

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 2008 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, 2008, 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, 2008 is prepared and contains disclosure of material changes occurring up to and including April 30, 2009.

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 that 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, an all-in-one local search tool available for BlackBerry smartphones in Canada and the United States. The 24-hour service connects consumers to local businesses and theaters at the moment they want to buy or acquire products or services. The Company is currently focused on partnering with operators of local directory service providers commonly known as yellow pages publishers and other providers of content within select verticals.

In partnering with yellow page publishers, Multiplied Media provides the development and operation of software applications, which includes the design, software coding, data integration, testing, provisioning and 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 application and may deliver ongoing promotion of the service to consumers.

2008 Highlights

- Added the ability to search for local movies on the Poynt service;
- Announced the signing of the agreement with t-info (the joint venture between Deutsche Telekom Medien GmbH (DeTeMedien) and directory publishers in Germany) to provide local search in Germany;
- Announced an agreement with Kapitol-Infobel to integrate their European directory data into the Poynt platform;
- Announced the ability to purchase movie tickets from within Poynt;
- Launched the beta product of Poynt Local Search for BlackBerry smartphones;
- Announced and completed a non-brokered private placement, raising \$474,000 in June;
- Announced a partnership with Livebookings Network to provide restaurant bookings on Poynt in Europe;
- Arranged a financing of \$300,000 to fund working capital requirements;
- Announced integration of video streaming on Poynt for BlackBerry® Bold, allowing users to view movie trailers prior to ticket purchase;
- Named Andrew Osis as Chief Executive Officer and John Lowe as President;
- Announced Poynt as a Grand Prize Winner in the BlackBerry Developer Challenge;
- Announced financing in the amount of \$130,000 to implement the business plan and fund working capital requirements;
- Announced a mobile distribution agreement with Yellow Pages Group in Canada; and,
- Announced and completed the first closing of a private placement for total gross proceeds of \$205,000.

LIQUIDITY AND CAPITAL RESOURCES			
For the Year Ended December 31			
		<u>2008</u>	<u>2007</u>
Current Assets	\$	116,454	\$ 3,587,905
Current Liabilities	\$	754,060	\$ 638,534
Total Assets	\$	653,779	\$ 6,610,620

FINANCIAL RESULTS AND SHARE INFORMATION			
For the Year Ended December 31			
<u>Financial Results</u>		<u>2008</u>	<u>2007</u>
Sales	\$	69,768	\$ 7,138
Salaries & Consulting	\$	2,140,514	\$ 2,061,577
Total Expenses	\$	7,161,983	\$ 5,189,742
Capital Expenditures	\$	552,283	\$ 1,587,130
Loss per share	\$	(0.11)	\$ (0.10)
<u>Shares Outstanding</u>			
Basic		72,558,296	59,978,296
Diluted		72,558,296	66,777,079

Summary of Quarterly Results				
Quarter ended	Dec 31, 2008	Sep 30, 2008	Jun 30, 2008	Mar 31, 2008
Net Sales	\$ 15,314	40,140	13,660	654
Net loss from operations	\$ (2,596,246)	(1,061,132)	(1,669,879)	(1,702,096)
Loss per share – Basic	\$ (0.04)	(0.02)	(0.03)	(0.03)
Total assets	\$ 653,779	3,001,145	4,028,461	4,918,216
Total liabilities	\$ 754,060	760,923	771,120	585,618

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

Results of Operations

Revenues

Sales and net loss for the year were \$69,768 and \$7,029,353, respectively, compared to \$7,138 and \$5,062,277 for the same period in 2007.

For the three months ended December 31, 2008, the Company generated revenue of \$15,314 and interest income of \$144, compared to \$946 and \$50,897, respectively, for the same period last year. Net loss for the quarter was \$2,596,246, compared to \$1,664,242 for the same period of 2007. The increased loss was due primarily to the write off of the deferred development costs in the fourth quarter. Excluding the write off, the loss for the quarter would have been \$566,798.

Operating Expenses

Operating expenses for the fiscal year of 2008 were \$7,161,983 compared to \$5,189,742 for 2007. The \$1,972,241 (38%) increase in operating expenses was related to the following:

- Salary and consulting fees increased by \$78,937 due to additions of staff and consultants in marketing, product development and IT support. For the three-month period ended December 31, 2008, the Company's Executive Chairman, Chief Executive Officer and President received no management fees. During the fourth quarter of 2008, the Company incurred salary and consulting fees of \$66,095 and \$14,200 respectively (2007 – \$354,491 and \$216,076), which represented 2.5% and 0.5% of total operating expenses for the quarter (2007 – 21% and 13%).
- Advertising and promotion expenses decreased by \$707,665 as the Company cut back on marketing and advertising. For the three-month period ended December 31, 2008, the Company incurred \$172,398 in advertising and marketing activities.

