

DESTINY MEDIA TECHNOLOGIES INC  
Form 10-Q  
January 14, 2014

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**UNITED STATES  
SECURITIES AND EXCHANGE COMMISSION  
Washington, D.C. 20549**

**FORM 10-Q**

(Mark One)

**QUARTERLY REPORT PURSUANT TO SECTION 13 OR 15(D) OF THE SECURITIES EXCHANGE  
ACT OF 1934**

For the quarterly period ended **November 30, 2013**

**TRANSITION REPORT PURSUANT TO SECTION 13 OR 15(D) OF THE SECURITIES EXCHANGE  
ACT OF 1934**

For the transition period from \_\_\_\_\_ to \_\_\_\_\_

Commission File Number **0-28259**

**DESTINY MEDIA TECHNOLOGIES INC.**

(Exact name of registrant as specified in its charter)

**COLORADO**

(State or other jurisdiction of incorporation or  
organization)

**84-1516745**

(I.R.S. Employer Identification No.)

**Suite 750, PO Box 11527, 650 West Georgia Street,**

**Vancouver, British Columbia, Canada**

(Address of principal executive offices)

**V6B 4N7**

(Zip Code)

**604-609-7736**

(Registrant's telephone number, including area code)

(Former name, former address and former fiscal year, if changes since last report)

Indicate by check mark whether the registrant (1) has filed all reports required to be filed by Section 13 or 15(d) of the Securities Exchange Act of 1934 during the preceding 12 months (or for such shorter period that the registrant was required to file such reports), and (2) has been subject to such filing requirements for the past 90 days.

Yes  No

Indicate by check mark whether the registrant has submitted electronically and posted on its corporate Website, if any, every Interactive Data File required to be submitted and posted pursuant to Rule 405 of Regulation S-T (§ 232.405 of this chapter) during the preceding 12 months (or for such shorter period that the registrant was required to submit and

post such files).  
[X] Yes [ ] No

Indicate by check mark whether the registrant is a large accelerated filer, an accelerated filer, a non-accelerated filer, or a smaller reporting company. See definitions of "large accelerated filer," "accelerated filer," and "smaller reporting company" in Rule 12b-2 of the Exchange Act.

Large accelerated filer [ ]

Accelerated filer [ ]

Non-accelerated filer [ ]

Smaller reporting company [X]

(Do not check if a smaller reporting company)

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Indicate by check mark whether the registrant is a shell company (as defined in Rule 12b-2 of the Exchange Act)  
 Yes  No

APPLICABLE ONLY TO CORPORATE ISSUERS:

Indicate the number of shares outstanding of each of the issuer's class of common stock, as of the latest practicable date:

**The number of shares outstanding of the registrant's common stock, par value \$0.001, as of January 14, 2014 was 52,099,327.**

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**PART I - FINANCIAL INFORMATION**

**Item 1. Financial Statements.**

Condensed Consolidated Financial Statements

**Destiny Media Technologies Inc.**

(Unaudited)

Three months ended November 30, 2013

(Expressed in United States dollars)



## Destiny Media Technologies Inc.

## CONDENSED CONSOLIDATED BALANCE SHEETS

(Expressed in United States dollars)

Unaudited

As at

	November 30, 2013	August 31, 2013
	\$	\$
<b>ASSETS</b>		
<b>Current</b>		
Cash and cash equivalents	1,458,487	1,521,552
Accounts receivable, net of allowance for doubtful accounts of \$8,495 [August 31, 2013 \$11,392]	594,012	419,697
Other receivables	7,517	16,636
Current portion of long term receivable [note 3]	104,217	99,649
Prepaid expenses	42,350	29,653
Deferred tax assets - current portion	130,000	130,000
<b>Total current assets</b>	<b>2,336,583</b>	<b>2,217,187</b>
Deposits	23,495	35,611
Long term receivable [note 3]	422,426	440,889
Property and equipment, net	280,186	234,969
Deferred tax assets - long term portion	705,000	729,000
<b>Total assets</b>	<b>3,767,690</b>	<b>3,657,656</b>
<b>LIABILITIES AND STOCKHOLDERS EQUITY</b>		
<b>Current</b>		
Accounts payable	142,990	79,622
Accrued liabilities	248,151	221,720
Deferred leasehold inducement		2,892
Deferred revenue	40,880	70,415
<b>Total liabilities</b>	<b>432,021</b>	<b>374,649</b>
Commitments and contingencies [notes 5 and 8]		
<b>Stockholders equity</b>		
Common stock, par value \$0.001 [note 4]		
Authorized: 100,000,000 shares		
Issued and outstanding: 52,021,353 shares		
[August 31, 2013 issued outstanding 51,981,964 shares]	52,021	51,982
Additional paid-in capital	8,952,164	8,929,384
Accumulated Deficit	(5,742,623)	(5,787,016)
Accumulated other comprehensive income	74,107	88,657
<b>Total stockholders equity</b>	<b>3,335,669</b>	<b>3,283,007</b>
<b>Total liabilities and stockholders equity</b>	<b>3,767,690</b>	<b>3,657,656</b>
See accompanying notes		

