

# Bango Prelims

## for 12 months to 31<sup>st</sup> March 2008

The Bango logo is rendered in a bold, lowercase, sans-serif font. The letters are a vibrant orange color. A registered trademark symbol (®) is positioned at the top right of the letter 'o'.

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[www.bango.com](http://www.bango.com)

June 10<sup>th</sup> 2008

# Bango: Quick & easy mobile web



Traffic, Information, Payment



Mobile web

1,000 million mobile internet users

# Self service, scalable model

www.bango.com

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### Analyze visitors and mobile campaigns

Bango Analytics gives you independent data about the performance of your ads and your visitors' demographics.

[Get Bango Analytics](#)

### Collect mobile payments worldwide

Get the highest payout rates per download or for subscriptions. Bango makes mobile billing easy for everybody.

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**Bango newsroom**

[Payfort achieving critical mass](#)

Bango pinpoints best performing mobile ad campaigns and avoids advertisers paying too much

[How mobile takes Long Tail granularity to the next step](#)

[iPhone: Independent Conference Central London, UK](#)  
Bango is speaking on "How are Website owners reacting to the iPhone"  
May 29-30, 2008

[Register your mobile site](#)

We send your site to the leading mobile search engines and to operators for white listing.

[PC to mobile sharing](#)

Allow people to enjoy PC-based content and blogs on their mobiles with the Bango Button.

[Don't have a mobile site?](#)

Get one now at no cost, and start getting a taste of everything that Bango can do for you.

Over 100,000 sites and 40,000,000 visitors use Bango

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# FY08 Financial Highlights

- Revenues 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).

# FY08 Operational Highlights

- **New products delivering increased overall gross profits and sales with reduced sales and marketing costs.**
- **9,336 Bango.com sign-ups 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 £2.46m 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.**

# Sales Productivity Gains

- Simpler products added at lower costs to speed up sales process as market accelerates

OLD Products

£975, £795

NEW Products

£249, £499, £699

- Less time spend “consulting”. Products sold “off web”
- Some “churn to lower priced products
- More customers signed up

