



24 July 2008

Yell Group plc financial report for the three months ended 30 June 2008

Increased earnings and cash. Strong online performance. On track to meet expectations

- Revenue up 6.2% to £468.4 million; up 2.9% at constant exchange rates
- Adjusted EBITDA up 11.7% to £160.8 million; up 8.1% at constant exchange rates
- Adjusted profit after tax and minority interests up 34.4% to £62.9 million
- Adjusted diluted earnings per share up 35.0% to 8.1 pence; up 31.7% at constant exchange rates
- Operating cash flow up 34.0% to £160.7 million; up 30.1% at constant exchange rates. Cash conversion 99.9% (2007 – 83.3%)
- Free cash flow before exceptionals of £85.4 million (2007 – £38.7 million)

Statutory results (unaudited)

Three months ended 30 June

| £ millions, unless noted otherwise | 2008 | 2007 | Change |
|---|-------|-------|--------|
| Revenue | 468.4 | 441.1 | 6.2 |
| EBITDA * | 154.8 | 155.7 | (0.6) |
| Profit after tax and minority interests** | 36.2 | 34.3 | 5.5 |
| Cash generated from operations | 161.1 | 131.0 | 23.0 |
| Free cash flow | 74.9 | 37.3 | 100.8 |
| Diluted earnings per share (pence)** | 4.6 | 4.4 | 4.5 |

* EBITDA is reconciled to operating profit in note 3 to the financial information on page 14.

** Statutory earnings are reconciled to adjusted earnings in note 5 to the financial information on page 16.

John Condron, Chief Executive Officer, said:

"We have made a good start to the year, driven by very strong performances from our online channels, which have continued to substantially increase both usage and revenue. Overall, Yell continues to show resilience despite the increasingly difficult economic times. While we expect further pressure on our revenue, we are on track to meet the EBITDA guidance we have given for the year."

John Davis, Chief Financial Officer, said:

"The strong operational performance, combined with effective cost management, means that this quarter is ahead of EBITDA and cash expectations in constant currency terms, with the benefit of the euro exchange rate adding to this. We have shown good deleveraging with net debt at 4.9 times annualised EBITDA compared with 5.1 times at the end of March."

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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 pages 31 through 35 in Yell Group plc's annual report for the financial year ended 31 March 2008 for an understanding 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)

| Three months ended 30 June | 2008 | 2007 | Change | |
|--|--------------|-------|----------|----------------------------------|
| | | | Sterling | Constant currency ^(a) |
| £ millions, unless noted otherwise | | | % | % |
| Revenue ^(b) | 468.4 | 441.1 | 6.2 | 2.9 |
| Adjusted EBITDA ^{(b) (c)} | 160.8 | 143.9 | 11.7 | 8.1 |
| <i>Margin</i> | 34.3 | 32.6 | | |
| Operating cash flow ^{(b) (d)} | 160.7 | 119.9 | 34.0 | 30.1 |
| Cash conversion ^{(b) (e)} | 99.9% | 83.3% | | |
| Adjusted profit after tax and minority interests ^{(f) (c)} | 62.9 | 46.8 | 34.4 | |
| Adjusted diluted earnings per share (pence) ^{(f) (c)} | 8.1p | 6.0p | 35.0 | |

See end notes to the above table on page 8.

Group performance

In what remains a very challenging economic and commercial environment, Yell has performed strongly, delivering increased revenues, earnings and cash.

Group revenue was up 6.2% to £468.4 million. At constant exchange rates revenue grew in line with guidance at 2.9%. Of this, 1.7% was organic growth and 1.2% was from directories published for the first time or rescheduled from other quarters.

US organic growth of 4.6% is noticeably above guidance of around 3% offsetting the 1.0% decrease in UK revenue against flat guidance. Yell Publicidad grew in line with guidance of 1% organic growth.

Our internet products continue to provide an increasingly significant proportion of our business representing approximately 16% (June 2007 – 12%) of our revenue with year on year growth of 40% at constant exchange rates. The growth in internet revenue is driven by the very strong growth in unique users in all our markets. Unique users for the month of June are 38.5% higher in the UK, 91.9% higher in the US and 26.7% higher in Spain compared with a year earlier.

The strong Group adjusted EBITDA growth of 8.1% (at constant exchange rates) in the first quarter reflects the relatively good revenue growth in this quarter, the timing of our investments and the effect of cost control measures we announced in May (ie £100m of costs in total removed over this current year and last year).

Operating cash conversion at 99.9% remains very strong and free cash flow of £85.4 million before payment of exceptional items was 121% higher than last year and enabled us to continue reducing our leverage. A reconciliation of operating cash flow to cash generated from operations is provided in note 9 on page 19.

Net debt at 30 June 2008 was 4.9 times annualised adjusted EBITDA (4.7 times at consistent exchange rates) compared with 5.1 times annualised adjusted EBITDA at 31 March 2008 (4.9 times at consistent exchange rates). The movement in net debt is explained in note 15 on page 22. Based on our credit facility's criteria and definitions, the headroom on our net debt to EBITDA covenant was 13% and net EBITDA to net cash interest covenant was 18% at 30 June 2008.

Tax on adjusted profit before tax of £19.0 million benefits from net one-off tax credits of £5.5 million in the quarter. The effective rate on adjusted profit before tax would be 29.9%, excluding the one-off tax credits, as compared to 30.8% in the same period last year.

Adjusted diluted earnings per share were up 35.0% to 8.1 pence (see note 5 to the financial information on page 16 for a reconciliation between statutory and adjusted figures). Adjusted diluted earnings per share grew 31.7% at constant exchange rates. This growth was a result of the strong EBITDA performance and the one-off tax credit in the period.

