

Quarterly Report for Sep 2011

Alentus Corporation

November 15, 2011

Part A: General Company Information

Item I: Company Name

Alentus Corporation

Predecessor Company: Blueberry Holdings, Inc.

Alentus Corporation (the “Company”) was originally formed in the state of New York on May 12, 2005 under the name Alpha 1 Products, Inc. Alpha 1 Products, Inc. subsequently changed its name to Windfall Entertainment, Inc. on May 13, 2005. Windfall Entertainment, Inc. subsequently changed its name to Blueberry Holdings, Inc. on June 17, 2005.

On November 8, 2007, certain shareholders of Blueberry Holdings, Inc., representing a majority of the shares of Blueberry Holdings, Inc. sold their shares in private transactions to certain individual purchasers representing a change in control of Blueberry Holdings, Inc.

Blueberry Holdings, Inc. subsequently changed its name to Alentus Corporation on December 21, 2007. That same day Alentus Corporation merged into Alentus Corporation, a Nevada corporation, which was formed on December 7, 2007, effecting a change of domicile of Alentus Corporation to the state of Nevada.

On March 26, 2008, Alentus Corporation affected a 2.5:1 dividend to its shareholders of common stock, causing the Company to have approximately 51,005,731 shares of its common stock issued and outstanding. Following the issuance of the dividend, the Company approved the issuance of 1,000,000 shares to the shareholders of EnActen Corporation pursuant to a Share Exchange Agreement with EnActen Corporation whereby Blueberry Holdings, Inc. acquired 100% ownership in EnActen Corporation in exchange for 1,000,000 newly issued shares of the public company. On April 4, 2008 Alentus acquired Websitesource, Inc., Web Hosting Groups, Inc., and Speed fox, Inc. The purchase price included the issuance of 538,461 shares of Alentus Corporation common stock to the selling shareholders. Following the Share Exchange Agreement, Blueberry Holdings, Inc., and the acquisition of Websitesource, Inc., etc. the company had approximately 57,124,421 shares of its common stock issued and outstanding.

On June 2, 2008, Alentus acquired all of the outstanding stock of Areti Internet, Ltd. The purchase price included the issuance of 588,667 shares of common stock to be held in escrow subject to write down based on reps and warranties stated in the purchase agreement. However, the sellers have elected to instead take a note which is subject to the same reps and warranties. The company no longer needs to escrow the shares and has subsequently retired the shares.

On July 1, 2009, Alentus acquired Route Sense Corporation for 100,000 shares of common stock.

Company Addresses

Corporate Headquarters:

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www.alentuscorporation.com

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Austin, TX 78731

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Ste 806
Columbus, OH 43215

Las Vegas Address:

2490 East Sunset Road
Suite 100
Las Vegas, NV 89120

Investor Relations Contact:

William King
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Aliso Viejo, CA 92656
877-678-9434

Item II: Number of Shares Outstanding

Period End September 30, 2011

A. Common Stock

- i. The Company's authorized shares were 350,000,000
- ii. The Company's outstanding shares were 100,288,280
- iii. The total shares that are freely tradable are 45,123,552
- iv. The total number of beneficial shareholders is 419
- v. The total number of shareholders of record is 43

B. Preferred Stock Series A

- i. The Company's authorized shares were 1,000,000
- ii. The Company's outstanding shares were 5,445
- iii. The total shares that are freely tradable are 0
- iv. The total number of beneficial shareholders is 6
- v. The total number of shareholders of record is 6

Preferred Stock Series C

- i. The Company's authorized shares were 1,000,000
- ii. The Company's outstanding shares were 8,519
- iii. The total shares that are freely tradable are 0
- iv. The total number of beneficial shareholders is 8
- v. The total number of shareholders of record is 8

Item III: Financial Information for the Company's Most Recent Fiscal Period

The Company intends to report its financial information to the Pink Sheets on a quarterly and annual basis. Our financial reports will be filed in conjunction with this Information Disclosure statement and are hereby incorporated by reference.

Item IV: Management's Discussion and Analysis or Plan of Operation

Safe Harbor for Forward-Looking Statements

When used in this report, the words "may," "will," "expect," "anticipate," "continue," "estimate," "project," "intend," and similar expressions are intended to identify forward-looking statements within the meaning of Section 27a of the Securities Act of 1933 and Section 21e of the Securities Exchange Act of 1934 regarding events, conditions, and financial trends that may affect the Elite's future plans of operations, business strategy, operating results, and financial position. Persons reviewing this report are cautioned that any forward-looking statements are not guarantees of future performance and are subject to risks and uncertainties and those actual results may differ materially from those included within the forward-looking statements as a result of various factors. Such factors are discussed further below under "Trends and

Uncertainties”, and also include general economic factors and conditions that may directly or indirectly impact our financial condition or results of operations.

