



**July 2010 Corporate Presentation**



# Agenda

- MGM Wireless today
- Results
- Strategy and outlook



# MGM Wireless

ASX Code:	MWR
Mkt Cap. (\$ 0.009 share):	\$ 1.99 mill
Debt	\$ 0.30 mill
Cash	\$ 0.20 mill

## Directors

Mark Fortunatow - Chairman (Founder)  
Mark Hurd (Founder)  
John Dawkins (non Executive)  
Shaun Collopy (non Executive)

## Capital Structure

Shares on Issue:	220.6m
Options Outstanding:	14.1m listed 17.3m unlisted
No. Shareholders:	658
Top Shareholders:	
Founders	
Fortunatow	37.9m (17%)
Hurd	5.1m (7%)
Top 20 hold	104.9m (48%)



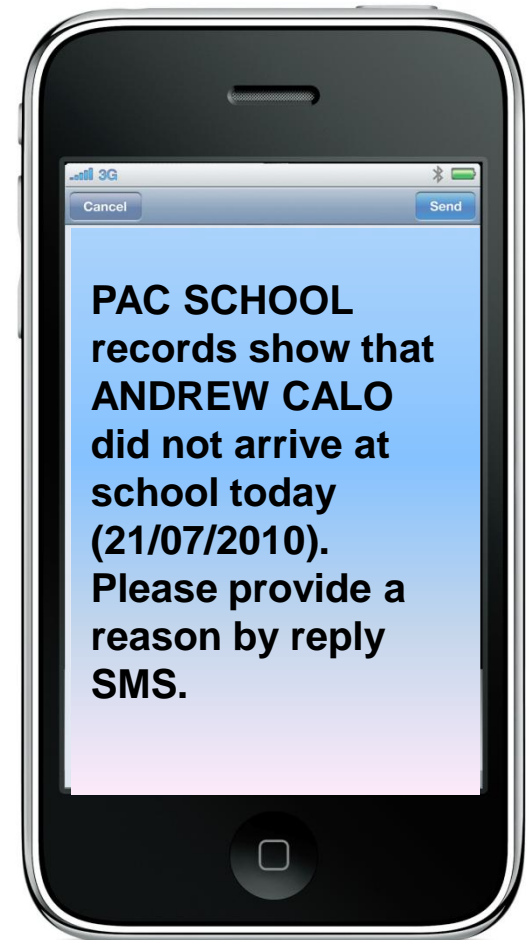
## What we do

Australian and World Market leader in SMS-TEXT technology for Schools.

MGM Wireless solutions:

1. Improve student attendance & safety
2. Engage parent involvement
3. Reduce school costs

And ultimately improve student learning & social outcomes.



## Revenue Model

- Recurring multi year subscription - 3 years
- Annual software fee \$ 2 – 10 pa per student
- Plus message fees
- Plus consulting revenues

**70% of our annual revenues are recurring**  
**30% is new business**



## Our Results

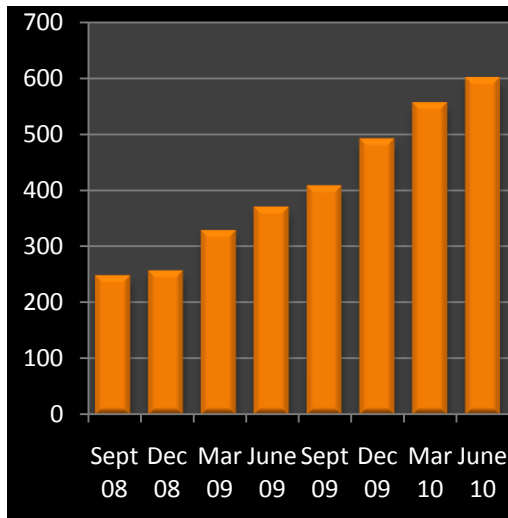
### 2010 Strategic Financial Objectives were...

