

MANAGEMENT'S DISCUSSION AND ANALYSIS

The following management's discussion and analysis of Multiplied Media Corporation's (the "Company" or "Multiplied Media") financial condition and results of operations is a review of the 2007 fiscal year and results compared with the same periods of the previous year. The discussion and analysis should be read in conjunction with the audited financial statements and Management's Discussion and Analysis for the year ended December 31, 2007, which are prepared in accordance with Canadian generally accepted accounting principles. The discussion is intended to provide both a historical and prospective analysis of Multiplied Media's activities. Any estimates are based on assumptions of future events and may be subject to change.

The discussion and analysis for the year ended December 31, 2007 is prepared and contains disclosure of material changes occurring up to and including April 24, 2008.

Forward-looking Statements

Management's discussion and analysis contains forward-looking statements related to management's intentions and plans concerning future financing and investing activities, and the sufficiency of working capital to continue operations. These statements reflect Management's view with respect to future events. Assumptions made herein, with respect to these future events, are subject to certain uncertainties and factors which could cause actual results or events to differ materially from those implied by these forward-looking statements. Although the Company believes that the forward-looking statements contained herein are reasonable, no assurance can be given that its expectations are correct and that the results, performance or achievements expressed in, or implied by, forward-looking statements within this disclosure will occur, or if they do, that any benefits may be derived from them. All forward-looking statements are expressly qualified in their entirety by this cautionary statement.

Overview

Multiplied Media Corporation (TSXV: MMC) has developed and operates Poynt, the first local search service that works over Microsoft Windows Live™ Messenger in the United States and Canada and AOL Instant Messenger in the United States. The 24-hour service allows consumers to search business information for consumer goods they want to buy locally, at the moment they are interested in finding the information or purchasing the goods or services. The Company is currently focused on partnering with operators of local directory service providers commonly known as yellow pages publishers.

In partnering with yellow page publishers, Multiplied Media provides the development and operation of automated search agents, which includes the design, software coding, data integration, testing, provisioning of these automated search agent applications and the ongoing operation of these applications. The directory service partner provides the marketing to local businesses, collects/manages merchant information, assists with integrating the merchant information into the automated search agent application and may deliver ongoing promotion of the automated search agent service to consumers.

2007 Highlights

- Commenced trading on the TSX Venture exchange on January 12th, 2007;
- The signing of a Multi-Year Joint-Marketing Agreement with Sympatico MSN;
- Company announced the appointment of Sr VP Operations and Technology Mr. John Shillington;
- Announced the signing of the agreement with Idearc Media to operate the Poynt system on the AOL network;
- Completed financing on July 24, 2007 for gross proceeds of \$7.9 million;
- Completed the corporate name change from illumiCell Corporation to Multiplied Media Corporation;
- Appointment of Microsoft veteran Tony Bristol to the position of Sr. VP International Business Development; and
- Signed agreement with Idearc Media to extend local services to Microsoft Windows Live Messenger users in the United States.

LIQUIDITY AND CAPITAL RESOURCES				
For the Year Ended December 31				
	2007		2006	
Current Assets	\$	3,587,905	\$	2,669,622
Current Liabilities	\$	638,534	\$	547,538
Total Assets	\$	6,610,620	\$	4,290,295

FINANCIAL RESULTS AND SHARE INFORMATION				
For the Year Ended December 31				
Financial Results	2007		2006	
Revenues	\$	7,138	\$	108,838
Salaries & Consulting	\$	2,061,577	\$	901,296
Total Expenses	\$	5,189,742	\$	1,555,975
Capital Expenditures	\$	1,587,130	\$	1,189,512
Loss per share	\$	0.01	\$	0.04
Shares Outstanding				
Basic		59,978,296		45,776,480
Diluted		66,777,079		46,812,678

