

Destiny Media Technologies Inc (DSNY) OTCQX

GICS Sector: Information Technology
Sub-Industry: Application Software

Summary: Destiny Media (TSX: DSY) (OTCQX: DSNY) is the developer of the Play MPE system which the recording industry uses to securely distribute new pre-release music through the internet.

Key Stock Statistics

Source S & P, company reports, Vickers

Price as of Jan 18, 2012	\$0.40	Trailing 12-Month P/E	40.0	Yield (%)	Nil
52-Wk Range	\$0.49-0.30	Tangible Book Val/Share	\$0.05	Total Shares Outstg. (M)	50.5
Trailing 12-Month EPS	\$0.01	\$10K Invested 5 Yrs Ago	\$10,429	Market Capitalization(B)	\$0.020
Dividend Rate/Share	Nil	Beta	0.45	Institutional Ownership (%)	NA

Corporate Information

Investor Contact S. Vestergaard
(604-609-7736 Ext. 22)

Telephone 604-609-7736.

Company Address 650 West Georgia Street,
Suite 750, Vancouver, BC,
Canada V6B 4N7.

Website <http://www.dсны.com>

Revenue/Earnings Data

Revenue (Million \$)	1Q	2Q	3Q	4Q	Year
2012	1.12	--	--	--	--
2011	1.06	0.84	1.18	0.93	4.01
2010	1.05	0.87	0.95	0.90	3.77
2009	0.56	0.47	0.67	0.87	2.56
2008	0.36	0.36	0.37	0.49	1.58
2007	0.17	0.17	0.26	0.28	0.88

Earnings Per Share (\$)

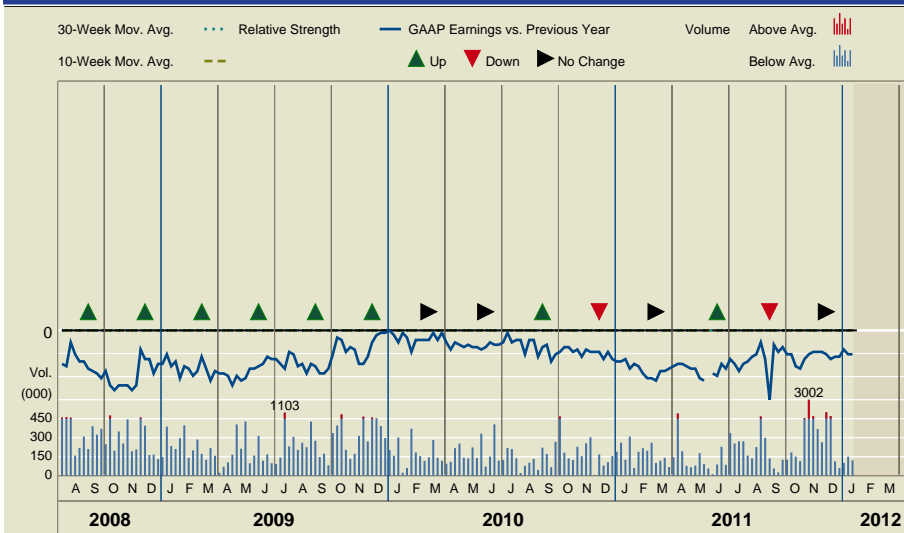
2012	Nil	--	--	--	--
2011	Nil	Nil	0.01	Nil	0.01
2010	0.01	Nil	Nil	0.02	0.03
2009	Nil	Nil	Nil	0.01	0.01
2008	-0.02	-0.02	-0.01	Nil	-0.05
2007	-0.01	-0.01	Nil	-0.01	-0.04

Fiscal year ended Aug. 31. Next earnings report expected: Mid April

Dividend Data

No Dividend Data Available

Price Performance



S&P Financial Writer **Frank Barone**

Operational Review Jan 18, 2012

Income Statement Analysis & Financial Review

Revenues for the first quarter ended November 30, 2011 were \$1.12 million vs. \$1.06 million in the prior year, growing 6% year over year. Operating income was \$15,377, vs. \$96,374 for last year. For the first quarter net income was \$12,555 (Nil per share), vs. \$72,863 (Nil per share) in 2010.

Key Operating Information

The Play MPE system saw access fee revenue grow to \$1,087,459 (November 30, 2010-\$1,001,679) for the three month period ending November 30, 2011 representing a 9% increase over the same period in the prior year or 21% over the immediately preceding quarter. The Play MPE delivery service continues to see high growth in usage spread over Europe.

