

February 10, 2009

Dear Shareholders:

This is the first letter in what we expect to be an ongoing, semi-annual update to shareholders about Leatt Corporation.

**FY2007/FY2006 Financial Results:** FY2007 and FY 2006 financial results are posted on our Web Site at <http://www.leatt-corp.com>. Below is a summary of these results. In FY2007, our first year of full operations, we produced net income of \$1,946,330 on operating income of \$6,667,760 and gross revenues of \$18,317,382. Our operating profit margin in FY2007 was 37%. Since these results represent our first operational year and are based on two variations of the same product, we are very pleased with the outcome. With an expanded product line and increased marketing efforts last year, we expect our FY2008 results to reflect further progress in growing the company, despite the economic upset of the past several months. We are also introducing SAP Business One as our accounting and database tool and are enhancing our accounting and financial capabilities in general.

**FY2008 Financial Results:** We are pleased to announce the appointment of Fitzgerald & Co., CPAs, P.C. as our auditor for FY2008. Fitzgerald & Co. CPAs, P.C. is a regional CPA firm located in Tysons Corner, Virginia. The firm is a member of the CPA Associates International, Inc (CPAAI) which consists of over 150 member firms located throughout the United States and around the world. The firm has been in existence for over twenty years and provides accounting, tax and consulting services to clients in a wide range of industries.

**Market for Common Stock:** We are proceeding with efforts to quote our common stock on the Pink Sheets, LLC, in order to enhance the ability of our shareholders to trade the common stock. The Company is aware of its shareholders' desire for a more dynamic public market for the Company's common stock. We are endeavoring to address this issue and will have a public announcement when events warrant and allow a public disclosure.

**Issuance of Preferred Stock:** On October 28, 2008, the Company restated its articles of incorporation in order to include all provisions typically seen in articles of incorporation and to correct an error in the description of the preferred stock that prevented the issuance of serial preferred stock to Dr. Chris Leatt, our CEO and Chairman, and J. P. de Villiers, a former director of the Company (the "Founders") under the 2005 agreement that transferred marketing-sales and related licensing rights for the Leatt-Brace® to Leatt Corp. The preferred stock owed to the Founders under the 2005 agreement was issued on November 11, 2008, after conducting an independent valuation at the suggestion of our Auditors JH Cohn, when a settlement agreement relating to the 2005 agreement was signed. The settlement agreement affirms the basic terms of that 2005 agreement as well as waives any claims by the Founders for the delay in issuing the preferred stock.

**Product Developments:** A strong brand is the basis of Leatt Corp's ability to drive sales growth of the Leatt-Brace® in any scenario, regardless of the action of competitors and competitor products. More importantly, a strong brand ensures market acceptance and facilitates market penetration of new Leatt products. In order to bolster and grow the Leatt brand, stringent quality control and assurance are of the highest priority and ongoing marketing, advertising and public relations efforts continue to stress the quality, safety and innovativeness of Leatt products. With a strong brand, excellent brand awareness in the target markets, and passionate and dedicated brand ambassadors in the distribution channel; we believe that Leatt is ideally positioned to leverage this goodwill for strong corporate growth.

We are improving our existing products as well as developing new products for new markets. We have recently announced the Leatt Adventure™ Brace – which was just named – “Editor’s Choice, The Best New Products of 2009” in *Transworld Motocross, Special Annual Issue, 2009 Buyer’s Guide*. Due to the unprecedented success of the Leatt-Brace® Moto GPX Club and Sport model neck protection devices in competitive motocross and off road racing, we were determined to introduce a more affordable neck protection device for the greater motorcycle markets hence the introduction of the ADventure™ Brace. The Leatt ADventure™ Brace uses the same design integrity and biomechanical function of the Moto GPX Braces with less adjustment relating to forward and rearward movement of the helmet. This new product is now available for purchase. Please see our product web site at: <http://www.leatt-brace.com/>.

**New Hires:** It is our pleasure to announce the appointment of Andreas Geisinger as Head of Marketing, Product Management and Sales for Leatt Corporation. Andreas joined us at our offices in Cape Town, South Africa on the 1<sup>st</sup> of October 2008. Andreas was previously employed by BMW Motorrad, Munich, Germany, where he gained in-depth experience in Marketing and Product Management. We met him while working with BMW in Germany where he got very involved with the development and testing of the Leatt brace and subsequent marketing of the BMW Leatt-Brace®.

