BLINKX PLC ANNOUNCES RESULTS FOR THE YEAR ENDED 31 MARCH 2013

Revenue up 73% year-on-year to $198m, adjusted* EBITDA more than doubled to $30m

blinkx's year-end conference call will be webcast live at www.blinkx.com on 13 May, 2013 at 9:30 a.m. BST/4:30 a.m. EDT/1:30 a.m. PDT

London, England and San Francisco, CA – 13 May 2013 - blinkx PLC (BLNX.L), the Internet Media platform powered by CORE, today reported financial results for the year ended 31 March 2013.

Financial Highlights

	Year ended 31 March 2013 (unaudited) $000	**Year ended 31 March 2012** (audited) $000	% Change
Revenue	197,957	114,397	73%
Profit before taxation - adjusted*	24,619	10,732	129%
Profit before taxation	16,722	1,926	768%
Adjusted* EBITDA	30,187	14,288	111%
Cash	55,861	38,406	45%
Earnings per share	Cents	Cents	
Basic - adjusted*	6.98	3.60	
Basic	4.80	1.10	
Diluted - adjusted*	6.84	3.52	
Diluted	4.70	1.08	

Business Highlights

- Revenue increased by 73% to $198.0 million, from $114.4 million in FY2012
- Adjusted* EBITDA increased by 111% to $30.2 million, from $14.3 million in FY2012
- Adjusted* profit before tax of $24.6 million, an increase from $10.7 million in FY2012
- Basic earnings per share of 4.8 cents, a 336% increase from 1.1 cents in FY2012
- Net cash at year-end was $55.9 million, an increase from $38.4 million in FY2012
- Secured content and syndication partnerships, including Daily Motion, Kiplinger, Fox Sports, Sony and Popbox
- Added marquee brand advertisers, including Clorox, Kellogg, Nike, Disney, Gap, Siemens and Mattel
- Launched next generation of flagship video search and discovery engine, blinkx.com, optimized for mobile environments and integrated with social media platforms
- Achieved the front end integration of FY2012 acquisitions well ahead of schedule
- Completed the successful transition of the CEO and CFO roles
- Expanded the leadership team with key Marketing, Product and Technology executives

Commenting on the results, S. Brian Mukherjee, CEO of blinkx, said: “This has been an exciting year for blinkx and we are delighted to report a record performance. The business demonstrated strong underlying growth, stability and efficiency, which was accelerated by the ahead-of-schedule integration of the acquisitions that we made last year. The scale, scope and reach of these acquisitions enabled us to serve a greater number of advertisements to a wider audience at robust monetization rates, which helped drive our growth.

Several structural trends are fueling the growth of the online advertising industry in general, and the video advertising sector in particular. These include widespread broadband adoption, the proliferation of connected devices and the rapid migration and consumption of video content online – all of which are prompting advertisers to follow audiences online. This year, the industry also benefited from the increase in advertising spend attributed to two high-profile events – the summer Olympics and the US political campaigns in a Presidential election cycle. We believe the market momentum underscores the vitality of the sector and of our business model. The opportunity for blinkx lies in maximizing yield through product innovation, expansion of its distribution channels and the capture of new and emerging revenue streams. Based on our capabilities and the fundamentals of the industry, we remain confident in our prospects and opportunities."

Non-GAAP Measures

- This press release contains references to adjusted* EBITDA. This financial measure is not a measure that has any standardized meaning prescribed by IFRS and is therefore referred to as a non-GAAP measure. The non-GAAP measures used by blinkx may not be comparable to similar measures used by other companies.

- Adjusted* EBITDA is defined as Profit for the year attributable to equity holders of the parent before interest, taxes, depreciation and amortization, stock based compensation expense, and acquisition and exceptional costs. Management believes that this measure is a useful supplemental metric as it provides an indication of the results generated by the Company's principal business activities prior to consideration of how the results are impacted by one time exceptional charges, how the results are taxed in various jurisdictions, or how the results are affected by the accounting standards associated with the Group's stock based compensation plan.