Total operating expenditures for the three months ended November 30, 2011 increased by 16% over the same period in the prior year to \$1,109,240 (2010-\$960,264). Increased litigation costs, which represent 90% of its professional fees and are the primary contribution to increased costs, are expected to decrease through its second quarter and to be eliminated in the second half of fiscal 2012.

Net cash used in operating activities was \$144,740 for the three months ended November 30, 2011, compared to net cash generated of \$29,520 for the three months ended November 30, 2010. Although revenue was higher than the comparable period in 2010, the main decrease in net cash flows in the operating activities was primarily due to an increase in operating costs, timely payment on accounts payable and an increase in accounts receivable.

Recent Developments

On January 12, 2012, Destiny Media announced that it has settled the trademark infringement lawsuit against Envirosight announced January 19, 2011. Envirosight had been using the Clipstream trademark without authorization. Stipulations for the dismissal of the claim include a warranty from Envirosight that it would cease use of the brand in all of its products and services. The court stipulated a permanent global injunction whereby Envirosight is enjoined from using or opposing the Clipstream mark.

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Business Summary January 18, 2012

Destiny Media Technologies Inc. (TSX: DSY) (OTCQX: DSNY) develops and markets services that enable the secure distribution and streaming of digital media content over the Internet. Destiny's services are based on proprietary security, encryption, compression, watermarking and playerless streaming media technologies. The company has built up a large strategic network of record label and radio station customers that regularly use these services as a key part of their value chain. The company's offerings include the Play MPE secure distribution network, which the recording industry uses to distribute new pre-release music, and the Clipstream instant play streaming media solution, which enable high quality TV, radio and on demand broadcasting through the internet.

Currently, more than 96% of the company's revenues come from the Play MPE digital distribution service. The remaining revenue is derived from recurring revenues for secure Clipstream powered market research video questionnaires.

Play MPE is a digital delivery service for securely moving broadcast-quality audio, video, images, promotional information and other digital content through the Internet. The system is used by the recording industry for transferring pre-release broadcast-quality music, radio shows, and music videos to trusted recipients such as radio stations, media reviewers, VIPs, DJs, film and TV personnel, sports stadiums and retailers. The system replaces the physical distribution (mail, courier or hand delivery) of CD's.

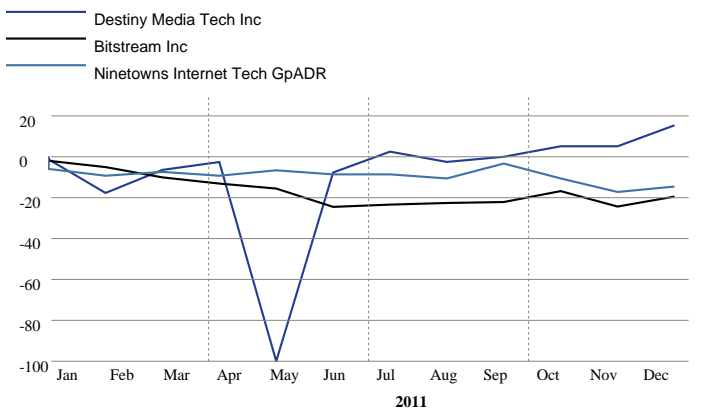
In December 2009, RCS <http://www.rcsworks.com/en/default.aspx>, the world's largest broadcast software company, announced an agreement with Destiny to deliver new music to radio stations on five continents. RCS is the leading supplier of radio automation and scheduling software, marketed under the brands Selector, GSelector and NexGen Digital. Through the Play MPE system, its record label clients will have an instant distribution channel to radio station clients of RCS.

More than 1,000 record labels, including all four major labels (Universal Music Group, Warner Music Group, EMI and Sony), are regularly using Play MPE to deliver their content to radio, according to Destiny.

