SETTING OUR SAILS TO TAKE ADVANTAGE OF THE WINDS OF OPPORTUNITY

2003 ANNUAL REPORT
(dollars in thousands except for per share data)

<table>
<thead>
<tr>
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</tr>
</thead>
<tbody>
<tr>
<td>Revenue</td>
<td>$44,054</td>
<td>$47,365</td>
<td>$48,420</td>
<td>$56,474</td>
<td>$44,614</td>
</tr>
<tr>
<td>Gross profit</td>
<td>29,967</td>
<td>31,629</td>
<td>30,722</td>
<td>35,958</td>
<td>29,277</td>
</tr>
<tr>
<td>Selling, general and administrative expenses (a)</td>
<td>29,757</td>
<td>30,490</td>
<td>32,638</td>
<td>31,426</td>
<td>25,924</td>
</tr>
<tr>
<td>Loss from joint venture</td>
<td>316</td>
<td>350</td>
<td>728</td>
<td>1,079</td>
<td>234</td>
</tr>
<tr>
<td>Operating income (loss)</td>
<td>(2,555)</td>
<td>(1,817)</td>
<td>(6,216)</td>
<td>3,453</td>
<td>3,119</td>
</tr>
<tr>
<td>Income (loss) before provision for income taxes</td>
<td>(2,842)</td>
<td>(2,015)</td>
<td>(6,348)</td>
<td>3,532</td>
<td>3,339</td>
</tr>
<tr>
<td>Net income (loss)</td>
<td>(2,692)</td>
<td>(1,869)</td>
<td>(3,773)</td>
<td>2,057</td>
<td>1,992</td>
</tr>
<tr>
<td>Earnings (loss) per share</td>
<td>$(0.45)</td>
<td>$(0.32)</td>
<td>$(0.65)</td>
<td>$ 0.35</td>
<td>$ 0.34</td>
</tr>
<tr>
<td>Working capital</td>
<td>$ 2,768</td>
<td>$ 4,308</td>
<td>$ 6,085</td>
<td>$10,644</td>
<td>$11,117</td>
</tr>
<tr>
<td>Assets</td>
<td>36,712</td>
<td>40,643</td>
<td>40,813</td>
<td>42,028</td>
<td>36,982</td>
</tr>
<tr>
<td>Long-term debt, net</td>
<td>173</td>
<td>217</td>
<td>95</td>
<td>157</td>
<td>233</td>
</tr>
<tr>
<td>Stockholders’ equity</td>
<td>$24,798</td>
<td>$27,204</td>
<td>$29,046</td>
<td>$32,570</td>
<td>$29,887</td>
</tr>
</tbody>
</table>

(a) 2003 selling, general and administrative expenses ("S, G & A") include restructuring charges related to the sublease of excess office space of $592. 2002 S, G & A includes advisory charges of $1,300. 2001 S, G & A includes restructuring charges, loss on sale of subsidiary and advisory charges of $634, $496 and $805, respectively.

The selected consolidated financial data on this page has been derived from the Company’s audited consolidated financial statements. The information should be read in conjunction with the consolidated financial statements and related notes and “Management’s Discussion and Analysis of Financial Condition and Results of Operations” included elsewhere in this Annual Report on Form 10-K. Certain acquisitions occurring in 1999 have been accounted for under purchase accounting and, accordingly, are only reflected herein for dates and periods on and after the respective dates of acquisition. Additionally, all of the balances have been restated to reflect the merger with The Delahaye Group, Inc., which was accounted for as a pooling. See Note 3 of the Company’s Consolidated Financial Statements.
Navigating a Course for Renewal and Growth

As the economic horizon for 2004 began to brighten, Medialink trimmed its sails, strengthened its board and management and developed a range of new communications services. While 2003 remained challenging, the Company navigated a course for renewal and growth and initiated the U.S. launch of Teletrax™, the first global video tracking service, which offers profoundly valuable capabilities to Hollywood studios, television syndicators and other media companies.

Headline-making projects ranging from the European Space Agency’s Mars mission to Neiman Marcus’ holiday catalog further reinforced Medialink as the premier provider of communications services to the public relations, corporate communications and public affairs industries. All the while, the Company reduced excess rent overheads, completed all earn-out obligations, reduced bank borrowings and continued to reduce costs across all units.

By combining creative expertise, production skills and an infrastructure to distribute video, audio, text and still pictures to media worldwide, Medialink’s core services enable clients to reach coveted audiences of broadcast, print and Internet news. In addition, we prove the value of public relations by measuring and assessing corporate reputation and return on investment of promotional activities.

