

IMPORTANT NOTICE

IMPORTANT: You must read the following disclaimer before continuing. The following disclaimer applies to the attached Memorandum and you are therefore requested to read this disclaimer page carefully before reading or making any other use of the Memorandum. In reading the Memorandum, you agree to be bound by the following terms and conditions, including any modifications to them from time to time, each time you receive any information from us.

Confirmation of your representation: You are reminded that the Memorandum has been sent to you on the basis that you are a person into whose possession the Memorandum may be lawfully delivered in accordance with the laws of the jurisdiction in which you are located and you may not nor are you authorised directly or indirectly to deliver, mail or otherwise transmit, distribute or forward the Memorandum to any other person, except that you should deliver the Memorandum to any transferee to whom you have directly assigned all or some of your participations in any Loan (as defined in the Facilities Agreement referred to below) in accordance with the Facilities Agreement, provided the Memorandum may be lawfully delivered to such person in accordance with the laws of the jurisdiction where such person is located.

The distribution of the Memorandum in certain jurisdictions may be restricted by law. Persons into whose possession the Memorandum comes are required to inform themselves about, and to observe, any such restrictions.

This Memorandum relates to a facilities agreement originally dated 30 November 2009 between, amongst others, Yell Group plc, Yell Finance (UK) Limited (“**UK Finco**”), Yell Finance S.A.U (“**Spanish Finco**”), the Lenders as defined therein and HSBC Bank plc as Facility Agent (as amended from time to time, the “**Facilities Agreement**” and each of the facilities (a “**Facility**”) provided under the Facilities Agreement being, together, the “**Facilities**”). Unless the context requires otherwise, terms used in this Memorandum have the meanings given to them in the Facilities Agreement.

This Memorandum and any accompanying documents are important and require your immediate attention. This Memorandum contains important information which should be read carefully before any decision is made with respect to any matter referred to in this Memorandum.

None of (1) Yell Group plc (the “**Parent**”), (2) Yell Limited (the “**Obligors’ Agent**”), (3) the Purchasers (referred to below), (4) HSBC Bank plc (as facility agent) (the “**Facility Agent**”) or (5) HSBC Bank plc as purchase agent under the Facilities Agreement (the “**Purchase Agent**”) or (6) the Co-ordinators (referred to below) makes (or shall be deemed to make) any recommendation in respect of any matter referred to in this Memorandum.

Any Lender which is selling a participation in a Loan on behalf of, or for the account of, other persons should forward a copy of this document, all accompanying annexes and related documents, together with any other information relevant to this Memorandum which has been made available to it, by or on behalf of the Obligors’ Agent or the Purchasers, to such other assignee or transferee and must obtain any requisite authorisation from such other persons in order to submit a Voting Letter in the form below.

Lenders are hereby notified that no proposed transfers or assignments will be processed by the Facility Agent during either the period for voting on the request for consent to the Amendments (as defined below) or the period for any debt purchase process. If these two periods are not consecutive, the Facility Agent will use reasonable endeavours to process any pending requests, depending on the length of time between the two periods and the volume of pending requests.

No person has been authorised to give any information, or to make any representations or warranties, other than as expressly stated in this document. If any additional information, representation or warranty is given, it must not be relied upon as having been provided or authorised by the Obligors’ Agent, the Purchasers, the Facility Agent and/or the Co-ordinators or their respective agents.

This Memorandum and any document or transaction connected to it together with any non-contractual obligations arising out of or in connection with any of them are governed by English law. The courts of England have non-exclusive jurisdiction to settle any dispute arising out of or in connection with this Memorandum (including a dispute relating to the existence, validity or termination of this Memorandum or the consequences of its nullity or any non-contractual obligations arising out of or in connection with it) and any document or transaction connected with it.

This Memorandum does not constitute or form part of any offer or invitation to sell or issue, or any solicitation of any offer to purchase or subscribe for securities, and offers to sell the Participations referred to below will not be accepted by the Obligors’ Agent from Lenders in any jurisdiction in which such offer or solicitation is unlawful.

To the extent that this Memorandum (or the documentation referred to herein including the Financial Pack, as defined below) contain forward-looking statements, Lenders are advised that statements which are not historical facts (including statements about the beliefs and expectations of the Obligors’ Agents and the Purchasers), are forward-looking statements.

Forward-looking statements involve a number of risks and uncertainties that could cause actual results and the development of events to differ materially from those suggested by the forward-looking statements. These statements are based on beliefs and assumptions of the Parent’s management which are, in turn, based on currently available information. Undue reliance should not be placed on any forward-looking statements which are based on current expectations. Further, forward-looking statements speak only as of the date on which they are made, and no member of the Group undertakes to update publicly any of them in light of new information or future events.



14 November 2011

To: the Lenders in our Facilities Agreement

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Dear Lenders,

I am writing to you today to set out our road-map towards long-term resolution of the capital structure for Yell. This involves:

- a slowing of the pace at which our covenants tighten
- a reduction in the size of the Revolving Credit Facility
- enhanced information to Private Lenders, including KPIs
- minor amendments to enable us to manage the internal structure of the business more efficiently
- payment of a 0.50% fee to Lenders who vote by the deadline on 30 November, and a further fee of 2% if Consolidated Net Debt : Consolidated EBITDA at 31 March 2013 exceeds 4.60x (as adjusted as described below)
- an intention to conduct one or more debt purchase processes for some of our debt.

Six months results

Last week we announced our preliminary results for the six months to 30 September 2011. The statement is available on www.yellgroup.com/investors.

Although directories revenues continued to decline, digital services revenue grew by 149% and is now running at an annualised rate of c. £140m, total digital customers grew by 11.1% to 940,000, and live customer websites increased from 124,000 to 355,000. We continue to take further costs out of the business. And, in those six months, we generated significant free cash flow (£157m) and reduced net debt to £2.6bn. This performance underscore our confidence in the future. Commenting on the results, Mike Pocock, Chief Executive Officer, said:

“We continue to make significant progress in transforming Yell from a provider of print and digital advertising to small and medium-sized enterprises (SMEs) to a leader in the emerging local eMarketplace. Since announcing our strategy in July, we have succeeded in cementing key strategic relationships in critical areas including eCommerce, mobile, social media and with Microsoft. Before the end of the year, we expect to begin to realise the potential of these partnerships through our expanded range of sophisticated digital solutions. We have made significant progress in improving the Group operating model with the consolidation of legacy platforms well underway, laying the foundations for the build out of a new platform for growth. As well as enabling us to improve customer experience, this will allow us to focus investment in key areas.”

Capital structure

The Board of Yell is committed both to returning the business to growth and to refinancing its debt at par by no later than the 2014 maturity date.

We have taken a hard and serious look at all of the options available to achieve these objectives, and have concluded that by far the best alternative is to transform the existing business, making it once again an attractive investment proposition. As part of this recovery process, we later intend to address our capital structure by raising the maximum possible amount of non-bank funding, enabling the

refinancing and eventual repayment of the outstanding bank debt in full over time, but in any event by the 2014 maturity date.

None of the alternative strategies available, for example running the existing business for cash or selling off part of the business, provide any real chance for Yell to be able to repay its debt at par. In each of these alternatives, given its dependence on print, the business remains in terminal decline with major adverse consequences both for cash generation and for the ability to raise new capital.