## Destiny Media Technologies Inc.

**CONDENSED CONSOLIDATED STATEMENTS OF OPERATIONS  
AND COMPREHENSIVE INCOME**

(Expressed in United States dollars)

Unaudited

Three months ended November 30,

	2013	2012
	\$	\$
<b>Service revenue</b> <i>[note 10]</i>	<b>922,541</b>	1,063,867
<b>Operating expenses</b>		
General and administrative	243,499	191,257
Sales and marketing	331,641	240,218
Research and development	264,484	400,352
Depreciation and amortization	31,347	27,656
	<b>870,971</b>	859,483
Income from operations	<b>51,570</b>	204,384
<b>Other income</b>		
Interest income	16,823	20,666
<b>Income before provision for income taxes</b>	<b>68,393</b>	225,050
Deferred income tax expense	<b>(24,000)</b>	(65,000)
<b>Net income</b>	<b>44,393</b>	160,050
<b>Other comprehensive loss, net of tax</b>		
Foreign currency translation adjustments	<b>(14,550)</b>	(5,516)
<b>Total comprehensive income</b>	<b>29,843</b>	154,534
<b>Net income per common share, basic and diluted</b>	<b>0.00</b>	0.00
<b>Weighted average common shares outstanding:</b>		
Basic	51,998,397	52,112,210
Diluted	53,418,156	52,885,825

*See accompanying notes*

## Destiny Media Technologies Inc.

**CONDENSED CONSOLIDATED STATEMENTS OF CHANGES IN STOCKHOLDERS EQUITY**

(Expressed in United States dollars)

Unaudited

	Common stock Shares #	Common stock Amount \$	Additional paid-in capital \$	Accumulated Deficit \$	Accumulated other comprehensive income \$	Total stockholders equity \$
<b>Balance, August 31, 2012</b>	<b>52,091,004</b>	<b>52,091</b>	<b>9,008,957</b>	<b>(6,013,030)</b>	<b>232,917</b>	<b>3,280,935</b>
Total comprehensive income				226,014	(144,260)	81,754
Common stock issued on options exercised	47,610	48	(48)			
Common stock cancelled	(156,650)	(157)	(99,605)			(99,762)
Stock compensation			20,080			20,080
<b>Balance, August 31, 2013</b>	<b>51,981,964</b>	<b>51,982</b>	<b>8,929,384</b>	<b>(5,787,016)</b>	<b>88,657</b>	<b>3,283,007</b>
Total comprehensive income				44,393	(14,550)	29,843
Common stock issued on options exercised Note 4	39,389	39	(39)			
Stock compensation Note 4			22,819			22,819
<b>Balance, November 30, 2013</b>	<b>52,021,353</b>	<b>52,021</b>	<b>8,952,164</b>	<b>(5,742,623)</b>	<b>74,107</b>	<b>3,335,669</b>

*See accompanying notes*

**Destiny Media Technologies Inc.****CONSOLIDATED STATEMENTS OF CASH FLOWS**

(Expressed in United States dollars)

