

SMART HOLDINGS, INC.  
BALANCE SHEET  
June 30, 2011 and June 30, 2010  
( Internally Prepared )

ASSETS	Unaudited 2011	Unaudited 2010
Current Assets:		
Cash	\$ 73,645	\$ 650
A/R		\$ 2,200
Loans to Stockholder	\$ 17,118	
Total Current Assets	\$ 90,763	\$ 2,850
Fixed Assets,Net	\$ 7,583	\$ -
Total Assets	\$ 98,346	\$ 2,850

LIABILITIES AND STOCKHOLDERS' EQUITY (DEFICIT)

Current Liabilities:

Accounts Payable	\$ 646	\$ 6,875
Loan Payable	\$ -	\$ 65,500
Total Current Liabilities	\$ 646	\$ 72,375

Stockholders' Equity (Deficit):

Common stock, \$.0001 par value, 500,000,000 shares authorized, issued and  
Outstanding: June 30, 2011 - 323,325,132 shares

	\$ 22,733	\$ 8,603
Paid-in capital	\$ 527,127	\$ 26,397
Accumulated deficit	\$ (452,160)	\$ (104,525)
Total Stockholders' Equity (deficit)	\$ 97,700	\$ (69,525)
Total Liabilities and Stockholders' Equity (Deficit)	\$ 98,346	\$ 2,850

SMART HOLDINGS, INC.  
STATEMENT OF OPERATIONS  
FOR THE THREE MONTHS ENDED  
June 30, 2011 and June 30, 2010

	Three Months Ended		Three Months Ended	
	June 30 2011 Unaudited	June 30 2010 Unaudited	June 30 2010 Unaudited	June 30 2009 Unaudited
Revenue	\$ 796	\$ 7,500	\$ 7,500	\$ -
Cost of Revenue	\$ -	\$ 3,750	\$ 3,750	\$ -
Gross Profit	\$ 796	\$ 3,750	\$ 3,750	\$ -
Operating expenses	\$ 54,711	\$ 51,492	\$ 51,492	\$ 605
Operating income (loss )	\$ (53,915)	\$ (47,742)	\$ (47,742)	\$ (605)
Operating income (expenses )	\$ -	\$ -	\$ -	\$ -
Net income (loss )	\$ (53,915)	\$ (47,742)	\$ (47,742)	\$ (605)
Basic and diluted loss per share	\$ -	\$ -	\$ -	\$ -
Weighted average number of common shares outstanding	323,325,132	137,640,000	137,640,000	8,602,500

SMART HOLDINGS, INC.  
STATEMENT OF CASH FLOW  
FOR THE THREE MONTHS ENDED  
June 30, 2011 and June 30, 2010

	Three Months Ended	
	June 30 2011 Unaudited	June 30 2010 Unaudited
<b>Cash Flows From Operating Activities</b>		
Net Loss	\$ (53,915)	\$ (47,742)
Adjustments to reconcile net loss to net flows from operating activities:		
Depreciation	\$ 299	\$ -
Changes in operating assets and liabilities:		
Accounts receivables	\$ -	\$ (2,200)
Other current assets	\$ -	\$ -
Accounts payable	\$ (3,989)	\$ 3,373
Payroll Taxes Payable		\$ -
Accrued liabilities	\$ -	\$ -
Total adjustments	\$ (3,690)	\$ 1,173
 Net cash flow from operating activities	 \$ (57,605)	 \$ (46,569)
 <b>Cash Flows From Investing Activities</b>		
Purchases of property and equipment		\$ -
Net cash flow from investing activities	\$ -	\$ -
 <b>Cash Flows From Financing Activities</b>		
Proceeds from sale of common stock	\$ -	\$ -
Loans to Stockholders	\$ 26,036	
Net cash provided by financing activities	\$ 26,036	\$ 45,500
 Net Change in Cash	 \$ (31,569)	 \$ (1,069)
Cash, Beginning of the Period	\$ 105,214	\$ 1,719
Cash, End of the Period	\$ 73,645	\$ 650

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FOR THE THREE MONTHS ENDED  
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FOR THE THREE MONTHS ENDED  
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SMART HOLDINGS, INC.  
STATEMENT OF CHANGES IN STOCKHOLDERS' EQUITY  
FROM INCEPTION THROUGH JUNE 30, 2011

	Common Stock		Paid-In	Accumulated
	Shares	Amount	Capital	Deficit
Balance, December 31, 2006	9,000,000	\$ 9,000	\$ 23,500	\$ (17,500)
Net loss for the Year Ended December 31, 2007	0.00	\$ -	\$ -	\$ (18,502)
Balance, December 31, 2007	9,000,000	\$ 9,000	\$ 23,500	\$ (36,002)
Common Stock Issued for Cash	2,500.00	\$ 3	\$ 2,497	\$ -
Common Stock Cancelled	(400,000)	\$ (400)	\$ (400)	\$ -
Net loss for the Year Ended December 31, 2008	0.00	\$ -	\$ -	\$ (942)
Balance, December 31, 2008	8,602,600	\$ 8,603	\$ 25,597	\$ (36,944)
Net loss for the Year Ended December 31, 2009	0.00	\$ -		\$ (764)
Balance, December 31, 2009	8,602,600	\$ 8,603	\$ 25,597	\$ (37,708)
Net loss Three Months Ended March 31, 2010	0.00	0	0	\$ (19,075)
Balance, March 31, 2010	8,602,600	\$ 8,603	\$ 25,597	\$ (56,783)
Net loss Three Months Ended June 30, 2010	0.00	0	0	\$ (47,742)
Balance, June 30, 2010*	137,640,000	\$ 13,764	\$ 25,597	\$ (104,525)
*Following 16/1 stock split effective April 30th, 2010.				
Net loss Three Months Ended September 30, 2010	0.00	0	0	\$ (13,006)
Balance, September 30, 2010	137,640,000	\$ 13,764	\$ 25,597	\$ (117,531)
Net loss Three Months Ended December 31, 2010	0.00	0	0	\$ (122,864)
Balance, December 31, 2010	162,798,426	\$16,279	\$256,236	\$ (240,395)
Net loss Three Months Ended March 31, 2011	0.00	0	0	\$ (157,849)
Balance, March 31, 2011	227,325,132	\$22,733	\$527,127	\$ (398,244)
Net loss Three Months Ended June 30, 2011	0.00	0	0	\$ (53,915)
Balance, June 30, 2011	323,325,132	\$32,332	\$527,127	\$ (452,160)

SMART HOLDINGS, INC.  
NOTES TO FINANCIAL STATEMENTS  
FOR THE THREE MONTHS ENDED  
JUNE 30, 2011

NOTE A - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES:

**NATURE OF BUSINESS:** The Company is incorporated in the State of Nevada with its headquarters in Marietta, Georgia and Miami. The Company sells Extended Auto Warranties, Home Alarms and a Prescription Discount Plan.

**BASIS OF ACCOUNTING:** These financial statements have been prepared under the accrual method of accounting.

**REVENUE RECOGNITION:** Although sales are slow modest revenues are being generated.

**INCOME TAXES:** There has been no provision for income tax expenses as the Company is currently operating at a loss and has no income tax liability

**PROPERTY AND EQUIPMENT:** Property and equipment are stated at cost.