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Overview

These results underscore the success of the Company's core strategic focus, which has been to create a significant, scalable and growing ecosystem of audience, content providers, advertising networks and advertisers, which is becoming video enabled. The acquisitions we made in FY2012 enabled us to develop an expanded set of opportunities to syndicate content and increase our audience reach for advertisers. Our forward strategy and growth are based on further monetizing this opportunity, while also expanding the ecosystem to include rapidly proliferating form factors, such as tablets and smartphones.

During the period, the company was proud to unveil the next generation of its flagship video search and discovery technology at blinkx.com. With an eye to the growing mobile market, the new site was built from the ground up for use on connected devices, with a simple, elegant user interface that is touch optimized for continuous video discovery and streaming, and offers easy personalization tools and integration with social networks. The upgraded search and discovery functionality is currently being rolled out to our syndication partners and affiliates.

Over the year, we have continued to build on our leadership position in the online video market. We progressed our cross-platform distribution strategy by mobile-enabling our syndication partners and securing Connected TV partnerships with Sony and Popbox. We also expanded our index of premium content through agreements with Kiplinger, Daily Motion and XOS Sports, among others. This combination of top tier professional content, broad distribution and our patented video search, discovery and advertising platform and products, helped us attract new and repeat marquee brand advertisers, such as Disney, Gap and Siemens.

Market

There are four structural trends driving the growth of the online video sector in which blinkx operates.

First, broadband and high-speed mobile networks are becoming increasingly prevalent. Reliable, high speed connectivity means that an ever growing volume of rich media is being consumed online, with estimates predicting that by 2016, 1.2 million minutes of video will traverse the Internet every second.

Second, there is an ongoing move to video-enable the Text Web. Websites from a decade ago resembled a static page from a magazine. Today, consumers expect rich media to be part of their online experience, and destination sites position video content prominently to enhance and complement their text content – whether a cooking blog that offers video on how to prepare ingredients, or a professional news outlet with video footage of breaking news stories.

Third, the proliferation of smartphones and tablets is accelerating access to high-speed mobile networks and enabling consumers to watch video content anytime, anywhere. According to Cisco, video consumption accounted for 51% of overall Internet traffic in 2012, and is expected to grow to 55% by 2016.

Finally, advertisers have increased budgets to address the growing online video audience – 1.3 billion viewers worldwide in 2012, according to comScore. Online video presents a powerful opportunity for advertisers because it combines the emotive, storytelling, brand-building power of TV with the measurability and targeting power of the Internet. blinkx's patented CORE technology remains unique in being able to analyse video on the Web and place contextually relevant advertisements, resulting in highly targeted and effective marketing campaigns for advertisers.

While online video advertising spend is still only a fraction of conventional TV spend, the trends are clear and compelling – major brands are embracing the format and spend is graduating from experimental to incremental budgets. We believe that online video budgets will begin to complement and even cannibalize TV spend in the future.

blinkx is well positioned to capitalize on the market opportunity. In the last financial year, the combination of the underlying structural growth in our markets, coupled with the accelerating contribution from successfully integrated prior year acquisitions, plus one-off benefits from the Olympics and US Presidential elections – which we estimate at around a tenth of our FY2013 revenue, enhanced the growth of the company. Industry reports indicate the market outlook remains fundamentally positive in the coming year, based on observed trends in both consumer and advertiser behaviour. Within this sector, blinkx has a number of well-defined revenue opportunities, covering the gamut of product innovation and expanded distribution. We expect to exceed projected industry growth rates, given the scale, scope and reach of our operations.

