**NOTICE TO READER**

The unaudited interim financial statements and related management discussion and analysis were prepared by management and approved by the board of directors. They have not been reviewed by Glenbriar's external auditors.

MANAGEMENT DISCUSSION AND ANALYSIS

This information is given as of February 6, 2013 under NI Form 51-102F1. As of the date of this report, there are 47,986,510 Glenbriar voting common shares issued and outstanding. There is no other class or series of shares issued, and no warrants or options or other rights to acquire additional common shares outstanding, except contributions to the employee share purchase plan (see note 8(b) of Notes to Consolidated Financial Statements).

Description of Business

Glenbriar Technologies Inc. (CNSX:GTI) has supported the IT needs of some of Canada's largest manufacturing and distribution companies for over 20 years. From its offices in Calgary, Vancouver and Waterloo, Glenbriar's staff of IT professionals manage and support the IT needs of over 300 companies. From its early roots in developing and supporting ERP systems, Glenbriar has branched out to support all things technical under a client's roof, from complete infrastructure and business applications to telephony solutions.

The 2012 Annual Report released on December 14, 2012 included the first audited annual financial statements prepared using IFRS. Glenbriar experienced limited impact on its financial statements from the change, given that most of the newer standards were adopted by way of incremental harmonization of the standards and estimates used by management over the last 4 years.

Glenbriar's 2013 Annual Meeting will be held in Calgary on March 25, 2013. Shareholder materials will be mailed in mid-February to holders of record as of February 11, 2013. Glenbriar is using the notice-and-access rules which become effective on February 11, 2013 in connection with this meeting. Under these rules, most materials are posted online instead of being mailed to shareholders. Shareholders may still elect to receive a full set of materials following the instructions provided in the Notice of Meeting.

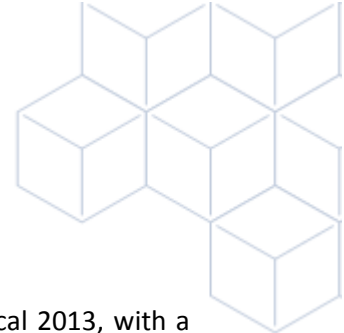
Glenbriar is still seeking additional funds for strategic acquisitions and reduction of long term obligations.

Products

Glenbriar provides full service technology solutions to commercial and nonprofit enterprises: IT Services, Unified Communications and Software Solutions. Glenbriar has created, acquired, or licensed the appropriate human and intellectual property (IP) resources necessary to deliver the optimal integrated IT solution suite for its clients.

Glenbriar released major revisions to 2 of its websites in the first quarter of fiscal 2013. The main corporate site, www.glenbriar.com, was upgraded to provide a simpler presentation which is in line with Glenbriar's recent branding and messaging. In addition, the Peartree Dealership product website, www.peartreedealetership.com, was upgraded to provide more information to assist with product sales and support. Glenbriar expects to complete an additional website in the coming months to supplement its Unified Communications product mix.

Glenbriar is still seeking additional funds for strategic acquisitions and reduction of long term obligations.



IT Services

Glenbriar completed a number of upgrade and SharePoint projects in the first quarter of fiscal 2013, with a number of new ones to commence in the next quarter. Glenbriar has developed expertise in cloud and mobility functionality, managed services and print services to meet the growing demand in those areas. These solutions are tailored to meet an enterprise's environment without sacrificing security. Glenbriar has a number of approvals in the pipeline for the coming periods.

Unified Communications

Glenbriar has seen an increase in the number of enterprises that are seeking to replace their end of life and outdated Nortel equipment with what Gartner rates as the leading unified communications solution, ShoreTel. As a ShoreTel Gold Champion Partner, Glenbriar stands to gain from this trend. Glenbriar's integrates all types of mobility and smartphone devices with the IP-PBX to provide a complete Unified Communications solution.

Software Services

Glenbriar updated most of its dealership software customers to Peartree Dealership 6, which was released in November 2012. The balance will be completed in the second quarter. Peartree Dealership 6 is a Web-based dealer management business solution for the used auto, RV, motorcycle, power sport, marine and parts service centre markets. Peartree Dealership 6 is available in the Cloud, which can save a dealership thousands of dollars on depreciating hardware, including servers and required maintenance, while protecting the client's data with regular, successful backups, robust firewall protection, and reliable uptime.

