



iSIGN MEDIA SOLUTIONS INC.
MANAGEMENT'S DISCUSSION and ANALYSIS
FOR THE THREE and NINE MONTH PERIODS ENDED
JANUARY 31, 2013 and 2012

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This Management Discussion and Analysis ("MD&A") provides relevant information on the operations and financial condition of iSIGN Media Solutions Inc. (the "Company" or "iSIGN") for the three and nine month periods ended January 31, 2013. This MD&A should be read in conjunction with the audited consolidated financial statements for the year ended April 30, 2012. This discussion contains forward looking information that is qualified by reference to, and should be read in conjunction with Caution Regarding Forward Looking Statements below.

This MD&A provides information that the management of iSIGN believes is important to assess and understand the results of operations and financial condition of the Company. Our objective is to present readers with a view of iSIGN through the eyes of management by interpreting the material trends and activities that affect the operating results, liquidity and financial position of iSIGN. All monetary amounts unless otherwise specified are expressed in Canadian dollars.

Additional information relating to iSIGN is available on SEDAR, at www.sedar.com. The common shares of the Company are listed for trading on the TSX Venture Exchange under the trading symbol of ISD-V. In addition, iSIGN is also listed on the OTCQX Exchange, under the trading symbol of ISDSF. Information on the Company is also found on the OTCQX site at www.otcmarkets.com. For more information on the Company, please visit our website at www.isignmedia.com.

This MD&A is current as of March 28, 2013.

iSIGN's interim unaudited condensed consolidated financial statements for the three and nine month periods ended January 31, 2013, have been prepared in accordance with International Financial Reporting Standards ("IFRS").

Caution Regarding Forward-Looking Statements

Readers are cautioned that actual results may differ materially from the results projected in any "forward-looking" statements included in the foregoing report, which involve a number of risks or uncertainties. This MD&A contains "forward-looking statements" and "forward-looking information" within the meaning of the applicable Canadian securities legislation. Forward-looking statements are not historical facts and include statements regarding the Company's planned development activities, anticipated future profitability, losses, revenues, expected future expenditures, the Company's intention to raise new financing, sufficiency of working capital for continued operations and other statements regarding anticipated future events and Company's anticipated future performance.

Generally, these forward-looking statements can be identified by the use of forward-looking terminology such as "plans", "expects" or "does not expect", "is expected", "budget", "scheduled", "estimates", "forecasts", "intends", "continue", "anticipates" or "does not anticipate", or "believes" or variation of such words and phrases or state that certain actions, events or results "may", "could", "would", "might" or "will be taken", "occur" or "be achieved". All forward-looking statements are based on our beliefs and assumptions based on information available at the time the assumption was made. While iSIGN considers its assumptions to be reasonable and appropriate based on the current information available, there is a risk that they may not be accurate. Forward-looking statements are subject to known and unknown risks, uncertainties and other factors that may cause the actual results, level of activity, performance or achievement of iSIGN to be materially different from those expressed or implied by such forward-looking statements, including but not limited to risks related to the integration of acquisitions, as well as those factors discussed in the section entitled "Risk Factors" in this MD&A. Before making any investment decisions and for a detailed discussion of the risks, uncertainties and environment associated with our business, fully review the section entitled "Risk Factors" in this MD&A.

Although management has attempted to identify important factors that could cause actual results to differ materially from those contained in forward-looking statements, there may be other factors that cause results not to be as anticipated, estimated or intended. There can be no assurance that such statements will prove to be accurate, as actual results and future events could differ materially from those anticipated in such statements. Accordingly, readers should not place undue reliance on forward-looking statements. iSIGN does not undertake to update any forward-looking statements that are incorporated by reference herein, except as required by law.

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Executive Summary

Financial highlights

Summary results

In the nine month period ended January 31, 2013, the Company reported a net loss of \$3,252,602, equivalent to a loss per share of \$0.049, compared to a net loss in the prior year of \$2,005,609, equivalent to a loss per share of \$0.039. The table below details the financial highlights along with a summary of explanations for the financial results of the current year compared to corresponding year.

	3 Months Ended			9 Months Ended		
	31-Jan-13 \$	31-Jan-12 \$	Inc/(Dec) \$	31-Jan-13 \$	31-Jan-12 \$	Inc/(Dec) \$
Sales	603,699	219,185	384,514	892,074	341,155	550,919
Gross Profit	247,616	33,863	213,753	188,945	44,569	144,376
Gross Margin	41.0%	15.4%		21.2%	13.1%	
Expenses						
Selling and marketing	261,102	111,505	149,597	693,689	200,102	493,587
General and administration	521,016	551,987	(30,971)	1,468,063	1,393,513	74,550
Bad debt	-	20,120	(20,120)	-	20,120	(20,120)
Impairment of other receivable	34,200	-	34,200	34,200	-	34,200
Depreciation - equipment	105,769	108,052	(2,283)	316,465	131,627	184,838
Amortization - intangibles	109,204	48,893	60,311	327,612	57,117	270,495
Research and development	11,200	67,258	(56,058)	100,838	244,908	(144,070)
Goodwill impairment	-	-	-	567,549	-	567,549
Interest	6,088	2,116	3,972	17,431	14,658	2,773
	1,048,579	909,931	138,648	3,525,847	2,062,045	1,463,802
Loss before income tax	(800,963)	(876,068)	75,105	(3,336,902)	(2,017,476)	(1,319,426)
Provision for deferred tax recovery	28,100	11,867	16,233	84,300	11,867	72,433
Net loss & comprehensive loss	(772,863)	(864,201)	91,338	(3,252,602)	(2,005,609)	(1,246,993)

Discussion - financial results

The revenues and expenses in the nine month period ended January 31, 2013 were impacted by the consolidation of the financial results of the iSIGN Network operations, which we acquired effective October 21, 2011. The 2012 comparative results only include the iSIGN Networks operations from the acquisition date of October 21, 2011, to January 31, 2012.

