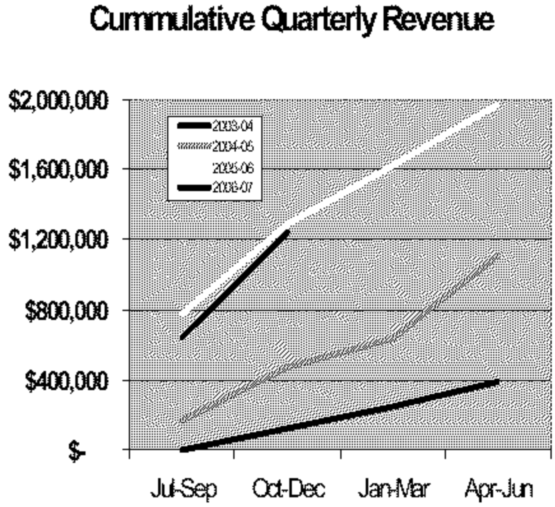
South Australian based education services company, MGM Wireless, today announces December quarter revenue growth of 12%.
January 31st, 2007

The company is pleased to report revenues for the December quarter were $596,000, an increase of 12% compared to previous corresponding period of $535,000.



The previous corresponding period included a once-off licensee establishment fee, whereas the current period's revenues were derived solely from normal trading activities.

"The December quarter caps off a very big year for MGM Wireless and its suite of school attendance software and solutions," commented MGM Wireless executive chairman, Mr Mark Fortunatow.

During 2007, the number of Australasian schools which launched MGM Wireless Messageyou service increased by 39% to 260 schools. The company ended the year with an unprecedented level of demand for its text message based software offering,

"The challenge for us in 2007 will be to service this strong demand, both from individual secondary and primary schools, as well as from central Government education departments," Mr Fortunatow said.

"Our other challenge is to make our mark in the United States, where we opened our first office in California earlier this month. Our objective is to capitalise on the momentum created by the successful trials of our leading edge attendance product suite in Tucson, Arizona, last year."

"We enter 2007 with a richer suite of product offerings which monitor a student from the moment the class teacher does a roll call first thing in the morning. The teacher marks the roll using our Electronic Roll Marking service, sends the details to the school head office where late comers and non-attenders are identified and an unobtrusive text message is sent to parents or guardians. The whole process is logged on our Watchlists system, giving the school a secure record keeping service which can help schools identify students with attendance problems.

"A big thing is identifying attendance problems at an early stage in a student's school life. Early detection leads to some positive action to help students before a problem gets worse."

Other items of interest in the quarter include:

- Since December 31st, 2006, the company has raised $ 440,000 in additional funds through a share placement previously announced on January 15th, 2007
- Cash holdings at December 31st, 2006 were $ 372 000 (September 2006 qtr $395,000)
- Current Receivables of approximately $ 272,000 (September 2006 qtr $ 425,317)
- Current Payables of approximately $ 268,000 (September 2006 qtr $ 353,056)

For additional information please contact Mark Fortunatow on (08) 8431 2300 or email: mfortunatow@mgmwireless.com

Rule 4.7B

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	Quarter ended ("current quarter")
93 091 351 530	31 December 2006

Consolidated statement of cash flows

			Current quarter $A'000	Year to date (.6.months) $A'000
	Cash flows related to operating activities			
1.1	Receipts from customers		749	1,294
1.2	Payments for	(a) staff costs	(316)	(656)
		(b) advertising and marketing	(14)	(52)
		(c) research and development		
		(d) leased assets		
		(e) other working capital	(436)	(760)
1.3	Dividends received			
1.4	Interest and other items of a similar nature received		3	5
1.5	Interest and other costs of finance paid		(2)	(6)
1.6	Income taxes paid			
1.7	Other (provide details if material)			
	Net operating cash flows		(16)	(175)

+ See chapter 19 for defined terms.

		Current quarter $A'000	Year to date (.6.months) $A'000
1.8	Net operating cash flows (carried forward)	**(16)**	**(175)**
	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	(5)	(14)
	(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 (provide details if material)		
	Net investing cash flows	(5)	(14)
1.14	**Total operating and investing cash flows**	(21)	(189)
	Cash flows related to financing activities		
1.15	Proceeds from issues of shares, options, etc.		
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)		
	Net financing cash flows		
	Net increase (decrease) in cash held	(21)	(189)
1.21	Cash at beginning of quarter/year to date	395	563
1.22	Exchange rate adjustments to item 1.20		
1.23	**Cash at end of quarter**	374	374

+ See chapter 19 for defined terms.

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	104
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 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	374	395
4.2	Deposits at call		
4.3	Bank overdraft		
4.4	Other (provide details)		
	Total: cash at end of quarter (item 1.22)	374	395

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: 31 January 2007

Print name: Mark Fortunatow

+ See chapter 19 for defined terms.

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.

+ See chapter 19 for defined terms.