Unaudited

Three months ended November 30,

	2013	2012
	\$	\$
<b>OPERATING ACTIVITIES</b>		
Net income	44,393	160,050
Items not involving cash:		
Depreciation and amortization	31,347	27,656
Stock-based compensation	22,819	
Deferred leasehold inducement	(2,929)	(489)
Deferred income taxes	24,000	65,000
Unrealized foreign exchange	(13,510)	(9,303)
Changes in non-cash working capital:		
Accounts receivable	(179,998)	(187,331)
Other receivables	9,193	(23,586)
Prepaid expenses and deposits	(965)	(27,733)
Accounts payable	65,023	(98,522)
Accrued liabilities	28,209	(21,503)
Deferred revenue	(29,679)	(8,665)
Long term receivable	24,532	24,553
<b>Net cash provided (used) by operating activities</b>	<b>22,435</b>	<b>(99,873)</b>
<b>INVESTING ACTIVITIES</b>		
Purchase of property and equipment	(78,768)	(27,151)
<b>Net cash used in investing activities</b>	<b>(78,768)</b>	<b>(27,151)</b>
<b>FINANCING ACTIVITIES</b>		
<b>Net cash used in financing activities</b>		
<b>Effect of foreign exchange rate changes on cash</b>	<b>(6,732)</b>	<b>(2,686)</b>
<b>Net decrease in cash during the period</b>	<b>(63,065)</b>	<b>(129,710)</b>
Cash, beginning of the period	1,521,552	1,275,423
<b>Cash, end of the period</b>	<b>1,458,487</b>	<b>1,145,713</b>

**Supplementary disclosure**

Interest paid

Income taxes paid

*See accompanying notes*



**Destiny Media Technologies Inc.**

**NOTES TO INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS**

(Expressed in United States dollars)

Unaudited

Three months ended November 30, 2013 and 2012

**1. ORGANIZATION**

Destiny Media Technologies Inc. (the Company) was incorporated in August 1998 under the laws of the State of Colorado. The Company develops technologies that allow for the distribution over the Internet of digital media files in either a streaming or digital download format. The technologies are proprietary. The Company operates out of Vancouver, BC, Canada and serves customers predominantly located in the United States, Europe and Australia.

The Company's stock is listed for trading under the symbol DSNY on the OTCQX in the United States, under the symbol DSY on the TSX Venture Exchange and under the symbol DME on the Berlin, Frankfurt, Xetra and Stuttgart exchanges in Germany.

**2. BASIS OF PRESENTATION**

The accompanying unaudited interim condensed consolidated financial statements have been prepared by management in accordance with accounting principles generally accepted in the United States for interim financial information pursuant to the rules and regulations of the United States Securities and Exchange Commission. Accordingly, they do not include all of the information and footnotes required by United States generally accepted accounting principles for annual financial statements. In the opinion of management, all adjustments (consisting of normal recurring accruals) considered necessary for a fair presentation have been included. Operating results for the three months ended November 30, 2013 are not necessarily indicative of the results that may be expected for the year ended August 31, 2014.

The balance sheet at August 31, 2013 has been derived from the audited consolidated financial statements at that date but does not include all of the information and footnotes required by United States generally accepted accounting principles for annual financial statements.

For further information, refer to the consolidated financial statements and footnotes thereto included in the Company's annual report on Form 10-K for the year ended August 31, 2013.

**Destiny Media Technologies Inc.**

**NOTES TO INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS**

(Expressed in United States dollars)

Unaudited

Three months ended November 30, 2013 and 2012

**3. LONG TERM RECEIVABLE**

Pursuant to a Settlement Deed dated March 5, 2012, the Company became entitled to a settlement sum of \$825,000 Australian dollars ( AUD ) (US \$858,194), receivable in monthly installments over the course of 72 months, beginning on March 31, 2012. The unpaid balance accrues interest of 10.25% per annum compounded monthly. The receivable is secured by a registered charge against real estate located in Australia. As at November 30, 2013, installments of \$366,950 AUD and interest of \$120,806 AUD had been received.

**4. STOCKHOLDERS EQUITY**

**[a] Common stock issued and authorized**

The Company is authorized to issue up to 100,000,000 shares of common stock, par value \$0.001 per share.

During the three months ended November 30, 2013, 39,389 shares were issued pursuant to the cashless exercise of 50,000 share purchase options exercisable at \$0.50.

**[b] Stock option plans**

The Company has two existing stock option plans (the Plans ), namely the Amended 1999 Stock Option Plan and the 2006 Stock Option Plan, under which up to 3,750,000 and 5,100,000 shares of the common stock, respectively, have been reserved for issuance. A total of 1,655,507 common shares remain eligible for issuance under the plans. The options generally vest over a range of periods from the date of grant, some are immediate, and others are 12 or 24 months. Any options that do not vest as the result of a grantee leaving the Company are forfeited and the common shares underlying them are returned to the reserve. The options generally have a contractual term of five years.

