

20 May 2009

**Yell Group plc financial report for the year ended 31 March 2009**

**Management actions offset recessionary pressures.**

**Increased cash flow. EBITDA in line with guidance. Strong online growth.**

- Revenue up 8.1% to £2,397.9 million; down 4.6% at constant exchange rates
- Online revenue up 38% at constant exchange rates to 15% of total revenue
- Adjusted EBITDA up 10.4% to £816.1 million; down 1.8% at constant exchange rates
- Adjusted profit after tax and minority interests up 9.0% to £320.6 million; down 4.0% at constant exchange rates
- Adjusted diluted earnings per share up 9.3% to 41.0 pence; down 3.5% at constant exchange rates
- Operating cash flow up 16.6% to £730.2 million; up 4.9% at constant exchange rates. Cash conversion 89.5% (2008 – 84.7%)
- Free cash flow before exceptionals of £395.2 million (2008 – £293.8 million)
- Pre-tax exceptional charges of £1,375.3 million include a non-cash charge of £1,272.3 million to write down goodwill associated with Yell Publicidad (formerly named TPI)

**Statutory results**

**Year ended 31 March**

£ millions, unless noted otherwise	2009	2008	Change %
Revenue	<b>2,397.9</b>	2,218.7	8.1
EBITDA *	<b>713.1</b>	736.2	(3.1)
(Loss) profit after tax and minority interests**	<b>(1,141.4)</b>	206.7	
Cash generated from operations	<b>741.4</b>	667.5	11.1
Free cash flow	<b>338.4</b>	285.5	18.5
Diluted (loss) earnings per share (pence)**	<b>(147.9)</b>	26.3	

\* 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. Differences arise from exceptional items and amortisation of acquired intangibles.

**John Condron, Chief Executive Officer, said:**

"In the toughest economic environment any of us has seen, Yell has delivered EBITDA in line with last year's guidance and with substantially increased cash flows. The recession continues to place pressure on our revenues, and we have addressed this by substantially reducing our cost base, improving efficiencies and investing in our products and services, especially our online businesses, which continued to show rapid growth. We continue to demonstrate to our customers the cost effectiveness of our products, maintaining high levels of customer loyalty. While visibility is unclear beyond the next quarter we have positioned our business to withstand the tough times and to be best placed to take advantage of the recovery when it begins."

**John Davis, Chief Financial Officer, said:**

"Over the past 18 months, we have taken action to reduce our annual cost base by £250 million. £150 million of this has already been realised, and together with the 38% increase in our online revenues has largely offset the downward pressure on print revenues allowing us to broadly maintain EBITDA and invest for the future. We enter the 2010 financial year with £100 million of the cost reductions still to

benefit. Our operating cash flow at £730 million is very strong, ensuring we have met our interest and scheduled debt repayments and have reduced our leverage. We have assessed the carrying value of our assets and have reduced the value of goodwill associated with the acquisition of Yell Publicidad. This recognises the effects of the long and deep recession. It does not affect our cash flow, adjusted earnings or debt covenant headroom."

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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 and the basis of preparation note on page 14 herein 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](http://www.yellgroup.com/announcements)

## Yell Group plc summary financial results (unaudited)

Year ended 31 March	2009	2008	Change	
			Reporting currency	Constant currency <sup>(a)</sup>
£ millions, unless noted otherwise			%	%
Revenue <sup>(b)</sup>	<b>2,397.9</b>	2,218.7	8.1	(4.6)
Adjusted EBITDA <sup>(b) (c)</sup>	<b>816.1</b>	738.9	10.4	(1.8)
Margin	<b>34.0%</b>	33.3%		
Operating cash flow <sup>(b) (d)</sup>	<b>730.2</b>	626.2	16.6	4.9
Cash conversion <sup>(b) (e)</sup>	<b>89.5%</b>	84.7%		
Free cash flow, before exceptionals <sup>(f)</sup>	<b>395.2</b>	293.8	34.5	
Adjusted profit after tax and minority interests <sup>(g)</sup>	<b>320.6</b>	294.2	9.0	(4.0)
Adjusted diluted earnings per share (pence) <sup>(g)</sup>	<b>41.0</b>	37.5	9.3	(3.5)

See end notes on page 9. End notes c through g provide an explanation of non-statutory figures along with references to where they are reconciled to statutory figures.

### Group results

#### Overview

The economic downturn and the turmoil in the credit markets last year were worse than anyone expected, and this directly affected our customers and, as a consequence, our revenues. Despite this, Yell delivered against the guidance we gave a year ago with broadly flat adjusted EBITDA<sup>(b) (c)</sup> at constant exchange rates, increased operating cashflow<sup>(b) (d)</sup> and substantially increased free cash flow<sup>(f)</sup>.

Reported results reflect the benefit of the weaker pound with revenue up 8.1%, adjusted EBITDA up 10.4% and operating cash flow up 16.6%. At constant exchange rates, revenue was down 4.6%, adjusted EBITDA was down 1.8% and operating cash flow was up 4.9%. Free cash flow was £395.2 million before exceptionals, compared with £293.8 million the year before.

In the current environment, our customers are displaying significant caution, and this has had an increasingly negative effect on our print revenues. The 4.6% reduction in Group revenue at constant exchange rates includes the 12% organic reduction in the last quarter of the year, to which we had guided after the collapse of Lehmans. In contrast, our internet businesses continued to grow rapidly, up 38% at constant exchange rates for the year, and now account for 15% of our total revenues.

We offset the revenue decline by efficiency improvements, which also allowed us to maintain our investments, particularly in internet services. Over the last 18 months, we reduced our cost base by £250 million, or 20%. We expect £100 million of this reduction to benefit the 2010 financial year.

Pre-tax exceptional charges of £1,375.3 million comprised primarily the £95.5 million cash restructuring charges from cost reduction and efficiency programmes and a £1,272.3 million non-cash charge to write down Yell Publicidad goodwill, reflecting primarily the implications of the economic down turn. We have not written down the values of our UK and US operations. More details about the impairment reviews are in Note 10 on page 23.

## ***Managing through the recession***

Our response to the economic downturn has been to improve efficiencies allowing us to substantially reduce our cost base; to deliver strong growth in our internet revenue; to demonstrate the cost-effectiveness of our products to our customers; to maintain high loyalty rates and average advertising spend among our print customers; and to invest in the development of our products and services.

Our 1.6 million customers advertise with us because they want real business enquiries and they know that this is what Yell delivers. Consumers use Yell once they have made a decision to buy, not to browse. That is true of our internet and telephone based services, as well as our print directories.