We also seek to leverage opportunities arising from significant changes occurring in advertising, which are largely driven by an increasing reluctance of advertisers to spend more on traditional commercials, while audiences continue to decline. Medialink’s services have historically offered far greater value to clients than advertising due to the enduring credibility of news.

To support this transition, we introduced promising new services in 2003: Media Compass, an enterprise portal that delivers continually updated client-specific news and analysis directly to communication executives; guaranteed programming on broadcast television and radio, cable and digital cable via Video on Demand; and global Telefeed™, weekly themed news feeds comprising video news features across key sectors and delivered to more than 700 major broadcasters worldwide.

Also within our sights are exciting frontiers for Teletrax. Contracts with Reuters Television, NBC News Channel and Universal Domestic Television, and the launch of the service by Medialink into the PR marketplace, signaled the emergence of Teletrax into a vibrant and potent business.

Our leadership was fortified this year with the infusion of corporate board and executive management talent. We elected a new board member, John M. Greening, who ran the Anheuser-Busch global account during most of his 27-year career with DDB Needham, and we installed a new non-executive director in London, Bill Jones, founder of one of the United Kingdom’s most illustrious PR firms. Also, new executive managers bring valuable industry knowledge gained from working at the world’s most respected organizations in news and media, technology research and corporate video production.

Above all, we recognize that 2003’s achievements would be impossible without the tireless effort of our Medialink employees. Last year our broadcast, photography and PR evaluation work was honored with nearly 20 industry awards including the prestigious Public Relations Society of America Silver Anvil.

We believe the long-term trends that affect all aspects of business remain as favorable as when Medialink was formed and that we are best positioned among our competitors to maintain our leadership role and to take advantage of the more favorable winds of an improving economy.

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LAURENCE MOSKOWITZ
Chairman, President and Chief Executive Officer

J. GRAEME McWHIRTER
Executive Vice President and Chief Financial Officer
Teletrax is the sail that we believe can fill with new winds of opportunity and guide us forward to greater overall corporate growth.
Heritage of Innovation Continues: Teletrax

Great ideas and breakthrough innovation often are born of simple needs. When Medialink expanded into the international marketplace and opened its office in London, it became clear that there was no method of tracking where our clients’ video was being aired outside of the United States. We were left to the “old ways”: telephone calls in multiple languages to determine which stations broadcast our clients’ corporate and public relations video.

Fast-forwarding nearly a decade, Medialink created its own solution with the launch of Teletrax, but the result proved to be so unique and so powerful that it has become a business unto itself, with discrete new market opportunities internationally and domestically. Teletrax is the sail that we believe can fill with new winds of opportunity and guide us forward to greater overall corporate growth.

Teletrax, using patented technology developed by Philips Electronics, allows any owner of video—whether it is a feature film, a live sporting event, a television program or commercial—to ensure when and where it is broadcast and for the proper duration. The system, which places or “embeds” an imperceptible and indelible watermark into video, then tracks the embedded video when it is broadcast terrestrially, via satellite and on cable. Agreements reached with Reuters Television, NBC News Channel and Universal Domestic Television, and the launch of the service by Medialink into the PR marketplace helped Teletrax emerge from the incubator. Endorsements from these initial clients helped to pave the way for more news, entertainment and media companies to begin actively testing the service.

A dedicated staff of engineers expanded the Teletrax network worldwide to meet contractual requirements on schedule. In 2003, Teletrax’s network of receivers and detectors proliferated to 100 American cities, London, Brussels, Barcelona, Moscow, Jerusalem, Hong Kong, Singapore, Tokyo, Mexico City, Rio de Janeiro and Buenos Aires. Today Teletrax is monitoring more than 800 channels in nearly 50 countries in North America, Europe, the Middle East, Asia and South America.
For nearly two decades, Medialink has helped clients achieve two related goals: to deliver information to intended audiences with maximum impact and to provide information that assesses communications effectiveness.

Unwavering Commitment to Clients

For nearly two decades, Medialink has provided communication solutions and strategies that help clients achieve two related goals: to deliver information to intended audiences with maximum impact and to provide information that assesses communications effectiveness.

Medialink’s focus on these client objectives has remained unchanged, even though its marketplace and portfolio of services have been greatly broadened over the years. Through the growth of its diverse business operations, the Company’s marketplace has extended beyond the PR industry to encompass almost all vertical markets within media and communications. With the expansion of its customer base, Medialink now offers a wider spectrum of services ranging from traditional news content production and multimedia distribution for journalists’ use to sophisticated business management tools such as enterprise portals for discrete consumption of news and analysis and video watermarking for content tracking and reporting.

