

## **TRANSLATORS' EXPLANATORY NOTE**

The following document is a free translation of the registered auditor's opinion and report of the above-mentioned Polish Company. In Poland statutory accounts must be prepared and presented in accordance with Polish legislation and in accordance with the accounting principles and practices generally used in Poland.

The accompanying translated report has not been reclassified or adjusted in any way to conform to accounting principles generally accepted in countries other than Poland, but certain terminology current in Anglo-Saxon countries has been adopted to the extent practicable. In the event of any discrepancy in interpreting the terminology, the Polish language version is binding.

### **Independent Registered Auditor's Opinion to the General Shareholders' Meeting and the Supervisory Board of TOYA Spółka Akcyjna**

We have audited the accompanying consolidated financial statements of TOYA Spółka Akcyjna Group (hereinafter referred to as the "Group") in which the parent company is TOYA Spółka Akcyjna (hereinafter referred to as the "Parent Company") with its registered office in Wrocław at ul. Sołtysowicka 13/15, comprising consolidated statement of financial position prepared as at 31 December 2011 with total assets and total equity and liabilities of PLN 160,243 thousand, consolidated statement of comprehensive income for the period from 1 January to 31 December 2011 showing comprehensive income of PLN 26,275 thousand, consolidated statement of changes in equity, consolidated statement of cash flows for the financial year and additional information regarding adopted accounting policies as well as other explanatory notes.

The Management Board of the Parent Company is responsible for preparing the financial statements and a Directors' Report in accordance with the applicable regulations. The Management Board and Members of the Supervisory Board of the Parent Company are required to ensure that the consolidated financial statements and the Director's Report meet the requirements set out in the Accounting Act of 29 September 1994 ("Accounting Act" - Journal of Laws of 2009 No. 152, item 1223 as amended).

Our responsibility was to perform an audit of the accompanying consolidated financial statements and to express an opinion on whether the financial statements comply in all material respects with the applicable accounting policies and whether they present fairly, in all material respects, the Group's financial position and results.

We conducted our audit in accordance with the following:

- (a) the provisions of Chapter 7 of the Accounting Act;
- (b) the national standards on auditing issued by the National Chamber of Registered Auditors.

Our audit was planned and performed to obtain reasonable assurance that the financial statements were free of material misstatements and omissions. The audit included examining, on a test basis, accounting documents and entries supporting the amounts and disclosures in the consolidated financial statements. The audit also included an assessment of the accounting policies applied by the Group and significant estimates made in the preparation of the consolidated financial statements as well as an evaluation of the overall presentation thereof. We believe that our audit provides a reasonable basis for our opinion.

**Independent Registered Auditor's Opinion  
to the General Shareholders' Meeting and the Supervisory Board of  
TOYA Spółka Akcyjna (continued)**

In our opinion, and in all material respects, the accompanying consolidated financial statements::

- (a) present truly and fairly the Group's financial position as at 31 December 2011 and its financial result for the financial year from 1 January till 31 December 2011 in accordance with the International Financial Reporting Standards as adopted by the European Union;
- (b) comply in terms of form and content with the laws applicable to the Group;
- (c) have been prepared on the basis of properly maintained consolidation documentation.

The information included in the Directors' Report for the financial year from 1 January till 31 December 2011 takes into account the provisions of the Decree of the Minister of Finance dated 19 February 2009 concerning the publication of current and periodic information by issuers of securities and the conditions of acceptance as equal information required by the law of other state, which is not a member state ("Decree" - Journal of Laws No. 33 item 259, as amended) and is consistent with the information contained in the audited consolidated financial statements.

