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MGM Wireless September 4C quarter results.

October 13, 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 September 2010 Quarter.

Revenues

- Revenue for the Quarter was \$ 474,931 as compared to \$ 343,261 for the same period last year, an increase of 38%.

Sales

- Sales for the Quarter was \$ 303,669 as compared to \$ 491,685 for the same period last year, a decrease of 38%. The decrease is attributable to the timing of raising of sales invoices and therefore a direct comparison to previous quarter is not reflective of business performance.

Customer Growth

- Contracted and operational Schools This Quarter September 30, 2010 580
- Contracted and operational Schools Last Quarter June 30, 2010 575

The quarter school numbers and sales results were affected by several aspects of including the commencement of the New Zealand Government contract rollout, where the company has currently 45 NZ school contracts which are in various stages of implementation and not yet operational – and therefore do not appear in the Customer Growth numbers above. The delay has been caused by factors including finalisation of product development and NZ government certification. Product development is in its final stages and the certification process has commenced.

Closing cash balances were also adversely impacted due to the non-receipt of cash payments for the 45 NZ schools contracted, as well as a number of significant one-off annual payments in the September quarter. The company expects to commence receiving cash receipts from NZ in the current quarter.

“The September quarter is the quietest period of the year – with school leaders focusing on academic activities. Despite this, the company is pleased with the quarter’s results – which considering one-off extraneous factors, show a continued growth momentum.” said Mark Fortunatow, Chairman and CEO of MGM Wireless.

New Product Innovations and Product Release

The company is pleased to also announce today the release of significant new innovation and products today. New products – released under the company’s existing School News Channel brand – will deliver new revenue opportunity for the company and, whilst very suitable for the Australian market, were primarily designed for the US market. The company will commence selling these new products as of today in Australia, and in the US via a social media sales and marketing strategy in the new year. Full details are provided in a separate announcement released today. MGM believes these new innovations will play a strong role in achieving key objectives of the company to drive revenue and profit growth.

New Zealand Update

To date, the company has signed 45 schools in New Zealand which is now within 8 sales of reaching the next largest NZ provider - who has been in the market for over 2 years. At this stage this number is less than expected, however a number of reasons interrupted marketing efforts including industrial strike action by teachers, swine flu outbreak and school holidays. With the first MGM NZ schools commencing operations soon – the company expects uptake to increase.

Full Year Result Profit Guidance.

For the full 2011 year, the company currently expects to achieve a similar – or better trading result compared to the 2010 year, and in keeping with continuous disclosure requirements, the company will keep shareholders and investors updated on an ongoing basis. The company would also like to remind shareholders of seasonal factors – that trading conditions in the second half of the financial year are normally stronger than in the first half.

About MGM Wireless Ltd and Messageyou, LLC

MGM Wireless Ltd is a public company with a market capitalisation of A\$ 2.9m 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:

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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")

30 September 2010

Consolidated statement of cash flows

Cash flows related to operating activities	Current quarter \$A'000	Year to date (.3 months) \$A'000
1.1 Receipts from customers	667	667
1.2 Payments for		
(a) staff costs	(351)	(351)
(b) advertising and marketing	-	-
(c) research and development	-	-
(d) leased assets	-	-
(e) other working capital	(269)	(269)
1.3 Dividends received	-	-
1.4 Interest and other items of a similar nature received	-	-
1.5 Interest and other costs of finance paid	(17)	(17)
1.6 Income taxes paid	-	-
1.7 Other		
Net operating cash flows	30	30

	Current quarter \$A'000	Year to date (12 months) \$A'000
1.8 Net operating cash flows (carried forward)	30	30
Cash flows related to investing activities		
1.9 Payment for acquisition of:		
(a) businesses (item 5)	-	-
(b) equity investments	-	-
(c) intellectual property	(58)	(58)
(d) physical non-current assets	(26)	(26)
(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	-	-
Net investing cash flows	(84)	(84)
1.14 Total operating and investing cash flows	(54)	(54)
Cash flows related to financing activities		
1.15 Proceeds from issues of shares, options, etc.	-	-
1.16 Proceeds from sale of forfeited shares	-	-
1.17 Proceeds from borrowings	23	23
1.18 Repayment of borrowings	-	-
1.19 Dividends paid	-	-
1.20 Other (provide details if material)	(1)	(1)
Net financing cash flows	22	22
Net increase (decrease) in cash held	(22)	(22)
1.21 Cash at beginning of quarter/year to date	224	224
1.22 Exchange rate adjustments to item 1.20	-	-
1.23 Cash at end of quarter	202	202

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	125
1.25	Aggregate amount of loans to the parties included in item 1.11	-

1.26 Explanation necessary for an understanding of the transactions

Nil

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	202	224
4.2	Deposits at call		
4.3	Bank overdraft		
4.4	Other (provide details)		
Total: cash at end of quarter (item 1.22)		202	224

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: 12 October 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.