

**True North Communications Inc.**  
**Operations Analysis**  
**Year Ended December 31,**

	1999			1998				1999 Operations B/(W) 1998 Operations	
	Operations	Unusual	External	Operations	Unusual	FRB	External	\$	%
Revenues	\$1,439,414	\$ -	\$1,439,414	\$1,242,309	\$ -	\$ 31,975	\$1,274,284	\$197,105	15.9%
Operating Expenses:									
Salaries and other employee benefits	871,433	-	871,433	763,953	9,100	33,549	806,602	(107,480)	-14.1%
Office and general expenses	409,238	-	409,238	347,273	-	7,072	354,345	(61,965)	-17.8%
Restructuring and other charges	-	76,400	76,400	-	3,278	-	3,278	-	n/a
Total operating expenses	1,280,671	76,400	1,357,071	1,111,226	12,378	40,621	1,164,225	(169,445)	-15.2%
Operating Income	158,743	(76,400)	82,343	131,083	(12,378)	(8,646)	110,059	27,660	21.1%
Other Income (Expense)	(4,791)	5,135	344	(11,780)	(17,136)	(208)	(29,124)	6,989	59.3%
Pretax Income	153,952	(71,265)	82,687	119,303	(29,514)	(8,854)	80,935	34,649	29.0%
Provision for Income Taxes	66,172	(23,966)	42,206	53,052	3,736	-	56,788	(13,120)	-24.7%
	87,780	(47,299)	40,481	66,251	(33,250)	(8,854)	24,147	21,529	32.5%
Minority Interest Expense	(4,161)	-	(4,161)	(4,044)	-	-	(4,044)	(117)	-2.9%
Equity Income	2,470	-	2,470	7,158	-	-	7,158	(4,688)	-65.5%
Net Income	\$ 86,089	(\$47,299)	\$ 38,790	\$ 69,365	(\$33,250)	(\$8,854)	\$27,261	\$ 16,724	24.1%
Basic Earnings Per Share	\$ 1.82		\$ 0.82	\$ 1.56			\$ 0.60	\$ 0.26	16.7%
Dilutive Earnings Per Share	\$ 1.79		\$ 0.81	\$ 1.50			\$ 0.57	\$ 0.29	19.3%
Operating Margin	11.0%		5.7%	10.6%			8.6%		

(a) Represents restructuring and other charges, primarily severance and real estate costs.

(b) Represents gains on the sale of DoubleClick shares sold in the 1st and 3rd quarters.

(c) Represents retirement costs for two True North executives and the cost of severing FCB Chicago office personnel in connection with the January 1999 acquisition of CM Partners.

(d) \$4,344 represents the costs of reorganizing Poppe-Tyson prior to its merger into Modem Media. Poppe Tyson, net of a reversal of \$1,066 of 1997 restructuring reserves (principally estimated severance) which was not required.

(e) Represents \$30,532 loss on conversion of Publicis shares, net of a \$13,396 gain on the sales of DoubleClick shares.