



19 May 2010

**BLINKX PLC ANNOUNCES RESULTS FOR THE YEAR ENDED
31 MARCH 2010**

*Year of transformation as blinkx moves into EBITDA profitability in the second half;
full year revenue up 140% and results well ahead of consensus expectations*

*blinkx's preliminary results conference call will be webcast live at www.blinkx.com on
19 May 2010, at 9:30 a.m. BST/4:30 a.m. EDT/1:30 a.m. PDT*

Cambridge, England and San Francisco, CA – 19 May 2010 - blinkx PLC (BLNX.L), the world's largest video search engine, today reported unaudited financial results for the year ended 31 March 2010.

Financial Highlights

	Year ended 31 March 2010 (unaudited)	Year ended 31 March 2009 (unaudited)
	\$'000	\$'000
Revenue	33,664	13,933
Gross profit	21,927	9,831
Loss from operations	(8,954)	(10,457)
Loss for the period	(8,515)	(8,871)
Loss per share	Cents	Cents
Basic	(2.94)	(3.19)
	\$'000	\$'000
Cash used by operating activities	(10,600)	(9,180)
Cash balance	14,579	21,366

Highlights:

- Results ahead of analyst consensus on all key metrics including top line revenue and gross profit
- For the year:
 - Revenue increased over 140% from FY2009 to \$33.7m
 - Gross profit up 123% to \$21.9m from FY2009
 - DSO improved to 65 days from 83 days for FY2009
- For the second half of 2010:
 - EBITDA of \$0.03m, compared with LBITDA of \$5.85m in first half
 - Revenue of \$20.6m, a 57% increase from the first half
 - Gross profit of \$13.4m, a 58% increase from the first half
 - Cash used by operating activities of \$2.5m, compared with \$8.1m in first half
- Video streams in the UK and US grew by 186% (comScore)
- Daily Video Search run rate increased over 169% to 22.6 million searches per day in March 2010, from 8.4 million per day in March 2009
- Repeat campaign bookings grew by 193% compared to FY2009 in addition to strong increase of 112% in brands advertising with blinkx
- New, expanded distribution agreements with top partners, including Ask, ITN and ELO
- Successful beta launch of Cheep, blinkx's first transaction hijacking product

Commenting on the preliminary results Suranga Chandratillake, founder and CEO of blinkx, said: “We’re delighted to report another strong performance this year. While the full year financial results are excellent, our second half was nothing short of transformational as the business moved into EBITDA positive territory, ahead of expectations. Since our IPO, the blinkx team has built strong foundations for the business; a portfolio of consumer products, the AdHoc advertising platform, and our network of over 720 content partners and top-tier distribution partners. While we remain mindful of the macroeconomic environment, blinkx is now well positioned in one of the fastest growing segments of the media sector. Having reached profitability on an EBITDA basis and after making infrastructure investments early in the year, the business is now positioned to capitalise on this market momentum and drive increased profitability from growing revenue.

Mr. Chandratillake added: “During a time when advertising has faced significant revenue and pricing pressure, blinkx has consistently demonstrated robust growth, defying macro industry trends. We increased revenue by more than 140%, and gross profit by 123%, despite the challenging economic environment. Furthermore, revenue and gross profit in the second half grew almost 60% over the first half, while operating expenses dropped in the second half as compared to the first. As a result, operating margin improved, net losses narrowed and the company was profitable on an EBITDA basis in the second half. Despite the downturn, we achieved these milestones ahead of schedule and analyst expectations. This exceptional performance was driven by the success of our unique advertising platform, which delivers targeted, ROI-guaranteed, brand advertising in online video, and has enjoyed widespread adoption by over 800 global brands.”