Conducting the audit on behalf of PricewaterhouseCoopers Sp. z o.o., Registered Audit Company No. 144:

Monika Grudzień-Wiśniewska

Group's Registered Auditor, Key Registered Auditor  
No. 10298

Wroclaw, 25 April 2012

**TOYA S.A. Group**

**Report on the audit of the consolidated financial statements as  
at and for the year ended 31 December 2011**



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**Report on the audit of the consolidated financial statements  
as at and for the year ended 31 December 2011  
to the General Shareholders' Meeting and the Supervisory Board of TOYA  
S.A.**

**This report contains 16 consecutively numbered pages and consists of:**

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**TOYA S.A. Group**  
**Report on the audit of the consolidated financial statements**  
**as at and for the year ended 31 December 2011**

**I. I. General information about the Group**

- a. The parent company of the TOYA S.A. Group ("Group") is the TOYA Spółka Akcyjna ("Parent Company"), with its registered office in Wrocław, ul. Sołtysowicka 13/15.
- b. The articles of incorporation of the Parent Company were drawn up in the form of a notarial deed in the Notary's Office of the notary public Jolanta Ołpińska in Wrocław on 17 November 1999 and recorded in Rep. A No. 5945/99. On 5 December 2001 the Company was entered in the Register of Entrepreneurs kept by the District Court in Wrocław, VI Commercial Division of the National Court Register under the number KRS 0000066712.
- c. For the purpose of making tax settlements, on 22 December 1999 the Parent Company was assigned a Tax Identification Number (NIP) 895-16-86-107. For statistical purposes, the Parent Company was assigned a Statistical Identification Number (REGON) number 932093253 on 3 December 1999.
- d. As at 31 December 2011 the Parent Company's share capital amounted to PLN 7,483,680.00 and consisted of 74,836,800 shares with the nominal value of PLN 0,10 each.
- e. As at 31 December 2011, the Parent Company's shareholders were:

<b>Shareholder's name</b>	<b>Number of shares held</b>	<b>Par value of shares held (PLN)</b>	<b>Type of shares held</b>	<b>Votes (%)</b>
Jan Szmidt	28,170,647	2,817,065	ordinary	37.6
Tomasz Koprowski	14,644,030	1,464,403	ordinary	19.6
Romuald Szałagan	10,938,874	1,093,887	ordinary	14.6
Piotr Wojciechowski	5,057,728	505,773	ordinary	6.8
Generali OFE	4,800,000	480,000	ordinary	6.4
Other - share below 5%	11,225,521	1,122,552	ordinary	15.0
	<b>74,836,800</b>	<b>7,483,680</b>		<b>100.0</b>

As at 31 December 2010, the Parent Company's shareholders were:

<b>Shareholder's name</b>	<b>Number of shares held</b>	<b>Par value of shares held (PLN)</b>	<b>Type of shares held</b>	<b>Votes (%)</b>
Jan Szmidt	31,409,900	3,140,990	ordinary	47.0
Tomasz Koprowski	16,327,900	1,632,790	ordinary	25.0
Romuald Szałagan	12,196,700	1,219,670	ordinary	19.0
Piotr Wojciechowski	5,639,300	563,930	ordinary	9.0
	<b>65,573,800</b>	<b>6,557,380</b>		<b>100.0</b>

- f. During the audited period the core business activities of the Group included import and distribution of industrial goods, including primarily hand and power tools for professional and DIY use.

**I. General description of the Group (continued)**

g. During the audited year, the Management Board of the Parent Company comprised:

- Grzegorz Pinkosz                      President of the Management Board,
- Dariusz Hajek                              Vice-President of the Management Board,
- Tomasz Suchowierski                      Vice-President of the Management Board - until 30  
November 2011

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**I. General description of the Group (continued)**

h. As at 31 December 2011 the TOYA S.A. Group consisted of the following entities:

<b>Entity name</b>	<b>Type of capital affiliation (% of ownership)</b>	<b>Consolidation method</b>	<b>Entity auditing the financial statements</b>	<b>Type of opinion</b>	<b>Balance sheet date of the financial statements</b>
TOYA S.A.	Parent	Not applicable	PricewaterhouseCoopers Sp. z o.o.	unqualified	31 December 2011
Toya Romania S.A.	Subsidiary (99.9%)	Full	Not subject to audit	not applicable	31 December 2011
Toya Golf & Country Club Sp. z o.o. in liquidation	Subsidiary (100.0%)	Full	Not subject to audit	not applicable	31 December 2011
Yato China Trading Co., Ltd	Jointly controlled (51.0%)	Equity method	XIN HUI Audit Company	unqualified	31 December 2011