Print continues to deliver high value to our customers, and we have significantly increased the number of monitored customer telephone lines. These demonstrate to customers the cost-effectiveness of their advertising with Yell. The reduction in print revenues reflects those customers not willing or able to commit to spend in the current environment, as well as potential customers not willing to commit to new areas of spend.

The internet revenue growth is supported by the continuing strong growth in the numbers of unique users and the increasing recognition of the cost effectiveness of Yell online.

Our focus on driving usage of our products and services - through traditional advertising and promotion and, increasingly, through search engine optimisation and marketing – and in innovation is key. We intend to adopt new technology as it evolves to enhance our ability to deliver quality business leads to our customers. Examples include the extension of our mobile search capabilities; the new features that improve customer “findability” on our online sites and the web generally; and the inclusion of 2D bar codes in our print directory advertising.

## ***Cash and debt***

Cash generation in the Group remained very strong with cash conversion<sup>(b)</sup> <sup>(e)</sup> up nearly five percentage points to 89.5%, at the top end of guidance. Operating cash flow was up 16.6% to £730.2 million and our free cash flow, after all interest and tax payments and before exceptional items, increased 34.5% to £395.2 million, more than covering our scheduled £232 million debt repayments (2008 – £137 million), and reducing our net debt multiple from 4.9 times to 4.7 times adjusted EBITDA.

Our bank facilities contain covenants over net cash interest cover and debt cover. These covenants are tested quarterly on a rolling twelve month basis. Headroom on our tightest debt covenant at 31 March 2009 was 15%. The financial covenants for the 2010 financial year are in note 15 to the financial information on page 25. Fluctuations in exchange rates do not materially affect debt covenant testing, because for this purpose adjusted EBITDA and interest for the twelve months up to the date of testing and net debt at the date of testing are translated at similar exchange rates. Debt is broadly denominated in the same currency as our earnings.

Our ability to stay within our debt covenants in the year ahead could be influenced by uncertain future trading conditions. However, the Group's cashflow forecasts show sufficient resilience, despite the uncertain outlook, that in the year ahead interest payments will be fully met, with further cash generated to repay debt. Note 1 on page 14 discusses this, and our auditors intend to reference this in our annual report under the heading "emphasis of matter" alongside an unqualified audit opinion.

We have funded the business largely from bank debt, of which we will have to refinance the majority before April 2011. Our priority for the year ahead will be to continue actively reviewing with advisers our funding options and assessing the most appropriate steps to take toward refinancing the Group.

### **Group financial outlook**

The uncertainties created by the current economic crisis reduce visibility for our customers and for ourselves. As a consequence, we will be providing guidance on a one quarter ahead basis during fiscal 2010. In the quarter ending 30 June 2009, we expect revenues at constant exchange rates to fall 11% and EBITDA to fall by around 20%. The decline in EBITDA stems from decreased revenues and increased planned investment in the quarter relative to one year earlier. We also expect cash conversion to remain very strong and covenant headroom at 30 June 2009 of around 14%.

## Yell UK operating performance

Year ended 31 March (unaudited)

	2009	2008	Change %
Revenue (£million) <sup>(b)</sup>	692.1	732.1	(5.5)
Adjusted EBITDA (£million) <sup>(b) (c)</sup>	266.7	260.6	2.3
<i>Margin (%)</i>	<b>38.5</b>	35.6	
Total live advertisers at year end (thousands) <sup>(h)</sup>	455	486	(6.4)
<b><i>Printed directories</i></b>			
Revenue (£million)	504.4	565.9	(10.9)
Unique advertisers (thousands) <sup>(i)</sup>	390	434	(10.1)
Directory editions published	113	113	
Unique advertiser retention rate (%) <sup>(j)</sup>	73	74	
Revenue per unique advertiser (£)	1,293	1,304	(0.8)
<b><i>Internet</i></b>			
Revenue (£million)	164.5	139.2	18.2
Searchable advertisers at year end (thousands) <sup>(k)</sup>	217	209	3.8
Unique users for the month of year end (millions) <sup>(l)</sup>	10.7	8.5	25.9
Annualised (LTM) revenue per average searchable advertiser (£) <sup>(m)</sup>	772	679	13.7

See end notes on page 9.

Overall UK revenues were down by 5.5% in the year, with revenue in the quarter down 10%, as guided. EBITDA was up 2.3%, reflecting an improved margin as a result of our cost saving programmes.

Driven by a 25.9% increase in unique users, Yell.com revenue again grew strongly, by 18.2%. Internet revenues are now 24% of total UK revenues, up from 19% a year ago.

Print revenue declined 10.9%. Print customers decreased broadly as expected, primarily as a result of planned lower new customer acquisition, with retention remaining relatively resilient. Overall print yield was broadly flat with cautious customer behaviour being nearly offset by the retention of higher value customers.

## Yellowbook operating performance

Year ended 31 March (unaudited)

	2009	2008	Change %
Revenue (\$million) <sup>(b)</sup>	1,962.5	2,009.8	(2.4)
Adjusted EBITDA (\$million) <sup>(b) (c)</sup>	563.7	587.2	(4.0)
<i>Margin (%)</i>	<b>28.7</b>	29.2	
<b><i>Printed directories</i></b>			
Revenue (\$million)	1,735.2	1,894.7	(8.4)
Unique advertisers (thousands) <sup>(i)</sup>	634	686	(7.6)
Directory editions published	996	984	
Unique advertiser retention rate (%) <sup>(i)</sup>	68	70	
Revenue per unique advertiser (\$)	2,737	2,762	(0.9)
<b><i>Internet</i></b>			
Revenue (\$million)	227.3	115.1	97.5
Searchable advertisers at year end (thousands) <sup>(k)</sup>	366	378	(3.2)
Unique visitors for month of year end (millions) <sup>(n)</sup>	16.8	13.5	24.4
Annualised (LTM) revenue per average searchable advertiser (\$) <sup>(m)</sup>	598	308	94.2

See end notes on page 9.

The breakdown of the 2.4% revenue decline is:

- -3.8% organic;
- +0.9% net rescheduling of publications from prior year; and
- +0.5% acquired directories publishing for the first time.

The net organic decline of 3.8% comprised:

- +5.6% internet revenue, which grew 97.5%;
- +0.4% directory launches;
- -0.6% discontinued products; and
- -9.2% decline in same market print revenues.

Print customer retention was relatively resilient, but the acquisition of new customers has not been enough to offset those that were not retained. Average revenue per advertiser remained broadly flat, as downward economic pressures were nearly offset by the retention of higher value customers, as with the UK.

The net organic revenue decline of 12% in the fourth quarter was slightly better than the guided 13% decline.

