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MDC CORP INC  
Form 6-K  
November 08, 2002

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,                      October     ,20                      02  
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MDC CORPORATION INC.

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

EXHIBIT INDEX

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1.            Press Release dated October 22, 2002	4
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Exhibit 1

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FOR IMMEDIATE RELEASE

FOR DISTRIBUTION TO U.S. NEWSWIRE SERVICES

MDC CORPORATION INC.  
CUSTOM DIRECT INCOME FUND

Custom Direct Income Fund Files Preliminary Prospectus for  
Initial Public Offering of Units

TORONTO - October 22, 2002 - MDC Corporation Inc. of Toronto (TSE: MDZ.A; NASDAQ: MDCA) and Custom Direct Income Fund announced today that the Fund has filed a preliminary prospectus with the securities regulatory authorities in each of the provinces and territories of Canada in connection with a proposed initial public offering of units of the Fund.

The net proceeds of the offering together with proceeds from a new credit facility to be entered into concurrently with the closing will be used in connection with the acquisition of an approximate 80% interest in MDC's U.S. based direct-to-customer cheque business, operated by Custom Direct, Inc. and affiliated companies.

MDC will retain a 20% subordinated interest in the business after the offering and has agreed not to sell its interest before December 31, 2003.

"MDC has developed Custom Direct from a modest platform and built it into one of the pre-eminent paper payment businesses in the United States," said Miles Nadal, MDC's President and Chief Executive Officer. "The crystallization of value through this high quality income fund represents another important step in MDC's strategy to increase its financial flexibility and realize incremental value for our shareholders," said Nadal.

The Fund units will not be registered under the United States Securities Act of 1933, as amended, and may not be offered or sold in the United States absent registration or an applicable exemption from the registration requirements. This press release will not constitute an offer to sell or the solicitation of an offer to buy nor will there be any sale of the securities in any state in which the offer, solicitation or sale would be unlawful.

About Custom Direct

Based in Maryland and Arkansas, Custom Direct has been selling cheques and cheque related accessories across the United States since 1992 and offers the industry's widest selection of product designs. Custom Direct is the second largest participant in the direct-to-consumer segment of the U.S. cheque industry with forecast sales and EBITDA for the year ending December 31, 2002 of approximately US\$103 million and US\$20 million respectively.

About MDC Corporation Inc.

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,

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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.

Maxxcom, approximately 78% owned by 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. Maxxcom shares are traded on the Toronto Stock Exchange under the symbol MXX.

### FOR MORE INFORMATION CONTACT:

MILES S. NADAL  
Chairman and Chief Executive Officer  
MDC Corporation Inc.  
Tel: (416) 960-9000, ext. 223

PETER M. LEWIS  
Executive Vice-President  
and Chief Financial Officer  
MDC Corporation Inc.  
Tel: (416) 960-9000, ext. 272

GRAHAM L. ROSENBERG  
Executive Vice-President  
MDC Corporation Inc.  
Tel: (416) 960-9000, ext. 239

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Exhibit 2

### PRESS RELEASE FOR IMMEDIATE RELEASE

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

CONTACTS: Miles S. Nadal                      Peter M. Lewis  
Chairman & CEO                              Executive Vice President & CFO  
(416) 960-9000 Ext.223                      (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 THIRD QUARTER AND NINE MONTHS ENDED SEPTEMBER 30, 2002

TORONTO, Ontario (October 30, 2002) - MDC Corporation Inc. ("MDC") of Toronto

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today announced its financial results for the third quarter and nine months ended September 30, 2002.

For the quarter ended September 30, 2002, revenue was \$221.0 million, a decrease of 16% compared to the \$262.3 million achieved in the same quarter of 2001. Operating income before other charges declined to \$16.4 million from the \$29.3 million generated in 2001. However, when the results of operations that have been sold, including Davis + Henderson, are excluded from the prior-year third quarter, revenue increased over the third quarter of 2001 by 7% from \$202.7 million to \$217.8 million. Operating income calculated on the same basis improved by 25% from \$13.0 million to \$16.2 million, a reflection of the significant improvement across the Secure Transactions division in revenue growth and improved efficiencies.

Net income for the quarter was \$5.5 million, including a \$1.9 million pre-tax gain on dispositions as compared with the loss of \$154.1 million as restated for the third quarter of 2001, which contained the previously reported restructuring provision.

