

MDC  Partners

Management Presentation
July 30, 2012

Second Quarter 2012 Results



FORWARD LOOKING STATEMENTS & OTHER INFORMATION

This presentation, including our “2012 Financial Outlook”, contains forward-looking statements. The Company’s representatives may also make forward-looking statements orally from time to time. Statements in this presentation that are not historical facts, including statements about the Company’s beliefs and expectations, earnings guidance, recent business and economic trends, potential acquisitions, estimates of amounts for deferred acquisition consideration and “put” option rights, constitute forward-looking statements. These statements are based on current plans, estimates and projections, and are subject to change based on a number of factors, including those outlined in this section. Forward-looking statements speak only as of the date they are made, and the Company undertakes no obligation to update publicly any of them in light of new information or future events, if any.

Forward-looking statements involve inherent risks and uncertainties. A number of important factors could cause actual results to differ materially from those contained in any forward-looking statements. Such risk factors include, but are not limited to, the following:

- risks associated with severe effects of international, national and regional economic downturn;
- the Company’s ability to attract new clients and retain existing clients;
- the spending patterns and financial success of the Company’s clients;
- the Company’s ability to remain in compliance with its debt agreements and the Company’s ability to finance its contingent payment obligations when due and payable, including but not limited to those relating to “put” option rights and deferred acquisition consideration;
- the successful completion and integration of acquisitions which compliment and expand the Company’s business capabilities; and
- foreign currency fluctuations.

The Company’s business strategy includes ongoing efforts to engage in material acquisitions of ownership interests in entities in the marketing communications services industry. The Company intends to finance these acquisitions by using available cash from operations and through incurrence of bridge or other debt financing, either of which may increase the Company’s leverage ratios, or by issuing equity, which may have a dilutive impact on existing shareholders proportionate ownership. At any given time the Company may be engaged in a number of discussions that may result in one or more material acquisitions. These opportunities require confidentiality and may involve negotiations that require quick responses by the Company. Although there is uncertainty that any of these discussions will result in definitive agreements or the completion of any transactions, the announcement of any such transaction may lead to increased volatility in the trading price of the Company’s securities.

Investors should carefully consider these risk factors and the additional risk factors outlined in more detail in the Annual Report on Form 10-K under the caption “Risk Factors” and in the Company’s other SEC filings.



KEY HIGHLIGHTS

- Organic revenue growth of 8.3% for Q2 2012 and 6.9% YTD
- Q2 2012 revenue increased 15.2% to \$274.1 million versus \$238.0 million in Q2 2011 and YTD revenue increased 12.5% to \$509.8 million from \$453.1 million in the first half of 2011
- Q2 2012 EBITDA decreased to \$31.3 million versus \$33.0 million in Q2 2011 and YTD EBITDA decreased to \$39.2 million from \$48.7 million in the first half of 2011
- Net new business wins of \$30.3 million for Q2 2012 and \$79.8 million YTD, an increase of 70.5% versus the first half of 2011
- Total Free Cash Flow including working capital for Q2 2012 of \$16.6 million in Q2 2012 and \$84.8 million YTD
- On track to achieve full year financial guidance
- Affirm commitment to achieve our target net-debt to EBITDA ratio of 3.0 to 3.5 times by year end



CONSOLIDATED REVENUE AND EARNINGS

	Three Months Ended June 30,			Six Months Ended June 30,		
	2012	2011	% Change	2012	2011	% Change
Revenue	\$ 274.1	\$ 238.0	15.2 %	\$ 509.8	\$ 453.1	12.5 %
Operating Expenses						
Cost of services sold	188.9	161.1	17.3 %	365.9	318.6	14.8 %
Office and general expenses	74.2	52.5	41.4 %	134.3	96.9	38.5 %
Depreciation and amortization	13.6	9.6	42.6 %	23.6	19.9	19.0 %
Operating Profit (Loss)	(2.7)	14.9	NM %	(14.1)	17.7	NM %
Other expense, net	(11.6)	(10.2)		(23.6)	(19.4)	
Income tax expense	2.5	0.6		3.8	0.9	
Equity in earnings of non-consolidated affiliates	0.0	0.1		0.3	0.3	
Income (Loss) from Continuing Operations	(16.8)	4.2		(41.1)	(2.3)	
Loss from discontinued operations, net of taxes	(1.7)	(0.3)		(2.2)	(0.9)	
Net Income (Loss)	(18.5)	3.9		(43.4)	(3.2)	
Net income attributable to the non-controlling interests	(1.6)	(2.5)		(3.0)	(4.1)	
Net Income (Loss) attributable to MDC Partners Inc.	\$ (20.1)	\$ 1.3		\$ (46.4)	\$ (7.4)	