Furthermore, implementing the strategic transformation does not require any new external capital and it should not have a material adverse impact on the amount of free cash flow otherwise available for capital repayment. This is because most new cost is success based operating expenditure rather than up front risk capital.

We believe that the alternative options examined have no realistic chance of returning your capital at par. In contrast, we believe the option proposed by the Board not only has a strong chance of doing so, but in the meantime, if you support it, we believe your position will not be materially worsened.

Given the absence of attractive alternatives and need to move forward and execute our strategy, the Board believes that it is in the best interests of the Lenders that management are given every possible chance to deliver that transformation and the consequent refinancing opportunity.

Clearly that means having the right strategy and first rate execution. Many of the building blocks for that are already in place and material progress has already been made:

- The appointment of an experienced new team, including the CEO, CFO, COO and other senior management
- Development of a well thought-out new strategic plan which has the potential to deliver that transformation
- Real operational progress already against that plan, and many key partners already brought in to support the plan
- Clear action to reduce cost and streamline the business, as a result of which FY12 performance will be better than would otherwise be the case given the historical and ongoing decline in print revenues.

There is one further building block required to ensure that this strategy has the best chance of success. Since the Facilities Agreement was put in place in 2009, the overall economic environment has been much tougher, and the pace of technological change from print to new media has been much faster, than expected. Consequently, although the business remains very profitable and a breach of the Net Debt to EBITDA covenant is still not expected in the near term, the headroom is much less than was expected in 2009.

This limited covenant headroom will inevitably divert management attention from the delivery of the strategy, resulting in short-term decisions that prejudice delivery of that strategy and a depressed credit rating. As a consequence, it will be more difficult to raise new capital. These issues will have a significant impact on our ability to deliver the best possible strategic outcome in terms of both the strategy itself and the resulting new capital structure. We are, therefore, approaching you today with a request to amend our Net Debt to EBITDA covenant levels between 31 December 2011 and 2014. The proposed new Net Debt to EBITDA covenant levels, which are set out later in this document, will provide c. 20% headroom against the forecasts for the new strategy.

Even though we expect to meet our Net Debt to EBITDA covenant in the current financial year, we are nevertheless approaching you now because we wish to take a responsible, pro-active and forward-looking approach to our debt management, and to free-up management to concentrate on running the business. In addition, some Lenders have encouraged us to address this matter as early as possible. Further, since we wish to undertake a debt purchase process as soon as practicable (see

below), it is incumbent on us to put full details in front of Lenders, so you can take an informed decision about whether to offer to sell your debt.

We are also proposing that this amendment process is structured in all regards to be as cost-effective as possible, given that any incremental cost limits our ability to buy debt below par and makes the future prize of full capital recovery even harder to deliver.

Revolving credit facility

Given our forecast that the process of transforming Yell will be self-funded, we are able to reduce the amount of the Revolving Credit Facility, from its current level of c. £173m, to £30m.

Value enhancement

As we capitalise fully on the opportunities of the new strategy, Yell will increasingly operate on an international rather than a federated national basis. In order to ensure that the legal, organisational and tax structure of the group is best able to support that new strategy, we are seeking consent for some administrative amendments to the Facilities Agreement, including provision to improve our ability to re-organise and rationalise entities within the Group.

There is currently an opportunity for Yell to use surplus cash (which is not required either by the business or for funding our mandatory prepayment obligations) to purchase debt in the market at below par. For those Lenders who are seeking an exit at current market prices, this helpfully provides a ready buyer. For the remaining Lenders, Net Debt would be reduced by the amount of the post-tax discount achieved. It is our intention to undertake a programme of debt repurchase and cancellation transactions over the coming months, as permitted by the Facilities Agreement. It is clearly not in the interests of the Lenders for Yell to incur more tax than is necessary on the resulting gain, so we wish to have the ability to employ a tax-efficient settlement procedure for some of these transactions.

Debt purchase process

The Facilities Agreement limits the amount of cash that we can spend on repurchasing our debt; currently £108.4m is available, as further detailed in "Debt Purchase Offer" below. As described below, we are proposing an amendment to increase this by a further £51.1m, reflecting the cash on our balance sheet before the current Facilities Agreement was entered into.

We intend to conduct the first debt purchase process shortly after the closing of the voting on the amendments, and will announce the start of this process in due course.

Under the timetable to be followed for a debt purchase process, Lenders will have only two days from the start of the process in which to submit offers; we therefore urge Lenders who may want to participate to consider this matter at an early stage.

We may conduct subsequent debt purchase processes depending upon demand, pricing and any remaining funds available to us.

Information on the new strategy

We provided very extensive information on the new strategy on July 14 and followed this up on September 15 with a progress update, further detail and presentations of the new technologies that will be key to our success. Going forward, we are proposing to enhance our regular quarterly reporting by making key operational metrics available to Private Lenders.

In order to help our Private Lenders (being those who wish to receive non-public information relating to the Group) to take a more informed decision about these matters, we have today placed on Intralinks:

- certain additional financial information about the new strategy, prepared by Yell; and
- a Strategic Options Review, prepared by Deloitte LLP, which has been independently instructed by the co-ordinators (Deutsche Bank AG, London branch, HSBC Bank plc and The Royal Bank of Scotland plc).

Approval process

Our request for the amendments can be granted by Majority Lender consent (i.e. two-thirds by value). We will pay an 'instruction fee' of 50bp to those Lenders who vote by the deadline of 5.00 pm (London time) on 30 November, subject to the amendments being approved.

In addition, we have said that management intends to focus on driving down leverage and that this request to re-set our leverage covenant levels is primarily to ensure adequate headroom over existing levels. To highlight this point we shall pay a fee to the Facility Agent (for the account of the Lenders) in an amount equal to 2% of Commitments under the Facilities on 31 March 2013 (that being the end of our next full financial year) if, as at that date, our Net Debt : EBITDA ratio exceeds the current covenanted level of 4.60:1.

These amounts have been set having careful regard to the trade-off between the Lenders' immediate and longer term (capital repayment) interests.

Full details of the proposals are given later in this memorandum.

I hope that you welcome and are able to support these proposals, which will give management the time, opportunity and flexibility to focus fully on delivering the new strategy upon which a successful refinancing of the debt by 2014 depends.

I urge you to vote in favour of these amendments.

Yours sincerely,

Tony Bates

Chief Financial Officer

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Summary timetable (all London times in 2011)

Tuesday 8 November	7.00 am	Invitation for the presentations on 14 November posted on Intralinks	Preliminary announcement of our first-half results to 30 September, including a reference to this process with Lenders
Monday 14 November	7.00 am	This Memorandum and the additional information set out below posted on Intralinks. The Memorandum will also be posted on Yell's web-site.	
	2.30 pm	Presentation to Lenders, in three parts:	
		(1) presentation by Yell, for all Lenders	
		(2) presentation by Yell, for Private Lenders only	
		(3) presentation by Deloitte LLP, for Private Lenders only (Yell not present)	
		The Co-ordinators will be available for Q&A after the presentations.	
Wednesday 30 November	5.00 pm	Deadline for Lender responses on the proposed Amendments	
Thereafter		RNS announcement of results of vote, and advice of debt purchase period.	