# Revenue & margin by segment

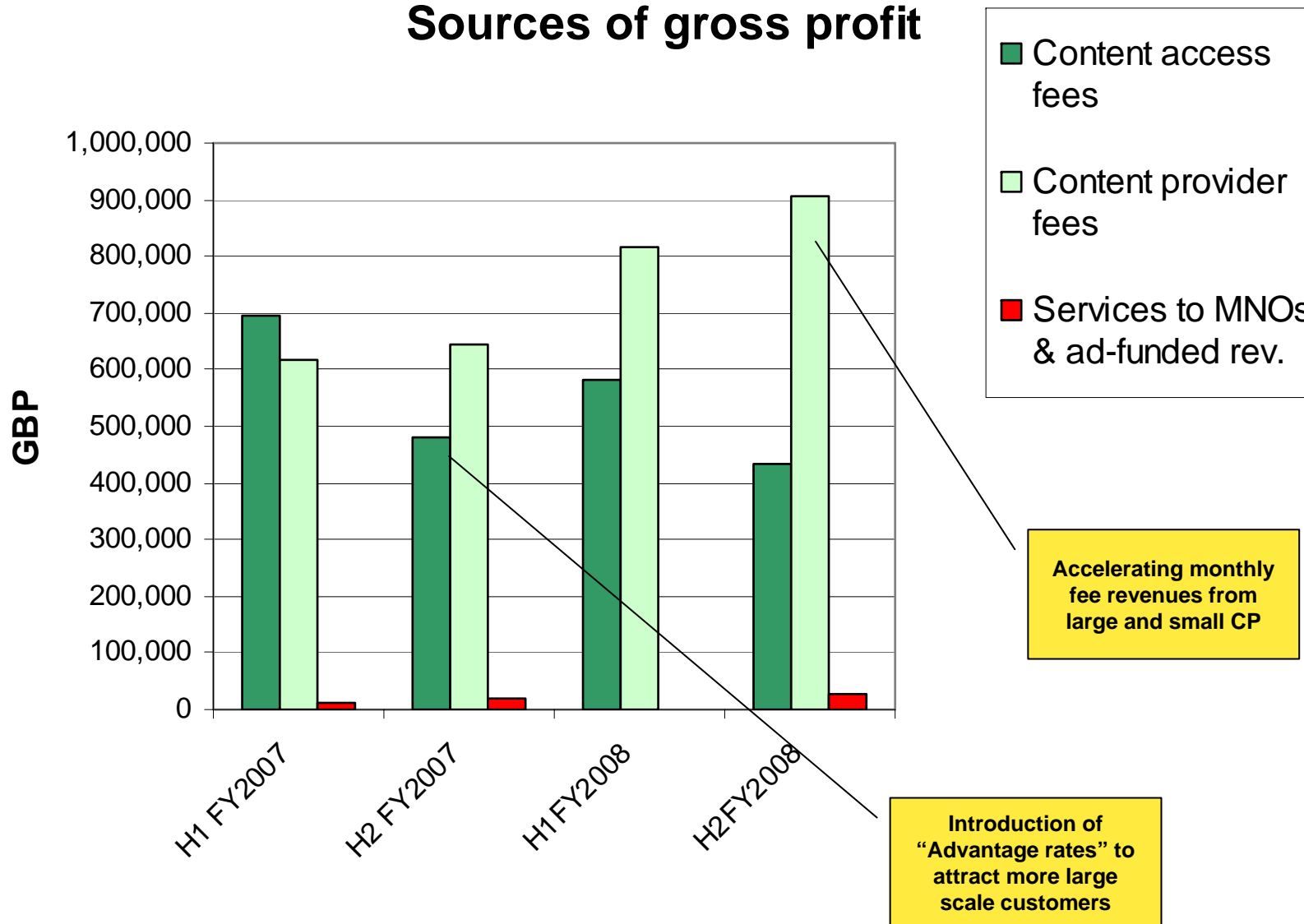
| Revenue £000's                       | 2008          | 2007          | H2 2008      | H1 2008      | H2 2007      | H1 2007      |
|--------------------------------------|---------------|---------------|--------------|--------------|--------------|--------------|
| Content access fees                  | 11,723        | 8,860         | 5,934        | 5,789        | 4,968        | 3,892        |
| <i>% increase on previous period</i> | 32%           |               | 3%           | 17%          | 28%          |              |
| Content provider fees                | 1,968         | 1,536         | 921          | 1,047        | 837          | 699          |
| <i>% increase on previous period</i> | 28%           |               | (12%)        | 25%          | 20%          |              |
| Services to MNOs                     | 67            | 32            | 67           | 0            | 20           | 12           |
|                                      | <u>13,758</u> | <u>10,428</u> | <u>6,922</u> | <u>6,836</u> | <u>5,825</u> | <u>4,603</u> |

| Gross margin £000's                       | 2008         | 2007         | H2 2008      | H1 2008      | H2 2007      | H1 2007      |
|---|--------------|--------------|--------------|--------------|--------------|--------------|