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**I. General description of the Group (continued)**

- i. On 6 April 2011, shares in Armada Development S.A. were transferred to Toya Development Sp. z o.o. S.K.A. - a company related by the key management of the Parent Company. As at 31 December 2010, shares in Armada Development S.A. were classified as the "Disposal group held for distribution".
- j. The Parent Company is an issuer of securities admitted to trading on the Warsaw Stock Exchange and pursuant to the requirements of the Accounting Act it prepares consolidated financial statements in accordance with International Financial Reporting Standards (IFRS) as adopted by the European Union.

The Group has been applying IFRS since 2010.



**TOYA S.A. Group**  
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**II. Information about the audit**

- a. The audit of the consolidated financial statements as at and for the year ended 31 December 2011 was conducted by PricewaterhouseCoopers Sp. z o.o. having its seat in Warsaw, Al. Armii Ludowej 14, registered audit company no. 144. The audit was conducted on behalf of the registered audit company under the supervision of the Group's key registered auditor Monika Grudzień-Wiśniewska (no. 10298).
- b. PricewaterhouseCoopers Sp. z o.o. was appointed registered auditor to the Group by Resolution No. 1/8/2011 of the Supervisory Board of the Parent Company dated 16 August 2011 in accordance with paragraph 17 clause 2 item a) of the Parent Company's Articles of Association.
- c. PricewaterhouseCoopers Sp. z o.o. and the key registered auditor conducting the audit are independent of the companies comprising the Group within the meaning of art. 56, clauses 2-4 of the Act on registered auditors and their council, entities entitled to provide an audit of the financial statements and public supervision of 7 May 2009 (Journal of Laws of 2009, No. 77, 649, as amended).
- d. The audit was performed on the basis of an agreement dated 16 May 2011 and conducted in the following periods:
  - interim audit from 29 November to 2 December 2011;
  - final audit from 22 March 2012 to 25 April 2012.

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### **III. The Group's results and financial position**

The consolidated financial statements do not take into account the effects of inflation. The consumer price index (on a December to December basis) amounted to 4.6% in the audited year (in 2010: 3.1%).

The following comments are based on information obtained during the audit of the consolidated financial statements.

During the audited period the events described below had a significant impact on the financial results and the asset and financial position of the Group:

- In the current year assets (a decrease by PLN 82,362 thousand) and liabilities (a decrease by PLN 42,876 thousand) of disposal group held for distribution were separated. This transaction has a material impact on the level and comparability of financial ratios.
- At the end of the financial year, the Group's total assets amounted to PLN 160,243 thousand. During the year total assets decreased by PLN 52,427 thousand, i.e. by 24.7%. The decrease in total assets is mainly a result of a decrease in liabilities related directly with fixed assets classified as held for distribution (by PLN 42,876 thousand) and liabilities under loans, borrowings and other debt instruments (by PLN 13,402 thousand).
- Liability ratios and the structure of Group's liabilities changed. The gearing ratio decreased from 62% at the end of the previous year to 47% at the end of the current year. The payables turnover ratio has decreased from 68 days to 56 days. The changes were mainly due to a partial repayment of loans and borrowings and a separation of liabilities related to the development activities in 2011.
- Total sales amounted to PLN 210,308 thousand, which constituted an 11.2% increase compared with the previous year. The Company's core activities in the current financial year consisted of sales of goods for resale. The growth was mainly due to an increase in sales volume during the year.
- The cost of goods and materials sold was the largest item of operating expenses and amounted to PLN 137,486 thousand in the audited year, which constituted 78% of operating expenses. The fact that the increase in the cost of goods and materials sold was slower than the increase in revenues from sales had a positive effect on profitability ratios. Gross profit margin increased by 1 percentage point and amounted to 16%. Net profit margin also increased by 1 percentage point and amounted to 12%.
- The Group's liquidity changed. The current ratio of 1.9 increased in comparison with 1.6 in the previous year. The quick ratio of 0.6 in the audited year decreased in comparison with 1.0 in the previous financial year.

