UNITED STATES
SECURITIES AND EXCHANGE COMMISSION
Washington, D.C. 20549

Form 10-Q

(Mark One)

☒ QUARTERLY REPORT UNDER SECTION 13 OR 15(d) OF THE SECURITIES EXCHANGE ACT OF 1934
For the quarterly period ended March 31, 2009

OR

☐ TRANSITION REPORT UNDER SECTION 13 OR 15(d) OF THE SECURITIES EXCHANGE ACT OF 1934
For the transition period from __________ to __________

COMMISSION FILE NUMBER 333-127347

PROVISION HOLDING, INC.

(Exact Name of registrant as specified in its charter)

Nevada	20-0754724
(State or other jurisdiction of incorporation or organization)	(I.R.S. Employer Identification No.)

9253 Eton Avenue, Chatsworth, California 91311
(Address of principal executive offices) (Zip Code)

Registrant's telephone Number: (818) 775-1624

Check whether the issuer (1) filed all reports required to be filed by Section 13 or 15(d) of the Exchange Act during the past 12 months (or for such shorter period that the registrant was required to file such reports), and (2) has been subject to such filing requirements for the past 90 days. Yes ☒ No ☐

Indicate by check mark whether the registrant has submitted electronically and posted on its corporate Web site, if any, every Interactive Data File required to be submitted and posted pursuant to Rule 405 of Regulation S-T (§232.405 of this chapter) during the preceding 12 months (or for such shorter period that the registrant was required to submit and post such files). Yes ☒ No ☐

Indicate by check mark whether the registrant is a large accelerated filer, an accelerated filer, a non-accelerated filer, or a smaller reporting company. See definition of "large accelerated filer", "accelerated filer" and "smaller reporting company" in Rule 12b-2 of the Exchange Act. (Check one):

Large accelerated filer ☐	Accelerated filer ☐	Non-accelerated filer ☐ (do not check if smaller reporting company)	Smaller reporting company ☒

Indicate by check mark whether the registrant is a shell company (as defined in Rule 12b-2 of the Exchange Act).
Yes ☐ No ☒

As of March 31, 2009, the issuer had 26,415,372 outstanding shares of common stock.

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PART I

PROVISION HOLDING, INC.
CONDENSED CONSOLIDATED BALANCE SHEETS

	March 31, 2009 (Unaudited)	June 30, 2008
ASSETS		
CURRENT ASSETS		
Cash	$ 2,424	$ 287,641
Inventory	225,896	322,793
Investments	3,000	6,000
TOTAL CURRENT ASSETS	231,320	616,434
EQUIPMENT, net of accumulated depreciation	499,605	541,568
PREPAID FINANCING COSTS	123,665	125,464
INTANGIBLES, net of accumulated amortization	170,990	137,556
TOTAL ASSETS	$ 1,025,580	$ 1,421,022
LIABILITIES AND STOCKHOLDERS' DEFICIT		
CURRENT LIABILITIES		
Accounts payable and accrued expenses	$ 408,792	$ 299,152
Accrued interest	486,409	325,495
Unearned revenue	62,577	-
Loss contingency payable	592,312	592,312
Current portion of long-term debt	870,000	401,821
TOTAL CURRENT LIABILITIES	2,420,090	1,618,780
NOTES PAYABLE, net of debt discount and current portion	367,838	220,438
TOTAL LIABILITIES	2,787,928	1,839,218
STOCKHOLDERS' DEFICIT		
Preferred stock, par value $0.001 per share		
Authorized – 4,000,000 shares		
Issued and outstanding – 0 shares	-	-
Common stock, par value $0.001 per share		
Authorized – 100,000,000 shares		
Issued and outstanding – 26,415,372 and 24,446,353, respectively	26,415	24,446
Additional paid-in capital	12,061,784	11,317,575
Less receivable for stock	(50,000)	(50,000)
Accumulated deficit	(13,800,547)	(11,710,217)
TOTAL STOCKHOLDERS' DEFICIT	(1,762,348)	(418,196)
TOTAL LIABILITIES AND STOCKHOLDERS' DEFICIT	$ 1,025,580	$ 1,421,022

The accompanying notes are an integral part of the financial statements

PROVISION HOLDING, INC.
CONDENSED CONSOLIDATED STATEMENTS OF OPERATIONS
FOR THE THREE AND NINE MONTHS ENDED MARCH 31, 2009 AND 2008
(UNAUDITED)

	For the Three Months Ended March 31,		For the Nine Months Ended March 31,	
	2009	**2008**	**2009**	**2008**
REVENUES	$ 65,275	$ 38,963	$ 407,392	$ 461,245
COST OF REVENUES	33,366	22,411	204,842	294,921
GROSS PROFIT	31,909	16,552	202,550	166,324
EXPENSES				
General and administrative	442,228	476,170	1,603,321	1,242,196
Research and development	49,797		132,644	
TOTAL EXPENSES	492,085	476,170	1,735,965	1,242,196
(LOSS) FROM OPERATIONS	(460,176)	(459,618)	(1,533,415)	(1,075,872)
OTHER INCOME (EXPENSE)				
Unrealized loss on securities	-	-	(3,000)	-
Gain on disposal of fixed asset	-	-	5,725	-
Forgiveness of debt	-	12,280	-	18,447
Interest expense	(179,178)	(209,287)	(559,640)	(218,983)
TOTAL OTHER INCOME (EXPENSE)	(179,178)	(197,007)	(556,915)	(200,536)
(LOSS) BEFORE INCOME TAXES	(639,354)	(656,625)	(2,090,330)	(1,276,408)
Income tax expense	-	1,600	-	1,600
NET (LOSS)	$ (639,354)	$ (658,225)	(2,090,330)	(1,278,008)
NET (LOSS) PER COMMON SHARE				
Basic and diluted	$ (0.03)	$ (0.03)	(0.08)	(0.06)
WEIGHTED AVERAGE NUMBER OF COMMON SHARES OUTSTANDING				
Basic and diluted	24,982,039	22,760,575	24,665,132	21,826,349