| Content access fees                       | 1,016        | 1,173        | 435          | 581          | 479          | 694          |
| Change in accounting estimate             | -            | -            | -            | -            | 115          | (115)        |
|   | <u>1,016</u> | <u>1,173</u> | <u>435</u>   | <u>581</u>   | <u>594</u>   | <u>579</u>   |
| Content provider fees                     | 1,795        | 1,435        | 921          | 874          | 758          | 677          |
| Actual and provisional bad debts          | (74)         | (174)        | (16)         | (58)         | (113)        | (61)         |
| Content provider fees (net of provisions) | <u>1,721</u> | <u>1,261</u> | <u>905</u>   | <u>816</u>   | <u>645</u>   | <u>616</u>   |
| Services to MNOs & advertising            | 28           | 32           | 28           | -            | 20           | 12           |
|   | <u>2,765</u> | <u>2,466</u> | <u>1,368</u> | <u>1,397</u> | <u>1,259</u> | <u>1,207</u> |

| Margin %                       | 2008 | 2007 | H2 2008 | H1 2008 | H2 2007 | H1 2007 |
|--------------------------------|------|------|---------|---------|---------|---------|
| Content access fees            | 8.7% | 13%  | 7.3%    | 10%     | 12%     | 15%     |
| Content provider fees          | 87%  | 82%  | 98%     | 78%     | 77%     | 88%     |
| Services to MNOs & advertising | 41%  | 100% | 42%     | -       | 100%    | 100%    |

