



15 May 2008

**BLINKX PLC ANNOUNCES RESULTS FOR THE SIX MONTHS AND PERIOD ENDED 31 MARCH, 2008**

*blinkx surpasses First Year Business, Financial and Technology Milestones Set at IPO*

*blinkx's interim period conference call will be webcast live at [www.blinkx.com](http://www.blinkx.com) on 15 May 2008, at 9:30 a.m. GMT/4:30 a.m. EDT/1:30 a.m. PDT.*

**Cambridge, England and San Francisco, CA** – 15 May 2008 - blinkx PLC (BLNX.L), the world's largest video search engine, today reported financial results for the period ended 31 March 2008.

**Financial Highlights**

	6 months ended 31 March 2008 <u>(unaudited)</u> \$'000	Period from <b>23 April 2007</b> <b>(incorp.) to</b> <b>31 March</b> <b>2008</b> <b>(unaudited)</b> <b>\$'000</b>
Revenue	3,593	<b>6,545</b>
Gross profit	2,719	<b>4,903</b>
Loss from operations before demerger / IPO costs *	(4,553)	<b>(6,841)</b>
Loss for the period before demerger / IPO costs *	(3,201)	<b>(4,608)</b>
Loss for the period	(3,201)	<b>(16,063)</b>
Loss per share (cents)		
Basic	(1.15)	<b>(6.30)</b>
Adjusted *	(1.15)	<b>(1.81)</b>
Cash used by operating activities excluding demerger / IPO costs**	(4,371)	<b>(6,418)</b>
Cash used by operating activities	(4,371)	<b>(12,788)</b>
Cash balance as at 31 March 2008	39,436	<b>39,436</b>

\* excludes demerger / IPO costs of \$11.5m

\*\* excludes demerger / IPO costs. See page 7

**Highlights:**

- Financial results: revenues and results for Half ending March 2008 from operations in line with analyst expectations.
- Company ahead of plan in move towards profitability
- Content hours more than tripled since IPO, from 7 million to 26 million
- Daily Video Search run rate of over 5,000,000 per day in March 2008
- 56.1 million unique visitors and 584 million page views through the blinkx network in March 2008 (source: comScore)
- 175% growth in content partner base to over 350 media organizations, including BBC iPlayer, CBS, Channel 5, The Guardian and The Weather Channel
- Addition of top-tier syndication partners, including Ask.com, Real Networks, and Infospace
- Introduction of four new strategic technology offerings:
  - blinkx BBTv
  - blinkx beat

- blinkx AdHoc
- Native language search
- Successful execution of campaigns for leading advertising agencies including OMD, MediaCom, Universal McCann and Initiative Media.
- Collaboration with media futures unit of Publicis Groupe, S.A. on higher-performance video-based advertising format
- Key hires in Sales and R&D to drive growth

**Commenting on the interim results Suranga Chandratillake, founder and CEO of blinkx, said:**

“We are pleased to report a strong performance throughout this period; blinkx surpassed all of the business, financial and technology goals set at IPO. We signed key strategic partnerships, including Ask.com, InfoSpace and RealNetworks, that have established blinkx as the gold standard for TV and video search on the Web; we have substantially expanded our index of content, adding high-profile media companies such as CBS, the BBC iPlayer and Channel 5; and according to Hitwise, we have achieved the fastest visit-share growth in the Online Video website category with an increase of 625% between March 2007 and March 2008. In addition, we introduced three strategic product offerings to our technology portfolio, which will drive distribution and advertising revenue worldwide. Throughout the year, we have cemented our position as a leader in online television and video.”

Mr. Chandratillake continued: “This is the era of the Rich Media Web: broadband proliferation has driven dramatic growth in the online television and video audience -- in fact, traffic to video-sharing sites doubled in 2007. blinkx has a unique advantage in this new universe because our technology was built from the ground up to navigate rich media, and understands video and audio more deeply than any other solution today, and therefore we’re able to evolve strategically and with tremendous agility to respond to external market trends.

This is a nascent, dynamic industry but we’re already seeing important trends emerging. First, and as expected, the world’s leading brands are showing a distinct reluctance to risk hard won brand values by associating them with amateur, user-generated content. We are particularly encouraged by the opportunities around professional content which provide good and profitable revenue opportunities. We have found that there is a sweet spot in high-volume, professionally produced content and brand advertising: it brings together self-selecting demographic audiences with brands and products relevant to their interests and lifestyles. There is an enormous amount of this kind of specialized content on the Web, but typically it is massively dispersed and therefore ideally suited to blinkx’s search technology. blinkx's strength in this area in 2008 has allowed us to consider a model which will afford us the possibility of break-even earlier than anticipated.

blinkx is a catalytic force for television and video on the Internet, and with the introduction of ground-breaking new solutions like blinkx Broadband Television and the blinkx AdHoc platform, we are ideally positioned to capitalize on the tremendous opportunity that exists in online content, search and advertising.”