Summary of Quarterly Results				
Quarter ended	Dec 31, 2007	Sep 30, 2007	Jun 30, 2007	Mar 31, 2007
Net sales	\$ 946	1,043	1,680	3,469
Net loss from operations	\$ (1,664,242)	(1,120,347)	(1,172,417)	(1,105,271)
Loss per share – Basic	\$ (0.03)	(0.02)	(0.03)	(0.02)
Total assets	\$ 6,610,620	8,401,030	2,267,657	3,189,714
Total liabilities	\$ 638,534	790,729	753,607	565,847
Quarter ended	Dec 31, 2006	Sep 30, 2006	Jun 30, 2006	Mar 31, 2006
Net sales	\$ 375	\$ 287	\$ 108,068	\$ 108
Net loss from operations	\$ (551,235)	\$ (437,896)	\$ (200,828)	\$ (250,825)
Loss per share – Basic	\$ (0.01)	\$ (0.01)	\$ (0.01)	\$ (0.01)
Total assets	\$ 4,290,295	\$ 1,464,780	\$ 1,481,001	\$ 1,023,482
Total liabilities	\$ 547,538	\$ 214,105	\$ 135,121	\$ 116,936

Results of Operations

Revenues

Revenues and net loss for the year were \$7,138 and \$5,062,277, respectively, compared to \$108,838 and \$1,440,784 for the same period in 2006. Higher revenues in 2006 were as a result of income derived from sub-contract services provided to a customer during the second quarter of 2006.

For the three months ended December 31, 2007, the Company generated revenue of \$946 and interest income of \$50,897, compared to \$375 and \$6,078, respectively, for the same period last year. Net loss for the quarter was \$1,664,242, compared to \$551,235 for the same period of 2006. The increase was related primarily to expansion in Canadian operations and in preparation for launching of operations in the United States.

Operating Expenses

Operating expenses for the fiscal year of 2007 were \$5,189,742 compared to \$1,555,975 for 2006. The \$3,633,767 (234%) increase in operating expenses was related to the following:

- Salary and consulting fees increased by \$1,160,281 due to additions of staff and consultants in marketing, product development and IT support. For the three-month period ended December 31, 2007, the Company's Executive Chairman, Chief Executive Officer and Chief Financial Officer received management fees totaling \$90,000. These fees were considered to be executive compensation. During the fourth quarter of 2007, the Company incurred salary and consulting fees of \$354,491 and \$216,076 respectively (2006 - \$97,606 and \$229,307), which represented 21% and 13% of total operating expenses for the quarter (2006 - 18% and 41%).
- Advertising and promotion expenses increased by \$1,485,086 to support advertising campaigns and marketing activities. For the three-month period ended December 31, 2007, the Company incurred \$544,610 in advertising and marketing activities. The Company will further invest in advertising and marketing activities to increase public awareness and usage of the Company's services in Canada and the U.S.
- Stock-based compensation expenses increased by \$160,260 for 2007 compared to 2006 over the same period. During the fiscal year of 2007, the Company issued 4,772,000 stock options and recognized a non-cash stock-based compensation expense, net of cancellations, of \$223,704. In addition, the Company capitalized \$14,005 of stock-based compensation expense as this portion of the expenses related to deferred development activities.
- Administration, occupancy and insurance expenses increased by \$411,294 versus the fiscal year of 2006. For the year ended December 31, 2007, occupancy and office expenses increased \$122,330 and \$130,678, respectively, compared to fiscal year 2006. These increases were related primarily to the establishment of offices in Calgary, Alberta and Thornton, Ontario to meet the growth in personnel, operations and market

development. Due to growth in operations, travel expenses increased \$158,286 to meet increasing business travel needs.

- Professional fees increased by \$236,425 which related primarily to compliance with regulatory requirements as a result of listing on the TSX Venture Exchange.
- Amortization for the fiscal year of 2007 increased by \$180,421, which was in line with the increased investment in tangible and intangible assets. During the three- and twelve-month periods ended December 31, 2007, the company amortized \$148,065 and \$346,605, respectively, (2006 - \$66,180 and \$222,466) in deferred development costs. Increase of amortization of deferred development cost was as a result of commercial release of our development in the U.S.