Total exceptional costs, which are included in statutory and not in adjusted results, were £6.0 million before tax and £6.5 million after tax. This arose primarily from restructuring in the UK and Spain. Last year the pre-tax statutory results benefited from a one-off exceptional credit of £11.8 million. Details of the exceptional items are set out in note 6 to the financial information on page 17.

Group financial outlook

In the three months ending 30 September, we expect reported revenue growth to be broadly flat with the quarter benefiting from the strength of the euro and the previously announced rescheduling of directories in Spain into the second quarter. Blended organic growth at constant exchange rates for the group is expected to be around negative 3%. This decline compares with first quarter organic growth of 1.7% due, in part, to the first quarter historically being a strong quarter, but also due to the more difficult economic environment, which is putting pressure on the level of spend to which many of our customers are prepared to commit. This is particularly true in both the UK and Spain where we expect organic growth to be around negative 5%. While the economic environment in the US is also tough, we are beginning to see a benefit from lessening competitive pressures and expect around negative 2% organic growth.

Our strong start to the year and effective cost management allow us to reiterate that full year Group adjusted EBITDA should be broadly flat at constant exchange rates. We are continuing to take costs out of our businesses, over and above the measures previously announced, whilst maintaining investment online. These savings will not only benefit this year, but the full annualised effect will be felt next year.

Cash conversion for the full year is on target with expectations remaining at around 85% to 90% of adjusted EBITDA. Therefore, we expect to continue reducing our leverage over the year.

We expect the full year effective tax rate to be around 29% of adjusted profit before tax. Taxes paid will be somewhat less due primarily to goodwill amortisation and are expected to be about 20% of adjusted profit before tax, as previously guided, and to remain at this level for some years to come.

Yell UK operating performance

Three months ended 30 June (unaudited)

| | 2008 | 2007 | Change % |
|---|-------------|-------|-------------|
| Revenue (£million) ^(a) | 173.3 | 175.1 | (1.0) |
| Adjusted EBITDA (£million) ^{(b) (c)} | 68.8 | 61.3 | 12.2 |
| <i>Margin (%)</i> | 39.7 | 35.0 | |
| Total live advertisers at period end (thousands) ^(g) | 480 | 491 | (2.2) |
| Printed directories | | | |
| Revenue (£million) | 127.3 | 137.7 | (7.6) |
| Unique advertisers (thousands) ^(h) | 115 | 125 | (8.0) |
| Directory editions published | 29 | 29 | |
| Unique advertiser retention rate (%) ⁽ⁱ⁾ | 73 | 74 | |
| Revenue per unique advertiser (£) | 1,107 | 1,102 | 0.5 |
| Internet | | | |
| Revenue (£million) | 39.4 | 31.0 | 27.1 |
| Searchable advertisers at period end (thousands) ^(j) | 210 | 203 | 3.4 |
| Unique users for the month of period end (millions) ^(k) | 9.0 | 6.5 | 38.5 |
| Annualised (LTM) revenue per average searchable advertiser (£) ^(l) | 712 | 562 | 26.7 |

See end notes to the above table on page 8.

Yell.com continues to be the key driver of UK revenue growth, on the back of increased usage, which continues to grow significantly. Growth in Yell.com of 27.1% was offset by a decline in print of 7.6% to leave an overall decline of 1%.

Print customers decreased broadly as expected, primarily as a result of planned slower new customer acquisition, with retention declining slightly. The beneficial impact of a 2.8% Yellow Pages rate card increase, in this the first quarter of books publishing under RPI-0%, was offset by economic concerns leaving yield broadly flat.

The improved EBITDA margin of 39.7% reflects the rephasing of investment into later quarters and the benefit of effective cost management that we announced in May.

Yellow Book USA operating performance

Three months ended 30 June (unaudited)

| | 2008 | 2007 | Change % |
|--|-------|-------|-------------|
| Revenue (\$million) ^(a) | 400.7 | 369.9 | 8.3 |
| Adjusted EBITDA (\$million) ^{(b) (c)} | 117.6 | 113.5 | 3.6 |
| Margin (%) | 29.3 | 30.7 | |
| Printed directories | | | |
| Revenue (\$million) | 355.8 | 346.1 | 2.8 |
| Unique advertisers (thousands) ^(h) | 164 | 165 | (0.6) |
| Directory editions published | 176 | 169 | |
| Unique advertiser retention rate (%) ⁽ⁱ⁾ | 73 | 72 | |
| Revenue per unique advertiser (\$) | 2,170 | 2,098 | 3.4 |
| Internet | | | |
| Revenue (\$million) | 44.9 | 23.8 | 88.7 |
| Searchable advertisers at period end (thousands) ^(j) | 374 | 371 | 0.8 |
| Unique visitors for month of period end (millions) ^(m) | 11.9 | 6.2 | 91.9 |
| Annualised (LTM) revenue per average searchable advertiser (\$) ^(l) | 366 | 203 | 80.3 |

See end notes to the above table on page 8.

Contributions to revenue growth of 8.3% came from:

- 4.6% from organic growth;
- 2.7% from net rescheduling of publications, mainly from San Diego directories previously published in the fourth quarter; and
- 1.0% from acquired directories publishing for the first time (\$3.8 million).

Net organic revenue growth of 4.6% was ahead of the 3% guidance comprising:

- 5.7% from internet revenue, which grew 89%;
- 0.1% from directory launches; and
- -1.2% from the decline in same market print revenues.

