

Bango Interim Results

for 6 months to 30th September 2011

29th November 2011

www.bangoinvestor.com

- Introduction**
- Highlights**
- Opportunity**
- Progress**
- Financials**
- Outlook**

- Supplementary**

- Founded in 1999 to enable effective collection of payments from mobile device users
- Leading global brands choose Bango for mobile **payments** and **analytics**
- Bango technology, relationships and user data enable a superior user experience, higher sales and accurate analysis
- On London Stock Exchange since 2005 (AIM: BGO.L)
- Offices in Cambridge, UK and New York, USA

Bango customers include:



80+ Operator relationships include:



Award winning technology:



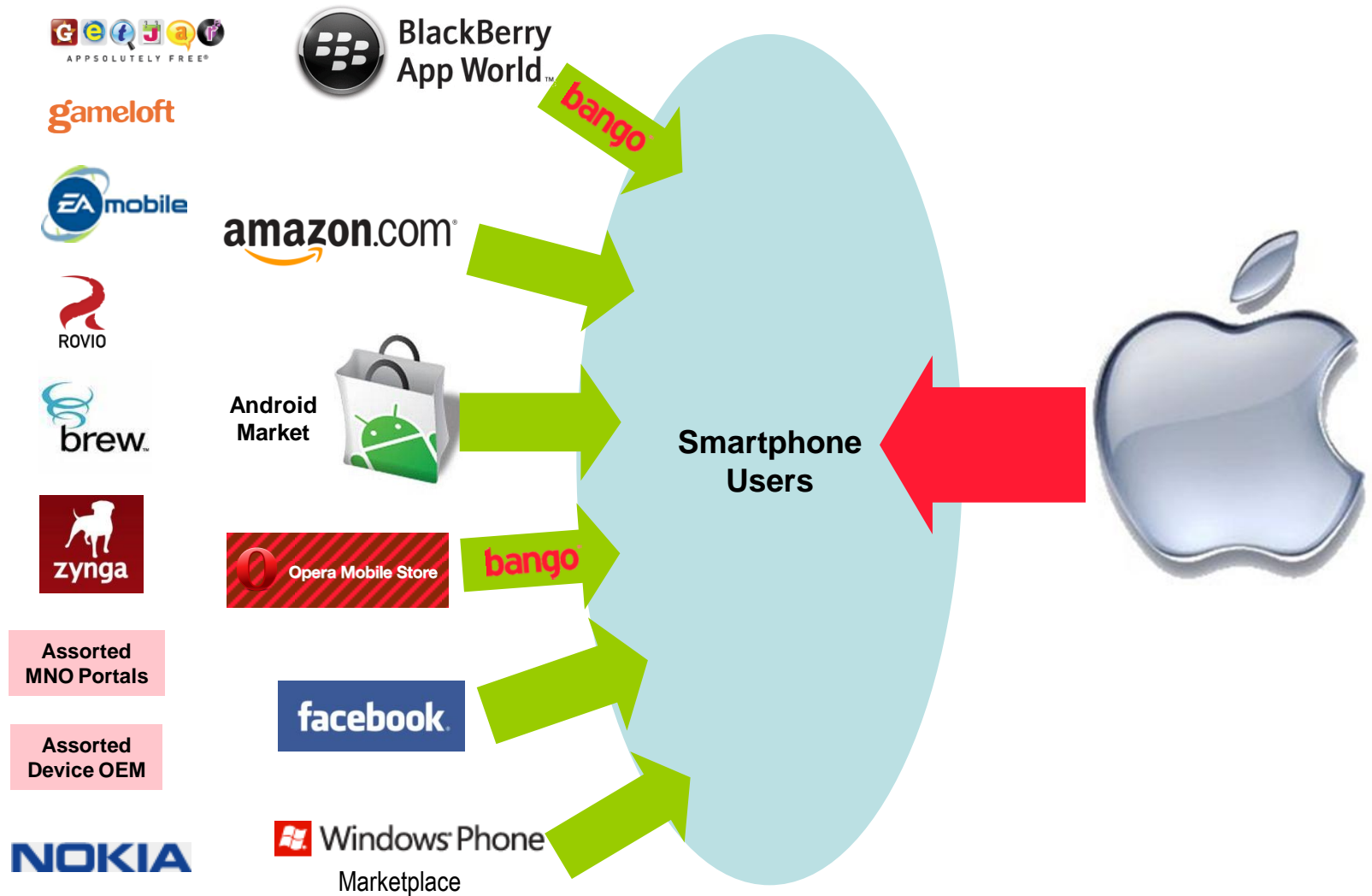
- Growing demand for smartphones and associated apps and content
- Bango unique IP and partnerships driving uptake by major App Stores
- Growth in smartphone app business offsetting decline in featurephone business
- Strengthening financial position a solid base for expansion

