

**Dyna Group International, Inc and Subsidiaries**  
**Consolidated Balance Sheet**  
**March 31, 2011 and December 31, 2010**

<b>ASSETS</b>	(unaudited) <b>March 31, 2011</b>	(unaudited) <b>2010</b>
<b>Current Assets</b>		
Cash	\$ 63,395	\$ 91,815
Marketable securities	1,111,871	1,234,700
Accounts Receivable, net allowance of \$87,835 and \$63,988	1,708,161	1,792,298
Receivable from equity-method foreign investee	812,208	790,120
Inventory	3,028,046	2,707,345
Prepaid expenses	68,062	226,072
Federal income tax receivable	-	-
Deffered Income tax	-	-
Other	-	-
Total Current Assets	6,791,743	6,842,350
Property and equipment, net of accumulated depreciation of \$3,552,232 and \$3,469,582	780,151	781,035
Investment in equity -method foreign investee	324,780	324,780
Investment in Real Estate	388,173	388,173
Cash surrender value of life insurance	242,562	242,562
Other assets	36,824	29,468
TOTAL ASSETS	\$ 8,564,233	\$ 8,608,368
 <b>LIABILITIES AND STOCKHOLDERS' EQUITY</b>		
<b>Current Liabilities</b>		
Bank revolving line of credit	\$ 32,000	\$ -
Account payable	258,864	247,812
Note payable	21,160	23,515
Payable to foreign investee	-	-
Accrued expenses	271,998	493,276
Federal income tax payable	102,562	50,509
Total Current Liabilities	686,584	815,112
Deferred Income tax	-	-
Total Liabilities	686,584	815,112
<b>Commitments and Contingencies</b>		
<b>Stockholders' Equity</b>		
Common stock, \$.001 par value, 100,000,000 shares authorized		
shares issued and outstanding	5,931	7,427
Paid in Capital	968,182	968,182
Retained earnings	6,903,536	6,817,647
Total Stockholders' Equity	7,877,649	7,793,256
TOTAL LIABILITIES AND STOCKHOLDER'S EQUITY	\$ 8,564,233	\$ 8,608,368
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**Dyna Group International, Inc and Subsidiaries**  
**Consolidated Statements of Income**  
**Years Ended March 31, 2010 and 2011**

	(unaudited) <b>2011</b>	(audited) <b>2010</b>
Revenue	\$ 3,166,592	\$ 2,768,695
Cost of Sales	2,035,547	1,714,316
Selling	404,310	377,639
Royalties	276,278	233,372
General & Administrative	313,420	306,582
Total operating expenses	<u>3,029,555</u>	<u>2,631,909</u>
Operating income (loss)	137,037	136,786
Other income (expense):		
Interest expense	(295)	(750)
Equity in net income of unconsolidated affiliate - joint venture	-	-
Income (loss) before income taxes	<u>136,742</u>	<u>136,036</u>
Income tax benefit (expense)	(52,053)	(71,664)
Net Income (loss)	<u>84,689</u>	<u>64,372</u>
Other comprehensive income (loss)		
Unrealized income (loss) on marketable securities	<u>1,198</u>	<u>44,676</u>
Net and other comprehensive income (loss)	\$ 85,887	\$ 109,048
Basic and diluted earnings per share	\$ 0.01	\$ 0.01
Weighted average shares outstanding	7,453,558	7,453,558