

20 October 2005



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

Maiden Interim Results for 6 months ending 30th September 2005

Bango provides unique technology and services enabling businesses to make money from the sale of content and services to customers accessing the internet through their mobile phones. These are Bango's first results since its successful admission to trading on AIM in June 2005.

Highlights

- **Strong trading performance**
Revenues grew 158% to £3.22M (£1.25M to 30 Sep 04)
Gross profit grew 158% to £0.95M (£0.37M to 30 Sep 04)
Operating expenses increased by 57%
Pre-tax losses reduced to £0.43M (£0.55M to 30 Sep 04)
Trading profitably in UK, the longest established market
Cash balance of £6m as at 30 September 2005
37 new Bango Pro package customers won during period
Healthy pipeline and momentum entering second half of financial year
- **Successful IPO in June 2005**
Raised £6.24M (net of expenses) to support growth plans
Improved profile among customers, partners and prospects
Beneficial impact on staff recruitment and retention
- **Significant product and technology enhancements**
Release of new high-end Bango Target product
Release of new Bango Identifier functionality
Reduced billing costs for our content providers by 7.5%
Granted second European Patent for Bango technology
- **Geographic expansion**
Team deployed in USA, supported by Cingular and PayPal deals
Team deployed in Germany, supported by Vodafone and O2 deals
- **Industry developments**
Cingular and PayPal partnering with Bango in the US, offering more flexible billing
Clamp-down on inappropriate subscription scams supports legitimacy of Bango's transparent approach
Termination of Simpays initiative strengthens Bango's competitive position
Wider introduction of music playing phones broadens market for content

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

"Bango's leadership in enabling direct to consumer mobile content is being validated by the quantity and calibre of companies that are selecting Bango's technology, by the unique relationships Bango has established with industry leaders and by Bango's increasingly strong trading performance. Industry developments, combined with Bango's own initiatives, have enhanced further the Company's competitive position. The Company is judiciously applying the proceeds of its successful AIM IPO, including on international expansion into the USA and Germany. We believe the outlook for the sector remains attractive and we look forward to the future with confidence."

Ray Anderson, Chief Executive Officer of Bango, added:

"Bango's unique technology, global reach and special relationships with leading mobile operators allow us to play a key role in accelerating the transition towards brands and services being promoted direct to consumer via internet enabled mobile devices. Recent announcements by major content brands, television channels and internet companies about the importance of mobile consumers in their future plans give us great confidence in the rapid growth of this exciting opportunity."

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A conference call will be held this morning at 08.00 BST. Anyone wishing to participate in the conference call may do so by dialing +44 (0)20 7162 0125. The presentation itself is available on Bango's website, www.bango.com. A replay of the conference call will be available from 12.00 BST today, by dialing +44(0)20 7031 4064, pass code 680359.

About Bango

Bango has developed and deployed an open, global, infrastructure platform that enables content providers to market, sell and deliver their products and services directly to mobile phone users on all mobile networks using the mobile Internet. This direct-to-consumer approach operates alongside the mobile operator's mobile content portals. Leading mobile operators including Vodafone, Orange, Telefonica and O2 work with Bango to accelerate the growth of their direct-to-consumer business.

The Bango platform has given mobile phone subscribers in Europe and around the world greater access to third-party content. Leading content brands are now adopting the Bango Service to engage with all of their existing and potential mobile customers directly – irrespective of mobile operator. For further information, go to www.bango.com

BANGO PLC

Maiden Interim Results for 6 months ending 30th September 2005

Introduction

The first six months of the financial year have been a busy but very rewarding period in the development of the business. Our business proposition is that we enable content providers to “set up shop” on the mobile internet and to generate revenues world-wide from their marketing activities. Content providers that signed up to the Bango Service before this period are continuing to prosper and grow their business using Bango, resulting in a significant growth in their content sales.

