

MDC  Partners

Management Presentation
April 25, 2013

First Quarter Results



FORWARD LOOKING STATEMENTS & OTHER INFORMATION

This presentation, including our “2013 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

- 1Q 2013 was the strongest first quarter in company history
- We continue to win incremental share of wallet and market share as our clients see the strong business results and trust more of their marketing and growth efforts to us
- 1Q new business wins were a record high and our pipeline remains robust across the portfolio
- We capitalized on our strong organic growth and the success of our past investments to refinance our balance sheet at a blended interest rate of 5.5%
- We have strong visibility for continued momentum in our financial performance in 2013 and are increasing our revenue, EBITDA, margin and free cash flow guidance



Key Financial Highlights

Strong financial results and record new business wins lead to increased 2013 financial guidance

- Organic revenue growth of 10.1% for Q1 2013
- Q1 2013 revenue increased 13.6% to \$267.0 million
- Q1 2013 EBITDA increased 262.7% to \$30.4 million
- EBITDA margin expanded 780 basis points year over year to 11.4% in Q1 2013
- Net new business wins of \$53.1 million in Q1 2013, a 7% increase from Q1 2012
- Free Cash Flow increased to positive \$14.9 million for Q1 2013 from an outflow of (\$7.1) million in Q1 2012
- Issued \$550 million of Senior Notes due 2020 at 6.75%, a 525 basis point decrease from the original issuance of our prior Notes
- Increased our Revolving Bank Facility to \$225 million while reducing the LIBOR spread by 50 basis points



CONSOLIDATED REVENUE AND EARNINGS

(US\$ in millions, except percentages)

	Three Months Ended March 31,		
	2013	2012	% Change
Revenue	\$ 267.0	\$ 235.2	13.6 %
Operating Expenses			
Cost of services sold	179.0	176.0	1.7 %
Office and general expenses	68.0	59.9	13.6 %
Depreciation and amortization	9.6	10.0	(3.7) %
Operating profit (loss)	10.4	(10.8)	
Other, net	2.7	(1.0)	
Interest expense	(12.4)	(11.0)	
Loss on Redemption of Notes	(55.6)	-	
Interest income	0.0	0.1	
Income tax expense (benefit)	(14.3)	1.3	
Equity in earnings of non-consolidated affiliates	0.0	0.3	
Loss from Continuing Operations	(40.6)	(23.7)	
Loss from discontinued operations, net of taxes	(1.6)	(1.1)	
Net loss	(42.2)	(24.8)	
Net income attributable to non-controlling interests	(1.0)	(1.5)	
Net loss attributable to MDC Partners Inc.	\$ (43.2)	\$ (26.3)	

Note: Actuals may not foot due to rounding



SUMMARY OF SEGMENT RESULTS - REVENUE

(US\$ in millions, except percentages)

	Three Months Ended March 31,		
	2013	2012	% Change
Revenue			
Strategic Marketing Services	\$ 183.8	\$ 160.1	14.8 %
Performance Marketing Services	83.2	75.1	10.8 %
Total Revenue	\$ 267.0	\$ 235.2	13.6 %

- **Strategic Marketing Services delivered 11.7% organic growth marking the fourth consecutive quarter of double digit organic growth**
- **Strong new business wins in 2012 and 1Q 2013 led to continued market share gains**

Note: Actuals may not foot due to rounding



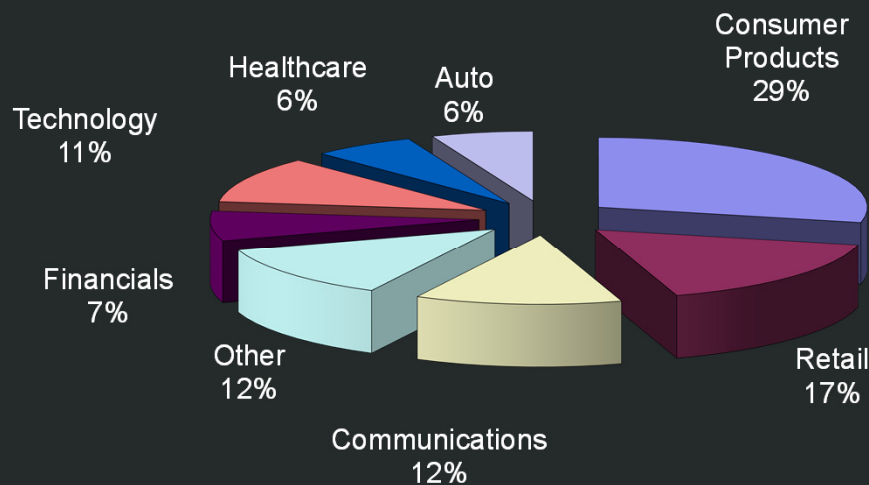
FIRST QUARTER 2013 REVENUE GROWTH BY SEGMENT

