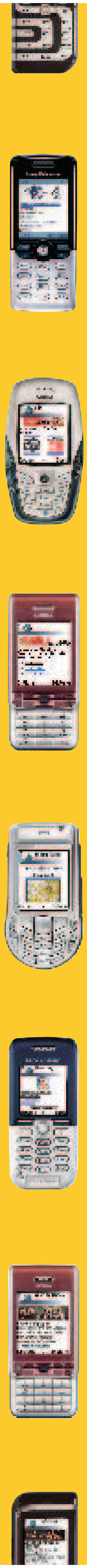


Placing and Admission to AIM

PANMURE GORDON & CO

Nominated Adviser and Broker

bango®

THIS DOCUMENT IS IMPORTANT AND REQUIRES YOUR IMMEDIATE ATTENTION. If you are in any doubt about the contents of this document or the action you should take, you should consult immediately with a person authorised for the purposes of the Financial Services and Markets Act 2000 who specialises in advising on the acquisition of shares and other securities.

Application has been made for all the Ordinary Shares of Bango plc, in issue and to be issued pursuant to the Placing, to be admitted to trading on AIM, a market operated by the London Stock Exchange. It is expected that Admission will become effective and that dealings in the Ordinary Shares will commence on AIM on 30 June 2005. The Ordinary Shares are not dealt in on any recognised investment exchange and no application has been or is being made for the Ordinary Shares to be admitted to any such exchange.

AIM is a market designed primarily for emerging or smaller companies to which a higher investment risk tends to be attached than to larger or more established companies. AIM securities are not admitted to the Official List of the UKLA. Neither the UKLA nor the London Stock Exchange plc has examined or approved the contents of this document.

A prospective investor should be aware of the risks of investing in such companies and should make the decision to invest only after careful consideration and, if appropriate, consultation with an independent financial adviser. The whole of the text of this document should be read and your attention is drawn to the section entitled "Risk Factors" in Part II of this document for a discussion of certain factors which should be taken into account in considering whether or not to purchase Ordinary Shares. The whole of this document should be read in light of those risk factors.

This document, which is an admission document required by the rules of AIM, has been drawn up in accordance with the Public Offers of Securities Regulations 1995 ("POS Regulations") and the AIM Rules ("Admission Document"). This document does not constitute a prospectus in accordance with the POS Regulations but has been drawn up in accordance with the POS Regulations as required by the AIM Rules.

The Directors of the Company, whose names appear on page 4, accept responsibility for the information contained in this document and compliance with the AIM Rules. To the best of the knowledge and belief of the Directors, (who have taken all reasonable care to ensure that such is the case) the information contained in this document is in accordance with the facts, and this document makes no omission likely to affect the import of such information.

Bango plc

(Incorporated and registered in England and Wales under the Companies Act 1985 with registered number 05386079)

Placing of
8,233,101 Ordinary Shares of 20 pence each at a price of 134 pence per share
and
Admission to trading on AIM

NOMINATED ADVISER AND BROKER TO THE COMPANY

PANMURE GORDON & CO

Share Capital immediately following Admission

Authorised		Issued and fully paid	
Number	*Amount*	*Number*	*Amount*
37,500,000	£7,500,000	26,158,381	£5,231,676

The Placing as described in this document is only being made in the United Kingdom. No Ordinary Shares have been marketed to, nor are any available for purchase in whole or in part by, the public in the United Kingdom or elsewhere in connection with the Placing. This document does not constitute an offer to sell or an invitation to any such person to subscribe for or purchase any Ordinary Shares. The Ordinary Shares have not been, and will not be, registered under the United States Securities Act of 1933, as amended, or under the securities legislation of any state of the United States. The relevant clearances have not been, and will not be, obtained from the Securities Commission of any province or territory of Canada; no document in relation to the Placing has been, or will be, lodged with, or registered by, the Australian Securities and Investments Commission; and no registration statement has been, or will be, filed with the Japanese Ministry of Finance in relation to the Placing or the Ordinary Shares. Accordingly, subject to certain exceptions, the Ordinary Shares may not, directly or indirectly, be offered or sold within the United States, Canada, Australia, Ireland, South Africa or Japan or offered or sold to a resident of Canada, Australia, Ireland, South Africa or Japan. This document does not constitute an offer to sell or the solicitation of an offer to buy Ordinary Shares in any jurisdiction in which such offer or solicitation is unlawful. Any failure to comply with these restrictions may constitute a violation of the securities laws of any such jurisdiction.

Further, the Placing is not to be made in New Zealand and may not be accepted by persons in New Zealand. No prospectus has been registered with the New Zealand Registrar of Companies in accordance with the Securities Act 1978 (New Zealand). Accordingly, neither this document nor any other offering materials or advertisement in relation to the Placing may be received by a person in New Zealand nor may the Ordinary Shares be offered directly or indirectly in New Zealand.

Panmure Gordon (Broking) Limited, which is regulated in the UK by the Financial Services Authority, is acting as the Company's nominated adviser and broker in connection with the proposed Placing and Admission. Its responsibilities as the Company's nominated adviser under the AIM Rules are owed solely to the London Stock Exchange and are not owed to the Company or to any Director or to any other person in respect of this decision to acquire shares in the Company in reliance on any part of this document. Panmure Gordon (Broking) Limited has not authorised the contents of any part of this document for the purpose of Regulation 13(1)(g) of the POS Regulations and (without limiting the statutory rights of any person to whom this document is issued) no liability whatsoever is accepted by Panmure Gordon (Broking) Limited for the accuracy of any information or opinions contained in this document or for the omission of any material information from this document for which the Company and the Directors are solely responsible. Panmure Gordon (Broking) Limited will not be offering advice and will not otherwise be responsible for providing customer protections to recipients of this document in respect of any acquisition of Ordinary Shares in the Company.

CONTENTS

KEY INFORMATION

The following information is extracted from, and should be read in conjunction with, the full text of this document. Prospective investors should read the whole of this document, including the risk factors set out in Part II, and not rely on the following summarised information.

Bango provides unique technology and services that enable businesses to make money from the sale of content and services to customers accessing the internet through their mobile phones. Content providers and brand owners ("Content Providers") pay Bango a monthly service fee to use the Bango Service to reach and engage with mobile internet consumers. Bango also receives a percentage of payments collected using billing providers whose solutions are integrated with the Bango Service.

The Directors believe that the key attractions of the mobile internet and related content sector, and the strengths of Bango's position within it are as follows:

- Bango benefits from a strategic position in the rapidly emerging mobile internet market and in that position considers it can defend its position;
- Content Providers are seeking to sell content to mobile users. Bango has developed a mechanism to do this in the context of the mobile internet, which has already been adopted by many leading Content Providers;
- Mobile Network Operators ("MNOs") seek to maximise the value of their networks through carriage of data. Bango provides services that can support this goal, and has secured commercial agreements with MNOs including Vodafone, O_2, Orange and Telefonica;
- as a market focussed business enabler, Bango stands to benefit from the increase in mobile internet traffic which is expected to grow rapidly over the next five years;
- Bango occupies an independent position in the market, not being reliant on individual MNOs or Content Providers;
- Bango operates on an international scale enabling Content Providers to engage with an international audience;
- Content Providers using the Bango Service and technology include well known content brands such as: The Sun, (newspaper); Maxim, (magazine); and Channel 4. Bango's MNO customers include Vodafone, O_2 and Telefonica;
- in line with the development of mobile communications, the mobile internet carries with it a consumer acceptance of paid for content. The availability of multiple billing mechanisms should facilitate the growth of paid-for content in the mobile internet market. The Bango Service provides Content Providers with access to any internet enabled phone, through any MNO. This enables the purchase of content or services using the most appropriate and effective payment method that increases revenue for the Content Provider;
- in contrast to the early days of the internet, many mobile companies are now generating significant revenues and profits in the mobile sector;
- the time, cost and expertise invested in the design and development of the Bango Platform is considerable and the Directors consider this represents a significant barrier to entry. In addition, the Directors consider the cost to a Content Provider of developing a bespoke solution to achieve the same goal, as opposed to accessing consumers through the shared Bango platform, is equally prohibitive, as are the time and costs required to negotiate and technically integrate with multiple MNOs;
- Bango's business model is scaleable with recurring revenue underpinning the costs of developing new business and growing revenue. The self-service nature of the Bango Platform provides a solution which can be delivered by business partners, with a low corresponding cost of sale to Bango; and
- Bango's management has a track record of creating successful global platform businesses like Bango, including for the fixed internet.

Admission is expected to raise the profile of the Company amongst its trade partners and is expected to enhance its ability to attract new customers. The Company has launched a successful platform for growth, primarily in the UK, and expects to use the proceeds of the Placing to grow its business in the UK and in selected overseas territories and to expand its customer support team.

DIRECTORS, SECRETARY, REGISTERED OFFICE AND ADVISERS

Directors	Lindsay Bury, *Non-executive Chairman* Ray Anderson, *Chief Executive Officer* Peter Saxton, *Chief Financial Officer* Anil Malhotra, *VP Marketing & Alliances* Geoff Seabrook, *Non-executive Director*
Company Secretary	Karen Oakley
Registered and Head Office	5 Westbrook Centre Cambridge CB4 1YG www.bango.com
Nominated Adviser, Broker and Lead Manager	Panmure Gordon (Broking) Limited Moorgate Hall 155 Moorgate London EC2M 6XB www.panmure.com
Solicitors to the Company	Taylor Wessing Carmelite 50 Victoria Embankment Blackfriars London EC4Y 0DX www.taylorwessing.com
Solicitors to the Placing	DLA Piper Rudnick Gray Cary UK LLP 3 Noble Street London EC2V 7EE www.dlapiper.com
Auditors	Grant Thornton UK LLP Byron House Cambridge Business Park Cambridge CB4 0WZ www.grant-thornton.co.uk
Reporting Accountants	Grant Thornton UK LLP Grant Thornton House Melton Street London NW1 2EP www.grant-thornton.co.uk
Bankers	HSBC 32 Market Hill Cambridge
Registrar	Computershare Investor Services PLC PO Box 82, The Pavilions Bridgwater Road Bristol BS99 7NH www.computershare.com

EXPECTED TIMETABLE OF PRINCIPAL EVENTS

	2005
Publication of this document	23 June
Admission effective and dealings commence in the Ordinary Shares on AIM	30 June
CREST accounts credited (where appropriate)	30 June
Definitive share certificates expected to be despatched in respect of the Ordinary Shares (where applicable)	7 July

PLACING STATISTICS

Placing Price	134 pence
Number of Ordinary Shares in issue at the date of this document	20,934,500
Number of new Ordinary Shares being placed on behalf of the Company	5,223,881
Number of Ordinary Shares being placed on behalf of the Selling Shareholders	3,009,220
Number of Ordinary Shares in issue immediately following Admission	26,158,381
Estimated net proceeds receivable by the Company pursuant to the Placing [(i)]	£6,150,000
Market capitalisation of all issued Ordinary Shares at the Placing Price following Admission	£35.05 million
Percentage of enlarged issued share capital subject to the Placing	31.5%
AIM EPIC code	BGO

(i) Stated after deducting the estimated total expenses of the Placing and other related costs payable by the Company of approximately £0.85 million (including VAT).

PART I

INFORMATION ON THE GROUP

The financial information contained in this Part I has been extracted without material adjustment from Part III of this document. Prospective investors should read the whole of this document and not rely solely on the information in this Part I.

1. Introduction

Incorporated in 1999, Bango provides unique technology and services that enable content providers and brand owners ("Content Providers") to generate revenues from the sale of content and services to customers accessing the internet through mobile phones. The Bango Service allows Content Providers to market, sell, distribute and charge for products and services directly to mobile phone users that have open access to the internet from their mobile phone, whatever the Mobile Network Operator ("MNO").

Content Providers pay Bango a monthly fee to use the Bango Service provided. Bango also receives a percentage of payments collected using billing providers whose solutions are integrated with the Bango Service.

MNOs, such as Vodafone, O_2 and Orange operate and sell content through their own proprietary portals, such as Vodafone Live!, O_2 Active and Orange World. However, MNOs recognise that they stand to generate significant incremental revenue by driving data traffic through non-proprietary or "off-portal" sites. To capitalise on this opportunity, MNOs have contracted with Bango in order to accelerate the generation of revenues derived from off-portal content, because Bango enables Content Providers to benefit from having a mobile internet presence outside of MNOs' proprietary portals.

The Directors believe that the commercial opportunity for selling mobile content and services to mobile users is driven by a number of major factors, principally the:

- need for Content Providers to monetise their brands;
- desire of MNOs to increase the levels of data traffic sold via their networks;
- continued worldwide growth in the adoption and use of internet enabled mobile phones; and
- absence of a unified standard or platform for content access and payment via mobile devices.

The Directors believe that Bango's strengths are:

- the Bango Service can be used by any Content Provider or MNO;
- Bango's proprietary technology simplifies the complex process of generating revenue from mobile content, principally as a result of:
  - its ability to enable Content Providers to sell content to users of multiple MNOs;
  - the ease with which its technology can be integrated by both Content Providers and MNOs;
  - the flexibility of the Bango Service which addresses a wide range of mobile phone types, delivery methods and billing methods; and
  - the ability of the Bango Service to allow the sale of mobile content and services across multiple geographic and tax jurisdictions.
- Bango's relationships with leading MNOs;
- the fact that Bango is not reliant on any individual MNO or Content Provider;
- Bango's business model is scaleable;
- Bango's ability to deliver the Bango Service at a low cost; and
- a business model that generates recurrent subscription revenue and a share of content revenues.

Content Providers using the Bango Service and technology include: The Sun (newspaper); Maxim (magazine); and Channel 4. Bango's MNO customers include Vodafone, O_2 and Telefonica.

Bango's business is international. In the month of April 2005 management information showed the following:

- over 140,000 distinct end users from 85 countries purchased content through the Bango Service; and
- Bango enabled more than 4.8 million accesses to content from over 200 Content Providers through 120 MNOs.

The majority of Bango's customers purchase the Bango Service through the Company's website (www.bango.com). Bango also employs a direct sales force and operates reseller and partner programmes.

The Bango Group has a staff of approximately 28 people, half of whom are product development and technical support staff, who along with Bango's marketing, finance and management teams are based in Cambridge (England). Sales and business development personnel also operate from Cambridge and Düsseldorf.

2. History and Background

In 1999, Ray Anderson and Anil Malhotra formed Bango with the intention of capitalising on the anticipated growth in the market for the provision of content and services across the mobile internet.

Over the last five years Bango has focused on research and development in order to create a robust, scalable technology platform that can deliver a simple interface for access, identification and payment with the intention of addressing the global marketplace. The Directors believe that considerable expertise and effort has been expended in developing a highly versatile, scalable architecture which is able to cope with the expansion of current activity levels of approximately 250,000 transactions per day towards hundreds of millions of transactions per day as the market develops.

Since the Bango Service generates revenue for Content Providers, Bango has invested in creating a highly reliable service. The Bango Service is triplicated to ensure reliability, availability and redundancy across multiple servers and multiple locations.

3. The Market

3.1 Market Evolution

The market for the Bango Service is large, growing and global. According to Ovum, the market for mobile content in 2004 was worth over US $3 billion in Western Europe alone. Further to this, Juniper Research has predicted that worldwide mobile entertainment revenues will exceed US $59 billion by 2009.

The Directors believe that over the next two to five years Content Providers will switch from message (SMS) based interaction with end users to a more interactive, web-like, browse-and-buy experience.

To date, the majority of growth in mobile data traffic and associated MNO revenues has originated from SMS messaging. The primary delivery and billing channel has been premium rate text messaging or via fixed line telephony, which have enabled the delivery of a piece of mobile content in a message or series of messages, generating revenue for the content sender.

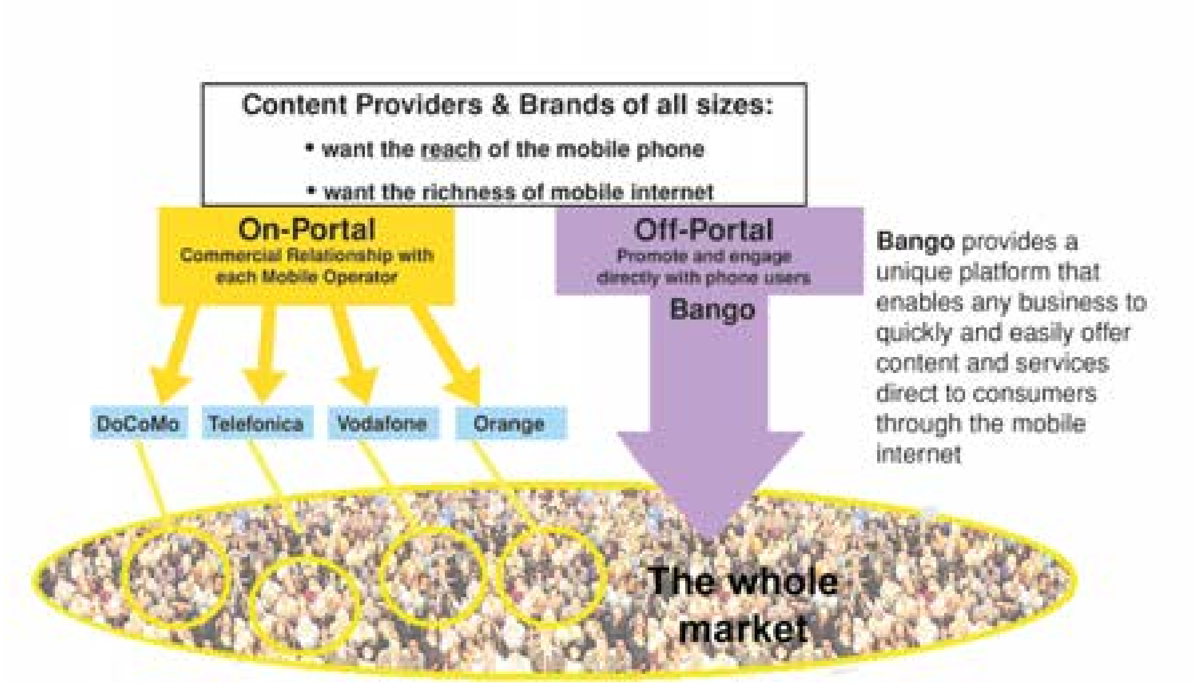
More recently, MNOs have started to develop and deploy their own mobile internet portals, in doing so promoting exclusive content and services on mobile phones to existing users of their mobile networks. This closed portal approach gives MNOs control over the user's experience and MNOs have therefore been comfortable branding such portals and enabling their billing systems to be used for payment.

Newer mobile phones allow users access to colour pictures and allow them to play polyphonic ringtones, games, videos and music. The Directors expect such increased functionality to simultaneously increase demand for downloadable content and associated data traffic. MNOs want to encourage the downloading of content to generate revenues from this flow of data traffic. MNOs' success in promoting content through their proprietary portals has led to imitation by Content Providers who have attempted to replicate the MNOs success by marketing their content directly to users.

Although MNOs are clearly incentivised to encourage data traffic, not all content is suitable for direct promotion by MNOs (e.g. adult content such as chat, dating, gambling and pornography). Content Providers are encouraged to promote such content off-portal.

Bango addresses the off-portal market as illustrated below:

Figure 1: The off-portal market



The Company's experience suggests that MNOs are increasingly permitting Bango to integrate with their billing systems and other services which enables acceleration of the off-portal business (for example Vodafone has opened up its proprietary Vodafone m-pay billing system). This trend provides additional payment routes to be integrated into the Bango Service and may encourage the purchase of mobile content from users who may have traditionally eschewed the premium SMS or credit card payment methods.

The diversity of the technology employed by MNOs in support of the mobile internet has made it costly for Content Providers to engage directly with end users across multiple networks. In response to this issue, Bango has developed its "off-portal" platform, enabling Content Providers to engage directly with customers across all networks, mobile phone types and delivery and billing methods.

3.2 **Growth Drivers**

Demand for the Company's services depends upon a number of growth drivers, including the number of mobile subscribers with internet connectivity, the growth in demand for mobile content and the growth in off-portal activities by MNOs. Further factors relating to these key drivers of growth are set out below.

- *Growth in number of mobile subscribers* – according to IDC, the number of global mobile subscribers grew from approximately 749 million in 2000 to over 1.5 billion in 2004. This figure is predicted to grow to 2.0 billion subscribers by the middle of 2006.

- *Investment in next generation networks* – high-speed, next-generation (3G or UMTS) digital networks are currently being deployed internationally to enhance mobile voice and data transmission. These features improve the user experience by reducing the time for a consumer to find, reach and download content. MNOs are encouraging customers to upgrade to internet enabled mobile phones and to connect to content and other related services.

- *Internet connectivity on mobile phones* – a large and growing proportion of mobile subscribers can now connect to the internet to access content and services. According to the Mobile Data Association, more than half of mobile subscribers in the UK should have GPRS internet connectivity by the end of 2005. Internet connectivity is a standard feature of most new mobile phones.

- *Increased promotion of mobile content* – the provision of internet capable networks and penetration of next-generation mobile phones enables the availability and promotion of content-rich mobile entertainment and other applications that make use of these advanced capabilities.

- *The move to off-portal content* – Content Providers are seeking to reach a greater number of consumers across multiple mobile networks via the off-portal model in order to drive data traffic revenues, while end users are willing to pay for a greater choice of content.

- *Billing* – an end user's ability to pay for content through their mobile phone bill securely and in varying amounts facilitates spending through the mobile internet.

3.3 Geographic Markets

The global market for mobile internet content is geographically diverse in terms of the degree of development of different territories.

Bango's focus has been on the territories i.e. the UK, Germany, Spain and France, where MNOs are most supportive of the off-portal model and are opening up their billing systems to selected third parties.

The MNOs in the UK, including Vodafone, Orange and O_2 have been early supporters of the off-portal model and the UK has been the main focus of Bango's development to this point, principally due to the market's relative maturity, size and lack of a single, dominant MNO. Other European countries are following the UK model with Spain and Germany showing promise as attractive markets for Bango's products and services while a number of Scandinavian countries have established mobile internet technology but lower relative populations hence making them less attractive markets for Bango.

Certain leading European MNOs have chosen to partner with Bango in connection with their move towards supporting off-portal Content Providers. These partners include Telefonica (over 18 million users in Spain) and Vodafone Germany (over 23 million subscribers). Bango, through a relationship with Ericsson, also has access to the billing systems of Telia, Vodafone and Tele2 in Sweden (over 6 million subscribers in total), providing an additional route for Bango to bill customers in these countries for content.

The Directors believe that less mature markets, such as the US, are likely to follow a similar progression to the European model, with mobile internet content becoming a significant proportion of mobile data traffic.