# Gross profit mix improving

## Sources of gross profit





# Revenue by geography

| Revenue £000's | FYE March 31st 2008 |                |                           |                             |                     |
|----------------|---------------------|----------------|---------------------------|-----------------------------|---------------------|
|                | FYE<br>Mar2008      | FYE<br>Mar2007 | Content<br>access<br>fees | Content<br>provider<br>fees | Services<br>to MNOs |
| United Kingdom | 10,680<br>78%       | 8,473<br>81%   | 9,516<br>81%              | 1,097<br>56%                | 67<br>100%          |
| Rest of EU     | 1,255<br>9%         | 741<br>7%      | 879<br>8%                 | 376<br>19%                  | -                   |
| USA & Canada   | 1,441<br>10%        | 934<br>9%      | 1,060<br>9%               | 381<br>19%                  | 0                   |
| Rest of World  | 382<br>3%           | 280<br>3%      | 268<br>2%                 | 114<br>6%                   | 0                   |
|                | <b>13,758</b>       | <b>10,428</b>  | <b>11,723</b>             | <b>1,968</b>                | <b>67</b>           |

# Opex and P&L

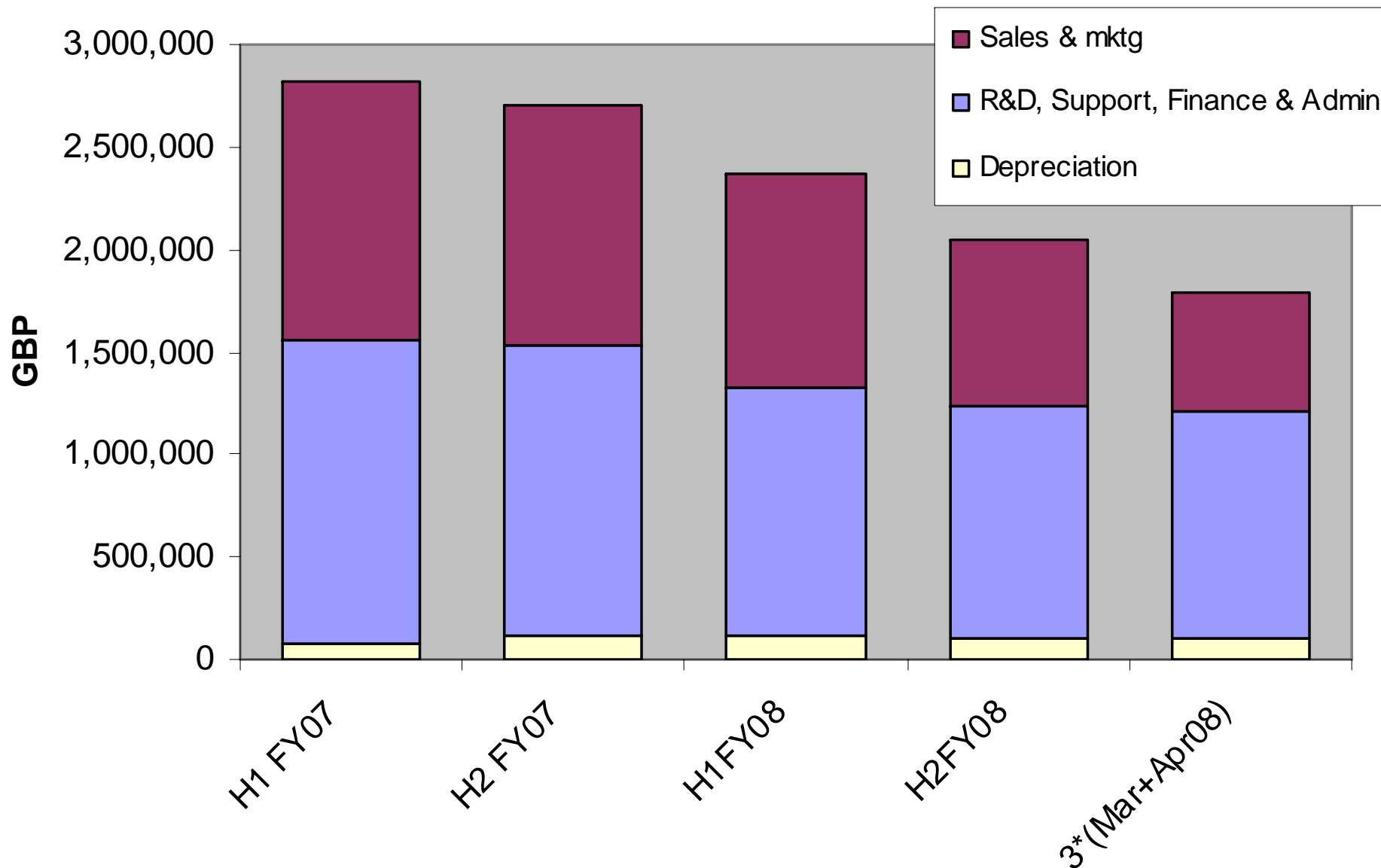
£'000's FYE 31 March

|                    | 2008         | 2007         | H2 2008      | H1 2008      | H2 2007      | H1 2007      |
|--------------------|--------------|--------------|--------------|--------------|--------------|--------------|
| Operating expenses | 4,189        | 5,341        | 1,927        | 2,262        | 2,592        | 2,749        |
| Depreciation       | 220          | 187          | 109          | 111          | 113          | 74           |
|                    | <u>4,409</u> | <u>5,528</u> | <u>2,036</u> | <u>2,373</u> | <u>2,705</u> | <u>2,823</u> |