	Strategic Marketing Services	Performance Marketing Services	Weighted Average Total
Organic Growth	11.7%	6.6%	10.1%
Acquisition Growth	3.2%	4.7%	3.7%
Foreign Exchange Growth	-0.1%	-0.5%	-0.2%
Total	14.8%	10.8%	13.6%

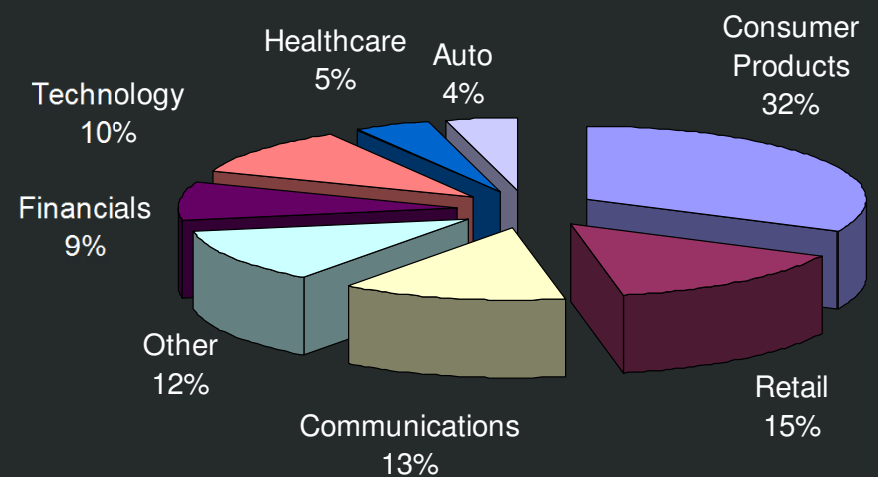


FIRST QUARTER REVENUE BY CLIENT SECTOR

Q1 2013



Q1 2012



- **Auto, Healthcare, Retail, and Technology were our Fastest Growing Sectors**
- **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

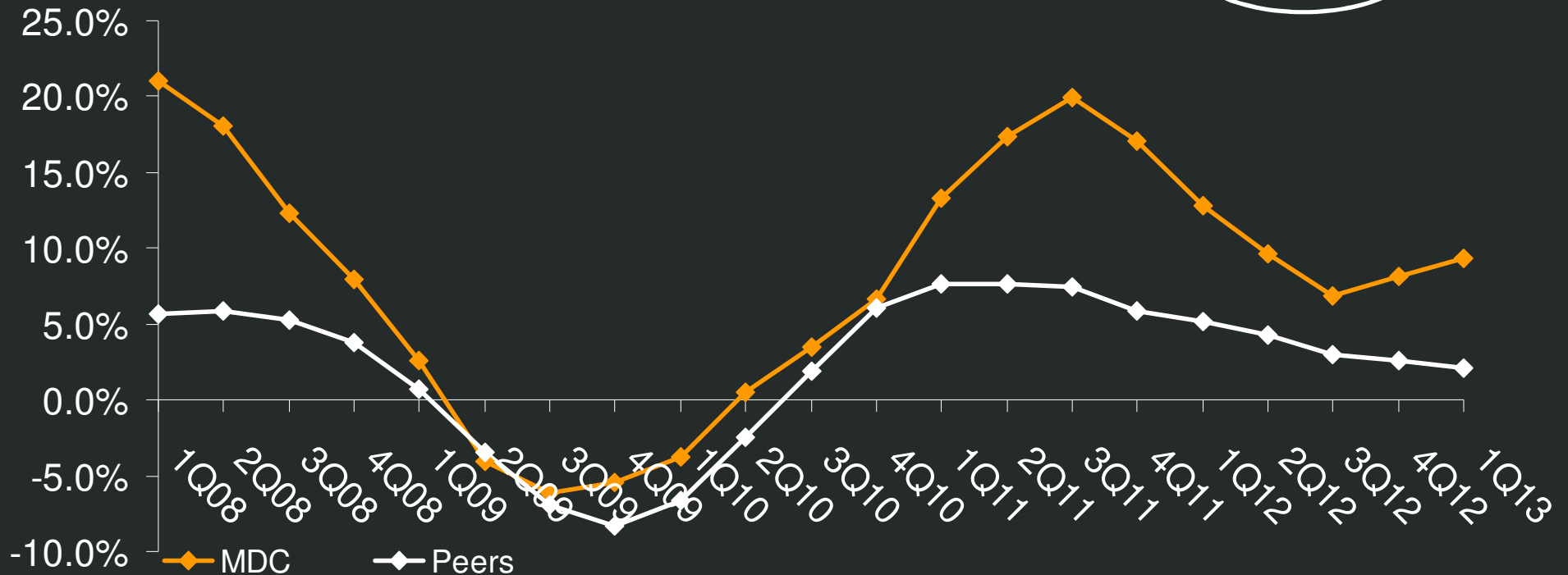


ORGANIC GROWTH

4x Outperformance Relative to Peers Over Last 5 Years

MDC Partners vs. Peers
Trailing 12 Month Organic Revenue

1Q13 +10.1%



Note: *Peers include Omnicom, Interpublic, and Publicis
*Due to timing of earnings WPP and Havas are not included in 1Q13



