



20 May 2008

Yell Group plc financial report for the year ended 31 March 2008

Revenue growth in UK, US, Spain and LatAm. Excellent online performances EBITDA, earnings and cash in line with guidance Dividend halved to increase financial flexibility

- Revenue up 6.9% to £2,218.7 million; up 8.5% at constant exchange rates
- Adjusted EBITDA up 9.1% to £738.9 million; up 10.1% at constant exchange rates
- Adjusted profit after tax and minority interests up 6.4% to £294.2 million
- Adjusted diluted earnings per share up 5.6% to 37.5 pence; underlying up 10.5% at constant exchange rates
- Operating cash flow up 15.6% to £626.2 million; up 16.5% at constant exchange rates. Cash conversion 85% (2007 – 80%)
- Free cash flow before exceptionals up 16.5% to £293.8 million
- Proposed final dividend down 50% to 5.7 pence per share

Statutory results

Year ended 31 March

£ millions, unless noted otherwise	2008	2007	Change
			%
Revenue	2,218.7	2,075.1	6.9
EBITDA *	736.2	668.6	10.1
Profit before tax	310.9	248.0	25.4
Profit after tax and minority interests**	206.7	212.7	(2.8)
Cash generated from operations	667.5	585.2	14.1
Free cash flow	285.5	180.9	57.8
Diluted earnings per share (pence)**	26.3	27.3	(3.7)

* EBITDA is reconciled to operating profit in note 3 to the financial information on page 17

** Statutory earnings are reconciled to adjusted earnings in note 5 to the financial information on page 19

John Condron, Chief Executive Officer, said:

“Against a very difficult economic environment we have grown revenue in each of our markets. We have delivered EBITDA growth and strong cash generation in line with guidance. Our performance has been driven by the continued growth of our online businesses, which have increased both usage and revenue.

“Looking ahead, we see no let up in the economic pressures during the current year. However, we will continue to invest in all our products, focusing in particular on the internet to reinforce the foundations for further growth. With this investment we believe we will emerge from the current economically challenging period in stronger shape.”

John Davis, Chief Financial Officer, said:

“We are managing our costs aggressively so as to align investment behind the internet, our key driver of growth. We believe we can hold EBITDA broadly stable in constant currency terms in the year ahead while continuing this investment.

"Yell remains highly cash generative, increasing free cash flow before exceptionals by over 16% to £294 million. This means that we are operating well within the terms of our bank facilities. We expect to increase cash conversion in the current year to between 85% and 90% of EBITDA and to delever strongly in the coming year.

"Nevertheless, in this current uncertain economic environment we believe it is prudent to halve the final dividend to give us greater financial flexibility."

Enquiries

Yell – Investors

Jill Sherratt
Tel +44 (0)118 950 6984
Mobile +44 (0)7764 879808

Yell - Media

Jon Salmon
Tel +44 (0)118 950 6656
Mobile +44 (0)7801 977340

Citigate Dewe Rogerson

Anthony Carlisle
Tel +44 (0)20 7638 9571
Mobile +44 (0)7973 611888

This news release contains forward-looking statements. These statements appear in a number of places in this news release and include statements regarding our intentions, beliefs or current expectations concerning, among other things, our results of operations, revenue, financial condition, liquidity, prospects, growth, strategies, new products, the level of new directory launches and the markets in which we operate. Readers are cautioned that any such forward-looking statements are not guarantees of future performance and involve risks and uncertainties, and that actual results may differ materially from those in the forward-looking statements as a result of various factors. You should read the section entitled "Risk Management" in Yell Group plc's annual report for the financial year ended 31 March 2007 for a discussion of some of these factors. We undertake no obligation publicly to update or revise any forward-looking statements, except as may be required by law.

A copy of this release can be accessed at:

www.yellgroup.com/announcements

Yell Group plc summary financial results (unaudited)

Year ended 31 March			Change		
	£ millions, unless noted otherwise	2008	2007	Sterling	Constant currency ^(a)
				%	%
Revenue ^(b)	2,218.7	2,075.1	6.9	8.5	
Adjusted EBITDA ^{(b) (c)}	738.9	677.5	9.1	10.1	
Operating cash flow ^{(b) (d)}	626.2	541.6	15.6	16.5	
Cash conversion ^{(b) (e)}	84.7%	79.9%			
Adjusted profit after tax and minority interests ^{(f) (c)}	294.2	276.6	6.4		
Adjusted diluted earnings per share (pence) ^{(f) (c)}	37.5p	35.5p	5.6		

- (a) Change at constant currency states the change in current period compared with the previous period as if the current period results were translated at the same exchange rate as that used to translate the results for the previous period.
- (b) Revenue, adjusted EBITDA, operating cash flow and cash conversion are the key financial measures that we use to assess the growth in the business and operational efficiencies.
- (c) A reconciliation from operating profit to adjusted EBITDA is presented in note 3 to the financial information on page 17. Adjustments to EBITDA and profit after tax are explained in note 6 to the financial information on page 20. Adjustments to earnings per share are explained in note 5 to the financial information on page 19.
- (d) Cash generated from operations before payments of exceptional costs, less capital expenditure.
- (e) Operating cash flow as a percentage of adjusted EBITDA.
- (f) Adjusted profit after tax and adjusted diluted earnings per share are stated before exceptional items and amortisation of acquired intangibles, all net of related tax. A reconciliation to the related statutory figures is presented in note 5 to the financial information.

Group performance

Group revenue for the year ended 31 March 2008 increased 6.9% to £2,218.7 million, or 8.5% at constant exchange rates. We estimate that pro forma Group organic growth was 2.5% at constant exchange rates. Approximately 11% of Group revenue came from our internet products which grew at around 45%.

Group adjusted EBITDA increased by 9.1% to £738.9 million, or 10.1% at constant exchange rates. The Group adjusted EBITDA margin of 33.3% is up from 32.6% in the same period last year.

Operating cash flow increased 15.6% to £626.2 million, or 16.5% at constant exchange rates, resulting in conversion of 84.7% of adjusted EBITDA to cash. Free cash flow before payment of exceptional items was 16.5% higher than last year at £293.8 million.

Group financial outlook for the year ended 31 March 2009

We believe that there will be upward pressure on revenue from the relaxation of the price control in the UK, the improved sales approach in Spain, and from continued growth of our internet products. However we also believe there will be considerable down-ward pressure from the tougher economic conditions. In light of this, we are guiding revenue only for the quarter ahead.