*Stock-Based Payment Award Activity*

A summary of option activity under the Plans as of November 30, 2013, and changes during the period ended are presented below:

**Destiny Media Technologies Inc.****NOTES TO INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS**

(Expressed in United States dollars)

Unaudited

Three months ended November 30, 2013 and 2012

**4. STOCKHOLDERS EQUITY (cont d.)**

Options	Shares	Weighted Average Exercise Price	Weighted Average Remaining Contractual Term	Aggregate Intrinsic Value \$
<b>Outstanding at August 31, 2013</b>	<b>1,850,000</b>	<b>0.49</b>	<b>0.56</b>	<b>3,119,250</b>
Exercised	(50,000)	0.50		102,500
<b>Outstanding at November 30, 2013</b>	<b>1,800,000</b>	<b>0.49</b>	<b>0.32</b>	<b>3,107,250</b>
<b>Vested and exercisable at November 30, 2013</b>	<b>1,778,125</b>	<b>0.49</b>	<b>0.32</b>	<b>3,077,281</b>

The following table summarizes information regarding the non-vested stock purchase options outstanding as of November 30, 2013:

	Number of Options
<b>Non-vested options at August 31, 2013</b>	<b>40,625</b>
Vested	(18,750)
<b>Non-vested options at November 30, 2013</b>	<b>21,875</b>

The aggregate intrinsic value is calculated as the difference between the exercise price of the underlying awards and the quoted price of the Company's common stock for the options that were in-the-money at November 30, 2013.

During the three months ended November 30, 2013 and 2012, stock-based compensation expense has been reported in the consolidated statement of operations and comprehensive income as follows:

	2013	2012
	\$	\$
Stock-based compensation		
General and administrative	<b>22,819</b>	
Sales and marketing		
Research and development		
<b>Total stock-based compensation</b>	<b>22,819</b>	

*Valuation Assumptions*

**Destiny Media Technologies Inc.****NOTES TO INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS**

(Expressed in United States dollars)

Unaudited

Three months ended November 30, 2013 and 2012

**4. STOCKHOLDERS EQUITY (cont d.)**

The fair value of each option award is estimated on the date of grant using the Black-Scholes option-pricing model based on the following assumptions:

	2013	2012
	\$	\$
Expected term of stock options (years)	<b>0.12-0.25</b>	
Expected volatility	<b>50-72%</b>	
Risk-free interest rate	<b>0.01%-0.14%</b>	

Dividend yields

Expected volatilities are based on historical volatility of the Company's stock. The Company also uses historical data to estimate option exercise and employee termination within the valuation model.

The expected term of stock options represents the period of time that options vested are expected to be outstanding. The risk-free rate for periods within the contractual life of the options is based on US Treasury bill rates in effect at the time of options vested.

During the year ended August 31, 2013, the Company entered into a consulting agreement with a non-employee to provide investor relations consulting services and maximize shareholder value. As part of the agreement, the Company has issued 75,000 options exercisable at \$0.85 per share. The options vest equally over twelve months following the signing of the agreement on March 15, 2013. The vested options of 18,750 during the three months ended November 30, 2013 was measured using the Black-Scholes option-pricing model and amounted to \$22,819. The amount was expensed to general and administrative in the consolidated statement of operations and comprehensive income.

**[c] Employee Stock Purchase Plan**

The Company's 2011 Employee Stock Purchase Plan (the Plan) became effective on February 22, 2011. Under the Plan, employees of Destiny are able to contribute up to 5% of their annual salary into a pool which is matched equally by Destiny. Independent directors are able to contribute a maximum of \$12,500 each for a combined maximum annual purchase of \$25,000. The maximum annual combined contributions will be \$400,000. All purchases are made through the Toronto Stock Exchange by a third party plan agent. The third party plan agent will also be responsible for the administration of the Plan on behalf of Destiny and the participants.

**Destiny Media Technologies Inc.****NOTES TO INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS**

(Expressed in United States dollars)

Unaudited

Three months ended November 30, 2013 and 2012

**4. STOCKHOLDERS EQUITY (cont d.)**

During the three months ended November 30, 2013, the Company recognized compensation expense of \$13,499 (2012 - \$12,137) in salaries and wages on the consolidated statement of operations and comprehensive income in respect of the Plan, representing the Company's employee matching of cash contributions to the plan. The shares were purchased on the open market at an average price of \$2.18 (2012 - \$0.87). The shares are held in trust by the Company for a period of one year from the date of purchase.

