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Companies Announcement Office
Australian Stock Exchange Limited
20 Bridge Street
Sydney NSW 2000

MGM Wireless consolidates Queensland distribution operations

South Australian education services company MGM Wireless (ASX:MWR) today announces it has acquired the Queensland distribution rights to its leading-edge school attendance solutions software by the issue of 924,658 shares. The purchase consolidates the distribution of the messageyou™ product line in an important school market in one of Australia's fastest growing States.

MGM Wireless executive chairman Mr Mark Fortunatow said the move would bring the State-based marketing operation back in house. "We are delighted to have the operation under one roof while at the same time welcome the current distributor as a shareholder of MGM Wireless."

The distribution operation in Queensland was established in 2003 and has so far generated about 30 school clients who use the state of the art messageyou attendance monitoring package.

"We see a lot of opportunity in this fast growing State for our messageyou SMS text-based systems," Mr Fortunatow said. "School communities are looking closely at communication issues as a package. It is important for the safety and comfort of families to know that their children are at school during the day. These days, with both parents working, it is important to use simple technology solutions to keep families and communities in touch."

Meanwhile, in other developments, MGM's 100 percent-owned USA subsidiary, Messageyou Llc, has signed further school district clients in Arizona, adding to the first three US school clients in San Francisco, which were signed earlier this month.

"Interest in messageyou is growing solidly in the US," Mr Fortunatow said. "We have a growing pipeline of sales opportunities and we look forward to signing more school districts throughout the year."

In other developments, MGM Wireless has notched up a record week of SMS text traffic through its servers. Text traffic reached 80,000 messages in the second week of May as schools continued to embrace SMS technology as a means of general communication within their school communities, adding to the traffic generated by truancy alert text messages. This is more than double the weekly traffic through MGM Wireless for the same time last year.

MGM Wireless has also launched a new website in the US at www.messageyou.com as a hub for international interest in the company's leading edge suite of products.

About MGM Wireless Ltd and messageyou Llc

MGM Wireless Ltd is a public company listed on the Australian Stock Exchange (ASX: MWR) in 2003. 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, and has successfully implemented messageyou™ Schools in more than 280 secondary schools in Australia, New Zealand and the US. 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. MGM Wireless and Messageyou have a distribution alliance with VIP Tone, a leader in School Management systems based in Alameda, Cal.

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