Technology

Since inception, blinkx has spent almost $60 million in capital investment on research, development and infrastructure to build and enhance blinkx CORE, (COncept Recognition Engine) its patented video engine. blinkx CORE solves the challenges inherent in processing, managing and monetizing all forms of rich media. It comprises speech recognition, visual and text analysis to enable blinkx to understand video at a greater level of depth and accuracy than any other offering on the market. This deep, granular understanding of rich media enables blinkx to process, monetize and deliver video and audio content in unique ways, and to capitalize on the true potential of video in the four screen world of PCs, Tablets, Smartphones and Connected TV.

blinkx's advertising platform, AdHoc, is built on CORE. AdHoc is unique because it leverages CORE's patented speech recognition, visual analysis and concept recognition technology to match emotive, compelling rich media advertisements to online audiences, resulting in more effective brand marketing for advertisers and, most importantly, an engaging experience for consumers. In FY2013, AdHoc enabled us to attract new and repeat marquee brand advertisers, including Clorox, Kellogg, Nike, Mattel and P&G.

blinkx.com, our flagship consumer site, also leverages CORE technology to provide video search and discovery technology to users. During the period, we launched the next generation blinkx.com, which showcases our upgraded video search, discovery and viewing experience, with recommendation and personalization features that can be easily integrated across a users' social graph. The new site was built using responsive design, with an interface that is touch-optimized for effortless navigation on smartphone and tablet devices, resulting in a significant increase in mobile usage. The upgraded search and discovery functionality is currently being rolled out to our syndication and affiliate partners. blinkx CORE also powers video search and discovery for some of the Internet's largest properties, including AOL and Ask.

Operations

The vast majority of our revenue is generated from advertising that is sold both directly and sourced from third parties. Through organic growth, selective acquisitions and unique technological capabilities, we have created a growing ecosystem of audience, content providers, and advertisers that we continue to video-enable.

The successful integration of the acquisitions has brought us access to vast networks of text-oriented sites and the potential to deliver video content and advertising to over 3,000 new web publishers, syndication partners and affiliates. In addition to massive scale, with access to billions of potential advertising interactions annually, the integrations have significantly broadened the scope of advertising products we are able to offer our customers, and boosted our reach to tens of millions of unique users per month.

Today, however, we monetize only a fraction of the total ad interactions that we now have access to as a result of the acquisitions. This represents a captive, organic growth opportunity for the company. We see the exploitation of the un-monetized interactions, through a growing stable of content and advertising, as a tangible commercial opportunity.

Leadership

As previously, Subhransu ("Brian") Mukherjee, who was the COO of blinkx, was appointed CEO and elected to the Board of Directors as an Executive Member. Suranga Chandratillake, the Founder and CEO of the Company, assumed the role of President and Chief Strategy Officer and continues to serve as an Executive Member on its Board. Jonathan Spira, former CFO, stepped down as of 30 November, 2012. Edward Reginelli, formerly Senior Vice President and Group Controller at blinkx, succeeded Mr. Spira as CFO. As demonstrated by the performance of the company, the transition within the executive management team has been completed smoothly.

During a period of transition and growth, the Company has made significant investment in management bandwidth and expertise in Technology, Product and Marketing by bringing on board three seasoned executives who will play important roles in building the business and growing the company though existing initiatives and new market opportunities**.**

Dan Slivjanovski joined as Senior Vice President, Marketing, bringing over 15 years of executive experience in digital marketing, management consulting and integrated agency services to his new role. Technology veteran Gerry Louw was hired as Senior Vice President, Engineering and Operations. Mr. Louw has driven enterprise-level change and innovation across a wide spectrum of businesses, including Video Monitoring Services (VMS) and Agency.com. Most recently, we announced the appointment of Trent Wheeler, a product expert, from Rovi Corporation as Senior Vice President, Product.

