CANON INC
Form 6-K
November 14, 2012

FORM 6-K

SECURITIES AND EXCHANGE COMMISSION

Washington, D.C. 20549

Report of Foreign Issuer

Pursuant to Rule 13a-16 or 15d-16 of

the Securities Exchange Act of 1934

For the month of **November** **2012** . ,

CANON INC.
(Translation of registrant s name into English)

30-2, Shimomaruko 3-Chome, Ohta-ku, Tokyo 146-8501, Japan
(Address of principal executive offices)
[Indicate by check mark whether the registrant files or will file annual reports under cover Form 20-F or Form 40-F.

Form 20-F **X** Form 40-F
[Indicate by check mark whether the registrant by furnishing the information contained in this Form is also thereby furnishing the information to the Commission pursuant to Rule 12g3-2(b) under the Securities Exchange Act of 1934.

Yes No **X**
[If Yes is marked, indicate below the file number assigned to the registrant in connection with Rule 12g3-2(b):82-

SIGNATURES

Pursuant to the requirements of the Securities Exchange Act of 1934, the registrant has duly caused this report to be signed on its behalf by the undersigned, thereunto duly authorized.

CANON INC.
(Registrant)

Date . **November 14, 2012**.

By /s/ Toshihide Aoki
(Signature)*

Toshihide Aoki
General Manager
Consolidated Accounting Div.
Canon Inc.

*Print the name and title of the signing officer under his signature.

The following materials are included.

1. Quarterly Report filed with the Japanese government pursuant to the Financial Instruments and Exchange Law of Japan For the third quarter ended September 30, 2012

[English summary with full translation of consolidated financial information]

Quarterly Report filed with the Japanese government

pursuant to

the Financial Instruments and Exchange Law of Japan

For the third quarter ended

September 30, 2012

CANON INC.

Tokyo, Japan

CONTENTS

Disclaimer Regarding Forward-Looking Statements

This quarterly report includes forward-looking statements (within the meaning of Section 27A of the U.S. Securities Act of 1933 and Section 21E of the U.S. Securities Exchange Act of 1934) concerning Canon Inc. (the Company) and its subsidiaries (collectively Canon). To the extent that statements in this quarterly report do not relate to historical or current facts, they constitute forward-looking statements. These forward-looking statements are based on the current assumptions and beliefs of Canon in light of the information currently available to them, and involve known and unknown risks, uncertainties and other factors. Such risks, uncertainties and other factors may cause Canon s actual results, performance, achievements or financial position to be materially different from any future results, performance, achievements or financial position expressed or implied by these forward-looking statements. Canon undertakes no obligation to publicly update any forward-looking statements after the date of this quarterly report. Investors are advised to consult any further disclosures by Canon in its subsequent filings with the U.S. Securities and Exchange Commission pursuant to the Securities Exchange Act of 1934 and its other filings.

The risks, uncertainties and other factors referred to above include, but are not limited to, foreign currency exchange rate fluctuations; the uncertainty of Canon s ability to implement its plans to localize production and other measures to reduce the impact of foreign currency exchange rate fluctuations; uncertainty as to economic conditions in Canon s major markets; uncertainty of continued demand for Canon s high-value-added products; Canon s ability to continue to develop products and to market products that incorporate new technology on a timely basis, are competitively priced, and achieve market acceptance; the possibility of losses resulting from foreign currency transactions designed to reduce financial risks from changes in foreign currency exchange rates; disasters, outrages or similar events; and inventory risk due to disruptions in supply chains and shifts in market demand.

I. Corporate Information

(1) Consolidated Financial Summary

	Millions of yen (except per share amounts)				
	Nine months ended September 30, 2012	Nine months ended September 30, 2011	Three months ended September 30, 2012	Three months ended September 30, 2011	Year ended December 31, 2011
Net sales	2,528,394	2,592,676	799,949	916,911	3,557,433
Income before income taxes	253,449	281,924	75,180	118,265	374,524
Net income attributable to Canon Inc.	163,391	187,187	50,139	77,864	248,630
Comprehensive income (loss)	176,677	130,161	49,071	(1,723)	159,081
Canon Inc. stockholders equity	-	-	2,427,216	2,521,160	2,551,132
Total equity	-	-	2,585,106	2,684,757	2,713,667
Total assets	-	-	3,728,388	3,910,019	3,930,727
Net income attributable to Canon Inc. stockholders per share:					
Basic (yen)	138.48	153.42	43.15	64.43	204.49
Diluted (yen)	138.47	153.41	43.15	64.42	204.48
Canon Inc. stockholders equity to total assets (%)	-	-	65.1	64.5	64.9
Cash flows from operating activities	265,815	342,583	-	-	469,562
Cash flows from investing activities	(155,033)	(202,000)	-	-	(256,543)
Cash flows from financing activities	(313,110)	(251,569)	-	-	(257,513)
Cash and cash equivalents at end of period	-	-	567,610	711,631	773,227

Notes:

1. Canon s consolidated financial statements are prepared in accordance with U.S. generally accepted accounting principles.
2. Consumption tax is excluded from the stated amount of net sales.

(2) Description of Business

Canon prepares quarterly consolidated financial statements in accordance with U.S. generally accepted accounting principles (U.S. GAAP). Financial information presented in sections II. The Business is also in conformity with U.S.GAAP.

Canon (consisting of the Company, 277 consolidated subsidiaries and 9 affiliates accounted for using the equity method, collectively, the Group) is engaged in the development, manufacture, sale and service primarily in the fields of office, imaging system (formerly consumer), industry and others. No material change in Canon s business has occurred during the nine months ended September 30, 2012.

