

Appendix 4D
MGM WIRELESS LIMITED
 ABN 93 091 351 530
Half-year Report
31 December 2007
 (Previous corresponding period: 31 December 2006)

Results for announcement to the market

Financial Results				6 months ended 31 Dec 2007 \$
Revenue	down	10.5%	to	1,111,298
Profit (loss) after tax attributable to members	down	233.0%	to	(929,815)
Net profit (loss) for the period attributable to members	down	233.0%	to	(929,815)

Dividends	Amount per Ordinary Security	Franked amount per security
2007 interim dividend	Nil	Nil
2006 final dividend	Nil	Nil
It is not proposed to pay a dividend.		
Record date for determining entitlements to the 2006 interim dividends		N/A

Net Tangible Asset Backing	31 December 2007	31 December 2006
Net tangible asset backing per ordinary security	0.24 cps	0.26 cps

Other explanatory notes

Control gained or lost over entities during the period	
Name of entity	
Date of gaining control	

Distributions to shareholders	N/A
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Dividend reinvestment plan details	N/A
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Joint venture and associate details	N/A
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Foreign entities accounting standards used	N/A
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The information required by listing rule 4.2A is contained in both this Appendix 4D and the attached half-year report. This half-year report does not include notes of the type normally included in an annual financial report and should be read in conjunction with the 2007 annual financial report.

MGM WIRELESS LIMITED

ABN 93 091 351 530

HALF-YEAR REPORT

31 DECEMBER 2007

MGM WIRELESS LIMITED CORPORATE DIRECTORY

DIRECTORS

Mark Fortunatow
Executive Chairman

Mark Hurd
Executive Director

The Hon John Dawkins AO
Non-Executive Director

SECRETARY

Neville Bassett

REGISTERED OFFICE

Suite 13, The Parks
154 Fullarton Road
Rose Park SA 5067

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AUDITOR

RSM Bird Cameron Partners
8 St George's Terrace
Perth WA 6000

SHARE REGISTRY

Computershare Investor Services Pty Ltd
Level 2
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Perth WA 6000

Telephone: 1300 557 010
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STOCK EXCHANGE

The securities of MGM Wireless Limited are listed on the Australian Stock Exchange Limited

ASX Codes: MWR ordinary fully paid shares
MWRO options, expiring 30 November 2010

MGM WIRELESS LIMITED DIRECTORS' REPORT

Your directors submit the financial report of the consolidated entity for the half-year ended 31 December 2007.

DIRECTORS

The names of the company's directors in office during the half-year and until the date of this report are:

Mark Fortunatow
Mark Edwin Hurd
John Sydney Dawkins (Appointed 17 August 2007)
Richard Salvatore Sciano (Resigned 16 November 2007)

Directors were in office for this entire period unless otherwise stated.

REVIEW OF OPERATIONS

As previously reported, overall revenue was down by 10.5% to \$ 1.1 mill, - primarily due to the transition to new billing arrangements and roll-out in Western Australia under the two-year statewide agreement which is anticipated to eventually cover up to 800 government schools.

The WA transition is underway and picking up pace. The company expects revenue from this agreement to increase as a result during the course of next six months and grow solidly beyond the current financial year end.

EDITDA was a loss of \$752,422, as compared to \$187,439 12 months ago. EBITDA includes the non cash expense of \$109,560 for share based payment expense, and cash expense of \$216,222 for expansion related expenditure in to the US market - as compared to \$92,531 12 months ago.

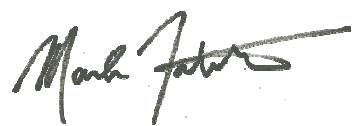
The company continues to experience strong, growing interest and momentum in its products and services – as schools and educators form the opinion that text messaging has an important, key role to play towards improving student attendance, child safety and school-parent communication.

The company believes strategically it is important to continue with its strategy of increasing market penetration and expanding its market leadership position to ensure it remains the dominant supplier and leader once the market becomes saturated and mature.

AUDITOR'S DECLARATION OF INDEPENDENCE

A copy of the auditor's independence declaration as required under section 307C of the Corporations Act 2001 in relation to the review for the half-year ended 31 December 2007 is set out in the financial report.

Signed in accordance with a resolution of the directors.