Mr. Chandratillake continued: “In the past 12 months, blinkx’s traffic has surged 204% in the UK, making us the second fastest growing video site after Facebook, according to comScore. Moreover, the number of videos viewed over the Internet in the UK has shot up 37% over the same time period. This powerful groundswell towards online video underscores the strength and vitality of our business model.

blinkx’s aggressive audience growth, breaking into both comScore and Nielsen’s Top 10 Video Sites, combined with our top-tier content partnerships, has enabled our business to flourish over the period, and we achieved a 112% increase in the number of brands advertising with us. We have continued to attract leading brand advertisers, including Coca Cola, Virgin and Toyota, while maintaining consistently high CPMs (Cost Per Mille), through the effectiveness of our unique Contextual Advertising platform, blinkx AdHoc. Online video is the fastest growing sector in advertising, and we expect to further accelerate the growth of our business based on this momentum.

In addition, blinkx has made significant progress on the product and business development fronts over the last year. The strength of our technology has enabled us to forge new distribution deals with many of our top partners, including providing video search for Ask.com, powering advertising for the ITN Premium News Network, and building a broadband TV offering for Brazilian media giant ELO. We also recently partnered with Mobicca to bring blinkx video channels to mobile devices.”

Financial Highlights

For the year ended 31 March 2010 (FY 2010), revenue totalled \$33.7 million increasing 142% over the \$13.9 million in revenue reported for the year ended 31 March 2009 (FY 2009). Gross profit for FY 2010 was \$21.9 million representing a gross margin of 65.1%. Gross profit for FY 2009 was \$9.8 million, representing a gross margin of 70.6%. Net loss for FY 2010 was \$8.5 million. Net loss for FY 2009 was \$8.9 million. Loss per share for FY 2010 was 2.94 cents and for FY 2009 was 3.19 cents. blinkx’s cash balance at 31 March 2010 was \$14.6 million. (31 March 2009: \$21.4 million). Cash used in operating activities for FY 2010 was \$10.6 million (FY 2009: \$9.2 million).

Customer and Business Developments

blinkx’s targeted advertising products have continued to win campaigns from top global brands. The past year saw blinkx’s greatest momentum in new advertisers with 112% increase in brands advertising on the site. Brands such as Procter & Gamble, Microsoft and McDonalds booked

campaigns through leading agencies, including Universal McCann, Ogilvy and Grey Group. This half, the success of blinkx's contextual advertising platform, AdHoc, was also highlighted by an exclusive partnership with the ITN Premium News Network to deliver targeted advertising, packaged around ITN video content, for the Daily Express, Daily Star and OK! Magazine sites.

During the period, blinkx also extended its partnership with Ask.com to power video search as part of Ask.com's new Universal Search interface, and launched a broadband TV offering for Brazilian media giant, ELO, in the burgeoning Latin American market, one of most exciting and fast-growing markets for digital media.

In the past year, blinkx expanded its roster of premier media partnerships to over 720, including the addition of top tier content from Cars.com, the Meredith Corporation and NBC Digital Media.

Product and Technology Developments

blinkx's flagship products continued to attract a growing audience, and during the year blinkx.com broke into both comScore and Nielsen's Top 10 Video Sites. Moreover, according to comScore, blinkx's traffic has surged 204% in the UK over the past 12 months, making it the second fastest growing video site after Facebook.

During the period, blinkx took a strategic step into the mobile space, through a partnership with Mobica. Mobica is a leading provider of cutting-edge mobile solutions and services for handset vendors, platform providers and mobile carriers, and under the terms of the agreement, blinkx and Mobica will collaborate to build a platform independent service that delivers professionally produced news and entertainment highlights to mobile devices, so consumers can enjoy a variety of themed channels, featuring relevant and up-to-date video clips in a "snack-size" format that is ideal for people on the move.

In addition, blinkx built a beta version of Cheep, its first transaction hijacking product. The offering was recently launched in closed beta and is expected to be released to the public in the second half of 2010.