**5. COMMITMENTS**

On August 21, 2013 the company entered into a lease agreement for its premises and it commenced on November 1, 2013 and will expire on December 31, 2014. The Company is committed to payments as followed:

	\$
2014	211,368
2015	93,941

During the three months ended November 30, 2013 the Company incurred rent expense of \$59,879 (2012: \$31,620) which has been allocated between general and administrative expenses, research and development and sales and marketing on the consolidated statement of operations and comprehensive income.

By a credit facilities agreement dated April 8, 2010 and amended June 17, 2011 and August 23, 2012, the Company has a credit facility with the Royal Bank of Canada consisting of a commercial credit card limit of \$47,500 (\$50,000 CDN) with interest rate of the bank prime rate plus 3.5%. Borrowings under the facilities are repayable on demand. As of November 30, 2013 and August 31, 2013, the Company has not drawn the credit facility.

**6. RELATED PARTY TRANSACTIONS**

The Company entered into a consulting agreement with a Director effective October 1, 2010. The Company will pay \$2,000 per month, plus authorized expenses. The Director will receive a 10% commission if related new businesses are successfully closed. During the three months ended November 30, 2013, the Company paid consulting fees of \$6,000 (2012 - \$6,000) under this agreement.

**Destiny Media Technologies Inc.**

**NOTES TO INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS**

(Expressed in United States dollars)

Unaudited

Three months ended November 30, 2013 and 2012

**7. INCOME TAX**

The Company has adopted the provisions of ASC 740, Income taxes. This standard clarifies the accounting for uncertainty in income taxes recognized in an enterprise's financial statements and prescribes a recognition threshold and measurement process for financial statement recognition and measurement of a tax position taken or expected to be taken in a tax return. The standard also provides guidance on derecognition, classification, interest and penalties, accounting in interim periods, disclosure and transition. The Company and its subsidiaries are subject to U.S. federal income tax, Canadian income tax, as well as income tax of multiple state and local jurisdictions. Based on the Company's evaluation, the Company has concluded that there are no significant uncertain tax positions requiring recognition in the Company's financial statements. The Company's evaluation was performed for the tax years ended August 31, 1999 through August 31, 2013, the tax years which remain subject to examination by major tax jurisdictions as of November 30, 2013. The Company may from time to time be assessed interest or penalties by major tax jurisdictions, although any such assessments historically have been minimal and immaterial to the Company's financial results. In the event the Company has received an assessment for interest and/or penalties, it has been classified in the financial statements as selling, general and administrative expense.

**Destiny Media Technologies Inc.**

**NOTES TO INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS**

(Expressed in United States dollars)

Unaudited

Three months ended November 30, 2013 and 2012

**8. CONTINGENCIES**

On November 8, 2011, the Company was served with a Notice of Civil Claim in the Supreme Court of British Columbia from Noramco Capital Corporation for \$100,000. The claim asserts that the Company has repudiated a subscription agreement entered into in August 2000. Management believes the claim is without merit and that the likelihood that the outcome of this matter will have a material adverse impact on its result of operations, cash flows and financial condition of the Company is remote. The Company has filed a counterclaim against Noramco and the alleged major beneficial shareholder of Noramco, R. A. Bruce McDonald, for damages arising from a proposed private placement in 2000 which did not close. On March 4, 2013, Mr. McDonald passed away. The implications for the outstanding litigation are unclear.

**9. NEW ACCOUNTING PRONOUNCEMENTS**

*Recently adopted accounting pronouncements*

In February 2013, the FASB issued Accounting Standards Update 2013-02, Other Comprehensive Income (Topic 220) . The objective of this Update is to improve the reporting of reclassifications out of accumulated other comprehensive income. The amendments in this Update seek to attain that objective by requiring an entity to report the effect of significant reclassifications out of accumulated other comprehensive income on the respective line items in net income if the amount being reclassified is required under U.S. generally accepted accounting principles (GAAP) to be reclassified in its entirety to net income in the same reporting period. For other amounts that are not required under U.S. GAAP to be reclassified in their entirety to net income in the same reporting period, an entity is required to cross-reference other disclosures required under U.S. GAAP that provide additional detail about those amounts. This accounting standard update is effective prospectively for annual and interim periods beginning after December 15, 2012. The Company's adoption of this guidance did not have a material effect on the Company's consolidated financial statements.