M Fortunatow
Director
Adelaide, 29 February 2008

MGM WIRELESS LIMITED
INCOME STATEMENT
For the half-year ended 31 December 2007

	Consolidated	Consolidated
	6 Months Ended 31 December 2007 \$	6 Months Ended 31 December 2006 \$
Revenues	1,111,298	1,242,177
Cost of sales	(357,651)	(382,879)
Bad and doubtful debts	(34,649)	(20,424)
Finance costs	(6,199)	(7,769)
Depreciation and amortisation expense	(171,194)	(91,496)
Impairment of intangible assets	(19,893)	-
Sales expenses	(153,115)	(44,476)
Consulting expenses	(98,766)	(168,758)
Corporate and administration expenses	(305,200)	(204,142)
Share based payment expense	(109,560)	-
Employee benefit expenses	(781,673)	(601,168)
Net foreign currency loss	(3,213)	-
Loss before income tax expense	(929,815)	(278,935)
Income tax expense	-	-
Loss after tax	(929,815)	(278,935)
Profit (loss) attributable to minority interest	-	-
Net loss attributable to members of MGM Wireless Limited	(929,815)	(278,935)
Basic earnings/ (loss) per share (cents per share)	(0.51)	(0.17)
Diluted earnings/ (loss) per share (cents per share)	(0.51)	(0.17)

The accompanying notes form part of these financial statements

MGM WIRELESS LIMITED
BALANCE SHEET
As at 31 December 2007

	Consolidated	Consolidated
	31 December 2007	30 June 2007
	\$	\$
CURRENT ASSETS		
Cash and cash equivalents	406,833	806,812
Trade and other receivables	386,853	475,076
Other current assets	42,895	1,342
TOTAL CURRENT ASSETS	836,581	1,283,230
NON-CURRENT ASSETS		
Plant and equipment	195,967	158,557
Intangible assets	634,561	615,383
TOTAL NON-CURRENT ASSETS	830,528	773,940
TOTAL ASSETS	1,667,109	2,057,170
CURRENT LIABILITIES		
Trade and other payables	530,592	351,906
Provisions	48,249	39,758
TOTAL CURRENT LIABILITIES	578,841	391,664
TOTAL LIABILITIES	578,841	391,664
NET ASSETS	1,088,268	1,665,506
EQUITY		
Parent entity interest		
Issued capital	6,313,512	6,016,512
Reserves	131,373	75,796
Accumulated losses	(5,356,617)	(4,426,802)
	1,088,268	1,665,506
Minority interest		
Issued capital	20	20
Accumulated losses	(20)	(20)
	-	-
TOTAL EQUITY	1,088,268	1,665,506

The accompanying notes form part of these financial statements

MGM WIRELESS LIMITED
STATEMENT OF CHANGES IN EQUITY
For the half-year ended 31 December 2007

	Issued Capital	Accumulated Losses	Option Issue Reserve	Foreign Currency Translation Reserve	Total Equity
	\$	\$	\$	\$	\$
At 1 July 2006	4,663,584	(3,637,805)	75,796	-	1,101,575
Loss attributable to members of parent entity	-	(278,935)	-	-	(278,935)
Transfer of accumulated losses of minority interest in accordance with AASB 127	-	(5,065)	-	-	(5,065)
At 31 December 2006	4,663,584	(3,921,805)	75,796	-	817,575
At 1 July 2007	6,016,512	(4,426,802)	75,796	-	1,665,506
Loss attributable to members of parent entity		(929,815)	-	-	(929,815)
Shares issued	247,500	-	-	-	247,500
Cost of share based payment	49,500	-	60,060	-	109,560
Currency translation differences	-	-	-	(4,483)	(4,483)
At 31 December 2007	6,313,512	(5,356,617)	135,856	(4,483)	1,088,268

The accompanying notes form part of these financial statements.

MGM WIRELESS LIMITED
CASH FLOW STATEMENT
For the half-year ended 31 December 2007

	Consolidated	Consolidated
	6 Months Ended 31 December 2007 \$	6 Months Ended 31 December 2006 \$
Cash flows from operating activities		
Receipts from customers	1,113,702	1,294,236
Payments to suppliers and employees	(1,512,721)	(1,470,008)
Interest received	9,897	5,353
Interest and other costs of finance	(6,199)	(7,769)
Net cash used in operating activities	(395,321)	(178,188)
Cash flows from investing activities		
Payments for plant and equipment	(54,697)	(10,859)
Payment for research and development	(192,978)	-
Net cash used in investing activities	(247,675)	(10,859)
Cash flows from financing activities		
Proceeds from issue of shares	247,500	-
Net cash provided by financing activities	247,500	-
Net decrease in cash held	(395,496)	(189,047)
Cash at beginning of the financial period	806,812	562,834
Effect of exchange rate changes	(4,483)	-
Cash at the end of the financial period	406,833	373,787

The accompanying notes form part of these financial statements

MGM WIRELESS LIMITED
NOTES TO THE FINANCIAL STATEMENTS
For the half-year ended 31 December 2007

1. STATEMENT OF SIGNIFICANT ACCOUNTING POLICIES

The half-year financial report is a general purpose financial report prepared in accordance with the Corporations Act 2001 and AASB 134 "Interim Financial Reporting". Compliance with AASB 134 ensures compliance with International Financial Reporting Standard IAS 34 "Interim Financial Reporting".

