

November 20, 2011

Dear Shareholder:

Dyna Group International, Inc. (DGIX.PK) reports that third quarter ended with revenues down \$911,050. However, due to increased efficiency and cost vigilance operating income was up \$84,060. Net income was up \$58,435.

The decrease in revenues reflects and overall sales decrease caused by many factors, but the large majority of the loss is due to a few accounts that were either sales to distributors for large retail programs or sales direct to retailers. Several of these retailers simply did not run the same holiday program or any program for hard goods. Retail gift items runs in cycles just like fashion and we were caught in down cycles with several large retailers at the same time. The relationships with all of the accounts are long and strong. Our reputation and performance are well respected. We believe these retailers will run programs again and presentations have been made for 2012.

There is very exciting news for 2012. We have secured approvals from all of our major licenses; NFL, MLB, NBA, NHL, MLS, College, and Realtree for two new product decorating methods. We have been introducing the lines in presentations for 2012 programs and the reaction during presentations has been electric.

Investments have been made in new machinery and equipment that will allow the decorating to be done here in New Braunfels. This will speed order fulfillment and allow faster reaction so that we may take better advantage of "hot market" opportunities.

The new product lines will take some stress off our production facility in Mexico and allow more targeted production and better inventory levels (again speeding turnaround) on the most high-end and collectible licensed drinkware available: Dimensional, full color metal emblems.

We wrote the following in the March 2011 letter: "An additional color-fill facility has been established near our main casting facility in Mexico and will allow for faster production and greater emblem inventory here...During our busy fourth quarter this gives us the opportunity to refill the retail shelves at least one more time before the end of holiday shopping. We gain a competitive advantage because we will be able to fill rush orders our competitors cannot."

We can report that this all came to fruition and we are shipping fast and at a very high fill rate this holiday season. Customers are pleased and we are turning the negative of fewer major programs into a positive. Our other customers are getting the benefits of available capacity and strong relationships are growing stronger.

I am please to end this letter an announcing that we are returning to the Premium and Promotional market with great attention and energy. Great American has a very successful history in the market. In fact, it is the market the built the company and we intend to build a new and even more successful division. The Premium and Licensed Sports market have a synergy that will be mutually beneficial and bring out our best in each. The Premium market is not as seasonal and will be an excellent balance to fill capacity during slower retail times. The sales potential will provide any opportunity for strong incremental growth in 2012 and for many years to come.

We have always been a forward thinking company and this year we have taken great strides to capitalize on the use of Social Media. Please join us on Facebook and Twitter for real time announcements all year long.

Roger Tuttle



**GREAT  
AMERICAN  
PRODUCTS  
LTD.**

A subsidiary of  
DYNA GROUP INTERNATIONAL

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**Dyna Group International, Inc and Subsidiaries**  
**Consolidated Balance Sheet**  
**September 30, 2011 and December 31, 2010**

<b>ASSETS</b>	(unaudited) <b>September 30, 2011</b>	(unaudited) <b>2010</b>
<b>Current Assets</b>		
Cash	\$ 22,312	\$ 91,815
Marketable securities	1,236,914	1,234,700
Accounts Receivable, net allowance of \$84,992 and \$63,988	1,798,783	1,792,298
Receivable from equity-method foreign investee	868,535	790,120
Inventory	3,256,270	2,707,345
Prepaid expenses	121,681	226,072
Federal income tax receivable	-	-
Deferred Income tax	-	-
Other	-	-
<b>Total Current Assets</b>	<b>7,304,495</b>	<b>6,842,350</b>
Property and equipment, net of accumulated depreciation of \$3,717,532 and \$3,469,582	828,134	781,035
Investment in equity -method foreign investee	324,780	324,780
Investment real estate	466,328	388,173
Cash surrender value of life insurance	242,562	242,562
Other assets	47,812	29,468
<b>TOTAL ASSETS</b>	<b>\$ 9,214,111</b>	<b>\$ 8,608,368</b>
 <b>STOCKHOLDERS' EQUITY</b>		
<b>Current Liabilities</b>		
Bank revolving line of credit	\$ 361,931	\$ -
Account payable	415,098	247,812
Payable to foreign investee	-	-
Accrued expenses	428,151	516,791
Federal income tax payable	49,765	50,509
<b>Total Current Liabilities</b>	<b>1,254,945</b>	<b>815,112</b>
Notes Payable	-	-
Deferred Income tax	-	-
<b>Total Liabilities</b>	<b>1,254,945</b>	<b>815,112</b>
 <b>Commitments and Contingencies</b>		
 <b>Stockholders' Equity</b>		
Common stock, \$.001 par value, 100,000,000 shares authorized	7,405	7,427
shares issued and outstanding	966,708	968,182
Paid in Capital	6,985,053	6,817,647
Retained earnings	7,959,166	7,793,256
<b>Total Stockholders' Equity</b>	<b>7,959,166</b>	<b>7,793,256</b>
<b>TOTAL LIABILITIES AND STOCKHOLDER'S EQUITY</b>	<b>\$ 9,214,111</b>	<b>\$ 8,608,368</b>

**Dyna Group International, Inc and Subsidiaries**  
**Consolidated Statements of Income**  
**Years Ended September 30, 2010 and 2011**  
**(unaudited)**

	THREE MONTHS		NINE MONTHS	
	ENDED SEPTEMBER 30		ENDED SEPTEMBER 30	
	2011	2010	2011	2010
Revenue	3,041,411	3,836,808	8,761,436	9,672,486
Cost of Sales	1,896,366	2,765,192	5,798,868	6,758,503
Selling	410,363	455,773	1,073,742	1,153,068
Royalties	326,267	349,090	880,251	834,972
General & Administrative	265,484	281,757	857,727	859,155
Total operating expenses	<u>2,898,480</u>	<u>3,851,812</u>	<u>8,610,588</u>	<u>9,605,698</u>
Operating income (loss)	142,931	(15,004)	150,848	66,788
Other income (expense):				
Interest expense	(4,986)	(1,763)	(5,521)	(2,882)
Equity in net income of unconsolidated affiliate - joint venture	-	-	-	-
Income (loss) before income taxes	<u>137,945</u>	<u>(16,767)</u>	<u>145,328</u>	<u>63,907</u>
Income tax benefit (expense)	(49,765)	62,733	(49,765)	(26,779)
Net Income (loss)	<u>88,180</u>	<u>45,966</u>	<u>95,563</u>	<u>37,128</u>
Other comprehensive income (loss)				
Unrealized income (loss) on marketable securities	<u>(11,694)</u>	<u>46,200</u>	<u>(20,333)</u>	<u>14,846</u>
Net Income after other comprehensive income and income tax benefit (expense)	\$ 76,486	\$ 92,166	\$ 75,230	\$ 51,974
Basic and diluted earnings per share	\$ 0.010	\$ 0.012	\$ 0.010	\$ 0.007
Weighted average shares outstanding	7,453,558	7,453,558	7,453,558	7,453,558