Deferred development costs

The Company has certain projects that meet the criteria for deferral and amortization of development costs. Development costs are capitalized for clearly defined, technically feasible technologies which management intends on producing and promoting to an identified future market, and resources exist or are expected to be available to complete the project. During the year ended December 31, 2007, the Company deferred \$1,209,480 for costs related to development of new systems for identified future markets. Amortization of development costs commences when commercial use of the product or process begins. The amounts incurred and amortized for deferred development costs are as follows:

Summary of Deferred Development Costs		
Fiscal year	2007	2006
Balance, beginning of year	\$ 1,485,266	\$ 646,729
Additions	1,209,480	1,059,137
Amortization	(341,480)	(220,600)
Balance, end of year	\$ 2,353,266	\$ 1,485,266

Summary of Deferred Development Costs Additions		
Fiscal year	2007	2006
Consulting	\$ 808,634	\$ 1,059,137
Salaries and stock based compensation directly related to development	400,846	-
Total	\$ 1,209,480	\$ 1,059,137

Liquidity and capital resources

As at December 31, 2007, the Company had cash of \$121,790 and short term investments in GICs of \$3,151,175, as compared to \$361,060 and \$2,102,301, respectively, as at December 31, 2006. During the fiscal year of 2007, the Company had cash outflow of \$5,706,037 as compared to \$3,154,679 for the prior year.

To support and manage the Company's service in North America, the management estimates operations and development will be utilizing \$500,000 per month. Based on current cash position, the Company will have sufficient funds for operations and

development until the second quarter of the year. The continuation of the Company's operations is dependent on the Company's ability to obtain additional financing. The Company is currently pursuing financing alternatives with investors. No agreements have as of yet been reached and there can be no assurance that such agreements will be reached, nor that financing efforts will be successful.

Operating Activities

For the year ended December 31, 2007, the Company used \$5,706,037 cash in operating activities, compared to usage of \$3,154,679 for the prior year. The Company will manage its cash outflow through increases in revenue, monitoring of expenditures and redemption of the short term investment.

During the fourth quarter of 2007, the Company used \$1,844,609 on operating activities and redeemed \$2,413,825 in short term investments, compared to \$414,976 and \$2,100,000, respectively, for the same period the prior year. As at December 31, 2007, the Company had \$3,151,175 in GICs earning interest between 3.40% and 4.45% per annum.

Investing Activities

During the fiscal year of 2007, cash used in investing activities was \$1,587,130 as compared to \$1,189,512 in the prior year.

Cash used in investing activities for the three-month period ended December 31, 2007 was \$419,112 compared to \$359,258 for the same period in 2006. During the fourth quarter of 2007, the Company capitalized \$276,101 to the deferred development cost pool. Investments in tangible and intangible assets for the three-month period ended December 31, 2007 were \$105,771 and \$37,240 respectively. Intangible assets consist of costs to obtain patents and trademarks that protect the Company's investment in technologies.

Financing Activities

During the fiscal year of 2007, the Company repurchased 154,029 common shares, in connection to the amalgamation with Z28 Capital Corp., for a total cost of \$55,250, of which \$21,876 was recorded as a reduction in share capital and the remainder, \$33,374, as a charge to the deficit.

On July 24, 2007, the Company completed a short form prospectus financing and issued 14,355,845 common shares at \$0.55 per common share for gross proceeds of \$7,895,715, less issuance costs of \$786,568. The Company also issued 1,435,585 compensation options, with fair value of \$330,185, as calculated by the Black-Scholes option-pricing model. The compensation options are convertible into common shares of the Company on a one-for-one basis and expire on January 24, 2009. As of December 31, 2007, all compensation options remain unexercised.

Activities Subsequent to December 31, 2007

No significant events have occurred subsequent to December 31, 2007.