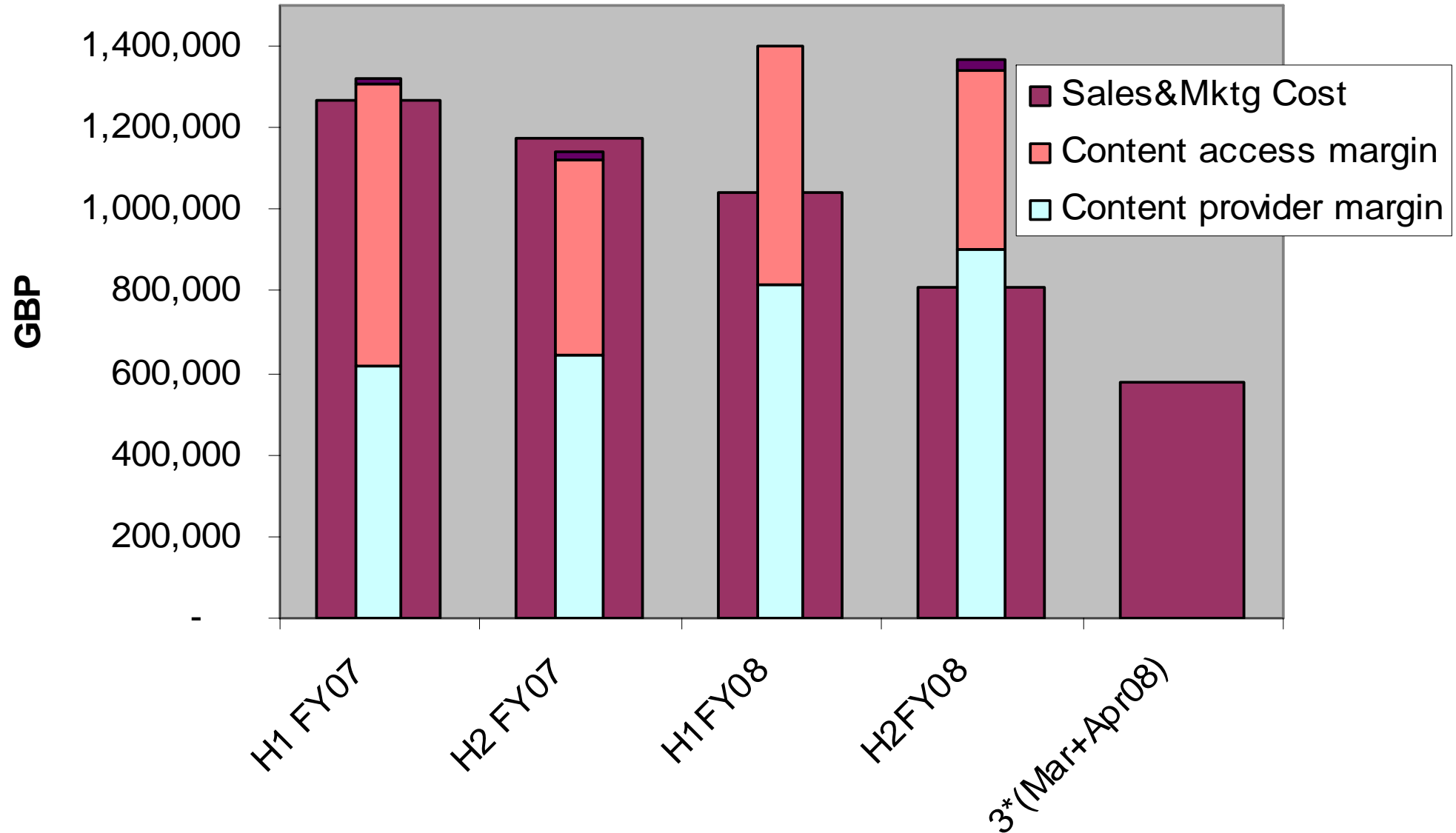
## Income statement

|   | 2008           | 2007           |
|---|----------------|----------------|
| Revenue                                       | 13,758         | 10,428         |
| Cost of sales                                 | 10,993         | 7,962          |
| Gross profit                                  | <u>2,765</u>   | <u>2,466</u>   |
| Administrative expenses                       | 4,409          | 5,528          |
| Share based payments                          | 258            | 402            |
| Operating loss                                | <u>(1,902)</u> | <u>(3,464)</u> |
| Investment income                             | 67             | 147            |
| Loss before taxation                          | <u>(1,835)</u> | <u>(3,317)</u> |
| Income tax expense                            | 0              | 0              |
| Attributable to equity holders of the Company | <u>(1,835)</u> | <u>(3,317)</u> |