Comparative third quarter and year to date results have been restated to recognize losses of \$12.2 million and \$15.8 million respectively with respect to foreign exchange gains and losses on non-

hedged long-term monetary assets and liabilities in accordance with changes to Canadian GAAP effective January 1, 2002. These losses, due to fluctuations in the Canadian to U.S. dollar exchange rates, were previously deferred and amortized over the term of the related item. Effective July 1, 2002, management designated the Company's 10.5% U.S. Senior Subordinated Notes as a hedge against the foreign exchange exposure of the Secure Transactions U.S. operations. The resulting net foreign exchange effect will in future be reflected in the cumulative translation account within shareholders' equity.

Basic earnings per share for the third quarter of 2002 was \$0.30 versus an adjusted basic loss per share of \$6.29 for 2001 calculated on a comparable basis excluding goodwill charges. Fully diluted earnings per share for the quarter was \$0.21 compared to an adjusted fully diluted loss per share of \$6.29. Cashflow from operations for the third quarter of 2002 was \$11.0 million, a slight decrease from the \$11.6 million achieved in the prior year. Basic and fully diluted cashflow per share was \$0.63 and \$0.42, respectively, compared to \$0.65 and \$0.48 achieved in 2001.

"We remain committed to the completion of the planned divestiture of non-core assets. During the quarter, we completed the sale of House of Questa, our U.K. stamp operation and also completed the divestiture of our Australian ticketing operations. The combined gross proceeds for these transactions amounted to approximately \$9.0 million," said Peter Lewis, Executive Vice-President and Chief Financial Officer.

The Secure Transactions division reported sales for the third quarter of \$72.9 million and operating income before other charges of \$10.3 million. Excluding the results of disposed operations, this represents a 7% increase in revenues over third quarter 2001, and a significant improvement in operating income of \$4.2 million. On the same basis, operating margins increased from 5% last year to 14% in Q3 2002. The significant increase in operating income and margins was a result of improvements across the division, particularly in our U.S. direct-to-consumer cheque operation, and our North American stamp and Canadian card operations.

Third quarter revenues for Maxxcom were \$148.1 million, an increase of \$10.5 million compared to the \$137.6 million recorded in the third quarter of 2001.

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Operating income before other charges, at \$6.1 million, declined 14% from the \$7.0 million generated in the same prior-year period. Operating expenses for the quarter included \$0.9 million in severance costs related to a further reduction in staff as Maxxcom continued to align costs with revenues.

"We are encouraged by the revenue growth achieved by Maxxcom in the third quarter. Increased billings from the advertising agencies, as well as an expansion of research and consulting services, combined with increased demand for branding and corporate identity services resulted in an 8% improvement compared to the third quarter of last year," stated Miles S. Nadal, Chairman and Chief Executive Officer. "Recent successes in attracting new business combined with management's continued focus on the reduction of infrastructure costs positions Maxxcom for improved profitability from both the traditionally higher fourth quarter revenues and an improving marketing communications industry."

As previously announced on October 22, Custom Direct, Inc., a wholly owned subsidiary of MDC, through the Custom Direct Income Fund filed a preliminary prospectus with the securities regulatory authorities in Canada in connection with a proposed initial public offering of units of the Fund. If successful, proceeds of the offering, together with proceeds from a new credit facility, would be used to acquire from the Company an approximate 80% interest in Custom Direct, Inc., MDC's U.S. direct-to-consumer cheque business. Based upon yields of similar recent offerings,

gross proceeds to MDC would be expected to be in the range of U.S.\$140 million to U.S.\$160 million (Cdn\$220 million to Cdn\$250 million).

"Overall we are very pleased with our results in the third quarter and are encouraged by the momentum for the rest of the year," stated 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 Corporation, 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, public relations, public affairs, investor relations, marketing research and consulting, 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

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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.

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

For the Three Months Ended September 30,	2002	2001*
Sales	221,037	262,343
Cost of sales	114,238	129,840
	106,799	132,503
Gross profit		
Operating expenses	90,420	103,175
	16,379	29,328
Operating income before other income (charges)		
Other income (charges)		
Net gain on asset dispositions and other charges	1,854	(154,040)
Unrealized foreign exchange loss	-	(12,160)
Amortization	(5,533)	(8,529)
Interest, net	(6,088)	(14,591)
	(9,767)	(189,320)
Income (loss) before income taxes, goodwill charges and minority interest	6,612	(159,992)
Income taxes (recovery)	1,006	(48,959)
	5,606	(111,033)
Income (loss) before goodwill charges and minority interest		
Goodwill charges, net of income tax recovery	-	48,215
Minority interest (recovery)	108	(5,165)
	5,498	(154,083)
Net income (loss) for the period	5,498	(154,083)
Cash Flow from operations	11,013	11,560
Earnings Per Share		
Net income (loss)		
o Basic	0.30	(9.14)
o Fully Diluted	0.21	(9.14)
Cash Flow Per Share		
o Basic	0.63	0.65

