May 16, 2002

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YELL ANNOUNCES FINANCIAL RESULTS FOR THE YEAR ENDED MARCH 31 2002

Highlights

- Turnover up 11.8% to £865.4 million
  - UK printed directories business revenues up 4.4% with acceleration in second half
  - US printed directories business revenues up 28.9%

- Adjusted EBITDA up 5% to £245.5 million, despite significant investment expenditure

- Operating cashflow up 7% to £183 million

- UK directories business continues to show volume growth with over 100,000 new customers

- US business showing strengthening revenue growth. EBITDA up 26%. Strong margins as directories become more established

- McLeodUSA Publishing Company acquisition completed on April 16 2002. Adds around $298 million revenues and $57 million EBITDA; strengthens the Group's US market position and creates basis for strong synergies

John Condron, chief executive of Yell, said:

"I am pleased to announce these strong financial results.

"In the UK, we are continuing to demonstrate our ability to attract new advertisers and to grow the value of our existing customer base. During the year a new regulatory regime became effective. Whilst this saw the increase of our Yellow Pages directories price cap to RPI-6%, we now have greater freedom to develop our customer offers and promotional mix. This is adding to the flexibility of our sales and marketing and reinforcing our ability to develop both our existing and new customer business.

"In the US, the acquisition of McLeodUSA Publishing Company makes us the clear leader amongst the independents with around 42% market share. It doubles our US footprint and complements the strengths of our Yellow Book business. During 2002 we launched twelve new directories in the US. New directory launches and rescoping of existing directories will continue, both to in-fill geographically and to exploit our competitive advantages. We expect that our US revenues and margins will continue to benefit from the progressive maturing of new directories."

John Davis, chief financial officer of Yell, said:

"In the UK, our results demonstrate the resilience, continued growth opportunities and strong cash flows of our business. In the US, they demonstrate strong growth of revenues and profits. US margins should increase as our new directories mature and as new directory development and launch investment declines as an overall proportion of costs.

"McLeod is a key strategic step. In the run-up to completion of this acquisition, we have used the time to plan integration and the continuing transfer of expertise from the UK in order to seek further gains in efficiency and competitive advantage. Both programmes are well on track and we will combine McLeod's back-office and process strengths with the sales strengths of Yellow Book. Looking ahead, we believe there will be further consolidation opportunities in the US."

Financial Review

Revenues

In the year ended March 31, 2002, excluding the recent acquisition of McLeodUSA Publishing Company, Yell's revenue grew by 11.8% to £865.4 million.

For UK printed directories, revenue increased by £22.7 million, or 4.4%, to £540.5 million for the year. We saw an acceleration in revenue growth in the second half of the year driven by the introduction in October 2001 of full colour advertising in our Yellow Pages directories. Revenue growth in the final quarter was 7.0% year-on-year.

In the United States, despite the subdued economic environment, revenue increased by 28.9% to £284.1 million. Over half the growth in revenue came from launches in new markets. New revenues were £34.0 million as compared to £27.0 million in 2001. Same market growth of 6.5% was the other main driver.

Group revenue from our other products and services grew by 13% to £40.8 million in 2002. This growth was driven by Yell.com, whose revenue nearly doubled from £8.3 million last year to £14.9 million in 2002, more than off-setting small declines in Talking Pages and other products.

EBITDA

Group adjusted EBITDA (excluding the costs of management incentive schemes which arose from the purchase of Yellow Book during the period of BT's ownership and which were cancelled in June 2001) grew by almost 5% – to £245.5 million with margins of 28%, in a year when we continued to invest significantly in both our UK and US businesses.

In the UK directories business, EBITDA fell slightly by £5.9 million to £221.4 million with margins falling by almost 3 percentage points to 41%. This decrease in both profits and margins was driven by increased investment to drive future revenue growth and operational efficiencies. Investment included:

- a significant increase in our sales force. We employed , on average, 10% more sales consultants in 2002 than in 2001
- implementation of SAP technology
- planning and printing costs associated with the roll-out of full colour

In addition we incurred some stand-alone costs arising from our separation from BT which also slightly reduced the UK's directory profit.

In the US directories business, adjusted EBITDA grew in 2002 by 26% to £35.1 million, in line with revenue growth. EBITDA margins of 12.4% were broadly level with the 12.7% reported last year. This reflected the significant investment in new launches, which collectively, and as expected, in their first year made a negative contribution. There was also a one-off cost of moving to a new pre-press supplier, requiring two pre-press contracts to run in parallel until completion of the transition. We expect to see the benefit of the significant investment in launches coming through in the year to March 2003 and beyond with both an increase in absolute profitability and margins. New directory launches will be at a slower pace, which should benefit profits and margin.

