

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.

2013 Q2 FINANCIAL STATEMENTS

GLENBRIAR TECHNOLOGIES INC.
Interim Statements of Financial Position
(Expressed in Canadian Dollars) (unaudited)

	March 31	September 30
	2013	2012
	\$	\$
ASSETS		
Current		
Cash and cash equivalents (note 10)	63,728	75,345
Marketable securities (note 6)	28,983	38,645
Accounts receivable (note 10)	796,226	677,611
Inventory	16,494	15,780
Prepaid expenses	18,736	22,653
Total current assets	924,167	830,034
Non-current		
Property and equipment (note 5)	43,234	48,856
Total assets	967,401	878,890
LIABILITIES		
Current		
Accounts payable and accrued liabilities (note 10)	721,957	714,639
Deferred revenue	182,184	162,364
Deferred rent – current portion	6,078	6,078
Total current liabilities	910,219	883,081
Non-current		
Loans payable (note 7)	330,000	330,000
Deferred rent	47,660	50,645
Total liabilities	1,287,878	1,263,726
SHAREHOLDERS' EQUITY		
Share capital (note 8)	4,276,122	4,269,462
Deficit	(4,596,599)	(4,654,298)
Total shareholders' equity	(320,477)	(384,836)
Total liabilities and shareholders' equity	967,401	878,890

The accompanying notes are an integral part of these financial statements



GLENBRIAR TECHNOLOGIES INC.
Interim Statements of Income and Comprehensive Income
(Expressed in Canadian Dollars) (unaudited)

	6 months ended March 31		3 months ended March 31	
	2013	2012	2013	2012
	\$	\$	\$	\$
Revenue				
Managed information services	2,118,082	1,954,706	1,056,533	982,339
Equipment and software sales	1,009,888	1,386,775	579,918	690,440
Other income	10,398	5,387	8,379	4,355
Gross revenue	3,138,368	3,346,868	1,644,830	1,677,134
Direct salaries and benefits	1,643,424	1,500,579	866,748	778,370
Cost of goods sold	702,440	989,379	406,955	501,586
Gross profit	792,504	856,910	371,127	397,178
Other (income) expenses				
General and administrative	449,152	529,514	233,883	239,756
Sales and marketing	217,582	186,235	100,814	96,679
Research and development	30,360	30,360	15,180	15,180
Depreciation of property and equipment	8,000	9,000	4,000	4,500
Stock-based compensation (note 8(b))	6,660	2,868	2,925	1,810
Unrealized loss on marketable securities (note 6)	9,661	(4,830)	3,220	(4,830)
Gain on sale of interest in related entities (note 4)	-	(25,000)	-	-
Income from operations	71,089	128,763	11,105	44,083
Finance expense	13,390	10,220	7,862	5,034
Net income and comprehensive income	57,699	118,543	3,243	39,049
Net income per share				
Basic and diluted	0.001	0.003	0.000	0.001
Weighted average shares outstanding				
Basic and diluted	47,934,603	47,385,694	48,055,843	47,458,114

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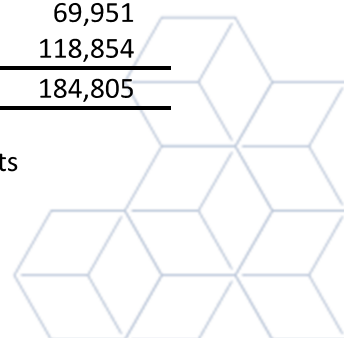
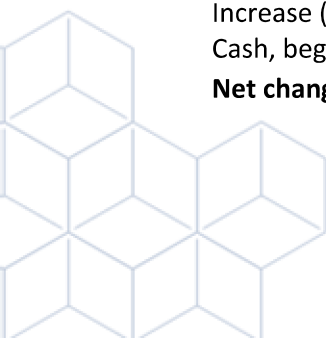
GLENBRIAR TECHNOLOGIES INC.
Interim Statements of Changes in Equity
(Expressed in Canadian Dollars) (unaudited)

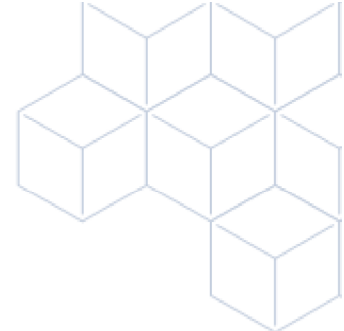
	6 months ended March 31	
	2013	2012
	\$	\$
Common Shares		
Balance, beginning of period	4,269,462	4,263,639
Employee share purchase plan (note 8(b))	6,660	2,868
Balance, end of period	4,276,122	4,266,507
Deficit		
Balance, beginning of period	(4,654,298)	(4,702,908)
Net income for the period	57,699	118,543
Balance, end of period	(4,596,599)	(4,584,365)

Interim Statements of Cash Flows
(Expressed in Canadian Dollars) (unaudited)