Financial Highlights

For the financial year ended 31 March 2013 (FY2013), revenue totaled $198.0 million, an increase of 73% over the $114.4 million in revenue reported for the year ended 31 March 2012 (FY2012). Revenue benefited from strong underlying growth, which was accelerated by the ahead-of-schedule integration of the acquisitions and two high-profile events during the year, namely the summer Olympics and the US presidential election cycle. Over 95% of blinkx's revenue is generated from online advertising. Technology and services related to managing digital assets and advertising spend make up the remainder of the revenue stream. The Company's advertising products broadly fall into two categories: Premium and Conventional. Premium includes high value, ad units such as video, rich media, social, text and mobile, which are directly sold or sourced from third parties, such as advertising trading platforms. Conventional revenues are generated from high volume ad units - generally banner ads. Our goal is to monetize the un-monetized interactions available to us, and convert conventional revenues to premium revenues through video enabling our syndicate partners and affiliates.

Profit from operations before acquisition and exceptional cost was $24.6 million for FY2013, an increase of 135% over $10.4 million for FY2012. The operating profit margin improvement resulted from the benefit of operational gearing, as the profit from additional revenue growth has outpaced cost and expense trends.

Adjusted net profit before acquisition costs, exceptional and integration costs, amortisation of purchased intangibles and other income for FY2013 was $25.2 million (FY2012: $12.7 million). Net profit for FY2013 was $17.4 million (FY2012: $3.9 million).

Adjusted basic earnings per share for FY2013 was 6.98 cents (FY2012: 3.60 cents), 4.80 cents basic earnings per share (FY2012: 1.10 cents), 6.84 cents adjusted fully diluted (FY2012: 3.52 cents) and 4.70 cents fully diluted (FY2012: 1.08 cents).

blinkx's cash balance at 31 March 2013 was $55.9 million (31 March 2012: $38.4 million) benefiting from strong cash conversion efforts.

BLINKX PLC
CONDENSED CONSOLIDATED INCOME STATEMENT (UNAUDITED)
Results for the year to 31 March 2013
(in thousands, except per share amounts)

	Note	Year ended 31 March 2013 $'000	Year ended 31 March 2012 (reclassified**) $'000
Revenue: continuing operations		197,957	114,397
Cost of revenue	9	(97,006)	(46,604)
Research and development		(15,050)	(10,526)
Sales and marketing	9	(51,112)	(39,774)
Administrative expenses		(10,208)	(7,047)
Total cost and expenses		(173,376)	(103,951)
Profit from operations before acquisition and exceptional costs*		24,581	10,446
Amortisation of purchased intangibles			
Research and development		(1,629)	(1,708)
Sales and marketing		(3,749)	(2,353)
		(5,378)	(4,061)
Acquisition and exceptional costs	7	(3,276)	(4,745)
Profit from operations		15,927	1,640
Other income		757	-
Net investment revenue		38	286
Profit before taxation		16,722	1,926
Tax	3	634	1,962
Profit for the year attributable to equity holders of the parent before acquisition and exceptional costs and other income*		25,253	12,694
Profit for the year attributable to equity holders of the parent		17,356	3,888

	Note	Cents	Cents
Earnings per share			
Adjusted basic*	4	**6.98**	**3.60**
Basic	4	**4.80**	**1.10**
Adjusted diluted*	4	**6.84**	**3.52**
Diluted	4	**4.70**	**1.08**

**Adjusted for acquisition and exceptional charges of $3.3m (2012:$4.7m), amortization of purchased intangibles of $5.4m (2012: $4.7m) and other income of $0.8m (2012: nil)*

*** Income statement includes reclassification of certain cost of revenue and sales and marketing expenses as detailed in note 9.*

CONDENSED CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME (UNAUDITED)
Results for the year to 31 March 2013

	Year ended 31 March 2013 $'000	Year ended 31 March 2012 $'000
Profit for the year	17,356	3,888
Exchange difference on translation of foreign operations	(1,456)	(295)
Total comprehensive income for the year, net of related tax effects	**15,900**	**3,593**