1. Deliver profit
2. Deliver revenue improvement
3. Achieve positive cash flow
4. Pursue ongoing R&D to create new growth opportunities

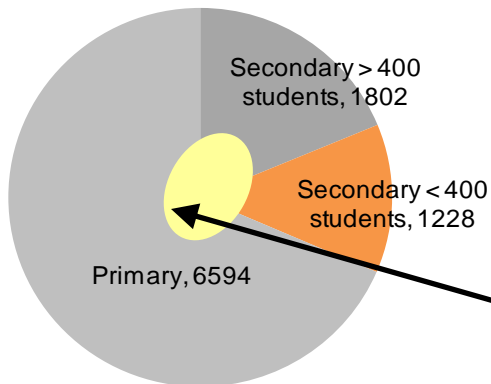
As we will show in this presentation we are delivering against these objectives



# Customers & Operations



- Australia – 609 School Customers
- New Zealand Awarded \$A 1.1mill Grant Program
  - 20 school Customers signed in first 5 weeks
- Western Australian Department of Education State Contract
  - preferred supplier
- NSW Education (Sydney Region) Government Contract
  - preferred supplier
- 300+ individual school customers



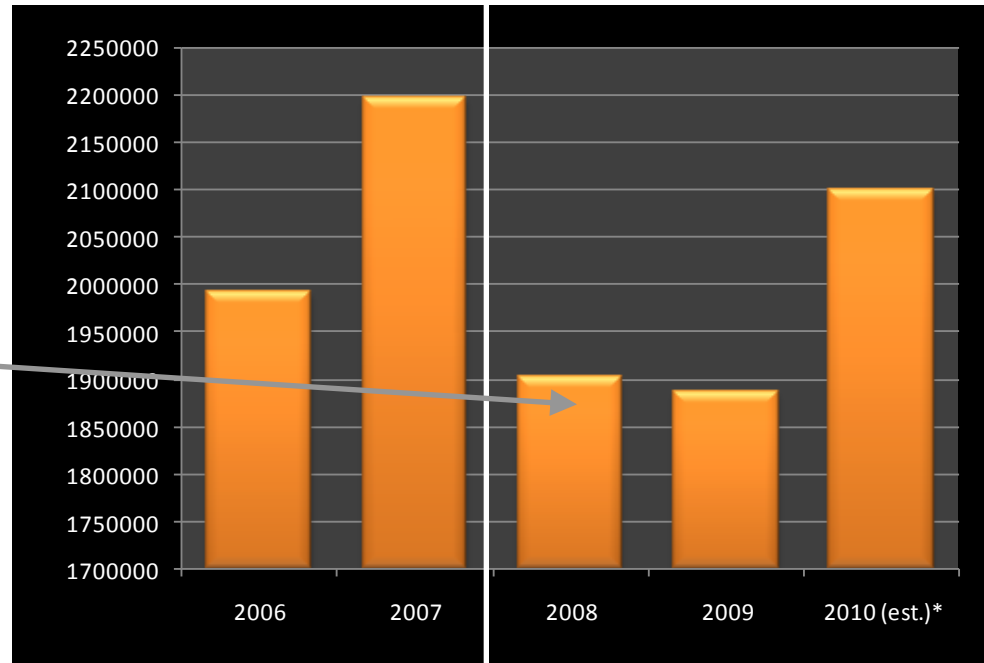
**A growing, stable & long term business.  
Plenty of opportunity remains.**

Current MGM market footprint Feb 2010 (555)  
Total Market Size 9,624 MGM Market Share 491