No additions or removals of significant group entities have occurred during the nine months ended September 30, 2012.

II. The Business

(1) Risk Factors
No material changes are recognized pursuant to the risk factors of Canon s business indicated in the Annual Securities Report (Yukashoken houkokusho) of the previous fiscal year.

(2) Significant Business Contracts Entered into in the Third Quarter of Fiscal 2012
No material contracts were entered into during the three months ended September 30, 2012.

(3) Operating Results
Looking back at the global economy in the first nine months of 2012, in the United States, with little improvement in employment conditions and housing issues, the pace of economic recovery remained moderate, while in Europe lingering concerns over the financial crisis in Southern European nations continued to severely impact the real economy. In China and India, in addition to declines in export growth, investment and consumer spending also experienced a slowdown. And in Japan, domestic demand, which had been steady, started showing signs of weakening. As for the global economy overall, the slowdown was felt more intensely.

As for the markets in which Canon operates amid these conditions, while demand for office multifunction devices (MFDs) continued to grow steadily in Japan and elsewhere, demand for laser printers leveled off, primarily in Europe, owing to the economic downturn. Demand for interchangeable-lens digital cameras continued to realize robust growth in all regions while the market for compact digital cameras shrunk due to the stagnation of the global economy. Demand for inkjet printers on the whole also declined due to the effects of the economy. Within the industry and others segment, amid a growing sense of uncertainty regarding semiconductor lithography equipment, demand for flat-panel-display lithography equipment for large-size LCD panels remained sluggish.

The average values of the yen during the third quarter and first nine months of the year were ¥78.58 and ¥79.48 to the U.S. dollar, respectively, a year-on-year depreciation of approximately ¥1 and appreciation of approximately ¥1 and ¥98.48 and ¥101.83 to the euro, respectively, year-on-year appreciations of approximately ¥12 and ¥11.

[Third-quarter results]

Despite continued efforts to expand sales mainly for competitively priced products such as interchangeable-lens digital cameras and office equipment, due to the negative impacts of economic deterioration, mainly in Europe and emerging markets such as China, along with the sharp appreciation of the yen to the euro, third-quarter net sales totaled ¥799.9 billion, a decrease of 12.8% from the year-ago period. Despite the positive effects of ongoing cost-cutting efforts, the gross profit ratio for the third quarter declined by 1.1 points to 48.3% year on year due to the significant impact of the strong yen and product mix. Owing to Group-wide efforts to thoroughly reduce spending, operating expenses for the third quarter decreased by ¥14.1 billion from the corresponding period of the previous year. Consequently, third-quarter operating profit decreased by 42.2% to ¥70.9 billion. Other income (deductions) recorded a positive turnaround of ¥8.6 billion for the third-quarter from the year-ago period, mainly reflecting an improvement in foreign currency exchange gains and losses, and third-quarter income before income taxes decreased by 36.4% year on year to ¥75.2 billion. Net income attributable to Canon Inc. decreased by 35.6% to ¥50.1 billion for the third quarter.

Basic net income attributable to Canon Inc. stockholders per share for the quarter was ¥43.15, a decrease of ¥21.28 compared with the corresponding quarter of the previous year.

[Nine-month results]

Although competitively priced products such as interchangeable-lens digital cameras and office equipment contributed to sales growth, net sales for the nine months ended September 30, 2012 declined 2.5% year on year to ¥2,528.4 billion, due to the global economic slowdown triggered by the increased severity of the debt crisis in Europe, along with the sharp appreciation of the yen to the euro. Despite the positive effects of ongoing cost-cutting efforts, the gross profit ratio for the nine-month period declined by 1.1 points to 48.2% from the year-ago period due to the significant impact of the strong yen and product mix. Gross profit for the nine months totaled ¥1,217.6 billion, a year-on-year decrease of 4.7%. Operating expenses for the first nine months of the year decreased by ¥22.4 billion, owing to continued Group-wide cost-cutting activities. Consequently, operating profit for the nine-month period decreased by 13.2% to ¥246.2 billion. Other income (deductions) for the first nine months of the year recorded an increase of ¥8.8 billion from the year-ago period, due to foreign currency exchange gains and losses, while income before income taxes decreased by 10.1% year on year to ¥253.4 billion. Net income attributable to Canon Inc. decreased by 12.7% to ¥163.4 billion for the first nine months of the year.

Basic net income attributable to Canon Inc. stockholders per share for the first nine month was ¥138.48, a year-on-year decrease of ¥14.94.

(3) Operating Results (continued)

Looking at Canon s performance for the first nine months by business unit, within the Office Business Unit, amid the admirable sales performance of color MFDs led by the imageRUNNER ADVANCE C5000/C2000 series, sales volumes of MFDs increased across the world from the year-ago period. In addition, sales of imagePRESS C6010/C7010VPS-series color MFDs for production printing, machines that were jointly developed by Canon and Océ, contributed to increased sales in Europe, while, within the black-and-white production, the Océ VarioPrint-series, based on an Océ engine, contributed to increased sales in Europe and the United States. As for laser printers, sales volumes declined in Europe, in the United States and Asia from the corresponding period of the previous year due to worsening business sentiment. Consequently, combined with the appreciation of the yen, sales for the segment during the nine-month period totaled ¥1,301.3 billion, declining 8.3% year on year. Likewise, operating profit for the first nine months decreased by 20.1% to ¥152.3 billion.

