



MGM Wireless Ltd.  
ASX:MWR ABN 93 091 351 530  
The Parks, Suite 13  
154 Fullarton Road  
ROSE PARK SA 5067  
AUSTRALIA  
Phone: (08) 8104 9555  
Facsimile: (08) 8431 2400  
www.mgmwireless.com

## **MGM Wireless March 4C quarter results.**

**April 23, 2010**

South Australian-based school attendance and communications group MGM Wireless Ltd is pleased to announce financial results, company advancements and customer growth for the March 2010 Quarter.

### **Sales**

- Sales for the Quarter were \$651,223 as compared to \$488,548 for the same period last year, an increase of 33%

### **Revenues**

- Revenue for the Quarter was \$596,234 as compared to \$446,408 for the same period last year, an increase of 34%.

### **Customer Growth**

- Contracted and operational Schools Last Quarter Schools (Dec 31, 2009) 491
- Contracted and operational Schools March 31, 2010 541

“MGM is pleased to report solid Q3 results, despite it being the holiday quarter”, said Mark Fortunatow, Chairman and CEO of MGM Wireless. “For most of January, schools were closed causing the usual annual disruption to our new business acquisition activities.”

Whilst sales, school customers, and cash on hand all increased for the quarter, the company is committed to driving the business harder and further expanding our already market leading position in the Australian Education market.

During the quarter the roll-out in one of MGM Government Contracts was slowed due to routine state-wide computer Standard Operating Environment (SOE) upgrades which affected every school based computer in the state. The SOE upgrade is in the final stages of testing and completion, and the company expects uptake of new schools in this region to resume to previous levels soon.

Despite the seasonal challenges in the current quarter, MGM achieved good trading results, supported by the company's other income streams - SMS message communication and license fee income which continue to grow from an increasing client base. Currently, software license fees represent approximately \$ 2.8 million in future income to the company.

As previously announced, the company continues to actively invest in R&D and other activities to roll-out new products and services, which it plans to introduce both into the existing Customer base as well as new customers. “We are optimistic that our efforts will support MGM to grow and scale our business faster and harder – an outcome the Board and Management are very focused on”, said Mark Fortunatow.

### **About MGM Wireless Ltd and Messageyou, LLC**

*MGM Wireless Ltd is a public company with a market capitalisation of A\$ 2.6m listed on the Australian Securities Exchange (ASX code: MWR). The company trades as Messageyou, LLC in the United States, with its head office in Silicon Valley at Sunnyvale, Cal.*

*The company's patented School Attendance Management solutions empower schools to effectively communicate to parents and caregivers using SMS text messaging in combination with culturally sensitive communication to improve attendance, student welfare and safety. MGM Wireless is recognized in Australia and internationally as pioneers and market leaders. MGM's professional services team delivers an integrated suite of software and communications using its own infrastructure. The solutions enable schools to reduce costs, increase productivity, discharge their duty of care, engage parent involvement, and ultimately improve student learning and social outcomes. Schools in Australia, New Zealand and America use Messageyou software in their day to day operations.*

For further information contact:

**MGM Wireless Ltd. - (ASX:MWR, MWRO)**  
**Mark Fortunatow**  
CEO

Phone: +61 8 8104 9555  
Email: [mfortunatow@mgmwireless.com](mailto:mfortunatow@mgmwireless.com)  
Web: [www.mgmwireless.com](http://www.mgmwireless.com)

# Appendix 4C

## Quarterly report for entities admitted on the basis of commitments

Introduced 31/3/2000. Amended 30/9/2001

Name of entity

**MGM Wireless Ltd**

ABN

93 091 351 530

Quarter ended ("current quarter")

31 March 2010

### Consolidated statement of cash flows

<b>Cash flows related to operating activities</b>	Current quarter \$A'000	Year to date (9 months) \$A'000
1.1 Receipts from customers	552	1,584
1.2 Payments for		
(a) staff costs	(339)	(1,007)
(b) advertising and marketing	(1)	(6)
(c) research and development	-	-
(d) leased assets	-	-
(e) other working capital	(128)	(504)
1.3 Dividends received	-	-
1.4 Interest and other items of a similar nature received	-	-
1.5 Interest and other costs of finance paid	(10)	(27)
1.6 Income taxes paid	-	-
1.7 Other	1	80
<b>Net operating cash flows</b>	<b>75</b>	<b>120</b>

