

blinkx results

FOR THE SECOND HALF, 2008
AND FULL YEAR 2008

safeharbor statement

During this presentation we may make various remarks about the company's future expectations, plans and prospects, which constitute forward-looking statements for purposes of the safe harbor provisions under The Private Securities Litigation Reform Act of 1995. Actual results may differ materially from those indicated by these forward-looking statements as a result of various important factors, including those discussed in blinkx's most recent prospectus, which is on file with the UK Listing Authority.

Any forward-looking statements represent our views only as of today and should not be relied upon as representing our views as of any subsequent date. While we may elect to update forward-looking statements at some point in the future, we specifically disclaim any obligation to do so, even if our estimates change and, therefore, you should not rely on these forward-looking statements as representing our views as of any date subsequent to today.

During this call we may be referring to non-IFRS financial measures. These non-IFRS measures are not prepared in accordance with generally accepted accounting principles. A reconciliation of the non-IFRS financial measures to the most directly comparable IFRS measures will be made available in the Investor Relations section of our website, www.blinkx.com, under the heading Investors.



results highlights

- Revenues of \$3.6m for the Half to 31 March 2008, 22% growth on previous period, in line with consensus forecast, and ahead of 2007/8 plan
- Total revenues of \$6.55m for the period from 21 April 2007 to 31 March 2008
- Significant improvement in operating margin against plan
- 56.1 million unique visitors and 584 million page views through the blinkx network in March 2008 (comScore)
- Video Search run rate of over 5,000,000 searches a day
- Video Search index growth of 40% to 26m hours in the second half
- 175% growth in content partner base to over 350 media organizations
- Content highlights include BBC iPlayer, CBS, Channel 5, The Weather Channel and The Guardian
- Continued product and technology developments:
 - blinkx AdHoc
 - blinkx Broadband Television
 - blinkx Beat
- Strategic collaboration with Publicis Group S.A. on high-performance video-based advertising





- **Successfully completed IPO**
 - Raised \$50m
 - Offering 3x over-subscribed
- **Strategic hires to support growth and new initiatives brings headcount to 50 employees**
 - Addition of seasoned executives to drive:
 - Content Acquisition
 - Syndication Distribution
 - Advertising
- **Partnership with Publicis**
 - To develop higher-performance video-based advertising format
- **Awards and recognition from experts included:**
 - Time Magazine’s “50 Best Websites” of 2007
 - The Observer’s “Top 10 in Science and Innovation”
 - Business 2.0’s “Disruptors: Companies that Will Change the World”
 - Business XL Magazine’s “Rising Star of the Year”
 - ContentAgenda’s “ContentAgenda Setters” of 2007



corporate progress



PRODUCT LAUNCH:

blinkx AdHoc

The screenshot shows the blinkx AdHoc search interface. At the top left is the 'blinkx' logo. To the right is a 'Watch TV Online' icon. Below the logo is a search bar containing the word 'finance' and buttons for 'Go >>', 'Wall it! >>', and 'Safe Search is ON Advanced Search'. A message above the search bar reads 'Over 14 million hours of video. Search it all.' Below the search bar, it says 'Found about 120,000 videos >' with a pagination control '1 | 2 3 4 5 6 7 8 9 10 Next'. There are links for 'RSS | Wall these!' and 'Sort by: Relevance | Date'. A prominent link says 'Click here for the latest news on finance'. Below this are several news snippets with thumbnails and titles: 'Steel of U.S. Says End of Credit...', 'French debts are spiralling', 'Enterprising Britain: A New Nort...', 'Short View September 25 2007: US...', 'High Finance Deserts Hi-Fi', 'Freshman finance: Money-saving tips', 'Steel of Treasury Says Financial Crisis Concerns Are Unfounded', and 'MoneyBlog Personal Finance Site Introduction'. On the left side, there is a video player showing a woman looking at her phone. Below the video player is a 'My Video Playlist' section which is currently empty.

