



Management Presentation

Fourth Quarter 2013 Results

February 20, 2014

FORWARD LOOKING STATEMENTS & OTHER INFORMATION

This presentation, including our “2014 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.



SUMMARY

- Another year of exceptionally strong operational and financial performance for our business
- Exceptional financial performance across all key metrics – industry-leading organic revenue growth, strong EBITDA growth and operating leverage, and solid free cash flow growth
- New business wins and pipeline robust as incremental share of wallet and increasing market share provide visibility for future momentum
- Superior industry recognition...72andSunny named “Agency of the Year” again; Anomaly and 72andSunny made the A-List, Vitro and kbs+ celebrated as 2 of only 10 “Standout Agencies”
- Significant free cash flow generation; increasing quarterly dividend
- Strengthened balance sheet, reduced borrowing costs, and improved flexibility to use capital to the benefit of shareholders



2013 FINANCIAL HIGHLIGHTS

SUPERIOR FINANCIAL PERFORMANCE ACROSS ALL KEY METRICS – INDUSTRY LEADING ORGANIC REVENUE GROWTH, STRONG EBITDA GROWTH AND OPERATING LEVERAGE, AND SOLID FREE CASH FLOW GROWTH

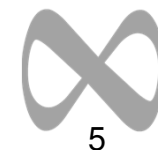
- Organic revenue growth of 8.3%, outpacing the industry by 3 times
- Revenue increased from \$1.06 billion to \$1.15 billion, up 8.1%
- EBITDA increased from \$119.7 million to \$159.4 million, up 33.1%
- EBITDA margin expanded from 11.3% to 13.9%, up 260 basis points
- Net new business wins of \$132.5 million, consistent with 2012
- Free Cash Flow increased from \$50.3 million to \$91.6 million, up 82.0%
- Quarterly dividend increased by 93% over the course of the year to \$0.18
- Effectively repurchased 7% of shares outstanding during the year



STRONG 2013 RESULTS ACROSS ALL KEY METRICS

	2012 Actual Results	2013 Recent Guidance	2013 Actual Results
Revenue <i>Year-over-Year Growth</i>	\$1.06 billion	\$1.155 - \$1.180 billion +8.4% to +10.8%	\$1.15 billion +8.1%
EBITDA <i>Year-over-Year Growth</i>	\$119.7 million	\$158 - \$160 million +31.5% to +33.2%	\$159.4 million +33.1%
Free Cash Flow <i>Year-over-Year Growth</i>	\$50.3 million	\$85 - \$90 million +67.1% to +77.0%	\$91.6 million +82.0%
Implied EBITDA Margin <i>Year-over-Year Change</i>	11.3%	13.5% - 13.7% +220 to 240 basis points	13.9% +260 basis points

Note: See appendix for definitions of non-GAAP measures

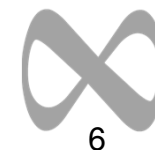


CONSOLIDATED REVENUE AND EARNINGS

(US\$ in millions, except percentages)

	Three Months Ended December 31,			Twelve Months Ended December 31,		
	2013	2012	% Change	2013	2012	% Change
Revenue	\$ 307.1	\$ 292.6	4.9 %	\$ 1,148.9	\$ 1,063.3	8.1 %
Operating Expenses						
Cost of services sold	197.8	194.3	1.8 %	754.5	733.8	2.8 %
Office and general expenses	169.7	95.0	78.6 %	386.8	299.6	29.1 %
Depreciation and amortization	11.2	10.2	9.6 %	39.6	45.8	(13.5) %
Operating Loss	(71.6)	(6.9)		(32.0)	(15.9)	
Other, net	(4.6)	0.4		(3.0)	(0.9)	
Interest expense and finance charges	(11.8)	(12.2)		(45.2)	(46.6)	
Loss on redemption of notes	0.0	0.0		(55.6)	0.0	
Interest income	0.0	0.1		0.2	0.4	
Income tax expense (benefit)	3.9	3.5		(4.3)	9.6	
Equity in earnings of non-consolidated affiliates	0.1	0.2		0.3	0.6	
Loss from Continuing Operations	(91.8)	(21.9)		(131.0)	(71.9)	
Loss from discontinued operations, net of taxes	(0.5)	(1.1)		(11.4)	(6.7)	
Net Loss	(92.3)	(23.0)		(142.4)	(78.6)	
Net income attributable to non-controlling interests	(2.1)	(1.6)		(6.5)	(6.9)	
Net Loss Attributable to MDC Partners Inc.	\$ (94.3)	\$ (24.5)		\$ (148.9)	\$ (85.4)	

Note: Actuals may not foot due to rounding



SUMMARY OF SEGMENT RESULTS - REVENUE

(US\$ in millions, except percentages)