Additional information

The following additional information is available on Intralinks:

for all Lenders:

- preliminary announcement of our first-half results to 30 September 2011
- invitation to the presentation on 14 November, with venue and dial-in details
- the presentation slides from Yell's strategy presentations on 14 July and 15 September 2011
- the Facilities Agreement, marked to reflect the proposed Amendments referred to below, and the form of Amendment and Restatement Agreement
- the Group structure chart
- the form of the letters to be used by Lenders in response to the proposed Amendments (the "**Voting Letter**") and in the debt purchase process (the "**Debt Offer Letter**"), both of which are also set out later in this Memorandum, and the form of the Acceptance Letter that will be used in respect of debt purchase offers that are accepted.

for Private Lenders only:

- a pack of financial information (the "**Financial Pack**"), containing updated financial forecasts as approved by the Board of Directors of Yell Group plc and reflecting the intended strategy, together with a summary of the other options that it has considered and rejected. Lenders wishing to access this private-side information will be required to accept certain terms and conditions in relation to, among other things, confidentiality and use of the information contained therein, as more fully set out on the Intralinks site. The Obligors' Agent (on behalf of the Parent) warrants that the financial projections and forecasts contained in the Financial Pack have been prepared as at their date, on the basis of recent historical information and on the basis of assumptions which are believed by the Parent to be fair and reasonable at the date on which such projections and financial forecasts were made. Any person relying on this warranty shall be deemed to acknowledge that such forecasts and projections are subject to uncertainties and contingencies, many of which are beyond the control of the Group, and that they may differ from actual results.
- a "**Strategic Options Review**" dated 14 November 2011 prepared by Deloitte LLP, which has been independently instructed by the Co-ordinators listed on the last page of this Memorandum.

Proposed amendments

Introduction

As mentioned above, we are seeking amendments to the Facilities Agreement to reset the Net Debt:EBITDA covenant (being the ratio of Consolidated Net Debt to Consolidated EBITDA, as those terms are defined in the Facilities Agreement, and such terms being referred to in this Memorandum as “Net Debt” and “EBITDA” respectively) and to improve our ability to re-organise and rationalise entities within the Group. The exact wording of the amendments (the “**Amendments**”) is set out in the red-lined Facilities Agreement on Intralinks. The wording of the Amendments has been reviewed by counsel to the Facility Agent, Clifford Chance. The Amendments can be approved by the Majority Lenders (i.e. two-thirds by value).

An explanation of the Amendments is set out below.

(1) Resetting the Net Debt : EBITDA covenant

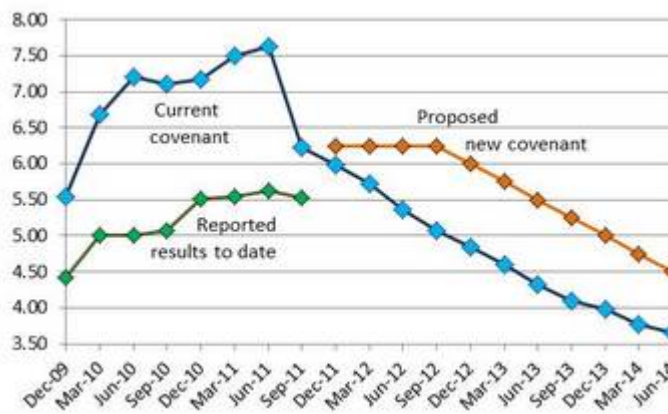
(a) Initial re-setting

When we presented our “Transforming Yell” strategy on 14 July 2011, we stated that “revenues, earnings and cash flow all return to growth by 2015”. Whilst a breach of the Net Debt to EBITDA covenant is not expected in the near term, the headroom is much less than was expected at the time of the 2009 refinancing, and we are therefore seeking to amend our Net Debt to EBITDA covenant levels.

The proposed revised covenant levels have been set to provide approximately 20% EBITDA headroom (on future quarters) whilst we transform the Group under the new strategy.

The graph below shows the current covenant levels, progress to date against these (including our most recent ratio, of 5.53x, as at 30 September 2011) and the proposed new levels. The table below shows the proposed new covenant levels against the existing covenant levels.

The interest cover covenant would remain unchanged.



Relevant Period	Net Debt : EBITDA	
	Current	Proposed
31 December 2011	5.99:1.00	6.25:1.00
31 March 2012	5.72:1.00	6.25:1.00
30 June 2012	5.37:1.00	6.25:1.00
30 September 2012	5.08:1.00	6.25:1.00
31 December 2012	4.85:1.00	6.00:1.00
31 March 2013	4.60:1.00	5.75:1.00
30 June 2013	4.32:1.00	5.50:1.00
30 September 2013	4.10:1.00	5.25:1.00
31 December 2013	3.98:1.00	5.00:1.00
31 March 2014	3.77:1.00	4.75:1.00
30 June 2014	3.66 :1.00	4.50:1.00

Private Lenders will be able to assess these covenants against the information in the Financial Pack and the Strategic Option Review.

(b) Future automatic re-settings upon debt purchases

As mentioned elsewhere in this Memorandum, Yell intends to conduct one or more debt purchase processes to repurchase Term Loans at prices below par. On completion of any such debt purchases, the Term Loans which are repurchased will be permanently extinguished in accordance with the terms of the Facilities Agreement. Accordingly, if undertaken, those exercises will reduce Net Debt so that, unless the Net Debt:EBITDA covenant levels are adjusted upon each purchase, headroom would increase. Therefore, in order to maintain a broadly constant headroom, we propose that, each quarter, the then applicable Net Debt:EBITDA covenant levels would be automatically adjusted to reflect the post-tax reduction in Net Debt arising as a result of any such debt purchases.

The adjustment will operate so as to reduce the ratios set out in the table above by 0.25x for each £100 million of the after-tax reduction in Net Debt, and *pro rata* for other amounts. This proposal is a reasonable approximation of the fact that a £100m reduction in Net Debt would represent around 3.8% of our current c. £2.6bn of Net Debt, and a 3.8% tightening of a c. 6x covenant is around 0.25x.

The reduction in Net Debt shall be calculated as the amount of Term Loans purchased, multiplied by the discount to par at which they were purchased, and further multiplied by 1 minus the standard rate of corporate income tax applicable to the relevant purchasing entity at such time. Should less tax be paid than is calculated – and it may take considerable time before this is known – headroom would be slightly higher, but this effect is expected to be marginal.

Worked example: if Spanish Finco repurchases £133.33 million of Term Loans at a price of 40% of par before 31 December 2011, with the standard rate of Spanish tax being 30%, the after-tax reduction in Net Debt would be $£133.33 \text{ million} \times (1 - 40\%) \times (1 - 30\%) = £56 \text{ million}$, so the remaining covenants would tighten by $56 \times 0.25 \div 100x = 0.14x$, and the ratios in the table about would be re-set to range from 6.11:1.00 to 4.36:1.00 over the period set out above.

