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ASX Release
MGM Wireless Ltd

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MGM WIRELESS ACQUIRES AN E-COMMERCE PLATFORM FOR SCHOOLS

The Directors of MGM Wireless (ASX:MWR) are pleased to announce the acquisition of the Intellectual Property, business name and customer base of Payschool Pty Ltd. Payschool is a Melbourne based start-up that provides a cloud based e-commerce solution to schools. The value of the acquisition will be funded through a combination of cash and shares. MGM Wireless will also pay a fee per transaction to the vendors for three years from the date of settlement.

The Payschool platform enables parents to order and pay online for their children's lunches, school books, uniforms, excursion fees and other items. Parents can also sign permission slips and record medical, dietary or other issues and concerns that schools may need to manage. The Payschool platform is also parent centric in that multiple children can be managed through a single web page although they may be at different schools. Parents pay a fee based on the value of the transaction whilst schools pay a monthly hosting fee.

Payschool was launched to coincide with the 2014 school year. Currently one school is live with the platform and there is a strong pipeline of interest. Transaction volume has grown through the course of the term and average transaction value has been high.

The emergence in recent years of smartphones and tablets has transformed the way in which parents interact with their children's schools. These technologies are enabling the more effective flow of relevant information between schools and parents and have opened up opportunities for managing the "commercial" relationship. Payschool is a new generation platform which helps parents and schools to more effectively manage the "commercial" aspect of their relationship.

MGM Wireless has an established and well regarded marketing and customer support infrastructure servicing over 1,000 primary and secondary schools throughout Australia which will support the accelerated roll-out of Payschool.
Mark Fortunatow, CEO of MGM Wireless said:

"We are thrilled to be able to add Payschool to our product range of operating solutions for schools. Payschool delivers enormous value to both schools and parents through the more effective handling of commercial transactions. For MGM, Payschool is a very attractive opportunity as it fits with our strategy to drive revenue growth from parent pay solutions."

The addition of Payschool to the MGM Wireless product range is not anticipated to have a material effect on earnings for the full year ending 30 June 2014. Furthermore, the consideration to be paid for the acquisition will not have a material impact on the financial position or issued capital of MGM Wireless.

Completion of the acquisition is scheduled for May 2014.

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.

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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