



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

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September Quarter results

Mobile technology specialist MGM Wireless Limited (ASX:MWR) has released first quarter sales results showing strong growth quarter-on-quarter and on track for an interim result comparable with the FY15 first half.

The company reported a 71% increase in sales revenue for the 3 months to 30 September 2015 in comparison with the previous corresponding period in FY15. Timing differences between FY15 and FY16 first half sales means that sales revenue for the comparative half year periods is expected to be broadly in line.

First quarter trading results

\$'000	Sep 15	Sep14	Change
Sales revenue	602.8	353.1	▲ 71%
Total revenue	787.8¹	354.1	▲ 122%
Cash balances	1,113.4	743.2	▲ 50 %
Contracted schools (no)	1,194	1,134	▲ 5 %

“The September quarter results have the business on track for a first half result comparable with the record 2015 first half, consistent with our expectations” said MGM Wireless Managing Director Mark Fortunatow.

Sales revenue for the 3 months to 30 September 2015 was \$602,831, compared to sales of \$353,060 in the previous corresponding period. Mr Fortunatow said the improvement was due to increased licence fees from the supply of attendance and communication solutions to schools. A greater share of these fees were recognised in the September quarter in the current year due to timing differences and contract commencement periods.

Total revenue for the September quarter was also subject to favourable timing differences. Total revenue for the quarter of \$787,833 included Research and Development Grant income of \$177,656. The 2014 September quarter of \$354,138

¹ The 2015 September quarter total revenue includes R & D Grant of \$177.7k vs zero in the pcq due to the timing of receipts.

did not include R & D Grant income due to differences in timing, with the grant monies having been received in the FY15 December quarter.

“While the difference in timing has made for some lumpy quarterly results, they should wash-out over the half year. Current indications are that revenue for the six months to December will be similar to that of the FY15 first half” he said.

Mr Fortunatow said the rollout of MGM Wireless’ most recent school product, MGM School Events, was due to commence from January 2016. The product is expected to progressively build a new revenue stream as it is adopted.

“MGM School Events proved very popular in trials last year. With many schools having to communicate and manage at least one event every week of the school year, we expect the productivity and convenience benefits of the product will be very well received” he said.

Operational schools under contract rose from 1,134 to 1,194 year-on-year, an increase of 5%.

Cash balances at 30 September were up 50% to \$1.11 million. Mr Fortunatow said the movement in cash since June 30 reflected seasonal patterns and the application of cash to the development of new products and resources to support the company’s growth.

MGM will be holding its 2015 Annual General Meeting on 13 November at the Radisson Blu hotel, 27 O’Connell Street Sydney, at 11am.

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 communicate effectively with parents and caregivers using SMS text messaging to improve student attendance, welfare and safety. 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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