The adjusted EBITDA margin was down on last year reflecting the increased investment in Yellowbook.com funded by the savings from our efficiency drive.

The effective average exchange rate was approximately \$1.66: £1.00 against \$2.01: £1.00 last year.

## Yell Publicidad operating performance

Year ended 31 March (unaudited)

	2009	2008	Change %
Revenue (€million) <sup>(b)</sup>	620.7	682.7	(9.1)
Adjusted EBITDA (€million) <sup>(b) (c)</sup>	248.0	261.7	(5.2)
Margin (%)	40.0	38.3	

### *Paginas Amarillas classified directories (Spain)*

Revenue (€million)	251.1	295.2	(14.9)
Unique advertisers (thousands) <sup>(i)</sup>	285	321	(11.2)
Directory editions published	89	97	
Unique advertiser retention rate (%) <sup>(i)</sup>	78	85	
Revenue per unique advertiser (€)	881	920	(4.2)

### *Internet (Spain)*

Revenue (€million)	50.0	44.1	13.4
Searchable advertisers at year end (thousands) <sup>(k)</sup>	116	225	(48.4)
Unique users for the month of year end (millions) <sup>(i)</sup>	6.9	5.5	25.5
Annualised (LTM) revenue per average searchable advertiser (€) <sup>(m)</sup>	329	158	108.2

See end notes to the above table on page 9.

Total revenue decline during the year was 9.1%, comprising:

- 7.2% organic decline;
- 1.0% decline on Latin American currency movements versus the euro; and
- 0.9% decline from running down our non-core business in Italy.

Spanish internet revenue grew 13.4% as we more fully monetised our strong usage. As planned, customer numbers continued to decrease and average value increased as a result of our unbundling programme.

Paginas Amarillas (our Spanish Yellow Pages directories) same market revenue declined 14.9% due to the economic pressures that led to a reduction in both retention and yield.

Core like-for-like revenue declined 14% in the fourth quarter, slightly worse than the guided 13% decline.

Revenue from Latin America at €162.6 million increased 4.2%, or increased 8.8% at constant exchange rates. Weaker Latin American versus Euro exchange rates reduced reported Euro revenue by €7.1 million.

The adjusted EBITDA margin is up 1.7% on last year reflecting improvements in the cost base.

The effective average exchange rate was approximately €1.19: £1.00 against €1.41: £1.00 in the same year last year.

### Statutory disclosures

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](http://www.yellgroup.com). These risks and uncertainties will be updated in the annual report for the financial year ended 31 March 2009, which will be available on our website in June 2009.

## End notes for pages 3 through 8.

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- (a) Change at constant currency states the change in current year compared with the previous year as if the current year results were translated at the same exchange rates as those used to translate the results for the previous year.
- (b) Revenue, adjusted EBITDA, operating cash flow and cash conversion are the key financial measures that we use to assess 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 notes 5 and 6 to the financial information on pages 19 and 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. A reconciliation to cash generated from operations as presented in the cash flow statement is presented in note 9 on page 22.
- (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 22.
- (f) Free cash flow is defined as operating cash flow less interest and tax payments.
- (g) 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 19.
- (h) The number of total live advertisers is a count of all unique advertisers at the date of the year 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 year.
- (i) The 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.
- (j) 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.
- (k) 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.
- (l) 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.
- (m) 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 year. The twelve month average numbers of searchable advertisers are as follows:
  - Yell.com 31 March 2009 – 213,000; 31 March 2008 – 205,000.
  - Yellowbook.com 31 March 2009 – 380,000; 31 March 2008 – 374,000.
  - PaginasAmarillas.es 31 March 2009 – 152,000; 31 March 2008 – 280,000.In the UK the revenue includes our netReach product, in the US our WebReach product, and in Spain our Europages product.
- (n) 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	2009	2008
<b>Revenue</b>	2	<b>2,397.9</b>	2,218.7
Cost of sales		<b>(1,050.2)</b>	(956.8)
<b>Gross profit</b>		<b>1,347.7</b>	1,261.9
Distribution costs		<b>(91.3)</b>	(85.3)
Administrative expenses		<b>(720.3)</b>	(601.1)
Impairment of goodwill	10	<b>(1,272.3)</b>	-
<b>Operating (loss) profit</b>	3	<b>(736.2)</b>	575.5
Finance costs		<b>(299.4)</b>	(266.7)
Finance income		<b>2.7</b>	3.5
<b>Net finance costs</b>		<b>(296.7)</b>	(263.2)
		<b>(1,032.9)</b>	312.3
Loss on disposal of subsidiary		-	(1.4)
<b>(Loss) profit before taxation</b>		<b>(1,032.9)</b>	310.9
Taxation	4	<b>(108.5)</b>	(104.1)
<b>(Loss) profit for the financial year</b>		<b>(1,141.4)</b>	206.8
Attributable to:			
Minority interests		-	0.1
Equity shareholders of the group		<b>(1,141.4)</b>	206.7
		<b>(1,141.4)</b>	206.8
Basic (loss) earnings per share (pence)	5	<b>(147.9)</b>	26.5
Diluted (loss) earnings per share (pence)	5	<b>(147.9)</b>	26.3
Declared and paid interim ordinary dividend (2008 – 6.3 pence per share)		-	48.7
Proposed final ordinary dividend (2008 – 5.7 pence per share)		-	44.3

See notes to the financial information for additional details.

## UNAUDITED CONSOLIDATED STATEMENT OF RECOGNISED INCOME AND EXPENSE

Year ended 31 March

£ millions	Notes	2009	2008
<b>(Loss) profit for the financial year</b>		<b><u>(1,141.4)</u></b>	<b><u>206.8</u></b>
Exchange gain on translation of foreign operations		<b>302.8</b>	204.2
Actuarial (loss) gain on defined benefit pension schemes	17	<b>(31.6)</b>	43.9
Loss in fair value of financial instruments used as hedges		<b>(114.9)</b>	(105.4)
Tax effect of net losses not recognised in the income statement	4	<b>31.5</b>	28.8
Net decrease in tax benefit on share based payments	4	<b>-</b>	<b>(6.9)</b>
Net income not recognised in the income statement		<b><u>187.8</u></b>	<u>164.6</u>
<b>Total recognised (loss) income for the year</b>		<b><u>(953.6)</u></b>	<b><u>371.4</u></b>
Attributable to:			
Minority interests		<b>-</b>	0.4
Equity shareholders of the group		<b><u>(953.6)</u></b>	<u>371.0</u>
		<b><u>(953.6)</u></b>	<b><u>371.4</u></b>