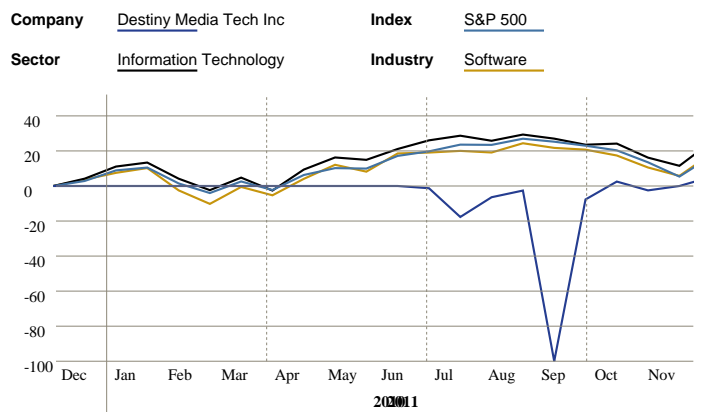
Clipstream is an "instant play" solution for playback of streaming audio and streaming video. Unlike Windows Media Player or Quicktime, there is no player that has to launch for the content to playback. The Clipstream software suite enables audio or video content to be "streamed" so that the media plays instantly and automatically when the user initiates playback.

According to company CEO, Steve Vestergaard "We are very pleased with our results as Play MPE revenues increased organically while we focused on investing in R&D and developing international partnerships. We are setting the stage for new recipient types outside of radio and a roll out into new territories. For our Play MPE secure media distribution system, we have partnered with a subsidiary of Dentsu to represent us in Japan and we have lined up trials in a number of international markets which will go live when a major upgrade of our player software launches over the holidays. We are also in the final stages of integrating with scheduling and radio automation software from a subsidiary of the Clear Channel radio chain, which will add new radio recipients in territories all over the world. Our Clipstream playerless streaming media solution currently only generates 5% of our revenue, because of we have de-emphasized streaming licenses because of the ubiquity of the inexpensive Flash solution. The explosive growth in smart phones and Adobe's decision not to offer Flash for mobile has changed that dynamic as there are no competitors that can offer cross platform streaming. Our recently announced patent pending streaming video solution will allow publishers to create a single video which plays on almost all computers and mobile devices. This has the potential to reduce or eliminate transcoding, which is projected to cost the industry \$1.6 billion by 2014. Besides direct licenses, we have three separate new Clipstream offerings under development: high end internet radio, IP TV and a new cloud service."

Peer Comparison Chart - 1 Year



Company vs Market Comparison Chart - 1 Year



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Past Growth Rate (%)	1 Year	3 Years	5 Years	9 Years
Sales	6.26	37.45	42.59	21.07
Net Income	-62.10	NM	NM	NM
Ratio Analysis (Annual Avg.)				
Net Margin (%)	15.95	28.17	NM	NM
% LT Debt to Capitalization	Nil	NA	0.43	0.21
Return on Equity (%)	28.60	110.83	NM	NA

Expanded Ratio Analysis

	2011	2010	2009	2008
Price/Sales	5.72	5.41	9.87	6.99
Price/EBITDA	26.77	27.48	NM	NM
Price/Pretax Income	28.23	25.23	NM	NM
P/E Ratio	35.87	12.09	41.37	NM
Avg. Diluted Shares Outstg (M)	50.9	52.3	51.6	50.1