EBITDA losses from other products and services approximately halved to a loss of £11.0 million in 2002. This principally reflected Yell.com, which has now substantially completed its start-up investment costs and with strong revenue growth, more than halved its loss to £10.1 million. Yell.com remains on course to break even in 2003/2004.

Pre-tax losses
While operationally we did in 2002 outperform 2001 on a revenue, EBITDA and operating cash basis, the Group made a loss before tax of £12.8 milion in the year to March 2002– down £175.8 million on 2001. This downward movement was primarily driven by the capital structure put in place and goodwill arising on the purchase of the business from BT last summer. As a result interest charges were £164.4 million (up £140 million on 2001) and the goodwill amortisation charge was £70.7 million (up £48.6 million from £22.1 million in 2001).

Cashflow
Cash generation remains strong. In 2002 it was £182.5 million – up 7% on 2001. 75 per cent of EBITDA was converted into cash – up 3 percentage points on 2001. This was after deducting £13.8 million of net capex and £46.7 million of investment in working capital. The increase in working capital was primarily driven by the significant growth in US revenue.

Bad debts have remained at a similar level being 4% of revenue in the UK and 9% in the US.

Yell Group remains cash positive with net cash of £100 million as at March 31 2002. In addition we have full availability of our £100 million revolving credit bank facility, put in place to support growth.

Operational Review

UK printed directories
In the UK we sold advertising in our printed directories business to around 438,000 unique advertisers, up 5%. The 4.4% full year revenue growth was entirely organic growth and came primarily from increased advertising volumes and the take-up of full-colour advertising since last October. Largely as a result of colour take-up, revenue increased by 7.0% in the final quarter year-on-year. We expect full colour advertising to continue to have a very positive effect on our revenue growth as we complete the "first time" roll out in our annual publication cycle during the six months to September 2002. In addition, new advertisers for our UK printed directories exceeded 100,000 for the second year.

We experienced a slight dip in customer retention rates in the UK – down to 79.5% in the year 2002 compared to 82.5% in the prior 12 months. This was mainly the result of lower renewal rates among the large proportion of first-time advertisers we gained in the previous year through the introduction of our First Steps programme. There was also a small increase in the number of advertisers who did not renew because they were no longer trading. Both impacts indicate that the UK market has experienced some economic pressures.

Revenue per advertiser remained broadly at last year's level - £1,234, compared to £1,239 in 2001. The benefits of customers trading up to larger adverts and additional revenues from colour advertising was offset, as expected, by the lower yield from new customers and to a lesser extent an average price reduction of 0.4 per cent driven by the regulatory price cap of RPI–2%. This price cap was increased to RPI-6% for Yellow Pages directories being sold from 1 January 2002.

US printed directories
In the United States, over half the 28.9% growth in revenue came from launches in new markets with the continuation of our strategy of geographic expansion. The most significant launches in 2002 included Boston Metro, Westchester and Fairfield, Connecticut.

Same market growth of 6.5% was the other main driver of growth. We are currently moving towards wider area books and intentionally reducing the number of books that we publish. In 2002 we published a total of 272 books as compared to 306 in 2001. Both customer numbers and yield per customer grew, up 166,000 new customers, an increase of 9% and turnover per advertiser increasing 18% to £1,711.

In the US, customer retention rates were slightly down – dropping to 70.1% for the financial year 2002 compared to 74% in the prior 12 months. The main factor for the shortfall was the large number of launches in the previous year. These traditionally have lower retention rates in early publication cycles.

Other products and services
The 13% revenue growth in other products and services was driven by Yell.com, whose revenue rose from £8.3 million last year to £14.9 million in 2002. Yell.com's monthly page impressions continued to show a healthy performance, with just over 33 million page impressions in March.

Yell Finance BV

Yell Finance B.V. today announces its financial results for the financial year 2001/2002 reported under Form 6K to the SEC. A full copy of the results, together with the related operating and financial review, can be accessed at:

www.yellgroup.com/goto/resultssecfilings.html

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About Yell
Yell is an international directories business operating in the classified advertising market through printed and online media. Yell's products include the Yellow Pages and Business Pages directories in the UK, the Yellow Book and McLeodUSA Publishing Company directories in the US, Yell.com and Talking Pages.

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