4. The Bango Service

4.1 Functionality

The Bango Service is a "plug-in" web delivered service which Content Providers are able to integrate into their mobile internet sites, enabling them to engage with their customers directly off-portal. Bango has focussed its development on three key areas with the intention of eliminating the complexity that has restricted the ability of Content Providers to exploit the mobile internet. These three areas of development were as follows:

<u>Access</u>

Early in its history, Bango understood that while mobile services would need to be marketed using print media, television, radio and other channels, the traditional fixed internet method of entering a unique URL for website access, with all the requisite dots and slashes, would not suit a mobile phone. Bango's solution was to enable Content Providers anywhere in the world to register with a central database providing access to a range of simple website connection methods at low cost. These include:

- *Bango number* – a simple number that can be entered on any mobile device to obtain immediate, pinpoint access to the relevant content;

- *Keywords* – these can be sent by text message to phone numbers that have already been activated by Bango in most countries worldwide – resulting in an automatic push to the appropriate internet site; and

- *Bar codes and 2d codes* – these can be read automatically by camera equipped phones.

Once registered with Bango, content providers are immediately able to interact with end users without having to interact with MNOs or local suppliers.

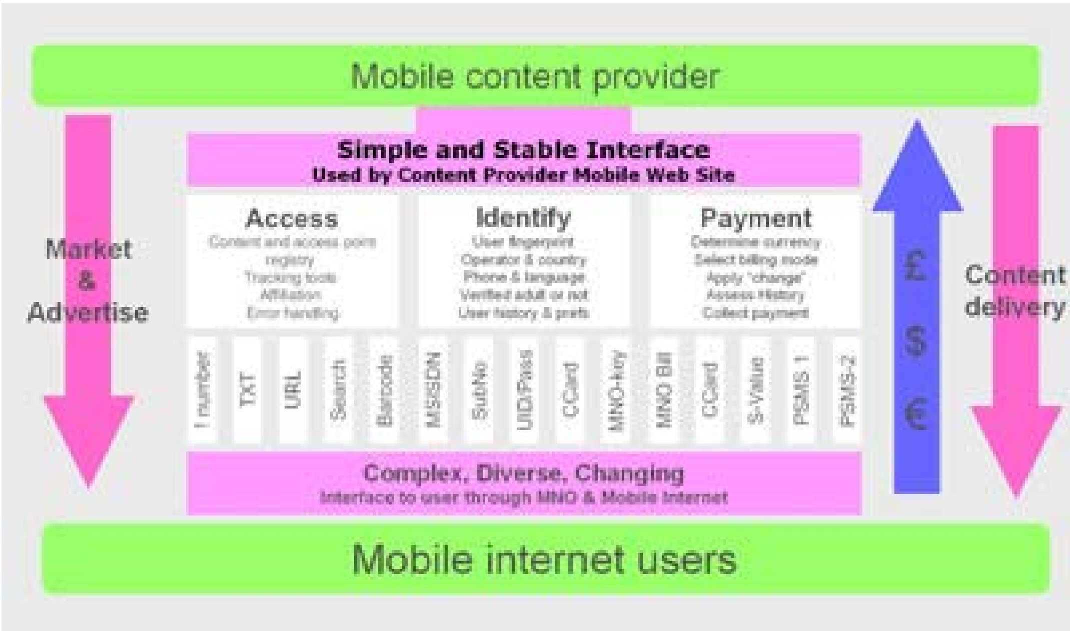
<u>Identification</u>

Identifying the country, MNO, and individual visiting a particular mobile site enables a Content Provider to comply with local laws and provide a better user experience. Handling such identification, given the complexity of dealing with any one of several hundred MNOs is difficult and potentially expensive. Identification of a mobile phone user with a user entered identification passwords is difficult and time consuming to enter on a phone keypad. The Bango Service is able to identify users and pass a globally unique identity and other information back to Content Providers through a simple interface. Bango can also assist in age verifying users where appropriate without the Content Provider needing a different interface for each MNO.

Payment

When a user decides to purchase content or a service from a mobile internet site, the Content Provider's desire is to offer the simplest, most likely to succeed method of payment. Content Providers will also wish to request payment in a language and currency that will work best for that specific user. Bango has relationships with many different billing providers including MNOs, SMS aggregators, premium rate phone line providers and credit card processors. Based on the user's past history (if any) and on the user's country and MNO, Bango is able to automatically activate the payment option that is likely to yield the most revenue for the Content Provider. Bango can also screen for fraudulent transactions and provide guidance or help to end users if required, increasing profitability for the Content Provider. Content Providers can not only save time and money by using Bango to intermediate with billers but can generate significantly more revenue through Bango's global reach.

Figure 2: The Bango Service



4.2 Service levels

Content Providers gain access to the Bango Service by signing up to one or more standardised service packages. There are a range of packages, each providing a specific range of services and facilities that the Content Provider is able to access. Fees are paid monthly in advance. Currently available packages comprise:

- **Bango Pro** – the premium package for larger mobile content businesses, comprising features to support global flexibility in targeting specific local markets and with a broad range of promotional options;

- **Bango Focus** – expands on the functionality of Bango Express to enable higher levels customer of personalisation and identification;

- **Bango Express** – a package designed to be sufficient for smaller or pilot projects; and

- **Bango Micro** – a package targeted at individuals or for simple applications with only one or two items of content to promote or sell.

As the mobile internet market develops, Bango expects to expand its product range to include additional added value products for which it will be able to charge a higher fee. Bango will continue to evaluate further product opportunities as part of its ongoing research and development.

4.3 Benefits of the Bango Service

Content Providers

The Directors believe the Bango Service is attractive to Content Providers because it provides the benefits summarised below:

- **Fast access to a growing market** – using the Bango Service, Content Providers can now market and sell their services to internet connected mobile subscribers internationally.

- **Ease of use** – using a simple Application Programming Interface ("API"), which is part of Bango's platform, Content Providers can easily make their content available directly over the mobile internet with little or no specialist technical expertise. More advanced functionality can then be integrated as required to optimise the user experience.

- **Avoids the need to deal with MNOs** – small to mid-sized Content Providers generally have neither the resources nor the negotiating strength to deal directly with multiple MNOs. Bango already has in place systems and relationships which avoid the need for Content Providers to interact directly with the MNOs.

- **Control over product and marketing** – the Bango Service enables the Content Provider to retain a high level of control over the product proposition and its marketing – enabling a Content Provider to offer consumers a common product across all MNOs.

- **Multiple payment methods** – the Bango Service automatically provides Content Providers with multiple billing and payment systems that can be used by most mobile internet users on most mobile networks.

- **Real time data** – the Bango Service can provide Content Providers with real time information on end user preferences and behaviour as well as segmented analyses of revenue generation, enabling Content Providers to better focus their content offering and target relevant customers.

Significant Content Providers are now adopting the Bango Service and Bango technology in order to engage directly via the mobile channel with their existing and prospective customers, regardless of which MNO's network the customer uses. These Content Providers include The Sun, Maxim, Channel 4 Television and The National Portrait Gallery.

The Bango Platform has proved to be a compelling alternative to in-house development for Content Providers wanting to engage with consumers through the mobile internet. The Bango Service significantly reduces the cost of direct consumer engagement, shortens time to market, and provides tools to expand marketing reach.

MNOs

The Directors believe that the Bango Service is attractive to MNOs because it provides the benefits summarised below.

- **Increased data revenues** – MNOs need to increase ARPU to capitalise on investments already made in next generation networks and to offset competitive pressure on margins from commoditising voice services. Accordingly MNOs need to encourage third parties to develop and market services, applications and content that mobile subscribers are prepared to pay for.

- **Greater breadth and depth of off-portal content** – a wide range of content is available via the Bango Service to mobile subscribers than is available purely through the MNO's own proprietary portals. This offers subscribers a much wider choice of content, not only driving increased ARPU through higher usage, but also preventing churn. MNOs work alongside Bango to help implement their off-portal strategies, because the process of working with each individual Content Provider would be uneconomical, time-consuming, would come with additional risks in terms of content supervision and would not give them the breadth of content that an intermediary, such as Bango, can provide.

- **Brand protection** – the Bango Service allows MNOs to prevent their brands being directly involved with content of unknown quality, or being visibly associated with certain content and service types (such as gambling and gaming, sexually explicit material, religious or political services) while ensuring their users have the widest choice of content and services available. An off-portal strategy using the Bango Service distances the MNO's brand from content it does not necessarily endorse, but to which its users seek to access.

- **Reduced cost of dealing with Content Providers and the ability to recruit Content Providers worldwide** – the Bango Service enables MNOs to engage, on an outsourced and therefore more cost effective basis, with many individual Content Providers, which is highly desirable given the broad demographic reach of the mobile internet and the multiple nature of content ownership.

The Directors also believe that many MNOs are motivated to work more closely with Bango to gain significant additional benefits including:

- obtaining information on what content types are successful and a pool of Content Providers from which to select successful content types for their own purposes;
- one point of contact for billing integration and settlement that works with Content Providers worldwide;
- a share of Content Provider revenue where the MNO's own billing systems are used to collect payment; and
- the ability to re-sell the Bango Services through the MNO's own sales-force to accelerate the development of new mobile content business.

Bango has business relationships with MNOs including Vodafone, O_2, Telefonica and Orange and with other key industry players such as Openwave, which is a leading provider of software products and services for the communications industry.

Mobile phone users

Bango provides a home page for mobile users. On this page there are a number of key functions designed to assist mobile phone users visit the mobile internet sites of Content Providers connected to the Bango Platform. These include:

- a history of sites that the user has visited and their previous spending;
- a way to save a list of favourite sites;
- a way to return quickly to the last visited site;
- the ability to pre-pay for content;
- easy reporting of problems encountered; and
- easy access by keyword to a directory of content connected to Bango.

The Directors believe the Bango Service is attractive to end users because it provides the following benefits:

- ease of access to a range of content;
- ease of payment and choice between a variety of payment methods;
- simple transparent billing that they feel in control of;
- access to user browsing history;
- ease of troubleshooting and problem reporting; and
- availability of content directory easing the users' navigation of available content.

5. Business Model

Bango's business model is straightforward with an emphasis on sustained and recurring revenues. Bango earns recurring revenues from Content Providers and a share of content revenues. Bango's variable costs are low due to a highly scalable technology platform.

Content Provider customers pay Bango a service fee to use the Bango Service to reach and engage with their consumers. Bango also receives a percentage of payments collected using billing providers that are integrated with the Bango Service (which are separate and distinct to the Content Providers monthly service fees). Historically, transaction revenues have been generated by the sale of ringtones, wallpaper, games and video clips.

Bango's revenues for the financial year ended 31 March 2005 were £3.4 million (a 68 per cent. increase on the previous financial year).

6. Technology

6.1 Web-service

The Bango Service is delivered as a "web-service" to content providers from servers owned by Bango.

Content Providers create their own mobile internet site and host their own content using whatever tools they choose. When they want to use the Bango Service, they generally follow a three step process:

Step 1: Sign Up

Sign up to the Bango Service by visiting Bango's website www.bango.com (see screen shot below), selecting a Bango Service level (Micro, Express, Focus or Pro), providing payment details – typically credit card – for the monthly fee, and gaining access to the "Members Lounge" where they are given access to the Bango Service. This takes around five minutes.

Figure 3: Signing up to the Bango Service

Step 2: Integration

The Content Provider enters information about their site into the Bango Content Register – part of the Bango Service. Information includes:

- entry points for users;
- pricing for types of content; and
- the URL's for specific pieces of content for various browser types (iMode, XHTML, or WAP).

The Content Provider chooses access short codes, Bango Numbers, and other relevant options they require.

Content Providers integrate their site with the Bango Service by adding "calls" to the Bango Service from their own site – through simple HTTP requests and URL references – whenever they want to identify users, collect payment or use other Bango services. This stage can take around ten minutes for a small Content Provider site, or potentially several hours for a more complex site.

Step 3: Promotion

Using the tools provided by Bango, or using their own methods, the Content Provider starts promoting access to their site. For example, they might place advertising, buy positions in search engines, put links to their mobile site in the various WAP portals and directories or on their own website, or they might use a viral marketing campaign.

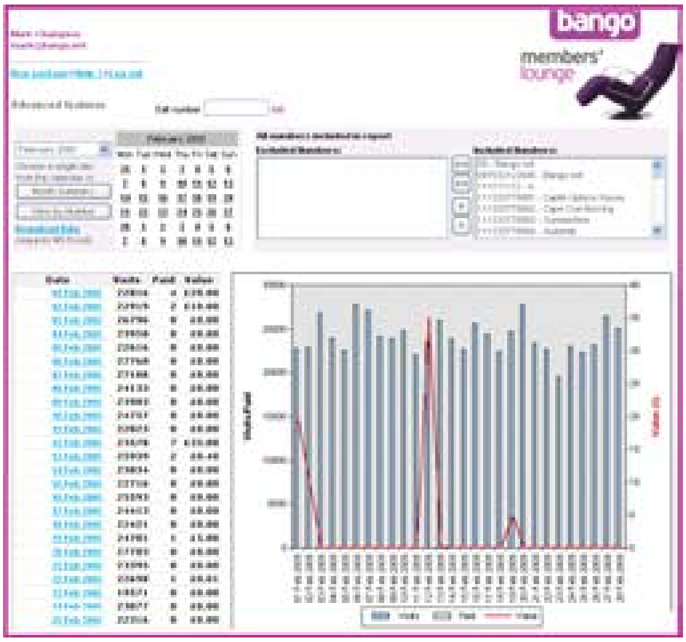
The promotion should result in users visiting their site, navigating round it, and choosing to purchase content. During these visits to their site, the integration with Bango means that from time to time, the user's browser (usually a WAP phone) is redirected through hidden or visible web pages on the Bango server. It is by passing the user through these pages, the functionality of which is driven by the data in the Content Register, that the Content Provider transfers control of the user over to the Bango Service to perform the functions required. Promotion can start as soon as the site is integrated, and users may start to arrive within minutes if the right forms of promotion are used.

After a Content Provider has been integrated into the Bango Service, Bango also provides ongoing monitoring, support and evolution services as described below.

The Bango Service provides the Content Provider with regular reports of end user spending at their site. They can return to the Bango Member's Lounge on Bango's website www.bango.com from time to time to review the traffic coming through their site, and track end user spending in detail (see figure below). Tracking is in "real-time" with no more than a few seconds delay from transactions happening to them being visible with the tracking tools.

Typically Content Providers can adjust pricing parameters, and purchase additional services to improve the user experience of their site and boost their revenues.

Figure 4: End user spend tracking



Every month, the Bango Service generates an invoice for services provided to the Content Provider, and collects the payment by credit card or other means. A purchase order is also generated to the Content Provider for around 60 per cent. of the "face value" of the content that has been sold to users through the Bango Service. After a period of approximately two months, Bango sends the money due to the Content Provider.

Bango's system architecture provides a simple and easy to use interface to Content Provider mobile sites that works for extremely simple sites. Behind that interface, Bango hides the complexity of dealing with the wide range of mobile operator systems, user access options, native languages, currencies and billing methods.

The involvement of Bango can be demonstrated by a simple example:

A Content Provider in the USA creates a mobile site to offer basketball information and videos to customers world-wide. They sign up to the Bango Pro service and integrate their site with Bango. They then promote it on a basketball web site. They can use the Bango Web Trigger, available to Bango Pro customers to enable users to simply enter their phone number at the web site, and have a message "pushing them" to the site sent to them automatically by Bango;

A user visiting the site can be identified by the Content Provider using the Bango Identifier function to see if they have previously chosen a favourite team or are eligible for frequent user status. At some point the user might choose to buy a video. The Content Provider simply passes the user to Bango with a simple request "get $2" from that user. Bango returns the user to the Content Provider's site with a success or fail response, and the Content Provider can then deliver the video or not; and

The Content Provider sees a very simple interface, Bango's software masks a great deal of complexity. Bango determines that the user is a Vodafone Germany customer and the handset is operating in German. Bango therefore determines that the best way to collect payment is using Vodafone's m-pay service, and that the user deals in Euro. Bango therefore generates a screen – in German – asking the user to confirm a

1.8 EURO (equivalent to US$2) transaction on their bill. If the user so confirms, Bango uses its interface with the Vodafone billing system to collect the money, and then returns the user – with "success" to the Content Provider. If the m-pay transaction fails, the Bango system may ask the end user to pay using another means – for example by credit card or by sending a premium SMS message. All this happens automatically – "behind the scenes".

Bango does not host, relay or act as a proxy host for content. Bango provides access to the content on the Content Providers' own servers and collects payment or identifies users whenever asked.

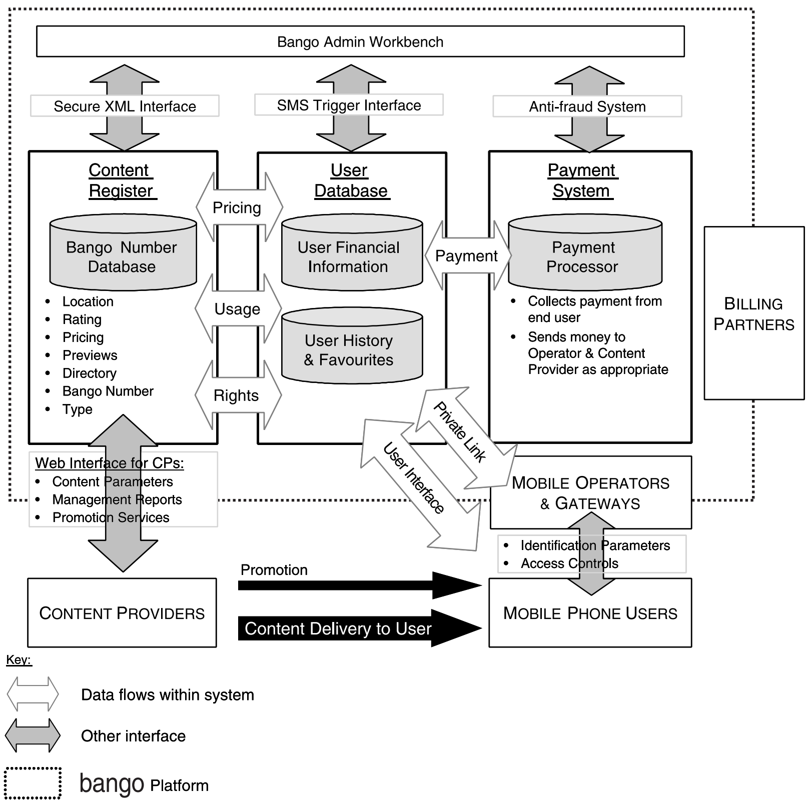
Bango has partnerships with hosting and mobile site development companies such as Volantis, Graphico New Media, Bluestar and others that create sites for those that do not have in-house expertise.

The Bango technology is browser agnostic. It has been developed to work with existing and future browsers used on mobile phones, including those based on HTML, WML (WAP), XHTML (WAP2), cHTML (I-Mode). This ensures that the Service is not restricted by the user's choice of mobile phone. The Bango technology is bearer agnostic. This means that it works across GSM, GPRS, CDMA, UMTS (3G) or other internet capable connectivity.

6.2 Platform Architecture

The diagram below shows the architecture of the Bango Service and its interaction with Content Providers and mobile phone users:

Figure 5: The Bango Platform Architecture



6.2.1 *Core Technology*

At the heart of the Bango Platform is a relational database, which contains detailed information including:

- information from Content Providers about their content;
- information about MNO gateways and systems;
- user identity and MSISDN (mobile number);
- usage histories and prices;
- access permissions; and
- browser identification and mark-up language types.

The Bango Platform consists of a number of primary modules, which are explained in more detail in the sections below:

- the Bango Number Resolution Engine;
- the Bango Content Register;
- the User Identity Database;
- the Age Verification Interface; and
- the Payment Interface.

6.2.2 *The Bango Number Resolution Engine*

Bango Numbers are numeric short codes, allocated by Bango, that are used as an alternative to a URL to precisely identify any specific internet service or content. Bango supplies Content Providers with Bango Numbers as required to identify, track and promote any specific piece of mobile content or a service. A single Bango Number can be associated with a range of different URLs, each configured for the user's specific device and/or browser.

- *Bango Txt Triggers* – a text message containing the Bango Number, or a word that spells the number (for example BANGO can be used instead of 22646 as the letters B, A, N, G and O map the keys 2, 2, 6, 4 and 6 on a telephone keypad) is sent by a mobile user to a specified SMS telephone short code. On receipt, the Bango Platform automatically sends a push message to start a mobile internet session on the user's handset. On connecting, the user is identified by the Bango Service and they are taken directly to the specified content. Bango has a wide range of inbound SMS telephone long and short codes to provide worldwide coverage.

- *Bango Web Trigger* – a Content Provider can ask users to enter their phone number into an online form. This form will trigger a request to Bango to send a push message to the users' phone, taking them directly to the specified content.

- *Bango Number Direct Entry* – a fixed or mobile internet site can contain an entry box for a Bango Number that takes the user quickly and easily to specified content. For example, Telefonica provides links to Bango services on its mobile portal homepage. A user simply enters the Bango Number for the content they want and the user is then redirected by Bango straight to the content.

In both of the above cases, Content Providers can simply promote a Bango Number, or a word that spells a number, by outbound text message, internet or email promotion, other sales promotion or via other media to encourage and enable access to their content.

- *A Bango Bookmark* – Bango encourages frequent users to add a bookmark on their handset device that points to a specific location on www.bango.net. When the user visits www.bango.net and enters a Bango Number, they are taken directly to the content mapped to that number.

- *Direct handset entry* – some handset manufacturers like Mitsubishi Telecom implemented Bango Number entry into the operating software of their Trium handsets to help their customers find and reach Bango enabled content.

- *Bar Codes* – Bango Numbers can be printed in bar code form such as QR format or using other similar codes, which are easy for a camera phone to recognize and decode.

Bango Numbers provide a common access whatever the user's location or input method. Content providers can use the Bango Service to determine the MNO the user is coming through, as it may be possible to determine the location a user is in. Location based services may be added to the Bango Platform in the future.

6.2.3 *The Bango Content Register*

All information relating to an individual Bango Number is stored in the content register. This information includes:

- the title of the content;
- the URL's for specific pieces of content for various browser types (iMode, XHTML, or WAP);

- pricing details for types of content; and
- age restrictions on the content.

The content register is at the heart of the Bango Platform and is the key module that all the others revolve around.

6.2.4 *The User Identity Database*

Identification of a user may be critical in an application, to offer subscription services, protect digital rights, allow a second download in the case of connection error, or provide a better user experience. To avoid the need to log-in whenever a mobile subscriber accesses the Bango Service, Bango can interrogate the MNO or operator's WAP gateway to enable the end user to be individually identified.

Once identified each user is assigned a unique identity, in the form of a Bango fingerprint, within the user identity database. Information about that user is stored against that identity within the database, including:

- the MNO of the user and their country;
- the currency the user has chosen to be charged in (currently £, US$, SEK or €s);
- the amount of money the user has left to spend;
- their mobile number, if they have used a Txt Trigger or paid by Premium SMS;
- whether they have chosen to bar their phone from certain restricted content; and
- previous transactions and payment history.

Content Providers can access information associated with a Bango fingerprint only if that user has accessed the Content Provider's services. However, only Bango can relate a user's phone number to their Bango fingerprint. A users' true identity is thus protected as required by the MNOs.

