

**ZUMA BEACH ENTERTAINMENT, INC.**

(A Development Stage Company)

**CONSOLIDATED CONDENSED STATEMENTS OF OPERATIONS****For the quarter ended June 30th**

	Cumulative from the beginning of development stage (January 1, 2003)	Three-Month Period ended June 30th, 2009	Three-Month Period ended June 30, 2008	Six-Month Period ended June 30, 2009	Six-Month Period ended June 30, 2008
<b>(Unaudited)</b>					
<b>Sales</b>	\$ 140,753	\$ 140,753	\$ -	\$ 140,753	\$ -
Less: Cost of goods sold	70,411	70,411	-	70,411	-
Net Sales	70,342	70,342	-	70,342	-
<b>EXPENSES</b>					
General and administrative	291,852	212,244	2,575	214,974	4,636
Advertising/promotion expense	485,979	680	-	680	717
Professional fees & outside services	2,309,083	51,877	(18,794)	57,060	48,073
Management Fee	250,000	-	-	-	-
Syndication Cost	1,001,945	10,460	-	10,460	35,410
Rent	55,270	3,570	-	3,570	-
Telephone	38,779	11,048	-	11,380	-
Travel & entertainment	136,559	419	9	419	6,719
Salaries & wages	2,982,635	112,532	40,500	157,532	81,000
<b>Total Expenses</b>	<b>7,552,102</b>	<b>402,830</b>	<b>24,290</b>	<b>456,076</b>	<b>176,555</b>
<b>Loss before other items</b>	<b>(7,481,760)</b>	<b>(332,488)</b>	<b>(24,290)</b>	<b>(385,734)</b>	<b>(176,555)</b>
<b>OTHER ITEMS</b>					
Interest income	(105)	(105)	-	(105)	1,195
Interest expense	162,136	873	873	1,736	-
Miscellaneous income	(1,260)	(1,253)	(7)	(1,253)	(19,965)
Other income (expenses)	(5,870)	(7,748)	-	(7,748)	11,878
<b>Total other items</b>	<b>154,901</b>	<b>(8,233)</b>	<b>866</b>	<b>(7,370)</b>	<b>(6,892)</b>
Income (loss) before income taxes	(7,636,661)	(324,255)	(25,156)	(378,364)	(169,663)
Provision for income taxes	-	-	-	-	-
<b>NET INCOME/(LOSS)</b>	<b>\$ (7,636,661)</b>	<b>\$ (324,255)</b>	<b>\$ (25,156)</b>	<b>\$ (378,364)</b>	<b>\$ (169,663)</b>
<b>Basic and diluted loss per common share</b>		<b>\$ (0.002)</b>	<b>\$ (0.000)</b>	<b>\$ (0.002)</b>	<b>\$ (0.001)</b>
<b>Basic and diluted weighted average number of common shares outstanding</b>		<b>148,195,953</b>	<b>148,200,554</b>	<b>183,762,876</b>	<b>113,114,255</b>
<b>See accompanying notes</b>					

The financial statements presented is unaudited, consolidated financial statements and presently under review by KKAJ CPA, a CPA firm in burbank.

The financial statements were prepared in accordance with generally accepted accounting principles.

The statements were prepared based on management's best estimates and judgments and can change based on the CPA's firm review.