Figures based on calendar year-end price

Company Financials Fiscal Year Ended Aug. 31

	2011	2010	2009	2008	2007	2006	2005	2004	2003	2002
Per Share Data (\$)										
Tangible Book Value	0.05	0.04	0.02	NM	0.03	NM	NM	NM	NM	NM
Cash Flow	0.01	0.03	0.01	-0.04	-0.04	-0.01	-0.01	-0.01	Nil	-0.01
Earnings	0.01	0.03	0.01	-0.05	-0.04	-0.01	-0.01	-0.01	Nil	-0.01
Dividends	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil
Payout Ratio	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil
Prices:High	0.49	0.54	0.55	0.85	1.08	0.52	0.45	0.72	0.37	0.26
Prices:Low	0.00	0.29	0.15	0.15	0.35	0.14	0.10	0.17	0.06	0.07
P/E Ratio:High	NM	18	55	NM	NM	NM	NM	NM	NM	NM
P/E Ratio:Low	NM	10	15	NM	NM	NM	NM	NM	NM	NM
Income Statement Analysis (M \$)										
Revenue	4.01	3.77	2.56	1.58	0.88	0.88	0.77	0.75	1.13	0.77
Operating Income	0.86	0.74	0.09	-2.36	-2.06	-0.47	-0.48	-0.46	-0.04	-0.46
Depreciation	0.06	0.05	0.04	0.05	0.06	0.05	0.06	0.04	0.05	0.10
Interest Expense	Nil	Nil	0.01	0.03	0.01	0.02	0.02	0.01	0.02	Nil
Pretax Income	0.81	0.81	0.16	-2.29	-2.10	-0.49	-0.55	-0.42	-0.09	-0.38
Effective Tax Rate	21.3%	NM	NM	NM	NM	NM	NM	NM	NM	NM
Net Income	0.64	1.69	0.61	-2.29	-2.10	-0.49	-0.55	-0.42	-0.09	-0.38
Bal Sheet & Other Financial Data (M \$)										
Cash	1.25	0.49	0.25	0.09	1.22	0.16	0.03	0.03	0.01	0.03
Current Assets	2.01	1.49	1.28	0.50	1.68	0.30	0.08	0.12	0.19	0.16
Total Assets	3.06	2.58	1.43	0.66	1.79	0.39	0.21	0.28	0.27	0.37
Current Liabilities	0.65	0.52	0.62	0.69	0.34	0.36	0.74	0.52	0.62	1.04
Long Term Debt	Nil	NM	0.01	Nil	Nil	Nil	Nil	Nil	Nil	Nil
Common Equity	2.41	2.06	0.79	-0.13	1.35	-0.10	-0.69	-0.42	-0.45	-0.70
Total Capital	2.41	2.07	0.81	-0.13	1.35	-0.10	-0.69	-0.42	-0.45	-0.70
Capital Expenditures	0.06	0.05	0.03	0.05	0.08	0.02	0.01	0.01	Nil	0.02
Cash Flow	0.70	1.74	0.65	-2.25	-2.03	-0.43	-0.49	-0.38	-0.05	-0.28
Current Ratio	3.1	2.9	2.1	0.7	5.0	0.8	0.1	0.2	0.3	0.2
% Long Term Debt of Capitalization	Nil	0.2	1.7	Nil	Nil	Nil	Nil	Nil	Nil	Nil
% Net Income of Revenue	15.9	44.7	23.9	NM	NM	NM	NM	NM	NM	NM
% Return on Assets	22.7	84.2	58.5	NM	NM	NM	NM	NM	NM	NM
% Return on Equity	28.6	118.3	185.6	NM	NM	NM	NM	NM	NM	NM

Data as orig reptd.; bef. results of disc opers/spec. items. Per share data adj. for stk. divs.; EPS diluted. E-Estimated. NA-Not Available. NM-Not Meaningful. NR-Not Ranked. UR-Under Review.

Quantitative Evaluations**Relative Strength Rank** 21/WEAK

21

Lowest=1

Highest=99

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Corporate Information**List of Officers**

S. Vestergaard Chrmn, Pres, CEO & Investor Contact
 F. Vandenberg Secy, Treas, CFO & Chief Acctg Officer

List of Board Members

S. Vestergaard
 E. Kolic
 Y. Kumagai
 L.J. Langs

Founded 1998

Employees (#) 26

Stockholders NA

Transfer Agents Transfer Online, Inc.

Auditor BDO SEIDMAN

Subsidiaries

Destiny Software Productions Inc.
 MPE Distribution, Inc.

Corporate History

INCORPORATED in Colorado in August 1998.

Company Management Bios**S. Vestergaard** Chrmn, Pres, CEO & Investor Contact

Mr. Steven Vestergaard, Steve, serves as Chairman and President of Destiny Media Technologies Inc. and has been its Chief Executive Officer since May, 1999. Mr. Vestergaard served as the Chief financial officer and Principal Accounting Officer of Destiny Media Technologies Inc. until July 2007. Mr. Vestergaard served as Chief Executive Officer of Destiny Media Technologies Inc. from May 1999 to July 17, 2007. Mr. Vestergaard's responsibilities include overall management of business and coordinating strategy, planning, and product development. Mr. Vestergaard started Destiny Software as a private company owned by Mr. Vestergaard from 1991 and developed its business to 1999 when it was acquired by Destiny Media Technologies Inc. At Destiny Software, Mr. Vestergaard was responsible for overall business management and supervision of the development of computer games. During this period, Destiny Software was successful in the production of a dozen successful video games, including Blood Bowl, Creepers and Dark Seed II, for major publishers, including Microleague, Sony and MGM. In addition, Destiny Software completed work under contract for innovative computer software projects, including the development of the prototype for the first Internet casino and a high performance HTTP server/ client test software suite for use in the development of a proprietary web page caching machine. Mr. Vestergaard has been involved in the software development industry since 1982 when he founded a private company called Tronic Software. Tronic Software was a developer of computer games which were sold by mail order. Since 1990 he served as a Software Engineer at Distinctive Software Inc., a company that later changed its name to Electronic Arts Canada, where he was involved in developing game products. He has been a Director of Destiny Media Technologies Inc. since January 1999. Mr. Vestergaard holds an International Baccalaureate Degree and a Bachelor of Science Degree in Computer Science from the University of British Columbia.