BLINKX PLC
CONDENSED CONSOLIDATED BALANCE SHEET (UNAUDITED)
As at 31 March 2013
(in thousands)

	Note	Year ended 31 March 2013 $'000	Year ended 31 March 2012 $'000
ASSETS			
Non-current assets			
Goodwill		49,080	48,878
Intangible assets		24,678	29,651
Property, plant and equipment		2,103	2,275
Other receivables		100	250
Deferred tax asset		10,983	7,076
		86,944	88,130
Current assets			
Trade receivables		29,902	21,950
Other receivables		5,657	3,803
Cash and cash equivalents		55,861	38,406
		91,420	64,159
Total assets		**178,364**	**152,289**
LIABILITIES			
Current liabilities			
Trade and other payables		(32,822)	(25,465)
Non-current liabilities			
Deferred tax liability		-	(1,732)
Other payables		(551)	(474)
Total liabilities		**(33,373)**	**(27,671)**
Net assets		**144,991**	**124,618**
Shareholders' equity			
Share capital	5	6,850	6,837
Share premium account		101,975	101,552
Shares to be issued	6	750	754
Stock compensation reserve		13,975	11,938
Currency translation reserve		(9,293)	(7,837)
Merger reserve		33,089	33,089
Retained loss		(2,355)	(21,715)
Total equity		**144,991**	**124,618**

BLINKX PLC
CONDENSED CONSOLIDATED CASH FLOW STATEMENT (UNAUDITED)
Results for the year to 31 March 2013
(in thousands)

	Year ended 31 March 2013 $'000	Year ended 31 March 2013 $'000
CASH FLOWS FROM OPERATING ACTIVITIES		
Profit from operations	15,927	1,640
Adjustments for:		
Depreciation and amortization	8,947	6,379
Share based payments	2,037	1,524
Non-cash acquisition and exceptional costs	2,676	-
Foreign exchange gain	(178)	(453)
Operating cash flows before movements in working capital	**29,409**	**9,090**
Changes in operating assets and liabilities:		
Increase in trade and other receivables	(9,534)	(642)
Increase in trade and other payables	6,944	356
Net cash generated by operations	**26,819**	**8,804**
Income taxes paid	(4,833)	-
Net cash generated by operating activities	**21,986**	**8,804**
CASH FLOWS FROM INVESTMENT ACTIVITIES		
Interest received	38	286
Purchase of property, plant and equipment and intangibles	(3,989)	(5,950)
Acquisitions, net of cash acquired	250	(33,406)
Net cash used in investment activities	**(3,701)**	**(39,070)**
CASHFLOWS FROM FINANCING ACTIVITIES		
Net payments on finance lease	(171)	(148)
Proceeds from issuance of shares	432	15,264
Net cash generated in financing activities	**261**	**15,116**
Net increase / (decrease) in cash and cash equivalents	18,546	(15,150)
Beginning cash and cash equivalents	38,406	52,809
Effect of foreign exchange on cash and cash equivalents	(1,091)	747
Ending cash and cash equivalents	**55,861**	**38,406**

BLINKX PLC
CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY (UNAUDITED)
Results for the year to 31 March 2013
(in thousands)