To give effect to this, a new sub-clause 22.2(c) would be added to the Facilities Agreement as follows:

“In respect of each period starting on the day after a Quarter Date and ending on the next succeeding Quarter Date (a “**Financial Quarter**”) in which any Term Loans have been purchased pursuant to Clause 26 (*Debt Purchase Transactions*), the Parent shall supply to the Facility Agent, together with the Compliance Certificate relating to the Relevant Period ending on such next succeeding Quarter Date and supplied pursuant to Clause 21.2(a), a certificate, signed by two directors of the Parent, setting out:

- (i) details of all such Term Loan purchases made during such Financial Quarter showing, for each purchase: the purchaser; the par value of the amount of Term Loans repurchased, expressed in £ millions, using (if necessary) the same exchange rate as is used by the Group for the purpose of calculating Consolidated EBITDA in the applicable Relevant Period (“**F**”); the price paid, expressed as a percentage of the par value (“**P**”); and the standard rate of corporate income tax, expressed as a percentage, applicable to such purchaser at the time of such purchase (“**T**”); and
- (ii) a revision to the ratios set out in column 2 in the table in paragraph (b) above (as such column may have been revised by any previous application of this sub-clause) in respect of such Relevant Period and all subsequent Relevant Periods. Such revision shall be performed by subtracting from the numerator of each ratio an amount equal to $F \times (1-P) \times (1-T) \times 0.0025$ as calculated in respect of all such purchases.”

(2) Leverage reduction target

Although we are seeking additional covenant headroom, we wish to signal to Lenders that it is management’s intention to focus on leverage, to keep leverage as low as possible, and to reduce leverage over time. We also wish to emphasise that our request to re-set the levels is driven by a desire to restore headroom, rather than a belief that we will breach the existing levels.

To highlight this, we shall pay Lenders a 2% fee if our leverage at the end of our next complete Financial Year exceeds 4.60x, that being the existing covenant for that date. To give effect to this, we propose a new Clause 13.5, as follows:

“13.5 Leverage Reduction Fee

The Parent shall, on or before 30 June 2013, pay to the Facility Agent (for the account of each Lender which is a Lender as at 31 March 2013) a fee (the “**Leverage Reduction Fee**”) in an amount equal to 2.00 per cent. of each such Lender’s Commitments on 31 March 2013 if the Leverage Ratio (as defined in paragraph (b) of Clause 22.2 (*Financial Condition*)) in respect of the Relevant Period ending on 31 March 2013 exceeds the ratio of 4.60:1.00 (as adjusted by the calculation set out in paragraph (c)(ii) of Clause 22.2 (*Financial Condition*)).”

We also propose amendments to certain definitions, as set out in the red-lined Facilities Agreement, to provide that the Leverage Reduction Fee, if paid, would be excluded from the Net Cash Interest Cover and the Leverage Ratio covenant calculations, and that the Instruction Fee referred to on page 13 below will be excluded from the Net Cash Interest Cover covenant (the Instruction Fee was taken into account when resetting the new covenant levels for the Leverage Ratio).

(3) Reduction in size of Revolving Facility

Given that we forecast that the process of transforming Yell over the new few years will be self-funded, we are able to reduce the amount available under the Revolving Facility.

The amount available for drawing under the Revolving Facility is currently £172,603,350 (excluding the £4,500,000 commitment of Landsbanki Islands Hf, London Branch, a Defaulting Lender, as further discussed below). We are proposing to reduce this to £30,000,000. This would be a constant amount until the Termination Date on 30 April 2014, and the current obligation to reduce the Revolving Facility on 30 June 2012 and 30 June 2013, in each case of 5% by reference to the 2009 levels, would be removed by the amendment of Clause 9.10.

The reduction will be made *pro rata* between all the Lenders with Revolving Facility Commitments, following the removal of Landsbanki.

(4) Amendment to enable additional debt purchase transactions

The Facilities Agreement allows Yell to purchase its Term Loans below par, using Excess Cashflow which is not required to be applied in prepayment (“**Retained Cash**”). The amount of Retained Cash is currently £108,400,000, being the sum of £94,300,000 retained in respect of the year ended 31 March 2010 and £14,100,000 retained in respect of the year ended 31 March 2011. This Retained Cash amount has been certified by Yell to the Facility Agent.

In addition to the above, at 31 March 2009 (the end of the financial year end immediately preceding the entry into the Facilities Agreement in November 2009) Yell had cash balances of £51.1 million on its balance sheet. That amount had been generated in prior financial years, and so is neither Excess Cashflow nor Retained Cash; it is therefore not required to be applied in prepayment and is currently unable to be applied towards debt purchases. Our forecasts indicate that this £51.1 million cash balance will not be needed to finance our new strategy.

A number of Lenders have requested us to maximise our debt purchases, so we are proposing an amendment to the Facilities Agreement to enable this amount to be applied towards debt purchases, by introducing a definition as follows:

““**Historic Cashflow**” means £51,100,000, as detailed in the Parent’s financial statements dated 31 March 2009.”

and by amending Clause 26.1(b) as follows:

“A Borrower may purchase [...] a participation in any Term Loan [...] where:

- (iv) the consideration for such purchase is certified by the Obligors' Agent as being funded from: (1) that part of Excess Cashflow which is not required to be applied in prepayment of the Facilities pursuant to the other terms of this Agreement; ~~or~~ (2) New Equity; or (3) Historic Cashflow, the use of which will not reduce Excess Cashflow.”

(5) Amendment to enhance information to Private Lenders

Clause 21.1 of the Facilities Agreement requires us to provide the Facility Agent with regular financial statements, including our quarterly unaudited consolidated financial statements as prepared for management purposes.

In future, we are proposing to enhance the information that we make available. The additional information will be commercially sensitive, and so may only be accessed by Private Lenders. Accordingly, we are proposing to add a new Clause 21.1(b) and a new definition as follows:

“The Parent shall, together with each Annual Financial Statement, Six-Monthly Financial Statement and Quarterly Financial Statement referred to above, make available to the Private Lenders the financial information, key performance indicators and milestone information as set out in Appendix 2 to the Strategic Options Review.”

““**Private Lender**” means a Lender which has declared itself to be “Private Side” on Intralinks, thereby enabling it to obtain, amongst other things, certain material non-public information about the Group via Intralinks.”

(6) Amendments to improve ability to re-organise and rationalise

To date, Yell’s internal management and trading structure has to a large extent operated on a country-by-country ‘silo’ basis. In the future, as Yell capitalises fully on the opportunities of the new strategy, it will increasingly operate on an international rather than federated national basis. To drive the strategy and improve efficiencies,

we need to establish central services and shared functions across geographies, and transact more efficiently between individual group companies. We also need to optimise our tax structure. The current Facilities Agreement contains restrictions that inhibit us from doing this efficiently, with the consequence that more tax may be paid and so less cash may be available to Lenders. We are therefore seeking the following amendments to enhance flexibility; we regard these amendments as minor and administrative in nature.

(a) *Winding-up dormant companies*

Under the Facilities Agreement, if a subsidiary becomes dormant part-way through a financial year, we cannot wind it up immediately, but, as a consequence of the manner in which such a subsidiary is defined as being a “Dormant Company”, we must instead wait for the end of the financial year before doing so. This is an unnecessary delay, and we are seeking the ability to wind-up subsidiaries immediately they become dormant, by amending the definition of “Dormant Company” as shown in mark-up below. We are also clarifying that the reference to “assets” is to gross rather than net assets:

“Dormant Company” means a member of the Group which ~~during the most recently ended Financial Year was~~ is dormant within the meaning of Section 1169 of the Companies Act 2006 (which, for the purposes of this definition, shall be deemed to apply to any Subsidiary of the Parent wherever incorporated) and does not have gross assets with an aggregate value greater than £100,000 (or its equivalent in other currencies).

