18th October 2006

BANGO PLC
(“Bango” or “the Company”)

Interim Results for 6 months ending 30th September 2006

Bango (AIM:BGO) announces today results for the 6 months ending 30th September 2006 showing rapid growth in revenues and customer acquisition, continued growth in global partners including a worldwide partnership with Yahoo! and the deployment of the latest generation of its unique mobile internet platform.

Highlights

- **Revenues up 43% to £4.60m (H1 FY05: £3.22m)**
- **Content provider revenues up 78% to £0.7m**
- **End user spend up 40% to £3.9m**
- **Gross profit up 40% to £1.32m (H1 FY05: £0.95m)**
- **New customer wins including MTV, Daily Telegraph and FT.com**
- **Global partnership agreement with Yahoo!**
- **Global expansion and launch into new markets such as Germany, Spain and the US**
- **Bango set to benefit from market growth being driven by global brands**

Commenting on the interim results Lindsay Bury, Chairman of Bango, said:

“During this stage of the Company’s development it is critical that Bango establishes a strong market presence on an international basis and develops a broad and loyal customer base of content providers. It is the provision of compelling content by these companies via Bango that will drive the market and the Company’s future growth.

The quantity and calibre of companies selecting Bango’s technology during the period to launch services on the mobile internet is evidence that Bango has achieved this goal, and resulted in an impressive 78% increase in content provider revenues. This is extremely encouraging.

Although expectations of breakeven for the year are now unlikely to be met, due to slower end user spend, we are still expecting monthly breakeven by the end of the second half. Based on growth in the year to date and our visibility of activities by our customers, coupled with the company’s partnerships and central position in a high growth market, we look forward to the future with confidence.”

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Introduction

I am pleased to report that we are successfully deploying our unique technology and relationships in the market to increase the size and value of the Bango customer base. The strength of our position is attracting industry giants such as Yahoo! to work with Bango. This in turn is attracting more content providers to the Bango platform.

A wide range of major content brands, television channels and internet companies have endorsed our view of the mobile market by signing up for Bango products. This gives us great confidence in the rapid growth of this exciting opportunity. We believe that we have the right level of resources in place to generate and support the major growth in customer sign ups and transaction volumes that we anticipate in the coming months. We are therefore confident that we are able to increase our profitability in the UK market and move to overall profitability.

Financial highlights

	Six months ended 30 September 2006	Change on H1 2006	Six months ended 30 September 2005	Year ended 31 March 2006
	Unaudited £m		Unaudited (restated) £m	Audited (restated) £m
Turnover	4.60	Up 43%	3.22	7.53
Gross profit	1.32	Up 40%	0.95	2.19
Margin %	28.7%	Stable	29.4%	29.1%
Operating loss before share option costs	(1.50)		(0.51)	(1.53)
Loss before tax	(1.62)		(0.47)	(1.46)
Cash outflow from operations	1.56		0.64	1.65
Cash position	3.2		6.0	4.9
Basic and fully diluted loss per share	6.1 p		1.9 p	5.8 p

As a result of continued growth and take up of our service turnover increased by 43% to £4.60M compared with the same period last year. The major contributors to this increase came from the growth in the monthly content provider fees which increased by 78% and content access fees which increased by 40%, which is an encouraging trend. Accordingly, gross profit has grown 40% to £1.32M in line with the growth in turnover.

We have expanded operations on an international basis where we see significant opportunity for the Company. Operating expenses therefore increased by £1.37m primarily reflecting the increased investment in people and associated costs incurred to support the Bango sales and marketing organization in the USA, Germany and Spain.

The cash outflow from operations was broadly in line with trading results for the period, reflecting the small change in working capital requirement despite the substantial increase in turnover. With a cash balance of £3.2 million at the half year stage, and a declining demand on cash going forward as the business moves towards profitability, Bango is well funded to ensure it exploits the commercial opportunities available.

Sales and marketing

Bango has achieved a significant growth in customer acquisition in the period, due to improved sales productivity in the UK and through its newly established US, Spanish and German operations. More than 100 internet businesses have signed up for Bango's Pro or Target services in the last 6 months, about the same number that signed up in the whole of last year. New customers include MTV, Capcom, Daily Telegraph, FT.Com, Agent Provocateur, Jamba, Flycell, Betfred, Yamaha Music, EA mobile, Rascal Flatts, Mediaplazza, Cellcity, Hands-on mobile (Mforma), Carmunity and Activefone(MOMO).

Customer attrition rates remain low at around 5% per year.   In addition, whilst transaction levels over the summer were slower than expected, these accelerated in September and given the visibility of the marketing plans of our pre-existing and more recently acquired major customers, we are increasingly confident of transaction growth in the coming months.

Bango has established a sales, marketing and customer service presence in New York and a sales office in California. The US team is now approximately the same size as the European teams combined. We have been pleased by our early sales performance in the US which is excellent considering that the direct to consumer proposition is still very new and our sales team has only been established since early 2006.

