

Yell Results – Q3 FY11

15th February 2011



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This presentation contains forward-looking statements. These statements appear in a number of places in this presentation 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 product 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. These factors include any adverse change in regulations, unforeseen operational or technical problems, the nature of the competition that we will encounter, wider economic conditions including economic downturns and changes in financial and equity markets. Readers are advised to read pages 18 through 29 in Yell Group plc's annual report for the financial year ended 31 March 2010. We undertake no obligation publicly to update or revise any forward-looking statements, except as may be required by law.

Overview

Mike Pocock



First impressions

- In depth review underway
 - to be completed early summer
- Early impressions reinforced
 - challenges, strengths and opportunities

Challenges

- Economic environment remains tough
 - Minimal GDP growth
 - SME confidence indices remain low
 - US : Small improvement in quarter but still at recessionary levels
 - UK & Spain: Confidence continues to deteriorate
- Changing technology
 - Steady migration of customers from print
 - Yell new product offers: Direct web, mobility, social networking
 - Establishing the Yell brand in new markets
- Financial structure
 - Level of debt
 - Operational gearing

Strengths

- **Solid market position from which to build**
 - Lead position in UK, Spain and Latam print. Continuing to take share.
 - Leading independent in US
 - Trusted and recognised brand (but older demographic)
 - c.1.4m customer relationships – high customer knowledge
 - Digital media transition well under way
- **Good internal capabilities**
 - Knowledgeable >6,000 strong sales force
 - Good product usage - print, internet yellow pages, mobile
 - Scalable, efficient supply chains – print and new media
 - Enthusiastic, capable people
- **Strong cash flow**

Evidence of strengths

- >50% of customers take both print and digital media
- 73k digital media only customers
- IYP
 - 52.2m* unique users
 - Circa 300k reviews
- Web sites/ videos
 - >200k websites sold
 - >120k customer videos live
- Mobile
 - Nearly 5m app downloads
- Transactional products growing
 - Display advertising (netReach)
 - Google reselling
- New initiatives
 - Weforia
 - Chatterhub
- Print
 - Call counter
 - Retention improving

Opportunities

➤ External

- Print relationships & market knowledge
- Digital competition remains fragmented
- Addressable market more than double
- Multiple growth opportunities – solus and combined
- Commercialise the consumer transaction
- Partnership possibilities emerging