Within the Imaging System Business Unit, demand for interchangeable-lens digital cameras continued to display solid growth around the globe as sales volumes grew significantly year on year, led by the entry-model EOS Digital Rebel series, along with the EOS 5D Mark III and EOS 60D advanced-amateur models. As for compact digital cameras, while high functionality PowerShot-series models offering high image quality and networking capabilities supported healthy sales growth, unit sales for the nine-month period declined from the corresponding period of the previous year due to sluggish markets. In addition, the Cinema EOS System lineup of professional cinematography products, targeting Hollywood and the broader motion picture and television production market, has enjoyed a steady increase in sales. With regard to inkjet printers, although sales volumes increased for the second and the third quarter, total sales for the first three quarters of the year declined due to the effects of the previous year s flooding in Thailand. Accordingly, sales for the Imaging System Business Unit during the nine-month period increased by 6.0% year on year to ¥995.3 billion while operating profit decreased by 3.1% to ¥155.4 billion.

Within the Industry and Others Business Unit, i-line steppers have performed well among semiconductor lithography equipment, fueled by growing demand for smartphones and tablet devices. As for flat-panel-display lithography equipment, despite the sluggish demand for large-size LCD panels, unit sales slightly increased compared with the year-ago period. Sales of organic LED panel manufacturing equipment declined year on year due to large business deals in the previous year. Consequently, net sales for the first nine months for the segment decreased by 1.9% to ¥301.1 billion while operating profit totaled ¥15.4 billion, a decrease of 25.2%.

(3) Operating Results (continued)

First nine-month results by major geographic area are summarized as follows:

Japan

Despite the recovery from the aftermath of the earthquake, due to the sluggish economy in the third-quarter, net sales in Japan for the nine months ended September 2012 remain nearly same as the year-ago period to ¥1,996.9 billion. Operating profit decreased 17.4% year on year to ¥241.6 billion for the nine months ended September 30, 2012.

Net sales outside Japan, declined in Europe due to the effects of the strong yen against euro and harsh business environment in Europe and net sales in Americas declined slightly. On the other hand, net sales increased in Asia-Oceania, driven by moderate growth of emerging economies.

Americas

Despite the admirable sales performance of interchangeable-lens digital cameras and solid growth in MFDs, laser printer market weakness along with the sharp appreciation of the yen against the U.S. dollar, caused sales for the nine months to decline by 1.2% from the year-ago period to ¥686.0 billion. Operating profit for the nine months totaled ¥15.3 billion, a decrease of 8.4% year on year.

Europe

Although interchangeable-lens digital cameras showed solid growth, sales for the nine months ended September 30, 2012 decreased by 11.5% from the same period of the previous year to ¥728.1 billion, due to the severe appreciation of the yen against the euro and overall economic deterioration. Operating profit in Europe decreased by 19.5% year on year to ¥26.8 billion for the nine months.

Asia and Oceania

Sales increased by 5.0% to ¥1,133.8 billion for the nine months owing to the solid domestic demand in emerging economies. Operating profit in Asia and Oceania increased 2.0% to ¥44.1 billion for the nine-month period.

(3) Operating Results (continued)

Cash Flows

During the first nine months of 2012, cash flow from operating activities totaled ¥265.8 billion, a decrease of ¥76.8 billion compared with the year-ago period, mainly because cash outflow from inventories declined owing to the effects of optimized inventory levels facilitated by the recovery following the previous year s flooding in Thailand.

Due to ongoing capital investment focused on boosting production, cash outflow from investing activities decreased ¥47.0 billion year on year, totaling ¥155.0 billion. Accordingly, free cash flow totaled ¥110.8 billion, a decrease of ¥29.8 billion from the previous year.

Cash outflow from financing activities recorded an outlay of ¥313.1 billion, an increase of ¥61.5 billion, arising from repurchases of treasury stock. As a result, as well as the negative impact of foreign currency translation adjustments, cash and cash equivalents decreased by ¥205.6 billion year on year to ¥567.6 billion.

Management Issues to be Addressed

No material changes or issues with respect to business operations and finances have occurred during the nine months ended September 30, 2012.

Research and Development Expenditures

Canon s research and development expenditures for the nine months ended September 30, 2012 totaled ¥221.8 billion.

Property, Plant and Equipment

(1) Major Property, Plant and Equipment

There were no significant changes to the status of existing major property, plant and equipment during the nine months ended September 30, 2012.

(2) Prospect of Capital Investment in the First Nine Months of Fiscal 2012

The new construction of property, plant and equipment, which had been in progress as of December 31, 2011 and was completed during the nine months ended September 30, 2012, is as follows:

Name and location	Principal activities and products manufactured	Date of completion
Hita Canon Material Inc. Oita, Japan*	Components for toner cartridges (Office Business Unit)	February 2012
Canon Zhongshan Business Machines Co., Ltd. Zhongshan, China	Laser printers (Office Business Unit)	March 2012
Canon Inc., Taiwan	Lenses, digital cameras (Imaging System Business Unit)	June 2012

*To be leased to Hita Canon Materials Inc. by the Company

There were no significant changes in the plans relevant to the retirement of property, plant and equipment during the nine months ended September 30, 2012. Moreover, there were no significant additional plans for new construction or retirement of property, plant and equipment during the nine months ended September 30, 2012.

III. Company Information

(1) Shares

Total number of authorized shares is 3,000,000,000 shares. The common stock of Canon is listed on the Tokyo, Osaka, Nagoya, Fukuoka, Sapporo and New York Stock Exchanges. Total issued shares are as follows:

	As of September 30, 2012
Total number of issued shares	1,333,763,464

Stock Acquisition Rights

Not applicable.

Exercise status of bonds with share subscription rights containing an adjustable exercise price clause

Not applicable.