The financial statements were prepared in accordance with the going concern principle.

**TOYA S.A. Group**  
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**IV. Discussion of selected components of the consolidated financial statements**

**CONSOLIDATED STATEMENT OF FINANCIAL POSITION as at 31 December 2011**

	Note	31.12.2011	31.12.2010	Change	Change	31.12.2011	31.12.2010
		PLN '000	PLN '000	PLN '000	(%)	Structure (%)	Structure (%)
<b>ASSETS</b>							
<b>Non-current assets</b>							
Tangible fixed assets		16,134	15,564	570	3.7	10.1	7.3
Intangible assets		637	355	282	79.4	0.4	0.2
Equity-accounted investments in jointly-controlled entities		1,868	1,596	272	17.0	1.2	0.8
Other long-term receivables		357	331	26	7.9	0.1	0.1
Deferred income tax assets		741	1,072	(331)	(30.9)	0.5	0.5
		<b>19,737</b>	<b>18,918</b>	<b>819</b>	<b>4.3</b>	<b>12.3</b>	<b>8.9</b>
<b>Current assets</b>							
Inventories	1	96,882	74,434	22,448	30.2	60.5	35.0
Trade receivables and other receivables		39,818	34,776	5,042	14.5	24.8	16.4
Income tax receivables		75	-	75	-	-	-
Cash and cash equivalents		3,731	2,180	1,551	71.1	2.4	1.0
Assets of disposal group classified as held for distribution	2	-	82,362	(82,362)	(100.0)	-	38.7
		<b>140,506</b>	<b>193,752</b>	<b>(53,246)</b>	<b>(27.5)</b>	<b>87.7</b>	<b>91.1</b>
<b>Total assets</b>		<b>160,243</b>	<b>212,670</b>	<b>(52,427)</b>	<b>(24.7)</b>	<b>100.0</b>	<b>100.0</b>

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**TOYA S.A. Group**  
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**IV. Discussion of selected items of the consolidated financial statements (continued)**

**CONSOLIDATED STATEMENT OF FINANCIAL POSITION as at 31 December 2011 (continued)**

	Note	31.12.2011	31.12.2010	Change	Change	31.12.2011	31.12.2010
		PLN '000	PLN '000	PLN '000	(%)	Structure (%)	Structure (%)
<b>EQUITY ATTRIBUTABLE</b>							
<b>TO SHAREHOLDERS OF THE PARENT COMPANY</b>							
	5, 6						
Share capital		7,484	6,557	927	14.1	4.7	3.1
Transaction costs related to public share issue		-	(398)	398	(100.0)	-	(0.2)
Share premium		22,907	-	22,907	-	14.3	-
Currency translation differences		295	(353)	648	<(100)	0.2	(0.2)
Other reserve capital		1,175	-	1,175	-	0.7	-
Retained earnings	3	53,748	75,102	(21,354)	(28.4)	33.5	35.3
		<b>85,609</b>	<b>80,908</b>	<b>4,701</b>	<b>5.8</b>	<b>53.4</b>	<b>38.0</b>
<b>LIABILITIES</b>							
<b>Long-term liabilities</b>							
Loans, borrowings and other debt instruments		-	11,394	(11,394)	(100.0)	-	5.4
Finance lease liabilities		154	-	154	-	0.1	-
Deferred income tax liabilities		-	135	(135)	(100.0)	-	0.1
Liabilities arising from employee benefits		107	109	(2)	(1.8)	0.1	-
		<b>261</b>	<b>11,638</b>	<b>(11,377)</b>	<b>(97.8)</b>	<b>0.2</b>	<b>5.5</b>
<b>Short-term liabilities</b>							
Trade payables and other payables		23,399	25,407	(2,008)	(7.9)	14.6	12.0
Liabilities arising from employee benefits		379	880	(501)	(56.9)	0.2	0.4
Loans, borrowings and other debt instruments		46,692	48,958	(2,266)	(4.6)	29.1	23.0
Finance lease liabilities		154	-	154	-	0.1	-
Current income tax liabilities		3,520	1,786	1,734	97.1	2.2	0.8
Provisions		229	217	12	5.5	0.1	0.1
Liabilities of disposal group classified as held for distribution	2	-	42,876	(42,876)	(100.0)	-	20.2
		<b>74,373</b>	<b>120,124</b>	<b>(45,751)</b>	<b>(38.1)</b>	<b>46.4</b>	<b>56.5</b>
<b>Total equity and liabilities</b>		<b>160,243</b>	<b>212,670</b>	<b>(52,427)</b>	<b>(24.7)</b>	<b>100.0</b>	<b>100.0</b>

