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ASX Market Announcements
ASX Limited
20 Bridge Street
Sydney NSW 2000

**ASX Release**
**MGM Wireless Ltd**
Monday 30 July 2012

# June 2012 Quarter 4C

School communications group, MGM Wireless (ASX:MWR) achieved a net operating cash flow surplus of $38K in the June 2012 quarter and $302K for the year ended 30 June 2012. Cash receipts of $522K in the June 2012 quarter were nearly 16% ahead of the June 2011 quarter reflecting a large number of schools coming online as well as the high volume of messaging traffic. The value of the MGM Wireless messaging service for schools was amply demonstrated in early June when nearly 200,000 messages were sent over two days by schools to keep parents and the school community updated in storm-stricken areas across southern Australia. This was about 300% higher than typical traffic volume and contributed to record SMS traffic and SMS revenue for the quarter.

Between June 2011and June 2012, the number of operational schools increased from 698 to 808.

The company's cash balance at 30 June 2012 was $170K.

MGM Wireless recognizes that long term sustainability and competitive advantage is only possible with a program of ongoing research and product development. Whilst messages to parents advising of the absence of their children from school is still the company's core service, the overall offering to schools and parents has been evolving and expanding for some time. Two major initiatives have been launched since the latter part of last year which are building momentum and will play a major role in driving the company's growth.

Rollmarker is a next-generation cloud-based attendance monitoring system that seamlessly integrates with all other MGM Wireless communication systems. It has been very well received by schools with its advanced functionality and design making it the most powerful system of its type available in Australia. It has been installed in 3 schools and there have been very strong enquires from schools around the country.

The company launched the School News Channel (SNC) in early 2012. Through the SNC, parents, grandparents, guardians and other stakeholders will be able to subscribe to receive relevant messages from their children's schools. The response has been exceptional, which not unexpectedly reflects the high level of interest in the full educational experience of their children. MGM Wireless is confident that a number of schools will soon commit to acquiring the company's communication services with the parents subscribing to receive messages.

***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.*

*Over 800 schools in Australia, New Zealand and the United States use messageyou software in their day to day operations.*

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*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 | 30 June 2012 |

## Consolidated statement of cash flows

| Cash flows related to operating activities | | | Current quarter $A'000 | Year to date (.12. months) $A'000 |
|---|---|---|---|---|
| 1.1 | Receipts from customers | | 522 | 2,229 |
| 1.2 | Payments for | (a) staff costs | (531) | (1381) |
| | | (b) advertising and marketing | - | - |
| | | (c) research and development | - | - |
| | | (d) leased assets | - | - |
| | | (e) other working capital | 54 | (790) |
| 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) | (29) |
| 1.6 | Income taxes paid | | - | - |
| 1.7 | Other | | - | 273 |
| | **Net operating cash flows** | | 38 | 302 |

| | | Current quarter $A'000 | Year to date (.12. months) $A'000 |
|---|---|---|---|
| 1.8 | Net operating cash flows (carried forward) | 38 | 302 |
| | **Cash flows related to investing activities** | | |
| 1.9 | Payment for acquisition of: | | |
| | (a) businesses (item 5) | - | - |
| | (b) equity investments | - | - |
| | (c) intellectual property | (44) | (200) |
| | (d) physical non-current assets | (21) | (40) |
| | (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** | (65) | (240) |
| **1.14** | **Total operating and investing cash flows** | (27) | 62 |
| | **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) | (14) |
| 1.19 | Dividends paid | - | - |
| 1.20 | Other (provide details if material) | 11 | 6 |
| | **Net financing cash flows** | 9 | 0 |
| | **Net increase (decrease) in cash held** | (18) | 62 |
| 1.21 | Cash at beginning of quarter/year to date | 188 | 108 |
| 1.22 | Exchange rate adjustments to item 1.20 | - | - |
| 1.23 | **Cash at end of quarter** | 170 | 170 |

## 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 1.6 has been reallocated to item 1.2(a) for the current quarter as a result of typographical errors made in previous quarters' 4C. The adjustment is necessary to ensure the cash inflows/outflows of the current quarter are correctly stated.

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 | 170 | 188 |
| 4.2 Deposits at call | | |
| 4.3 Bank overdraft | | |
| 4.4 Other (provide details) | | |
| **Total: cash at end of quarter** (item 1.23) | 170 | 188 |

## 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: 30 July 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.