2011 1st QUARTER FINANCIAL STATEMENTS

GLENBRIAR TECHNOLOGIES INC.
Consolidated Balance Sheets
December 31 and September 30, 2010

	(unaudited) **Dec 31, 2010** **$**	*(audited)* Sept 30, 2010 $
ASSETS		
CURRENT		
Cash and cash equivalents	**272,170**	76,832
Accounts receivable	**562,539**	643,058
Inventory	**17,079**	19,285
Marketable securities, at fair value	**22,543**	22,543
Prepaid expenses	**15,982**	15,982
	890,313	777,700
Proprietary software (note 2)	**90,981**	120,981
Customer lists (note 2)	**22,860**	37,875
Property and equipment (note 2)	**89,376**	101,270
	1,093,530	1,037,826
LIABILITIES		
CURRENT		
Demand credit facilities (note 5)	**162,243**	192,438
Accounts payable and accrued liabilities	**481,696**	647,448
Deferred revenue	**261,140**	159,433
Loans payable – current portion (note 6)	**68,000**	68,000
	973,079	1,067,319
Loans payable (note 6)	**352,000**	356,500
	1,325,079	1,423,819
SHAREHOLDERS' EQUITY		
Share capital (notes 3 and 4)	**4,233,628**	4,087,055
Deficit	**(4,465,177)**	(4,473,048)
	(231,549)	(385,993)
	1,093,530	1,037,826

GLENBRIAR TECHNOLOGIES INC.
Consolidated Statements of Earnings (Loss) and Deficit
3 months ended December 31, 2010 and 2009 *(unaudited)*

	3 months ended Dec 31	
	2010	2009
	$	$
REVENUE		
Managed information services	**828,862**	797,825
Equipment and software sales	**455,124**	384,910
Interest and other income	**20,973**	7,289
	1,304,959	1,190,024
EXPENSES		
Managed information services	**550,135**	585,763
Cost of goods sold	**301,094**	255,301
General and administrative	**265,817**	203,354
Sales and marketing	**78,165**	61,793
	1,195,211	1,106,211
Earnings before the following items	**109,748**	83,313
Research and development	**30,000**	30,000
Amortization	**57,998**	69,914
Interest and bank charges	**9,068**	13,583
Stock compensation expense	**4,811**	45,606
Unrealized gain on marketable securities	-	(25,385)
NET EARNINGS (LOSS)	**7,871**	(49,905)
RETAINED EARNINGS, BEGINNING OF PERIOD	**(4,473,048)**	(3,984,385)
RETAINED EARNINGS, END OF PERIOD	**(4,465,177)**	(4,034,290)
EARNINGS PER SHARE		
Total basic and diluted	**-**	(0.002)
WEIGHTED AVERAGE SHARES OUTSTANDING		
Basic	**43,705,260**	34,314,953
Diluted	**43,931,347**	34,314,953

GLENBRIAR TECHNOLOGIES INC.
Consolidated Statements of Cash Flows
3 Months Ended December 31, 2010 and 2009

	3 months ended Dec 31	
	2010	2009
	$	$
CASH FLOWS RELATED TO THE FOLLOWING ACTIVITIES:		
OPERATING		
Net earnings (loss)	**7,871**	(49,905)
Adjustments for:		
Amortization	**57,998**	69,914
Stock compensation expense	**4,811**	45,606
Unrealized gain on marketable securities	**-**	(25,385)
	70,680	40,230
Changes in non-cash working capital	**20,084**	(155,352)
	90,764	(115,122)
FINANCING		
Issue of common shares – net	**10,358**	167,252
Issue of limited partnership units	**130,000**	-
Loan proceeds	**-**	99,000
Change in loans and credit facility	**(34,695)**	(83,267)
	105,663	182,985
INVESTING		
Capital expenditures	**(1,089)**	(4,908)
Increase in cash	**195,338**	62,955
Cash, beginning of period	**76,832**	-
NET CHANGE AND CASH, END OF PERIOD	**272,170**	62,955

Notes to Consolidated Financial Statements

1. BASIS OF PRESENTATION

These Notes relate to the 3 months ended December 31, 2010, and are prepared as a supplement to the Notes to the Consolidated Financial Statements for the period ended September 30, 2010. The Consolidated Financial Statements and Notes have been approved by the Corporation's board of directors, but the Corporation's external auditors have not reviewed or commented on the unaudited portions of these financial statements and notes.

2. CAPITAL ASSETS

	December 31, 2010			Sept 30, 2010
	Cost $	Accumulated Amortization $	**Net Book Value** **$**	Net Book Value $
Proprietary software	998,669	(907,688)	**90,981**	120,981
Customer lists	180,172	(157,312)	**22,860**	37,875
Computers and office equipment	647,526	(560,300)	**87,226**	95,886
Leasehold improvements	116,115	(113,965)	**2,150**	5,384
	763,641	(674,265)	**89,376**	101,271

Amortization of proprietary software and customer lists during the period was $30,000 and $15,014 (2010 – $45,000 and $15,014), respectively.