With over forty enhancements included in this release, the majority of which have come from customer feedback and recommendations, Peartree Dealership 6 users will experience overall improvement in product functionality and reliability. As well, a Customer User Group has been formed to formalize customer participation in the future development plans for the product.

Partnerships continue to play an integral role in the success of Peartree Dealership. Glenbriar Technologies continues to enhance its existing Peartree Dealership integration with Quantech Software's V6 product for finance and insurance integration. As well, the two organizations are working together on a "lite" version of Peartree Dealership for smaller dealerships.

Peartree Dealership 6 includes the enhanced month end transmittal reporting functionality necessary for dealerships who are partnered with Spader Management. Spader Management has updated their website to include instructions for Peartree Dealership 6 users on how to upload the financial data mandated by Spader Management. As well, as an incentive for legacy Spader Software users to move to Peartree Dealership, Glenbriar has developed group discount pricing on products and services for Spader 20 Group Members. Discounting is also available for RVCare member dealers. Glenbriar has also set up a referral program for existing customers, and increased its sales, training and implementation staff to support Peartree Dealership 6.

Peartree Dealership 6 is featured in the updated product website, www.peartreedalership.com.

Glenbriar continues to develop its multivalue application database consulting and production line control products for manufacturers.



Financial Review

Canadian generally accepted accounting principles (GAAP) changed to International Financial Reporting Standards (IFRS) for public companies in Canada for fiscal years starting on or after January 1, 2011. Glenbriar adopted IFRS on October 1, 2011.

Glenbriar Limited Partnership

Glenbriar disposed of its interest in the Glenbriar Limited Partnership (GLP) at the end of fiscal 2011. The General Partner of GLP was Glenbriar Solutions Inc. (GSI), a Glenbriar subsidiary which exercised control over GLP's operations. Glenbriar disposed of its shares in GSI at the end of fiscal 2011. See note 4 of Notes to Financial Statements.

Selected Financial Information

Selected Quarterly Financial Information (\$)	Quarter ended							
	2012				2011			
	Dec 31	Sep 30	Jun 30	Mar 31	Dec 31	Sep 30	Jun 30	Mar 31
Revenue	1,493,538	1,538,236	1,779,384	1,677,134	1,669,734	1,312,812	1,542,013	1,891,946
Income from continuing operations	54,456	(146,096)	76,163	39,049	79,494	(419,009)	1,802	179,476
-per share (basic and diluted)	0.001	(0.003)	0.002	0.001	0.002	(0.01)	-	0.004
Net income	54,456	(146,096)	76,163	39,049	79,494	(419,009)	1,802	179,476
-per share (basic and diluted)	0.001	(0.003)	0.002	0.001	0.002	(0.01)	-	0.004

Overall revenue decreased 11% for the quarter ended December 31, 2012 from the prior year period, made up of a 9% rise in services and a 38% decrease in equipment and software sales. These changes reflect a quarterly spike in equipment purchases in the prior year period which was not repeated in the current period. Profitability remained relatively flat despite the lower revenue due to improved margins on both service and equipment revenue, and the inclusion of a \$25,000 gain on sale of related entities in 2012. See note 4 of Notes to Financial Statements.

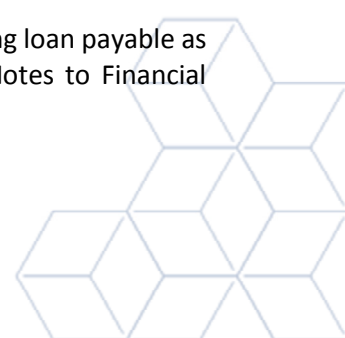
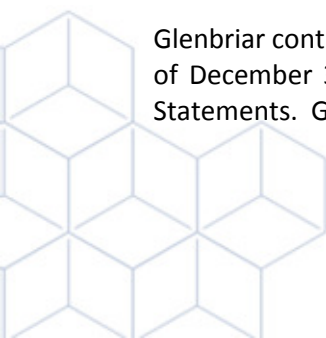
Glenbriar has not paid dividends and has no current intention of doing so.

