



MGM Wireless completes record breaking revenue Quarter.

28 April 2008

South Australian based school services group, MGM Wireless Ltd, today announces record quarterly revenue of \$806,900 for the period to March 31, 2008. The improved revenue comes as a result of growing attention of school administrations in Australia and the United States on communication within school communities and on best practice in student safety and attendance.

The result was boosted by strong SMS text message sales in February, recognition of revenue held over from the previous period, growing sales to the independent and catholic school sector, licence renewals with Australian schools and work done under the landmark State agreement in Western Australia.

MGM Wireless executive chairman, Mr Mark Fortunatow, said today the company was extremely pleased with the revenue numbers in what has been the traditionally quiet quarter of the year. "The result reflects the additional resources we have allocated to our Australian sales and support staff," Mr Fortunatow said.

Interest from the independent school sector, especially the Catholic schools, was growing as more administrators focused on the child safety issues and on the ease and versatility of making contact with parents and guardians through mobile phone technology, Mr Fortunatow said.

MGM Wireless had been reaping the benefit from showcasing its School News Channel technology and its various applications to independent and government schools in Australia. During the quarter, the company also launched a text service in conjunction with the Asthma Foundation of South Australia where pollen count information can be accessed via a text message.

"Messageyou, and its anti-truancy and attendance monitoring systems, was the ground breaker for our business in Australia," Mr Fortunatow said, "Now we are seeing a growing recognition that text messaging is an efficient and unobtrusive method of maintaining effective communication between parents and schools. School News Channel, with its 191ASK national call in number, is generating a lot of interest in Australian schools and was recently demonstrated at a conference of Australian sports teachers in Adelaide."

School customer numbers are growing with 309 schools now signed on in Australia with up to a possible 750 further schools being implemented under the WA whole of state contract. Messageyou LLC, the 100%-owned US operation, had now signed a total of 28 schools, including 8 school districts spread across the States of Arizona and California.

Messageyou LLC recently generated significant sales leads from attendance at the massive National School Boards Association Conference held in Orlando, Florida. Attended by more than 15,000 delegates from across America, these delegates included both elected school office bearers and school administrators. "We have had an office in the US for a little over a year" Mr Fortunatow said, "And in that time we have grown a foothold in what is the biggest education market in the world. Our challenge is to build more effective channels to market and drive this sales effort harder. The response we received from the NSBA Conference leads us to believe we have a bright future in this important market."

Our Messageyou trials with our Indian partners in Ahmedabad continued through the quarter. "We have received positive feedback from our partners but have not yet progressed the trial beyond the first two schools," Mr Fortunatow said.

SMS text traffic numbers in Australia continue to grow. During the quarter, text traffic amounted to 533,419 messages, compared with 465,141 in the March quarter of 2007, a 14% uplift.

The March quarter revenue of \$806,000, compares with \$484,260 in the December quarter and \$501,265 the March quarter 2007. Revenue for the Nine months of the current fiscal year amounts to \$1,934,160 compared with \$1,741,266 year. This 11% growth in revenue has reduced cash resources to \$109,607 at end-March with receivables amounting \$682,361 at quarterly balance date against payables of \$397,379. The amount of receivables outstanding has been reduced in the early days of the current month.

About School News Channel

School News Channel™ is the first solution to empower parents with on-demand information from schools using SMS mobile phone technology. Using the simple mobile phone text service, parents can interact with school databases and find answers to immediate and pressing questions – things like “where is my child playing sport today?”, or “what homework assignments are due?” The kind of questions parents ask schools every day. Just by texting 191ASK (191275), parents and students themselves can access information that saves time and answers important questions about school life.*

School News Channel is the first major innovation in school-home communication since MGM became the first company in the world to introduce text messaging for student attendance management and crisis alerts in 2003.

**Australian Innovation Patent 2007100840*

About MGM Wireless Ltd and Messageyou, LLC

MGM Wireless is the market leader in Australia with approximately 309 schools using messageyou™, with a further 750 Western Australian Government Schools contracted to implement messageyou through the Western Australian Whole of State Government contract.

MGM Wireless Ltd is a public company with a market capitalisation of A\$10m 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, America and India use Messageyou software in their day to day operations.

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