The Bango satellite offices in Koln and Madrid are building a pipeline of prospects and winning early customers. Bango has integrated with the German and Spanish mobile operators billing systems.

Yahoo! Agreement

In September we announced our agreement with Yahoo! to enable Yahoo! advertisers to benefit from Bango technology and Bango customers to benefit from Yahoo! search marketing and advertising. We believe this is an important development for both Bango and in growing the market.

Product development

There were three main development activities during the period, all of which were aimed at providing new functionality and a base for more rapid future developments.

- A new generation of the Bango platform was deployed during the summer which simplifies the use of Bango products and services, and makes our sales processes more efficient.
- We opened up “web services” access to the Bango platform for partners who want to leverage the power of Bango but provide their own content provider interfaces.
- Additional equipment and software was added at our data centres to handle increased traffic levels which are being forecast by certain of our larger customers in the coming months.

Market positioning

Bango’s business is targeted at providing services and technology to content and service providers that engage with users through the mobile internet. Bango services generate user traffic, provide information about visiting users and collect payment world-wide. The market is at an early stage but growing fast. Over the past six months, the marketplace has evolved broadly as envisaged by Bango in our annual report. In particular Google and Yahoo! and Microsoft have started to put effort into mobile search and in encouraging their advertisers to move to the mobile internet alongside the PC internet and major brands such as the BBC, ITV, CNN, Google and USA Today have started to promote their mobile content – educating users to the potential of the mobile internet.

Given our central position as a payment mechanism on the mobile internet, we are well positioned to benefit from the various initiatives designed to drive the growth of the market. In the US we are building on our unique relationship with Cingular – the US’s biggest operator, and we are forming similar relationships with the other US operators.

We intend to continue to implement our strategy, but to shift our focus to consolidating our position in our existing markets and providing the tools and support to our larger content providers to help them achieve their ambitions for the use of Bango to grow their own sales.

Current trading and prospects

In the period, Bango achieved significant growth in customer acquisition, including many leading brands in the US and Europe, has deployed the next generation of its unique technology and has announced its partnership with Yahoo! that the management believe will bring significant benefits to the company and its customers.

As discussed above, the summer months saw lower than anticipated levels of activity from our customers and lower levels of end user spend. While this trend has since been reversed, profitability will not now be reached for the financial year as a whole. However, with the cost base and headcount contained, our recurring revenue model, fast growth in customer acquisition and strong indications of end user activity from larger customers, the scene is set for rapid growth and a move to monthly profitability of the whole business by the end of the second half.

BANGO PLC

Interim Results for 6 months ending 30th September 2006

Consolidated Summarised Profit and Loss account

	Note	Six months ended 30 September 2006 (unaudited) £	Six months ended 30 September 2005 Restated (unaudited) £	Year ended 31 March 2006 Restated (audited) £
Turnover	2	4,602,826	3,218,334	7,532,877
Cost of Sales		3,280,871	2,272,846	5,341,577
Gross Profit		1,321,955	945,488	2,191,300
Other Operating charges		2,823,402	1,453,760	3,719,266
Operating loss before share option cost		(1,501,447)	(508,272)	(1,527,966)
Share option costs		212,575	38,281	127,029
Operating loss		(1,714,022)	(546,553)	(1,654,995)
Interest Receivable		89,372	73,926	195,069
Loss on ordinary activities before taxation		(1,624,650)	(472,627)	(1,459,926)
Tax on loss on ordinary activities		-	-	-
Loss for the period		(1,624,650)	(472,627)	(1,459,926)
Basic and diluted loss per share (pence)	3	6.1 pence	1.95 pence	5.84 pence

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

The group has no recognised gains or losses other than the results set out above.

Consolidated Summarised Balance Sheet

	Six months ended 30 September 2006 (unaudited) £	Six months ended 30 September 2005 Restated (unaudited) £	Year ended 31 March 2006 Restated (audited) £
Fixed Assets			
Tangible assets	579,680	105,263	343,096
Current Assets			
Debtors	2,388,969	1,475,739	2,267,458
Cash at bank	3,200,583	5,956,558	4,863,004
	5,589,552	7,432,297	7,130,462
Creditors: amounts falling due within one year	2,175,440	1,436,447	2,186,123
Net current assets	3,414,112	5,995,850	4,944,339
Total assets less current liabilities	3,993,792	6,101,113	5,287,435
Capital and reserves			
Called-up equity share capital	5,360,472	5,246,229	5,306,864
Share premium account	5,319,960	5,230,898	5,255,136
Merger Reserve	1,236,225	1,236,225	1,236,225
Profit and Loss account	(8,328,509)	(5,678,279)	(6,703,859)
Share option reserve	405,644	66,040	193,069
Shareholders' funds	3,993,792	6,101,113	5,287,435

