23 November 2010

BANGO PLC ("Bango" or the "Company")

Interim Results for 6 months ending 30 September 2010

Bango (AIM:BGO), the mobile web payments and analytics company, today announces results for the 6 months ended 30 September 2010.

Operational and Financial Highlights (H1 FY11)
(under IFRS, comparative data for 6 months to 30 Sept 2009 except where indicated)

- Business re-focused on high growth, higher margin smartphone market
- Good commercial progress with RIM App Store relationship
- Analytics transaction volumes rose 57% from March 10 to September 10
- Total revenue £10.61m (£12.32m) reflecting decrease in low-margin business
  - High margin revenues up 11% to £0.81m (£0.73m)
  - Low margin end user revenues down to £9.80m (£11.59m)
- Loss before tax £0.46m (£0.24m)
- Net cash balances on 30 September 2010 of £1.16m (30 September 2009: £0.14m) with no borrowing in 2010
  - Nil cash consumption in the two months to 19 November 2010
- Investment in future product R&D reflecting enlarged market opportunity £0.48m (£0.37m)

Ray Anderson, CEO, commented,

"The agreement with RIM to provide carrier billing for BlackBerry App World was the key development in the first half. Given the market presence of RIM, we see this relationship as potentially transformational for Bango and we have re-allocated resources to ensure the success of the project for BlackBerry developers and Bango. Importantly, we are also seeing a growing pipeline of other "application stores" and portals that are seeking to follow RIM's lead.

"A reduction in end user spend in the USA on low-margin content – arising from operator refund policies affecting two of our largest customers – impacted end user spend and gross profit from this part of the business. However we have made faster than expected progress in developing business with new higher-margin customers such as Turner and Yahoo!. This, combined with the strong progress with RIM means we believe we are well placed to accelerate our growth in future periods."

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About Bango

Bango (AIM: BGO) provides technology that enables commerce on the mobile web.

Bango enables businesses of all sizes to collect payment for music, games, applications, videos and services sold to internet connected mobile phone users. Bango is able to charge payments to mobile phone bills or use other billing methods such as credit card based on intelligence about the consumer. Bango also provides an analytics service that provides accurate information about visitors and the effectiveness of marketing activities for mobile web sites.

Visit www.bango.com.

Introduction

Bango is focussed on enabling commerce on the mobile web by delivering the most efficient means of collecting payments and reliable, accurate tools for measuring real consumer behaviour and returns on marketing investment.

Bango has developed technology and established relationships to create a highly scalable platform to address this market opportunity. The platform is used by hundreds of businesses world-wide.

During the first half of the year, Bango saw significant growth in demand for billing and analytics technology targeting smartphones. In particular, Bango entered into an agreement with leading smartphone maker RIM to enable carrier billing for smartphone application developers.

Bango has re-focussed its activities on ensuring the success of the App World project and on the fast growing smartphone opportunity, which now makes up a large and growing part of the overall mobile device market. Management believes this will further entrench Bango as a key infrastructure provider to the mobile telecoms industry.

These developing relationships with leaders in the industry are expected to generate higher margins than, for example, customers using Bango technology to get a higher return by migrating their legacy premium SMS based businesses, which generally serve the feature-phone market. As a result, the board expects the change in market focus to improve the gross margin profile of the business over the next two years.

Smartphone Applications Market and RIM Relationship

During the first half, Bango also started to see an increasing interest from content publishers that wished to target applications and more sophisticated new services at the rapidly increasing number of “smartphones” – such as BlackBerry, Android devices and iPhones. A smartphone can both browse the internet and run local applications or “apps”.

Bango’s technology and relationships are attractive to larger companies that want to enter this rapidly emerging segment of the mobile content marketplace. In particular, handset makers and other organizations offering a range of free or paid-for apps through “App Stores” have started to work with Bango to collect payments from smartphone users.

Bango’s ability to enable payments, provide detailed analytical information and insight on sales, and ability to provide sophisticated settlement, fraud prevention and out-payment services give Bango unique advantages.

A key development during the first half was the announcement that RIM had selected Bango to become “merchant of record” for all carrier billing for applications in the BlackBerry AppWorld.

