LEATT CORPORATION
CONSOLIDATED STATEMENTS OF OPERATIONS AND COMPREHENSIVE INCOME (LOSS)
FOR THE YEARS ENDED DECEMBER 31, 2013 AND 2012

	2013	2012
Revenues	$ 14,891,667	$ 16,577,350
Cost of Revenues	7,158,943	7,668,054
Gross Profit	7,732,724	8,909,296
Product Royalty Income	953 893	262 566
Operating Expenses		
Salaries and wages	2,134,815	2,261,349
Commissions and consulting expenses	545,846	512,690
Professional fees	1 228 514	1 145 227
Advertising and marketing	1,492,086	1,528,949
Office rent and expenses	256,407	264,264
Research and development costs	1,170,039	1,107,042
Bad debt expense (recovery)	(5 218)	(257 223)
General and administrative expenses	2,097,155	2,123,270
Depreciation	334,049	420,770
Total operating expenses	9,253,693	9,106,338
Income (loss) from Operations	(567 076)	65,524
Other Income		
Interest and other income, net	20,020	60,817
Total other income	20,020	60,817
Income (Loss) Before Income Taxes	(547 056)	126,341
Income Taxes	(171 880)	47,698
Net Income (Loss) Available to Common Shareholders	$ (375 176)	$ 78,643
Net Income (Loss) per Common Share		
Basic	$ (0.07)	$ 0.015
Diluted	$ (0.07)	$ 0.015
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)	$ (375 176)	$ 78,643
Other comprehensive income (loss), net of $-0- deferred income taxes in 2013 and 2012		
Foreign currency translation	(276,099)	(35,383)
Total Comprehensive Income (Loss)	$ (651 275)	$ 43,260

LEATT CORPORATION
CONSOLIDATED BALANCE SHEETS
DECEMBER 31, 2013 AND 2012

ASSETS

	2013	2012
Current Assets		
Cash and cash equivalents	$ 835 012	$ 667 671
Short-term investments	58 130	311,263
Accounts receivable	3 139 273	3,532,811
Inventory	3 259 274	3,770,932
Payments in advance	144 302	168,710
Income tax refunds receivable	299	-
Deferred tax asset	110 000	47,000
Prepaid expenses and other current assets	1 092 450	874,113
Total current assets	8 638 740	9,372,500
Property and equipment, net	891 728	1,127,707
Other Assets		
Other receivables	330 000	-
Deposits	19,469	44,495
Intangible assets	89,960	111,358
Total other assets	439,429	155,853
Total Assets	$ 9,969,897	$ 10,656,060

LIABILITIES AND STOCKHOLDERS' EQUITY

	2013	2012
Current Liabilities		
Accounts payable and accrued expenses	$ 2,076,809	$ 2,000,554
Income taxes payable	-	115,000
Short term loan, net of finance charges	833,735	837,721
Total current liabilities	2,910,544	2,953,275
Deferred tax liabilities	40,680	38,000
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, 5,200,623 shares issued and outstanding	130,008	130,008
Additional paid - in capital	7,307,515	7,302,352
Accumulated other comprehensive income (loss)	(111 864)	164,235
Retained earnings (accumulated deficit)	(309,986)	65 190
Total stockholders' equity	7,018,673	7,664,785
Total Liabilities and Stockholders' Equity	$ 9,969,897	$ 10,656,060