# Managing Opex downwards

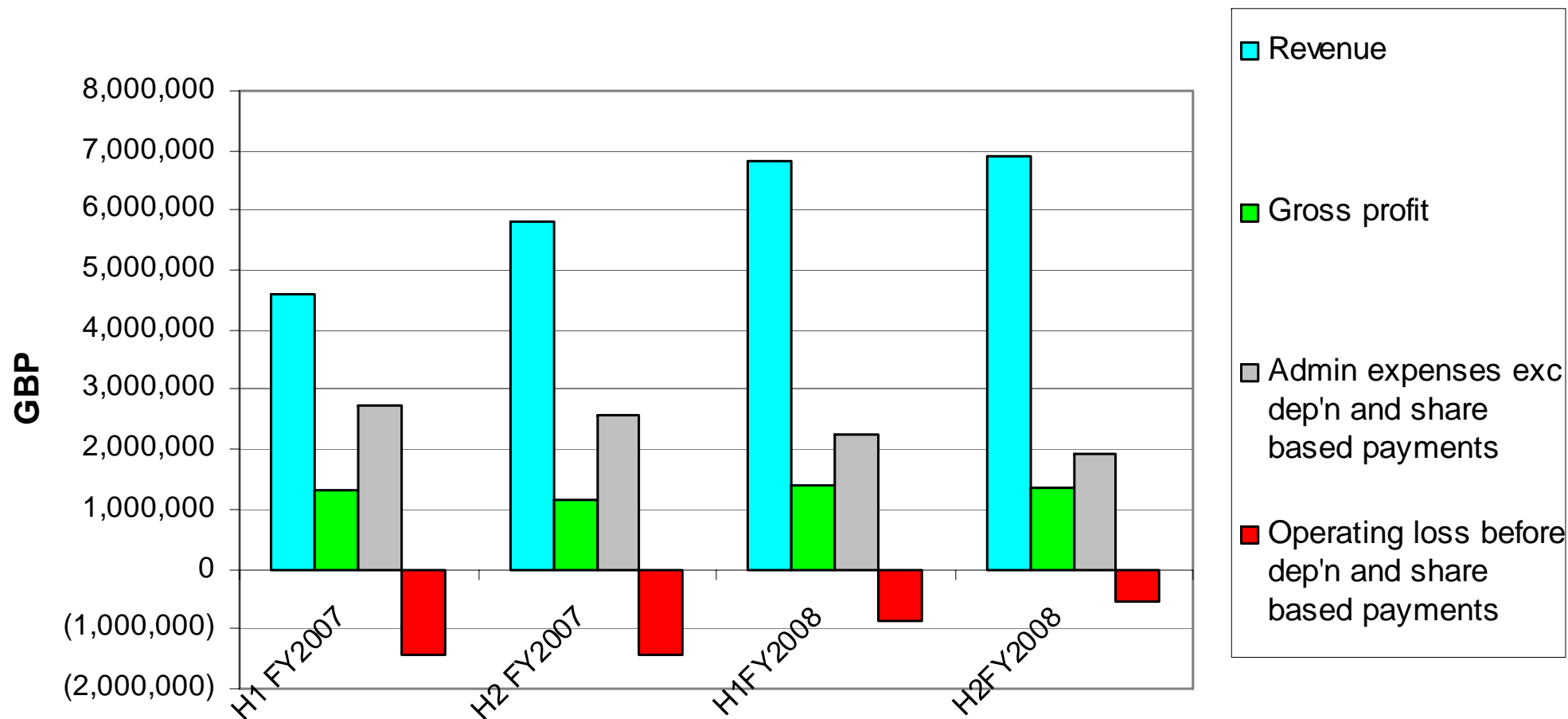


# Sales Productivity



# Financial progress summary

## Revenue, margin, costs & operating loss



# Cashflow & balance sheet

FYE March 31<sup>st</sup> £000's

Net cash flow from operating activities

Cash flows from investing activities

Cash flows from financing activities

Net (decrease)/increase in cash

FYE March 31<sup>st</sup> £000's

Non-current assets

Trade and other receivables

Cash and cash equivalents

Total assets

Equity and reserves

Accumulated losses

Total liabilities

|  | <b>2008</b> | <b>2007</b> |
|--|-------------|-------------|
|  | (873)       | (2,821)     |
|  | 45          | (218)       |
|  | (828)       | (3,039)     |
|  | 23          | 118         |
|  | (805)       | (2,921)     |

|  | <b>2008</b> | <b>2007</b> |
|--|-------------|-------------|
|  | 323         | 522         |
|  | 2,506       | 2,423       |
|  | 1,126       | 1,931       |
|  | 3,955       | 4,876       |
|  | 12,793      | 12,512      |
|  | (11,907)    | (10,072)    |
|  | 886         | 2,440       |
|  | 3,069       | 2,436       |
|  | 3,955       | 4,876       |

# New: Bango Analytics

- Big on-line advertisers developing mobile web presence



- Yahoo, Google, Microsoft invest heavily in mobile ad solutions
- Apple and Nokia stimulate consumer awareness in mobile web
- Gartner (IT): predicts \$11 billion in global revenue from mobile ads by 2011 – up from \$1 billion in 2007

