



7th June, 2007

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

MGM Wireless raises new capital to advance US operations

Adelaide-based school services company, MGM Wireless Ltd, today announces it has raised \$800,000 in new capital to further advance its US operations. The new shares were issued to professional clients and sophisticated investors in a placement led by Taylor Collison Ltd.

In announcing the capital raising, MGM Wireless executive chairman, Mr Mark Fortunatow, said today: "We have a strong pipeline of opportunity generated by our Californian office and we are seeking to ensure we have proper resources in place to service this demand."

In the first five months of US operations, MGM Wireless subsidiary Messageyou Llc has made significant inroads in the US school market. Seven schools in four districts in California and Arizona are using the leading edge messageyou™ suite of school attendance monitoring and communications solutions. Presentations have been made to schools and education district administrators in several States in the US west.

"We are getting a warm reception in our presentations, so much so that the board of MGM Wireless is committing further resources to fully support our push into the most lucrative education market in the world," Mr Fortunatow said.

"It took three years to reach 10% of the Australian market. There are now more than 290 Australian schools using messageyou™ to combat the problem of student truancy. There are more than 124,000 schools in the US and we are looking to build a significant market position in the shortest time possible."

Mr Fortunatow said the company was also speaking with several telco carriers to reach agreement over carrying messageyou™ text traffic. "In Australia we generate significant amounts of text traffic, in excess of 80,000 messages a week in May alone," he said.

"School communities are understanding that SMS texts are a fast, reliable and unobtrusive way to communicate vital messages between administrators, parents and guardians and, in some cases, to the students themselves," Mr Fortunatow said. "If you look at today's kids, one item that is always close to hand is the mobile phone and their text skills are simply out of this world."

"We are a growing player in text traffic in Australia and we expect to carve out a niche in the US based on a critical mass of school clients."

Messageyou Llc, based in Silicon Valley, is managed by vice president Mr Robin Hamon, a former executive of MGM Wireless in WA.

About MGM Wireless Ltd and messageyou Llc

MGM Wireless Ltd is a public company with a market capitalisation of A\$27m 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 290 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.

For further information contact:

AUSTRALIA

CEO Mark Fortunatow
MGM Wireless Ltd. - (ASX:MWR, MWRO)

Mobile: +61 421 328 984
Phone: +61 8 8431 2300
Email: mfortunatow@mgmwireless.com
Web: www.mgmwireless.com,
www.messageyou.com

USA

Robin Hamon – Vice President Sales
messageyou Llc

Cell: +1 408 310 0477
Phone: +1 408 524 1469
Email: robin.hamon@messageyou.com
Web: www.messageyou.com