The accompanying notes are an integral part of the financial statements

PROVISION HOLDING, INC.
CONDENSED CONSOLIDATED STATEMENTS OF CASH FLOWS
FOR THE NINE MONTHS ENDED MARCH 31, 2009 AND 2008
(UNAUDITED)

	2009	2008
CASH FLOWS FROM OPERATING ACTIVITIES:		
Net (loss)	$ (2,090,330)	$ (1,278,008)
Adjustments to reconcile net (loss) to net cash (used) by operating activities:		
Non-cash compensation	36,313	50,000
Forgiveness of debt	-	(18,447)
Stock issued for services	427,062	-
Depreciation expense	91,007	13,000
Amortization	1,872	68,130
Gain on disposal of fixed asset	(5,725)	-
Unrealized loss on securities	3,000	-
Amortization of debt discount	313,382	-
Changes in operating assets and liabilities:		
Accounts receivable	-	(28,534)
Inventory	96,897	(290,116)
Prepaid financing costs	70,049	-
Other assets	-	(68,761)
Accounts payable and accrued liabilities	109,640	(72,438)
Accrued interest	160,914	179,096
Unearned revenue	62,577	(52,140)
NET CASH (USED) BY OPERATING ACTIVITIES	(723,342)	(1,498,218)
CASH FLOWS FROM INVESTING ACTIVITIES:		
Purchase of equipment	(43,319)	(8,025)
Patents	(35,306)	-
NET CASH (USED) BY INVESTING ACTIVITIES	(78,625)	(8,025)
CASH FLOWS FROM FINANCING ACTIVITIES:		
Proceeds from notes payable, net of fees	516,750	800,500
Prepayments of notes payable	-	(333,954)
NET CASH PROVIDED BY FINANCING ACTIVITIES	516,750	466,546
NET (DECREASE) IN CASH AND CASH EQUIVALENTS	(285,217)	(1,039,697)
CASH AND CASH EQUIVALENTS AT THE BEGINNING OF THE PERIOD	287,641	1,229,978
CASH AND CASH EQUIVALENTS AT THE END OF THE PERIOD	$ 2,424	$ 190,281

The accompanying notes are an integral part of the financial statements

PROVISION HOLDING, INC.
CONDENSED CONSOLIDATED STATEMENTS OF CASH FLOWS CONTINUED
FOR THE NINE MONTHS ENDED MARCH 31, 2009 AND 2008
(UNAUDITED)

	2009	2008
SUPPLEMENTAL DISCLOSURE OF CASH FLOW INFORMATION		
Interest paid	$ 12,500	$ 39,887
Taxes paid	$ -	$ 1,600
SCHEDULE OF NON-CASH INVESTING AND FINANCING ACTIVITIES:		
Issuance of 1,675,000 shares of common stock for debt conversion	$ -	$ 1,675,000
Issuance of 87,174 shares of common stock for interest expense	$ -	$ 87,174

The accompanying notes are an integral part of the financial statements

PROVISION HOLDING, INC.
CONDENSED NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
FOR THE NINE MONTHS ENDED MARCH 31, 2009
(UNAUDITED)

NOTE 1 ORGANIZATION AND BASIS OF PRESENTATION

Basis of Presentation

Preparation of Interim Condensed Consolidated Financial Statements

These interim condensed consolidated financial statements for the periods ended March 31, 2009 and 2008 have been prepared by the Company's management, without audit in accordance with accounting principles generally accepted in the United States of America and pursuant to the rules and regulations of the United States Securities and Exchange Commission ("SEC"). In the opinion of management, these interim condensed consolidated financial statements contain all adjustments (consisting of only normal recurring adjustments, unless otherwise noted) necessary to present fairly the Company's financial position, results of operations and cash flows for the fiscal periods presented. Certain information and note disclosures normally included in annual financial statements prepared in accordance with accounting principles generally accepted in the United States of America have been condensed or omitted in these interim financial statements pursuant to the SEC's rules and regulations, although the Company's management believes that the disclosures are adequate to make the information presented not misleading. The financial position, results of operations and cash flows for the interim periods disclosed herein are not necessarily indicative of future financial results. These interim condensed consolidated financial statements should be read in conjunction with the annual financial statements and the notes thereto included in the Company's most recent Annual Report on Form 10K for the fiscal year ended June 30, 2008.

Going Concern

These financial statements are presented on the basis that the Company is a going concern. Going concern contemplates the realization of assets and the satisfaction of liabilities in the normal course of business over a reasonable length of time. The Company has incurred a loss of approximately $2,100,000 in the current period and has negative working capital of approximately $2,200,000. These matters raise substantial doubt about the Company's ability to continue as a going concern. The consolidated financial statements do not include any adjustments relating to the recoverability and classification of recorded asset amounts or the amounts and classification of liabilities that might be necessary should the Company be unable to continue as a going concern. The Company's continuation as a going concern is dependent upon its ability to generate sufficient cash flow to meet its obligations on a timely basis, to obtain additional financing or refinancing as may be required and, ultimately, to attain profitable operations. Management's plan to eliminate the going concern situation include, but are not limited to, the raise of additional capital through issuance of debt and equity, improved cash flow management, aggressive cost reductions, and the creation of additional sales and profits across its product lines.

Principles of Consolidation

The consolidated financial statements include the financial statements of the Company and its wholly owned subsidiary. All significant inter-company balances and transactions have been eliminated in consolidation.

Use of Estimates

The preparation of financial statements in conformity with accounting principles generally accepted in the United States of America requires management to make certain estimates and assumptions that affect the reported amounts and timing of revenues and expenses, the reported amounts and classification of assets and liabilities, and the disclosure of contingent assets and liabilities. These estimates and assumptions are based on the Company's historical results as well as management's future expectations. The Company's actual results could vary materially from management's estimates and assumptions.

Basic and Diluted Income (Loss) per Share

In accordance with SFAS No. 128, "Earnings Per Share," basic income (loss) per common share is computed by dividing net income (loss) available to common stockholders by the weighted average number of common shares outstanding. Diluted income (loss) per common share is computed similar to basic income per common share except that the denominator is increased to include the number of additional common shares that would have been outstanding if the potential common shares had been issued and if the additional common shares were dilutive. As of March 31, 2009, the Company had debt instruments outstanding that can potentially be converted into 2,655,636 shares of common stock.