6.2.5 *Age Verification Interface*

The Bango Service implements age verification processes (primarily for adult content) at the user identity stage on behalf of MNOs and Content Providers where applicable. Content providers can thus use a single interface with Bango to operate the required age verification and content controls required by multiple MNOs, avoiding the need to use operator specific codes or multiple interfaces with operator databases.

6.2.6 *Payment Interface*

When the Bango Platform detects that a user needs to pay for content, it feeds information about the user, the Content Provider, the user device, the country and the MNO in to the payment interface. The payment interface determines the payment option that is most appropriate and effective means of obtaining payment from the user, based on best available information, in real-time. The payment interface generates the appropriate payment flow screens for that user on their device, and in their native language. A number of different payment options exist, depending on the country the mobile subscriber resides in and their MNO including premium SMS, premium rate voice, credit card and direct operator billing.

One of the benefits of using the Bango Service to collect revenues from users is that the Content Provider is more likely to be able to make a sale by offering a range of alternative payments than just using one or two. This means the Content Provider can grow their revenues and customer base faster. Since Bango effectively aggregates the billing traffic for many content providers, Bango is in a good position to negotiate good rates with billing providers. This is especially the case with "commodity" billing services such as Premium SMS where there are multiple, competing suppliers.

Pricing of content sold via the Bango Service can be per-event, multi-event (a fixed cost for a number of downloads), or time-based. The Bango Service automatically handles any necessary conversion of prices fixed by a Content Provider in one specific currency into the end user's currency. For example, a US dollar price would be displayed in Swedish Kronor to Swedish users and in Euros to German users.

One of the key advantages that Bango offers is the ability to microprice, rather than having to pay for content in distinct chunks. This could be a useful marketing tool for Content Providers who can market cheaper content options.

Bango works closely with leading mobile billing infrastructure companies to ensure their MNO customers can integrate rapidly with the Bango Platform. Bango also works with a range of "non MNO" billing providers such as the credit card companies and Premium SMS providers to ensure payment where the MNO does not yet wish to open up their billing platform.

6.2.7 *Replicated and Triplicated Server Farms*

The Bango Service provides Content Providers with considerable resilience by ensuring that their service is not dependent on individual MNOs or billing providers. Bango can dynamically switch between suppliers to deal with scheduled or un-scheduled outages at billing companies. Great care has been taken to make a highly reliable service, that is replicated across sites, systems, and ISP's to reduce the chances of a cessation of service.

The primary systems are a pair of mirrored server farms in London at a secure hosting facility. There are secondary server farms in Cambridge, for use should the central systems become unavailable or need to be re-located.

7. Competition

The Directors believe that a Content Provider wishing to market content using an off-portal approach, may evaluate a number of competitive options:

- *in-house development* – some Content Providers may decide to invest in building their own systems and seek to establish their own commercial relationships with MNOs, messaging aggregators and other required parties. The Directors believe that Content Providers may underestimate: (i) the complexity of a solution; (ii) the time it may take to develop and implement a solution; (iii) the technical and commercial effort needed to adapt to technology changes in the industry; and (iv) the overall scale of the challenge;

- *content aggregators* – the Directors believe that content aggregators may try to replicate some of the features of the Bango Service to ease access to their content library, however developing this capability may prove unduly costly and time consuming. Several content aggregators have chosen to use the Bango Service, allowing them to concentrate on content adaptation, merchandising and selection;

- *bespoke mobile solutions providers* – Content Providers may be targeted by bespoke solution developers. Bango's strategy is to work with these solutions providers to assist them in taking the Bango Service to their clients; and

- *MNOs* – as MNOs move towards an open off-portal model, they may prefer to engage directly with selected Content Providers. Content Providers may still require Bango, or a competitor to Bango, if they wish to support other MNOs, so this model will usually be appropriate in markets that can be supplied through one or two dominant MNOs.

8. Strategy

Bango aims to become a global platform over which mobile content and services are marketed, sold and presented to mobile subscribers. To achieve this goal Bango intends to:

- *secure its European position* – establish Bango's position in the off-portal space in Western Europe by expanding the range of Content Providers using the Bango Service. The Company intends targeting leading Content Providers with direct sales to encourage the use of off-portal mobile content to engage directly with their customers and target users and thus generate increased revenues;

- *extend partnership with hosting and mobile site development companies* – the Directors expect that companies focussed on the hosting and development of mobile internet sites will emerge, as they did on the fixed internet. These companies would be able to offer the Bango Service to their customers as part of their solution, Bango expects to adapt the service to better meet their specific needs as these become clearer.

- *leverage strategic partnerships with leading MNOs* – these strategic relationships may allow Bango to influence the strategy of MNOs and constantly enhance the Bango Service from an operator perspective;

- *develop technology platform and product range* – Bango continues to innovate the functionality of its patented technology. The Company intends to develop further market-driven products in response to evolving demand from users and customers. Bango is currently developing a billing base which will allow billing providers to integrate rapidly into the Bango Platform;

- *augment organic growth by selected acquisitions* – Bango may make small tactical acquisitions. This will be where entry into specific countries can be accelerated, or where additional services can be more rapidly deployed to Content Providers; and

- *strengthen the Group's US presence* – Bango is positioning itself to exploit the growing opportunity in the US by preparing the ground with MNOs and other local market participants (Bango already has existing relationships with a number of US based Content Providers).

9. Sales and Marketing Strategy

In order to consolidate its European position, Bango's marketing team has grown a database of targeted Content Providers and other integrators through prospecting, market research, trade shows, PR and engagement with reseller partners. Direct marketing activity presents the opportunities of working with Bango, through case studies and product information. The Company also receives referral business from MNOs.

Direct Sales

Bango's customers' sales are made by Content Providers visiting Bango's web site, selecting the service that best meets their needs, signing up online, and then using the documentation and examples provided to integrate the Bango Service into their site.

In addition, a Direct Sales team targets selected mobile Content Providers who meet certain revenue and reference criteria.

Reseller Strategy

The Bango Approved Partner Program (BAPP) has been developed to provide technical and commercial support to the mobile site developers that develop mobile sites for Content Providers.

Using the Bango Service, site developers can focus on the specific needs of their Content Provider customers and provide a broader reach and the potential for higher revenues from the resulting site.

Bango's objective is to secure an increasing proportion of revenue from Content Providers through reseller partners.

Partner Strategy

Bango has a partnership strategy to achieve its objective of becoming embedded as one of the leading platform suppliers for marketing, selling and delivering content. Bango has partnerships with the following types of business (some of which are also customers):

- *MNOs* – to help them expand their off-portal business;

- *billing companies* – such as MXTelecom, 2ergo plc, Vodafone m-pay, Ericsson IPX, Datacash, and with billing software suppliers such as Convergys;

- *content aggregators* – to help them deliver and sell their content. These include Opera Telecom, Mobile Impulse and Mobilestreams; and

- *infrastructure providers* – providers of infrastructure support for the content itself and promotion to end users.

10. Intellectual Property

Bango's core intellectual property comes from two sources:

- intellectual property created by Bango's founders and employees; and

- intellectual property created by third parties, not at the specific request of Bango and licensed to Bango on standard terms.

Bango has a Community Trademark in respect of the name "BANGO" and also a trademark in respect of BANGO in Japan. Bango also has live registered trademarks in respect of "Bango.net" and the Bango logo. Bango has been advised recently to consider opposing an application for a trademark in respect of a similar name.

Bango has been granted a patent in respect of numeric internet addressing in Germany, France and the UK. A further patent in those countries relating to mapping addresses is in process. The Directors are not aware of any reason why that application might be rejected.

Bango has in the past had a policy of not pursuing registration of intellectual property for the sake of doing so. Its policy has been to register intellectual property where necessarily prudent such as within the European Community and particularly Japan which has spawned the most other companies operating in similar fields. With the exception of that referred to above, the Company and the Directors have confirmed that they are not aware of any claims or potential claims of IP infringement either by or against the Company.

As well as the intellectual property rights that may be registered, Bango enjoys other rights in know-how and/or are protected by copyright.

11. Current Trading and Prospects

Trading has developed favourably and in line with management expectations since 31 March 2005. Due to the positive start to the year and the underlying strength in the business model, the Directors are confident about the Group's prospects for the current financial year and beyond.

12. Board of Directors, Senior Management and Employees

12.1 Board of Directors

Executive Directors

Ray Anderson, *Chief Executive Officer – aged 47*

Ray has twenty-five years' experience in starting, growing, and selling businesses. Ray has previously worked for SCO Inc, Acorn Ltd. and General Electric Company. Ray co-founded Torch Computers and founded IXI Limited, which established and launched Unix GUI (X.desktop) which became the recognised industry standard within six years. On behalf of IXI, Ray formed a Japanese J.V. Company (KK) with Tomen Corp. IXI entered into licensing deals with IBM, Digital, Apollo, NEC, Motorola and others. IXI was sold to SCO for £25 million in 1993. Ray remained with SCO in senior roles including SVP Worldwide Marketing, the company has subsequently floated on NASDAQ. Ray holds a first Class Degree in Computer Science from Cambridge University.

Peter Saxton, *Chief Financial Officer – aged 48*

Peter was formerly finance director of PayPoint, a UK utility bill and mobile phone payment company. He joined PayPoint near start-up and saw the company's revenues grow to over £1 billion. Peter was previously finance director of a leading payment processing company, Sligos Payment Services Ltd (previously named Nexus Payment Systems and Funds Transfer Sharing Ltd). Peter worked as a management consultant for PriceWaterhouseCoopers and was financial controller for Sinclair Research Ltd. Peter is an ACA qualified chartered accountant and has a degree in Management Sciences from UMIST.

Anil Malhotra, *VP Marketing & Alliances – aged 43*

Anil Malhotra co-founded Bango. Anil is a marketing strategist and business developer with sixteen years' experience in senior marketing and business roles in companies, including Logotron, CyberLife, Millennium Interactive (sold to Sony Computer Entertainment in 1998), SCO and IXI. Anil has a degree in Psychology from Bangor University, and a master's degree in Computer Science from Essex University.

12.2 Non-Executive Directors

Lindsay Bury, *Non-executive Chairman – aged 66*

Lindsay is a non-executive Director of Sage Group plc and Service Power Technologies plc. He is also Chairman of Electric and General Investment Trust plc and was, until March 2004, chairman of South Staffordshire Group plc. Lindsay is also a director and significant shareholder in a number of unquoted software companies including Casewise Systems Limited.

Geoff Seabrook, *Non-executive Director – aged 57*

Geoff is the Co-Founder of Visual Nexus Limited. For the past twenty years he has held senior executive positions in Silicon Valley for a number of companies including Tarantella, SCO, Century Data and Memorex. After starting his career as an engineer, during which time he designed and built the worlds first computerized sport stadium scoreboard, he has run sales and marketing operations around the world, before becoming a corporate strategist.

The Company intends to appoint an additional non-executive director shortly following Admission.

12.3 Senior Management

Martin Harris, *VP Sales – aged 48*

As Director of Sales, Martin Harris is responsible for the direct sales and business development worldwide. Previously Martin was sales director at Interactive Investor International plc and head of global new technology sales at AT&T Labs. Before that, Martin was with Sun Microsystems for ten years and held senior roles at NCR and Torch Computers in the USA and Canada.

Karen Oakley, *VP Operations & Company Secretary – aged 38*

Karen is responsible for operations, human resources, fulfils the role of Company Secretary. Karen has over fourteen years experience in managing operations finance, human resources, facilities management and administration in the IT sector. Formerly with IXI, Karen managed the finance and operations of the business from start-up to the sale to SCO. After the sale, she was responsible for human resources, operations, financial control and management accounting for two SCO development sites. She has an MBA, a post graduate diploma in Management and is AAT qualified.

Tim Moss, *Chief Technical Officer – aged 33*

Tim is experienced in the field of database backed content deployment systems used by MNOs and news portals, with many years spent in small and start-up companies offering internet based services and products. Prior to working at Bango, Tim was Chief Technical Architect at Sportal International and has also worked with IBM, O2 and SCO. He has a degree in Software Engineering from Edinburgh University.

Peter Walker, *VP Strategy – aged 58*

Peter oversees all aspects of Bango's marketing strategy and brand positioning. Peter is a key member of the executive team at Bango and plays a central part in developing the Group's business proposition. Peter has over three decades of marketing, sales and technical experience in the IT industry. From designing and marketing systems with a start-up company, CRC, through selling, marketing and senior management with IBM, to international marketing with SCO, Peter has been responsible for successfully developing global IT brands.

12.4 Employees

As of 1 June 2005, the Group employed 28 people worldwide. The split of employees by area of activity is as follows:

Research and development	6
Sales and marketing	11
Management, finance and others	5
Technical support	6

13. Placing and Use of Proceeds

By way of the Placing, the Group is raising up to £7.0 million, before expenses, through the issue of up to 5,223,881 new Ordinary Shares.

The net proceeds of the Placing available to the Group will be used principally to:

- grow the Group's UK business through funding marketing activity to increase the range and number of Content Providers using the Bango service;
- fund the expansion of the Group into selected overseas territories where the right market opportunities exist;
- expand the customer support team – in line with the growing customer base;
- continue to develop the Group's patented technology platform; and
- provide working capital.

The Directors believe that Admission will:

- raise the profile of the Group amongst its trade partners and in the wider commercial and financial communities;
- enhance the Group's ability to attract new customers; and
- assist the Group to attract, retain and incentivise key employees.

Pursuant to the Placing, the Placing Shares have been conditionally placed with institutional investors in the United Kingdom at the Placing Price. The Placing Shares will represent approximately 31.5 per cent. of the issued share capital of the Company at Admission (assuming that the Placing is fully subscribed). The Placing Shares will be issued as fully paid and will, on issue, rank *pari passu* with the Ordinary Shares already in issue at Admission. Application has been made for the Placing Shares to be admitted to trading on AIM.

The Placing includes the sale by the Selling Shareholders of 3,009,220 Ordinary Shares in aggregate.

Qualifying investment for CVS, EIS and VCT purposes

On the basis of information provided to HM Revenue & Customs, the Company has received provisional assurance that the Company is a qualifying company for CVS purposes. For the avoidance of doubt, provisional assurance does not guarantee the availability of any form of CVS relief to any particular subscriber, as the availability of CVS relief also depends upon the subscriber's circumstances and is subject to a number of conditions to be satisfied by both the Company and the investor.

On the basis of information provided to HM Revenue & Customs, the Company has received provisional approval that shares to be issued under the Placing should be eligible for EIS purposes, subject to the submission of the relevant claim form in due course. Such a claim by the Company does not guarantee EIS qualification for an individual, whose claim for relief will be conditional upon his own circumstances and is subject to holding the shares throughout the three year relevant period. In addition, for EIS relief not to be withdrawn, the Company must comply with a number of conditions throughout the qualifying period relating to those shares.

On the basis of the information provided, HM Revenue & Customs has granted provisional approval that the Company will comply with the requirements of Schedule 28B of ICTA 1988 and that the Ordinary Shares will be eligible shares for the purposes of venture capital trusts. The status of the Ordinary Shares as a qualifying holding for VCT purposes will be conditional, *inter alia*, upon the Company continuing to satisfy the relevant requirements.

Although the Company currently expects to satisfy the relevant conditions for qualifying CVS, EIS and VCT investments, neither the Directors nor the Company gives any undertaking to conduct its activities in a way that will ensure that the Company so qualifies or that it preserves this qualifying status.

Further information regarding taxation in relation to the Placing and Admission is set out in paragraph 13 of Part VI of this document.

14. Dividend Policy

The Directors intend that the Company will commence the payment of dividends once they consider it commercially prudent for the Company to do so, and subject to the availability of distributable reserves and other factors deemed to be relevant at the time by the Directors.

15. Corporate Governance

The Directors recognise the importance of sound corporate governance and intend that the Company will comply with the main provisions of the Combined Code insofar as is appropriate given the Company's size and nature. The Board includes two non-executive Directors, including Lindsay Bury as Chairman, and Geoff Seabrook.

The Company has established properly constituted audit and remuneration committees of the Board with formally delegated duties and responsibilities.

The audit committee comprises Lindsay Bury (as Chairman) and Geoff Seabrook. It will receive and review reports from management and the Group's auditors relating to the interim and annual accounts and the accounting and internal control systems in use throughout the Group. The audit committee has unrestricted access to the Group's auditors.

The remuneration committee comprises Lindsay Bury (as Chairman) and Geoff Seabrook. It will make recommendations to the Board on matters relating to the remuneration and terms of employment of the executive directors of the Company and on proposals for the granting of share options and other equity incentives pursuant to any share option scheme or equity incentive scheme in operation from time to time. It will also assess the suitability of candidates proposed for appointment by the Board. The remuneration and terms and conditions of the non-executive directors are set by the Board.

The Company plans to establish a nomination committee when it deems it appropriate to do so.

16. Lock-in Agreements

Under the terms of the Placing Agreement entered into between the Company, the Directors and Panmure Gordon, the Directors have each agreed, amongst other things, not to dispose (and to procure that none of their connected persons will dispose) of any of their Ordinary Shares in the period from Admission up until the first anniversary of Admission and for a further period of 12 months thereafter, only to dispose of their Ordinary Shares on an orderly market basis through and with the prior written consent of Panmure Gordon (or the Company's broker if different), subject to certain specified exceptions.

Under the terms of some of the Sale Deeds, the Selling Shareholders have each agreed, amongst other things, only to dispose of their remaining Ordinary Shares on an orderly market basis through and with the prior written consent of Panmure Gordon (or the Company's broker if different) in the period from Admission up until the first anniversary of Admission, subject to certain specified exceptions.

Further details of the Placing Agreement are set out in paragraph 9 of Part VI of this document.

17. Details of Share Options

As a result of acquiring Bango, the Company operates the Bango Schemes. Options under the Bango Schemes were originally granted over shares in Bango, but will be exchanged for replacement options over shares in the Company. The exchange of options will not accelerate the vesting of the options.

No further options will be granted under the Bango Schemes and any amendments made to the options to the material advantage of the optionholders will require Shareholder approval.

Further details of the Bango Schemes are set out in paragraph 6 of Part VI of this document.

The Share Option Plan is a qualifying plan under Schedule 5 of the Income Tax (Earnings and Pensions) Act 2003 ("Schedule 5"). Options are granted free of charge and are non-transferable. All employees and executive Directors in the Group who are permitted by Schedule 5 will be eligible to participate in the Share Option Plan.

The remuneration committee may impose an objective condition (the "Performance Target") on the exercise of options. The Performance Target may be amended or waived if events occur which cause the remuneration committee to consider that the Performance Target provides a materially less effective incentive than it did at the date of grant, or if it is no longer appropriate following the occurrence of any event involving the Company, any associated company or an optionholder, provided that the amended Performance Target is no more difficult to satisfy than the original Performance Target.

An individual's overall participation is limited such that the aggregate market value at the date of grant of the shares over which options have been granted to them under plans satisfying the requirements of Schedule 5 or approved by the Inland Revenue under Schedule 4 of the Income Tax (Earnings and Pensions) Act 2003 cannot exceed £100,000 from time to time. If an option is granted to an individual such that this limit is exceeded, it shall take effect as an unapproved share option in respect of the excess over the limit.

The number of Ordinary Shares issuable pursuant to options granted under the Share Option Plan, when aggregated with the number of Ordinary Shares issued or issuable pursuant to all rights granted under the Share Option Plan within the previous period of ten years, may not exceed 12 per cent. of the Company's issued ordinary share capital at the date of grant.

On certain variations of the ordinary share capital of the Company the remuneration committee may adjust the exercise price and the number of Ordinary Shares comprised in existing options.

18. Admission, Settlement and Dealings

Application has been made to the London Stock Exchange for the entire issued and to be issued share capital of the Company to be admitted to trading on AIM. It is expected that Admission will be effective and that dealings in the Ordinary Shares will commence on 30 June 2005.

The Articles permit the Company to issue shares in uncertificated form in accordance with the Uncertificated Securities Regulations 2001. CREST is a computerised paperless share transfer and settlement system which allows shares and other securities, including depositary interests, to be held in electronic rather than paper form. Application will be made by the Company's Registrars for the issued and to be issued Ordinary Shares to be admitted to CREST on Admission. Accordingly, settlement of transactions in the Ordinary Shares following Admission may take place within CREST if any Shareholder so wishes.

19. Additional Information

The attention of prospective investors is drawn to the information contained in Parts II to VI of this document which provides additional information on the Company. In particular, prospective investors are advised to consider carefully the risk factors set out in Part II of this document.

PART II

RISK FACTORS

An investment in the Ordinary Shares involves a high degree of risk. Accordingly, prospective investors should carefully consider the specific risk factors set out below in addition to the other information contained in this document before investing in the Ordinary Shares. In addition to the other information contained in this document, the Board considers the following risks to be the most significant for potential investors in the Company and should be considered carefully in evaluating whether to make an investment in the Company, but the risks listed do not necessarily comprise all those associated with an investment in the Company and are not set out in any particular order of priority.

If any of the following risks actually occur, the Group's business, financial condition, capital resources, results or future operations could be materially adversely affected. In such a case, the price of the Ordinary Shares could decline and investors may lose all or part of their investment. Additional risks and uncertainties not currently known to the Board may also have an adverse effect on the Group's business and the information set out below does not purport to be an exhaustive summary of the risks affecting the Group.

An investment in the Ordinary Shares described in this document is speculative. Potential investors are accordingly advised to consult a person authorised for the purposes of the FSMA who specialises in advising on investments of this kind before making any investment decisions. A prospective investor should consider carefully whether an investment in the Company is suitable in the light of his, her or its personal circumstances and the financial resources available to him, her or it.

Considerations relating to the Group's business and financial condition.

The Group has incurred losses in the past and may incur losses in the future.

The results of the Group operations may fluctuate, as they have in the past, and it may not be able to achieve revenue growth and profitability in the future as a result of the fact that its results are influenced by a number of factors, many of which are beyond the Group's control. If the Group does not realise sufficient revenue levels to sustain profitability, it may require additional financing, which may or may not be available. In particular the Group's average transaction values have fallen between September 2003 and March 2005 although the loss of margin from downward price pressure was compensated for by the overall growth in transaction volumes. In the future average transaction values may move up or down, affecting the level of demand for content accessed using the Bango Service.

The Group's growth and profitability may be reliant in the future on its ability to access capital for further development. Additional equity fundraising on the capital markets may be dilutive for existing Shareholders, and debt-based funding may bind the Group to restrictive covenants and curb its operating activities. Inability to access funding may result in a curtailment of the scale or scope of the Group's business.

Regulatory and taxation.

The Group's business model assumes that the regulatory regime and tax (including corporation tax, PAYE, NIC and value added tax) treatment for the Group remains consistent with the manner in which the regulatory regime applies and the Group has accounted for such taxes at the date of this document.

The success of the Group depends to a significant extent on Directors and employees.

The loss of one or more of the Directors or employees could have a material adverse effect on the Group. The Group faces competition in attracting and retaining suitably qualified employees. The Group's ability to continue to compete effectively in its business will depend upon its ability to attract new employees and retain and motivate existing employees.

The Group's contracts with certain significant customers may be terminated at short notice by such customers.

