



Notice of Litigation – WA & SA Licensee

23 December 2008

The company has been informed that Lionpalm Pty Ltd, Ian and Dean Cameron which did operate the company's WA & SA Licenses are seeking, through the Federal Court of Australia in WA, \$ 460,000 and further and alternative compensation from MGM Wireless Holdings Pty Ltd – a subsidiary of MGM Wireless Ltd and the company's CEO - Mark Fortunatow personally.

The amount relates to claims Lionpalm Pty Ltd is making under various sections of Fair Trade and Trade Practices Act and claims in contract, relating to the Licensee's rights to operate the business in the states of WA & SA.

The company previously announced in July 2008 that an action was filed by Lionpalm Pty Ltd on similar grounds to the ACCC. In November 2008 the ACCC, after investigating the claims, informed the company that it will take no action.

The company is currently seeking advice from its legal representatives and it is the company's intention to defend the matter.

About MGM Wireless Ltd and Messageyou, LLC

MGM Wireless Ltd is a public company with a market capitalisation of A\$ 3.4m 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, America and India use Messageyou software in their day to day operations.

For further information contact:

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