Note: Actuals may not foot due to rounding



SUMMARY OF SEGMENT RESULTS - REVENUE

(US\$ in millions, except percentages)

	Three Months Ended June 30,			Six Months Ended June 30,		
	2012	2011	% Change	2012	2011	% Change
Revenue						
Strategic Marketing Services	\$ 183.8	\$ 155.0	18.6 %	\$ 343.8	\$ 296.5	16.0 %
Performance Marketing Services	90.4	83.1	8.8 %	165.9	156.7	5.9 %
Total Revenue	\$ 274.1	\$ 238.0	15.2 %	\$ 509.8	\$ 453.1	12.5 %

- **Strategic Marketing Services delivered 10.7% organic growth**
- **Performance Marketing Services segment returned to organic growth in Q2 2012**
- **Continued strong new business wins adds visibility to full year goals**



SECOND QUARTER 2012 REVENUE GROWTH BY SEGMENT

	Strategic Marketing Services	Performance Marketing Services	Weighted Average Total
Organic Growth	10.7%	3.9%	8.3%
Acquisition Growth	8.8%	10.0%	9.2%
Foreign Exchange Growth	-0.9%	-5.1%	-2.3%
Total	18.6%	8.8%	15.2%



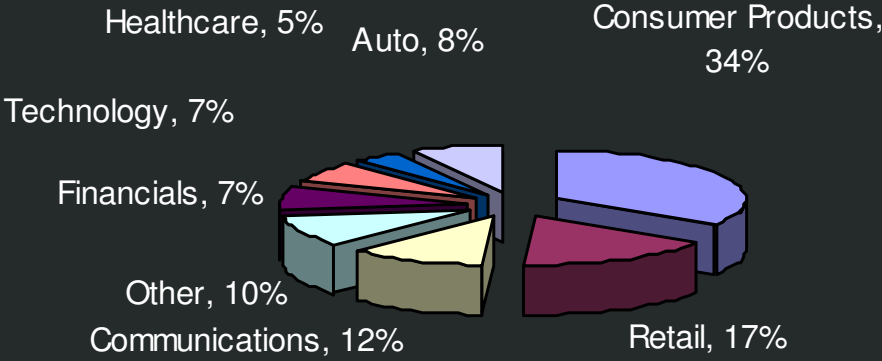
YEAR TO DATE 2012 REVENUE GROWTH BY SEGMENT

	Strategic Marketing Services	Performance Marketing Services	Weighted Average Total
Organic Growth	9.6%	1.6%	6.9%
Acquisition Growth	7.0%	7.2%	7.0%
Foreign Exchange Growth	-0.6%	-2.9%	-1.4%
Total	16.0%	5.9%	12.5%