Recent Accounting Pronouncements

In the first quarter of fiscal 2009, the Company adopted Statement of Financial Accounting Standards No. 157, Fair Value Measurements, (“SFAS No. 157”) for all financial assets and financial liabilities and for all non-financial assets and non-financial liabilities recognized or disclosed at fair value in the financial statements on a recurring basis (at least annually). SFAS No. 157 defines fair value, establishes a framework for measuring fair value, and enhances fair value measurement disclosure. The adoption of SFAS No. 157 did not have a significant impact on our consolidated financial statements, and the resulting fair values calculated under SFAS No. 157 after adoption were not significantly different than the fair values that would have been calculated under previous guidance.

In May 2008, the FASB issued SFAS No. 162, "The Hierarchy of Generally Accepted Accounting Principles" ("SFAS No. 162"). SFAS No. 162 identifies the sources of accounting principles and the framework for selecting the principles to be used in the preparation of financial statements presented in conformity with generally accepted accounting principles in the United States of America. SFAS No. 162 will be effective 60 days following the SEC's approval of the Public Company Accounting Oversight Board (PCAOB) amendments to AU Section 411, "The Meaning of, Present fairly in conformity with generally accepted accounting principles". The Company does not believe the implementation of SFAS No. 162 will have a material impact on its consolidated financial statements.

In October 2008, the Financial Accounting Standards Board (“FASB”) issued Financial Staff Position 157-3, Determining the Fair Value of a Financial Asset When the Market for That Asset Is Not Active, (“FSP 157-3”). FSP 157-3 clarifies the application of SFAS No. 157 in a market that is not active, and addresses application issues such as the use of internal assumptions when relevant observable data does not exist, the use of observable market information when the market is not active, and the use of market quotes when assessing the relevance of observable and unobservable data. FSP 157-3 is effective for all periods presented in accordance with SFAS No. 157. The adoption of FSP 157-3 did not have a significant impact on our consolidated financial statements or the fair values of our financial assets and liabilities.

In December 2008, the FASB issued Financial Staff Position (“FSP”) Financial Accounting Standard No. 140-4 and FASB Interpretation 46(R)-8, Disclosures by Public Entities (Enterprises) about Transfers of Financial Assets and Interests in Variable Interest Entities (“FSP FAS 140-4” and “FIN 46(R)-8”). The document increases disclosure requirements for public companies and is effective for reporting periods (interim and annual) that end after December 15, 2008. FSP FAS 140-4 and FIN 46(R)-8 became effective for us on December 31, 2008. The adoption of FSP FAS 140-4 and FIN 46(R)-8 did not have a significant impact on our consolidated financial statements.

NOTE 2 INVENTORY

Inventory consists of the following:

	March 31, 2009
Raw materials	$ 138,591
Work in process	87,305
Finished goods	-
Total	$ 225,896

NOTE 3 EQUIPMENT, net

Equipment consists of the following:

	March 31, 2009
Furniture and fixtures	$ 17,018
Computer equipment	30,579
Equipment	166,602
Demo units	72,271
3DEO Kiosks	438,912
	725,382
Less accumulated depreciation	(225,777)
Total	$ 499,605

NOTE 4 **INTANGIBLES, net of accumulated amortization**

Intangibles consist of the following:

	March 31, 2009
Patents in process	$ 122,286
Patents issued	58,037
	180,323
Less accumulated amortization	(9,333)
Total	$ 170,990

NOTE 5 **NOTES PAYABLE**

Notes payable consist of the following:

	March 31, 2009
Convertible notes payable, annual interest rate of 10%, due dates range from May 2010 to December 2010 convertible into common stock at a rate of $0.75 to $1.50 per share.	$ 2,070,000
Convertible note payable, annual interest rates range from 8% to 4%, convertible into common stock at a rate of $1 per share. Note matured on March 8, 2009 and is currently being renegotiated.	750,000
Note payable, annual interest rate of 12%.	20,000
Note payable, annual interest rate of 15%.	50,000
Note payable, annual interest rate of 5%.	50,000
Unamortized debt discount	(1,702,162)
	1,237,838
Less current portion	(870,000)
Notes payable, net of current portion	$ 367,838

During the nine months ended March 31, 2009, $465,000 of convertible debt was issued with 309,894 warrants which expire within two years of the date of issue, through December 2010, with exercise prices of $1.00 to $1.50 per share.

During the nine months ended March 31, 2009, $70,000 of debt was issued with 120,000 warrants which expire within three years of the date of issue, through March 2012, with exercise prices of $0.10 per share

NOTE 6 **EMPLOYEE OPTIONS**

During the nine months ended March 31, 2009, no new options were granted to employees or consultants. Employee options outstanding as of March 31, 2009 were 870,851.

ITEM 2. MANAGEMENT'S DISCUSSION AND ANALYSIS OF FINANCIAL CONDITION AND RESULTS OF OPERATIONS.

Forward-Looking Statements

Some of the statements contained in this Form 10-Q that are not historical facts are "forward-looking statements" which can be identified by the use of terminology such as "estimates," "projects," "plans," "believes," "expects," "anticipates," "intends," or the negative or other variations, or by discussions of strategy that involve risks and uncertainties. We urge you to be cautious of the forward-looking statements, that such statements, which are contained in this Form 10-Q, reflect our current beliefs with respect to future events and involve known and unknown risks, uncertainties and other factors affecting our operations, market growth, services, products and licenses. No assurances can be given regarding the achievement of future results, as actual results may differ materially as a result of the risks we face, and actual events may differ from the assumptions underlying the statements that have been made regarding anticipated events. Factors that may cause actual results, our performance or achievements, or industry results, to differ materially from those contemplated by such forward-looking statements include without limitation:

- Our ability to attract and retain management, and to integrate and maintain technical information and management information systems;
- Our ability to raise capital when needed and on acceptable terms and conditions;
- The intensity of competition; and
- General economic conditions.

All written and oral forward-looking statements made in connection with this Form 10-Q that are attributable to us or persons acting on our behalf are expressly qualified in their entirety by these cautionary statements. Given the uncertainties that surround such statements, you are cautioned not to place undue reliance on such forward-looking statements.

