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MDC CORP INC
Form 6-K
March 10, 2003

FORM 6-K

Securities and Exchange Commission
Washington, D.C. 20549

Report of Foreign Private Issuer
Pursuant to Rule 13a-16 or 15d-16 under
the Securities Exchange Act of 1934

For the month of, February 2003

MDC CORPORATION INC.

(Translation of registrant's name into English)

45 Hazelton Avenue, Toronto, Ontario, Canada, M5R 2E3

(Address of principal executive offices)

Indicate by check mark whether the registrant files or will file
annual reports under cover Form 20-F or Form 40F.

Form 20-F Form 40-F X

Indicate by check mark whether the registrant by furnishing the
information contained in this Form is also thereby furnishing the information
to the Commission pursuant to Rule 12g3-2(b) under the Securities Exchange Act
of 1934.

Yes No X

If "Yes" is marked, indicate below the file number assigned to the
registrant in connection with Rule 12g3-2(b): 82-_____

EXHIBIT INDEX

Exhibit		Page No.
1	Press Release dated February 27, 2003, and financial results for the year and fourth quarter ended December 31, 2002	4

Exhibit 1

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PRESS RELEASE
FOR IMMEDIATE RELEASE

FOR: MDC Corporation Inc.
45 Hazelton Avenue
Toronto, Ontario M5R 2E3

CONTACTS: Miles S. Nadal
Chairman & CEO
(416) 960-9000 Ext.223

Peter M. Lewis
Executive Vice-President & CFO
(416) 960-9000 Ext.272

Walter Campbell
Senior Vice-President Finance
(416) 960-9000 Ext.336

TSE Stock Symbol: MDZ.A
NASDAQ Stock Symbol: MDCA
Website: www.mdccorp.com

MDC CORPORATION INC. ANNOUNCES FINANCIAL RESULTS FOR THE YEAR AND FOURTH QUARTER ENDED DECEMBER 31, 2002

TORONTO, Ontario (February 27, 2003) - MDC Corporation Inc. ("MDC") of Toronto today announced its financial results for the year and fourth quarter ended December 31, 2002. Consolidated sales for 2002 totaled \$943.3 million, a decrease of 15% compared to \$1.113 billion achieved in 2001. Operating income before other charges was \$79.8 million, a decline of 33% from the \$118.3 million reported in 2001. Income from continuing operations was \$148.3 million including pre-tax foreign exchange and asset disposition gains of \$161.8 million, compared to a loss of \$113.1 million, which included pretax restructuring charges and foreign exchange losses totaling \$256.7 million. Net income for the year was \$148.3 million. Fully diluted income per share for 2002 was \$5.87 compared to a fully diluted loss per share of \$9.20 reported last year. Fully diluted cashflow per share was \$1.51, a decrease of 77% over the \$6.64 achieved in 2001.

Included with the financial results are the results for 2002 and 2001 compiled on a pro forma basis to reflect results of operations, other than restructuring and other charges, that comprise MDC's existing portfolio of companies. On a pro forma basis, sales increased by \$7.2 million or 1% to \$863.6 million. Operating income before other charges increased by \$8.6 million or 16% to \$61.0 million. Pro forma net income was \$12.7 million compared to a loss of \$20.3 million in 2001. Fully diluted pro forma earnings per share amounted to \$0.53, an increase of \$1.87 from the loss of \$1.34 in 2001.

"In 2002, we essentially completed the restructuring initiative commenced in the fall of 2001. We improved the operating results of our remaining core businesses, successfully divested several non-core operations, and crystallized significant value for the shareholders of MDC through the income trust offering of our remaining 54.55% interest in Davis + Henderson. Gross

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proceeds of almost \$300 million were generated by these combined transactions, allowing us to significantly improve our balance sheet and liquidity, enhanced with the purchase of US\$113.6 million of outstanding Notes," said Miles S. Nadal, Chairman and Chief Executive Officer. "Overall the sale of Davis + Henderson generated gross proceeds of approximately \$470 million from the two transactions completed in 2001 and 2002."

For the fourth quarter, MDC generated sales of \$230.0 million as compared to \$286.2 million in the same period last year. Operating income before other charges was \$19.7 million, \$10.8 million or 36% less than the \$30.5 million generated in the fourth quarter of 2001. Excluding dispositions from both periods, operating income before other charges for the fourth quarter of 2002 was \$19.5 million, an increase of \$11.0 million over the \$8.5 million generated in 2001, primarily the result of significant improvements at Custom Direct, Metaca and Maxxcom. Net income for the quarter, including pre-tax charges of \$3.9 million, decreased to \$2.3 million from the \$40.9 million in 2001 which included pre-tax foreign exchange losses and disposition gains totaling \$59.6 million.