**Financial Highlights**

For the second six months period 2008 ending 31 March 2008, revenues totalled \$3.6 million. Revenues for the fiscal period, from 23 April (incorporation) ending 31 March 2008, totalled \$6.55 million. Gross profit for the six months ending 31 March 2008 was \$2.7 million, representing a gross margin of 76%. Gross profit for fiscal period 2008 was \$4.9 million, representing a gross margin of 75%. Net loss for the second half was \$3.2 million. Net loss for the fiscal period, before one-off costs related to the IPO and demerger, was \$4.6 million. Losses including one-off costs related to the demerger and IPO totaled \$16.1 million. Loss per share for the second half was 1.15 cents. Adjusted loss per share for fiscal period 2008, before one-off costs related to the IPO and demerger was 1.81 cents. Loss per share including one-off costs related to the demerger and IPO was 6.30 cents. During the fiscal period blinkx raised \$50.4 million in gross proceeds from an initial public offering completed on 22 May 2007. Cash balance at 31 March 2008 was \$39.4 million.

### **Customer and Business Developments**

Since its IPO in May 2007, strong demand for blinkx's unique, patented search functionality has established blinkx as the gold standard in video search, and today it powers many of the most popular sites and portals on the Internet. Through these strategic partnerships and increased consumer visibility, visit share increased 625% from March 2007 to March 2008 (Hitwise), and the number of unique visitors reached a record 56.1 million in March 2008 (comScore). High-profile new syndication customers include Ask.com, RealNetworks and InfoSpace.

blinkx's content platform also garnered tremendous interest from media companies, and its roster of top-quality content providers has grown to over 350 (around 175% growth since IPO), including programming from premier media companies and broadcasters, such as the BBC iPlayer, CBS, Channel 5, The Guardian and The Weather Channel.

In addition, blinkx increased its pan-European online television and video reach with the addition natural language search and content partnerships with premier broadcasters such as Deutsche Welle, EuroNews and France 24.

blinkx's index of fully searchable online video has now surpassed 26 million hours, more than tripling in the last 12 months.

### **Product and Technology Developments**

blinkx continued a tradition of building and delivering disruptive, first-to-market technology, expanding its product portfolio aggressively during the period, with specific highlights including the launch of blinkx AdHoc in June 2007, and blinkx Broadband Television (BBTV) in April 2008.

blinkx BBTV is a significant advance in online television that leverages patented speech and visual recognition technology to simultaneously deliver a high-quality television experience over the Internet, and link it to the universe of information on the Web, adding dimension and context to the viewer's experience. With hybrid peer-to-peer streaming and a simple, point-and-click channel interface, blinkx BBTV delivers a new kind of online television: full-screen, TV-quality and truly immersed in the Internet.

blinkx AdHoc is the world's first contextually relevant video advertising platform optimized for the flourishing online video advertising market, which is predicted to reach \$7.2BN by 2012 (Forrester Research). Just as Google's AdSense transformed advertising on the Text Web, blinkx's AdHoc platform revolutionizes video advertising by matching compelling, customized, TV-style ads to relevant content on the Web. AdHoc leverages blinkx's patented speech-to-text transcription and visual analysis technology to understand video content more thoroughly and effectively than any other service today, and can therefore dynamically place the most pertinent advertising against it. blinkx's AdHoc platform offers content partners and advertisers a unique value proposition -- video advertising which combines the emotive power of TV promotion, with the relevance and utility of contextual search advertising.

In addition, blinkx announced the availability of blinkx Beat, an innovative desktop application that allows users to stay up-to-date on the latest sports, entertainment and breaking news videos from around the Web, without ever having to search or open up a Web browser. blinkx Beat enables users to create personalized news channels and custom video walls to watch regularly updated videos about topics of their choice.

### **Company Developments**

On the operational front, blinkx aggressively expanded headcount to 52 employees and extended its bases of operations to include New York, Chicago and Los Angeles, bringing on board key strategic hires to support new engineering initiatives and drive business development. The company continues

to attract top engineers and specialists in content acquisition, distribution and online video advertising who have proven track records of success, and a wealth of contacts in the media industry.

During the period blinkx and its technological achievements were honoured with a number of awards. blinkx.com was named one of Time Magazine's 50 Best Websites for a second time in 2007, and was included in The Observer's "Top 10 in Science and Innovation". The company was also recognized as one of Business 2.0's "Disruptors: Companies that Will Change the World".