Revenue - the Company is still in the early revenue stage. Revenue in the three and nine month periods ended January 31, 2013 is a mix of sales of the Company's Smart Antennas and digital signage advertising generated by the digital signage network. Revenue for the three and nine months ended January 31, 2012 was mainly digital signage advertising from the iSIGN Network combined with the amortization of deferred hardware and set-up revenues over the period of the software license. Digital signage advertising revenue in the three month period ended January 31, 2013 increased substantially over the prior quarters of both fiscal 2013 and 2012, however, due to the short term nature of our customers' orders, we cannot determine the likelihood that this increase will be sustained in future quarters. The revenue generated by the Smart Antenna sales in the current quarter is a result of the recent distribution agreement with GraphicMedia, Inc.

Gross profit (loss) and margin - are impacted by the mix of revenue sources and associated variable costs as well as fixed costs within cost of sales. Future gross profit margins and percentages will depend on the future mix of hardware, monthly licensing and digital signage advertising revenues. The fixed cost of sales elements include salaries and outsourced services related to the operation of the digital signage network. Variable costs include the costs of resold hardware and repairs and maintenance costs, which reflect on-going costs of maintaining the digital signage network. The three month period ended January 31, 2013 compared to the same period last year, shows a substantial improvement, mainly due to the higher margins on the sale of the Company's Smart Antennas.

Selling and marketing - the increases in the quarter ended January 31, 2013 compared to the same quarter in the prior year, is mainly due to the absence of contractual royalties, payable to Mac's Convenience Stores ("Mac's"), expensed in the previous year's quarter, as well as reduced trade show and salaries expenses. For the nine months, year over year, the increase is primarily the Mac's royalties and commissions charged by the sales agencies that sell advertising on the digital signage networks and salaries.

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Executive Summary - continued

General and administration - the reduced level of expenses in the current quarter is due to decrease in salaries and benefits, consulting fees, public company costs, including press releases, partially offset by increased professional and other costs. For the nine months, year over year, the increase in costs is primarily professional costs and stock-based compensation, partially offset by reduced salaries and benefits and other expenses.

Goodwill impairment - was recognized in accordance with IFRS requirements due to the lower than anticipated advertising revenues generated by the digital signage network located in the Mac's chain.

Impairment of other receivable - The estimated future cash flows for the realization the other receivable have been discounted to their present value, and the difference of \$34,200 between the face value and the present value of the other receivable was recorded as an impairment loss.

Liquidity and capital resources

The Company has cash balances, at January 31, 2013 of \$204,820, which the Company anticipates will carry it into April 2013, along with normal collections of receivables. The Company expects to close private placements totaling \$5.25 million by the end of the fourth quarter of fiscal 2013 that it believes will be satisfactory to enable the Company to continue to progress with its business plan through 2013 and beyond.

The Company continues to expend cash to fund its operating losses and is reliant for working capital funding from equity raises. Additional capital will be required for the contemplated roll-out of iSIGN's Smart Antennas related to its recent distribution and reseller agreements as well as LOI's.

Executive Outlook

Please refer to the Outlook section on page 10 and 11.

Business, Products and Strategy

iSIGN is a leader in the business of developing location-based interactive proximity advertising technology. Our customizable, scalable Interactive Marketing Solution ("IMS") software enables businesses to run:

- (i) promotional campaigns with timely, relevant content, that delivers rich media, permission based messages, free of charge to consumers' mobile phones using Bluetooth® connectivity;
- (ii) while capturing and quantifying consumer responses and providing clients with customized reporting systems allowing for continuous measurement and analysis; and,
- (iii) thus giving our customers improved shopper insight, business intelligence and superior ROI from advertising expenditures, versus other advertising mediums and competitors.

The Company completed its Smart Antenna platform development in late February of 2012. The Smart Antenna is a single all weather antenna unit that can broadcast to mobile devices simultaneously by Wi-Fi and Bluetooth. This product addresses prospective clients' requests for a product that would reach iPhones, iPads and other Wi-Fi capable devices.

The Smart Antenna appears as a free and open access point to mobile device users. Because users simply connect to the Smart Antenna and view content within the web browser that is available on their phone, there is no requirement to download anything to the mobile device in order to view mobile web content, which can include coupons, product info, videos, and games. Content can be interactive and support user polling and loyalty membership management.

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Opportunities in proximity marketing have emerged as the logical intersection of two trends:

The first trend is the swift advent of mobile culture. Today's consumers increasingly leverage mobile phones as a de facto portal to the world; the primary interface available anywhere at any time. Through their mobile devices they conduct research, connect and share with others, and in many cases, make purchasing decisions.

The second trend is digital signage, which provides a dynamic opportunity for retailers to promote their brands, their products, and their services via the full power of a multimedia solution.

iSIGN's proximity marketing software solution:

Capitalizes on advancements in mobile devices and digital signage, coupled with growing consumer acceptance of mobile marketing. The Company is seeking key new opportunities for proximity marketing in the retail sector. In essence, the Company's business strategy exploits activities that consumers are already involved with and enjoy. iSIGN's technology adds new dynamics to interactive marketing in public places, and expands the scope of that marketing.

Offers everything from interactive experiences to the unique delivery of targeted, quality content. It enables retailers and venues to pull consumers into a brand. It has the ability to deepen the connection between consumers and brands by offering retailers a new path to reach their audiences. It does this by combining technologies such as digital signage, interactive touch screens, and mobile integration. Retailers can leverage their strengths and create an even more memorable interaction, motivate return visits, and increase their ROI.

Greatly improves the customers' experience by providing relevant and targeted content, unique engagement options as well as advertising and promotions before the point of sale. It allows today's savvy and technologically-oriented consumer to engage, interact and transact how, when and where they wish to, while retailers can measure their marketing's effectiveness at every step of the way.