- Stock-based compensation expenses increased by \$148,145 for 2008 compared to 2007 over the same period. During the fiscal year of 2008, the Company issued 2,395,000 stock options and recognized a non-cash stock-based compensation expense of \$371,849.
- Administration, occupancy and insurance expenses increased by \$142,993 versus the fiscal year of 2007. 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.
- Professional fees decreased by \$166,304 due to reduced Corporate activities, which required less external resources.
- During the three- and twelve- month periods ended December 31, 2008, the Company amortized \$nil and \$675,936, respectively, (2007 - \$142,941 and \$346,605) in deferred development costs. During the fourth quarter the Company determined that the deferred Development Costs had been impaired and as a result took a charge against earnings for the full amount that remained at the end of the third quarter.

Deferred development costs

During the fourth quarter the Company completed an evaluation of its Deferred Development Cost pool, and determined that an impairment was required as the Company changed its strategic direction, in favour of its mobile products, instant messenger operations will be shut down at the end of April. The costs associated with the development of the instant messenger operations were the costs that were previously being deferred. As a result the Company did not capitalize any further costs in the fourth quarter, and impaired the balance of \$2,029,448, that remained at the end of the third quarter.

Liquidity and capital resources

As at December 31, 2008, the Company had cash of \$nil and short-term investments in GICs of \$nil, as compared to \$121,790 and \$3,151,175, respectively, as at December 31, 2007. During the fiscal year of 2008, the Company had cash outflow of \$3,420,124 as compared to \$4,657,163 for the prior year.

To support and manage the Company's service in North America, Management estimates that total operating costs should average \$250,000 per quarter. Based upon the current cash position, 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, 2008, the Company used \$3,420,124 cash in operating activities, compared to usage of \$4,657,163 for the prior year. The Company will manage its cash outflow through increases in revenue, monitoring of expenditures and seeking additional financing to support future operations to the extent possible.

During the fourth quarter of 2008, the Company used \$357,521 on operating activities, this was funded by financing and cash on hand. In the same period in the prior year, the Company used \$1,622,889 in operating activities and redeemed \$2,413,825 in short term investments.

Investing Activities

During the fiscal year of 2008, cash provided by/(used) in investing activities was \$2,598,892 as compared to \$(2,636,004) in the prior year.

Cash used in investing activities for the three-month period ended December 31, 2008 was \$53,711 compared to \$1,772,993 for the same period in 2007. During the fourth quarter the Company disposed of \$13,955 of equipment, for a loss on sale of \$122,569. During the same period in 2007, the Company invested \$105,772. Investments in intangible assets for the three-month period ended December 31, 2008 were \$10,243 and \$37,241 respectively. Intangible assets consist of costs to obtain patents and trademarks that protect the Company's investment in technologies.

Financing Activities

On July 2, 2008, the Company completed a non-brokered private placement and issued 9,480,000 common shares at \$0.05 per common share for gross proceeds of \$474,000.

The Company arranged a loan in the amount of \$300,000 on August 20, 2008. The loan, plus interest, was repaid prior to the end of the third quarter. A financing in the amount of \$130,000 was arranged through their Board of Directors on November 6. The Company has agreed to repay the entire amount of the loan, either in cash or through the issuance of common shares of the Company, on or before October 31, 2010. The loan is non-interest bearing and as a result the Company has granted to the Board of Directors an aggregate of 1,300,000 warrants to purchase common shares of the Company as consideration for the loan.

On December 24, 2008, the Company completed the first closing of a non-brokered private placement and issued 4,100,000 common shares at \$0.05 for total gross proceeds of \$205,000. The Company also issued 2,050,000 warrants, exercisable for one common share at a price of \$0.10, with the warrants expiring two years from the date of issuance. As at year end \$50,000 of the \$205,000 remained outstanding and was settled just after year end.

Activities Subsequent to December 31, 2008

Subsequent to December 31, 2008, the Company announced three agreements.

