

Fireswirl Announces 2012 Q1 Financial Results

VANCOUVER, May 25, 2012 /CNW/ - **Fireswirl Technologies Inc. (TSXV: FSW)**, "the Company", today announced its financial results for the first quarter ended March 31, 2012. All figures are quoted in Canadian dollars. Financial statements and accompanying MD&A are available on SEDAR.

Financial Highlights and Milestones for 2012 Q1:

- Total operating revenue decreased to \$3,487,841 for the three months ended March 31, 2012 compared to \$4,176,972 during the same period in 2011, representing a decrease of 16.5%. The merchandise revenue has decreased by 20.8% offset by an increase in service revenue by 978.3%.
- Total operating expense was \$3,629,771 for the three months ended March 31, 2012 compared to \$4,306,779 for the same period of 2011, representing a decrease of 16.7%. The decrease was mainly due to the decrease in purchases offset by increase in cost of sales related expenses, sales and marketing expense, general administration expense, salaries and benefits and depreciation expense.
- The Company reported a comprehensive loss on common shares of \$337,576 for the quarter ended March 31, 2012 compared to a loss and comprehensive loss of \$225,090 for the same period of 2011, representing an increase in loss of 50%.
- Fully diluted loss per share was \$0.01 for the quarter ended March 31, 2012 compared to fully diluted losses of \$0.01 for the same period of 2011.
- As at March 31, 2012, the Company had cash and cash equivalents of \$55,401 and restricted cash of \$1,110,200 compared to \$204,670 and \$526,400 as at December 31, 2011, representing a decrease of 73% and an increase of 111% respectively. As at March 31, 2012, the Company had working capital of \$634,112 compared to \$1,005,472 as at December 31, 2011, representing a decrease of 36.9%. The Company had long term debt of \$nil as at March 31, 2012 compared to \$nil as at December 31, 2011.

Marketing Highlights:

- The Company's subsidiary, Beijing Xingchang Xinda Technology Development Co., Ltd. ("XCXD"), the Company, was selected as a TOP20 Business Process Outsourcing Enterprise ("BPO TOP20") of China in the Chinese Service Outsourcing Leaders Conference 2012. It is the only e-commerce service provider among the 20 award winners.
- The Company announced that, with the record-breaking opening of the fourth movie of the "Pleasant Goat and Big Big Wolf" animation series "Mission Incredible: Adventures on the Dragon's Trail" (the "Movie") in China, the Company's "Pleasant Goat and Big Big Wolf" official online store and Taobao flagship store have broken through the benchmark 1,000 online orders per day in January, only after two months of the stores' opening.

"The reduction of sales revenue during the past couple of quarters is a legacy effect of our previous focus on mainly mobile phone products and our reliance on a certain mobile phone brand," stated Tony Lau, CEO. "The Company has begun diversifying into various types of product lines in addition to increasing the number of brands within our portfolio starting last year, and that has reduced the negative impact to our overall revenue streams when one of our key mobile phone brands in our portfolio suffered a significant drop in market-share and brand value. Over the past two quarters, we established a progressive series of new strategic brand partnerships. Although each of these new partnerships and new branded stores will typically take nine to twelve months to gain acceptance in the market before it shows meaningful growth in sales, together they will provide the company with new and scalable sources of revenues in paving the road for future growth," said Lau.

"The management team is strongly committed to the company's aggressive, but long-term growth strategy by working with well-known and proven international brands in expanding the online sales pipeline of their products into one of the fastest growing markets. China is poised to become the biggest online marketplace in the world within the next few years and the company is well positioned with its new brand partners," concludes Lau.

About Fireswirl

Fireswirl Technologies Inc. (TSXV: FSW) is focused on creating transactional revenue by engineering electronic and mobile commerce solutions for content providers. The Company's technology has broad applications for solutions requiring multiple payment interfaces, multicurrency and multi-language capabilities. Our solutions can be adapted to any industry seeking high volume or micro-payment solutions involving a wide base of users through internet or wireless applications.

The TSX Venture Exchange has not reviewed and does not accept responsibility for the adequacy or the accuracy of this release. This news release contains certain forward-looking statements that reflect the current views and/or expectations of Fireswirl Technologies Inc. with respect to its performance, business and future events. Investors are cautioned that all forward-looking statements involve risks and uncertainties including, without limitation, those relating to changes in the market, potential downturns in economic conditions, foreign exchange fluctuations, general demand, competition and our ability to implement our business plans and strategies in a timely manner or at all. These risks, as well as others, could cause actual results and events to vary significantly. Fireswirl Technologies Inc. does not undertake any obligations to release publicly any revisions for updating any voluntary forward-looking statements.

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For further information:

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CO: Fireswirl Technologies Inc.

CNW 10:18e 25-MAY-12