First quarter Yell UK revenue is expected to be flat. We expect organic revenue growth in Yellow Book USA to be around 3%, in what is typically the strongest quarter for growth, with a further \$14 million revenue from the first time publication of US directories we have acquired and directories rescheduled from last year into the first quarter of the 2009 financial year. We believe Yell Publicidad's expected organic revenue growth of 1% will be more than offset by revenue reductions from businesses we exited in 2008 and Latin American foreign exchange movements, leaving revenues around 1% lower than in the first quarter last year.

We expect full year Group adjusted EBITDA to be broadly flat at constant exchange rates. This comprises flat EBITDA in Yell UK, a slight increase from Yell Publicidad in local currency, offset by a marginal decline in the US also in local currency. This guidance assumes increased investment in internet operations, partially funded by efficiency gains from restructuring. Exceptional costs of around £25 million are expected next year as a result of the restructuring we are currently doing to ensure our cost base is redirected to deliver future expected growth.

Cash conversion is expected to be around 85% to 90% of adjusted EBITDA next year. We expect average interest rates to be flat around 7%. We also expect the effective tax rate and taxes paid as a percentage of adjusted profit before tax to remain at about 31% and 20% respectively.

Dividends

In view of the uncertain economic outlook in our markets and despite our continuing strong cash generation, the Board believes it is prudent to enhance our financial flexibility by halving the final dividend as compared with last year's final dividend. The Board also currently intends to halve the interim dividend for the 2009 financial year.

A final dividend of 5.7 pence per share has been proposed bringing the total dividend for the year to 12.0 pence per share. This represents a decrease of 30% from last year. The ex-dividend date will be 2 July 2008 and the dividend will be paid on 1 August 2008 to shareholders registered on 4 July 2008.

The AGM will be held on 25 July 2008.

Yell UK operating performance

UK revenue increased 1.7% to £732.1 million, slightly below the guidance of 2%. Growth was driven entirely by Yell.com's strong revenue growth of 45.2%, which more than offset the expected 5.8% decline in print. Total unique UK customers live at 31 March declined by 1.2% to 486,000, reflecting a decrease in print-only advertisers partly offset by an increase in Yell.com-only advertisers.

Revenue from UK printed directories was 5.8% lower at £565.9 million, as the number of unique print advertisers during the twelve months declined by 3.6% to 434,000. Retention was one percentage point down at 74%. As predicted at the third quarter results in February, yield was reduced by the economic pressures and average revenue per unique print advertiser declined 2.3% to £1,304. The effect of our regulatory undertaking of RPI-6% was to reduce Yellow Pages rate card prices by an average of 3.3% during the year. The new pricing under RPI-0% came into effect after the year end.

Yell.com's revenue grew 45.2% to £139.2 million, driven by a 32.4% increase in recognised revenue per average searchable advertiser, which rose to £686, achieved mainly through up-sell to higher value products. Searchable advertisers grew 6.6% to 209,000 at 31 March. Unique users grew 11.8% to 8.5 million in the month of March compared with the same period last year, largely from expanding our usage through successful search engine optimisation and marketing. Unique users grew 37.1% compared with the result reported last quarter for the month of December 2007.

Overall adjusted EBITDA grew 3.0% to £260.6 million as guided, despite revenue being lower than guidance. The margin of 35.6% is slightly higher than 35.1% in the same period last year.

Yellow Book USA operating performance

US revenue grew 4.1% at a constant exchange rate but fell 1.3% in sterling to £1,001.2 million. The effective exchange rate was approximately \$2.01: £1.00 against \$1.90: £1.00 in the same period last year.

We achieved net organic growth of 3.1% in line with guidance. Overall growth of 4.1% (before the exchange impact) comprised organic growth and a 1.9% contribution from acquired directories publishing for the first time (amounting to \$36.8 million), partially offset by a 0.9% drag from rescheduling into the next financial year. As previously reported, we rescheduled publication of fourth quarter San Diego directories following the disruption to the sales cycle caused by last year's extensive fires in that region.

The 3.1% contribution from net organic growth comprised 2.4% from internet revenue plus 2.0% growth from directory launches, reduced by 0.5% from print same market and 0.8% primarily from acquired directories that were published last year but discontinued this year because they overlapped existing Yellow Book directories.

Yellow Book unique advertisers in printed directories declined 0.9% to 686,000 due mainly to discontinued directories and rescheduling. Retention was up a percentage point to 70%. Average revenue of \$2,762 per unique print advertiser was up 2.5% on last year, reflecting our ability to up-sell existing customers and to acquire customers who pay more than those customers who left after prices increased.

An excellent internet performance resulted in revenue growth of 67.7% to \$115.1 million. This was driven by a 70.8% increase in revenue per average searchable advertiser to \$304 as we continue to monetise the high growth in usage. The 0.5% decline in advertisers compared with last year was as expected with this fuller pricing. However, advertiser numbers grew 1.1% compared with last quarter.

Yellowbook.com is currently the fastest growing internet classified advertising site in the US. Unique visitors to the YellowBook network more than doubled from 6.1 million in March 2007 to 13.5 million in March 2008 and grew 29.8% compared with the result reported last quarter for the month of December 2007.

Adjusted EBITDA grew in line with guidance by 3.7% at a constant exchange rate but declined by 1.5% in sterling to £292.4 million. The adjusted EBITDA margin in the twelve months was 29.2%, similar to last year's 29.3% as guided.

Yell Publicidad operating performance

Yell Publicidad revenue for the year ended 31 March 2008 was £485.4 million representing organic growth of 2.4%, €4 million below guidance of 3% as a result of the tightening economic background in Spain. The average effective euro exchange rate for the operations was approximately €1.41: £1.00 during the twelve months ended 31 March 2008 against €1.49: £1.00 during the eight months ended 31 March 2007. The weaker Latin American versus euro exchange rates reduced our euro revenue by €14 million.

Printed directory revenue in Spain grew 0.3% on a like for like basis in the last twelve months despite the deteriorating economic conditions.

Internet revenue in Spain was €44.1 million, representing 14% growth at this early stage of the unbundling strategy implemented in October. This growth does not fully demonstrate the potential that we believe will be delivered by the new online pricing based on the real value of the product.

Revenue from our operations in Latin America grew 6.8% in constant currency. In addition, we consolidated €19 million in revenue from the Argentine operations we acquired in April 2007 and retained €12 million of revenue from products we expected to discontinue, primarily the Italian directory assistance business.

Adjusted EBITDA was £185.9 million and the margin of 38.3% was in line with guidance, despite pressures on revenue. The margin increased more than four percentage points from the pro-forma EBITDA margin of 34% last year.

