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MGM Wireless Announces New Major Innovation & Product.

AUSTRALIAN-based school communication company MGM Wireless Ltd. (ASX:MWR) today announced the availability of significant, world first innovation in the delivery of SMS messaging services to Parents and School communities.

The new platform, released under MGM's School News Channel™ brand, is specifically targeted at Parents and the wider School community, allowing these consumer groups direct on-line access to a feature rich selection of SMS messaging communications services from their school.

With School News Channel™ (SNC), Parents and other school community users, via the SNC website can request, activate and configure their SMS School SMS service anytime on-line – without the need to directly involve their School. The operation of the School News Channel service is funded by users incurring a micro-fee directly on their mobile phone account from their service provider, resulting in no communication costs for Schools.

The system can be seen at www.schoolnewschannel.com

News Facts

- **SMS Social Networking.** School News Channel™ features a world first SMS Social Networking innovation, allowing Parents to invite other family members and special friends to join and receive SMS reminders regarding important school event and safety alerts affecting their child. Ideally suited for Grandparents and other special family members who increasingly play an important role in modern family lives – SNC enables these groups to keep connected and engaged to the student's school life by receiving important school information in a timely manner.
- **Separated Parents.** For the first time, Separated Parents – which today comprise of approximately 35% of all Australian school families – will be able to, without the need to seek the prior approval from their former partners, activate an SMS service on-line to receive SMS alerts regarding important school event reminders, attendance and safety alerts. This new feature enables estranged Separated Parents to continue participating in their child's life by continuously being automatically informed and reminded of all important events in their child's life.
- **Privacy and Security.** School News Channel™ uses the proven backend technology infrastructure currently used by over 999 Australian schools as well as Education Departments in Western Australia, New South Wales and New Zealand, all of which has

been tested and verified for compliance with all Privacy and Child Safety Legislation, ensuring family information is protected. The process of establishing on-line identity of Parents utilises MGM technology to match identification credentials provided by the Parent online directly with records held at the school – with the final decision being made by school staff.

- **How it works.** Parents using the School News Channel™ web site request the service online. If the school already has MGM products installed, the Parent will be able to securely login, select and active their service type. If the school doesn't currently have an MGM solution, the School will need to install a School News Channel™ plug-in , which are currently available for over 47 existing School Database and Management systems. SMS messages for important school events reminders, attendance and safety will then be automatically generated by School News Channel and sent to Parents.
- **Fees.** Parents incur a micro-fee directly on their mobile phone account according to service. Currently, two service types are offered, an all inclusive service call Family-Link which includes SMS alerts for all school, attendance and safety events for \$ 3.75 per month, or a service to receive attendance and safety SMS only for \$ 1.75 per SMS called Safety-Link. For Schools, the fee is between \$ 2 and \$ 7 per student per annum, depending on the School News Channel™ modules options selected and there is no cost for the School to send or receive SMS messages.

The release of School News Channel sets the stage for a change and accelerated uptake of SMS communication services in school communities. The educational, safety and student welfare, benefits of MGM SMS messaging services has been well established. Parental acceptance and use of the systems is overwhelmingly strong and positive, but until now, the decision to offer these systems has been primarily made by School Leaders. In some cases, schools have shown a reluctance to implement, citing reasons such as loss of direct personal contact with parents and operational costs (despite the proven strong payback and cost savings to schools). School News Channel introduces a new paradigm – providing a way of enabling Parents and school communities to directly request, use and pay for school SMS services.

School News Channel also breaks new ground as being the first, large scale SMS consumer service that is not entertainment or competition based. The Mobile Telecommunication Industry has been searching for services offering valuable mobile content of this type for many years – as it's been a long held belief that they could be large revenue earners.

The company primarily designed and built School News Channel for the US market. In the New Year, MGM will ramp-up its operations to introduce the product into the U.S. market - directly to Parents via an on-line social media marketing strategy supported by local service representatives. Arrangements with US mobile phone carriers are already in place. The use of micro-billing is well accepted in the US, and the company expects the uptake of School News Channel in the US to be much stronger than Australia. The online social media strategy will also mean the company can gain a customer footprint in the US market much faster and at less cost.

MGM US based non-executive Director Shaun Collopy, also co-founder of Mobile Messenger, America's largest provider of SMS mobile services with over \$ 500 million in revenues says "School News Channel is one of the most exciting and breakthrough products I have seen in the mobile

messaging space. It's a very valuable service to Parents. In the US, it's the norm for consumers to pay to receive SMS messages. There will be little consumer behaviour issues to address, and I expect School News Channel to be a big success. I look forward to assisting and playing a key role to assist MGM launch and commercialise this product in the US market."

School News Channel™ is likely to have a significant positive revenue impact on the company. Other than the accelerated uptake by schools that is likely to occur, currently, the MGM business model generates between \$ 2-8 per student. School News Channel User's revenue will be generated by Parent or Family member on the Student SMS Social Network. Because it's likely that there will be more than one family member on the social network per student, the company expects revenue to MGM to increase to \$ 12 - \$ 24 per student.

Patent & IP Protection

School News Channel extensively utilises the company's msgPool™ micro billing technology – which the company announced in November 2009. Throughout the processes of designing and inventing the msgPool technology, the company engaged and sought the advice of leading Australian Patent Attorneys and IP Solicitors to prepare and lodge applications to give priority for worldwide patents for msgPool™, student attendance and school micro-billing services, all other key aspects and ongoing refinements of this new technology and method. Initial Patent applications were lodged in July 2009 with additional subsequent patents lodged since then. Some applications have since been granted. The company believes it is in a strong position to be able to protect its innovation and commercial rights with msgPool™ and School News Channel™.

About MGM Wireless Ltd and Messageyou, LLC

MGM Wireless Ltd is a public company with a market capitalization of A\$ 2.9 m 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 SMS School communication 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, safety and parent engagement. 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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