



Media*link*
2004 Annual Report

'04

COMPANY PROFILE

Medialink is a global leader in providing unique news and marketing-related media strategies and solutions that enable corporations and organizations to inform and educate target audiences with maximum impact on television, radio, print, and the Internet. The Company offers creative services and multimedia distribution programs including video and audio news and short-form programming, press release newswire distribution, and photography production and digital distribution. Through its subsidiary, Teletrax™, Medialink also provides global television tracking and media asset management services to help clients determine return on investment from their programming and advertising efforts. Based in New York, Medialink has offices in major cities throughout the United States and an international hub in London.

[television]

[radio]

[print]

[internet]

[watermarking]



LETTER TO SHAREHOLDERS

Medialink took a series of decisive steps during 2004 designed to maximize shareholder value and grow more rapidly. The Company's goal was to concentrate on its most promising capabilities and to redeploy its assets to ensure the resources would be in place to leverage.

Renewed growth of our core media communications services and a series of significant contract wins for our exciting video watermarking service, Teletrax™, convinced us that both arenas deserved additional investment and greater management focus. A strategic analysis led us to three key objectives for 2005:

- Accelerate growth of Teletrax, which provides video content owners—motion picture studios to television networks to news organizations—with the means to track where their valuable content is broadcast;
- Expand core Medialink services to provide a more comprehensive media platform for public relations and marketing executives to reach both mass and targeted audiences;
- Develop media asset management services to provide clients with user-friendly archiving and collaboration capabilities for their often extensive libraries of “rich media” along with the protection that Teletrax so uniquely provides.

“Armed with the new capital, our plan is to expand our sales and marketing efforts to ensure that all producers and owners of video know there is a service that can not only guard against copyright infringement, but can help them maximize their investments in producing everything from more compelling news to more profitably renewing sports sponsorship agreements.”

Identifying these goals led us to obtain the financial capability to achieve them. We therefore sought and secured a \$5 million convertible debentures financing in November 2004 and then sold our public relations research unit, Delahaye, for \$8 million, booking a \$5 million gain. These transactions allowed us to pay off our bank line of credit and provided the capital to invest in our faster-growing business lines.

Our confidence in Teletrax was bolstered by a fast-moving series of contract signings with clients ranging from ABC Television Network to NBC Universal Domestic Television and the BBC of the United Kingdom. These pacts followed on the heels of earlier agreements reached with Buena Vista Television, Tribune Entertainment, NBC News Channel and Reuters Television. It became clear that the service had become a critical source of business information to a broad range of content owners.

Let's review Teletrax's remarkable features: a joint venture of Medialink and Philips Electronics N.V. of the Netherlands, Teletrax allows the owners of movies, news, advertising spots, sports, entertainment shows, among others, to determine with precision where their valuable assets are broadcast—over the air, via cable or satellite.





J. Graeme McWhirter and Laurence Moskowitz

“But it is our nearly 200 employees in offices around the world whose dedication to excellence is second to none. It is their collective creativity, competitive spirit and commitment to client service that breathes life into the Medialink brand each and every day.”

Using patented technology, Teletrax inserts or “embeds” an imperceptible watermark into every frame of our clients’ video. A worldwide network of receivers or “detectors” we have installed—which now covers the major broadcasters of more than 50 nations and the top 100 markets in the United States—then tracks each and every time that watermarked video airs.

Armed with the new capital, our plan is to expand our sales and marketing efforts to ensure that all producers and owners of video know there is a service that can not only guard against copyright infringement, but can help them maximize their investments in producing everything from more compelling news to more profitably renewing sports sponsorship agreements.

As to our media communications services, innovations such as TiVo and digital video recorders in general forced advertisers to seek alternatives to reach their valued audiences. Medialink’s broadcast services provide more narrative and informative means of reaching television audiences than 30-second commercials. By blending the audience-friendly, “story-telling” tradition of public relations with the predictable reach and frequency model of advertising, Medialink is uniquely positioned to benefit from shifts in the \$60 billion annual television ad industry.

All the while, many of our 3,000 clients, large and small, continue to develop large libraries of their own video and audio material. We produce much of it for them; some—particularly video of annual meetings or internal communications addresses—they produce themselves. Some of this “rich media” is available to broadcasters and some is confidential. During the course of 2004, a number of these clients asked if we would help them store and manage their libraries, ensuring great ease of access for themselves, as well as precise monitoring of anything used by broadcast journalists. As a result, we have identified that we can offer these clients new, digital solutions, backed by Teletrax, which can track whenever their material is used outside of their own environments.

We are very excited about the opportunities ahead in 2005 and the years beyond. We have an extraordinary roster of valued clients, technologies and capabilities that are the envy of our rivals. But it is our nearly 200 employees in offices around the world whose dedication to excellence is second to none. It is their collective creativity, competitive spirit and commitment to client service that breathes life into the Medialink brand each and every day.

During 2004, we executed major initiatives in our ongoing strategy to maximize shareholder value and position Medialink to grow more rapidly and more profitably. We thank you for your continued support and look forward to our future growth and success.

A handwritten signature in blue ink, appearing to read 'L. Moskowitz'.

Laurence Moskowitz
Chairman, President and
Chief Executive Officer

A handwritten signature in blue ink, appearing to read 'J. Graeme McWhirter'.

J. Graeme McWhirter
Executive Vice President and
Chief Financial Officer

BOARD OF DIRECTORS

Laurence Moskowitz
*Chairman, President and
Chief Executive Officer;*
Medialink Worldwide Incorporated

J. Graeme McWhirter
*Executive Vice President and
Chief Financial Officer;*
Medialink Worldwide Incorporated

Bruce E. Bishop
Chief Financial Officer;
Incepta Group Inc.

Harold Finelt
Venture Partner;
American Research & Development

John M. Greening
Associate Professor, Graduate Program;
Northwestern University

Donald Kimelman
Director, Information Initiatives;
The Pew Charitable Trusts

Catherine Lugbauer
Partner; Kelly & Lugbauer

James J. O'Neill
Private Financial Consultant

Theodore Wm. Tashlik
*Member; Tashlik, Kreutzer,
Goldwyn & Crandell P.C.*

AUDIT COMMITTEE

Messrs. Bishop, Finelt and O'Neill

COMPENSATION COMMITTEE

Messrs. Finelt, Kimelman and O'Neill

NOMINATING COMMITTEE

Ms. Lugbauer and Mr. Greening

STOCK OPTION COMMITTEE

Messrs. Finelt, Kimelman and O'Neill

CORPORATE CONTACT

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(516) 466-8005

FORM 10-K

The Company would be pleased to provide, without charge, a copy of its most recent 10-K upon written request to the Chief Financial Officer, Medialink Worldwide Incorporated, 708 Third Avenue, New York, NY 10017. A full copy is also available online at www.medialink.com.

STOCK EXCHANGE LISTING

The common shares of Medialink Worldwide Incorporated are traded over The Nasdaq Stock Market® under the symbol MDLK.

HEADQUARTERS

Medialink Worldwide Incorporated
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WORLDWIDE OFFICES

Chicago • Dallas • Los Angeles
London • New York • Norwalk, CT
San Francisco • Washington, DC

NOTICE OF ANNUAL MEETING

Medialink Worldwide Incorporated will conduct its Annual Meeting at the Company's Headquarters, 708 Third Avenue, 8th Floor, New York, NY 10017 USA, at 9:30 a.m. on Thursday, June 9, 2005.



MEDIALINK WORLDWIDE INCORPORATED

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