➤ Internal

- Group v Federation
- Working smarter

Financial Update

Tony Bates



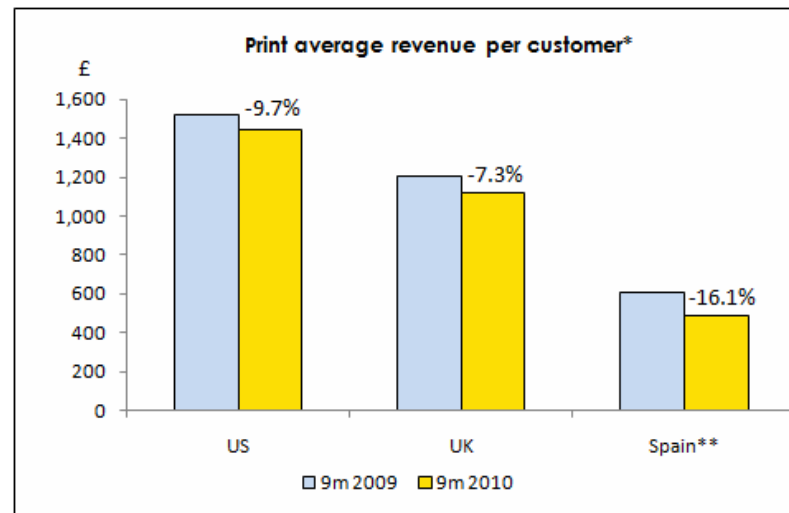
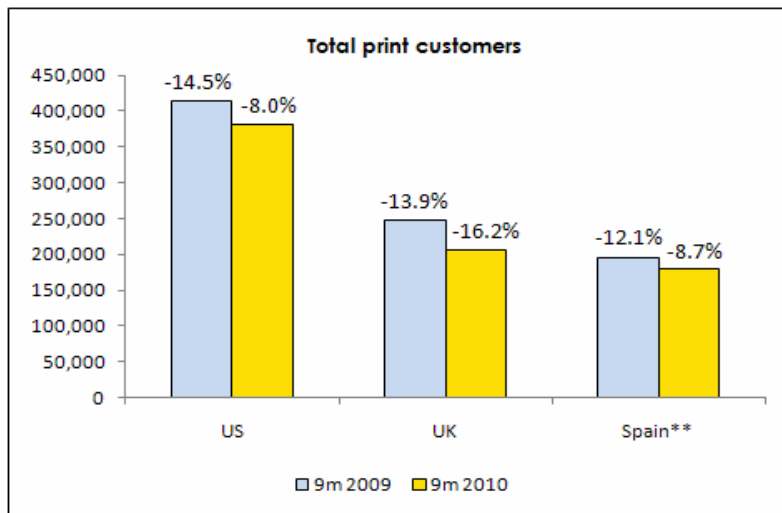
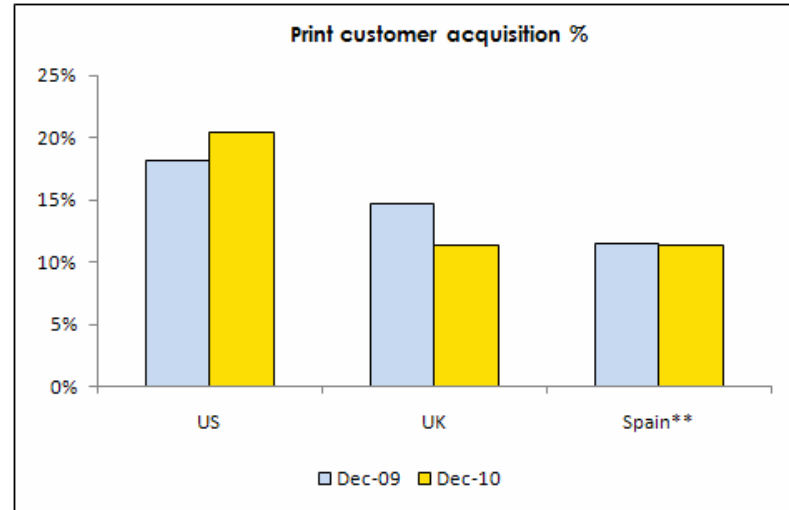
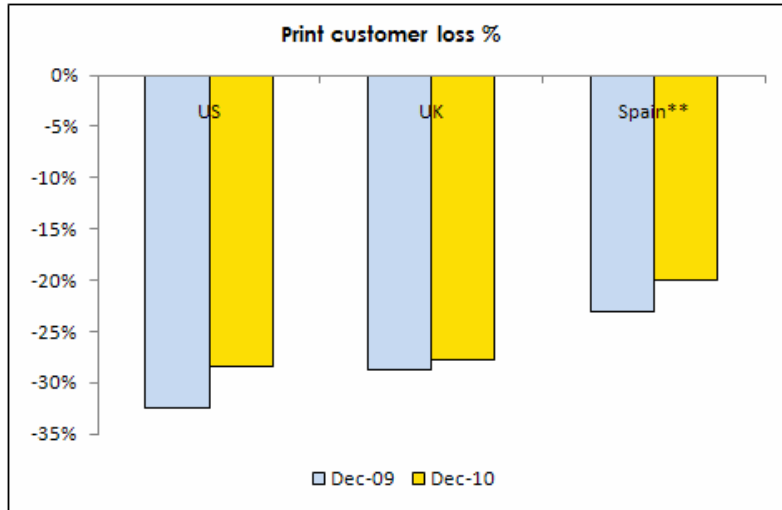
Financial headlines