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	2009	2008
<b>Net cash inflow from operating activities</b>			
Cash generated from operations		741.4	667.5
Interest paid		(278.6)	(255.8)
Interest received		2.7	4.9
Net income tax paid		(59.1)	(81.5)
Net cash inflow from operating activities		<u>406.4</u>	<u>335.1</u>
<b>Cash flows from investing activities</b>			
Purchase of software, property, plant and equipment	7	(68.0)	(49.6)
Purchase of subsidiary undertakings and minority interest shares, net of cash acquired	8	(9.5)	(100.5)
Net cash outflow from investing activities		<u>(77.5)</u>	<u>(150.1)</u>
<b>Cash flows from financing activities</b>			
Proceeds from issuance of ordinary shares		2.2	6.0
Purchase of own shares		(9.7)	(10.6)
Net (payments) borrowings on revolving and other short-term credit facilities		(40.3)	8.1
Acquisition of new loans		-	75.2
Repayment of borrowings		(232.0)	(136.8)
Financing fees paid on covenant reset		(23.7)	-
Dividends paid to company's shareholders		(44.1)	(136.9)
Net cash outflow from financing activities		<u>(347.6)</u>	<u>(195.0)</u>
<b>Net decrease in cash and cash equivalents</b>		<b>(18.7)</b>	<b>(10.0)</b>
Cash and cash equivalents at beginning of the year		60.4	66.7
Exchange gains on cash and cash equivalents		9.4	3.7
<b>Cash and cash equivalents at year end</b>		<u><b>51.1</b></u>	<u><b>60.4</b></u>

### CASH GENERATED FROM OPERATIONS

(Loss) profit for the year		(1,141.4)	206.8
Adjustments for:			
Tax		108.5	104.1
Loss on disposal of subsidiary		-	1.4
Finance income		(2.7)	(3.5)
Finance costs		299.4	266.7
Depreciation of property, plant and equipment and amortisation of software		53.1	47.2
Amortisation of other acquired intangibles		123.9	113.5
Impairment of goodwill		1,272.3	-
Changes in working capital:			
Inventories and directories in development		48.5	1.3
Trade and other receivables		50.1	(30.4)
Trade and other payables		(100.1)	(54.5)
Share based payments and other		29.8	14.9
<b>Cash generated from operations</b>	9	<u><b>741.4</b></u>	<u><b>667.5</b></u>

See notes to the financial information for additional details.

## YELL GROUP PLC AND SUBSIDIARIES

### UNAUDITED CONSOLIDATED BALANCE SHEET

At 31 March

£ millions	Notes	2009	2008
<b>Non-current assets</b>			
Goodwill	10	3,329.2	3,898.2
Other intangible assets	11	1,423.5	1,318.7
Property, plant and equipment	12	119.8	99.2
Deferred tax assets	13	142.6	124.1
Retirement benefit surplus	17	-	14.0
Financial assets – derivative financial instruments		-	2.0
Investment and other assets		6.5	9.9
<b>Total non-current assets</b>		<b>5,021.6</b>	<b>5,466.1</b>
<b>Current assets</b>			
Inventories		14.9	10.2
Directories in development		291.9	263.4
Trade and other receivables	14	1,132.8	1,005.9
Financial assets – derivative financial instruments		0.6	3.7
Cash and cash equivalents		51.1	60.4
<b>Total current assets</b>		<b>1,491.3</b>	<b>1,343.6</b>
<b>Current liabilities</b>			
Financial liabilities - loans and other borrowings	15	(381.7)	(316.4)
Financial liabilities – derivative financial instruments		(64.9)	(37.4)
UK Corporation and foreign income tax		(100.6)	(70.2)
Trade and other payables	16	(590.8)	(603.7)
<b>Total current liabilities</b>		<b>(1,138.0)</b>	<b>(1,027.7)</b>
<b>Net current assets</b>		<b>353.3</b>	<b>315.9</b>
<b>Non-current liabilities</b>			
Financial liabilities – loans and other borrowings	15	(3,876.6)	(3,503.4)
Financial liabilities – derivative financial instruments		(141.4)	(58.2)
Deferred tax liabilities	13	(624.8)	(540.8)
Retirement benefit obligations	17	(21.9)	-
Trade and other payables	16	(19.2)	(13.0)
<b>Total non-current liabilities</b>		<b>(4,683.9)</b>	<b>(4,115.4)</b>
<b>Net assets</b>		<b>691.0</b>	<b>1,666.6</b>
<b>Capital and reserves attributable to equity shareholders</b>			
Share capital	18	1,226.5	1,204.3
Other reserves	18	110.7	(61.9)
(Accumulated deficit) retained earnings	18	(646.2)	524.2
<b>Total equity</b>		<b>691.0</b>	<b>1,666.6</b>

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 2009 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 2009 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 (section 434 of the Companies Act 2006), but has been extracted from the statutory financial statements for the year ended 31 March 2009, 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 2008 was unqualified, did not contain an emphasis of matter paragraph and did not contain any statement under section 237 of the Companies Act 1985 (section 498 of the Companies Act 2006).

The financial information contained herein has been prepared on a going concern basis. The Group is currently in full compliance with the financial covenants contained in all of its borrowing agreements. However, as a consequence of the increasingly uncertain trading conditions there is a risk that the Group would need to reset its financial covenants with its lenders. Details of our covenants and our management of the risks associated with meeting those covenants are set out in our risk management disclosures in our 2009 annual report, which will be delivered to the Registrar of Companies in due course.

If the Group were required but not able to agree amendments to the covenants such that undertakings to the Group's lenders were breached, then the syndicate of lenders would have the right to demand immediate repayment of all amounts due to them, but only after a two-thirds majority vote for such action.

Whilst this eventuality would, if it arose, cast doubt on the future capital funding of the Group, the Group's cashflow forecasts show that in the year ahead interest payments will be fully met, with further cash generated to repay debt. For this reason the directors believe that adopting the going concern basis in preparing the consolidated financial statements is appropriate.

Nevertheless, the directors are making full disclosure, as required by accounting standards, to indicate the existence of a material uncertainty, which may cast significant doubt about the Group's ability to continue as a going concern. The financial information does not include the adjustments that would result if the Group were unable to continue as a going concern.

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 year presented.

The financial information herein should be read in conjunction with Yell's 2009 annual report due to be published in June 2009, which will include the audited consolidated financial statements of Yell Group plc and its subsidiaries for the year ended 31 March 2009. The auditors have yet to report on the Group's statutory accounts for the year ended 31 March 2009, however it is likely that the report, once issued, will include an emphasis of matter in respect of going concern along with an unqualified audit opinion.

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 year. Actual results could differ from those estimates. Estimates are used principally when accounting for doubtful debts, depreciation, retirement benefits, acquisitions and taxation.