Summary financial review

	Six months ended 30 September 2005 Unaudited £m	Change on H1 2005	Six months ended 30 September 2004 Unaudited £m	Year ended 31 March 2005 Audited £m
Turnover	3.22	Up 158%	1.25	3.41
Gross profit	0.95	Up 158%	0.37	0.97
Margin %	29.4%	Constant	29.4%	28.6%
Operating loss	0.51	Reduced 9%	0.56	0.93
Loss before tax	0.43	Reduced 21%	0.55	0.92
Cash outflow from operations	0.64	Increased 52%	0.42	0.58
Cash position	6.0		0.5	0.3
Basic and fully diluted loss per share	1.8 p	Reduced 31%	2.6 p	4.4 p

Turnover increased by 158% to £3.22M. The major contributors to this increase came from the growth in content access fees which increased by 173%, and from growth in content provider fees which increased by 371%.

Gross profit has grown to £0.95M in line with the growth in turnover.

Operating expenses increased by 57%, primarily reflecting the increased investment in people and associated costs incurred to support the international roll-out of the Bango service.

Interest receivable has grown considerably as a result of interest earned on £6.24M (net of expenses) raised in the IPO.

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

Our successful admission to AIM on June 30 raised £6.24 million net of expenses and, with a cash balance of almost £6 million at the half year stage, Bango is well funded to exploit the commercial opportunities available both in the UK and internationally.

Review of operations

Bango's unique technology is enabling the Company to grow its business rapidly, while containing growth in operating costs to a much lower level. The company has continued to invest in product development, particularly in supporting larger businesses that want to reach a global market.

The visible success by the early adopters of the Bango technology and our own marketing activity have resulted in a higher than expected number of content providers signing up to use the Bango Service during the last six months. This included winning 37 new customers for the high end Bango Pro service – which is designed for businesses wanting to do significant business on the mobile internet.

During the period, Bango successfully completed its AIM IPO and is using the £6.24 million net proceeds to invest in geographic expansion in markets where there is clear scope for the direct to consumer mobile content market to open up. By establishing a sales, marketing and technical support presence in a country, Bango is seeking to win quickly a portfolio of successful reference customers and establish relationships with local business partners to accelerate roll-out into that country.

The increased profile and credibility from being a listed company are proving useful in cementing and growing existing relationships, attracting new customers and partners, and in recruiting, retaining and incentivizing key staff, both in the UK and abroad.

Product development

Bango continues to invest in development of its innovative technology platform and service offerings. The Company's unique technology, which currently enables hundreds of content providers and brands to reach mobile consumers directly, gives the Company significant competitive advantages and enables Bango to offer a powerful product at a low cost.

In June, Bango was able to leverage its relationships with billing companies world-wide to reduce the cost of payment collection seen by content providers by 7.5%. With standard billing costs reduced to 37%, a typical content provider now receives 63% of end user revenue through Bango. Our recent integration with PayPal will be a key factor in enabling us to deliver more revenues to our content provider customers in the future.

September saw the launch and first sales of a new high-end "Bango Target" product, positioned above the Pro Service both in capability and price. This product has been in development during 2005 and enables content providers to set specific price points in different currencies, vary the price by country or by mobile operator, track where customers originate from on the mobile internet, choose where their content is sold – for example to meet rights obligations, to present different product offers in different countries and to track revenues by country or by mobile operator. Management believes that these are unique enhancements to an already unique service, and expect to see greater satisfaction and usage by content providers.

Also in September, Bango was granted its second European patent relating to intellectual property used in Bango products. Bango will continue to invest in competitive advantage through protecting its key intellectual property.

Throughout the period, Bango continued to work with mobile operators such as Orange, Vodafone and O2 to help them grow their off-portal business. In advance of the launch of an i-mode service in the UK by O2, Bango assisted O2 in upgrading the age verification system to handle the new i-mode handsets. This project also gave Bango early access to the i-mode technology to ensure it was well integrated into the Bango platform.

Geographic expansion

The Bango Service is used by content providers from all over the world to reach customers world-wide through their internet enabled mobile phones. By making the processes of marketing, access and payment as efficient as possible in any country, the Bango Service increases the likelihood of more revenue flowing to content providers targeting that country.