- An agreement with OpenTable to provide real-time dining reservations on Poynt delivers added functionality to users. This functionality is expected to be implemented in the second quarter of 2009.
- Lycos and Multiplied announced an agreement to integrate Poynt local search into Lycos's WhoWhere.com people search product. The addition of Poynt's local search functionality and integrated mapping technology delivers people and business search results that are location-centric, giving users the ability to locate nearby people, businesses, movies and events. The new WhoWhere.com launched on February 24, 2009.
- On April 1, 2009, the Company announced a mobile distribution agreement with Idearc Media to include Superpages.com advertiser content in mobile applications of Poynt local search. This agreement became effective immediately.

Research In Motion invited the Company to participate in their BlackBerry booth at the 2009 Consumer Electronics Show in Las Vegas, where they announced the availability of Poynt for the BlackBerry® Curve™ 8900 and BlackBerry® Pearl™ Flip. On February 12, 2009, the Company announced availability of their application for the BlackBerry® Storm™.

The final close of the previously announced non-brokered private placement occurred on February 18, 2009. A total of 14,064,000 common shares were issued at a price of \$0.05 resulting in total gross proceeds \$703,200 over the two closings.

In an April 1, 2009 news release, the Company announced their mobile user base had reached 107,000. Poynt was included in the newly launched BlackBerry® AppWorld and quickly became one of the Top Apps. Placement as a Featured App accelerated the growth of the mobile user base, and as at April 28, 2009, the user count had reached 242,025.

Outstanding Share Data

As of April 24, 2009, the Company had 83,522,296 issued common shares. In addition, there were 5,477,000 options and 8,332,000 warrants outstanding with exercise prices ranging between \$0.10 and \$0.56 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

The Company has assessed new and revised accounting pronouncements that have been issued and determined that the following may have a significant impact on the Company.

Accounting Changes

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.

As of January 1, 2008, the Company 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.

Future changes in accounting policies

Effective for interim and annual financial statements for fiscal years beginning on or after October 1, 2008, the new CICA Handbook Section 3064 will replace Section 3062 "Goodwill and Other Intangible Assets" and Section 3450 "Research and Development Costs." This section establishes standards for the recognition, measurement, presentation, and disclosure of goodwill and intangible assets including internally generated intangible assets. This new section is effective for the Company beginning January 1, 2009. The Company is currently assessing the impact of adoption of this new accounting policy.

In January 2009, the CICA issued Emerging Issues Committee Abstract of Issue Discussed 173 Credit Risk and the Fair Value of Financial Assets and Financial Liabilities ("EIC-173") applicable to the Company's 2009 fiscal year. EIC-173 recommends that a company take into account its own credit risk and the credit risk of the counterparty in determining

the fair value of financial assets and financial liabilities. The Company is currently assessing the effect on its financial results.

In October 2008, the CICA issued Section 1582 Business Combinations ("Section 1582") concurrently with Section 1601 Consolidated Financial Statements ("Section 1601"), and Section 1602 Non-controlling Interests ("Section 1602"). Section 1582, which replaces Section 1581 Business Combinations, establishes standards for the measurement of a business combination and the recognition and measurement of assets acquired and liabilities assumed. Section 1601, which replaces Section 1600, carries forward the existing Canadian guidance on aspects of the preparation of consolidated financial statements subsequent to acquisition other than noncontrolling interests. Section 1602 establishes guidance for the treatment of non-controlling interests subsequent to acquisition through a business combination. These new standards are effective for the Company's interim and annual consolidated financial statements commencing on January 1, 2011 with earlier adoption permitted as of the beginning of a fiscal year. The Company is assessing the impact of the new standards on its consolidated financial statements.

The Canadian Accounting Standards Board (AcSB) has confirmed that the use of International Financial Reporting Standards ("IFRS") will be required in 2011 for publicly accountable profit-oriented enterprises. IFRS will replace Canada's current GAAP for those enterprises. These include listed companies and other profit-oriented enterprises that are responsible to large or diverse groups of stakeholders. The official changeover date is for interim and annual financial statements relating to fiscal years beginning on or after January 1, 2011. Companies will be required to provide comparative IFRS information for the previous fiscal year. The Company is currently evaluating the impact of adopting 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.

As at December 31, 2008, the Company identified a material weakness in its internal control over financial reporting because it did not maintain effective controls over the year end financial close accounting process. Specifically, the Company did not have personnel to enable it to properly consider and apply generally accepted accounting principles for loss on equipment as well as the review and preparation of the accuracy and completeness of the components of the income tax disclosures. The Company is working to add staff to rectify the shortfall in capability.

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:

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.

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 that 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.