	6 months ended March 31	
	2013	2012
	\$	\$
Cash flows related to the following activities		
Operating		
Net income	57,699	118,543
Adjustments for:		
Depreciation	8,000	9,000
Stock-based compensation expense	6,660	2,868
Deferred rent	(2,986)	58,712
Unrealized loss on marketable securities	9,662	-
Gain on sale of interest in related entities (note 4)	-	(25,000)
	79,035	159,293
Changes in non-cash working capital (note 10)	(88,274)	(23,370)
	(9,239)	135,923
Financing		
Change in loans and credit facility	-	(94,972)
	-	(94,972)
Investing		
Capital expenditures	(2,378)	-
Net proceeds on sale of related entities	-	25,000
	(2,378)	25,000
Increase (decrease) in cash	(11,617)	69,951
Cash, beginning of period	75,345	118,854
Net change and cash, end of period	63,728	184,805

The accompanying notes are an integral part of these financial statements





Notes to Interim Financial Statements

1. BASIS OF PRESENTATION

These interim financial statements for Glenbriar Technologies Inc. ("Corporation") have been prepared in accordance with IAS 34, Interim Financial Reporting. They do not include all disclosures that would otherwise be required in a complete set of financial statements and should be read in conjunction with the 2012 Annual Report.

2. SIGNIFICANT ACCOUNTING POLICIES

The preparation of interim financial statements in compliance with IAS 34 requires the use of certain critical accounting estimates. It also requires the Corporation's management to exercise judgment in applying the Corporation's accounting policies. The areas where significant judgments and estimates have been made in preparing the financial statements and their effect are disclosed in note 3. The Corporation applies the same accounting policies and methods of computation in its interim financial statements as in its 2012 annual financial statements. None of the new standards, interpretations or amendments, effective for the first time from October 1, 2012, have had a material effect on the financial statements.

3. USE OF ESTIMATES AND JUDGMENTS

There have been no material revisions to the nature and amount of changes in estimates of amounts reported in the 2012 annual financial statements.

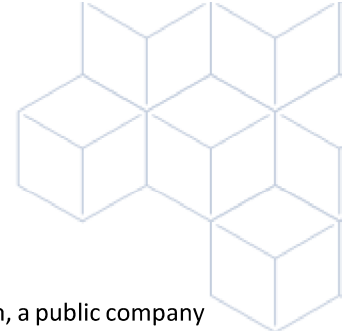
4. GLENBRIAR LIMITED PARTNERSHIP

Glenbriar Limited Partnership ("GLP") was an Alberta limited partnership that carried on the business of developing and extending the market for information technology solutions created or supported by the Corporation until the Corporation disposed of its interest in GLP effective October 1, 2011 for \$5,000. An independent director of the Corporation is CEO, a director and a minority shareholder of the purchaser of Corporation's interest in GLP. The General Partner of GLP was Glenbriar Solutions Inc. ("GSI"), which exercised control over GLP's operations. The Corporation disposed of its shares in GSI effective October 1, 2011 for \$20,000. An independent director of the Corporation controls the purchaser of GSI. With nil cost, these dispositions make up the gain on sale of related entities in the statement of income.

5. PROPERTY AND EQUIPMENT

	Computers \$	Office Equipment \$	Total \$
<u>Cost</u>			
September 30, 2012	542,835	108,397	651,232
Additions	2,378	-	2,378
March 31, 2013	545,213	108,397	653,610
<u>Accumulated depreciation</u>			
September 30, 2012	508,894	93,482	602,376
Depreciation	6,000	2,000	8,000
March 31, 2013	514,894	95,482	610,376
<u>Net book value</u>			
September 30, 2012	33,941	14,915	48,856
March 31, 2013	30,319	12,915	43,234





6. MARKETABLE SECURITIES

Marketable securities are comprised of 322,038 common shares of Platinum Communications Corporation, a public company traded on the TSX Venture Exchange.

7. LOANS PAYABLE

Loans payable at March 31, 2013 in the amount of \$330,000 (September 30, 2012 - \$330,000) consist of net advances from officers of the Corporation secured by a general security agreement which bear interest at the rate of interest charged from time to time by the Bank of Montreal to its personal line of credit customers. The advances are repayable 12 months after the officers provide written request for payment. As at March 31, 2013, the officers had not requested payment, and consequently, the advances have been classified as non-current liabilities.

8. SHARE CAPITAL

a) *Common shares issued and outstanding*

	Number of shares	Amount \$
Balance, September 30, 2012	47,737,510	4,269,462
Employee share purchase plan	444,000	6,660
Balance, March 31, 2013	<u>48,181,510</u>	<u>4,276,122</u>

b) *Employee share purchase plan*

During the 6 months ended March 31, 2013, the Corporation recorded \$6,660 (2012 - \$2,868) of stock-based compensation expense.

9. RELATED PARTY TRANSACTIONS

General and administrative expense includes remuneration of the key management personnel, which includes directors and officers of the Corporation. See also notes 4 and 8.

10. SUPPLEMENTARY CASH FLOW INFORMATION

Cash and cash equivalents at March 31, 2013 and September 30, 2012 were entirely comprised of cash on deposit.

	6 months ended March 31	
	2013	2012
	\$	\$
Changes in non-cash working capital:		
Accounts receivable	(118,615)	(202,559)
Inventory	(714)	32,147
Prepaid expenses	3,917	18,351
Accounts payable and accrued liabilities	7,318	21,881
Deferred revenue	19,820	106,810
Total	<u>(88,274)</u>	<u>(23,370)</u>
Cash interest paid	13,390	10,219

