22 May 2012

Yell Group Plc
Results for the year ended 31 March 2012

New Strategy established and being implemented.
Net debt reduced by 20% or £565m.

Financial headlines[1]

- Group revenue of £1,610m decreased by 14%
  - Digital services revenues grew by 112% to £134m
  - Digital directories revenue fell by 11% to £327m
  - Print and other directory revenues fell by 21% to £1,149m
- EBITDA[2] of £461m was down £47m
- Free cash flow of £299m increased £34m
- Exceptional pre tax gain of £253m on below par debt buy back
- Profit after tax decreased by £1,236m to a loss after tax of £1,189m
- Profit after tax and before legacy issues[3] increased by £222m to £269m

Operational headlines

- Total digital revenue increased by 7%, rising from 24% to 29% of revenue
  - Total digital customers grew by 4% to 941,000
  - Annual digital revenue per advertiser fell by 5% to £496
  - Live customer websites increased by 39% to 322,000
  - Digital directories visitors declined 17% to 46m in March, but increased 10% on December
  - Mobile directories visitors were 4m in March
- Print advertisers reduced by 14% to 1,030,000
- Print revenue per advertiser decreased by 7% to £980

Mike Pocock, Chief Executive Officer, said:

"We have been extremely busy over the last year. In July, we announced a bold new four year strategy to transform the Group, capitalising on our unique position in the SME community and building a broad range of new digital services to replace our declining legacy directories business with a much more customer focused digital business. Since then, we have built and piloted new products, established important new partnerships, reorganised the Group to work as one business and brought in essential new skills. We have also delivered far more than the £100m of cost savings promised over two years, reset our covenants and reduced our debt burden by over 20% or £565m.

In the current year, I expect to see more good progress. We will deliver material new product revenues, announce some important new strategic partnerships and deliver further improvement in our capabilities. As part of this transformation, I am today pleased to announce a new corporate brand, reflecting our increasing focus on the digital consumer."

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(1) Results are for the year, unaudited and compared with the same period in the prior year. The changes in revenue, revenue per advertiser and EBITDA are at constant currency before page 7. Revenue percentage changes are also adjusted for rescheduling, changes in bundled revenue allocation in the US and acquisitions.

(2) EBITDA is profit before interest, tax, depreciation, amortisation and exceptional items.

(3) Profit after tax and before legacy issues excludes non-cash after tax charges of £1,306m to write down intangible assets and £152m to write off capitalised directories in development costs.

Strategic update

In July, Yell announced a bold new four year programme to transform the Group, capitalising on its strong relationships with the SME community and accessing a growing, much larger addressable market. The change required is significant; the Group is successfully developing new capabilities, products and markets and adding over £1bn of new revenues whilst at the same time fundamentally changing its business model and refreshing its capital structure.

Since July, significant progress has been made. In some areas the Group is ahead of plan whilst in others, it is behind. Yell has not progressed as fast as it would like in bringing new products to market, with the sheer scale and logistics of the task stretching its nascent teams. Yell has done well in reshaping the business, bringing in the necessary new skills, streamlining the supply chain, taking out cost and reducing debt.

- The Group has strengthened its management team, finding new world class leaders to drive new product development and its programme of transformation. The team has put in place a solid second tier of management to lead the transformation and ensure the foundations of change are effectively driven through the organisation.

- Yell has reorganised the Group from a federation of national companies into one global organisation that shares best practice and takes full advantage of international synergies in the areas of supply chain, product development, information technology and procurement. Yell has already significantly exceeded the cost reduction target that it set last July for the following two years.

  The Group has set up new incubation teams to accelerate the introduction of new products into the market. Yell has established a new Customer Service team to ensure that it places the customer, whether it be the consumer or the SME, at the heart of everything it does.

- The Group has begun to bring new products to the market. All of the new products are going through a demanding pilot stage so that Yell can make any necessary changes and deliver a higher quality product to its customers.