We are very excited about this appointment and are sure that you will join us in welcoming Andreas to the Leatt team.

**Litigation Updates:** We have spent considerable time and resources to produce an innovative neck brace technology that has been proven in the field. The Company has patent coverage and other registered IP rights around the globe. We have previously announced that we would aggressively litigate to protect our patents and intellectual property rights. Earlier this year we settled an infringement matter in the United Kingdom; we cannot divulge details of the settlement since it is subject to a confidentially agreement, however the competitor (FRO Systems) was prevented from entering the market place (See the press release at: <http://www.leatt-corp.com/>).

We have engaged Connelly Bove Lodge & Hutz LLP as our IP law firm to assist in our ongoing efforts to protect our valuable IP in the USA.

The Company has recently withdrawn its patent infringement suit against Alpinestars S.P.A. and Alpinestars USA Inc. (“Alpinestars”), even though we believe we have a strong case. The Company believes that it should focus its efforts on promoting the Leatt-Brace® Neck Brace System in the United States, rather than on litigating this infringement claim. The Company withdrew its suit without prejudice, thus preserving its future right to refile the case against Alpinestars, and as a result of the companies accretion that the Alpinestars product would not enjoy commercial success (See the press release at: <http://www.leatt-corp.com/>).

Before consumers consider competing products, they should consider the actual testing and track record of the neck brace in question. We are confident that such a comparison will result in the purchase of the Leatt-Brace®.

On December 11, 2008, a South African court granted the Company’s motion for restraining order against two former Company employees, which order temporarily restrains the former employees from commercial exploitation of Leatt-Brace® Moto-R Prototype 2 and disclosure of related proprietary information. The Company is pursuing a permanent injunction against the two former employees as well as other relief. The Company alleges that the two former employees are seeking to sell a neck brace based on the Leatt-Brace® Moto-R Prototype 2 neck brace through a California company and in violation of the Company’s proprietary rights.

Recently the Company was named as one of twelve defendants in a California state court lawsuit. The claim is for alleged product defects and breach of product warranties. The Company believes the claims are without merit and will vigorously defend against this action.

The Company announced that Leatt and Pro Tork, a Brazilian manufacturer of racing equipment, have reached a settlement of their dispute over the alleged infringement by Pro Tork of Leatt’s intellectual property rights in Brazil. Leatt had brought action against Pro Tork for the alleged infringement by Pro Tork’s Neck Brace Pro product of Leatt’s rights in the Leatt-Brace® Moto GPX. Under the terms of settlement, Pro Tork has ceased all international sale and distribution of its Neck Brace Pro product and will pay an undisclosed sum to Leatt. (The Company’s press release regarding the settlement is available at: <http://www.leatt-corp.com/>).

**Shareholders’ Meeting:** We intend to hold an annual shareholders meeting in the second or third fiscal quarter of 2009. Shareholders of record will receive a notice and agenda for the meeting under separate cover. A management presentation will be made after the annual shareholders meeting as well as posted on our Web Site.

The outline of these events is meant to inform you of developments within Leatt as well as to position Leatt properly as we prepare to meet the challenges of expanding

into an ever-growing market for the Company's unique quality products for the Motorsports industry.

This letter addresses anticipated future product developments and business and financial performance. Actual results may differ from the above expectations. This letter may contain certain "forward-looking statements" relating to the business of the Company. All statements, other than statements of historical fact included in this letter are "forward-looking statements," including statements regarding: the general ability of the Company to achieve its commercial objectives; the business strategy, plans and objectives of the Company; and any other statements of non-historical information. These forward-looking statements are often identified by the use of forward-looking terminology such as "believes," "expects" or similar expressions, involve known and unknown risks and uncertainties. Although the Company believes that the expectations reflected in these forward-looking statements are reasonable, they do involve assumptions, risks and uncertainties, and these expectations may prove to be incorrect. Investors should not place undue reliance on these forward-looking statements, which speak only as of the date of this letter. Investors should read this letter and the documents available on the Company's website (<http://www.leatt-corp.com>) completely and with the understanding that the Company's actual future results may be materially different from what it expects. All forward-looking statements attributable to the Company or persons acting on its behalf are expressly qualified in their entirety by the foregoing. Other than as required under the securities laws, the Company does not assume a duty to update these forward-looking statements.

Sincerely,

Dr. Chris Leatt, CEO and Chairman

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