A key driver of the consumption of mobile internet content is whether mobile operators in a particular country encourage direct to consumer promotion of content or discourage it. The UK based mobile operators have been world leaders in encouraging this process by opening up their billing systems and by partnering with Bango to streamline the process for content providers. This has given Bango a successful and profitable base from which to illustrate and expand, as operators in other countries follow the same path.

Bango has identified Germany, Spain and the USA as key countries where the leading mobile operators are following the UK model. Bango believes that a local presence in these countries will generate a base of local reference content providers that derive tangible benefits from Bango's unique service both in their own country and potentially world-wide. Management further believe that this will accelerate direct sales via the Bango web site and indirectly through business partners.

Over the last 6 months, Bango has recruited and deployed a sales, marketing and technical support team that is focused on the German market. German collateral, web site and other materials have been developed and selling activity has started. The activity has been underpinned by agreements with Vodafone Germany and O2 Germany, which allow direct access to those operators' billing systems by Bango, which in turn makes the buying experience for the user more efficient when compared to traditional Premium SMS messaging alone. Management believes that Bango is well positioned within the German market which appears to be following the UK model of development, and the sales pipeline is looking healthy at this stage in the market's development.

The US market is attractive to Bango not only because the world's largest content providers are based there, and also because it presents a potentially massive market for mobile content. Many of Bango's most successful customers are US content providers who are using Bango to reach outside the USA.

The US mobile operators followed the UK model of developing their own portals and are now starting to open up their systems to enable content providers to market direct to consumer and generate additional traffic revenue. A different regulatory regime and a more conservative attitude by the US mobile operators to opening up their networks to third parties makes the US market different from the UK market, but content providers of all sizes want to benefit from the reach of the internet into the next generation of handsets. Bango partners with mobile operators to open up their systems in a controlled way.

In July the company was able to announce that Cingular (the largest US mobile operator with over 51 million subscribers) has selected Bango as its partner to open up Cingular's WAP billing capability to third party content providers and brands, using the Bango Service. The system went live just before the period end, and is already enabling a significant increase in spending by US end users with content providers from all over the world.

The other US operators have been slower to open up their systems to third parties to collect payments. As an alternative payment method, for customers of all mobile operators world-wide, Bango announced in September an agreement with PayPal (the payment processing arm of eBay Inc.). This enables micro-payments to be collected by Bango on behalf of content providers from any of PayPal's 50 million account holders. Bango believes this will accelerate the opening up of the market, particularly in the USA. In addition, the costs of using PayPal for collection of money are low compared with most current operator billing routes, which gives Bango the opportunity to further enhance the appeal of its service by increasing out-payments to content providers.

Bango has a unique position as a trusted partner of Cingular and PayPal and is taking extra care to ensure that services introduced using those payment method are "safe". In particular, the age verification and content control systems that are available in Europe are not yet active in the USA so Bango is taking appropriate steps to ensure that only content suitable for minors can be paid for using the operator or PayPal billing systems. Credit card payment is available for other types of content.

Bango has established a sales presence in New York and California, backed up by technical support, marketing communications and a US Public Relations company. We are actively selling in the USA and have a good sales pipeline that includes several major brands. We have also had success during the period in establishing partnerships to take the Bango Service to market – including a relationship with Crisp Wireless, a provider of next generation mobile content management and wireless delivery software applications to media and entertainment companies.

To support and develop its customers based in Spain, Bango has established a satellite office in Madrid, signed up a Spanish business partner, and recruited Spanish technical support expertise. Work is underway to directly integrate with the Spanish mobile operators billing systems.

Market landscape

The market for content and services for mobile phone users continues to grow rapidly, driven by increasing numbers of internet connected mobile phones and the increasing proportion of these phones which have colour screens, game and music playing capability. Network operators appear to be actively endorsing the accessing of third party content by mobile users, as can be evidenced by a number of developments in recent months, including T-Mobile's launch of Web 'n' Walk in the UK, with Google pre-set as the homepage on the phones; and Overture, which is owned by Yahoo!, announcing that it will be displaying its paid search engine listings through the WAP services of both Orange and Vodafone. Having anticipated the development of the market, Bango is well positioned to enable mobile internet content to users on any network.