The financial statements for the year ending 31 March 2009 are not expected to be materially affected by implementation of new standards, amendments to standards, or interpretations.

## YELL GROUP PLC AND SUBSIDIARIES

### UNAUDITED NOTES TO THE FINANCIAL INFORMATION (continued)

#### 2. Revenue

Year ended 31 March

£ millions, unless noted otherwise	2009	2008	Change	
			Reporting currency	Constant currency <sup>(a)</sup>
			%	%
Yell UK <sup>(b)</sup>	692.1	732.1	(5.5)	(5.5)
Yellowbook USA <sup>(b)</sup>	1,182.2	1,001.2	18.1	(2.4)
Yell Publicidad <sup>(b)</sup>	523.6	485.4	7.9	(8.0)
<b>Group revenue</b>	<b>2,397.9</b>	<b>2,218.7</b>	<b>8.1</b>	<b>(4.6)</b>

<sup>(a)</sup> Change at constant currency states the change in current year compared with the previous year as if the current year results were translated at the same exchange rates as those used to translate the results for the previous year.

<sup>(b)</sup> Segments are based upon management reports used by the chief decision maker and are determined by the location of responsible management.

#### 3. Adjusted EBITDA and operating (loss) profit

*Adjusted EBITDA<sup>(a)</sup>*

Year ended 31 March

£ millions, unless noted otherwise	2009	2008	Change	
			Reporting currency	Constant currency <sup>(b)</sup>
			%	%
Yell UK <sup>(c)</sup>	266.7	260.6	2.3	2.3
Yellowbook USA <sup>(c)</sup>	340.2	292.4	16.3	(4.0)
Yell Publicidad <sup>(c)</sup>	209.2	185.9	12.5	(4.0)
<b>Group adjusted EBITDA</b>	<b>816.1</b>	<b>738.9</b>	<b>10.4</b>	<b>(1.8)</b>

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

<sup>(b)</sup> Change at constant currency states the change in current year compared with the previous year as if the current year results were translated at the same exchange rates as those used to translate the results for the previous year.

<sup>(c)</sup> Segments are based upon management reports used by the chief decision maker and are determined by the location of responsible management.

## YELL GROUP PLC AND SUBSIDIARIES

### UNAUDITED NOTES TO THE FINANCIAL INFORMATION (continued)

#### 3. Adjusted EBITDA and operating (loss) profit (continued)

##### Reconciliation of operating (loss) profit to adjusted EBITDA<sup>(a)</sup>

Year ended 31 March

£ millions, unless noted otherwise	2009	2008
<b>Yell UK<sup>(b)</sup> operating profit</b>	<b>187.4</b>	236.2
Depreciation and amortisation	<u>20.0</u>	<u>17.0</u>
<b>Yell UK EBITDA</b>	<b>207.4</b>	253.2
Exceptional items <sup>(c)</sup>	<u>59.3</u>	<u>7.4</u>
<b>Yell UK adjusted EBITDA</b>	<b>266.7</b>	260.6
<i>Yell UK adjusted EBITDA margin</i>	<i>38.5%</i>	<i>35.6%</i>
<b>Yellowbook USA<sup>(b)</sup> operating profit</b>	<b>281.6</b>	258.2
Depreciation and amortisation	<u>46.5</u>	<u>46.0</u>
<b>Yellowbook USA EBITDA</b>	<b>328.1</b>	304.2
Exceptional items <sup>(c)</sup>	<u>12.1</u>	<u>(11.8)</u>
<b>Yellowbook USA adjusted EBITDA</b>	<b>340.2</b>	292.4
<i>Yellowbook USA adjusted EBITDA margin</i>	<i>28.8%</i>	<i>29.2%</i>
Exchange impact <sup>(d)</sup>	<u>(59.5)</u>	-
<b>Yellowbook USA adjusted EBITDA at constant exchange rate<sup>(d)</sup></b>	<b>280.7</b>	292.4
<b>Yell Publicidad<sup>(b)</sup> operating (loss) profit</b>	<b>(1,205.2)</b>	81.1
Depreciation and amortisation	<u>1,382.8</u>	<u>97.7</u>
<b>Yell Publicidad EBITDA</b>	<b>177.6</b>	178.8
Exceptional items <sup>(c)</sup>	<u>31.6</u>	<u>7.1</u>
<b>Yell Publicidad adjusted EBITDA</b>	<b>209.2</b>	185.9
<i>Yell Publicidad adjusted EBITDA margin</i>	<i>40.0%</i>	<i>38.3%</i>
Exchange impact <sup>(d)</sup>	<u>(30.8)</u>	-
<b>Yell Publicidad adjusted EBITDA at constant exchange rate<sup>(d)</sup></b>	<b>178.4</b>	185.9
<b>Group operating (loss) profit</b>	<b>(736.2)</b>	575.5
Depreciation and amortisation	<u>1,449.3</u>	<u>160.7</u>
<b>Group EBITDA</b>	<b>713.1</b>	736.2
Exceptional items <sup>(c)</sup>	<u>103.0</u>	<u>2.7</u>
<b>Group adjusted EBITDA</b>	<b>816.1</b>	738.9
<i>Group adjusted EBITDA margin</i>	<i>34.0%</i>	<i>33.3%</i>
Exchange impact <sup>(d)</sup>	<u>(90.3)</u>	-
<b>Group adjusted EBITDA at constant exchange rates<sup>(d)</sup></b>	<b>725.8</b>	738.9

(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) Segments are based upon management reports used by the chief decision maker and are determined by the location of responsible management.

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

(d) Constant exchange rate states current year results at the same exchange rates as those used to translate the results for the previous year. Exchange impact is the difference between the results reported at constant exchange rates and the results reported using current year 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 year is different from the standard rate of corporation tax in the United Kingdom of 28% (2008 – 30%). The differences are explained below:

<b>Year ended 31 March</b>		
<b>£ millions</b>	<b>2009</b>	<b>2008</b>
(Loss) profit before tax multiplied by the standard rate of corporation tax in the United Kingdom	<b>(289.2)</b>	93.3
Effects of:		
Goodwill impairment	<b>356.2</b>	-
Deferred tax assets not recognised	<b>36.4</b>	-
Differing tax rates on overseas earnings	<b>5.1</b>	1.8
Decrease in tax benefits on share based payments	<b>1.1</b>	8.5
Deferred tax impact of change in UK tax rate	<b>-</b>	0.7
Other	<b>(1.1)</b>	(0.2)
<b>Tax charge on (loss) profit before tax</b>	<b>108.5</b>	104.1
<b>Effective tax rate on (loss) profit before tax</b>	<b>(10.5%)</b>	33.5%

