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ASX Release
MGM Wireless Ltd
Thursday April 26, 2012

March 2012 Quarter 4C

School communications group, MGM Wireless achieved a net operating cash flow surplus of $32K in the March 2012 quarter. The March quarter is typically soft as schools are on holiday in January and part of February.

As at 31 March, 767 schools were operational with MGM messaging services. This compares with 698 at the end of June 2011. Although relatively few schools became operational during the quarter, more than 60 new school licenses were sold and will become operational over the coming months. Accordingly, it is expected that the number of operational schools will be between 800 and 850 by the end of June.

The company's cash balance at 31 December 2011 was $188K.

In other developments, the company launched School News Channel (SNC). SNC is a unique service whereby parents, grandparents, separated parents and guardians can subscribe to receive important information, by SMS text message on their mobile phones, from their children's school concerning attendance, school & class event reminders, late breaking news, speech nights, parent teacher meetings and so on.

The launch of SNC, utilising internet online campaigns, has so far been on a restricted basis in parts of Victoria and News South Wales. The data received so far has been exceptional with preliminary subscriptions from over 150 schools being received in the first 5 weeks since launch. These are expected to convert to firm subscriptions once the relevant schools have installed the MGM Wireless messaging service.

The user experience through the SNC web site is being continually improved in response to user feedback and subscription rates are constantly improving. The service will be progressively rolled-out through Australia over the remainder of 2012.

Mark Fortunatow, MGM Wireless CEO said

"We are absolutely thrilled with the initial results of School News Channel, which we expect to significantly accelerate overall growth in school uptake of MGM's SMS parent communication systems. It will take some time to build subscriber numbers but results so far give us a great deal of confidence that SNC will become a key driver of the MGM business in the future as well as being an ideal platform to take to expand into international markets."

During the quarter, Newington College, one of Australia's leading and most prestigious colleges located in Sydney, with over 1800 enrolments, purchased MGM Wireless solutions to provide all its mobile communication services to its parent community for Attendance Management and Social Communication. Newington joins a growing number of other leading and established high-fee private colleges in Australia that have also purchased MGM solutions such as St Peter's College last quarter.

About MGM Wireless Ltd and Messageyou, LLC

MGM Wireless is recognized in Australia and internationally as a pioneer of socially responsible technology-enabled school communications with a proven track record to design, develop and successfully commercialise innovative world class technology products in Australia and internationally.

The company's patented SMS School communication solutions empower schools to effectively communicate to parents and caregivers using SMS text messaging to improve student attendance, welfare, safety and parent engagement. Measurable benefits for schools include reduced operating costs, increased productivity and improved parent and community engagement which ultimately improve student learning and social outcomes.

Schools in Australia, New Zealand and the United States use Messageyou software in their day to day operations.

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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 March 2012

Consolidated statement of cash flows

	Cash flows related to operating activities		Current quarter $A'000	Year to date (9 months) $A'000
1.1	Receipts from customers		514	1,707
1.2	Payments for	(a) staff costs	(238)	(778)
		(b) advertising and marketing	-	-
		(c) research and development	-	-
		(d) leased assets	-	-
		(e) other working capital	(193)	(844)
1.3	Dividends received		-	-
1.4	Interest and other items of a similar nature received		-	-
1.5	Interest and other costs of finance paid		(7)	(22)
1.6	Income taxes paid		(44)	(72)
1.7	Other		-	273
	Net operating cash flows		32	264

		Current quarter $A'000	Year to date (.9. months) $A'000
1.8	Net operating cash flows (carried forward)	32	264
	Cash flows related to investing activities		
1.9	Payment for acquisition of:		
	(a) businesses (item 5)	-	-
	(b) equity investments	-	-
	(c) intellectual property	(50)	(156)
	(d) physical non-current assets	(6)	(19)
	(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	(56)	(175)
1.14	**Total operating and investing cash flows**	(24)	89
	Cash flows related to financing activities		
1.15	Proceeds from issues of shares, options, etc.	-	8
1.16	Proceeds from sale of forfeited shares	-	-
1.17	Proceeds from borrowings	-	-
1.18	Repayment of borrowings	(2)	(12)
1.19	Dividends paid	-	-
1.20	Other (provide details if material)	(5)	(5)
	Net financing cash flows	(7)	(9)
	Net increase (decrease) in cash held	(31)	80
1.21	Cash at beginning of quarter/year to date	219	108
1.22	Exchange rate adjustments to item 1.20	-	-
1.23	**Cash at end of quarter**	188	188

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	74
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 received in relation to expenditure on 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	188	219
4.2	Deposits at call		
4.3	Bank overdraft		
4.4	Other (provide details)		
	Total: cash at end of quarter (item 1.22)	188	219

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: 26 April, 2012

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.