F. Vandenberg Secy, Treas, CFO & Chief Acctg Officer

Mr. Frederick Vandenberg, Fred, B. Comm. MBA, CA has been Chief Financial Officer and Corporate Secretary of Destiny Media Technologies Inc. since July 17, 2007 and also serves as its Principal Accounting Officer and Treasurer. Mr. Vandenberg is responsible for leading the accounting, treasury, strategic planning, financial controls and financial reporting functions. With over 14 years of public accounting experience he had a wealth of experience in tax, financial reporting and mergers and acquisitions. He completed the Canadian Institute of Chartered Accountants' "In-depth" taxation program while with Ernst & Young in 1998. Mr. Vandenberg holds a Bachelor of Commerce from McMaster University in 1991 and a Master of Business Administration in Finance from McMaster University in 1993. In 1996, Mr. Vandenberg was designated as a Chartered Accountant in Ontario.

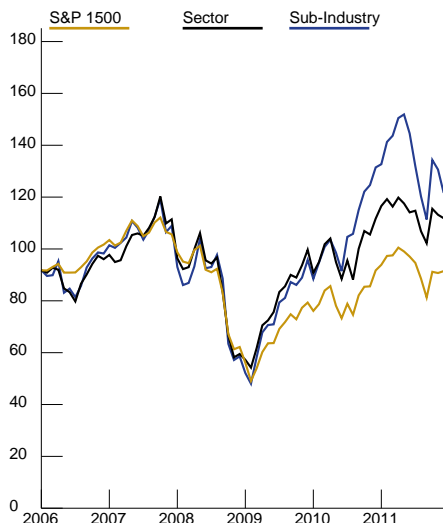
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Stock Performance

Based on S&P 1500 Indexes
Month-End Price Performance as of 12/30/11



Note: All Sectors & Sub-Industry information is based on the Global Industry Classification Standard (GICS)

Sub-Industry Outlook

Our fundamental outlook for the Application Software sub-industry for the next 12 months is neutral. We expect corporate spending on software to rise at a low-to-mid-single-digit growth rate for 2011. We have some concerns about IT spending in the fourth quarter of 2011, reflecting uncertain global macroeconomic conditions. In December 2011, for example, multiple prominent companies in the S&P 500 Technology Sector signaled demand was somewhat disappointing.

We continue to believe IT spending levels will be linked to the broader global economy. We expect sales cycles for licenses to stay lengthy, with layers of approval still in place as customers remain cautious. Despite this, we expect maintenance renewals to remain high. Before the recent economic downturn, software was not emerging from a boom/bust cycle. Rather, we think buyers for some time have been focused on return on investment and cost of ownership. We think this was more pronounced during the recent recession, as customers became more selective about upgrading to new releases, and vendors faced heightened competition. In recent years, buyers have added to their leverage by purchasing more from fewer vendors. We believe some vendors have regained some leverage through M&A.

We think productivity enhancements offered by, and the ongoing reduction in risks associated with investments in, software make them an attractive investment. We continue to expect growth for analytical software that enables informed decision-making and/or helps operational efficiency. We believe the critical role the Internet plays within the enterprise has created demand for applications that take advantage of it as an important platform. Many vendors are delivering more value to customers by assuming more of the risk associated with an investment in software. We believe growth in software-as-a-service (SaaS) models, which we think will far exceed sales growth from traditional software offerings and companies, supports our view.

Year to date through December 23, the S&P Application Software Index fell 6.5%, versus a 0.4% gain in the S&P 1500. We think that after strong year-end 2010 results, this reflects some concern about 2011 and 2012. Fundamentally, we think continued growth for licenses and bookings is requisite to drive the sub-industry higher in 2012. We tend to favor companies with mission-critical products, sizable maintenance streams, and strong balance sheets. In view of concerns about economic growth, we think gains will be restrained by limited visibility into spending plans. In addition, as many companies hire and invest ahead of demand, we see less margin expansion ahead.