A. Plan of Operation

The Company plans on continuing to expand its customer base through organic growth and acquisition. The company currently provides Internet services to over 20,000 customers by continuing to build upon its success, strengths, and reputation as a leading and reliable provider of primarily Microsoft hosting technologies. The Company is well positioned in the marketplace as a supplier of ASP.NET, SQL Server, Microsoft Exchange and SharePoint hosting services. The Company is a Microsoft Gold Certified Partner, and a MySQL Enterprise Ready Partner. By leveraging the existing capacity in the three data centers currently maintained by the Company, we feel we could double the amount of customers we currently service with minimal capital expenditure. We have several strategic targets we are currently reviewing for acquisition.

The Company is in discussions with several parties regarding sales of equity in order to better finance our operations over the next twelve months.

B. Management’s Discussion and Analysis of Financial Condition and Results of Operations

The following discussions are based on the consolidated financial statements as of Sep 30, 2011 and notes thereto, filed on November 15, 2011. Normalized EBITDA includes non-cash related stock compensation.

	<u>Analysis of Operations</u>	
	<u>Three-Months ended</u> <u>Sep 30, 2011</u>	<u>Three-Months ended</u> <u>Jun 30, 2011</u>
Revenues	\$1,170,937	\$1,223,197
Cost of revenues	\$310,390	\$294,910
Gross profit	\$860,548	\$928,287
Total operating expenses	\$1,038,485	\$1,137,199
Net income	\$(236,567)	\$(273,844)
Normalized EBITDA	\$134,047	\$134,355

Revenues and Cost of Revenues

Revenues are achieved through offering various web hosting services, mainly shared and dedicated hosting and managed services, but also including managed converged voice, unified messaging, WAN connectivity, co-location, and dedicated Internet connectivity solutions. Sales of our product offerings for the three month period ended Sep 30, 2011 resulted in revenues of \$1,170,937, three per cent lower than the \$1,223,197 in revenues we achieved in the three-month period ending Jun 30, 2011. We primarily attribute the decrease due to the exchange rate change between Canada and US dollars and a slight seasonal decrease in hosting customers. Costs of revenues in the three-month period ending Sep 30, 2011 equaled \$310,390 increasing from \$294,910 in the prior Jun period mainly due to higher datacenter expenses associated with our new UK operations. The Sep period Gross profit of \$860,548 and a positive normalized EBITDA of \$134,047 compared to \$928,287 and a normalized EBITDA of \$134,355 for the Jun period.

Operating Expenses/Net Income

We had \$1,038,485 in operating expenses for our three-month period ended Sep 30, 2011; an 9% decrease from the \$1,137,199 we spent in the period ended Jun 30, 2011. The majority of the decrease was due to lower stock compensation, labor expenses and no auditing fees.

Net income was \$(236,567) in the Sep 2011 period versus \$(273,844) in the prior Jun period.

Liquidity and Capital Resources

Balance Sheet Information

Summary Balance Sheet as of Sep 30, 2011

Total Assets	\$5,540,391
Total Liabilities	\$6,424,519
Total Stockholders Equity	\$(884,128)

We have assets of \$5,540,391 consisting of \$273,487 in cash, \$156,908 in accounts receivable (net of allowance for doubtful accounts), \$93,129 loan receivable, \$95,178 in prepaid expenses and deposits, \$532,810 in net property and equipment, and net Intangibles of \$4,388,878.

The Company currently has \$4,560,351 in Notes payable and accrued interest.

Cash Flows from Operations

We generated \$44,794 by operations during our period ended Sep 30, 2011 compared to generating \$133,220 during the period ended Jun 30, 2011.

Investing Activities

We used \$36,244 in investing activities during our period ended Sep 30, 2011 compared to a use of \$4,626 during the period ended Jun 30, 2011.

Financing Activities

We generated \$50,668 in financing activities during our period ended Sep 30, 2011 compared to using \$102,556 during the period ended Jun 30, 2011.

Net Cash Flow

Net cash flow in the period was \$64,708 versus \$(34,465) in the prior Jun period.