Marketing and pricing

iSIGN's strategy will continue to evolve. Initially the Company focused on a single product offering including hardware and embedded software. The Company charged its customers for the delivery and set-up of hardware and a monthly licensing fee.

With the advent of strategic outsourcing relationships, through OEM's distributors and resellers, the Company developed its pure software license pricing strategy based on a three tier price offering under consultation with its distributors and resellers.

Through the acquisition of iSIGN Network, the Company is involved in the marketing and selling of advertising on both the digital signage network acquired through the iSIGN Network acquisition, as well as on its broadcasting ability to mobile devices. To that end, the Company utilizes the services of reseller agencies who have experience in the marketing and selling of advertising on digital signage networks.

Technology development strategy - research and new product development

iSIGN continually develops its technology with internal resources. The Company has a full-time contract with the original architect of the iSIGN Bluetooth proximity marketing technology. As head developer for the Company he was core to the improvements and expansion for WI-FI connectivity too. iSIGN is actively applying for Patents in its technologies for Canada, United States and various Asian countries and will continue to expand its patent applications. In addition, the Company has a full time Chief Technology Officer.

Outsourcing and strategic business relationships

The Company continues to formally partner with other companies to expand its business. In addition to key players such as IBM, who announced that our technology is their preferred source of proximity marketing content, the Company has recently partnered with: GraphicMedia, Inc. - an exclusive distribution agreement for the Company's Smart Antenna in North, Central and South America; Keyser Retail Solutions - an exclusive agreement for the installation and deployment of the Company's Smart Antennas for the Quick Service Restaurant field; and, Seneca Data Distributor, Inc. - as its manufacturer of record for the Company's equipment. The Company will continue to pursue business relations to expand and grow its business in the United States and other markets.

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Performance Drivers

External factors that exist outside managements ability to control and are significantly key to the success in our business are:

Growth of mobile digital devices connected to the internet - Economist magazine forecast for 2020 is 10 Billion mobile connected devices. Currently it is estimated that approximately 5 billion cell phones are in use world wide and that approximately 50% of all mobile devices will be smart phones by the end of 2012.

A 2012 PwC's publication on location based marketing noted the following:

According to a 2011 Juniper Research report, location-based services will reach US\$12.7 billion globally in 2014.

A 2011 Yankee Group report projects 70 million mobile coupons worth \$2.4 billion will be redeemed in 2013.

Their in-house report 'Global Entertainment & Media Outlook' projects 118.3 million mobile internet subscribers in North America by 2015, driven by increased penetration by smartphones and fourth-generation wireless devices.

The North American mobile internet advertising market is estimated to reach \$US2 billion by 2015 with an expansion of 26.4% compound annual growth rate "CAGR".

The global mobile internet advertising market is estimated to reach \$US8.7 billion by 2015 with an expansion of 24.9% CAGR.

Forrester Research estimates that today's mobile marketing is comparable to website marketing in 1999.

Their in-house report 'Global Entertainment & Media Outlook' projects the North American 'Out-of-Home' ("OOH") advertising market to have a CAGR of 5.5% from 2011 to 2015 ; the global OOH a CAGR of 5.6% reaching a total of \$US34.2 billion.

ABI Research shows that spending on global digital signage market, including software and hardware, is expected to grow from US\$1.3 billion in 2010 to US\$4.5 billion by 2016, while Adcentricity, in its 2011 Digital-Out-Home Outlook and Planning Guide, estimates the US\$4.5 billion spending threshold will be crossed 3 years earlier by 2013; and, Magna Global expects spending on digital billboards and posters to double in the next 5 year to US\$2.2 billion.

Internal factors which define the Company's performance indicators leading to revenue growth capability:

Our technology gathers and reports on a variety of anonymous information, thus complying with privacy legislation. Our Smart Antenna installations are gathering substantial volumes of data and consistently averaging high response rates; sometimes exceeding 30%. Our back-end reporting system interprets this information in a variety of ways, providing advertisers and their agencies with an objective methodology to measure the value and/or success of their advertising campaigns on digital signage networks as well as on mobile broadcasting, which was not previously possible for traditional digital signage companies to provide.

Resources and Capabilities

The Company must pay competitive salaries and benefits in order to attract and maintain its key management and employees. In addition, key employees will participate in bonuses when the Company reaches profitability. No bonuses have been paid by the Company to date. The Company has a stock option plan that is approved by its shareholders, which is used to incentivize employees and management.

Summarized below are details of the Company's key management who are responsible for the development and implementation of the Company's strategy in marketing and technology.

Management

President and Chief Executive Officer

Alex Romanov - is an accomplished business executive with a history of identifying opportunities and turning them into high growth and profitable enterprises. Alex has diverse experience in a variety of industries such as consumer electronics, communication, digital imaging, video gaming, and e-commerce. Alex was the CEO and President of Alpine Electronics in Canada for 15 years, building the company to over \$50 million in revenue with over 50% of the Canadian market share by 1995. After Alpine, Alex became CEO and major shareholder of Royal Oak Marketing and was responsible for over 100 employees and \$120 million in revenue. Royal Oak Marketing was sold for \$29 million to an American concern. Alex then co-founded Spherex Inc., which developed and marketed an Xbox gaming audio system. Spherex was then sold to another US concern in 2005. Alex has been iSIGN's Chief Executive Officer since November 2007 and has successfully restructured the company, positioning it for rapid growth worldwide.