- Good commercial progress in implementing smartphone strategy:
 - 17 mobile operators integrated to Blackberry App Store at the period end (1) rising to more than 20 at 29 November 2011
 - Integration process underway with over 40 more mobile operators
 - Second App Store relationship announced with Opera – progressing to plan
 - Third major App Store expected to be signed before end of 2011
- Continued product development to broaden transaction types:
 - Optimization for the Android platform
 - Development of a Cloud based offering
 - HTML5 based products
- Three-fold increase in synergistic Analytics transaction volumes driven by activity from Turner, Telefonica, Yahoo!, Thomson Reuters and others

- Total revenue £8.66m (£10.61m)
- High margin Content Provider revenue increased 13% to £0.92m (£0.81m)
- Low margin End User revenue decreased 21% to £7.75m (£9.80m) but increased 1.1% compared to H2 FY2011 (£7.66m)
- Adjusted EBITDA* deficit reduced 95% to £0.01m (£0.26m)
- Cash on 30 September 2011 of £2.81m up from £2.71m on 31 March 2011 and up from £1.16m at 30 September 2010 with no borrowings during the half year

* Adjusted EBITDA is operating profit / loss before depreciation, amortisation and share based payments

App sales becoming strategic

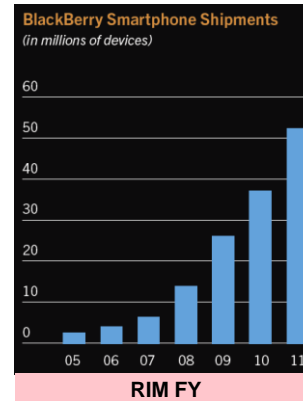


- Technology to enable Mobile Operator billing
(enables greater reach than credit cards)
- Automated “back-office” processes
(collects money from billers with conversion and tax processing)
- Clearing & settlement to developers world-wide
(transmits money to content providers with conversion and tax processing)
- Rich Interfaces (API’s) and Analytics for Developers
- Extensive analytics and anti-fraud tools
for the App Store operator

- In house development:
 - slow to deliver (unable to leverage existing connections)
 - expensive and risky
 - no cross supplier synergies
 - no access to special relationships
- PC / PSMS Approaches
 - poor user experience
 - legacy PSMS problems
 - do not exploit unique mobile device capabilities
- An evolving landscape
 - Mobile operator billing now widely accepted as important
 - Android open platform gaining momentum
 - Apps expanding to other content and services

A Smartphone Leader:

- >161 mobile operator partners*
- >104m installed base*
- Rolling out App Store for its users
- 5m free or paid app downloads per day



Chose Bango for operator billing:

- Bango is the “Merchant of Record” for all mobile operator transactions for BlackBerry App World, including app purchases, in-app billing and subscriptions

Broad Global Roll-out:

