

Consolidated Balance Sheets

For the years ending December 31, 2011 and 2012

*** Unaudited ***

ASSETS	2012	2011
Current Assets		
Cash	\$38,218	\$142,963
Inventories	\$1,870,932	\$1,876,386
Prepaid deposits on Inventory	\$32,787	\$0
Accounts receivable	\$265,351	\$230,242
Prepaid expenses	\$2,206	\$20,012
Total Current Assets	\$2,209,493	\$2,269,603
Fixed Assets		
Equipment	\$31,783	\$173,615
Molds and patents	\$79,150	\$9,150
Improvements	\$37,249	
Building	\$29,460	
Office equipment	\$17,300	
Vehicles	\$47,491	
Less accumulated depreciation	-\$95,893	-\$71,531
Net Fixed Assets	\$146,540	\$111,234
Other Assets		
Goodwill	\$10,000	\$10,000
Tytan Leasing	\$57,091	\$57,091
Total Other Assets	\$67,091	\$67,091
TOTAL ASSETS	\$2,423,124	\$2,447,928
LIABILITIES AND STOCKHOLDERS' EQUITY	2012	2011
Current Liabilities		
Accounts payable	\$10,990	
Accrued Expenses	\$16,308	
Acc.Payable & Accr.Exp.		\$33,205
Notes payable	\$734,206	\$734,206
Total current Liabilities	\$761,504	\$767,411
Note payable shareholder	\$297,721	\$357,906
Total Long Term Liabilities	\$297,721	\$357,906
Total Liabilities	\$1,059,225	\$1,125,317
Stockholders' Equity		
Common stock, 43,333,334 authorized		
Issued and outstanding 37,364,395	\$96,024,362	\$96,024,362
Additional paid-in capital	-\$94,669,796	-\$94,699,796
Preferred stock, 1 million shares authorized, issued and outstanding	\$250,000	\$250,000
Retained earnings (Deficit)	-\$240,667	-\$251,955
Total Stockholders' Equity	\$1,363,899	\$1,322,611
TOTAL LIABILITIES AND STOCKHOLDERS' EQUITY	\$2,423,124	\$2,447,928

Consolidated Statement of Income and Retained Earnings

For the years ending December 31, 2011 and 2012

***** Unaudited *****

Income	2012	2011
Sales	\$497,010	\$379,377
Total Sales	\$497,010	\$379,377
Cost of Sales		
Cost of Goods Sold	\$161,113	\$185,282
Total cost of Sales	\$161,113	\$185,282
Gross Profit	\$335,897	\$194,095
Expenses before Interest and Depreciation	\$310,457	\$344,727
Income (loss) before Interest and Depreciation	\$25,440	-\$150,632
Other Income and Expenses		
Interest	\$217	\$112,160
Depreciation	\$13,934	\$26,750
Total Other Income and Expense	\$14,151	\$138,910
Net Income (Loss) before taxes	\$11,288	-\$289,542
Federal Income Taxes - -	\$0	\$0
Net Income after taxes	\$11,288	-\$289,542
Retained Earnings, beginning of period	-\$251,955	\$37,587
Retained Earnings (Deficit), end of period	-\$240,667	-\$251,955

*Consolidated Statements of Cash Flows***For the years ending December 31, 2011 and 2012******* Unaudited *****

CASH FLOW FROM OPERATING ACTIVITIES	2012	2011
Net Income(Loss)	\$11,288	-\$289,542
Adjustments to reconcile net Income to net cash provided by operations:		
Accounts receivable	\$35,109	-\$22,508
Prepaid expenses		\$0
Inventories	-\$5,454	\$465,443
Accounts payable	-\$78	-\$47,508
Note payable, Cowlitz Bank/FDIC		\$34,206
Accrued taxes payable	-\$5,829	\$20,012
Shareholders Advances		-\$69,582
Net cash provided by Operating Activities	\$35,036	\$90,521
CASH FLOW FROM INVESTING ACTIVITIES		
Office Equipment	\$0	
Accumulated depreciation	\$13,934	\$26,750
Equipment		-\$62,782
Investment		\$57,091
Net cash provided by investing activities	\$13,934	\$21,059
CASH FLOW FROM FINANCING ACTIVITIES		
Notes payable	\$0	-\$893,944
Capital stock, additional paid in capital	\$0	\$905,782
Net cash provided by Financing Activities	\$0	\$11,838
Net cash Increase (decrease) for period	\$48,970	\$81,300
Cash at beginning of period	\$142,963	\$61,663
Cash at End of Period	\$191,933	\$142,963