While the Directors are not presently aware of any reason likely to lead to such termination, there can be no guarantee that such termination will not occur in the future. Such termination could have a material adverse effect upon the Group's revenues and earnings.

Segmentation of the Group's revenues.

The Group has derived revenue from providing consulting and other services to MNOs. As MNOs become established in the provision of mobile content such revenue will decrease. Such reduction, it is anticipated, will be offset by increased revenue generation from other Bango services.

The Group's future operating results will be highly dependent upon how well it manages growth.

The Group has experienced, and may continue to experience, periods of rapid growth and expansion of the number of its employees and the size of its operations. This growth and expansion has placed, and could continue to place, a significant strain on the Group's limited financial, managerial and other resources.

The Bango business model.

The business model which the Group is pursuing assumes that revenue will in future be generated by providing services to a broad base of Content Providers. Given the historically slow uptake in the mobile internet by Content Providers and delays with developing 3G technology, the model is not proven.

Bango's operations and profitability may be affected by movements in foreign currency exchange rates.

Changes in currency exchange rates may harm the financial condition of Bango through both transaction and conversion risks. A proportion of Bango's revenues are and will be derived outside of the UK and the Group may be affected by currency fluctuations, particularly in the Euro-sterling exchange rate.

Denial of service.

Bango has wherever possible designed the Bango Platform, including its internet service connectivity, to have substantial elements of dual redundancy onsite to help ensure service reliability for its clients, a total loss of facilities at Bango's Cambridge office or a prolonged disruption in telephone and data lines would have a material adverse impact on Bango's business.

Bango's international operations expose the Group to further risks that it would not otherwise face.

A proportion of Bango's proceeds of the Placing will be used for the development of the Company's business in other countries worldwide. Worldwide expansion may come with the inherent difficulties associated with launching and managing international operations. If Bango fails to replicate its UK experience in the US and other jurisdictions, then this could have a material effect on its operations and/or profitability.

Bango may be unable to adequately protect its intellectual property.

The complexity of Bango's manufacturing processes and the industry in which it competes often makes it difficult to identify infringement of intellectual property rights by other participants. This, together with the protracted and costly nature of litigation, particularly in North America, may make it difficult to take swift or decisive action to prevent infringement of Bango's rights.

No assurance is given that the Group will develop products which are capable of being protected or that any protection gained will be sufficiently broad in its scope to protect the Group's intellectual property rights and exclude competitors from similar competing technology. The commercial success of the Group will also depend, in part, on its current and future products not infringing intellectual property owned by third parties. Competitors may have filed applications, or may have been granted, or may obtain patents or other intellectual property protection which may relate to products competitive with those of the Group.

As a policy, Bango does not currently protect its intellectual property rights in every jurisdiction in which it operates. To do so would involve a significant cost and commitment of management time. Accordingly intellectual property rights are only registered by way of patent in those jurisdictions considered by the Directors to be key.

Bango may inadvertently infringe the intellectual property of third parties for which it could be liable though the Directors are confident that this is not the case.

Third parties may sue Bango for infringement of its intellectual property rights or initiate proceedings which if successful could disrupt Bango's business and possibly result in Bango having to pay substantial financial or commercial penalties. It is possible that the Group may be unable to develop alternative products or technologies in a timely manner to maintain the viability of the business. In addition Bango may incur substantial costs and distraction of management time in defending against infringement.

Considerations relating to the Company's industry.

Potential competition.

Bango's market has significant growth potential but currently Bango faces little direct competition. Over time competition will intensify. Management believe that the main competition to Bango will be from bespoke developments by consultancy companies using technologies and relationships sourced elsewhere. Such competitors may include small medium and large software consultancies, the consultancy operations of hosting companies, and bespoke development work by billing companies wanting to work directly with Content Providers.

Many of these potential competitors may have greater resources than Bango. Should these companies decide to enter the market, not in collaboration with Bango, they may have advantages including:

- substantially greater financial resources;
- stronger brand name recognition with Content Providers;
- the capacity to cross-subsidize business in this space from other parts of their business;
- pre-existing relationships with Content providers;
- more resources to deploy on accelerating specific projects;
- lower labour and development costs; and
- broader geographic coverage.

In addition the development of new technologies could give rise to significant new competition.

Content Providers.

The Group is currently exposed to relatively few Content Providers, although the associated risk should recede as the number of Content Providers using the Bango Service increases.

International competition.

The economies of scale that Bango enjoys based on its technology and broad spread of Content Providers may not give the business advantage in local markets that are important. For example, where Content Providers in a country see little or no benefit from the international customers reached by Bango, the local specialists with ability to simplify their local proposition to only be relevant to local users may have advantages including:

- closer relationships with local MNOs;
- better ability to comply with local legal and commercial conditions;
- better understanding of local market needs;
- faster decision making;
- alignment of products to local market only; and
- lower operating costs due to localised presence.

Bango is dependant upon third parties, principally mobile telephone network operators, within all the countries in which it may operate its services in the future.

MNOs:

As a result of the relatively small number of networks operating in each country around the world, Bango's ability to trade in certain jurisdictions could be limited by the choice of respective networks in such jurisdictions.

Billing channels:

Bango's failure to maintain relationships with billing channels could harm Bango's business.

Bango is reliant on third parties, including MNOs, SMS aggregators and credit card processors to collect money from end users on behalf of Content Providers. While Bango has a broad spread of channels, these could be impacted or terminated by conditions including:

- commercial relationships terminated for commercial reasons;
- suppliers suffering financial hardship;
- billers refusing to service Bango;
- misbehaviour of one or more Content Providers jeopardising biller relationships; and
- increasing restriction of billing models to specific content types.

The future success of the Group may be dependant on the continued growth of the market for mobile phone content and data services.

Bango's success to date has depended, to a significant extent, on the growth in the market for mobile phone data services. There can be no assurance that such market growth will continue and this would have a material adverse impact on Bango.

The future success of Bango could be dependant on environmental factors outside its control.

The actual or perceived health risks associated with the use of mobile devices could reduce the number of mobile users thus adversely affecting Bango's business.

Changes in technology.

The Bango Platform has dealt with the transition of connectivity bearer from GSM and CDMA to GPRS to UMTS(3G) and WiFi. It has also handled the transition from HDML and HTML to WML (WAP1) and cHTML(iMode) and XHTML (WAP2). However, future technology shifts may be more profound and delay or prevent the timely expansion of the Bango Platform, which could impact upon revenues and mean that the Bango Service could not be available on every mobile phone or MNO.

Risks as a content channel.

The Group may be affected by the prevailing regulatory and legal environment relating to the content control and access. Existing and possible future law, regulation and action could cause additional expense, capital expenditure, restrictions and delays in the activities of the group, the extent of which cannot be predicted.

Generally persons in the position of Bango do not have responsibility for the content, the viewing or use of which it may facilitate. This situation could, however, change and before commencing certain services in some jurisdictions the Group may need to obtain permissions, licences or regulatory approvals and there is no assurance that these will be obtained. No assurance can be given that new laws, rules and regulations will not be enacted or existing laws, rules and regulations will not be applied in a manner which could limit or curtail certain of the group services in certain jurisdictions.

Certain jurisdictions could attempt to make Bango responsible for content which it facilitates or persons may try to hold Bango responsible for content particularly in difficult areas such as:

- gambling;
- banned images;
- religion; and
- politics.

Some or all of the above types of content are banned, restricted or regulated in some jurisdictions.

The Group may be affected by the prevailing regulatory and legislative environment.

In addition to changes in the law which affects its own position, Bango may be affected by changes in the law that prohibit the provision of services by some of its Content Provider customers.

In addition to changes in the law relating to content, Bango's business could also be adversely affected by:

- an increase in "know-your-customer" regulations aimed at money laundering and affecting small Content Providers;
- increases in regulation particularly in the European Community or the US concerning the issuance of e-money;
- a requirement of compliance with the US Patriot Act or equivalent legislation in other countries;
- changes in tax legislation or in the application of tax legislation by relevant tax authorities; and
- increasing restrictions on age verification in respect of certain types of content.

Other considerations relating to an investment in Ordinary Shares.

Substantial future sales of Ordinary Shares could impact the market price of Ordinary Shares. There has been no prior public market in the Ordinary Shares before and an active trading market may not develop or be sustained in the future.

Insiders will continue to have substantial control over the Company after completion of the Placing, so potential investors may not be able to influence the outcome of some of the Company's important decisions.

The Company is seeking to be admitted to trading on AIM and as such there is a liquidity risk for Shareholders. It may be more difficult for an investor to realise his or her investment in a small AIM traded company than in a company listed on the Official List. AIM has been in existence since June 1995 but its future success and liquidity as a market for the Ordinary Shares cannot be guaranteed. The share price of publicly traded emerging companies can be highly volatile. The price at which the Ordinary Shares will be traded and the price at which investors may realise their investment will be influenced by a large number of factors, some specific to the Company and its operations and some which may affect technology companies or quoted companies generally. Prospective investors should be aware that the value of the Ordinary Shares could go down as well as up, and investors may therefore not recover their original investment especially as the market in the Ordinary Shares may have limited liquidity.

Forward-looking statements in this Admission Document are no guarantee of future performance and only reflect the views and assumptions as of the date of this Admission Document and are subject to risks, uncertainties, market conditions and other factors, some of which are beyond the control of the Company and difficult to predict.

PART III

ACCOUNTANTS' REPORT ON BANGO PLC

Grant Thornton

The Directors
Bango plc
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Cambridge
CB4 1YG

and

The Directors
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Moorgate Hall
155 Moorgate
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EC2M 6XB

Grant Thornton UK LLP
Grant Thornton House
Melton Street
London
NW1 2EP

23 June 2005

Bango plc (the "Company")

1. Introduction

1.1 We report on the financial information set out in paragraph 2. This financial information has been prepared for inclusion in the AIM Admission Document dated 23 June 2005 (Admission Document).

Basis of preparation

1.2 The financial information set out in paragraph 2 below is based on the transactions of the Company from incorporation on 8 March 2005 to 23 June 2005, being the date of this report.

Responsibility

1.3 The directors of Bango plc are responsible for the contents of the Admission Document dated 23 June 2005 in which this report is included.

1.4 It is our responsibility to form an opinion on the financial information and to report our opinion to you.

Basis of opinion

1.5 We conducted our work in accordance with the Statements of Investment Circular Reporting Standards issued by the Auditing Practices Board. Our work included an assessment of evidence relevant to the amounts and disclosures in the financial information.

1.6 We planned and performed our work so as to obtain all the information and explanations which we considered necessary in order to provide us with sufficient evidence to give reasonable assurance that the financial information is free from material misstatement whether caused by fraud or other irregularity or error.

Opinion

1.7 In our opinion the financial information gives, for the purposes of the Admission Document dated 23 June 2005, a true and fair view of the state of affairs of the Company at that date.

Consent

1.8 We consent to the inclusion in the Admission Document dated 23 June 2005 of this report and accept responsibility for this report for the purposes of paragraph 45(8)(b) of Schedule 1 to the Public Offers of Securities Regulations 1995.

2. Financial Information

Profit and Loss account

2.1 The Company has not traded from the date of its incorporation until 23 June 2005, hence no profit and loss account has been prepared.

Share Capital

2.2 The Company was incorporated on 8 March 2005 under the name of Law 2426 Limited. On 27 April 2005, the Company changed its name to Bango Limited. On 17 June 2005, Bango Limited was re-registered as a public limited company and changed its name to Bango plc.

2.3 The total authorised share capital of the Company is £7,500,000 comprising 37,500,000 ordinary shares of 20 pence each.

2.4 As at today's date, the Company has carried out no trading and the only transactions of the Company have been as follows:

- on incorporation, the authorised share capital of the Company was £1,000, divided into 1,000 ordinary shares of £1 each
- on 31 May 2005, the authorised share capital of the Company was increased to £7,500,000 by the creation of 7,499,000 new ordinary shares of £1 each
- on 31 May 2005, the authorised share capital of the Company was reorganised into 37,500,000 ordinary shares of 20 pence each
- on 9 June 2005, the Company acquired 100% of the issued share capital of Bango by issuing 20,934,499 shares as follows:
  - 568,940 ordinary shares in exchange for 28,447 'A' ordinary shares of Bango
  - 14,797,559 ordinary shares in exchange for 739,878 'B' ordinary shares of Bango
  - 1,740,440 ordinary shares in exchange for 87,022 'C' ordinary shares of Bango
  - 3,827,560 ordinary shares in exchange for 191,378 'D' ordinary shares of Bango

2.5 The Company has not yet completed its first accounting period. No financial statements have been prepared, audited or filed with the Registrar of Companies since incorporation.

2.6 Save as disclosed in Part VI of the Admission Document, the Company has not entered into any material contracts at the date of this report.

Yours faithfully

GRANT THORNTON UK LLP

PART IV

ACCOUNTANTS' REPORT ON BANGO.NET LIMITED

Grant Thornton

The Directors
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Cambridge
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Grant Thornton UK LLP
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and

The Directors
Panmure Gordon (Broking) Limited
Moorgate Hall
155 Moorgate
London
EC2M 6XB

23 June 2005

BANGO.NET LIMITED (BANGO)

1. Introduction

1.1 We report on the financial information set out in paragraphs 3 to 7. This financial information has been prepared for inclusion in the AIM Admission Document dated 23 June relating to the proposed admission of Bango plc, the ultimate parent undertaking of Bango, to AIM, a market operated by the London Stock Exchange.

Basis of Preparation

1.2 The financial information set out in paragraphs 3 to 7 below is based on the audited financial statements of Bango for the three years ended 31 March 2005 and has been prepared on the basis set out in paragraph 3 to which no adjustments were considered necessary.

Responsibility

1.3 Such financial statements were the responsibility of the directors of Bango who approved their issue.

1.4 The directors of Bango plc are responsible for the contents of the AIM Admission Document dated 23 June 2005 in which this report is included.

1.5 It is our responsibility to compile the financial information set out in our report from the financial statements of Bango, to form an opinion on the financial information and to report our opinion to you.

Basis of Opinion

1.6 We conducted our work in accordance with the Statements of Investment Circular Reporting Standards issued by the Auditing Practices Board. Our work included an assessment of evidence relevant to the amounts and disclosures in the financial information. The evidence included that recorded by the auditors who audited the financial statements underlying the financial information. It also included an assessment of significant estimates and judgements made by those responsible for the preparation of the financial statements underlying the financial information and whether the accounting policies are appropriate to the entity's circumstances, consistently applied and adequately disclosed.

1.7 We planned and performed our work so as to obtain all the information and explanations which we considered necessary in order to provide us with sufficient evidence to give reasonable assurance that the financial information is free from material misstatement whether caused by fraud or other irregularity or error.

Opinion

1.8 In our opinion the financial information gives, for the purposes of the AIM Admission Document dated 23 June 2005, a true and fair view of the results and cash flows of Bango for the three years ended 31 March 2005 and the state of affairs of Bango at the end of each of those periods.

Consent

1.9 We consent to the inclusion in the AIM Admission Document dated 23 June 2005 of this report and accept responsibility for this report for the purposes of paragraph 45(1)(b)(iii) of Schedule 1 to the Public Offers of Securities Regulations 1995.

2. Statutory Information

2.1 Bango was incorporated on 7 October 1999.

3. Principal Accounting Policies

Basis of preparation

The financial information has been prepared under the historical cost convention and in accordance with applicable United Kingdom accounting standards.

Turnover

End users make a prepayment to Bango 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 180 days the balance remaining is released to revenue in accordance with the end users terms and conditions.

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

Revenue from services provided to mobile phone operators and content providers are recognised over the term of the contract.

Research and development

Research and development expenditure is written off in the year in which it is incurred.

Tangible fixed assets

All tangible fixed assets are initially recorded at cost. Tangible fixed assets are stated at costs net of depreciation and any provisions for impairment.

Depreciation

Depreciation is calculated so as to write off all tangible fixed assets, less their estimated residual values, over the useful economic lives of the assets as follows:

Leasehold improvements	–	5 years
Office equipment	–	5 years
Computer equipment	–	3 years

Operating lease agreements

Rentals applicable to operating leases where substantially all of the benefits and risks of ownership remain with the lessor are charged against profits on a straight line basis over the period of the lease.

Pension costs

Bango operates a defined contribution pension scheme for employees. The assets of the scheme are held separately from those of Bango. The annual contributions payable are charged to the profit and loss account.

Deferred taxation

Deferred tax is recognised in respect of all timing differences that have originated but not reversed at the balance sheet date where transactions or events have occurred at that date that will result in an obligation to pay more, or a right to pay less or to receive more, tax, with the following exceptions:

- deferred tax assets are recognised only to the extent that the directors consider that it is more likely than not that there will be suitable taxable profits from which the future reversal of the underlying timing differences can be deducted

- deferred tax is measured on an undiscounted basis at the tax rates that are expected to apply in the periods in which timing differences reverse, based on tax rates and laws enacted or substantively enacted at the balance sheet date

Foreign currencies

Monetary assets and liabilities in foreign currencies are translated into sterling at the rates of exchange ruling at the balance sheet date. Transactions in foreign currencies are translated into sterling at the rate of exchange ruling at the date of the transaction. Exchange differences are taken into account in arriving at the operating loss.

4. Profit and loss accounts

		Year ended 31 March		
	Note	**2003 £'000**	**2004 £'000**	**2005 £'000**
Turnover	7(a)	312	2,029	3,415
Cost of sales		(37)	(1,488)	(2,440)
Gross profit		275	541	975
Administrative expenses		(1,152)	(1,418)	(1,934)
Other operating income	7(b)	–	–	26
Operating loss	7(c)	(877)	(877)	(933)
Interest receivable	7(e)	13	11	15
Loss on ordinary activities before taxation		(864)	(866)	(918)
Tax on loss on ordinary activities	7(f)	43	6	–
Loss for the financial year	7(n)	(821)	(860)	(918)
Basic loss per share (pence)	7(g)	(103.95)	(90.36)	(87.76)

Bango has no recognised gains or losses other than the results for the period as set out above.

All of the activities of Bango are classed as continuing.

5. Balance sheets

	Note	As at 31 March 2003 £'000	2004 £'000	2005 £'000
Fixed assets				
Tangible assets	7(h)	49	69	88
Current assets				
Debtors	7(i)	284	860	1,048
Cash at bank and in hand		348	145	320
		632	1,005	1,368
Creditors: amounts falling due within one year	7(j)	(198)	(852)	(1,211)
Net current assets		434	153	157
Total assets less current liabilities		483	222	245
Capital and reserves				
Called up share capital	7(k)	8	10	10
Share premium account	7(m)	3,875	4,472	5,413
Profit and loss account	7(m)	(3,400)	(4,260)	(5,178)
Total equity shareholders' funds	7(o)	483	222	245

6. Cash flow statements

	Note	Year ended 31 March 2003 £'000	2004 £'000	2005 £'000
Net cash outflow from operating activities	7(o)	(772)	(915)	(583)
Returns on investment and servicing of finance				
Interest received		13	11	15
Net cash inflow from returns on investments and servicing of finance		13	11	15
Taxation		–	20	–
Capital expenditure				
Purchase of tangible fixed assets		(6)	(54)	(62)
Net cash outflow from capital expenditure		(6)	(54)	(62)
Financing				
Issue of ordinary share capital		443	735	810
Expenses of issue of shares		(19)	–	(5)
Net cash inflow from financing		424	735	805
(Decrease)/increase in cash	7(p)	(341)	(203)	175

7. Notes to the financial information

(a) Turnover and loss on ordinary activities before taxation

The turnover and loss on ordinary activities before taxation are attributable to the principal activities of Bango, which are the development, marketing and sale of technology for mobile phone users.

An analysis of turnover is given below:

Geographical analysis

	Year ended 31 March		
	2003	**2004**	**2005**
	£'000	**£'000**	**£'000**
United Kingdom	312	2,009	3,219
EU	–	2	52
US and Canada	–	12	105
Rest of the World	–	6	39
	312	2,029	3,415

Class of business

Turnover and loss before taxation is split between the following activities:

	Year ended 31 March		
	2003	**2004**	**2005**
Turnover	**£'000**	**£'000**	**£'000**
Content access fees	32	1,649	2,902
Content Provider fees (including licences and service contracts)	75	97	312
Services to Mobile Network Operators	205	283	201
	312	2,029	3,415

	Year ended 31 March		
	2003	**2004**	**2005**
Loss before taxation	**£'000**	**£'000**	**£'000**
Content access fees	10	210	533
Content Provider fees (including licences and service contracts)	60	48	240
Services to Mobile Network Operators	205	283	201
	275	541	974
Common costs	(1,152)	(1,418)	(1,907)
Operating loss	(877)	(877)	(933)

(b) Other operating income

	Year ended 31 March		
	2003	**2004**	**2005**
	£'000	**£'000**	**£'000**
Receipt on termination of contract	–	–	26

(c) Operating loss

Operating loss is stated after charging:

	Year ended 31 March		
	2003 £'000	2004 £'000	2005 £'000
Depreciation of owned fixed assets	44	34	43
Auditors' remuneration:			
Audit services	6	5	12
Non audit fees – other advisory services	–	–	5
Operating lease costs:			
Plant and equipment	2	2	2
Land and buildings	89	89	89
Net loss on foreign currency translation	1	3	2

(d) Directors and employees

The average number of staff employed by Bango during the period amounted to:

	Year ended 31 March		
	2003 No	2004 No	2005 No
Administration	1	2	3
Marketing	2	3	4
Sales	1	2	3
Technical	3	5	6
Executive directors	2	2	2
Support	1	2	3
	10	16	21

The aggregate payroll costs of the above were as follows:

	Year ended 31 March		
	2003 £'000	2004 £'000	2005 £'000
Wages and salaries	528	684	980
Social security costs	56	74	109
Other pension costs	14	8	12
	598	766	1,101

Remuneration in respect of directors was as follows:

	Year ended 31 March		
	2003 £'000	2004 £'000	2005 £'000
Emoluments receivable	124	161	194

Included in the above is £20,000 (2004: £20,000; 2003: £10,000) paid to third parties in respect of directors' remuneration.

No directors participated in money purchase pension schemes in 2003, 2004 and 2005.

(e) Interest receivable

	Year ended 31 March		
	2003	**2004**	**2005**
	£'000	**£'000**	**£'000**
Bank interest receivable	13	11	15

(f) Taxation on ordinary activities

Analysis of tax credit in the year

	Year ended 31 March		
	2003	**2004**	**2005**
	£'000	**£'000**	**£'000**
Current tax:			
United Kingdom corporation tax based on results for the year	(23)	–	–
Over provision in prior year	(20)	(6)	–
Total current tax	(43)	(6)	–

Factors affecting current tax credit

The tax assessed on the loss on ordinary activities for the period is different in comparison to the standard rate of corporation tax in the United Kingdom of 19% (2004: 19%; 2003: 19%). The differences are explained as follows:

	Year ended 31 March		
	2003	**2004**	**2005**
	£'000	**£'000**	**£'000**
Loss on ordinary activities before tax	(864)	(866)	(918)
Loss on ordinary activities multiplied by standard rate of corporation tax of 19% (2004: 19%, 2003: 19%)	(164)	(164)	(174)
Effects of:			
Expenses not deductible for tax purposes	1	7	4
Capital allowances in excess of depreciation	5	(5)	1
Other timing differences	1	–	1
Unutilised tax losses	157	162	168
Research and development tax credits	(23)	–	–
Adjustments to tax charge in respect of previous periods	(20)	(6)	–
Total current tax	(43)	(6)	–

Factors that may affect future tax charges

At 31 March 2005 the unutilised tax losses carried forward are £4.9 million (2004: £4.0 million; 2003: £3.2 million).