  - The Group began piloting new eCommerce enabled websites in both the US and UK in January and since the year end it has begun to pilot the eMarketplace.

  - Yell's online digital directory is in the process of being transformed to provide a rich new consumer experience from one common global platform.

  - An alliance with Microsoft is now starting to bring new products to Yell's customers in the areas of search, display and deals. More new products and opportunities from this partnership will be announced this year.

  - Local newsletters have been piloted in the US, testing the demand from consumers and businesses for a local, regular newsletter. The Group is now scaling up this initiative with a roll out to follow in other countries.

- The Group has built key strategic partnerships with a number of leading companies in the digital market in order to bring new products to the SME customer faster and on a variable cost basis. These have included:

  - The acquisition last week of Moonfruit, a leader in DIY website building. This acquisition provides future cost efficiencies and enhanced capability in areas such as website construction, proofing and editing.

- The acquisition of Znode last July has been providing Yell with the eMarketplace and Online Stores platforms faster and at lower cost than would have been possible with in house development.

- The UK government selected Yell ahead of a strong field of competitors to help UK SMEs export their products. This is an important first step in assisting small businesses to navigate the complex world of public spending.

- A partnership with Bazaarvoice, a leading provider of ratings and reviews capability, which will enable Yell to offer SMEs the ability to capitalise on the benefits of social endorsement and feedback.

- An alliance with Netbiscuits, a leading provider of mobile sites and apps which will enable SMEs to communicate and transact with their customers through mobile media.

- An agreement with Shopkick, an innovative leader in local loyalty, allows US businesses to use smartphone technology to reward customers for visiting their premises.

Over the last year, a significant amount of work has been going on to find and develop key partnerships for the Group. Yell expects to announce several important new partnerships in the coming months.

- In July, Yell announced that the transformation of the Group into a predominantly digital business would require it to adopt a modern new brand to help its customers and consumers find, and identify with, its new products. That new brand has been developed over the last five months. hibu will become the brand for the new product offerings and, subject to approval by the Group's shareholders at the AGM on 26 July, the Group will also be renamed hibu Plc (ticker HIBU). All of the print products, which are sold under very strong but different brands in each country, will continue to be sold under those current brands.

- The Group has made material progress on its capital structure. Yell agreed with its lenders a covenant reset (in order to give the new strategy time to succeed) and additional freedom to undertake debt buy backs (which enabled Yell to take out £413m of debt at a cost of £160m). Yell met all contractual debt repayments and voluntarily achieved the Minimum Reduction Amount. Today Yell is announcing that it has appointed advisors, Goldman Sachs and Greenhill, to help the Group put in place a new capital structure.

Over the last year, the Group has developed the transformational new strategy necessary to replace its declining legacy directories business with a material new digital business. Much has been achieved to make that new future a reality but much more remains to be done. Yell remains confident that its strategy is the best possible way forward for the Group. An analyst day is planned for 25 July, in London in conjunction with the first quarter results, to provide additional detail about the progress Yell has made.

Group results

The economic environment has remained difficult throughout the year with SME confidence and most economies, but particularly Spain, deteriorating over the last twelve months. At the same time the revenue shift from directories to other digital services has accelerated as consumers change their behaviour and small businesses adapt their advertising accordingly. Print and digital directory revenues have consequently declined faster than Yell expected.

Full year print and other directory revenue declined 20.7% over the prior year[1] with the fourth quarter decline of 22.3% reflecting the tougher trading environment and the publication of poorer performing, larger metro books in that quarter. This decline reflects both fewer customers and lower revenue per advertisers as SMEs are both reducing their expenditure and moving to other forms of advertising. The print product is now managed centrally to ensure sharing of best practice and to drive supply chain efficiencies. The team is also growing new revenue from alternative printed products, such as direct mail, that are proving an attractive alternative in some markets.