SUMMARY OF SEGMENT RESULTS - EBITDA

(US\$ in millions, except percentages)

	Three Months Ended March 31,		
	2013	2012	% Change
EBITDA			
Strategic Marketing Services	\$ 29.9	\$ 10.3	190.7 %
<i>margin</i>	16.3%	6.4%	
Performance Marketing Services	4.8	3.1	51.2 %
<i>margin</i>	5.7%	4.2%	
Marketing Communications	34.6	13.4	158.0 %
<i>margin</i>	13.0%	5.7%	
Corporate Expenses	(7.3)	(5.0)	44.9 %
Profit Distributions from Affiliates	3.1	-	
Total EBITDA	\$ 30.4	\$ 8.4	262.7 %
<i>margin</i>	11.4%	3.6%	

- 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)	Three Months Ended March 31,	
	2013	2012
Cash Flow Provided by (used in) Continuing Operating Activities	(\$32.0)	\$13.3
Distributions	3.1	0.0
Interest Expense, net	12.0	10.4
Changes in Working Capital	47.8	(17.3)
Changes in Non-Current Assets & Liabilities	(1.2)	1.1
Other	0.7	0.9
EBITDA	\$30.4	\$8.4
Net Income Attributable to Noncontrolling Interests	(1.0)	(1.5)
Capital Expenditures, net (1)	(2.7)	(4.6)
Cash Taxes	(0.1)	(0.0)
Cash Interest, net & Other (2)	(11.8)	(9.4)
Free Cash Flow (3)	\$14.9	(\$7.1)

(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).



LIQUIDITY

Available Liquidity at March 31, 2013

(US\$ in millions)

Commitment Under Facility	\$ 225.0
Drawn	-
Undrawn Letters of Credit	5.0
Funds Available Under Facility	\$ 220.0
Total Cash	71.4
Liquidity	\$ 291.4



2013 FINANCIAL OUTLOOK

	2012	Initial	Revised	Implied
	Actuals	2013	2013	Year over Year
		Guidance	Guidance	Change
Revenue	\$1.07 billion	\$1.125 - \$1.150 billion	\$1.145 - \$1.170 billion	+6.9% to +9.3%
EBITDA	\$118.4 million	\$132 - \$135 million	\$142 - \$146 million	+19.9% to +23.3%
Free Cash Flow	\$49.6 million	\$55 - \$60 million	\$70 - \$75 million	+41.1% to +51.2%
Implied EBITDA Margin	11.1%	11.7%	12.4% - 12.5%	+130 to 140 basis points

Note: See appendix for definitions of non-GAAP measures

- **Our strong first quarter financial results and record new business wins lead us to increase financial guidance for 2013**



APPENDIX



TEMPORAL PUT OBLIGATIONS AND IMPACT ON EBITDA

Estimated Put Impact at March 31, 2013				
(US\$ in millions)	Payment Consideration			Incremental EBITDA in Period
	Cash	Stock	Total	
2013	1.5	0.4	1.9	1.5
2014	1.5	0.5	2.0	0.2
2015	3.8	0.6	4.4	1.7
2016	2.7	0.2	2.9	0.0
Thereafter	5.8	0.0	5.8	0.6
Total	\$15.3	\$1.7	\$17.0	\$4.0

Effective Multiple 4.3

Note: Excludes put rights of \$102.2 million exercisable pursuant to termination of employment or death.



SUMMARY OF CASH FLOW

(US\$ in millions)	Three Months Ended March 31,	
	2013	2012
Cash flows provided by (used in) continuing operating activities	(\$32.0)	\$13.3
Discontinued operations	(1.0)	(0.7)
Net cash provided by operating activities	(\$33.0)	\$12.5
Cash flows provided by (used in) continuing investing activities	(\$1.0)	\$33.2
Discontinued operations	(0.0)	(0.0)
Net cash provided by (used in) investing activities	(\$1.0)	\$33.1
Net cash provided by (used in) financing activities	\$45.1	(\$17.7)
Effect of exchange rate changes on cash and cash equivalents	(\$0.1)	(\$0.1)
Net increase (decrease) in cash and cash equivalents	\$11.0	\$27.9

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 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 April 25, 2013.