BlackBerry is a leading smartphone maker, with an installed base of more than 104 million devices worldwide (Visionmobile Oct 2010), a 55% share of the North American smartphone market (IDC Feb 2010) and relationships with more than 160 mobile operators (Berryreview 2010).

BlackBerry AppWorld is now integrated with Bango to enable mobile operator billing – making charges to a users phone bill with a single click – rather than having the user enter credit card details or join the Paypal service. Mobile operators, who often subsidise the sales of BlackBerry devices, now have the opportunity to generate additional profits from the sale of applications from AppWorld. Developers will see higher sales volumes and will therefore be even more motivated to develop for the BlackBerry phones and new PlayBook tablet.

The first mobile operator, AT&T was activated in late August, but already hundreds of AppWorld developers are selling their applications using carrier billing, through the Bango system. Their sales are driven by millions of users browsing AppWorld on their BlackBerry, and discovering interesting, entertaining or useful applications.

The commercial relationship follows the standard model of monthly service fees and a share of revenues. In addition, RIM has integrated its developer provisioning system with Bango to allow the automatic set-up and management of application developers. Bango is also working with RIM to expedite the connection of new mobile operators to the Bango system, with an expectation that dozens of new carriers will be connected during the coming calendar year.

To support the potential scale of the project, begun at the start of 2010, Bango has allocated a dedicated team to the project and invested in systems to streamline the process of sending payments to application developers, including the implementation of additional security and privacy processes and systems to meet RIM requirements. Several further mobile operators have already been technically integrated in addition to AT&T.

Given the popularity of the BlackBerry, RIM's strong commitment to the success of app and web developers, the demand for applications, and the ability of RIM and Bango to rapidly scale up the number of carrier connections, the project has high potential to generate significant and long term business across many countries.

While Bango is focussed on ensuring the success of BlackBerry AppWorld, there are other opportunities for the Bango technology. Several other App stores using the same Bango technology are currently in the sales pipeline or at an early stage of integration.

Bango Analytics

Bango Analytics is an accurate and independent tool which measures visitor activity on mobile web sites, including advertising impressions, click through rates and campaign effectiveness. Precise information allows content providers to make better marketing investment decisions. Bango believes its product delivers a higher level of accuracy than any competitor and continues to win new customers for its service by demonstrating the capabilities of Bango Analytics in competitive situations.

During the first half, Bango has continued to win new customers for the Analytics product. The commercial model is a monthly fee based on a specified recorded volume of events – such as page views, ad impressions, searches – and on the number of users of the analytics reporting capabilities within the organization.

Turner started integrating Bango Analytics in to its mobile web sites, such as CNN Mobile and CNN Money early in 2010, and is currently using the product to measure activity and gain insight into consumer behaviour. For example, in November 2010, CNN announced that on the day of the US mid-term elections they had used Bango to measure that CNN Mobile welcomed more than 2.2 million unique users accessing 7.3 million mobile pages.

Yahoo expanded its relationship with Bango early in the first half. During the summer they started using Bango Analytics to provide their customers that buy mobile advertising with comprehensive, accurate and detailed information about campaign effectiveness.

On 3 October, Bango released a "Software Development Kit" (SDK) to allow application developers to add Bango Analytics to their iPhone, Android, BlackBerry, Nokia or any other device. Developers can now keep track of how their applications are being used by consumers once they have been downloaded. For example determining which parts of an App are used, which content is viewed, and even where the devices are located. In addition Bango enhanced the reporting tools at Bango.com to allow Bango Analytics customers to extract additional useful intelligence and insight from data collected.

Deployment of Apps containing Bango Analytics drives additional volumes of events, through the existing platform, and broadens the reach of Bango Analytics to customers that use Apps as an alternative to Mobile websites to provide services to users.

Average daily analytics events recorded by Bango in September 2010 rose 57% from March 2010, 144% higher than September 2009, reflecting the increasing deployment of Bango Analytics in mobile websites.

Analysis of First Half Financials

Overall first half trading was in line with expectations, but the mix of business was different than expected at the beginning of the year.