Consolidated Summarised cash flow statement

	Note	Six months ended 30 September 2006 (unaudited) £	Six months ended 30 September 2005 (unaudited) £	Year ended 31 March 2006 (audited) £
Net cash outflow from operating activities	4	(1,559,508)	(642,687)	(1,652,206)
Returns on investments and servicing of finance				
Interest received		89,372	73,926	195,069
Net cash inflow from returns on investments and servicing of finance		89,372	73,926	195,069
Capital expenditure				
Receipt from disposal of fixed assets		766	-	-
Payments to acquire tangible fixed assets		(311,483)	(43,628)	(333,679)
Net cash outflow from capital expenditure		(310,717)	(43,628)	(333,679)
Financing				
Issue of equity share capital		53,608	1,059,329	1,119,963
Share premium on issue of equity share capital		64,824	5,955,224	5,999,758
Share issue expenses		-	(765,826)	(786,121)
Net cash inflow from financing		118,432	6,248,727	6,333,600
Increase/(decrease) in cash		(1,662,421)	5,636,338	4,542,784

Reconciliation of movements in shareholders' funds

	Six months ended 30 September 2006 (unaudited) £	Six months ended 30 September 2005 Restated (unaudited) £	Year ended 31 March 2006 Restated (audited) £
Loss for the period	(1,624,650)	(472,627)	(1,459,926)
Share option expenses credited to other reserves	212,575	38,281	127,029
New equity share capital subscribed	53,608	1,059,329	1,119,964
Net premium on new share capital subscribed	64,824	5,230,898	5,255,136
Net addition to shareholders' equity funds	(1,293,643)	5,855,881	5,042,203
Opening shareholders' equity funds	5,287,435	245,232	245,232
Closing shareholders' equity funds	3,993,792	6,101,113	5,287,435

Notes

1. Accounting policies and basis of preparation

The interim financial statements have been prepared in accordance with applicable accounting standards and under the historical cost convention and in accordance with the accounting policies set out in the financial statements of Bango plc for the year ended 31 March 2006.

The exception to this is FRS 20 Share based payments, which has been adopted in the period under review and the comparatives have been restated to reflect this. The fair value of the share options granted is recognised as an employee expense over the vesting period of the relevant options, with a corresponding increase in equity. The charge recognised reflects the number of options that had not vested at 31 March 2006 and the options granted after that date. Fair value has been determined by an independent external valuer.

2. Turnover

The turnover is attributable to one principal activity of the company. Turnover is split between the following activities:

	Six months ended 30 September 2006 (unaudited) £	Six months ended 30 September 2005 (unaudited) £	Year ended 31 March 2006 (audited) £
Content access fees	3,891,702	2,783,899	6,470,383
Content provider fees	699,124	392,085	1,002,619
Non-standard Services for Mobile Network Operators	12,000	42,350	59,875
	4,602,826	3,218,334	7,532,877

A geographical analysis of the turnover in the period is given below:

	Six months ended 30 September 2006 (unaudited) £	Six months ended 30 September 2005 (unaudited) £	Year ended 31 March 2006 (audited) £
United Kingdom	3,916,661	2,963,781	6,833,613
EU	246,750	48,826	254,363
US and Canada	316,936	153,594	344,180
Rest of World	122,479	52,133	100,721
	4,602,826	3,218,334	7,532,877

3. Loss per share

	Six months ended 30 September 2006 (unaudited) £	Six months ended 30 September 2005 Restated (unaudited) £	Year ended 31 March 2006 Restated (audited) £
Loss for the period	1,624,650	472,647	1,459,926
Weighted average number of shares in issue	26,615,553	24,223,073	24,983,944
Basic and diluted earnings per share	6.1 pence	1.95 pence	5.84 pence

Share options outstanding on 30th September 2006 are considered to be non-dilutive.

4. Notes to the statement of cash flows

Reconciliation of operating loss to net cash outflow from operating activities

	Six months ended 30 September 2006 (unaudited) £	Six months ended 30 September 2005 Restated (unaudited) £	Year ended 31 March 2006 Restated (audited) £
Operating Loss	(1,714,022)	(546,553)	(1,654,995)
Shares issued in lieu of services	-	41,500	41,500
Share option expense	212,575	38,281	127,029
Depreciation	73,892	26,898	76,427
Loss on disposal of fixed assets	241	-	-
(Increase)/decrease in debtors	(121,511)	(427,689)	(1,219,408)
Increase/(decrease) in creditors	(10,683)	224,876	974,552
Disposal of fixed assets	-	-	2,689
Net cash outflow from operating activities	(1,559,508)	(642,687)	(1,652,206)

5. Publication of non-statutory accounts

The financial information set out in this interim report does not constitute statutory accounts as defined in section 240 of the Companies Act 1985. The figures for the year ended 31 March 2006 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. The financial information for the six months to 30 September 2006 and the six months to 30 September 2005 is unaudited.

The interim report together with an analysts briefing presentation will be distributed to all shareholders shortly and copies will be available from the Company’s website at www.bango.com