Business Overview

On February 14, 2008, MailTec, Inc. (now known as Provision Holding, Inc.) (the "Company") entered into an Agreement and Plan of Merger, which was amended and restated on February 27, 2008 (as amended and restated, the "Agreement"), and closed effective February 28, 2008, with ProVision Merger Corp., a Nevada corporation and wholly owned subsidiary of the Company (the "Subsidiary") and Provision Interactive Technologies, Inc., a California corporation ("Provision"). Pursuant to the Agreement, the Subsidiary merged into Provision, and Provision became a wholly owned subsidiary of the Company. As consideration for the merger of the Subsidiary into Provision, the Company issued 20,879,350 shares of the Company's common stock to the shareholders, creditors, and certain warrant holders of Provision, representing approximately 86.5% of the Company's aggregate issued and outstanding common stock, and the outstanding shares and debt, and those warrants whose holders received shares of the Company's common stock, of Provision were transferred to the Company and cancelled.

The Company and Provision are focused on the development and distribution of Provision's patented three-dimensional, holographic interactive displays focused at grabbing and holding consumer attention particularly and initially in the advertising and product merchandising markets. The systems display a moving 3D image size to forty inches in front of the display, projecting a digital video image out into space detached from any screen, rendering truly independent floating images featuring high definition and crisp visibility from far distances. The nearest comparable to this technology can be seen in motion pictures such as Star Wars and Minority Report, where objects and humans are represented through full-motion holograms.

We are also developing and marketing several new point-of-purchase, and other devices, tailored to specific industries that are currently in Pilot Programs with major international companies or readying to begin shortly; including the medical, entertainment, government and home markets. In addition to selling the hardware for our patented three-dimensional, holographic interactive video displays, we are building our business into a digital media company offering advertising on a network of our 3D holographic video displays.

One of our new products is known as the “HL40 Diamond”, an extraordinary 3D holographic video display system, to the retailing and advertising industries is smaller and lighter than its predecessor, the HL40C. Used to promote all type of products and services, the HL40D is a powerful tool to break through the clutter of traditional in store advertising and merchandising. Our other powerful 3D products can be used for a wide variety of interactive applications including order-taking and information retrieval.

Significant Events and Trends

Our floating image display technologies have multiple market applications across a broad spectrum of industries. Extensive audience migration across and within media categories is driving major shifts in advertising spending, benefiting captive, auditable media vehicles. Traditional media vehicles like radio, TV, newspapers and magazines continue to lose audience share and advertising dollars to new media vehicles, which include the point-of-purchase or wherever there might be a captive audience. The current media and traditional displays (TV, LCD and Plasma screens) are stale and ubiquitous resulting in significant ineffectiveness.

Launching our first products into grocery stores, we have developed a new patent pending application. Known as the “3DEO Rewards Center” or “3DEO”, this device projects 3D video advertisements and allows consumers to print coupons as well as receive non-cash awards. The 3DEO device provides food companies and other advertisers with a new way of promoting their products at the point of purchase, where consumers are making seventy percent of their buying decisions.

We plan to build, own, and operate networks of 3DEO Rewards Centers. In March 2008 we signed three-year agreements with several independent Hispanic grocery store chains to install 3DEO Reward Centers in 47 locations in southern California.

In June 2008, we announced our signed three-year agreement with Fred Meyer Stores, a division of The Kroger, Co., to install Fred Meyer 3DEO Centers in 127 locations in the Pacific Northwest. Installation of the centers will begin this month in Portland, OR, in high traffic, high visibility locations close to the main entrance of the store. We have received advertising placements from some of the largest manufacturers in the country, including Unilever, Proctor & Gamble, Johnson & Johnson, BIC and Kimberly Clark. The manufacturers’ will advertise through digital coupons that customers will receive from Provision’s 3DEO Media Centers located in Fred Meyer stores.

In September 2008, we signed an agreement with the Long Island Gasoline Retailers Association (“LIGRA”) to install its patented 3D holographic displays in up to 800 member stores throughout New York. Provision’s displays will be located inside the independent convenience stores of major franchise gasoline retailers including Shell, ExxonMobil, Citgo, Sunoco, BP, Amoco and Gulf.

In December 2008, we signed an agreement with ADCENTRICITY Inc. to sell advertising on its revolutionary 3D digital signage network. ADCENTRICITIY's advertisers will be able to feature their messaging on Provision's extraordinary network in a variety of forms, including 3D holographic videos and digital coupons.

We are still working with one of the world’s largest coffee franchises to test a variety of in-store digital signage applications utilizing Provision’s HL40D displays. Once successful, Provision will install up to 109 systems in the quick service chain’s greater New York City area stores.

We also have continued hardware sales of our patented three-dimensional, holographic interactive video displays. In July 2008, we began shipments to Studio One Media, Inc. of up to 1,000 3D holographic units pursuant to a Strategic Alliance and Purchase Agreement. The contract will generate up to $7 million dollars in revenue for Provision over the next 18 months.

Research and Development Activities

At present, Provision's patents and patent applications are supplemented by substantial intellectual property we are currently protecting as trade secrets and proprietary know-how. This includes matter related to all three product lines. We expect to file additional patent applications on a regular basis in the future.

We believe that Provision's intellectual property and expertise constitutes an important competitive resource, and we continue to evaluate the markets and products that are most appropriate to exploit this expertise. In addition, we maintain an active program of intellectual property protection, both to assure that the proprietary technology developed by us is appropriately protected and, where necessary, to assure that there is no infringement of Provision's proprietary technology by competitive technologies.