Financial highlights

	Six months ended 30 September 2010	Six months ended 30 September 2009
	Unaudited	Unaudited
	£m	£m
Total revenue	10.61	12.32
End user revenue	9.80	11.59
Margin %	*4.2*	*5.3*
Content provider fees etc	0.81	0.73
Margin %	*98.6*	*98.5*
Gross profit	1.21	1.33
Margin %	*11.4%*	*10.8%*
Operating costs	1.67	1.57
Loss before tax	(0.46)	(0.24)
UK tax	0.11	0.11
US tax	(0.08)	-
Loss after tax	(0.43)	(0.13)
Cash outflow from operations	(1.10)	(0.27)
Cash and cash equivalents	1.16	0.37
Cash net of borrowings	1.16	0.14
Basic profit/(loss) per share	(1.18) pence	(0.47) pence

Total revenue in H1 FY2011 decreased by 14% to £10.61m (£12.32m). Low margin generating end user revenue reduced £1.79m (15%) compared with the same six months last year. Two large content aggregators that were affected by mobile operator refund actions, described below, had revenue reductions of more than £1m each. End user revenue excluding these content providers increased 11% from £5.63m to £6.23m.

The profit earned on end user spend decreased by 13% to £0.41m (£0.47m). The gross margin earned on end user spend was 4.2% compared with 5.3% in the six months ending September 2009. This decrease was mainly because the costs of providing connections to payment providers, charged to cost of sales, are fixed even if sales volumes decrease.

High margin revenues from content providers and larger customers increased by 11% to £0.81m (£0.73m). This was due to the sign-up of new customers and included a small contribution from the RIM relationship. The profit earned from package fees and services provided to large customers increase by £0.08m to £0.81m. The gross margin continued at almost 100%.

Operating costs for H1 FY2011 were £1.67m (£1.57m). Overheads were increased in the first half by around £0.10m mainly due to extra resources applied to the establishment of the RIM relationship which was treated as an expense during the period. During the period the Company invested £0.48m into internal development projects with long term value which has been capitalized on the balance sheet (H1 FY10 £0.37m).

Cash net of borrowings increased to £1.16m (£0.14m) as a result of fund-raising in January 2010 offset by operating losses, acceleration of out-payments to customers, as previously planned, and £0.5m of investment in assets. There has been no net cash consumption in the two months to 19 November 2010.

Expectations for Content Aggregator business

The majority of Bango's end user revenues are driven by six large "Content Aggregators" that offer a wide range of content to mobile phone users, on a monthly subscription model. Over the last year, these Content Aggregators have started to move their business from other suppliers to Bango to benefit from improved conversion rates, a better user experience and better analytical information. However, the bulk of their business, outside Bango, still uses traditional Premium SMS payment, so Bango sees a big opportunity for the migration of this business to Bango.

During the first half of the year, Bango has been working closely with these customers to migrate more business to the Bango system. This involves some technical work, and also the approval of the mobile operators on a campaign by campaign basis. This was expected to deliver substantial increases in revenues (with low gross margins) in the second half. However, during the first half, many of these customers were impacted by carrier refund policies which significantly reduced the returns for these Aggregators, especially in their legacy business. In some cases, customers were prohibited from acquiring new customers or given "penalties". The need to defend their legacy business has delayed their efforts to move to newer "mobile web" models and this has led Bango to predict slower migration of the Aggregators' business to its platform.

Bango continues to make progress with Verizon and other carriers to enable single click mobile operator billing for more users which supports accelerated migration to Bango from legacy platforms.

Product Development

With the Bango platform able to process significant volumes of business with stable operating costs, product development has focussed on activities which enable additional types of payment or analytics transactions to be processed.

In addition to the development of "Application Analytics", Bango developed "In-Application Payment" for Android and other devices to enable payments to be made by clicking a button in a running application. An initial release of the product was made during the first half. Applications incorporating Bango payment capability can be distributed free of charge in App stores or bundled with devices, with the user asked to pay after an initial trial period. Applications incorporating this functionality have started to be released by a range of customers, including EA Games, Shazam, Flirtomatic and others. Bango expects many more to be released during the Christmas holiday season and beyond.

The work to scale up the settlement and out-payment systems to handle the increased volumes of developers arising from the RIM relationship was accompanied by changes to our technical infrastructure and internal processes to accelerate the procedure of connecting new mobile operator billing systems. Bango's architecture and internal systems allow new billing channels to be added to the platform relatively quickly with the benefits of a common set of reporting, anti-fraud, reconciliation and refund tools. This is a significant competitive advantage.

