

True North Communications Inc.
Operations Analysis
Nine Months Ended September 30,

| | 2000 | | | | 1999 | | | | 2000 Operations B/(W) 1999 Operations | |
|---------------------------------|-------------|---------|------------------------|-------------|------------|------------|------------------------|-------------|--|---------|
| | Operations | Unusual | Deconsolidate Modem | External | Operations | Unusual | Deconsolidate Modem | External | \$ | % |
| Commissions and Fees | \$1,087,301 | \$ - | \$ 28,538 | \$1,115,839 | \$966,269 | \$ - | \$ 49,551 | \$1,015,820 | \$121,032 | 12.5% |
| Operating Expenses: | | | | | | | | | | |
| Salaries and employee benefits | 662,427 | - | 17,851 | 680,278 | 610,842 | - | 29,162 | 640,004 | (51,585) | -8.4% |
| Office and general expenses | 302,304 | - | 13,628 | 315,932 | 272,545 | - | 17,028 | 289,573 | (29,759) | -10.9% |
| Restructuring and other charges | - | (590) | - | (590) | - | 76,400 | - | 76,400 | - | n/a |
| Total operating expenses | 964,731 | (590) | 31,479 | 995,620 | 883,387 | 76,400 | 46,190 | 1,005,977 | (81,344) | -9.2% |
| Operating Income | 122,570 | 590 | (2,941) | 120,219 | 82,882 | (76,400) | 3,361 | 9,843 | 39,688 | 47.9% |
| Other Income (Expense) | (8,459) | - | 544 | (7,915) | (8,410) | 5,135 (a) | 1,405 | (1,870) | (49) | -0.6% |
| Pretax Income | 114,111 | 590 | (2,397) | 112,304 | 74,472 | (71,265) | 4,766 | 7,973 | 39,639 | 53.2% |
| Provision for Income Taxes | 46,890 | 242 | 597 | 47,729 | 31,175 | (23,966) | 3,293 | 10,502 | (15,715) | -50.4% |
| | 67,221 | 348 | (2,994) | 64,575 | 43,297 | (47,299) | 1,473 | (2,529) | 23,924 | 55.3% |
| Minority Interest Expense | (1,651) | - | 1,569 | (82) | (1,317) | - | (697) | (2,014) | (334) | -25.4% |
| Equity Income | (4,473) | - | 1,425 | (3,048) | 1,876 | - | (776) | 1,100 | (6,349) | -338.4% |
| Net Income | \$61,097 | \$348 | \$ - | \$61,445 | \$43,856 | (\$47,299) | \$ - | (\$3,443) | \$ 17,241 | 39.3% |
| Basic Earnings Per Share | \$ 1.24 | \$ - | \$ - | \$ 1.24 | \$ 0.93 | \$ (1.00) | \$ - | \$ (0.07) | \$ 0.31 | 33.3% |
| Dilutive Earnings Per Share | \$ 1.21 | \$ - | \$ - | \$ 1.21 | \$ 0.90 | n/m | \$ - | \$ (0.07) | \$ 0.31 | 34.4% |
| Operating Margin | 11.3% | | | 10.8% | 8.6% | | | 1.0% | | |
| Average Shares O/S - Basic | 49,355 | | | 49,355 | 46,996 | | | 46,996 | | |
| Average Shares O/S - Diluted | 50,691 | | | 50,691 | 48,805 | | | 46,996 | | |

(a) Represents a gain on the sale of DoubleClick securities.