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US BANCORP \DE\
Form 13F-HR
August 16, 2001

SECURITIES AND EXCHANGE COMMISSION
Washington, DC 20549

FORM 13F COVER PAGE

Report for the Calendar Year or Quarter Ended 03/31/2001

Check here if Amendment: []

This Amendment (check only one): [] is a restatement.
[] adds new holdings entries.

Institutional Investment Manager filing this Report:

Name: U.S. Bancorp
Address: 601 Second Avenue South
Minneapolis, MN 55402-4302

Form 13F File Number: 028-00551

The institutional investment manager filing this report and the person by whom it is signed hereby represent that the person signing the report is authorized to submit it, that all information contained herein is true, correct and complete, and that it is understood that all required items, statements, schedules, lists, and tables, are considered integral parts of this form.

Person signing this Report on behalf of Reporting Manager:

Name: Jennie P. Carlson
Title: Executive Vice President
Phone: 414-765-5717

Signature, Place, and Date of Signing:

/s/ Jennie P. Carlson
Jennie P. Carlson, Milwaukee, Wisconsin May 14, 2001

Report Type (Check only one):

- [X] 13F HOLDINGS REPORT. (Check here if all holdings of this reporting manager are reported in this report.)
- [] 13F NOTICE. (Check here if no holdings reported are in this report, and all holdings are reported by other reporting manager(s)).
- [] 13F COMBINATION REPORT. (Check here if a portion of the holdings for this reporting manager are reported in this report and a portion are reported by other reporting manager(s)).

FORM 13F SUMMARY PAGE

Report Summary:

Number of Other Included Managers: 7

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Form 13F Information Table Entry Total: 12,380

Form 13F Information Table Value Total: \$41,104,481

List of Other Included Managers:

Provide a numbered list of the name(s) and Form 13F file number(s) of all institutional investment managers with respect to which this report is filed, other than the manager filing this report.

[If there are no entries in this list, state "NONE" and omit the column headings and list entries.]

No.	Form 13F file number	Name
001	028-02267	U.S. Bank National Association, Minneapolis, MN
002	028-02365	Firststar Bank, National Association
003	028-05845	U.S. Bancorp Venture Capital Corporation, Minneapolis, MN
004	028-05121	Firststar Investment Research & Management Co., LLC
006	028-07088	U.S. Bank Trust National Association MT, Billings, MT
007	028-07094	U.S. Bank Trust National Association, St. Paul, MN
011	028-07304	U.S. Bancorp Piper Jaffray Inc., Minneapolis, MN

SECURITIES AND EXCHANGE COMMISSION

FORM 13F
NAME OF REPORTING MANAGER: US BANCORP

ITEM 1: NAME OF ISSUER	ITEM 2: TITLE OF CLASS	ITEM 3: CUSIP NUMBER	ITEM 4: FAIR MARKET VALUE (X1000)	ITEM 5: SHARES OF PRINCIPAL AMOUNT	ITEM 6: INVESTMENT DISCRETION				ITEM 7: MANAGEMENT INSTITUTION
					(A) SOL	(B) SHR	(C) OTH	(D) INST	
AAR CORP	COM	000361105	6 73 ----- 79	450 5,731 ----- 6,181	X	X		0	
A D C TELECOMMUNICATIONS	COM	000886101	2,683 3,078 770 151 734 317 4,529 3,007 ----- 15,269	315,627 362,124 90,590 17,765 86,402 37,339 532,817 353,794 ----- 1,796,458	X	X	X	0	
ACTV INC	COM	00088E104	12	3,000	X	X		0	

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			3	650	X	X	0
			-----	-----			
			15	3,650			
ACM GOVT INCOME FD INC	COM	000912105	8	991	X		0
			255	32,461	X	X	0
			136	17,334	X		0
			340	43,257	X	X	0
			-----	-----			
			739	94,043			
ACM GOVT OPPORTUNITY FD INC	COM	000918102	3	423	X		0
			-----	-----			
			3	423			
ACM MANAGED INCOME FD INC	COM	000919100	16	3,000	X		0
			70	13,000	X	X	0
			2	300	X	X	0
			-----	-----			
			88	16,300			
ABN AMRO HLDG NV	SPONSORED AD	000937102	3	155	X		0
			9	513	X	X	0
			75	4,088	X	X	0
			-----	-----			
			87	4,756			
A C M MUNICIPAL SECURITIES INC	OTHER	000942102	24	1,861	X		0
			-----	-----			
			24	1,861			
A C M MANAGED DLR INCOME FD	OTHER	000949107	39	5,065	X		0
			-----	-----			
			39	5,065			
ABM INDS INC	COM	000957100	119	3,800	X		0
			155	4,947	X		0
			-----	-----			
			274	8,747			
ACT MFG INC	COMMON STOCK	000973107	13	1,200	X		0
			-----	-----			
			13	1,200			
A F C ENTERPRISES INC	COMMON STOCK	00104Q107	2,454	127,500	X		0
			-----	-----			
			2,454	127,500			
AFLAC INC	COM	001055102	2,681	97,338	X		0
			1,490	54,100	X	X	0
			8,392	304,727	X		0
			5,196	188,674	X	X	0
			19,078	692,736	X		0
			198	7,200	X	X	0
			20	724	X		0
			948	34,434	X		0
			-----	-----			
			38,003	1,379,933			
AGCO CORP	COMMON STOCK	001084102	122	12,750	X		0
			-----	-----			
			122	12,750			

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AGL RES INC	COM	001204106	13	588	X	X	0
			212	9,680	X		0
			31	1,400	X	X	0
			6,416	292,850	X		0
			112	5,100	X	X	0
			-----	-----			
			6,784	309,618			
AES CORP	COM	00130H105	22,427	448,902	X		0
			680	13,607	X	X	0
			5,461	109,307	X		0
			7,877	157,666	X	X	0
			6,289	125,888	X		0
			12	250	X	X	0
			748	14,974	X		0
			218	4,355	X	X	0
			6,257	125,236	X		0
						-----	-----
			49,969	1,000,185			
AES CORP	JR SBDB CV4.	00130HAN5	5,194	30,000	X		0
						-----	-----
			5,194	30,000			
A K STL HLDG CORP	COMMON STOCK	001547108	45	4,500	X		0
			70	6,932	X	X	0
			2,817	280,300	X		0
			-----	-----			
			2,932	291,732			
AMB PROPERTY CORP	COM	00163T109	1,518	61,700	X		0
			706	28,700	X		0
			5	200	X	X	0
			12,662	514,725	X		0
			10	400	X	X	0
			-----	-----			
			14,901	605,725			
AMLI RESIDENTIAL PPTYS	COMMON STOCK	001735109	9	422	X	X	0
						-----	-----
			9	422			
AMR CORP	COM	001765106	1,218	34,672	X		0
			18	500	X		0
			56	1,587	X	X	0
			621	17,689	X		0
			7	201	X		0
			75	2,135	X		0
			-----	-----			
			1,995	56,784			
A N C RENTAL CORPORATION	COMMON STOCK	001813104	0	87	X	X	0
						-----	-----
			0	87			
AOL TIME WARNER INC	COM	00184A105	114,848	2,860,480	X		0
			16,818	418,884	X	X	0
			18,626	463,904	X		0
			33,317	829,801	X	X	0
			67,520	1,681,682	X		0
			271	6,739	X	X	0

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			927	23,077	X		0
			17	424	X	X	0
			7,756	193,184	X		0
			7,331	182,584	X	X	0
			4,145	103,227	X		0
			-----	-----			
			271,576	6,763,986			
APAC TELESERVICES INC	COMMON STOCK	00185E106	16	3,000	X		0
			4	800	X	X	0
			-----	-----			
			20	3,800			
AT&T CORP	COM	001957109	22,556	1,058,983	X		0
			8,443	396,396	X	X	0
			18,105	849,998	X		0
			17,200	807,495	X	X	0
			16,951	795,821	X		0
			817	38,366	X	X	0
			576	27,031	X		0
			63	2,979	X	X	0
			2,421	113,654	X		0
			6,755	317,147	X	X	0
			822	38,588	X		0
			-----	-----			
			94,709	4,446,458			
AT&T CORP	COM LIB GRP	001957208	755	53,962	X		0
			2,267	161,900	X	X	0
			23	1,672	X		0
			52	3,734	X	X	0
			4	300	X		0
			2	148	X		0
			65	4,672	X		0
			687	49,088	X	X	0
			280	20,028	X		0
			-----	-----			
			4,135	295,504			
AT&T CORP	COM LIB GRP	001957307	13	896	X	X	0
			-----	-----			
			13	896			
AT&T CORP	COM WIRLES G	001957406	270	14,055	X		0
			90	4,700	X	X	0
			54	2,800	X		0
			31	1,600	X	X	0
			194	10,100	X		0
			133	6,930	X		0
			35	1,800	X	X	0
			139	7,240	X		0
			-----	-----			
			946	49,225			
A S V INC	COM	001963107	48	3,990	X		0
			132	11,003	X		0
			-----	-----			
			180	14,993			
ASA LTD	COM	002050102	66	4,000	X		0
			-----	-----			
			66	4,000			

