

Bango Preliminary results for 12 months to 31st March 2010

16th June 2010

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- Highlights
- Financials
- Operations
- Market Opportunity
- Outlook

- Growth in revenues and profits
 - Revenues increased by 48% to £26.1m (FY2009: £17.6m)
 - Maiden profit after tax of £10k (FY2009: loss of £478k)
 - Cash balance of £2.74m as at 31 March 2010
(£0.83m at March 31 2009)
 - January 2010 fund raising of £2.994m net from
the issue of new ordinary shares at 43p per share
 - Investment in assets of £1.04m (FY2009: £0.4m) including £0.88m
(FY2009: £0.35m) on develop of future products and services.

- Key new partner and customer wins
 - Mobile Network Operators: T-Mobile USA, Virgin Mobile USA
 - Content Providers: RIM, Fox Mobile, Turner Broadcasting, Yahoo
- Product development
 - Bango Payments: one click with Wi-Fi, Mobile Applications (App) functionality
 - New emerging markets offerings in development
 - New hardware and data-warehouse technologies to support increasing usage volumes
- Progress with analytics
 - Bango Analytics: Information on consumers grew from 40 million unique mobile subscribers in March 2009 to more than 73 million in March 2010.
 - On current trends, the 100 million mark will be passed during June 2010.

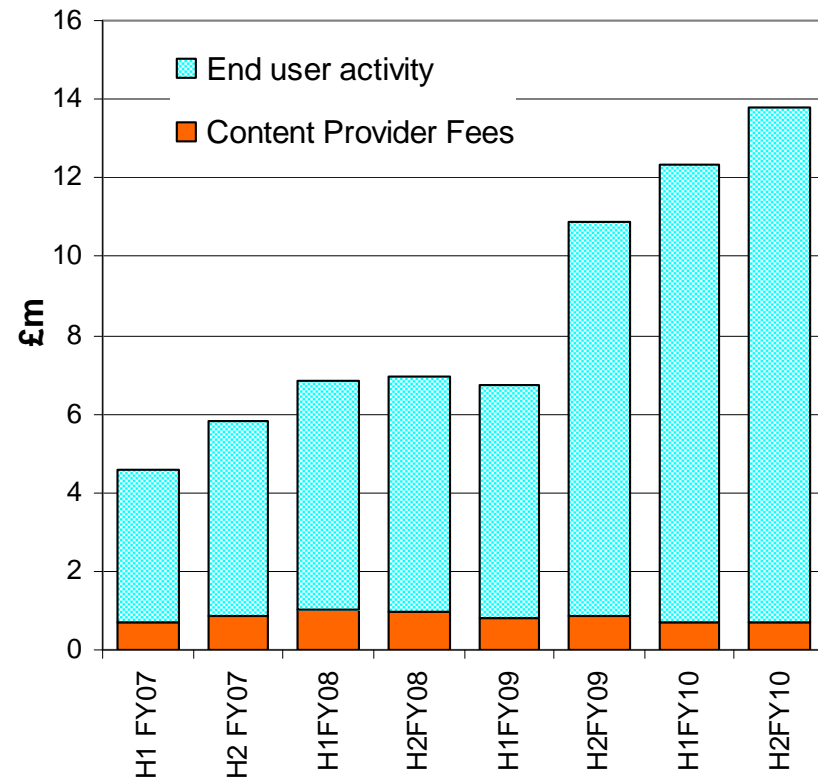
- Bango has a significant competitive advantage
 - Bango's system is unique and benefits from years of development
 - More than 70 million user profiles improve usability
 - The Company is an established leader in the market
 - Bango technology is embedded in Mobile Network Operators' (MNO) systems
- Improving quality of earnings as subscriptions are predictable
 - 70-80% of payments are subscriptions
 - This is a growing trend
- Bango is the only player offering payment AND analytics, which are synergistic in effective mobile internet businesses