Cash flow and net debt

Operating cash flow increased 15.6% to £626.2 million, or 16.5% at constant exchange rates. The Group converted 84.7% of adjusted EBITDA to cash, as compared with 79.9% last year.

Year ended 31 March

£ millions, unless noted otherwise	2008	2007
Unaudited		
Adjusted EBITDA	738.9	677.5
Net exceptional expenses in EBITDA	(2.7)	(8.9)
Working capital movements and non-cash charges	(68.7)	(83.4)
Cash generated from operations (see page 14)	667.5	585.2
Add back payments of exceptional costs included above	8.3	2.1
Purchase of software, property, plant and equipment	(49.6)	(45.7)
Operating cash flow	626.2	541.6
Adjusted EBITDA	738.9	677.5
Cash conversion	84.7%	79.9%

Free cash flow before payment of exceptional items was £293.8 million, up 16.5% compared to an underlying £252.2 million in the same period last year.

Net debt at 31 March 2008 of £3,759.4 million was 5.1 times adjusted EBITDA on a pro forma basis over the last twelve months, compared with 5.2 times at 31 March 2007. Our exposure to the strong euro had a significant negative effect on our indebtedness. The movement in net debt for the twelve months ended 31 March 2008 arose as follows:

Net debt (unaudited)

Year ended 31 March

£ millions	2008
At 31 March 2007	3,662.6
Operating cash flow	(626.2)
Interest and tax payments	332.4
Dividends paid to company shareholders	136.9
Currency movements	128.6
Purchase of subsidiary undertakings and minority interests, net of cash acquired	100.5
Amortisation of financing fees paid in previous periods	11.7
Purchase of own shares	10.6
Cash payments of exceptional costs	8.3
Proceeds of shares issued	(6.0)
At 31 March 2008	3,759.4

Our bank facilities are committed until 2011 and we are operating well within our covenant headroom. We are comfortably meeting our repayment and dividend requirements from cash generation. Drawings on our £400 million revolving credit facility and other short term lines totalled £115 million at 31 March 2008. Net of cash this is reduced to around £55 million. Since putting these facilities in place we used £93 million for in-fill acquisitions and £27 million to purchase the remaining minority interests in Yell Publicidad in September 2007.

Taxation

Adjusted taxation of £134.0 million represents an effective rate of 31% on adjusted profit before tax of £428.7 million, in line with guidance. This compared with 33% in the same period last year. Taxes paid as a percentage of adjusted profit before tax were the same as last year at around 19%.

Net results and exceptional items

Adjusted profit after tax and minority interests of £294.2 million was up 6.4%. The minority interest of £0.5 million is attributable to the minorities in Yell Publicidad before they were bought out on 30 September 2007.

Adjusted diluted earnings per share were up 5.6% to 37.5 pence (see note 5 to the financial information on page 19 for a reconciliation between statutory and adjusted figures). Underlying adjusted diluted earnings per share grew 10.5% at constant exchange rates if we adjust last year's earnings to reflect our ownership of Yell Publicidad on a twelve month pro forma basis.

Total exceptional costs were £5.5 million before tax and £14.0 million after tax. Adjusted results exclude a non-recurring exceptional credit of £11.8 million before tax, or £7.4 million after tax, which arose from releasing £11.8 million (\$23.6 million) of the £23.8 million (\$45.0 million) costs we accrued in March 2005 for a class action settlement in the US; and exceptional charges totalling £17.3 million before tax, or £12.2 million after tax, which arose from restructurings and disposals within the Yell Limited and Yell Publicidad operations. Additional exceptional tax charges of £9.2 million comprised £8.5 million arising from reductions in deferred tax assets caused by share price reductions and £0.7 million arising from the change in the UK tax rate.

Minority interests

On 26 September 2007, we reached agreement with minority shareholders to acquire the remaining 1.28% of the share capital of Yell Publicidad held by minority shareholders (see note 18 to the financial information on page 25). All profits since that date are attributable to equity shareholders of the Group.

Risks and uncertainties

The principal risks and uncertainties affecting the business activities of the Group remain those detailed in the section entitled "Risk Management" on pages 34-40 of Yell Group plc's annual report for the financial year ended 31 March 2007, a copy of which is available on our website www.yellgroup.com. These risks and uncertainties will be updated in the annual report for the financial year ended 31 March 2008, which will be available on our website in June 2008.

Key performance indicators (unaudited)

The following table sets out the key measures we believe are the most important of the measures we use to manage our operations and are used across all our businesses.

Year ended 31 March

	2008	2007	Change %
<i>Yell UK</i>			
Total live advertisers at period end (thousands) ^(a)	486	492	(1.2)
<i>Printed directories</i>			
Revenue (£million)	565.9	600.5	(5.8)
Unique advertisers (thousands) ^{(a) (b)}	434	450	(3.6)
Directory editions published	113	113	
Unique advertiser retention rate (%) ^(c)	74	75	
Revenue per unique advertiser (£)	1,304	1,335	(2.3)
<i>Internet</i>			
Revenue (£million)	139.2	95.9	45.2
Searchable advertisers at period end (thousands) ^(d)	209	196	6.6
Unique users for the month of period end (millions) ^(e)	8.5	7.6	11.8
Revenue per average searchable advertiser (£) ^(f)	686	518	32.4
<i>Yellow Book USA</i>			
<i>Printed directories</i>			
Revenue (\$million)	1,894.7	1,862.9	1.7
Unique advertisers (thousands) ^(b)	686	692	(0.9)
Directory editions published	984	969	
Unique advertiser retention rate (%) ^(c)	70	69	
Revenue per unique advertiser (\$)	2,762	2,694	2.5
<i>Internet</i>			
Revenue (\$million)	115.1	68.7	67.5
Searchable advertisers at period end (thousands) ^(d)	378	380	(0.5)
Unique visitors for month of period end (millions) ^(g)	13.5	6.1	121.3
Revenue per average searchable advertiser (\$) ^(f)	304	178	70.8
<i>Yell Publicidad</i>			
<i>Paginas Amarillas classified directories (Spain)</i>			
Revenue (€million)	295.2		
Unique advertisers (thousands) ^(b)	321		
Directory editions published	97		
Unique advertiser retention rate (%) ^(c)	85		
Revenue per unique advertiser (€)	920		
<i>Internet (Spain)</i>			
Revenue (€million)	44.1		
Searchable advertisers at period end (thousands) ^(d)	225		
Unique users for the month of period end (millions) ^(e)	5.5		
Revenue per average searchable advertiser (€) ^(f)	166		

Explanations of significant period to period changes are given in the analysis of operations on pages 1 through 7.

