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Yell Group plc ("Yell")

Microsoft and Yell announce plans for a broad strategic alliance to offer SMBs innovative digital solutions

Reading, UK & Redmond, Wash. – July 11, 2011 Today, Microsoft Corp. and Yell Group announced plans to form a broad, global strategic alliance, taking advantage of their complementary strengths and expertise in the delivery of innovative online advertising and business solutions to assist small and medium sized businesses (SMBs) reach and engage consumers.

Yell currently provides print and digital marketing services to over 1.3 million customers across the United States, United Kingdom, Spain and Latin America. Capitalizing on the Yahoo! and Microsoft Search Alliance and the growing consumer audience of Bing and Yahoo! Search, Microsoft and Yell will join forces to offer compelling search, mobile and local advertising solutions to small and medium businesses and to make the most of emerging business models delivered through the cloud. Under the plans, Yell will also offer the full suite of Microsoft's SMB productivity and business software and cloud services, including Microsoft Office 365, Microsoft Dynamics CRM and emerging SMB-focused communications solutions. In addition, Microsoft will assist Yell to accelerate its new cloud-based services, which will provide Yell's customers with access to these new digital offerings.

Thomas Hansen, vice president of SMB Worldwide at Microsoft, said, "Yell Group has one of the largest dedicated sales forces partnering with small and medium sized businesses and provides customers with valuable, locally focused internet directories that see over 50 million unique visitors per month. We are very excited about our plans to form a strategic alliance with Yell, as it offers us a way to better reach and serve small and medium sized businesses across the globe."

According to a recent study by Booz & Company, the global digital services market¹ for SMBs will be \$235 billion in 2011 and is expected to grow by over 45% to \$350 billion by 2015. Mike Pocock, Yell Group CEO, indicated that "small and medium sized businesses are looking for digital solutions to help them grow their businesses, transact with customers, and be more efficient. Our plans to form a global strategic alliance with Microsoft will help us launch our local, cloud-based marketplace, serving the growing needs of our customers by providing comprehensive digital advertising, productivity and business solutions at scale, bringing small and medium sized businesses ever closer to consumers and bringing reduced costs and competitive capabilities to SMBs that have, to date, only been available to larger enterprises."

Ends

¹ The global digital services market for SMBs comprises online marketing, business operations, affinity programs and payment services.

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About Yell

Yell Group is a leading provider of print and digital services within the emerging local eMarketplace for consumers and SMBs across its operations in the UK, US, Spain and some countries in Latin America.

Building on its strong presence in the local market through its current digital and print portfolio, Yell is developing a broad range of digital services tailored to the converging needs of SMBs and consumers.

These address both the SMB need to grow, transact and be efficient in the digital world, and the consumers' need to connect locally to the goods and services they want, in a way which saves them time and money, and moves their lives forward.

In the year ended 31 March 2011, Yell Group had 1.3 million SMB advertisers.

About Microsoft Corporation

Founded in 1975, Microsoft (Nasdaq "MSFT") is the worldwide leader in software, services and solutions that help people and businesses realize their full potential.

About Yahoo! and Microsoft Corp. Search Alliance

The Yahoo! and Microsoft Search Alliance combines the complementary strengths of Yahoo! and Microsoft to create a competitive choice in search with the scale to fuel sustained development. Both companies aim to ultimately enable searchers to find relevant results faster, and provide more value for advertisers and better results for web publishers. For more information, please visit SearchAlliance.com.