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ASB FINANCIAL CORP	COMMON STOCK	00205P107	9	1,000	X		0
			-----	-----			
			9	1,000			
A T M I INC	COMMON STOCK	00207R101	19	1,000	X		0
			121	6,520	X		0
			-----	-----			
			140	7,520			
ATS MED INC	COM	002083103	4,113	427,275	X		0
			31	3,200	X	X	0
			204	21,200	X		0
			529	55,000	X	X	0
			54	5,620	X		0
			-----	-----			
			4,931	512,295			
AVI BIOPHARMA INC	COM	002346104	9	2,200	X		0
			0	75	X		0
			-----	-----			
			9	2,275			
AVT CORP	COM	002420107	28	10,000	X		0
			28	10,000	X	X	0
			19	6,600	X		0
			-----	-----			
			75	26,600			
AXT INC	COM	00246W103	254	16,900	X		0
			2,641	176,072	X		0
			7	475	X	X	0
			8	500	X		0
			-----	-----			
			2,910	193,947			
AARON RENTS INC	COMMON STOCK	002535201	70	4,342	X		0
			-----	-----			
			70	4,342			
AAMES FINL CORP	COM NEW	00253A309	2	1,600	X		0
			0	180	X	X	0
			-----	-----			
			2	1,780			
ABBOTT LABS	COM	002824100	34,672	734,722	X		0
			49,192	1,042,430	X	X	0
			89,304	1,892,445	X		0
			100,960	2,139,428	X	X	0
			24,076	510,188	X		0
			160	3,400	X	X	0
			388	8,221	X		0
			93	1,970	X	X	0
			20,888	442,645	X		0
			32,866	696,458	X	X	0
			3,283	69,564	X		0
			-----	-----			
			355,882	7,541,471			
ABERCROMBIE & FITCH CO	CL A	002896207	1,655	50,604	X		0
			4	125	X		0
			36	1,100	X	X	0

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			15,353	469,525	X		0
			23	700	X	X	0
			124	3,800	X		0
			688	21,026	X	X	0
			-----	-----			
			17,883	546,880			
ABBEY NATL PLC	SPON ADR A P	002920205	15	600	X		0
			-----	-----			
			15	600			
ABGENIX INC	COM	00339B107	38	1,616	X	X	0
			521	22,000	X		0
			4	150	X	X	0
			9	400	X	X	0
			-----	-----			
			572	24,166			
ABIOMED INC	COM	003654100	5	300	X		0
			55	3,500	X		0
			13	800	X	X	0
			-----	-----			
			73	4,600			
ABRAXAS PETE CORP	COMMON STOCK	003830106	17	3,350	X	X	0
			-----	-----			
			17	3,350			
ABITIBI CONSOLIDATED INC	OTHER	003924107	4	500	X		0
			-----	-----			
			4	500			
ACCLAIM ENTMT INC	COMMON STOCK	004325205	0	10	X		0
			1	750	X	X	0
			-----	-----			
			1	760			
ACCREDO HEALTH INC	COM	00437V104	7,049	215,650	X		0
			174	5,321	X		0
			165	5,050	X		0
			-----	-----			
			7,388	226,021			
ACETO CORP	COMMON STOCK	004446100	104	11,707	X	X	0
			-----	-----			
			104	11,707			
ACKERLEY GROUP INC	COM	004527107	1	100	X		0
			114	9,500	X	X	0
			-----	-----			
			115	9,600			
ACLARA BIOSCIENCES INC	COM	00461P106	2	300	X		0
			-----	-----			
			2	300			
ACTIVISION INC	COMMON STOCK	004930202	0	1	X		0
			8,783	361,250	X		0
			26	1,050	X	X	0
			-----	-----			
			8,809	362,301			

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ACTION PERFORMANCE COS INC	COMMON STOCK	004933107	6 37	500 3,247	X X	X X	0 0
			-----	-----			
			43	3,747			
ACTEL CORP	COM	004934105	6,258 45 43 110 157	306,200 2,200 2,100 5,373 7,700	X X X X X	X X	0 0 0 0 0
			-----	-----			
			6,613	323,573			
ACRES GAMING INC	COM	004936100	6 6	1,000 1,000	X X		0 0
			-----	-----			
			12	2,000			
ACTERNA CORP	COMMON STOCK	00503U105	15	2,500	X		0
			-----	-----			
			15	2,500			
ACTIVE POWER INC	COM	00504W100	3,286 91 6	161,800 4,500 300	X X X		0 0 0
			-----	-----			
			3,383	166,600			
ACTRADE FINANCIAL TECHNOLOGIES	COMMON STOCK	00507P102	92 8	4,000 370	X X	X X	0 0
			-----	-----			
			100	4,370			
ACTUANT CORP	CL A NEW	00508X203	1 1,778 10 1	75 109,420 600 80	X X X X	X X	0 0 0 0
			-----	-----			
			1,790	110,175			
ACXIOM CORP	COM	005125109	1,822 15 144 58 36,205 694 35 6	87,300 700 6,900 2,765 1,734,370 33,225 1,700 300	X X X X X X X X	X X X X	0 0 0 0 0 0 0 0
			-----	-----			
			38,979	1,867,260			
ADAMS EXPRESS CO	COM	006212104	212 167 185 515 74	12,124 9,560 10,541 29,379 4,239	X X X X X	X X X	0 0 0 0 0
			-----	-----			
			1,153	65,843			
ADAPTIVE BROADBAND CORP	COMMON STOCK	00650M104	0 3 1	100 2,258 500	X X X	X X	0 0 0

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			4	2,858			
ADAPTEC INC	COM	00651F108	124	14,308	X		0
			380	43,825	X		0
			100	11,555	X	X	0
			228	26,341	X		0
			1	138	X		0
			833	96,167			
ADAPTEC INC CV	4.750% 2 OTHER	00651FAC2	49	60,000	X		0
			49	60,000			
ADELPHIA BUSINESS SOLUTIONS	CL A	006847107	4	800	X	X	0
			4	800			
ADELPHIA COMMUNICATIONS CORP C COMMON STOCK		006848105	51	1,268	X		0
			13	310	X		0
			36	900	X	X	0
			100	2,478			
ADEPT TECHNOLOGY INC	COM	006854103	1,795	128,220	X		0
			1,247	89,075	X		0
			4	250	X	X	0
			28	2,000	X		0
			3,074	219,545			
ADMINISTAFF INC	COMMON STOCK	007094105	4	200	X	X	0
			107	5,886	X		0
			111	6,086			
ADOBE SYS INC	COM	00724F101	1,341	38,335	X		0
			14	400	X	X	0
			725	20,737	X		0
			301	8,620	X	X	0
			12,781	365,491	X		0
			3	100	X	X	0
			11	328	X		0
			39	1,122	X		0
			15,215	435,133			
ADTRAN INC	COMMON STOCK	00738A106	204	8,300	X		0
			373	15,175	X		0
			577	23,475			
ADVANCED DIGITAL INFORMATION	COM	007525108	12	700	X		0
			9	500	X		0
			35	2,000	X		0
			56	3,200			
ADVANCED LTG TECHNOLOGIES INC	COMMON STOCK	00753C102	3	618	X		0
			3	618			

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ADVANCED MARKETING SVCS INC	COMMON STOCK	00753T105	105 9	4,500 400	X X	X	0 0
			-----	-----			
			114	4,900			
ADVANCED FIBRE COMMUNICATIONS	COM	00754A105	20 277 8	1,400 19,362 533	X X X		0 0 0
			-----	-----			
			305	21,295			
ADVANCED POLYMER SYS INC	COM	00754G102	0	58	X		0
			-----	-----			
			0	58			
ADVANCED TISSUE SCIENCES INC C	COMMON STOCK	00755F103	12 51 2	3,000 12,868 400	X X X		0 0 0
			-----	-----			
			65	16,268			
ADVANTAGE LEARNING SYS INC	COMMON STOCK	00757K100	58 6	2,000 200	X X	X	0 0
			-----	-----			
			64	2,200			
ADVO INC	COMMON STOCK	007585102	3,039	82,368	X		0
			-----	-----			
			3,039	82,368			
AEGIS RLTY INC	COM	00760P104	11	1,000	X		0
			-----	-----			
			11	1,000			
ADVANCED POWER TECHNOLOGY INC	COMMON STOCK	00761E108	2,416 9	217,200 800	X X	X	0 0
			-----	-----			
			2,425	218,000			
AEROFLEX INC	COM	007768104	3,637 3 7,067 16 80	352,700 250 685,240 1,525 7,800	X X X X X	X	0 0 0 0 0
			-----	-----			
			10,803	1,047,515			
ADVANCED MICRO DEVICES INC	COM	007903107	26,888 151 124 202 802 186 1,004 27 43	1,013,097 5,700 4,690 7,600 30,206 7,000 37,840 1,000 1,620	X X X X X X X X X	X	0 0 0 0 0 0 0 0 0
			-----	-----			
			29,427	1,108,753			
ADVANCEPCS	COM	00790K109	7,190 339	132,500 6,244	X X		0 0

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			174	3,200	X		0
			18	338	X		0
			-----	-----			
			7,721	142,282			
AEGON N V	ORD AMER REG	007924103	1,085	37,104	X		0
			1,791	61,243	X	X	0
			1,949	66,661	X		0
			4,086	139,726	X	X	0
			26	884	X		0
			17	574	X		0
			86	2,942	X		0
			109	3,719	X	X	0
			10	356	X		0
			-----	-----			
			9,159	313,209			
ADVANCED ENERGY INDS INC	COMMON STOCK	007973100	230	8,892	X		0
			-----	-----			
			230	8,892			
ADVENT SOFTWARE INC	COMMON STOCK	007974108	55	1,244	X	X	0
			-----	-----			
			55	1,244			
AEROVOX INC	COM	00808M105	1	500	X		0
			-----	-----			
			1	500			
AETHER SYS INC	SUB NT CV	00808VAA3	73,647	1,503,000	X		0
			-----	-----			
			73,647	1,503,000			
AETRIUM INC	COM	00817R103	268	140,748	X	X	0
			2	1,000	X		0
			-----	-----			
			270	141,748			
AETNA INC NEW	COM	00817Y108	1,177	32,759	X		0
			647	18,001	X	X	0
			162	4,515	X		0
			176	4,899	X	X	0
			640	17,818	X		0
			7	203	X		0
			32	900	X	X	0
			723	20,125	X		0
			-----	-----			
			3,564	99,220			
AFFILIATED COMPUTER SERVICES	CL A	008190100	4,446	68,500	X		0
			11	170	X		0
			37,381	575,975	X		0
			263	4,050	X	X	0
			-----	-----			
			42,101	648,695			
AFFILIATED MANAGERS GROUP	COM	008252108	5,527	117,600	X		0
			14	300	X	X	0
			141	3,000	X		0
			12	250	X		0
			-----	-----			
			5,694	121,150			