3. GLENBRIAR LIMITED PARTNERSHIP

Glenbriar Limited Partnership ("GLP") is an Alberta limited partnership which carries on the business of developing and extending the market for enterprise information technology solutions created or supported by the Corporation. The General Partner of GLP is Glenbriar Solutions Inc., which exercises control over GLP's operations. The Limited Partners of GLP are the Corporation, and from time to time, private investors who have provided capital to GLP by purchasing limited partnership units ("LP Units") at a price of $5,000 per LP Unit.

As GLP Limited Partners on December 31 of each year, investors are entitled to deduct their share of non-capital losses of GLP for the year to a maximum of $5,000 per LP Unit. As a result, their share of non-capital losses is not available to the Corporation to offset future taxable income realized by it.

The financial results of GLP are included in the Corporation's consolidated financial statements, as Glenbriar Solutions Inc. has full control over GLP's operations and is a wholly owned subsidiary of the Corporation. In addition, the Corporation has the right to acquire all the LP Units not held by it directly.

In December 2010, GLP issued 26 LP Units at a price of $5,000 each for gross proceeds of $130,000. Each LP Unit is callable by the Corporation after December 31, 2010 for 100,000 common shares of the Corporation. Management, directors and employees purchased 21 LP Units. A selling concession of $2,500 plus an option for 50,000 shares at an exercise price of $0.05 per share exercisable before December 23, 2011 is payable on the 5 LP Units not sold to management and employees.

4. SHARE CAPITAL

	Number of Shares	**Amount $**
Authorized		
Unlimited number of common shares		
Unlimited number of preferred shares of one or more series		
Common shares issued		
Balance, September 30, 2010	43,550,509	**4,087,055**
Employee share purchase plan	414,334	**16,573**
Limited partnership units (note 3)	-	**130,000**
Balance, December 31, 2010	43,964,843	**4,233,628**

On October 26, 2010, the Corporation issued 106,987 common shares from treasury at $0.05 per share under the employee and director share purchase plan. On December 8, 2010, the Corporation issued 307,347 common shares for $0.05 per share under the plan. The CNSX closing price on the date prior to each issuance was $0.03 per share. Participant contributions are received in cash and are recorded at the issue price, while the Corporation's contributions are recorded at the CNSX closing price.

There were no options granted, exercised or outstanding under the Corporation's stock option plan as of December 31 and September 30, 2010. See note 3 above regarding an option payable upon sale of LP Units.

5. CREDIT FACILITY

In April 2009, the Corporation's revolving credit facility was termed out over 41 months (subject to demand) commencing May 1, 2009 based on an initial balance of $411,372, with blended monthly payments of $11,085 including interest at the greater of 6% per annum or 3.5% above the bank's prime lending rate. The credit facility also requires that the Corporation maintain a current ratio of a minimum of 1:1, to be tested annually, based upon the credit facility being treated as a term loan and excluding any shareholder advances in calculating this ratio. While the Corporation was not in compliance with this ratio as of September 30, 2010, the Corporation has continued to make required monthly payments, and has taken steps to bring the ratio into compliance as of December 31, 2010. Security is provided by a first charge over all of the Corporation's assets, including a full liability guarantee by Peartree, and a guarantee by specific officers of the Corporation. The balance as at December 31, 2010 was $162,243 (September 30, 2010 – $192,438).

6. LOANS PAYABLE

Loans payable at December 31, 2010 in the amount of $420,000 (September 30, 2010 - $424,500) consist of:

a) $320,000 in 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 plus any insurance premium which may be payable. The advances are repayable 12 months after the officers provide written request for payment.

b) $54,500 obligation relating to an outstanding balance under a bank demand credit facility owed by an inactive subsidiary under a prior corporate acquisition. The outstanding balance was guaranteed by a former officer of the acquired company, and the Corporation has agreed to repay the former officer based on a 48 month amortization period and 17 month term commencing September 15, 2010, with monthly payments of $1,500 including interest, subject to accelerated repayment obligations if certain funding levels or capital transactions are entered into prior to the end of the term (which resulted in an additional principal payment of $6,250 in January 2011). This obligation is secured by a general security agreement which bears interest at a chartered bank prime rate plus 1.5% per annum. As of December 31, 2010, $18,000 of this loan has been classified as a current liability.

c) $45,500 relating to a loan payable to a former shareholder of the acquired company in conjunction with a previous corporate acquisition, which is subject to adjustment based on legal resolution of potential liabilities dating prior to the date of acquisition. The amount payable is unsecured and non-interest bearing. As of December 31, 2010, the full amount of this loan has been classified as a current liability.

7. SUBSEQUENT EVENTS

The Corporation issued 59,987 common shares from treasury on January 18, 2011 at $0.05 per share under the employee and director share purchase plan. The last closing price on the CNSX prior to the issuance was $0.025 per share.