



# Fireswirl

Technologies Inc.

**AUGUST 23, 2012**

**FIRESWIRL ANNOUNCES 2012 Q2 FINANCIAL RESULTS - REVENUES INCREASE BY 67% OVER PRIOR QUARTER AND DECREASE IN LOSS OF 46% OVER Q2 2011**

**Vancouver, B.C. – August 23, 2012 – Fireswirl Technologies Inc. (TSXV: FSW),** the Company, today announced its financial results for the second quarter ended June 30, 2012. All figures are quoted in Canadian dollars. Financial statements and accompanying MD&A are available on SEDAR.

**Financial Highlights for the quarter:**

- Total operating revenue increased to \$5,830,178 and \$9,318,019 for the three and six months ended June 30, 2012 compared to \$5,001,975 and \$9,178,947 during the same period in 2011, representing an increase of 16.6% and 1.5%. The merchandise revenue has increased by 11.2% and decreased 3.5% respectively and an increase in service revenue by 285.2% and 391.5% respectively.
- Total operating expense was \$5,891,080 and \$9,520,852 for the three and six months ended June 30, 2012 compared to \$5,534,519 and \$9,841,298 for the same period of 2011, representing an increase of 6.4% and a decrease of 3.3% respectively. The increase was mainly due to the increase in cost of sales related expenses corresponding to increase in revenue and an increase in all operating expense due to expansion of business into other sectors than cellphone sales.
- The Company reported a comprehensive loss on common shares of \$204,731 and \$231,318 for the three and six month period ended June 30, 2012 compared to a comprehensive loss on common share of \$382,847 and \$607,936 for the same period of 2011, representing a decrease in loss of 46.5% and 62% respectively.
- Fully diluted loss per share was \$0.00 and \$0.01 for the three and six month period ended June 30, 2012 compared to fully diluted losses of \$0.01 and \$0.02 for the same period of 2011.
- As at June 30, 2012, the Company had cash and cash equivalents (including restricted cash) of \$2,152,400 compared to \$1,772,477 as at December 31, 2011, representing an increase of 21.4%. As at June 30, 2012, the Company had working capital of \$671,904 compared to \$1,005,472 as at December 31, 2011,

representing a decrease of 33.2%. The Company had long term debt of \$nil as at June 30, 2012 compared to \$nil as at December 31, 2011.

### **Marketing Highlights for the quarter:**

- The Company's subsidiary, Beijing Xingchang Xinda Technology Development Co., Ltd. ("XCXD"), was appointed by General Imaging (SZ) Co. Ltd to exclusively operate its online flagship store on Taobao Mall (the largest online B2C shopping portals in China), to market and sell General Electric, or GE, branded digital cameras and relevant photography products.
- The company announced a partnership with GSI Commerce, an EBAY company, to enable GSI's e-commerce services in China. GSI serves more than 1,000 retailers and global brands worldwide to provide e-commerce technology, fulfillment, customer care and marketing services.
- The company announced that its two subsidiaries, Fireswirl Asia Limited and XCXD, have jointly signed an agreement with Toys"R"Us Retailing (China) Limited ('Toys"R"Us, China') to provide e-commerce operation service, including to its Taobao Flagship Store in China.
- The company announced that its subsidiary, XCXD has signed an agreement with A.O.Smith (China) Water Heater Co., Ltd. ("A.O. Smith China") to exclusively operate its e-commerce platform in China. A.O. Smith is one of the world's leading manufacturers of residential and commercial water heating equipment, offering a comprehensive product line featuring the best-known brands in North America and China.

I am pleased to report that our sales revenue increased by 67% during the quarter over the prior quarter, while our quarterly loss decreased by 46% compared to the same period last year. This represents our strategic course of our gradual realization of economies of scale as planned and the effect of our diversification into multiple product lines, stated Tony Lau, CEO. Our partnership with GSI Commerce is also beginning to generate momentum to our business, 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.

Further information can be found on the company at: [www.fireswirl.com](http://www.fireswirl.com) or contact:

**Fireswirl Technologies Inc.**

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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.