- First contextual advertising platform for video
- Uses blinkx's unique processing technology to match video content and consumer profiles to relevant ads
- Platform approach interfaces with any external ad network, regardless of ad format
- Multiple product opportunities on the platform currently includes Media Org Solution, BBTV compatibility, Consumer Widget

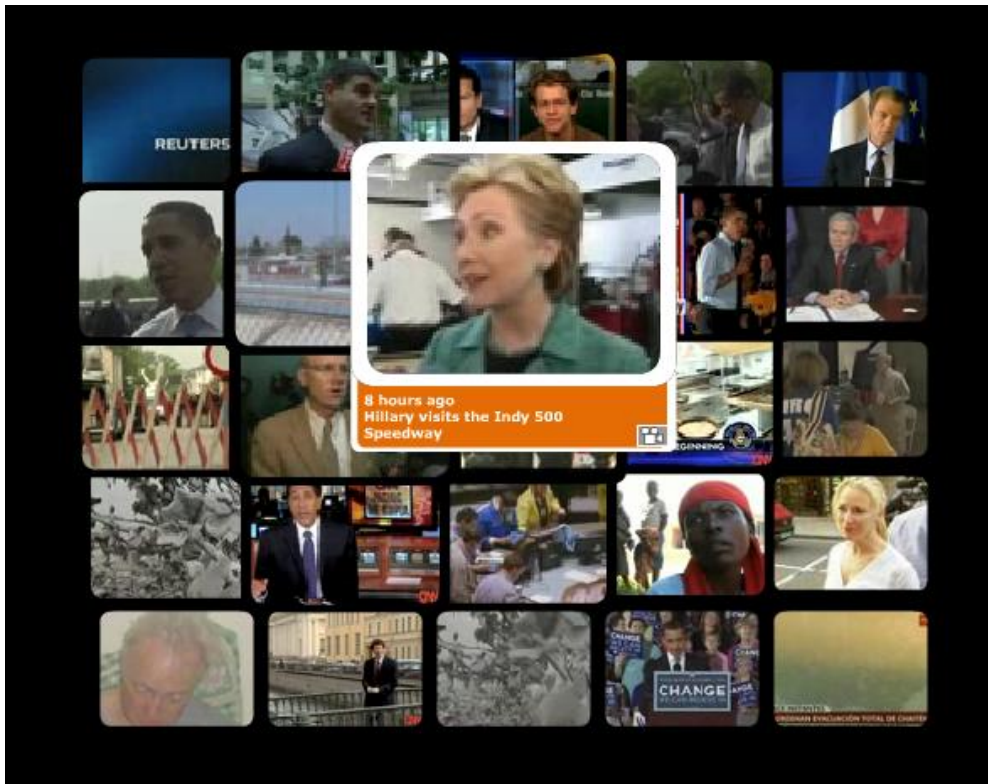
“blinkx's special sauce - something even Google doesn't have - is software that can turn speech into text and count how many times a word pops up in a video. This is very useful to anyone selling targeted ads...”

Erick Schonfeld, Business 2.0



PRODUCT LAUNCH:

blinkx Beat



- Desktop-based push delivery of channel-focused short form video in full/large format display
- Pre-configured channels, focus channels tied to distribution partners and customized channel support
- Ability to tap into blinkx's existing 350 strong content partner base

“blinkx’s technology is the key to its desirability.”

