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Companies Announcement Office
Australian Stock Exchange Limited
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Sydney NSW 2000

MGM Wireless announces two-way US/Australian distribution alliance

Key Points:

- VIP Tone provides MGM with instant channel to US schools market
- MGM to promote and sell new VIP Tone attendance data capture product suite in Australia through its direct sales channels
- VIP Tone is leading supplier of school management software in both Australia and the US
- MGM is market leader in school attendance management in Australia and is pioneering its SMS truancy solution in the US market
- SMS solution to be co-branded as School MATRIX[®] messageyou[™] and integrated with VIP Tone's new School MATRIX[®] ESAS attendance product suite
- Strong revenue driver, places both companies on fast-track

South Australian-based school services group MGM Wireless Ltd today announces a ground breaking deal to team up with US education software specialists VIP Tone Inc, to co-brand and distribute both MGM and VIP Tone attendance improvement products and services to schools in the USA and Australia.

MGM Wireless executive chairman Mr. Mark Fortunatow said the alliance was signed with the California-based VIP Tone, a company that services more than 7,000 schools with 1.8m students and 100,000 teachers around the world.

"This is indeed a significant step forward for MGM Wireless, and will provide an instant channel to market for MGM's suite of leading edge school attendance products into more than 200 school districts in the US," Mr. Fortunatow said. "VIP Tone is also the leading supplier of school management software in Australia, with whole of Education Department agreements in South Australia, Queensland and Tasmania together with Catholic Education in SA."

Mr. Fortunatow added that, while the majority of South Australian secondary schools already use messageyou[™], this agreement also paves the way for more rapid take-up by the State's 500-plus primary schools.

The Department of Education and Children's Services (DECS) in SA recently announced that it has accredited School MATRIX ESAS[®], VIP Tone's new suite of attendance data capture and roll marking products and has strongly recommended it to its 600 SA public schools. VIP Tone has licensed MGM's messageyou[™], which will be co-branded as School MATRIX[®] messageyou[™], and will be available at an attractive promotional price as a tightly integrated add-on module to the suite.

The School MATRIX ESAS suite will be promoted to all schools across Australia through MGM's national direct sales and distribution network.

Mr. Fortunatow said that VIP Tone answers a strong need for total roll marking automation products in Australia, making it easy to capture attendance data through mobile devices.

This non-exclusive, two-way alliance has been negotiated over the past few months and represents the coming together of two leading companies committed to excellence in the provision of services to education establishments.

VIP Tone helps educators create world-class school environments with one integrated solution for their learning, communication and collaboration needs.

Founded by Robert Iskander in April 2000, VIP Tone, Inc is a privately held Delaware Corporation headquartered in Alameda, California, with an Australian subsidiary, VIP Tone Australia, based in Adelaide.

VIP Tone's products and services are delivered to K-12 educational organisations through customised educational web portals that integrate content and software application channels, delivered securely over the web as hosted and managed services.

"VIP Tone is an excellent choice of partner for the rapid deployment of MGM Wireless products, especially our leading edge SMS text message communication systems, into one of the biggest education markets on the globe, the USA, which has over 90,000 schools," Mr Fortunatow said.

MGM Wireless opened its first US office in California earlier this year, appointing former MGM Wireless WA executive Robin Hamon to oversee the US beach-head.

"We have been pleasantly surprised by the interest generated from the successful messageyou™ trials in Arizona, which commenced at the start of the US school year, last August," Mr Fortunatow said. "American schools and their school communities have readily accepted the SMS text-based communication as a way to address a significant social and financial problem for US schools, which are largely funded based on attendance rather than enrolment figures. We are highly confident of messageyou reaching into US schools this year."

MGM Wireless is delighted to partner with VIP Tone in the US while at the same time making direct sales through MGM Wireless' existing and future customers.

"This is indeed a ground breaking deal for our company," Mr Fortunatow said. "Revenue from the alliance should show up in Fiscal 2008."

Messageyou™ is a trademark of MGM Wireless Ltd. while School MATRIX® is registered trademark of VIP Tone, Inc.

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