(g) Loss per ordinary share

The calculation of basic loss per ordinary share is based on a loss of £918,000 (2004: £859,000; 2003: £821,000), being the loss for the period and on 1,045,947 (2004: 951,168; 2003: 789,810) ordinary shares being the weighted average number of equity shares in issue during the period.

The diluted loss per ordinary share is the same as the basic loss per share as the share options in issue are anti-dilutive.

(h) Tangible fixed assets

	Leasehold improvements £'000	Computer equipment £'000	Office equipment £'000	Total £'000
Cost				
At 1 April 2002	27	102	24	153
Additions	–	5	1	6
At 31 March 2003	27	107	25	159
Additions	2	49	3	54
At 31 March 2004	29	156	28	213
Additions	–	57	5	62
At 31 March 2005	29	213	33	275
Depreciation				
At 1 April 2002	7	51	8	66
Charge	5	34	5	44
At 31 March 2003	12	85	13	110
Charge	5	24	5	34
At 31 March 2004	17	109	18	144
Charge	8	29	6	43
At 31 March 2005	25	138	24	187
Net book amount at 31 March 2005	4	75	9	88
Net book amount at 31 March 2004	12	47	10	69
Net book amount at 31 March 2003	15	22	12	49

(i) Debtors

	As at 31 March		
	2003 £'000	2004 £'000	2005 £'000
Trade debtors	104	687	802
Corporation tax repayable	43	29	29
Other debtors	137	144	217
	284	860	1,048

(j) Creditors: amounts falling due within one year

	As at 31 March		
	2003 £'000	2004 £'000	2005 £'000
Trade creditors	113	290	369
Social security and other taxes	25	74	136
Other creditors	60	276	296
Accruals and deferred income	–	212	410
	198	852	1,211

(k) Share capital

	As at 31 March		
	2003	**2004**	**2005**
	£'000	**£'000**	**£'000**
Authorised:			
28,447 'A' Ordinary shares of £0.01 each	–	–	–
993,153 (2004: 1,010,552; 2003: 797,509) 'B' Ordinary shares of £0.01 each	8	8	8
87,022 'C' Ordinary shares of £0.01 each	1	1	1
191,378 (2004: 173,979; 2003: 87,022) 'D' Ordinary shares of £0.01 each	1	2	2
	10	11	11
Allotted, called up and fully paid:			
28,447 (2004: 28,447, 2003: 28,447) 'A' Ordinary shares of £0.01 each	–	–	–
739,878 (2004: 662,575, 2003: 645,483) 'B' Ordinary shares of £0.01 each	6	7	7
87,022 (2004: 87,022, 2003: 87,022) 'C' Ordinary shares of £0.01 each	1	1	1
191,378 (2004: 173,979, 2003: 87,022) 'D' Ordinary shares of £0.01 each	1	2	2
	8	10	10

Changes in authorised share capital

On 6 May 2003, the authorised share capital was increased to £13,000 by the creation of a further 300,000 'B' Ordinary shares of £0.01 each and subsequently, 86,957 'B' authorised Ordinary shares of £0.01 each were reclassified as 'D' authorised Ordinary shares of £0.01 each.

On 3 April 2004, 17,399 'B' authorised Ordinary shares of £0.01 each were reclassified as 'D' authorised Ordinary shares of £0.01 each.

Allotments during the periods

During the year ended 31 March 2005, Bango made an allotment of 77,303 'B' Ordinary shares and 17,399 'D' Ordinary shares at £10 per share. The difference between the total consideration of £947,000 and the total nominal value of £1,000 has been credited to the share premium account. Of this total consideration, £136,000 was received by Bango during the year ended 31 March 2004 and was included in the balance sheet within other creditors as at 31 March 2004.

During the year ended 31 March 2004, Bango made an allotment of 17,092 'B' Ordinary £0.01 shares and 86,957 'D' Ordinary £0.01 shares at £5.75 per share. The difference between the total consideration of £598,000 and the total nominal value of £1,000 has been credited to the share premium account.

During the year ended 31 March 2003, Bango made an allotment of 95,208 'B' Ordinary shares at between £0.01 and £6.20 per share. The difference between the total consideration of £443,000 and the total nominal value of £1,000 has been credited to the share premium account.

Rights attached to shares

Conversion rights

The holders of the 'A', 'C' and 'D' Ordinary shares shall be entitled to convert the 'A', 'C' or 'D' Ordinary shares held by them into 'B' Ordinary shares on the basis that each 'A', 'C' or 'D' Ordinary share shall convert into one 'B' Ordinary share.

Dividends

All classes of Ordinary shares shall be entitled to receive dividends *pari passu* amongst all holders of the shares, as though one class of share.

On a sale of all the issued share capital, change of control, return of assets, winding up or reduction of capital, the consideration shall be applied as follows:

(1) In the event of a liquidation, winding up or a qualifying sale (as defined in the Articles) the amount per share shall be the aggregate of the subscription price and premium, plus arrears of unpaid dividends and related accrued interest, and shall be applied as follows:

For a qualifying sale:

First to the 'C' and 'D' Ordinary shareholders, *pari passu* as though one class of share. Second to the 'A' and 'B' Ordinary shareholders, on the same basis.

For a liquidation:

First to the 'D' Ordinary shareholders, and second to the 'A', 'B' and 'C' Ordinary shareholders, *pari passu*, as though one class of share.

Any balance after a qualifying sale or liquidation shall be distributed as follows: First to the 'A' Ordinary shareholders, and second to the 'B', 'C' and 'D' Ordinary shareholders as though one class of share, according to the amount paid up thereon, but disregarding any premium paid.

(2) In the event of all the other circumstances referred to above, the consideration paid for the issued shares or surplus assets of Bango, remaining after payment of its liabilities shall be applied in making payments to the holders of 'A', 'B', 'C' and 'D' Ordinary shares *pari passu* as though one class of share.

Voting rights

Every shareholder who is present at a meeting shall have one vote for every share of which he is the holder, save that if an 'Event of Default' occurs the holders of the 'C' and 'D' Ordinary shares shall be entitled to 20 votes in respect of each 'C' and 'D' Ordinary share of which they are the holder. An 'Event of Default' shall exist if, in general terms, Bango becomes insolvent, fails to observe any covenants contained in the Investor Agreement, and if any warrants or representations made in connection with the Investment Agreement were known to be false or misleading.

(l) Share options

At 31 March 2005, 31 March 2004 and 31 March 2003, the following options to purchase 'B' ordinary shares of £0.01 each had been granted:

Exercise price	Date of grant	Earliest date of exercise	Latest date of exercise	As at 31 March 2003 Number	As at 31 March 2004 Number	As at 31 March 2005 Number
£0.01	31 Oct 2001	31 Jan 2002	31 Oct 2011	125	125	125
£1.00	19 May 2000	19 Aug 2000	19 May 2010	4,000	4,000	4,000
£5.75	27 Aug 2003	27 Nov 2003	27 Aug 2013	–	4,450	4,450
£5.75	27 Feb 2004	27 May 2004	27 Feb 2014	–	21,300	21,300
£5.75	27 July 2004	27 Oct 2004	27 July 2014	–	–	2,500
£6.20	2 Apr 2002	24 July 2002	24 Apr 2012	5,950	5,950	5,950
£6.20	2 May 2002	2 Aug 2002	2 May 2012	11,050	11,050	11,050
£6.20	25 Aug 2002	25 Nov 2002	25 Aug 2012	7,400	7,400	7,400
£6.20	24 Feb 2003	24 May 2003	24 Feb 2013	6,100	6,100	6,100
£6.20	27 May 2004	27 Aug 2004	27 May 2014	–	–	2,000
£10.00	28 Apr 2000	28 July 2000	28 Apr 2010	6,000	6,000	6,000
£10.00	2 May 2000	2 Aug 2000	2 May 2010	3,000	3,000	3,000
£10.00	28 Aug 2004	28 Nov 2004	28 Aug 2014	–	–	6,000
£10.00	18 Feb 2005	18 May 2005	18 Feb 2015	–	–	9,925
£10.00	1 Mar 2005	1 June 2005	1 March 2015	–	–	11,500
£17.68	25 Aug 2000	25 Nov 2000	25 Aug 2010	1,300	1,300	1,300
£20.00	14 Feb 2001	14 May 2001	14 Feb 2011	2,000	2,000	–
				46,925	72,675	102,600

31,925 (2004: 25,750; 2003: 30,500) options included above were granted during the year at a market price agreed with the Inland Revenue. 2,000 options with an exercise price of £20 per share were cancelled during the year ended 31 March 2005.

One twelfth of each option grant vests every 3 months until the total option is vested.

Peter Saxton, who was appointed as a director of Bango plc, Bango's parent undertaking on 20 May 2005, was granted 10,000 share options in Bango.net Limited with an exercise price of £10 per share on 1 March 2005.

No other directors had any outstanding share options as at 31 March 2005, 31 March 2004 or 31 March 2003.

(m) Share premium account and reserves

	Share premium account £'000	Profit and loss account £'000
At 1 April 2002	3,452	(2,579)
Retained loss for the year ended 31 March 2003	–	(821)
Premium on issue of shares	442	–
Expenses of issue of shares	(19)	–
At 31 March 2003	3,875	(3,400)
Retained loss for the year ended 31 March 2004	–	(860)
Premium on issue of shares	597	–
At 31 March 2004	4,472	(4,260)
Retained loss for the year ended 31 March 2005	–	(918)
Premium on issue of shares	946	–
Expenses of issue of shares	(5)	–
At 31 March 2005	5,413	(5,178)

(n) Reconciliation of movements in shareholders' funds

	As at 31 March		
	2003 £'000	2004 £'000	2005 £'000
Loss for the financial year	(821)	(860)	(918)
New equity share capital subscribed	1	2	–
Net premium on new share capital subscribed	423	597	941
Net (decrease)/increase in shareholders' funds	(397)	(261)	23
Opening shareholders' funds	880	483	222
Closing shareholders' funds	483	222	245

(o) Reconciliation of operating loss to net cash outflow from operating activities

	Year ended 31 March		
	2003 **£'000**	**2004** **£'000**	**2005** **£'000**
Operating loss	(877)	(877)	(933)
Depreciation	44	34	43
Decrease in stock	1	–	–
Decrease/(increase) in debtors	8	(590)	(188)
Increase in creditors	52	518	495
Net cash outflow from operating activities	(772)	(915)	(583)

(p) Reconciliation of net cash flow to movement in net funds

	Year ended 31 March		
	2003 **£'000**	**2004** **£'000**	**2005** **£'000**
(Decrease)/increase in cash in the year	(341)	(203)	175
Net funds at 1 April	689	348	145
Net funds at 31 March	348	145	320

(q) Analysis of changes in net funds

	At 1 Apr 2002 £'000	**Cash-flow £'000**	**At 31 Mar 2003 £'000**	**Cashflow £'000**	**At 31 Mar 2004 £'000**	**Cashflow £'000**	**At 31 Mar 2005 £'000**
Cash in hand and at bank	765	(417)	348	(203)	145	175	320
Bank overdraft	(76)	76	–	–	–	–	–
Net funds	689	(341)	348	(203)	145	175	320

(r) Capital commitments

There were no capital commitments at 31 March 2005, 31 March 2004 or 31 March 2003.

(s) Contingent liabilities

There were no contingent liabilities at 31 March 2005, 31 March 2004 or 31 March 2003.

(t) Leasing commitments

Operating lease payments amounting to £90,000 (2004: £90,000, 2003: £90,000) are due within one year. The leases to which these amounts relate expire as follows:

Operating leases which expire:	**2003 Land & Buildings £'000**	**2003 Other items £'000**	**2004 Land & Buildings £'000**	**2004 Other items £'000**	**2005 Land & Buildings £'000**	**2005 Other items £'000**
Within 1 year	–	–	–	–	–	–
Within 2 to 5 years	–	1	89	1	89	1
After more than 5 years	89	–	–	–	–	–
	89	1	89	1	89	1

(u) Related party transactions

During the year ended 31 March 2005 Bango contracted for services from ET Capital Limited, a company in which M P Rigby is also a director, amounting to £10,000 (2004: £10,000; 2003: £10,000). At 31 March 2005 £1,000 (2004: £7,000; 2003: £9,000) was outstanding.

(v) Pensions

Bango contributes to the pension funds of certain employees. The pension cost charge represents contributions payable by Bango to these funds and amounted to £12,000 (2004: £8,000; 2003: £14,000). Contributions totalling £1,000 (2004: £2,000; 2003: £1,000) were owed at the balance sheet date and are included in creditors.

Yours faithfully

GRANT THORNTON UK LLP

PART V

PRO FORMA STATEMENT OF NET ASSETS OF BANGO PLC AND ITS SUBSIDIARY UNDERTAKINGS (THE GROUP)

Set out below is the pro forma statement of net assets of the Group, prepared on the basis of the notes set out below, to illustrate how the proposed Placing might have affected the consolidated balance sheet of the Group if it had taken place on 31 March 2005. This statement has been prepared for illustrative purposes only, and because of its nature, it may not give a true and fair picture of the financial position of the Group.

	Bango plc At 31 March 2005 Note (1) £'000	Bango.net Limited At 31 March 2005 Note (2) £'000	Adjustments Note (3) £'000	Adjustments Note (4) £'000	Pro forma balance sheet At 31 March 2005 Note (5) £'000
Fixed assets					
Tangible assets	–	88	–	–	88
Current assets					
Debtors	–	1,048	–	–	1,048
Cash at bank and in hand	–	320	–	6,150	6,470
	–	1,368	–	6,150	7,518
Creditors: amounts falling due within one year	–	(1,211)	–	–	(1,211)
Net current assets	–	157	–	6,150	6,307
Total assets less current liabilities and net assets	–	245	–	6,150	6,395
Capital and reserves					
Share capital	–	10	4,176	1,045	5,231
Share premium	–	5,413	(5,413)	5,105	5,105
Merger reserve	–	–	1,237	–	1,237
Profit and loss account	–	(5,178)	–	–	(5,178)
	–	245	–	6,150	6,395

Notes:

(1) Based on the balance sheet at incorporation of Bango plc, extracted without material adjustment from the financial information set out in Part III of this document.

(2) Based on the balance sheet of Bango.net Limited as at 31 March 2005, extracted without material adjustment from the financial information set out in Part IV of this document.

(3) The share-for-share exchange between Bango plc and Bango.net Limited is accounted for as a group reconstruction and the difference between the nominal value of 20,934,499 Ordinary Shares issued by Bango plc and the share capital and share premium of Bango.net Limited has been transferred to a merger reserve.

(4) Represents the proceeds from the Placing of 5,223,881 Ordinary Shares at a price of 134 pence per share net of estimated expenses of £0.85 million associated with the proposed Placing and admission to AIM, a market operated by London Stock Exchange.

(5) The pro-forma financial information does not constitute statutory accounts within the meaning of section 240 of the Act. The pro-forma statement of net assets of the Group does not take into account the effect of changes in trading or working capital of the Group since 31 March 2005.

PART VI

ADDITIONAL INFORMATION

1. The Directors, each of whose business address is or will be the registered office of the Company and whose names appear on page 4 of this document, accept responsibility for the information contained in this document. To the best of the knowledge and belief of the Directors (who have taken all reasonable care to ensure that such is the case), the information contained in this document is in accordance with the facts and does not omit anything likely to affect the import of such information.

2. The Company and its subsidiary

2.1 The Company was incorporated in England and Wales on 8 March 2005 under the name Law 2426 Limited with registered number 05386079 as a private company limited by shares under the Act. The Company changed its name to Bango Limited on 27 April 2005 and was re-registered as a public company on 17 June 2005.

2.2 The principal legislation under which the Company operates is the Act. The liability of the Company's members is limited.

2.3 The Company's registered office and principal place of business is at 5 Westbrook Centre, Cambridge CB4 1YG.

2.4 The Company is the holding company of the following subsidiary company incorporated in England and Wales.

Name	Company No	Date of Incorporation	Principal Activity
Bango.net Limited	03854965	7 October 1999	Development of mobile phone technology relating to provision of services to mobile phone users.

3. Share capital

3.1 On its incorporation, the authorised share capital of the Company was £1,000 comprising 1,000 ordinary shares of £1.00 each, of which one ordinary share of £1.00 was issued.

3.2 On 31 May 2005 the following resolutions were passed:

(a) the authorised share capital of the Company was increased from £1,000 to £7,500,000 by the creation of an additional 7,499,000 ordinary shares of £1.00 each;

(b) the share capital of the Company was altered by the subdivision of all the issued and unissued ordinary shares of £1.00 each in the capital of the Company into 37,500,000 Ordinary Shares;

(c) in substitution for all existing authorities, the Directors were generally and unconditionally authorised pursuant to section 80 of the Act to exercise all the powers of the Company to allot relevant securities (as defined in section 80 of the Act) provided that the authority hereby granted shall be limited to the amount of the authorised but unissued share capital of the Company as increased pursuant to the resolution referred to at (a) above for a period expiring (unless previously renewed or revoked by the Company in general meeting) on the date which is 15 months following the date of the passing of the resolution, or at the conclusion of the next annual general meeting of the Company following the date of the passing of the resolution if that shall occur sooner, but so that the Company may before such expiry make an offer or agreement which would or might require relevant securities to be allotted after such expiry and the Directors may allot relevant securities in pursuance of that offer or agreement notwithstanding that the authority conferred hereby has expired; and

(d) that, subject to the passing of the resolution described at (c) above and pursuant to section 95 of the Act, section 89(1) of the Act shall not apply to the allotment of equity securities (as defined in section 94(2) of the Act) pursuant to the authority conferred by the resolution so that such disapplication shall cease to have effect when the authority to which it relates is revoked or would (if renewed) expire but so that prior thereto the Company may make an offer or agreement which would or might require equity securities to be allotted after such expiry and in such case the

Directors may allot equity securities in pursuance of that offer or agreement notwithstanding that such disapplication shall have ceased to have effect.

3.3 As at the date of this document, the authorised and issued share capital of the Company is as follows:

	Number	£
Authorised Ordinary Share Capital	37,500,000	7,500,000.00
Issued and fully paid Ordinary Shares	20,934,500	4,186,900.00

3.4 On Admission the authorised and issued share capital of the Company is expected to be as follows:

	Number	£
Authorised Ordinary Share Capital	37,500,000	7,500,000.00
Issued and fully paid Ordinary Shares	26,158,381	5,231,676.00

3.5 Save as disclosed in paragraphs 3.2, 3.3 and 3.4 above, there have been no changes to the authorised and issued share capital.

3.6 Save as disclosed in this Part VI:

3.6.1 no share or loan capital of the Company has been issued or is now proposed to be issued, fully or partly paid either for cash or for a consideration other than cash;

3.6.2 no share or loan capital of the Company or any of its subsidiary undertakings is under option or is agreed conditionally or unconditionally to be put under option;

3.6.3 no commission discount, brokerage or any other special term has been granted by the Company or is now proposed in connection with the issue or sale of any part of the share or loan capital of the Company; and

3.6.4 no fee and no founder, management or deferred shares have been issued by the Company.

3.7 The provisions of section 89(1) of the Act (which, to the extent not disapplied pursuant to section 95 of the Act) confer on shareholders rights of pre-emption in respect of the allotment of equity securities which are, or are to be, paid up in cash other than by way of allotment to employees under employee's share scheme (as defined in section 743 of the Act) and will apply to the authorised but unissued share capital of the Company except to the extent disapplied by the resolutions referred to in paragraph 3.2.

3.8 The Company has applied to CRESTCo, for the Ordinary Shares to be admitted to CREST with effect from Admission. Accordingly, settlement of transactions in the Ordinary Shares following Admission may take place within the CREST system, if the relevant shareholders so wish.

CREST is a paperless settlement procedure enabling securities to be evidenced otherwise than by certificate and transferred otherwise than by written instruments. The Articles permit the holding and transfer of Ordinary Shares in CREST.

CREST is a voluntary system and holders of Ordinary Shares who wish to receive and retain share certificates will be able to do so. Persons acquiring Ordinary Shares under the Placing may, however, elect to receive Ordinary Shares in uncertificated form if, but only if, that person is a "system member" (as defined in the CREST Regulations) in relation to CREST.

Holders of existing Ordinary Shares will receive new share certificates in respect of the number of Ordinary Shares held by them on Admission. If existing shareholders wish to hold their Ordinary Shares in CREST they will need to follow the requisite CREST procedure for the dematerialisation of their shareholding.

It is anticipated that, where appropriate, share certificates will be despatched by 7 July 2005. Temporary documents of title will not be issued. Prior to despatch of definitive share certificates transfers will be certified against the register.

3.9 All the Ordinary Shares in the Company will rank *pari passu* in all respects including with regard to dividends.

4. Memorandum and Articles of Association

The Memorandum of Association of the Company provides that the Company may act as the holding and co-ordinating company of the Group of which the Company is for the time being the holding company. The objects of the Company are set out in full in clause 4 of the Memorandum of Association of the Company.

The Articles contain, *inter alia*, provisions to the following effect:

(a) *Votes of members*

(i) Subject to the provisions of the Act and to any special rights or restrictions as to voting attached to any shares or class of shares or otherwise provided by these Articles, on a show of hands every member who is present in person shall have one vote and on a poll every member who is present in person or by proxy shall have one vote for every share of which he is the holder.

Restriction on rights of members where calls outstanding

(ii) Unless the Board otherwise determines, no member shall be entitled to receive any dividend or to be present and vote at a general meeting or at any separate general meeting of the holders of any class of shares either personally or by proxy, or to be reckoned in a quorum, or to exercise any other right or privilege conferred by membership in respect of a share held by him in relation to meetings of the Company unless and until he shall have paid all calls or other sums presently due and payable by him, whether alone or jointly with any other person, to the Company.

(b) *Transfer of shares*

(i) *Form of transfer*

Subject to Article 7.1 and provisions in the Articles regarding uncertificated shares, all transfers of certificated shares may be effected by transfer in writing in any usual or common form or in any other form acceptable to the Board and may be under hand only. The instrument of transfer shall be signed by or on behalf of the transferor and (except in the case of fully paid shares) by or on behalf of the transferee. In relation to both certificated and uncertificated shares, the transferor shall remain the holder of the shares concerned until the name of the transferee is entered in the Register in respect of such shares. All instruments of transfer which are registered may be retained by the Company.