About blinkx PLC

blinkx (London AIM: BLNX) is the world's most comprehensive video search engine. Today, blinkx has indexed more than 35 million hours of audio, video, viral and TV content, and made it fully searchable and available on demand. blinkx's founders set out to solve a significant challenge – as TV and user-generated content on the Web explode, keyword-based search technologies only scratch the surface. blinkx's patented search technologies listen to – and even see – the Web, helping users enjoy a breadth and accuracy of search results not available elsewhere. In addition, blinkx powers the video search for many of the world's most frequented sites. blinkx is based in San Francisco and London. More information is available at www.blinkx.com

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BLINKX PLC
CONSOLIDATED INCOME STATEMENT (UNAUDITED)
Results for the year ended 31 March 2010

	Year ended 31 March 2010 (unaudited)	Year ended 31 March 2009 (unaudited)
	\$'000	\$'000
Revenue: continuing operations	33,664	13,933
Cost of revenue	(11,737)	(4,102)
Gross profit	<u>21,927</u>	<u>9,831</u>
Operating expenses		
Research and development	(10,610)	(4,526)
Sales and marketing	(17,810)	(13,952)
Administrative expenses	(2,461)	(1,810)
Loss from operations	<u>(8,954)</u>	<u>(10,457)</u>
Investment revenue	40	1,127
Loss before taxation	<u>(8,914)</u>	<u>(9,330)</u>
Tax	399	459
Loss for the year attributable to equity holders of the parent	<u>(8,515)</u>	<u>(8,871)</u>
Loss per share	Cents	Cents
Basic and diluted	<u>(2.94)</u>	<u>(3.19)</u>

CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME (UNAUDITED)
For year ended 31 March 2010

	Year ended 31 March 2010 (unaudited)	Year ended 31 March 2009 (unaudited)
	\$'000	\$'000
Loss for the year	(8,515)	(8,871)
Exchange difference on translation of foreign operations	703	(9,632)
Total comprehensive income for the year	<u>(7,812)</u>	<u>(18,503)</u>

BLINKX PLC
CONSOLIDATED BALANCE SHEET (UNAUDITED)
As at 31 March 2010

	As at 31 March 2010 (unaudited)	As at 31 March 2009 (unaudited)
	\$'000	\$'000
ASSETS		
Non-current assets		
Goodwill	2,417	-
Intangible assets	4,126	1,862
Property, plant and equipment	592	486
Other receivables	385	426
	<u>7,520</u>	<u>2,774</u>
Current assets		
Trade receivables	5,998	3,181
Other receivables	2,874	1,827
Cash and cash equivalents	14,579	21,366
	<u>23,451</u>	<u>26,374</u>
Total assets	<u>30,971</u>	<u>29,148</u>
LIABILITIES		
Current liabilities		
Trade and other payables	(5,246)	(4,520)
	<u>(5,246)</u>	<u>(4,520)</u>
Non-current liabilities		
Other payables	(222)	(426)
Total Liabilities	<u>(5,468)</u>	<u>(4,946)</u>
Net assets	<u>25,503</u>	<u>24,202</u>
Shareholders' equity		
Share capital	5,964	5,487
Share premium account	56,345	49,126
Stock compensation reserve	9,280	7,863
Currency translation reserve	(8,413)	(9,116)
Merger reserve	(4,323)	(4,323)
Retained earnings	(33,350)	(24,835)
Total equity	<u>25,503</u>	<u>24,202</u>

BLINKX PLC
CONSOLIDATED CASH FLOW STATEMENT (UNAUDITED)
Results for year ended 31 March 2010

	Year ended 31 March 2010 (unaudited) \$'000	Year ended 31 March 2009 (unaudited) \$'000
CASH FLOWS FROM OPERATING ACTIVITIES		
Loss from operations	(8,954)	(10,457)
Adjustments for:		
Depreciation and amortisation	3,133	308
Share based payments	1,417	1,434
Foreign exchange gains	(545)	(313)
Operating cash flows before movements in working capital	(4,949)	(9,028)
Changes in operating assets and liabilities:		
Increase in trade and other receivables	(587)	(3,333)
(Decrease)/ increase in trade and other payables	(5,064)	2,924
Cash used in operations	(10,600)	(9,437)
Income taxes received	-	257
Net cash used in operating activities	(10,600)	(9,180)
CASH FLOWS FROM INVESTING ACTIVITIES		
Interest received	40	1,127
Purchase of property, plant and equipment and intangible assets	(936)	(702)
Cash paid to purchase net assets, net of cash acquired	(3,928)	-
Costs incurred to purchase net assets	(305)	-
Net cash (used) / generated by investing activities	(5,129)	425
CASHFLOWS FROM FINANCING ACTIVITIES		
Proceeds from issuance of shares (net of costs)	7,696	4
Net cash generated by financing activities	7,696	4
Net decrease in cash and cash equivalents	(8,033)	(8,751)
Beginning cash and cash equivalents	21,366	39,436
Effect of foreign exchange on cash and cash equivalents	1,246	(9,319)
Ending cash and cash equivalents	14,579	21,366

