

True North Communications Inc.
Operations Analysis
Quarter Ended December 31,

	2000			1999			2000 Operations B/(W) 1999 Operations	
	Operations	Unusual	External	Operations	Deconsolidate Modem	External	\$	%
Commissions and Fees	\$ 441,004	\$ -	\$441,004	\$ 399,104	\$ 24,490	\$423,594	\$41,900	10.5%
Operating Expenses:								
Salaries and employee benefits	234,611	-	234,611	217,816	13,613	231,429	(16,795)	-7.7%
Office and general expenses	121,809 ^(b)	-	121,809	114,610 ^(b)	7,792	122,402	(7,199)	-6.3%
Restructuring and other charges	-	17,500 ^(a)	17,500	-	-	-	-	n/a
Total operating expenses	356,420	17,500	373,920	332,426	21,405	353,831	(23,994)	-7.2%
Operating Income	\$ 84,584	\$ (17,500)	\$ 67,084	\$ 66,678	\$ 3,085	\$69,763	\$ 17,906	26.9%
Staff Cost Ratio	53.2%		53.2%	54.6%		54.6%		
O&G Expense Ratio	27.6%		27.6%	28.7%		28.9%		
Operating Margin	19.2%		15.2%	16.7%		16.5%		

(a) Represents Chrysler special charge.

(b) Includes additional amortization of intangible assets of \$3,665 in 2000 and \$2,737 in 1999 due to a change in accounting.