(ii) *Right to refuse registration*

The Board may in its absolute discretion and without assigning any reason for its actions refuse to register any transfer of any certificated share which is not a fully paid share provided that the Board shall not refuse to register any transfer or renunciation of partly paid shares which are admitted to AIM on the grounds that they are partly paid shares in circumstances where such refusal would prevent dealings in such shares from taking place on an open and proper basis.

(iii) *Other rights to decline registration*

The Board may decline to recognise any instrument of transfer relating to certificated shares unless the instrument of transfer:

(A) is in respect of only one class of share;

(B) is lodged at the registered office or such other place as the Board may appoint;

(C) is accompanied by the relevant share certificate(s) and such other evidence as the Board may reasonably require to show the right of the transferor to make the transfer (and, if the instrument of transfer is executed by some other person on his behalf, the authority of that person so to do);

(D) is duly stamped (if so required); and

in the case of a transfer to joint holders, the number of joint holders does not exceed four.

(c) *Dividends*

(i) *Final dividends*

Subject to the provisions of the Act and of the Articles, the Company may by ordinary resolution declare dividends to be paid to members according to their respective rights and interests but no such dividends shall exceed the sum recommended by the Board.

(ii) *Interim dividends*

In so far as in the opinion of the Board the profits of the Company justify such payments, the Board may declare and pay the fixed dividends on any class of shares carrying a fixed dividend expressed to be payable on fixed dates on the half-yearly or other dates prescribed for the payment of such dividends and may also from time to time declare and pay interim dividends on shares of any class of such sums and on such dates and in respect of such periods as it thinks fit. Provided the directors act in good faith they shall not incur any liability to the holders of shares conferring preferred rights for any loss they may suffer by the lawful payment of an interim dividend on any shares having deferred or non-preferred rights.

(iii) *Ranking of shares for dividend*

Unless and to the extent that the rights attached to any shares or the terms of issue of such shares otherwise provide, all dividends shall (as regards any shares not fully paid throughout the period in respect of which the dividend is paid) be apportioned and paid pro rata according to the sums paid on the shares during any portion or portions of the period in respect of which the dividend is paid. For the purposes of this Article no sum paid on a share in advance of calls shall be treated as paid on the share.

(iv) *No dividend except out of profits*

No dividend shall be paid otherwise than out of profits available for distribution under the provisions of the Statutes (as defined in the Articles).

(v) *No interest on dividends*

No dividend or other moneys payable on or in respect of a share shall bear interest as against the Company.

(vi) *Retention of dividends*

(A) The Board may retain any dividend or other moneys payable on or in respect of a share on which the Company has a lien, and may apply the same in or towards satisfaction of the debts, liabilities or obligations in respect of which the lien exists.

(B) The Board may retain the dividends payable upon shares in respect of which any person is under the provisions as to the transmission of shares contained in the Articles, entitled to become a member, or which any person is under those provisions entitled to transfer, until such person shall become a member in respect of such shares or shall transfer the same.

(vii) *Waiver of dividend*

The waiver in whole or in part of any dividend on any share by any document (whether or not executed as a deed) shall be effective only if such document is signed by the holder of such share (or the person becoming entitled to the share in consequence of the death, bankruptcy or mental disorder of the holder or by operation of law or any other event) and delivered to the Company and if or to the extent that the same is accepted as such or acted upon by the Company.

(viii) *Unclaimed dividend*

All dividends, interest or other sum payable and unclaimed for 12 months after having become payable may be invested or otherwise made use of by the Board for the benefit of the Company until claimed and the Company shall not be constituted a trustee in respect thereof. Any dividend unclaimed after a period of twelve years from the date the dividend became due for payment shall be forfeited and shall revert to the Company.

(ix) *Distribution in specie*

The Company may upon the recommendation of the Board by ordinary resolution direct payment of a dividend in whole or in part by the distribution of specific assets (and in particular of paid-up shares or debentures of any other company) and the Board shall give effect to such resolution. Where any difficulty arises in regard to such distribution, the Board may settle the same as it thinks expedient and in particular:

(A) may issue fractional certificates;

(B) may fix the value for distribution of such specific assets or any part of such specific assets;

(C) may determine that cash payments shall be made to any member upon the footing of the value so fixed in order to adjust the rights of all members; and

(D) may vest any such specific assets in trustees as may seem expedient to the Board.

(d) *Capitalisation of profits and reserves*

(i) The Board may, with the sanction of an ordinary resolution of the Company, capitalise any sum standing to the credit of any of the Company's reserve accounts (including any share premium account, capital redemption reserve, or other undistributable reserve) or any sum standing to the credit of profit and loss account.

(ii) Such capitalisation shall be effected by appropriating such sum to the holders of ordinary shares on the Register at the close of business on the date of the resolution (or such other date as may be specified in such resolution or determined as provided in such resolution) in proportion to their holdings of ordinary shares and applying such sum on their behalf in paying up in full unissued ordinary shares (or, subject to any special rights previously conferred on any shares or class of shares for the time being issued, unissued shares of any other class not being redeemable shares) for allotment and distribution credited as fully paid up to and amongst them in proportion to their holdings.

(iii) The Board may do all acts and things considered necessary or expedient to give effect to any such capitalisation, with full power to the Board to make such provision as it thinks fit for any fractional entitlements which would arise on the basis aforesaid (including provisions whereby fractional entitlements are disregarded or the benefit of such fractional entitlements accrues to the Company rather than to the members concerned). The Board may authorise any person to enter on behalf of all the members interested into an agreement with the Company providing for any such capitalisation and matters incidental to such capitalisation and any agreement made under such authority shall be effective and binding on all concerned.

(e) *Share capital*

(i) *Variation of Rights*

Whenever the share capital of the Company is divided into different classes of shares, the special rights for the time being attached to any share or class of share in the Company may, subject to the provisions of the Statutes, be varied or abrogated either with the consent in writing of the holders of not less than three-quarters in nominal value of the issued shares of the class or with the sanction of an extraordinary resolution passed at a separate general meeting of the holders of the shares of the class (but not otherwise) and may be so varied or abrogated whilst the Company is a going concern or during or in contemplation of a winding-up. To every such separate general meeting all the provisions of these Articles relating to general meetings of the Company and to the proceedings at such general meetings shall with necessary modifications apply, except that:

(A) the necessary quorum shall be two persons holding or representing by proxy at least one-third in nominal value paid up of the issued shares of the class (but so that if at any adjourned meeting a quorum as defined above is not present, any one holder of any shares of the class present in person or by proxy shall be a quorum); and

(B) any holder of shares of the class present in person or by proxy may demand a poll and every such holder shall on a poll have one vote for every share of the class held by him.

(ii) The preceding Article shall apply to the variation or abrogation of the special rights attached to some only of the shares of any class as if each group of shares of the class differently treated formed a separate class the special rights of which are to be varied.

(iii) The special rights attached to any class of shares having preferential rights shall not, unless otherwise expressly provided by the terms of issue of that class of shares, be deemed to be varied:

(A) by the creation or issue of further shares ranking as regards participation in the profits or assets of the Company in some or all respects equally with such shares but in no respect in priority to such shares;

(B) by the purchase by the Company of any of its own shares (and the holding of any such shares as Treasury Shares (as defined in the Articles)); or

(C) the Board resolving that a class of shares shall become, or the Operator of the relevant system permitting such class of shares to be, a participating security.

(iv) *Increase in share capital*

The Company may from time to time by ordinary resolution increase its capital by such sum to be divided into shares of such amounts as the resolution shall prescribe. All new shares shall be subject to the provisions of the Statutes and of these Articles with reference to allotment, payment of calls, lien, transfer, transmission, forfeiture and otherwise.

(v) *Consolidation, subdivision and cancellation*

The Company may from time to time by ordinary resolution:

(A) consolidate and divide all or any of its share capital into shares of larger nominal value than its existing shares;

(B) cancel any shares which, at the date of the passing of the resolution, have not been taken, or agreed to be taken, by any person and diminish the amount of its capital by the amount of the shares so cancelled;

(C) subject to the provisions of the Statutes, sub-divide its shares, or any of them, into shares of smaller nominal value than is fixed by the memorandum of association and so that the resolution whereby any share is sub-divided may determine that, as between the shares resulting from the sub-division, any of them may have any preference or advantage or be subject to any restriction as compared to the others.

(vi) *Reduction or cancellation*

The Company may by special resolution reduce or cancel its share capital or any revaluation reserve or share premium account or any other reserve fund in any manner and with and subject to any confirmation or consent required by law and any rights for the time being attached to any shares.

(vii) *Purchase of own shares*

Subject to the provisions of the Statutes (as defined in the Articles), and any special rights for the time being attached to any shares, the Company may purchase or may enter into any contract under which it will or may purchase at any price, any of its own shares of any class (including any redeemable shares) and may hold (and sell) any of such shares as Treasury Shares. Any shares to be so purchased may (subject to any resolution of the Company in general meeting) be selected in any manner determined by the Board.

Where there are in issue convertible securities convertible into or carrying a right to subscribe for equity shares of a class proposed to be purchased, a separate meeting of the holders of the convertible securities must be held and their approval by extraordinary resolution obtained before the Company enters into any contract to purchase equity shares of the relevant class. Subject to this and notwithstanding anything to the contrary contained in these Articles, the rights and privileges attached to any class of shares shall be deemed not to be altered or abrogated by anything done by the Company in pursuance of any resolution passed under the powers conferred by the preceding Article.

(f) *Forfeiture and lien*

(i) *Notice on failure to pay a call*

If a member fails to pay in full any call or instalment of a call on the due date for payment of such call or instalment, the Board may at any time after the failure serve a notice on him or any person entitled to the shares by transmission requiring payment of so much of the call or instalment as is unpaid together with any interest which may have accrued on such call or instalment and any expenses incurred by the Company by reason of such non-payment.

The notice shall name a further day (being not fewer than seven days from the date of service of the notice) on or before which, and the place where, the payment required by the notice is to be made, and shall state that in the event of non-payment in accordance with such notice the shares on which the call was made will be liable to be forfeited.

(ii) *Forfeiture for non-compliance*

If the requirements of any such notice as is referred to in the preceding Article are not complied with, any share in respect of which such notice has been given may at any time after the non compliance, before payment of all calls and interest and expenses due in respect of such share has been made, be forfeited by a resolution of the Board to that effect. Such forfeiture shall include all dividends declared in respect of the forfeited share and not actually paid before forfeiture. The Board may accept a surrender of any share liable to be forfeited under these Articles.

(iii) *Notice on previous holder*

Where any share has been forfeited, notice of the forfeiture shall be served upon the person who was the holder of the share before forfeiture or, in the case of a person entitled to such share by transmission, upon such person (as the case may be). An entry recording the fact that notice of forfeiture has been given and that the share has been forfeited shall immediately be made in the Register in respect of such share. However, no forfeiture shall be invalidated in any manner by any omission or neglect to give such notice or make such entry.

(iv) *Disposal of forfeited shares*

A share forfeited or surrendered shall become the property of the Company and, subject to the Statutes may be sold, re-allotted or disposed of in any other way either to the person who was the holder of such share or entitled to such share before such forfeiture or surrender, or to any other person upon such terms and in such manner as the Board shall think fit and at any time before a sale, re-allotment or other disposition the forfeiture may be annulled by the Board on such terms as it thinks fit. The Board may, if necessary, authorise some person to transfer a forfeited or surrendered share to any such other person.

(v) *Holder to remain liable despite forfeiture*

A member whose shares have been forfeited or surrendered shall cease to be a member in respect of the shares (and shall surrender to the Company for cancellation the certificate for such shares) but shall notwithstanding the forfeiture or surrender remain liable to pay to the Company all moneys which at the date of forfeiture or surrender were presently payable by him to the Company in respect of the shares with interest on such shares at such rate (not exceeding 15 per cent. per annum) as the Board may determine from the date of forfeiture or surrender until payment. The Board may at its absolute discretion enforce payment without any allowance for the value of the shares at the time of forfeiture or surrender or waive payment in whole or in part.

(vi) *Lien on partly-paid shares*

The Company shall have a first and paramount lien on every share (not being a fully paid share) for all moneys (whether presently payable or not) called or payable at a fixed time in respect of such share. The Board may waive any lien which has arisen and may resolve that any share shall for some limited period be exempt wholly or partially from the provisions of this Article.

(vii) *Sale of shares subject to lien*

The Company may sell in such manner as the Board thinks fit any share on which the Company has a lien, but no sale shall be made unless some sum in respect of which the lien exists is presently payable nor until the expiration of fourteen days after a notice in writing stating and demanding payment of the sum presently payable and giving notice of intention to sell in default shall have been given to the holder for the time being of the share or the person entitled to such share by reason of his death, bankruptcy, liquidation or otherwise.

(viii) *Proceeds of sale of shares subject to lien*

The net proceeds of sale of shares subject to a lien (after payment of the costs of such sale) shall be applied in or towards payment or satisfaction of the debts or liabilities in respect of which the lien exists so far as the same are presently payable and any residue shall (subject to a like lien for liabilities not presently payable as existed upon the shares prior to the sale) be paid to the person entitled to the shares at the time of the sale. For giving effect to any such sale the Board may authorise some person to transfer the shares sold to, or in accordance with the directions of, the purchaser.

(ix) *Evidence of forfeiture*

A statutory declaration in writing that the declarant is a director or the Company secretary and that a share has been duly forfeited or surrendered or sold to satisfy obligations covered by a lien of the Company on a date stated in the declaration shall be conclusive evidence of the facts stated in the declaration as against all persons claiming to be entitled to the share. Such declaration shall (subject to the execution of a transfer if the same be required) constitute a good title to the share and the person to whom the share is sold, re-allotted or disposed of shall be registered as the holder of the share and shall be discharged from all calls made prior to such sale or disposition and shall not be bound to see to the application of the purchase moneys (if any) nor shall his title to the share be affected by any irregularity or invalidity in the proceedings relating to the forfeiture, surrender, sale, re-allotment or other disposal of the share.

The forfeiture of a share shall extinguish at the time of forfeiture all interest in and claims and demands against the Company in respect of the share and all other rights and liabilities incidental to the share as between the holder whose share is forfeited and the Company, except only such of those rights and liabilities as are by these Articles expressly saved, or as are by the Act given or imposed in the case of past members.

(g) *Directors*

Subject as provided in these Articles the Directors shall not be fewer than two nor more than ten in number. The Company may by ordinary resolution from time to time vary the minimum number and/or maximum number of directors.

(i) *Share qualification*

A director shall not be required to hold any shares of the Company by way of qualification. A director who is not a member of the Company shall nevertheless be entitled to attend and speak at shareholders' meetings.

(ii) *Directors' fees*

The ordinary remuneration of the directors shall from time to time be determined by the Board except that such remuneration shall not exceed £750,000 per annum in aggregate or such higher sum as may from time to time be determined by ordinary resolution of the Company and shall (unless such resolution otherwise provides) be divisible among the directors as the Board may agree, or, failing agreement, equally, except that any director who shall hold office for part only of the period in respect of which such remuneration is payable shall be entitled only to rank in such division for a proportion of remuneration related to the period during which he has held office.

(iii) *Other remuneration of directors*

Any director who holds any executive office (including for this purpose the office of chairman or deputy chairman whether or not such office is held in an executive capacity), or who serves on any committee of the Board, or who otherwise performs services which in the opinion of the Board are outside the scope of the ordinary duties of a director, may be paid such extra remuneration by way of salary, commission or otherwise or may receive such other benefits as the Board may determine.

(iv) *Directors' expenses*

The Board may repay to any director all such reasonable expenses as he may properly incur in attending and returning from meetings of the Board or of any committee of the Board or shareholders' meetings or otherwise in connection with the performance of his duties as a director of the Company.

(v) *Directors' pensions and other benefits*

The Board shall have power to pay and agree to pay gratuities, pensions or other retirement, superannuation, death or disability benefits to (or to any person in respect of) any director or ex-director and for the purpose of providing any such gratuities, pensions or other benefits to contribute to any scheme or fund or to pay premiums.

(vi) *Directors' interest in contracts*

A director may be party to or in any way interested in any contract or arrangement or transaction to which the Company is a party or in which the Company is in any way interested and he may hold and be remunerated in respect of any office or place of profit (other than the office of auditor) under the Company or any other company in which the Company is in any way interested and he (or any firm of which he is a member) may act in a professional capacity for the Company or any such other company and be remunerated for his acts and in any such case (save as otherwise agreed by him) he may retain for his own absolute use and benefit all profits and advantages accruing to him under or in consequence of his acts and no such contract, arrangement or transaction shall be avoided on the grounds of any such interest or benefit.

(vii) *Disclosure of interests to the Board*

A director who, to his knowledge, is in any way (directly or indirectly) interested in any contract, arrangement or transaction with the Company shall declare the nature of his interest at the meeting of the Board at which the question of entering into the contract, arrangement or transaction is first considered, if he knows his interest then exists or, in any other case, at the first meeting of the Board after he knows that he is or has become so interested. For the purposes of this Article:

(A) a general notice given to the Board by a director that he is to be regarded as having an interest (of the nature and extent specified in the notice) in any contract, transaction or arrangement in which a specified person or class of persons is interested shall be deemed to be a sufficient disclosure under this Article in relation to such contract, transaction or arrangement; and

(B) an interest of which a director has no knowledge and of which it is unreasonable to expect him to have knowledge shall not be treated as an interest of his.

(viii) *Appointment of executive directors*

The Board may from time to time appoint one or more of their body to be the holder of any executive office (including, where considered appropriate, the office of chairman or deputy chairman) on such terms and for such period as they may (subject to the provisions of the Statutes {as defined in the articles}) determine and, without prejudice to the terms of any contract entered into in any particular case, may at any time revoke or vary the terms of any such appointment.

(ix) *Ceasing to be a director*

The appointment of any director to the office of chairman or deputy chairman or chief executive or managing or joint managing or deputy or assistant managing director shall automatically determine if he ceases to be a director but without prejudice to any claim for damages for breach of any contract of service between him and the Company. The appointment of any director to any other executive office shall not automatically determine if he ceases from any cause to be a director, unless the contract or resolution under which he holds office shall expressly state otherwise, in which event such determination shall be without prejudice to any claim for damages for breach of any contract of service between him and the Company.

(x) *Powers of executive directors*

The Board may entrust to and confer upon any director holding any executive office any of the powers exercisable by them as directors upon such terms and conditions and with such restrictions as they think fit, and either collaterally with or to the exclusion of their own powers, and may from time to time revoke, withdraw, alter or vary all or any of such powers.

(h) *Appointment and retirement of directors*

(i) *Power of Company to appoint directors*

Subject to the provisions of these Articles, the Company may by ordinary resolution appoint any person who is willing to act to be a director, either to fill a vacancy or as an addition to the existing Board, but so that the total number of directors shall not at any time exceed any maximum number fixed by or in accordance with these Articles.

(ii) *Power of Board to appoint directors*

Without prejudice to the power of the Company in general meeting pursuant to any of the provisions of these Articles to appoint any person to be a director, the Board may appoint any person who is willing to act to be a director, either to fill a vacancy or as an addition to the existing Board, but so that the total number of directors shall not at any time exceed any maximum number fixed by or in accordance with these Articles. Any director so appointed must retire from office at, or at the end of, the next following annual general meeting and will then be eligible to stand for election but shall not be taken into account in determining the directors or the number of directors who are to retire by rotation at that meeting.

(iii) *Age limit*

Any provision of the Statutes (as defined in the Articles) which, subject to the provisions of these Articles, would have the effect of rendering any person ineligible for appointment or election as a director or liable to vacate office as a director on account of his having reached any specified age or of requiring special notice or any other special formality in connection with the appointment or election of any director over a specified age, shall not apply to the Company.

(iv) *Retirement by rotation*

At each annual general meeting one-third of the directors for the time being shall retire from office by rotation (or, if their number is not a multiple of three, the number nearest to but not exceeding one-third) shall so retire provided always that all directors must be subject to re-election at intervals of no more than three years.

(v) *Selection of directors to retire by rotation*

The directors to retire by rotation shall include (so far as necessary to obtain the number required) any director who is due to retire at the meeting by reason of age or who wishes to retire and not to offer himself for re-election. Any further directors so to retire shall be those of the other directors subject to retirement by rotation who have been longest in office since their last re-election and so that as between persons who became or were last re-elected directors on the same day those to retire shall, unless they otherwise agree among themselves, be determined by lot together with those who in the absence of any such retirement would continue in office for a period in excess of three years. A retiring director shall be eligible for re-election.

(vi) *Re-election of retiring directors*

The Company at the meeting at which a director retires under any provision of these Articles may by ordinary resolution fill the office being vacated by electing to that office the retiring director or some other person eligible for election. In default the retiring director shall be deemed to have been re-elected except in any of the following cases:

(A) where at such meeting it is expressly resolved not to fill such office or a resolution for the re-election of such director is put to the meeting and lost;

(B) where such director has given notice in writing to the Company that he is unwilling to be re-elected;

(C) where such director has attained any retiring age applicable to him as director; or

(D) where the default is due to the moving of a resolution in contravention of the next following Article.

(vii) *Election of two or more directors*

A resolution for the election of two or more persons as directors by a single resolution shall not be moved at any general meeting unless a resolution that it shall be so moved has first been agreed to by the meeting without any vote being given against it; and any resolution moved in contravention of this provision shall be void.

(viii) *Timing of retirement*

The retirement of a director at any general meeting shall not have effect until the conclusion of the meeting except where a resolution is passed to elect some other person in place of the retiring director or a resolution for his re-election is put to the meeting and lost and accordingly a retiring director who is re-elected or deemed to have been re-elected will continue in office without a break.

(ix) *Nomination of Director for election*

No person other than a director retiring at the meeting shall, unless recommended by the Board for election, be eligible for election as a director at any general meeting unless not fewer than seven nor more than 42 days (inclusive of the date on which the notice is given) before the date appointed for the meeting there shall have been lodged at the Registered Office notice in writing signed by some member (other than the person to be proposed) duly qualified to attend and vote at the meeting for which such notice is given of his intention to propose such person for election and also notice in writing signed by the person to be proposed of his willingness to be elected.

(x) *Vacation of office*

The office of a director shall be vacated if:

(A) he ceases to be a director by virtue of any provision of the Statutes or he becomes prohibited by law from being a director;

(B) he becomes bankrupt, has an interim receiving order made against him, makes any arrangement or compounds with his creditors generally or applies to the court for an interim order under section 253 of the Insolvency Act 1986 in connection with a voluntary arrangement under that act;

(C) he is, or may be suffering from mental disorder and either:

- he is admitted to hospital in pursuance of an application for admission for treatment under the Mental Health Act 1983 or, in Scotland, an application for admission under the Mental Health (Scotland) Act 1960; or
- an order is made by a court having jurisdiction (whether in the United Kingdom or elsewhere) in matters concerning mental disorder for his detention or for the appointment of a receiver, *curator bonis* or other person to exercise powers with respect to his property or affairs;
- he resigns by writing under his hand left at the Registered Office or he offers in writing to resign and the Board resolves to accept such offer;
- he shall for more than six consecutive months have been absent without permission of the Board from meetings of the Board held during that period and the Board resolves that his office be vacated; or
- notice stating he is removed from office as a director is served upon him signed by all his co-directors who must account to the members at the next general meeting of the Company. If a director holds an appointment to an executive office which automatically determines on his removal from office under this or the preceding sub-paragraph such removal shall be deemed an act of the Company and shall have effect without prejudice to any claim for damages for breach of any contract of service between him and the Company.

