



# Management Presentation

## May 5, 2010

First Quarter 2010 Results



## Forward Looking Statements and Other Information

This presentation, including our “2010 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, 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 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;
- 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

- Raising fiscal 2010 guidance due to improving trends and completion of accretive acquisitions
- Revenue increased to \$136.2 million versus \$126.7 million in Q1 2009, an increase of 7.5%
- Organic revenue flat for Q1 2010; trending to solid growth for the year
- MDC EBITDA decreased to \$7.8 million versus \$11.2 million in the first quarter of 2009 due to timing of client wins and losses and planned investment in key talent
- Net new business wins of \$6.6 million for Q1 2010; sectors include consumer packaged goods, telecom, financials, among others
- Digital revenue reached 40.5% of total revenues in Q1 2010
- Acquired majority stakes in TEAM Enterprises, a leading national experiential marketing platform; Sloane & Company, a strategic corporate public relations firm; Allison & Partners, an award winning national public relations firm
- 2010 revenue guidance raised to \$620-635 million, an estimated increase of 13.6% to 16.3%
- 2010 MDC EBITDA guidance raised to \$78-80 million, an estimated increase of 20.4% to 23.5%



## Consolidated Revenue and Earnings

(US\$ in millions, except percentages)

	Three Months Ended March 31,		
	2010	2009	% Change
<b>Revenue</b>	\$ 136.2	\$ 126.7	7.5 %
<b>Operating Expenses</b>			
Cost of services sold	97.0	85.9	12.9 %
Office and general expenses	34.6	31.2	11.1 %
Depreciation and amortization	5.8	7.6	(23.2) %
<b>Operating Income (Loss)</b>	(1.2)	2.1	(158.9) %
Other income (expense)	(7.6)	(0.9)	
Income tax expense	(0.2)	(0.6)	
Equity in earnings (loss) of non-consolidated affiliates	(0.1)	0.1	
<b>Income (Loss) from Continuing Operations</b>	(9.2)	0.7	
Loss from discontinued operations attributable to MDC Partners Inc., net of taxes	-	(0.3)	
<b>Net Income (Loss)</b>	(9.2)	0.4	
Net income attributable to the non- controlling interests	(1.0)	(0.4)	
<b>Net Income (Loss) Attributable to MDC Partners Inc.</b>	\$ (10.2)	\$ 0.0	

Amounts and percentages may not foot due to rounding.



## Summary of Segment Results – Revenue

(US\$ in millions, except percentages)

	Three Months Ended March 31,		
	2010	2009	% Change
<b>Revenue</b>			
Strategic Marketing Services	\$ 91.5	\$ 84.5	8.4 %
Performance Marketing Services	44.7	42.3	5.6 %
<b>Total Revenue</b>	\$ 136.2	\$ 126.7	7.5 %

- Both segments poised for strong revenue growth in fiscal 2010.
- Strategic Marketing Services Group: Integrated marketing and communication service firms and strategic consulting service firms.
  - Positioned for significant market share gains and revenue growth as advertising spend continues to stabilize and as digital makes up a larger share of clients' marketing portfolio.
- Performance Marketing Services Group: Leverage analytics and one-to-one consumer engagement to achieve targetable, measurable solutions that drive Return on Marketing Investment.
  - Meaningful growth opportunities as clients more often look for a measurable understanding of their marketing expenditures.

Amounts and percentages may not foot due to rounding.



