his staff, the cost of which has been borne in this last quarter. The proceeds from the property sale are being utilised to meet the costs of closure and relocation of the plant.

DIRECTORS, MANAGEMENT AND STAFF

During this year of change, I would like to thank all members of staff for their continued support and loyalty to the Management team.

Their ability to work as a team was tested during this difficult trading period by the premature death of Ken Lock, our very experienced London-based Sales Manager, who had forty years' service with the company, and we extend our sympathy to his family.

This and the emigration of an experienced Sales Director, have both had an impact on our comparatively small business.

RISKS AND UNCERTAINTIES

Regulations require an outline of potential risks and uncertainties which could have a material impact on your Company's performance and the achievement of its strategy. These risks may arise as a result of operational, regulatory, financial and market-driven factors or even natural catastrophe.

Operational Factors

Without doubt the greatest operational risk in the present financial climate is the financial health of our customers and suppliers. Our own customer base is biased towards government bodies and blue chip companies alongside the many societies, major sports bodies and other long established organisations which may offer some protection during this difficult economic period.

Currency fluctuations, especially the significant frequent variations in Sterling against the US dollar and other global currencies has caused difficulties in the pricing of tenders. The tenders are often based on the destination currency of the end user, whilst raw material and other imports are usually denominated in US dollars. The purchasing of commodities such as gold, materially affects your Company's ability to submit fixed price tenders demanded by many sectors within the market place.

Regulatory Factors

UK legislation, often via implementation of European Union Directives, makes it increasingly easy for non-UK companies to enter the UK market. The "playing fields" are not as level as is often believed when your Company tries to compete in those same countries.

The Government continually increases the minimum wage materially above the rate of inflation and every such increase triggers demands to retain the differentials of a structured pay policy, whilst Government taxation policy and fiscal control tend to increase the number of pay demands for more than the minimum wage. In a mainly hand craft industry this simply adds to costs which, in addition to increased utility, energy and council tax bills makes it difficult to achieve profitability, particularly where competitors are purchasing from offshore suppliers where labour costs are significantly lower and health and safety and employment legislation is not comparable. This makes it very difficult to remain competitive on tenders which are awarded regardless of the conditions of employment or quality of the products.

Market Driven Factors

The Government is continuing to implement a policy of Prime Vendorship, where the procurement, stock-holding and distribution element, essential to the operation of a government department such as the MOD, is put out as a contract into the private sector. While this is supposed to reduce costs for the MOD it will be to the detriment of the UK manufacturing industry not involved in the supply chain and potentially lead to an effective monopoly by limiting or removing the choice of supplier.

Streamlining the business in order to maintain some UK manufacturing capability is becoming more onerous with higher value, low volume work increasingly under scrutiny. Offshore sourcing may have to contribute a disproportionate element of any increased sales volumes. Cost increases caused by government policy may even drive existing manufacturing capability offshore. The Government at one and the same time wish to support SMEs and UK employment through the preservation of manufacturing, while purchasing at the lowest cost they can achieve and enacting expensive employment and regulatory laws.

KEY PERFORMANCE INDICATORS

The Company has considered the sales achieved per head of employee, including those in manufacturing, although this is somewhat distorted by wholly factored work. The result has been:

| | | | | |
|--------------------|----------------|----------------|----------------|----------------|
| Sales Per Employee | 2008 - £47,803 | 2007 - £46,824 | 2006 - £48,406 | 2005 - £43,533 |
| Earnings Per Share | 2008 -(11.90)p | 2007 - 1.27p | 2006 - 2.00p | 2005 - 0.17p |

ENVIRONMENTAL POLICY

The Company is committed to a policy that recognises environmental issues in all aspects of its activities and environmentally sensitive options are integrated in all levels of operation.

CORPORATE GOVERNANCE

The Board supports a high standard of Corporate Governance by adopting those features of the Code that are appropriate. Nonetheless, they are becoming increasingly onerous and expensive. Your Board foresees further burdens yet to come. The cost of being quoted on AIM is a burden that is not commensurate with our size.

HEALTH AND SAFETY

The Company is committed to the application of all aspects of Health and Safety at work. However the volume of such directives are proving burdensome, and it is often difficult to discern the value of these costly measures. It is worth noting that our competitors who rely solely on foreign production are not being required to meet these standards, and yet are competing for the same contracts.

