

18 May 2006



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

Preliminary Results for year ending 31 March 2006

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 Internet.

Financial Highlights (Comparative data for FYE 31 March '05)

- Revenues grew 121% to £7.53m (£3.41m).
- Gross profit grew 125% to £2.19m (£0.97m).
- Operating expenses increased by 92% to £3.72m (£1.93m) due to expansion into new territories, product development and increased marketing spend.
- Pre-tax losses of £1.3m (£0.9m) down to 17.7% of revenue (26.9%).
- UK operation profitable and cash generative.
- Successful IPO in June 2005 raising £6.21m (net of expenses) to support growth plans.

Operational Highlights

- Content access (end user) fees more than doubled to £6.47m (£2.90m)
- Content provider (package) fees more than trebled to £1.00m (£0.31m)
- Customer base grown significantly to include: Channel 4, Sony BMG, The Sun and EMI.
- Number of content providers spending over £5,000/yr increased by 250% since March 05.
- Expansion successfully begun into US, Spain and Germany.
- Number of partners increased from 3 to 14 leading to increased sales productivity.
- Agreements signed with four mobile network operators: Orange, O2, Proximus and Cingular Wireless. Additional agreement with Telefónica signed post year end.

Ray Anderson, Chief Executive Officer of Bango, commented: "Last year was an excellent year in the development of Bango. We have established a strong and scalable business with a unique industry position. Our growth is accelerating and the market, although at an early stage, continues to develop in our favour.

"In the UK we continue to see strong growth in both content provider sign ups and end user spend. In other territories, including the US, we are also seeing strong growth in content provider sign ups. However, we have experienced longer than expected lead times between a new content provider signing up and its marketing activity that drives end user spend. Accordingly we are lowering our expectations of the growth in end user spend outside the UK for the current financial year.

"We are in a strong financial position to capitalize on our growth opportunities and, working with mobile operators, content providers and brands, other commercial partners and investors, we look forward to continuing success in the coming years."

Contact Details:

Bango plc

Tel. +44 1223 472777
Ray Anderson, CEO
Peter Saxton, CFO

ICIS Limited – Financial PR

Tel. +44 20 7651 8688
Tom Moriarty
Caroline Evans-Jones

Panmure Gordon & Co

Tel. +44 20 7459 3600
Aubrey Powell
Stuart Gledhill

About Bango

Bango (AIM: BGO) 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 portal. Leading mobile operators including Cingular Wireless, 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 around the world greater access to third-party content. Leading content brands are now using Bango’s services to engage with their existing and potential mobile customers directly – irrespective of mobile operator. For further information, go to www.bango.com.

Chairman's Statement

The board is delighted to report excellent progress in all areas of the business resulting in significant growth, increasing numbers of Bango customers supplying increasing amounts of content to end users and expansion into new territories.

When Bango came to market in June 2005, three months into the financial year of this report, we had set ourselves ambitious goals: to further invest in our unique Bango products and technology, and to establish a local presence in three new key markets: the USA, Spain and Germany. We now have offices and sales teams established in all three territories, alongside our successful UK presence, and we have started to see significant customer wins in these territories as a result.

Compared to the previous financial year, we are pleased to report revenue growth of 121% to £7.53 million and gross margin growth of 125% to £2.19 million, driven largely by our established UK business. Additional content provider sign-ups in other territories are accelerating fast and this bodes well for the coming year and beyond.

Bango also derives revenue from end user spend on content. Having witnessed significant growth in content provider sign-ups over the last year, we now have a reasonable operating history from which to observe the relationship between a content provider signing up and then starting to promote their content. The lead time can be up to six months in some cases. We believe that greater support and assistance to content providers from our expanding partner network and developments in mobile search and advertising should result in a reduction of this lead time in the latter half of this year.

The US market is showing tremendous potential, with our US team having signed up 22 content providers by year end, and having generated a growing pipeline of prospects. US customers see Bango not only as a route to US based customers, but as a quick and easy route to consumers world-wide through the global reach of Bango's technology and services. However, the board believes that initial US growth in end user spending on content will be slower than that experienced in European markets. The US mobile operators currently have extensive restrictions on the types of content that they can bill for, pending the introduction of both detailed content guidelines and processes to ensure adequate age verification of end users. Bango is well placed to assist content providers in operating within these constraints. This view is endorsed by the increasing number of US customers investing in Bango products in preparation for marketing content to mobile end users, and to gain additional revenues outside the USA.

In the year under review end user spending was below that anticipated earlier in the year, which was counter-balanced by increased spending on access fees to use the Bango Service. As restraints on content types are relaxed in the USA and our partner network builds out, we believe end user spending will accelerate, bringing that market back in line with more developed markets we operate in, in line with our original plans.