Results of Operation – Three Months Ended March 31, 2009 as Compared to the Three Months Ended March 31, 2008:

Select Financial Information

	March 31, 2009	March 31, 2008
Total Assets	$ 1,025,580	$ 2,301,756
Total Liabilities	$ 2,787,928	$ 2,807,254
Total Stockholders' Deficit	$ 1,762,348	$ 505,498
Revenues	$ 65,275	$ 38,963
Cost of Revenues	33,366	22,411
Gross Profit	31,909	16,552
Expenses	492,085	476,170
Loss from Operations	(460,176)	(459,618)
Other Income (Expense)	(179,178)	(197,007)
Net Loss	$ (639,354)	$ (658,225)
Net Loss per Common Share	$ (0.03)	$ (0.03)

Revenue and Cost of Revenue

Revenues for the three months ended March 31, 2009 increased 68% to $65,275 from $38,963 for the three months ended March 31, 2008. Included in revenues for the three months ended March 31, 2009 is $58,525 from the sale of our product coming from international distributors and the beginning shipment of our Studio One purchase agreement as well as $6,750 in advertising revenues. These international product sales came in from countries including Japan and Europe. The Company has announced additional sales to its Japanese distributor supporting the test of the Company's products by Unisys, as well as recent shipments to the U.K. to its distributor who is working with Samsung. Advertising sales are expected to increase as the Company continues its roll out of its 3D Reward Center in the large top demographic markets of Los Angeles (#2) and New York (#1). We have entered into several agreements with media buying agencies and ad agencies to assist in the selling of 3D holographic ads and coupon promotions; expecting to continue the growth of ad sales on a quarter by quarter basis.

Our cost of revenues were $33,366 for the three months ended March 31, 2009 as compared to $22,411 for the three months ended March 31, 2008. This increase of $10,955 or 49% is a direct result of our increased revenues.

We had a gross profit percentage of 49% for the three months ended March 31, 2009 compared to a gross profit percentage of 42% for the three months ended March 31, 2008. The increase in gross margin percentage was a result of a change in our sales mixture to higher margin items, increase in some sales prices to certain regional, retail customers, along with our additional advertising revenues. As discussed above, we expect advertising revenues to increase in the coming quarters as the Company begins to roll out its 3D Reward Center in the large top demographic markets of Los Angeles (#2) and New York (#1).

Expenses

General and administrative expenses for the three months ended March 31, 2009 were $442,228 as compared to $476,170 for the three months ended March 31, 2008. General and administrative expenses include fees paid for accounting services in connection with audits and filing requirements, legal services, marketing expenses for marketing campaigns, tradeshows, and travel, and payroll (including payroll taxes) for administration, sales and production staff.

During the three months ended March 31, 2009 our legal fees decreased $24,924 to $10,439 from $35,363 during the three months ended March 31, 2008. This decrease is the result of the completion of our merger in February 2008 and less need for legal services during 2009. We also experienced a decrease in our marketing expense of $18,285 to $13,347 for the three months ended March 31, 2009 from $31,621 during the three months ended March 31, 2008. The decrease in our marketing expenses was due to our attendance at fewer trade shows during the three months ended March 31, 2009. Additionally, our salaries and wages decreased $98,198to $117,233 during the three months ended March 31, 2009 from $215,431 during the three months ended March 31, 2008. This decrease is due to our employee base decreasing to seven employees from nine employees. We don't currently have plans to replace the departed employees until sales and gross profits increase. These decreases in expenses were partially offset by an increase of $92,500 in non-cash compensation to $142,500 during the three months ended March 31, 2009 from $50,000 during the three months ended March 31, 2008. During the three months ended March 31, 2009 we issued 1,500,000 shares of common stock valued at $142,500 to a consultant for services rendered.

During the three months ended March 31, 2009 we recorded $49,797 of research and development expenses. We did not have any research and development expenses during the three months ended March 31, 2008. Research and development expenses relate to the salary paid to two key employees who conduct ongoing technical engineering tasks for product improvements, cost reductions, new product development, and the like. We expect research and development expenses to increase slightly as the Company has begun to develop the first phases of its consumer oriented product line, as recently announced, with the design of a custom molded enclosure.

Other Income (Expense)

Interest expense decreased 14% to $179,178 during the three months ended March 31, 2009 from $209,287 during the three months ended March 31, 2008. The decrease in interest expense in directly related to reduction in the amortization of the debt discount.

During the three months ended March 31, 2008 we recorded $12,280 of debt forgiveness related to our line of credit that was renegotiated with the bank.

Net Loss

As a result of the aforementioned, our net loss decreased 3% or $18,871 to $639,354 during the three months ended March 31, 2009 from $658,225 during the three months ended March 31, 2009.

Results of Operation – Nine Months Ended March 31, 2009 as Compared to the Nine Months Ended March 31, 2008

Select Financial Information

	March 31, 2009	March 31, 2008
Total Assets	$ 1,025,580	$ 2,301,756
Total Liabilities	$ 2,787,928	$ 2,807,254
Total Stockholders' Deficit	$ 1,762,348	$ 505,498
Revenues	$ 407,392	$ 461,245
Cost of Revenues	204,842	294,921
Gross Profit	202,550	166,324
Expenses	1,735,965	1,242,196
Loss from Operations	(1,533,415)	(1,075,872)
Other Income (Expense)	(556,915)	(200,536)
Net Loss	$ (2,090,330)	$ (1,278,008)
Net Loss per Common Share	$ (0.08)	$ (0.06)

Revenue and Cost of Revenue

Revenues for the nine months ended March 31, 2009 decreased 12% to $407,392 from $461,245 for the nine months ended March 31, 2008. Included in revenues for the nine months ended March 31, 2009 is $373,642 from the sale of our product coming from international distributors and the beginning shipment of our Studio One purchase agreement as well as $33,850 in advertising revenues. These international product sales came in from countries including Japan and Europe. The Company has announced additional sales to its Japanese distributor supporting the test of the Company's products by Unisys, as well as recent shipments to the U.K. to its distributor who is working with Samsung. Advertising sales are expected to increase as the Company continues its roll out of its 3D Reward Center in the large top demographic markets of Los Angeles (#2) and New York (#1).We have entered into several agreements with media buying agencies and ad agencies to assist in the selling of 3D holographic ads and coupon promotions; expecting to continue the growth of ad sales on a quarter by quarter basis.

Our cost of revenues were $204,842 for the nine months ended March 31, 2009 as compared to $294,921 for the nine months ended March 31, 2008. This increase of $90,079 or 31% is a direct result of our decreased revenues as well as the increase in advertising revenue which carries no cost of revenue.

