



Notice of AGM

NOTICE OF ANNUAL GENERAL MEETING

Notice is hereby given that the 2004 Annual General Meeting of Yell Group plc ("the Company") will be held at The Brewery, Chiswell Street, London EC1Y 4SD on Tuesday 13 July 2004 at 11.00am to consider the following resolutions:

Ordinary Resolutions

Resolution 1

That the report of the directors and auditors, and the audited accounts of the Company, for the year ended 31 March 2004 be received and considered.

The directors are required by law to present to the shareholders of the Company at a general meeting the report of the directors and auditors, and the audited accounts of the Company, for the year ended 31 March 2004. The report of the directors and the audited accounts have been approved by the directors, and the report of the auditors has been approved by the auditors, and a copy of each of these documents may be found in the Annual Report of the Company starting at page 28.

Resolution 2

That the final dividend of 6 pence per ordinary share in the Company recommended by the directors be declared and, if approved, payable on 20 August 2004 to holders of ordinary shares in the Company registered at the close of business on 23 July 2004.

It is a requirement of law that the final dividend for the year ended 31 March 2004 be approved by the shareholders of the Company. The amount to be declared as a final dividend may not exceed the amount recommended by the directors.

Resolution 3

That the report on the remuneration of directors for the year ended 31 March 2004 be approved.

The Directors Remuneration Report Regulations 2002 require companies to include certain specified information on the remuneration of their directors for each financial year in a report and to give their shareholders an opportunity to approve such report. The report on the remuneration of the directors of the Company for the year ended 31 March 2004 may be found in the Annual Report of the Company starting at page 30.

Resolution 4

That John Condron be re-elected as a director.

Resolution 5

That John Davis be re-elected as a director.

Resolution 6

That Lyndon Lea be re-elected as a director.

Resolution 7

That Lord Powell of Bayswater be re-elected as a director.

Resolution 8

That Robert Scott be re-elected as a director.

Resolution 9

That Charles Carey be re-elected as a director.

Resolution 10

That John Coghlan be re-elected as a director.

Resolution 11

That Joachim Eberhardt be re-elected as a director.

None of the current directors of the Company submitted themselves for retirement and re-election at the two annual general meetings of the Company that took place prior to the IPO. Accordingly, as a matter of good order, all of the current directors of the Company believe that they should retire and submit themselves for re-election at the 2004 Annual General Meeting, the first such meeting following the IPO.

Biographical details of all of the directors of the Company may be found in the Annual Report of the Company starting at page 24.

Resolution 12

That PricewaterhouseCoopers LLP be reappointed auditors of the Company to hold office until the conclusion of the next general meeting of the Company before which accounts are laid.

The auditors are responsible for examining the annual accounts of the Company and forming an opinion as to whether they give a true and fair view of its results and financial position. It is a requirement of law that the Company appoint auditors at each meeting at which accounts are presented to its shareholders, such appointment to continue until the next meeting at which accounts are presented.

Resolution 13

That the directors be authorised to determine the remuneration of the auditors.

This resolution gives the directors of the Company the authority to determine the remuneration of the auditors for the audit work to be carried out by them in the next financial year. The amount of the remuneration paid to the auditors for the next financial year will be disclosed in the next audited accounts of the Company.

Resolution 14

That the directors be generally and unconditionally authorised under Section 80 of the Companies Act 1985 to allot relevant securities (as defined in that Act) up to an aggregate nominal amount of £2,323,812. This authority will expire at the conclusion of the next Annual General Meeting or, if earlier, 15 months from the date of this resolution. However, before this authority expires, the Company may make an offer or agreement which would or might require relevant securities to be allotted after the authority expires and the directors may allot relevant securities under any such offer or agreement as if the authority had not expired.

Section 80 of the Companies Act 1985 provides that the directors of a company cannot issue new shares in its capital without the approval of its shareholders. Accordingly, the purpose of this resolution is to give the directors of the Company authority to issue new shares in the capital of the Company up to a maximum amount of £2,323,812 which is approximately equivalent to 33.3 per cent of the issued ordinary share capital of the Company as at 17 May 2004. This resolution will allow the directors of the Company flexibility to act in the best interests of the Company and its shareholders by issuing new shares in appropriate circumstances.