See notes to the above table on the following page.

Notes to table on page 10

- (a) The number of total live advertisers is a count of all unique advertisers at the date of the period end with a live advertisement, regardless of product. The figure for 31 March 2008 is not comparable to that for 2007 due to improvements made to the accuracy of our customer reporting in the fourth quarter. We have not restated the prior year figures, but note that had we continued reporting on the same basis as last year the figure at 31 March 2008 would have been 481,000 for total UK live advertisers and 432,000 for unique print advertisers. Total live advertisers cannot be used to calculate average revenue per advertiser, as the basis of measurement differs for each product and should not be aligned with revenue recognised in the current period.
- (b) Number of unique advertisers in printed directories that were recognised for revenue purposes and have been billed. Unique advertisers are counted once only, regardless of the number of advertisements they purchase or the number of directories in which they advertise.
- (c) Retention in the UK and Spain is based on the proportion of prior year unique advertisers who have renewed their advertising. In the US it is based on unique directory advertisers.
- (d) Unique customers with a live contract at month end. These figures refer only to those advertisers for whom users can search. They exclude advertisers who purchase only products such as banners and domain names.
- (e) The number of unique users who have visited Yell.com or PaginasAmarillas.es once or more often in the indicated month. Unique users are measured according to independently established industry standard measures.
- (f) UK, US and Spain internet revenue per average searchable advertiser is calculated by dividing the recognised revenue in the year by the average number of searchable advertisers in that year. In the US this revenue includes our Webreach product. Yell.com year ended 31 March 2008 – 203,000; year ended 31 March 2007 – 185,000. Yellowbook.com year ended 31 March 2008 – 379,000; year ended 31 March 2007 – 386,000. PaginasAmarillas.es year ended 31 March 2008 – 265,000.
- (g) The number of individuals who have visited the Yellowbook.com network at least once in the month shown. Our data provider, Comscore, counts individuals visiting all YellowBook affiliated websites that display YellowBook.com data.

YELL GROUP PLC AND SUBSIDIARIES

UNAUDITED CONSOLIDATED INCOME STATEMENT

Year ended 31 March

£ millions, unless noted otherwise	Notes	2008	2007
Revenue	2	2,218.7	2,075.1
Cost of sales		(956.8)	(919.7)
Gross profit		1,261.9	1,155.4
Distribution costs		(85.3)	(72.0)
Administrative expenses		(601.1)	(571.4)
Operating profit	3	575.5	512.0
Finance costs		(266.7)	(266.3)
Finance income		3.5	8.7
Net finance costs		(263.2)	(257.6)
		312.3	254.4
Loss on disposal of subsidiary		(1.4)	(6.4)
Profit before taxation		310.9	248.0
Taxation	4	(104.1)	(31.7)
Profit for the financial year		206.8	216.3
Attributable to:			
Minority interests		0.1	3.6
Equity shareholders of the group		206.7	212.7
		206.8	216.3
Basic earnings per share (pence)	5	26.5	27.6
Diluted earnings per share (pence)	5	26.3	27.3
Declared and paid interim ordinary dividend of 6.3 pence per share (2007 – 5.7 pence)	7	48.7	43.9
Proposed final ordinary dividend of 5.7 pence per share (2007 – 11.4 pence)	7	44.4	88.2

UNAUDITED CONSOLIDATED STATEMENT OF RECOGNISED INCOME AND EXPENSE

Year ended 31 March

£ millions	Notes	2008	2007
Profit for the financial period		206.8	216.3
Exchange gain (loss) on translation of foreign operations		204.2	(71.3)
Actuarial gains on defined benefit pension schemes	15	43.9	16.1
Net change in fair value of financial instruments used as hedges		(105.4)	8.8
Tax effect of net losses not recognised in the income statement		28.8	0.2
Net (decrease) increase in tax benefit on share based payments		(6.9)	1.3
Net income (expense) not recognised in the income statement		164.6	(44.9)
Total recognised income for the period		371.4	171.4
Attributable to:			
Minority interests		0.4	3.3
Equity shareholders of the group		371.0	168.1
		371.4	171.4

See notes to the financial information for additional details.

YELL GROUP PLC AND SUBSIDIARIES

UNAUDITED CONSOLIDATED BALANCE SHEET

At 31 March

£ millions	Notes	2008	2007
Non-current assets			
Goodwill	8	3,898.2	3,645.3
Other intangible assets	9	1,318.7	1,229.5
Property, plant and equipment	10	99.2	94.5
Deferred tax assets	11	124.1	143.2
Retirement benefit surplus	15	14.0	-
Investment and other assets		11.9	31.9
Total non-current assets		5,466.1	5,144.4
Current assets			
Inventories		10.2	12.0
Directories in development		263.4	257.2
Trade and other receivables	12	1,009.6	929.8
Cash and cash equivalents		60.4	66.7
Total current assets		1,343.6	1,265.7
Current liabilities			
Loans and other borrowings	13	(316.4)	(224.3)
UK corporation and foreign income tax		(70.2)	(60.5)
Trade and other payables	14	(641.1)	(621.1)
Total current liabilities		(1,027.7)	(905.9)
Net current assets		315.9	359.8
Non-current liabilities			
Loans and other borrowings	13	(3,503.4)	(3,505.0)
Deferred tax liabilities	11	(540.8)	(497.7)
Retirement benefit obligations	15	-	(27.2)
Trade and other payables	14	(71.2)	(25.7)
Total non-current liabilities		(4,115.4)	(4,055.6)
Net assets		1,666.6	1,448.6
Capital and reserves attributable to equity shareholders			
Share capital	16	1,204.3	1,201.7
Other reserves	16	(61.9)	(218.0)
Retained earnings	16	524.2	454.8
		1,666.6	1,438.5
Minority interests	16	-	10.1
Total equity		1,666.6	1,448.6

See notes to the financial information for additional details.