The half-year financial report should be read in conjunction with the Annual Financial Report of MGM Wireless Limited as at 30 June 2007. It is also recommended that the half-year financial report be considered together with any public announcements made by MGM Wireless Limited and Controlled Entities during the half-year ended 31 December 2007 in accordance with the continuous disclosure obligations arising under the Corporations Act 2001.

The financial report covers the consolidated entity of MGM Wireless Limited and controlled entities. MGM Wireless Limited is a listed public company domiciled in Australia.

The half-year financial report has been prepared on a historical cost basis. Cost is based on the fair value of the consideration given in exchange for assets. All amounts are presented in Australian dollars, unless otherwise noted. The half-year financial report does not include full disclosures of the type normally included in an annual financial report. Therefore, it cannot be expected to provide as full an understanding of the financial performance, financial position and cash flows of the consolidated entity as in the full financial report.

For the purpose of preparing the half-year financial report, the half-year has been treated as a discrete reporting period. The accounting policies and methods of computation adopted in the preparation of the half-year financial report are consistent with those adopted and disclosed in the company's annual financial report for the year ended 30 June 2007.

(a) Going Concern

As disclosed in the financial report, the consolidated entity recorded an operating loss of \$929,815 and a cash outflow from operating activities of \$395,321 for the half-year ended 31 December 2007 and at balance date, had net current assets of \$257,740. These factors indicate significant uncertainty whether the consolidated entity will continue as a going concern and therefore whether it will realise its assets and extinguish its liabilities in the normal course of business and at the amounts stated in the financial report.

The Directors believe after consideration of the above matters, there are reasonable grounds to believe that the consolidated entity will be able to pay its debts as and when they become due and payable and is a going concern because of the following factors:

- The ability to issue additional shares under the Corporations Act 2001;
- The possible exercise of options by related parties;
- Further commercial exploitation of the company's technologies and products at amounts sufficient to meet proposed expenditure commitments; and/or
- The company is in the process of issuing convertible notes to a related party.

Accordingly, the Directors believe that the consolidated entity will obtain sufficient funding to enable it to continue as a going concern and that it is appropriate to adopt that basis of accounting in the preparation of this half-year financial report.

The financial report does not contain any adjustments to the amounts or classification of recorded assets or liabilities that might be necessary if the company does not continue as a going concern.

MGM WIRELESS LIMITED
NOTES TO THE FINANCIAL STATEMENTS
For the half-year ended 31 December 2007

	31 December 2007	30 June 2007
	\$	\$
2. ISSUED CAPITAL		
Issued Capital		
Ordinary shares – fully paid	6,313,512	6,016,512

Movement in ordinary shares on issue	Number	\$
Balance at beginning of period	182,046,348	6,016,512
Issue for cash on exercise of options	8,250,000	247,500
Share based payment	450,000	49,500
Balance at end of period	190,746,348	6,313,512

3. SEGMENT INFORMATION

The company operates predominantly in one business segment, being the provision of business messaging solutions and internet related services. The following table presents the revenue and earnings information regarding geographical segments for the half-year periods ended 31 December 2007 and 31 December 2006.

	Australia	USA	Total
	\$	\$	\$
31 December 2007			
Segment revenue	1,059,963	51,335	1,111,298
Segment results	(713,593)	(216,222)	(929,815)
31 December 2006			
Segment revenue	1,242,177	-	1,242,177
Segment results	(186,404)	(92,531)	(278,935)

4. CONTINGENT LIABILITIES

There has been no change in contingent liabilities since the last annual reporting date.

5. EVENTS SUBSEQUENT TO REPORTING DATE

There are no matter or circumstances which have arisen since the end of the half-year which significantly affected or may significantly affect the operations of the consolidated entity, the results of those operations, or the state of affairs of the consolidated entity in subsequent financial periods.

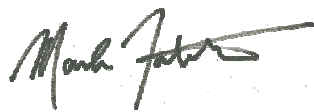
MGM WIRELESS LIMITED

DIRECTORS' DECLARATION

The directors of the company declare that:

- 1) The financial statements and notes set out on pages 3 to 8 are in accordance with the Corporations Act 2001, including:
 - (a) complying with the Accounting Standard AASB 134: Interim Financial Reporting and the Corporations Regulations 2001;
 - (b) give a true and fair view of the consolidated entity's financial position as at 31 December 2007 and of its performance for the half-year then ended.
- 2) In the directors' opinion there are reasonable grounds to believe that the company will be able to pay its debts when they become due and payable.

This declaration is made in accordance with a resolution of the Board of Directors.