Annual digital directory revenue declined 11.1%[2] over the prior year, with the fourth quarter down 9.2% driven by improvements in the UK and Spain. Increasing competition and the economic environment are together driving the overall decline. The Group is actively developing a more compelling global proposition as part of its strategic transformation. Usage remains resilient however, with desktop usage in March 10.0% up on December to 46.3m users, although this was 17.0% down on the prior year as the Group is purchasing fewer but higher quality users in the US. These numbers do not include an additional 4.3m mobile users in the month highlighting the growing importance of mobile in the digital environment and Yell's success in that area.

Digital services revenues of £134.4m were up 111.7%[2] on the prior year albeit with growth slowing from 164.9% in Q1 to 75.0% in Q4. This revenue, which comes primarily from providing online search and websites, provides a solid foundation on which to sell increasingly sophisticated digital solutions to Yell's core customer SME base. The opportunity to expand the market through a wider choice of offers and address a larger base of customers is central to Yell's new strategy. The revenue from the new product trials did not significantly contribute to revenue in the year.

The growth in digital services more than offsets the decline in digital directories to leave total digital revenue up 7.2% and now contributing 28.7% of Group revenue. This growth was driven by increased customer numbers as average value per customer decreased due to the increasingly competitive nature of the market and the allocation of a higher proportion of bundled revenue to print in the US.

The decline in print and online directory revenues has a large adverse effect on the earnings of the Group as much of the related cost base is relatively fixed and does not change with revenue loss. To mitigate this issue, the Group has successfully reduced costs by far more than the £100m expected over FY12 and FY13 whilst supporting the new strategy with investment in skills, IT architecture and product development. The majority of the more than £200m reduction in costs is a result of management action rather than revenue decline. This cost saving has been primarily achieved by reducing headcount by 700, reducing overall IT costs and a 2.6 percentage point reduction in the rate of bad debt expense.

The impact of the loss of revenue was nevertheless greater than this significant cost reduction, leading to a fall in EBITDA of £46.5m to £461.3m. This result is close to the middle of the range of market expectations at this time last year.

Free cash flow of £298.9m increased £34.2m on FY11 with lower EBITDA being more than offset by lower interest costs due to the reduced net debt and the unwinding of interest rate hedges and lower working capital requirements. The working capital release reflects tighter credit management, revised billing strategies and the impact of lower print revenues.

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(1) Full year print revenue percentage changes are adjusted to exclude a £48m benefit related to the timing effect on revenue recognition of changes in bundle allocation in the US, partially offset by £13m of revenue associated with directories delayed into FY13 in Argentina. Other directory revenue consists of direct mail and directory enquiries.

(2) Full year digital directory and digital services revenue percentages are adjusted to exclude £15m and £9m of reductions respectively related to the timing effect on revenue recognition of changes in bundle allocation in the US.

Following the successful covenant reset and facility amendments in December, the Group made a £253.1m pre tax profit by buying back £412.6m of debt, at an average price of £38.6 per £100 nominal, for a total consideration of £159.5m. Net debt was reduced by 20% or £564.7m to £2,200.4m. The Group had £134.6m of cash after the debt buy backs and the £185.0m of par debt repayments during the year. At year end, headroom on the net debt to EBITDA covenant and on the interest cover covenant was 14% and 34% respectively. Had the debt buy back and covenant reset not taken place, the Group would still have had headroom on its previous covenants.

There were two significant non cash charges in the period relating to historical issues. In total, the Group wrote off £1,802.9m of intangible assets before tax; £1,588.7m of this being related to the write off of goodwill and brands acquired in previous directory acquisitions. The remaining £214.2m was capitalised sales costs in directories in development that were written off as the transformation to the digital model means the deferral of sales costs is less appropriate and more difficult to calculate reliably. In addition, there were £14.9m of one off exceptional costs related to restructuring the organisation and delivering the new strategy.

Capital structure and outlook

The majority of Yell's debt matures in April 2014. The Group therefore intends to consult with its lenders and shareholders over the coming months in order to put in place a new capital structure within the coming financial year. The Group has appointed Goldman Sachs and Greenhill as advisors to assist with this process. Accordingly, it is not appropriate for Yell to provide guidance for the coming year at this time.