In addition, Bango continues to innovate in its use of technology to support the reliable processing and real-time reporting on large volumes of transactions at low cost. On November 4, Bango won a BeyeNETWORK 2010 Vision Award for "fast query performance against large volumes of mobile data".

Outlook

There is a big and exciting pipeline of business for Bango, which can be handled by the Bango systems as they have the scalability and feature set necessary to meet the needs of these customers.

Bango's mobile web payments and analytics products have now been augmented by equivalent mobile application products. There are debates about whether Apps or mobile web usage will grow the fastest, but in either case Bango can provide content providers with a solution.

The BlackBerry AppWorld project alone is a significant business opportunity. Given the strong position and popularity of RIM's BlackBerry products in the marketplace, the selection as RIM's "merchant of record" for Mobile Operator billing for its App store is not only a strong endorsement of Bango but a great opportunity to grow transaction volumes and expand the reach of the Bango platform. Bango is committed to making this project a success for RIM and its developer community.

Bango is already providing payment services to other sellers of applications such as EA and Gameloft, and expects this business to grow as the number of smartphones increases. There are also several other prospective App store customers, including other handset makers. Based on discussions underway with several of these, Bango believes that others are likely to follow the lead of RIM in using Bango to provide a reliable and effective Mobile Operator billing capability to increase sales for their developers in the coming year.

The increasing use of Bango's technology by industry leaders, with deeper levels of technical integration, and long term commitment is a very positive development for Bango.

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A presentation to be given to analysts on 23rd November 2010 will be available at: www.bangoinvestor.com

Consolidated Income Statement

	Note	Six months ended 30 Sept 2010 Unaudited £	Six months ended 30 Sept 2009 Unaudited £	Year ended 31 March 2010 Audited £
Revenue		**10,608,516**	12,315,471	26,133,109
Cost of sales		**(9,400,631)**	(10,985,801)	(23,465,448)
Gross profit		**1,207,885**	1,329,670	2,667,661
Administrative expenses		**(1,614,186)**	(1,510,650)	(2,845,417)
Share based payments		**(51,699)**	(61,902)	(64,845)
Total administrative expenses		**(1,665,885)**	(1,572,552)	(2,910,262)
Operating loss		**(458,000)**	(242,882)	(242,601)
Investment income/(Payable)		**34**	703	(7,669)
Loss before taxation		**(457,966)**	(242,179)	(250,270)
Income tax for the period		**114,600**	108,522	260,311
Income tax relating to previous periods		**(82,333)**	-	-
Profit/(loss) for the period		**(425,699)**	(133,657)	10,041
Attributable to equity holders of Bango		**(425,699)**	(133,657)	10,041
Loss per share attributable to the equity holders of the Company				
Basic loss per share	**5**	**(1.18)p**	(0.47)p	0.03p
Diluted loss per share	**5**	**(1.18)p**	(0.47)p	0.03p

All of the activities of the group are classified as continuing.

Consolidated Balance Sheet

As at:	Note	30 Sept 2010 Unaudited £	30 Sept 2009 Unaudited £	31 March 2010 Audited £
ASSETS				
Non-current assets				
Property, plant and equipment		**253,954**	242,028	315,792
Intangible assets		**1,580,151**	694,281	1,163,591
		1,834,105	936,309	1,479,383
Current assets				
Trade and other receivables		**4,053,748**	4,693,707	4,018,967
Cash and cash equivalents		**1,160,202**	374,087	2,735,460
		5,213,950	5,067,794	6,754,427
Total assets		**7,048,055**	6,004,103	8,233,810
EQUITY				
Capital and reserves attributable to equity holders of Bango				
Share capital	7	**7,196,892**	5,677,939	7,176,989
Share premium account		**7,016,922**	5,506,605	7,005,012
Merger reserve		**1,236,225**	1,236,225	1,236,225
Other reserve		**1,032,935**	978,293	981,236
Accumulated losses		**(12,800,734)**	(12,518,733)	(12,375,035)
Total equity		**3,682,240**	880,329	4,024,427
LIABILITIES				
Current liabilities				
Trade and other payables		**3,365,815**	4,894,094	4,209,383
Short-term borrowings		**-**	229,680	-
Total liabilities		**3,365,815**	5,123,774	4,209,383
TOTAL EQUITY AND LIABILITIES		**7,048,055**	6,004,103	8,233,810