- The worldwide mobile content market is expected to surpass \$64 billion by 2012, up from \$20 billion in 2007 (Juniper Research)
- Mobile web browsing on an increasing number of smart phones will drive demand
- The iPhone is developing a mass market appreciation for downloadable content and complex applications
- Apple's walled garden approach has resulted in alternative devices that enable content to be downloaded via the web
- Mobile Apps opportunity - according to Juniper Research, mobile application revenues will be worth £25 billion in 2014
- Growth expected in cheaper handsets with rich media & WiFi capability and carriers expected to charge low flat rates for data access
- What Bango anticipated to happen is now happening and Bango is benefitting from its 'low touch' strategy

FY2010: Revenue by segment



	FY 10 £m	FY 09 £m
End user activity	24.69	15.91
% of total	94%	90%
Content provider fees	1.44	1.69
% of total	6%	10%
Total revenue	26.13	17.61

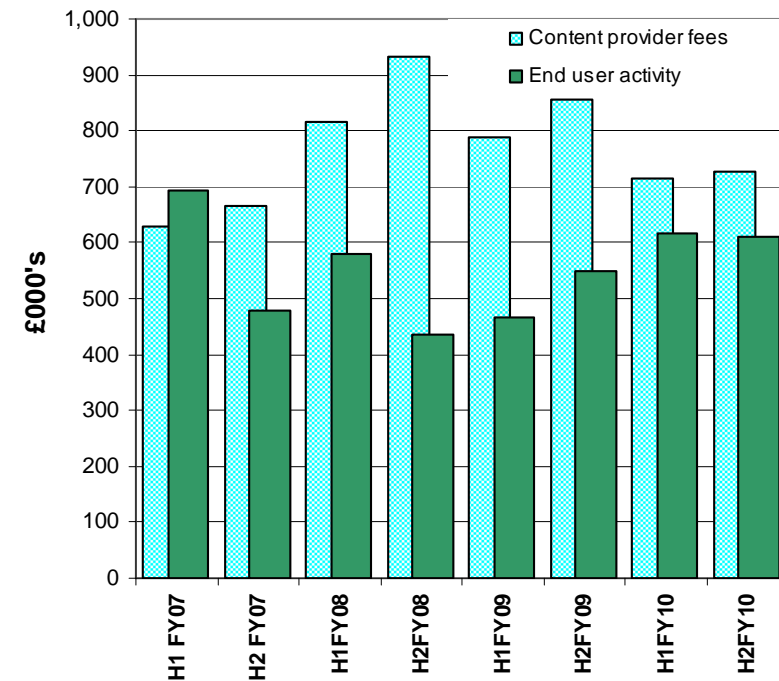


- Overall revenue growth of 48%
- Increasing end user activity

FY2010: Gross profit



	FY 10 £m	FY 09 £m
End user activity	1.23	1.02
% of total	46%	38%
Content provider fees	1.44	1.64
% of total	54%	62%
Total gross profit	2.67	2.66

