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TSX Venture Exchange Symbol: MSM

Municipal Solutions Announces Fiscal 2003 Third Quarter Results

VICTORIA, British Columbia, (November 3, 2003) – Municipal Solutions Group, Inc. (“Municipal Solutions”) (TSX Venture: MSM), a provider of government enterprise solutions, today announced financial results for the third quarter ending September 30, 2003. Third quarter revenue of \$1.5 million was 48 % greater than for the same period last year and 42 % greater than the second quarter of 2003. Quarterly gross margins increased to 58% of revenue, up from 50% last year. The year to date margins increased to 54% from 50% in 2002.

“As expected previously, we continue to see signs of the U.S. economy improving, which translates into attractive opportunities for Municipal Solutions. We are not only adding new clients but also increasing the number of licenses per client. We have seen our third and fourth largest months of revenues in the Company’s history in August and September. Based on current sales activities, we anticipate this trend continuing for the fourth quarter – traditionally the far largest quarter for software application sales,” said Robert Bennett, President and CEO of Municipal Solutions.

Municipal’s net profit for the quarter was \$76,778 versus a loss of \$19,764 in the prior year. Mr. Bennett said “while the Company’s year to date loss stands at \$168,188, fourth quarter revenue forecasts indicate that 2003 will be our best year ever in total revenues and net profits”.

The working capital deficit of \$173,949 is more than offset by over \$700,000 of prepaid annual software maintenance, which is recorded as a reducing liability as the obligations are consumed each month. Mr. Bennett said “the Company’s cash position remain strong”.

Operational Highlights

Six new clients were added during the quarter including Charlotte, North Carolina. It will use CityView 8.NET Enterprise to run its’ Code Enforcement process that involves 30,000 nuisance cases per year. The City’s Deputy Director said “we chose CityView after an extensive RFP process where CityView demonstrated its’ flexibility and impressed us with its’ overall value”. Concurrent licenses of CityView being used on a daily basis across North America now exceed 2,000.

The Company also completed its’ quality assurance testing on the third general release update on its’ CityView Enterprise product, version 8.2. This version specifically enhances security and third party software integration issues, building further on Microsoft’s .NET and Web Services technologies.

About Municipal Software Corporation

Municipal Software Corporation was the 2002 gold medal worldwide winner in the Packaged Application Category for the Microsoft Certified Partner Awards. The Company provides CityView 8.NET, a true enterprise solution that integrates functions across an organization and enables e-government.

CityView 8.NET helps governments automate business processes such as Building, Planning, Code Enforcement, Business Licensing, Public Works, Emergency Management, Cemetary Management and

more. Award winning CityView integrates with existing systems, including financials, other departmental automation software, document management, IVR, cashiering, field data collection, and GIS. With clients in over 30 states and 5 provinces Municipal Software Corporation is the one-stop provider of everything government needs for an enterprise wide solution, including the software, the training, the services, and the post purchase support.

About Municipal Solutions Group Inc.

Municipal Solutions Group Inc. (www.MunicipalSolutionsInc.com) was formed in January 2002 as the public financing arm for Municipal Software Corporation, to provide the overall strategic leadership and guidance for Municipal Software as it builds comprehensive solutions for local government on a global basis.

Forward-Looking Statements

Certain statements in this news release are not historical and may constitute forward-looking statements reflecting Municipal Solutions Group Inc.'s current expectation in the local government sector. These statements are subject to important risks, uncertainties and assumptions concerning future conditions that may ultimately prove to be inaccurate and may differ materially from actual future events or results.

If you would like to be included on our regular distribution please email us at: press@MunicipalSoftware.com or fax to (250) 475-6080.

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The TSX Venture Exchange has not reviewed and does not accept responsibility for the adequacy or accuracy of this press release.