Sales within the Secure Transactions Division totaled \$65.2 million in the fourth quarter, down 49% from the \$128.6 million achieved in the fourth quarter of 2001. Operating income before other charges was \$9.8 million, down from the \$24.6 million in the fourth quarter of 2001. For the year, sales of \$343.7 million and operating income of \$53.0 million declined from 2001 by \$172.7 million and \$38.4 million respectively as a result of divestitures. Excluding divested operations, sales of continuing operations within the Secure Transactions Division for 2002 increased by \$4.5 million or 2% to \$264.0 million and operating income increased \$8.7 million or 34% to \$34.2 million.

For the fourth quarter, Maxxcom sales were \$164.8 million, an increase of \$7.1 million from the \$157.7 million recorded in the fourth quarter of 2001. Operating income before other charges was \$9.8 million, an increase of \$3.9 million or 66% from the \$5.9 million generated in the fourth quarter of 2001. Sales at Maxxcom for the year ended December 31, 2002 increased to \$599.6 million compared to the \$596.8 million reported in the prior year. Operating income declined slightly to \$26.8 million from \$26.9 million. Despite the effects of the global economic downturn and specifically a decline in demand throughout the marketing communications industry in 2002, Maxxcom was able to achieve revenue growth through several successful, high-profile campaigns, to stabilize its operations and to remain focused on serving the needs of its clients. The strong fourth quarter is evidence that a continued recovery in the advertising and marketing communications industry is anticipated to positively impact Maxxcom's future results.

In December 2002, MDC announced that due to market conditions, plans for an initial public offering of its U.S. based direct-to-customer cheque business, operated by Custom Direct, Inc. and affiliated companies via the Custom Direct Income Fund (the "Fund") had been postponed. Costs in the amount of \$8.1 million associated with this initiative, including the settlement of a supply contract negotiation, have been expensed in the fourth quarter.

Custom Direct completed an excellent 2002 with sales of US\$102.9 million and operating income before other charges of US\$20.1 million. These results exceeded the forecast included in the Custom Direct Income Fund prospectus filed in November 2002.

"The current uncertainty in the income trust market place is not conducive to the completion of such offerings on reasonable terms and conditions. This persuaded us to postpone the offering until more favourable market conditions

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return," said Mr. Nadal. "We remain confident in the future of the Custom Direct business and have no desire to compromise our belief in the value of the enterprise. In the meantime, we expect to realize increased returns from its highly predictable business model and reliable cash flows."

"We are very pleased with the progress we have accomplished over the past year, and are highly confident that our core operations form a strong platform from which to grow our business in 2003 and beyond. We will continue to explore opportunities to create and realize value for our shareholders as market conditions permit," said Mr. Nadal.

About MDC Corporation Inc. ("MDC")

MDC is a publicly traded international business services organization with operating units in Canada, the United States, United Kingdom and Australia. MDC provides marketing communication services, through Maxxcom, and offers security sensitive transaction products and services in four primary areas: personalized transaction products such as personal and business cheques; electronic transaction products such as credit, debit, telephone & smart cards; secure ticketing products, such as airline, transit and event tickets, and stamps, both postal and excise. MDC shares are traded on the Toronto Stock Exchange under the symbol MDZ.A and on Nasdaq National Market under the symbol MDCA.

About Maxxcom Inc. ("Maxxcom")

Maxxcom, a subsidiary of MDC, is a multi-national business services company with operating units in Canada, the United States and the United Kingdom. Maxxcom is built around entrepreneurial partner firms that provide a comprehensive range of communications services to clients in North America and the United Kingdom. Services include advertising, direct marketing, database management, sales promotion, corporate communications, marketing research, corporate identity and branding, and interactive marketing. Maxxcom shares are traded on the Toronto Stock Exchange under the symbol MXX.

This press release contains forward-looking statements within the meaning of section 27A of the Securities Act of 1933 and Section 21E of the Securities Exchange Act of 1934. Such forward-looking statements involve risks and uncertainties which may cause the actual results or objectives to be materially different from those expressed or implied by such forward-looking statements. Such factors include, among other things, the Company's financial performance; changes in the competitive environment; adverse changes in the economy; ability to maintain long-term relationships with customers; financing requirements and other factors set forth in the Company's Form 40-F for its fiscal year ended December 31, 2001 and subsequent SEC filings.

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MDC CORPORATION INC.
CONSOLIDATED STATEMENTS OF OPERATIONS
FOURTH QUARTER 2002 and 2001
(Unaudited, \$CDN 000's - except per share amounts)

For the Three Months Ended December 31,

2002

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Sales	230,018
Cost of sales	119,921
Gross profit	110,097
Operating expenses	90,442
Operating income before other income (charges)	19,655
Other income (charges)	
Restructuring, dispositions, and other charges	(3,852)
Unrealized foreign exchange loss	-
Amortization	(6,262)
Interest, net	(5,848)
	(15,962)
Income before income taxes, goodwill charges and minority interest	3,693
Income taxes	609
Income before goodwill charges and minority interest	3,084
Goodwill charges, net of income tax recovery	-
Minority interest (recovery)	748
Net income for the period	2,336
Cash Flow from operations	9,422
Earnings Per Share	
Net income	
o Basic	0.12
o Fully Diluted	0.10
Cash Flow Per Share	
o Basic	0.53
o Fully Diluted	0.38
Weighted average shares outstanding during the period	
o Basic	16,915,341
o Fully Diluted**	24,988,680

SEGMENTED INFORMATION - BY OPERATING DIVISION

For the Three Months Ended December 31, 2002

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Secure Transactions	
Sales	65,205
Operating Income	9,809
Maxxcom	
Sales	164,813
Operating Income	9,846

* Restated to reflect the change in accounting policy with respect to foreign exchange gains and long-term monetary assets and liabilities.