(xi) *Removal of director*

The Company may in accordance with and subject to the provisions of the Statutes (as defined in the Articles) by ordinary resolution of which special notice has been given remove any director from office (notwithstanding any provision of these Articles or of any agreement between the Company and such director, but without prejudice to any claim he may have for damages for breach of any such agreement) and elect another person in place of a director so removed from office. Any person so elected shall be treated for the purpose of determining the time at which he or any other director is to retire by rotation as if he had become a director on the day on which the director in whose place he is elected was last elected a director. In default of such election the vacancy arising upon the removal of a director from office may be filled as a casual vacancy.

(xii) *Resolution as to vacancy conclusive*

A resolution of the Board declaring a director to have vacated office under the terms of Article 19.10 (reproduced at (xi) above) shall be conclusive as to the fact and grounds of vacation stated in the resolution.

(i) *Meetings and proceedings of directors*

(i) *Convening of meetings of directors*

Subject to the provisions of these Articles the Board may meet together for the despatch of business, adjourn and otherwise regulate their proceedings as they think fit. At any time any director may, and the Secretary at the request of a director shall, summon a meeting of the Board. Notice of a Board meeting shall be deemed to be properly given to a director if it is given to him personally or by word of mouth or sent in writing to him at his last known address or any other address given by him to the Company for that purpose. It shall not be necessary to give notice of a meeting of the Board to any director for the time being absent from the United Kingdom. Any director may waive notice of any meeting and any such waiver may be retroactive.

(j) *Borrowing powers*

The Board may exercise all the powers of the Company to borrow money, to give guarantees and to mortgage or charge its undertaking, property and assets (present and future) and uncalled capital, and to issue debentures and other securities, whether outright or as collateral security for any debt, liability or obligation of the Company or of any third party.

5. Directors' and Other Interests

5.1 *Directors' and other significant interests in the Company's share capital*

(a) The interests (all of which are beneficial unless otherwise stated) of the Directors and persons connected with them (within the meaning of section 346 of the Act) in the issued share capital of the Company which (i) have been notified by each Director to the Company pursuant to section 324 or section 328 of the Act, or (ii) which are required to be entered in the register maintained under section 325 of the Act, or (iii) are interests of a connected person of a Director which would, if the connected person were a Director of the Company, be required to be disclosed under paragraphs (i) or (ii) above and the existence of which is known to or could, with reasonable diligence, be ascertained by that Director, (a) as at the date of this document and (b) as they will be immediately following Admission, are as follows:

	At the date of this document		Immediately following Admission	
Directors	**Number**	**Percentage holding of issued share capital**	**Number**	**Percentage holding of issued share capital**
Raymond Anderson	5,947,300	28.4%	5,947,300	22.7%
Lindsay Bury[1]	573,920	2.7%	573,920	2.2%
Anil Malhotra	4,007,000	19.1%	4,007,000	15.3%
Geoffrey Seabrook	44,000	0.2%	44,000	0.2%

Note:

1 In addition, Lindsay Bury is a partner in Bury Fitzwilliam Lay & Partners LLP which holds 350,000 Ordinary Shares.

(b) The following Director holds the following options over Ordinary Shares under the Bango Schemes:

Director	**Number of Ordinary[(1)] Shares**	**Exercise Price**	**Exercise Period[(2)]**
Peter Saxton	200,000	£0.50	Until 31 March 2015

Notes:

1 Prior to the share exchange referred to in paragraph 9(c) of this Part VI, Peter Saxton held options over 10,000 shares in Bango.

2 The options represent the number of options Peter Saxton shall have post option exchange and are governed by the terms of the Bango EMI options and will vest and become exercisable in accordance the terms of such options as set out in paragraph 6 of Part VI of this document.

(c) Save as disclosed at paragraphs (a) and (b) above, none of the Directors has any interest in the share capital of the Company or any of its subsidiaries nor does any person connected with the Directors (within the meaning of section 346 of the Act) have any such interest, whether beneficial or non-beneficial.

(d) As at the date of this document so far as the Directors are aware, the only persons who are interested in more than 3 per cent. of the shares (other than the Directors) in the Company are as follows:

	At the date of this document		Immediately following Admission	
Shareholder	**Number of Ordinary Shares**	**Percentage holding of issued share capital**	**Number of Ordinary Shares**	**Percentage holding of issued share capital**
Herald Ventures Limited Partnership	2,126,420	10.2%	2,126,420	8.1%
Herald Ventures Limited Partnership II	945,080	4.5%	945,080	3.6%
Herald Ventures Limited Partnership III	756,060	3.6%	756,060	2.9%
Close Securities Limited	1,740,440	8.3%	–	–
QTP General Partner Limited	880,940	4.2%	792,846	3.0%

(e) As at the date of this document and as at Admission, neither the Directors nor any member of a Director's family (which, in relation to this paragraph (e) means a spouse, any child where such is under the age of 18 years, any trust in which such individuals are trustees or beneficiaries and any company over which they have control or more than 20 per cent. of its voting or equity rights in general meeting, but excluding any employee share or pension scheme where such individuals are beneficiaries rather than trustees) held any financial product whose value in whole or in part is determined directly or indirectly by reference to the price of Ordinary Shares.

(f) Save as described above the Directors are not aware of any person who, directly or indirectly, jointly or severally, exercises or could exercise control over the Company.

5.2 *Directors' remuneration and service agreements*

(a) The aggregate remuneration and benefits in kind of the Directors of Bango in respect of the financial year ended 31 March 2005 was £194,000. The aggregate remuneration and benefits in kind of the Directors of the Group in respect of the financial year ending 31 March 2006 under the arrangements contemplated in this document is expected to be approximately £276,000.

(b) Ray Anderson entered into a service agreement with Bango dated 11 August 2000. This agreement confirms his appointment as Chief Executive Officer. The agreement can be terminated upon six months' notice in writing by either party and includes 12 months restrictive covenants covering non-competing and non-solicitation of employees. Ray Anderson's basic remuneration is £80,000 per annum. He is also entitled to performance related pay as described in paragraph 5.3 below.

(c) Anil Malhotra entered into a service agreement with Bango dated 11 August 2000. This agreement confirms his appointment as Chief Alliance Officer. The agreement can be terminated upon six months' notice in writing by either party and includes 12 months restrictive covenants covering non-competing and non-solicitation of employees. Anil Malhotra's basic remuneration is £80,000 per annum. He is also entitled to performance related pay as described in paragraph 5.3 below.

(d) Peter Saxton entered into a service agreement with Bango dated 18 October 2004. This agreement confirms his appointment as Chief Financial Officer. The agreement can be terminated upon six months' notice in writing by either party under the terms of a deed of amendment dated 2 June 2005 and includes 12 months restrictive covenants covering non-competing and non-solicitation of employees. Peter Saxton's basic remuneration is £66,000 per annum and he has a holiday entitlement of 50 days. He is also entitled to performance related pay as described in paragraph 5.3 below.

(e) Lindsay Bury and Millichope Management Limited entered into an agreement with the Company dated 22 June 2005 under which Millichope Management Limited agreed to provide the services of Lindsay Bury as a non-executive director and chairman of the Company and Bango. This agreement confirms his appointment as a non-executive director and Chairman of the Company. The appointment can be terminated upon three months' notice in writing by Millichope Management Limited or immediately by the Company. Lindsay Bury is entitled to a basic fee of £15,000 per annum prior to Admission and £20,000 per annum following Admission.

(f) Geoff Seabrook entered into a letter of appointment with the Company dated 9 June 2005. This letter confirms his appointment as a non-executive director of the Company and Bango. The appointment can be terminated upon three months' notice in writing by Geoff Seabrook or immediately by the Company. Geoff Seabrook is entitled to a basic fee of £15,000 per annum.

(g) Save as disclosed above, following Admission, there will be no other existing or proposed service contracts or contracts for services between any of the Directors and any member of the Group.

(h) Save as disclosed above, there are no service agreements or agreements for services existing or proposed between the Directors and any member of the Group which are not terminable within one year by the relevant company without payment of compensation (other than statutory compensation).

(i) There is no arrangement under which any Director has agreed to waive future emoluments nor has there been any waiver of emoluments during the financial year immediately preceding the date of this document.

5.3 *Performance related pay*

Bango operates a Bango Revenue Aligned Bonus Scheme known within Bango as "BRABS" for all employees. BRABS links part of an employee's remuneration to Bango's actual quarterly revenue performance as compared with a target (the "Target") based on the aggregate of invoiced sales (excluding VAT) as shown in Bango's business plan. If the Target is achieved, 100 per cent. of BRABS is paid which is equal to 10 per cent. of the relevant employee's remuneration. For each one per cent. by which the actual revenue exceeds Target, BRABS increases by the same percentage.

5.4 *Loans and guarantees*

There are no loans or guarantees provided by any member of the Group for the benefit of any Director.

5.5 *Directors' interests in transactions*

No director has or has had any interest in any transaction which is of an unusual nature, contains unusual terms or is significant in relation to the business of the Group and which was effected during the current or immediately preceding financial year or in any earlier financial year and remains in any respect outstanding or unperformed.

5.6 *Directorships*

(a) Other than Directorships in the Group the Directors hold, and have previously held during the five years preceding the date of this document, the following directorships or partnerships:

Name	**Current**	**Former**
Raymond Anderson	Air Touring Limited Isnet Limited	Joint Colleges Nursery (Cambridge) Limited (The) Curious.com Limited
Lindsay Bury	Casewise Systems Limited Electric & General Investment Trust plc Fauna & Flora International Millichope Management Limited Sapphire International Limited Servicepower Business Solutions Limited Servicepower Technologies Plc The Sage Group Plc	Homeserve Plc Newhall EV Limited SEV Holdings Limited SEV Investments Limited STF Management Limited STF Nominees Limited STF Trustee Limited Sumit Enterprise Limited Sumit Equity Ventures Limited Sumit Nominees Limited Sumit Trustee Limited The Roxboro Group Plc Trinity College of Music. London
Anil Malhotra	No TV Limited	Unit26 Limited Curious.com Limited
Peter Saxton	Harley Saxton Limited Malin Estates Limited Midentity Limited Grafham Water Sailing Club Limited	Paypoint Trust Managers Limited Paypoint Network Limited Paypoint Collections Limited Paypoint plc Vitesse Rail com Limited Vitesse Telecom Limited
Geoffrey Seabrook	Conspectus International Limited Visual Nexus Limited	The SCO Group Limited Tarantella Limited

(b) Save as disclosed above, none of the Directors has been a director or partner at any time in the previous five years. None of the Directors has any unspent convictions in respect of indictable offences. None of the Directors has been a bankrupt or entered into an individual voluntary arrangement. None of the Directors was a partner of any partnership at the time of or within 12 months of any compulsory liquidation, administration or partnership voluntary arrangement. None of the Directors has owned an asset over which a receiver has been appointed nor has any of the

Directors been a partner of any partnership at the time of or within 12 months of receivership of any assets of the partnership.

(c) There have been no public criticisms of any of the Directors by any statutory or regulatory authority (including recognised professional bodies) and none of the Directors has ever been disqualified by a court from acting as a director of a company or from acting in the management or conduct of the affairs of any company.

(d) Save as set out below, none of the Directors was a director of any company at the time of or within 12 months preceding any receivership, compulsory liquidation, creditors voluntary liquidation, administration, company voluntary arrangement or any composition or arrangements with its creditors generally or any class of its creditors.

Name	Name of Company	Event	Date
Lindsay Bury	Sapphire International Limited	Administrative Receivership	10 May 2004
	Jack Knight Group plc	Administrative Receivership	25 February 1993
Anil Malhotra	Unit26 Limited	Creditors Voluntary Liquidation	19 January 2001
Geoffrey Seabrook	Visionware Limited	Members Voluntary Liquidation	20 September 1999

Lindsay Bury was a director of:

- Sapphire International Limited, a company whose business involved the development of database development tools for use by retail businesses. Sapphire International Limited went into administrative receivership on 10 May 2004 and on 20 April 2005, creditors appointed liquidators to wind-up Sapphire International Limited. There was an estimated deficiency for Sapphire International Limited's creditors of £3.34 million; and

- Jack Knight Group plc, which went into administrative receivership on 25 February 1993 and a creditors voluntary liquidation commenced on 24 November 1993. There was an estimated deficiency for Jack Knight Group plc's creditors of approximately £0.30 million.

Anil Malhotra was a director of Unit26 Limited, a company whose business involved the sale by the internet of contemporary art. A creditors voluntary liquidation commenced on 19 January 2001. There was an estimated deficiency for the creditors of Unit26 Limited of approximately £0.72 million.

6. The Bango Schemes

6.1 As a result of acquiring Bango, the Company operates the Bango Schemes. Options under the Bango Schemes were originally granted over shares in Bango, but will be exchanged for replacement options over shares in the Company. The exchange of options will not accelerate the vesting of the options.

No further options will be granted under the Bango Schemes and any amendments made to the options to the material advantage of the optionholders will require Shareholder approval. Following the exchange of options and the reorganisation of share capital, options will exist over the following numbers of Ordinary Shares:

	Vested	Unvested
EMI Options	686,520	986,980
Unapproved Options	184,160	8,340
Approved Options	186,000	–

The principal terms governing these options are as follows:

6.2 The Bango Unapproved Options

Exercise and Lapse of Options

(a) General position

The options vest and become exercisable in twelve equal instalments on the dates specified in each individual optionholder's option agreement. The options lapse on the tenth anniversary of the date of the grant of the original options.

(b) Special circumstances

On an optionholder ceasing to be a director or an employee of the Company, then any exercisable portion of the optionholder's option may be exercised within 90 days of the date of cessation other than where cessation is due to the death of the optionholder in which case the exercisable portion of the option may be exercised within six calendar months of the optionholder's death. Any portion of the option not so exercised at the end of such periods shall lapse.

(c) Takeover

On a change of control of the Company by way of general offer or by way of a compromise or arrangement under section 425 of the Act, the options shall vest in full immediately prior to and conditional on such offer becoming unconditional or upon the court sanctioning such compromise or arrangement. If any person becomes bound or entitled to acquire shares in the Company under sections 428 to 430 of the Act, the options shall vest in full and become exercisable upon such person becoming so bound or entitled. The options shall lapse if not exercised within six months following such a change of control.

(d) Voluntary winding up

The options shall be exercisable to the extent vested on receipt of notice of a resolution of the voluntary winding up of the Company by the optionholders but such exercise shall be conditional on the resolution being passed before the option otherwise lapses. The options shall lapse immediately after the commencement of the winding up of the Company.

Variations of Share Capital

On certain variations of the share capital of the Company, the Board may adjust the option price and number of Ordinary Shares under option in such manner as the auditors of the Company confirm is fair and reasonable.

PAYE and NICs

The option agreements include indemnities in respect of income tax, payable via the operation of PAYE or employer's or employee's (Class 1) National Insurance contributions that may arise on the exercise of the options.

6.3 The Bango EMI options

General

The options are qualifying EMI options under the terms of Schedule 5 of the Income Tax (Earnings and Pensions) Act 2003 (formerly Schedule 14 Finance Act 2000) ("Schedule 5") and the option exchange will be made on such terms as to comply with Part 6 of Schedule 5 to maintain the favourable EMI tax treatment of the options.

Exercise and Lapse of Options

(a) General position

The options vest and become exercisable in twelve equal instalments on the dates specified in each individual optionholder's option agreement. The options lapse on the tenth anniversary of the date of the grant of the original options.

(b) Special circumstances

On an optionholder ceasing to be a director or an employee of the Company, then any exercisable portion of the optionholder's option may be exercised within 90 days of the date of cessation other than where cessation is due to the death of the optionholder in which case the exercisable portion of the option may be exercised within six calendar months of the optionholder's death. Any portion of the option not so exercised at the end of such periods shall lapse.

An option will lapse on the optionholder being adjudicated bankrupt.

(c) Takeover

On a change of control of the Company by way of general offer or by way of a compromise or arrangement under section 425 of the Act, the options shall vest in full immediately prior to and conditional on such offer becoming unconditional or upon the court sanctioning such compromise or arrangement. If any person becomes bound or entitled to acquire shares in the Company under sections 428 to 430 of the Act, the options shall vest in full and become exercisable upon such person becoming so bound or entitled. The options shall lapse following to the extent not exercised within six months of such a change of control.

If an acquiring company offers a replacement option following a qualifying exchange of shares as defined in Part 6 of Schedule 5, the optionholders may accept the offer of the replacement option.

(d) Voluntary winding up

The options shall be exercisable to the extent vested on receipt of notice of a resolution of the voluntary winding up of the Company by the optionholders but such exercise shall be conditional on the resolution being passed before the option otherwise lapses. The options shall lapse immediately after the commencement of the winding up of the Company.

Variations of Share Capital

On certain variations of the share capital of the Company, the Board may adjust the option price and number of Ordinary Shares under option in such manner as the auditors of the Company confirm is fair and reasonable.

PAYE and NICs

The optionholders have agreed to indemnify the Company in respect of any income tax (payable via the operation of PAYE) and employer's and employee's (Class 1) National Insurance contributions that may arise on the exercise of the options.

6.4 The Bango Key Employee Share Option Scheme (the "Scheme")

General

The options are qualifying approved options under the provisions of Schedule 4 of the Income Tax (Earnings and Pensions) Act 2003 (formerly Schedule 9 of the Income and Corporation Taxes Act 1988) ("Schedule 4") and the option exchange will be on terms that maintain the qualifying status of the options.

Exercise and Lapse.

(a) General Position

The options are fully exercisable and will lapse on the tenth anniversary of the original date of grant of the options.

(b) Special Circumstances

On an optionholder ceasing to be a director or an employee of the Company or any other Group company, the optionholder's option may be exercised within 90 days of the date of cessation other than where cessation is due to the death of the optionholder in which case the exercisable portion of the option may be exercised within six months of the optionholder's death. Any portion of the option not so exercised at the end of such periods shall lapse.

An option will lapse on the optionholder being adjudicated bankrupt.

(c) Change of control

In the event of a change of control of the Company, the options may be exercised for a period of six months following the change of control becoming unconditional and to the extent not exercised at the end of that period the options shall lapse.

In certain circumstances the options may be exchanged for equivalent options over shares in the acquiring company.

(d) Voluntary winding up

If the Company passes a resolution for the voluntary winding up of the Company, the options may be exercised within six months of the passing of the resolution. To the extent not exercised at the end of that six-month period the options shall lapse.

Variations of share capital

On certain variations of the share capital of the Company, the Board may adjust the option price and number of Ordinary Shares under option in such manner as the auditors of the Company confirm is fair and reasonable provided that following the adjustment, the Ordinary Shares continue to satisfy the conditions specified in paragraphs 15-20 of Schedule 4. No such adjustment shall be effective without the prior written approval of HM Revenue and Customs.

Administration

The Scheme is administered by the Board whose decision is final on all disputes.

The Board may amend the Scheme rules from time to time provided that no amendment may materially affect an optionholder with regard to his option. No amendment shall have effect until approved by the Board of HM Revenue and Customs.

The Board may establish a committee of not less than three board members to whom all or any of its powers in relation to the Scheme may be delegated.

PAYE and NICs

The terms of the Scheme does not require the optionholders to indemnify the Company in respect of income tax (payable via the operation of PAYE) and employer's and employee's (Class 1) National Insurance contributions that may arise on the exercise of the options.

7. The Share Option Plan

7.1 *General*

The Company will establish the Share Option Plan in order to enable employees and executive directors of the Company to acquire Ordinary Shares.

The Share Option Plan will be adopted by the Company on 22 June 2005.

7.2 *Administration*

The Company's remuneration committee or another authorised committee of the board (the "Committee"), or the trustee of an employee benefit trust which grants options under the terms of the Share Option Plan, is responsible for its administration.

The Share Option Plan is a qualifying scheme under Schedule 5 of the Income Tax (Earnings and Pensions) Act 2003 ("Schedule 5").

7.3 *Grant of options and eligibility*

The Committee may grant options to acquire Ordinary Shares in the Company to any employees and directors of the Company and those of its subsidiaries permitted by schedule 5 of the Plan who devote at least 25 hours per week or 75% of their working time to the Company. Options are granted free of charge and are non-transferable.

7.4 *Period for the grant of options*

Options may be granted at such times as the Board decides subject to the Company's share dealing code.

7.5 *Exercise price*

The exercise price per Ordinary Share is determined by the Committee. The exercise price may not be less than the market value of an Ordinary Share.

7.6 *Performance Test*

The Committee may impose an objective condition (the "Performance Test") on the exercise of options. The Performance Test may be amended or waived if events occur which cause the Committee to consider that the Performance Test is no longer appropriate following the occurrence of any event involving the Company, any associated company or an optionholder, provide that the amended Performance Test is no more difficult to satisfy than the original Performance Test.

7.7 *Individual limits*

An individual's overall participation is limited so that the aggregate market value at the date of grant of the shares over which options have been granted to him under schemes satisfying the requirements of Schedule 5 or approved by the Inland Revenue under Schedule 4 of the Income Tax (Earnings and Pensions) Act 2003 cannot exceed £100,000 from time to time. If an option is granted to an individual such that this limit is exceeded, it shall take effect as an unapproved share option in respect of the excess over the limit.

7.8 *Plan limits*

The number of Ordinary Shares issuable pursuant to options granted under the Share Option Plan, when aggregated with the number of Ordinary Shares issued or issuable pursuant to all rights granted under the Share Option Plan and the Bango Schemes within the previous period of ten years, may not exceed 12 per cent. of the Company's issued ordinary share capital at the date of grant.

7.9 *Exercise and lapse of options*

(a) General position

An option is normally exercisable between the first date for exercise as specified by the Committee in the option certificate and the tenth anniversary of the date of grant, provided any Performance Test has been satisfied.

(b) Special circumstances

Options will normally lapse on cessation of employment except in particular situations such as redundancy, injury, ill health or disability or where the Committee exercises its discretion in the participant's favour.

(c) Exchange of options on a takeover

In the event of a takeover, a participant may be permitted to exchange his options for options over shares in the acquiring company. The satisfaction of any Performance Test may not be required if the Committee so decides.

7.10 *Variations of Share Capital*

On certain variations of the ordinary share capital of the Company the Committee may adjust the exercise price and the number of Ordinary Shares comprised in existing options.

7.11 *Amendment*

The Committee may amend the Share Option Plan from time to time. Amendments to the material advantage of the participants will require shareholder approval.

7.12 *Final grant of options*

No options may be granted after the tenth anniversary of the adoption of the Share Option Plan.