Trends and Uncertainties

Our prospects must be considered in light of the risks, difficulties, and expenses frequently encountered by companies in their early stage of development, particularly companies in rapidly changing markets such as ours without significant barriers to entrance. To address these risks, we must, among other things, maintain an awareness of current trends in art appreciation as it relates to interior design and consumer demand for both public and private use; implement and successfully execute our business and marketing strategy; update and add to our existing inventory in response to evolving customer demands; provide quality customer service; respond to competitive developments; find and solicit new artists or unknown artists where we can purchase quality art at reasonable prices, and attract, retain and motivate qualified personnel. There can be no assurance we will be successful in addressing such risks, and the failure to do so would seriously harm our business, financial condition, and results of operations. Our current and future expense levels are based on our planned operations and estimates of future revenues.

Current business operations: Some of the following conditions could have a material impact on our short or long-term liquidity which are related to our current business plan:

- Our failure to successfully complete further acquisitions or maintain our current service obligations;
- general risks associated with web hosting services, managed converged voice, unified messaging, WAN connectivity, co-location, and dedicated Internet connectivity solutions;
- any failure to obtain additional working capital when needed;
- loss of key personnel and dependence on one individual to generate business;
- lack of market acceptance of our services;
- inability to compete with competitors with more experience and name recognition in our geographical location;
- an inability to forecast trends in our industry or provide our clients with what they are looking for;
- the ability to attract and retain qualified and effective personnel, and
- management of our growth in an effective manner.

A. Off-Balance Sheet Arrangements

As of this date, there are no “Off-Balance Sheet” Arrangements.

Item V: Legal Proceedings

As previously disclosed the Company is also involved in a legal proceeding regarding an acquisition. The issue in dispute is the amount of payment remaining. As a conservative approach, the full face value of the final purchase payment is currently accounted for on the Company’s balance sheet.

Item VI: Defaults upon Senior Securities

The Company is not in default of its debt facilities.

Item VII: Other Information

List of Securities Offerings and Shares Issued for Services in the Past Two Years

Type	Date	Name	Shares	Price/sh	Comment
Common	Apr 2009	Dachs	1,460,325	\$0.10	Debt conversion
Common	Apr 2009	Dachs	500,000	\$0.10	Preferred stock conversion
Common restricted	Jul 2009	Reineck	1,100,000	\$0.035	
Common restricted	Oct 2009	Reineck	1,100,000	\$0.02	
Common	Jan 2010	Sisson	5,000,000	\$0.05	Debt conversion
Common restricted	Feb 2010	Reineck	1,100,000	\$0.02	
Common	Apr 2010	Vincent & Rees	500,000	\$0.05	Debt conversion
Common	Aug 2010	Raskas	1,250,000	\$0.02	Debt conversion
Common restricted	Aug 2010	Raskas	1,250,000	\$0.01	Warrant exercise
Common restricted	Sep 2010	Sisson	1,000,000	\$0.015	
Common restricted	Sep 2010	Sisson	1,000,000	\$0.01	Warrant exercise
Common restricted	Sep 2010	Marietta Dermatology	3,000,000	\$0.01	Debt conversion
Common	Sep 2010	Marietta Dermatology	3,000,000	\$0.01	Debt conversion
Common	Sep 2010	Vilfredo Pareto & CIE Ltd	1,250,000	\$0.02	Debt conversion
Common restricted	Apr 2011	Macleod	1,250,000	\$0.044	Debt conversion
Common restricted	Sep 2011	Van Duyn	1,000,000	\$0.03	
Common restricted	Prior yrs	2 All employees	2,385,711	\$0	Stock Incentive Plan
Common restricted	Prior yrs	2 Service providers/lenders	5,333,335	\$0	Stock comp

Preferred C2	Sep 2010	Multiple parties	4,937	\$250	Debt conversion to preferred
Preferred C1	Dec 2010	Sisson	240	\$250	
Preferred C2	Dec 2010	Gerova Assets	3040	\$250	Debt conversion to preferred
Preferred C2	Dec 2010	Weinstein	40	\$0	Stock comp
Preferred C2	Mar 2011	Macleod	302	\$250	Debt conversion to preferred

Item XIII: Exhibits

No new Exhibits

Item IX: Issuer’s Certifications

I, William Alan King, certify that:

1. I have reviewed this annual disclosure statement of Alentus Corporation;
2. Based on my knowledge, this disclosure statement does not contain any untrue statements of a material fact or omit to state a material fact necessary to make the statements made, in light of the circumstances under which such statements were made, not misleading with respect to the period covered by this disclosure statement; and
3. Based on my knowledge, the financial statements, and other financial informant included or incorporated by reference in this disclosure statement, fairly present in all material respects the financial condition, results of operations and cash flows of the issuer and of, and for, the periods presented in this disclosure statement.

Date: November 15, 2011

_____/s/William A King_____
William Alan King, CEO