**About blinkx PLC**

blinkx (London AIM: BLNX) is the world's most comprehensive video search engine. Today, blinkx has indexed more than 26 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](http://www.blinkx.com)

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**BLINKX PLC**  
**CONSOLIDATED INCOME STATEMENT (UNAUDITED)**  
Results for the period from 23 April 2007 to 31 March 2008  
(in thousands, except per share amounts)

	<b>6 months ended 31 March 2008 (unaudited) \$'000</b>	<b>Period from 23 April 2007 (incorp.) to 31 March 2008 (unaudited) \$'000</b>
<b>Revenue: continuing operations</b>	3,593	6,545
Cost of revenue	(874)	(1,642)
<b>Gross profit</b>	<u>2,719</u>	<u>4,903</u>
<b>Operating expenses</b>		
Research and development	1,858	3,171
Sales and marketing	4,707	7,273
Administrative expenses	707	1,300
<b>Loss from operations before demerger / IPO costs*</b>	<u>(4,553)</u>	<u>(6,841)</u>
Demerger / IPO costs	-	11,455
<b>Loss from operations</b>	(4,553)	(18,296)
Investment revenues	1,102	1,983
<b>Loss before taxation</b>	<u>(3,451)</u>	<u>(16,313)</u>
Tax	250	250
<b>Loss for the period attributable to equity holders of the parent before demerger / IPO costs *</b>	<u>(3,201)</u>	<u>(4,608)</u>
<b>Loss for the period attributable to equity holders of the parent</b>	<u><u>(3,201)</u></u>	<u><u>(16,063)</u></u>
<b>Loss per share (cents)</b>	<b>Cents</b>	<b>Cents</b>
Basic and diluted	<u>(1.15)</u>	<u>(6.30)</u>
Adjusted*	<u>(1.15)</u>	<u>(1.81)</u>

\* Excludes demerger / IPO costs of \$11,455 million

**BLINKX PLC**  
**CONSOLIDATED BALANCE SHEET (UNAUDITED)**  
**As at 31 March 2008**  
(in thousands)

	<b>As at 31 March 2008 (unaudited)</b> <hr/> <b>\$'000</b> <hr/>
<b>ASSETS</b>	
<b>Non-current assets</b>	
Intangibles	5
Property, plant and equipment	447
	<hr/> 452
<b>Current assets</b>	
Trade receivables	1,816
Other receivables	1,585
Cash and cash equivalents	39,436
	<hr/> 42,837
Total assets	<hr/> <hr/> 43,289
<b>Current liabilities</b>	
Trade and other payables	<hr/> (2,022)
Total liabilities	<hr/> (2,022)
<b>Net assets</b>	<hr/> <hr/> 41,267
<b>Shareholders' equity</b>	
Share capital	5,483
Share premium	49,126
Stock compensation reserve	6,429
Currency translation reserve	516
Merger reserve	(4,323)
Retained earnings	<hr/> (15,964)
<b>Total Equity</b>	<hr/> <hr/> 41,267

**BLINKX PLC**  
**CONSOLIDATED CASH FLOW STATEMENT (UNAUDITED)**  
Results for period from 23 April 2007 to 31 March 2008  
(in thousands)

	<b>6 months ended 31 March 2008 (unaudited) \$'000</b>	<b>Period from 23 April 2007 (incorp.) to 31 March 2008 (unaudited) \$'000</b>
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>		
<b>Loss from on-going operation *</b>	<b>(4,553)</b>	<b>(6,841)</b>
Demerger & float costs	-	(11,455)
<b>Loss from operations</b>	<b>(4,553)</b>	<b>(18,296)</b>
Adjustments for:		
Depreciation and amortization	117	263
Share based compensation	825	6,501
Foreign exchange gains	(120)	(123)
<b>Operating cash flows before movements in working capital</b>	<b>(3,731)</b>	<b>(11,655)</b>
<b>Changes in operating assets and liabilities:</b>		
Increase in trade and other receivables	(489)	(3,155)
(Decrease) / increase in trade and other payables	(151)	2,022
<b>Net cash used in operating activities</b>	<b>(4,371)</b>	<b>(12,788)</b>
Non recurring share based compensation	-	(5,085)
Demerger / IPO costs	-	11,455
<b>Net cash used by on-going operating activities*</b>	<b>(4,371)</b>	<b>(6,418)</b>
<b>CASH FLOWS FROM INVESTMENT ACTIVITIES</b>		
Interest received	1,284	1,983
Purchase of property, plant and equipment	(84)	(715)
<b>Net cash generated by investment activities</b>	<b>1,200</b>	<b>1,268</b>
<b>CASHFLOWS FROM FINANCING ACTIVITIES</b>		
Proceeds from issuance of shares	-	50,384
<b>Net cash generated by financing activities</b>	<b>-</b>	<b>50,384</b>
Net (decrease) / increase in cash and cash equivalents	(3,171)	38,864
Beginning cash and cash equivalents	43,610	-
Effect of foreign exchange on cash and cash equivalents	(1,003)	572
<b>Ending cash and cash equivalents</b>	<b>39,436</b>	<b>39,436</b>