8. Premises

8.1 The following properties are occupied by the Group:

Location	Tenure	Current Annual Rent	Lease Date	Expiry Date
Part of Second Floor, Block C, The Westbrook Centre, Milton Road, Cambridge	Leasehold from 27 July 2000 to 6 November 2013	£89,250	15 August 2000	6 November 2013
Storeroom under Building No. 5 and adjacent to Car Parking Space 282, The Westbrook Centre, Milton Road, Cambridge CB4	Licence to occupy from 16 October 2003 to 15 October 2005	£100	25 November 2003	15 October 2005
Car Park forming part of Cambridge City Football Ground off Milton Road, Cambridge	Licence from 1 November 2003 to 31 October 2005	£340	25 November 2003	31 October 2005

9. Material Contracts

9.1 The following contracts, not being contracts entered into in the ordinary course of business, have been entered into by members of the Group and are, or may be, material:

(a) A placing agreement dated 23 June 2005 between (1) the Company (2) Panmure Gordon and (3) the Directors (the "**Placing Agreement**") pursuant to which Panmure Gordon has agreed to use reasonable endeavours to procure subscribers for the Placing Shares at the Placing Price.

Under the Placing Agreement, the Company has agreed to pay Panmure Gordon certain fees in relation to the Placing and Admission.

The Company and the Directors have given certain warranties and indemnities to Panmure Gordon subject to usual limitations.

Under the terms of the Placing Agreement, the Directors have agreed not to dispose of any interest in the securities of the Company (subject to certain limited exceptions) within a period of 12 months following Admission and for a year thereafterwards in an orderly manner through Panmure Gordon (or through the Company's broker at the relevant time).

(b) A warrant agreement dated 23 June 2005 between (1) the Company and (2) Panmure Gordon pursuant to which the Company granted Panmure Gordon a right to subscribe in cash for 82,331 Ordinary Shares at a price of 134 pence per Ordinary Share during the period from the date of Admission and expiring on the third anniversary of Admission. Such rights lapse if not exercised prior to the third anniversary of Admission.

(c) A share exchange agreement dated 9 June 2005 pursuant to which the Company purchased the entire issued share capital of Bango in exchange for the issue of 20,934,495 Ordinary Shares. Completion took place on 9 June 2005.

(d) An investment agreement dated entered into in 2002 between (1) Bango, (2) Ray Anderson, (3) Anil Malhotra, (4) ET Capital Limited, (5) QTP (General Partner) Limited, (6) Close Brothers Investment Limited and (7) Herald GP Limited. The investment agreement contains certain warranties from Bango and Ray Anderson and Anil Malhotra. The parties to the investment agreement have agreed that Bango shall be released from the investment agreement and the provisions of the investment agreement shall apply as if the Company were an original party to such agreement. The revised investment agreement will terminate on Admission. If Admission does not take place before 1 July 2005, the revised investment agreement shall continue in full force and effect.

(e) A deed of agreement dated 21 June 2005 pursuant to which QTP (General Partner) Limited agreed to surrender an existing option over shares in Bango in return for the grant of a new option over shares in the Company.

(f) A deed of agreement dated 20 June 2005 pursuant to which McNamee Lawrence & Co agreed to waive its entitlement to options over shares in Bango in return for the grant of options over shares in the Company.

10. Intellectual Property

The Directors believe that the patent granted and the patent for which the application is in process in Germany, France and the UK are of fundamental importance to the Company's business. They believe that without access to such inventions other persons will have material difficulty in replicating the processes adopted during the course of the business.

The Directors believe that there are no other intellectual property rights, licences, or particular contracts which are of fundamental importance to the Company's business.

11. Litigation

There are no legal or arbitration proceedings (including any such proceedings which are pending or threatened of which the Directors are aware) against, or being brought by, the Company or any member of the Group which are having or may have a significant effect on the Company's financial position.

12. Working Capital

The Directors are of the opinion that, having made due and careful enquiry, that taking into account the net proceeds of the Placing receivable by the Company, the Group will have sufficient working capital for its present requirements, that is for at least 12 months from the date of Admission.

13. Taxation

The following paragraphs are intended only as a general guide to the current tax position under United Kingdom taxation law and the practice of H M Revenue and Customs and do not constitute advice to any shareholder on his or her personal tax position and may not apply to certain classes of investor.

The statements made relate to shareholders and/or subscribers who are resident and ordinarily resident in the United Kingdom for tax purposes, holding Ordinary Shares as investments and not as an asset of a financial trade.

Prospective subscribers for Ordinary Shares who are in any doubt about their tax position and, in particular, those who are subject to taxation in a jurisdiction other than the United Kingdom, are strongly advised to consult their own professional adviser.

Venture Capital Trust (VCT) investors

The Directors believe that on Admission the Company's current structure and activities should enable the Ordinary Shares issued by the Company to be eligible shares and a qualifying holding for the purposes of the VCT legislation.

The Company has received provisional assurance from the HM Revenue and Customs that, on the basis of information supplied, a holding of Ordinary Shares issued by the Company should be eligible shares and a qualifying holding for the purposes of the VCT legislation.

Enterprise Investment Scheme (EIS)

The Directors believe that on Admission the Company's current structure and activities should enable it to meet the requirements of a qualifying company and the shares to be eligible shares under the EIS legislation, potentially enabling eligible investors to benefit from certain tax reliefs on their investment.

The Company has received provisional assurance from the HM Revenue and Customs that, on the basis of information supplied, the Company should be a qualifying company and the shares should be eligible shares for EIS purposes. For the avoidance of doubt, this clearance does not guarantee the availability of any form of EIS relief to any particular subscriber, as the availability of EIS relief also depends on an individual's personal circumstances.

Corporate Venturing Scheme (CVS)

The Directors believe that on Admission the Company's current structure and activities should enable it to meet the requirements of a qualifying company and the shares to be eligible shares under the CVS legislation.

The Company has received provisional assurance from HM Revenue and Customs that it fulfils the requirements for investment under the CVS by companies.

Although the Company currently expects to satisfy the relevant conditions for VCT, EIS and CVS investment, neither the Directors nor the Company gives any undertaking to conduct its activities in a way that will ensure that the Company so qualifies or that it preserves this qualifying status.

EIS Reliefs

- Income tax relief

Individual investors eligible for EIS relief may be entitled to claim 20% income tax relief on the Ordinary Shares subscribed for, up to a maximum for all such subscriptions of £200,000 in any tax year. The limit was increased from £150,000 to £200,000 for shares issued on or after 6 April 2004. The minimum subscription to qualify for relief is £500 per individual.

- Capital Gains Tax exemption

This exemption applies to shares which are held by individuals upon which EIS income tax relief is received where that relief is not restricted or later withdrawn.

Provided qualification for EIS income tax relief is maintained by the Company and by the individual investor for a period of broadly three years after the share issue, a profit made by the investor on disposal of the shares after three or more years from the date of issue of the shares may be free of capital gains tax.

- Capital Gains Tax Deferral

Individuals and certain trustees subscribing for Ordinary Shares may be entitled to claim capital gains tax deferral in respect of chargeable gains realised on asset disposals where the Ordinary Shares are issued within the one year immediately before, and up to three years immediately following the time the chargeable gain in question accrues.

Subject to satisfying various conditions, the relief allows a shareholder to defer part or all of a gain made on a disposal that would otherwise normally crystallise a charge to tax. The amount of gain that can be deferred is restricted to the amount of the re-investment and the deferred gain falls into charge upon the occurrence of a chargeable event, such as the disposal of the Ordinary Shares. Unlike the income tax relief, there is no maximum investment limit for CGT deferral.

If the gain to be deferred into EIS shares qualifies for taper relief, it is the untapered gain that is deferred; the entitlement to taper relief is then considered when the gain comes back into charge.

EIS Tax Relief Certificates

Following conclusion of the Placing the Company may complete a form EIS1 seeking confirmation from the Inland Revenue that the Company may issue the relevant tax certificates (forms EIS3) to those eligible investors who have requested them.

Assuming receipt of formal approval and subject to HM Revenue and Customs working practices, it is anticipated that the certificates EIS3, (from HM Revenue and Customs) which investors need in order to claim their tax relief, should be available by 31 December 2005.

Corporate Venturing Scheme

The Corporate Venturing Scheme (CVS) provides tax incentives to certain corporate investors in qualifying trading companies. Some of the qualifying conditions and reliefs under the CVS are similar, but not identical, to those under the EIS.

If the investor and investee company meet the qualifying conditions, and the general requirements relating to the shares are satisfied, a subscription for shares under the CVS gives the following reliefs to a corporate investor:

- initial tax relief which is the lower of 20% of a qualifying subscription for shares and an amount which would reduce the corporate investor's corporate tax liability to nil,
- chargeable gains made on disposal of CVS shares can be deferred by re-investment into further CVS shares (other than shares issued by a prohibited company),
- losses incurred on CVS shares can be relieved against income of the Company's accounting period in which the loss is incurred, or ending in the preceding 12 months immediately preceding the accounting period in which the loss is incurred.

Other reliefs

- *Section 574 relief*

Section 574 of ICTA 1988 permits a capital loss arising on the disposal of Ordinary Shares which were acquired by subscription in a qualifying trading company to be relieved against an individual investor's taxable income, as an alternative to setting the loss against capital gains. Upon making the appropriate claims, relief is given against income of the tax year in which the loss arises, and/or the preceding year of assessment.

Relief is restricted to shares in unquoted companies carrying on a qualifying trade, as defined for EIS purposes.

- *Inheritance Tax (IHT) relief*

Unquoted ordinary shares in companies such as the Company should qualify for 100% IHT business property relief, provided they have been held for two years prior to an event giving rise to a potential charge to IHT.

In the event of a lifetime gift, the transferee may need to retain the shares for up to seven years to ensure business property relief remains available to the transferor.

Taxation of chargeable gains

- *Individuals and Trustees*

Disposals of shares are generally identified on a LIFO (last in, first out) basis for the purpose of calculating gains chargeable to tax. There are different rules for shares on which EIS relief is claimed.

In addition, gains made by individuals, trustees and personal representatives may qualify for taper relief. This relief reduces the amount of a chargeable gain on disposal, depending on the length of time the shares have been held since the date of acquisition of the shares.

With effect from 6 April 2000, shareholdings in unquoted trading companies may qualify as business assets, eligible for enhanced rates of taper relief. If the shares in the Company are treated as business assets and the investor holds the shares for two years or more he or she may qualify for the maximum business asset taper relief and effectively reduce his or her capital gains tax rate on disposal of the shares to 10% (assuming that he or she is a higher rate taxpayer).

If chargeable gains on EIS shares are deferred by reinvestment into further EIS shares, taper relief may be extended to treat periods of ownership of successive EIS investments as effectively one period.

- *Corporate shareholders*

The above changes to the taxation of chargeable gains do not apply to corporate shareholders, to which share "pooling" and indexation rules apply.

Taxation of dividends

- *Individuals and Trustees*

Under UK tax legislation, no tax is withheld at source from UK Company dividend payments, although such payments carry a tax credit of one-ninth of the cash dividend paid (which is equal to ten per cent. of the aggregate of the dividend and the tax credit).

Individual shareholders whose income is within the lower or basic rate bands are liable to tax at ten per cent. on their gross dividend income (i.e. the cash dividend plus the tax credit). The tax credit attaching to the dividend will satisfy the income tax liability on UK dividends of an individual shareholder whose income is within the lower or basic rate bands but non-taxpayers will not be entitled to any repayment of the associated tax credit. Shareholders liable to higher rate tax (currently at a rate of 40 per cent. for income other than dividends) have a liability to income tax of 32.5 per cent. of the aggregate of the cash dividend and the tax credit. After taking account of the associated tax credit, the additional liability equates to 25 per cent. of the cash dividend

A corporate shareholder resident for tax purposes in the UK will not be chargeable to UK corporation tax on any dividend received from the Company.

UK resident trustees of discretionary trusts are liable to income tax on UK company dividends at 32.5 per cent. of the gross dividend. After taking into account the ten per cent. tax credit, the trustees will be liable to additional income tax of 22.5 per cent. of the gross dividend, which is equal to 25 per cent. of the net dividend.

The above is a general summary of certain tax reliefs which may be available and should not be construed as constituting advice. Potential investors should obtain advice from their own investment or taxation adviser before applying for any Placing Shares.

14. General

14.1 The total amount being raised by the Company through the placing is £7.0 million. The estimated amount of the expenses of the Placing, which are all payable by the Company, is approximately £0.85 million (including VAT). The net proceeds of the Placing will be approximately £6.15 million. Of the Placing Price, 20 pence represents the nominal value of each Ordinary Shares and 114 pence represents a premium.

14.2 Grant Thornton UK LLP of Grant Thornton House, Melton Street, London NW1 2EP has given and not withdrawn its written consent to the inclusion in this document of references to its name in the form and context in which it appears and its reports in Parts III – IV of this document and accept responsibility for these reports for the purposes of paragraphs 10(2), 45(1)(b)(iii) and 45(8)(b) of Schedule 1 to the Public Offers of Securities Regulations 1995.

14.3 Grant Thornton UK LLP of Byron House, Cambridge Business Park, Cambridge CB4 0WZ has given and not withdrawn its written consent to the inclusion in this document of reference to its name in the form and context in which they appear.

14.4 Panmure Gordon (Broking) Limited has given and not withdrawn its written consent to the inclusion in this document of references to its name in the form and context in which they appear.

14.5 The financial information contained in this document does not constitute full statutory accounts as referred to in section 240 of the Act.

14.6 The accounting reference date of the Company is 31 March.

14.7 There has been no significant change in the financial or trading position of the Group since 31 March 2005 being the date to which the last audited report and accounts of the Group were prepared.

14.8 There have been no interruptions in the Group's business which may have or have had in the last 12 months a significant effect on the Group's financial position.

14.9 The minimum amount which, in the opinion of the Directors, must be raised is approximately £5.0 million which will be applied towards the Placing and related expenses and as additional working capital.

14.10 Save as disclosed in this document, no person (other than a professional adviser referred to in this document or trade suppliers dealing with members of the Group) has:

(a) received, directly or indirectly, from any member of the Group, within the twelve months preceding the Company's application for Admission; or

(b) entered into any contractual arrangement (not otherwise disclosed in this document) to receive, directly or indirectly, from any member of the Group on or after Admission, any of the following:

(i) fees totalling £10,000 or more;

(ii) securities in the Company with a value of £10,000 or more calculated by reference to the Placing Price; or

(iii) any other benefit with a value of £10,000 or more at the date of Admission.

14.11 Monies received from applicants pursuant to the Placing will be held in accordance with the terms of the contract notes issued by Panmure Gordon until such time as the Placing Agreement becomes unconditional in all respects. If the Placing Agreement does not become unconditional in all respects by 31 July 2005, application monies will be returned to applicants at their risk without interest.

14.12 Save in connection with the application for Admission, none of the Ordinary Shares have been admitted to dealings on any recognised investment exchange and no application for such admission has been made and it is not intended to make any other arrangements for dealings in the Ordinary Shares on any such exchange.

14.13 There are no arrangements in existence under which future dividends are to be waived or agreed to be waived.

Date: 23 June 2005

DEFINITIONS

The following definitions apply throughout this document, unless the context requires otherwise:

"Act" or "Companies Act"	the Companies Act 1985 (as amended);
"Admission"	the admission of the Ordinary Shares, issued and to be issued pursuant to the Placing, to trading on AIM becoming effective in accordance with the AIM Rules;
"AIM"	a market operated by the London Stock Exchange;
"AIM Rules"	the rules of the London Stock Exchange governing the admission to and operation of AIM;
"Articles"	the articles of association of the Company a summary of which is set out in paragraph 4 of Part VI of this document;
"Bango"	Bango.net Limited, a company incorporated in England and Wales and a wholly owned subsidiary of the Company;
"Bango Platform"	the technology platform, including hardware and software, that Bango has developed and operates, which has interfaces with MNOs, Content Providers and other service providers;
"Bango Schemes"	together, the Bango.net Limited Key Employee Share Option Scheme, the Bango.net Limited Enterprise Management Incentive options and the Bango.net Limited unapproved share options;
"Bango Service"	the service provided using the Bango Platform incorporating services and/or technologies provided by third parties including and not limited to those offered by billing providers;
"Board"	the board of directors of the Company;
"Combined Code"	the revised combined code containing the principles of good Corporate Governance and Code of Best Practice published in July 2003 by the Financial Reporting Council;
"Company"	Bango plc, a company incorporated in England and Wales with registered number 05386079;
"Content Provider"	a provider of content or a brand owner;
"CREST"	the relevant system (as defined in the CREST Regulations) operated by CRESTCo which facilitates the transfer and holding of title to shares in uncertificated form;
"CRESTCo"	CRESTCo Limited;
"CREST Regulations"	the Uncertificated Securities Regulations 2001 (SI 2001/3755);
"Directors"	the directors of the Company as at the date of this document, whose details are set out on page 4 of this document;
"EMI"	enterprise management incentive;
"Euro" or "€"	the lawful currency of European countries that have adopted all stages of European economic and monetary union;
"FSA"	the Financial Services Authority of the United Kingdom;
"FSMA"	the Financial Services and Markets Act 2000;
"Group"	the Company and its subsidiaries;

"IAS"	International Accounting Standards;
"ICTA 1988"	the Income and Corporation Taxes Act 1988
"London Stock Exchange"	the London Stock Exchange plc;
"MNO"	Mobile Network Operator;
"Official List"	the Official List of the UKLA;
"Ordinary Shares"	ordinary shares of 20 pence each in the capital of the Company;
"Panmure Gordon"	Panmure Gordon (Broking) Limited, a company incorporated in England and Wales with registered number 01742592;
"Placing"	the conditional placing by Panmure Gordon of the Placing Shares to investors at the Placing Price pursuant to the terms and conditions of the Placing Agreement as described in this document;
"Performance Target"	an objective condition that may be imposed by the remuneration committee on the exercise of options under the Share Option Plan;
"Placing Agreement"	the conditional agreement dated 23 June 2005 between the Company, Panmure Gordon and the Directors relating to the Placing, a summary of the principal terms and conditions of which are set out in paragraph 9 of Part VI of this document;
"Placing Price"	134 pence per Placing Share;
"Placing Shares"	the 5,223,881 Ordinary Shares to be issued by the Company and subscribed for pursuant to the Placing Agreement and the 3,009,220 Ordinary Shares to be sold by the Selling Shareholders;
"POS Regulations" or "Regulations"	the Public Offers of Securities Regulations 1995 (as amended);
"Registrar"	Computershare Investor Services PLC, details of which are set out on page 4 of this document;
"Sale Deeds"	the conditional agreements dated 23 June 2005 between the Company, Panmure Gordon and each Selling Shareholder;
"Selling Shareholders"	Shareholders who are selling Ordinary Shares in the Placing pursuant to the Sale Deeds;
"Shareholder"	a holder of Ordinary Shares;
"Share Option Plan"	the share option plan of the Company, a summary of the principal provisions of which are set out in paragraph 7 of Part VI of this document;
"Swedish Kronor" or "SEK"	Swedish kronor, the lawful currency of Sweden;
"UKLA"	United Kingdom Listing Authority;
"uncertificated" or "in uncertificated form"	Recorded on the relevant register of the share or security concerned as being held in uncertificated form in CREST and title to which, by virtue of the CREST Regulations, may be transferred by means of CREST;
"United Kingdom" or "UK"	United Kingdom of Great Britain and Northern Ireland;
"United States" or "US" or "U.S."	United States of America; and
"USD" or "US$"	US dollars, the lawful currency of the US.

GLOSSARY

application programming interface, API	the specific method prescribed by a computer operating sysem or application program, by which requests of (or communications with) the operating system or application program must be made;
ARPU	average revenue per user;
Bango Number	a simple number that can be entered on a mobile phone to give access to content through the Bango Service;
BRABS	Bango Revenue Aligned Bonus Scheme;
CDMA	Code-Division Multiple Access, a digital mobile phone technology;
churn	where an end user leaves the mobile portal of an MNO or becomes a subscriber to a competing MNO's network;
cHTML(iMode)	compact HTML (see below), for small information devices such as smart phones;
closed portals	a portal operated by an MNO that does not allow access off-portal (see below);
GPRS	General Packet Radio Service, a standard for wireless communications;
GSM	Global System for Mobile Communications, one of the leading digital mobile communication systems;
HDML	Handheld Device Markup Language, used to format content for web enabled mobile phones;
HTML	Hyper Text Markup Language, the authoring language used to create documents on the world wide web;
ISDN	Integrated Services Digital Network;
Micropayment	payment transactions in small amounts, typically in the range £0.01 to £5, and frequently denominated in pennies or cents rather than £s or €s;
MNO	Mobile Network Operator;
MSISDN	Mobile Station International ISDN Number, a standard international telephone number used to identify a given subscriber;
off-portal content	services that are promoted by Content Providers to their users, and accessed by a mechanism that does not depend on the listing or presence of those services in an operator portal. Content can be both "on" and "off" portal;
on portal content	services that are linked from the portal by "clicks" and determined in advance by the MNO. On-portal services are chosen by MNOs based on two main factors: (1) They educate users about new behavior (watching video, downloading tracks, using location, messaging services etc.) or (2) generate profit (for example ringtones bought at low price and sold at high price);
operator portal	the default home page and associated sub-pages/screens that are presented by a MNO to their mobile phone users. Examples: The T-Zones home page, Vodafone Live! Portal etc. (also known as "home deck");

OTA	over the air;
QR format	QR codes have become a *de facto* standard in Japan for the encoding of information such as binary, Kanji and alphanumeric. Readers for these codes are now bundled with a number of Sharp and Sony Ericsson mobile phones in Europe. See http://www.qrcode.com/;
SIM card	Subscriber Identity Module card, a smart card inside of a mobile phone that encrypts voice and data transmissions and stores data about the specific user so that the user can be identified and authenticated to the network supplying the phone service;
SMS	Short Message Service, available on mobile telecommunications networks allowing text messages of up to 160 characters to be sent and received by the MNO's message centre to a user's mobile phone;
UMTS	Universal Mobile Telecommunications System, a 3G mobile technology that will deliver broadband information. Besides voice data UMTS will deliver audio and video to wireless devices anywhere in the world;
URL	Uniform Resource Locator, the global address of documents and other resources on the world wide web;
user gateway	Mobile phone users connect to the Internet through an Operator's Gateway. It is possible in some cases for Bango to probe the gateway from the Internet and discover unique / invariant user data that can be used by the Bango Platform for identification;
walled garden	Refers to a browsing environment that controls the information and sites the user is able to access. This is a popular method used by internet service providers and MNOs in order to keep the user navigating only specific areas of the fixed and mobile internet;
WAP	Wireless Application Protocol, a secure specification that allows users to access information instantly via hendheld wireless devices such as mobile phones, pagers and smart phones;
Wi-Fi	(short for "wireless fidelity") a way of transmitting information in wave form – popular term for a high frequency wireless local area network;
WML	Wireless Markup Language, a language used to specify content and so interface for WAP devices; and
XHTML	Extensible HTML (see above).

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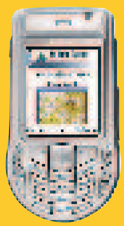

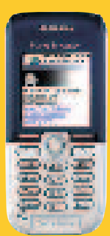

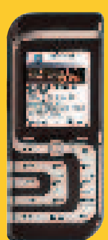

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