*Accounting Standards Not Yet Effective*

In July 2013, the FASB issued Accounting Standards Update 2013-11, Presentation of an Unrecognized Tax Benefit When a Net Operating Loss Carryforward, a Similar Tax Loss, or a Tax Credit Carryforward Exists . The current practice Topic 740, Income Taxes does not include explicit guidance on the financial statement presentation of an unrecognized tax benefit when a net operating loss carryforward, a similar tax loss, or a tax credit carryforward exists. The objective of this Update is to eliminate the diversity in practice in the presentation of unrecognized tax benefits. This accounting standard update is effective for fiscal years, and interim within those years, beginning after December 15, 2014, early adoption is permitted. The Company is currently evaluating the impact of this update on the consolidated financial statements.

**Destiny Media Technologies Inc.**

**NOTES TO INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS**

(Expressed in United States dollars)

Unaudited

Three months ended November 30, 2013 and 2012

**9. NEW ACCOUNTING PRONOUNCEMENTS (cont d.)**

In April 2013, the FASB issued Accounting Standards Update 2013-07, Presentation of Financial Statements (Topic 205), Liquidation Basis of Accounting . The amendments of this Update are being issued to clarify when an entity should apply the liquidation basis of accounting. The amendments require an entity to prepare its financial statements using the liquidation basis of accounting when liquidation is imminent. In addition, the guidance provides principles for the recognition and measurement of assets and liabilities and requirements for financial statements prepared using the liquidation basis of accounting. The amendments apply to all entities that issue financial statements that are presented in conformity with U.S. GAAP except investment companies that are regulated under the Investment Company Act of 1940. The amendments are effective for entities that determine liquidation imminent during annual reporting periods beginning after December 15, 2013. The Company does not expect the adoption of this Update will have material impact on the consolidated financial statements.

In March 2013, the FASB issued Accounting Standards Update 2013-05, Foreign Currency Matters (Topic 830) . The objective of this Update is to resolve the diversity in practice about whether Subtopic 810-10, Consolidation Overall, or Subtopic 830-30, Foreign Currency Matters Translation of Financial Statements, applies to the release of the cumulative translation adjustment into net income when a parent either sells a part or all of its investment in a foreign entity or no longer holds a controlling financial interest in a subsidiary or group of assets that is a nonprofit activity or a business (other than a sale of in substance real estate or conveyance of oil and gas mineral rights) within a foreign entity. This accounting standard update is effective prospectively for annual and interim periods beginning after December 31, 2013. The Company is currently evaluating the impact of this update on the consolidated financial statements.



**Destiny Media Technologies Inc.****NOTES TO INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS**

(Expressed in United States dollars)

Unaudited

Three months ended November 30, 2013 and 2012

**10. CONCENTRATIONS AND ECONOMIC DEPENDENCE**

The Company operates solely in the digital media software segment and all revenue from its products and services are made in this segment.

Revenue from external customers, by product and location of customer, is as follows:

	<b>Three Months Ended November 30,</b>	
	<b>2013</b>	<b>2012</b>
	\$	\$
<b>Play MPE®</b>		
North America	335,277	511,806
Europe*	515,685	468,717
Australia	33,486	37,190
<b>Total Play MPE® Revenue</b>	<b>884,448</b>	<b>1,017,713</b>
<b>Clipstream ® and Radio Destiny</b>		
North America	38,093	46,154
<b>Total Clipstream ® &amp; Radio Destiny Revenue</b>	<b>38,093</b>	<b>46,154</b>
<b>Total Revenue</b>	<b>922,541</b>	<b>1,063,867</b>

\* Of this total, \$436,171 (2012: \$408,446) was derived from the United Kingdom during the three months ended November 30, 2013.

**Destiny Media Technologies Inc.**

**NOTES TO INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS**

(Expressed in United States dollars)

Unaudited

Three months ended November 30, 2013 and 2012

**10. CONCENTRATIONS AND ECONOMIC DEPENDENCE (cont d.)**

While, the above segmented information is based on location of the customer, some of these customers have distribution centres located around the globe. Play MPE revenue based on the location source of its distributions is as follows: