2011 2nd QUARTER FINANCIAL STATEMENTS

GLENBRIAR TECHNOLOGIES INC.
Consolidated Balance Sheets
March 31, 2011 and September 30, 2010

	(unaudited) **Mar 31, 2011** **$**	*(audited)* Sept 30, 2010 $
ASSETS		
CURRENT		
Cash and cash equivalents	**120,112**	76,832
Accounts receivable	**848,061**	643,058
Inventory	**24,352**	19,285
Marketable securities, at fair value	**19,322**	22,543
Prepaid expenses	**15,982**	15,982
	1,027,829	777,700
Proprietary software (note 2)	**60,981**	120,981
Customer lists (note 2)	**7,846**	37,875
Property and equipment (note 2)	**79,675**	101,270
	1,176,331	1,037,826
LIABILITIES		
CURRENT		
Demand credit facility (note 5)	**131,525**	192,438
Accounts payable and accrued liabilities	**494,209**	647,448
Deferred revenue	**177,083**	159,433
Loans payable – current portion (note 6)	**89,250**	68,000
	892,067	1,067,319
Loans payable - long-term portion (note 6)	**320,000**	356,500
	1,212,067	1,423,819
SHAREHOLDERS' EQUITY		
Share capital (note 4)	**4,249,965**	4,087,055
Deficit	**(4,285,701)**	(4,473,048)
	(35,736)	(385,993)
	1,176,331	1,037,826

GLENBRIAR TECHNOLOGIES INC.
Consolidated Statements of Earnings and Deficits
6 months ended March 31, 2011 and 2010 *(unaudited)*

	6 months ended Mar 31		3 months ended Mar 31	
	2011	2010	2011	2010
	$	$	$	$
Revenue				
Managed information services	**1,734,520**	1,551,694	905,658	753,869
Equipment and software sales	**1,439,676**	767,994	984,552	383,084
Interest and other income	**22,709**	13,658	1,736	6,369
	3,196,905	2,333,346	1,891,946	1,143,322
Expenses				
Managed information services	**1,217,546**	1,145,134	667,411	559,371
Cost of goods sold	**911,790**	566,158	610,696	310,857
General and administrative	**490,784**	437,949	224,968	234,595
Sales and marketing	**174,649**	115,075	96,484	53,282
Research and development	**60,000**	60,000	30,000	30,000
	2,854,771	2,324,315	1,629,560	1,158,105
Earnings before the following items	**342,135**	9,031	262,387	(14,782)
Amortization	**112,213**	139,829	54,215	69,915
Stock compensation expense	**18,149**	82,473	13,338	36,867
Unrealized (gain) loss on marketable securities	**3,220**	(59,988)	3,220	(34,603)
Interest and bank charges	**21,205**	20,952	12,137	7,369
Earnings (loss)	**187,347**	(174,235)	179,476	(124,330)
Deficit, beginning of period	**(4,437,048)**	(3,984,385)	(4,465,177)	(4,034,290)
Deficit, end of period	**(4,285,701)**	(4,158,620)	(4,285,701)	(4,158,620)
Loss per share				
Basic and diluted	**0.004**	(0.005)	0.004	(0.003)
Weighted average shares outstanding				
Basic and diluted	**44,595,614**	38,639,795	45,506,946	40,536,684

GLENBRIAR TECHNOLOGIES INC.
Consolidated Statements of Cash Flows
6 months ended March 31, 2011 and 2010 *(unaudited)*

	6 months ended Mar 31		3 months ended Mar 31	
	2011	2010	2011	2010
	$	$	$	$
Cash flows related to the following activities:				
Operating				
Earnings (loss)	**187,347**	(174,235)	179,476	(124,330)
Adjustments for:				
Amortization	**112,213**	139,829	54,215	69,915
Stock compensation expense	**18,149**	82,473	13,338	36,867
Unrealized (gain) loss on securities	**3,220**	(59,988)	3,220	(34,603)
	320,929	(11,921)	250,249	(52,151)
Changes in non-cash working capital	**(344,255)**	(221,516)	(364,339)	17,789
	(23,326)	(233,437)	(114,090)	(34,362)
Financing				
Issue of common shares – net	**143,357**	176,521	2,999	9,269
Decrease in loans and credit facility	**(76,163)**	(12,501)	(41,468)	(28,234)
	67,194	164,020	(38,469)	(18,965)
Investing				
Capital expenditures	**(588)**	(4,910)	501	(2)
Net increase (decrease) in cash	**43,280**	(74,327)	(152,058)	(53,329)
Cash, beginning of period	**76,832**	83,953	272,170	62,955
Cash, end of period	**120,112**	9,626	120,112	9,626

Notes to Consolidated Financial Statements

1. BASIS OF PRESENTATION

These Notes relate to the 6 months ended March 31, 2011, 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

	March 31, 2011			Sept 30, 2010
	Cost $	Accumulated Amortization $	**Net Book Value** **$**	Net Book Value $
Proprietary software	998,669	(937,688)	**60,981**	120,981
Customer lists	180,172	(172,326)	**7,846**	37,875
Computers and office equipment	647,025	(567,350)	**79,675**	95,886
Leasehold improvements	116,115	(116,115)	**-**	5,384
	763,641	(683,465)	**79,675**	101,271

Amortization of proprietary software and customer lists during the period was $60,000 and $30,029 (2010 – $90,000 and $30,029), 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. On February 11, 2011, the Corporation purchased the LP Units for 100,000 common shares of the Corporation per Unit. 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	741,081	**32,910**
Exchange of limited partnership units (note 3)	2,600,000	**130,000**
Balance, March 31, 2011	46,891,590	**4,249,965**

The Corporation issued the following numbers of common shares from treasury at $0.05 per share under the employee and director share purchase plan: a) on October 26, 2010, 106,987; b) December 8, 2010, 307,347; c) on January 18, 2011, 59,987; d) on February 22, 2011, 166,760; and e) on February 24, 2011, 100,000. The last closing prices on CNSX prior to issuance were $0.03, $0.03, $0.025, $0.05 and $0.04 per share, respectively.

There were no options granted, exercised or outstanding under the Corporation's stock option plan as of March 31, 2011. See note 3 above regarding an option payable upon sale of certain 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. Due to the Corporation's improved financial position, the bank eliminated the requirements to maintain financial ratios and file monthly reports during the second quarter. 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 March 31, 2011 was $131,525 (September 30, 2010 – $192,438).

6. LOANS PAYABLE

Loans payable at March 31, 2011 in the amount of $409,250 (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) $44,250 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 March 31, 2011, the full amount of this loan has been classified as a current liability.

c) $45,000 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 March 31, 2011, the full amount of this loan has been classified as a current liability.