We are very positive about our ability to exploit our market leading position. The product line is stronger than ever and we have several innovations coming to market that the board believes will add competitive strength, accelerate growth and reduce sales costs. Our direct sales team started the new financial year three times larger than at the end of March 2005 and we have increased the number of partners reselling the Bango Service internationally from 3 to 14 at the year end.

A business with strong and widely applicable technology that gains an early leadership position gains significant benefits for adopters of its products due to the "eco-system" that forms round the business. The Bango team has a track record of creating such powerful eco-systems that deliver long term value to shareholders as well as customers. I am therefore pleased that Bango is gaining an increasing number of partners among not only mobile internet businesses and mobile operators, but increasingly among the leading internet media companies who in our experience are starting to recognise the mobile internet opportunity and develop strategies for addressing it.

Bango is a uniquely well positioned business and there is a great deal of opportunity ahead in this very exciting market. We look forward to providing a further progress update at the half year.

Lindsay Bury
Chairman

CEO's Statement

The past financial year was a good one for Bango. The market opportunity continued to expand and our year-on-year sales growth increased from 65% to 121%. Our gross margin increased by 125% demonstrating the leverage of our business model and reflecting strong levels of content provider sign ups to pay package fees to access the Bango system. We won many new global brands as customers and strengthened our team, product line and partner network, and created a new high end package for larger content providers. We therefore enter the new financial year with confidence and enthusiasm.

Successful float on AIM

Early in 2005, the board decided to capitalize on Bango's strong technology and market position by raising funds to enable the business to accelerate its growth in the UK and selected overseas territories, to expand our customer support team and further develop our technology. We are pleased to have completed a successful IPO on AIM in June 2005, which raised net proceeds of £6.21 million for the Company. In addition it has raised the Company's profile, increased our ability to do business with larger customers and is helping us attract and motivate key staff.

Strengthening the Business

We exploit Bango's unique position in the market by staying relentlessly focussed in the mainstream of market growth, evolving our products, developing our strong team, efficiently leveraging our technology through partnership, and by ensuring that our proposition is clearly marketed, easy to buy and simple to use.

Product development

During the year our development team continued to add significant new features and functions to the Bango platform to enable content providers to offer a better user experience and to reduce the costs of doing business in the mobile internet. We also added features to the platform that increased the number of visitors to content providers' sites by providing better integration with mobile search companies such as Overture (part of Yahoo) and Motionbridge (part of Microsoft). We believe that promotion of content through mobile search engines will become an important driver of end user activity in the coming years, and it is an area where we see good opportunities to leverage our industry position.

The Bango platform handles a high volume of transactions with very high reliability. For example, in March 2006 the system processed in excess of 40 million mobile transactions across 22,000 different WAP gateways. We saw 361,218 first-time users and 1,266 different mobile phone types. With these volumes constantly increasing, scalability is key and our development team has made good progress increasing the capacity of the Bango system to stay ahead of demand, while ensuring we maintain the reliability of our systems which perform a vital role for our customers.

Expanding our partner relationships

We partnered with many new companies to increase our efficiency in collecting money from users for our content providers. PayPal chose to partner with Bango to expand its reach into mobile content. Cingular Wireless, the largest mobile operator in the USA selected Bango as its first move in opening up its billing system to enable payment for content through the internet.

If a content provider wants to create a mobile internet site, they can develop it themselves or use a specialist mobile company to do it for them. Many specialist companies have joined the Bango Accredited Partner (BAP) programme to enable them to re-sell or integrate the Bango Service. These companies give our platform great credibility and also market to content providers outside the countries where we are directly present. At the end of the year there were 14 partners including Blue Star Mobile, Volantis, Graphico, Entriq, July Systems and Crisp Wireless.

During the year we announced unique relationships with Orange, O2, Proximus and Cingular. The benefits to an MNO of opening up the mobile internet (enabling their end users to access off-portal

content) can be gained safely and cost effectively through partnering with Bango. We expect many further relationships in the coming years.

Expanding customer base

Bango customers range from global brands such as Manchester United Football Club, Sony BMG and News International through smaller brands such as Codemasters, The National Portrait Gallery and Funkimobiles to individuals running small businesses. They cover a wide range of sectors, including music, sports, print media, broadcasting, games and phone personalisation. During the year we have significantly grown our customer base which currently includes Channel 4, Sony BMG, Hearst Publications, Discovery Mobile, The Sun, Manchester United Football Club, Codemasters, EMI, Ministry of Sound and WWE.

Sales and marketing

During the year we started investing in establishing regional sales teams, modelled after our successful UK operations. We established these teams in the USA, Germany and Spain. They are the countries where the mobile operators were starting to follow the UK model of encouraging content providers to promote mobile content.