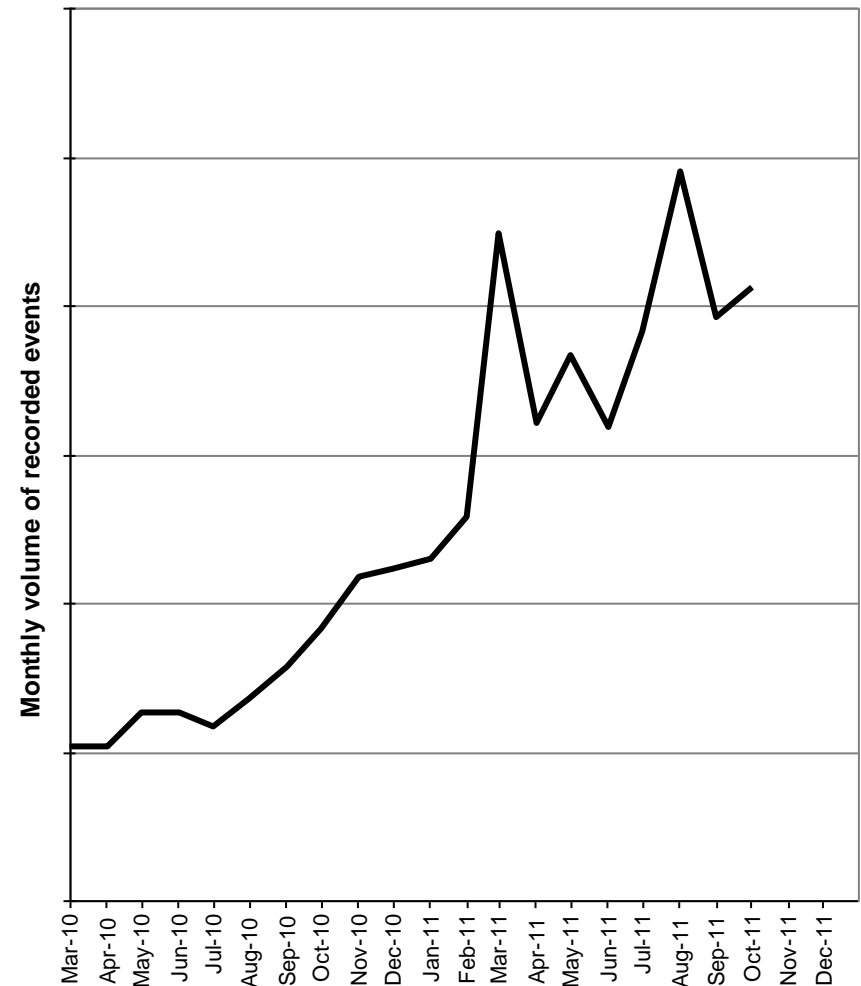
- Close relationship with mobile operators
- AT&T activated August 2010
- 17 operators were connected by 30th September 2011
- More than 40 further MNO being integrated
- Dozens in the pipeline