The risks associated with successfully addressing this issue and with operating within the Group's covenants are discussed on pages 12 and 13. The Board concluded that adoption of the going concern basis in preparing the financial statements is appropriate. However, as a consequence of increasingly difficult trading conditions and a greater proportion of future income expected to come from as yet unproven new strategies, there is a higher risk in the current year than in the previous year that the Group would not be able to meet its financial covenants with its lenders.

The Group is in full compliance with the financial covenants and undertakings contained in all its borrowing agreements. The Group is also cash generative and profitable (before exceptional items). In the future, if the Group were not able to meet its financial covenants with, or obtain a waiver from, its lenders such that undertakings to the Group's lenders were breached, the lenders' facility agent may, and must if directed by two-thirds of lenders (by reference to debt held) demand immediate repayment of all amounts due to them. Whilst this eventuality would, if it arose, cast doubt on the future capital funding of the Group, the Group's cash flow forecasts show that in the twelve months ending 31 March 2013 interest payments will be fully met, with further cash generated to repay debt. 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 auditors have yet to report on the Group's statutory accounts for the year ended 31 March 2012, however it is likely that the report, once issued, will include an emphasis of matter in respect of going concern along with an unmodified audit opinion.

Forward looking statements

This news release contains forward-looking statements regarding Yell's intentions, beliefs or current expectations concerning, among other things, Yell's results of operations, revenue, financial condition, liquidity, prospects, growth, strategies, new products, the level of new directory launches and the markets in which Yell operates. Readers are cautioned that any such forward-looking statement is not a guarantee of future performance and involves risks and uncertainties, and that actual results may differ materially from those in the forward-looking statement 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 Yell will encounter, wider economic conditions including economic downturns and changes in financial and equity markets. Readers are advised to read pages 16 to 25 in Yell Group plc's annual report for the financial year ended 31 March 2011. These risks and uncertainties will be updated in the annual report for the financial year ended 31 March 2012, which will be available on Yell's website in June 2012. Yell undertakes no obligation publicly to update or revise any forward-looking statements, except as may be required by law.

Notes to Editors

Yell Group is a leading provider of digital services within the emerging local eMarketplace for consumers and SMEs 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 SMEs and consumers.

These address both the SMEs' 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 2012, Yell Group had 1.2m SME customers.

Enquiries:

Yell – Investors

Rob Hall
Tel +44 (0)118 358 2838

Yell - Media

Jon Salmon
Tel +44 (0)118 358 2656

RLM Finsbury

Andrew Dowler or Charles Chichester
Tel: + 44 (0) 207 251 3801

www.yellgroup.com

Key operational metrics for Yell Group plc

Year ended 31 March	US		UK		Spain		Latin America	
	2012	2011	**2012**	2011	**2012**	2011	**2012**	2011
Digital media								
Digital Directories revenue (£m)	**111.2**	151.9	**142.0**	157.6	**52.8**	57.2	**21.0**	22.0
Growth (%)[1]	*(14.6)*		*(9.9)*		*(9.2)*		*(1.3)*	
Digital Services revenue (£m)	**72.0**	42.7	**51.3**	22.3	**8.4**	3.3	**2.7**	-
Growth (%)[1]	*92.6*		*130.0*		*148.8*		*n/a*	
Unique live advertisers at year end (thousands)	**416**	373	**204**	204	**168**	184	**153**	141
Average annualised digital media revenue per advertiser (£)	**455**	548	**943**	909	**350**	357	**158**	158
Growth (%)[2]	*(14.7)*		*4.3*		*(2.5)*		*3.3*	
Unique visitors for month of period end (millions)[3]	**23.7**	34.5	**9.3**	9.2	**7.9**	7.4	**5.4**	4.7
Unique mobile visitors for month of period end (millions)[4]	**1.3**		**2.1**		**0.9**			
Websites live at year end (thousands)[5]	**225**	185	**43**	16	**44**	23	**10**	7
Printed Yellow Pages								
Revenue (£m)	**635.8**	741.7	**225.8**	313.1	**81.7**	116.2	**66.0**	84.2
Growth (%)[1]	*(19.0)*		*(27.9)*		*(29.9)*		*(9.3)*	
Unique advertisers (thousands)	**450**	506	**236**	283	**194**	231	**150**	175
Print revenue per unique advertiser (£)	**1,413**	1,466	**958**	1,106	**421**	503	**440**	481
Growth (%)[2]	*(1.4)*		*(13.4)*		*(16.4)*		*(9.3)*	
Unique advertiser retention rate (%)	**72**	72	**72**	73	**76**	80	**69**	68
Directory editions published	**990**	1,005	**104**	104	**62**	65	**83**	92
White Pages and other directories (including enquiry services and direct mail)								
Revenue (£m)	**15.0**	10.7	**22.1**	23.9	**72.2**	93.1	**29.9**	37.7
Growth (%)[1]	*45.0*		*(7.5)*		*(24.5)*		*(4.5)*	