Catherine Holahan, BusinessWeek

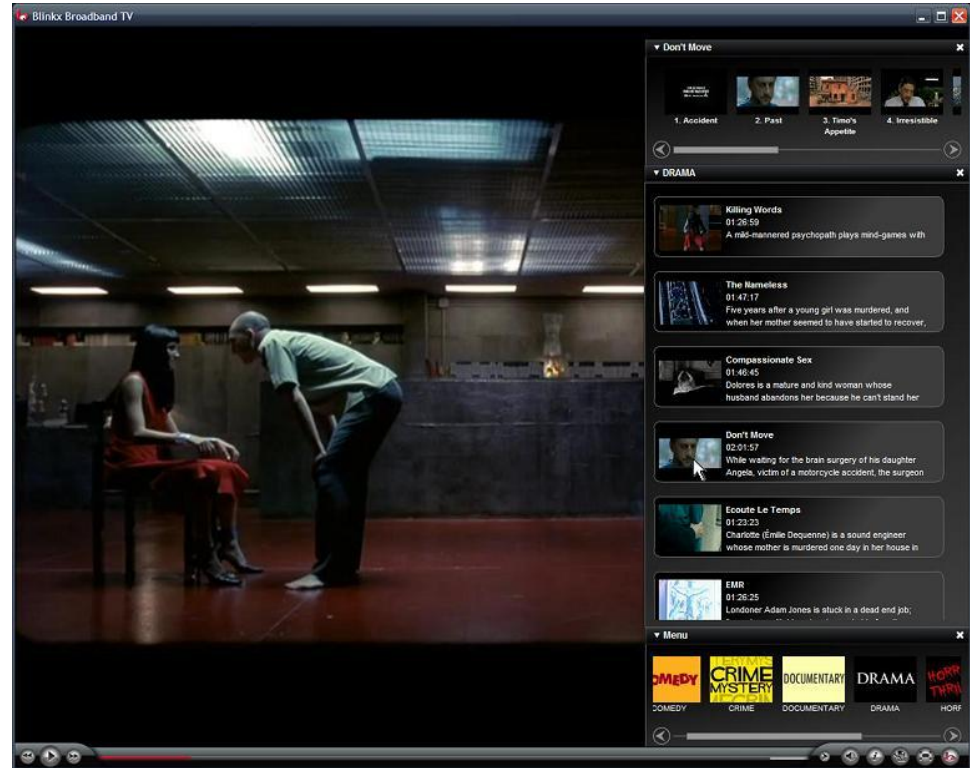


PRODUCT LAUNCH:

blinkx Broadband TV



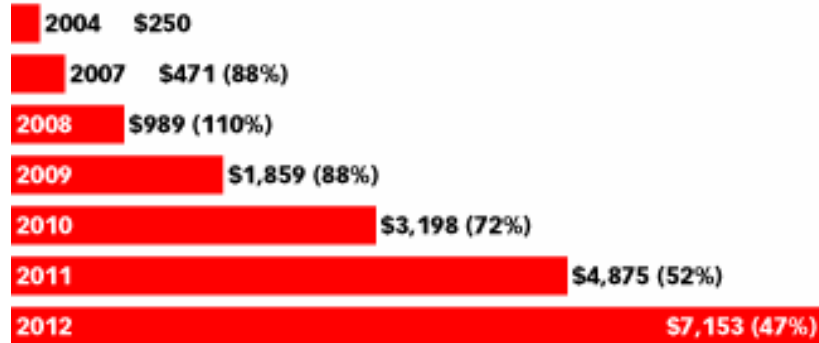
- Full-screen, TV-quality on-demand playback
- Hybrid peer-to-peer technology simultaneously lowers costs and maintains quality of playback
- Fully compatible with blinkx Adhoc, the contextual video advertising platform
- DRM-protected, long-form video distribution platform
- Successful beta launch with variety of existing blinkx Content partners



“blinkx wants to change the online viewing experience for consumers... [BBTV] incorporates Internet searches, online maps and IMDb into blockbuster movies, their favorite sitcoms, video clips, sporting events and other programming on blinkx. Its biggest selling point: BBTV lets users browse for related information on the content they're viewing.” [Jon Swartz, USA Today](#)



US Online Video Advertising Spending, 2006-2012 (millions and % change)



Source: Forrester Research, "US Interactive Marketing Forecast, 2007 To 2012" as cited by watchmojo.com, December 10, 2007

088258

www.eMarketer.com

NEW REACH

- 75% of US Internet users watch or download video online (comScore)
- Average age of US video downloaders/streamers in 2006 was 39.4 years of age (eMarketer)
- US online video audience to reach 190 million by 2012 (eMarketer)

NEW REVENUE

- Network TV ad spending declined 7.2% Q1CY07 (TNS Media Intelligence)
- Online video ad market surging to US\$7.2 billion by 2012 (Forrester)

a massive opportunity



navigation is the key challenge

SEARCH IS A VITAL SERVICE...

- Search engines made the text Internet work
- Binding force between consumers and websites
- Exponential growth in video content demands an advanced search function