We had a gross profit percentage of 50% for the nine months ended March 31, 2009 compared to a gross profit percentage of 36% for the nine months ended March 31, 2008. The increase in gross margin percentage was a result of a change in our sales mixture to higher margin items same language as above in red along with our additional advertising revenues. As discussed above, we expect advertising revenues to increase in the coming quarters.

Expenses

General and administrative expenses for the nine months ended March 31, 2009 were $1,603,321 as compared to $1,242,196 for the nine months ended March 31, 2008.

During the nine months ended March 31, 2009 our legal fees decreased $37,425 to $45,072 from $82,497 during the nine months ended March 31, 2008. This decrease is the result of the completion of our merger in February 2008 and less need for legal services during 2009. We also experienced a decrease in our marketing expense of $64,415 to $66,665 for the nine months ended March 31, 2009 from $131,080 during the nine months ended March 31, 2008. The decrease in our marketing expenses was due to our decision to not reorder approximately $60,000 of marketing materials that were ordered and used during the nine months ended March 31, 2008. Additionally, our salaries and wages decreased $157,725 to $282,952 during the nine months ended March 31, 2009 from $440,677 during the nine months ended March 31, 2008. This decrease is due to our employee base decreasing to seven employees from nine employees. We don't currently have plans to replace the departed employees until sales and gross profits increase. These decreases in expenses were partially offset by an increase of $413,375 in non-cash compensation to $463,375 during the nine months ended March 31, 2009 from $50,000 during the nine months ended March 31, 2008. Non-cash compensation relates to the value of common stock, warrants and options issued in exchange for services rendered. While we cannot guarantee it, we do not expect our non-cash compensation to continue this level of increase in the near future. We also experienced an increase of $83,653 in our accounting fees to $165,230 during the nine months ended March 31, 2009 from $81,577 during the nine months ended March 31, 2008. This increase in accounting fees is directly related to our financial statement audit for the year ended June 30, 2008 as well as the requirement for quarterly reviewed financial statements to fulfill our filing requirements with the Securities and Exchange Commission. Our consulting expenses also increased $23,300 to $25,247 during the nine months ended March 31, 2009 from $1,947 during the nine months ended March 31, 2008 as we hired a consultant to assist with investor relations.

During the nine months ended March 31, 2009 we recorded $132,644 of research and development expenses. Research and development expenses relate to the salary paid to two key employees who conduct ongoing technical engineering tasks for product improvements, cost reductions, new product development, and the like. These two employees' salaries were reclassified to R&D in July 2008 therefore there is no related expense during the nine months ended March 31, 2008.

Other Income (Expense)

Interest expense increased 156% to $559,640 during the nine months ended March 31, 2009 from $218,983 during the nine months ended March 31, 2008. The increase is directly related to the increase in the weighted average interest rate on our term debt to 8.4% from 7.8%, an increase in our term debt to $2,940,000 from $1,760,505 and an increase in the amortization of the debt discount to interest expense.

During the nine months ended March 31, 2009 we recorded $3,000 unrealized loss of securities as we revalued the carrying value of our investment in corporate stock held as well as a $5,725 gain on the disposal of a fixed asset.

During the nine months ended March 31, 2008 we recorded $12,280 of debt forgiveness related to our line of credit that was renegotiated with the bank and a note payable balance being forgiven.

Net Loss

As a result of the aforementioned, our net loss increased 64% or $812,322 to $2,090,330 during the nine months ended March 31, 2009 from $1,278,008 during the nine months ended March 31, 2009.

Financial Condition, Liquidity and Capital Resources

Management remains focused on controlling cash expenses. We have limited cash resources and plan our expenses accordingly.

We had cash of $2,424 at March 31, 2009 compared to cash of $287,641 at June 30, 2008. Our working capital deficit increased to $2,188,770 at March 31, 2009 from a deficit of $1,002,346 at June 30, 2008. The reason for the increase in the working capital deficit was the decrease in our cash and inventory of approximately $285,000 and $97,000, respectively, along with the increase in our accrued interest and unearned revenue of approximately $161,000 and $63,000respectively and the amortization of approximately $313,000 of debt discount.

During the nine months ended March 31, 2009, we used $723,342 of cash for operating activities versus $1,498,218 during the nine months ended March 31, 2008. The primary difference was the reduction of liabilities and purchases of inventory in 2009 and the increase in accrued interest during 2008 on the increased debt.

Cash used in investing activities during the nine months ended March 31, 2009 and 2008 was $78,625 and $8,025, respectively. During the nine months ended March 31, 2009, we used $43,319 to purchase additional equipment to support our infrastructure and $35,306 to secure additional patents. During the nine months ended March 31, 2008 we used $8,025 to purchase equipment.

Cash provided by financing activities during the nine months ended March 31, 2009 was $516,750 as a result of the proceeds from notes payable net of fees. Cash provided by financing activities during the nine months ended March 31, 2008 was $466,546 as a result of the proceeds from notes payable, net of fees, in the amount of $800,500 offset by the repayment of notes payable totaling $333,954.

Given our plans and expectation that we will need additional capital, we will need to issue additional shares of capital stock or securities convertible or exercisable for shares of capital stock, including preferred stock, options or warrants. The issuance of additional capital stock may dilute the ownership of the current stockholders.

Off Balance Sheet Arrangements

We do not engage in any off balance sheet arrangements that are reasonably likely to have a current or future effect on our financial condition, revenues, results of operations, and liquidity or capital expenditures.

Critical Accounting Policies

Use of Estimates — The preparation of financial statements in conformity with accounting principles generally accepted in the United States of America requires management to make certain estimates and assumptions that affect the reported amounts and timing of revenues and expenses, the reported amounts and classification of assets and liabilities, and the disclosure of contingent assets and liabilities. These estimates and assumptions are based on the Company's historical results as well as management's future expectations. The Company's actual results could vary materially from management's estimates and assumptions.

Revenue Recognition — We recognize revenue when persuasive evidence of an arrangement exists, title transfer has occurred, the price is fixed or readily determinable, and collectability is probable. We recognize revenue in accordance with Staff Accounting Bulletin No. 104, "Revenue Recognition." Sales are recorded net of sales returns and discounts, which are estimated at the time of shipment based upon historical data.