We believe that the US mobile content market is about 18 months behind the UK market but growing fast. Many US companies have generated additional revenues using Bango to export their services to countries outside the USA where the market for mobile internet content is currently more mature.

Financial Performance

Revenues increased 121% to £7.53million as more content providers signed up for Bango products and successfully sold mobile internet content via the Bango platform. Gross Profit increased 125% to £2.19million (29.1% of revenue)(FYE Mar 2005: £0.97m, 28.4 %). The improving margins were driven by increasing sign-ups to higher margin package fees together with modest price increases in package fees during the year.

Operating expenses increased in line with expectations by 92% to £3.72million, reflecting our establishment of sales and support operations in New York, California, Germany and Madrid, increased spending on product development and increased marketing activity. The loss for the overall business was increased by £0.4 million to £1.33 million, as anticipated. The UK operation was significantly profitable and cash generative over the year, illustrating the model we expect to become the norm in each country where we have a direct presence. The cash outflow from operations was broadly in line with the trading results for the period, reflecting the small change in working capital requirements despite the substantial increase in turnover.

Following the AIM float in June 2005 through which we raised £6.21M net of expenses, Bango has started to use these funds to accelerate the commercial opportunities available, particularly in USA and Europe.

	Year ended 31 March 2006	Change on previous year	Year ended 31 March 2005
	£M	%	£M
Turnover	7.53	Up 121%	3.41
Gross profit	2.19	Up 125%	0.97
Margin %	29.1%	-	28.4%
Operating loss	1.53	Up 64%	0.93
Loss before tax	1.33	Up 44%	0.92
Cash outflow from operations	1.65	Up 184%	0.58
Cash position	4.86	-	0.32
Basic and fully diluted loss per share	5.34 pence	Up 22%	4.38 pence

Key metrics

The appetite of content providers to use our services is evident from the growth in sales of standard Bango products and these sales are relatively predictable. These are recurring monthly charges with a negligible attrition rate, so a base of predictable high margin sales underpins our business model. We have a wide range of content providers in a range of market sectors, which provides us with some very encouraging data on our development:

- The number of content providers spending £5,000 per year or more on service fees has increased by 250% from 42 in March 2005 to 156 in March 2006.
- The monthly service fees have increased by over 400% from March 2005 to March 2006.

Strategy for growth for FY 2007

In FY 2007 we will continue our marketing and promotional activities to communicate the benefits of the Bango Service to content providers. We will also focus on giving maximum support to our Bango Accredited Partners to enable them to use the Bango platform to attract and assist customers who want to market direct to consumer across any mobile operator network. We will also be working hard to increase the number of users who visit the sites on our platform by partnering with search companies and by encouraging community activity between end users and the use of the mobile internet in general.

Outlook

We are encouraged by the rate of content provider sign ups in all territories. Content providers outside of the UK are taking longer than originally expected to develop marketing activities that drive end user spend. Accordingly we are lowering our expectations of the growth in end user spend outside the UK for the current financial year.

We have established a strong and scalable business. Our growth is accelerating and the performance indicators are good. We are in a strong financial position to capitalize on our opportunities.

On behalf of the Board, I would like to express my gratitude to Bango's customers, partners and employees for their continued support. I would also like to thank our advisers and shareholders who enabled us to raise funds on the AIM market to provide both investment and credibility to underpin our ambitious growth plans. Working with mobile operators, content providers and partners, other commercial partners and investors, we look forward to continuing success in the coming years.

Ray Anderson
Chief Executive Officer

BANGO PLC

Audited results for the 12 months ending 31 March 2006

Consolidated summarised Profit and Loss Account

	Note	2006 £	2005 £
Group turnover	2	7,532,877	3,414,506
Cost of sales		5,341,577	2,439,628
Gross profit		<u>2,191,300</u>	974,878
Other operating charges		3,719,266	1,933,647
Other operating income		–	(25,532)
Operating loss		(1,527,966)	(933,237)
Interest receivable – bank interest		195,069	15,315
Loss on ordinary activities before taxation		(1,332,897)	(917,922)
Tax on loss on ordinary activities		–	–
Loss for the financial year		(1,332,897)	(917,922)
Basic and diluted loss per share (pence)	3	(5.34)	(4.38)

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

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

BANGO PLC

Audited results for the 12 months ending 31 March 2006

Consolidated summarised Balance Sheet

	2006 £	2005 £
Fixed assets		
Tangible assets	343,096	88,533
Current assets		
Debtors	2,267,458	1,048,050
Cash at bank	4,863,004	320,220
Creditors: amounts falling due within one year	7,130,462	1,368,270
Net current assets	2,186,123	1,211,571
Total assets less current liabilities	4,944,339	156,699
Capital and reserves	5,287,435	245,232
Called-up equity share capital	5,306,864	4,186,900
Share premium account	5,255,136	-
Merger reserve	1,236,225	1,236,225
Profit and loss account	(6,510,790)	(5,177,893)
Shareholders' funds	4 5,287,435	245,232