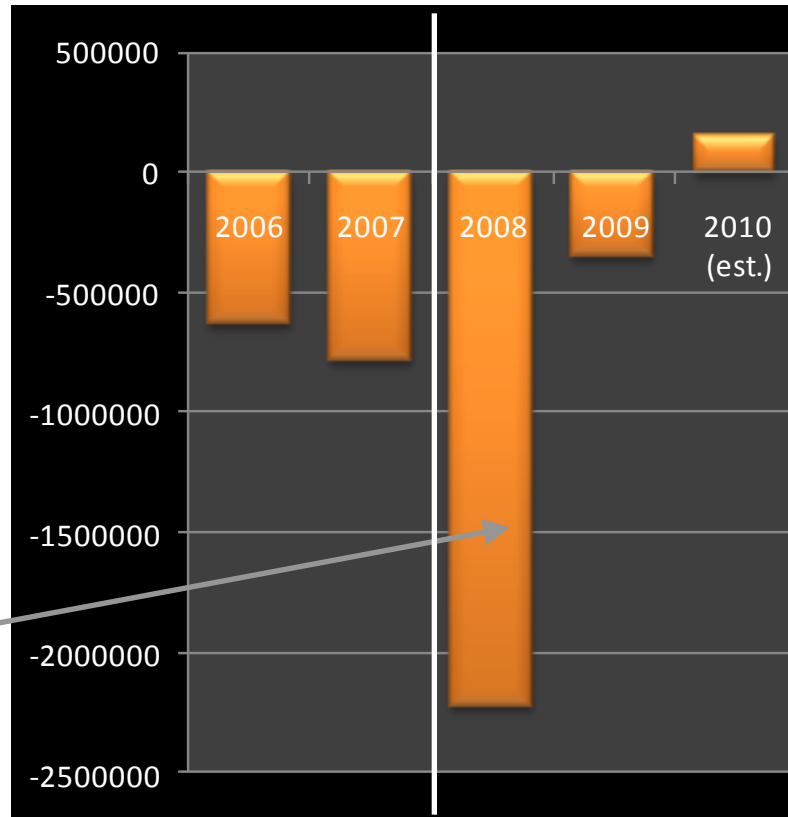


# Revenues

Change in Accounting Standard.  
Change to Income recognition.