The strong internet revenue growth was driven by the increase in revenue per average searchable advertiser on the back of the 92% year on year increase in usage.

Print customer numbers remained broadly stable as slower new customer acquisition offset the benefit from the improvement in retention and rescheduled customers. Average revenue per advertiser benefited from fewer lower-yielding new customers and the acquisition of existing customers from purchased directories.

The three months to June traditionally make up the strongest quarter of the year. Looking forward, we expect internet revenue will continue to be the main contributor to growth as launch activity slows from previous levels and print same market growth comes under further economic pressure.

The adjusted EBITDA margin in the three months was lower than last year due to timing of spend and the increased investment in Yellowbook.com.

The effective average exchange rate was approximately \$1.97: £1.00 against \$1.99: £1.00 in the same period last year.

Yell Publicidad operating performance

Three months ended 30 June (unaudited)

| | 2008 | 2007 | Change % |
|---|-------|-------|-------------|
| Revenue (€million) ^(a) | 115.5 | 117.5 | (1.7) |
| Adjusted EBITDA (€million) ^{(b) (c)} | 40.6 | 37.7 | 7.7 |
| Margin (%) | 35.2 | 32.1 | |
| <i>Paginas Amarillas classified directories (Spain)</i> | | | |
| Revenue (€million) | 52.9 | 53.0 | - |
| Unique advertisers (thousands) ^(h) | 78 | 80 | (2.5) |
| Directory editions published | 21 | 27 | |
| Unique advertiser retention rate (%) ⁽ⁱ⁾ | 81 | 86 | |
| Revenue per unique advertiser (€) | 678 | 663 | 2.3 |
| <i>Internet (Spain)</i> | | | |
| Revenue (€million) | 11.8 | 10.5 | 12.4 |
| Searchable advertisers at period end (thousands) ^(j) | 173 | 299 | (42.1) |
| Unique users for the month of period end (millions) ^(k) | 5.7 | 4.5 | 26.7 |
| Annualised (LTM) revenue per average searchable advertiser (€) ^(l) | 179 | n/a | |

See end notes to the above table on page 8.

The revenue in the first quarter accounts for less than 20% of full year revenues in Spain and Latin America.

Organic growth on core operations was 0.7%, in line with guidance. Reported revenue in local currency decreased 1.7% due to the effect of lower revenues from the disposal or running down of non-core businesses and the impact of the Latin American currency movements versus the euro, partly offset by the benefit of directories rescheduled from later quarters.

Our retention of print customers is under increasing pressure from the challenging economic environment in Spain. Internet revenue is a key driver of growth in Spain and grew 12.4%. This reported revenue growth is temporarily dampened by our unbundling strategy, where we are intentionally giving up customers who are unwilling to pay for the value they received.

The adjusted EBITDA margin is up on last year reflecting cost improvements introduced but is at the same time below full year expectations reflecting the relatively low share of revenue in the first quarter.

The effective average exchange rate was approximately €1.26: £1.00 against €1.47: £1.00 in the same period last year.

Risks and uncertainties

A discussion of our risk management along with the principal risks and uncertainties that could affect our business activities or financial results are detailed on pages 31-35 of Yell Group plc's annual report for the financial year ended 31 March 2008, a copy of which is available on our website www.yellgroup.com.

End notes to tables on pages 3, 5, 6, and 7.

- (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 rates 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 14. Adjustments to EBITDA and profit after tax are explained in notes 5 and 6 to the financial information on pages 16 and 17. Adjustments to earnings per share are explained in note 5 to the financial information on page 16.
 - (d) Cash generated from operations before payments of exceptional costs, less capital expenditure. A reconciliation to cash generated from operations as presented in the cash flow statement is presented in note 9 on page 19.
 - (e) Operating cash flow as a percentage of adjusted EBITDA. A reconciliation to cash generated from operations as presented in the cash flow statement is presented in note 9 on page 19.
 - (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 on page 16.
 - (g) 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. 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.
 - (h) 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.
 - (i) 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.
 - (j) 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.
 - (k) 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.
 - (l) UK, US and Spain internet LTM revenue per average searchable advertiser is calculated by dividing the recognised revenue in the last twelve months by the average number of searchable advertisers in that period. The twelve month average numbers of searchable advertisers are as follows:
 - Yell.com 30 June 2008 – 207,000; 30 June 2007 – 190,000.
 - Yellowbook.com 30 June 2008 – 373,000; 30 June 2007 – 386,000.
 - PaginasAmarillas.es 30 June 2008 – 254,000; 30 June 2007 – not available.In the US the revenue includes our WebReach product.
 - (m) 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.
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YELL GROUP PLC AND SUBSIDIARIES

UNAUDITED CONSOLIDATED INCOME STATEMENT

Three months ended 30 June

| £ millions, unless noted otherwise | Notes | 2008 | 2007 |
|--|-------|----------------|---------|
| Revenue | 2 | 468.4 | 441.1 |
| Cost of sales | | (192.3) | (179.5) |
| Gross profit | | 276.1 | 261.6 |
| Distribution costs | | (16.4) | (16.3) |
| Administrative expenses | | (146.2) | (130.6) |
| Operating profit | 3 | 113.5 | 114.7 |
| Finance costs | | (67.7) | (65.9) |
| Finance income | | 0.7 | 0.8 |
| Net finance costs | | (67.0) | (65.1) |
| Profit before taxation | | 46.5 | 49.6 |
| Taxation | 4 | (10.3) | (15.3) |
| Profit for the financial period | | 36.2 | 34.3 |
| Attributable to: | | | |
| Minority interests | | - | - |
| Equity shareholders of the group | | 36.2 | 34.3 |
| | | 36.2 | 34.3 |
| Basic earnings per share (pence) | 5 | 4.6 | 4.4 |
| Diluted earnings per share (pence) | 5 | 4.6 | 4.4 |