	Current quarter \$A'000	Year to date (.6 months) \$A'000
1.8 Net operating cash flows (carried forward)	75	120
<b>Cash flows related to investing activities</b>		
1.9 Payment for acquisition of:		
(a) businesses (item 5)	-	-
(b) equity investments	-	-
(c) intellectual property	(45)	(166)
(d) physical non-current assets	(2)	(3)
(e) other non-current assets	-	-
1.10 Proceeds from disposal of:		
(a) businesses (item 5)	-	-
(b) equity investments	-	-
(c) intellectual property	-	-
(d) physical non-current assets	-	-
(e) other non-current assets	-	-
1.11 Loans to other entities	-	-
1.12 Loans repaid by other entities	-	-
1.13 Other – Development expenses	-	-
<b>Net investing cash flows</b>	(47)	(169)
<b>1.14 Total operating and investing cash flows</b>	28	(49)
<b>Cash flows related to financing activities</b>		
1.15 Proceeds from issues of shares, options, etc.	-	2
1.16 Proceeds from sale of forfeited shares	-	-
1.17 Proceeds from borrowings	-	-
1.18 Repayment of borrowings	-	-
1.19 Dividends paid	-	-
1.20 Other (provide details if material)	1	(6)
<b>Net financing cash flows</b>	1	(4)
<b>Net increase (decrease) in cash held</b>	29	(53)
1.21 Cash at beginning of quarter/year to date	163	241
1.22 Exchange rate adjustments to item 1.20	(3)	1
1.23 <b>Cash at end of quarter</b>	189	189

## Payments to directors of the entity and associates of the directors

## Payments to related entities of the entity and associates of the related entities

		Current quarter \$A'000
1.24	Aggregate amount of payments to the parties included in item 1.2	113
1.25	Aggregate amount of loans to the parties included in item 1.11	-

### 1.26 Explanation necessary for an understanding of the transactions

Item 1.7 is grant in relation to payment in relation to eligible research & development expenditure.

## Non-cash financing and investing activities

### 2.1 Details of financing and investing transactions which have had a material effect on consolidated assets and liabilities but did not involve cash flows

Nil

### 2.2 Details of outlays made by other entities to establish or increase their share in businesses in which the reporting entity has an interest

Nil

## Financing facilities available

Add notes as necessary for an understanding of the position. (See AASB 1026 paragraph 12.2).

		Amount available \$A'000	Amount used \$A'000
3.1	Loan facilities	-	-
3.2	Credit standby arrangements	-	-

## Reconciliation of cash

Reconciliation of cash at the end of the quarter (as shown in the consolidated statement of cash flows) to the related items in the accounts is as follows.		Current quarter \$A'000	Previous quarter \$A'000
4.1	Cash on hand and at bank	189	163
4.2	Deposits at call		
4.3	Bank overdraft		
4.4	Other (provide details)		
<b>Total: cash at end of quarter</b> (item 1.22)		189	163

## Acquisitions and disposals of business entities

		Acquisitions (Item 1.9(a))	Disposals (Item 1.10(a))
5.1	Name of entity	N/A	
5.2	Place of incorporation or registration	N/A	
5.3	Consideration for acquisition or disposal	N/A	
5.4	Total net assets	N/A	
5.5	Nature of business	N/A	

## Compliance statement

- 1 This statement has been prepared under accounting policies which comply with accounting standards as defined in the Corporations Act (except to the extent that information is not required because of note 2) or other standards acceptable to ASX.
- 2 This statement does give a true and fair view of the matters disclosed.

Sign here: M Fortunatow  
Director

Date: 23 April, 2010

Print name: Mark Fortunatow

## Notes

1. The quarterly report provides a basis for informing the market how the entity's activities have been financed for the past quarter and the effect on its cash position. An entity wanting to disclose additional information is encouraged to do so, in a note or notes attached to this report.
2. The definitions in, and provisions of, *AASB 1026: Statement of Cash Flows* apply to this report except for the paragraphs of the Standard set out below.
  - 6.2 - reconciliation of cash flows arising from operating activities to operating profit or loss
  - 9.2 - itemised disclosure relating to acquisitions
  - 9.4 - itemised disclosure relating to disposals
  - 12.1(a)- policy for classification of cash items
  - 12.3 - disclosure of restrictions on use of cash
  - 13.1 - comparative information
3. **Accounting Standards.** ASX will accept, for example, the use of International Accounting Standards for foreign entities. If the standards used do not address a topic, the Australian standard on that topic (if any) must be complied with.