



## NEWS RELEASE

### GINSMS POSTS STRONG NET EARNINGS AND INCREASED GROSS MARGIN FOR YEAR ENDED MARCH 31, 2010

CALGARY, ALBERTA – (July 29, 2010) – GINSMS Inc. (“GINSMS” or the “Corporation”) (TSXV –“GOK”) is pleased to announce its results for the fourth quarter and year ended March 31, 2010.

#### Financial highlights

- Net earnings for fiscal 2010 are up \$383,320 to \$147,175 compared to a loss of \$236,145 a in fiscal 2009
- EBITDA for fiscal 2010 remained strong at \$219,352
- Gross margin up to 60.6% for the year ended March 31, 2010, compared to 57.6% in fiscal 2009
- Gross profit for fiscal 2010 on par with fiscal 2009 at \$517,050 compared to \$534,560

	Three-month period ended March 31, 2010 (Audited)		Year ended March 31, 2010 (Audited)	
	GINSMS 2010	GET (restated) 2009	GINSMS 2010	GET (restated) 2009
<b>Revenues \$</b>	<b>225,256</b>	277,257	<b>853,639</b>	928,221
Gross profit \$	<b>123,712</b>	158,268	<b>517,050</b>	534,560
Gross margin	<b>54.9%</b>	57.1%	<b>60.6%</b>	57.6%
<b>EBITDA \$</b>	<b>( 12,974)</b>	103,059	<b>219,352</b>	318,249
EBITDA margin	<b>( 5.7%)</b>	37.1%	<b>25.7%</b>	34.2%
<b>Net (loss) earnings \$ (78,068)</b>		(442,076)	<b>147,175</b>	(236,145)
Net (loss) earnings % <b>(34.6%)</b>		(155.4%)	<b>17.2%</b>	(25.4%)
Earning per share	<b>\$0.00</b>	(\$0.01)	<b>\$0.01</b>	(\$0.01)
<b>Weighted average number of shares outstanding</b>				
Basic & diluted	<b>43,337,499</b>	31,766,666	<b>43,337,499</b>	31,766,666

	<b>Consolidated as at March 31, 2010 (Audited)</b>	<b>Restated Consolidated as at March 31, 2009 (Audited)</b>
<b>Total assets</b>	<b>\$ 1,652,884</b>	1,032,660
<b>Property &amp; equipment</b>	<b>\$ 323,548</b>	399,620
<b>Shareholders' Equity</b>	<b>\$ 1,296,531</b>	435,090

GINSMS began trading as a public company on December 18, 2009. Results depicted herein are as at March 31, 2010. Comparative results are shown for GET, the predecessor parent company whose shares were acquired by GINSMS in May 2009.

For the quarter ended March 31, 2010, GINSMS recorded revenues of \$225,257, compared to \$277,257, representing a decline of \$52,000 or 18.7% compared to the revenues of the same period in fiscal 2009; as such gross margin was down 2.2% to 54.9% versus 57.1% for the fourth quarter of 2009. For the year ended March 31, 2010, revenues decreased to \$853,639 from \$928,221 for the year ended March 31, 2009. This was due mainly to the drop in intra-SMS traffic throughout fiscal 2010.

The decline in revenue both in the fourth quarter and overall in fiscal 2010 is an extension of the pause in traffic which manifested while the competition continued to benefit from GINSMS change-over to the new IOSMS in the first quarter of fiscal 2010. In addition and perhaps more importantly, two of its major customers made some system routing changes which immediately and negatively affected volume of SMS going through its system. It also took longer than expected for GINSMS to modify its new system to handle the changes extending this unusual wedging situation till the end of the fiscal year. However, the situation has been stable since April 2010 and GINSMS has begun to regain a portion of the traffic that was lost.