Period ended 31 December (£m)	9m 2010	9m 2009	<i>Like for like*</i>	3m 2010	3m 2009	<i>Like for Like*</i>
Total Revenue	1,351.4	1,522.9	(11.8%)	455.7	540.1	(12.7%)
Gross margin %	57.4%	56.6%		57.1%	56.7%	
Indirect costs**	389.4	384.9	(0.5%)	138.7	126.8	(9.4%)
EBITDA**	386.7	476.5	(17.3%)	121.3	179.6	(25.4%)
Free cash flow	197.1	289.7		62.3	67.9	
Net Debt	2,829.8	3,037.8				

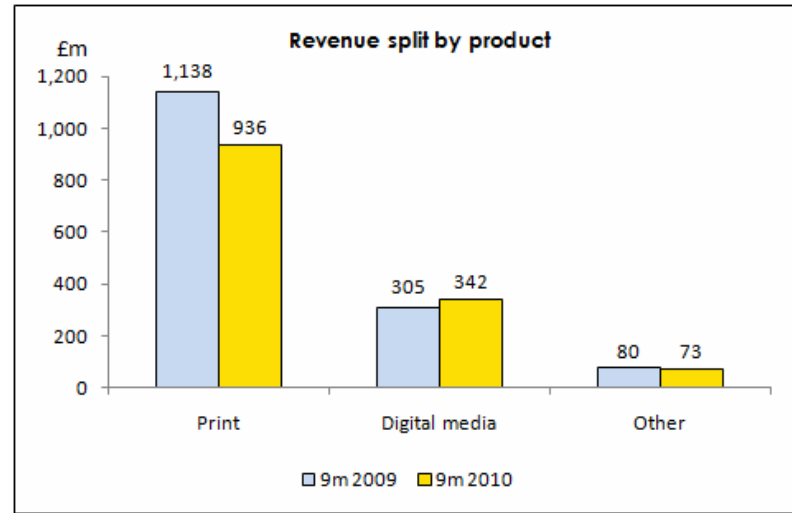
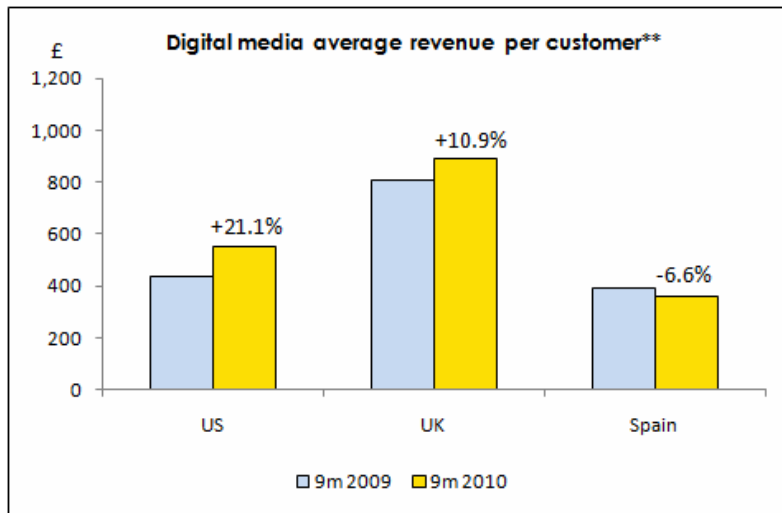
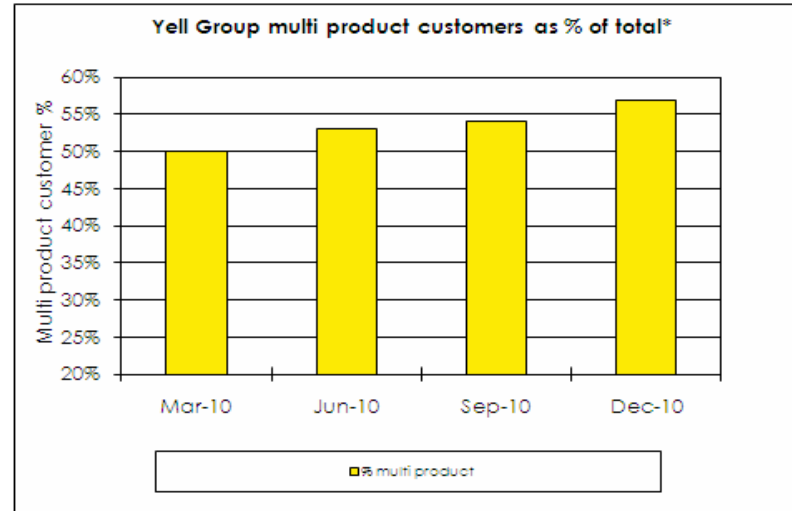
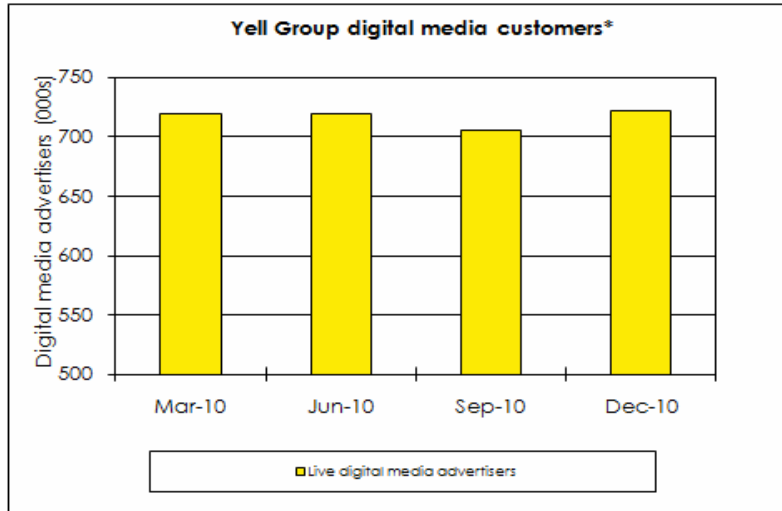
*Like for like percentage changes are at constant exchange rates taking into account rescheduling and acquisitions.