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o Fully Diluted	0.42	0.48
Weighted average shares outstanding during the period		
o Basic	16,915,341	16,909,743
o Fully Diluted**	26,558,351	24,315,213

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SEGMENTED INFORMATION - BY OPERATING DIVISION

For the Three Months Ended September 30,	2002	2001
-----	-----	-----
Secure Transactions		
Sales	72,923	124,737
Operating Income	10,298	22,292
Maxxcom		
Sales	148,114	137,606
Operating Income	6,081	7,036

\* 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 ca Subordinated Voting Shares ("Shares") at 95% of the current share price. As a result, the f shares outstanding include 9,633,911 (2001 - 7,072,136) Shares for the conversion of the No the average closing price of the Shares during the period.

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

For the Nine Months Ended September 30,	2002	2001*
-----	-----	-----
Sales	713,314	827,048
Cost of sales	370,196	409,920
-----	-----	-----
Gross profit	343,118	417,128
Operating expenses	282,936	329,299
-----	-----	-----
Operating income before other income (charges)	60,182	87,829
-----	-----	-----
Other income (charges)		
Net gain on asset dispositions and other charges	158,905	(154,040)
Unrealized foreign exchange gain (loss)	6,702	(15,800)
Amortization	(19,219)	(27,033)
Interest, net	(22,170)	(39,718)
-----	-----	-----
	124,218	(236,591)
-----	-----	-----
Income (loss) before income taxes, goodwill charges and		

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minority interest	184,400	(148,762)
Income taxes (recovery)	34,445	(47,044)
Income (loss) before goodwill charges and minority interest	149,955	(101,718)
Goodwill charges, net of income tax recovery	-	57,573
Minority interest (recovery)	3,978	(5,344)
Income (loss) from continuing operations	145,977	(153,947)
Loss from discontinued operations	-	(40,000)
Net income (loss) for the period	145,977	(193,947)
Cash Flow from operations	28,220	43,752
Earnings Per Share		
Income (loss) from continuing operations		
o Basic	8.56	(9.22)
o Fully Diluted	5.74	(9.22)
Reported		
o Basic	8.56	(11.59)
o Fully Diluted	5.74	(11.59)
Cash Flow Per Share		
o Basic	1.60	2.49
o Fully Diluted	1.12	1.99
Weighted average shares outstanding during the period		
o Basic	16,915,341	16,876,055
o Fully Diluted	25,501,775	22,148,656

SEGMENTED INFORMATION - BY OPERATING DIVISION

For the Nine Months Ended September 30,	2002	2001
Secure Transactions		
Sales	278,537	387,892
Operating Income	43,227	66,864
Maxxcom		
Sales	434,777	439,156
Operating Income	16,955	20,965

\* 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 ca Subordinated Voting Shares ("Shares") at 95% of the current share price. As a result, the f shares outstanding include 8,576,329 (2001 - 4,812,320) Shares for the conversion of the No the average closing price of the Shares during the period.



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MDC CORPORATION INC.  
CONSOLIDATED BALANCE SHEETS  
(\$CDN 000's)

	As at September 30, 2002 (Unaudited)
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ASSETS	
Current	
Cash and cash equivalents	48,937
Accounts receivable	119,745
Inventory	10,557
Prepaid expenses and sundry	12,586
Future income taxes	-
	<hr/>
	191,825
Capital and other assets	130,504
Goodwill	259,521
	<hr/>
	581,850
	<hr/> <hr/>
LIABILITIES AND SHAREHOLDERS' EQUITY	
Current	
Accounts payable and accrued liabilities	145,320
Deferred revenue	20,193
Current portion of long-term indebtedness	4,984
	<hr/>
	170,497
Long-term indebtedness	246,710
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	417,207
Minority interest	14,650
	<hr/>
Shareholders' equity	
Share capital	144,542
Other paid-in capital	37,521
Cumulative translation adjustment	20,078
Retained earnings (deficit)	(52,148)
	<hr/>
	149,993
	<hr/>
	581,850
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\* Restated to reflect the change in accounting policy with respect to foreign exchange gains on non-hedged long-term monetary assets and liabilities. The effect was a reduction in capital

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assets and retained earnings (deficit) of \$23,809.

SIGNATURES

Pursuant to the requirement of the Securities and 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: November 6, 2002  
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By: /s/ Walter Campbell  
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(Signature)

Walter Campbell  
Senior Vice President Finance

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