Outstanding Share Data

As of April 24, 2008, the Company had 59,978,296 issued common shares. In addition, there were 4,835,698 options and 1,435,585 compensation options outstanding with exercise price ranging between \$0.32 and \$0.69 per share.

Critical Accounting Policies and Estimates

Significant accounting policies and estimates are those policies, assumptions and estimates most important in the preparation of the Company's financial statements. Policy selection requires management's subjective and complex judgment from many alternatives and estimates involving matters that are inherently uncertain. Management believes that those policies, assumptions and estimates are reasonable, based on the information available. Those policies, assumptions and estimates affect the reported amounts of assets and liabilities at the date of the financial statements and revenues and expenses during the period represented. There have been no significant changes to the Company's critical accounting policies and estimates since December 31, 2006, except as noted below.

Changes in accounting policies

On January 1, 2007, the Corporation adopted the Canadian Institute of Chartered Accountants ("CICA") Handbook Section 1530 "Comprehensive Income," Section 3251 "Equity," Section 3855 - "Financial Instruments - Recognition and Measurement," Section 3861 "Financial Instruments - Disclosure and Presentation" and Section 3865 "Hedges." As required by the new standards, prior periods have not been restated.

The adoption of these standards has had no material impact on the Corporation's net earnings or cash flows. The other effects of the implementation of the new standards are discussed below.

Comprehensive income

The new standards introduce comprehensive income, which consists of net earnings and other comprehensive income ("OCI"). Upon adoption of Section 1530, the Corporation revised its "Statements of Loss and Comprehensive Loss and Deficit" to include the newly required statement of comprehensive income by creating a combined statement.

The adoption of Section 1530 has been made in accordance with the applicable transitional provisions and no amounts have been reclassified to accumulated other comprehensive income. Currently, the Corporation has no OCI.

Financial instruments

The financial instruments standard establishes the recognition and measurement criteria for financial assets, financial liabilities and derivatives. All financial instruments are required to be measured at fair value on initial recognition of the instrument, except for certain related party transactions. Measurement in subsequent periods depends on whether the financial instrument has been classified as "held-for-trading," "available-for-sale," "held-to-maturity," "loans and receivables" or "other financial liabilities," as defined by the standard.

Financial assets and financial liabilities "held-for-trading" are measured at fair value with changes in those fair values recognized in net earnings. Financial assets "available-for-sale" are measured at fair value, with changes in those fair values recognized in OCI. Financial assets "held-to-maturity," "loans and receivables" and "other financial liabilities" are measured at amortized cost using the effective interest method of amortization. The methods used by the Corporation in determining fair value of financial instruments are unchanged as a result of implementing the new standard.

Accounts receivable is designated as "loans and receivables." Accounts payable are designated as "other liabilities."

The adoption of the financial instruments standard had no impact on opening retained earnings.

Accounting change

As of January 1, 2007, the Corporation adopted revised CICA Section 1506 "Accounting Changes," which provides expanded disclosures for changes in accounting policies, accounting estimates and corrections of errors. Under the new standard, accounting changes should be applied retrospectively unless otherwise permitted or where impracticable to determine. As well, voluntary changes in accounting policy are made only when required by a primary source of GAAP or when the change results in more relevant and reliable information. There is no material impact to the Corporation's financial statement as a result of implementing this new standard.

In addition, the Corporation has assessed new and revised accounting pronouncements that have been issued that are not yet effective and determined that the following may have a significant impact on the Corporation:

As of January 1, 2008, the Corporation will be required to adopt two new CICA standards, Section 3862 "Financial Instruments - Disclosures" and Section 3863 "Financial Instruments - Presentation," which will replace Section 3861 "Financial Instruments - Disclosure and Presentation." The new disclosure standard increases the emphasis on the risks associated with both recognized and unrecognized financial instruments and how those risks are managed. The new presentation standard carries forward the former presentation requirements. The new financial instruments presentation and disclosure requirements were issued in December 2006 and the Corporation is assessing the impact on its financial statements.