**Excluding exceptional items.

Print revenue drivers



Digital media revenue drivers



Cash flow

Period ended 31 December (£m)	9m 2010	9m 2009	3m 2010	3m 2009
EBITDA	386.7	476.5	121.3	179.6
Exceptional costs	(19.2)	-	(17.0)	-
Movement in working capital	87.1	95.6	25.8	(5.8)
Shareplan cost	15.4	10.3	4.7	2.9
Capex	(60.5)	(41.0)	(17.1)	(16.2)
Operating cashflow	409.5	541.4	117.7	160.5
Interest	(182.8)	(237.7)	(51.0)	(88.7)
Tax	(17.8)	(10.6)	(4.0)	(3.7)
Acquisitions	(11.8)	(3.4)	(0.4)	(0.2)
Free cash flow	197.1	289.7	62.3	67.9

Debt

(£m)	Cash	Debt	Net Debt
At 31 March 2010	160.4	(3,255.0)	(3,094.6)
Free Cash Flow	197.1	-	197.1
Repaid	(189.9)	189.9	-
Foreign Exchange	5.1	79.0	84.1
Deferred fees & purchase of own shares	(0.6)	(15.8)	(16.4)
At 31 Dec 2010	172.1	(3,001.9)	(2,829.8)

- Net debt to EBITDA covenant headroom of 23% at 31 Dec 2010
- Interest cover covenant headroom of 22% at 31 Dec 2010

Future reporting

- Increased business / operational focus
- Annual rather than quarterly focus
 - Strategy delivery
 - Earnings rather than revenue
- Strategy presentation – no later than end June
- IMS for Q1, Q3 – key data remains

QUESTIONS



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