10th June 2008

BANGO PLC
(“Bango” or “the Company”)

Preliminary Results for year ending 31st March 2008

Bango (AIM: BGO) the mobile web platform provider, today announces Preliminary Results for the year ended 31st March 2008.

Financial Highlights
(under IFRS, comparative data for FYE 31 March ’07 except where otherwise indicated)

- Revenue up 32% to £13.76m (£10.43m).
- Revenue growth in all territories, including UK up 26% and USA & Canada up 54%.
- 22% of all revenues now from outside the UK, up from 18% last year.
- Gross profit up by 12% to £2.77m (£2.46m).
- 20% reduction in administrative expenses (excl. share based payments) to £4.41m (£5.53m).
- Loss before tax & share based payments cut to £1.58m (£2.92m).
- Cash balance of £1.13m as at 31 March 08. (£1.82m at September 30 2007).

Operational Highlights

- New products delivering increased overall gross profits and sales with reduced sales and marketing costs.
- 9,336 sign-ups via Bango.com for the year (1,616 last year) showing increasing interest in Bango services and expanding sales pipeline.
- Launch of Bango Analytics Mobile Marketing product in February 2008. Expands Bango technology to all mobile website owners in addition to those with “paid for content”.
- Overall gross margin grew from £2.47m to £2.77m. The overall percentage margin reduced from 23.6% to 20.1% as a result of higher percentage payouts to our largest content providers as a result of our previously announced Advantage package.

Ray Anderson, Chief Executive Officer of Bango, commented: “

”After a year in which we focused on improving our sales and marketing productivity, we enter the new year close to break even on a monthly basis, with significantly lowered costs of sale, and strong signs that mobile web usage is accelerating. Working with mobile operators, content providers and brands, other commercial partners and investors, we look forward to continuing success in the coming years.”

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About Bango

Bango (AIM: BGO) has developed and operates the technology that enables content providers to quickly and easily market, sell and deliver their products and services directly to mobile phone users on all mobile networks using the mobile web.

Businesses of all sizes, from individuals to global brands use Bango to engage with their existing and potential mobile customers directly – irrespective of mobile operator.
For further information visit www.bango.com.

Chairman's Statement

The Board is pleased to report good progress in the business.

A key focus for the year was to use Bango technology to introduce simpler, lower priced Bango services to improve sales and marketing efficiency. The results have been encouraging. Revenue grew 32% compared with the previous year to £13.76m. Margin earned on monthly fees grew 36.5%. Over the same period, these changes enabled us to reduce sales and marketing costs by approximately 50%.

We are now operating close to break-even on a monthly basis and with growing sales from a stable cost base and with a strong sales pipeline. We are introducing further products and services that can be sold using the existing sales and marketing organization.

Today's mobile phones include web browsers and internet connectivity as standard. Millions of people now browse for information and use search engines on their mobile phones. They view advertising and buy content from mobile web sites. Those web site owners want to sell services and content such as music, videos, games and alerts globally and incur the lowest possible cost of sale. Bango meets those requirements.

When users click to "buy", the transaction is routed by Bango and payment made via the user's mobile phone bill or alternate method. Bango makes this transaction straightforward because our software not only connects to the world's leading mobile network operators and other billing providers, but uniquely handles the necessary end user screen flows, currency conversions, taxes and regulatory requirements without extra complexity for the content provider.

Over 9,000 new content owners signed up to use the Bango system during the year, a more than fivefold increase in sign-up rate over the year. The value of the Bango service is demonstrated by the fact that larger organizations such as Gameloft, WWE, EA Games, MTV and Paramount Studios are users of our service, alongside thousands of much smaller companies and even individuals.

Customers are staying with the Bango service, moving from free trials and low end services through our portfolio of services as they expand their business and their needs change.

Transaction volumes are growing. Overall user-spend through Bango grew by 26%. Outside the UK, which is our longest established market, user payment activity grew faster at 59% year on year.

The traditional way to supply, market and monetize mobile content was through SMS and MMS. The move to an internet model brings benefits to the consumer in terms of usability and transparency, and to the content provider in terms of marketing opportunities. For this reason the mobile operators are now starting to actively push actively the migration from SMS to mobile web. Bango stands to benefit from this move from SMS to web due to our leading position in that market and the ease of moving to the mobile web with our product line.

Bango is a well positioned business that enjoys increasing opportunities for growth in revenue in this rapidly expanding market. We look forward to providing a further progress update at the half year.