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

<b>Year ended 31 March</b>		
<b>£ millions</b>	<b>2009</b>	<b>2008</b>
Current tax:		
Current year corporation tax	<b>99.4</b>	90.2
Adjustments in respect of prior years	<b>(8.8)</b>	(6.6)
	<b>90.6</b>	83.6
Deferred tax:		
Current year deferred tax	<b>21.0</b>	5.7
Adjustments in respect of prior years	<b>(3.1)</b>	14.8
<b>Tax charge on (loss) profit before tax</b>	<b>108.5</b>	104.1

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

<b>Year ended 31 March</b>		
<b>£ millions</b>	<b>2009</b>	<b>2008</b>
Deferred tax on actuarial losses and (gains)	<b>8.8</b>	(12.7)
Net tax loss on share based payments <sup>(a)</sup>	<b>-</b>	(6.9)
Deferred tax on fair valuations of financial instruments used as hedges	<b>21.6</b>	37.4
Other	<b>1.1</b>	4.1
<b>Total taxation recorded in equity</b>	<b>31.5</b>	21.9

<sup>(a)</sup> Net tax loss on share based payments comprises a £nil loss (2008 - £8.6 million reduction) in the deferred benefit recorded in share based payments reserve relating to the share price and a £nil benefit (2008 - £1.7 million 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 year and on the weighted average share capital during the year.

<b>£ millions unless noted otherwise</b>	<b>Statutory</b>	<b>Exceptional items<sup>(a)</sup></b>	<b>Amortisation of acquired intangibles</b>	<b>Adjusted</b>
<b>Year ended 31 March 2009</b>				
EBITDA	713.1	103.0	-	816.1
Depreciation, amortisation and impairment	(1,449.3)	1,272.3	123.9	(53.1)
Net finance costs	(296.7)	-	-	(296.7)
Group (loss) profit before tax	(1,032.9)	1,375.3	123.9	466.3
Taxation	(108.5)	3.0	(40.2)	(145.7)
Group (loss) profit after tax	(1,141.4)	1,378.3	83.7	320.6
Weighted average number of issued ordinary shares (millions)	771.8			771.8
<b>Basic (loss) earnings per share (pence)</b>	<b>(147.9)</b>			<b>41.5</b>
Effect of share options (pence)	-			(0.5)
<b>Diluted (loss) earnings per share (pence)</b>	<b>(147.9)</b>			<b>41.0</b>
<b>Year ended 31 March 2008</b>				
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
<b>Basic earnings per share (pence)</b>	<b>26.5</b>			<b>37.7</b>
Effect of share options (pence)	(0.2)			(0.2)
<b>Diluted earnings per share (pence)</b>	<b>26.3</b>			<b>37.5</b>

<sup>(a)</sup> 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	2009	2008
Impairment of goodwill (see note 10 on page 23)	1,272.3	-
Yell UK restructuring programme	54.6	7.4
Yellowbook USA restructuring programme	10.5	-
Yellowbook USA net litigation accrual no longer required	(6.8)	(11.8)
Yell Publicidad restructuring programme	30.4	7.1
Costs of cancelled share plans	14.3	-
Loss on disposal of non-core operations	-	1.4
Asset impairment write-offs caused by post-acquisition restructuring	-	1.4
<b>Net exceptional expenses in Group profit before tax</b>	<b>1,375.3</b>	<b>5.5</b>
Impairment of deferred tax assets	29.4	-
Net tax credit on items above	(26.4)	(0.7)
Decrease in tax benefits on share based payments	-	8.5
Tax charge arising from enacted changes to tax rates	-	0.7
<b>Net exceptional expenses in Group profit after tax</b>	<b>1,378.3</b>	<b>14.0</b>

#### 7. Capital expenditure

##### Year ended 31 March

£ millions	2009	2008
Capital expenditure on software, property, plant and equipment	65.1	50.3
Decrease (increase) in accrued capital expenditure	2.9	(0.7)
<b>Cash paid for capital expenditure</b>	<b>68.0</b>	<b>49.6</b>

Proceeds on the sale of property, plant and equipment were £nil in both years.

Capital expenditure committed at 31 March 2009 was £11.8 million (2008 - £5.4 million).

## YELL GROUP PLC AND SUBSIDIARIES

### UNAUDITED NOTES TO THE FINANCIAL INFORMATION (continued)

#### 8. Acquisitions and disposals

##### *Year ended 31 March 2009*

In the year ended 31 March 2009, the Yell Group acquired 100% of the Adworks businesses in the UK, US, Spain and India for £8.7 million, and several small in-fill acquisitions in the US for a total of \$2.3 million (£1.5 million). Total costs were allocated to the acquired assets and liabilities as follows:

<b>£ millions</b>	<b>Acquiree's carrying amount</b>	<b>Provisional fair value adjustments</b>	<b>Provisional fair value</b>
<b>Non current assets</b>			
Other intangible assets	0.6	1.3	1.9
Property, plant and equipment	2.3	(0.1)	2.2
<b>Total non current assets</b>	<u>2.9</u>	<u>1.2</u>	<u>4.1</u>
<b>Current assets</b>			
Directories in development	0.1	-	0.1
Trade and other receivables	4.8	-	4.8
Cash and cash equivalents	1.7	-	1.7
<b>Total current assets</b>	<u>6.6</u>	<u>-</u>	<u>6.6</u>
<b>Current liabilities</b>			
Corporation tax	(0.2)	-	(0.2)
Trade and other payables	(5.6)	(0.4)	(6.0)
<b>Total current liabilities</b>	<u>(5.8)</u>	<u>(0.4)</u>	<u>(6.2)</u>
<b>Identifiable net assets</b>	<u>3.7</u>	<u>0.8</u>	4.5
Goodwill			5.7
Total cost			<u>10.2</u>

Goodwill of £5.7 million was attributable to the expected future synergies, the workforce acquired and expected future growth of the business.

##### *Year ended 31 March 2008*

In the year to 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. Goodwill of £52.4 million was attributed to the expected future synergies, the workforce acquired, and expected future growth of the businesses.