YELL GROUP PLC AND SUBSIDIARIES

UNAUDITED CONSOLIDATED CASH FLOW STATEMENT

Year ended 31 March

£ millions	Notes	2008	2007
Net cash inflow from operating activities			
Cash generated from operations		667.5	585.2
Interest paid		(255.8)	(266.0)
Interest received		4.9	8.7
Redemption premium paid		-	(22.5)
Net income tax paid		(81.5)	(78.8)
Net cash inflow from operating activities		<u>335.1</u>	<u>226.6</u>
Cash flows from investing activities			
Purchase of software, property, plant and equipment	17	(49.6)	(45.7)
Purchase of subsidiary undertakings and minority interest shares, net of cash acquired	18	(100.5)	(2,137.1)
Net cash inflow on disposal of subsidiary	18	-	3.7
Net cash outflow from investing activities		<u>(150.1)</u>	<u>(2,179.1)</u>
Cash flows from financing activities			
Proceeds from issuance of ordinary shares		6.0	355.1
Purchase of own shares		(10.6)	(11.5)
Net borrowed (paid) on revolving and other short term credit facilities		8.1	(143.8)
Acquisition of new loans		75.2	3,841.7
Repayment of borrowings		(136.8)	(1,860.2)
Financing fees paid		-	(64.8)
Dividends paid to Company's shareholders	7	(136.9)	(122.4)
Net cash (outflow) inflow from financing activities		<u>(195.0)</u>	<u>1,994.1</u>
Net (decrease) increase in cash and cash equivalents		(10.0)	41.6
Cash and cash equivalents at beginning of the period		66.7	28.5
Exchange gains (losses) on cash and cash equivalents		3.7	(3.4)
Cash and cash equivalents at period end		<u>60.4</u>	<u>66.7</u>

CASH GENERATED FROM OPERATIONS

Profit for the period		206.8	216.3
Adjustments for:			
Tax		104.1	31.7
Loss on disposal of subsidiary		1.4	6.4
Finance income		(3.5)	(8.7)
Finance costs		266.7	266.3
Depreciation of property, plant and equipment and amortisation of software		47.2	43.4
Amortisation of other acquired intangibles		113.5	113.2
Changes in working capital:			
Inventories and directories in development		1.3	(11.4)
Trade and other receivables		(30.4)	(100.7)
Trade and other payables		(54.5)	14.8
Share based payments and other		14.9	13.9
Cash generated from operations		<u>667.5</u>	<u>585.2</u>

See notes to the financial information for additional details.

YELL GROUP PLC AND SUBSIDIARIES

UNAUDITED NOTES TO THE FINANCIAL INFORMATION

1. Basis of preparation and consolidation

The principal activity of Yell Group plc and its subsidiaries is publishing classified advertising directories in the United Kingdom, the United States, Spain, and certain countries in Latin America.

This unaudited condensed set of financial statements for the year ended 31 March 2008 has been prepared in accordance with International Financial Reporting Standards as adopted by the European Union ("IFRSs") as set out in our annual report for the year ended 31 March 2008 and in accordance with the Listing Rules of the Financial Services Authority.

The unaudited financial information contained herein does not constitute statutory financial statements within the meaning of section 240 of the Companies Act 1985, but has been extracted from the statutory financial statements for the year ended 31 March 2008, which will be delivered to the Registrar of Companies in due course. The audit opinion on the statutory accounts for the year ended 31 March 2007 was unqualified.

In the opinion of management, the financial information included herein includes all adjustments necessary for a fair presentation of the consolidated results, financial position and cash flows for each period presented.

The financial information herein should be read in conjunction with Yell's 2008 annual report due to be published in June 2008, which will include the audited consolidated financial statements of Yell Group plc and its subsidiaries for the year ended 31 March 2008.

The preparation of the consolidated financial information requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial information and the reported amounts of income and expenditure during the period. Actual results could differ from those estimates. Estimates are used principally when accounting for doubtful debts, depreciation, retirement benefits, acquisitions and taxation.

We have made certain changes to the classification of amounts in the prior year balance sheet and notes to the financial information to be consistent with presentations at 31 March 2008. These changes are presentational only and do not affect our cash flows or results.

YELL GROUP PLC AND SUBSIDIARIES

UNAUDITED NOTES TO THE FINANCIAL INFORMATION (continued)

2. Revenue

Year Ended 31 March

£ millions, unless noted otherwise	2008	2007	Change	
			Real currency %	Constant currency ^(a) %
Yell UK printed directories	565.9	600.5	(5.8)	(5.8)
Other products and services	166.2	119.4		
Yell UK	732.1	719.9	1.7	1.7
Yellow Book USA	1,001.2	1,014.3	(1.3)	4.1
Yell Publicidad	485.4	340.9	42.4	36.0
Group revenue	2,218.7	2,075.1	6.9	8.5

^(a) Change at constant currency states the change in current period compared with the previous period as if the current period results were translated at the same exchange rate as that used to translate the results for the previous period.

3. Adjusted EBITDA and operating profit

Adjusted EBITDA^(a)

Year Ended 31 March

£ millions, unless noted otherwise	2008	2007	Change	
			Real currency %	Constant currency ^(b) %
Yell UK printed directories	189.9	210.2	(9.7)	(9.7)
Other products and services	70.7	42.7		
Yell UK	260.6	252.9	3.0	3.0
Yellow Book USA	292.4	296.8	(1.5)	3.7
Yell Publicidad	185.9	127.8	45.5	38.7
Group adjusted EBITDA	738.9	677.5	9.1	10.1

^(a) Adjusted EBITDA is a key income statement measure used by the chief decision maker to assess growth and operational efficiencies in the business.

^(b) Change at constant currency states the change in current period compared with the previous period as if the current period results were translated at the same exchange rate as that used to translate the results for the previous period.

YELL GROUP PLC AND SUBSIDIARIES

UNAUDITED NOTES TO THE FINANCIAL INFORMATION (continued)

3. Adjusted EBITDA and operating profit (continued)

Reconciliation of operating profit to adjusted EBITDA^(a)