UNAUDITED CONSOLIDATED STATEMENT OF RECOGNISED INCOME AND EXPENSE

Three months ended 30 June

| £ millions | Notes | 2008 | 2007 |
|--|-------|---------------|--------|
| Profit for the financial period | | 36.2 | 34.3 |
| Exchange loss on translation of foreign operations | | (58.2) | (4.2) |
| Actuarial (loss) gain on defined benefit pension schemes | 17 | (50.4) | 31.8 |
| Gain in fair value of financial instruments used as hedges | | 89.7 | 42.8 |
| Tax effect of net gains not recognised in the income statement | 4 | (15.4) | (22.6) |
| Net decrease in tax benefit on share based payments | 4 | - | (7.6) |
| Net (expense) income not recognised in the income statement | | (34.3) | 40.2 |
| Total recognised income for the period | | 1.9 | 74.5 |
| Attributable to: | | | |
| Minority interests | | - | (0.1) |
| Equity shareholders of the group | | 1.9 | 74.6 |
| | | 1.9 | 74.5 |

See notes to the financial information for additional details.

YELL GROUP PLC AND SUBSIDIARIES

UNAUDITED CONSOLIDATED CASH FLOW STATEMENT

Three months ended 30 June

| £ millions | Notes | 2008 | 2007 |
|--|-------|---------------------|---------------------|
| Net cash inflow from operating activities | | | |
| Cash generated from operations | | 161.1 | 131.0 |
| Interest paid | | (63.8) | (63.0) |
| Interest received | | 0.7 | 0.8 |
| Net income tax paid | | (12.2) | (19.0) |
| Net cash inflow from operating activities | | <u>85.8</u> | <u>49.8</u> |
| Cash flows from investing activities | | | |
| Purchase of software, property, plant and equipment | 7 | (10.9) | (12.5) |
| Purchase of subsidiary undertakings and minority interest shares, net of cash acquired | 8 | (0.6) | (57.5) |
| Net cash inflow on disposal of subsidiary | | - | 1.1 |
| Net cash outflow from investing activities | | <u>(11.5)</u> | <u>(68.9)</u> |
| Cash flows from financing activities | | | |
| Proceeds from issuance of ordinary shares | | - | 0.2 |
| Purchase of own shares | | (0.6) | (1.5) |
| Net payments on revolving and other short-term credit facilities | | (70.8) | (88.4) |
| Acquisition of new loans | | - | 96.4 |
| Financing fees paid | | (0.1) | (0.4) |
| Net cash (outflow) inflow from financing activities | | <u>(71.5)</u> | <u>6.3</u> |
| Net increase (decrease) in cash and cash equivalents | | 2.8 | (12.8) |
| Cash and cash equivalents at beginning of the period | | 60.4 | 66.7 |
| Exchange gains (losses) on cash and cash equivalents | | (3.8) | (0.6) |
| Cash and cash equivalents at period end | | <u><u>59.4</u></u> | <u><u>53.3</u></u> |
| CASH GENERATED FROM OPERATIONS | | | |
| Profit for the period | | 36.2 | 34.3 |
| Adjustments for: | | | |
| Tax | | 10.3 | 15.3 |
| Finance income | | (0.7) | (0.8) |
| Finance costs | | 67.7 | 65.9 |
| Depreciation of property, plant and equipment and amortisation of software | | 11.9 | 10.9 |
| Amortisation of other acquired intangibles | | 29.4 | 30.1 |
| Changes in working capital: | | | |
| Inventories and directories in development | | (29.1) | (32.1) |
| Trade and other receivables | | 63.4 | 65.8 |
| Trade and other payables | | (31.9) | (62.0) |
| Share based payments and other | | 3.9 | 3.6 |
| Cash generated from operations | 9 | <u><u>161.1</u></u> | <u><u>131.0</u></u> |

See notes to the financial information for additional details.

YELL GROUP PLC AND SUBSIDIARIES

UNAUDITED CONSOLIDATED BALANCE SHEET

| At 30 June 2008 and 31 March 2008 | | Unaudited | Audited |
|---|-------|------------------|------------------|
| £ millions | Notes | June | March |
| Non-current assets | | | |
| Goodwill | 10 | 3,850.0 | 3,898.2 |
| Other intangible assets | 11 | 1,263.0 | 1,318.7 |
| Property, plant and equipment | 12 | 95.7 | 99.2 |
| Deferred tax assets | 13 | 120.0 | 124.1 |
| Retirement benefit surplus | 17 | - | 14.0 |
| Investment and other assets | | 40.2 | 11.9 |
| Total non-current assets | | 5,368.9 | 5,466.1 |
| Current assets | | | |
| Inventories | | 18.8 | 10.2 |
| Directories in development | | 281.9 | 263.4 |
| Trade and other receivables | 14 | 943.9 | 1009.6 |
| Cash and cash equivalents | | 59.4 | 60.4 |
| Total current assets | | 1,304.0 | 1,343.6 |
| Current liabilities | | | |
| Loans and other borrowings | 15 | (244.6) | (316.4) |
| UK Corporation and foreign income tax | | (71.0) | (70.2) |
| Trade and other payables | 16 | (588.5) | (641.1) |
| Total current liabilities | | (904.1) | (1,027.7) |
| Net current assets | | 399.9 | 315.9 |
| Non-current liabilities | | | |
| Loans and other borrowings | 15 | (3,492.9) | (3,503.4) |
| Deferred tax liabilities | 13 | (532.5) | (540.8) |
| Retirement benefit obligations | 17 | (36.4) | - |
| Trade and other payables | 16 | (35.2) | (71.2) |
| Total non-current liabilities | | (4,097.0) | (4,115.4) |
| Net assets | | 1,671.8 | 1,666.6 |
| Capital and reserves attributable to equity shareholders | | | |
| Share capital | 18 | 1,203.7 | 1,204.3 |
| Other reserves | 18 | (92.3) | (61.9) |
| Retained earnings | 18 | 560.4 | 524.2 |
| Total equity | | 1,671.8 | 1,666.6 |

