



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

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### **Further Upgrade to First Half Expectations**

MGM Wireless (ASX:MWR) advises preparation of accounts for the six months ended 31 December 2014 (2015 First Half) has indicated that revenue and profit will be materially higher than the previously upgraded first half expectations advised to the ASX on 16 December 2014 (previous guidance).

Unaudited accounts for the 2015 First Half indicate the following outcomes:

- Revenue of approximately \$2.2 million, 36% higher than the 2014 first half sales revenue of \$1.62 million. This compares to the previous guidance for revenue growth of 22% to 28%.
- Net profit after tax of approximately \$640,000, compared with a previous corresponding result of \$132,000 and previous guidance of \$500,000 and \$600,000.
- Cash Balance of \$1.6 million, 59% higher than the previous corresponding balance of \$1.0 million.

Final accounts for the period, which remain subject to auditor review and Board approval, are expected to be released during the week beginning 23<sup>rd</sup> February.

Chief Executive Mark Fortunatow said the upgraded expectations “Reflected the market success brought by our efforts in product development that see MGM Wireless securing new customers, existing customers using our products more extensively and message traffic volumes increasing.”

“Sales have increased and, importantly, a growing share of our new sales are higher value and more versatile products. Through innovation we are delivering new generations of our successful existing products and developing new products to address other user requirements. As a result we are recording growth in both revenue and earnings as the value of our product mix continues to develop.” he said.

As an example, Mr Fortunatow said users have responded enthusiastically to the new file attachment feature in Outreach+, where schools can now send Newsletters, Voice Clips and Forms by SMS. Text has evolved to become a very effective and popular medium for delivery of important communications to ubiquitous mobile devices.

The number of contracted schools and Early Learning Centres grew by 4% to 1,143 compared to 1,099 for the previous corresponding period.

“MGM Wireless is growing, profitable and with a cash position that’s strong and rising. More importantly, we believe the business holds much greater potential for our customers, users and shareholders and accordingly we are maintaining our investment in R & D” he said.

“Our commitment to R&D has been key to the market success we are realising now, and by continuing to make significant investments in R&D we will enable MGM Wireless to maintain its momentum and continue to grow”.

### **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 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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