



Management Presentation May 4, 2006

First Quarter 2006 Results



Forward Looking Statements and Other Information

This presentation 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, 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 follow:

- risks associated with effects of national and regional economic conditions;
- the Company's ability to attract new clients and retain existing clients;
- the 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;
- risks arising from identified and potential future material weaknesses in internal control over financial reporting;
- the Company's ability to retain and attract key employees;
- the successful completion and integration of acquisitions which complement and expand the Company's business capabilities; and
- foreign currency fluctuations.

In addition to improving organic growth for its existing operations, 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 of Consolidated Results

(US\$ in millions)

	Three Months Ended March 31,		
	2006	2005	% Change
Revenue			
Services	\$ 98.1	\$ 73.7	33.1
Products	18.6	17.2	8.1
	<u>116.6</u>	<u>90.9</u>	28.3
Operating Expenses			
Cost of services sold	59.7	47.2	26.6
Cost of products sold	11.8	10.9	8.8
Office and general expenses	35.8	29.3	22.4
Depreciation and amortization	<u>7.9</u>	<u>4.5</u>	75.1
Operating Income (loss)	1.4	(1.0)	NM
Loss from Contining Operations	(5.1)	(3.7)	
Discontinued operations	<u>-</u>	<u>(0.1)</u>	
Net Loss	\$ (5.1)	\$ (3.8)	

NB: Amounts in this presentation may not foot due to rounding.



Summary of Segment Results – Revenue

(US\$ in millions)

	Three Months Ended March 31,		
	2006	2005	% Change
Revenue			
Strategic Marketing Services	\$ 60.4	\$ 39.7	52.2
Customer Relationship Management	18.9	16.3	15.7
Specialized Communications Services	18.8	17.7	6.1
Marketing Communications	98.1	73.7	33.1
Secure Cards Business	6.8	6.9	(1.4)
Secure Paper Business	11.7	10.3	14.6
Secure Products International	18.6	17.2	8.1
Total Revenue	\$ 116.6	\$ 90.9	28.3



First Quarter 2006 Marketing Communications Revenue Growth by Segment

	Strategic Marketing Services	Customer Relationship Management	Specialized Communication Services	Weighted Average Total
Acquisition Growth	29.6%	-	2.2%	16.4%
Foreign Exchange Growth	0.7%	-	2.1%	0.9%
Organic Growth	22.0%	15.7%	1.8%	15.7%



Summary of Group Results – Total EBITDA

(US\$ in millions)

	Three Months Ended March 31,		
	2006	2005	% Change
EBITDA			
Strategic Marketing Services	\$ 11.9	\$ 6.4	86.8
Customer Relationship Management	1.6	0.9	73.7
Specialized Communications Service	3.6	1.8	98.7
Marketing Communications Group	<u>17.1</u>	<u>9.1</u>	<u>87.8</u>
<i>margin</i>	<i>17.5%</i>	<i>12.4%</i>	
Secure Cards Business	(0.2)	(0.3)	22.8
Secure Paper Business	1.0	0.8	26.2
Secure Products International	<u>0.7</u>	<u>0.5</u>	<u>54.7</u>
<i>margin</i>	<i>4.0%</i>	<i>2.8%</i>	
Corporate Expenses	(5.1)	(5.1)	0.8
Total EBITDA	<u>\$ 12.8</u>	<u>\$ 4.5</u>	<u>181.3</u>
<i>margin</i>	<i>11.0%</i>	<i>5.0%</i>	

**Summary of Segment Results – MDC's Share of EBITDA**

(US\$ in millions)

	Three Months Ended March 31,		
	2006	2005	% Change
MDC EBITDA			
Strategic Marketing Services	\$ 7.9	\$ 4.2	87.6
Customer Relationship Management	1.6	0.9	70.7
Specialized Communications Service	2.8	1.1	148.2
Marketing Communications Group	<u>12.4</u>	<u>6.3</u>	<u>96.1</u>
<i>margin</i>	12.6%	8.6%	
Secure Cards Business	(0.2)	(0.3)	22.8
Secure Paper Business	1.0	0.8	26.2
Secure Products International	<u>0.7</u>	<u>0.5</u>	<u>54.7</u>
<i>margin</i>	4.0%	2.8%	
Corporate	(5.1)	(5.1)	(0.8)
Total MDC EBITDA	\$ 8.0	\$ 1.7	362.7
<i>margin</i>	6.9%	1.9%	



Cash EPS Reconciliation

(US\$ and per share amounts in millions)

	Three Months Ended March 31,	
	2006	2005
Net Loss from Continuing Operations	(\$5.1)	(\$3.7)
Depreciation & Amortization	8.3	4.7
Stock Based Compensation	3.5	1.0
Cash Earnings	\$6.7	\$2.0
Diluted Shares	23.8	22.2
Cash EPS	\$0.28	\$0.09

**Free Cash Flow**

(US\$ in millions)

	Three Months Ended March 31,	
	2006	2005
MDC EBITDA	\$8.0	\$1.7
Cash Distributions to MDC from		
Unconsolidated Affiliates	0.5	0.5
Capital Expenditures	(5.8)	(2.2)
Cash Taxes	(0.4)	(0.3)
Cash Interest	(1.4)	(0.8)
FCF	\$0.9	(\$1.2)



Liquidity Profile

Available Liquidity at March 31, 2006

(US\$ in millions)

Commitment Under Credit Facility	\$100.0
Borrowings Under Credit Facility	68.8
Letters of Credit	<u>4.5</u>
Funds Available Under Credit Facility	\$26.7
Available Cash	<u>3.8</u>
<u>Liquidity</u>	<u>\$30.5</u>



Appendix

MDC  PARTNERS

**Potential Contractual Put Obligations and Estimated Impact on EBITDA**

(US\$ in thousands)	Estimated Put Impact at March 31, 2006		
	Cash	Stock	EBITDA
2006	\$7,555	\$206	\$3,045
2007	7,225	1,206	3,244
2008	28,087	7,043	8,022
2009	30,488	8,161	3,865
2010	10,183	3,757	330
Thereafter	2,743	1,776	632
	\$86,281	\$22,149	\$19,137



Summary of Segments – Marketing Communications

Strategic Marketing Services	Customer Relationship Management	Specialized Communication Services	
Allard Johnson ACLC Colle & McVoy Crispin Porter Bogusky Fletcher Martin Kirshenbaum Bond + Partners Margeotes Fertitta Powell Vitro Robertson Zyman Group	Accent	Banjo Bratskeir Bruce Mau Bryan Mills Chinnici Computer Composition Hello Henderson bas	IHC Northstar Research Mackenzie Onbrand Pro Image Veritas Source Targetcom



Summary of Segments – Secure Products International

Secure Paper Business

Ashton Potter
Mercury Graphics

Secure Card Business

Metaca Graphics
Placard



Definition of Non-GAAP Metrics

- **EBITDA:** EBITDA is a non-GAAP measure, that represents operating income (loss) plus depreciation and amortization plus stock-based compensation. A reconciliation of “EBITDA” to the US GAAP reported results of operations has been provided by the Company in the tables included in the earnings release issued on May 4, 2006.
- **MDC’s Share of EBITDA:** Represents EBITDA less minority interest.
- **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.
- **Cash Earnings:** Cash earnings is a non-GAAP measure that represents earnings (losses) from continuing operations plus depreciation and amortization plus stock based compensation.
- **Free Cash Flow:** Free cash flow is a non-GAAP measure that represents EBTIDA less minority interest plus cash distributions from unconsolidated affiliates less capital expenditures less cash interest less cash taxes.