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Resources and Capabilities - continued

Technology

Chief Technology Officer

Mark Janke is a graduate of the Alberta Institute of Technology and the University of Alberta with a Bachelor of Science in Electrical Engineering. He has a wealth of experience in developing solutions within a variety of verticals including biomedical, automation and mobile advertising. Prior to 2000, Mark managed a team at Universal Dynamics that was responsible for development of sophisticated model based control software for lime kilns, breweries and other cost sensitive systems. After 2000, Mark managed the Field Applications group at Intrinsyc software. Mark's team at Intrinsyc was responsible for system architecture, development, testing and customer support for mobile applications including biomedical devices, gaming systems and a variety of other platforms. Mark left Intrinsyc in 2005 and continued supporting mobile device development projects as a private consultant and as the founder of Deviceworks Engineering Inc. Mark joined iSIGN in 2009 and has lead a team in improving iSIGN's ground breaking Interactive Marketing Solution or IMS.

Head Developer

Chris Losari is a graduate of the University of British Columbia with a Bachelor of Applied Science in Electrical Engineering. After graduating Chris worked for Research In Motion in Waterloo, Ontario. From there, he joined Polycom Canada, based in Vancouver, British Columbia. Chris has been with iSIGN since its inception and developed the first version of iSIGN's IMS software system. Chris has over 7 years of experience in development of marketing solutions that leverage the Bluetooth Object Push Profile and Object Exchange protocol.

Liquidity and Capital Resources

The Company cash resources decreased by \$162,934 in the three months ended January 31, 2013 compared with a decrease in cash resources, of \$647,908, in the same period in the prior year. For the year-to-date period, cash resources decreased by \$1,417,654, compared to a decrease of \$920,656 in the same period last year:

	Three Months Ended		Nine Months Ended	
	31-Jan-13	31-Jan-12	31-Jan-13	31-Jan-12
	\$	\$	\$	\$
Net Cash used in Operating Activities	(156,963)	(597,808)	(1,389,014)	(1,633,772)
Net Cash used in Investing Activities	(5,971)	-	(47,390)	(286,691)
Net Cash provided by Financing Activities	-	(50,100)	18,750	999,807
Cash (decrease)	(162,934)	(647,908)	(1,417,654)	(920,656)

Net Cash used in operating activities - the decrease in both the three and nine month periods ended January 31, 2013, is mainly a function of the greater net losses in the current periods, off-set by higher non-cash items, of the same periods, that include amortization, depreciation and impairment losses, and partially offset by changes in working capital items, that are significantly impacted by the on-going monthly accrual for royalties owed to Mac's that are payable on an annual basis, in July 2013.

Net Cash used in investing activities - the decrease in the nine month period ended January 31, 2013, from the comparable period in the prior year, is related to the acquisition of iSIGN Network in October 2011, partially offset by increased spending on property and equipment in the current fiscal period. The decrease in the three months ended January 31, 2013 is related to increased spending on property and equipment in the current fiscal period.

Net Cash provided by financing activities - the activity in all periods reflects the timing of warrants and/or stock options exercises. These activities were significantly higher in the fiscal 2012 periods as a result of higher share prices and more robust trading volumes experienced in fiscal 2012. The three and nine month periods ended January 31, 2012, also reflects the repayment of a note for \$150,000 in the third quarter of fiscal 2012.

Cash and working capital as at:	31-Jan-13	30-Apr-12	\$ change
	\$	\$	
Cash & cash equivalents	204,820	1,622,474	(1,417,654)
Current assets	830,287	2,017,713	(1,187,426)
Current liabilities	1,343,566	700,305	(643,261)
Working capital (deficit)	(513,279)	1,317,408	(1,830,687)

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Liquidity and Capital Resources - continued

The Company's cash & cash equivalents decreased to \$204,820 as compared to the balance from the last year-end of \$1,622,474 mainly due to on-going losses. The decrease in current assets to \$830,287 as compared to the balance at the last year-end of \$2,017,713 is mainly the result of on-going losses, combined with the transfer of a portion of other receivable from current to non-current, partially off-set by increases in trade accounts receivable and inventories. The increase in current liabilities is mainly due to the monthly accrual of the minimum royalties due and payable to Mac's, based on the contract that was signed January 2012, and due for payment in July 2013.

The working capital at January 31, 2013 decreased by \$1,830,450 from the Company's most recent year-end of April 30, 2012, to \$(513,279), due to the depletion of cash resources by ongoing losses and the accumulation of monthly accruals for the minimum Mac's royalties.

The Company continues to expend cash over and above its revenues. This will continue until the Company achieves breakeven. The Company continues to depend heavily on equity financing to fund its operating losses.

The Company will be consuming its cash resources at approximately \$525,000 - 600,000 per fiscal quarter. Its acquisition of iSIGN Network resulted in additional costs required to maintain the network. Although iSIGN Network has revenues, it has historically operated with losses.

The table below details the Company's current liabilities and long term contractual commitments on a cash basis:

	Total \$	Under 1 Year \$	1 – 3 Years \$	After 3 Years \$
Trade accounts payable & accruals (excluding royalty accruals)	726,649	726,649	-	-
Royalties	2,500,000	500,000	1,500,000	500,000
Operating leases	211,955	33,382	135,644	42,929
Sponsorship, consulting fees	24,439	1,688	22,751	-
Total	3,463,043	1,261,719	1,658,395	542,929

Results and Outlook

The following tables and discussion provides more in depth detail on the Company's expenses as required by National Instrument 51-102 for venture exchange companies with minimal revenues.