--Scott Kessler

Sub-Industry: Application Software Peer Group*: Based on market capitalization within GICS Sub-Industry

	Stock Symbol	Stk Mkt Cap (M)	Recent Stk (\$)	52 Wk H/L (\$)	Beta	Yield (%)	P/E Ratio	Fair Val Calc(\$)	Quality Ranking	S&P IQ %ile	Ret on Rev (%)	LTD to Cap (%)
Destiny Media Tech Inc	DSNY	21	0.42	0.49/0.30	0.45	Nil	42	NA	NR	14	15.9	NA
Bitstream Inc	BITS	60	5.66	7.32/4.86	0.74	Nil	NM	NA	C	47	NA	NA
Ninetowns Internet Tech GpADR	NINE	51	1.40	1.55/1.15	0.84	Nil	16	NA	NR	48	16.1	NA
Scientific Learning	SCIL	48	2.52	3.55/2.36	0.40	Nil	NM	NA	C	4	NA	NA

NA-Not Available NM-Not Meaningful NR-Not Rated. *For Peer Groups with more than 15 companies or stocks, selection of issues is based on market capitalization.

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S&P Analyst Research Notes and other Company News**January 18, 2012**

Destiny Media Technologies Inc. announced earnings results for the first quarter ended November 30, 2011. For the quarter, the company reported income from operations of \$15,377, income before provision for income taxes of \$17,555 and net income of \$12,555 on service revenue of \$1,124,617 compared to income from operations of \$96,374, income before provision for income taxes of \$101,863 and net income of \$72,863 on service revenue of \$1,056,638 reported in the same period last year.

November 30, 2011

Destiny Media Technologies Inc. announced financial results for the year ended August 31, 2011. For the year, the company reported service revenue of \$4,007,230 against \$3,771,382 a year ago. Income from operations was \$797,600 against \$689,062 a year ago. Income before provision for income taxes was \$811,508 against \$808,073 a year ago. Net income was \$638,508 against \$1,686,073 a year ago.

November 9, 2011

Destiny Media Technologies Inc. announced the next generation of Clipstream(R) at Booth 81 at the HTML 5 Summit at Streaming Media West in Los Angeles Nov. 8-9, 2011. The product is expected to launch in the first calendar quarter of 2012. The current generation of Clipstream(R) is a playerless Java powered technology, where users don't need to install or upgrade player software and audio and video playback is near instant. It doesn't require a streaming server and because it caches, it saves 90% on bandwidth costs for popular content, while providing a higher quality of service because of the better scalability.

September 1, 2011

Destiny Media Technologies Inc. announced that a provisional patent application was filed on August 17, 2011 for a new invention that renders video to web browsers on all computers and devices, including mobile, without requiring advance support or permission from that device or manufacturer. Because there is no standard format for online video, content owners currently have to provide a separate version of their media file to support each device and operating system. This transcoding process is labor intensive and expensive and requires multiple copies of the exact same content to be stored redundantly in different formats. Compression artifacts are cumulative, so transcoding causes a progressive loss of quality with each successive generation, known as digital generation loss. Destiny's invention provides a cacheable, cross platform standard compatible with all web servers and browsers, saving up to 90% on bandwidth costs, while ensuring a nearly 100% playback rate without any effort from the consumer. Destiny's invention will enable publishers to create a single high quality video which will confidently play on any device and operating system that can access a web page. A commercial version of Destiny's solution is expected to be released by the end of the year. Destiny's current streaming video solutions, branded as Clipstream(R), require Java to be included as part of the browser, so although they are cross platform, devices which don't support Java, such as the iPhone and iPad do not support them. This new solution will work on all operating systems and devices.

July 15, 2011

Destiny Media Technologies Inc. reported earnings results for the third quarter and nine months ended May 31, 2011. For the quarter, the company reported income from operations of \$323,375, income before income taxes of \$324,720, net income of \$230,720 or \$0.01 per share on revenue of \$1,176,473 against income from operations of \$213,669, income before income taxes of \$243,929, net income of \$243,929 on revenue of \$952,383 for the same period a year ago. For the nine months, the company reported income from operations of \$357,584, income before income taxes of \$366,556, net income of \$260,556 or \$0.01 per share on revenue of \$3,074,183 against income from operations of \$605,016, income before income taxes of \$693,778, net income of \$693,778 or \$0.01 per share on revenue of \$2,869,775 for the same period a year ago.

