LEATT CORPORATION
CONSOLIDATED BALANCE SHEETS

	June 30 2014 Unaudited	December 31 2013 Audited
ASSETS		
Current Assets		
Cash and cash equivalents	$ 640,184	$ 835,012
Short-term investments	58,142	58,130
Accounts receivable	2,272,757	3,139,273
Inventory	3,458,175	3,259,274
Payments in advance	479,454	144,302
Income tax refunds receivable	299	299
Deferred tax asset	110,000	110,000
Prepaid expenses and other current assets	611,004	1,092,450
Total current assets	7,630,015	8,638,740
Property and equipment, net	844,039	891,728
Other Assets		
Other receivables	270,000	330,000
Deposits	17,264	19,469
Intangible assets	89,189	89,960
Total other assets	376,453	439,429
Total Assets	$ 8,850,507	$ 9,969,897
LIABILITIES AND STOCKHOLDERS' EQUITY		
Current Liabilities		
Accounts payable and accrued expenses	$ 1,824,556	$ 2,076,809
Short-term loan, net of finance charges	325,883	833,735
Total current liabilities	2,150,439	2,910,544
Deferred tax liabilities	40,633	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	(102,809)	(111,864)
Accumulated deficit	(680,706)	(309,986)
Total stockholders' equity	6,659,435	7,018,673
Total Liabilities and Stockholders' Equity	$ 8,850,507	$ 9,969,897

See accompanying notes to consolidated financial statements

LEATT CORPORATION
CONSOLIDATED STATEMENTS OF OPERATIONS AND COMPREHENSIVE LOSS

	Three Months Ended June 30		Six Months Ended June 30	
	2014 Unaudited	2013 Unaudited	2014 Unaudited	2013 Unaudited
Revenues	$ 4,167,394	$ 3,616,598	$ 7,690,869	$ 6,864,645
Cost of Revenues	1,858,390	1,830,720	3,486,164	3,483,754
Gross Profit	2,309,004	1,785,878	4,204,705	3,380,891
Product Royalty Income	50,448	142,224	71,263	179,686
Operating Expenses				
Salaries and wages	576,177	552,501	1,103,223	1,131,641
Commissions and consulting expenses	141,234	159,996	307,251	283,169
Professional fees	280,466	451,516	614,522	816,111
Advertising and marketing	389,659	403,688	675,053	730,325
Office rent and expenses	61,867	59,411	121,985	132,814
Research and development costs	333,035	276,747	614,327	565,605
Bad debt expense	223	-	22,295	-
General and administrative expenses	541,284	559,511	1,046,238	1,100,684
Depreciation	69,989	97,429	147,508	191,455
Total operating expenses	2,393,934	2,560,799	4,652,402	4,951,804
Loss from Operations	(34,482)	(632,697)	(376,434)	(1,391,227)
Other Income (Expense)				
Interest and other income (expense), net	4,528	(2,647)	5,594	1,142
Total other income (expense)	4,528	(2,647)	5,594	1,142
Loss Before Income Taxes	(29,954)	(635,344)	(370,840)	(1,390,085)
Income Taxes	(120)	920	(120)	920
Net Loss Available to Common Shareholders	$ (29,834)	$ (636,264)	$ (370,720)	$ (1,391,005)
Net Loss per Common Share				
Basic	$ (0.01)	$ (0.12)	$ (0.07)	$ (0.27)
Diluted	$ (0.01)	$ (0.12)	$ (0.07)	$ (0.27)
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	$ (29,834)	$ (636,264)	$ (370,720)	$ (1,391,005)
Other comprehensive loss, net of $-0- deferred income taxes in 2014 and 2013				
Foreign currency translation	3,884	(101,109)	9,055	(216,534)
Total Comprehensive Loss	$ (25,950)	$ (737,373)	$ (361,665)	$ (1,607,539)

See accompanying notes to consolidated financial statements