(b) *Acquisitions and disposals*

Currently, shares in Group companies cannot be disposed of to Obligors without using our Permitted Disposals basket (which allows disposals whose aggregate value does not exceed 10% of the Group’s gross consolidated assets). It is also unclear as to whether Yell can incorporate new Group companies, or that a member of the Group can subscribe for shares in a Group company or a company that becomes a Group company.

We are seeking amendments to address these issues by allowing us to transfer shares between Group companies (without using the basket) and to clarify that Group companies can subscribe for shares in other Group companies (or companies that become Group companies).

This would be achieved by adding the following to the definition of “Permitted Acquisition”:

“Permitted Acquisition” means (1) the subscription by any member of the Group (other than the Bond Issuer) (each such member of the Group being a “Subscriber”) for shares or securities issued by another member of the Group (other than the Parent) or a newly-incorporated company which is, or (in the case of a newly-incorporated company) will become, a wholly-owned Subsidiary of the Parent (the “Issuer”) (provided that, if the existing shares or securities of the Issuer are the subject of the Transaction Security, all of the shares or securities issued to each Subscriber pursuant to such subscription shall, on the date on which such shares or securities are issued, become subject to the Transaction Security on the same terms); or (2) [...]

and by amending part (d) of the definition of “Permitted Disposal” as follows:

“Permitted Disposal” means [...] (d) any sale, lease, licence, transfer or other disposal of any assets (other than shares in any member of the Group) by a member of the Group (the “Disposing Company”) to another member of the Group (the “Acquiring Company”), but if:

- (i) the Disposing Company is an Obligor, the Acquiring Company must also be an Obligor;
- (ii) the Disposing Company had given Transaction Security over the asset, the Acquiring Company must give equivalent Transaction Security over that asset; and
- (iii) the Disposing Company is a Guarantor, the Acquiring Company must be a Guarantor guaranteeing at all times an amount no less than that guaranteed by the Disposing Company;

(c) *Clarification of year end covenant*

The financial covenants are measured on a consolidated basis each quarter, with interest and EBITDA calculated on a last-twelve-months basis for all members of the Group and consolidated on the same basis. The Group produces consolidated audited accounts by reference to the Parent's year end (31 March), which are used to measure compliance with the financial covenants (as well as the quarterly and six monthly unaudited consolidated financial statements). As is usual, the Facilities Agreement contains an undertaking to ensure that the financial year end of the Parent is not changed from 31 March without the consent of the Facility Agent. This is to ensure that consolidated reporting and the measurement of the financial covenants is carried out on a regular and consistent basis.

For various reasons, including the mandatory requirements of applicable law, individual subsidiary companies within the Group may have locally-determined annual or other financial period ends which differ from that of the Parent. This makes no difference to the calculation of consolidated interest and EBITDA on a last-twelve-months basis as required by the Facilities Agreement. The financial covenants have been, and will continue to be, tested by reference to the consolidated position, which is produced using the same, consistent and aligned 12-month period for each company in the Group.

We are seeking amendments to make it clearer that individual subsidiary companies may have different financial period ends to that of the Parent, as long as the consolidated accounts (used for covenant testing) are produced by reference to the same co-terminous 12 month period for each company in the Group. However, the circumstances in which a subsidiary company can have a different year end to that of the Parent will be limited to either (i) where required in order to comply with applicable law, or (ii) where having a different year end results or would result in a demonstrable improvement in the tax position of the subsidiary or a member of the Group; and there will be an additional information covenant relating to different year ends.

The changes are:

“**Financial Year**” means:

- (a) subject to paragraph (b) below, each period ending on 31 March (or such other date agreed by the Parent and the Facility Agent pursuant to paragraph (a) of Clause 21.5 (Year-end)) in respect of which audited consolidated financial statements of the Group are required to be prepared; and
- (b) in respect of a Subsidiary of the Parent, for the purposes of Clauses 21.1 (Financial statements) and 21.5 (Year-end) only, the period (whether of twelve months’ duration or otherwise) ending on the date in respect of which its audited financial statements or unaudited management accounts are prepared.

21.5 Year-end

- (a) No alteration may be made to the Financial Year end of the Parent unless the Parent and the Facility Agent shall have agreed such changes to the financial covenants and such other provisions contained in this Agreement as will fairly reflect such alteration; and
- (b) the Parent shall procure that the Financial Year end of each of its Subsidiaries shall be the same as its own, except in the case of any of its Subsidiaries which has a different Financial Year end:
 - (i) for the purpose of complying with applicable law in its jurisdiction of incorporation; or
 - (ii) in circumstances where having a different Financial Year end results in (or has resulted in or would result in) a demonstrable improvement in the Tax position of such Subsidiary (or another member of the Group) in the opinion of the Parent (acting reasonably).

provided that, in each case:

- (A) the Parent shall provide such further information in relation to the matters set out in (i) or (ii) above as any Finance Party (through the Facility Agent) may reasonably request, subject to any legal or regulatory restriction applicable to any such Subsidiary; and
- (B) for the avoidance of doubt, in addition to preparing audited or unaudited financial statements for its Financial Year, each such Subsidiary shall also prepare audited financial statements or unaudited management accounts for a period which is coterminous with the relevant Financial Year of the Parent, as required for the purpose of the preparation of the audited consolidated financial statements of the Group.

(7) Amendments to the debt process settlement timetable

The timetable for a debt purchase “Solicitation Process” is set out in Clause 26.1(c) of the the Facilities Agreement. After discussion with the Facility Agent and the Purchase Agent, we have concluded that it is exceptionally tight (particularly given the number of Lenders in the syndicate) and that, for administrative and logistical reasons, it would be appropriate to extend it slightly. The proposed amendments are set out in italics in the summary timetable on page 14 of this Memorandum and will be incorporated in the amended Facilities Agreement (if approved by the Majority Lenders).

Additional item for noting

The following item does not form part of the Amendments to be voted upon by Lenders, but is included for information only.

Landsbanki Islands Hf, London Branch is a Defaulting Lender which has an Available Commitment of £4,500,000 under the Revolving Facility. We intend today to give notice to the Facility Agent under Clause 9.6 (Right of cancellation in relation to a Defaulting Lender) to cancel its Available Commitment. This is a purely administrative exercise.

Voting procedure and Instruction Fee

Voting for Amendments

Each Lender is hereby requested to consent to the Amendments. A Lender that wishes to vote in response to the request for consent to the Amendments should submit to the Facility Agent a Voting Letter in the form set out at the end of this Memorandum by no later than 5.00 pm (London time) on Wednesday 30 November 2011.

Once validly submitted in accordance with the terms of this Memorandum, a response to the request for consent in a Voting Letter cannot be amended, revised or revoked.

