

True North Communications Inc.
Operations Analysis
Quarter Ended June 30,

	2000			1999			2000 Operations B/(W) 1999 Operations	
	Operations	Unusual	External	Operations	Deconsolidate Modem	External	\$	%
Revenues	\$ 375,090	\$ -	\$ 375,090	\$ 339,609	\$ 16,043	\$ 355,652	\$35,481	10.4%
Operating Expenses:								
Salaries and other employee benefits	221,277	-	221,277	208,421	8,995	217,416	(12,856)	-6.2%
Office and general expenses	97,664	-	97,664	92,440	5,820	98,260	(5,224)	-5.7%
Restructuring and other charges	-	-	-	-	-	-	-	n/a
Total operating expenses	318,941	-	318,941	300,861	14,815	315,676	(18,080)	-6.0%
Operating Income	56,149	-	56,149	38,748	1,228	39,976	17,401	44.9%
Other Income (Expense)	(3,203)	-	(3,203)	(2,762)	504	(2,258)	(441)	-16.0%
Pretax Income	52,946	-	52,946	35,986	1,732	37,718	16,960	47.1%
Provision for Income Taxes	22,432	-	22,432	15,311	1,101	16,412	(7,121)	-46.5%
	30,514	-	30,514	20,675	631	21,306	9,839	47.6%
Minority Interest Expense	(911)	-	(911)	(756)	4	(752)	(155)	-20.5%
Equity Income	(2,513)	-	(2,513)	1,115	(635)	480	(3,628)	-325.4%
Net Income	\$ 27,090	\$ -	\$ 27,090	\$ 21,034	\$ -	\$ 21,034	\$ 6,056	28.8%
Basic Earnings Per Share	\$ 0.55	\$ -	\$ 0.55	\$ 0.45	\$ -	\$ 0.45	\$ 0.10	22.2%
Dilutive Earnings Per Share	\$ 0.54	\$ -	\$ 0.54	\$ 0.43	\$ -	\$ 0.43	\$ 0.11	25.6%
Operating Margin	15.0%		15.0%	11.4%		11.2%		
Average Shares O/S - Basic	49,401		49,401	47,296		47,296		
Average Shares O/S - Diluted	50,621		50,621	48,871		48,871		