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

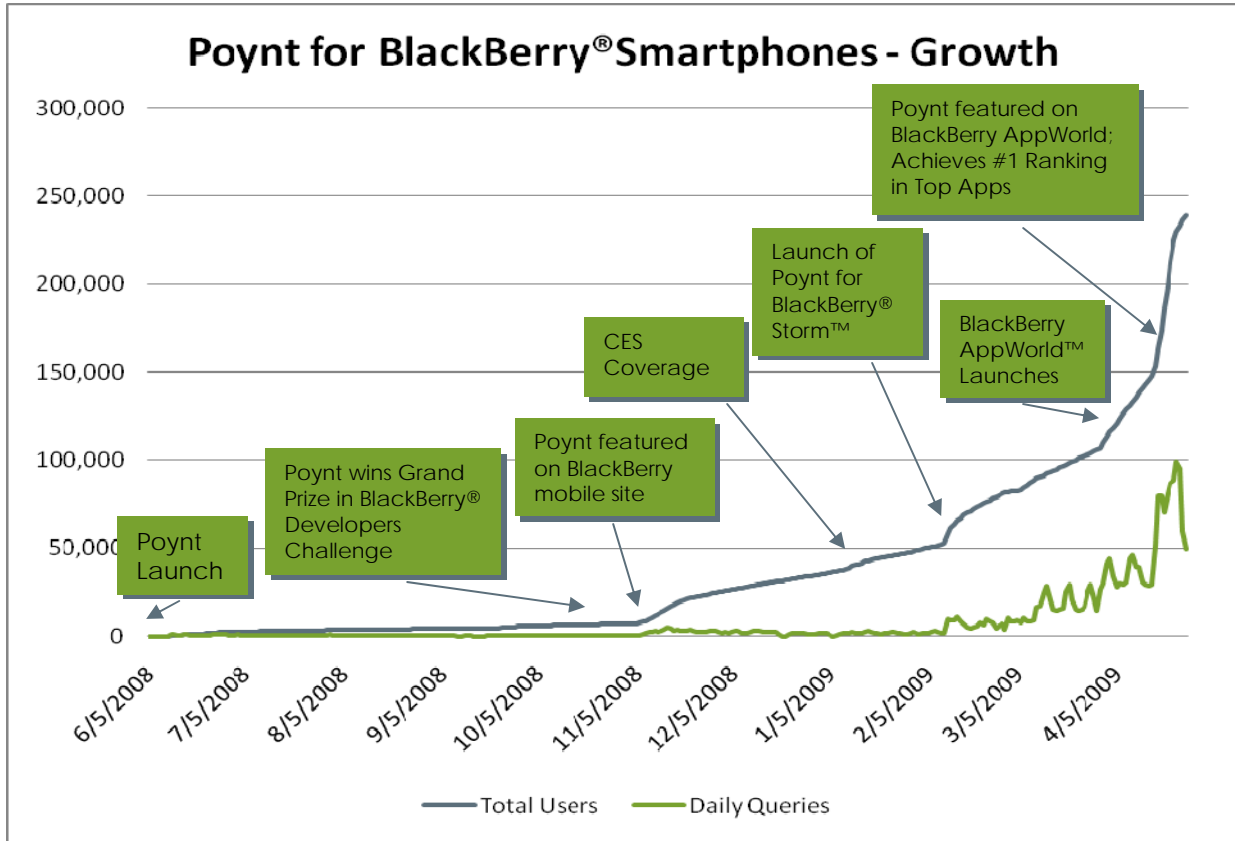
The increased exposure of Poynt through media coverage and partner marketing programs has resulted in exponential growth of the mobile user base for Poynt. User response to the application has been very positive. Placement as a Featured Application in BlackBerry® AppWorld also contributed to user growth.

Deployment and initial testing of the Poynt application for the German market is scheduled to take place at the beginning of May 2009. The initial release will include business and movie look up with full German language support.

Development continues on Poynt for the North American market. A restaurant category is in development, following an agreement with OpenTable to deliver real-time dining reservations, with deployment expected in the second quarter. This has been a popular feature request by current users and is expected to strengthen loyalty to the Poynt application. Implementation of additional features is expected throughout 2009.

The agreement with Lycos to integrate Poynt local search into the Lycos WhoWhere.com people search engine, and subsequent deployment, demonstrates the flexibility and extensibility of the application.

In an April 1, 2009 news release, the Company announced their mobile user base had reached 107,000. Poynt was included in the newly launched BlackBerry® AppWorld and quickly became one of the Top Apps. Placement as a Featured App in mid-April accelerated growth of the mobile user base, and as at April 28, 2009, the user count had reached well over 242,025.



Additional Information

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