Impairment of Long-Lived Assets — We review the recoverability of the carrying value of long-lived assets using the methodology prescribed in SFAS No. 144, "Accounting for the Impairment and Disposal of Long-Lived Assets" whenever events or changes in circumstances indicate that the carrying value of such assets may not be recoverable. Upon such an occurrence, recoverability of these assets is determined by comparing the forecasted undiscounted net cash flows to which the assets relate, to the carrying amount. If the asset is determined to be unable to recover its carrying value, it is written down to fair value. Fair value is determined based on discounted cash flows, appraised values or other information available in the market, depending on the nature of the assets. Methodologies for determining fair value are inherently based on estimates that may change, such as the useful lives of assets and our cash flow forecasts associated with certain assets. A change in these estimates may result in impairment charges, which would impact our operating results.

Going Concern

These financial statements are presented on the basis that the Company is a going concern. Going concern contemplates the realization of assets and the satisfaction of liabilities in the normal course of business over a reasonable length of time. The Company has incurred a loss of approximately $2,100,000 in the current period and has negative working capital of approximately $2,200,000. These matters raise substantial doubt about the Company's ability to continue as a going concern. The consolidated financial statements do not include any adjustments relating to the recoverability and classification of recorded asset amounts or the amounts and classification of liabilities that might be necessary should the Company be unable to continue as a going concern. The Company's continuation as a going concern is dependent upon its ability to generate sufficient cash flow to meet its obligations on a timely basis, to obtain additional financing or refinancing as may be required and, ultimately, to attain profitable operations. Management's plan to eliminate the going concern situation include, but are not limited to, the raise of additional capital through issuance of debt and equity, improved cash flow management.

Accounting for Stock Option Based Compensation

Effective July 1, 2006, the Company adopted SFAS No. 123(R), "Share-Based Payment: An Amendment of FASB Statements No. 123 and 95" using the modified prospective method. Under this method, compensation cost is recognized on or after the effective date for the portion of outstanding awards, for which the requisite service has not yet been rendered, based on the grant date fair value of those awards. Prior to July 1, 2006, the Company accounted for employee stock options using the intrinsic value method in accordance with Accounting Principles Board (APB) Opinion No. 25 (APB No. 25), "Accounting for Stock Issued to Employees," and adopted the disclosure only alternative of SFAS No. 123. For stock-based awards issued on or after July 1, 2006, the Company recognizes the compensation cost on a straight-line basis over the requisite service period for the entire award. Measurement and attribution of compensation cost for awards that are unvested as of the effective date of SFAS No. 123(R) are based on the same estimate of the grant-date or modification-date fair value and the same attribution method used under SFAS No. 123.

On November 10, 2005, the Financial Accounting Standards Board (FASB) issued FASB Staff Position No. FAS 123(R)-3 "Transition Election Related to Accounting for Tax Effects of Share-Based Payment Awards". The Company has elected to adopt the alternative transition method provided in the FASB Staff Position for calculating the tax effects of stock-based compensation pursuant to SFAS No. 123(R). The alternative transition method includes simplified methods to establish the beginning balance of the additional paid-in capital pool (APIC pool) related to the tax effects of employee stock-based compensation, and to determine the subsequent impact on the APIC pool and Consolidated Statements of Cash Flows of the tax effects of employee stock-based compensation awards that are outstanding upon adoption of SFAS No. 123(R). As the Company is currently in a net operating loss position and has placed valuation allowances on its net deferred tax assets, there is no net impact on the Company's APIC pool related to stock-based compensation for the nine months ended March 31, 2009.

Recent Accounting Pronouncements

In the first quarter of fiscal 2009, the Company adopted Statement of Financial Accounting Standards No. 157, Fair Value Measurements, (“SFAS No. 157”) for all financial assets and financial liabilities and for all non-financial assets and non-financial liabilities recognized or disclosed at fair value in the financial statements on a recurring basis (at least annually). SFAS No. 157 defines fair value, establishes a framework for measuring fair value, and enhances fair value measurement disclosure. The adoption of SFAS No. 157 did not have a significant impact on our consolidated financial statements, and the resulting fair values calculated under SFAS No. 157 after adoption were not significantly different than the fair values that would have been calculated under previous guidance.

In May 2008, the FASB issued SFAS No. 162, "The Hierarchy of Generally Accepted Accounting Principles" ("SFAS No. 162"). SFAS No. 162 identifies the sources of accounting principles and the framework for selecting the principles to be used in the preparation of financial statements presented in conformity with generally accepted accounting principles in the United States of America. SFAS No. 162 will be effective 60 days following the SEC's approval of the Public Company Accounting Oversight Board (PCAOB) amendments to AU Section 411, "The Meaning of, Present fairly in conformity with generally accepted accounting principles". The Company does not believe the implementation of SFAS No. 162 will have a material impact on its consolidated financial statements.

In October 2008, the Financial Accounting Standards Board ("FASB") issued Financial Staff Position 157-3, Determining the Fair Value of a Financial Asset When the Market for That Asset Is Not Active, ("FSP 157-3"). FSP 157-3 clarifies the application of SFAS No. 157 in a market that is not active, and addresses application issues such as the use of internal assumptions when relevant observable data does not exist, the use of observable market information when the market is not active, and the use of market quotes when assessing the relevance of observable and unobservable data. FSP 157-3 is effective for all periods presented in accordance with SFAS No. 157. The adoption of FSP 157-3 did not have a significant impact on our consolidated financial statements or the fair values of our financial assets and liabilities.

In December 2008, the FASB issued Financial Staff Position ("FSP") Financial Accounting Standard No. 140-4 and FASB Interpretation 46(R)-8, Disclosures by Public Entities (Enterprises) about Transfers of Financial Assets and Interests in Variable Interest Entities ("FSP FAS 140-4" and "FIN 46(R)-8"). The document increases disclosure requirements for public companies and is effective for reporting periods (interim and annual) that end after December 15, 2008. FSP FAS 140-4 and FIN 46(R)-8 became effective for us on December 31, 2008. The adoption of FSP FAS 140-4 and FIN 46(R)-8 did not have a significant impact on our consolidated financial statements.

ITEM 3. QUANTITATIVE AND QUALITATIVE DISCLOSURES ABOUT MARKET RISK.