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AFFYMETRIX INC	COM	00826T108	11	400	X		0
			8	280	X		0
			-----	-----			
			19	680			
AFFYMETRIX INC	4.750% 2 OTHER	00826TAD0	30	50,000	X		0
			-----	-----			
			30	50,000			
AGILENT TECHNOLOGIES INC	COM	00846U101	3,754	122,154	X		0
			2,068	67,291	X	X	0
			3,524	114,689	X		0
			3,332	108,438	X	X	0
			1,538	50,037	X		0
			9	305	X	X	0
			29	942	X		0
			806	26,225	X		0
			2,589	84,251	X	X	0
			355	11,565	X		0
			-----	-----			
			18,004	585,897			
AGILE SOFTWARE CORP DEL	COM	00846X105	3,521	319,600	X		0
			26	2,400	X		0
			7	595	X		0
			-----	-----			
			3,554	322,595			
AGNICO EAGLE MINES LTD	OTHER	008474108	6	1,000	X		0
			-----	-----			
			6	1,000			
AGREE RLTY CORP	COMMON STOCK	008492100	21	1,200	X	X	0
			7	400	X		0
			-----	-----			
			28	1,600			
AGRIBRANDS INTL INC	COM	00849R105	3	60	X		0
			11	203	X	X	0
			546	10,122	X		0
			668	12,367	X	X	0
			115	2,126	X		0
			-----	-----			
			1,343	24,878			
AGRIUM INC	OTHER	008916108	6	500	X	X	0
			-----	-----			
			6	500			
AIR METHODS CORP	COM PAR \$.06	009128307	140	43,001	X	X	0
			-----	-----			
			140	43,001			
AIR PRODS & CHEMS INC	COM	009158106	7,926	206,406	X		0
			501	13,052	X	X	0
			747	19,466	X		0
			2,691	70,076	X	X	0
			925	24,095	X		0
			89	2,312	X		0
			12	300	X	X	0
			-----	-----			

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			12,891	335,707			
AIRBORNE INC	COMMON STOCK	009269101	5	500	X		0
			3	300	X	X	0
			106	10,400	X		0
			17	1,670	X		0
			-----	-----			
			131	12,870			
AIRGAS INC	COMMON STOCK	009363102	125	15,800	X		0
			-----	-----			
			125	15,800			
AIRGATE PCS INC	COMMON STOCK	009367103	11,703	311,050	X		0
			13	350	X	X	0
			-----	-----			
			11,716	311,400			
AIRTRAN HLDGS INC	COM	00949P108	4	450	X		0
			71	9,000	X	X	0
			3,102	395,600	X		0
			10	1,300	X		0
			-----	-----			
			3,187	406,350			
AIRSPAN NETWORKS INC	OTHER	00950H102	788	350,025	X		0
			3	1,475	X	X	0
			2	953	X		0
			-----	-----			
			793	352,453			
AKAMAI TECHNOLOGIES INC	COMMON STOCK	00971T101	2	200	X	X	0
			-----	-----			
			2	200			
AKORN INC	COMMON STOCK	009728106	1	300	X	X	0
			-----	-----			
			1	300			
AKSYS LTD	COM	010196103	8	1,635	X		0
			-----	-----			
			8	1,635			
ALABAMA NATL BANCORPORATION DE	COMMON STOCK	010317105	39	1,300	X		0
			-----	-----			
			39	1,300			
ALAMOSA HOLDINGS INC	COMMON STOCK	011589108	4	400	X		0
			18	1,740	X		0
			-----	-----			
			22	2,140			
ALASKA AIR GROUP INC	COM	011659109	5	200	X		0
			194	7,545	X	X	0
			8	300	X	X	0
			146	5,700	X		0
			243	9,450	X		0
			-----	-----			
			596	23,195			
ALBANY INTL CORP	CL A	012348108	12	630	X	X	0
			179	9,736	X		0

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				191	10,366			
ALBANY MOLECULAR RESH INC	COM	012423109	5,761	164,600	X			0
			7	200	X	X		0
			1,799	51,400	X			0
			137	3,900	X			0
			7,704	220,100				
ALBEMARLE CORP	COM	012653101	40	1,800	X			0
			11	500	X			0
			220	9,800	X			0
			271	12,100				
ALBERTA ENERGY LTD	COM	012873105	2	46	X	X		0
			9	200	X			0
			11	246				
ALBERTO CULVER CO	CL B CONV	013068101	330	8,327	X			0
			219	5,534	X			0
			1	37	X			0
			550	13,898				
ALBERTO CULVER CO	CL A	013068200	68	2,038	X			0
			68	2,038				
ALBERTSONS INC	COM	013104104	43,731	1,374,328	X			0
			9,097	285,891	X	X		0
			678	21,301	X			0
			350	11,001	X	X		0
			1,487	46,740	X			0
			313	9,824	X			0
			1,652	51,925	X			0
			665	20,908	X	X		0
			979	30,774	X			0
			58,952	1,852,692				
ALCAN INC	COM	013716105	1,757	48,804	X			0
			25	700	X	X		0
			70	1,942	X			0
			241	6,685	X	X		0
			864	23,987	X			0
			16	441	X			0
			2,973	82,559				
ALCOA INC	COM	013817101	60,865	1,693,039	X			0
			4,125	114,755	X	X		0
			19,172	533,290	X			0
			7,520	209,182	X	X		0
			18,666	519,226	X			0
			18	500	X	X		0
			1,026	28,527	X			0
			4	120	X	X		0
			2,668	74,218	X			0
			363	10,087	X	X		0

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			328	9,132	X		0
			-----	-----			
			114,755	3,192,076			
ALCATEL	SPONSORED AD	013904305	502	17,443	X		0
			378	13,148	X		0
			411	14,307	X	X	0
			1,993	69,310	X		0
			16	549	X	X	0
			9	301	X		0
			-----	-----			
			3,309	115,058			
ALEXANDER & BALDWIN INC	COM	014482103	4	200	X		0
			9	400	X	X	0
			14	650	X	X	0
			184	8,600	X		0
			-----	-----			
			211	9,850			
ALEXANDRIA REAL ESTATE EQUITIE COMMON STOCK		015271109	1,100	29,150	X		0
			6	150	X	X	0
			-----	-----			
			1,106	29,300			
ALEXION PHARMACEUTICALS INC	COMMON STOCK	015351109	59	2,600	X		0
			12	519	X		0
			-----	-----			
			71	3,119			
ALIGN TECHNOLOGY INC	COM	016255101	7	1,000	X	X	0
			-----	-----			
			7	1,000			
ALKERMES INC	COMMON STOCK	01642T108	9	400	X	X	0
			0	5	X		0
			-----	-----			
			9	405			
ALLEGHANY CORP DEL	COM	017175100	164	820	X		0
			5	25	X	X	0
			94	470	X		0
			-----	-----			
			263	1,315			
ALLEGHENY ENERGY INC	COM	017361106	1,002	21,667	X		0
			305	6,600	X	X	0
			937	20,264	X		0
			715	15,447	X	X	0
			509	10,994	X		0
			6	130	X		0
			130	2,800	X	X	0
			-----	-----			
			3,604	77,902			
ALLEGHENY TECHNOLOGIES INC	COM	01741R102	209	12,026	X		0
			2	100	X	X	0
			148	8,479	X		0
			38	2,209	X	X	0
			277	15,909	X		0
			2	128	X		0
			-----	-----			

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			676	38,851			
ALLEGIANT BANCORP INC COM	COMMON STOCK	017476102	7	637	X	X	0
			-----	-----			
			7	637			
ALLEGIANCE TELECOM INC	COM	01747T102	6,136	416,030	X		0
			18	1,200	X		0
			-----	-----			
			6,154	417,230			
ALLEN TELECOM INC	COMMON STOCK	018091108	2	176	X		0
			77	5,967	X		0
			25	1,900	X		0
			-----	-----			
			104	8,043			
ALLERGAN INC	COM	018490102	8,556	115,384	X		0
			135	1,815	X	X	0
			2,665	35,942	X		0
			2,916	39,320	X	X	0
			1,126	15,182	X		0
			13	171	X		0
			-----	-----			
			15,411	207,814			
ALLERGAN SPECIALTY THERAP	CL A	018494104	0	15	X	X	0
			2	82	X	X	0
			1	53	X		0
			-----	-----			
			3	150			
ALLETE	COM	018522102	2,243	86,865	X		0
			1,768	68,482	X	X	0
			617	23,897	X		0
			437	16,910	X	X	0
			434	16,800	X		0
			83	3,200	X		0
			182	7,034	X		0
			750	29,036	X	X	0
			26	1,000	X		0
			-----	-----			
			6,540	253,224			
ALLIANCE BANCORP	COMMON STOCK	01852J105	20	790	X		0
			-----	-----			
			20	790			
ALLIANCE ALL MARKET ADVANTAGE	COM	01852M108	11	400	X	X	0
			6	225	X		0
			6	200	X		0
			-----	-----			
			23	825			
ALLIANCE CAP MGMT HLDG L P	UNIT LTD PAR	01855A101	37	900	X		0
			437	10,616	X	X	0
			507	12,300	X		0
			452	10,975	X	X	0
			8,339	202,400	X		0
			8	200	X	X	0
			412	10,000	X	X	0
			111	2,700	X		0