Consolidated Cashflow Statement

	Note	Six months ended 30 Sept 2010 Unaudited £	Six months ended 30 Sept 2009 Unaudited £	Year ended 31 March 2010 Audited £
Net cash used by operations	**6**	**(1,105,945)**	(265,043)	(51,465)
Cash flows generated from / (used by) investing activities				
Purchases of property, plant and equipment		**(16,661)**	(52,436)	(159,489)
Addition to intangible assets		**(484,500)**	(371,183)	(875,740)
Interest received/(payable)		**34**	703	(7,669)
Net cash generated used by investing activities		**(501,127)**	(422,916)	(1,042,898)
Cash flows generated from financing activities				
Proceeds from issue of ordinary shares		**31,814**	6,083	3,003,540
Net cash generated from financing activities		**31,814**	6,083	3,003,540
Net (decrease)/increase in cash and cash equivalents		**(1,575,258)**	(681,876)	1,909,177
Cash and cash equivalents at beginning of period		**2,735,460**	826,283	826,283
Net cash and cash equivalents at end of period		**1,160,202**	144,407	2,735,460

Consolidated Statement of Changes in Equity

	Share capital	Share premium account	Merger reserve	Other reserve	Retained earnings	Total
	£	£	£	£	£	£
Balance at 1 April 2010	**7,176,989**	**7,005,012**	**1,236,225**	**981,236**	**(12,375,035)**	**4,024,427**
Share-based payments	-	-	-	51,699	-	51,699
Exercise of share options	19,903	11,911	-	-	-	31,814
Transactions with owners	7,196,892	7,016,923	1,236,225	1,032,935	(12,375,035)	4,107,940
Loss for the period	-	-	-	-	(425,699)	(425,699)
Total comprehensive income for the period	-	-	-	-	(425,699)	(425,699)
Balance at 30 September 2010	**7,196,892**	**7,016,923**	**1,236,225**	**1,032,935**	**(12,800,734)**	**3,682,241**
Balance at 1 April 2009	**5,673,712**	**5,504,749**	**1,236,225**	**916,391**	**(12,385,076)**	**946,001**
Share-based payments	-	-	-	61,902	-	61,902
Exercise of share options	4,227	1,856	-	-	-	6,083
Transactions with owners	5,677,939	5,506,605	1,236,225	978,293	(12,385,076)	1,013,986
Loss for the period	-	-	-	-	(133,657)	(133,657)
Total comprehensive income for the period	-	-	-	-	(133,657)	(133,657)
Balance at 30 September 2009	**5,677,939**	**5,506,605**	**1,236,225**	**978,293**	**(12,518,733)**	**880,329**
Balance at 1 April 2009	5,673,712	5,504,749	1,236,225	916,391	(12,385,076)	946,001
Share-based payments	-	-	-	64,845	-	64,845
Exercise of share options	5,603	4,121	-	-	-	9,724
Issue of new shares	1,497,674	1,496,142	-	-	-	2,993,816
Transactions with owners	7,176,989	7,005,012	1,236,225	981,236	(12,385,076)	4,014,386
Profit for the period	-	-	-	-	10,041	10,041
Total comprehensive income for the period	-	-	-	-	10,041	10,041
Balance at 31 March 2010	**7,176,989**	**7,005,012**	**1,236,225**	**981,236**	**(12,375,035)**	**4,024,427**

1. General information

Bango plc ("the Company"), a United Kingdom resident, and its subsidiaries (together "the Group") provide services to facilitate activity in the mobile internet. The Company's shares are listed on AIM on the London Stock Exchange. The address of the Company's registered office is 5, Westbrook Centre, Milton Road, Cambridge CB4 1YG.

2. Basis of preparation

The condensed interim financial information for the half year ended 30 September 2010 has been prepared using the recognition and measurement principles of International Accounting Standards, International Financial Reporting Standards and Interpretations adopted for use in the European Union (collectively EU IFRS). The interim condensed financial report should be read in conjunction with the annual financial statements for the year ended 31 March 2010.

The consolidated financial information has been prepared under the historical cost convention.