	Three months ended				Increase (decrease) \$
	31-Jan-13		31-Jan-12		
	\$	%	\$	%	
Total - Cost of Sales	356,083	100.0%	185,322	100%	170,761
Outsourced services	58,406	16.4%	71,132	38.4%	(12,726)
Salaries and benefits	88,207	24.8%	68,066	36.7%	20,141
Repairs and maintenance	14,442	4.1%	5,253	2.8%	9,189
Shipping and packaging	5,551	1.6%	6,707	3.6%	(1,156)
Travel	13,156	3.7%	19,259	10.4%	(6,103)
Operations facility	1,613	0.5%	14,905	8.0%	(13,292)
Hardware purchases for resale	174,708	49.1%	-	0%	174,708
Total - Selling and marketing	261,102	100%	111,505	100%	149,597
Travel, tradeshow and promotional	38,371	14.7%	30,628	27.5%	7,743
Royalties	131,428	50.3%	-	0.0%	131,428
Third party commissions	63,338	24.3%	62,394	56.0%	944
Salaries and benefits	22,262	8.5%	17,607	15.8%	4,655
Other	5,703	2.2%	876	0.8%	4,827

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Results and Outlook - continued

Total - General & administration	521,016	100.0%	551,987	100%	(30,971)
Salaries and benefits	167,878	32.2%	208,882	37.8%	(41,004)
Stock-based compensation	159,767	30.7%	141,616	25.7%	18,151
Travel and auto	7,509	1.4%	9,875	1.8%	(2,366)
Office costs	13,814	2.7%	23,588	4.3%	(9,774)
Occupancy and operating costs	30,104	5.8%	41,362	7.5%	(11,258)
Professional	98,476	18.9%	76,099	13.8%	22,377
Consulting	39,998	7.7%	63,366	11.5%	(23,368)
Directors' fees	5,000	1.0%	6,000	1.1%	(1,000)
Other (income)	(1,530)	-0.3%	(18,801)	-3.4%	17,271

	Nine months ended				Increase \$
	31-Jan-13		31-Jan-12		
	\$	%	\$	%	
Total - Cost of Sales	703,129	100%	296,586	100%	406,543
Outsourced services	137,490	19.6%	80,333	27.1%	57,157
Salaries and benefits	247,606	35.2%	80,122	27.0%	167,484
Repairs and maintenance	40,616	5.8%	9,260	3.1%	31,356
Shipping and packaging	21,766	3.1%	6,707	2.3%	15,059
Travel	57,715	8.2%	19,259	6.5%	38,456
Operations facility	23,228	3.3%	14,905	5.0%	8,323
Hardware purchases for resale	174,708	24.9%	86,000	29.0%	88,708
Total - Selling and marketing	693,689	100%	200,102	100%	493,587
Travel, tradeshow and promotional	91,110	13.1%	90,643	45.3%	467
Royalties	380,615	54.9%	-	0.0%	380,615
Third party commissions	145,372	21.0%	62,394	31.2%	82,978
Salaries and benefits	63,385	9.1%	43,249	21.6%	20,136
Other	13,207	1.9%	3,816	1.9%	9,391
Total - General & administration	1,468,063	100.0%	1,393,513	100%	74,550
Salaries and benefits	505,167	34.4%	519,192	37.3%	(14,024)
Stock-based compensation	303,700	20.7%	290,724	20.9%	12,976
Travel and auto	55,871	3.8%	56,943	4.1%	(1,073)
Office costs	74,926	5.1%	76,931	5.5%	(2,005)
Occupancy and operating costs	90,337	6.2%	92,674	6.7%	(2,337)
Professional	336,414	22.9%	238,477	17.1%	97,937
Consulting	120,009	8.2%	119,329	8.6%	680
Directors' fees	12,000	0.8%	17,000	1.2%	(5,000)
Other expense	(30,361)	-2.1%	(17,757)	-1.3%	(12,604)

Cost of Sales:

The overall increase in cost of sales in the nine month period ended January 31, 2013, is the result of the acquisition of iSIGN Network. The increase in the three month period ended January 31, 2013 is the cost of equipment that was resold during the quarter.

Expenses:

Selling and marketing costs increased in the three months ended January 31, 2013 compared to the same period in the prior year mainly due to the complete absence of contractual royalties owed to Mac's during the quarter ended January 31, 2012. The increase for the nine month period ended January 31, 2013 compared to the same period of the prior year is mainly due to the commissions charged by sales agencies that sell advertising on the digital signage networks and the monthly accrual of the minimum royalties owed to Mac's.

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Results and Outlook - continued

General and administration costs decreased in the three month period ended January 31, 2013 compared to the same period of the prior year, mainly due to decreases in salaries and benefits and consulting costs, partially off-set by increases in stock-based compensation, professional fees and increased other (income). The increase for the nine month period ended January 31, 2013, compared to the same period of the prior year, are mainly due to increases in: professional fees, which included the costs of listing on the OTCQX exchange, litigation and legal costs; and, stock-based compensation; partially offset by decreases in salaries and benefits and an increase in other (income). A major contributor to other income was the resolution and reversal of old accounts payable balances.

Depreciation and amortization have increased in both the three and nine months periods, due to the acquisition of iSIGN Network including tangible and intangible assets, which resulted in significantly higher monthly charges commencing from the third quarter of fiscal 2012, and continuing through the current period.

Impairment losses - on assets acquired by the acquisition of iSIGN Network - (a) Goodwill. In the nine months to January 31, 2013, the Company's reviewed the revenue growth prospects in the digital signage network; the Company modified its revenue projection expectations downwards. Consequently, the Company determined the carrying amount of the net assets of the digital signage network was higher than its recoverable amount as computed under the value-in-use method that requires the Company to prepare a discounted cash-flow analysis; in the nine months ended January 31, 2013, the Company has recognized an impairment loss on its goodwill asset of \$567,549. (b) Other receivable. The difference of \$34,200 between the face value and the present value of the other receivable was recorded as an impairment loss for the quarter ended January 31, 2013. The actual realization of the balance owed under the other receivable had extended beyond 12 months, and a review of historical cash receipts during the nine months to January 31, 2013, resulted in a determination that total recovery of this asset could be approximately two and quarter more years. The Company has mitigated its overall credit risk from the other receivable, as 1 million of its common shares issued as acquisition consideration are held in escrow pending satisfactory conclusion of its legal action against the principal shareholders, under their representations and warranties of the purchase agreement.

The following table details the last 8 consecutive quarters, revenues, gross profit (loss) gross margin %, and major expense categories.

