LEATT CORPORATION
CONSOLIDATED BALANCE SHEETS
DECEMBER 31, 2014 AND 2013

ASSETS

	2014	2013
Current Assets		
Cash and cash equivalents	$ 724,707	$ 835,012
Short-term investments	58,153	58,130
Accounts receivable	4,239,298	3,139,273
Inventory	3,403,854	3,259,274
Payments in advance	345,406	144,302
Income tax refunds receivable	25,299	299
Deferred tax asset	108,000	110,000
Prepaid expenses and other current assets	994,003	1,092,450
Total current assets	9,898,720	8,638,740
Property and equipment, net	995,537	891,728
Other Assets		
Other receivables	210,000	330,000
Deposits	17,980	19,469
Intangible assets	81,323	89,960
Total other assets	309,303	439,429
Total Assets	$ 11,203,560	$ 9,969,897

LIABILITIES AND STOCKHOLDERS' EQUITY

	2014	2013
Current Liabilities		
Accounts payable and accrued expenses	$ 2,980,885	$ 2,076,809
Income taxes payable	331,000	-
Short term loan, net of finance charges	626,129	833,735
Total current liabilities	3,938,014	2,910,544
Deferred tax liabilities	88,468	40,680
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	7,314,136	7,307,515
Accumulated other comprehensive loss	(378,431)	(111,864)
Retained earnings (accumulated deficit)	108,365	(309,986)
Total stockholders' equity	7,177,078	7,018,673
Total Liabilities and Stockholders' Equity	$ 11,203,560	$ 9,969,897

The accompanying notes are an integral part of these consolidated financial statements.

LEATT CORPORATION
CONSOLIDATED STATEMENTS OF OPERATIONS AND COMPREHENSIVE INCOME (LOSS)
FOR THE YEARS ENDED DECEMBER 31, 2014 AND 2013

	2014	2013
Revenues	$ 18,458,928	$ 14,891,667
Cost of Revenues	8,636,546	7,158,943
Gross Profit	9,822,382	7,732,724
Product Royalty Income	190,961	953,893
Operating Expenses		
Salaries and wages	2,302,115	2,134,815
Commissions and consulting expenses	581,601	545,846
Professional fees	1,117,887	1,228,514
Advertising and marketing	1,442,450	1,492,086
Office rent and expenses	244,510	256,407
Research and development costs	1,222,209	1,170,039
Bad debt expense (recovery)	75,285	(5,218)
General and administrative expenses	2,081,339	2,097,155
Depreciation	304,690	334,049
Total operating expenses	9,372,086	9,253,693
Income (loss) from Operations	641,257	(567,076)
Other Income		
Interest and other income, net	10,854	20,020
Total other income	10,854	20,020
Income (Loss) Before Income Taxes	652,111	(547,056)
Income Taxes	233,760	(171,880)
Net Income (Loss) Available to Common Shareholders	$ 418,351	$ (375,176)
Net Income (Loss) per Common Share		
Basic	$ 0.08	$ (0.07)
Diluted	$ 0.08	$ (0.07)
Weighted Average Number of Common Shares Outstanding		
Basic	5,200,623	5,200,623
Diluted	5,200,623	5,200,623
Comprehensive Income (Loss)		
Net Income (loss)	$ 418,351	$ (375,176)
Other comprehensive loss, net of $148,000 and $-0- deferred income taxes in 2014 and 2013		
Foreign currency translation	(266,567)	(276,099)
Total Comprehensive Income (Loss)	$ 151,784	$ (651,275)

The accompanying notes are an integral part of these consolidated financial statements.