M Fortunatow
Director

Adelaide, 29 February 2008

RSM Bird Cameron Partners

Chartered Accountants

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INDEPENDENT AUDITOR'S REVIEW REPORT TO THE MEMBERS OF MGM WIRELESS LIMITED

Report on the Half-Year Financial Report

We have reviewed the accompanying half-year financial report of MGM Wireless Limited (the consolidated entity) which comprises the balance sheet as at 31 December 2007, and the income statement, statement of changes in equity and cash flow statement for the half-year ended on that date, accompanying notes to the financial statements and the directors' declaration. The consolidated entity comprises both MGM Wireless Limited (the company) and the entities it controlled during the half-year.

Directors' Responsibility for the Half-Year Financial Report

The directors of the company are responsible for the preparation and fair presentation of the half-year financial report in accordance with Australian Accounting Standards (including the Australian Accounting Interpretations) and the *Corporations Act 2001*. This responsibility includes establishing and maintaining internal control relevant to the preparation and fair presentation of the half-year financial report that is free from material misstatement, whether due to fraud or error; selecting and applying appropriate accounting policies; and making accounting estimates that are reasonable in the circumstances.

Auditor's Responsibility

Our responsibility is to express a conclusion on the half-year financial report based on our review. We conducted our review in accordance with Auditing Standard on Review Engagements ASRE 2410 *Review of an Interim Financial Report Performed by the Independent Auditor of the Entity*, in order to state whether, on the basis of the procedures described, we have become aware of any matter that makes us believe that the financial report is not in accordance with the *Corporations Act 2001* including:

- giving a true and fair view of the consolidated entity's financial position as at 31 December 2007 and its performance for the half-year ended on that date; and
- complying with Accounting Standard AASB 134 *Interim Financial Reporting* and the *Corporations Regulations 2001*.

As the auditor of MGM Wireless Limited, ASRE 2410 requires that we comply with the ethical requirements relevant to the audit of the annual financial report.

A review of a half-year financial report consists of making enquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and other review procedures. A review is substantially less in scope than an audit conducted in accordance with Australian Auditing Standards and consequently does not enable us to obtain assurance that we would become aware of all significant matters that might be identified in an audit. Accordingly, we do not express an audit opinion.

Liability limited by a
scheme approved under
Professional Standards
Legislation

Major Offices in:
Perth, Sydney, Melbourne,
Adelaide and Canberra
ABN 36 965 185 036

RSM Bird Cameron Partners is an
independent member firm of RSM
International, an affiliation of independent
accounting and consulting firms.



Independence

In conducting our review, we have complied with the independence requirements of the *Corporations Act 2001*.

Conclusion

Based on our review, which is not an audit, we have not become aware of any matter that makes us believe that the half-year financial report of MGM Wireless Limited is not in accordance with the *Corporations Act 2001* including:

- (a) giving a true and fair view of the consolidated entity's financial position as at 31 December 2007 and of its performance for the half-year ended on that date; and
- (b) complying with Accounting Standard AASB 134 *Interim Financial Reporting* and *Corporations Regulations 2001*.

Material Uncertainty Regarding Continuation as a Going Concern

Without qualification to the above conclusion, we draw attention to Note 1 in the financial report, which indicates that:

- (a) during the half-year ended 31 December 2007, the consolidated entity incurred a net loss of \$929,815 and a cash outflow from operating activities of \$395,321; and
- (b) at balance date, the consolidated entity has net current assets of \$257,740.

These conditions indicate the existence of a material uncertainty which may cast significant doubt about the consolidated entity's ability to continue as a going concern and, therefore, whether it will realise its assets and extinguish its liabilities in the normal course of business and at the amounts stated in the financial report.

RSM Bird Cameron Partners.

RSM BIRD CAMERON PARTNERS
Chartered Accountants

D J Wall.

D J WALL
Partner

Perth, WA

Dated: 29 FEBRUARY 2008

RSM Bird Cameron Partners

Chartered Accountants

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AUDITOR'S INDEPENDENCE DECLARATION TO THE DIRECTORS OF MGM WIRELESS LIMITED

As lead audit partner for the review of the financial report of MGM Wireless Limited for the half-year ended 31 December 2007, I declare that to the best of my knowledge and belief, there have been no contraventions of:

- (i) the auditor independence requirements of the *Corporations Act 2001* in relation to the review; and
- (ii) any applicable code of professional conduct in relation to the review.

This declaration is in respect of MGM Wireless Limited and the entities it controlled during the period.

RSM Bird Cameron Partners.

RSM BIRD CAMERON PARTNERS
Chartered Accountants

D J Wall

D J WALL
Partner

Perth, WA

Dated: *29 FEBRUARY 2008*