

MDC PARTNERS INC
Form 10-Q
July 30, 2010

UNITED STATES
SECURITIES AND EXCHANGE COMMISSION
Washington, D.C. 20549

FORM 10-Q

(Mark One)

QUARTERLY REPORT PURSUANT TO SECTION 13 OR 15(d) OF
THE SECURITIES EXCHANGE ACT OF 1934

For the quarterly period ended June 30, 2010

or

TRANSITION REPORT PURSUANT TO SECTION 13 OR 15(d) OF
THE SECURITIES EXCHANGE ACT OF 1934

For the transition period from _____ to _____

Commission file number: 001-13178

MDC Partners Inc.
(Exact name of registrant as specified in its charter)

Canada
(State or other jurisdiction of
incorporation or organization)

98-0364441
(IRS Employer Identification No.)

45 Hazelton Avenue
Toronto, Ontario, Canada
(Address of principal executive offices)

M5R 2E3
(Zip Code)

(416) 960-9000
Registrant's telephone number, including area code:

950 Third Avenue, New York, New York 10022
(646) 429-1800

Indicate by check mark whether the registrant (1) has filed all reports required to be filed by Section 13 or 15(d) of the Securities Exchange Act of 1934 during the preceding 12 months (or for such shorter period that the registrant was

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required to file such reports), and (2) has been subject to such filing requirements for the past 90 days. Yes No

Indicate by check mark whether the registrant has submitted electronically and posted on its corporate Web site, if any, every Interactive Data File required to be submitted and posted pursuant to Rule 405 of Regulation S-T (§232.405 of this chapter) during the preceding 12 months (or for such shorter period that the registrant was required to submit and post such files). Yes No

Indicate by check mark whether the registrant is a large accelerated filer, an accelerated filer; a non-accelerated filer or a smaller reporting company. See the definitions of “large accelerated filer”, “accelerated filer” and “smaller reporting company” in Rule 12b-2 of the Exchange Act.

Large accelerated Filer Accelerated filer
Non-accelerated Filer (Do not check if a smaller reporting company.) Smaller reporting company

Indicate by check mark whether the registrant is a shell company (as defined in Rule 12b-2 of the Exchange Act).
Yes No

The numbers of shares outstanding as of July 28, 2010 were: 29,567,601 Class A subordinate voting shares and 2,503 Class B multiple voting shares.

Website Access to Company Reports

MDC Partners Inc.’s internet website address is www.mdc-partners.com. The Company’s annual reports on Form 10-K, quarterly reports on Form 10-Q and current reports on Form 8-K, and any amendments to those reports filed or furnished pursuant to section 13(a) or 15(d) of the Exchange Act, will be made available free of charge through the Company’s website as soon as reasonably practical after those reports are electronically filed with, or furnished to, the Securities and Exchange Commission. The information found on, or otherwise accessible through, the Company’s website is not incorporated into, and does not form a part of, this quarterly report on Form 10-Q.

MDC PARTNERS INC.

QUARTERLY REPORT ON FORM 10-Q

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Item 1. Financial Statements

MDC PARTNERS INC. AND SUBSIDIARIES

CONDENSED CONSOLIDATED STATEMENTS OF OPERATIONS (unaudited)
(thousands of United States dollars, except share and per share amounts)

	Three Months Ended June 30,		Six Months Ended June 30,	
	2010	2009	2010	2009
Revenue:				
Services	\$ 169,989	\$ 134,882	\$ 306,171	\$ 261,620
Operating Expenses:				
Cost of services sold	116,766	88,238	213,735	174,117
Office and general expenses	39,110	30,173	73,735	61,325
Depreciation and amortization	8,039	7,604	13,872	15,197
	163,915	126,015	301,342	250,639
Operating profit	6,074	8,867	4,829	10,981
Other Income (Expenses):				
Other income (expense), net	(287)	(2,541)	(900)	89
Interest expense	(8,425)	(3,723)	(15,453)	(7,484)
Interest income	57	70	78	272
	(8,655)	(6,194)	(16,275)	(7,123)
Income (loss) from continuing operations before income taxes, equity in affiliates	(2,581)	2,673	(11,446)	3,858
Income tax expense	552	1,608	801	2,223
Income (loss) from continuing operations before equity in affiliates	(3,133)	1,065	(12,247)	1,635