Year ended 31 March

£ millions, unless noted otherwise	2008	2007
Yell UK operating profit	236.2	239.2
Depreciation and amortisation	<u>17.0</u>	<u>13.5</u>
Yell UK EBITDA	253.2	252.7
Exceptional items ^(b)	<u>7.4</u>	<u>0.2</u>
Yell UK adjusted EBITDA	260.6	252.9
<i>Yell UK adjusted EBITDA margin</i>	<i>35.6%</i>	<i>35.1%</i>
YellowBook USA operating profit	258.2	242.7
Depreciation and amortisation	<u>46.0</u>	<u>49.6</u>
Yellow Book USA EBITDA	304.2	292.3
Exceptional items ^(b)	<u>(11.8)</u>	<u>4.5</u>
Yellow Book USA adjusted EBITDA	292.4	296.8
<i>Yellow Book USA adjusted EBITDA margin</i>	<i>29.2%</i>	<i>29.3%</i>
Exchange impact ^(c)	<u>15.4</u>	-
Yellow Book USA adjusted EBITDA at constant exchange rate^(c)	307.8	296.8
Yell Publicidad operating profit	81.1	30.1
Depreciation and amortisation	<u>97.7</u>	<u>93.5</u>
Yell Publicidad EBITDA	178.8	123.6
Exceptional items ^(b)	<u>7.1</u>	<u>4.2</u>
Yell Publicidad adjusted EBITDA	185.9	127.8
<i>Yell Publicidad adjusted EBITDA margin</i>	<i>38.3%</i>	<i>37.5%</i>
Exchange impact ^(c)	<u>(8.6)</u>	-
Yell Publicidad EBITDA at constant exchange rate^(c)	177.3	127.8
Group operating profit	575.5	512.0
Depreciation and amortisation	<u>160.7</u>	<u>156.6</u>
Group EBITDA	736.2	668.6
Exceptional items ^(b)	<u>2.7</u>	<u>8.9</u>
Group adjusted EBITDA	738.9	677.5
<i>Group adjusted EBITDA margin</i>	<i>33.3%</i>	<i>32.6%</i>
Exchange impact ^(c)	<u>6.8</u>	-
Group adjusted EBITDA at constant exchange rates^(c)	745.7	677.5

^(a) Adjusted EBITDA is a key income statement measure used by the chief decision maker to assess growth and operational efficiencies in the business.

^(b) Details of exceptional items are set out in note 6.

^(c) Constant exchange rate states current period results at the same exchange rate as that used to translate the results for the previous period. Exchange impact is the difference between the results reported at constant exchange rates and the results reported using current period exchange rates.

We do not allocate interest or taxation charges by product or geographic segment.

YELL GROUP PLC AND SUBSIDIARIES

UNAUDITED NOTES TO THE FINANCIAL INFORMATION (continued)

4. Taxation

The effective tax rate for the period is different from the standard rate of corporation tax in the United Kingdom 30% as explained below:

Year ended 31 March		
£ millions	2008	2007
Profit before tax multiplied by the standard rate of corporation tax in the United Kingdom (30%)	93.3	74.4
Effects of:		
Decrease in tax benefits on share based payments	8.5	-
Differing tax rates on overseas earnings	1.8	3.8
Changes in statutory tax rates	0.7	(46.6)
Other	(0.2)	0.1
Tax charge on profit before tax	104.1	31.7

The tax on the Group's profit before tax is analysed as follows:

Year ended 31 March		
£ millions	2008	2007
Current tax:		
Current year UK corporation tax	47.6	36.1
Current year foreign income tax	42.6	38.9
Adjustments in respect of prior year	(6.6)	(2.0)
	83.6	73.0
Deferred tax:		
UK	5.7	5.9
Foreign	14.8	(47.2)
Tax charge on profit before tax	104.1	31.7

The effective tax rate on profit before tax for the year ended 31 March 2008 was 33.5% (2007 – 12.8%).

Taxation credited (charged) directly to equity is as follows:

Year ended 31 March		
£ millions	2008	2007
Deferred tax on actuarial gains and losses	(12.7)	(4.8)
Tax on foreign exchange movements	0.5	6.4
Net tax (loss) benefit on share based payments ^(a)	(6.9)	1.3
Deferred tax on fair valuations of financial instruments used as hedges	37.4	(1.4)
Other	3.6	-
Total taxation recorded in equity	21.9	1.5

^(a) Net tax (loss) benefit on share based payments comprises a net £8.6 million reduction (2007 - £2.4 million reduction) in the deferred benefit recorded in share based payments reserve and a £1.7 million benefit (2007 - £3.7 million benefit) recorded in retained earnings.

YELL GROUP PLC AND SUBSIDIARIES

UNAUDITED NOTES TO THE FINANCIAL INFORMATION (continued)

5. Earnings per share

The calculation of basic and diluted earnings per share is based on the profit for the relevant financial period and on the weighted average share capital during the period.

£ millions unless noted otherwise	Actual	Exceptional items^(a)	Amortisation of acquired intangibles	Adjusted
<i>Year ended 31 March 2008</i>				
EBITDA	736.2	2.7	-	738.9
Depreciation and amortisation	(160.7)	1.4	112.3	(47.0)
Net finance costs	(263.2)	-	-	(263.2)
Net loss on disposal of non-core operations	(1.4)	1.4	-	-
Group profit before tax	310.9	5.5	112.3	428.7
Taxation	(104.1)	8.5	(38.4)	(134.0)
Group profit after tax	206.8	14.0	73.9	294.7
Minority interests	(0.1)	-	(0.4)	(0.5)
Group profit after tax and minority interests	206.7	14.0	73.5	294.2
Weighted average number of issued ordinary shares (millions)	780.2			780.2
Basic earnings per share (pence)	26.5			37.7
Effect of share options (pence)	(0.2)			(0.2)
Diluted earnings per share (pence)	26.3			37.5
<i>Year ended 31 March 2007</i>				
EBITDA	668.6	8.9	-	677.5
Depreciation and amortisation	(156.6)	5.8	113.2	(37.6)
Net finance costs	(257.6)	36.3	-	(221.3)
Loss on disposal	(6.4)	6.4	-	-
Group profit before tax	248.0	57.4	113.2	418.6
Taxation	(31.7)	(66.0)	(40.6)	(138.3)
Group profit after tax	216.3	(8.6)	72.6	280.3
Minority interests	(3.6)	2.8	(2.9)	(3.7)
Group profit after tax and minority interests	212.7	(5.8)	69.7	276.6
Weighted average number of issued ordinary shares (millions)	771.0			771.0
Basic earnings per share (pence)	27.6			35.9
Effect of share options (pence)	(0.3)			(0.4)
Diluted earnings per share (pence)	27.3			35.5

^(a) Details of exceptional items are set out in note 6.

YELL GROUP PLC AND SUBSIDIARIES

UNAUDITED NOTES TO THE FINANCIAL INFORMATION (continued)

6. Exceptional items

Exceptional items are transactions which, by virtue of their incidence, size or a combination of both, are disclosed separately. Exceptional items comprise the following.