\* Excludes demerger / IPO costs of \$11.455 million

**BLINKX PLC**  
**CONSOLIDATED STATEMENT OF CHANGES IN EQUITY (UNAUDITED)**  
For the period from 23 April 2007 to 31 March 2008  
(in thousands)

	<b>Ordinary share capital</b>	<b>Redeemable share capital</b>	<b>Share Premium</b>	<b>Stock compensation reserve</b>	<b>Sub-total</b>
	<b>\$'000</b>	<b>\$'000</b>	<b>\$'000</b>	<b>\$'000</b>	<b>\$'000</b>
<b>Balance as at 23 April 2007</b>	-	-	-	-	-
Issue of shares	5,483	100	49,126	-	54,709
Capital contribution	-	-	-	-	-
Shares redeemed	-	(100)	-	-	(100)
Current period losses	-	-	-	-	-
Exchange differences on translation	-	-	-	-	-
Share based payments	-	-	-	6,429	6,429
<b>Balance as at 31 March 2008</b>	<u>5,483</u>	<u>-</u>	<u>49,126</u>	<u>6,429</u>	<u>61,038</u>
	<b>sub-total forwarded</b>	<b>Currency translation</b>	<b>Merger reserve</b>	<b>Retained earnings</b>	<b>Total</b>
	<b>\$'000</b>	<b>\$'000</b>	<b>\$'000</b>	<b>\$'000</b>	<b>\$'000</b>
<b>Balance as at 23 April 2007</b>	-	-	-	-	-
Issue of shares	54,709	-	(4,323)	-	50,386
Capital contribution	-	-	-	99	99
Shares redeemed	(100)	-	-	-	(100)
Current period losses	-	-	-	(16,063)	(16,063)
Exchange differences on translation	-	516	-	-	516
Share based payments	6,429	-	-	-	6,429
<b>Balance as at 31 March 2008</b>	<u>61,038</u>	<u>516</u>	<u>(4,323)</u>	<u>(15,964)</u>	<u>41,267</u>

**BLINKX PLC**  
**NOTES TO CONSOLIDATED INTERIM FINANCIAL STATEMENTS (UNAUDITED)**

**1. Basis of preparation**

The financial information set out in the announcement does not constitute the company's statutory accounts for the period ended 31 March 2008, within the meaning of Section 240 of the Companies Act 1985. The audit of the statutory accounts for the period ended 31 March 2008 is not yet complete. These accounts will be finalized on the basis of the financial information presented by the directors in this preliminary announcement and will be delivered to the Registrar of Companies following the company's annual general meeting.

The information for the six months ended 31 March 2008, which is unaudited, has been prepared by subtracting the results for the period to 30 September 2007, which were included in the company's interim announcement, from the results for the period from 23 April 2007 to 31 March 2008.

**2. Share-based payments**

Included within operating expenses are the following amounts in respect of share based payments:

	<b>6 months ended 31 March 2008 (unaudited) \$'000</b>	<b>Period from 23 April 2007 (incorp.) to 31 March 2008 (unaudited) \$'000</b>
Sales and marketing	318	546
Research & development	449	769
Administrative expenses	58	100
Demerger / IPO	-	5,233
	<u>825</u>	<u>6,648</u>

#### 4. Taxation

An income tax credit of \$250,000 is reflected in the income statement in relation to research and development tax credits.

#### 5. Loss per share

The loss per ordinary share and diluted loss per share are equal because share options are only included in the calculation of diluted earnings per share if their issue would decrease the net profit per share or increase the net loss per share. The calculation is based on information in the table shown below.

	<b>6 months ended 31 March 2008 (unaudited) \$'000</b>	<b>Period from 23 April 2007 (incorp.) to 31 March 2008 (unaudited) \$'000</b>
<b>Earnings</b>		
Loss (used in calculation of basic and diluted loss per share)	(3,201)	(16,063)
Loss for the period excluding demerger / IPO costs of \$11,455k (used in calculation of adjusted loss per share)	(3,201)	(4,608)
<b>Number of shares</b>		
Weighted average number of shares since 23 April 2007	277,918,826	254,952,682

#### 6. Share capital

Major movements in share capital in the period include the issuance of 277,470,635 ordinary shares in relation to the demerger from Autonomy Corporation plc and equity financing in May 2007. In addition as part of the demerger process one redeemable share was issued in April 2007 which was subsequently redeemed in May 2007 prior to the demerger. Other issuances of shares relate to the exercise of employee share options.

#### 7. Related party transactions

There are no related party transactions.

#### 8. De-merger from Autonomy Corporation plc

The demerger of the blinkx business from Autonomy Corporation plc and its affiliates was completed on 21 May 2007. This was followed by an IPO on the AIM market of the London Stock Exchange.