3. Principal accounting policies

The principal accounting policies adopted are consistent with those of the annual financial statements for the year ended 31 March 2010.

The accounting policies have been applied consistently throughout the Group for the purposes of preparation of these condensed consolidated interim financial statements.

4. Segment information

(a) The Group identifies two operating segments. Management reporting is based principally on the type of customer and strategic decisions are made on the basis of gross margin generated from each segment. The segments are not separately managed and therefore the Group's headquarters and its research and development activity are considered group operations and are not allocated to any operating segment. Segment information can be analysed as follows for the reporting periods under review.

Six months ended 30 September 2010

	End user activity	Content provider fees	Group	Total
	£	£	£	£
Segment revenue	9,800,015	808,501	-	**10,608,516**
Segment gross profit	**410,781**	**797,104**	**-**	**1,207,885**
Segment assets	3,202,385	472,756	3,372,913	**7,048,055**
Segment liabilities	(2,692,199)	(59,658)	(613,958)	**(3,365,815)**
Net assets	**510,186**	**413,098**	**2,758,956**	**3,682,240**

Six months ended 30 September 2009

	End user activity	Content provider fees	Group	Total
	£	£	£	£
Segment revenue	11,591,042	724,429	-	**12,315,471**
Segment gross profit	**615,831**	**713,839**	**-**	**1,329,670**
Segment assets	3,698,254	380,863	1,924,986	**6,004,103**
Segment liabilities	(4,498,733)	(146,262)	(478,779)	**(5,123,774)**
Net assets	**(800,479)**	**234,601**	**1,446,207**	**880,329**

Year ended 31 March 2010

	End user activity	Content provider fees	Group	Total
	£	£	£	£
Segment revenue	24,691,741	1,441,368	-	**26,133,109**
Segment gross profit	**1,226,293**	**1,441,368**	-	**2,667,661**
Segment assets	2,891,751	248,601	5,093,458	**8,233,810**
Segment liabilities	(3,539,876)	(35,038)	(634,469)	**(4,209,383)**
Net assets	**(648,125)**	**213,563**	**4,458,989**	**4,024,427**

End user activity arises from content access fees paid to Bango by end users for accessing chargeable content provided by content providers. Content provider fees are the amounts paid to Bango by content providers for package fees and other services.

(b) The Group's revenues from external customers are divided into the following geographical areas:

Six months ended 30 September 2010

	United Kingdom £	Rest of EU £	USA & Canada £	Rest of World £	Total £
Revenue	1,423,465	262,423	8,569,748	352,880	**10,608,516**

Six months ended 30 September 2009

	United Kingdom £	Rest of EU £	USA & Canada £	Rest of World £	Total £
Revenue	2,526,134	269,928	9,375,936	143,473	**12,315,471**

Year ended 31 March 2010

	United Kingdom £	Rest of EU £	USA & Canada £	Rest of World £	Total £
Revenue	4,397,990	606,252	20,843,390	285,477	**26,133,109**

Revenue is reported based on the location of the customer. All non-current assets are based in the UK.

5. Loss per share

Basic loss per share is calculated by dividing the (loss)/profit attributable to equity holders of the Company by the weighted average of ordinary shares in issue during the period.

	Six months ended 30 Sept 2010 Unaudited £	Six months ended 30 Sept 2009 Unaudited £	Year ended 31 March 2010 Audited £
(Loss)/profit attributable to equity holders of the Company	**(425,699)**	(133,657)	10,041
Weighted average number of ordinary shares in issue	**35,911,356**	28,379,342	30,113,120
Basic loss per share	**(1.18)p**	(0.47)p	0.03p

Diluted loss per share is calculated by adjusting the weighted average number of shares outstanding to assume conversion of all dilutive potential ordinary share options.