New Accounting Pronouncements

As of January 1, 2008, the Company will be required to adopt two new CICA standards, Section 3862 "Financial Instruments - Disclosures" and Section 3863 "Financial Instruments - Presentation," which will replace Section 3861 "Financial Instruments - Disclosure and Presentation." The new disclosure standard increases the emphasis on the risks associated with both recognized and unrecognized financial instruments and how those risks are managed. The new presentation standard carries forward the former presentation requirements. The new financial instruments presentation and disclosure requirements were issued in December 2006 and the Company is assessing the impact on its financial statements.

As of January 1, 2008, the Corporation will be required to adopt the new CICA Section 1535 "Capital Disclosures," which will require companies to disclose their objectives, policies and processes for managing capital. In addition, disclosures are to include whether companies have complied with externally imposed capital requirements. The new capital disclosure requirements were issued in December 2006 and the Corporation is assessing the impact on its financial statements.

The CICA issued the new accounting standard Section 3064 Goodwill and Intangible Assets which will replace Section 3062 Goodwill and Other Intangible Assets. This new standard will be effective for fiscal years beginning on or after October 1, 2008 and the Company will adopt it on January 1, 2009. The Company is in the process of evaluating the requirements of the new standards.

In January 2006, the CICA Accounting Standards Board ("AcSB") adopted a strategic plan for the direction of accounting standards in Canada. As part of that plan, accounting standards in Canada for public companies are expected to converge with International Financial Reporting Standards ("IFRS") by the end of 2011. The Corporation continues to monitor and assess the impact of convergence of Canadian GAAP and IFRS.

The preparation of the Company's financial statements requires estimates and judgments that affect the reported amounts of assets, liabilities, equity, revenues and expenses, and related disclosure of contingencies. Management evaluates the assumptions and estimates, including those related to deferred development costs, intangible assets and stock based compensation. Management bases its estimates on historical experience and on various other assumptions believed to be reasonable under the circumstances. The results of those estimates form the basis for making judgments about the carrying values of assets and liabilities that are not readily apparent from other sources. The actual results might differ materially from these estimates under different assumptions or conditions. Management believes the following critical accounting policies affect the more significant judgments and estimates used in the preparation of the financial statements.

Intangible assets and deferred development costs

Intangible assets are presented at cost less accumulated amortization, computed using straight-line method based on estimated useful lives ranging from ten to twenty years. The Company amortizes intangible assets on a systematic basis to reflect the pattern in which the economic benefits of the asset are consumed, if that basis can be reliably determined. The expected useful life is the period over which the intangible asset contributes directly or indirectly to future cash flows. Management determines the useful lives of intangible assets based on a number of factors, which include legal, regulatory or contractual limitations, known technological advances and the presence of competition. A significant change in these factors may require a revision of the expected remaining useful life of an intangible asset, which could have a material effect on results of operations.

The Company evaluates intangible assets annually for impairment, or more frequently if events or changes in circumstance indicate that the carrying amounts of these assets may not be recoverable. Impairment testing is an assessment of fair value based on potential indicators of impairment, such as obsolescence, market potentials, plans to discontinue use

or restructure, and poor financial performance compared with original plans. Impairment exists when the carrying amount of an asset is not recoverable and its carrying amount exceeds its estimated fair value.

Deferred development costs consist of direct expenditures related to the Company's research and development projects. Expensing of research and development costs takes place in the current period unless they meet generally accepted accounting criteria for deferral and amortization. The Company assesses whether these costs have met the relevant criteria for deferral and amortization at each reporting date. Deferred development costs are subject to the same impairment testing as intangibles assets.