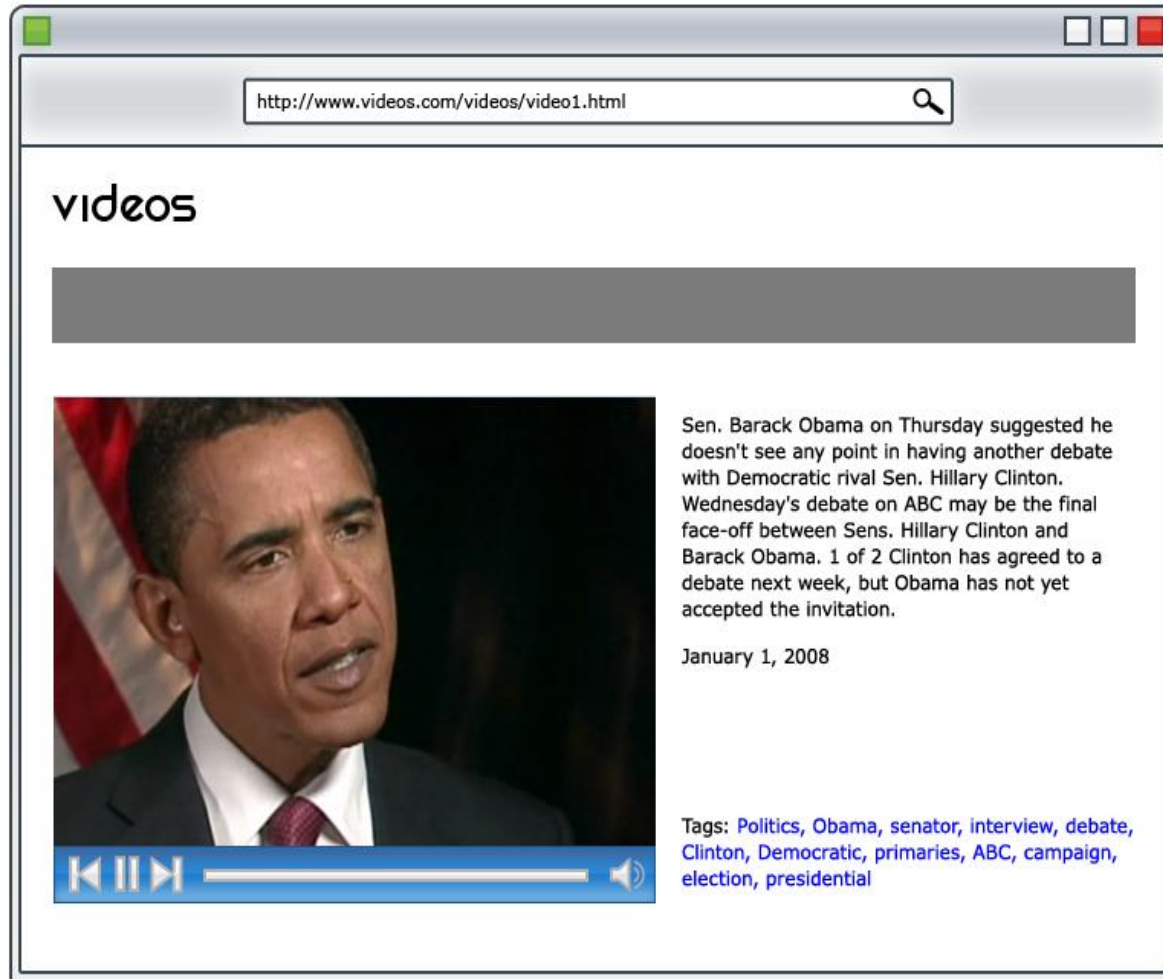
... WHICH CAN BE MONETIZED

- To date search has been paid for through advertising
- Paid search the foundation of Google business model
 - In 2006 Google derived US\$7,183mn from c.34bn searches
- Advertising is a tried and tested method for funding TV, successful for many decades
- blinkx offers a new form of contextually relevant video advertising

"The growth of search and the role of search in usage of the Internet has been astounding, when you look at search penetration it's near 80%."

KEN CASSAR, SENIOR DIRECTOR OF ANALYTICS, NIELSON / NETRATINGS





Metadata search engines miss the **VIDEO** in Video Search

TEXTUAL

Tt

Advanced textual analysis, page and site-level human design context analysis and visual spidering with support for over 200 video and audio metadata file formats

SPEECH RECOGNITION



Continuous, speaker-independent, large vocabulary speech recognition. Neural Network and Hidden Markov Model-based acoustic language modelling

VISUAL ANALYSIS



Visual Analysis: Real-time scene decomposition, On-screen Character and Facial Recognition, visual and metadata Closed-Caption extraction

blinkx understands the meaning contained in video

CORE

Unique Conceptual Recognition Engine based on a patented combination of Shannon's Information Theory and Bayesian Inference provides pattern-matching approach to content discovery and categorization

$$H(X) = E(I(X)) = -\sum_{i=1}^n p(x_i) \log_2 p(x_i)$$

$$P(H|E) = \frac{P(E|H) P(H)}{P(E)}$$



TODAY:

blinkx and the market

blinkx.com: the world's largest video search engine with around
26 million hours of TV and video content