Rights Plan

Not applicable.

Change in Issued Shares, Common Stock and Additional Paid in Capital

	Change during this term	As of September 30, 2012
Issued Shares (Number of shares)	-	1,333,763,464
Common Stock (millions of yen)	-	174,762
Additional Paid-in Capital (millions of yen)	-	306,288

Major Shareholders

Not applicable.

(1) Shares (continued)

Voting Rights

Classification	As of September 30, 2012 Number of shares (shares)	Number of voting rights (units)
Shares without voting rights	-	-
Shares with restricted voting rights (Treasury stock, etc.)	-	-
Shares with restricted voting rights (Others)	-	-
Shares with full voting rights (Treasury stock, etc.)	(treasury stock) 180,971,400	
	(cross shareholding) 3,700	-
Shares with full voting rights (Others)	1,150,937,100	11,509,371
Fractional unit shares (Note)	1,851,264	-
Total number of issued shares	1,333,763,464	-
Total voting rights held by all shareholders	-	11,509,371

Note:

In Fractional unit shares under Number of shares, 87 shares of treasury stock and 50 shares of cross shareholding are included.

Treasury Stock, etc.

	Number of shares owned (Number of shares)	Number of shares owned / Number of shares issued
Canon Inc.	180,971,400	13.57%
Horie Mfg. Co., Ltd.	3,700	0.00%
Total	180,975,100	13.57%

(2) Directors and Executive Officers

There were no changes in members of directors between the filing date of the Annual Securities Report (Yukashoken Houkokusho) for the fiscal year ended December 31, 2011 and the end of this quarter.

Changes in functions of directors are below:

Toshizo Tanaka	(Executive Vice President & CFO: Group Executive of Finance & Accounting HQ and Facility Management HQ)
Toshio Honma	(Senior Managing Director: Group Executive of Global Procurement HQ)
Hiroyuki Suematsu	(Director: Group Executive of Environment & Quality HQ)
Yasuhiro Tani	(Director: Group Executive of Digital System Technology Development HQ)

There were no changes in members of executive officers between the filing date of the Annual Securities Report (Yukashoken Houkokusho) for the fiscal year ended December 31, 2011 and the end of this quarter.

Changes in functions of executive officers are below:

Rokus van Iperen	(Executive Officer: President of Canon Europa N.V. and Canon Europe Ltd.)
Eiji Osanai	(Executive Officer: Deputy Chief Executive of Production Engineering HQ)

IV. Financial Statements (Unaudited)

(1) <u>Consolidated Financial Statements</u>

Index of Consolidated Financial Statements of Canon Inc. and Subsidiaries:

Fee Income	48,398	166,894	32,455	69,845
Total Revenues	85,260	178,359	32,455	69,845
EXPENSES:				
General & Administrative	98,163	94,044	44,561	35,091
Net Income	$ (12,903)	$ 84,315	$ (12,106)	$ 34,754
LOSS PER SHARE:				
Net Income (loss) Per Common Share -				
Basic and Diluted	$ (nil)	$ nil	$ (nil)	$ nil
Weighted Common Shares Outstanding -				
Basic and Diluted	3,150,210,132	2,790,324,194	3,150,210,132	2,790,324,194

The accompanying unaudited notes are an integral part of these consolidated financial statements.

4

Table of Contents

AVENTURA HOLDINGS, INC.
CONSOLIDATED STATEMENTS OF CHANGES IN SHAREHOLDERS (DEFICIT)
(UNAUDITED)

	Common Stock		Preferred Stock		Additional Paid In	Accumulated	Treasury	
	Shares	Amount	Shares	Amount	Capital	Deficit	Stock	Total
Balance at December 31, 2007	2,790,324,194	$2,790,325	500	$1	$(1,736,908)	$(1,162,190)	$200,000	$91,228
Preferred Stock Exchange for IPTV Technology	-	-	(500)	(1)	(199,999)	-	-	(200,000)
Net income	-	-	-	-	-	61,168	-	61,168
Balance at December 31, 2008	2,790,324,194	2,790,325	-	-	(1,936,907)	(1,101,022)	200,000	(47,604)
Common share issuance pursuant to registration statement	359,885,938	359,886	-	-	(279,886)	-	-	80,000
Net loss	-	-	-	-	-	(12,903)	-	(12,903)
Balance at September 30, 2009	3,150,210,132	$3,150,211	-	$-	$(2,216,793)	$(1,113,925)	$200,000	$19,493

The accompanying unaudited notes are an integral part of these consolidated financial statements.

5

Table of Contents

AVENTURA HOLDINGS, INC.
CONSOLIDATED STATEMENT OF CAH FLOWS
(UNAUDITED)

	For the Nine Months Ended September 30, 2009 (unaudited)	2008 (unaudited)
Cash flows from operating activities:		
Net income (loss)	$ (12,903)	$ 84,315
Adjustments to reconcile net loss to net cash used in operating activities:		
Depreciation	3,480	
Fixed assets received in exchange for fees		(32,500)
(Increase) decrease in:		
Accounts receivable	(25,000)	-
Prepaid expenses	-	(1,066)
Due from others	-	
Security deposit	4,420	-
Increase (decrease) in:		
Accounts payable	(27,383)	(12,837)
Accrued compensation	(24,676)	12,484
Due to related party	-	(47,883)
Net cash (used) in operating activities	(82,062)	2,513
Cash flows from investing activities:	-	-
Net cash provided (used) in investing activities	-	-
Cash flows from financing activities:		
Proceeds from share issuance	80,000	-
Proceeds from related party	-	1,500
Net cash provided by financing activities	80,000	1,500
Net increase in cash	(2,062)	4,013
Cash at beginning of period	3,351	1,153
Cash at end of period	$ 1,289	$ 5,166
Supplemental Disclosure of Cash Flow Information:		

Cash paid during the period for:				
Interest	$	-	$	-
Income Taxes	$	-	$	-
Noncash investing and financing activities are as follows:				
Common stock issued inconjunction with acquisitions	$	-	$	-
Issuance of common stock	$	80,000	$	-
Exchange of intellectual property for preferred stock	$	-	$	(200,000)

The accompanying unaudited notes are an integral part of these consolidated financial statements.