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			-----	-----		
			10,303	250,091		
ALLIANCE PHARMACEUTICAL CORP	COMMON STOCK	018773101	33	10,164	X	0
			-----	-----		
			33	10,164		
ALLIANCE SEMICONDUCTOR CORP	COMMON STOCK	01877H100	103	8,900	X	0
			-----	-----		
			103	8,900		
ALLIANCE WORLD DOLLAR GOVERNME	OTHER	018796102	15	1,333	X	0
			-----	-----		
			15	1,333		
ALLIANCE WORLD DLR GV FD II	COM	01879R106	14	1,500	X	0
			23	2,475	X	0
			6	710	X	0
			70	7,647	X	0
			-----	-----		
			113	12,332		
ALLIANT ENERGY CORP	COM	018802108	728	22,884	X	0
			170	5,346	X	0
			3,365	105,749	X	0
			1,483	46,610	X	0
			799	25,102	X	0
			32	1,000	X	0
			69	2,169	X	0
			47	1,464	X	0
			-----	-----		
			6,693	210,324		
ALLIANT TECHSYSTEMS INC	COM	018804104	8,381	94,650	X	0
			133	1,507	X	0
			261	2,950	X	0
			385	4,350	X	0
			53	600	X	0
			-----	-----		
			9,213	104,057		
ALLIANZ AKTIENGESELLSCHAFT	SP ADR 1/10	018805101	29	1,000	X	0
			-----	-----		
			29	1,000		
ALLIED CAP CORP NEW	COM	01903Q108	491	24,414	X	0
			79	3,946	X	0
			56	2,800	X	0
			9	465	X	0
			-----	-----		
			635	31,625		
ALLIED RISER COMMUNICATIONS CP	COM	019496108	11	7,000	X	0
			-----	-----		
			11	7,000		
ALLIED WASTE INDS INC	COM PAR\$.01N	019589308	4,169	265,890	X	0
			17	1,060	X	0
			292	18,607	X	0
			4	257	X	0
			77	4,900	X	0
			-----	-----		

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			4,559	290,714			
ALLMERICA FINL CORP	COM	019754100	37	715	X		0
			22	420	X	X	0
			606	11,670	X		0
			127	2,457	X	X	0
			11,090	213,725	X		0
			270	5,200	X	X	0
			13	250	X	X	0
			3	50	X		0
			-----	-----			
			12,168	234,487			
ALLOY ONLINE INC	COM	019855105	1	100	X		0
			-----	-----			
			1	100			
ALLMERICA SECS TR	SH BEN INT	019921105	3	250	X		0
			-----	-----			
			3	250			
ALLSTATE CORP	COM	020002101	50,938	1,214,549	X		0
			3,073	73,265	X	X	0
			5,059	120,621	X		0
			4,997	119,147	X	X	0
			3,577	85,300	X		0
			49	1,162	X	X	0
			407	9,696	X		0
			2,120	50,545	X		0
			1,114	26,566	X	X	0
			68	1,626	X		0
			-----	-----			
			71,402	1,702,477			
ALLTEL CORP	COM	020039103	4,568	87,071	X		0
			1,113	21,215	X	X	0
			2,975	56,703	X		0
			2,999	57,172	X	X	0
			18,364	350,057	X		0
			111	2,125	X	X	0
			54	1,038	X		0
			86	1,640	X	X	0
			90	1,711	X		0
			-----	-----			
			30,360	578,732			
ALLTRISTA CORP	COM	020040101	3	250	X	X	0
			52	4,000	X	X	0
			-----	-----			
			55	4,250			
ALPHA INDS INC	COMMON STOCK	020753109	253	16,046	X		0
			3	200	X		0
			-----	-----			
			256	16,246			
ALPHANET SOLUTIONS INC	COM	020787107	1	1,000	X	X	0
			-----	-----			
			1	1,000			
ALPHARMA INC	CL A	020813101	2,714	82,900	X		0
			279	8,533	X		0

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			52	1,600	X		0
			-----	-----			
			3,045	93,033			
ALPNET INC	COM	021089107	66	105,870	X		0
			-----	-----			
			66	105,870			
ALTERA CORP	COM	021441100	1,220	56,932	X		0
			2,016	94,039	X		0
			939	43,800	X	X	0
			1,756	81,916	X		0
			12	551	X		0
			117	5,438	X		0
			-----	-----			
			6,060	282,676			
ALTIGEN COMMUNICATIONS INC	COM	021489109	0	100	X		0
			-----	-----			
			0	100			
ALZA CORP DEL	COM	022615108	1,377	33,991	X		0
			45	1,106	X	X	0
			954	23,555	X		0
			493	12,166	X	X	0
			10,766	265,822	X		0
			122	3,000	X	X	0
			146	3,600	X	X	0
			29	720	X		0
			-----	-----			
			13,932	343,960			
AMAZON COM INC	COM	023135106	25	2,480	X		0
			17	1,710	X	X	0
			1	100	X		0
			6	630	X	X	0
			4	360	X	X	0
			23	2,250	X		0
			-----	-----			
			76	7,530			
AMBAC FINL GROUP INC	COM	023139108	3,210	50,605	X		0
			533	8,400	X	X	0
			3,114	49,087	X		0
			459	7,231	X	X	0
			56,314	887,810	X		0
			1,837	28,957	X	X	0
			8	120	X		0
			165	2,600	X		0
			-----	-----			
			65,640	1,034,810			
AMCAST INDL CORP	COM	023395106	23	2,500	X		0
			15	1,595	X		0
			-----	-----			
			38	4,095			
AMERADA HESS CORP	COM	023551104	863	11,041	X		0
			281	3,598	X	X	0
			43	554	X		0
			132	1,696	X	X	0
			765	9,789	X		0

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			10	124	X		0
			7	92	X	X	0
			-----	-----			
			2,101	26,894			
AMEREN CORP	COM	023608102	1,093	26,685	X		0
			310	7,572	X	X	0
			5,983	146,093	X		0
			10,299	251,505	X	X	0
			482	11,776	X		0
			1,650	40,300	X	X	0
			7	182	X		0
			61	1,480	X	X	0
			-----	-----			
			19,885	485,593			
AMERIANA BANCORP	COMMON STOCK	023613102	1	100	X		0
			24	2,200	X		0
			-----	-----			
			25	2,300			
AMERICA SVC GROUP INC	COM	02364L109	3,545	141,800	X		0
			30	1,200	X	X	0
			93	3,700	X		0
			-----	-----			
			3,668	146,700			
AMERICA FIRST TAX EX IVS L P	BEN UNIT CTF	02364V107	163	25,900	X		0
			50	8,000	X		0
			6	1,000	X	X	0
			-----	-----			
			219	34,900			
AMERICA MOVIL S A DE C V	SPON ADR L S	02364W105	555	37,900	X		0
			108	7,366	X	X	0
			90	6,176	X		0
			121	8,255	X	X	0
			6	400	X		0
			8	524	X	X	0
			10	670	X		0
			-----	-----			
			898	61,291			
AMERICA FIRST REAL ESTATE INVT UNIT LTD PAR		02364Y101	26	4,030	X		0
			2	381	X		0
			-----	-----			
			28	4,411			
AMERICA WEST HLDG CORP	CL B	023657208	4	400	X		0
			-----	-----			
			4	400			
AMERICA ONLINE LATIN AMER INC	CL A	02365B100	2	500	X		0
			-----	-----			
			2	500			
AMCORE FINL INC	COMMON STOCK	023912108	362	17,937	X		0
			97	4,800	X	X	0
			344	17,026	X		0
			-----	-----			
			803	39,763			

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AMERICA FIRST APT INV L P	BEN UNIT CTF	023929102	90	8,600	X		0
			32	3,000	X	X	0
			58	5,500	X		0

			180	17,100			
AMERICAN AXLE & MFG HLDGS INC	COM	024061103	23	2,500	X		0

			23	2,500			
AMERICAN CAP STRATEGIES LTD	COMMON STOCK	024937104	56	2,200	X	X	0
			534	20,993	X		0

			590	23,193			
AMERICAN ECOLOGY CORP	COM	025533100	0	125	X		0

			0	125			
AMERICAN ELEC PWR INC	COM	025537101	3,616	76,932	X		0
			568	12,095	X	X	0
			5,491	116,827	X		0
			5,345	113,719	X	X	0
			1,528	32,518	X		0
			11	225	X		0
			6	118	X	X	0
			125	2,665	X		0
			1,026	21,839	X	X	0

			17,716	376,938			
AMERICAN EAGLE OUTFITTERS NEW	COM	02553E106	3,927	136,600	X		0
			6,645	231,125	X		0
			20	700	X	X	0
			60	2,100	X		0
			7	247	X		0

			10,659	370,772			
AMERICAN EXPRESS CO	COM	025816109	113,763	2,754,561	X		0
			18,635	451,212	X	X	0
			11,461	277,502	X		0
			13,112	317,486	X	X	0
			46,854	1,134,477	X		0
			723	17,500	X	X	0
			762	18,444	X		0
			11	271	X	X	0
			11,062	267,843	X		0
			20,471	495,667	X	X	0
685	16,583	X		0			

			237,539	5,751,546			
AMERICAN FINL GROUP INC OHIO	COM	025932104	3,461	143,600	X		0
			17	700	X	X	0
			472	19,600	X		0
			24	1,000	X	X	0
			24,840	1,030,701	X		0
			729	30,250	X	X	0
60	2,500	X		0			

			29,603	1,228,351			

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AMERICAN FINANCIAL HLDGS INC	COMMON STOCK	026075101	58	2,700	X		0
			2,049	95,875	X		0
			7	350	X	X	0

			2,114	98,925			
AMERICAN GENERAL CORP	COM	026351106	3,936	102,890	X		0
			313	8,190	X	X	0
			473	12,364	X		0
			21,722	567,892	X	X	0
			2,097	54,824	X		0
			184	4,800	X	X	0
			238	6,212	X		0
			460	12,018	X	X	0

			29,423	769,190			
AMERICAN GREETINGS CORP	CL A	026375105	103	9,714	X		0
			3	250	X		0
			11	1,000	X	X	0
			72	6,766	X		0
			1	82	X		0

			190	17,812			
AMERICAN HOME PRODS CORP	COM	026609107	76,421	1,300,784	X		0
			32,149	547,222	X	X	0
			82,688	1,407,463	X		0
			93,646	1,593,975	X	X	0
			42,404	721,768	X		0
			1,654	28,150	X	X	0
			970	16,512	X		0
			192	3,260	X	X	0
			13,207	224,805	X		0
			19,430	330,720	X	X	0
			1,727	29,392	X		0