	Note	Ordinary share capital	Share premium account	Shares to be issued	Stock compensation reserve	Currency translation reserve	Merger reserve	Retained loss	Total
		$'000	$'000	$'000	$'000	$'000	$'000	$'000	$'000
Balance as at 31 March 2011		**6,398**	**86,443**	**-**	**9,968**	**(7,542)**	**(4,323)**	**(25,530)**	**65,414**
Net profit for the year		-	-	-	-	-	-	3,888	3,888
Other comprehensive income		-	-	-	-	(295)	-	-	(295)
Total comprehensive income for the year		-	-	-	-	(295)	-	3,888	3,593
Issue of shares, net of costs		439	15,109	-	-	-	37,412	-	52,960
Shares to be issued		-	-	754	-	-	-	-	754
Share based payment – acquisition related		-	-	-	446	-	-	-	446
Share based payments	2	-	-	-	1,524	-	-	-	1,524
Tax movement on share options		-	-	-	-	-	-	(73)	(73)
Balance as at 31 March 2012		**6,837**	**101,552**	**754**	**11,938**	**(7,837)**	**33,089**	**(21,715)**	**124,618**
Net profit for the year		-	-	-	-	-	-	17,356	17,356
Other comprehensive income		-	-	-	-	(1,456)	-	-	(1,456)
Total comprehensive income for the year		-	-	-	-	(1,456)	-	17,356	15,900
Issue of shares, net of costs	5	13	423	(4)	-	-	-	-	432
Share based payments	2	-	-	-	2,037	-	-	-	2,037
Tax movement on share options		-	-	-	-	-	-	2,004	2,004
Balance as at 31 March 2013		**6,850**	**101,975**	**750**	**13,975**	**(9,293)**	**33,089**	**(2,355)**	**144,991**

BLINKX PLC
NOTES TO THE CONDENSED CONSOLIDATED INTERIM FINANCIAL STATEMENTS (UNAUDITED)

1. Basis of preparation

While the financial information included in this preliminary announcement has been prepared in accordance with the recognition and measurement criteria of International Accounting Reporting Standards (IFRSs), this announcement does not itself contain sufficient information to comply with IFRSs. The Company will publish full financial statements that comply with IFRSs.

The financial information set out in this unaudited announcement does not constitute the Company's statutory accounts for the year ended 31 March 2013 or 31 March 2012, within the meaning of Section 435 of the Companies Act 2006. The audit of the statutory accounts for the year ended 31 March 2013 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.

The financial information for the year ended 31 March 2012 is derived from the statutory accounts for that year which have been delivered to the Registrar of Companies. The Group's auditor issued a report on those financial statements that was unqualified and did not draw attention to any matters by way of emphasis and did not contain a statement under section 489 (2) or (3) of the Companies Act 2006.

The directors have considered the financial resources of the Group and the risks associated with doing business in the current economic environment and believe the Group is well placed to manage these risks successfully. In doing this the board has prepared a business plan and cash flow forecast setting out key business assumptions, including the rate of revenue growth, operating 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 being a period of no less than 12 months from the date of this announcement. Accordingly, they continue to adopt the going concern basis in preparing these financial statements.

2. Share-based payments

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

	Year ended 31 March 2013 (unaudited)	Year ended 31 March 2012 (audited)
	$'000	$'000
Sales and marketing	1,105	975
Research and development	668	315
Administrative expenses	264	234
	2,037	1,524

3. Taxation

The tax credit of $0.6m (2012: $2.0m), includes recognition of a $3.5m credit to fully recognize the deferred tax asset in the US business and a $0.5m prior period adjustment.

4. Earnings per share

The calculation of the basic and diluted earnings per share is based on the following information.

	Year ended 31 March 2013 (unaudited)	Year ended 31 March 2012 (audited)
	$'000	$'000
Profit		
Profit used in calculation of basic and diluted earnings per share	17,356	3,888
Profit used in calculation of adjusted basic earnings per share	25,253	12,694
	shares	**shares**
Number of shares		
Weighted average number of shares for the purpose of basic and adjusted* basic earnings per share	361,955,834	352,653,116
Weighted average number of shares for the purpose of diluted and adjusted* diluted earnings per share	369,116,636	360,300,309

**Adjusted for acquisition and exceptional costs of $3.3m (2012:$4.7m), amortization of purchased intangibles of $5.4m (2012: $4.1m) and benefit from other income of $0.8m (2012:$nil)*

5. Share capital

The issuance of shares in the period relates to the issuance of 1,637 shares to the former shareholders of Burst Media Corporation and 804,071 shares on the exercise of employee share options.