The Group disposed of non-core operations and incurred extra costs on a prior year disposal during the year 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)

#### 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 12 is as follows:

<b>Year ended 31 March</b>		
<b>£ millions</b>	<b>2009</b>	<b>2008</b>
Cost of acquisitions in the year	<b>10.2</b>	73.4
Less cash acquired	<b>(1.7)</b>	(1.5)
Purchase of minority interest shares	-	27.8
Payments in year for amounts deferred on prior year acquisitions	<b>1.0</b>	0.8
<b>Net cash outflow in year</b>	<b>9.5</b>	100.5

#### 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 12.

<b>Year ended 31 March</b>		
<b>£ millions, unless noted otherwise</b>	<b>2009</b>	<b>2008</b>
<b>Adjusted EBITDA</b>	<b>816.1</b>	738.9
Net exceptional expenses in EBITDA	<b>(103.0)</b>	(2.7)
Working capital movements and non-cash charges	<b>28.3</b>	(68.7)
<b>Cash generated from operations</b> (see page 12)	<b>741.4</b>	667.5
Add back payments of exceptional costs included in cash generated from operations	<b>56.8</b>	8.3
Purchase of software, property, plant and equipment	<b>(68.0)</b>	(49.6)
Operating cash flow	<b>730.2</b>	626.2
Adjusted EBITDA	<b>816.1</b>	738.9
<b>Cash conversion</b>	<b>89.5%</b>	84.7%

Free cash flow before payment of exceptional items (defined as operating cash flow less interest and tax payments) was £395.2 million, up 34.5% compared to £293.8 million last year.

## YELL GROUP PLC AND SUBSIDIARIES

### UNAUDITED NOTES TO THE FINANCIAL INFORMATION (continued)

#### 10. Goodwill

At 31 March		
£ millions	2009	2008
Opening net book value at 1 April 2008 and 2007	3,898.2	3,645.3
Acquisitions	5.7	52.4
Impairment	(1,272.3)	-
Currency movements	697.6	200.5
<b>Net book value at year end</b>	<b>3,329.2</b>	<b>3,898.2</b>

Goodwill is not amortised but is tested for impairment at least annually. During the year ended 31 March 2009, impairment losses of £1,103.9 million, £120.1 million, £40.8 million and £7.5 million on goodwill in relation to its operations in Spain, Chile, Argentina and Peru, respectively, were recorded. There was no goodwill write down in 2008. Financial plans for all our operations were reduced to reflect the ever deepening economic recessions in Europe and the US and expectations for the recession to spread to Latin America. This reduction was the main cause of the impairments in Spain and Chile. The goodwill in relation to Argentina would not have been impaired had the discount rate applied to that operation not changed to reflect specific risks arising in that country. The goodwill in relation to Peru would not have been impaired had the terminal growth rate applied to that operation not been adjusted to reflect the more cautious outlook we have in all jurisdictions. At 31 March 2009 the fair values of our operations in Spain, Chile, Argentina and Peru equalled their carrying values and consequently, any adverse change in a key assumption with all other assumptions held unchanged would cause recognition of further impairment losses. The goodwill in the UK and the US have not been written down, because estimated recoverable amounts continue to be in excess of carrying values.

#### 11. Other non-current intangible assets

At 31 March		
£ millions	2009	2008
Opening net book value at 1 April 2008 and 2007	1,318.7	1,229.5
Acquisitions	1.9	22.1
Additions	32.9	21.9
Disposals and transfers	8.6	-
Amortisation	(152.0)	(129.7)
Currency movements	213.4	174.9
<b>Net book value at year end</b>	<b>1,423.5</b>	<b>1,318.7</b>

#### 12. Property, plant and equipment

At 31 March		
£ millions	2009	2008
Opening net book value at 1 April 2008 and 2007	99.2	94.5
Acquisitions	2.2	0.3
Additions	32.2	28.4
Disposals and transfers	(8.8)	(1.6)
Depreciation	(25.0)	(27.8)
Currency movements	20.0	5.4
<b>Net book value at year end</b>	<b>119.8</b>	<b>99.2</b>

## 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:

<b>At 31 March</b>		
<b>£ millions</b>	<b>2009</b>	<b>2008</b>
Tax effect of timing differences due to:		
Financial instruments	68.3	34.9
Bad debt provisions	30.0	40.0
Other allowances and accrued expenses	24.8	10.9
Depreciation	9.5	6.7
Defined benefit pension scheme	6.2	0.6
Recognised tax net operating losses	0.2	16.8
Share options	0.2	2.0
Other	3.4	12.2
<b>Recognised deferred tax assets</b>	<b>142.6</b>	<b>124.1</b>

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

<b>At 31 March</b>		
<b>£ millions</b>	<b>2009</b>	<b>2008</b>
Tax effect of timing differences due to:		
Intangible assets	551.0	467.2
Deferred directory costs	54.7	47.2
Unremitted earnings	10.4	15.4
Financial instruments	-	1.4
Other	8.7	9.6
<b>Recognised deferred tax liabilities</b>	<b>624.8</b>	<b>540.8</b>

#### 14. Trade and other receivables

<b>At 31 March</b>		
<b>£ millions</b>	<b>2009</b>	<b>2008</b>
Net trade receivables and accrued income <sup>(a)</sup>	1,070.4	951.5
Other receivables	28.2	20.1
Prepaid corporation tax	13.0	19.9
Prepayments	21.2	14.4
<b>Total trade and other receivables</b>	<b>1,132.8</b>	<b>1,005.9</b>

<sup>(a)</sup> The Group's trade receivables and accrued income are stated after deducting a provision of £205.4 million (2008 - £199.6 million).

## YELL GROUP PLC AND SUBSIDIARIES

### UNAUDITED NOTES TO THE FINANCIAL INFORMATION (continued)

#### 15. Loans and other borrowings, net debt

At 31 March		
£ millions	2009	2008
<b>Amounts falling due within one year</b>		
Term loans under senior credit facilities <sup>(a)</sup>	299.7	200.0
Revolving loan under credit facilities (committed until March 2011)	40.3	70.0
Net obligations under finance leases and other short term borrowings	41.7	46.4
<b>Total amounts falling due within one year</b>	<b>381.7</b>	<b>316.4</b>
<b>Amounts falling due after more than one year</b>		
Term loans under senior credit facilities <sup>(a)</sup>	3,876.6	3,503.4
<b>Net loans and other borrowings</b>	<b>4,258.3</b>	<b>3,819.8</b>
Cash and cash equivalents	(51.1)	(60.4)
<b>Net debt at end of year</b>	<b>4,207.2</b>	<b>3,759.4</b>

<sup>(a)</sup> Balances are shown net of deferred financing fees of £48.9 million (2008 - £36.5 million).

