

SKYE INTERNATIONAL, INC  
Form 10QSB  
November 17, 2006

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U.S. SECURITIES AND EXCHANGE COMMISSION  
Washington, D.C. 20549

**FORM 10-QSB**

(Mark One)

QUARTERLY REPORT PURSUANT TO SECTION 13 OR 15 (d) OF THE SECURITIES EXCHANGE ACT OF 1934

**For the quarterly period ended September 30, 2006**

TRANSITION REPORT PURSUANT TO SECTION 13 OR 15(d) OF THE SECURITIES EXCHANGE ACT OF 1934

For the transition period from \_\_\_\_\_ to \_\_\_\_\_

COMMISSION FILE NUMBER: 000-27549

**SKYE INTERNATIONAL, INC.**

(Exact name of Company as specified in its charter)

**NEVADA**

(State or other jurisdiction of incorporation or organization)

**88-0362112**

(I.R.S. Employer Identification No.)

**7650 E. Evans Rd., Suite C Scottsdale, AZ 85260**

(Address of principal executive offices) (Zip Code)

Company's telephone number: (480) 889-9999

7150 W. Erie St., Chandler, AZ 85226

(Former name, address and phone number if changed since last report)

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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 Company 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 is an accelerated filer (as defined in exchange A Rule 12b-2)

Yes  No

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

APPLICABLE ONLY TO CORPORATE ISSUERS

State the number of shares outstanding of each of the issuer's classes of common equity:

As of September 30, 2006 - 21,622,243 common shares of \$0.001 par value.

Transitional Small Business Disclosure Format (check one): YES  NO

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## PART I. FINANCIAL INFORMATION

## ITEM 1 Financial Statements (unaudited)

**Skye International, Inc. and Subsidiaries**  
**CONSOLIDATED BALANCE SHEETS**

**ASSETS**

	September 30 2006	December 31 2005
<b>CURRENT ASSETS</b>		
Cash	10,070	2,711
Accounts Receivable, Net	96,505	2,773
Inventory at Cost	141,837	25,069
Prepaid Expenses	267,113	757
<b>Total Current Assets</b>	<b>515,525</b>	<b>31,310</b>
<b>EQUIPMENT, NET</b>	<b>49,837</b>	<b>56,626</b>
<b>OTHER ASSETS</b>		
Patents and Software, Net	-	-
Deposits	120,000	20,000
Intangible Assets	3,982	-
<b>Total Other Assets</b>	<b>123,982</b>	<b>20,000</b>
<b>Total Assets</b>	<b>689,344</b>	<b>107,937</b>

**LIABILITIES AND STOCKHOLDERS' EQUITY**

<b>LIABILITIES</b>		
Accounts Payable	1,629,580	234,557
Other Payables	375,541	870,914
Notes Payable	1,103,241	1,118,241
Accrued Interest Payable	70,458	81,626
Warranty Accrual	34,570	34,570
Customer Deposits	103,371	103,371
	3,316,760	2,443,279
<b>Total Liabilities</b>	<b>3,316,760</b>	<b>2,443,279</b>

STOCKHOLDERS' EQUITY		
Common Stock authorized is 100,000,000 shares at \$0.001par value.		
Issued and outstanding on September 30, 2006 were 21,622,243 shares, December 31, 2005 were 17,838,231		
	21,622	17,838
Common Stock Subscribed	86,838	275,000
Paid in Capital	9,208,170	7,436,333
Accumulated Deficit	(11,944,046)	(10,064,513)
Total Stockholders' Equity (Deficit)	(2,627,416)	(2,335,342)
TOTAL LIABILITIES AND STOCKHOLDERS EQUITY	689,344	107,937

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

**Skye international, Inc. and Subsidiaries**  
**CONSOLIDATED STATEMENTS OF CASH FLOWS**

Nine Months Ended September 30	Nine Months Ended
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