

True North Communications Inc.
Consolidated Income Statement
Quarter Ended September 30, 1999
(000's, except per share amounts)
(Unaudited)

| | Memo - Excluding Restructuring And Other Items | | 1999 | 1998 ⁽¹⁾ |
|--------------------------------------|---|----------------------------|--------------------|----------------------------|
| | <u>1999</u> | <u>1998 ⁽¹⁾</u> | | |
| Revenues | <u>\$ 356,722</u> | <u>\$ 303,075</u> | <u>\$ 356,722</u> | <u>\$ 303,075</u> |
| Operating Expenses: | | | | |
| Salaries/other employee benefits | 220,124 | 188,407 | 220,124 | 188,407 |
| Office and general expenses | 101,338 | 84,627 | 101,338 | 84,627 |
| Restructuring and other charges | - | - | 76,400 | 4,344 |
| Total operating expenses | <u>321,462</u> | <u>273,034</u> | <u>397,862</u> | <u>277,378</u> |
| Operating Income | 35,260 | 30,041 | (41,140) | 25,697 |
| Other Income (Expense) | <u>(2,033)</u> | <u>(4,274)</u> | <u>(968)</u> | <u>149</u> |
| Pretax Income | 33,227 | 25,767 | (42,108) | 25,846 |
| Provision for Income Taxes | <u>14,453</u> | <u>12,160</u> | <u>(11,283)</u> | <u>12,197</u> |
| | 18,774 | 13,607 | (30,825) | 13,649 |
| Minority Interest Expense | (1,235) | (943) | (1,235) | (943) |
| Equity Income | <u>410</u> | <u>518</u> | <u>410</u> | <u>518</u> |
| Net Income | <u>\$ 17,949</u> | <u>\$ 13,182</u> | <u>\$ (31,650)</u> | <u>\$ 13,224</u> |
| Basic Earnings Per Share | <u>\$ 0.38</u> | <u>\$ 0.29</u> | <u>\$ (0.66)</u> | <u>\$ 0.29</u> |
| Dilutive Earnings Per Share | <u>\$ 0.36</u> | <u>\$ 0.28</u> | <u>\$ (0.66)</u> | <u>\$ 0.28</u> |
| Operating Margin | 9.9% | 9.9% | n/m | 8.5% |
| Average Shares Outstanding - Basic | 47,763 | 45,852 | 47,763 | 45,852 |
| Average Shares Outstanding - Diluted | 49,859 | 47,734 | 47,763 | 47,734 |

(1) 1998 results have been restated to reflect a February 1999 pooling of interests transaction.