** The Company has the option to satisfy the \$50,000 of 7% Convertible Notes ("Notes") with cash Subordinated Voting Shares ("Shares") at 95% of the current share price. As a result, the full outstanding include 7,911,392 (2001 - 15,822,785) Shares for the conversion of the Notes at 9 closing price of the Shares during the period.

MDC CORPORATION INC.
CONSOLIDATED STATEMENTS OF OPERATIONS
2002 and 2001
(\$CDN 000's - except per share amounts)

For the Year Ended December 31,	Pro forma 2002*	Pro forma 2001*	Audit 2002
Sales	863,555	856,321	943
Cost of sales	448,354	442,575	490
Gross profit	415,201	413,746	453
Operating expenses	354,238	361,385	373
Operating income before other income (charges)	60,963	52,361	79
Other income (charges)			
Restructuring, dispositions, and other charges	-	-	155
Unrealized foreign exchange gain (loss)	-	-	6
Amortization	(22,129)	(22,916)	(25)
Interest, net	(24,031)	(21,896)	(28)
	(46,160)	(44,812)	108
Income (loss) before income taxes, goodwill charges and minority interest	14,803	7,549	188
Income taxes (recovery)	1,083	228	35
Income (loss) before goodwill charges and minority interest	13,720	7,321	153
Goodwill charges, net of income tax recovery	-	27,292	

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Minority interest (recovery)	1,008	330	4
Income (loss) from continuing operations	12,712	(20,301)	148
Loss from discontinued operations	-	-	
Net income (loss) for the year	12,712	(20,301)	148
Cash Flow from operations	42,525	25,914	37
Earnings Per Share			
Income (loss) from continuing operations			
o Basic	0.66	(1.34)	
o Fully Diluted	0.53	(1.34)	
Reported			
o Basic	0.66	(1.34)	
o Fully Diluted	0.53	(1.34)	
Cash Flow Per Share			
o Basic	2.42	1.40	
o Fully Diluted	1.70	1.14	
Weighted average shares outstanding during the period			
o Basic	16,915,341	16,885,877	16,915
o Fully Diluted***	25,357,018	16,885,877	25,357

SEGMENTED INFORMATION - BY OPERATING DIVISION

For the Year Ended December 31,	Pro forma 2002*	Pro forma 2001*	20
Secure Transactions			
Sales	263,965	259,504	343
Operating Income	34,162	25,479	53
Maxxcom			
Sales	599,590	596,817	599
Operating Income	26,801	26,882	26

* Pro forma results exclude the impact of restructuring, dispositions, and other charges, for the results of divested operations and removal of interest associated with indebtedness that

** Restated to reflect the change in accounting policy with respect to foreign exchange gains non-hedged long-term monetary assets and liabilities.

*** The Company has the option to satisfy the \$50,000 of 7% Convertible Notes ("Notes") with cash Subordinated Voting Shares ("Shares") at 95% of the current share price. As a result, the shares outstanding include 8,403,361 (2001 - NIL) Shares for the conversion of the Notes at average closing price of the Shares during the period.

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(\$CDN 000's)

	As at December 31, 2002 (Audited)
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ASSETS	
Current	
Cash and cash equivalents	59,615
Accounts receivable	106,419
Inventory	11,050
Prepaid expenses and sundry	9,886
Future income taxes	-
	<hr/>
	186,970
Capital and other assets	126,155
Goodwill	292,861
	<hr/>
	605,986
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LIABILITIES AND SHAREHOLDERS' EQUITY	
Current	
Accounts payable and accrued liabilities	168,550
Deferred revenue	17,517
Current portion of long-term indebtedness	6,450
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	192,517
Long-term indebtedness	245,339
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	437,856
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Minority interest	15,499
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Shareholders' equity	
Share capital	144,542
Other paid-in capital	38,145
Cumulative translation adjustment	20,139
Retained earnings (deficit)	(50,195)
	<hr/>
	152,631
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	605,986
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* Restated to reflect the change in accounting policy with respect to foreign exchange gains and non-hedged long-term monetary assets and liabilities. The effect was a reduction in capital and retained earnings (deficit) of \$23,809.

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SIGNATURES

Pursuant to the requirement of the Securities Exchange Act of 1934, the registrant has duly caused this report to be signed on its behalf by the undersigned, thereunto duly authorized.

MDC CORPORATION INC.

(Registrant)

Date: March 10, 2003

By: /s/ Walter Campbell

(Signature)

Walter Campbell
Senior Vice President Finance

Print the name and title of the signing officer under their signature