Instruction Fee

If the Amendments are approved by the Majority Lenders, an Instruction Fee will be paid to every Lender whose Voting Letter was received by the Facility Agent before 5.00 pm (London time) on Wednesday 30 November 2011. The Instruction Fee shall be 0.50% of such Lender's participations in the Loans at the time it voted.

If a Lender which has voted in favour of the Amendments in a Voting Letter transfers any participations in a Loan, the transferee of such participation will be bound by such Lender's vote in favour of the Amendments as contemplated by clause 25.2(e) of the Facilities Agreement.

Effectiveness

If the Majority Lenders vote in favour of the request for consent to the Amendments, the Amendments will become effective once the amendment and restatement agreement in the form set out on Intralinks has been executed by each of the parties thereto and the Facility Agent has confirmed that the conditions precedent set out in such agreement have been satisfied in accordance with the terms of such agreement.

Restriction on transfers and assignments

No proposed transfers or assignments will be processed by the Facility Agent during either the period for voting on the request for consent to the Amendments or the period for any debt purchase process. If these two periods are not consecutive, the Facility Agent will use reasonable endeavours to process any pending requests, depending on the length of time between the two periods and the volume of pending requests in the interim period.

Debt purchase offer

Intention to make debt purchase offers

Clause 26 of the Facilities Agreement permits Yell to purchase its debt; determines the amount of cash it may use to do so; and sets out the procedure that must be followed.

It is our intention to conduct a debt purchase process shortly after the voting closes on the Amendments. This may or may not be followed by subsequent debt purchase processes. All purchased debt will be extinguished in accordance with the Facilities Agreement.

Amount

The Facilities Agreement allows Yell to purchase its Term Loans below par, using Excess Cashflow which is not required to be applied in prepayment (“**Retained Cash**”). The amount of Retained Cash is currently £108,400,000, being the sum of £94,300,000 retained in respect of the year ended 31 March 2010 and £14,100,000 retained in respect of the year ended 31 March 2011. This Retained Cash amount has been certified by Yell to the Facility Agent.

If the Amendments are approved, an additional £51,100,000 would become available for debt purchases.

The cash that Yell will apply towards debt purchases is not required for implementation of the “Transforming Yell” strategy.

Procedure

Clause 26 of the Facilities Agreement requires that debt purchases are made by the relevant borrower of each Term Loan. In the initial debt purchase process, only UK Finco and Spanish Finco will be seeking offers (because it is tax-inefficient for US Finco to do so), and we anticipate that they will both do so, for all of their Term Loans, as follows:

- UK Finco : Facilities A1 (£), A2 (£), A3 (\$) and A5 (£)
- Spanish Finco : Facilities A4 (€) and B2 (€)

The initial debt purchase will be by way of a Solicitation Process, as defined in the Facilities Agreement. In summary, Lenders must indicate the price at which they are willing to sell their debt, and Yell will be free to select which offers, and in which amounts, it accepts. For each particular Term Facility: (a) if Yell accepts any offers, it must do so in inverse order of price (with the lowest price offers accepted first); and (b) if it receives two or more offers at the same price, it must accept such offers on a *pro rata* basis.

The timetable set out in the Facilities Agreement, as proposed to be amended as described in “Proposed amendments” above, is (all times are London time):

- T: Lenders will be approached by notice on Intralinks, and the debt purchase offer period opens prior to 11.00 am on the “**Solicitation Day**”
- T+2: the offer period closes at 11.00 am on the second Business Day after the Solicitation Day (the “**Offer Deadline**”)
- T+3: if Yell wishes to accept any offers, it must do so by 11.00 am on the third Business Day after the Solicitation Day (the “**Acceptance Deadline**”) by communicating its acceptance to the Purchase Agent
- T+4: if Yell has accepted any offers, the Purchase Agent must communicate to the relevant Lenders which offers have been accepted by 6.00 pm on the fourth Business Day after the Solicitation Day (*note: the Facilities Agreement provides for this to be by 12.00 noon on the third Business Day after the Solicitation Day but, for administrative and logistical reasons, it is proposed to amend this timescale*)
- T+5: by 11.00 am on the fifth Business Day after the Solicitation Day, Yell must inform the Facility Agent (and the Facility Agent will notify any Lender who requests such information) how much of each Term Loan it has purchased, and the average price paid (*note: the Facilities Agreement provides for this to be by 11.00 am on the fourth Business Day after the Solicitation Day but, for administrative and logistical reasons, it is proposed to amend this timescale*)
- T+7: the “**Settlement Day**” is the seventh Business Day after the Solicitation Day (*note: the Facilities Agreement provides for this to be on the fifth Business Day after the Solicitation Day but, for administrative and logistical reasons, it is proposed to amend this timescale*).

We may proceed with the debt purchase process irrespective of whether the Amendments are approved. If we proceed, our current intention is to announce the Solicitation Day shortly after voting has closed on the Amendments, both on RNS and on Intralinks.

Debt purchase offer

At 11.00 am on the Solicitation Day, the Purchase Agent, on behalf of the Obligor's Agent, will be deemed to have:

- (a) (on behalf of UK Finco) invited the UK Lenders to offer to sell all or part of their UK Participations to UK Finco (the "**UK Finco Invitation**"); and
- (b) (on behalf of Spanish Finco) invited the Spanish Lenders to offer to sell all or part of their Spanish Participations to Spanish Finco (the "**Spanish Finco Invitation**"),

(the "**Invitation**"), in each case subject to and in accordance with the provisions of this Memorandum, where "**UK Lenders**" means the Lenders of the sterling and dollar denominated loans borrowed by UK Finco under Facilities A1, A2, A3 and A5 ("**UK Participations**"); "**Spanish Lenders**" means holders of the euro denominated loans borrowed by Spanish Finco under Facilities A4 and B2 ("**Spanish Participations**"); "**Eligible Lenders**" means UK Lenders and Spanish Lenders; "**Participations**" means UK Participations and Spanish Participations; and the "**Purchasers**" means UK Finco and Spanish Finco.

Participation in the debt purchase offer

An Eligible Lender that wishes to make an offer to sell any of its Participations (each a "**Debt Sale Offer**") in accordance with the terms of this Memorandum shall execute a duly completed **Debt Offer Letter** (in the form below) and return it to the Obligors' Agent and the Purchase Agent by the Offer Deadline. On submission of such Debt Offer Letter, such Eligible Lender shall become an "**Offer Lender**". An Eligible Lender may submit more than one Debt Offer Letter on the same or another date, provided that any such Debt Offer Letter is received by the Obligors' Agent and the Purchase Agent by the Offer Deadline

The time until which each Debt Sale Offer remains irrevocable (in accordance with the procedure set out in Clause 26.1(c)(ii) of the Facilities Agreement) shall be the Acceptance Deadline. Communication to Eligible Lenders whose Debt Sale Offers have been accepted ("**Accepted Lenders**") shall be made in an Acceptance Letter, the form of which is available on Intralinks, in accordance with the procedure set out in Clause 26.1(c)(ii) of the Facilities Agreement.

Following submission of a Debt Offer Letter, if an Offer Lender wishes to transfer any Participations which are the subject matter of the Debt Sale Offer, it will only be permitted to do so if such transfer is subject to such Debt Sale Offer and, therefore, the transferee of such Participations agrees to be bound by such Debt Sale Offer of that Offer Lender for the purposes of that Debt Sale Offer (such transferee then being deemed to be an Offer Lender).

