

LEATT CORPORATION
CONSOLIDATED FINANCIAL STATEMENTS
FOR THE THREE MONTHS ENDED MARCH 31, 2015 and 2014

LEATT CORPORATION
CONSOLIDATED BALANCE SHEETS
ASSETS

	March 31, 2015 Unaudited	December 31, 2014 Audited
Current Assets		
Cash and cash equivalents	\$ 893,165	\$ 724,707
Short-term investments	58,156	58,153
Accounts receivable	1,643,957	4,239,298
Inventory	4,119,980	3,403,854
Payments in advance	394,353	345,406
Income tax refunds receivable	299	25,299
Deferred tax asset	108,000	108,000
Prepaid expenses and other current assets	718,845	994,003
Total current assets	<u>7,936,755</u>	<u>9,898,720</u>
Property and equipment, net	925,202	995,537
Other Assets		
Other receivables	180,000	210,000
Deposits	17,798	17,980
Intangible assets	78,081	81,323
Total other assets	<u>275,879</u>	<u>309,303</u>
Total Assets	<u>\$ 9,137,836</u>	<u>\$ 11,203,560</u>
LIABILITIES AND STOCKHOLDERS' EQUITY		
Current Liabilities		
Accounts payable and accrued expenses	\$ 1,318,373	\$ 2,980,885
Income taxes payable	196,000	331,000
Short term loan, net of finance charges	349,003	626,129
Total current liabilities	<u>1,863,376</u>	<u>3,938,014</u>
Deferred tax liabilities	88,268	88,468
Commitments and contingencies		
Stockholders' Equity		
Preferred stock, \$.001 par value, 1,120,000 shares authorized, 120,000 shares issued and outstanding	3,000	3,000
Common stock, \$.001 par value, 28,000,000 shares authorized, 5,200,623 shares issued and outstanding	130,008	130,008
Additional paid - in capital	7,315,614	7,314,136
Accumulated other comprehensive loss	(424,900)	(378,431)
Retained earnings	162,470	108,365
Total stockholders' equity	<u>7,186,192</u>	<u>7,177,078</u>
Total Liabilities and Stockholders' Equity	<u>\$ 9,137,836</u>	<u>\$ 11,203,560</u>

LEATT CORPORATION
CONSOLIDATED STATEMENTS OF OPERATIONS AND COMPREHENSIVE INCOME (LOSS)
Three Months Ended
March 31

	2015	2014
	Unaudited	Unaudited
Revenues	\$ 4,021,455	\$ 3,523,475
Cost of Revenues	<u>1,844,195</u>	<u>1,627,774</u>
Gross Profit	<u>2,177,260</u>	<u>1,895,701</u>
Product Royalty Income	51,533	20,815
Operating Expenses		
Salaries and wages	606,178	527,046
Commissions and consulting expenses	185,908	166,017
Professional fees	214,773	334,056
Advertising and marketing	261,442	285,394
Office rent and expenses	60,508	60,118
Research and development costs	292,717	281,292
Bad debt expense	-	22,072
General and administrative expenses	425,216	504,954
Depreciation	92,803	77,519
Total operating expenses	<u>2,139,545</u>	<u>2,258,468</u>
Income (Loss) from Operations	<u>89,248</u>	<u>(341,952)</u>
Other Income		
Interest and other income, net	442	1,066
Total other income	<u>442</u>	<u>1,066</u>
Income (Loss) Before Income Taxes	<u>89,690</u>	<u>(340,886)</u>
Income Taxes	<u>35,585</u>	<u>-</u>
Net Income (Loss) Available to Common Shareholders	<u>\$ 54,105</u>	<u>\$ (340,886)</u>
Net Income (Loss) per Common Share		
Basic	<u>\$ 0.01</u>	<u>\$ (0.07)</u>
Diluted	<u>\$ 0.01</u>	<u>\$ (0.07)</u>
Weighted Average Number of Common Shares Outstanding		
Basic	<u>5,200,623</u>	<u>5,200,623</u>
Diluted	<u>5,467,160</u>	<u>5,200,623</u>
Comprehensive Income (Loss)		
Net Income (loss)	\$ 54,105	\$ (340,886)
Other comprehensive income (loss), net of \$0 and \$0 deferred income taxes in 2015 and 2014		
Foreign currency translation	<u>(46,469)</u>	<u>5,171</u>
Total Comprehensive Income (Loss)	<u>\$ 7,636</u>	<u>\$ (335,715)</u>