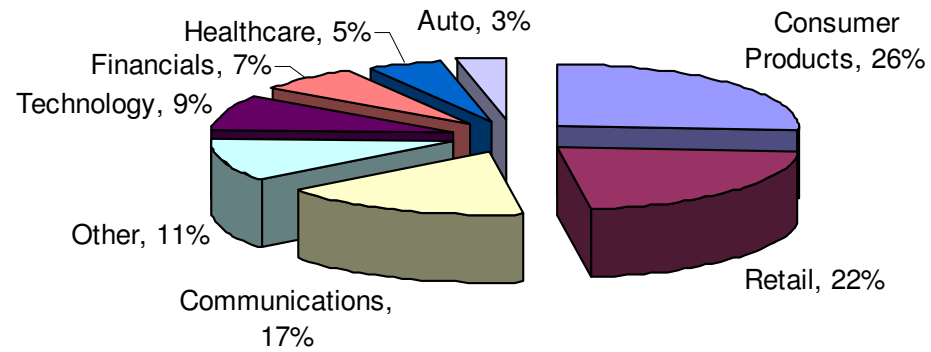
## First Quarter 2010 Revenue Growth by Segment

	<b>Strategic Marketing Services</b>	<b>Performance Marketing Services</b>	<b>Weighted Average Total</b>
Organic Growth	5.7%	-12.5%	-0.2%
Acquisition Growth	0.0%	14.8%	4.9%
Foreign Exchange Growth	2.5%	3.3%	2.8%
<b>Total</b>	<b>8.2%</b>	<b>5.6%</b>	<b>7.5%</b>

- **Third straight quarter of organic Strategic Marketing Services revenue growth**
- **Positive momentum for organic Performance Marketing Services revenues with a 600 basis point improvement from 4Q09**



## First Quarter 2010 Revenue by Client Sector





## Summary of Segment Results – EBITDA

(US\$ in millions, except percentages)

	Three Months Ended March 31,		
	2010	2009	% Change
<b>EBITDA</b>			
Strategic Marketing Services	\$ 11.5	\$ 12.6	(8.5) %
<i>margin</i>	<i>12.6%</i>	<i>14.9%</i>	
Performance Marketing Services	0.7	1.6	(57.9) %
<i>margin</i>	<i>1.5%</i>	<i>3.9%</i>	
<b>Marketing Communications</b>	12.2	14.2	(14.2) %
<i>margin</i>	<i>9.0%</i>	<i>11.2%</i>	
<b>Corporate Expenses</b>	(3.4)	(2.6)	(30.2) %
<b>Total EBITDA</b>	\$ 8.8	\$ 11.6	(24.3) %
<i>margin</i>	<i>6.5%</i>	<i>9.2%</i>	

Amounts and percentages may not foot due to rounding.





## Summary of Segment Results – MDC’s Share of EBITDA

(US\$ in millions, except percentages)

	Three Months Ended March 31,		
	2010	2009	% Change
<b>MDC EBITDA</b>			
Strategic Marketing Services	\$ 10.6	\$ 11.9	(11.1) %
Performance Marketing Services	0.6	1.9	(66.4) %
<b>Marketing Communications</b>	11.3	13.9	(18.8) %
<b>Corporate</b>	(3.4)	(2.6)	(30.2) %
<b>Total MDC EBITDA</b>	\$ 7.8	\$ 11.2	(30.3) %

Amounts and percentages may not foot due to rounding.



## Free Cash Flow

(US\$ in millions)	Three Months Ended March 31,	
	2010	2009
MDC EBITDA	\$7.8	\$11.2
Capital Expenditures	(2.8)	(0.8)
Cash Taxes	(0.6)	0.1
Cash Interest, net and other	(6.3)	(2.6)
<b>Free Cash Flow</b>	<b>(\$1.9)</b>	<b>\$7.8</b>

*Amounts and percentages may not foot due to rounding.*



## Liquidity

### Available Liquidity at March 31, 2010

(US\$ in millions)

Commitment Under Facility	\$ 75.0
Drawn	10.3
Letters of Credit	5.0
Funds Available Under Facility	\$ 59.7
Total Cash	21.2
Liquidity	\$ 81.0



