

FAVRE LEUBA AG, ZUG

*Financial Statements for the Period from
January 13, 2012 to March 31, 2013 and
Report of the Statutory Auditor on the
Limited Statutory Examination*

Report of the Statutory Auditor on the Limited Statutory Examination

To the General Meeting of
FAVRE LEUBA AG, ZUG

As statutory auditor, we have examined the financial statements (balance sheet, income statement and notes) of Favre Leuba AG for the period from January 13, 2012 to March 31, 2013.

These financial statements are the responsibility of the Board of Directors. Our responsibility is to perform a limited statutory examination on these financial statements. We confirm that we meet the licensing and independence requirements as stipulated by Swiss law.

We conducted our examination in accordance with the Swiss Standard on the Limited Statutory Examination. This standard requires that we plan and perform a limited statutory examination to identify material misstatements in the financial statements. A limited statutory examination consists primarily of inquiries of company personnel and analytical procedures as well as detailed tests of company documents as considered necessary in the circumstances. However, the testing of operational processes and the internal control system, as well as inquiries and further testing procedures to detect fraud or other legal violations, are not within the scope of this examination.

Based on our limited statutory examination, nothing has come to our attention that causes us to believe that the financial statements do not comply with Swiss law and the Company's articles of incorporation.

Deloitte AG



Bernd Pietrus
Licensed Audit Expert
Auditor in Charge



Adrian Kaeppli
Licensed Audit Expert

Zurich, April 30, 2013
BPI/AKA/jst

Enclosures

- Financial statements (balance sheet, income statement and notes)

FAVRE LEUBA AG**BALANCE SHEET AT MARCH 31, 2013**

	<u>NOTES</u>	<u>SWISS FRANCS</u> <u>2013</u>
<u>ASSETS</u>		
CURRENT ASSETS		
Cash		47,893
Other receivables		<u>23,749</u>
Total current assets		<u>71,642</u>
NON-CURRENT ASSETS		
Intangible assets		1,817,931
Other non-current assets		<u>21,262</u>
Total non-current assets		<u>1,839,193</u>
TOTAL ASSETS		<u><u>1,910,835</u></u>
 <u>LIABILITIES AND SHAREHOLDERS' EQUITY</u>		
CURRENT LIABILITIES		
Accounts payable		36,477
Accrued liabilities		<u>10,000</u>
Total current liabilities		<u>46,477</u>
SHAREHOLDERS' EQUITY		
Share capital	5	912,570
Legal reserves		
Reserve from capital contributions	5	1,015,727
Accumulated loss		<u>(63,939)</u>
Total shareholders' equity		<u>1,864,358</u>
TOTAL LIABILITIES AND SHAREHOLDERS' EQUITY		<u><u>1,910,835</u></u>

See notes to the financial statements

FAVRE LEUBA AG

INCOME STATEMENT FOR THE PERIOD FROM JANUARY 13, 2012 TO MARCH 31, 2013

		<u>SWISS FRANCS</u> <u>2012/2013</u> (15 months)
REVENUE FROM SALES OF GOODS		319,471
COST OF GOODS SOLD		<u>(291,064)</u>
GROSS PROFIT		<u>28,407</u>
OPERATING EXPENSES		
General and administrative expenses	4	<u>(89,379)</u>
Total operating expenses		<u>(89,379)</u>
OPERATING LOSS		(60,972)
Financial charges		<u>(2,967)</u>
LOSS BEFORE TAXES		(63,939)
TAXES		<u>-</u>
LOSS FOR THE PERIOD		(63,939)
AVAILABLE EARNINGS, BEGINNING OF THE PERIOD		<u>-</u>
ACCUMULATED LOSS, END OF THE PERIOD		<u><u>(63,939)</u></u>

See notes to the financial statements

FAVRE LEUBA AG

NOTES TO THE FINANCIAL STATEMENTS FOR THE PERIOD ENDED MARCH 31, 2013

1. General

The Company was incorporated on January 13, 2012 with its domicile in Zug, Switzerland.

The principal activity of the Company is holding trademarks and brands plus trading watches.

The Company is a wholly owned subsidiary of Titan Industries Limited, India ("the parent company").

2. ACCOUNTING PRINCIPLES

The Company prepares the financial statements in line with Swiss law.

3. NUMBER OF EMPLOYEES

The Company has no employees.

4. SALARIES AND DEPRECIATION

	<u>SWISS FRANCS</u> <u>2012/2013</u>
Payroll	-
Depreciation	-

5. SHAREHOLDERS' EQUITY

The authorized share capital of the Company is CHF 912,570 divided into 91,257 equity shares of CHF 10 each.

The share capital was increased from CHF 100,000 to CHF 912,570 by offsetting a claim of Titan Industries Limited, the parent Company, in the amount of CHF 1,828, 297 against issuing 81,257 shares with the total par value of CHF 812,570 and contributing capital in the value of CHF 1,015,727 as per August 20, 2012.

The contributed surplus reserve was approved by the extraordinary shareholder's meeting as per August 20, 2012. However the confirmation from the federal tax authorities is pending.

6. RISK ASSESSMENT

The Company did not complete a risk assessment in the period ended March 31, 2013.