Resolution 15

That the Company, and each of Yell Limited and Yellow Pages Sales Limited (wholly owned subsidiaries of the Company), be authorised to:

- a) make donations to EU political organisations; and**
- b) incur EU political expenditure;**

in an aggregate amount not exceeding £100,000 during the period ending on the date of the next Annual General Meeting. For the purpose of this resolution 15, the phrases "donations", "EU political organisations" and "EU political expenditure" shall have the meanings set out in Part XA of the Companies Act 1985 (as amended by the Political Parties, Elections and Referendums Act 2000).

The Companies Act 1985 now includes provisions which require companies to obtain authority from their shareholders

before they can make “donations” to EU political organisations or incur “EU political expenditure”. The definitions of “donations” and “EU political expenditure” are very broad and, as a result, may cover activities which form part of the normal non-partisan relationships between companies and the political world, even though these activities are not designed to support a particular political party or to influence support for any political party, and would not be thought as political donations in the ordinary sense of the word.

The Company does not, directly or through any of its subsidiaries, make donations to any political parties and the Company does not have any intention of doing so in the future. However, operating as we do in a regulated environment, we have a business need to maintain contact with politicians and political parties within the EU to make them aware of key issues affecting the Company and its subsidiaries, and the industry in which the Company and its subsidiaries operate. This can involve, for example, involvement in seminars and functions to which politicians may be invited and sponsoring meetings at political parties’ conferences. Accordingly, in common with other companies, the Company is seeking the approval of its shareholders, on a precautionary basis so as to avoid contravening the Companies Act 1985, to incur a level of expenditure to cover all of these activities.

Special Resolutions

Resolution 16

That, provided resolution 14 has been passed, the directors be authorised under section 95 of the Companies Act 1985 to allot equity securities (as defined in that Act) for cash pursuant to the authority conferred on them by resolution 14, or where such allotment constitutes the allotment of equity securities by virtue of section 94(3A) of that Act, as if section 89(1) of that Act did not apply to any such allotment. This authority is limited to;

- a) allotments connected to a rights issue to holders of ordinary shares in the Company (excluding any ordinary shares held by the Company as treasury shares) where the rights of each such holder are, as nearly as may be, proportionate to the number of ordinary shares held by such holder. The directors may exclude certain shareholders, deal with fractions and generally manage the rights issue as they think fit; and**
- b) the allotment (other than pursuant to sub-paragraph (a) above) of equity securities up to an aggregate nominal value of £348,921.**

This authority will expire at the conclusion of the next Annual General Meeting or, if earlier, 15 months from the date of this resolution. However, before this authority expires, the Company may make an offer or agreement which would or might require equity securities to be allotted after the authority expires and the directors may allot securities under any such offer or agreement as if the authority had not expired.

Section 89 of the Companies Act 1985 gives existing shareholders in a company certain pre-emption rights with respect to allotments of new shares. A company can only disapply these rights with the approval of its shareholders. Accordingly, the purpose of this resolution is to allow the directors of the Company to allot ordinary shares in the Company for cash, or to transfer treasury shares for cash, other than to its existing shareholders on a pre-emptive basis up to a maximum amount of £348,921 which is equivalent to 5 per cent of the issued ordinary share capital of the Company as at 17 May 2004 and is in line with the recommended guidelines issued by institutional investor bodies.

Resolution 17

That, pursuant to Article 20 of its Articles of Association, the Company be generally and unconditionally authorised to purchase its own fully-paid ordinary shares in the Company by way of market purchases (within the meaning of section 163(3) of the Companies Act 1985) provided that:

- a) the maximum number of ordinary shares in the Company that the Company may purchase is 69,784,148;**
- b) the minimum price that the Company may pay for an ordinary share in the Company is 1.00 pence;**

- c) **the maximum price which the Company may pay for an ordinary share in the Company is an amount equivalent to 105 per cent of the middle market price for an ordinary share in the Company (as set out in the Daily Official List published by London Stock Exchange) for the five business days immediately before the day on which the Company agrees to purchase ordinary shares in the Company; and**
- d) **this authority will expire at the conclusion of the next AGM or, if earlier, 15 months from the date of this resolution. However, before this authority expires, the Company may agree to purchase ordinary shares in the Company where the purchase will or may be completed, either fully or partly, after the authority expires and the Company may purchase such ordinary shares as if the authority had not expired.**

The directors consider, in certain circumstances, that it may be appropriate and in the best interest of shareholders generally for the Company to purchase its own shares. This resolution gives authority for the Company to purchase up to 69,784,148 Ordinary shares which is approximately equivalent to 10 per cent of the issued share capital of the Company as at 17 May 2004. The directors have no specific plans to exercise any authority granted by this resolution in the future, but will keep the matter under review and will only make purchases where, in the light of prevailing market conditions, they consider it will result in an increase in earnings per ordinary share in the Company.