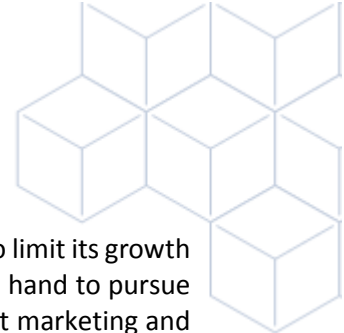
Liquidity and Capital Resources

As of December 31, 2012, Glenbriar had a working capital of \$7,652, up marginally from the deficiency of \$(53,047) at September 30, 2012. Marketable securities reflect the fair value of the shares. Inventory changes reflect normal business fluctuations. Inventory is considered relatively liquid. Deferred revenue was up \$40,915 from year end 2012 because of prepayments held for capital infrastructure being purchased by clients.

Deferred rent reflects rent free allowances on the new office lease in Calgary. This amount is amortized over the term of the lease.

Glenbriar continues to implement measures to improve its capital resources. The only remaining loan payable as of December 31, 2012 was \$330,000 payable to Glenbriar's management. See note 7 of Notes to Financial Statements. Glenbriar has no off-balance sheet arrangements.





Glenbriar may be required to seek additional equity or debt financing, reduce its operations or to limit its growth in order to maintain liquidity. In addition, Glenbriar does not have adequate surplus capital on hand to pursue its research and development activities at an optimal rate, to establish and implement a robust marketing and sales program, and to make strategic acquisitions. Accordingly, Glenbriar may reasonably be expected to issue additional equity or take on more debt in order to obtain the additional resources which it believes are necessary to enable it to seek to achieve the growth rates which are sought by investors and shareholders. If additional equity is issued, existing shareholders may experience dilution of their shareholdings. If additional debt is taken on, the business could be put at greater risk of not being able to survive downturns in business cycles, the loss of major accounts, or other negative events. Glenbriar will continue to take steps to improve its working capital position, which may include injection of capital, loans or renegotiation of credit facilities, but there is no assurance that these efforts will be successful.

To date, Glenbriar has funded its research and development from internal sources, including cash flow and disposition of non-core assets. Additional funds will be required to engage in product rollouts, marketing and sales, and make strategic acquisitions.

Glenbriar's long term financial commitments for a delivery vehicle and office leases were as follows as of December 31, 2012:

	\$
2013	198,788
2014	237,835
2015	226,175
2016	201,782
2017	189,240
Subsequent years	828,975
Total	<u>1,882,795</u>

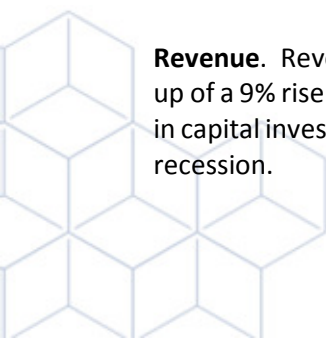
Results from Operations

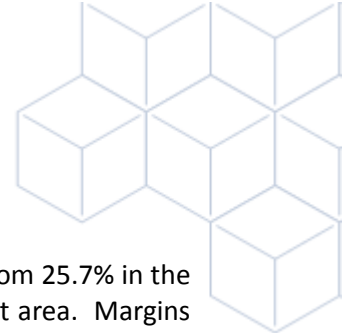
Net income fell to \$54,456 from \$79,494 for the first quarter of fiscal 2013 from the similar 2012 period, despite an 11% decrease in revenue. This reflects improved margins on both services and equipment revenue, and the \$25,000 gain on sale of related entities in 2012. See note 4 of Notes to Financial Statements.

Managed services revenue includes all professional services and consulting revenue. Direct salaries and benefits include the salaries of those employees who directly earn managed services revenue. Margins on managed services are based on a comparison of managed services revenue to direct salaries and benefits. Salaries for administrative and support staff are included in general and administrative expenses, while salaries for sales and marketing staff are included in sales and marketing expense.