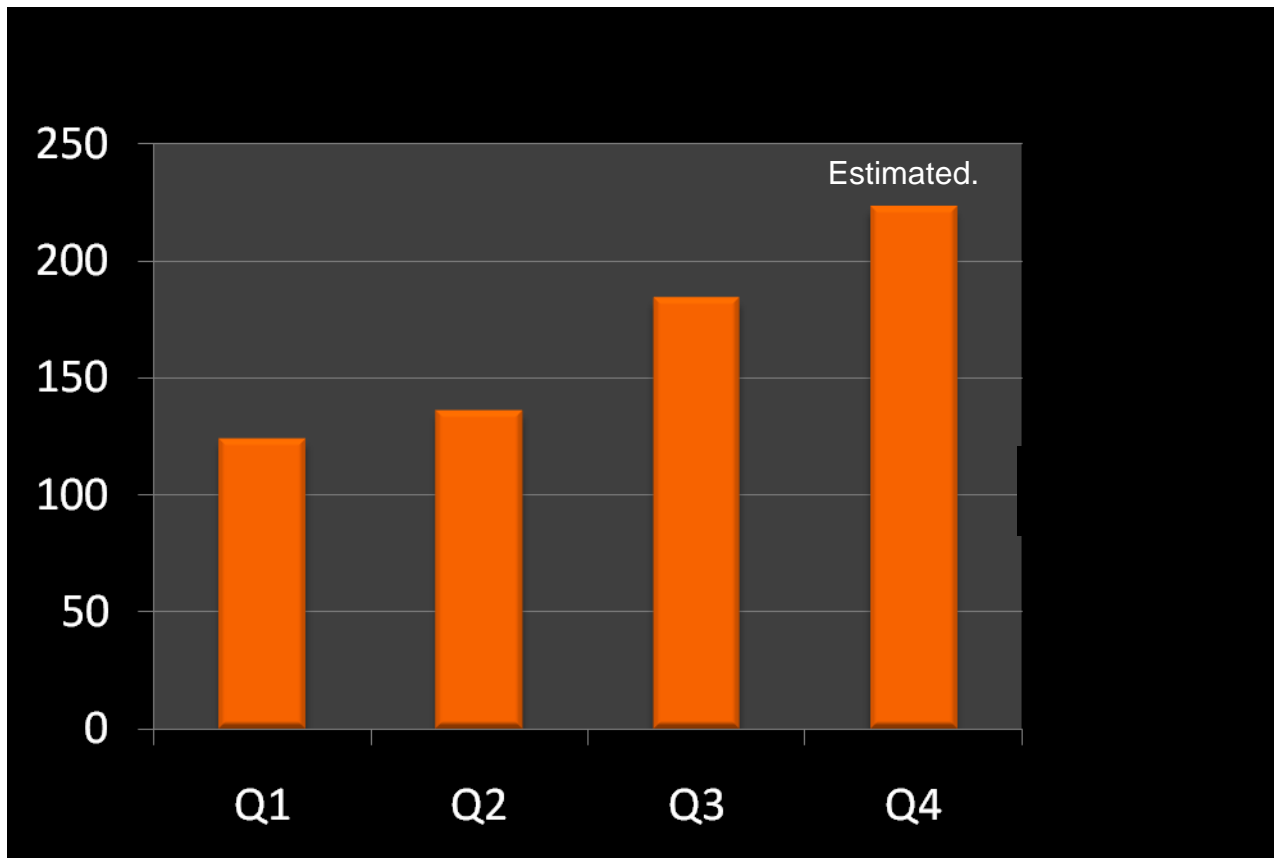
# Profits



Change in  
accounting  
standard.



## 2010 Positive Cash flows



Improving balances demonstrate underlying positive cash flows



### 2009 Current Liabilities Balance Sheet

Trade Payables	\$ 147,573
Unearned Revenues	\$ 367,938
Accrued SMS wholesale charges	\$ 143,361
Other Accruals and Provisions	\$ 649,938
Borrowings	\$ 300,000

Unexpired portion of customer annual software license fees & unused SMS credits.

Introduced in 2007.

**No corresponding \$ 2.8 million asset on Balance Sheet**



# 2011 Strategy Moving Forward

## Accelerating the Pace

**Strategic**

**Financial**

1. Quantum revenue improvement
2. Continue improving free cash flow growth
3. Continue profit growth



# Strategy Moving Forward

Accelerating the Pace

**1 New Products**

**2. NZ contract**

**3. USA**

**4. Grow Australian market further**

**5. New Business Acquisition**



# Accelerating the Pace

## Innovation

### **MsgPool - Changing the Game**

New, patented micro billing technology – Product complete, Q1 - Trials

- Free for School
- User Pays micro charge – new business model

Removes existing primary reason for schools not purchasing

Perfect for US market

Likely better margins

Business process protected by patent

### **School Social Messaging Platform**

Viral School Community Messaging – Product complete, Q1 - Trials

- Blends Web services with SMS
- Improved SMS traffic & revenues
- Ideal for all markets



# Accelerating the Pace

## New Markets

### New Zealand

- \$ A1.1mill, New Zealand Government ,12 month program to
- give NZ schools free access to MGM technology.
- MGM awarded preferred tendered (1 of 3)
- 20 schools signed in first 5 weeks. NZ Sales desk established
- Total available schools - over 400

### USA

- Rollout new Micro billing technology (MsgPool)
- Build on existing MGM Customer base in California and Arizona
- MGM US based Director in place
- Market Size: 55,000 schools (Australia 9,600)
- Web based Sales Delivery Model



# Accelerating the Pace

## New Tech Business

- Identifying new & emerging Tech opportunities
- Not necessarily in Education Sector
- Complementary wherever possible
- Ability to leverage off existing assets & skills

## Grow Australian market further

- Plenty of opportunity remains
- Strong and large footprint
- Continue leveraging off market leadership position



# Summary

## MGM Today

- Profitable
- Growing Revenues
- Generating cash
- Established, Solid, strong, long term business ideal to underpin future growth

## MGM in the Future

- Quantum improvement in Revenue, Profits & Cash
- More diverse
- New markets