			364,488	6,204,051			
AMERICAN HOME PRODS CORP	PFD CV \$2	026609206	30	20	X	X	0

			30	20			
AMERICAN INDL PPTYS REIT	COM NEW	026791202	1	100	X		0
			3	246	X	X	0

			4	346			
AMERICAN INSD MTG-INVS L P 85	DEPOSITARY U	02686E106	75	9,500	X		0
			1	150	X	X	0

			76	9,650			
AMERICAN INTL GROUP INC	COM	026874107	143,023	1,776,678	X		0
			19,057	236,730	X	X	0
			75,411	936,778	X		0
			47,380	588,575	X	X	0
			101,361	1,259,139	X		0
			1,623	20,161	X	X	0
			2,327	28,902	X		0
			44	552	X	X	0

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			7,544	93,709	X		0
			4,555	56,588	X	X	0
			2,664	33,096	X		0
			-----	-----			
			404,989	5,030,908			
AMERICAN ISRAELI PAPER MILLS L OTHER		027069509	1	12	X		0
			-----	-----			
			1	12			
AMERICAN ITALIAN PASTA CO	CL A	027070101	64	2,000	X	X	0
			16	500	X		0
			32	1,000	X	X	0
			119	3,724	X		0
			25	780	X		0
			-----	-----			
			256	8,004			
AMERICAN LAND LEASE INC	COMMON STOCK	027118108	13	1,000	X		0
			4	302	X	X	0
			-----	-----			
			17	1,302			
AMERICAN MGMT SYS INC	COMMON STOCK	027352103	160	8,748	X		0
			428	23,375	X		0
			-----	-----			
			588	32,123			
AMERICAN MED SYS HLDGS INC	COM	02744M108	291	35,250	X		0
			-----	-----			
			291	35,250			
AMERICAN MUN INCOME PORTFOLIO	COM	027649102	23	1,700	X	X	0
			25	1,851	X		0
			-----	-----			
			48	3,551			
AMERICAN MUN TERM TR INC	COM	027652106	12	1,200	X	X	0
			31	3,000	X		0
			-----	-----			

er width="2%" >

Exercise Price

Shares Issuable

\$

Date of Expiry

\$0.22 Warrants

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350,000

0.22

August 25, 2012

\$0.40 Warrants

361,000

0.40

February 28, 2012

\$0.50 Warrants

5,800,000

*

0.50

February 28, 2012

\$0.60 Warrants

235,250

**

0.60

May 31, 2011

\$0.70 Warrants

500,000

0.70

April 9, 2012

7,246,250

*5,400,000 of the \$0.50 warrants have a forced conversion feature by which the Company can demand exercise of the share purchase warrants if the common shares trades at a price equal to or greater than \$1.25 if certain conditions are met.

**All of the \$0.60 warrants have a forced conversion feature by which the Company can demand exercise of the share purchase warrants if the common shares trades at a price equal to or greater than \$0.80 if certain conditions are met.

The intrinsic value for these warrants is \$38,500 as at February 28, 2011.

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

(Expressed in United States dollars)

Unaudited

Six months ended February 28, 2011

4. COMMITMENTS

The Company entered into a sub-lease agreement for its premises on September 15, 2010. It commenced on October 22, 2010 and will expire on October 31, 2013. The Company is committed to payments as followed:

	\$
2011	115,251
2012	235,444
2013	241,376
2014	40,394

The Company is committed to make payments under its capital leases for the remaining terms of the leases as follows:

	\$
2011	6,380
2012	4,151
Total lease payments	10,531
Less: Amounts representing interest	(540)
Balance of obligation	9,991
Less: Current portion	9,991
Long term portion	

The Company arranged for credit facilities with the Royal Bank of Canada which allows the Company to draw up to \$450,000. These credit facilities consist of a revolving demand facility of \$400,000 bearing interest at prime plus 3.5% and a commercial credit card facility to \$50,000. As of February 28, 2011, the Company has not drawn on either of these credit lines.

5. RELATED PARTY TRANSACTIONS

The Company entered into a consulting agreement with a Director effective October 1, 2010 for six months. 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 six months ended February 28, 2011, the Company paid \$10,000 consulting fees.

Destiny Media Technologies Inc.

**NOTES TO INTERIM CONSOLIDATED
FINANCIAL STATEMENTS**

(Expressed in United States dollars)

Unaudited

Six months ended February 28, 2011

6. INCOME TAX

The Company adopted the provisions of ASC 740, Income taxes. The 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, 2010, the tax years which remain subject to examination by major tax jurisdictions as of February 28, 2011. 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 CONSOLIDATED
FINANCIAL STATEMENTS**

(Expressed in United States dollars)

Unaudited

Six months ended February 28, 2011

7. CONTINGENCIES

The Company is involved in three actions with Yangaroo Inc. Yangaroo, a competitor in Canada, as described below:

- a) On March 7, 2006, the Company filed a statement of claim in the Federal Court of Canada against Yangaroo to affirm the Company's belief that the Play MPE® service does not infringe on Yangaroo's Canadian patent and to have this patent declared invalid. On June 7, 2006, the Company's counsel received a statement of defense and counterclaim from Yangaroo. Yangaroo's Chairman has since admitted under oath that he had no knowledge of Yangaroo ever having received either a legal or third party expert opinion that the Play MPE® system infringes the Yangaroo patent.
- b) On May 3, 2007, the Company filed a claim against Yangaroo and its executives for \$25,000,000 in Ontario Superior Court for defamation injurious falsehood, interference with economic relations, breaches of the Trade-marks Act and breaches of the Competition Act. On June 7, 2007, a statement of defense and counterclaim for the same complaints was filed. The Company believes the counterclaim has no merit. On January 20, 2011, the Superior Court of Justice ruled to dismiss Yangaroo's counterclaims for injurious falsehood and for interference with economic relations.
- c) On May 12, 2009, the Company was served with a complaint in United States District Court (Eastern District of Wisconsin) by Yangaroo alleging that the Company infringes on its United States patent. On June 7, 2010, the District Court dismissed Yangaroo's claim in its entirety. On March 14, 2011, The United States Court of Appeals for the Federal Circuit affirmed the earlier District Court's ruling against Yangaroo and dismissed Yangaroo's claim.

The amount of damages to the Company, if any, cannot be reasonably estimated and no amount has been recognized in the financial statements. Management believes it is unlikely that the outcome of these matters will have an adverse impact on its result of operations and financial condition.

On August 12, 2009 the Company received a statement of claim in the Supreme Court of British Columbia from a former employee for wrongful dismissal and breach of contract. The former employee relocated to Mexico and maintained he should keep his position. The claim is for approximately \$170,000 (\$180,000 CDN) plus an award of stock options and unspecified damages. The Company believes the claim is without merit. Management believes it is unlikely that the outcome of this matter will have an adverse impact on its result of operations and financial condition.

Destiny Media Technologies Inc.

**NOTES TO INTERIM CONSOLIDATED
FINANCIAL STATEMENTS**

(Expressed in United States dollars)

Unaudited

Six months ended February 28, 2011

8. NEW ACCOUNTING PRONOUNCEMENTS

Recently adopted accounting pronouncements

In October 2009, the FASB issued ASU 2009-13, *Multiple-Deliverable Revenue Arrangements* (ASU 2009-13). The new standard changes the requirements for establishing separate units of accounting in a multiple element arrangement and requires the allocation of arrangement consideration to each deliverable based on the relative selling price. The selling price for each deliverable is based on vendor-specific objective evidence (VSOE) if available, third-party evidence if VSOE is not available, or estimated selling price if neither VSOE or third-party evidence is available. ASU 2009-13 is effective for revenue arrangements entered into in fiscal years beginning on or after June 15, 2010. The Company s adoption of this guidance did not have a material effect on the Company s consolidated financial statements.

In October 2009, the FASB issued Accounting Standards Update 2009-14, *Certain Revenue Arrangements That Include Software Elements* a consensus of the FASB Emerging Issues Task Force. This Update removes tangible products containing software components and nonsoftware components that function together to deliver the tangible product s essential functionality from the scope of the software revenue guidance in Subtopic 985-605 of the Codification. Additionally, ASU 2009-14 provides guidance on how a vendor should allocate arrangement consideration to deliverables in an arrangement that includes both tangible products and software that is not essential to the product s functionality. ASU 2009-14 requires the same expanded disclosures that are included within ASU 2009-13. ASU 2009-14 is effective prospectively for revenue arrangements entered into or materially modified in fiscal years beginning on or after June 15, 2010, with early adoption permitted. A company is required to adopt the amendments in both ASU 2009-13 and 2009-14 in the same period using the same transition method. 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 April 2010, the FASB issued Accounting Standards Update 2010-13, *Compensation Stock Compensation* (Topic 718) . The objective of this Update is to address the classification of an employee share-based payment award with an exercise price denominated in the currency of a market in which the underlying equity security trades. The Update provides guidance on the classification of a share-based payment award as either equity or a liability. A share-based payment award that contains a condition that is not a market, performance, or service condition is required to be classified as a liability. The amendments in this Update are effective for fiscal years, and interim periods within those fiscal years, beginning on or after December 15, 2010. The amendments in this Update should be applied by recording a cumulative-effect adjustment to the opening balance of retained earnings. The Company is currently evaluating the impact of this update on the consolidated financial statements.

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

(Expressed in United States dollars)

Unaudited

Six months ended February 28, 2011

9. SEGMENTED INFORMATION 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 location of customer, is as follows:

	Three Months Ended		Six Months Ended	
	February 28 2011	February 28 2010	February 28 2011	February 28 2010
	\$	\$	\$	\$
MPE®				
North America	447,814	478,000	1,003,993	1,076,661
Europe	293,671	293,708	683,844	610,723
Australasia	46,414	36,521	101,741	92,054
Total MPE®	787,899	808,229	1,789,578	1,779,438
Clipstream ® & Pirate Radio				
North America	53,173	61,635	108,132	137,954
Outside of North America	-			
Total Clipstream ® & Pirate Radio	53,173	61,635	108,132	137,954
Total revenue	841,072	869,864	1,897,710	1,917,392

During the six months ended February 28, 2011, three customers represented 63% of the total revenue balance (February 28, 2010 three customers represented 63% of the total revenue balance). During the three months ended February 28, 2011, three customers represented 63% of the total revenue balance (February 28, 2010 three customers represented 65% of the total revenue balance).