Cingular and PayPal's partnering with Bango in North America indicates their belief in the potential for the mobile content market. They have recognised that they can leverage the marketing power of brands and content providers in order to benefit from the revenue streams that are increasingly flowing from mobile users to content providers.

The mobile industry is recognizing that customer confidence and trust are key to the growth of a mass market for mobile content. Bango is a champion of the transparent 'browse and buy' approach to mobile content, by which customers only pay for what they want and are able to browse the available content before making their choice. Accordingly Bango is supportive of the steps that are being taken within the industry to clamp down on inappropriate subscription schemes and other damaging practices. In line with this, Bango management believes that regulatory and industry pressure will slow or stall the growth of services using inappropriate subscription user interactions and drive services to the more reputable "browse and buy" model where Bango is focused.

Simpay, a four year old project by four European mobile operators to develop a common payment platform, was terminated in June. Bango believes that this removes uncertainty around what Simpay would or would not deliver to the market and which was delaying decision making by content providers as to how to address the mobile channel. In addition, mobile operators that were having projects delayed by Simpay are now able to move forward quickly using the standardised Bango model which has already been proven in the marketplace.

Bango believes that the range of content accessible by mobile phone will increase dramatically. The increasing deployment of lower cost and higher speed 3G/UMTS infrastructure and newer devices helps broaden the accessibility of mobile content. Alongside the increasing sale of music directly to mobile devices, a number of TV channels are positioning themselves to enable consumers to watch live or recorded TV footage directly on their mobile devices. Bango expects to play a key role in enabling the sale of content into this growing market opportunity.

Strategy

At the time of our flotation, our intention was to apply the funds towards increasing our presence in the key markets of Europe and North America. Our aim was to link up with industry partners, recruit suitable sales representatives and significantly increase awareness of our service through a range of marketing activities. We are pleased that we have made good progress with all of these initiatives, which we intend to continue.

Bango believes that by eliminating the barriers and mitigating the risks that prevent content providers from wanting to engage with mobile consumers, the Company can enable and participate in a large and growing market. By making it easier for consumers to locate and purchase content and services via the mobile internet, Bango is facilitating the growth of revenue for its content provider customers. Bango will continue to invest in product development to further streamline the processes of marketing, providing access and billing for content providers.

The Company is also paying attention to the millions of users who have discovered Bango as a channel to the best available content. Bango's tools for users to 'virally market' interesting content to their peers and for helping users to return quickly to their favorite sites have been well received. The Bango Service will be developed to accelerate the growth of the "Bango aware" user community to benefit both users and content providers.

As part of a continuing drive to leverage its core technology, Bango has continued to transition its mobile operator customers from using non-standard or customized products to a business model that uses the standard Bango Service. This transition is now largely complete, with non-standard services now generating a negligible proportion of total revenue. This confirms the appeal of the rapidly deployable, cost effective solution that Bango has created to enable the delivery of content via the mobile internet.

Bango will from time to time engage on special projects with mobile operators, but only where these bring added advantage to the core Bango offerings for content providers and Bango's other partners.

Current trading and prospects

Current trading conditions remain favourable across all parts of our business. The Directors anticipate that many of the content providers using Bango will start marketing to their consumers and will see success from their new projects in the period ahead, while solid growth from the Company's wide base of existing customers will continue. Bango believes that that their success will convince larger brands, to the extent they need convincing, that the ability to transmit content to mobile phone users represents an increasingly important source of revenue.

Bango's pipeline of potential new customers remains encouragingly strong. This momentum is expected to continue during the remainder of the current financial year and beyond. The Directors therefore remain confident not only of a favourable outcome for this year but also of Bango's longer term prospects.