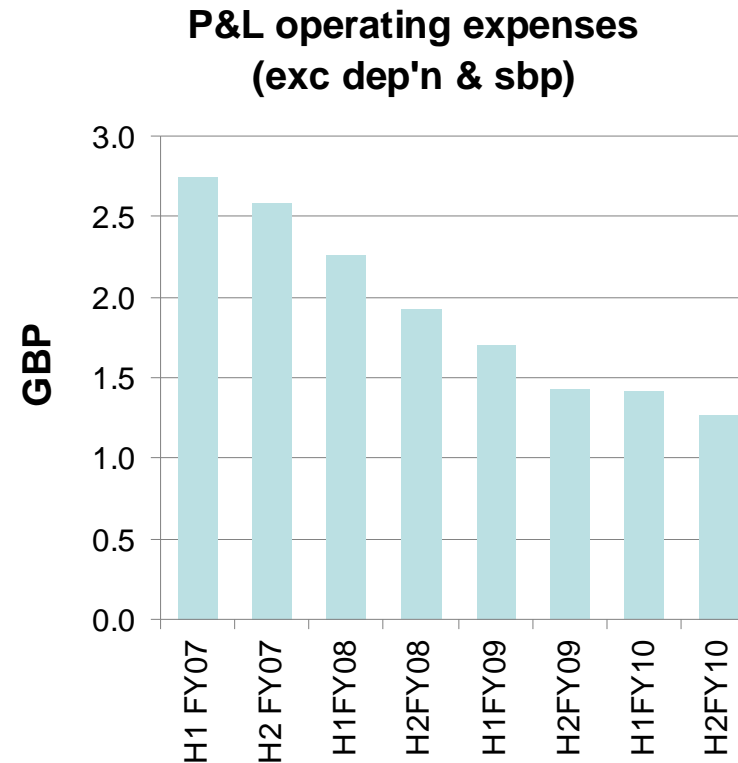


- Small increase in overall gross profit
- Margin on end user activity decreased from 6.4% to 5.0%

FY2010: Operating Expenses



- P&L opex down 15% YoY to £2.68m
- P&L opex expected to remain at present levels in FY11
- Capitalised £0.88m (25% of total opex) for:
 - 100x traffic processing
 - app-store billing
 - emerging market projects



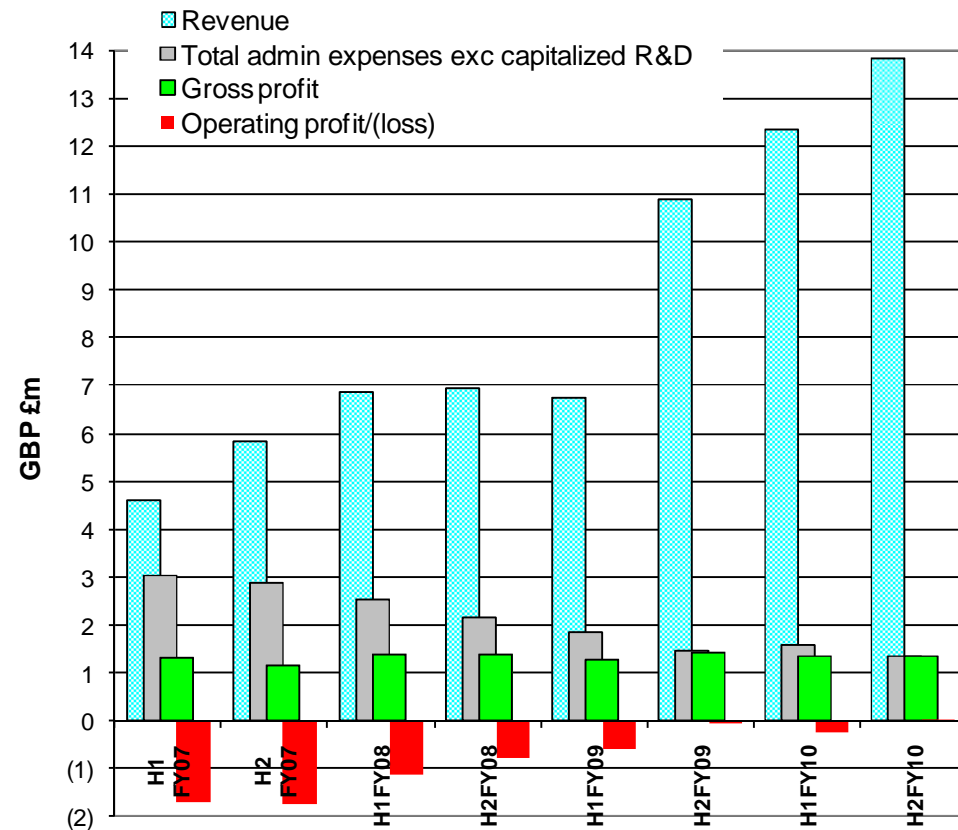
FY2010: P&L



- Maiden profit after tax of £10k

	FY10	FY09
	£m	£m
Revenue	26.13	17.61
Cost of Sales	(23.46)	(14.95)
Gross profit	2.67	2.66
Total administrative expenses	(2.91)	(3.32)
Operating loss	(0.24)	(0.66)
Interest	(0.01)	-
Investment income	-	0.01
Loss before taxation	(0.25)	(0.65)
Income tax	0.26	0.17
Profit / (loss) for year	0.01	(0.48)
Basic and diluted earnings per share (pence)	0.03	(1.72)