As at February 28, 2011, two customers represented 57% of the trade receivables balance (August 31, 2010 three customers represented 61%).

The Company has substantially all its assets in Canada and its current and planned future operations are, and will be, located in Canada.

Destiny Media Technologies Inc.

**NOTES TO INTERIM CONSOLIDATED
FINANCIAL STATEMENTS**

(Expressed in United States dollars)

Unaudited

Six months ended February 28, 2011

10. SUBSEQUENT EVENTS

On March 14, 2011, The United States Court of Appeals for the Federal Circuit affirmed the earlier District Court's ruling against Yangaroo discussed on notes 7(c) and entirely dismissed Yangaroo's claim against the Company.

Item 2. MANAGEMENT'S DISCUSSION AND ANALYSIS OF FINANCIAL CONDITION AND RESULTS OF OPERATIONS

FORWARD LOOKING STATEMENTS

The following discussion should be read in conjunction with the accompanying financial statements and notes thereto included within this Quarterly Report on Form 10-Q. In addition to historical information, the information in this discussion contains forward-looking statements within the meaning of Section 27A of the Securities Act of 1933, as amended, and Section 21E of the Securities Exchange Act of 1934, as amended. These forward-looking statements involve risks and uncertainties, including statements regarding the Company's capital needs, business strategy and expectations. Any statements contained herein that are not statements of historical facts may be deemed to be forward-looking statements.

In some cases, you can identify forward-looking statements by terminology such as may, will, should, expect, intend, anticipate, believe, estimate, predict, potential or continue, the negative of such terms or other terminology. Actual events or results may differ materially. In evaluating these statements, you should consider various factors described in this Quarterly Report, including the risk factors accompanying this Quarterly Report, and, from time to time, in other reports the Company files with the Securities and Exchange Commission. These factors may cause the Company's actual results to differ materially from any forward-looking statement. The Company disclaims any obligation to publicly update these statements, or disclose any difference between its actual results and those reflected in these statements. The information constitutes forward-looking statements within the meaning of the Private Securities Litigation Reform Act of 1995.

OVERVIEW AND CORPORATE BACKGROUND

Destiny Media Technologies, Inc. was incorporated in August 1998 under the laws of the State of Colorado. We carry out our business operations through our wholly owned subsidiary, Destiny Software Productions Inc., a British Columbia company that was incorporated in 1992, and MPE Distribution, Inc. a Nevada company that was incorporated in 2007. The Company, Destiny or we refers to the consolidated activities of all three companies.

Our principal executive office is located at Suite 750, PO Box 11527, 650 West Georgia Street, Vancouver, British Columbia V6B 4N7. Our telephone number is (604) 609-7736 and our facsimile number is (604) 609-0611.

Our common stock trades on TSX Venture Exchange in Canada under the symbol **DSY**, on the OTC Bulletin board under the symbol **DSNY**, and on various German exchanges (Frankfurt, Berlin, Stuttgart and Xetra) under the symbol **WKN 935410**.

Our corporate website is located at <http://www.dsny.com>.

OUR PRODUCTS AND SERVICES

Destiny develops and markets services that enable the secure distribution of digital media content over the internet. Destiny services are based around proprietary security, watermarking and playerless streaming media technologies.

The current 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 solutions.

Currently, more than 90% 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 and legacy Clipstream® licenses.

Play MPE®

Play MPE® is a digital delivery service for securely moving broadcast quality audio, video, images, promotional information and other digital content securely through the internet. The system is currently 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, VIP's, DJ's, film and TV personnel, sports stadiums and retailers. The system replaces the physical distribution (mail, courier or hand delivery) of CD's. As with traditional physical delivery, our fees are based on the size of the content and number of recipients.

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.

Clipstream®

Clipstream® is an innovative "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. Creating streaming video content with other technologies can be a complicated process and in most cases, users are required to purchase and maintain streaming servers. With Clipstream®, content owners simply encode the content into the Clipstream® format, then upload to an existing website.

Clipstream® encoded content plays instantly in most cases, without requiring the user to download CODECS or player software. This results in a much higher play rate for site owners and because there is no player executable, users are not exposed to viruses, trojan horses or unstable code that could crash their computer.

RESULTS OF OPERATIONS FOR THE SIX MONTHS ENDED FEBRUARY 28, 2011

Revenue

The majority of our revenue is derived from the Play MPE® secure pre-release delivery service representing 94% of our total revenues. Play MPE® system access fees grew to \$1,789,578 (February 28, 2010 - \$1,779,438) representing an increase of 1% over the same period of the previous year. However, total revenue for the six months ended February 28, 2011 was down 1% over the same period in the prior year to \$1,897,710 (February 28, 2010 - \$1,917,392) due to a decline in Clipstream® revenue.

Approximately 38% of our Play MPE® revenue is denominated in Euros. Play MPE® revenue from Europe for the six months ended February 28, 2011 reached \$683,844 (February 28, 2010 - \$610,723) representing an increase of 12% in spite of an 7% decline in the value of the Euro relative to the US dollar. Approximately 56% of Play MPE® revenue is denominated in US Dollars and 6% of Play MPE® revenue is denominated in Australia Dollars.

The majority of our revenue is generated from digital media distribution service. The service is billed on usage which is based on the volume and size of distributions provided on a monthly basis (sends). A send is a song, bundle of songs, album, box set, or video, authorized to be sent to a particular recipient. The revenue associated with each send will be on a sliding scale depending on the size of the particular send (song length for example). The system provides each label under contract to manage their own lists of recipients and directly encode and distribute their songs. This added ability provided to our clients substantially eliminates the strain on our own internal resources that can be seen in competing solutions and allows for high growth potential. All such revenues are recognized on a monthly basis as the services are delivered to customers, except where extended payment terms exist. Such revenues are only recognized when the extended payment term expires.

During the six months ended February 28, 2011 approximately 6% of our total revenues are derived from sales of our Clipstream® software.

Operating Expenses

Overview

As our technologies and products are developed and maintained in-house, the majority of our expenditures is on salaries and wages and associated expenses; office space, supplies and benefits. Our operations are primarily conducted in Canada and the majority of our costs are incurred in Canadian dollars while the majority of our revenue is in Euros and US dollars. As a result, our results of operations are impacted by fluctuations in the relevant exchange rates.

Total operating expenditures for the six months ended February 28, 2011 has increased by 22% over the same period in the prior year to \$1,863,501 (2010 - \$1,526,045). This increase is due to an increase in the volume of legal work associated with litigation with a Canadian competitor, one-time costs associated with our listing on the TSX Venture Exchange (representing approximately 6% of the total operating costs) and increased salaries and wages costs which are due in part to unfavorable exchange fluctuations, additional staff and salary adjustments.

Operating expenditures for the three months ended February 28, 2011 have increased by approximately \$130,000 over the same quarter of the previous year to \$903,237 (2010 - \$772,622). The increase is due in part to increased professional fees and increased salaries and wages costs as a result of unfavorable exchange fluctuations, additional staff and salary adjustments. However operating expenditures decreased by 6% when compared to our first quarter of the year in spite of unfavorable exchange fluctuations.

Rent expense of \$113,468 is offset by our sub-lease rental income of \$3,030 which is included in Other income in the Statement of Operations.

General and administrative	28-Feb 2011 (6 months)	28-Feb 2010 (6 months)	\$ Change	% Change
Wages and benefits	179,488	186,199	(6,711)	-3.6%
Rent	19,922	34,354	(14,432)	-42.0%
Telecommunications	9,239	11,329	(2,090)	-18.4%
Bad debt	11,615	(23,397)	35,012	-149.6%
Office and miscellaneous	153,499	73,455	80,044	109.0%
Professional fees	285,782	230,586	55,196	23.9%
	659,545	512,526	147,019	28.7%

Our general and administrative expenses consist primarily of salaries and related personnel costs including overhead, professional fees, and other general office expenditures.

The increase in professional fees is due to an increase of volume of legal work associated with litigation. Office and miscellaneous costs have increased primarily due to one time fees associated with TSX Venture listing application. Bad debt recoveries declined as a large recovery for unpaid fees was realized during fiscal 2010.

Sales and marketing	28-Feb 2011 (6 months)	28-Feb 2010 (6 months)	\$ Change	% Change
Wages and benefits	202,430	204,259	(1,829)	-0.9%
Rent	21,167	35,028	(13,861)	-39.6%
Telecommunications	9,817	11,551	(1,734)	-15.0%
Meals and entertainment	4,956	3,081	1,875	60.9%
Travel	21,466	12,392	9,074	73.2%
Advertising and marketing	154,695	127,177	27,518	21.6%

414,531	393,488	21,043	5.3%
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Sales and marketing expenses consist primarily of salaries and related personnel costs including overhead, sales commissions, advertising and promotional fees, and travel costs. During the year ended August 31, 2010 and continued to the six months ended February 28, 2011, Play MPE® has received significant support from the world's largest record labels and achieved symbiotic relationships with partners within the music industry resulting in cost effective and organic marketing efforts and the marketing cost has been effectively under control. We expect that the business relationships we have developed will provide catalysts to global expansion and barriers to entry with potential competitors should they arise.

Research and development	28-Feb 2011 (6 months)	28-Feb 2010 (6 months)	\$ Change	% Change
Wages and benefits	652,092	478,275	173,817	36.3%
Rent	72,378	88,243	(15,865)	-18.0%
Telecommunications	33,567	29,393	4,174	14.2%
Research and development	608	-	608	0.0%
	758,645	595,911	162,734	27.3%

Research and development costs consist primarily of salaries and related personnel costs including overhead and consulting fees with respect to product development and deployment. The increase is mainly due to increased staffing, increased salaries and wages costs, consulting requirements due to an increased ongoing investment in building out the functionality of our Play MPE® and the development of two new Clipstream® service offerings, which have yet to launch.