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**TOYA S.A. Group**  
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**IV. Discussion of selected items of the consolidated financial statements (continued)**

**CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME**  
**as at and for the year ended 31 December 2011**

	Note	2011	2010	Change	Change	2011	2010
		PLN '000	PLN '000	PLN '000	(%)	% in revenues	% in revenues
						(%)	(%)
Revenues from sales		210,308	189,136	21,172	11.2	100.0	100.0
Cost of sales		(137,486)	(126,648)	(10,838)	8.6	(65.4)	(67.0)
<b>Profit before tax</b>		<b>72,822</b>	<b>62,488</b>	<b>10,334</b>	<b>16.5</b>	<b>34.6</b>	<b>33.0</b>
Selling costs		(27,463)	(25,104)	(2,359)	9.4	(13.1)	(13.3)
Administrative expenses		(11,261)	(9,343)	(1,918)	20.5	(5.4)	(4.9)
Other operating income		1,725	695	1,030	>100	0.8	0.3
Other operating expenses		(616)	(94)	(522)	>100	(0.3)	-
<b>Operating profit</b>		<b>35,207</b>	<b>28,642</b>	<b>6,565</b>	<b>22.9</b>	<b>16.7</b>	<b>15.1</b>
Financial income		90	27	63	>100	-	-
Financial costs		(3,994)	(3,389)	(605)	17.9	(1.9)	(1.8)
Share in profit/loss of jointly-controlled entities		(50)	238	(288)	<(100)	-	0.2
<b>Profit before tax</b>		<b>31,253</b>	<b>25,518</b>	<b>5,735</b>	<b>22.5</b>	<b>14.9</b>	<b>13.5</b>
Income tax expense		(6,123)	(4,220)	(1,903)	45.1	(2.9)	(2.2)
<b>Net profit from continuing operations</b>		<b>25,130</b>	<b>21,298</b>	<b>3,832</b>	<b>18.0</b>	<b>12.0</b>	<b>11.3</b>
Net profit (loss) on discontinued operations		497	(3,616)	4,113	(113.7)	0.2	(2.0)
<b>Net profit</b>	4	<b>25,627</b>	<b>17,682</b>	<b>7,945</b>	<b>44.9</b>	<b>12.2</b>	<b>9.3</b>
<b>Other net comprehensive income</b>		<b>648</b>	<b>(50)</b>	<b>698</b>	<b>&gt;100</b>	<b>0.3</b>	<b>-</b>
<b>Net comprehensive income for the financial</b>		<b>26,275</b>	<b>17,632</b>	<b>8,643</b>	<b>49.0</b>	<b>12.5</b>	<b>9.3</b>

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**TOYA S.A. Group**  
**Report on the audit of the consolidated financial statements**  
**as at and for the year ended 31 December 2011**

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**IV. Discussion of selected items of the consolidated financial statements (continued)**

year

**Presentation of financial ratios summarizing the Group's financial position and results**

The following ratios characterize the Group's activities, results of operations during the year and its financial position as at the balance sheet date compared with previous years:

	<b>2011</b>	<b>2010</b>	<b>2009</b>
Asset ratios			
- receivables turnover	54 days	53 days	55 days
- inventory turnover	224 days	234 days	306 days
Profitability ratios			
- net profit margin	12%	11%	(7%)
- gross margin	16%	15%	11%
- return on capital employed	30%	28%	18%
Liability ratios			
- gearing	47%	62%	60%
- payables turnover	56 days	68 days	91 days
	<b>31.12.2011</b>	<b>31.12.2010</b>	<b>31.12.2009</b>
Liquidity ratios			
- current ratio	1.9	1.6	2.0
- quick ratio	0.6	1.0	0.5

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**IV. Discussion of selected items of the consolidated financial statements  
(continued)**

**Consolidated statement of financial position as at  
31 December 2011**

**1. Inventories**

As at 31 December 2011 goods for resale constituted the largest item of inventories. They amounted to PLN 96,701 thousand and increased in comparison with the previous year by PLN 22,432 thousand, i.e. by 30.2%, mainly due to a regular development of the range of goods of the Group and the increased number of orders from customers.

As at the end of the financial period, the inventories were written down by PLN 2,360 thousand.

**2. Disposal group classified as held for distribution and liabilities directly related to the disposal group classified as held for distribution**

On 6 April 2011 a transaction of a separation of the development and golf activity was executed, therefore as of 31 December 2011 assets and liabilities related to this activity were not reported in the consolidated statement of financial position.

As of 31 December 2010 the value of those assets and liabilities was PLN 82,362 thousand and PLN 42,876 thousand respectively.

**3. Retained earnings**

Retained earnings decreased in comparison with the previous year by PLN 21,354 thousand to PLN 53,748 thousand. The above decrease is mainly a result of the distribution of the disposal group in the amount of PLN 39,521 thousand and the dividend paid in the amount of PLN 9,282 thousand.

**4. Reconciliation of net profit of consolidated companies with consolidated net profit of the Group**

	<b>2011 PLN '000</b>
(a) Net profit of the Parent Company	24,509
Total net profit or loss of (consolidated) subsidiaries	686
Net loss of joint ventures (recognised under the proportionate consolidation method)	(50)
<b>Total net profit (loss) in accordance with financial statements of consolidated companies</b>	<b>25,145</b>
(b) Total consolidation adjustments	482
<b>Net profit of the Group</b>	<b>25,627</b>

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IV. Discussion of selected items of the consolidated financial statements  
(continued)

5. Reconciliation of net assets of consolidated companies with consolidated  
net assets of the Group

	<b>31.12.2011</b> <b>PLN '000</b>
(a) Net assets of the Parent Company	83,555
Net assets of (consolidated) subsidiaries	<u>3,932</u>
<b>Total net assets</b>	<b>87.487</b>
(b) Elimination of share capitals of subsidiaries	(2.041)
(c) Other consolidation adjustments	<u>163</u>
<b>Consolidated net assets</b>	<b><u><u>85,609</u></u></b>



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**IV. Discussion of selected items of the financial statements (continued)**

**6. Equity**

	<b>31.12. 2010</b>	<b>Payment of dividend</b>	<b>Distributio n of disposal group</b>	<b>Withdrawal of general partner</b>	<b>Issue of shares</b>	<b>Costs related to share issue</b>	<b>Stock option plan</b>	<b>Net profit (loss) for the year</b>	<b>Currency translation differences</b>	<b>31.12. 2011</b>
	<b>PLN '000</b>	<b>PLN '000</b>	<b>PLN '000</b>	<b>PLN '000</b>	<b>PLN '000</b>	<b>PLN '000</b>	<b>PLN '000</b>	<b>PLN '000</b>	<b>PLN '000</b>	<b>PLN '000</b>
Share capital	6,557	-	-	-	927	-	-	-	-	7,484
Transaction costs related to public share issue	(398)	-	-	-	-	398	-	-	-	-
Share premium	-	-	-	-	25,010	(2,103)	-	-	-	22,907
Other comprehensive income	(353)	-	-	-	-	-	-	-	648	295
Other reserve capital	-	-	-	-	-	-	1,175	-	-	1,175
Retained earnings	<u>75,102</u>	<u>(9,282)</u>	<u>(39,521)</u>	<u>1,822</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>25,627</u>	<u>-</u>	<u>53,748</u>
<b>Total</b>	<b><u>80,908</u></b>	<b><u>(9,282)</u></b>	<b><u>(39,521)</u></b>	<b><u>1,822</u></b>	<b><u>25,937</u></b>	<b><u>(1,705)</u></b>	<b><u>1,175</u></b>	<b><u>25,627</u></b>	<b><u>648</u></b>	<b><u>85,609</u></b>