Quarter (3 months) ending (Unaudited)	Q3. F2013				Q3. F2012			
	31-Jan 2013 \$	31-Oct 2012 \$	31-Jul 2012 \$	30-Apr 2012 \$	31-Jan 2012 \$	31-Oct 2011 \$	31-Jul 2011 \$	30-Apr 2011 \$
Revenue	603,699	147,520	140,855	95,952	219,185	114,024	7,946	44,628
Gross profit (loss)	247,616	(12,608)	(46,063)	(137,168)	33,863	3,886	6,820	23,552
Gross margin	41%	(9%)	(33%)	(143%)	15%	3%	86%	53%
Selling and marketing	261,102	230,654	201,933	166,464	111,505	42,853	45,744	40,806
General and administration	521,016	398,586	548,461	632,303	551,987	448,875	392,651	394,560
Bad debt	-	-	-	-	20,120	-	-	-
Impairment of other receivable	34,200	-	-	-	-	-	-	-
Depreciation	105,769	105,575	105,121	136,960	108,052	22,200	1,375	2,262
Amortization	109,204	109,204	109,204	181,930	48,893	4,112	4,112	5,278
Research and development	11,200	43,183	46,455	80,260	67,258	86,694	90,956	5,488
Asset impairment	-	567,549	-	-	-	-	-	134,835
Interest	6,088	5,797	5,546	10,310	2,116	5,822	6,720	8,978
Total operating expense	1,048,579	1,460,548	1,016,720	1,208,227	909,931	610,556	541,558	592,207
Loss before income tax	(800,963)	(1,473,156)	(1,062,783)	(1,345,395)	(876,068)	(606,670)	(534,738)	(568,655)

iSIGN MEDIA SOLUTIONS INC.
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Results and Outlook - continued

The Company's revenues in the April 2011 quarter were for licensing fees and set-up charges related to the Bluetooth broadcasting units that were installed in Singapore and China. This revenue stream ended in April 2011. The revenue recorded in the quarter ended July 2011 was strictly for new installations and the sale of Bluetooth only broadcasting units. Revenue in the quarters from October 2011 through October 2012 was predominately hardware sales and digital signage advertising revenue. Revenue for the January 2013 quarter was a mix of hardware sales, including Smart Antennas and digital signage advertising.

Gross profit margin fluctuations in the April and July 2011 quarters were mainly a function of: (i) amortization costs of the IMS units (eliminated effective in the April 2011 quarter), (ii) the building of our initial Bluetooth only broadcasting devices. Fluctuations within the October 2011 through October 2012 quarters, have been impacted by the fixed costs within iSIGN Network's cost of sales, relating to: staff costs; operations facility costs; content management fees; and, variable costs of equipment purchased and resold. In addition, during the April 2012 quarter, maintenance and repair costs associated with the digital signage networks in Mac's and the City of Calgary were significantly higher due to a major equipment overhaul to improve the networks operational standards. The January 2012 quarter reported a substantial improvement in gross profit, compared to prior quarters, due mainly to the margin on sales revenues of the Company's Smart Antennas as well as to increased revenue levels for the digital signage network in relation to its fixed costs.

Selling and marketing costs trended upwards during the January 2012 through January 2013 quarters, mainly due to commissions on revenues generated by the digital signage network. In the quarters from April 2012 to January 2013, costs also increased due to the booking of minimum contractual royalties payable to Mac's. Monthly fluctuations in all quarters prior to October 2012 were affected by our trade show attendance.

General and administration expense fluctuations during the April 2011 and July 2011 quarters are primarily related to stock-based compensation and public company costs. Increases for the quarters of October 2011 through January 2013 are primarily related to the acquisition of iSIGN Network, stock-based compensation, professional fees, including litigation costs, and public company costs (press releases and AGM costs).

Research and development costs have fluctuated throughout all the quarters based upon the R&D projects that were underway at each point in time. The Smart Antenna project commenced in the July 2011 quarter and was essentially completed during the April 2012 quarter.

During the January 2013 quarter the Company recorded an impairment of the other receivable owed by the former majority shareholder of iSIGN Network, due to the extended collection time frame. During the October 2012 quarter the Company recorded an impairment of its goodwill due to the slower than anticipated roll-out of advertising revenues into the digital signage network. During the April 2011 quarter, the Company recorded impairment loss on the development costs of the Asian back-end reporting system and its IMS units, as a result of the lack of revenue generation by these assets.

Outlook

Generally our outlook prospects appear promising as our attendance at trade shows demonstrating our technology and promotional activities have driven increasing attention and enquiries into the Company for its Smart Antennas and related software. The Company has been successful in demonstrating the ability of its technology to capture metrics in significant volumes and with substantial redemption rates to promote the installation and activation of its Smart Antennas, which the Company anticipates will result in equipment sales and ongoing recurring monthly licensing revenues.

The Company requires additional capital to continue its operations, and to continue to successfully pursue specific opportunities, through 2013 and beyond. The Company currently has private placement negotiations underway for \$5.25 million and anticipates a satisfactory outcome in the fourth quarter of fiscal 2013.

Some of our specific opportunities for revenues are as follows:

GraphicMedia, Inc (USA - two mid-west States, north-eastern Texas and Washington State) / DAT Media (Australia, New Zealand and Indonesia) / Carroll Advertising, Inc (USA - New England States)

iSIGN has signed Reseller Agreements with all three of these companies. In all cases, each company has acquired exclusive rights to various territories, in exchange for a commitment to acquire and deploy 250 Smart Antennas within their territory. Each agreement further calls for fees relating to the set-up and licensing of the units. The exclusivity provision requires a payment of \$250,000 US, per territory for the delivery of a certain number of antennas over a 3 year period. Each of resellers paid an initial deposit of \$25,000.