Year ended 31 March

£ millions	2008	2007
Yell UK restructuring programme	7.4	-
YellowBook USA class action accrual no longer required	(11.8)	-
YellowBook USA post-acquisition restructuring	-	4.5
Yell Publicidad post-acquisition restructuring	7.1	4.4
Net exceptional expenses in Group EBITDA	2.7	8.9
Depreciation and amortisation - asset impairment		
write-offs caused by post-acquisition restructuring	1.4	5.8
Net finance costs - premium		
paid on redemption of our Notes	-	22.5
Net finance costs - accelerated		
amortisation of deferred financing fees	-	13.8
Net losses on disposals of non-core operations	1.4	6.4
Net expenses in Group profit before tax	5.5	57.4
Decrease in tax benefits on share based payments	8.5	-
Net tax benefit from items above	(0.7)	(19.4)
Exceptional tax charge (credit)		
arising from enacted changes to tax rates	0.7	(46.6)
Net exceptional expenses		
(income) in Group profit after tax	14.0	(8.6)
Minority interests	-	2.8
Net exceptional expenses (income)		
attributable to equity shareholders of the Group	14.0	(5.8)

7. Dividends paid

Dividends paid in the year were as follows:

Year ended 31 March

£ millions	2008	2007
Final dividend of 11.4 pence and 10.2 pence per share for 2007 and 2006, respectively	88.2	78.5
Interim dividend of 6.3 pence and 5.7 pence per share for 2008 and 2007, respectively	48.7	43.9
Dividends paid	136.9	122.4

The proposed final dividend for the 2008 financial year of 5.7 pence per share will be paid on 1 August 2008 to shareholders registered at the close of business on 4 July 2008.

8. Goodwill

At 31 March

£ millions	2008	2007
Opening net book value at 1 April 2006 and 2007	3,645.3	2,486.0
Acquisitions	52.4	1,340.5
Currency movements	200.5	(181.2)
Net book value at period end	3,898.2	3,645.3

YELL GROUP PLC AND SUBSIDIARIES

UNAUDITED NOTES TO THE FINANCIAL INFORMATION (continued)

9. Other non-current intangible assets

At 31 March		
£ millions	2008	2007
Opening net book value at 1 April 2007 and 2006	1,229.5	200.3
Acquisitions	22.1	1,145.9
Additions	21.9	19.0
Disposals and write-offs	-	(2.5)
Amortisation	(129.7)	(97.9)
Currency movements	174.9	(35.3)
Net book value at period end	1,318.7	1,229.5

10. Property, plant and equipment

At 31 March		
£ millions	2008	2007
Opening net book value at 1 April 2007 and 2006	94.5	53.8
Acquisitions	0.3	39.7
Additions	28.4	33.4
Disposals and write-offs	(1.6)	(1.5)
Depreciation	(27.9)	(26.8)
Currency movements	5.5	(4.1)
Net book value at period end	99.2	94.5

11. Deferred tax assets and liabilities

The elements of deferred tax assets recognised in the accounts were as follows:

At 31 March		
£ millions	2008	2007
Tax effect of timing differences due to:		
Bad debt provisions	40.1	44.8
Defined benefit pension scheme	0.6	17.9
Other allowances and accrued expenses	10.9	20.1
Recognised tax net operating losses	16.8	18.7
Share options	2.0	16.4
Depreciation	6.7	7.3
Financial instruments	34.9	4.9
Other	12.1	13.1
Recognised deferred tax assets	124.1	143.2

The elements of deferred tax liabilities recognised in the accounts were as follows:

At 31 March		
£ millions	2008	2007
Tax effect of timing differences due to:		
Intangible assets	467.2	415.8
Deferred directory costs	47.2	45.5
Unremitted earnings	15.4	10.8
Financial instruments	1.4	9.1
Other	9.6	16.5
Recognised deferred tax liabilities	540.8	497.7

YELL GROUP PLC AND SUBSIDIARIES

UNAUDITED NOTES TO THE FINANCIAL INFORMATION (continued)

12. Trade and other receivables

At 31 March		
£ millions	2008	2007
Net trade receivables ^(a)	901.5	830.7
Other receivables	21.2	29.5
Accrued income ^(a)	50.0	42.0
Prepaid corporation tax	19.9	8.9
Prepayments	14.4	12.7
Derivative financial instruments	2.6	6.0
Total trade and other receivables	<u>1,009.6</u>	<u>929.8</u>

^(a) The Group's trade receivables and accrued income are stated after deducting a provision of £199.6 million (2007 - £208.6 million).

13. Loans and other borrowings and net debt

At 31 March		
£ millions	2008^(a)	2007^(a)
Amounts falling due within one year		
Term loans under senior credit facilities	200.0	121.7
Revolving loan under credit facilities	70.0	97.2
Net obligations under finance leases and other short term borrowings	46.4	5.4
Total amounts falling due within one year	316.4	224.3
Amounts falling due after more than one year		
Term loans under senior credit facilities	3,503.4	3,505.0
Net loans and other borrowings	3,819.8	3,729.3
Cash and cash equivalents	(60.4)	(66.7)
Net debt at end of year	<u>3,759.4</u>	<u>3,662.6</u>

^(a) Balances are shown net of deferred financing fees of £36.5 million (2007 - £46.8 million).

YELL GROUP PLC AND SUBSIDIARIES

UNAUDITED NOTES TO THE FINANCIAL INFORMATION (continued)

14. Trade and other payables

At 31 March		
£ millions	2008	2007
Due within one year		
Trade payables	87.4	88.4
Other taxation and social security	18.8	18.2
Accruals and other payables	215.6	224.5
Deferred income	283.3	289.7
Derivative financial instruments	36.0	0.3
Trade and other payables falling due within one year	641.1	621.1
Amounts falling due after more than one year		
Trade payables	11.5	11.1
Accruals and other payables	1.5	1.1
Deferred income	-	0.8
Derivative financial instruments	58.2	12.7
Trade and other payables falling due after more than one year	71.2	25.7
Total trade and other payables	712.3	646.8

15. Retirement benefit obligations

Year ended 31 March		
£ millions	2008	2007
Net retirement obligation at 1 April 2007 and 2006	(27.2)	(39.9)
Net actuarial gain on defined benefit pension schemes ^(a)	43.9	16.1
Charges in excess of contributions	(2.7)	(3.4)
Net decrease in retirement benefit obligations	41.2	12.7
Retirement benefit surplus (obligation) at period end	14.0	(27.2)

^(a) The gains in the periods ended 31 March 2008 and 2007 were largely the result of changes in real interest rates which are determined by reference to corporate and government bond rates at the balance sheet date.