	Three Months Ended December 31,			Twelve Months Ended December 31,		
	2013	2012	% Change	2013	2012	% Change
Revenue						
Strategic Marketing Services	\$ 217.9	\$ 200.2	8.9 %	\$ 805.4	\$ 719.4	12.0 %
Performance Marketing Services	89.2	92.5	(3.6) %	343.4	343.9	(0.1) %
Total Revenue	\$ 307.1	\$ 292.6	4.9 %	\$ 1,148.9	\$ 1,063.3	8.1 %

- **2013 revenue of \$1.15 billion represents 8.1% YoY growth, nearly all organic**

Note: Actuals may not foot due to rounding



ORGANIC REVENUE GROWTH BY SEGMENT

	Three Months Ended December 31,			Twelve Months Ended December 31,		
	Strategic Marketing Services	Performance Marketing Services	Weighted Average Total	Strategic Marketing Services	Performance Marketing Services	Weighted Average Total
Organic Growth	9.3%	-4.4%	5.0%	12.7%	-0.9%	8.3%
Foreign Exchange Impact	<u>-0.5%</u>	<u>-1.6%</u>	<u>-0.8%</u>	<u>-0.3%</u>	<u>-1.0%</u>	<u>-0.5%</u>
Total	8.9%	-3.6%	4.9%	12.0%	-0.1%	8.1%

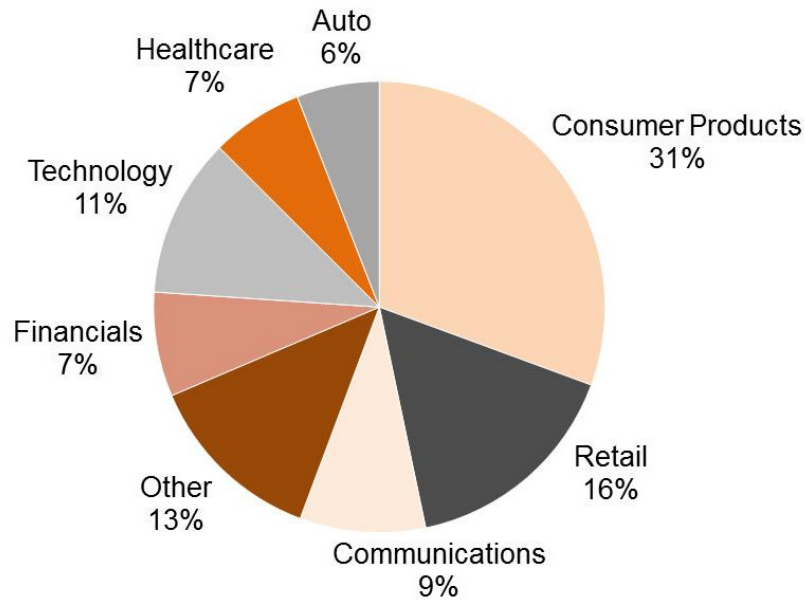
- **Strategic Marketing Services continues to deliver exceptional organic growth, increasing 9.3% in the quarter (2013 +12.7%) on a 17.2% comp from last year**
- **Performance Marketing Services weighed down by reduction in client spend at certain project-based businesses offset by strong growth in our emerging Media business**
- **Average organic growth is approx. 10% over the 7-year period 2007 to 2013**

Note: Actuals may not foot due to rounding



FOURTH QUARTER REVENUE BY CLIENT INDUSTRY

Q4 2013 Mix



Year-over-Year Growth by Category

	Q4 2013	FY 2013
Above 10%	Technology Auto Healthcare Other	Technology Healthcare Other
0% to 10%	Consumer Products Financials	Auto Retail Communications
Below 0%	Retail Communications	Financials Consumer Products

- **Technology, Healthcare and Auto are our fastest growing industry sectors, more than offsetting declines in certain other categories**
- **Our business continues to strengthen in diversification across sectors as more clients turn to us to deliver transformational business results for them**