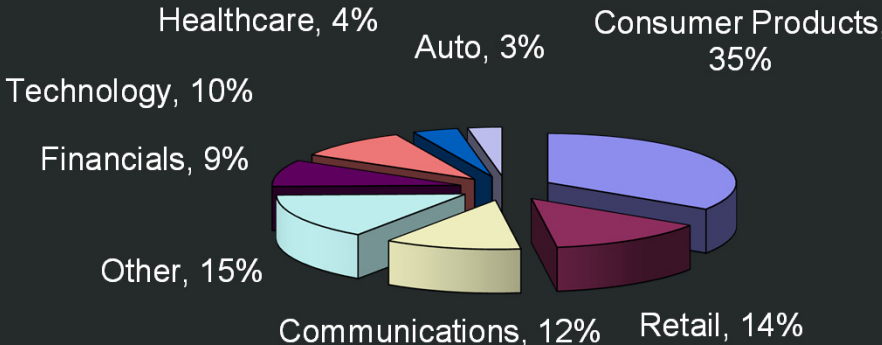


SECOND QUARTER REVENUE BY CLIENT SECTOR

Q2 2012



Q2 2011



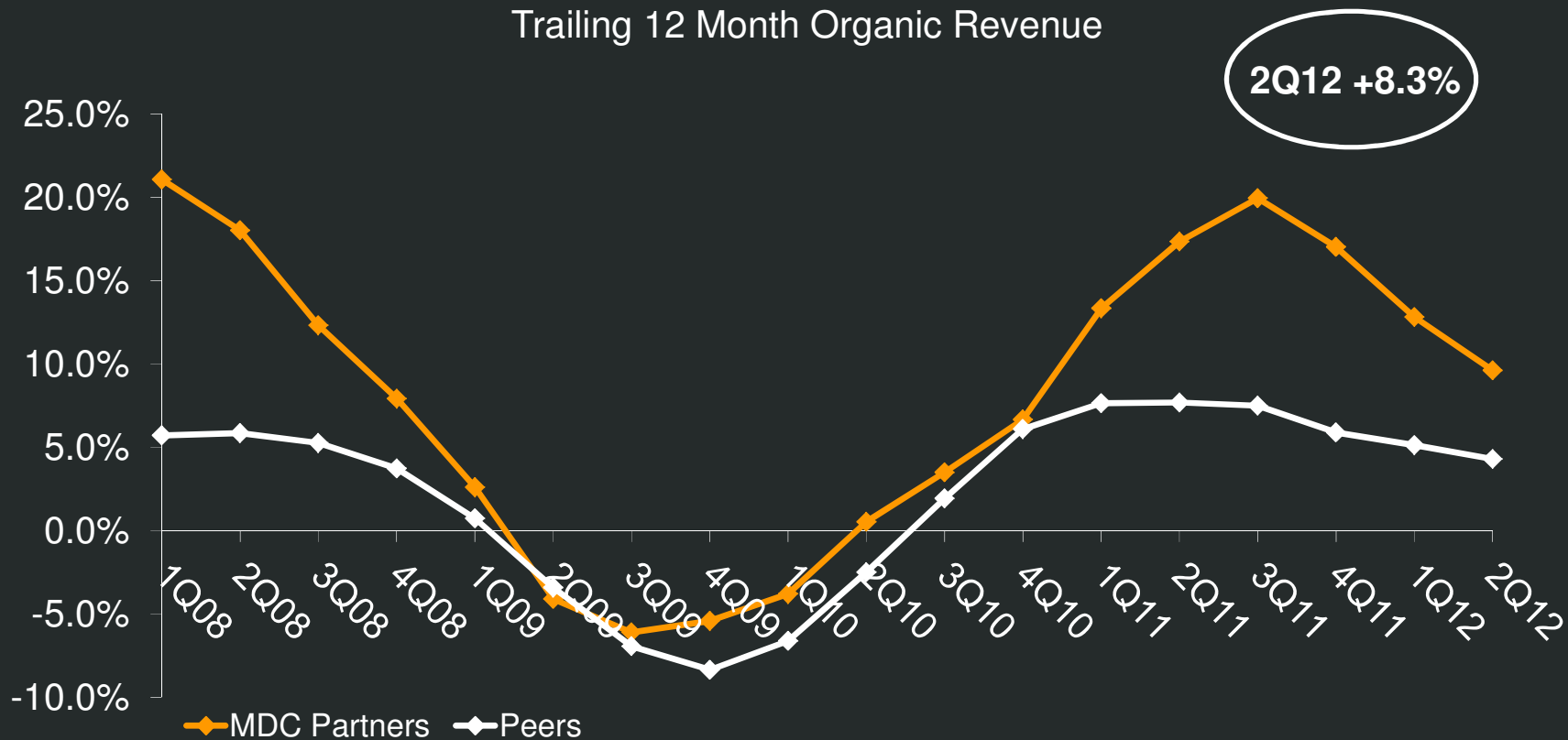
Note: Actuals may not foot due to rounding



ORGANIC GROWTH

Outperformance Despite More Difficult Comparisons

MDC Partners vs. Peers
Trailing 12 Month Organic Revenue



Note: *Peers include Omnicom, Publicis, Interpublic, WPP, and Havas
*Due to timing of earnings, WPP and Havas are not included 2Q12



SUMMARY OF SEGMENT RESULTS - EBITDA

	Three Months Ended June 30,			Six Months Ended June 30,		
	2012	2011	% Change	2012	2011	% Change
EBITDA						
Strategic Marketing Services	\$ 28.9	\$ 29.5	(2.0) %	\$ 39.2	\$ 44.7	(12.4) %
<i>margin</i>	15.7%	19.0%		11.4%	15.1%	
Performance Marketing Services	7.6	8.4	(9.6) %	10.2	12.7	(19.6) %
<i>margin</i>	8.4%	10.2%		6.1%	8.1%	
Marketing Communications	36.5	37.9	(3.7) %	49.3	57.4	(14.0) %
<i>margin</i>	13.3%	15.9%		9.7%	12.7%	
Corporate Expenses	(5.3)	(5.1)	5.2 %	(10.4)	(9.1)	13.6 %
Profit Distributions from Affiliates	0.2	0.2		0.2	0.4	
Total EBITDA	\$ 31.3	\$ 33.0	(5.1) %	\$ 39.2	\$ 48.7	(19.6) %
<i>margin</i>	11.4%	13.9%		7.7%	10.7%	