May 4, 2011

Destiny Media Technologies announced that it has entered into a distribution agreement with All Access Today Japan, Inc. All Access Today Japan (AATJ) will

not only assist in bringing the Play MPE(r) service to Japan, but will also be experimenting with using Destiny's watermarking and distribution technologies to provide higher quality versions of the music for sale directly to their existing music fan clubs. They will also be representing Destiny's new Clipstream(r) internet radio service and upcoming Clipstream(r) cloud asset management and rich media encoding system.

April 18, 2011

Destiny Media Technologies Inc. announced earnings results for the second quarter and six months ended February 28, 2011. For the quarter, the company reported revenue of \$841,072 against \$869,864 a year ago. Loss from operations was \$62,165 against income from operations of \$97,242 a year ago. Loss before income taxes was \$60,027 against income before income taxes of \$127,169 a year ago. Net loss was \$43,027 against net income of \$127,169 a year ago. For the six months, the company reported revenue of \$1,897,710 against \$1,917,392 a year ago. Income from operations was \$34,209 against \$391,347 a year ago. Income before income taxes was \$41,836 against \$449,849 a year ago. Net income was \$29,836 against \$449,849 or \$0.01 per basic and diluted share a year ago. The company anticipates returning to profitability and continued growth in the third quarter of 2011.

January 18, 2011

Destiny Media Technologies Inc. reported earnings results for the first quarter ended November 30, 2010. For the quarter, the company reported revenue of \$1,056,638, income from operations of \$96,374, income before income taxes of \$101,863 and net income of \$72,863 compared to revenue of \$1,047,528, income from operations of \$294,105, income before income taxes of \$322,680 and net income of \$322,680 over the same period last year. Net income of \$72,680 declined from the same period in the prior quarter, as a result of a 27% increase in operating expenditures. during the quarter, and unfavorable exchange fluctuations.

December 1, 2010

Destiny Media Technologies Inc. reported earnings results for the year ended August 31, 2010. For the year, the company reported service revenue of \$3,771,382 compared to \$2,560,447 a year ago. Income from operations was \$689,062 compared to \$44,781 a year ago. Income before provision for income taxes was \$808,073 compared to \$160,831 a year ago. Net income was \$1,686,073 or \$0.03 per share compared to \$610,831 or \$0.01 per share a year ago. Earnings before interest, taxes depreciation and amortization (EBITDA) grew to \$923,306 for the year.

July 21, 2010

Destiny Media Technologies Inc. reported earnings results for the third quarter ended May 31, 2010. For the quarter the company noted that EBITDA grew for the quarter to approximately \$260,000. This is 129% higher than prior year.

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Consensus Analyst Opinion

BUY	BUY/ HOLD	HOLD	WEAK HOLD	SELL
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Companies Offering Coverage**Consensus vs. Performance**

For fiscal year , analysts estimate that DSNY will earn \$0.00. For fiscal year , analysts estimate that DSNY's earnings per share will earn \$0.00.

Analyst Recommendations

	No. of Rankings	% of Total	1 Mo. Prior	3 Mos. Prior
Buy		43		
Buy/Hold		5		
Hold		35		
Weak Hold		8		
Sell		5		
No Opinion	0	3		
Total	0	100		

Consensus Earnings Estimates

Fiscal Years	Avg Est.	High Est.	Low Est.	# of Est.	Est. P/E
	0.00	0.00	0.00		NM
	0.00	0.00	0.00		NM
2013 vs. 2012	NA	NA	NA	NA	NA

Destiny Media Technologies Inc (DSNY) OTCQX

GICS Sector: Information Technology
Sub-Industry: Application Software

Summary: Destiny Media (TSX: DSY) (OTCQX: DSNY) is the developer of the Play MPE system which the recording industry uses to securely distribute new pre-release music through the internet.

Glossary**Quantitative Evaluations**

In contrast to our qualitative STARS recommendations, which are assigned by S&P analysts, the quantitative evaluations described below are derived from proprietary arithmetic models. These computer-driven evaluations may at times contradict an analyst's qualitative assessment of a stock. One primary reason for this is that different measures are used to determine each. For instance, when designating STARS, S&P analysts assess many factors that cannot be reflected in a model, such as risks and opportunities, management changes, recent competitive shifts, patent expiration, litigation risk, etc.

