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MGM Wireless June 4C quarter results.

July 30, 2010

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

Sales

- Sales for the Quarter were \$447,000 as compared to \$370,000 for the same period last year, an increase of 21%.
- Sales for the 2010 Year were \$2,082,000.

Revenues

- Revenue for the Quarter was \$542,000 as compared to \$ 446,000 for the same period last year, an increase of 21%.
- Revenues for the Year were \$2,159,000 as compared to \$1,887,000 for the same period last year, an increase of 14%.

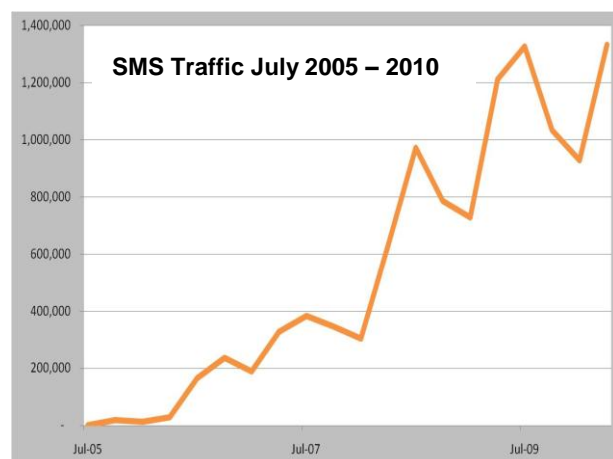
Customer Growth

- Contracted and operational Schools Last Quarter March 31, 2010 510
- Contracted and operational Schools June 30, 2010 575

"MGM is pleased to report the momentum of previous quarter's solid Q3 results has continued into the June quarter," said Mark Fortunatow, Chairman and CEO of MGM Wireless.

During the quarter, the company took steps and to ensure its infrastructure and product response times continued to perform well. While the performance for the quarter has resulted in rising sales, school customers and cash on hand at the end of the quarter, the company is committed to driving the business harder and further expanding our already market leading position in the Australian Education market.

Significant numbers of additional school customers purchased the company's service this quarter, the New Zealand Government contract was announced in May and the company advanced plans for the rollout of a micro billing technology into the US market later this year. The company also continued the development of a new Parent Contact Portal technology.



During the quarter MGM decided it was necessary to upgrade its systems to cater for the real possibility of servicing 1,000 schools in the next 12-18 months. This year, in addition to seasonal factors, the roll-out in one of MGM Government Contracts almost ground to a halt due to routine state-wide computer Standard Operating System (SOE) upgrades which involved operating system upgrades to every computer in the state. The SOE upgrade is now largely complete, and the company expects uptake of new schools in this region to revert to previous levels moving forward.

As such, during the quarter, MGM purchased and installed a Hewlett Packard DL370 G6 server with a Smart Array subsystem server to assist running key components of its infrastructure and systems. This server is currently one of the most powerful computers manufactured. The company considers this upgrade should ensure MGM's infrastructure continues to perform well for the next 12 – 24 months. Existing servers were re-configured to handle more capacity and in addition, the company upgraded underlying database and operating systems to the latest 64 bit technology – all resulting in further speed and performance improvements. Despite these challenges, MGM achieved good trading results, supported by continued growth in both SMS message communication and the ongoing growth in annual license fee income from a growing client base – which represents \$ 2.7 million in forward income is not reflected in the company's accounts, under current accounting standards.

The cost of this new equipment and associated services was approximately \$ 35,000, which the company financed, with a resulting security charge being registered with ASIC specifically to the new equipment only. As previously announced, the company continues to actively work on R&D to roll-out new products and services, which it plans to introduce both into the existing Customer base as well as New Customers. "We are very excited about these new technologies, and we are confident they will support MGM to grow and scale our business faster – an outcome the Board and Management are very focused on", said Mark Fortunatow.

The attached chart shows the growth in text traffic which is now handled by the upgraded server facility.

During the quarter, the company also carried out Customer satisfaction surveys and interviews in order to ensure schools are receiving high value and also to identify any new requirements and potential new trends. The surveys supported MGM internal traffic and school growth data showing SMS communication continues to grow as an important communication channel between Schools and Parents, and the company's attendance solutions in particular are a recognised solution to improve student attendance.

New Customer quotes and testimonials are attached.

About MGM Wireless Ltd and Messageyou, LLC

MGM Wireless Ltd is a public company with a market capitalisation of A\$ 2.6m 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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Customer Quotes from recent MGM Customer Satisfaction Survey

The following is a sample of quotations from School Principals and Teaching staff from the following schools: Elizabeth Murdoch College (VIC), Modbury High School (SA), Sienna College (VIC), Latrobe High School (TAS).

“Using MGM SMS systems is a far superior system for contacting parents – particularly compared to phoning the parents.”

“Parents say it’s a great idea and were thankful for it. The few parents who did not appreciate it were the parents of students who were regularly come late to school, but this holds them accountable for getting their children to school on time”

“School Staff like the MGM SMS system because it puts responsibility onto the parents.”

“Using SMS has streamlined the Parent communication process - it does not take as much time and the accuracy of our attendance records are therefore better than they were before.”

“We chose MGM because of its reputation and the range of schools that it was already servicing.”

“The amount of children that are late has decreased, and of course the accuracy [of attendance records], they still be away ill or doctor’s appointments, but at least we have a reason- we don’t have as many unexplained absences as we did before.”

“We understand that attendance is really important to [student] achievement so we looked at this system as a way of firstly improving our attendance, which was pretty good anyway, and secondly keeping parents in the loop.”

“MGM has without question improved engagement with your parent community.”

“After a fire in the tech studies area we were able to get a message out in no time saying there was a fire and everyone is safe and lesson will be resuming.”

“We got lots of positive replies back from parents.”

“The introduction of MGM Watchlists has been a really useful tool for all levels of teachers, it gives homeroom teachers a heads up, and it gives year level managers an overview which they wouldn’t have otherwise had.”

“It has definitely improved the engagement with the parent community.”

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")

30 June 2010

Consolidated statement of cash flows

Cash flows related to operating activities	Current quarter \$A'000	Year to date (.12. months) \$A'000
1.1 Receipts from customers	380	1,964
1.2 Payments for		
(a) staff costs	(315)	(1,322)
(b) advertising and marketing	-	(6)
(c) research and development	-	-
(d) leased assets	-	-
(e) other working capital	(13)	(517)
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)	(37)
1.6 Income taxes paid	-	-
1.7 Other	49	129
Net operating cash flows	91	211

	Current quarter \$A'000	Year to date (12 months) \$A'000
1.8 Net operating cash flows (carried forward)	91	211
Cash flows related to investing activities		
1.9 Payment for acquisition of:		
(a) businesses (item 5)	-	-
(b) equity investments	-	-
(c) intellectual property	(57)	(223)
(d) physical non-current assets	-	(3)
(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	(57)	(226)
1.14 Total operating and investing cash flows	34	(15)
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)	2	(3)
Net financing cash flows	0	(3)
Net increase (decrease) in cash held	34	(18)
1.21 Cash at beginning of quarter/year to date	189	241
1.22 Exchange rate adjustments to item 1.20	-	-
1.23 Cash at end of quarter	223	223

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	126
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	223	189
4.2	Deposits at call		
4.3	Bank overdraft		
4.4	Other (provide details)		
Total: cash at end of quarter (item 1.22)		223	189

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 July, 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.