	Six months ended 30 Sept 2010 Unaudited £	Six months ended 30 Sept 2009 Unaudited £	Year ended 31 March 2010 Audited £
(Loss)/profit attributable to equity holders of the Company	**(425,699)**	(133,657)	10,041
Weighted average number of ordinary shares as adjusted for dilutive options	**39,911,356**	28,379,342	32,542,820
Dilutive loss per share	**(1.18)p**	(0.47)p	0.03p

6. Cash used by operations

	Six months ended 30 Sept 2010 Unaudited £	Six months ended 30 Sept 2009 Unaudited £	Year ended 31 March 2010 Audited £
Loss after taxation	**(425,699)**	(133,657)	10,041
Depreciation & amortization	**146,438**	99,425	167,961
Taxation in income statement	**(32,267)**	(108,522)	(260,311)
Investment income	**(34)**	(703)	(1,165)
Interest payable	**-**	-	8,834
Share-based payment expense	**51,699**	61,902	64,845
Decrease/(increase) in receivables	**79,819**	(272,896)	445,111
(Decrease)/increase in payables	**(843,568)**	89,408	(595,303)
	(1,023,612)	(265,043)	(159,987)
Income tax	**(82,333)**	-	108,522
Net cash used by operations	**(1,105,945)**	(265,043)	(51,465)

7. Share capital

During the period 99,515 share options were exercised at exercise prices ranging between 23 pence and 59.5 pence with a par value of 20 pence. The total proceeds were £31,814 of which £19,903 was recognized as share capital and £11,911 as share premium.

At the period end 3,516,759 share options were outstanding.

8. Publication of non-statutory accounts

The condensed consolidated interim financial information was approved by The Board of Directors on 22 November 2010. They are unaudited but have been reviewed by the auditors and their report in included within this note.

The financial information set out in this interim report does not constitute statutory accounts as defined in section 435 of the Companies Act 2006. The figures for the year ended 31 March 2010 have been extracted from the Statutory Financial Statements of Bango plc, which have been filed with the Registrar of Companies. The auditor's report on those financial statements is unqualified and did not contain a statement under section 498(2) or 498(3) of the Companies Act 2006. The financial information for the six months to 30 September 2010 and for the six months to 30 September 2009 is unaudited.

The interim report together with an analysts briefing presentation will be distributed to all shareholders shortly and will be available on the Company's investor blog at www.bangoinvestor.com.

INDEPENDENT REVIEW REPORT TO BANGO PLC

INTRODUCTION

We have been engaged by the company to review the financial information in the half-yearly financial report for the six months ended 30 September 2010 which comprises the Consolidated Income Statement, Consolidated Balance Sheet, Consolidated Cash Flow Statement, Consolidated Statement of Changes in Equity and related notes (1 to 8). We have read the other information contained in the half yearly financial report and considered whether it contains any apparent misstatements or material inconsistencies with the information in the condensed set of financial statements.

This report is made solely to the company in accordance with guidance contained in ISRE (UK and Ireland) 2410, 'Review of Interim Financial Information performed by the Independent Auditor of the Entity'. Our review work has been undertaken so that we might state to the company those matters we are required to state to them in a review report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the company, for our review work, for this report, or for the conclusion we have formed.

DIRECTORS' RESPONSIBILITIES

The half-yearly financial report is the responsibility of, and has been approved by, the directors. The AIM rules of the London Stock Exchange require that the accounting policies and presentation applied to the financial information in the half-yearly financial report are consistent with those which will be adopted in the annual accounts having regard to the accounting standards applicable for such accounts.

As disclosed in Note 2**,** the annual financial statements of the group are prepared in accordance with IFRSs as adopted by the European Union.

OUR RESPONSIBILITY

Our responsibility is to express to the Company a conclusion on the financial information in the half-yearly financial report based on our review.

SCOPE OF REVIEW

We conducted our review in accordance with International Standard on Review Engagements (UK and Ireland) 2410, 'Review of Interim Financial Information Performed by the Independent Auditor of the Entity' issued by the Auditing Practices Board for use in the United Kingdom. A review of interim financial information consists of making enquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and other review procedures. A review is substantially less in scope than an audit conducted in accordance with International Standards on Auditing (UK and Ireland) and consequently does not enable us to obtain assurance that we would become aware of all significant matters that might be identified in an audit. Accordingly, we do not express an audit opinion.

CONCLUSION

Based on our review, nothing has come to our attention that causes us to believe that the financial information in the half-yearly financial report for the six months ended 30 September 2010 is not prepared, in all material respects, in accordance with the basis of accounting described in Note 2**.**

GRANT THORNTON UK LLP
Chartered Accountants
Registered Auditor
Cambridge
22 November 2010