Equipment and software revenue includes all revenue from the sale of those items, and cost of goods sold is made up of the cost of equipment and software sales. Both accounts include shipping, but exclude any allocation of salaries or overhead. Margins on equipment and software sales are based on a comparison of equipment and software revenue to cost of goods sold.

Revenue. Revenue decreased 11% for the quarter ended December 31, 2012 from the prior year period, made up of a 9% rise in services and a 38% decrease in equipment and software sales. These differences reflect a spike in capital investments by clients in the prior year period, who had postponed those investments during the global recession.





Expense. Margins on managed services increased to 26.8% in the first quarter of fiscal 2013 from 25.7% in the prior year period, reflecting the initial effects of reorganizing the service delivery model in that area. Margins increased to 31.3% from 30.0% on equipment and software sales over the same periods. General and administrative expense fell to 14.4% of sales in the first quarter of 2013 from 17.4% in the similar 2012 period, and sales and marketing expenses rose to 7.8% from 5.4% of sales in the same periods of 2013 over 2012. These changes reflect increased emphasis on sales and marketing.

Accounts receivable. The balance for December 31, 2013 reflects 48 days of sales, which is up from 37 days of sales for the year end fiscal 2012, and from the prior year period of 35 days. Glenbriar management is focused on reducing this number in the second quarter of fiscal 2013.

Accounts payable and accrued liabilities. The decrease in this account to \$696,202 at December 31, 2012 from \$714,639 at the end of fiscal 2012 reflects lower equipment sales.

Deferred revenue. The balance of \$203,279 as of December 31, 2012, includes \$30,267 for managed services projects which were not complete at the end of the quarter, and \$173,012 for periodic software maintenance and services, which are brought into revenue monthly as services are performed. This is a noncash item.

Forward Looking Statements

This MD&A may contain forward-looking statements. These forward-looking statements do not guarantee future events or performance and should not be relied upon. Actual outcomes may differ materially due to any number of factors and uncertainties, many of which are beyond Glenbriar's control. Some of these risks and uncertainties may be described in Glenbriar's corporate filings (posted at www.sedar.com). Glenbriar has no intention or obligation to update or revise any forward looking statements due to new information or events, except as required by securities legislation.

Risk Factors

The recovery from the global recession continues at a slow pace. Glenbriar serves the automotive, recreational, energy and mining sectors, all of which continue to exhibit recovery from the global recession. However, the rate of expansion of the overall economy is expected to be anaemic due to cuts to government spending, particularly in the U.S., which will have a shadow effect on Canada.

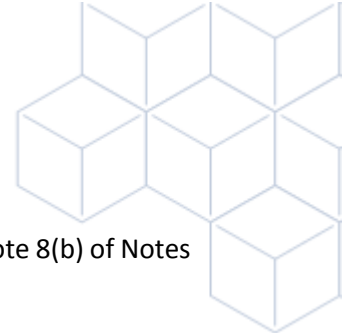
Critical Accounting Estimates

IFRS requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities at the date of the consolidated financial statements and the reported amounts of revenue and expense during the reporting periods presented. Significant estimates include the assessment of recoverability of carrying values of Glenbriar's accounts receivable, software and other capital assets. Actual results will differ from the estimates.

Related Party Transactions

Management loan advances of \$330,000 as of December 31, 2012 are the same as at September 30, 2012. See note 7 of Notes to Financial Statements.

Glenbriar instituted a new employee share purchase plan in February 2008. Participants who elect to participate in the plan purchase Glenbriar common shares in the open market or from treasury. Glenbriar then matches



those contributions with shares from treasury by private placement on a quarterly basis. See note 8(b) of Notes to Financial Statements.

See “Glenbriar Limited Partnership” and note 4 of Notes to Financial Statements regarding participation of management, employees and directors in the Glenbriar Limited Partnership.

Additional Information

Additional information about Glenbriar is available from Glenbriar’s website at www.glenbriar.com, the CNSX website at www.cnsx.ca, the Sedar website at www.sedar.com, or by request from Glenbriar’s head office at 1100, 736 – 8 Ave SW, Calgary, AB T2P 1H4 (Phone 403-233-7300 x117).