6

Table of Contents

AVENTURA HOLDINGS, INC.
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
(UNAUDITED)

NOTE 1 - NATURE OF ORGANIZATION

Aventura Holdings, Inc. (“Aventura”, “we”, “us”, “our”, or the “Company”) is a publicly held Miami, Florida based Company that through its subsidiaries is engaged in the video surveillance and internet broadcast markets.

NOTE 2 - GOING CONCERN

As reflected in the accompanying financial statements, the Company’s past recurring losses from operations, net loss of $12,903 and net income of $84,315for the nine months ended September 30, 2009 and 2008 and net cash used in operations of $82,062 and generated in operations of $2,513 for the nine months ended September 30, 2009 and 2008; shareholder’s equity of $19,493 and an accumulated deficit of $ 1,113,925 at September 30, 2009, raise substantial doubt about our ability to continue as a going concern. Our financial statements do not include any adjustments to reflect the possible effects on recoverability and classification of assets or the amounts and classification of liabilities that may result from our inability to continue as a going concern.

Our ability to continue as a going concern is dependent on the ability to further implement our business plan, raise capital, and generate revenues. We presently do not have sufficient revenues to cover our incurred expenses. Our management recognizes that we must generate additional resources to enable us to pay our obligations as they come due, and that we must ultimately successfully implement our business plan and achieve profitable operations. We cannot assure you that we will be successful in any of these activities. Should any of these events not occur, our financial condition will be materially adversely affected.

The time required for us to become profitable from operations is highly uncertain, and we cannot assure you that we will achieve or sustain operating profitability or generate sufficient cash flow to meet our planned capital expenditures, working capital and debt service requirements. If required, our ability to obtain additional financing from other sources also depends on many factors beyond our control, including the state of the capital markets and the prospects for our business. The necessary additional financing may not be available to us or may be available only on terms that would result in further dilution to the current owners of our common stock.

We cannot assure that we will generate sufficient cash flow from operations or obtain additional financing to meet our obligations. The financial statements do not include any adjustments to reflect the possible effects on recoverability and classification of assets or the amounts and classification of liabilities, which may result from the inability of the Company to continue as a going concern.

Management’s Plans

The Company has enjoyed limited success pursuing its most recent business plan. The Board of Directors has determined that it is in the best interest of the Company and its shareholders to pursue a new business strategy and undertaken investigations and discussions with certain other parties regarding alternatives. The Company has not yet reached any definitive agreements with any parties.

NOTE 3 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Interim reporting

While the information presented in the accompanying interim financial statements is unaudited, it includes all adjustments, which are, in the opinion of management, necessary to present fairly the financial position, results of operations and cash flows for the interim periods presented in accordance with accounting principles generally accepted in the United States of America. These interim financial statements follow the same accounting policies and methods of their application as the December 31, 2008 annual financial statements of Aventura Holdings, Inc. All adjustments are of a normal recurring nature. It is suggested that these interim financial statements be read in conjunction with the Company’s December 31, 2008’s annual financial statements.

Operating results for the three and nine months ended September 30, 2009 are not necessarily indicative of the results that can be expected for the year ended December 31, 2009.

NOTE 4 - INVESTMENTS

Investments in securities of unaffiliated issuers represent holdings of less than 5% of the issuer’s voting common stock. Investments in and advances to affiliates are presented as (i) majority-owned, if holdings, directly or indirectly, represent over 50% of the issuer’s voting common stock, (ii) minority-owned other controlled affiliates if the holdings, directly or indirectly, represent over 25% and up to 50% of the issuer’s voting common stock and (iii) minority-owned other non-controlled affiliates if the holdings, directly or indirectly, represent 5% to 25% of the issuer’s voting common stock. Investments—other than securities represent all investments other than in securities of the issuer.

Table of Contents

Investments in securities or other than securities of privately held entities are initially recorded at their original cost as of the date the Company obtained an enforceable right to demand the securities or other investment purchased and incurred an enforceable obligation to pay the investment price.

For financial statement purposes, investments are recorded at their fair value. Currently, readily determinable fair values do not exist for our investments and the fair value of these investments is determined in good faith by the Company's Board of Directors who engaged independent valuation experts and ratified by the Company's Board of Directors pursuant to a valuation policy and consistent valuation process. Due to the inherent uncertainty of these valuations, the estimates may differ significantly from the values that would have been used had a ready market for the investments existed and the differences may be material.

Realized gains (losses) from the sale of investments and unrealized gains (losses) from the valuation of investments are reflected in operations during the period incurred.

NOTE 5 EMPLOYMENT AGREEMENTS

As of November 16, 2009, the Company has one full-time employee under a five year employment agreement commencing May 16, 2006. The employment agreement calls for annual remuneration of $60,000, certain fringe benefits and expense reimbursement. The employee is not represented by a union and the Company believes the relationship with the employee is good.

NOTE 6 - RELATED PARTY AND AFFILIATE TRANSACTIONS

The following disclosures comply with generally accepted accounting principles and the disclosure requirements under the Regulation S-X, Article 6, with regard to affiliate investments and transactions.