No Debt Sale Offer made in accordance with the terms of this Memorandum may be revised, amended or revoked.

Notwithstanding any other term of this Memorandum, subject to the provisions of the Facilities Agreement, the Obligors' Agent may revise, amend or revoke the terms of the Invitation at any time up to but excluding the Solicitation Day.

Consideration

The purchase of Participations offered in accepted Debt Sale Offers will be completed and settled by 5.00 pm (London time) on the Settlement Day.

Spanish Finco: Spanish Finco will pay consideration for all purchases of Spanish Participations in cash.

UK Finco: UK Finco will pay consideration for all purchases of UK Participations in cash or, if the Amendments are approved, UK Finco will have the ability to employ the settlement procedure set out below, and it will be announced at the time we give notice of any Solicitation Day whether we are doing so. (The US tax position is such that the structure would not make purchases by US Finco tax-efficient).

Under this procedure, on the Settlement Day, UK Finco will agree to issue preference shares (the "**Preference Shares**") to Accepted Lenders of UK Participations (or such person as they direct) in exchange for the release of the UK Participation and, before close of business that day, those Accepted Lenders will agree to direct UK Finco to issue the Preference Shares to Yellow Pages Limited in exchange for cash.

On the Settlement Day and prior to completion of the steps referred to below, Yellow Pages Limited shall make an advance payment of the Consideration (as defined below) to the Accepted Lender (via the Purchase Agent)

(the “**Advance Payment**”) being the amount payable to the Accepted Lender as consideration for the instruction given by the Accepted Lender to UK Finco in the relevant Debt Offer Letter to allot and issue the relevant Preference Shares to Yellow Pages Limited. The “**Consideration**” shall be an amount equal to the price at which the Accepted Lender has offered to sell its UK Accepted Participation pursuant to a Debt Sale Offer which has been accepted. Subject to the Advance Payment being made, the following steps will then occur on the Settlement Day:

Stage 1 – release of UK Participation in exchange for the issue of Preference Shares

- (a) The Accepted Lender’s UK Participation to be sold to UK Finco (the “**Accepted UK Participation**”) will be assigned to UK Finco pursuant to an Acceptance Letter which shall, in accordance with the terms of the Acceptance Letter and the Facilities Agreement, satisfy the requirement for an Assignment Agreement.
- (b) The effect of that assignment shall be to extinguish in full the Accepted UK Participation, upon which UK Finco shall be released in full from its obligation to repay the Accepted UK Participation.
- (c) In consideration for the assignment, extinguishment and release of the Accepted UK Participation, UK Finco agrees that it shall allot and issue fully paid-up Sterling Preference Shares and or Dollar Preference Shares (as set out below) to either the Accepted Lender or to such person as the Accepted Lender shall direct.
- (d) In respect of an Accepted UK Participation denominated in sterling, Sterling Preference Shares shall be allotted and issued on the basis of one Sterling Preference Share for each pound of Accepted UK Participation. The Sterling Preference Shares shall have a nominal value of one penny per share. Accordingly, the aggregate nominal value of Sterling Preference Shares to be allotted and issued to the Accepted Lender or such person as the Accepted Lender shall direct shall be one hundredth of the principal amount of such Accepted UK Participation rounded down to the nearest pound.
- (e) In respect of an Accepted UK Participation denominated in dollars, Dollar Preference Shares shall be allotted and issued on the basis of one Dollar Preference Share for each dollar of Accepted UK Participation. The Dollar Preference Shares shall have a nominal value of US\$0.01 per share. Accordingly, the aggregate nominal value of the Dollar Preference Shares to be allotted and issued to the Accepted Lender or such person as it shall direct shall be one hundredth of the principal amount of such Accepted UK Participation rounded down to the nearest dollar.
- (f) Subject to the Companies Act 2006, the Preference Shares shall be issued on terms such that they are redeemable by UK Finco on 31 October 2014. The amount payable on redemption of the Sterling Preference Shares shall be £1.7423 per share. The amount payable on redemption of the Dollar Preference Shares shall be US\$1.7757 per share. The Preference Shares shall be entitled to a preferential cumulative dividend accruing on 30 June and 31 December each year. The dividend payable on the Sterling Preference Shares shall be at the rate of 6 month sterling LIBOR plus a margin of 3.5 per cent. and shall be calculated on the nominal value of the Sterling Preference Shares multiplied by 100. The dividend payable on the Dollar Preference Shares shall be at the rate of 6 month US\$ LIBOR plus a margin of 3.5 per cent. and shall be calculated on the nominal value of the Dollar Preference Shares multiplied by 100. The dividend shall not be paid prior to the redemption date of such Preference Shares and all accrued unpaid dividends shall be paid on redemption of the relevant shares. Payment of any dividend shall be subject to compliance with the relevant requirements of the Companies Act 2006.

Stage 2 – payment of Consideration and issue of Preference Shares

- (g) Following completion of the steps referred to above, as contemplated by paragraph (c) above, UK Finco shall comply with each relevant Accepted Lender’s instruction in the relevant Debt Offer Letter to allot and issue to Yellow Pages Limited the Preference Shares to which such Accepted Lender is entitled in consideration for the payment in cash of the Consideration by Yellow Pages Limited to such Accepted Lender on the Settlement Date.
- (h) Subject to the receipt by the relevant Accepted Lender of the Consideration in cash (such consideration to be deemed to be satisfied by receipt by the Accepted Lender of the Advance Payment), UK Finco shall allot and issue to Yellow Pages Limited, the Preference Shares referred to in paragraph (c) above, those shares being paid up in full on issue by the release of UK Finco from its obligation to repay an amount equal to the Accepted UK Participation to the relevant Accepted Lender pursuant to the steps referred to above.
- (i) Yellow Pages Limited shall pay the Consideration to the Accepted Lender (via the Purchase Agent) in cash. This obligation shall be deemed satisfied by the receipt by the Accepted Lender of the Advance Payment.
- (j) Shares in UK Finco issued to Yellow Pages Limited in accordance with these steps will be subject to the

existing share charge over UK Finco shares currently granted in favour of the Lenders.

Note that the taxation of the gain realised on any purchase by Spanish Finco or UK Finco of Participations (whether or not the settlement structure described above is employed) is not certain, but that this is a risk borne by the Yell group and not by any of the Lenders.

Further terms

The sale by an Accepted Lender, and purchase by a Purchaser, of a Participation shall be subject to the following terms:

- (a) a Debt Offer Letter may be executed in any number of counterparts and this has the same effect as if the signatures on the counterparts were on a single copy of that Debt Offer Letter;
- (b) delivery of a Debt Offer Letter by email or fax to the Purchase Agent shall constitute a valid offer. The Accepted Lender will send an original Debt Offer Letter to the Purchase Agent for reference purposes by courier or post promptly (and, in any event, within three Business Days) after the date on which it delivers an email or facsimile copy of the Debt Offer Letter to the Purchase Agent and Obligors' Agent; and
- (c) other than the Purchaser and Yellow Pages Limited in respect of a Debt Sale Offer in a Debt Offer Letter, a person that is not party to a Debt Offer Letter has no rights under the Contracts (Rights of Third Parties) Act 1999 to enforce or enjoy the benefit of the terms contained in that Debt Offer Letter or Acceptance Letter.