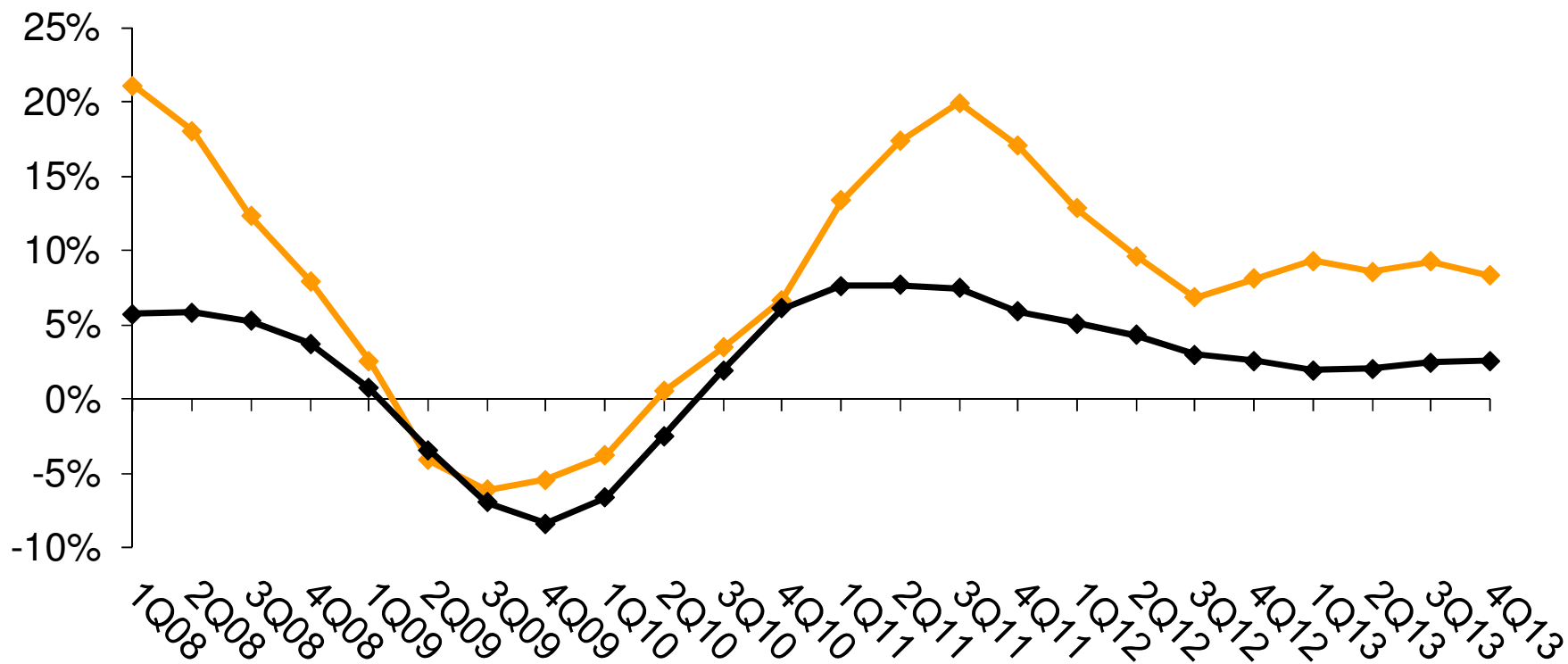
Note: Actuals may not foot due to rounding



ORGANIC GROWTH HIGHLIGHTS

SUSTAINED MARKET SHARE GAINS

MDC Partners vs. Peers
Trailing 12 Month Organic Revenue



— MDC Partners — Peers

Notes: Peers include Omnicom, IPG Havas and Publicis. WPP has not yet reported 4Q13 results and therefore is not included in the peer aggregate for 4Q13.



SUMMARY OF SEGMENT RESULTS - EBITDA

(US\$ in millions, except percentages)

	Three Months Ended December 31,			Twelve Months Ended December 31,		
	2013	2012	% Change	2013	2012	% Change
EBITDA						
Strategic Marketing Services	\$ 43.1	\$ 39.1	10.2 %	\$ 152.5	\$ 109.2	39.7 %
margin	19.8%	19.5%		18.9%	15.2%	
Performance Marketing Services	9.3	10.1	(7.2) %	29.0	31.4	(7.6) %
margin	10.5%	10.9%		8.5%	9.1%	
Marketing Communications	52.5	49.2	6.6 %	181.6	140.6	29.1 %
margin	17.1%	16.8%		15.8%	13.2%	
Corporate Expenses	(8.4)	(6.3)	33.0 %	(25.9)	(22.1)	17.1 %
Profit Distributions from Affiliates	0.5	0.7		3.8	1.3	
Total EBITDA	\$ 44.6	\$ 43.6	2.2 %	\$ 159.4	\$ 119.7	33.1 %
margin	14.5%	14.9%		13.9%	11.3%	

- **We remain focused on sustainable profitable growth by optimizing the conversion of incremental revenues to EBITDA and Free Cash Flow**

Note: Actuals may not foot due to rounding



FREE CASH FLOW

(US\$ in millions)