NOTE 7 – SUBSEQUENT EVENTS

The owner of a majority of the common stock has advised the Company that it has reached an agreement for the sale of substantially all of its holdings. This transfer, when and if it occurs, would result in a change in control that would be reflected in a Current Report under Form 8-K and other reports regarding changes in ownership. The majority owner has further advised the Company that the new owners of a majority of the common stock would likely pursue a change in the business model for the Company which change would be more fully disclosed in a a Current Report under Form 8-K.

In connection with these discussions and pending agreements, the Company had previously agreed to pursue a 'reverse-split' of its common stock, on the basis of each 1,000 shares of its common stock being exchanged for a new share of stock. The Company previously gave notice of this decision in its Information Statement under Form 14C filed with the Securities and Exchange Commission. In that same Information Statement, the majority shareholder had consented to authority to change the name of the Company. Notice has not yet been given to FINRA (the Financial Industry Regulatory Authority) to effectuate these two changes.

NOTE 8 - INTERNAL CONTROL

Controls and Procedures

As required by SEC rules, we have evaluated the effectiveness of the design and operation of our disclosure controls and procedures at the end of the period covered by this report. This evaluation was carried out under the supervision and with the participation of our management. Based on this evaluation, management has concluded that the design and operation of our disclosure controls and procedures are effective. There were no changes in our internal control over financial reporting or in other factors that have materially affected, or are reasonably likely to materially affect, our internal control over financial reporting.

Our disclosure controls and procedures are designed to ensure that information required to be disclosed by us in the reports that we file or submit under the Exchange Act is recorded, processed, summarized and reported, within the time periods specified in the SEC’s rules and forms. Disclosure controls and procedures include, without limitation, controls and procedures designed to ensure that information required to be disclosed by us in the reports that we file under the Exchange Act is accumulated and communicated to our management, including our principal executive officer as appropriate, to allow timely decisions regarding required disclosure.

NOTE 9 – SALES OF REGISTERED STOCK

The Company filed a registration statement under Form S-1 which was declared effective December 18, 2008. Pursuant to this registration statement, the Company sold a total of 10,000,000 shares to an individual for $5,000 and a total of 349,885,938 shares to four entities for $75,000.

8

Table of Contents

Item 2. Management's Discussion and Analysis of Financial Condition and Results of Operation

The following discussion should be read in conjunction with our financial statements and notes thereto appearing elsewhere in this report.

CAUTIONARY STATEMENT REGARDING FORWARD-LOOKING INFORMATION

This Form 10-Q for the quarter ended September 30, 2009 contains forward-looking statements within the meaning of Section 27A of the Securities Act of 1933, as amended, and Section 21E of the Securities Exchange Act of 1934, as amended. Forward-looking statements may be identified by the use of forward-looking terminology, such as "may", "shall", "could", "expect", "estimate", "anticipate", "predict", "probable", "possible", "should", "continue", or similar terms, v those terms or the negative of those terms. The forward-looking statements specified in the following information have been compiled by our management on the basis of assumptions made by management and are considered by management to be reasonable. Our future operating results, however, are impossible to predict and no representation, guaranty, or warranty is to be inferred from those forward-looking statements.

The assumptions used for purposes of the forward-looking statements specified in the following information represent estimates of future events and are subject to uncertainty as to possible changes in economic, legislative, industry, and other circumstances. As a result, the identification and interpretation of data and other information and their use in developing and selecting assumptions from and among reasonable alternatives require the exercise of judgment. To the extent that the assumed events do not occur, the outcome may vary substantially from anticipated or projected results, and, accordingly, no opinion is expressed on the achievability of those forward-looking statements. No assurance can be given that any of the assumptions relating to the forward-looking statements specified in the following information are accurate, and we assume no obligation to update any such forward-looking statements.

RECENT DEVELOPMENTS

None.

RESULTS OF OPERATIONS

For a discussion of factors that could impact operating results, see the section entitled "Risk Factors" in Item 1A, which is incorporated herein by reference.

AVENTURA HOLDINGS, INC.
CONSOLIDATED STATEMENTS OF OPERATIONS

	For the Nine Months Ended September 30, 2009 (unaudited)	For the Nine Months Ended September 30, 2008 (unaudited)	For the Three Months Ended September 30, 2009 (unaudited)	For the Three Months Ended September 30, 2008 (unaudited)
REVENUES:				
Sales	$ 95,466	$ 15,695	$ -	$ -
Less: cost of sales	58,604	4,230	-	-
Gross Profit	36,862	11,465	-	-
Fee Income	48,398	166,894	32,455	69,845

Total Revenues	85,260	178,359	32,455	69,845
EXPENSES:				
General & Administrative	98,163	94,044	44,561	35,091
Net Income	$ (12,903)	$ 84,315	$ (12,106)	$ 34,754
LOSS PER SHARE:				
Net Income (loss) Per Common Share - Basic and Diluted	$ (nil)	$ nil	$ (nil)	$ nil
Weighted Common Shares Outstanding - Basic and Diluted	3,150,210,132	2,790,324,194	3,150,210,132	2,790,324,194

The accompanying unaudited notes are an integral part of these consolidated financial statements.

Table of Contents

REVENUES

Sales for the nine months ended September 30, 2009 were $95,466 compared to sales for the nine months ended September 30, 2008 of $15695. Fee income for the nine months ended September 30, 2009 was $48,398 compared to fee income for the nine months ended September 30, 2008 of $166,894.