YELL GROUP PLC AND SUBSIDIARIES

UNAUDITED NOTES TO THE FINANCIAL INFORMATION (continued)

16. Statement of changes in equity

Year ended 31 March

£ millions	Attributable to equity shareholders			Minority interest	Total
	Share capital	Other reserves	Retained earnings		
Balance at 31 March 2007	1,201.7	(218.0)	454.8	10.1	1,448.6
Profit on ordinary activities after taxation	-	-	206.7	0.1	206.8
Net gain recognised directly in equity	-	164.3	-	0.3	164.6
Total recognised income for the period	-	164.3	206.7	0.4	371.4
Value of services provided in return for share based payments	-	15.7	-	-	15.7
Ordinary share capital issued to employees	13.2	(6.8)	(0.4)	-	6.0
Own shares purchased by ESOP trust ^(a)	(10.6)	-	-	-	(10.6)
Purchase of minority interest shares	-	(17.1)	-	(10.5)	(27.6)
Dividends paid	-	-	(136.9)	-	(136.9)
	2.6	156.1	69.4	(10.1)	218.0
Balance at 31 March 2008	1,204.3	(61.9)	524.2	-	1,666.6

^(a) Purchase of shares held in an ESOP trust for employees.

Cumulative foreign currency gains attributable to equity shareholders at 31 March 2008 are £64.8 million (2007 – £139.4 million loss).

YELL GROUP PLC AND SUBSIDIARIES

UNAUDITED NOTES TO THE FINANCIAL INFORMATION (continued)

17. Capital Expenditure

Capital expenditure on software, property, plant and equipment in the year ended 31 March 2008 was £49.6 million (2007 - £45.7 million). Proceeds on the sale of property, plant and equipment were £nil in the same periods.

Capital expenditure committed at 31 March 2008 was £5.4 million (2007 - 3.2 million).

18. Acquisitions and disposals

Year ended 31 March 2008

In the year ended 31 March 2008, the Yell Group paid £73.4 million for a number of acquisitions, the most significant of which were Publicom in Argentina and McGregor in the US. The purchase prices were provisionally allocated to the acquired assets and liabilities as follows:

£ millions	Acquiree's carrying amount	Provisional fair value adjustments	Provisional fair value
Non current assets			
Other intangible assets	0.4	21.7	22.1
Property, plant and equipment	0.4	(0.1)	0.3
Deferred tax assets	1.5	0.2	1.7
Total non current assets	2.3	21.8	24.1
Current assets			
Directories in development	1.8	0.5	2.3
Trade and other receivables	6.4	(0.1)	6.3
Cash and cash equivalents	1.5	-	1.5
Total current assets	9.7	0.4	10.1
Net assets	12.0	22.2	34.2
Current liabilities			
Corporation tax	(0.4)	-	(0.4)
Trade and other payables	(7.1)	0.5	(6.6)
Total current liabilities	(7.5)	0.5	(7.0)
Non-current liabilities			
Deferred tax liabilities	(0.2)	(6.0)	(6.2)
Total liabilities	(7.7)	(5.5)	(13.2)
Identifiable net assets	4.3	16.7	21.0
Goodwill			52.4
Total cost			73.4

Goodwill of £52.4 million is attributable to the expected future synergies, the workforces acquired, and expected future growth of the businesses.

On 26 September 2007, we reached agreement with the minority shareholders to acquire the remaining 1.28% of the share capital of Yell Publicidad held by minority shareholders for €40.4 million (£27.8 million), including expenses of €1.0 million (£0.7 million).

The Group disposed of non-core operations and incurred further costs on a prior year disposal during the period for a net loss of £1.4 million with net cash proceeds of £nil.

YELL GROUP PLC AND SUBSIDIARIES

UNAUDITED NOTES TO THE FINANCIAL INFORMATION (continued)

18. Acquisitions and disposals (continued)

Year ended 31 March 2007

In the year ended 31 March 2007, the Yell Group paid £2,039.2 million for acquisitions, the largest of which was that of 94.25% of the share capital of Telefónica Publicidad e Información, S.A. on 31 July 2006, for €2,939.8 million (£2,010.3 million) generating goodwill of £1,316.4 million. The Group also made other acquisitions in the US, which comprised a number of directories businesses, for cash of \$55.9 million (£28.9 million) generating goodwill of £24.1 million. The Group also disposed of a non-core operation in Brazil for a loss of £6.4 million and net cash proceeds of £3.7 million.

Cash flow

A reconciliation of cash paid on acquisitions, including deferred payments for prior year acquisitions, payments in relation to the purchase of minority interest shares and capital duties paid, to the cash flow on page 14 is as follows:

Year ended 31 March		
£ millions	2008	2007
Cost of acquisitions in year	73.4	2,039.2
Less cash acquired	(1.5)	(16.8)
Purchase of minority interest shares	27.8	93.6
Deferred payment for prior acquisitions	0.8	7.5
Capital duties paid	-	13.6
Net cash outflow in period	100.5	2,137.1

19. Litigation

A lawsuit filed by Verizon was settled in October 2004. Yellow Book USA was later served with complaints filed as class actions in five US states and the District of Columbia. In these actions, the plaintiffs alleged violations of consumer protection legislation and placed reliance on findings of the court in the settled Verizon suit. These class actions were consolidated into a single class action before a New Jersey state court. In the year ended 31 March 2005, Yell Group accrued \$45 million as a prudent estimate of the likely costs arising from the class action. On 26 August 2005, the New Jersey court approved a comprehensive national settlement, with no admission of liability. However, several appeals were subsequently lodged against the approved settlement, the most significant of which were resolved as of 30 June 2007. With resolution of these appeals, Yellow Book USA was able to reassess the likely costs of the settlement, and Yell Group reversed \$23.6 million (£11.8 million) of the originally accrued settlement obligation as an exceptional credit through the income statement in the first quarter of the 2008 financial year. At 31 March 2008, we have remaining \$20.1 million of accrued settlement obligation representing our best estimate of the amounts to be settled.

NOTES TO EDITORS

Yell Group

Yell is a leading international directories business operating in classified advertising markets in the UK, US, Spain and certain countries in Latin America through printed, online and telephone-based media.

In the year ended 31 March 2008, Yell published 113 directories in the United Kingdom, 984 in the United States, and 97 Paginas Amarillas directories in Spain. In the United Kingdom, where it is a leading player in the classified advertising market, it served 434,000 unique advertisers. In the United States, where it is the leading independent directories business, it served 686,000 unique advertisers. In Spain, the Paginas Amarillas directories served 321,000 unique advertisers.

Yell's principal brands include: in the United Kingdom, Yellow Pages, Business Pages, Yell.com and Yellow Pages 118 24 7; in the United States, Yellow Book and Yellowbook.com; and in Spain, Paginas Amarillas and PaginasAmarillas.es. All these brands are trade marks.