	<u>Three Months Ended December 31,</u>		<u>Twelve Months Ended December 31,</u>	
	<u>2013</u>	<u>2012</u>	<u>2013</u>	<u>2012</u>
Cash Flow Provided by Continuing Operating Activities	(\$51.1)	\$61.6	\$62.1	\$80.9
Cash Settlement of Stock Appreciation Rights	<u>78.0</u>	<u>0.0</u>	<u>78.0</u>	<u>0.0</u>
Adjusted Cash Flow Provided by Continuing Operating Activities	\$26.9	\$61.6	\$140.1	\$80.9
Distributions	0.5	0.7	3.8	1.3
Interest Expense, net	11.8	12.0	45.0	46.2
Changes in Working Capital	(8.6)	(39.9)	(52.3)	(18.5)
Changes in Non-Current Assets & Liabilities	0.9	9.1	9.8	7.9
One Time Incentive	9.6	0.0	9.6	0.0
Other	<u>3.4</u>	<u>0.1</u>	<u>3.4</u>	<u>1.9</u>
EBITDA	\$44.6	\$43.6	\$159.4	\$119.7
Net Income Attributable to Noncontrolling Interests	(2.1)	(1.6)	(6.5)	(6.9)
Capital Expenditures, net (1)	(5.0)	(5.5)	(18.6)	(19.2)
Cash Taxes	(0.4)	(0.3)	(0.9)	(1.2)
Cash Interest, net & Other (2)	(11.4)	(12.1)	(41.9)	(42.1)
Free Cash Flow (3)	\$25.8	\$24.1	\$91.6	\$50.3

(1) Capital Expenditures, net represents capital expenditures net of landlord reimbursements.

(2) Cash Interest, net & Other represents the quarterly accrual of cash interest under our Senior Notes.

(3) Free Cash Flow is a non-GAAP measure. As shown above, Free Cash Flow represents EBITDA less net income attributable to noncontrolling interests, less capital expenditures, less cash taxes, less net cash interest (including interest paid and other).



AVAILABLE LIQUIDITY

(US\$ in millions)

	<u>December 31, 2013</u>	<u>December 31, 2012</u>
Commitment Under Facility	<u>\$225.0</u>	<u>\$150.0</u>
Drawn	-	-
Undrawn Letters of Credit	<u>4.9</u>	<u>4.8</u>
Funds Available Under Facility	\$220.1	\$145.2
Total Cash & Cash Equivalents	<u>102.0</u>	<u>60.3</u>
Liquidity	\$322.1	\$205.5



2014 FINANCIAL OUTLOOK

	2013 Actuals	2014 Guidance	Implied Year over Year Change
Revenue	\$1.15 billion	\$1.230 - \$1.255 billion	+7.1% to +9.2%
EBITDA	\$159.4 million	\$177 - \$181 million	+11.0% to +13.5%
Free Cash Flow	\$91.6 million	\$104 - \$108 million	+13.6% to +18.0%
Implied EBITDA Margin	13.9%	14.4%	+50 basis points

- **We look for continued revenue strength in 2014, along with continued operational excellence and resulting margin and cash flow increases**

APPENDIX



TEMPORAL PUT OBLIGATIONS AND IMPACT ON EBITDA

Estimated Put Impact at December 31, 2013				
(US\$ in millions)	Payment Consideration			Incremental
	Cash	Stock	Total	EBITDA in Period
2014	2.7	0.4	3.1	1.8
2015	4.2	0.4	4.6	1.9
2016	3.7	0.5	4.2	0.1
2017	3.9	0.0	3.9	0.9
Thereafter	2.0	0.0	2.0	0.0
Total	\$16.5	\$1.3	\$17.8	\$4.7

Effective Multiple **3.8x**

SUMMARY OF CASH FLOW

(US\$ in millions)	Twelve Months Ended December 31,	
	2013	2012
Cash flows provided by continuing operating activities	\$62.1	\$80.9
Discontinued operations	<u>(2.8)</u>	<u>(4.6)</u>
Net cash provided by operating activities	\$59.3	\$76.3
Cash flows provided by (used in) continuing investing activities	(\$30.1)	\$9.8
Discontinued operations	<u>(0.0)</u>	<u>(2.0)</u>
Net cash provided by (used in) investing activities	(\$30.1)	\$7.8
Net cash used in financing activities	\$10.5	(\$31.9)
Effect of exchange rate changes on cash and cash equivalents	<u>\$2.0</u>	<u>(\$0.0)</u>
Net increase in cash and cash equivalents	\$41.7	\$52.2

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, one time incentive compensation, 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 non-controlling interests, less capital expenditures net of landlord reimbursements, less net cash interest (including interest paid and to be paid on the Senior Notes), less cash taxes plus realized cash foreign exchange gains.

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 February 20, 2014.



MDC Partners

Where Great Talent Lives

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