By executing a Debt Offer Letter and delivering it to the Purchase Agent, an Offer Lender (a) will irrevocably instruct and authorise the Purchase Agent as its agent to execute on its behalf such documents (including, but not limited to, each Acceptance Letter) as may be necessary to effect completion of the assignment of the accepted Participations and to take all administrative and mechanical steps reasonably necessary or desirable to complete, execute and deliver the documentation required to give effect to such transaction; and (b) shall agree that completion by the Purchase Agent of an Acceptance Letter relating to its Debt Offer Letter and receipt by the Offer Lender of the Consideration shall have the effect of assigning absolutely the Participations listed in that Acceptance Letter to the relevant Purchaser.

By countersigning an Acceptance Letter, Yell Limited (in its capacity as Obligors' Agent) and the Facility Agent will confirm that such Acceptance Notice constitutes an Assignment Agreement for the purposes of the Facilities Agreement.

Neither the Borrowers nor any Purchaser will be liable for any Break Costs in respect of any Participation purchased by a Purchaser pursuant to a Debt Sale Offer.

By submitting a Debt Sale Offer in a Debt Offer Letter, each Eligible Lender will represent and warrant to the Purchasers that as at the date of its Debt Offer Letter and on the Settlement Day:

- (a) it owns beneficially all the Participations specified in that Debt Offer Letter free from any rights of set-off in favour of an Obligor or any lien, security interest or other encumbrance, any purchase or option agreement or arrangement, or any agreement to create or effect any of the same, and is duly authorised and empowered to sell the Participations specified in the Debt Offer Letter;
- (b) it agrees to be bound by the provisions of the Memorandum (as amended and/or supplemented prior to the Solicitation Day) and it acknowledges that any acceptance of a Debt Sale Offer will be in accordance with, and on the terms set out in, the Memorandum;
- (c) subject to the other provisions of this Memorandum, it confirms that its Debt Sale Offer is irrevocable on and from the Offer Deadline until the Acceptance Deadline; and
- (d) it has sufficient knowledge and experience in financial, business and legal matters and expertise in assessing credit, market and all other relevant risk and is capable of evaluating, and has evaluated, independently the merits, risks and suitability of submitting a Debt Sale Offer.

The Invitation will expire at the Offer Deadline unless earlier terminated by or on behalf of the Purchasers in accordance with the terms set of this Memorandum.

The Invitation will lapse insofar as it relates to Eligible Lenders which have not provided a Debt Sale Offer in a Debt Offer Letter by the Offer Deadline.

Form of Voting Letter

From: [Name of Lender]
 To: Yell Limited (as Obligors' Agent) and HSBC Bank plc (as Facility Agent)
 via PDF to: yell.agency@hsbc.com
 via fax to: +44 (0) 20 7992 4347 (Attention Jerry Causton)
 Date: [] November 2011

Dear Sirs,

We refer to the Facilities Agreement, originally dated 30 November 2009 between, amongst others, Yell Group plc, the Lenders as defined therein and HSBC Bank plc as Facility Agent (as amended from time to time) and the Memorandum dated 14 November 2011 from, among others, Yell Limited requesting consents and inviting Eligible Lenders to participate in a loan purchase process (the "**Memorandum**"). Capitalised terms used in this letter and not otherwise defined herein shall have the meaning given to them in the Memorandum.

This is a Voting Letter. We agree to comply with, and be bound by, the provisions of the Memorandum.

	Tick one box only
We hereby consent to the Amendments	
We do not consent to the Amendments	

We hereby irrevocably instruct and authorise HSBC Bank plc, as Facility Agent (acting in its capacity as such under the Facilities Agreement) to (i) execute the amendment and restatement agreement to the Facilities Agreement on behalf of the Finance Parties for the purpose of giving effect to the Amendments to the Facilities Agreement referred to in the Memorandum; and (ii) to execute and deliver on our behalf such documents as may be necessary to effect the Amendments, and any other document considered reasonably necessary or desirable in relation to the same. For the avoidance of doubt, no document so executed and/or delivered, or steps taken on our behalf pursuant to this Voting Letter, shall be effective unless the Facility Agent has confirmed that Majority Lender consent has been obtained in respect of the Amendments.

The relevant contact person(s) of the Lender in respect of this Voting Letter are as follows:

Name: []
 Email: []
 Tel. No.: []
 Fax No.: []

Yours faithfully,

.....
 for and on behalf of [*insert name Lender*]
 Name and title:

Form of Debt Offer Letter

From: [Name of Lender]
 To: Yell Limited (as Obligors' Agent) and HSBC Bank plc (as Purchase Agent)
 via PDF to: yell.agency@hsbc.com
 via fax to: +44 (0) 20 7992 4347 (attention Jerry Causton)
 Date: [] November 2011

Dear Sirs,

We refer to the Facilities Agreement, originally dated 30 November 2009 between, amongst others, Yell Group plc, the Lenders as defined therein and HSBC Bank plc as Facility Agent (as amended from time to time) and the Memorandum dated 14 November 2011 from, among others, Yell Limited requesting consents and inviting Eligible Lenders to participate in a loan purchase process (the "**Memorandum**"). Capitalised terms used in this letter and not otherwise defined herein shall have the meaning given to them in the Memorandum.

This is a Debt Offer Letter. We agree to comply with and be bound by the provisions of the Memorandum.

We hereby make an offer to the Obligors' Agent to sell Participations to the Purchaser(s) as set out below subject to the terms set out in Memorandum.

Facility	Nominal amount offered	Offer Price
Facility A1	£[]	[] pence per £
Facility A2	£[]	[] pence per £
Facility A3	\$([])	[] cents per \$
Facility A4	€ []	[] cents per €
Facility A5	£[]	[] pence per £
Facility B2	€[]	[] cents per €

At completion of the purchase of our Accepted UK Participations on the Settlement Day, we hereby instruct UK Finco to allot and issue the relevant Preference Shares to Yellow Pages Limited in consideration of the payment in cash by Yellow Pages Limited of the Consideration.

The relevant contact person(s) of the Lender in respect of this Debt Offer Letter are as follows:

Name: []
 Email: []
 Tel. No.: []
 Fax No.: []

Yours faithfully,

.....
 for and on behalf of [*insert name Lender*]
 Name and title:

Parent

Yell Group plc
One Reading Central
Forbury Road
Reading RG1 3YL
Telephone: +44 118 358 2146
Email: david.scriven@yellglobal.com
Attention: David Scriven, Group Treasurer

Facility Agent

HSBC Bank plc
8 Canada Square
London E14 4HQ
Telephone: +44 207 991 6224
Fax: +44 207 992 4347
Email: yell.agency@hsbc.com
Attention: Jerry Causton

Co-ordinators

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Attention: Nick Jansa / Divya Narayan / Mark Dixon

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Attention: Ian McMillan / Jodie Walden / Maew Osataphan

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Fax: 020 7672 0324
Email: Bob.Hedger@rbs.com / Martin.Vesey@rbs.com / Oliver.Goddard@rbs.com
Attention: Bob Hedger / Oliver Goddard / Martin Vesey