Lindsay Bury
Chairman

CEO's Statement

I am pleased to report that in the year ended March 2008 we made significant progress towards ensuring that Bango is financially self-sufficient and able to take full advantage of the growth in the mobile web. It has been a year of focusing our people and technology to become more efficient and operating where market demand is growing fastest, and on getting the business to profitability and cash-flow positive.

Improving Sales Productivity

In my last annual report I stated that we would strengthen our self-serve product proposition to enable us to drive down our customer acquisition costs and grow sales and margins without increasing expenditure.

The results have been encouraging. Compared to the previous financial year, we are pleased to report revenue growth of 32% to £13.76m. Margin earned on monthly fees grew 36.5%. Over the same period, our new product line up enabled us to reduce sales and marketing costs by approximately 50%.

Product releases during the year included a range of simplified, lower cost products including Bango Payment World, Bango Advantage UK, Bango Payment UK / USA / Espana and the Bango Button. In particular, Bango Payment UK enabled businesses anywhere in the world to launch commercial Payforit services within minutes, for below £300 per month.

A new Web Sales team was established to drive customers through a "self serve" signup at Bango.com – worldwide – at significantly lower cost than previous sales motions. Our regional teams in Germany, Spain, US and UK were replaced by a small worldwide Corporate sales team selling to accounts anywhere in the world that have more complex requirements.

Bango's technology and the mobile web have global reach, but take-up rates and content provider activity vary by country – depending on the emergence rates of mobile web in those countries. During the year, the emergence of mobile search and mobile advertising from Google, Yahoo and others has increased the opportunities for cross-border marketing by content providers. This enabled us to centralize our marketing to these content providers and deliver a consistent message world-wide. Localized marketing in the UK, Spain and Germany was centralized into a multilingual team with one common message worldwide and a common sales motion irrespective of the location of the business.

Marketing investment shifted from "face to face" activity at events and seminars to web based marketing, webinars, referral programs, blogging and search engine optimization. These work world-wide, and make us more easily contactable by anybody wanting to reach mobile phone users through the mobile internet – where our technology – especially for identification, payment collection or analytics is of value.

Growing Transaction Volumes

Content access fees grew 32% to £11.72m. As indicated in our interims, the margin earned on payment transactions is now around 9%, reflecting our desire to keep our transaction fees down to the 1-2% level for the largest content providers and our ability to charge up to 30% for very low volume customers.

Bango Analytics now also drives "paid for" transactions, generally paid for "per thousand", to align with the way website owners buy advertising that they measure with Analytics. Bango analytics transactions and sales started in the last six weeks of the year, but revenue contribution from these was not significant.

Driving towards profitability and cash generation

After a year of significant marketing and development investment last year, our plan for the year was to drive towards profitability and cash generation. As a result of our cost reductions and increasing sales, we reduced losses (at EBITDA level) down from a £240K / month average in the last financial year to £144K / month average in our first half and then to £93K / month average in the second half, with continued progress towards break-even during the final months of the half year.

While increasing sales will drive profitability, we believe there are still opportunities to improve our efficiency, to enable us to capitalize on market growth from a position of financial strength.

Bango currently has no borrowings and the Directors believe the Company has sufficient resources to meet its current financial needs. However, the Directors further believe that additional capital could be deployed to beneficial effect. For example, Bango has recently accelerated the timing of cash payments to some content providers, for a fee, to enable faster re-investment by them in search engine marketing with Google, Yahoo or others. Consequently a number of initiatives are under active evaluation and further announcements will be made as appropriate.

Product development

In February 2008, we launched Bango Analytics, a new product that enables businesses of all sizes to get a better return from their investment in marketing and advertising campaigns on the mobile web. Our unique technology captures valuable data about mobile users responding to campaigns and presents it in an easy to use form to enable informed decision-making.

It is a widely held view within advertising agencies that the inability to measure the effectiveness of mobile marketing is holding back investment. Bango Analytics is the first product available to meet this need. We already have a number of case studies at www.bango.com

Gartner (IT) forecasts the mobile advertising market to grow to £5.5 billion in global revenue in 2011, up from less than £500M a year in 2007. Tools such as Bango Analytics which can improve the return on this investment should be able to attract a significant part of this expenditure.