BANGO PLC

Audited results for the 12 months ending 31 March 2006

Consolidated summarised cash flow statement

	2006 £	2005 £
Net cash outflow from operating activities	5 (1,652,206)	(583,065)
Returns on investments and servicing of finance		
Interest received	195,069	15,315
Net cash inflow from returns on investments and servicing of finance	<hr/> 195,069	15,315
Taxation	—	—
Capital expenditure		
Payments to acquire tangible fixed assets	(333,679)	(62,297)
Net cash outflow from capital expenditure	<hr/> (333,679)	(62,297)
Cash outflow before financing	<hr/> <hr/> (1,790,816)	(630,047)
Financing		
Issue of equity share capital	1,119,963	947
Share premium on issue of equity share capital	5,999,758	810,173
Share issue expense	(786,121)	(5,507)
Net cash inflow from financing	<hr/> <hr/> 6,333,600	805,613
Increase in cash	<hr/> <hr/> <hr/> 4,542,784	175,566

BANGO PLC

Audited results for the 12 months ending 31 March 2006

Notes

1. Accounting policies and basis of preparation

The summary information presented herein was approved by the Board on 17 May 2006.

Bango plc was incorporated on 8 March 2005 and, on 9 June 2005, acquired the entire issued share capital of Bango.net Limited by way of a share for share exchange. On 30 June 2005 the company raised £6.21M via the issue of shares, net of expenses, and was admitted to trading on AIM.

The acquisition of Bango.net Limited qualifies as a group reconstruction within the meaning of FRS 6, and has been accounted for using the merger accounting method. Accordingly the financial information for the current period and comparatives have been presented as if Bango.net Limited had been owned by Bango Plc throughout the current and prior periods.

2. Turnover

Turnover is split between the following activities:

	2006 £	2005 £
Content access fees	6,470,383	2,902,059
Content provider fees	1,002,619	311,797
Services to Mobile Network Operators	59,875	200,650
	<hr/> 7,532,877	<hr/> 3,414,506

A geographical split of the turnover is given below:

	2006 £	2005 £
United Kingdom	6,833,613	3,218,675
EU	254,363	51,590
US and Canada	344,180	104,676
Rest of the World	100,721	39,565
	<hr/> 7,532,877	<hr/> 3,414,506

3. Loss per share

	2006	2005
Loss for the period	£1,332,897	£917,922
Weighted average number of shares in issue	24,983,944	20,918,940
Basic and diluted loss per share	5.34p	4.38p

Share options outstanding at 31 March 2006 are considered to be non-dilutive.

The weighted average number of shares for 2006 and 2005 have been recalculated based on the share split on 9 June 2005 when each share in the group was subdivided by 20.

4. Reconciliation of movements in shareholders' funds

	Share capital	Share premium	Merger reserve	Profit and loss account	Total share-holders' funds
	£	£	£	£	£
At 1 April 2004	9,520	4,472,092		(4,259,971)	221,641
Proceeds from issue of Shares	947	946,073			947,020
Share issue costs		(5,507)			(5,507)
Share for share exchange	4,186,900				4,186,900
Share issue costs					
Retained loss for the year				(917,922)	(917,922)
Merger adjustment	(10,467)	(5,412,658)	1,236,225		(4,186,900)
At 1 April 2005	4,186,900	-	1,236,225	(5,177,893)	245,232
Proceeds from issue of Shares	1,044,776	5,955,224			7,000,000
Share issue costs		(786,121)			(786,121)
Exercise of share options	75,188	86,033			161,221
Retained loss for the year				(1,332,897)	(1,332,897)
At 31 March 2006	5,306,864	5,255,136	1,236,225	(6,510,790)	5,287,435

5. Notes to the statement of cash flows

Reconciliation of operating loss to net cash outflow from operating activities

	2006 £	2005 £
Operating loss	(1,527,966)	(933,237)
Shares issued in lieu of services	41,500	-
Depreciation	76,427	42,874
Decrease/(increase) in debtors	(1,219,408)	(188,341)
(Decrease)/increase in creditors	974,552	495,639
Disposal of fixed assets	2,689	
Net cash outflow from operating activities	(1,652,206)	(583,065)

6. Publication of non-statutory accounts

The consolidated profit and loss account, consolidated balance sheet and consolidated cash flow statement and associated notes for the year-ended 31 March 2006 have been extracted from the group's audited financial statements. These financial statements have not yet been delivered to the Registrar. The comparatives have been extracted from the statutory financial instruments of Bango.net Limited, which have been filed with the Registrar of Companies.