6. Shares to be issued

The shares to be issued reserve relates to shares which are expected to be issued to former Burst shareholders, as part of the consideration, who have not yet submitted the paperwork to effect the exchange of Burst shares for blinkx shares.

7. Acquisition and exceptional costs

Acquisition and exceptional charges of $3.3 million (2012: $4.7m) have been separately identified on the face of the income statement. These charges included post acquisition remuneration, one time write down of a prepaid distribution charge, onerous facility cost, severance and professional services.

8. Acquisition of subsidiaries

On 9 November 2011 the group acquired 100% of the issued share capital of Prime Visibility Media Group Inc., an online advertising network and digital advertising agency.

Fair values of purchased assets and liabilities:

	Provisional FV @ date of purchase		Adjustment to FV @ March 2013	Final Fair Value	
	$ million		$ million	$ million	
Intangibles	12.6		-	12.6	
Other assets	5.7		-	5.7	
Deferred tax asset	1.7		(0.2)	1.5	
Cash	0.7		-	0.7	
Trade & other payables	(7.3)		-	(7.3)	
Total identifiable assets	13.4		(0.2)	13.2	
Goodwill	21.4		0.2	21.6	
Total consideration	36.0	*	-	36.0	*

*The fair value of the $36.0 million consideration paid comprises cash paid of $31 million; deferred consideration provisionally determined of $3.8 million; and prepaid post acquisition remuneration of $1.2 million.

The $0.2 million adjustment to fair values relates to a deferred tax asset valuation adjustment.

The measurement period relating to the PVMG acquisition is now complete so no further purchase adjustments will be posted to the fair values.

9. Standardisation of expense classifications on integration

As part of the process of integrating those companies acquired in fiscal year 2012, the company has been aligning its accounting policies to ensure consistent expense classifications across the expanded Group. The accounting policies are included in full in the annual report, which does not form part of this preliminary announcement. Certain prior year marketing and advertising expenses totaling $7.3 million have been reclassified according to blinkx accounting policies from Cost of revenue to the Sales and Marketing line. This expense reclassification does not impact revenue, operating profits, basic earnings per share or diluted earnings per share as previously reported.

	Year ended 31-Mar 2012 (As previously reported)	Reclassification	Year ended 31-Mar 2012 (reclassified)
	$'000	$'000	$'000
Cost of revenue	(53,904)	7,300	(46,604)
Sales and marketing	(32,474)	(7,300)	(39,774)

10. Related party transactions

For the purposes of IAS 24 Related Party Disclosures, the directors are considered to be the Group's key management personnel. Their remuneration is detailed below. There were no other related party transactions in either the current year or prior year.

Remuneration of the Directors was as follows:

	Year ended 31 March 2013 (unaudited)	Year ended 31 March 2012 (audited)
	$'000	$'000
Anthony Bettencourt	57	55
Suranga Chandratillake	411	397
Michael Lynch	57	55
Subhransu ("Brian") Mukherjee	555	n/a
Mark Opzoomer	57	55
	1,137	562

The non-executive directors fees are £50,000 per annum as of 1 March 2013 (2012: £35,000). The increase shown in the above table of the dollar equivalent is a result of exchange rates.

Details of share options granted to the Directors are set out below. No Directors' share options were cancelled or lapsed, or changed, during the fiscal year. Vesting and exercise of options is subject to continued employment.

	At 31 March 2012 Number	Granted Number	Exercised Number	At 31 March 2013 Number
Suranga Chandratillake	4,476,057	350,000	-	4,826,057
Michael Lynch	35,248	-	(35,248)	-
Subhransu ("Brian") Mukherjee	80,000	2,500,000	-	2,580,000

The total gain on exercise of share options by Directors was $13,362 (2012: $851,045). None of the directors has pension, retirement or similar entitlement. No payment or awards were made to former Directors during the year.

It is not anticipated that there will be any significant changes to the Directors' remuneration in the current year.