Being first to market, exploiting our 8 years of technology development and with an established initial customer base, and low costs of sale, Bango is well positioned to capitalize on this growth. We have packaged our unique technology for new set of customers – those that use the mobile web for marketing or customer engagement rather than for selling digital content.

We continued development of our Payment Products and the evolution of our integration and management tools to improve usability and effectiveness. We also launched a number of product initiatives to reduce barriers to using the mobile web and Bango technologies, and to attract prospects to sign up at the www.bango.com website. These included WAP.com, Bango Button, Bango2Go, check.wap.com and Bango Optimized. The number of customers converting from free trials to paid for products has shown that this process is working.

System availability was excellent during the year – with less than two hours lost in total during the year (99.98% availability). With transaction volumes constantly increasing, scalability at low cost and without service outage is vital. Our R&D team has steadily increased the capacity of the Bango system to stay ahead of demand without significant capital expenditure.

During the year, third party action caused us to lose AT&T USA billing for 11 weeks and several weeks US credit card processing. These outages took considerable time and energy to rectify, but have resulted in better processes and relationships going forward.

Financial performance

Revenues grew 32% to £13.76m (£10.43m FY07) and gross profit grew 12% to £2.77m (£2.46m). Revenue from outside the UK grew by over 57% to £3.08m (£1.96m), and accounted for 22.4% (18.7%) of total revenue.

Content provider revenues, mostly recurring monthly fees, grew by 28% during the year to £1.97m (£1.5m). Margin on these revenues grew by 36.5% to £1.72m. (£1.26m FY07). Stable delivery costs mean that as content provider revenues grow, the gross margin improves.

Content access fees grew by 32% compared with FY07 and accounted for 85.2% (85.0%) of total revenue in the year at £11.72m (£8.86m), delivering £1.02m (£1.17m) of gross margin. The change in gross margin percentage from 13.2% in FY07 to 8.7% in FY08 was a result of Bango's decision, as reported in October 2007, to lower transaction fees for larger content provider customers.

Revenue and margin from services to Mobile Network Operators remained at low levels, and are not an important part of the business.

Sales of Bango Analytics products, launched 6 weeks from year end, did not make a significant contribution to revenue in the period under review.

Operating expenses (excluding share based payments) decreased by 20% to £4.4m (£5.5m) as a result of significant improvements in sales and marketing efficiencies.

The loss before tax was £1.83m (£1.57m before share based payments), improved by 45% compared with the loss of £3.32m (£2.92m before shared based payments) in FY07.

The cash outflow from operations was £0.87m (£2.82m) about £0.7m better than the loss before tax and share based payments, as a result of limited capital expenditure (£22k in the year) and stronger management of debtors and creditors.

Outlook and Strategy for FY2007/8

We have established an effective and scalable business in an early stage market. Growth is continuing and current performance indicators are favourable. With largely predictable and stable operational costs, our focus for the year to March 2009 is to increase the number of customers using our system with a stable cost base.

The market continues to develop broadly in the way we envisage. The predictions made in last year's annual report have almost all proved accurate, with Bango starting to see the anticipated benefits. A year ago, the mobile internet was seen by many as a novelty. Today it is seen as an important and growing driver of consumer usage of mobile devices.

Work with Google during 2007 led to new contracts with large content providers and some of these have now started to generate early revenues.

Our new Bango Analytics product, released in February 2008 is first to market and is receiving excellent reviews. While there was little contribution from this product in FYE March 2008, we do expect sales from this product in the coming year, through our existing sales and marketing organization.

Our goal is now to deliver sustained profitability and positive cash-flow. The significantly reduced cost of customer acquisition achieved this year – before the market has entered a fast growth phase – should enable us to capitalize on market growth from a position of strength.

On behalf of the Board, I would like to express my gratitude to Bango's partners and employees for their continued support. Working with mobile operators, content providers, billing companies and other commercial partners and investors, we look forward to increasing success in the year ahead.

