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ASX Market Announcements  
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**ASX Release**  
**MGM Wireless Ltd**

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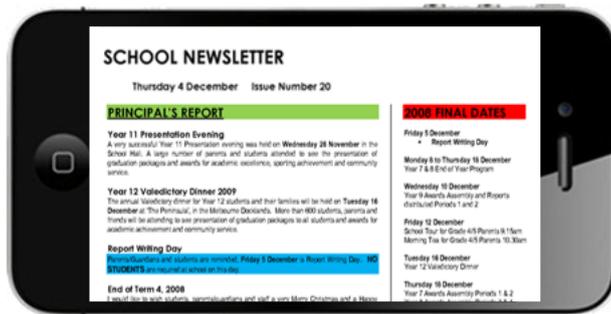
## Upgraded First Half Result Expectations

MGM Wireless (ASX:MWR) advises that the company has upgraded revenue and earnings expectations for the six months ended 31 December 2014 (2015 first half), following strong performance in the financial year to date.

Current expectations, based on management accounts and subject to audit and adjustments, are that revenue for the period is likely to exceed the 2014 first half revenue by 22% to 28%, and surpass \$2 million (2014 Half Year: \$1.62 million).

Trading results for the period have featured ongoing growth in the MGM Wireless' client base, the launch of new products and increased utilisation of communication traffic per customer.

“Australian schools are finding that it is easier, simpler and better to use modern, mobile methods to communicate vital school information to parents and guardians,” said MGM Wireless chief executive, Mr Mark Fortunatow. “With the expanding plethora of mobile personal devices, gone are the days of school newsletters and forms sitting in the bottom of school bags for days, weeks or months.”



*School are using MGM Outreach+ to 'drag and drop' Newsletters, Forms and Notices directly into SMS messages for more effective distribution to Parents.*

Use of MGM Wireless attendance and productivity tools by Australian schools has continued to increase, with the number of operational school and childcare centre clients reaching 1,149, a 6% increase in the current half year (1,088 at 30 June 2014). Message traffic in the 5 months to 30 November was 28% higher than in the previous corresponding period.

*Highlights in the increased message traffic for the period include:*

- *successful launch of Outreach Plus;*
- *rising market acceptance and sales of RollMarker;*
- *consistently strong sales results from the core product messageyou; and*
- *sales attributable to new government contracts.*

Growth rates for first half net profit after tax are expected to outstrip revenue growth rates due to efficiencies of scale, improvements made to business process and costs and the development of the business model such that growth in revenue per customer is exceeding the healthy growth in customer numbers.

Net profit after tax for the period is now expected to be approximately \$500,000 to \$600,000, compared with \$132,478 for the 2014 first half.

Mr Fortunatow said the upgraded first half expectations had largely been driven by the performance of MGM Wireless products in a growing market.

“Mobile messaging is being recognised more and more within school communities as a very effective and economic tool for a comprehensive range of communication, safety and attendance needs,” Mr Fortunatow said.

“Our sales for the first half are well up because the ongoing growth generated by our established offerings such as messageyou and RollMarker is being supplemented by the take-up of new products that meet more needs, such as Outreach Plus and Pinpoint. The resulting increased traffic and yield are simply due to more users, using more MGM Wireless products more often. “The improved outlook is a credit to the work of our small team in developing and successfully commercialising innovative new products that have been so well received, building sales and improving our operating processes. It’s a very pleasing way to start 2015.”

At this stage it appears that the greater share of the FY15 full year earnings will be generated in the first six months of the financial year.

MGM Wireless anticipates announcing its results for the six months to December 2014 in February 2015.

### ***About MGM Wireless Ltd and Messageyou, LLC***

*MGM Wireless is recognised in Australia and internationally as a pioneer of socially responsible technology-enabled school communications with a proven track record in designing, developing and successfully commercialising innovative world class technology products.*

*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*

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*schools include reduced operating costs, increased productivity and improved parent and community engagement, which ultimately improve student learning and social outcomes.*

*Schools in Australia and New Zealand use Messageyou software in their day to day operations.*

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