S&P Quality Ranking

Growth and stability of earnings and dividends are deemed key elements in establishing S&P's Quality Rankings for common stocks, which are designed to capsule the nature of this record in a single symbol. It should be noted, however, that the process also takes into consideration certain adjustments and modifications deemed desirable in establishing such rankings. The final score for each stock is measured against a scoring matrix determined by analysis of the scores of a large and representative sample of stocks. The range of scores in the array of this sample has been aligned with the following ladder of rankings:

A+ Highest	B Below Average
A High	B- Lower
A- Above Average	C Lowest
B+ Average	D In Reorganization
NR Not Ranked	

S&P Fair Value Rank

Using S&P's exclusive proprietary quantitative model, stocks are ranked in one of five groups, ranging from Group 5, listing the most undervalued stocks, to Group 1, the most overvalued issues. Group 5 stocks are expected to generally outperform all others. A positive (+) or negative (-) Timing Index is placed next to the Fair Value ranking to further aid the selection process. A stock with a (+) added to the Fair Value Rank simply means that this stock has a somewhat better chance to outperform other stocks with the same Fair Value Rank. A stock with a (-) has a somewhat lesser chance to outperform other stocks with the same Fair Value Rank. The Fair Value rankings imply the following:

- 5-Stock is significantly undervalued
- 4-Stock is moderately undervalued
- 3-Stock is fairly valued
- 2-Stock is modestly overvalued
- 1-Stock is significantly overvalued

S&P Fair Value Calculation

The price at which a stock should trade at, according to S&P's proprietary quantitative model that incorporates both actual and estimated variables (as opposed to only actual variables in the case of S&P Quality Ranking). Relying heavily on a company's actual return on equity, the S&P Fair Value model places a value on a security based on placing a formula-derived price-to-book multiple on a company's consensus earnings per share estimate.

Insider Activity

Gives an insight as to insider sentiment by showing whether directors, officers and key employees who have proprietary information not available to the general public, are buying or selling the company's stock during the most recent six months.

Funds From Operations (FFO)

FFO is Funds from Operations and equal to a REIT's net income, excluding gains or losses from sales of property, plus real estate depreciation.

Volatility

Rates the volatility of the stock's price over the past year.

Technical Evaluation

In researching the past market history of prices and trading volume for each company, S&P's computer models apply special technical methods and formulas to identify and project price trends for the stock.

Relative Strength Rank

Shows, on a scale of 1 to 99, how the stock has performed versus all other companies in S&P's universe on a rolling 13-week basis.

Global Industry Classification Standard (GICS)

An industry classification standard, developed by Standard & Poor's in collaboration with Morgan Stanley Capital International (MSCI). GICS is currently comprised of 10 Sectors, 24 Industry Groups, 67 Industries, and 147 Sub-Industries.

Exchange Type

ASE - NYSE Amex; NNM - Nasdaq Global Select; NSC - Nasdaq Capital Markets; NYSE - New York Stock Exchange; AMEX - American Stock Exchange; AU - Australian Stock Exchange; BB - ITC Bulletin Board; OTC - Over-the-Counter; CNSX - Canadian National Stock Exchange; TO - Toronto Stock Exchange; TVX - Toronto Venture Exchange.

Dividends on American Depositary Receipts (ADRs) and American Depositary Shares (ADSs) are net of taxes (paid in the country of origin).

Destiny Media Technologies Inc (DSNY) OTCQX**GICS Sector:** Information Technology**Sub-Industry:** Application Software**Required Disclosures****S&P Global Distribution of Quantitative Recommendations**

In North America: As of December 31, 2011, Standard & Poor's Quantitative Services North America recommended 39.1% of issuers under coverage with buy recommendations, 57.4% with hold recommendations and 3.5% with sell recommendations.

In Europe: As of December 31, 2011, Standard & Poor's Quantitative Services Europe have recommended 31.5% of issuers under coverage with buy recommendations, 50.6% with hold recommendations and 17.9% with sell recommendations.

In Asia: As of December 31, 2011, Standard & Poor's Quantitative Services Asia have recommended 43.8% of issuers under coverage with buy recommendations, 51.0% with hold recommendations and 5.2% with sell recommendations.

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S&P Global Distribution of its Qualitative Recommendations (STARS coverage):

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Relevant benchmarks: In North America the relevant benchmark is the S&P 500 Index, in Europe and in Asia; the relevant benchmarks are generally the S&P Pan Europe BMI Index and the S&P Pan Asia BMI Index.

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Additional information is available upon request.

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Destiny Media Technologies Inc (DSNY) 0TCQX

GICS Sector: Information Technology
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