For the year ended March 31, 2010, GINSMS recorded net earnings of \$147,175, compared to a net loss of (\$236,145) in fiscal 2009, a \$383,320 improvement. Comparability, however, has been substantially distorted by the result of a forgiveness of debt of \$494,349 related to an advance due from a related company in fiscal 2009. It is relevant to note, however, that net earnings of \$147,175 for the year ended March 31, 2010 were achieved despite substantially higher depreciation charges and a substantial increase in administrative expenses as it was turning public.

For the three months ended March 31, 2010, a net loss of (\$76,068) was reported. This compares to a net loss of (\$442,076) reported during the fourth quarter ended March 31, 2009. The large loss in the fourth quarter of fiscal 2009 was a result of the forgiveness of debt referred to above. The loss of the fourth quarter in fiscal 2010, compared to the fourth quarter of the previous year, is attributable in large part to much higher depreciation charges and operating expenses including substantially higher professional services fees following the Initial Public Offering in December 2009. Lower revenues due to a drop in traffic were also a factor.

Higher margins of 62.1%, up 4.5% from fiscal 2009, manifested as the costs of operating the new system declined relative to the costs of operating the old system. These results were achieved while GINSMS' predecessor company was still a private company and in the midst of a major transition period. Management believes that to be a significant achievement.

As mentioned in the highlights, although down about 8.5%, EBITDA remained relatively strong for the year ended March 31, 2010 at \$219,352 compared to \$318,249 in fiscal 2009. EBITDA is a good measure to pinpoint the true performance of the Corporation when relatively major investment in capital assets are made affecting the amount of depreciation substantially. Absent unforeseen event, investments in new hardware and software are expected to continue in the quarters to come and in light of this; this metric is an excellent measurement to measure performance. For the three-month period ended March 31, 2010, EBITDA was down from \$103,059 in 2009 to a loss of \$12,974 in fiscal 2010.

Going forward, management is confident that it will be able to increase its market of SMS traffic in Hong Kong and penetrate the market for inbound traffic into China, which would impact directly and favourably on profit margins. The most immediate and significant challenge for the Company is to grow revenues back to historical levels through higher traffic in Hong Kong. As mentioned above, drawbacks in this area in fiscal 2010 were due to some system routing changes in two of GINSMS' major customers. Current trends indicate that we are making good progress. Further down the road, with the acquisition of a license in late July of this year to operate a Wholly Owned Foreign Enterprise (“WFOE”) in China, management is confident that better times are ahead.

### **Caution Regarding Forward-Looking Information**

*Certain information included in this press release may constitute forward-looking statements. Forward-looking statements generally can be identified by the use of terms such as “may”, “could”, “will”, “expect”, “intend”, “estimate”, “anticipate”, “believe” or “continue” or the negative thereof or variations thereon or similar terminology. Forward-looking statements, by their very nature, involve significant risks, uncertainties and assumptions. A number of factors could cause actual results to differ materially from the results discussed in the forward-looking statements, including, without limitation, the risks factors discussed in the section entitled “Risk Factors” in GINSMS’s long form prospectus dated November 12, 2009 which is available under GINSMS’s profile on SEDAR at [www.sedar.com](http://www.sedar.com). Although the forward-looking statements contained herein are based upon what management believes to be reasonable assumptions, GINSMS cannot assure the reader that actual results will be consistent with these forward-looking statements. These assumptions are further described in GINSMS’s management discussion & analysis for the three and nine-month periods ended December 31, 2009, which is also available on SEDAR at [www.sedar.com](http://www.sedar.com). These forward looking statements are made as of the date hereof and GINSMS assumes no obligation to update or revise them to reflect new events or circumstances except as may be required by law. Accordingly, readers should not place undue reliance on the forward-looking statements.*

### **About GINSMS**

GINSMS owns 100% of Global Edge Technology, a technology company focused on providing inter-operator short messaging services to mobile telecom operators in Hong Kong. GINSMS’s stated business objective to become a leading short messaging service (“SMS”) and data hubbing service provider to mobile network operators in Hong Kong and China and to establish an international SMS and value added services business.

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