LEATT CORPORATION
CONSOLIDATED BALANCE SHEETS

ASSETS

	March 31 2014 Unaudited	December 31 2013 Audited
Current Assets		
Cash and cash equivalents	$ 699,574	$ 835,012
Short-term investments	58,136	58,130
Accounts receivable	2,194,855	3,139,273
Inventory	3,622,337	3,259,274
Payments in advance	245,210	144,302
Income tax refunds receivable	299	299
Deferred tax asset	110,000	110,000
Prepaid expenses and other current assets	842,995	1,092,450
Total current assets	7,773,406	8,638,740
Property and equipment, net	897,897	891,728
Other Assets		
Other receivables	300,000	330,000
Deposits	19,423	19,469
Intangible assets	89,270	89,960
Total other assets	408,693	439,429
Total Assets	$ 9,079,996	$ 9,969,897

LIABILITIES AND STOCKHOLDERS' EQUITY

	March 31 2014 Unaudited	December 31 2013 Audited
Current Liabilities		
Accounts payable and accrued expenses	$ 1,802,505	$ 2,076,809
Short-term loan, net of finance charges	551,468	833,735
Total current liabilities	2,353,973	2,910,544
Deferred tax liabilities	40,638	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	(106,693)	(111,864)
Accumulated deficit	(650,872)	(309,986)
Total stockholders' equity	6,685,385	7,018,673
Total Liabilities and Stockholders' Equity	$ 9,079,996	$ 9,969,897

See accompanying notes to consolidated financial statements.

LEATT CORPORATION
CONSOLIDATED STATEMENTS OF OPERATIONS AND COMPREHENSIVE LOSS

	Three Months Ended March 31	
	2014 Unaudited	2013 Unaudited
Revenues	$ 3,523,475	$ 3,248,047
Cost of Revenues	1,627,774	1,653,034
Gross Profit	1,895,701	1,595,013
Product Royalty Income	20,815	37,462
Operating Expenses		
Salaries and wages	527,046	579,140
Commissions and consulting expenses	166,017	123,173
Professional fees	334,056	364,595
Advertising and marketing	285,394	326,637
Office rent and expenses	60,118	73,403
Research and development costs	281,292	288,858
Bad debt expense	22,072	-
General and administrative expenses	504,954	541,173
Depreciation	77,519	94,026
Total operating expenses	2,258,468	2,391,005
Loss from Operations	(341,952)	(758,530)
Other Income		
Interest and other income, net	1,066	3,789
Total other income	1,066	3,789
Net Loss Available to Common Shareholders	$ (340,886)	$ (754,741)
Net Loss per Common Share		
Basic	$ (0.07)	$ (0.14)
Diluted	$ (0.07)	$ (0.14)
Weighted Average Number of Common Shares Outstanding		
Basic	5,200,623	5,200,623
Diluted	5,200,623	5,200,623
Comprehensive Loss		
Net Loss	$ (340,886)	$ (754,741)
Other comprehensive loss, net of $-0- deferred income taxes in 2014 and 2013		
Foreign currency translation	5,171	(115,425)
Total Comprehensive Loss	$ (335,715)	$ (870,166)

See accompanying notes to consolidated financial statements.