The total number of options to subscribe for ordinary shares in the Company outstanding as at 17 May 2004 was 19,031,668. This represents 2.73 per cent of the issued ordinary share capital of the Company at that date. If the Company were to buy back the maximum number of shares permitted pursuant to the passing of this resolution and cancel them, then the total number of options to subscribe for shares in the Company outstanding as at 17 May 2004 would represent 3.03 per cent of the reduced issued ordinary share capital of the Company.

The Companies (Acquisition of Own Shares)(Treasury Shares) Regulations 2003 (which came into force on 1 December 2003) enable companies to retain any of their own shares they have purchased as treasury shares with a view to their possible re-issue at a later date, rather than cancelling them as the law previously required. The Company will consider holding any of its own shares that it purchases pursuant to this resolution as treasury shares, which will give the directors flexibility in the management of the capital base of the Company. No dividends will be paid on treasury shares while held in treasury, and no voting rights will attach to them.

Resolution 18

That the Articles of Association of the Company produced to the Annual General Meeting and signed by the chairman of the Annual General Meeting for the purposes of identification be adopted as the Articles of Association of the Company in substitution for the existing Articles of Association.

The Company is seeking the approval of its shareholders to alter its Articles of Association to:

- (a) remove the rights to appoint non-executive directors that were granted to certain shareholders of the Company at the time of the IPO. Following the sale by these shareholders in January 2004 of all of the ordinary shares in the Company then held by them, these rights are no longer applicable;
- (b) make certain changes to enable the Company to hold its own shares as treasury shares (see note to resolution 17); and
- (c) correct certain typographical errors and cross references.

Details of the alterations proposed are set out below:

1. The deletion in their entirety of the definitions of "Affiliate", "Apax Funds", "Apax Partners Participating Shareholders", "Associate", "Designated Transferees", "Hicks Muse Funds", "Hicks Muse Participating Shareholders", and "Investor Group" from Article 1.
2. The replacement of the introductory "The" with "the" in the definition of "the "Regulations" " in Article 1.
3. The deletion of the words "in its capacity" from the definition of "UK Listing Authority" in Article 1, and the replacement of the roman numeral "IV" with "VI" in that definition.
4. The replacement of the introductory "The" with "the" in the second and third lines of Article 3, and the insertion of the words ", and as further amended by the Companies Act 1985 (Electronic Communications) Order 2000)" after the words "Companies (Tables A to F)(Amendment) Regulations 1985" in that Article.

