



**GREAT
AMERICAN
PRODUCTS
LTD.**

A subsidiary of
DYNA GROUP

March 31, 2010

Dear Shareholders:

Dyna Group International, Inc. (DGIX.PK) announced today revenues of \$10,952,335 for the twelve months ended December 31, 2009, a decrease of \$1,914,664, or 14.9%, as compared to 2008. Although revenues for the fiscal year were lower, revenues for the three months ended December 31, 2009, were up \$249,520, or 8.6%, over the same time period of 2008. Net income for the year was \$84,216 as compared to (\$616,288) for the twelve months ended 2008.

I am pleased to report that 2009 is “successfully” behind us. Sales are down due to the current economy. Had we not taken quick action to reduce costs, the loss could have been much greater, and our survival could have been threatened. I am happy to say, “We are on very solid ground right now”.

I think we are in a great position to move forward in 2010 and beyond. Our product line is fantastic. The new products developed over the past year are winners. Our customers continually compliment us on our first class product lineup.

Most of our previously recognized competitors have gone down compared to GAP. I think it's safe to say we are #1 in licensed drink ware. The buckle market is soft, but if there is resurgence in buckle popularity, we are very well positioned.

We have a good customer base, and we are adding new names. Online sales has never realized its true potential; however 2009, especially December sales, was exciting. We have a great product offering online. Our fulfillment performance has been excellent. Many of the problems we experience with in-store programs are eliminated with online programs. I think the future for online sales is very bright.

The plan to implement computer-controlled color fill should resolve much of the supply problems we have had for years. Using recycled mold material will reduce our mold costs significantly. Our rearrangement of our office space is looking good and eliminates much of the noise and distractions.

Most of the economic reports I read are optimistic about a recovery. The uncertainty of tax increases, cap and trade (tax), new regulations, unions (card check), and above all “government spending” is what is standing in the way of a rapid recovery. Most of the reports indicate that unemployment will remain high until we are well into economic recovery. Business is still cautious when it comes to expansion because of this uncertainty.

When I look at our company from a distance, far enough away to see the whole picture, I am very optimistic about our future.

Our company is great because of our excellent people. We are going through one of the most difficult periods for business I have seen, yet the attitude and performance of everyone has kept us solid and ready for better days ahead. People working well together create a productive, efficient business machine. I'm pleased with most of what I see, but what I like the most is the way we have responded to these difficult times and maintained a terrific attitude.

Keep up to date with our new product lines by visiting www.gap1.com. As always, we look forward to hearing from you and welcome you stop by if you are in the area.

Sincerely,

Roger R. Tuttle
CEO

1661 S. Seguin Ave.
New Braunfels, TX
78130

Dyna Group International, Inc and Subsidiaries
Consolidated Balance Sheets
December 31, 2009 and 2008
(Unaudited)

ASSETS	<u>2009</u>	<u>2008</u>
Current assets:		
Cash	\$ 183,418	\$ 20,985
Marketable securities	1,610,897	1,670,041
Accounts receivable, net allowance of \$40,750 and \$20,200 respectively	1,843,171	1,578,182
Receivable from equity-method foreign investee	850,329	1,056,284
Inventory	2,418,947	2,876,636
Prepaid expenses	235,784	90,329
Federal income tax receivable	-	-
	<u>7,142,546</u>	<u>7,292,457</u>
Total current assets		
Property and equipment, net accumulated depreciation of \$3,080,157 and \$2,662,503 respectively	813,582	950,963
Investment in equity-method foreign investee	466,689	169,302
Cash surrender value of life insurance	206,551	149,173
Other assets	14,866	8,468
	<u>1,511,688</u>	<u>1,278,906</u>
TOTAL ASSETS	<u>\$ 8,644,234</u>	<u>\$ 8,570,363</u>
 LIABILITIES AND STOCKHOLDERS' EQUITY		
Current liabilities:		
Account payable	\$ 324,702	\$ 368,929
Accrued expenses	310,558	202,949
Payable to equity-method foreign investee	-	-
Bank revolving line of credit	-	92,000
Federal income tax payable	44,898	104,721
	<u>680,158</u>	<u>768,599</u>
Total current liabilities		
Commitments and contingencies	-	-
Stockholders' equity:		
Common stock, \$.001 par value, 100,000,000 shares authorized, 7,428,558 shares issued and outstanding	7,427	7,427
Additional paid in capital	968,182	968,182
Retained earnings	6,988,467	6,826,155
	<u>7,964,076</u>	<u>7,801,764</u>
Total stockholders' equity		
TOTAL LIABILITIES AND STOCKHOLDERS' EQUITY	<u>\$ 8,644,234</u>	<u>\$ 8,570,363</u>

Dyna Group International, Inc and Subsidiaries
Consolidated Statements of Income
For three and twelve months ended December 31, 2009 and 2008
(Unaudited)

	Three months ended December 31,		Twelve months ended December 31,	
	2009	2008	2009	2008
Revenues	\$ 3,151,784	\$ 2,902,264	\$ 10,952,335	\$ 12,866,999
Cost of revenues	2,198,328	1,857,342	7,859,230	8,763,024
Gross profits	953,456	1,044,922	3,093,105	4,103,975
Operating expenses:				
Selling	330,569	397,859	1,331,386	1,408,380
Royalties	291,953	279,400	960,428	1,069,801
General & administrative	209,287	370,810	919,752	1,440,032
Total operating expenses	831,809	1,048,069	3,211,566	3,918,213
Operating income	121,647	(3,147)	(118,461)	185,762
Other income (expenses):				
Income from Marketable Securities	10,966	63,831	10,966	63,831
Interest expense	(1,057)	(8,162)	(3,634)	(13,976)
Equity in net income of un-consolidated equity-method foreign investee	297,387	(184,671)	297,387	(76,671)
Total other income	307,296	(192,833)	304,719	(26,816)
Income before income taxes	428,943	(195,980)	186,258	158,946
Income tax expense	(174,977)	(53,312)	(44,898)	(104,721)
Net income	253,966	(249,292)	141,360	54,225
Other comprehensive income	82,747	(325,951)	(57,144)	(670,513)
NET AND OTHER COMPREHENSIVE INCOME	\$ 336,713	\$ (575,243)	\$ 84,216	\$ (616,288)
Net income per common share	\$ 0.03	\$ (0.03)	\$ 0.01	\$ (0.08)
Weighted average shares outstanding	7,428,558	7,428,558	7,428,558	7,428,558