N/A

ITEM 4T. CONTROLS AND PROCEDURES.

Evaluation of Disclosure Controls and Procedures. Internal control over financial reporting as defined in Rules 13a-15(f) and 15d-15(f) refers to the process designed by, or under the supervision of, our principal executive officer and principal financial officer, and effected by our board of directors, management and other personnel, to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles. Management is responsible for establishing and maintaining adequate internal control over financial reporting.

Internal control over financial reporting cannot provide absolute assurance of achieving financial reporting objectives because of its inherent limitations. Internal control over financial reporting is a process that involves human diligence and compliance and is subject to lapses in judgment and breakdowns resulting from human failures. Internal control over financial reporting also can be circumvented by collusion or improper management override. Because of such limitations, there is a risk that material misstatements may not be prevented or detected on a timely basis by internal control over financial reporting. However, these inherent limitations are known features of the financial reporting process. Therefore, it is possible to design into the process safeguards to reduce, though not eliminate, this risk.

Based upon this evaluation, our CEO has concluded that, without third-party specialists, our current disclosure controls and procedures are not effective to provide reasonable assurance that material information required to be included in our periodic SEC reports is recorded, processed, summarized and reported within the time periods specified in the SEC rules and forms, and accumulated and communicated to our senior management, including our CEO, to allow timely decisions regarding required disclosures. Management's report is not subject to attestation by our registered public accounting firm pursuant to temporary rules of the SEC that permit us to provide only management's report in this Annual Report.

Changes in Internal Control Over Financial Reporting. During the most recent quarter ended December 31, 2008, there has been no change in our internal control over financial reporting (as defined in Rule 13a-15(f) and 15d-15(f) under the Exchange Act)) that has materially affected, or is reasonably likely to materially affect, our internal control over financial reporting.

PART II

ITEM 1. **LEGAL PROCEEDINGS.**

N/A

ITEM 1A. **RISK FACTORS.**

N/A

ITEM 2. UNREGISTERED SALES OF EQUITY SECURITIES AND USE OF PROCEEDS.

N/A

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.**

Exhibit Number	Description
31.1	Certification by Chief Executive Officer and Chief Financial Officer required by Rule 13a-14(a) or Rule 15d-14(a) of the Exchange Act.
32.1	Certification by Chief Executive Officer and Chief Financial Officer, required by Rule 13a-14(b) or Rule 15d-14(b) of the Exchange Act and Section 1350 of Chapter 63 of Title 18 of the United States Code.

SIGNATURES

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

PROVISION HOLDING, INC.

May 20, 2009

By: /s/ Curt Thornton
Curt Thornton
Chief Executive Officer (Principal Executive Officer) and Chief Financial Officer (Principal Financial Officer and Accounting Officer) and Director

EXHIBIT 31.1

CERTIFICATION OF PRINCIPAL EXECUTIVE OFFICER
PURSUANT TO SECTION 302 OF THE
SARBANES-OXLEY ACT OF 2002

I, Curt Thornton, Chief Executive Officer and Chief Financial Officer, certify that:

1. I have reviewed this quarterly report on Form 10-Q of Provision Holding, Inc.

2. Based on my knowledge, this quarterly report does not contain any untrue statement of a material fact or omit to state a material fact necessary to make the statements made, in light of the circumstances under which such statements were made, not misleading with respect to the period covered by this annual report;

3. Based on my knowledge, the financial statements, and other financial information included in this quarterly report, fairly present in all material respects the financial condition, results of operations and cash flows of the registrant as of, and for, the periods presented in this quarterly report;

4. I am responsible for establishing and maintaining disclosure controls and procedures (as defined in Exchange Act Rules 13a-15(e) and 15d-15(e)) and internal controls over financial reporting (as defined in Exchange Act Rules 13a-15(f) and 15d-15(f)) for the registrant and have:

   a) designed such disclosure controls and procedures, or caused such disclosure controls and procedures to be designed under our supervision, to ensure that material information relating to the registrant, including its consolidated subsidiaries, is made known to us by others within those entities, particularly during the period in which this quarterly report is being prepared;

   b) evaluated the effectiveness of the registrant's disclosure controls and procedures and presented in this report our conclusions about the effectiveness of the disclosure controls and procedures, as of the end of the period covered by this report based on such evaluation;

   c) disclosed in this report any change in the registrant's internal control over financial reporting that occurred during the registrant's most recent fiscal quarter that has materially affected, or is reasonably likely to materially affect, the registrant's internal control over financial reporting;

5. I have disclosed, based on my most recent evaluation, to the registrant's auditors and the audit committee of the registrant's board of directors (or persons performing the equivalent function):

a) all significant deficiencies and material weaknesses in the design or operation of internal controls over financial reporting which are reasonably likely to adversely affect the registrant's ability to record, process, summarize and report financial data; and

b) any fraud, whether or not material, that involves management or other employees who have a significant role in the registrant's internal controls over financial reporting.

May 20, 2009

By: /s/ Curt Thornton
Curt Thornton
Chief Executive Officer (Principal Executive Officer) and Chief Financial Officer (Principal Financial Officer and Accounting Officer) and Director

Exhibit 32.1

CERTIFICATION PURSUANT TO
18 U.S.C. SECTION 1350,
AS ADOPTED PURSUANT TO
SECTION 906 OF THE SARBANES-OXLEY ACT OF 2002

In connection with the Quarterly Report of Provision Holding, Inc. (the “Company”) on Form 10-Q for the quarter ended March 31, 2009 as filed with the Securities and Exchange Commission on the date hereof (the “Report”), I, Curt Thornton, Chief Executive Officer and Chief Financial Officer, certify that, pursuant to 18 U.S.C. section 1350 of the Sarbanes-Oxley Act of 2002, that:

(1) The Report fully complies with the requirements of section 13(a) or 15(d) of the Securities Exchange Act of 1934; and

(2) The information contained in the Report fairly presents, in all material respects, the financial condition and results of operations of the Company.

May 20, 2009

By: /s/ Curt Thornton
Curt Thornton
Chief Executive Officer (Principal Executive Officer) and Chief Financial Officer (Principal Financial Officer and Accounting Officer) and Director