## 2010 Financial Outlook

	<b>Initial 2010 Guidance</b>	<b>Revised 2010 Guidance</b>	<b>Implied Year over Year Change</b>	<b>Pro Forma 2010 Estimate</b>	<b>Implied Year over Year* Change</b>
Revenue	\$573 - \$584 million	\$620 - \$635 million	+13.6% to +16.3%	\$645 - \$660 million	+18.1% to +20.9%
MDC EBITDA	\$69 - \$71 million	\$78 - \$80 million	+20.4% to +23.5%	\$86 - \$88 million	+32.7% to +35.8%
Free Cash Flow	\$35 - \$37 million	\$41 - \$43 million	+0.2% to +5.1%	\$47 - \$49 million	+14.9% to +19.8%
+ Change in Working Capital and Other	<u>+\$5 million</u>	<u>+\$12 million</u>		<u>+\$12 million</u>	
<b>Total Free Cash Flow</b>	<b>\$40 - \$42 million</b>	<b>\$53 - \$55 million</b>		<b>\$59 - \$61 million</b>	

\* Year over year change compares to 2009 actuals

Note: See appendix for definitions of non-GAAP measures.

Note: The "Pro Forma 2010 Estimate" section of the above table accounts for recent acquisitions as if financial contributions to MDC occur for the entirety of 2010.



# Appendix



## Temporal Put Obligations and Impact on EBITDA

(US\$ in millions)	Estimated Put Impact at March 31, 2010			Incremental EBITDA in Period
	Payment Consideration		Total	
	Cash	Stock		
<b>2010</b>	\$6.1	\$0.1	\$6.2	\$1.6
<b>2011</b>	1.6	0.4	2.0	0.7
<b>2012</b>	2.5	0.4	2.9	1.6
<b>2013</b>	3.0	0.7	3.7	0.5
<b>Thereafter</b>	3.9	0.4	4.3	0.5
<b>Total</b>	\$17.1	\$2.0	\$19.1	\$4.9
	<b>Effective Multiple</b>			<b>3.9</b>

Note: Excludes put rights of \$6.1 million exercisable pursuant to termination of employment.



## Balance Sheet: 2016 Senior Notes

Principal Amount	\$225 Million
Date	October 23, 2009
Maturity	November 1, 2016 – 7 Year
Security	Unsecured
Coupon	11%
Ratings	Moody's - Corporate: B1; Notes: B2 S&P: Corporate: BB-; Notes: B+



## Balance Sheet: Revolving Credit Facility

Amount	\$75 Million
Type	Senior Secured
Maturity	October 23, 2014 – 5 Year
Facility Fee	50bps per annum
Drawn Rate	Prime + 300bps
Covenants	<ul style="list-style-type: none"><li>• Minimum EBITDA: \$50 million</li><li>• Fixed Charge Coverage Ratio: 1.25:1.0</li><li>• Senior Leverage Ratio: 2.0:1.0</li></ul>





## Summary Cash Flow Data

(US\$ in millions)	Three Months Ended March 31,	
	2010	2009
Cash flows provided by continuing operating activities	(\$11.2)	\$0.9
Discontinued operations	-	(0.4)
<b>Net cash provided by (used in) operating activities</b>	<b>(\$11.2)</b>	<b>\$0.6</b>
<b>Net cash used in investing activities</b>	<b>(\$26.1)</b>	<b>(\$4.1)</b>
<b>Net cash provided by financing activities</b>	<b>\$6.8</b>	<b>\$8.9</b>
Effect of exchange rate changes on cash and cash equivalents	(\$0.1)	(\$0.4)
<b>Net increase in cash and cash equivalents</b>	<b>(\$30.7)</b>	<b>\$4.9</b>

*Amounts and percentages 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 and deferred acquisition consideration adjustments.
- **MDC EBITDA:** MDC EBITDA is a non-GAAP measure, that represents operating profit plus depreciation and amortization, stock-based compensation, acquisition deal costs and deferred acquisition consideration adjustments less net income attributable to noncontrolling interests.
- **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 MDC EBITDA less capital expenditures, 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 and excludes capitalized costs related to the October 2009 refinancing.
- **Net Bank 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 May 4, 2010.