Ray Anderson
Chief Executive Officer

BANGO PLC

Unaudited results for the 12 months ending 31 March 2008

Consolidated income statement

	Note	**2008** £	2007 £
Revenue	4	**13,758,468**	10,428,312
Cost of sales		**10,993,053**	7,962,403
Gross profit		**2,765,415**	2,465,909
Administrative expenses		**4,409,832**	5,528,659
Share based payments		**258,060**	401,640
Operating loss		**(1,902,477)**	(3,464,390)
Investment income		**67,168**	147,284
Loss before taxation		**(1,835,309)**	(3,317,106)
Income tax expense		**–**	–
Loss for the financial year		**(1,835,309)**	(3,317,106)
Basic and diluted loss per share (pence)	5	**(6.82)**	(12.40)

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

Consolidated summarised Balance Sheet
As at 31 March 2008

	2008	2007
	£	£
ASSETS		
Non-current assets		
Property, plant and equipment	**318,356**	506,450
Intangible assets	**4,350**	15,311
Non-current assets	**322,706**	521,761
Current assets		
Trade and other receivables	**2,506,700**	2,423,266
Cash and cash equivalents	**1,126,033**	1,931,094
	3,632,733	4,354,360
Total assets	**3,955,439**	4,876,121
EQUITY		
Capital and reserves		
Share capital	**5,383,282**	5,369,548
Share premium account	**5,320,067**	5,310,885
Merger reserve	**1,236,225**	1,236,225
Other reserve	**853,895**	595,835
Accumulated losses	**(11,907,579)**	(10,072,270)
Total equity	**885,890**	2,440,223
LIABILITIES		
Current liabilities		
Bank overdraft	**-**	-
Trade and other payables	**3,069,549**	2,435,898
Total liabilities	**3,069,549**	2,435,898
Total equity and liabilities	**3,955,439**	4,876,121

BANGO PLC

Unaudited results for the 12 months ending 31 March 2008

Consolidated summarised cash flow statement

		2008	2007
		£	£
Net cash used by operating activities	6	**(873,340)**	(2,821,343)
Cash flows generated from/ (used by) investing activities			
Purchase of property, plant and equipment		**(21,805)**	(352,525)
Purchase of intangible assets		**-**	(15,971)
Disposal of property, plant and equipment		**-**	2,984
Interest received		**67,168**	147,284
Net cash generated from/(used by) investing activities		**45,363**	(218,228)
Cash flows generated from financing activities			
Proceeds from other issuance of Ordinary Shares		**22,916**	118,433
Net cash generated from financing activities		**68,279**	118,433
Net decrease in cash and cash equivalents		**(805,061)**	(2,921,138)
Cash and cash equivalents at beginning of year		**1,931,094**	4,852,232
Cash and cash equivalents at end of year		**1,126,033**	1,931,094

Consolidated statement of changes in equity

Group	Share capital £	Share premium account £	Merger reserve £	Other reserve £	Accumulated losses £	Total £
At 1 April 2006	**5,306,864**	**5,255,136**	**1,236,225**	**194,195**	**(6,755,164)**	**5,237,256**
Loss for the financial year	-	-	-	-	(3,317,106)	(3,317,106)
Total income/(expense) recognised for 2005	-	-	-	-	**(3,317,106)**	**(3,317,106)**
Exercise of share options	62,684	55,749	-	-	-	118,433
Share based payment charge	-	-	-	401,640	-	401,640
	62,684	55,749	-	401,640	(3,317,106)	(2,797,033)
At 31 March 2007	5,369,548	5,310,885	1,236,225	595,835	(10,072,270)	2,440,223
Loss for the financial year	-	-	-	-	(1,835,309)	(1,835,309)
Total income/(expense) recognised for 2008	-	-	-	-	**(1,835,309)**	**(1,835,309)**
Exercise of share options	13,734	9,182	-	-	-	22,916
Share-based payment charge	-	-	-	258,060	-	258,060
	13,734	9,182	-	258,060	(1,835,309)	(1,554,333)
At 31 March 2008	5,383,282	5,320,067	1,236,225	853,895	(11,907,579)	885,890

Notes

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 the Alternative investment Market of the London Stock Exchange ("AiM"). The address of the Company's registered office is 5, Westbrook Centre, Milton Road, Cambridge CB4 1YG.

2. Basis of preparation

The Group has prepared its Annual Report in accordance with International Financial Reporting Standards ("IFRSs") as adopted in the European Union and as applied in accordance with the provisions of the Companies Act 1985.

The consolidated financial statements have been prepared under the historical cost convention.

3. Principal accounting policies

The principal accounting policies adopted in the preparation of these consolidated financial statements are set out below. These policies have been consistently applied to all the years presented, unless otherwise stated.