Revenue, gross profit, costs & operating loss



		FY10	FY09
		£m	£m
Net cash used by operating activities		(0.05)	(0.38)
Cash flows from/ (used by) investing activities			
Purchase of property, plant and equipment		(0.16)	(0.06)
Addition to intangible assets		(0.88)	(0.35)
Interest received / payable		(0.01)	0.01
Net cash from/(used by) investing activities		(1.04)	(0.40)
Proceeds from issuance of Ordinary Shares		3.00	0.48
Net increase / (decrease) in cash		1.91	(0.30)
Cash at beginning of year		0.83	1.13
Cash at end of year		2.74	0.83

- In January 2010 £2.994m net was raised from the issue of new ordinary shares at a price of 43p to provide increased working capital.
- Only approx £0.53m of £3m advanced at year end

- Grow transactions from current large customers
 - Continuing the migration of transactions in our biggest customers over from SMS aggregators to Bango Payment
- Continue to add new larger customers
 - Fox Mobile, Yahoo, Cellfish, Turner Broadcasting
 - Go-spoken, Monotype Imaging, Sendme Inc., Telenav
- New major operator relationships to help drive growth
 - T-Mobile USA (#4) & Virgin Mobile USA went live in November 2009
 - In discussions with Verizon (#1 US carrier)
 - Existing relationships with Sprint and AT&T

- Margin on end user spend stable at 5% (H1 FY10 5.3%, H2 FY10 4.7%)
- Activity underway to improve margins:

Program	Impact	Potential result
Operator Wi-Fi incentives	Additional incentives of 5-10% for adding transactions from Wi-Fi connected devices	Linked to Wi-Fi growth e.g. 20% Wi-Fi, 5% inc. = 1% average uplift
Operator incentives for "good behaviour"	Margin on additional CP revenues. Share of incentives for some CP's	0.2% on 10% incentive up to 2% with smaller CP
Revenue acceleration from billers	Typ. 2%+ for 30 day acceleration Increased CP revenues	2% on larger CP's wanting to grow faster
Smaller CP's	5-9% margin on smaller volumes	5% on 5% of spend = 0.25%

- Operator customer care / retention policy:
 - No margin where operator unilaterally returns payments
 - Opportunity to reduce these and/or gain margin

- Content provider monthly fees– c.100% GM
 - Pricing now stable after 2008/9 changes
 - Good signup rate with lowered attrition / churn
 - Added “enterprise options” for larger customers
- Analytics products gaining momentum
 - Up from £6K per month in Mar09 to £19K per month in Mar10
 - Recent Turner Broadcasting (a Time Warner company) win
 - Joint projects with Yahoo!

- Rationale:
 - Strengthen balance sheet
 - improve customer perception
 - Payment acceleration:
 - margin enhancement
 - transaction growth
- Funds raised:
 - £3 million (net of expenses) at 43p/share
- Usage:
 - Starting to advance funds to key Content Providers in FY 2011

- Increasing revenues, maiden profits, stable opex and improving quality of earnings
- Unique competitive positioning in a growing market
- Increasing transaction volumes & revenue growth opportunities, through existing customers, new customers and new mobile operators (e.g. T-Mobile USA, Verizon)
- App Stores promise to be new and increasingly important channels, and new services developed around the RIM project should position Bango well for further App store sign-ups.
- Our market positioning and encouraging industry trends give us confidence in continuing to grow revenues and profits. We look forward to the future with confidence.