The movement in net debt for the year ended 31 March 2009 arose as follows:

#### Net debt

##### Year ended 31 March

£ millions	2009
<b>At 31 March 2008</b>	3,759.4
Currency movements	713.8
Operating cash flow	(730.2)
Interest and tax payments	335.0
Cash payments of exceptional costs	56.8
Dividends paid to company shareholders	44.1
Purchase of subsidiary undertakings and minority interests, net of cash acquired	9.5
Purchase of own shares	9.7
Proceeds from shares issued and treasury shares sold	(2.2)
Amortisation of financing fees	11.3
<b>At 31 March 2009</b>	<b>4,207.2</b>

Our bank facilities are committed until 2011 and 2012 and contain covenants over net cash interest cover and debt cover. The net cash interest cover covenant requires that the ratio of adjusted EBITDA for the latest 12 month period to net cash interest payable for the latest 12 month period not fall below specific threshold ratios at specific test dates. The threshold ratios at 31 March 2009 and for each test date until 30 June 2010 are as follows:

Test date	31 March 2009	30 June 2009	30 September 2009	31 December 2009	31 March 2010	30 June 2010
Ratio	2.50 : 1	2.36 : 1	2.29 : 1	2.37 : 1	2.45 : 1	2.59 : 1

The debt cover covenant requires that the ratio of net debt at the testing date to adjusted EBITDA for the latest 12 month period not exceed specific threshold ratios at specific test dates. The threshold ratios at 31 March 2009 and for each test date until 30 June 2010 are as follows:

Test date	31 March 2009	30 June 2009	30 September 2009	31 December 2009	31 March 2010	30 June 2010
Ratio	5.55 : 1	5.71 : 1	5.58 : 1	5.38 : 1	5.17 : 1	4.93 : 1

We operated within our debt covenants for the year ended 31 March 2009 with headroom of 16% and 15% on the net cash interest cover ratio and debt cover ratio, respectively. Drawings on our £400 million revolving credit facility and other short term lines totalled £78.2 million at 31 March 2009.

YELL GROUP PLC AND SUBSIDIARIES

UNAUDITED NOTES TO THE FINANCIAL INFORMATION (continued)

16. Trade and other payables

At 31 March		
£ millions	2009	2008
<b>Amounts falling due within one year</b>		
Trade payables	77.6	87.4
Other taxation and social security	18.4	18.8
Accruals and other payables	224.0	214.2
Deferred income	270.8	283.3
<b>Trade and other payables falling due within one year</b>	<b>590.8</b>	<b>603.7</b>
<b>Amounts falling due after more than one year</b>		
Trade payables	13.0	11.5
Accruals and other payables	6.2	1.5
<b>Trade and other payables falling due after more than one year</b>	<b>19.2</b>	<b>13.0</b>
<b>Total trade and other payables</b>	<b>610.0</b>	<b>616.7</b>

17. Retirement benefits

At 31 March		
£ millions	2009	2008
Net retirement benefits		
surplus (obligation) at 1 April 2008 and 2007	14.0	(27.2)
Net actuarial (loss) gain on defined benefit pension schemes <sup>(a)</sup>	(31.6)	43.9
Charges in excess of contributions	(4.3)	(2.7)
Net movement in retirement benefits (obligation) surplus	(35.9)	41.2
<b>Net retirement benefits (obligation) surplus at year end</b>	<b>(21.9)</b>	<b>14.0</b>

<sup>(a)</sup> The loss in the year ended 31 March 2009 was largely the result of the effect of increased mortality rates and decreased asset values net of the effect of increased real interest rates and decreased number of active members. The gain in the year ended 31 March 2008 was 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

Year ended 31 March 2009

£ millions	Attributable to equity shareholders			Total
	Share capital	Other reserves	Retained earnings (accumulated deficit)	
<b>Balance at 31 March 2008</b>	<b>1,204.3</b>	<b>(61.9)</b>	<b>524.2</b>	<b>1,666.6</b>
Loss on ordinary activities after taxation	-	-	(1,141.4)	(1,141.4)
Net income recognised directly in equity	-	187.8	-	187.8
Total recognised loss for the year	-	187.8	(1,141.4)	(953.6)
Value of services provided in return for share based payments	-	29.8	-	29.8
Ordinary shares issued to employees	10.1	(6.9)	(1.5)	1.7
Treasury shares disposed by ESOP Trust	19.8	(19.3)	-	0.5
Own shares purchased by ESOP trust	(7.7)	-	-	(7.7)
Own shares purchased for settlement of cancelled share plans	-	(18.8)	16.8	(2.0)
Dividends paid to equity shareholders	-	-	(44.3)	(44.3)
	22.2	172.6	(1,170.4)	(975.6)
<b>Balance at 31 March 2009</b>	<b>1,226.5</b>	<b>110.7</b>	<b>(646.2)</b>	<b>691.0</b>

Year ended 31 March 2008

£ millions	Attributable to equity shareholders			Minority interest	Total
	Share capital	Other reserves	Retained earnings		
<b>Balance at 31 March 2007</b>	<b>1,201.7</b>	<b>(218.0)</b>	<b>454.8</b>	<b>10.1</b>	<b>1,448.6</b>
Profit on ordinary activities after taxation	-	-	206.7	0.1	206.8
Net income recognised directly in equity	-	164.3	-	0.3	164.6
Total recognised income for the year	-	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	(10.6)	-	-	-	(10.6)
Purchase of minority interest shares	-	(17.1)	-	(10.5)	(27.6)
Dividends paid to equity shareholders	-	-	(136.9)	-	(136.9)
	2.6	156.1	69.4	(10.1)	218.0
<b>Balance at 31 March 2008</b>	<b>1,204.3</b>	<b>(61.9)</b>	<b>524.2</b>	<b>-</b>	<b>1,666.6</b>

Cumulative foreign currency gains attributable to equity shareholders at 31 March 2009 are £367.3 million (2008 – £64.5 million gain).

## YELL GROUP PLC AND SUBSIDIARIES

### UNAUDITED NOTES TO THE FINANCIAL INFORMATION (continued)

#### 19. Litigation

A lawsuit filed by Verizon was settled in October 2004. Yellowbook 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, Yellowbook 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 year ended 31 March 2008. We reversed a further \$12.7 million (£8.9 million) of the obligation as an exceptional credit in the year ended 31 March 2009. At 31 March 2009, we have remaining \$5.0 million of accrued settlement obligation representing our best estimate of the remaining amounts to be settled.

## Shareholder Contact Details

Website for viewing information about your holding:  
[www.shareview.co.uk](http://www.shareview.co.uk)

Equiniti telephone line for shareholders:  
0871 384 2049\*

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\* Calls to these numbers are charged at 8p per minute from a BT landline. Other telephony providers' costs may vary.

## 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 2009, 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, Yell.com and Yellow Pages 118 24 7; in the United States - Yellowbook and Yellowbook.com; and in Spain - Paginas Amarillas and PaginasAmarillas.es. All these brands are trade marks.

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