Note: Actuals may not foot due to rounding



FREE CASH FLOW

(US\$ in millions)	Three Months Ended June 30,		Six Months Ended June 30,	
	2012	2011	2012	2011
EBITDA	\$31.3	\$33.0	\$39.2	\$48.7
Net Income Attributable to Noncontrolling Interests	(1.6)	(2.5)	(3.0)	(4.1)
Capital Expenditures	(4.3)	(3.3)	(8.9)	(7.0)
Cash Taxes	(0.3)	(0.1)	(0.3)	(0.1)
Cash Interest, net & other	(10.9)	(10.1)	(20.3)	(18.4)
Free Cash Flow	\$14.2	\$17.1	\$6.5	\$19.0

Note: Actuals may not foot due to rounding



LIQUIDITY

Available Liquidity at June 30, 2012

(US\$ in millions)

Commitment Under Facility	\$	150.0
Drawn		124.1
Letters of Credit		5.2
Total Cash		71.7



2012 FINANCIAL OUTLOOK

	2012 Guidance	Implied Year over Year Change
Revenue	\$1,050 - \$1,075 million	+11.3% to +14.0%
EBITDA	\$110 - \$115 million	+21.2% to +26.7%
Free Cash Flow	\$35 - \$40 million	+50.8% to +72.3%
+ Change in Working Capital and Other	+\$25 million	
Total Free Cash Flow	\$60 - \$65 million	+10.6% to +19.8%
Implied EBITDA Margin	10.5% - 10.7%	+90 to +110 basis points

Note: See appendix for definitions of non-GAAP measures



APPENDIX



TEMPORAL PUT OBLIGATIONS AND IMPACT ON EBITDA

Estimated Put Impact at June 30, 2012					
(US\$ in millions)	Payment Consideration			Incremental EBITDA in Period	
	Cash	Stock	Total		
2012	1.5	0.4	1.9	1.4	
2013	7.9	0.6	8.5	0.4	
2014	2.5	0.9	3.4	0.7	
2015	3.4	0.5	3.9	1.2	
Thereafter	5.8	0.4	6.2	0.6	
Total	\$21.1	\$2.8	\$23.9	\$4.3	

Effective Multiple 5.6

Note: Excludes put rights of \$78.9 million exercisable pursuant to termination of employment or death.



SUMMARY OF CASH FLOW

(US\$ in millions)	Six Months Ended June 30,	
	2012	2011
Cash flows (used in) provided by continuing operating activities	(\$5.1)	(\$25.5)
Discontinued operations	(1.5)	(0.2)
Net cash (used in) provided by operating activities	(\$6.6)	(\$25.7)
Cash flows (used in) provided by continuing investing activities	\$26.3	(\$18.7)
Discontinued operations	0.1	(0.2)
Net cash (used in) provided by investing activities	\$26.4	(\$18.9)
Net cash (used in) provided by financing activities	\$44.2	\$39.5
Effect of exchange rate changes on cash and cash equivalents	(\$0.4)	(\$0.2)
Net increase (decrease) in cash and cash equivalents	\$63.6	(\$5.2)

Note: Actuals may not foot due to rounding



DEFINITION OF NON-GAAP MEASURES

- **EBITDA:** EBITDA is a non-GAAP measure, that represents operating profit plus depreciation and amortization, stock-based compensation, acquisition deal costs, deferred acquisition consideration adjustments and profit distributions from affiliates.
- **Organic Growth:** Organic revenue growth is a non-GAAP measure that refers to growth in revenues from sources other than acquisitions or foreign exchange impacts.
- **Free Cash Flow:** Free cash flow is a non-GAAP measure that represents EBITDA less net income attributable to noncontrolling interests, less capital expenditures net of landlord reimbursements, less net cash interest (including interest paid and to be paid on the 11% Senior Notes), less cash taxes plus realized cash foreign exchange gains.
- **Total Free Cash Flow:** Total free cash flow is a non-GAAP measure that represents free cash flow plus changes in working capital plus other changes in cash.
- **Net Bank Debt or Net Debt:** Debt due pertaining to the revolving credit facility plus debt pertaining to the Senior Notes less total cash and cash equivalents.

Note: A reconciliation of Non-GAAP to US GAAP reported results has been provided by the Company in the tables included in the earnings release issued on July 30, 2012.