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Outlook - continued

The agreement with GraphicMedia resulted in iSIGN's involvement in a test program with National Oil and Gas, Inc., in which iSIGN's Smart Antennas were installed and tested in selected outlets. During the third quarter, the Company received a purchase order from Graphic, for 6,000 Smart Antennas, subject to final procurement and delivery arrangements. The initial delivery of 500 units towards this order, occurred during the quarter ended January 31, 2013. Graphic has signed an exclusive distribution agreement for North, Central and South America.

Keyser Retail Solutions - Provider of services including digital menu-signage to quick service restaurant industry.

GraphicMedia introduced iSIGN to Keyser. Subsequent to the current quarter, iSIGN and Keyser signed an agreement appointing Keyser as the exclusive provider of installation and deployment services for Smart Antennas and related software in similar territories to the Graphic distribution agreement for the Quick Service Restaurant field.

Baylor University

On November 21, 2012, the Company entered into a memorandum of understanding with Baylor University for the establishment of an agreement for research and business development collaborations to market metrics that are developed from the consumer response data gathered by the Company's various installations. Baylor's analysis of our data and the resulting published metrics results, gives us independent third party sign-off on our metrics from an internationally recognized university that no other company in our field has.

Chinney Concepts Ltd. LOI

Under the terms of the LOI, Chinney would become the Company's licensed partner, reseller and a technology provider of iSIGN's products and software to Chinney's existing and prospective customers, in an area to include mainland China, Hong Kong, Macau and Taiwan, including exclusively for four of Asia's top convenience store chains: 7/11, Family Mart, Lawson and Circle K, with approximately 39,000 outlets. Chinney is an investment holding company trading on The Stock Exchange of Hong Kong Limited (HKG: 0385).

Mac's Convenience Stores

The Company continues to work closely with Macs' management. Although the digital signage network has been upgraded and improved, the Company believes that sustained revenue growth will require the Company to dedicate internal resources to its advertising agents to significantly improve on recent advertising revenue trends. Although the confirmed bookings of advertising in the third quarter showed an improvement over the first two quarters, advertising campaigns mainly continue to be booked on a short term basis that prevents the Company from being able to comment on whether this growth will be sustained. The Company believes that having dedicated fulltime sales and marketing resources to network advertising, will lead to consistent revenue growth on the network.

SelectCore Ltd.

iSIGN's Smart Antennas are currently installed in selected stores across the Toronto Area. The Company's strategy is to present the gathered metrics to advertising agencies representing product brands, to entice them to advertise on the network and then to proceed on an installation program knowing that the advertising is committed.

iSIGN's cost to place Smart Antennas across this network, would be approximately \$2 million in capital expenditures, based upon current capital costs. iSIGN does not have this capital and there is no guarantee it could raise sufficient funds through an equity or debt financing. Currently the Company has no plans for raising \$2 million for capital expenditures specific to SelectCore.

There is no guarantee that any of these deals will be successful and result in significant future revenues.

Common shares - outstanding share data

	As at	
	31-Jan-13	31-Jan-12
Basic common shares	67,080,020	58,946,039
Convertible securities		
Warrants	10,790,778	7,546,475
Options	5,223,333	4,958,333
Fully diluted common shares	83,094,131	71,450,847
Significant ownership concentration		% of issued shares
Alex Romanov - CEO and director	9,685,229	14.40%
Tesar Inc	5,166,667	7.70%

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Changes in Internal Controls and Assessment of Financial Information Controls and Procedures.

The Company held its Annual General Meeting on September 24, 2012. At the meeting the proposed Board of Directors was elected. The board members reviewed the internal controls and procedures and determined that they are appropriate for the Company's current needs.

Disclosure controls and procedures ("DCP") are intended to provide reasonable assurance that information required are disclosed, processed, summarized and reported within the time periods specified by securities regulations, and that information required to be disclosed is accumulated and communicated to management. Internal controls over financial reporting ("ICFR") are intended to provide assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with IFRS.

TSX Venture listed companies are not required to provide representations in their annual and interim filings related to the establishment and maintenance of DCP and ICFR, as defined in Multinational Instrument MI 52-109. In particular, the CEO and CFO certifying officers do not make any representations relating to the establishment and maintenance of: (a) controls and other procedures designed to provide reasonable assurance that information required to be disclosed by the issuer in its annual filings, interim filings or other reports filed or submitted under securities legislation is recorded, processed, summarized and reported within the time periods specified in securities legislation, and (b) a process to provide reasonable assurance regarding the reliability financial reporting and the preparation of financial statements for external purposes in accordance with GAAP. The issuers' certifying officers are responsible for ensuring that processes are in place to provide them with sufficient knowledge to support the representations they are making in their certificate regarding absence of misrepresentations and fair disclosure of financial information. Investors should be aware that inherent limitations on the ability of certifying officers of a venture issuer to design and implement on a cost effective basis DCP and ICFR as defined in MI 52-109 may result in additional risks to the quality, reliability, transparency and timeliness of interim and annual filings and other reports provided under securities legislation.

Off-Balance Sheet Arrangements

The Company has not entered into any off-balance sheet arrangements.

Management's Estimates

The preparation of financial statements in conformity with IFRS requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenses during the reporting period. Significant management estimates include allowance for doubtful accounts, useful lives of capital and intangible assets and share-based payments. Actual results could differ from those estimates. No changes to critical accounting estimates in the current reporting period.

Transactions with Related Parties

All related party transactions are recorded at the exchange amount, which is the amount of consideration established and agreed to by both parties. In the normal course of operations, the Company:

- Pays the monthly fees of our Chief Executive Officer to a company owned by him.
- Pays the monthly fees of our Chief Financial Officer to a company owned by him.
- Engaged a law firm to provide legal services to the Company; one of the partners in the law firm is a director and secretary of the Company.