FUTURE

Although orders booked for the first quarter of 2009 are comparable with 2008 we are concerned by the much publicised view that global high street sales are likely to remain subdued during 2009 and probably 2010 and we are adapting our business plan accordingly.

For the Company to remain competitive, in addition to some redundancies which were actioned during the first quarter, all staff have agreed to a one-and-a-half hour reduction in their working week with a corresponding reduction in their take home pay. Furthermore there are no planned increases in the rates of pay for 2009. Increasingly, our own manufacture is geared to high value, low volume demands with large volume, low value product being factored. Our manufacturing expertise is being applied to maximise value from procurement and purchasing.

Concurrent with this, in certain areas better sourcing and the transfer of business to alternate suppliers has seen an improvement in margins.

Management are constantly reviewing the actions taken and updating their plans as necessary in order to return the Company into profit.

It is with regret that we are closing our Preston Branch that has a small showroom and workroom. Originally this was a purchase from the receivers of Stephen Simpson Ltd in the early 1990s. The unit will be closed by the half year with all staff being made redundant and the production of the unit will be transferred to our Bedworth textile operation. We are exploring various other possibilities for a sales outlet in the area.

Our aim is to continue establishing Toye, Kenning & Spencer as a quality brand. This will be done by innovative design, maintenance of our skills and values and efficient and superlative service. The driving factor must be preserving and exploiting our core manufacturing skills and heritage, while catering to and creating market trends and performing to create profit. Our new main website www.foye.com is now launched and we are already reaping benefits in increased customer enquiries. Our 'satellite' websites are all being reviewed with reference to design and content and search engine optimisation. We are increasing our accessibility to customers by offering e-commerce facilities in more market areas. This should also reduce our administrative processing costs for small

orders. We are improving staff training and communication within the group, with the aim of improving service, job satisfaction, continuity of skills and efficiency.

In addition, new systems which have been partly installed in our design studio will provide three dimensional designs for customer approval instead of the more traditional prototype patterns. When the software is fully operational, these computers will be capable of transferring designs electronically to the cutting machines for dies, wire eroding tool making and rapid profiling of wax patterns for casting. Digital scanning, an essential aid for reproducing existing products, will form part of this system.

In my last year end statement I suggested the next two years were likely to be difficult with both a national and international recession threatening. This has certainly proved to be the case. Survival and the strengthening of capability during this period is important to take advantage of current opportunities and to be well placed for the upturn when it comes.

Bryan Toye
Chairman
29 April 2009

Consolidated Income Statement
for the year ended 31 December 2008

| | 2008 £ | 2007 £ |
|--------------------------------------|--------------------|-------------|
| Revenue | 8,604,610 | 8,662,517 |
| Operating expense | (8,750,184) | (8,501,557) |
| Operating (loss)/profit | (145,574) | 160,960 |
| Finance income | 5,774 | 3,742 |
| Finance costs | (127,640) | (136,126) |
| Finance costs - net | (121,866) | (132,384) |
| (Loss)/profit before taxation | (267,440) | 28,576 |
| Taxation | - | - |
| (Loss)/profit for the year | (267,440) | 28,576 |

Earnings per share

| | | |
|-----------------------------------------------|-----------------|-------|
| (Loss)/earnings per share (basic and diluted) | (11.90)p | 1.27p |
|-----------------------------------------------|-----------------|-------|

All activities relate to continuing operations.

Statements of Recognised Income and Expenses
for the year ended 31 December 2008

| | 2008 £ | 2007 £ |
|------------------------------------------------|------------------|-----------|
| The Group | | |
| (Loss)/profit for the year | (267,440) | 28,576 |
| Total recognised (expense)/income for the year | (267,440) | 28,576 |
| The Company | | |
| (Loss) for the year | (267,437) | (8,694) |
| Total recognised (expense) for the year | (267,437) | (8,694) |

