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ASX Market Announcements
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ASX Release
MGM Wireless Ltd

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Update: Queensland contracted schools up 140% following successful tender

- **87 new schools added since successful tender announced 2 November 2016**
- **Market response highlights further opportunity when school year resumes**

School communication and attendance management specialist MGM Wireless (ASX: MWR) provides the following update to the announcement of 2 November 2016 advising that the company had been one of an initial 4 tenderers chosen to offer Absence Management and Parent Notification solutions to schools in Queensland.

MGM Wireless advises the company has added 87 new contracted schools to its Queensland customer base in its initial 6 week marketing following the award of the 3 year Standing Offer Arrangement announced 2 November. As a result, total schools under contract in Queensland has increased to 144. The completion of the 2016 school year has now effectively drawn a close to the initial marketing phase.

MGM Wireless Executive Chairman Mark Fortunatow said the company was delighted with the results from the initial marketing phase which had involved “an intensive school-by-school marketing and on-boarding program’

“To have secured 87 new schools in 6 weeks is unprecedented for our company, given the incremental and intensive nature of the process of understanding and responding to the circumstances and needs of each school we approach.

“The work we have done thus far has confirmed our view of the potential of the new agreement to substantially increase our customer base and revenue over time” he said.

“We expect that resumption of school activities in January will see the Queensland sales push gain new momentum as more schools move to implement the new government policy” Mr Fortunatow said.

The Queensland state government has introduced a new policy to improve student attendance whereby from 2017, every Queensland school will be required to provide parents with same-day notification of any unexplained student absence, beginning from day one of the new school year 2017. Under the Standing Offer Arrangement, MGM Wireless was selected and contracted as one of a number of suppliers to all Queensland State, Independent and Catholic Schools. There are an estimated 1,736 schools in Queensland, approximately 500 of which are private, Independent or Catholic. It is understood that the panel of suppliers contracted by the Queensland government has increased from four to six providers and will be further increased to eight.

Sales from the additional schools secured, and those anticipated, are expected to provide a boost to revenues in 2016. Costs associated with securing the new schools and the expansion of resources required by the expanded sales and training activity is expected to offset the earnings impact of the new sales to a degree in the current year. Total schools and early learning centres under contract is now estimated to be in excess of 1,350 schools.

Mr Fortunatow said the Queensland government's decision to implement the policy, and provide schools with funding, for same day notification had been ground-breaking and expected its benefits would become apparent over the course of the Standing Offer Arrangement term.

"The commitment to student welfare demonstrated by the Queensland Government under Premier the Hon Annastacia Palaszczuk has been pioneering and noted outside the state. We fully expect the payoffs in better student attendance rates, better engagement and greater assurance of safety and welfare will become manifest."

"For our part it is exciting to be given the opportunity to join and work with a government prepared to make this commitment and to have the opportunity this presents to scale up our business. The results of the first 6 weeks are highly encouraging and we look forward to delivering for our shareholders and for the schools we serve" said Mr Fortunatow.

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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