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 three months ended 30 June 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. The audit opinion on the statutory accounts for the year ended 31 March 2008 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 published in June 2008, which 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.

YELL GROUP PLC AND SUBSIDIARIES

UNAUDITED NOTES TO THE FINANCIAL INFORMATION (continued)

2. Revenue

Three months ended 30 June

| £ millions, unless noted otherwise | 2008 | 2007 | Change | |
|------------------------------------|--------------|--------------|-----------------------|--|
| | | | Real currency % | Constant currency ^(a) % |
| Yell UK printed directories | 127.3 | 137.7 | (7.6) | (7.6) |
| Other products and services | 46.0 | 37.4 | | |
| Yell UK | 173.3 | 175.1 | (1.0) | (1.0) |
| Yellow Book USA | 203.5 | 186.2 | 9.3 | 8.3 |
| Yell Publicidad | 91.6 | 79.8 | 14.8 | (0.9) |
| Group revenue | 468.4 | 441.1 | 6.2 | 2.9 |

^(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 rates as that used to translate the results for the previous period.

3. Adjusted EBITDA and operating profit

Adjusted EBITDA^(a)

Three months ended 30 June

| £ millions, unless noted otherwise | 2008 | 2007 | Change | |
|------------------------------------|--------------|--------------|-----------------------|--|
| | | | Real currency % | Constant currency ^(b) % |
| Yell UK printed directories | 47.1 | 47.1 | - | - |
| Other products and services | 21.7 | 14.2 | | |
| Yell UK | 68.8 | 61.3 | 12.2 | 12.2 |
| Yellow Book USA | 59.8 | 57.1 | 4.7 | 3.6 |
| Yell Publicidad | 32.2 | 25.5 | 26.3 | 7.7 |
| Group adjusted EBITDA | 160.8 | 143.9 | 11.7 | 8.1 |

^(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 rates 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)

Three months ended 30 June

| £ millions, unless noted otherwise | 2008 | 2007 |
|--|--------------|--------------|
| Yell UK operating profit | 59.8 | 57.1 |
| Depreciation and amortisation | 4.5 | 4.2 |
| Yell UK EBITDA | 64.3 | 61.3 |
| Exceptional items ^(b) | 4.5 | - |
| Yell UK adjusted EBITDA | 68.8 | 61.3 |
| <i>Yell UK adjusted EBITDA margin</i> | <i>39.7%</i> | <i>35.0%</i> |
| Yellowbook USA operating profit | 49.2 | 56.4 |
| Depreciation and amortisation | 10.6 | 12.5 |
| Yellow Book USA EBITDA | 59.8 | 68.9 |
| Exceptional items ^(b) | - | (11.8) |
| Yellow Book USA adjusted EBITDA | 59.8 | 57.1 |
| <i>Yellow Book USA adjusted EBITDA margin</i> | <i>29.4%</i> | <i>30.7%</i> |
| Exchange impact ^(c) | (0.6) | - |
| Yellow Book USA adjusted EBITDA at constant exchange rate^(c) | 59.2 | 57.1 |
| Yell Publicidad operating profit | 4.5 | 1.2 |
| Depreciation and amortisation | 26.2 | 24.3 |
| Yell Publicidad EBITDA | 30.7 | 25.5 |
| Exceptional items ^(b) | 1.5 | - |
| Yell Publicidad adjusted EBITDA | 32.2 | 25.5 |
| <i>Yell Publicidad adjusted EBITDA margin</i> | <i>35.2%</i> | <i>32.0%</i> |
| Exchange impact ^(c) | (4.7) | - |
| Yell Publicidad EBITDA at constant exchange rate^(c) | 27.5 | 25.5 |
| Group operating profit | 113.5 | 114.7 |
| Depreciation and amortisation | 41.3 | 41.0 |
| Group EBITDA | 154.8 | 155.7 |
| Exceptional items ^(b) | 6.0 | (11.8) |
| Group adjusted EBITDA | 160.8 | 143.9 |
| <i>Group adjusted EBITDA margin</i> | <i>34.3%</i> | <i>32.6%</i> |
| Exchange impact ^(c) | (5.3) | - |
| Group adjusted EBITDA at constant exchange rates^(c) | 155.5 | 143.9 |

^(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 rates 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 tax charge for the period is different from the standard rate of corporation tax in the United Kingdom of 28% (2007 – 30%). The differences are explained below:

| Three months ended 30 June | | |
|--|--------------|-------------|
| £ millions | 2008 | 2007 |
| Profit before tax multiplied by the standard rate of corporation tax in the United Kingdom | 13.0 | 14.9 |
| Effects of: | | |
| Decrease in tax benefits on share based payments | 2.2 | - |
| Differing tax rates on overseas earnings | (3.7) | 1.9 |
| Changes in statutory tax rates | - | 0.3 |
| Other | (1.2) | (1.8) |
| Tax charge on profit before tax | 10.3 | 15.3 |

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

| Three months ended 30 June | | |
|--|---------------|-------------|
| £ millions | 2008 | 2007 |
| Current tax: | | |
| Current year corporation tax | 26.9 | 6.7 |
| Adjustments in respect of prior years | (6.9) | (1.0) |
| | 20.0 | 5.7 |
| Deferred tax: | | |
| Current year deferred tax | (11.1) | 9.1 |
| Adjustments in respect of prior years | 1.4 | 0.5 |
| Tax charge on profit before tax | 10.3 | 15.3 |

The effective tax rate on profit before tax for the three months ended 30 June 2008 was 22.2% (2007 – 30.8%).