Lindsay Bury
Non-Executive Chairman

Ray Anderson
Chief Executive

BANGO PLC

Interim Results for 6 months ending 30th September 2005

Consolidated summarised Profit and Loss account

	Note	Six months ended 30 September 2005 (unaudited) £	Six months ended 30 September 2004 (unaudited) £	Year ended 31 March 2005 (audited) £
Turnover	2	3,218,334	1,246,478	3,414,506
Cost of Sales		<u>2,272,846</u>	<u>880,042</u>	<u>2,439,628</u>
Gross Profit		945,488	366,436	974,878
Other Operating charges		1,453,760	924,355	1,933,647
Other Operating Income		-	-	(25,532)
Operating Loss		<u>(508,272)</u>	<u>(557,919)</u>	<u>(933,237)</u>
Interest Receivable		<u>73,926</u>	<u>9,228</u>	<u>15,315</u>
Loss on ordinary activities before taxation		<u>(434,346)</u>	<u>(548,691)</u>	<u>(917,922)</u>
Tax on loss on ordinary activities		-	-	-
Loss for the period		<u>(434,346)</u>	<u>(548,691)</u>	<u>(917,922)</u>
Basic and diluted loss per share (pence)	3	<u>1.8 pence</u>	<u>2.6 pence</u>	<u>4.4 pence</u>

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.

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Interim Results for 6 months ending 30th September 2005

Consolidated summarised Balance Sheet

	Six months ended 30 September 2005 (unaudited) £	Six months ended 30 September 2004 (unaudited) £	Year ended 31 March 2005 (audited) £
Fixed Assets			
Tangible assets	105,263	66,382	88,533
	<hr/>	<hr/>	<hr/>
Current Assets			
Debtors	1,475,739	633,265	1,048,050
Cash at bank	5,956,558	520,439	320,220
	<hr/>	<hr/>	<hr/>
	7,432,297	1,153,704	1,368,270
Creditors: amounts falling due within one year	<hr/>	<hr/>	<hr/>
	1,436,447	605,623	1,211,571
Net current assets	<hr/>	<hr/>	<hr/>
	5,995,850	548,081	156,699
Total assets less current liabilities	<hr/>	<hr/>	<hr/>
	6,101,113	614,463	245,232
Capital and reserves			
Called-up equity share capital	5,246,229	10,467	10,467
Share premium account	5,230,898	5,412,658	5,412,658
Merger Reserve	1,236,225	-	-
Profit and Loss account	(5,612,239)	(4,808,662)	(5,177,893)
	<hr/>	<hr/>	<hr/>
Shareholders' funds	<hr/>	<hr/>	<hr/>
	6,101,113	614,463	245,232

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Interim Results for 6 months ending 30th September 2005

Consolidated summarised cash flow statement

	Note	Six months ended 30 September 2005 (unaudited) £	Six months ended 30 September 2004 (unaudited) £	Year ended 31 March 2005 (audited) £
Net cash outflow from operating activities	4	<u>(642,687)</u>	<u>(423,417)</u>	<u>(583,065)</u>
Returns on investments and servicing of finance				
Interest received		<u>73,926</u>	<u>9,228</u>	<u>15,315</u>
Net cash inflow from returns on investments and servicing of finance		<u>73,926</u>	<u>9,228</u>	<u>15,315</u>
Capital expenditure				
Payments to acquire tangible fixed assets		<u>(43,628)</u>	<u>(15,639)</u>	<u>(62,297)</u>
Net cash outflow from capital expenditure		<u>(43,628)</u>	<u>(15,639)</u>	<u>(62,297)</u>
Financing				
Issue of equity share capital		1,059,329	947	947
Share premium on issue of equity share capital		5,955,224	810,173	810,173
Share issue expenses		<u>(765,826)</u>	<u>(5,507)</u>	<u>(5,507)</u>
Net cash inflow from financing		<u>6,248,727</u>	<u>805,613</u>	<u>805,613</u>
Increase in cash		<u><u>5,636,338</u></u>	<u><u>375,785</u></u>	<u><u>175,566</u></u>