<u>3.1 Property, plant and equipment</u>
Property, plant and equipment is stated at historical cost less accumulated depreciation. Depreciation is provided to write off the cost of all property, plant and equipment to its residual value on a straight-line basis over its expected useful economic lives, which are as follows:

Leasehold improvements	20% straight line
Office equipment	20% straight line
Computer equipment	33.3% straight line

<u>3.2 Intangible assets</u>
Acquired intangible assets are measured initially at historical cost and are amortised on a straight-line basis over the expected useful economic lives:

Domain names	33.3% straight line

<u>3.3 Impairment of property, plant and equipment and intangible assets</u>
At each balance sheet date, the Group reviews the carrying amounts of its property, plant and equipment and intangible assets for any indication that those assets have suffered an impairment loss. If any such indication exists, the recoverable amount of the asset is estimated in order to determine the extent of the impairment loss, if any. The recoverable amount is the higher of the fair value less costs to sell and value in use.

<u>3.4 Trade receivables</u>
Trade receivables are recognised initially at fair value and are measured subsequent to initial recognition at amortised cost using the effective interest method, less provision for impairment. Any change in their value through impairment or reversal of impairment is recognised in the income statement.

Provision against trade receivables is made when there is objective evidence that the group will not be able to collect all amounts due to it in accordance with the original terms of those receivables. The amount of the write-down is determined as the difference between the asset's carrying amount and the present value of estimated future cash flows.

<u>3.5 Trade payables</u>
Trade payables are initially measured at fair value, and are subsequently measured at amortised cost, using the effective interest rate method.

<u>3.6 Revenue recognition</u>

End users make a prepayment to the Group prior to accessing chargeable mobile internet content.

Content access fees are received from end users and are recognised as revenue at the time at which end users access chargeable mobile internet content.

Where there has been no activity on an end user account for a period of 90 days, the balance remaining is released to revenue in accordance with the end user terms and conditions, because of operating policies of mobile network operators relating to number reissue.

Revenue from the sale of licences to content providers and service contracts is recognised in the financial statements over the period of the contract.

Revenue from services provided to mobile phone operators and content providers are recognised in the financial statements over the period of the contract.

3.7 Employee benefits

All accumulating employee-compensated absences that are unused at the balance sheet date are recognised as a liability.

Payments to defined contribution retirement benefit schemes are charged as an expense as they fall due.

3.8 Share-based payment transactions

The Group issues equity settled share-based compensation to certain employees (including directors). Equity settled share-based payments are measured at fair value at the date of grant. The fair value determined at the grant date of the equity-settled share-based payment is expensed on a straight-line basis over the vesting period, together with a corresponding increase in equity, based upon the Group's estimate of the shares that will eventually vest. These estimates are subsequently revised if there is any indication that the number of options expected to vest differs from previous estimates. Any cumulative adjustment prior to vesting is recognised in the current period. No adjustment is made to any expense recognised in prior periods.

Fair value is measured by an external valuer using the Black-Scholes option pricing model. The expected life used in the model has been adjusted, based on management's best estimate, for the effects of non-transferability, exercise restrictions and behavioural considerations.

Where the terms of an equity-settled transaction are modified, as a minimum an expense is recognised as if the terms had not been modified. In addition, an expense is recognised for any increase in the value of the transaction as a result of the modification, as measured by the date of modification.

Where an equity-settled transaction is cancelled, it is treated as if it had vested on the due date of the cancellation, and any expense not yet recognised for the transaction is recognised immediately. However, if a new transaction is substituted for the cancelled transaction, and designated as a replacement transaction on the date that it is granted, the cancelled and new transactions are treated as if they were a modification of the original transaction, as described in the previous paragraph.

Share-based payment transactions are shown separately in the Consolidated Income Statement.

3.9 Segment reporting

A segment is a distinguishable component of the group services or operating geography. The primary segmentation is by type of service, with a secondary segmentation by geography.

3.10 Financial instruments/ liabilities

Financial liabilities and equity instruments are classified according to the substance of the contractual arrangements entered into. An equity instrument is any contract that evidences a residual interest in the assets of the entity after deducting all of its financial liabilities.

Where the contractual obligations of financial instruments (including share capital) are equivalent to a similar debt instrument, those financial instruments are classed as financial liabilities. Financial liabilities are presented as such in the balance sheet. Finance costs and gains or losses relating to financial liabilities are included in the income statement. Finance costs are calculated so as to produce a constant rate of return on the outstanding liability.

Where the contractual terms of share capital do not have any terms meeting the definition of a financial liability then this is classed as an equity instrument. Dividends and distributions relating to equity instruments are debited direct to equity.