During the audited year the share capital was increased by PLN 926.3 thousand through the issue of 9,263,000 shares with the nominal value of PLN 0.10 and the issue price of PLN 2.8 each.

**TRANSLATION ONLY**

**TOYA S.A. Group**  
**Report on the audit of the consolidated financial statements**  
**as at and for the year ended 31 December 2011**

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**V. Statements of the independent registered auditor**

- a. The Management Board of the Parent Company provided all the information, explanations, and representations required by us in the course of the audit and provided us with a representation letter confirming the completeness of the information included in the consolidation documentation and the disclosure of all contingent liabilities and post-balance-sheet events which occurred up to the date on which that letter was signed.
- b. The scope of the audit was not limited.
- c. In all material respects the accounting principles (policy) of the Group and the principles of reporting data, specified by the Management Board of the Parent Company, were consistent with International Financial Reporting Standards as adopted by the European Union.
- d. In all material respects, the consolidation of capital and determination of minority interests were performed properly.
- e. Eliminations of mutual settlements (assets and liabilities) and internal turnover (revenues and costs) of consolidated entities were performed in all material respects in accordance with IFRS as adopted by the European Union.
- f. Eliminations of results unrealised by the consolidated entities, included in the asset value and in respect of dividends were performed in all material respects in accordance with IFRS as adopted by the European Union.
- g. The consolidation documentation was complete and correct, and the manner of its storage provides adequate protection.
- h. The Group's consolidated financial statements for the financial year from 1 January till 31 December 2010 were approved by the resolution no. 8 of the General Meeting of Shareholders of the Parent Company of 23 May 2011 and filed with the National Court Register in Wrocław on 2 June 2011 as well as published in Monitor Polski B no. 943 on 28 March 2012.
- i. The consolidated financial statements for the prior year were audited by PricewaterhouseCoopers Sp. z o.o. The registered auditor issued an unqualified opinion.
- j. Notes to the financial statements present all material information required by the IFRS as adopted by the European Union.
- k. The information in the Directors' Report for the Group for the year ended 31 December 2011 takes into account the provisions of the Decree of the Minister of Finance dated 19 February 2009 concerning the publication of current and periodic information by issuers of securities and the conditions of acceptance as equal information required by the law of other state, which is not a member state (Journal of Laws No. 33 item 259 as amended).

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**VI. Final information and comments**

This report was prepared in connection with the audit of the consolidated financial statements of the TOYA Spółka Akcyjna Group in which the parent company is TOYA Spółka Akcyjna with its registered office in Wrocław at ul. Sołtysowicka 13/15. The financial statements were signed by the Parent Company's Management Board on 25 April 2012.

The report should be read in conjunction with an unqualified opinion of the Independent Registered Auditor to the General Shareholders' Meeting and the Supervisory Board of TOYA Spółka Akcyjna of 25 April 2012 concerning the said consolidated financial statements. The opinion on the consolidated financial statements expresses a general conclusion drawn from the audit and involves assessing the materiality of individual audit findings rather than being a sum of all the evaluations of individual financial statement components. This assessment takes account of the impact of the facts noted on the truth and fairness of the consolidated financial statements as a whole.

Conducting the audit on behalf of PricewaterhouseCoopers Sp. z o.o., Registered Audit Company No. 144:

Monika Grudzień-Wiśniewska

Group's Registered Auditor, Key Registered Auditor  
No. 10298

Wrocław, 25 April 2012