BLINKX PLC
CONSOLIDATED STATEMENT OF CHANGES IN EQUITY (UNAUDITED)
For the year ended 31 March 2010

	Ordinary share capital \$'000	Share premium account \$'000	Stock compensation reserve \$'000	Currency translation reserve \$'000	Sub-total \$'000
Balance as at 1 April 2008	5,483	49,126	6,429	516	61,554
Net loss for the year	-	-	-	-	-
Other comprehensive income	-	-	-	(9,632)	(9,632)
Total comprehensive income for the year	-	-	-	(9,632)	(9,632)
Issue of shares	4	-	-	-	4
Share based payments	-	-	1,434	-	1,434
Balance as at 1 April 2009	5,487	49,126	7,863	(9,116)	53,360
Net loss for the year	-	-	-	-	-
Other comprehensive income	-	-	-	703	703
Total comprehensive income for the year	-	-	-	703	703
Issue of shares, net of costs	477	7,219	-	-	7,696
Share based payments	-	-	1,417	-	1,417
Balance as at 31 March 2010	5,964	56,345	9,280	(8,413)	63,176

	Sub-total forwarded \$'000	Merger reserve \$'000	Retained earnings \$'000	Total \$'000
Balance as at 1 April 2008	61,554	(4,323)	(15,964)	41,267
Net loss for the year	-	-	(8,871)	(8,871)
Other comprehensive income	(9,632)	-	-	(9,632)
Total comprehensive income for the year	(9,632)	-	(8,871)	(18,503)
Issue of shares	4	-	-	4
Share based payments	1,434	-	-	1,434
Balance as at 1 April 2009	53,360	(4,323)	(24,835)	24,202
Net loss for the year	-	-	(8,515)	(8,515)
Other comprehensive income	703	-	-	703
Total comprehensive income for the year	703	-	(8,515)	(7,812)
Issue of shares, net of costs	7,696	-	-	7,696
Share based payments	1,417	-	-	1,417
Balance as at 31 March 2010	63,176	(4,323)	(33,350)	25,503

BLINKX PLC
NOTE TO CONSOLIDATED FINANCIAL STATEMENTS (UNAUDITED)

Basis of preparation

The financial information set out in the unaudited announcement does not constitute the Company's statutory accounts for the year ended 31 March 2010, within the meaning of Section 435 of the Companies Act 2006. The audit of the statutory accounts for the year ended 31 March 2010 is not yet complete. These accounts will be finalised on the basis of the financial information presented by the directors in this unaudited announcement and will be delivered to the Registrar of Companies following the Company's annual general meeting.

Statutory financial statements for the year ended 31 March 2009 are available on the Group's website www.blinkx.com and have been filed with the Registrar of Companies. The Group's auditors issued a report on those financial statements that was unqualified and did not contain a statement under section 237(2) or section 237(3) of the Companies Act 1985.

The directors have considered the financial resources of the Group and the risks associated with doing business in the current economic climate environment and believe the Group is well placed to manage these risks successfully. In doing this they have prepared a business plan and cash flow forecast setting out key business assumptions, including the rate of revenue growth, margins and cost control. The directors have considered these assumptions to be reasonable and that the Group has adequate resources to continue in operational existence for the foreseeable future. Accordingly, they continue to adopt the going concern basis in preparing these financial statements.