

Light Media Holdings, Inc.
Income Statement
for the Period Ended December 31, 2011
UNAUDITED

Sales	\$ 64,756
Cost of Goods Sold	<u>12,224</u>
Gross Profit	52,532
Communications/IT	5,317
Rent	2,700
Office Expense	3,962
Professional Fees	36,028
Depreciation	43
Media Expense	27,400
Selling Expense	11,963
Interest Expense	5,261
Travel	1,816
Taxes & Licenses	<u>3,121</u>
Operating Expenses	97,611
Income (Loss) before for income taxes	(45,079)
Income Taxes	<u> </u>
Net Ordinary Income	(45,079)
Other Income/Expense	
Other Expense	
Loss on Sale of Land	(247,000)
Loss on Sale of Website	<u>(55,225)</u>
Total Other Expense	(302,225)
Net Income	<u><u>(347,304)</u></u>

Light Media Holdings, Inc.
Balance Sheet
as of December 31, 2011
UNAUDITED

ASSETS

Current Assets

Cash	16,529
Accounts Receivable	2,403
Inventory	14,436

Total Current Assets	33,368
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Fixed Assets

Equipment	340
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Total Fixed Assets	340
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Other Assets

Media Investment	818,167
Media and Entertainment Portfolio	562,975

Total Other Assets	1,381,142
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TOTAL ASSETS	1,414,850
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LIABILITIES & EQUITY

Liabilities

Current Liabilities

Accounts Payable	20,311
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Total Accounts Payable	20,311
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Total Current Liabilities	20,311
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Long Term Liabilities

Note Payable	10,000
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Loans	50,054
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Total Long Term Liabilities	60,054
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Total Liabilities	80,365
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Equity

Opening Bal Equity	5,161
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Stockholder's Equity	3,827
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Additional Paid in Capital	1,561,682
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Shares Outstanding	38,273,500
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Investment in Invaluable Media	33,000
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Retained Earnings	78,119
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Net Income	(347,305)
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Total Equity	1,334,484
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TOTAL LIABILITIES & EQUITY	1,414,850
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Light Media Holdings, Inc.
Statement of Cash Flows
for the Period Ended December 31, 2011
UNAUDITED

Operating Activities

Net Income	(347,304)
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Adjustments to reconcile Net Income to
net cash provided by operations:

Inventory	(1,786)
Accounts Receivable	4,740
Accounts Payable	4,227
Equipment	(340)
Net cash provided by Operating Activities	6,841

Investing Activities

Land	313,000
Investments	(284,167)
Net cash provided by Investing Activities	28,833

Financing Activities

Long Term Liabilities	(180,488)
Common Stock Issued	996
Additional Paid In Capital	497,514
Net cash provided by Financing Activities	318,022

Net Cash Increase (Decrease) for Period	6,392
Cash at beginning of period	10,137
Cash at end of period	16,529

Light Media Holdings, Inc.
Statement of Changes in Shareholders Equity
For the Period Ended December 31, 2011
UNAUDITED

	<u>Common Stock</u>		<u>Additional Paid In Capital</u>		<u>Investment Invaluable Media</u>	<u>Current Year Net Income/Loss</u>	<u>Retained Earnings</u>	<u>Total Stockholders Equity</u>
	<u>Number of Shares</u>	<u>Amount</u>						
Balance December 31, 2010	28,313,500	\$ 2,831	\$	1,064,167	\$ 33,000	\$ (36,005)	\$ 78,119	\$ 1,183,279
Common Stock Issued	9,960,000	996		497,514			\$	498,510
Common Stock Acquired								
Dividends Declared on Common Stock								
Investment In Invaluable Media								
Comprehensive Income:								
Net Income/(Loss)						\$ (347,304)	\$	(347,304)
Balance December 31, 2011	38,273,500	\$ 3,827	\$	1,561,681	\$ 33,000	\$ (347,304)	\$ 78,119	\$ 1,334,484

Light Media Holdings, Inc. (OTC: LGMH)

Notes to Financial Statements For The Period Ending December 31, 2011

NOTE A – Summary of Significant Accounting Policies

This summary of significant accounting principles of Light Media Holdings, Inc. is presented to assist in understanding the Company's financial statements. These accounting policies consistently conform to generally accepted accounting principles.

1. Accounting Basis: These financial statements have been prepared in accordance with generally accepted accounting principles.
2. Dividends: The Company has not adopted a policy regarding the payment of dividends.
3. Cash and Cash Equivalents: All highly liquid investments with original maturities of three months or less at the date of acquisition are considered cash equivalents. These investments primarily consist of money market funds and commercial paper.
4. Revenue: The Company's revenues are derived from media sales through distributors. The company recognizes income on the cash receipts when earned.
5. Accounts Receivable: The Company records revenues when earned. Due to the nature of the business distributors retain a reserve of funds to offset distribution expense. The net of these funds are returned to the company. The reserves are retained to offset expense is recorded as expense to the company in the period incurred.
6. Credit Risk: Financial Instruments that potentially subject the company to concentrations of credit risk consist principally of cash accounts in financial institutions, which may from time to time exceeds the Federal depository insurance coverage limit.
7. Property and Equipment: Property and equipment is stated at cost, less accumulated depreciation and amortization. Depreciation and amortization computed using straight-line method over the estimated useful lives of the assets. When the assets are retired or otherwise disposed of, the cost and related depreciation are removed and any gain or loss is reflected in the results of operations. Maintenance and repair expenditures are charged to operations as incurred.
8. Stockholder's Equity: In accordance with SFAS 123, the issuance of stock as payment for services was recorded as an increase in equity and a current year expense.
9. General and Administrative Expenses: General and administrative expenses consist of primarily occupancy expense, professional fees, office expense, travel, and advertising. Following this offering, we will incur additional general and administrative expenses related to operating as a public company, such as increased legal and accounting fees, personnel and benefit expenses, and investor relation costs.
10. Income Taxes: Under the Tax Reformed Act of 1986, the benefits from net operating losses carried forward may be impaired or limited in certain circumstances. The company makes no provisions for such benefits and reports only the actual income tax expense in the income statement.
11. Advertising Costs: Advertising cost is expensed as incurred.