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MGM Wireless December 4C quarter and key Half -Year results. January 29 2010

South Australian-based school communications group MGM Wireless Ltd is pleased to announce financial results, company advancements and customer growth for the December Quarter and 2010 half year.

Sales

- Sales for the Quarter were \$491,901, as compared to \$ 447,361 for the same period last year, an increase of 10%.
- Sales for the Half Year were \$983,586 as compared to \$720,581 for the same period last year, an increase of 36%.

Revenues

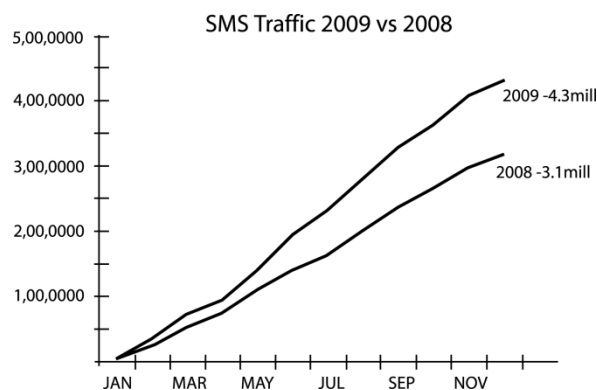
- Revenue for the Quarter was \$677,078 as compared to \$542,146 for the same period last year, an increase of 25%.
- Revenue for the Half Year was \$1,021,009 as compared to \$965,146 for the same period last year, an increase of 6%.

Customer Growth

In accordance with the clarifying statement released to the market on November 17, 2009 the company has now adopting a more simplified form of reporting school numbers.

Contracted and operational Schools Last Quarter Schools (Sept 30, 2009)	408
Contracted and operational Schools December 31, 2009	491

SMS Traffic Growth



Commenting on the results, MGM Wireless executive chairman Mark Fortunatow said “MGM continues to see the steady growing acceptance and adoption amongst Australian schools and Parents of SMS as a mainstream form of communication. Not only are we seeing SMS continue to displace other older forms of School to Parent communication such as voice calls, voice mail and letters, but we also seeing an overall increase in communication flows as Schools discover new uses of SMS. Examples are bushfire, health (Swine Flu), flood and school closure alerts and Parent reminders to key school events.”

The company is also pleased to report that a growing number of Primary Schools are purchasing Outreach™ - the company's solution specifically built for this market sector. Primary Schools have different communication needs to secondary schools, as generally student non-attendance is not the primary purchasing driver. Primary Schools seek to build greater family engagement by encouraging ongoing two-way SMS communication between Parents, Grand Parents and Class Teacher on a regular basis.

“Another trend is the increased demands Schools are placing on the functionality required in the software and technology to support these new school communication needs. We are pleased to see that as the result of MGM's ongoing R&D and product enhancement investments, our solutions continue to be recognized as best of breed, and systems of choice,” Mr Fortunatow said.

About MGM Wireless Ltd and Messageyou, LLC

MGM Wireless Ltd is a public company with a market capitalisation of A\$ 3.8m 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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CEO

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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")

31 December 2009

Consolidated statement of cash flows

Cash flows related to operating activities	Current quarter \$A'000	Year to date (6 months) \$A'000
1.1 Receipts from customers	617	1,032
1.2 Payments for		
(a) staff costs	(357)	(668)
(b) advertising and marketing	(2)	(5)
(c) research and development	-	-
(d) leased assets	-	-
(e) other working capital	(84)	(376)
1.3 Dividends received	-	-
1.4 Interest and other items of a similar nature received	-	-
1.5 Interest and other costs of finance paid	(10)	(17)
1.6 Income taxes paid	-	-
1.7 Other	0	79
Net operating cash flows	164	45

	Current quarter \$A'000	Year to date (.6 months) \$A'000
1.8 Net operating cash flows (carried forward)	164	45
Cash flows related to investing activities		
1.9 Payment for acquisition of:		
(a) businesses (item 5)	-	-
(b) equity investments	-	-
(c) intellectual property	(121)	(121)
(d) physical non-current assets	(1)	(1)
(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	(122)	(122)
1.14 Total operating and investing cash flows	42	(77)
Cash flows related to financing activities		
1.15 Proceeds from issues of shares, options, etc.	-	2
1.16 Proceeds from sale of forfeited shares	-	-
1.17 Proceeds from borrowings	-	-
1.18 Repayment of borrowings	-	-
1.19 Dividends paid	-	-
1.20 Other (provide details if material)	-	(7)
Net financing cash flows	(0)	(5)
Net increase (decrease) in cash held	42	(82)
1.21 Cash at beginning of quarter/year to date	124	241
1.22 Exchange rate adjustments to item 1.20	(3)	4
1.23 Cash at end of quarter	163	163

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	117
1.25	Aggregate amount of loans to the parties included in item 1.11	-

1.26 Explanation necessary for an understanding of the transactions

Item 1.7 is grant in relation to payment in relation to eligible research & development expenditure.

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	163	124
4.2	Deposits at call		
4.3	Bank overdraft		
4.4	Other (provide details)		
Total: cash at end of quarter (item 1.22)		163	124

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: 29 January 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.