Established as the gold standard in online TV and video search

blinkx AdHoc, blinkx Broadband TV and blinkx Beat are key
product launches that bring online video beyond the browser and
capitalize on increasing quality in professional online video

Strength in the mid-tail market has allowed blinkx to consider a
model which affords us the possibility of break-even earlier than
anticipated

Uniquely poised to capitalize on the surging video advertising
market, which is predicted to reach US\$7.2 billion by 2012
(Forrester)



- Total revenues of \$3.6 million for the Half ending 31 March 2008, \$6.55 million for the period from 23 April 2007 to 31 March 2008
 - Key 2nd Half Metrics
 - Total Searches – 840 million
 - Total Monetizable Searches – 689 million or 70%
 - Blended average CPM \$15 (range from \$7 to \$68)
- Gross Profit for the 2nd Half was \$2.7 million or 76% gross margin. Full Year was \$4.9 million or 75%
- Net loss for the for the 2nd half was \$3.2 million. Full Year loss, before one-off costs related to float and demerger was \$4.6 million
- Losses for the Full Year including one-off costs totalled \$16.1 million
- Cash balance at 31 March 2008 was \$39.4 million

| | H2 Revenue | H2 Results from Operations |
|----------------------|------------|----------------------------|
| Actual | \$3.6m | (\$4.6m) |
| Plan | \$3.5m | (\$6.1m) |
| Ahead of Plan | 2.7% | 25% |

financial highlights



profit & loss statement

USD'000

| | Period from 23 April 2007 (incorp.) to 31 March 2008 (unaudited) | 6 months ended 31 March 2008 (unaudited) |
|---|---|---|
| Revenues | 6,545 | 3,593 |
| Cost of revenues | (1,642) | (874) |
| Gross profit | 4,903 | 2,719 |
| <i>Gross margin</i> | <i>75%</i> | <i>76%</i> |
| Research and development | (3,171) | (1,858) |
| Sales and marketing | (7,273) | (4,707) |
| Administrative expenses | (1,300) | (707) |
| <i>Total Operating Expenses</i> | <i>(11,744)</i> | <i>(7,272)</i> |
| Loss from operations before demerger / IPO costs | (6,841) | (4,553) |
| Demerger / IPO costs | (11,455) | - |
| Loss from operations | (18,296) | (4,553) |
| Investment revenue | 1,983 | 1,102 |
| Loss before taxation | (16,313) | (3,451) |
| Taxation | 250 | 250 |
| Loss for the period attributable to equity holders | (16,063) | (3,201) |
| Loss per share | Cents | Cents |
| Basic | (6.30) | (1.15) |
| Adjusted* | (1.81) | (1.15) |

*Excludes demerger / IPO costs of \$11.455million



balance sheet

| (USD '000) | As At March 31, 2008 |
|---------------------------|-------------------------|
| Non current assets | 452 |
| Trade receivables | 1,816 |
| Other receivables | 1,585 |
| Cash and cash equivalents | <u>39,436</u> |
| Total assets | <u>43,289</u> |
| Trade & other payables | <u>(2,022)</u> |
| Total Liabilities | <u>(2,022)</u> |
| Net assets | <u><u>41,267</u></u> |
| Total equity | <u><u>41,267</u></u> |



Conclusion

- Strong first year that meets or exceeds all financial, operational and technological forecasts set at IPO
- Strong growth in content and search volume base has established blinkx as the gold standard in TV & Video Search
- Acknowledged as leading the space
 - “Although video downloads are increasingly popular, accurate video search is hard to come by... blinkx has made a name for itself in Web video search because it can analyze video content.” Sue Feldman, IDC
 - “blinkx provides the critical link between the consumer and the fragmented online content industry” Nic Fildes, The Independent
 - “The blinkx search tool is far superior to anything else in the market... it is streets ahead of the competition in a market that looks set to explode this year.” Josephine Moulds, Daily Telegraph
 - “If you are looking for a particular video clip, blinkx delivers unrivalled results.” Paul Taylor, Financial Times
 - “[blinkx’s] search functions are better than either YouTube’s or Google’s own homegrown video search.” Stephen Wellman, InformationWeek
- Technology lead has enabled launches of successive strategic, world-first products
- A broad, deep content, distribution and advertising platform positions blinkx in ideal position to focus on the professional mid-tail
- Market continues to be strong, no visible deterioration
- Strength of model in 2008 affords opportunity to bring forward break-even