3.11 Share capital and reserves

Share Capital

Ordinary shares are classified as equity. Equity instruments issued by the Company are recorded at the proceeds received, net of direct issue costs.

Share premium

Share premium represents the excess over nominal value of the fair value of consideration received for equity shares, net of expenses of the share issue.

Merger reserve

The merger reserve represents the difference between the parent company's cost of investment and a subsidiary's share capital and share premium where a group reorganisation qualifies as a common control transaction.

Other reserve

The other reserve represents equity-settled share-based employee remuneration until such share options are exercised.

3.12 Internally-generated intangible assets - research and development expenditure

Expenditure on research activities is recognised as an expense in the period in which it is incurred.
An internally-generated intangible asset arising from the Group's development activities is recognised only if all of the following conditions are met:

- an asset is created that can be identified (such as software and new processes)
- it is probable that the asset created will generate future economic benefits; and
- the development cost of the asset can be measured reliably.

Internally-generated intangible assets are amortised on a straight-line basis over their useful economic lives. Where no internally-generated intangible asset can be recognised, development expenditure is recognised as an expense in the period in which it is incurred.

All research and development expenditure not required to be capitalised under IAS 38 “Intangible Assets” is charged to the Income Statement in the period in which the expenditure was incurred.

4. Segment information

(a) The Group operates in three main business segments. Management reporting is based principally on the type of service provided to customers. Accordingly, the Group presents its primary segment analysis on this basis:

Year ended 31 March 2008

	Content access fees	**Content provider fees**	**Services to MNOs and advertising revenues**	**Group**	**Total**
	£	**£**	**£**	**£**	**£**
Segment revenue	11,723,253	1,968,116	67,099	-	13,758,468
Segment costs	10,707,050	246,734	39,269	4,667,892	15,660,945
Segment result	1,016,203	1,721,382	27,830	(4,667,892)	(1,902,477)

Year ended 31 March 2007

	Content access fees	**Content provider fees**	**Services to MNOs and advertising revenues**	**Group**	**Total**
	£	**£**	**£**	**£**	**£**
Segment revenue	8,859,633	1,536,564	32,115	-	10,428,312
Segment costs	7,686,510	275,893	-	5,930,299	13,892,702
Segment result	1,173,123	1,260,671	32,115	(5,930,299)	(3,464,390)

Group costs include all costs associated with staff, property & office, marketing and depreciation.

(b) The secondary segment analysis is presented on a geographical basis:

	2008	2007
	£	£
United Kingdom	**10,680,360**	8,472,721
EU	**1,254,900**	741,241
US and Canada	**1,441,360**	934,623
Rest of the World	**381,848**	279,727
	13,758,468	10,428,312

The basic loss per share is calculated by dividing the loss attributable to equity holders of the Company by the weighted average number of ordinary shares in issue during the year.

	2008	2007
Loss for the period	**£1,835,309**	**£3,317,106**
Weighted average number of shares in issue	**26,906,358**	**26,746,721**
Basic and diluted loss per share	**6.82p**	**12.40p**

Share options outstanding at 31 March 2008 and 31 March 2007 are considered to be non-dilutive.

6. Cash used by operations

	2008 £	2007 £
Loss before taxation	**(1,835,309)**	(3,317,106)
Depreciation	**220,861**	186,847
Net finance costs	**(67,168)**	(147,284)
Share-based payment expense	**258,060**	401,640
Increase in receivables	**(83,434)**	(155,808)
Increase in payables	**633,650**	210,368
Net cash used by operations	**(873,340)**	(2,821,343)

7. Share capital

During the year, 68,670 share options were exercised at exercise prices between 29.5 pence and 50 pence for 68,670 shares with a par value of 20 pence. The total proceeds were £22,916 of which £13,734 was recognised as share capital and £9,182 as share premium.

During the year 567,249 options were granted to employees, including 91,250 to Peter Saxton, a Director.

8. Publication of non-statutory accounts

The financial information set out in this preliminary announcement does not constitute statutory accounts as defined in Section 240 of the Companies Act 1985.

The consolidated income statement, consolidated balance sheet, consolidated cash flow statement, consolidated statement of changes in equity and associated notes for the year-ended 31 March 2008 have been extracted from the group's unaudited financial statements. These financial statements have not yet been delivered to the Registrar.

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