Balance Sheets
at 31 December 2008

| | The Group | | The Company | |
|--------------------------------------------------------------------------|------------------|------------------|------------------|------------------|
| | 2008 | 2007 | 2008 | 2007 |
| | £ | £ | £ | £ |
| Assets | | | | |
| Non-current assets | | | | |
| Property, plant & equipment | 2,124,595 | 2,242,847 | 1,919,780 | 2,006,800 |
| Investments in subsidiary undertakings | - | - | 1,555,250 | 1,815,723 |
| | 2,124,595 | 2,242,847 | 3,475,030 | 3,822,523 |
| Current assets | | | | |
| Inventories | 1,473,668 | 1,608,538 | - | - |
| Trade and other receivables | 1,679,024 | 1,157,832 | 139,955 | 344,204 |
| Cash and cash equivalents | 4,866 | 6 | - | - |
| | 3,157,558 | 2,766,376 | 139,955 | 344,204 |
| Liabilities | | | | |
| Current liabilities | | | | |
| Trade and other payables | 1,356,621 | 1,308,865 | 556,644 | 339,435 |
| Current borrowings | 902,842 | 272,082 | 142,323 | 549,691 |
| | 2,259,463 | 1,580,947 | 698,967 | 889,126 |
| Net current assets / (liabilities) | 898,095 | 1,185,429 | (559,012) | (544,922) |
| Non-current liabilities | | | | |
| Non-current borrowings | 1,250,957 | 1,345,103 | 1,250,957 | 1,345,103 |
| Deferred payments | 22,000 | 66,000 | - | - |
| | 1,272,957 | 1,411,103 | 1,250,957 | 1,345,103 |
| Net assets | 1,749,733 | 2,017,173 | 1,665,061 | 1,932,498 |
| Equity | | | | |
| Capital and reserves attributable to the Company's equity holders | | | | |
| Share capital | 562,000 | 562,000 | 562,000 | 562,000 |
| Share premium | 2,677 | 2,677 | 2,677 | 2,677 |
| Retained earnings | 1,185,056 | 1,452,496 | 1,100,384 | 1,367,821 |
| Total equity | 1,749,733 | 2,017,173 | 1,665,061 | 1,932,498 |

The financial statements were approved and authorised for issue by the Board of Directors on 29 April 2009.

B E Toye, Chairman

D Hartley, Director

Cash Flow Statements

for the year ended 31 December 2008

| | The Group | | The Company | |
|-------------------------------------------------------------------|------------------|-----------|------------------|-----------|
| | 2008 | 2007 | 2008 | 2007 |
| | £ | £ | £ | £ |
| Cash flows from/(used by) operating activities | | | | |
| Cash generated from/(used by) operating activities | (498,100) | 185,974 | 379,983 | (35,758) |
| Interest received | 5,774 | 3,742 | 122,465 | 159,972 |
| Interest paid | (127,640) | (136,126) | (127,640) | (136,126) |
| Net cash generated from/(absorbed by) operating activities | (619,966) | 53,590 | 374,808 | (11,912) |
| Cash flows from investing activities | | | | |
| Purchase of property, plant and equipment | (38,894) | (62,739) | - | - |
| Proceeds from sale of property, plant and equipment | 127,106 | 10,513 | 126,706 | - |
| Net cash flows from investing activities | 88,212 | (52,226) | 126,706 | - |
| Cash flows from financing activities | | | | |
| Repayment of borrowings | (87,398) | (92,340) | (87,398) | (92,340) |
| Net cash flows from financing activities | (87,398) | (92,340) | (87,398) | (92,340) |
| Net (decrease)/increase in cash and cash equivalents | (619,152) | (90,976) | 414,116 | (104,252) |
| Cash and cash equivalents at the beginning of the year | (189,159) | (98,183) | (466,774) | (362,522) |
| Cash and cash equivalents at the end of the financial year | (808,311) | (189,159) | (52,658) | (466,774) |

1. Accounting policies

The principal accounting policies applied in the preparation of the financial statements are set out below. These policies have been applied consistently to all the years presented.

1.1 Basis of preparation

These consolidated financial statements have been prepared in accordance with IFRS and International Financial Reporting Interpretations Committee (“IFRIC”) interpretations as adopted by the European Union, and those parts of the Companies Act 1985 applicable to companies reporting under IFRS.

The preparation of financial statements in conformity with IFRS requires management to make judgements, estimates and assumptions that affect the application of policies and reported amounts in the financial statements. The areas involving a higher degree of judgement or complexity, or areas where assumptions or estimates are significant to the financial statements are disclosed in note 1.5.

A separate income statement for the parent company has not been presented as permitted by section 230(4) of the Companies Act 1985.

1.1.1 Adoption of standards effective in 2008

The following standards and interpretations have been applied by the Group from 1 January 2008:

- IFRIC 11 IFRS 2 - Group and treasury share transactions.