BlackBerry
App World™

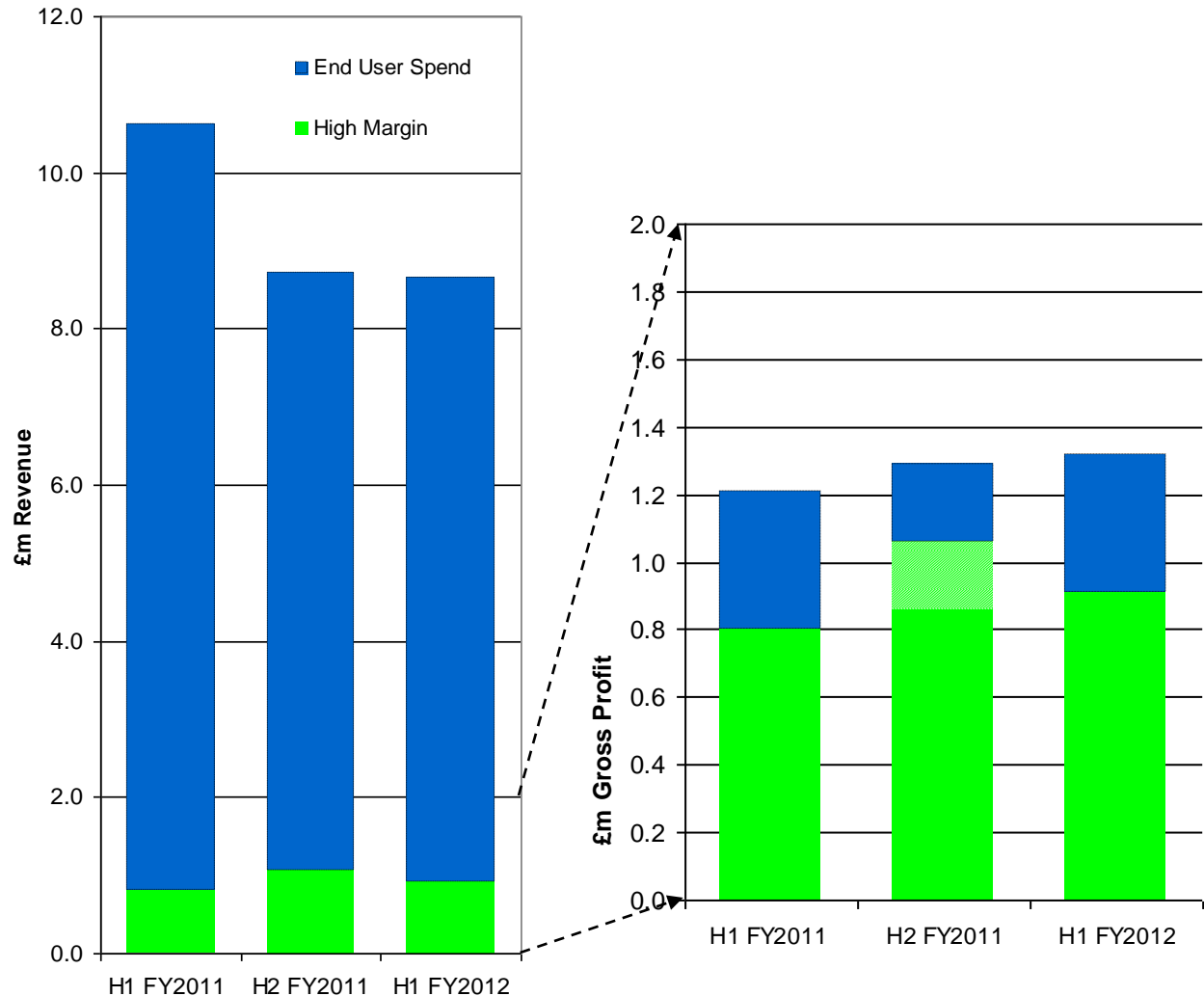
- Mobile Operator Connections
 - ability to pay on phone bill increases sales
 - mobile operators more supportive of “on bill” app stores
- App Store Activity drives spending
 - The number of smartphones supporting that App Store
 - The visibility of the App Store on devices
 - Marketing programs to promote the App Store
 - The quality and popularity of apps
 - The end user buying and downloading experience
 - In-application upselling
 - Promotions to users after sale to drive upgrades
 - Marketing programs by app developers themselves
- More major App Stores
 - Opera Mobile Store signed in half – sales started towards end of period
 - Expecting to announce another “major” by end of December 2011

- Current volumes tripled in last year
- Significant customers including Turner, Reuters, Yahoo, Telefonica
- Growth driven by increasing deployment in mobile web sites and in downloaded applications
- Android, Apple, BlackBerry, Windows and other devices all drive traffic
- Technical and commercial synergy with payment platform

