



MGM Wireless Ltd.
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MGM Wireless June 4C quarter results.

July 31 2009

South Australian-based school communications group MGM Wireless Ltd announces continued positive progress on delivery of its previously stated business objectives during quarter to the end of June 2009.

During the quarter, the company's revenues were \$ 475,499 as compared to \$ 446,408 for the March quarter. Comparisons to the corresponding period last year are not meaningful as in the equivalent period last year the company transitioned to an accrual method of revenue reporting when several large one-off revenue related accounting entries were made.

Growth in the number of school sales for the quarter continued the trend of the past 3 quarters. A net number of 106 new schools were contracted in the June quarter (as compared to 94 in the March quarter and 92 in the December 2008 quarter). These contracted schools are in various stages of implementation and will progressively go live in the coming months. Revenue from these new sales are not fully reflected in the company's June quarter accounts but will eventually feed into revenue growth in the 2010 financial year. A net number of 42 (as compared to 71 the previous quarter) additional schools went live in the quarter, bringing the total number of live and operating schools to 370 compared to 328 as at end March.

As such, the company is pleased to report progress towards achieving its objectives of maintaining and extending growth rates whilst implementing cost reductions and cashflow improvement strategies.

During the quarter, the company raised \$147,000 by the issue of new shares to strengthen the company's balance sheet to support the growth in the school text messaging solutions business.

MGM Wireless is also delighted with the appointment of non-executive director Mr. Shaun Collopy, an experienced and accomplished mobile phone SMS messaging entrepreneur. This appointment is anticipated to strengthen the company's capability to commercialise its products further, particularly in the US education market.

As highlighted in previous 4C cash flow statements, the company warns and reminds shareholders and potential investors that a narrow focus on the company's cash balances and monthly revenues - which can change significantly during short reporting periods - does not necessarily reflect or have bearing on the current state of affairs of the company nor necessarily provide any meaningful information to shareholders and investors regarding the company's activities and progress.

During the quarter, the company was also notified by the Western Australian Government (Education Department) of its decision to extend the current 24 month contract, which expires latter this year by a further 12 months.

MGM Wireless executive chairman Mr Mark Fortunatow commented: "We are pleased with the company's progress during the quarter. Our business continues to grow, strengthen and our leading edge text messaging offering continues to provide a solution to school text communication challenges. During the month of July, the company experienced record communication volumes, with over 500,000 SMS messages sent to Parent / Caregiver mobile phones."

About MGM Wireless Ltd and Messageyou, LLC

MGM Wireless Ltd is a public company with a market capitalisation of A\$ 2.3 m 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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Monthly Cash Flow Report

Name of entity

MGM Wireless Ltd

ABN

93 091 351 530

Month ended ("current month")

30 June 2009

Consolidated statement of cash flows

Cash flows related to operating activities	Current month \$A'000	Year to date (12 months) \$A'000
1.1 Receipts from customers	235	2,011
1.2 Payments for		
(a) staff costs	(57)	(1,238)
(b) advertising and marketing	(1)	(39)
(c) research and development		
(d) leased assets		
(e) other working capital	(55)	(870)
1.3 Dividends received		
1.4 Interest and other items of a similar nature received	-	-
1.5 Interest and other costs of finance paid	(4)	(29)
1.6 Income taxes paid		
1.7 Other	-	-
Net operating cash flows	118	(165)

Monthly Cashflow Report

		Current month \$A'000	Year to date (.11. months) \$A'000
1.8	Net operating cash flows (carried forward)	118	(165)
Cash flows related to investing activities			
1.9	Payment for acquisition of:		
	(a) businesses (item 5)		
	(b) equity investments		
	(c) intellectual property		
	(d) physical non-current assets	-	(6)
	(e) other non-current assets	-	(17)
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	(37)	(252)
	Net investing cash flows	(37)	(275)
1.14	Total operating and investing cash flows	81	(440)
Cash flows related to financing activities			
1.15	Proceeds from issues of shares, options, etc.	147	147
1.16	Proceeds from sale of forfeited shares		
1.17	Proceeds from borrowings	-	295
1.18	Repayment of borrowings		
1.19	Dividends paid		
1.20	Other (provide details if material)		
	Net financing cash flows	147	442
	Net increase (decrease) in cash held	228	2
1.21	Cash at beginning of month/year to date	12	236
1.22	Exchange rate adjustments to item 1.20	1	3
1.23	Cash at end of month	241	241

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 month \$A'000
1.24	Aggregate amount of payments to the parties included in item 1.2	25
1.25	Aggregate amount of loans to the parties included in item 1.11	-

1.26 Explanation necessary for an understanding of the transactions

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

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

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 month (as shown in the consolidated statement of cash flows) to the related items in the accounts is as follows.	Current month \$A'000	Previous month \$A'000
4.1 Cash on hand and at bank	241	12
4.2 Deposits at call		
4.3 Bank overdraft		
4.4 Other (provide details)		
Total: cash at end of month (item 1.22)	241	12

Acquisitions and disposals of business entities

	Acquisitions <i>(Item 1.9(a))</i>	Disposals <i>(Item 1.10(a))</i>
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: 31 July 2009

Print name: Mark Fortunatow