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

| Three months ended 30 June | | |
|---|---------------|-------------|
| £ millions | 2008 | 2007 |
| Deferred tax on actuarial (losses) and gains | (14.1) | 9.0 |
| Net tax benefit on share based payments ^(a) | - | 7.6 |
| Deferred tax on fair valuations of financial instruments used as hedges | 29.5 | 13.6 |
| Total taxation recorded in equity | 15.4 | (30.2) |

^(a) Net tax benefit on share based payments comprises a net Enil gain (2007 - £7.6 million gain) in the deferred benefit recorded in share based payments reserve relating to the share price and a Enil benefit (2007 - Enil benefit) relating to the exercise of share options.

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 | Statutory | Exceptional items^(a) | Amortisation of acquired intangibles | Adjusted |
|--|------------------|--|---|-----------------|
| <i>Three months ended 30 June 2008</i> | | | | |
| EBITDA | 154.8 | 6.0 | - | 160.8 |
| Depreciation and amortisation | (41.3) | - | 29.4 | (11.9) |
| Net finance costs | (67.0) | - | - | (67.0) |
| Group profit before tax | 46.5 | 6.0 | 29.4 | 81.9 |
| Taxation | (10.3) | 0.5 | (9.2) | (19.0) |
| Group profit after tax | 36.2 | 6.5 | 20.2 | 62.9 |
| Weighted average number of issued ordinary shares (millions) | 781.1 | | | 781.1 |
| Basic earnings per share (pence) | 4.6 | | | 8.1 |
| Effect of share options (pence) | - | | | - |
| Diluted earnings per share (pence) | 4.6 | | | 8.1 |
| <i>Three months ended 30 June 2007</i> | | | | |
| EBITDA | 155.7 | (11.8) | - | 143.9 |
| Depreciation and amortisation | (41.0) | - | 30.1 | (10.9) |
| Net finance costs | (65.1) | - | - | (65.1) |
| Group profit before tax | 49.6 | (11.8) | 30.1 | 67.9 |
| Taxation | (15.3) | 4.7 | (10.3) | (20.9) |
| Group profit after tax | 34.3 | (7.1) | 19.8 | 47.0 |
| Minority interests | - | - | (0.2) | (0.2) |
| Group profit after tax and minority interests | 34.3 | (7.1) | 19.6 | 46.8 |
| Weighted average number of issued ordinary shares (millions) | 779.3 | | | 779.3 |
| Basic earnings per share (pence) | 4.4 | | | 6.0 |
| Effect of share options (pence) | - | | | - |
| Diluted earnings per share (pence) | 4.4 | | | 6.0 |

^(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.

| Three months ended 30 June | | |
|--|-------------|---------------|
| £ millions | 2008 | 2007 |
| Yell UK restructuring programme | 4.5 | - |
| Yellowbook USA class action accrual no longer required | - | (11.8) |
| Yell Publicidad post-acquisition restructuring | 1.5 | - |
| Net exceptional expenses (income) | | |
| in Group EBITDA and in Group profit before tax | 6.0 | (11.8) |
| Decrease in tax benefits on share based payments | 2.2 | - |
| Net tax (credit) expense on items above | (1.7) | 4.4 |
| Exceptional tax charge | | |
| arising from enacted changes to tax rates | - | 0.3 |
| Net exceptional expenses | | |
| (income) in Group profit after tax | 6.5 | (7.1) |

7. Capital expenditure

| Three months ended 30 June | | |
|---|-------------|-------------|
| £ millions | 2008 | 2007 |
| Capital expenditure on software, property, plant and equipment | 8.1 | 5.9 |
| Decrease in accrued capital expenditure | 2.8 | 6.6 |
| Cash paid for capital expenditure | 10.9 | 12.5 |

Proceeds on the sale of property, plant and equipment were £nil in the same periods.

Capital expenditure committed at 30 June 2008 was £10.7 million (31 March 2008 - £5.4 million).

YELL GROUP PLC AND SUBSIDIARIES

UNAUDITED NOTES TO THE FINANCIAL INFORMATION (continued)

8. Acquisitions and disposals

Three months ended 30 June 2008

In the three months ended 30 June 2008, the Yell Group paid £0.2 million for an in-fill acquisition in the US. Substantially the entire purchase price has been allocated to goodwill, representing the value of expected future synergies, the workforce acquired and expected future growth of the business.