Consolidated Statement of Changes in Stockholders' Equity

For the years ending December 31, 2011 and 2012

*** Unaudited ***

	2012	2011
COMMON STOCK		
Balance at beginning of Year	\$96,024,362	\$95,581,623
Par value of shares issued under purchase plan for Investments Jan-Dec		\$442,739
Balance at end of Quarter	\$96,024,362	\$96,024,362
ADDITIONAL PAID IN CAPITAL		
Balance at beginning of Year	-\$94,669,796	-\$95,162,839
Market value in excess of par value of shares of common stock issued Jan-Dec		\$463,043
Balance at end of Year	-\$94,669,796	-\$94,699,796
PREFERRED STOCK		
Balance at beginning of Year	\$250,000	\$250,000
Balance at end of Year	\$250,000	\$250,000

For the years ended December 31, 2011 and 2010

NOTE A- SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

NATURE OF OPERATIONS

Tytan Holdings, Inc. ("Company") is traded on pink sheets under the symbol TYTN. PK.

Its subsidiary is Tytan International, Inc.

The Company has exclusive agreements with manufactures of its Tractors and Crawlers in China as well as proprietary information on the importation of its products into the United States. The Company also, has several patents in the U.S. on the design and construction of implements used with the Tractors and Crawlers.

Tytan International, Inc. is located in Kalama, Washington on Interstate 5. The Company has on display, at its headquarters, all its product lines and sells retail from its yard.

Currently the Company is setting up a full line of dealers in the U.S. to carry the company's products.

INVENTORIES

Inventories are stated at lower of cost or market value, on the first in first out basis.

DEPRECIATION

Depreciation is computed using accelerated methods for buildings and production equipment and the straight line method for all other depreciable assets.

INCOME TAXES

Tax expense is the same for both book and taxes purposes.

NOTE B- SHORT TERM NOTE

The Note payable is to Cowlitz County Bank under a \$650,000.00 Flooring line of credit that expired October 31, 2009 and is overdue. The company is negotiating with the FDIC to settle the debt and is making payments of \$1,500.00 per month while negotiating a settlement.

The Note is secured by the Company's inventories, property and equipment and guaranteed by the Company's controlling stockholder, Mark Leonard

NOTE C- LONG TERM NOTE

A series of notes payable to Mark Leonard, totaling \$357,906.00 @ 5.00% per annum. are subordinated to The Cowlitz County bank note.

NOTE D- RELATED PARTY

Mark Leonard owns the real estate the Company operates from and no rent has been accrued to date. The Company pays all the maintenance and upkeep and the related real estate taxes.

NOTE E- LITIGATION AWARD

The company's wholly owned subsidiary Tytan International, Inc. has prevailed in its lawsuit against Tractor Co and its Owner, Mitch Bogden. The total awarded was for \$252,750.00 under the Washington Consumer Protection Act and other claims.

NOTE F COLLECTIBILITY OF LITIGATION AWARD

On March 1, 2011 Mitchael J. Bogdon, aka Mitch Bogden filed a Chapter 7 bankruptcy. On March 15, 2011 the Company's subsidiary, Tytan International, Inc. filed its arbitration award against Tractor Co and had a Judgment entered.

No provision has been made for the collectability of the Judgment as the Company has retained a Collection Attorney to determine the assets listed in the Bankruptcy filing including those of Tractor Co., which, to date, has not filed Bankruptcy .

NOTE G Reverse Split

On January 3, 2012 the shareholders of the Company by a vote of the majority of the common shares of the Company approved a 150 to 1 Reverse Split that became effective April 4, 2012. After the split, the total number authorized shares became 43,333,333 shares.