5. The insertion of “: (i)” after the words “unconditional authority to” in Article 7, the insertion of the words “, or rights to subscribe for, dispose of” after the words “grant options over” in that Article, the replacement of the words “or rights to subscribe for” with “; (ii) dispose of or otherwise deal with all the shares held by the Company as treasury shares; and (iii)” in that Article, and the insertion of the words “, in each case” after the words “convert any security into shares” in that Article.
6. The insertion of the words “, or sale of shares (if, immediately before such sale, the shares were held by the Company as treasury shares)” after the words “The Company may also on any issue of shares” in the second sentence of Article 8.
7. The insertion of the words “(excluding any shares of that class held by the Company as treasury shares)” after the words “of the issued shares of that class” in Article 14.1.2.
8. The insertion of the words “(excluding shares held by the Company as treasury shares)” after the words “convert any paid up shares” in Article 18.1.
9. The insertion of the words “, if the issued share capital of the Company is divided into more than one class,” after the words “including but not limited to redeemable shares, but” in Article 20.1.
10. The replacement of the word “sub-paragraph” with “Article” in Article 60.1.
11. The replacement of the word “sub-paragraph” with “Article” in Article 60.4.
12. The replacement of the word “sub-paragraph” and “sub-paragraphs” with, respectively, “Article” and “Articles” in Article 61, and the deletion of the words “of Article 60” in that Article.
13. The deletion of the words “the next” in Article 86.1.
14. The replacement of the words “and Article 99” with “99” in the last sentence in Article 99.2.
15. The insertion of the words “(excluding any shares of that class held by the Company as treasury shares)” after the words “issued shares of the class in question” in Article 105.3.
16. The insertion of the words “notice served under” after the words “the service of a” in Article 106.4, and the replacement of the word “notice” with “of the 1985 Act” in that Article.
17. The replacement of the words “London Stock Exchange” with “UK Listing Authority” in Article 107, the replacement of the word “given” with “served” in that Article, the insertion of the words “notice served under” after the words “the service of a” in that Article, and the replacement of the word “notice” after the reference to “section 212” with “of the 1985 Act” in that Article.
18. The insertion of the words “(excluding any shares of that class held by the Company as treasury shares)” after the words “issued shares of their class” in Article 107.2.
19. The replacement of the words “issues” and “issue” with, respectively, “serve” and “serves” in Article 108.
20. The insertion of the words “notice served under” after the words “required by the relevant” in Article 110.1.2, and the replacement of the word “notice” after the reference to “section 212” with “of the 1985 Act” in that Article.
21. The deletion of the word “these” in Article 111.
22. The deletion in its entirety of Article 116.
23. The replacement of the words “paragraph” with “Article” in Articles 151.1.1, 151.1.2 and 151.1.3.
24. The replacement of the word “paragraph” with “Article” in Article 153.2.
25. The insertion of the words “(excluding any shares of that class held by the Company as treasury shares)” after the words “or of any other company” in Article 164.4.
26. The insertion of the words “(excluding shares held by the Company as treasury shares)” after the words “announce that shareholders” in Article 204.

27. The insertion of the words "for the purposes of this Article: (i)" after the word "However" in Article 205.2, and the insertion of the words "; and (ii) where the amount capitalised is applied in paying up in full unissued shares, the Company will also be entitled to participate in the relevant distribution in relation to any shares of the relevant class held by the Company as treasury shares, and the proportionate entitlement of the relevant class of members to the distribution will be calculated accordingly" after the words "fully paid (bonus shares)" in that Article.
28. The replacement of the word "paragraph" with "Article" in Article 206.2.
29. The insertion of the words "that he was at the time of his appointment not qualified for appointment" after the words "some defect in his appointment" in Article 212 and the deletion of the words "for appointment" at the end of that Article.
30. The replacement of the word "given" in Article 215 with "serve".
31. The insertion of the words "(excluding the Company holding shares as treasury shares)" after the words "divide among the members" in Article 224.
32. The renumbering of the articles and relevant cross references to take into account the changes set out above.

Please note that all references to articles by their number are to those articles as numbered in the Articles of Association of the Company in force at the commencement of the Annual General Meeting.

Only holders of ordinary shares in the Company on the Register of Members of the Company at 11am on 11 July 2004 are entitled to attend and vote at the Annual General Meeting.

A holder of ordinary shares in the Company entitled to attend and vote at the Annual General Meeting is entitled to appoint a proxy or proxies to vote on his behalf. A proxy need not be a shareholder of the Company.

CREST members who wish to appoint a proxy or proxies through the CREST electronic proxy appointment system may do so for the Annual General Meeting by using the procedures described in the CREST manual. CREST personal members or other CREST sponsored members and those CREST members who have appointed a voting service provider(s), should refer to their CREST sponsor or voting service provider(s), who will be able to take the appropriate action on their behalf.

Documents

The following documentation is available for inspection during business hours at the registered office of the Company on any weekday (not including public holidays). They will also be available for inspection at the Annual General Meeting venue, from 9.30 am until the meeting concludes.

- Register of interest of directors (and their families) in the share capital of the Company.
- Copy of all service contracts between the directors and the Company.
- Copy of the existing Articles of Association of the Company.
- Copy of the proposed amended Articles of Association of the Company.
- Printed copies of this Notice of Annual General Meeting and the Company's Annual Report 2003/04.

Further copies of the Company's Annual Report can be sent to shareholders on request, or viewed on the Company's website at www.yellgroup.com/pages/reports.

By Order Of the Board
Howard Rubenstein
Company Secretary

26 May 2004