IFRIC 11 addresses share-based payment transactions involving an entity's own equity instruments and share-based payment transactions involving equity instruments of a parent company. This does not have any effect on the Group financial statements as no such transactions took place during the year.

1.1.2 IFRS effective in 2008 but not relevant

The following interpretations were mandatory for the Group's accounting period, but are not relevant to the operations of the Group.

- IFRIC 12 Service concession arrangements
- IFRIC 14 IAS 19 - The limit on a defined benefit asset, minimum funding requirements and their interaction
- IAS 39 and IFRS 7 (Amendment) Reclassification of financial instruments

1.1.3 EU adopted IFRS not yet applied

The following standards and interpretations were issued and available for early application but have not yet been applied by the Group in these financial statements. The Group intends to apply these standards and interpretations when they become effective:

- IFRS 1 and IAS 27 (Amendment) Cost of investment in subsidiary
- IFRS 2 (Amendment) Share based payment
- IFRS 3 (Revised) Business combinations
- IFRS 8 Operating segments
- IAS 1 (Revised) Presentation of financial statements
- IAS 1 and IAS 32 (Amendment) Puttable financial instrument and obligations arising on liquidation
- IAS 23 (Amendment) Borrowing costs
- IAS 27 (Amendment) Consolidated and separate financial statements
- IFRIC 13 Customer loyalty programmes
- IFRIC 15 Agreements for the construction of real estate
- IFRIC 16 Hedges of a net investment in a foreign operation

IFRS 1 and IAS 27 (Amendment) Introduces a requirement to account for all post acquisition dividends as income in the parent's own financial statements, irrespective of whether those dividends were received out of pre or post acquisition reserves. A related amendment to IFRS 1 permits first time adopters to recognise in the separate financial statements, at the date of transition, the deemed cost of the investments in subsidiaries, jointly controlled entities and associates at either fair value or the carrying amount under UK GAAP. The amendment to IFRS 1 will not affect the Group or the parent's separate financial statements as the Group and the parent have already transitioned to IFRS. The IAS 27 amendment will only impact on the parent's individual financial statements and will have no impact on the Group financial statements. Furthermore, as the IAS 27 amendment is required to be prospectively applied for periods commencing on or after 1 January 2009 there will be no impact from the initial

application in the parent's individual financial statements.

IFRS 2 (Amendment) Clarifies that vesting conditions are service conditions and performance conditions only. Other features of a share-based payment are not vesting conditions. It also specifies that all cancellations, whether by the entity or by other parties, should receive the same accounting treatment. The amendment will apply for periods beginning on or after 1 January 2009. Adoption of this standard will have no impact on the Group financial statements as no such transactions have taken place in the current or the previous accounting periods.

IFRS 3 (Revised) There have been some significant changes to IFRS 3 that may have a material impact on the way that business combinations are accounted for by the Group in the future. The main changes brought about by the revision are:

- The inclusion of an accounting policy option to account for non-controlling interests (previously called minority interests).
- Amendments to the calculation of goodwill.
- Accounting for acquisitions in stages.
- Requirement to immediately expense acquisition costs.
- Accounting for contingent consideration.
- Recognition and measurement of certain assets and liabilities.

The revised standard is effective for periods commencing on or after 1 July 2009, and will therefore be applicable for the first time in the year ended 31 December 2010 Group financial statements. There will be no impact from the initial application of revised standard as it is required to be prospectively applied.

IFRS 8 Replaces IAS 14 'Segment Reporting' and requires the Group to adopt the 'management approach' to reporting the financial performance and position of its operating segments. Generally, the information to be reported would be what management uses internally for evaluating segment performance and deciding how to allocate resources to operating segments. There is no longer a requirement to make disclosure based on primary and secondary reporting formats, nor is there a requirement to distinguish between business and geographical segments. The new standard will be applicable for the first time in the year ended 31 December 2009 Group financial statements. The Group will also be required to restate comparative segmental information presented in these accounts in line with the transitional provisions of the new standard. Application of the new standard will however not significantly impact the way management currently reports segmental information. Management are currently reviewing the Group's reporting structure and will consider the basis on which they will report the business segments during the forthcoming year.