Stock based compensation

The Company has adopted the fair value-based method for recognizing non-cash stock based compensation. The Company uses the Black-Scholes option pricing model to calculate stock option values, which requires certain assumptions related to the expected life of the option, forfeiture rate, volatility, risk-free interest rate and dividend yield. The expected life of an option is based on three years vesting period according to the Company's stock option plan. When estimating volatility, the Company considers historical volatility of common shares of the Company and other enterprises in the same industry. The basis of the risk-free interest rate is the interest rate of three year Government of Canada bond at option grant date. The basis of the dividend yield is the expected annual dividend rate at the time of grant. Changes to any of these estimates or assumptions, or the use of a different option-pricing model could produce a different fair value for stock based compensation expense, which could have a material effect on the results of operations.

Risk and Uncertainty

The Company's business involves a high degree of risk that a combination of experience, knowledge and careful evaluation may not overcome. Due to the Company's limited history of operations and no history of earnings, there can be no assurance that the Company will be successful or be profitable. In addition to the risks described elsewhere in this report, the Company is subject to each of, the cumulative effect of, and all of, the following risk factors:

Competition

The Company operates in an environment with rapidly changing technology. It faces competition from other companies with greater financial resources and larger marketing organizations. All companies in this industry are subject to competition and technological advances which can render existing products or services obsolete or unmarketable.

Dependence on key personnel and products

Although the Company is staffed by experienced senior management and personnel, it is substantially dependent upon the services of a few key senior officers and technical personnel. The loss of the services of any of these staff members could have an adverse material effect on the business of the Company.

Risk of inability to effectively manage future growth and expansion

The Company's growth continues to place significant demands on its management and other resources. Future results of operations will depend, in part, on the ability of its officers and other key employees to implement and expand operations, customer support, and financial control systems. The Company's future performance will also depend to a significant extent on its ability to identify, attract and retain highly skilled sales, technical, marketing and management personnel.

Potential fluctuations in quarterly results

The Company's quarterly operating results may vary significantly depending on factors such as timing of new product introductions, competition, and market acceptance of new and enhanced versions of the Company's products. Since the Company's operating expenses are based on anticipated revenues and certain expenses are relatively fixed in the short term, variations in revenues can cause significant fluctuations in operating results from quarter to quarter. The market price of the Company's common shares may be highly volatile in response to such quarterly fluctuations.

Finite financial resources and the potential need for future financing

The Company may require additional financing to pursue its operations, to make further investments or take advantage of unanticipated opportunities. The ability of the Company to obtain such financing will depend in part upon prevailing capital market conditions. There is no guarantee that the Company will be successful in obtaining additional funding.

Changes in the regulatory environment

From time-to-time governments may review the legislation and regulations applied to the industry. Such review could result in the enactment of new laws and/or the adoption of new regulations in Canada, which might adversely impact businesses in Canada in general and consequently, may threaten our growth prospects. The Company regularly reviews its risk management practices to offset these risk factors to the greatest extent possible.

Outlook

With the launch of the new platform in the fourth quarter of 2007, the Company is positioned to add new customers, data, and users during the course of 2008. The future of local search will be dependent on the ability to integrate many sources of data and our new platform is designed to do this efficiently.

Mr. Tony Bristol joined the company in early December to manage International Business Development. He joins the company from 10 years at Microsoft where he had been Global Monetization Product Manager for the Windows Live Messenger platform.

During the first quarter of 2008, the Company launched the Poynt service on the AOL instant messenger network, and added North American support for movie feeds. Additional services and information will follow in the coming months.

Also during the first quarter of 2008, the Company completed development of their beta BlackBerry application. Work has commenced on further desktop implementations on Vista and Apple products.

Ongoing international work is generating significant progress, and the Company expects to announce additional customers in international markets. Mobile access to the Poynt platform is of particular interest in these international markets.

In the coming months, marketing and public relations programs will be ramping up to support the service launch in the United States. The programs are designed to educate consumers on Poynt's availability and generate interest to induce trial. The Company has a projected target of 250,000 North American users by year end 2008.

Additional Information

Additional information about Multiplied Media Corporation is available from the Company's website at www.multiplied.com.