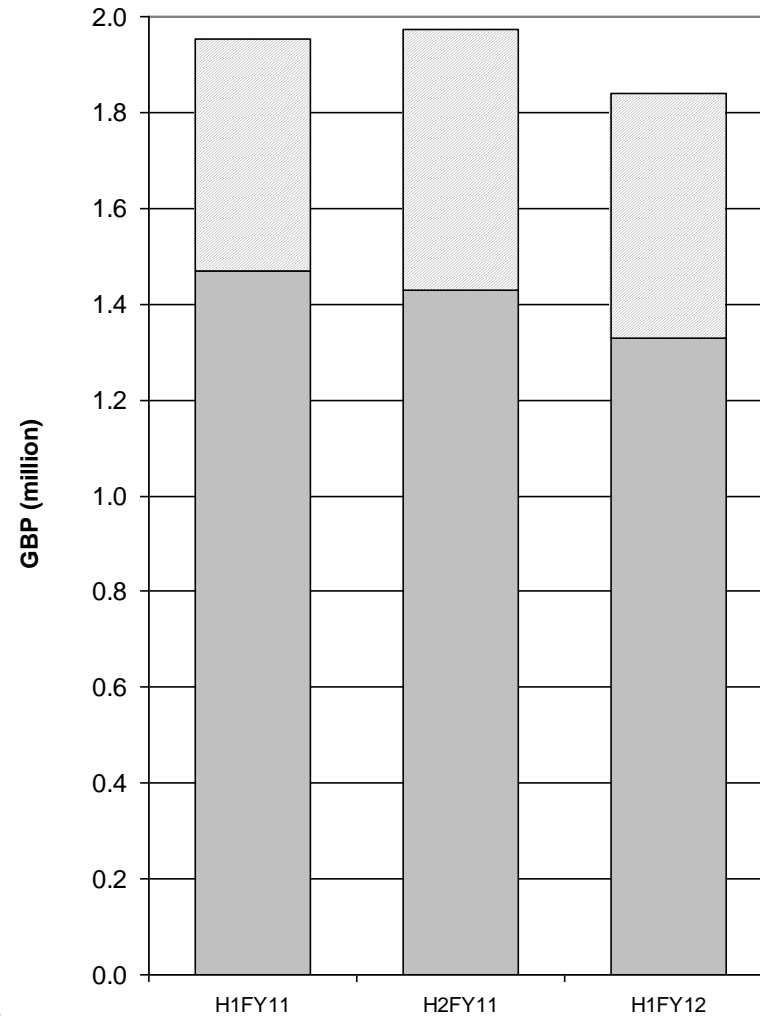


H1 FY2012 : Revenue and Gross Profit

- App store end user spend grew faster than decline in legacy (featurephone) spend
- End user spend growth returned in May 2011
- Margin on end user spend improved to 5.3% from 3.0% compared with H2 FY2011
- Margin increased due to changing mix of content providers
- H2 FY2011 included one off revenue from a large app store
- H1 FY2012 high margin income up YoY due to increased level of activity



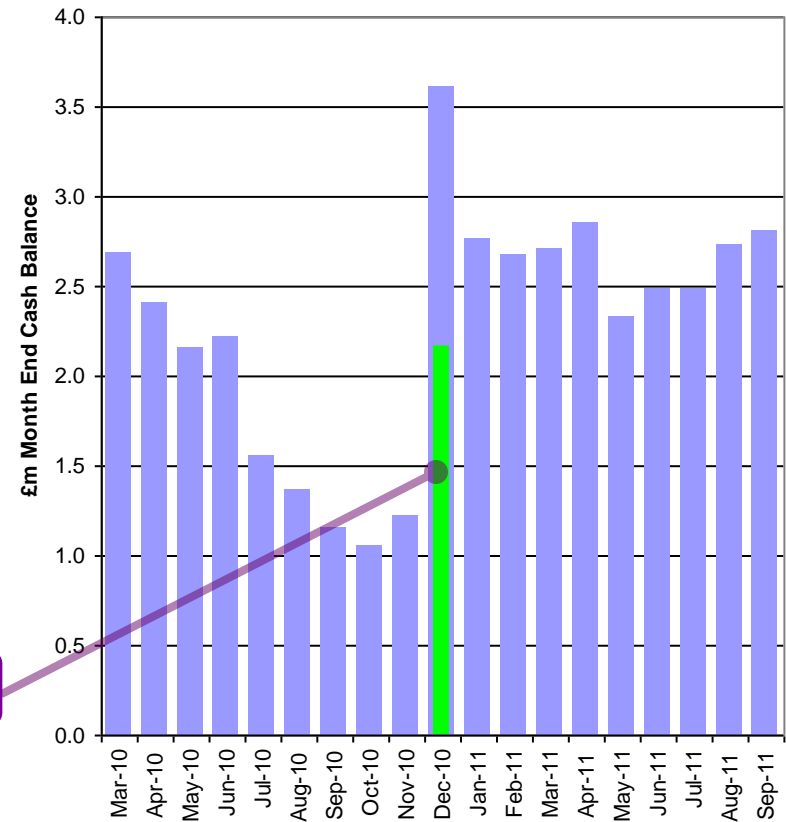
- Slight decline due to savings from discontinued legacy activity
- P&L opex expected to remain at present levels in second half of FY2012
- Capitalized £510k for:
 - Future Scalability Project
 - In-App Technology
 - HTML5 futures



Opex excludes SBP, depreciation and amortization

£m	H1 FY2011	H2 FY2011	H1 FY2012
Revenue			
End user activity	9.8	7.66	7.75
Other fees	0.81	1.06	0.91
Total revenue	10.61	8.72	8.66
Gross profit			
End user	0.41	0.23	0.41
Other fees	0.8	1.06	0.91
Total gross profit	1.21	1.29	1.32
<i>Margin %</i>			
<i>End use activity</i>	4.20%	3.00%	5.30%
<i>Other fees</i>	98.60%	100.00%	100.00%
<i>Total margin %</i>	11.40%	14.80%	15.30%
Operating costs	1.47	1.43	1.33
Adjusted EBITDA	(0.26)	(0.14)	(0.01)
Depreciation & amortisation	(0.15)	(0.17)	(0.23)
Share based payment charge	(0.05)	(0.07)	(0.08)
Loss before tax	(0.46)	(0.38)	(0.32)
Loss after tax	(0.43)	(0.27)	(0.22)

- Net cash 30 September 2011 £2.81m up from £2.71m at 31 March 2011 and up from £1.16m at 30 September 2010
- No borrowings during the half year
- Growth in transaction volumes is cash generative due to cash arriving before it is settled to content providers



£2.2m share issue Dec 10

- Now seeing successful momentum of smartphone strategy, with growing overall business as legacy business decline is managed
- Positive progress made in cash generation and profitability is a solid foundation for accelerating growth as further App Stores deployed
- Increasing volume of mobile operator connections enables more marketing activity by our App store customers to drive volumes in the coming months
- Strong pipeline of business for the future.
Expect to announce a third major App Store before 2012
- Confident in our ability to capitalize on this exciting market opportunity

Supplementary Slides

Bango: Superior user experience



Sell App,
Content
or Service to
Smartphone
user



Bango
collects
payment

User browses site

Bango collects the payment

Confirmation and download

→ bango →

App running on device

In-app "Pay now" button

Confirmation of payment

→ bango →

→ bango →

Superior user experience: Higher sales



User Histories:
History / data on 100M+ users enables better user experience

Accurate Analytics:
Revenues & Refunds, Campaigns, Insight, Effectiveness

bango[®]

Higher Sales
Lower Costs
Better Information

Single technical and commercial integration with 80+ billing systems and other payment systems



Mobile Payment Example: Warrior needs a sword

Pay with Boku

1. Choose your sword
2. Click & type phone number
3. Click to continue
4. Wait for a text message
5. Open the message
6. Select to reply
7. Type "Y"
8. Hit "send"
9. Return to the app
10. Wait for receipt of text
11. Get the sword

Killed by the Orc

>5 clicks, >10 characters typed

Pay with Zong

1. Choose your sword
2. Click & type phone number
3. Click to continue
4. Wait for a text message
5. Open the message
6. Note down the PIN code
7. Go back to the app
8. Type in the PIN code
9. Get the sword

Crushed by an elf

>5 click, >14 characters typed

Pay with Bango

1. Choose your sword
2. **One click to pay**
3. Get the sword



Met the princess

Defeated the giant

Ruling the land

1 click, no typing

BILLING

Identify / Locate

BillRank™

Age Verification

Risk / Fraud

Currency

Taxes

Technical API

Web Services

Native Language Support

Analytics

User Support Tools

COLLECTION

Basics:

- Reporting
- Reconciliation
- Refunds
- Chargebacks
- Missing items

Added Value:

- Anti Fraud
- Refund prevention
- Rates
- Anti-Laundering

Cross border:

- User taxes (eg VAT)
- Withholding taxes
- Currency conversion
- Currency risk
- Banking rules

OUTPAYMENT

Basics:

- Calculation
- Reconciliation
- Refunds
- Chargebacks
- Fees / fines
- Incentives

Added Value:

- Reporting
- Refund management
- Authentication/ KYC

Cross border:

- Vendor taxes (eg VAT)
- Withholding taxes
- Currency convert
- Currency risk
- Bank transfers

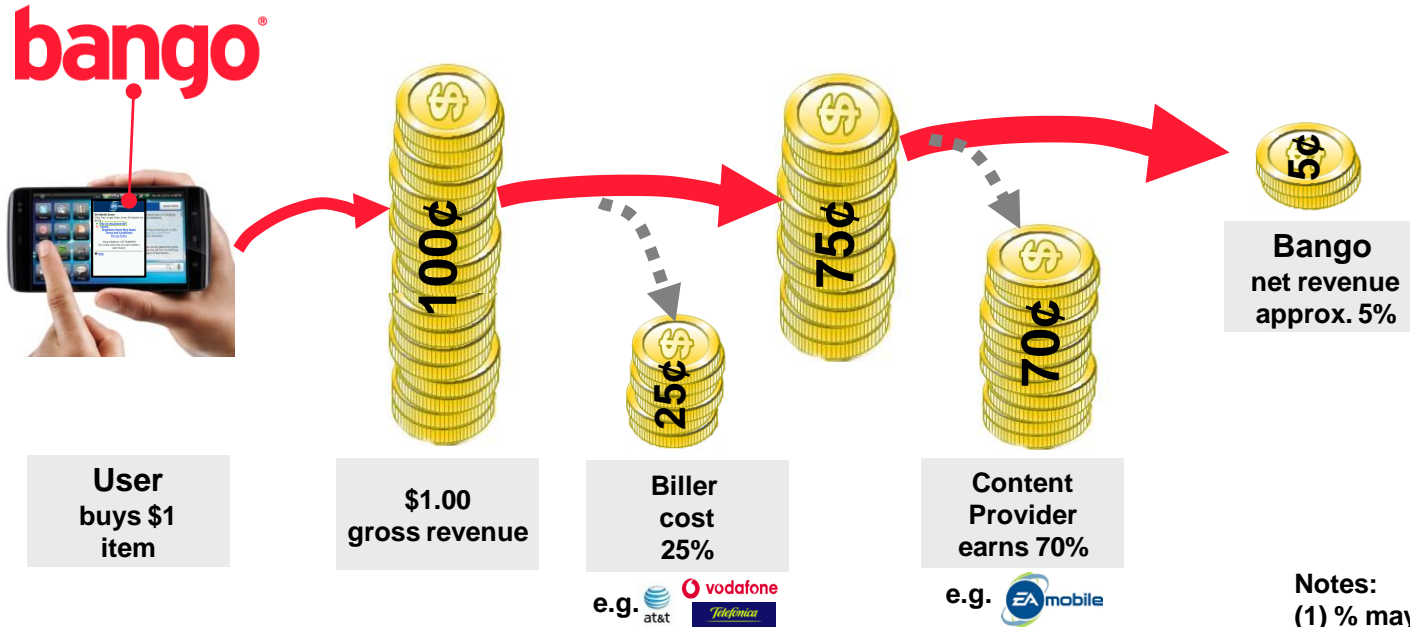
Efficiency
Security
Profitability

Accuracy
Analysis
Insight



Analytics:
Campaigns,
iveness





Notes:
 (1) % may vary by biller and CP
 (2) Taxes excluded for simplicity

Settlement

Bango system aggregates cash from all billers, converts and pays 60 days after month end