Goodwill, which is presently allocated to cash-generating units based on reportable segments when applicable, will also need to be reallocated based on the new reportable segments. It is managements' opinion that the allocation of goodwill will not be significantly changed, due to the reasons set out above.

IAS 1 (Revised) The revised standard will change the way the Group's financial statements are presented. The revision requires information in financial statements to be aggregated on the basis of shared characteristics and introduces a 'statement of comprehensive income'. This will enable readers to analyse changes in a company's equity resulting from transactions with owners in their capacity as owners (such as dividends and share repurchases) separately from 'non-owner' changes (such as transactions with third parties). The revised standard gives an option of presenting items of income and expense and components of other comprehensive income either in a single statement of comprehensive income with subtotals, or in two separate statements. The revisions include changes in the titles of some of the other financial statements to reflect their function more clearly (for example, the balance sheet is renamed a 'statement of financial position'). The new titles may be adopted by the Group, but are not mandatory and will be considered by management in the forthcoming year. The revised standard will be applicable for the first time in the year ended 31 December 2009 Group financial statements.

IAS 1 and IAS 32 (Amendment) The amendments require entities to classify the following types of financial instruments as equity, provided they have particular features and meet specific conditions:

- Puttable financial instruments .
- Instruments that impose on the entity an obligation to deliver to another party a pro-rata share of the net assets of the entity only on liquidation.

The amendments apply for annual periods beginning on or after 1 January 2009. Adoption of the amendment will have no impact on the Group financial statements, as the Group does not have such financial instruments.

IAS 23 (Amendment) The amendment changes the previous version of the standard by removing the option to expense borrowing costs that relate to assets that take a substantial period of time to get ready for use or sale. Such borrowing costs will in future be required to be included in the cost of the fixed asset or inventory item to which they relate. The amendment is applicable for annual periods beginning on or after 1 January 2009. The amendment will not affect the Group results as the Group currently adopts a policy of capitalising borrowing costs to qualifying assets when applicable.

IAS 27 (Amendment) The amendment includes guidance on accounting for changes in non-controlling interests (minority interests) where there is no effect on control. The amended IAS 27 states that such transactions should be accounted for as equity transactions, and that any difference between the amount which the non-controlling interests are adjusted by and the consideration paid or received should be recognised directly in equity. The amendment is effective for periods commencing on or after 1 July 2009, and will therefore be applicable for the first time in the year ended 31 December 2010 Group financial statements. There will be no impact from the initial application of the amendment as it is required to be prospectively applied.

IFRIC 13 addresses accounting by the entity that grants award credits to its customers. The Group does not grant any customer loyalty awards and therefore the interpretation is not relevant to the Group's operations.

IFRIC 15 The IFRIC provides guidance on when to recognise revenue that arises from an agreement for the construction of real estate. The Group does not generate revenue from real estate construction and therefore the interpretation is not relevant to the Group's operations.

IFRIC 16 Clarifies that the presentation currency does not create an exposure to which an entity may apply hedge accounting. Consequently, a parent entity may designate as a hedged risk only the foreign exchange differences arising from a difference between its own functional currency and that of its foreign operation. The IFRIC also clarifies that the hedging instrument(s) may be held by any entity or entities within the Group, and that while IAS 39 must be applied to determine the amount that needs to be reclassified to profit or loss from the foreign currency translation reserve in respect of the hedging instrument, IAS 21 must be applied in respect of the hedged item. The guidance is required to be prospectively applied for annual periods beginning on or after 1 October 2008, and will therefore be applicable for the first time in the year ended 31 December 2009 Group financial statements. It is not expected that the adoption of this amendment will have any material impact on the Group financial statements as the Group has no foreign operation.

The financial information, which has been prepared on the same basis as set out in the 2007 Annual Accounts, does not constitute statutory accounts as defined in section 240 of the Companies Act 1985. The financial information for the year ended 31 December 2008 has been extracted from the statutory accounts on which an unqualified audit opinion has been issued. Statutory accounts for the year ended 31 December 2008 will be delivered to the registrar in due course. The comparative financial information is based on the statutory accounts for the financial year ended 31 December 2007. Those accounts, upon which the auditors issued an unqualified opinion, have been delivered to the registrar of companies.

The Report and Accounts will be posted later today to Shareholders and the Annual General Meeting will be held on 18 June 2009 at 12.30 pm at the company's offices at Regalia House, 19-21 Great Queen Street, London WC2B 5BE.