Management Contracts

Alex Romanov

- Agreement signed with an effective date of Jan 6, 2012
- Term is for 3 years, expiring Jan 6, 2015
- Automatic renewals or 1 year terms, unless notice in writing is given 6 months prior to the expiration of the term
- Consulting salary of \$15,000 per month plus a monthly car allowance of \$1,350
- Severance is required equal to 12 months of Alex' consulting fee - \$180,000

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Risks and Uncertainties

Any investment in the securities of the Company is speculative due to the nature of its business and its general stage of development. These risk factors could materially affect the Company's future operating results and could cause actual events to differ materially from those described in forward-looking statements relating to the Company. In addition to the usual risks associated with investment in a business, investors should carefully consider the following risk factors:

No History of Profits

iSIGN has not earned profits to date and there is no assurance that iSIGN will earn profits in the future, or that profitability, if achieved, will be sustained. The success of iSIGN ultimately depends upon its abilities to generate significant revenues to finance operations as opposed to external funding. There is no assurance that future revenues will be sufficient to generate the funds required to continue operations without external funding. If the Company does not have sufficient capital to fund its operations, it may be required to forego certain business opportunities.

Future Capital Requirements

iSIGN will require additional financing in order to grow and expand its operations. Additional financing could include the incurrence of debt and the issuance of additional equity securities, which could result in substantial dilution to existing shareholders. It is possible that required future financing will not be available, or if available, will not be available on favourable terms. If adequate funds are not available, or are not available on acceptable terms, iSIGN may not be able to take advantage of opportunities or otherwise respond to competitive pressures and remain in business. There can be no assurances that iSIGN will be able to raise additional capital if its capital resources are exhausted.

Management of Growth

Any expansion of iSIGN's business may place a significant strain on its financial, operational and managerial resources. There can be no assurance that the Company will be able to implement and subsequently improve its operations and financial systems successfully and in a timely manner in order to manage any growth it experiences. There can be no assurances that iSIGN will be able to manage growth successfully. Any inability of iSIGN to manage growth successfully could have a material adverse effect on the Company's business, financial condition and operational results.

Our sales efforts require significant time and effort and could hinder our ability to expand our customer base and increase revenue

Attracting new customers requires substantial time and expense and we cannot assure that we will be successful in establishing new relationships, or maintaining or advancing our current relationships. For example, it may be difficult to identify, engage and market to customers who do not currently perform mobile marketing or advertising or are unfamiliar with our current services or platform. Further, many of our potential customers typically require input from one or more internal levels of approval. As a result, during our sales effort, we must identify multiple people involved in the purchasing decision and devote a sufficient amount of time to presenting our products and services to those individuals. The newness and complexity of our services, including our software as a service model, often requires us to spend substantial time and effort assisting potential customers in evaluating our products and services, including providing demonstrations and benchmarking against other available technologies, as well as trial periods. This process can be costly and time consuming. We expect that our sales process will become less burdensome as our products and services become more widely known and used. However, if this change does not occur, we will not be able to expand our sales effort as quickly as anticipated and our sales will be adversely affected.

Technology

iSIGN currently holds patent pending applications in Canada, United States, China, Singapore and Malaysia. Despite precautions that iSIGN may take to protect its rights, third parties may copy or obtain and use our intellectual property and other proprietary information without our authorization or they may develop similar or superior technologies. iSIGN enters into confidentiality agreements with its employees, clients, prospective clients and others. However, these agreements may not provide meaningful protection of our technologies in the event of unauthorized use or disclosure. Policing unauthorized use of intellectual property is difficult and the cost of enforcing our rights by way of litigation may be prohibitive. iSIGN's success will partially depend upon its ability to obtain, enforce and maintain patent protection for its intellectual property worldwide.

Location-based Interactive Proximity Advertising Medium

Although there is a large and growing amount of interest in this field from both the advertising community and digital sign companies, it is still new and relatively untested. There can be no assurances that advertisers will accept proximity messaging as an acceptable advertising medium or that they will either increase their advertising spending to include this medium or divert some of their existing advertising budget to this medium.

Creating New Product Features

iSIGN's ability to grow its revenue and client base will be impacted to a degree, by its ability to create and/or to react to the desire for additional features and functions for its technology.

Competition

iSIGN's competition for advertising dollars, are the more traditional forms of advertising - television, the print mediums (magazines and newspapers), radio and out-of-home advertising - that advertisers immediately consider when they think of communicating with potential consumers.

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Risks and Uncertainties - continued

Dependence on Key/Qualified Personnel

The Company's success is dependent on the abilities, experience and efforts of its senior staff. The experience of these individuals, as well as new employees that we attract to our organization, will be an important factor contributing to iSIGN's continued success and growth. While iSIGN has entered into employment agreements with its senior management and staff, should these persons be unable or unwilling to continue their employment with the Company, the loss of one or more of these individuals could have an adverse effect upon iSIGN's operations and business prospects. In particular, the loss of our CEO would severely impact business prospects. There can be no assurance that iSIGN will not experience employee turnover in the future, or that iSIGN's staffing costs will not increase. There is no assurance that the Company will be able to continue to hire and retain a sufficient number of qualified personnel. The Company does not presently carry "key man" insurance policies on any of its officers, directors or employees.

Vulnerability to Economic Conditions

iSIGN is dependent upon the economic environments in which it operates. Demand for iSIGN's product could be adversely affected by economic conditions in the countries in which iSIGN's clients operate. iSIGN's business may be sensitive to external factors such as events which may adversely affect the economy and consumer spending. There can be no assurance that such factors may not have an adverse effect upon iSIGN's business.

Subsequent Event

On March 25, 2013, the Company closed a private placement for \$254,600 for an issuance of 848,666 common shares and 848,666 warrants. The common shares were priced at \$0.30 and the warrants at \$0.45, exercisable for a two year period ending March 25, 2015.

Approval

The Audit Committee and the Directors of iSIGN Media Solutions Inc. have approved the disclosures in this MD&A and the accompanying unaudited Financial Statements.