LEATT CORPORATION
CONSOLIDATED BALANCE SHEETS

ASSETS

	June 30, 2016 Unaudited	December 31, 2015 Audited
Current Assets		
Cash and cash equivalents	$ 1,000,759	$ 1,054,750
Short-term investments	58,184	58,172
Accounts receivable	2,078,095	2,901,699
Inventory	3,963,139	4,241,140
Payments in advance	606,536	208,030
Prepaid expenses and other current assets	707,660	1,070,774
Total current assets	8,414,373	9,534,565
Property and equipment, net	1,170,527	1,313,325
Deferred tax asset	115,000	115,000
Other Assets		
Other receivables	30,000	90,000
Deposits	16,713	16,493
Intangible assets	62,851	61,273
Total other assets	109,564	167,766
Total Assets	$ 9,809,464	$ 11,130,656

LIABILITIES AND STOCKHOLDERS' EQUITY

	June 30, 2016 Unaudited	December 31, 2015 Audited
Current Liabilities		
Accounts payable and accrued expenses	$ 1,505,751	$ 2,560,980
Income taxes payable	251,349	384,950
Short term loan, net of finance charges	271,625	658,639
Total current liabilities	2,028,725	3,604,569
Deferred tax liabilities	73,000	73,000
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, 5,270,592 and 5,231,823 shares issued and outstanding	130,053	130,040
Additional paid - in capital	7,467,978	7,346,782
Accumulated other comprehensive loss	(678,113)	(710,032)
Retained earnings	784,821	683,297
Total stockholders' equity	7,707,739	7,453,087
Total Liabilities and Stockholders' Equity	$ 9,809,464	$ 11,130,656

LEATT CORPORATION
CONSOLIDATED STATEMENTS OF OPERATIONS AND COMPREHENSIVE INCOME (LOSS)

	Three Months Ended June 30 2016 Unaudited	Three Months Ended June 30 2015 Unaudited	Six Months Ended June 30 2016 Unaudited	Six Months Ended June 30 2015 Unaudited
Revenues	$ 3,693,915	$ 5,193,056	$ 8,521,407	$ 9,214,511
Cost of Revenues	1,710,012	2,361,827	4,023,669	4,206,022
Gross Profit	1,983,903	2,831,229	4,497,738	5,008,489
Product Royalty Income	39,649	20,668	53,531	72,201
Operating Expenses				
Salaries and wages	523,912	542,467	1,205,214	1,148,645
Commissions and consulting expenses	133,921	151,468	299,992	337,376
Professional fees	70,659	246,392	252,318	461,165
Advertising and marketing	352,801	363,313	714,394	624,755
Office rent and expenses	62,962	62,543	127,152	123,051
Research and development costs	338,244	293,666	681,059	586,383
Bad debt expense (recovery)	(25,384)	19,461	(22,557)	19,461
General and administrative expenses	514,852	489,116	961,798	914,332
Depreciation	106,481	91,473	210,998	184,276
Total operating expenses	2,078,448	2,259,899	4,430,368	4,399,444
Income (Loss) from Operations	(54,896)	591,998	120,901	681,246
Other Income				
Interest and other income, net	70,750	7,539	68,809	7,981
Total other income	70,750	7,539	68,809	7,981
Income Before Income Taxes	15,854	599,537	189,710	689,227
Income Taxes	27,310	175,600	88,186	211,185
Net Income (Loss) Available to Common Shareholders	$ (11,456)	$ 423,937	$ 101,524	$ 478,042
Net Income (Loss) per Common Share				
Basic	$ -	$ 0.08	$ 0.02	$ 0.09
Diluted	$ -	$ 0.08	$ 0.02	$ 0.09
Weighted Average Number of Common Shares Outstanding				
Basic	5,270,592	5,201,663	5,251,932	5,201,143
Diluted	5,508,380	5,476,017	5,489,720	5,475,497
Comprehensive Income (Loss)				
Net Income (Loss)	$ (11,456)	$ 423,937	$ 101,524	$ 478,042
Other comprehensive income (loss), net of $0 and $0 deferred income taxes in 2016				

and 2015				
Foreign currency translation	8,870	(40,422)	31,919	(86,891)
Total Comprehensive Income (Loss)	$ (2,586)	$ 383,515	$ 133,443	$ 391,151