LEATT CORPORATION
CONSOLIDATED BALANCE SHEETS
ASSETS

	September 30, 2014 Unaudited	December 31, 2013 Audited
Current Assets		
Cash and cash equivalents	$ 820,371	$ 835,012
Short-term investments	58,147	58,130
Accounts receivable	1,464,776	3,139,273
Inventory	3,123,104	3,259,274
Payments in advance	395,239	144,302
Income tax refunds receivable	25,299	299
Deferred tax asset	110,000	110,000
Prepaid expenses and other current assets	382,117	1,092,450
Total current assets	6,379,053	8,638,740
Property and equipment, net	834,482	891,728
Other Assets		
Other receivables	240,000	330,000
Deposits	16,893	19,469
Intangible assets	83,795	89,960
Total other assets	340,688	439,429
Total Assets	$ 7,554,223	$ 9,969,897

LIABILITIES AND STOCKHOLDERS' EQUITY

	September 30, 2014 Unaudited	December 31, 2013 Audited
Current Liabilities		
Accounts payable and accrued expenses	$ 1,183,727	$ 2,076,809
Short-term loan, net of finance charges	36,187	833,735
Total current liabilities	1,219,914	2,910,544
Deferred tax liabilities	40,300	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	7,309,942	7,307,515
Accumulated other comprehensive loss	(205,044)	(111,864)
Accumulated deficit	(943,897)	(309,986)
Total stockholders' equity	6,294,009	7,018,673
Total Liabilities and Stockholders' Equity	$ 7,554,223	$ 9,969,897

LEATT CORPORATION
CONSOLIDATED STATEMENTS OF OPERATIONS AND COMPREHENSIVE LOSS

	Three Months Ended September 30, 2014 Unaudited	Three Months Ended September 30, 2013 Unaudited	Nine Months Ended September 30, 2014 Unaudited	Nine Months Ended September 30, 2013 Unaudited
Revenues	$ 3,468,761	$ 2,243,598	$ 11,159,630	$ 9,108,243
Cost of Revenues	1,584,460	1,071,522	5,070,624	4,555,276
Gross Profit	1,884,301	1,172,076	6,089,006	4,552,967
Product Royalty Income	65,083	105,328	136,346	285,014
Operating Expenses				
Salaries and wages	547,955	508,641	1,651,178	1,640,282
Commissions and consulting expenses	134,692	142,866	441,943	426,035
Professional fees	209,168	197,672	823,690	1,013,783
Advertising and marketing	320,449	339,578	995,502	1,069,903
Office rent and expenses	61,807	62,528	183,792	195,342
Research and development costs	288,904	274,218	903,231	839,823
Bad debt expense	16,357	-	38,652	-
General and administrative expenses	565,004	518,537	1,611,242	1,619,221
Depreciation	67,075	60,585	214,583	252,040
Total operating expenses	2,211,411	2,104,625	6,863,813	7,056,429
Loss from Operations	(262,027)	(827,221)	(638,461)	(2,218,448)
Other Income (Expense)				
Interest and other income (expense), net	(914)	4,505	4,680	5,647
Total other income (expense)	(914)	4,505	4,680	5,647
Loss Before Income Taxes	(262,941)	(822,716)	(633,781)	(2,212,801)
Income Taxes	250	(253,785)	130	(252,865)
Net Loss Available to Common Shareholders	$ (263,191)	$ (568,931)	$ (633,911)	$ (1,959,936)
Net Loss per Common Share				
Basic	$ (0.05)	$ (0.11)	$ (0.12)	$ (0.38)
Diluted	$ (0.05)	$ (0.11)	$ (0.12)	$ (0.38)
Weighted Average Number of Common Shares Outstanding				
Basic	5,200,623	5,200,623	5,200,623	5,200,623
Diluted	5,200,623	5,200,623	5,200,623	5,200,623
Comprehensive Loss				
Net Loss	$ (263,191)	$ (568,931)	$ (633,911)	$ (1,959,936)
Other comprehensive loss, net of $-0- deferred income taxes in 2014 and 2013				
Foreign currency translation	(102,235)	(7,271)	(93,180)	(223,805)
Total Comprehensive Loss	$ (365,426)	$ (576,202)	$ (727,091)	$ (2,183,741)