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TSX Venture Exchange Symbol: MSZ

Municipal Solutions Announces Annual Results For 2004

Victoria, British Columbia, April 11, 2005 – Municipal Solutions Group, Inc. (“Municipal Solutions”) (TSX Venture: MSZ), a provider of a provider of business process automation solutions for government, today announced the financial results for the year ending December 31, 2004. Revenue decreased in 2004 to \$3.58m from \$5.01m in 2003, a 29% decrease. The year ended with a net loss of \$824,152 compared with a loss of \$585,786 in 2003.

Iain McLean, the new Chief Executive Officer of Municipal Solutions, commented, “2004 was difficult year for the company. There were delays in closing major sales and a number of key implementations took longer than anticipated. In response to a shift in market requirements towards more prepackaged products the company undertook a transition to create a set of PreBuilt solutions for launch in early 2005.”

In December 2004 an agreement was reached with Pender Growth Fund of Vancouver, B.C. for a \$1,000,000 investment. The terms of the agreement saw the appointment of Iain McLean as CEO, and a restructuring of the Board. The initial payment of \$100,000 was received in late December with the balance to be delivered upon approval of the terms of the agreement by the shareholders at a meeting to be held on April 1, 2005. Subsequent to December 31, 2004, bridge financing terms were agreed to for Q1 2005, the proceeds being used for the Company’s working capital needs and to take the initial steps in its 2005 Business Plan until the balance of funds are received.

“Municipal Software laid the foundation in 2004”, added Iain McLean, “as we further demonstrated the versatility of the CityView product platform and worked with our diverse range of clients to help them deliver improved services in local government”.

A summary of the 2004 consolidated Municipal Solutions income statement follows, along with a comparison to the 2003, 2002 and 2001 income statements (2001 representing Municipal Software Corporation prior to acquisition):

	2004	2003	2002	2001
REVENUE	\$3,576,029	\$5,011,970	\$4,422,519	\$3,064,461
DIRECT EXPENSES	2,676,121	3,970,959	2,928,534	2,172,619
GROSS MARGIN	899,908	1,041,011	1,493,985	891,842
OVERHEAD EXPENSES	1,706,579	1,410,185	1,500,384	818,792
FOREIGN EXCHANGE GAIN/(LOSS)**	(17,481)	(216,612)	18,905	75,016
TAXES / OTHER ADJUSTMENTS	8,068	1,558	2,416	(213,535)
NET INCOME (LOSS)	\$(832,220)	\$(587,344)	\$ 10,090	\$ 361,601

* All amounts expressed are in Canadian dollars.

** Effect of monetary balance sheet translation to Canadian dollars only. US based revenues and other expenditures reflect lower exchange rates in 2004. Average rates continued to decrease from 1.5542 in 2002 to 1.4025 in 2003 and 1.2892 in 2004, resulting in approx. \$210,000 less revenue in 2004 than 2003, and approx. \$510,000 less revenue in 2004 than 2002.

About Municipal Software Corporation

Municipal Software Corporation provides easily installed, packaged software solutions that manage the everyday business processes of local governments. The solutions are based on 23 years of experience with a product platform that is easy to adapt to the changing practices of clients. Branded under the CityView name the company provides a number of out of the box solutions automating practices in Property Management, Permits and Inspections, Planning, Code Enforcement, Business Licensing and Cashiering. CityView Application Builder is a set of application development tools that allows the client to develop unique applications to match specific needs. Municipal offers a complete range of services from training and customer support of its suite of products to custom development for unique applications.

About Municipal Solutions Group, Inc

Municipal Solutions Group Inc was formed in January 2002 as the public financing arm for Municipal Software Corporation.

Contacts

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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 events or results.