Medialink’s customer-focused approach has also driven the development of its leadership team and staff of professionals. As the industry leader, the Company has retained and continues to attract experienced personnel with employees from such organizations as AOL Time Warner, ABC, CBS, NBC, The BBC, Dow Jones, The New York Times, United Press International and CNBC. Nearly 300 Medialink employees in offices around the world bring together their diverse skill sets and creativity to help more than 3,000 clients achieve communications success.

Whether a situation calls for expert counsel during a high-profile litigation crisis or an ongoing campaign to introduce a new consumer product or defeat proposed legislation, Medialink is an integral member of the client’s strategy team. Using business intelligence gathered from nearly 20 years of successfully conceptualizing and managing communications projects, Medialink’s client consultants can confidently guide and shape a communications program. With full video, audio, text and still photo production, distribution capabilities to reach television, radio, print and Internet news points worldwide and monitoring services to report on results, no other organization can match Medialink’s ability to plan, respond and deliver.
INVESTOR INFORMATION

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

Harold Finelt
Venture Partner;
American Research & Development

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

Donald Kimelman
Director, Venture Fund;
The Pew Charitable Trust

Catherine Lugbauer
Partner; Kelly & Lugbauer

James J. O’Neill
Private Financial Consultant

Paul Sagan
President; Akamai Technologies, Inc.

Alain Schibl
Managing Director and Partner;
Duet Wealth Management

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

Audit Committee
Messrs. Finelt, Kimelman and O’Neill

Compensation Committee
Messrs. Finelt, Kimelman and O’Neill

Nominating Committee
Ms. Lugbauer and Mr. Sagan

Stock Option Committee
Messrs. Finelt and Kimelman

Corporate Contact
Mary C. Buhay, Senior Vice President,
Corporate Communications
mbuhay@medialink.com

Transfer Agent
Mellon Shareholder Services LLC
44 Wall Street
New York, NY 10005
www.mellon-investor.com

Independent Auditors
KPMG LLP
345 Park Avenue
New York, NY 10154
(212) 758-9700

Outside Counsel
Tashlik, Kreutzer, Goldwyn &
Crandell, P.C.
40 Cuttermill Road, Suite 200
Great Neck, NY 11021
(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
708 Third Avenue
New York, NY 10017 USA
(212) 682-8300
(800) 843-0677
Fax (212) 682-2370
www.medialink.com

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7 Fitzroy Square
London, W1T 5HL, United Kingdom
011-44-207-554 2700
Fax 011-44-207-554 2710

Worldwide Offices
Chicago • Dallas • Los Angeles
• London • New York • Norwalk, CT
• Portsmouth, NH • San Francisco
• Washington, DC

Market for the Registrant’s Common Equity
and Related Stockholder Matters
The Company’s common stock trades on
The Nasdaq Stock Market® under the
symbol MDLK.

The following table sets forth the high
and low closing sales prices per share
of the Company’s common stock for the
periods presented.

<table>
<thead>
<tr>
<th>Quarter Ended</th>
<th>Low</th>
<th>High</th>
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</thead>
<tbody>
<tr>
<td>March 31, 2002</td>
<td>2.50</td>
<td>3.44</td>
</tr>
<tr>
<td>June 30, 2002</td>
<td>2.62</td>
<td>4.30</td>
</tr>
<tr>
<td>September 30, 2002</td>
<td>3.18</td>
<td>3.99</td>
</tr>
<tr>
<td>December 31, 2002</td>
<td>2.89</td>
<td>3.83</td>
</tr>
<tr>
<td>March 31, 2003</td>
<td>2.77</td>
<td>3.52</td>
</tr>
<tr>
<td>June 30, 2003</td>
<td>2.60</td>
<td>3.55</td>
</tr>
<tr>
<td>September 30, 2003</td>
<td>2.95</td>
<td>4.44</td>
</tr>
<tr>
<td>December 31, 2003</td>
<td>2.82</td>
<td>3.48</td>
</tr>
</tbody>
</table>

As of December 31, 2003, there were
approximately 1,343 holders of record of
the Company’s common stock.

The Company has not paid, and does not
anticipate paying for the foreseeable future,
any dividends to holders of its common
stock. The declaration of dividends by
the Company in the future is subject to
the sole discretion of the Company’s Board
of Directors and will depend upon the
operating results, capital requirements
and financial position of the Company,
general economic conditions and other
pertinent conditions or restrictions relating
to any financing.

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,