Amortization

Amortization expense arose from property and equipment. Amortization increased to \$30,780 for the six months ended February 28, 2011 from \$24,120 for the six months ended February 28, 2010, an increase of \$6,660 or 28%.

Other earnings and expenses

Other income decreased to \$3,030 for the six months ended February 28, 2011 from \$58,310 for the six months ended February 28, 2010, a decrease of \$55,280. The decrease was due to our move into a new office space and the termination of sub-lease agreements.

Interest income increased to \$5,082 for the six months ended February 28, 2011 from \$2,065 for the six months ended February 28, 2010, an increase of \$3,017.

Interest expense decreased to \$485 for the six months ended February 28, 2011 from \$1,873 for the six months ended February 28, 2010, a decrease of \$1,388.

Net income

During the six months ended February 28, 2011, we have net income of \$29,836 (February 28, 2010 income of \$449,849). The decrease in net income during the period is the result of increased expenses of professional fees, a one-time cost related to TSX-V listing application, increased salaries and wages costs which are due in part to unfavorable exchange fluctuations, additional staff and salary adjustments.

LIQUIDITY AND FINANCIAL CONDITION

We had cash of \$422,575 as at February 28, 2011 (August 31, 2010 - \$491,012). We had working capital of \$703,473 as at February 28, 2011 compared to working capital of \$976,139 as at August 31, 2010. The decrease in our working capital was mainly due to the repurchase of shares and options of approximately \$300,000.

CASHFLOWS

Net cash generated in operating activities was \$246,103 for the six months ended February 28, 2011, compared to \$309,006 for the six months ended February 28, 2010. Although our revenue remained somewhat at the same level compared to 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, which is partially offset by an improvement on our receivable collections.

The cash used in investing activities was \$47,397 for the six months ended February 28, 2011. The net cash used in investing activities was \$14,651 for the six months ended February 28, 2010. The increase is primarily due to the purchase of computer and office equipment.

Net cash used in financing activities was \$306,151 for the six months ended February 28, 2011 compared to \$248,148 for the six months ended February 28, 2010. The increase is mainly the result of repurchasing common shares outstanding.

RECENT ACCOUNTING PRONOUNCEMENTS

Recently adopted accounting pronouncements

In October 2009, the FASB issued ASU 2009-13, *Multiple-Deliverable Revenue Arrangements* (ASU 2009-13). The new standard changes the requirements for establishing separate units of accounting in a multiple element arrangement and requires the allocation of arrangement consideration to each deliverable based on the relative selling price. The selling price for each deliverable is based on vendor-specific objective evidence (VSOE) if available, third-party evidence if VSOE is not available, or estimated selling price if neither VSOE or third-party evidence is available. ASU 2009-13 is effective for revenue arrangements entered into in fiscal years beginning on or after June 15, 2010. The Company's adoption of this guidance did not have a material effect on the Company's consolidated financial statements.

In October 2009, the FASB issued Accounting Standards Update 2009-14, *Certain Revenue Arrangements That Include Software Elements* a consensus of the FASB Emerging Issues Task Force. This Update removes tangible products containing software components and nonsoftware components that function together to deliver the tangible product's essential functionality from the scope of the software revenue guidance in Subtopic 985-605 of the Codification. Additionally, ASU 2009-14 provides guidance on how a vendor should allocate arrangement consideration to deliverables in an arrangement that includes both tangible products and software that is not essential to the product's functionality. ASU 2009-14 requires the same expanded disclosures that are included within ASU 2009-13. ASU 2009-14 is effective prospectively for revenue arrangements entered into or materially modified in fiscal years beginning on or after June 15, 2010, with early adoption permitted. A company is required to adopt the amendments in both ASU 2009-13 and 2009-14 in the same period using the same transition method. 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 April 2010, the FASB issued Accounting Standards Update 2010-13, *Compensation - Stock Compensation* (Topic 718) . The objective of this Update is to address the classification of an employee share-based payment award with an

exercise price denominated in the currency of a market in which the underlying equity security trades. The Update provides guidance on the classification of a share-based payment award as either equity or a liability. A share-based payment award that contains a condition that is not a market, performance, or service condition is required to be classified as a liability. The amendments in this Update are effective for fiscal years, and interim periods within those fiscal years, beginning on or after December 15, 2010. The amendments in this update should be applied by recording a cumulative-effect adjustment to the opening balance of retained earnings. The Company is currently evaluating the impact of this update on the consolidated financial statements.

CRITICAL ACCOUNTING POLICIES

We prepare our consolidated financial statements in accordance with accounting principles generally accepted in the United States, and make estimates and assumptions that affect our reported amounts of assets, liabilities, revenue and expenses, and the related disclosures of contingent liabilities. We base our estimates on historical experience and other assumptions that we believe are reasonable in the circumstances. Actual results may differ from these estimates.

The following critical accounting policies affect our more significant estimates and assumptions used in preparing our consolidated financial statements.

Revenue Recognition

We recognize revenue in accordance with Financial Accounting Standards Board's (FASB) Accounting Standards Codification (ASC) 985-605, Revenue Recognition. Accordingly, revenue is recognized when there is persuasive evidence of an arrangement, delivery to the customer has occurred, the fee is fixed and determinable, and collectability is considered probable.

The majority of our revenue is generated from digital media distribution service. The service is billed on usage which is based on the volume and size of distributions provided on a monthly basis. All revenues are recognized on a monthly basis as the services are delivered to customers, except where extended payment terms exist. Such revenues are only recognized when the extended payment term expires.

At present, the Company does not have yet have a standard business practice for contracts that contain extended payment terms, and therefore recognizes revenue from such contracts when the payment terms lapse and all other revenue criteria have been met.

Significant management judgments and estimates must be made in connection with determination of the revenue to be recognized in any accounting period. If we made different judgments or utilized different estimates for any period material differences in the amount and timing of revenue recognized could result.

Stock-Based Compensation

We recognize the costs of employee services received in share-based payment transactions according to the fair value provisions of the current share-based payment guidance. The fair value of employee services received in stock-based payment transactions is estimated at the grant date and recognized over the requisite service period. Determining the appropriate fair value model and calculating the fair value of stock-based awards requires judgment, including estimating stock price volatility, forfeiture rates and expected life.

We selected the Black-Scholes option pricing model as the most appropriate method for determining the estimated fair value of our share-based awards. The Black-Scholes model requires the use of highly subjective and complex assumptions which determine the fair value of share-based awards, including the option's expected term and the price volatility of the underlying stock. Our current estimate of volatility is based on historical and market-based implied volatilities of our stock price. To the extent volatility of our stock price increases in the future, our estimates of the fair value of options granted in the future could increase, thereby increasing stock-based compensation cost recognized in future periods. We derive the expected term assumption primarily based on our historical settlement experience, while giving consideration to options that have not yet completed a full life cycle. Stock-based compensation cost is recognized only for awards ultimately expected to vest. Our estimate of the forfeiture rate is based primarily on our historical experience. To the extent we revise this estimate in the future, our share-based compensation cost could be materially impacted in the quarter of revision, as well as in the following quarters. In the future, as empirical evidence regarding these input estimates is available to provide more directionally predictive results, we may change or refine our approach of deriving these input estimates.

Research and Development Expense for Software Products

Research and development expense includes costs incurred to develop intellectual property. The costs for the development of new software and substantial enhancements to existing software are expensed as incurred until technological feasibility has been established, at which time any additional costs would be capitalized. We have determined that technological feasibility is established at the time a working model of software is completed. Because we believe our current process for developing software will be essentially completed concurrently with the establishment of technological feasibility, no costs have been capitalized to date.

Significant management judgments and estimates must be made in connection with determination of any amounts identified for capitalization as software development costs in any accounting period. If we made different judgments or utilized different estimates for any period material differences in the amount and timing of capitalized development costs could occur.

Accounts Receivable and Allowance for Doubtful Accounts

We extend credit to our customers based on evaluation of an individual customer's financial condition and collateral is generally not required. Accounts outstanding beyond the contractual payment terms are considered past due. We determine our allowance for doubtful accounts by considering a number of factors, including the length of time accounts receivable are beyond the contractual payment terms, our previous loss history, and a customer's current ability to pay its obligation to us. We write off accounts receivable when they are identified as uncollectible. All outstanding accounts receivable accounts are periodically reviewed for collectability on an individual basis.

Income Taxes

Deferred income tax assets and liabilities are computed based on differences between the carrying amount of assets and liabilities on the balance sheet and their corresponding tax values using the enacted income tax rates by tax jurisdiction at each balance sheet date. Deferred income tax assets also result from unused loss carry-forwards and other deductions. The valuation of deferred income tax assets is reviewed annually and adjusted, if necessary, by use of a valuation allowance to reflect the estimated realizable amount. Significant management judgment is required in determining our provision for income taxes, our deferred tax assets and liabilities and any valuation allowance recorded against our net deferred tax assets. We evaluate all available evidence, such as recent and expected future operating results by tax jurisdiction, and current and enacted tax legislation and other temporary differences between book and tax accounting to determine whether it is more likely than not that some portion or all of the deferred income tax assets will not be realized. There is a risk that management estimates for operating results could vary significantly from actual results, which could materially affect the valuation of the future income tax asset. Although the Company has tax loss carry-forwards and other deferred income tax assets, management has determined certain of these deferred tax assets do not meet the more likely than not criteria, and accordingly, these deferred income tax asset amounts have been partially offset by a valuation allowance.

If management's estimates of the cash flows or operating results do not materialize due to errors in estimates or unforeseen changes to the economic conditions affecting the Company, it could result in an impairment adjustment in future periods up to the carrying value of the deferred income tax balance of \$1,316,000.

Contingencies

As discussed in Part II, Item 1 of this Form 10-Q under the heading "Legal Proceedings" and in Note 7 "Contingencies" in notes to unaudited interim consolidated financial statements, the Company is subject to various legal proceedings and claims that arise in the ordinary course of business. In accordance with US GAAP, the Company records a liability when it is probable that a loss has been incurred and the amount is reasonably estimable.