Three months ended 30 June 2007

In the three months to 30 June 2007, the Yell Group paid £57.5 million for acquisitions, the most significant of which were Publicom in Argentina and McGregor in the US. The purchase price was 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 | 2.0 | 16.1 | 18.1 |
| Property, plant and equipment | 0.1 | 0.1 | 0.2 |
| Deferred tax assets | 1.2 | - | 1.2 |
| Total non current assets | 3.3 | 16.2 | 19.5 |
| Current assets | | | |
| Directories in development | 1.6 | 1.2 | 2.8 |
| Trade and other receivables | 3.7 | 0.6 | 4.3 |
| Cash and cash equivalents | 0.2 | - | 0.2 |
| Total current assets | 5.5 | 1.8 | 7.3 |
| Current liabilities | | | |
| Corporation tax | (0.6) | - | (0.6) |
| Trade and other payables | (5.1) | 0.1 | (5.0) |
| Total current liabilities | (5.7) | 0.1 | (5.6) |
| Total assets less current liabilities | 3.1 | 18.1 | 21.2 |
| Non-current liabilities | | | |
| Deferred tax liabilities | - | (4.4) | (4.4) |
| Identifiable net assets | 3.1 | 13.7 | 16.8 |
| Goodwill | | | 40.3 |
| Total cost | | | 57.1 |

Goodwill of £40.3 million was attributable to the expected future synergies; the workforce acquired and expected future growth of the business.

YELL GROUP PLC AND SUBSIDIARIES

UNAUDITED NOTES TO THE FINANCIAL INFORMATION (continued)

8. Acquisitions and disposals (continued)

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 10 is as follows:

| Three months ended 30 June | | |
|--|-------------|-------------|
| £ millions | 2008 | 2007 |
| Cost of acquisitions in the period | 0.2 | 57.1 |
| Less cash acquired | - | (0.2) |
| Payments in period deferred from time of prior acquisitions | 0.4 | 0.6 |
| Net cash outflow in period | 0.6 | 57.5 |

9. Operating cash flow

The following table reconciles EBITDA, operating cash flow and cash conversion to cash generated from operations as presented on the cash flow statement on page 10.

| Three months ended 30 June | | |
|--|---------------|---------------|
| £ millions, unless noted otherwise | 2008 | 2007 |
| Adjusted EBITDA | 160.8 | 143.9 |
| Net exceptional (expenses) income in EBITDA | (6.0) | 11.8 |
| Working capital movements and non-cash charges | 6.3 | (24.7) |
| Cash generated from operations (see page 10) | 161.1 | 131.0 |
| Add back payments of exceptional costs included in cash generated from operations | 10.5 | 1.4 |
| Purchase of software, property, plant and equipment | (10.9) | (12.5) |
| Operating cash flow | 160.7 | 119.9 |
| Adjusted EBITDA | 160.8 | 143.9 |
| Cash conversion | 99.9% | 83.3% |

Free cash flow before payment of exceptional items (defined as operating cash flow less interest and tax payments) was £85.4 million, up 121% compared to £38.7 million in the same period last year.

YELL GROUP PLC AND SUBSIDIARIES

UNAUDITED NOTES TO THE FINANCIAL INFORMATION (continued)

10. Goodwill

| At 30 June 2008 and 31 March 2008 | | |
|---|--------------|----------------|
| £ millions | June | March |
| Opening net book value at 1 April 2008 and 2007 | 3,898.2 | 3,645.3 |
| Acquisitions | 0.2 | 52.4 |
| Currency movements | (48.4) | 200.5 |
| Net book value at period end | 3,850 | 3,898.2 |

11. Other non-current intangible assets

| At 30 June 2008 and 31 March 2008 | | |
|---|----------------|----------------|
| £ millions | June | March |
| Opening net book value at 1 April 2008 and 2007 | 1,318.7 | 1,229.5 |
| Acquisitions | 0.1 | 22.1 |
| Additions | 4.6 | 21.9 |
| Amortisation | (35.3) | (129.7) |
| Currency movements | (25.1) | 174.9 |
| Net book value at period end | 1,263.0 | 1,318.7 |

12. Property, plant and equipment

| At 30 June 2008 and 31 March 2008 | | |
|---|-------------|-------------|
| £ millions | June | March |
| Opening net book value at 1 April 2008 and 2007 | 99.2 | 94.5 |
| Acquisitions | - | 0.3 |
| Additions | 3.5 | 28.4 |
| Disposals and write-offs | - | (1.6) |
| Depreciation | (6.0) | (27.9) |
| Currency movements | (1.0) | 5.5 |
| Net book value at period end | 95.7 | 99.2 |

YELL GROUP PLC AND SUBSIDIARIES

UNAUDITED NOTES TO THE FINANCIAL INFORMATION (continued)

13. Deferred tax assets and liabilities

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

| At 30 June 2008 and 31 March 2008 | | |
|--|--------------|--------------|
| £ millions | June | March |
| Tax effect of timing differences due to: | | |
| Bad debt provisions | 37.9 | 40.1 |
| Defined benefit pension scheme | 13.6 | 0.6 |
| Other allowances and accrued expenses | 10.6 | 10.9 |
| Recognised tax net operating losses | 18.3 | 16.8 |
| Share options | 0.9 | 2.0 |
| Depreciation | 5.7 | 6.7 |
| Financial instruments | 17.2 | 34.9 |
| Other | 15.8 | 12.1 |
| Recognised deferred tax assets | 120.0 | 124.1 |

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

| At 30 June 2008 and 31 March 2008 | | |
|--|--------------|--------------|
| £ millions | June | March |
| Tax effect of timing differences due to: | | |
| Intangible assets | 457.7 | 467.2 |
| Deferred directory costs | 46.2 | 47.2 |
| Unremitted earnings | 7.2 | 15.4 |
| Financial instruments | 13.1 | 1.4 |
| Other | 8.3 | 9.6 |
| Recognised deferred tax liabilities | 532.5 | 540.8 |

14. Trade and other receivables

| At 30 June 2008 and 31 March 2008 | | |
|--|--------------|----------------|
| £ millions | June | March |
| Net trade receivables ^(a) | 849.3 | 901.5 |
| Other receivables | 19.7 | 21.2 |
| Accrued income ^(a) | 33.1 | 50.0 |
| Prepaid corporation tax | 14.3 | 19.9 |
| Prepayments | 14.8 | 14.4 |
| Derivative financial instruments | 12.7 | 2.6 |
| Total trade and other receivables | 943.9 | 1,009.6 |

^(a) The Group's trade receivables and accrued income are stated after deducting a provision of £178.7 million (March - £199.6 million).