OPERATING AND OTHER EXPENSES

Operating expenses for the nine months ended September 30, 2009 were $98,163 compared to operating expenses for the nine months ended September 30, 2008 of $94,044.

Financing expenses were $0 for the nine months ended September 30, 2009 compared to $0 for the nine months ended September 30, 2008.

As a result of these factors, we reported a net loss of $12,903 or $(nil) per share for the nine months ended September 30, 2009 as compared to net income of $84,315 or $.nil per share for the nine months ended September 30, 2008.

LIQUIDITY AND CAPITAL RESOURCES

At September 30, 2009, we had assets exceeding liabilities by $19,493 and an accumulated deficit of $1,113,925.

We have no material commitments for capital expenditures.

Net cash used in operations during the nine months ended September 30, 2009 was $82,062. In the comparable period of September 30, 2008, we had net cash generated by operations of $2,513.

No cash was provided or used by investing activities for the nine months ended September 30, 2009 and no cash was provided or used by investing activities for the nine months ended September 30, 2008.

$80,000 was provided by financing activities for the nine months ended September 30, 2009 by the issuance of common stock while $1,500 was provided for the nine months ended September 30, 2008 by virtue of a related party.

The Company relies upon outside entities to finance its operations and provide capital for lending activities. A tightening of capital markets can reduce or eliminate funding sources resulting in a decrease in our liquidity and an inability to generate revenues from new lending activities.

Off Balance Sheet Arrangements

There are no off balance sheet arrangements that have or are reasonably likely to have a current or future effect on our financial condition, changes in financial condition, revenues or expenses, results of operations, liquidity, capital expenditures or capital resources that are material to investors.

CRITICAL ACCOUNTING POLICIES

A summary of significant accounting policies is included in Note 3 to the unaudited financial statements included elsewhere in this Report. We believe that the application of these policies on a consistent basis enables us to provide useful and reliable financial information about our operating results and financial condition.

Item 3. Quantitative and Qualitative Disclosures about Market Risk

The Company does not currently engage in transactions in derivative financial instruments or derivative commodity instruments. As of September 30, 2009, the Company's financial instruments were not exposed to significant market risk due to interest rate risk, foreign currency exchange risk, commodity price risk or other relevant market risks, such as equity price risk.

However, as discussed elsewhere in this Form 10-Q, the Company may also be subject to the following market risk:

Table of Contents

Interest Rate Risk

Our anticipated operations are expected to be leveraged by and sensitive to interest rates. To the extent we may borrow funds to finance our operations at variable rates, we may become subject to risks arising from interest rate fluctuations. Our potential exposure to interest rate risk arises primarily from changes in prime lending rates of commercial banks, which are in turn impacted by the policies and practices of the United States Federal Reserve Board, among other things.

Item 4. Controls and Procedures

Evaluation of disclosure controls and procedures. Our management evaluated, with the participation of our Chief Executive Officer (CEO) and Chief Financial Officer (CFO), the effectiveness of the design and operation of the Company's disclosure controls and procedures (as defined in Rules 13a - 15(e) or 15d - 15(e) under the Securities Exchange Act of 1934, as amended) as of the end of the period covered by this Quarterly Report on Form 10-Q. Based on this evaluation, the Company's management, including the CEO and CFO, concluded that the Company's disclosure controls and procedures were effective as of the end of the period covered by this Quarterly Report on Form 10-Q to ensure that information we are required to disclose in reports that we file or submit under the Securities Exchange Act of 1934 is accumulated and communicated to our management, including our principal executive and principal financial officers, as appropriate to allow timely decisions regarding required disclosure and that such information is recorded, processed, summarized and reported within the time periods specified in the Securities and Exchange Commission Rules and Forms.

Changes in internal control over financial reporting. There was no change in our internal control over financial reporting that occurred during the first quarter of fiscal 2009 that has materially affected, or is reasonably likely to materially affect, our internal control over financial reporting.

Table of Contents

PART II. OTHER INFORMATION

Item 1. Legal Proceedings

None.

Item 1A. Risk Factors

An investment in our common stock is highly speculative, involves a high degree of risk, and should be considered only by those persons who are able to bear the economic risk of their investment for an indefinite period. In addition to other information in this Quarterly Report on Form 10-Q, you should carefully consider the risks described below before investing in our publicly-traded securities. The risks described below are not the only ones facing us. Our business is also subject to the risks that affect many other companies, such as competition, technological obsolescence, labor relations, general economic conditions and geopolitical changes. Additional risks not currently known to us or that we currently believe are immaterial also may impair our business operations and our liquidity.

This is a highly speculative investment.

Ownership of our common stock is extremely speculative and involves a high degree of economic risk, which may result in a complete loss of your investment. Only persons who have no need for liquidity and who are able to withstand a loss of all or substantially all of their investment should purchase our common stock.

You will be diluted if we issue additional common stock, options to purchase common stock and/or debt or equity securities convertible into common stock.

Future offerings of debt securities, which would be senior to our common stock upon liquidation, or equity securities, which could dilute our existing stockholders and be senior to our common stock for the purposes of distributions, may have an adverse effect on the value of our common stock.

In the future, we may attempt to increase our capital resources by making additional offerings of equity or debt securities, including medium-term notes, senior or subordinated notes and classes of preferred stock or common stock. Upon our liquidation, holders of our debt securities, if any, and shares of preferred stock, if any, and lenders with respect to other borrowings, if any, will receive a distribution of our available assets prior to the holders of our common stock. Additional equity offerings by us reduce the value of our common stock. Any preferred stock we may issue would have a preference on distributions that could limit our ability to make distributions to the holders of our common stock. Because our decision to issue securities in any future offering will depend on market conditions and other factors beyond our control, we cannot predict or estimate the amount, timing or nature of our future offerings. Thus, our stockholders bear the risk of our future offerings reducing the market price of our common stock and diluting their stock holdings in the Company.