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Reconciliation of movements in shareholders' funds

	Six months ended 30 September 2005 (unaudited) £	Six months ended 30 September 2004 (unaudited) £	Year ended 31 March 2005 (audited) £
Loss for the period	(434,346)	(548,691)	(917,922)
New equity share capital subscribed	1,059,329	947	947
Net premium on new share capital subscribed	<u>5,230,898</u>	<u>940,566</u>	<u>940,566</u>
Net addition to shareholders' equity funds	5,855,881	392,822	23,591
Opening shareholders' equity funds	<u>245,232</u>	<u>221,641</u>	<u>221,641</u>
Closing shareholders' equity funds	<u>6,101,113</u>	<u>614,463</u>	<u>245,232</u>

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Interim Results for 6 months ending 30th September 2005

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.net Limited for the year ended 31 March 2005.

The consolidated financial statements for the six months ended 30 September 2005 have been prepared using merger accounting principles on the basis that the formation of Bango PLC as the parent company of Bango.net Limited on 9 June 2005 qualifies as a group reconstruction and the interim financial statements should be prepared as if the companies have always been one entity. The financial information for the year ended 31 March 2005 and the six months ended 30 September 2004 therefore represents Bango.net Limited.

2. Turnover

Turnover is split between the following activities:

	Six months ended 30 September 2005 (unaudited) £	Six months ended 30 September 2004 (unaudited) £	Year ended 31 March 2005 (audited) £
Content access fees	2,783,899	1,018,762	2,902,059
Content provider fees	392,085	83,176	311,797
Non-standard Services for Mobile Network Operators	42,350	144,540	200,650
	<hr/>	<hr/>	<hr/>
	3,218,334	1,246,478	3,414,506
	<hr/>	<hr/>	<hr/>

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

	Six months ended 30 September 2005 (unaudited) £	Six months ended 30 September 2004 (unaudited) £	Year ended 31 March 2005 (audited) £
United Kingdom	2,963,781	1,176,999	3,218,675
EU	48,826	17,120	51,590
US and Canada	153,594	36,023	104,676
Rest of World	52,133	16,336	39,565
	<hr/>	<hr/>	<hr/>
	3,218,334	1,246,478	3,414,506
	<hr/>	<hr/>	<hr/>

3. Loss per share

	Six months ended 30 September 2005 (unaudited)	Six months ended 30 September 2004 (unaudited)	Year ended 31 March 2005 (audited)
Loss for the period	£434,346	£548,691	£917,922
Weighted average number of shares in issue	24,223,073	20,903,277	20,918,940
Basic and diluted loss per share	1.8 pence	2.6 pence	4.4 pence

Share options outstanding on 30th September 2005 are considered to be non-dilutive.

The weighted average number of shares for the 6 months ended 30th September 2004 and for year ended 31st March 2005 have been re-calculated based on the share split on 9th June 2005 when each share in the group was sub-divided by 20.

4. Notes to the statement of cash flows

Reconciliation of operating loss to net cash outflow from operating activities

	Six months ended 30 September 2005 (unaudited) £	Six months ended 30 September 2004 (unaudited) £	Year ended 31 March 2005 (audited) £
Operating Loss	(508,272)	(557,919)	(933,237)
Non cash expenses	41,500	-	-
Depreciation	26,898	18,367	42,874
(Increase)/decrease in debtors	(427,689)	226,444	(188,341)
Increase/(decrease) in creditors	224,876	(110,309)	495,639
Net cash outflow from operating activities	<u>(642,687)</u>	<u>(423,417)</u>	<u>(583,065)</u>

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 2005 have been extracted from the Statutory Financial Statements of Bango.net Limited, 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 2005 and the six months to 30 September 2004 is unaudited. The financial information for the six months to 30 September 2004 represents the results of Bango.net Limited.

The interim report will be distributed to all shareholders shortly and copies will be available from the Company's website at www.bango.com