YELL GROUP PLC AND SUBSIDIARIES

UNAUDITED NOTES TO THE FINANCIAL INFORMATION (continued)

15. Loans and other borrowings and net debt

| At 30 June 2008 and 31 March 2008 | | |
|--|---------------------|----------------------|
| £ millions | June ^(a) | March ^(a) |
| Amounts falling due within one year | | |
| Term loans under senior credit facilities | 199.3 | 200.0 |
| Revolving loan under credit facilities | 10.0 | 70.0 |
| Net obligations under finance leases and other short term borrowings | 35.3 | 46.4 |
| Total amounts falling due within one year | 244.6 | 316.4 |
| Amounts falling due after more than one year | | |
| Term loans under senior credit facilities | 3,492.9 | 3,503.4 |
| Net loans and other borrowings | 3,737.5 | 3,819.8 |
| Cash and cash equivalents | (59.4) | (60.4) |
| Net debt at end of year | 3,678.1 | 3,759.4 |

^(a) Balances are shown net of deferred financing fees of £33.5 million (March - £36.5 million).

The movement in net debt for the three months ended 30 June 2008 arose as follows:

Net debt (unaudited)

Three months ended 30 June

| £ millions | 2008 |
|--|----------------|
| At 31 March 2008 | 3,759.4 |
| Operating cash flow | (160.7) |
| Interest and tax payments | 75.3 |
| Dividends paid to company shareholders | - |
| Currency movements | (10.7) |
| Purchase of subsidiary undertakings and minority interests, net of cash acquired | 0.6 |
| Amortisation of financing fees paid in previous periods | 3.1 |
| Purchase of own shares | 0.6 |
| Cash payments of exceptional costs | 10.5 |
| Proceeds of shares issued | - |
| At 30 June 2008 | 3,678.1 |

Our bank facilities are committed until 2011 and we are operating within our covenant headroom and we expect to meet our repayment and dividend requirements for the next nine months from cash generation. Drawings on our £400 million revolving credit facility and other short term lines totalled £44 million at 30 June 2008.

YELL GROUP PLC AND SUBSIDIARIES

UNAUDITED NOTES TO THE FINANCIAL INFORMATION (continued)

16. Trade and other payables

| At 30 June 2008 and 31 March 2008 | | |
|--|--------------|--------------|
| £ millions | June | March |
| Due within one year | | |
| Trade payables | 69.1 | 87.4 |
| Other taxation and social security | 17.7 | 18.8 |
| Accruals and other payables | 197.8 | 215.6 |
| Deferred income | 282.3 | 283.3 |
| Derivative financial instruments | 21.6 | 36.0 |
| Trade and other payables falling due within one year | 588.5 | 641.1 |
| Amounts falling due after more than one year | | |
| Trade payables | 11.6 | 11.5 |
| Accruals and other payables | - | 1.5 |
| Derivative financial instruments | 23.6 | 58.2 |
| Trade and other payables falling due after more than one year | 35.2 | 71.2 |
| Total trade and other payables | 623.7 | 712.3 |

17. Retirement benefits

| At 30 June 2008 and 31 March 2008 | | |
|---|---------------|-------------|
| £ millions | June | March |
| Net retirement benefits | | |
| Surplus (obligation) at 1 April 2008 and 2007 | 14.0 | (27.2) |
| Net actuarial (loss) gain on defined benefit pension schemes ^(a) | (50.4) | 43.9 |
| Charges in excess of contributions | - | (2.7) |
| Net (increase) decrease in retirement benefit obligations | (50.4) | 41.2 |
| Net retirement benefits (obligation) surplus at period end | (36.4) | 14.0 |

^(a) The losses and gains in the periods ended 30 June 2008 and 31 March 2008 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)

18. Statement of changes in equity

Three months ended 30 June

| £ millions | Attributable to equity shareholders | | | Total |
|---|-------------------------------------|----------------|-------------------|----------------|
| | Share capital | Other reserves | Retained earnings | |
| Balance at 31 March 2008 | 1,204.3 | (61.9) | 524.2 | 1,666.6 |
| Profit on ordinary activities after taxation | - | - | 36.2 | 36.2 |
| Net expense recognised directly in equity | - | (34.3) | - | (34.3) |
| Total recognised income for the period | - | (34.3) | 36.2 | 1.9 |
| Value of services provided in return for share based payments | - | 3.9 | - | 3.9 |
| Own shares purchased by ESOP trust | (0.6) | - | - | (0.6) |
| | (0.6) | (30.4) | 36.2 | 5.2 |
| Balance at 30 June 2008 | 1,203.7 | (92.3) | 560.4 | 1,671.8 |

Cumulative foreign currency gains attributable to equity shareholders at 30 June 2008 are £6.6 million (31 March – £64.8 million gain).

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 three months ended 30 June 2007. At 30 June 2008, we have remaining \$18.7 million of accrued settlement obligation representing our best estimate of the remaining 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.