We may be subject to various industry-specific risks associated with our anticipated business operations.

Management has discretionary use of Company assets.

We continue to look for and investigate business opportunities that are consistent with our business plan, including further acquisitions. Management has broad discretion with respect to the acquisition of interests in companies that are consistent with our anticipated operations. Although management intends to apply any proceeds it may receive through the future issuance of stock or debt to acquire or operate suitable businesses, it will have broad discretion in allocating these funds. There can be no assurance that the management’s use or allocation of such proceeds will allow it to achieve its business objectives.

We operate in a competitive market for acquisition and investment opportunities.

We compete for acquisitions with a large number of companies and investment funds. Many of our competitors may have greater resources than we do. Increased competition makes it more difficult for us to make acquisitions or investments at attractive prices. As a result of this competition, sometimes we may be precluded from making otherwise attractive acquisitions or investments. There can be no assurance that we will be able to identify, negotiate and consummate acquisitions of attractive companies in light of this competition.

Results may fluctuate and may not be indicative of future performance.

Our operating results may fluctuate and, therefore, you should not rely on current or historical period results to be indicative of our performance in future reporting periods. Factors that could cause operating results to fluctuate include, but are not limited to, variations in the costs of identifying, negotiating and consummating acquisitions of businesses consistent with our business plan; variations in and the timing of the recognition of net realized gains or losses and changes in unrealized appreciation or depreciation; the degree to which we encounter competition in our markets; and other general economic and operational circumstances.

Table of Contents

Our common stock price may be volatile.

The trading price of our common stock may fluctuate substantially. The price of the common stock may be higher or lower than the price you pay for your shares, depending on many factors, some of which are beyond our control and may not be directly related to our operating performance. These factors include, but are not limited to, the following:

- price and volume fluctuations in the overall stock market from time to time;
- significant volatility in the market price and trading volume of securities of financial services companies;
- volatility resulting from trading in derivative securities related to our common stock including puts, calls, long-term equity anticipation securities (“LEAPs”), or short trading positions;
- actual or anticipated changes in our earnings or fluctuations in our operating results or changes in the expectations of securities analysts;
- general economic conditions and trends;
- loss of a major funding source; or
- departures of key personnel.

OTC Bulletin Board.

Our common stock is quoted on the OTC Bulletin Board (“OTCBB”). The OTCBB is an inter-dealer, over-the-counter market that provides significantly less liquidity than the NASDAQ Stock Market or national or regional exchanges. Securities traded on the OTCBB are typically thinly traded, highly volatile, have fewer markets and are not followed by analysts. The SEC’s order handling rules, which apply to NASDAQ-listed securities, do not apply to securities quoted on the OTCBB. Quotes for stocks included on the OTCBB are not listed in newspapers. Therefore, prices for securities traded solely on the OTCBB may be difficult to obtain and holders of our common stock may be unable to sell their shares at any price.

Penny Stock Rules.

Trading in our securities will be subject to the “penny stock” rules for the foreseeable future. The SEC has adopted regulations that generally define a penny stock to be any equity security that has a market price of less than $5.00 per share, subject to certain exceptions. These rules require that any broker-dealer who recommends our securities to persons other than prior customers and accredited investors must, prior to the sale, make a special written suitability determination for the purchaser and receive the purchaser’s written agreement to execute the transaction. Unless an exception is available, the regulations require the delivery, prior to any transaction involving a penny stock, of a disclosure schedule explaining the penny stock market and the risks associated with trading in the penny stock market. In addition, broker-dealers must disclose commissions payable to both the broker-dealer and the registered representative and current quotations for the securities they offer. The additional burdens imposed upon broker-dealers by such requirements may discourage broker-dealers from recommending transactions in our securities, which could severely limit the liquidity of our common stock and consequently adversely affect the market price of our common stock.

Changes in the law or regulations that govern us could have a material impact on us or our operations.

We are regulated by the SEC and impacted by regulations of certain state regulatory agencies and self-regulatory organizations. Any change in the law or regulations that govern our business could have a material impact on us or our operations. Laws and regulations may be changed from time to time, and the interpretations of the relevant laws and regulations also are subject to change, which may have a material effect on our operations.

No dividends.

Holders of our securities will only be entitled to dividends when, as and if declared by our Board of Directors. We do not expect to have a cash surplus available for dividends in the foreseeable future.

Table of Contents

Item 2. Unregistered Sales of Equity Securities and Use of Proceeds

None.

Item 3. Defaults Upon Senior Securities

None.

Item 4. Submission of Matters to a Vote of Security Holders

None.

Item 5. Other Information

None.

Item 6. Exhibits

Item 601 of Regulation S-K Exhibit No.:	Exhibit
31.1	Rule 13a-14(a)/15d-14(a) Certification of Chief Executive Officer of the Company
31.2	Rule 13a-14(a)/15d-14(a) Certification of Chief Financial Officer of the Company
32.1	Section 1350 Certification by Chief Executive Officer and Chief Financial Officer

Table of Contents

SIGNATURES

In accordance with the requirements of the Exchange Act, the registrant caused this report to be signed on its behalf by the undersigned, thereunto duly authorized.

AVENTURA HOLDINGS, INC.

November 16, 2009	By:	/s/ Craig A. Waltzer Craig A. Waltzer Chief Executive Officer, President, and Director

Table of Contents