There is significant judgment required in both the probability determination and as to whether an exposure can be reasonably estimated. In management's opinion, the Company does not have a potential liability related to any current legal proceedings and claims that would individually or in the aggregate materially adversely affect its financial condition or operating results. However, the outcomes of legal proceedings and claims brought against the Company are subject to significant uncertainty. Should the Company fail to prevail in any of these legal matters or should several of these legal matters be resolved against the Company in the same reporting period, the operating results of a particular reporting period could be materially adversely affected.

Impairment of Long-Lived Assets

We evaluate the recoverability of our long-lived assets including tangible assets in accordance with authoritative guidance. When events or changes in circumstances indicate that the carrying amount of long-lived assets may not be recoverable, we recognize such impairment in the event the carrying amount of such assets exceeds the future undiscounted cash flows attributable to such assets. We have not recorded any impairment losses to date.

ITEM 3. QUANTITATIVE AND QUALITATIVE DISCLOSURES ABOUT MARKET RISK

Foreign Exchange Risk

Our revenues are primarily in United States dollars and Euros while our operating expenses are primarily in Canadian dollars. Thus, operating expenses and the results of operations are impacted to the extent they are not hedged by the rise and fall of the relative values of Canadian dollar to these currencies. During the quarter, the rise in the value of the Canadian dollar relative to the US dollar had an adverse impact on the Company. The effect of the stronger Canadian dollar during the six months ended February 28, 2011 contributed approximately \$70,000 to the increase in operating expenses compared to the six months ended February 28, 2010.

ITEM 4. CONTROLS AND PROCEDURES.

As required by Rule 13a-15 under the Securities Exchange Act of 1934 (the Exchange Act), we carried out an evaluation of the effectiveness of the design and operation of our disclosure controls and procedures at February 28, 2011.

Disclosure controls and procedures are controls and other procedures that are designed to ensure that information required to be disclosed our reports filed or submitted under the Exchange Act is recorded, processed, summarized and reported, within the time periods specified in the Securities and Exchange Commission's rules and forms. Disclosure controls and procedures include, without limitation, controls and procedures designed to ensure that information required to be disclosed in our reports filed under the Exchange Act is accumulated and communicated to management, including our Chief Executive Officer and Chief Financial Officer, to allow timely decisions regarding required disclosure.

Management concluded that there are material weaknesses in internal controls over financial reporting, which are as follows:

- Due to the limited number of staff resources, the Company believes there are instances where a lack of segregation of duties exist to provide effective controls;
- Our audit committee does not have a financial expert and is not independent; and
- Due to the limited number of staff resources, the Company may not have the necessary in-house knowledge to address complex accounting and tax issues that may arise.

As a result of these weaknesses, the Company's disclosure controls are not effective. The weaknesses and their related risks are not uncommon in a company the size of Destiny Media because of limitations in size and number of staff.

There have been no significant changes in our internal controls over financial reporting that occurred during our most recent fiscal quarter that have materially affected, or are reasonably likely to materially affect our internal controls over financial reporting.

PART II OTHER INFORMATION

Item 1. Legal Proceedings

The Company is involved in three actions with Yangaroo Inc. Yangaroo, a competitor in Canada, as described below:

- a) On March 7, 2006, the Company filed a statement of claim in the Federal Court of Canada against Yangaroo to affirm the Company's belief that the Play MPE® service does not infringe on Yangaroo's Canadian patent and to have this patent declared invalid. On June 7, 2006, the Company's counsel received a statement of defense and counterclaim from Yangaroo. Yangaroo's Chairman has since admitted under oath that he had no knowledge of Yangaroo ever having received either a legal or third party expert opinion that the Play MPE® system infringes the Yangaroo patent.
- b) On May 3, 2007, the Company filed a claim against Yangaroo and its executives for \$25,000,000 in Ontario Superior Court for defamation injurious falsehood, interference with economic relations, breaches of the Trade-marks Act and breaches of the Competition Act. On June 7, 2007, a statement of defense and counterclaim for the same complaints was filed. The Company believes the counterclaim has no merit. On January 20, 2011, the Superior Court of Justice ruled to dismiss Yangaroo's counterclaims for injurious falsehood and for interference with economic relations.
- c) On May 12, 2009, the Company was served with a complaint in United States District Court (Eastern District of Wisconsin) by Yangaroo alleging that the Company infringes on its United States patent. On June 7, 2010, the District Court dismissed Yangaroo's claim in its entirety. On March 14, 2011, The United States Court of Appeals for the Federal Circuit affirmed the earlier District Court's ruling against Yangaroo and dismissed Yangaroo's claim.

The amount of damages to the Company, if any, cannot be reasonably estimated and no amount has been recognized in the financial statements. Management believes it is unlikely that the outcome of these matters will have an adverse impact on its result of operations and financial condition.

On August 12, 2009 the Company received a statement of claim in the Supreme Court of British Columbia from a former employee for wrongful dismissal and breach of contract. The former employee relocated to Mexico and maintained he should keep his position. The claim is for approximately \$170,000 (\$180,000 CDN) plus an award of stock options and unspecified damages. The Company believes the claim is without merit. Management believes it is unlikely that the outcome of this matter will have an adverse impact on its result of operations and financial condition.

Item 1A. Risk Factors

In addition to the other information set forth in this Form 10-Q, you should carefully consider the factors discussed in Item 1 Risk Factors in our Form 10-K for the fiscal year ended August 31, 2010 filed with the SEC on November 29, 2010. These risks could materially and adversely affect our business, financial condition and results of operations. The risks described in our Form 10-K have not changed materially, however, they are not the only risks we face. Our operations could also be affected by additional factors that are not presently known to us or by factors that we currently consider immaterial to our business.

Item 2. Unregistered Sales of Equity Securities and Use of Proceeds***Purchases of Equity Securities by the Issuer and Affiliated Purchasers.***

On July 6, 2010, the board of directors authorized a second tranche to repurchase up to 1,500,000 shares of the Company's common stock at a maximum share purchase price of \$0.80 per share. During the quarter ended February 28, 2011, the Company has purchased 122,500 shares at an average price of \$0.41. Future repurchases will be at times and in amounts as the Company deems appropriate and will be made through open market transactions. All repurchases will be made in compliance with the Securities and Exchange Commission's Rule 10b-18, subject to market conditions, applicable legal requirements and other factors. The board approved stock repurchase program runs through June 30th, 2011. In addition to the applicable securities laws, the Company will not make any purchases during a time at which its insiders are subject to a blackout from trading in the company's common shares. The following table sets forth information about our stock repurchases for the three months ended February 28, 2011.

Period (1)	Total Number of Shares (or Units) Purchased (2)	Average Price Paid per Share (or Unit)	Total Number of Shares (or Units) Purchased as Part of Publicly Announced Plans or Programs (3)	Maximum Number (or Approximate Dollar Value) of Shares (or Units) that May Yet Be Purchased Under the Plans or Programs (3)
December 1, 2010 to December 31, 2010	122,500	\$ 0.41	122,500	741,250
January 1, 2011 to January 31, 2011				741,250
February 1, 2011 to February 28, 2011				741,250
Total	122,500	\$ 0.41	122,500	

(1) Based on trade date.

(2) All of these shares were repurchased pursuant to publicly announced share repurchase programs.

(3) During the three months ended February 28, 2011, the company repurchased a total of 122,500 shares pursuant to publicly announced share repurchase programs. All of 122,500 shares had been cancelled.

Item 3. Defaults Upon Senior Securities

None.

Item 4. (Removed and Reserved)**Item 5. Other Information****(a) Reports on Form 8-K**

On October 8, 2010, the Company announced a press release that it received approval from the TSX Venture Exchange for the listing of its common shares under the symbol `DSY`.

On October 26, 2010, the Company announced a press release that it upgraded its head office effective October 26, 2010.

On November 30, 2010, the Company announced a press release that its year end results as of August 31, 2010 showed record revenues and 176% jump in earnings compared to prior year.

On February 22, 2011, The Annual General Meeting of the stockholders (the Annual Meeting) of Destiny Media Technologies Inc was held. At the Annual Meeting, the stockholders approved by majority vote the following three proposals:

- Elect Steve Vestergaard, Edward Kolic, Lawrence Langs, Yoshitaro Kumagai to serve as directors of the Company until the next annual meeting of the stockholders.
- Ratify the appointment of BDO Canada LLP s as the Company s independent registered public accounting firm for the year ending August 31, 2011.
- Approve and adopt the Company s Employee Stock Purchase Plan.

On February 28, 2011, Destiny Media Technologies Inc. (the Company) received final acceptance for its Employee Stock Purchase Plan (the Plan) from the TSX Venture Exchange (the Exchange).

(b) Information required by Item 407(C)(3) of Regulation S-K

No Disclosure Necessary

Item 6. EXHIBITS.

Exhibit 31.1:

Certification required by Rule 13a-14(a) or Rule 15d-14(a)

Certification executed by Steven Vestergaard, Chief Executive Officer

Exhibit 31.2:

Certification required by Rule 13a-14(a) or Rule 15d-14(a)

Certification executed by Frederick Vandenberg, Chief Financial Officer

Exhibit 32.1:

Certification Required by Rule 13a-14(b) or Rule 15d-14(b) and section 906 of the Sarbanes-Oxley Act of 2002, 18 U.S.C. Se

Certification executed by Steven Vestergaard, Chief Executive Officer

Exhibit 32.2:

Certification Required by Rule 13a-14(b) or Rule 15d-14(b) and section 906 of the Sarbanes-Oxley Act of 2002, 18 U.S.C. Se

Certification executed by Frederick Vandenberg, Chief Financial Officer

SIGNATURES

Pursuant to the requirements of the Securities Exchange Act of 1934, the Registrant has duly caused this report to be signed on its behalf by the undersigned, thereunto duly authorized.

DESTINY MEDIA TECHNOLOGIES INC.

Dated: April 14, 2011

/s/Steven Vestergaard

Steven Vestergaard, Chief Executive Officer
and

/s/Fred Vandenberg

Frederick Vandenberg,
Chief Financial Officer