- Significant digital advertising investment requires effective measurement.
- Mobile is broad reaching so focus of investment is vital.
- PC analytics don't work on mobile:
  - java-script and cookies can't be used
  - referrer information unavailable
  - millions of users share an IP address
  - thousands of devices
  - operator mapping is important

"Our tests have shown that Google Analytics on mobile is flawed and gives advertisers inaccurate results for any Mobile AdWords campaigns"

AccuraCast.com

# Bango Analytics is a unique solution

- Built on Bango's 5 years experience in tracking for mobile payments, traffic and identity.
- Essential mobile information
  - New customer or repeat visitor?
  - Same person visiting 3 times or 3 different people?
  - Operator, country, phone type, language, etc.
- Bango Analytics shows
  - How many people visit my site from their mobile?
  - Which search term gives the best results?
  - Which content was the most popular?
  - How many unique people have I seen?
  - What were the peak times for visitors?
  - What is the total return across all my campaigns?
- Essential, impartial view with comprehensive data on every user

**Analytics Center**  
December 30 2007 - January 29 2008

|             |          |         |          |
|-------------|----------|---------|----------|
| Page visits | Payments | Refunds | Earnings |
| 1565249     | 0        | £0.00   | £0.00    |

Data cached for 1 minutes

**Content breakdown**

| Content title              | Bango Number | Payment model | Visits | Payments | Refunds | Earnings |
|----------------------------|--------------|---------------|--------|----------|---------|----------|
| 1 Google campaign (Ford)   | 111333791057 | Free          | 209867 | 0        | \$0.00  | \$0.00   |
| 2 Yahoo campaign (Ford)    | 111333791059 | Free          | 179654 | 0        | \$0.00  | \$0.00   |
| 3 Admob campaign (Ford)    | 111333791058 | Free          | 167200 | 0        | \$0.00  | \$0.00   |
| 4 Yahoo campaign (Toyota)  | 111333791056 | Free          | 146380 | 0        | \$0.00  | \$0.00   |
| 5 Google campaign (Toyota) | 111333791055 | Free          | 131403 | 0        | \$0.00  | \$0.00   |

View full visits report | View full payment report

| Top Countries |        |               | Top Operators |        |                       | Top Devices |        |              |
|---------------|--------|---------------|---------------|--------|-----------------------|-------------|--------|--------------|
| 1             | 301775 | United States | 1             | 300622 | Sprint PCS USA        | 1           | 100600 | Samsung A707 |
| 2             | 209527 | India         | 2             | 165114 | Bharti Cellular India | 2           | 69530  | Nokia 6030   |
| 3             | 205896 | Indonesia     | 3             | 114710 | Safaricom Kenya       | 3           | 48764  | Nokia 6020   |

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# Business Model

- Bango Analytics is a hosted service
  - Easy to integrate in moments – no complex code to install
  - Fast, reliable, scalable
  - Free to try - simple online signup
- Pricing based on usage model (tracked visits)
  - **Starter:** 100K Free, \$1/K after
    - Analyze *Thousands* of page visits per month
  - **Medium:** 500K \$49 / month , \$0.50/K after
    - *Hundreds of thousands* of page visits per month
  - **Large:** 5,000K \$499 / month, \$0.10K / after
    - *Millions* of page visits per month

**Around 2-5%  
of marketing  
spend to  
accurately  
measure  
returns**

# Market conditions improving

## Slowing Factors

- Slow pace of MNOs making changes
- Scams & Schemes damage confidence
- Bill-shock
- SMS Aggregators resist move to web

## General Trends

- Move to “open” continues
- Move to “off-portal” continues

## Improving technology

- Connections getting faster
- Data costs coming down
- Music and video handsets
- Apple iPhone and new iPhone

## Internet companies driving “open”

- Google, Yahoo, Apple
- Mobile search & advertising

# Summary

- Market opportunity remains large
- Product and technology unique, proven, desirable and scalable
- Increasing pace of customer sign ups
- Reducing customer acquisition costs
- Strong technology & market position gives management confidence of significant value as mobile web takes off