



**LEATT CORPORATION  
CONSOLIDATED BALANCE SHEETS**

**ASSETS**

	<b>June 30, 2015</b>	<b>December 31, 2014</b>
	<b>Unaudited</b>	<b>Audited</b>
<b>Current Assets</b>		
Cash and cash equivalents	\$ 1,218,963	\$ 724,707
Short-term investments	58,161	58,153
Accounts receivable	2,192,500	4,239,298
Inventory	3,448,808	3,403,854
Payments in advance	450,554	345,406
Income tax refunds receivable	299	25,299
Deferred tax asset	108,000	108,000
Prepaid expenses and other current assets	769,100	994,003
Total current assets	8,246,385	9,898,720
Property and equipment, net	855,855	995,537
<b>Other Assets</b>		
Other receivables	150,000	210,000
Deposits	17,693	17,980
Intangible assets	76,848	81,323
Total other assets	244,541	309,303
Total Assets	\$ 9,346,781	\$ 11,203,560

**LIABILITIES AND STOCKHOLDERS' EQUITY**

<b>Current Liabilities</b>		
Accounts payable and accrued expenses	\$ 1,077,310	\$ 2,980,885
Income taxes payable	320,000	331,000
Short term loan, net of finance charges	260,372	626,129
Total current liabilities	1,657,682	3,938,014
Deferred tax liabilities	88,192	88,468
Commitments and contingencies		
<b>Stockholders' Equity</b>		
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, 5,231,823 and 5,200,623 shares issued and outstanding as of June 30, 2015 and December 31, 2014	130,040	130,008
Additional paid - in capital	7,346,782	7,314,136
Accumulated other comprehensive loss	(465,322)	(378,431)
Retained earnings	586,407	108,365
Total stockholders' equity	7,600,907	7,177,078
Total Liabilities and Stockholders' Equity	\$ 9,346,781	\$ 11,203,560



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

	Three Months Ended June 30		Six Months Ended June 30	
	2015 Unaudited	2014 Unaudited	2015 Unaudited	2014 Unaudited
Revenues	\$5,193,056	\$4,167,394	\$9,214,511	\$ 7,690,869
Cost of Revenues	<u>2,361,827</u>	<u>1,858,390</u>	<u>4,206,022</u>	<u>3,486,164</u>
Gross Profit	<u>2,831,229</u>	<u>2,309,004</u>	<u>5,008,489</u>	<u>4,204,705</u>
Product Royalty Income	20,668	50,448	72,201	71,263
Operating Expenses				
Salaries and wages	542,467	576,177	1,148,645	1,103,223
Commissions and consulting expenses	151,468	141,234	337,376	307,251
Professional fees	246,392	280,466	461,165	614,522
Advertising and marketing	363,313	389,659	624,755	675,053
Office rent and expenses	62,543	61,867	123,051	121,985
Research and development costs	293,666	333,035	586,383	614,327
Bad debt expense	19,461	223	19,461	22,295
General and administrative expenses	489,116	541,284	914,332	1,046,238
Depreciation	91,473	69,989	184,276	147,508
Total operating expenses	<u>2,259,899</u>	<u>2,393,934</u>	<u>4,399,444</u>	<u>4,652,402</u>
Income (Loss) from Operations	<u>591,998</u>	<u>(34,482)</u>	<u>681,246</u>	<u>(376,434)</u>
Other Income				
Interest and other income, net	7,539	4,528	7,981	5,594
Total other income	<u>7,539</u>	<u>4,528</u>	<u>7,981</u>	<u>5,594</u>
Income (Loss) Before Income Taxes	599,537	(29,954)	689,227	(370,840)
Income Taxes	175,600	(120)	211,185	(120)
Net Income (Loss) Available to Common Shareholders	<u>\$ 423,937</u>	<u>\$ (29,834)</u>	<u>\$ 478,042</u>	<u>\$ (370,720)</u>
Net Income (Loss) per Common Share				
Basic	<u>\$ 0.08</u>	<u>\$ (0.01)</u>	<u>\$ 0.09</u>	<u>\$ (0.07)</u>
Diluted	<u>\$ 0.08</u>	<u>\$ (0.01)</u>	<u>\$ 0.09</u>	<u>\$ (0.07)</u>
Weighted Average Number of Common Shares Outstanding				
Basic	<u>5,201,663</u>	<u>5,200,623</u>	<u>5,201,143</u>	<u>5,200,623</u>
Diluted	<u>5,476,017</u>	<u>5,200,623</u>	<u>5,475,497</u>	<u>5,200,623</u>
Comprehensive Income (Loss)				
Net Income (Loss)	\$ 423,937	\$ (29,834)	\$ 478,042	\$ (370,720)
Other comprehensive income (loss), net of \$0 and \$0 deferred income taxes in 2015 and 2014				
Foreign currency translation	<u>(40,422)</u>	<u>3,884</u>	<u>(86,891)</u>	<u>9,055</u>
Total Comprehensive Income (Loss)	<u>\$ 383,515</u>	<u>\$ (25,950)</u>	<u>\$ 391,151</u>	<u>\$ (361,665)</u>