(1) All growth rates are at constant currency and revenue growth rates are also adjusted for rescheduling, changes in bundle allocation in the US and acquisitions.

(2) All growth rates are at constant currency, but are not adjusted for rescheduling, changes in bundle allocation in the US or acquisitions.

(3) Excluding mobile visitors. US figures include visitors to the Yellowbook.com network.

(4) Mobile visitors are not available for prior year or Latin America.

(5) Excluding non revenue generating sites. Prior year US and Latin America numbers have been restated. Comparable figures at 30 September 2011 were 234,000 for US and 8,000 for Latin America. Comparable figures for the Group were 287,000 at 30 June 2011, 312,000 at 30 September 2011 and 315,000 at 31 December 2011.

FINANCIAL INFORMATION FOR YELL GROUP PLC AND SUBSIDIARIES

All of the following financial information is unaudited except the comparative information for 31 March 2011 which was presented in Yell's 31 March 2011 Annual Report.

Group income statement

Year ended 31 March

£m, unless noted otherwise	Notes	**2012**	2011
Revenue	2	**1,609.9**	1,877.6
Cost of sales [1]			
- excluding exceptional items		**(706.9)**	(838.0)
- exceptional items	6	**(214.2)**	-
Total cost of sales		**(921.1)**	(838.0)
Gross profit		**688.8**	1,039.6
Distribution costs [1]		**(61.8)**	(69.2)
Administrative expenses [1]			
- excluding exceptional items		**(540.9)**	(626.4)
- exceptional items	6	**(1,603.6)**	(14.1)
Total administrative expenses		**(2,144.5)**	(640.5)
Operating (loss) profit	3	**(1,517.5)**	329.9
Finance costs		**(159.5)**	(265.5)
Finance income			
- excluding exceptional items		**6.8**	1.9
- exceptional items	6	**253.1**	-
Net finance income (costs)		**100.4**	(263.6)
(Loss) profit before taxation		**(1,417.1)**	66.3
Taxation			
- excluding exceptional items		**(41.7)**	(23.7)
- exceptional items	6	**269.9**	4.1
Total taxation	4	**228.2**	(19.6)
(Loss) profit for the year		**(1,188.9)**	46.7
Basic (loss) earnings per share (pence)	5	**(51.1)**	2.0
Diluted (loss) earnings per share (pence)	5	**(51.1)**	2.0

Group statement of comprehensive (loss) income

Year ended 31 March

£m	Notes	**2012**	2011
(Loss) profit for the year		**(1,188.9)**	46.7
Exchange loss on translation of foreign operations		**(9.7)**	(47.0)
Actuarial (loss) gain on defined benefit pension schemes	16	**(47.9)**	55.3
Gain in fair value of financial instruments used as hedges		**11.1**	89.4
Tax effect of net losses (gains) not recognised in the income statement	4	**8.5**	(37.2)
Comprehensive (loss) income not recognised in the income statement		**(38.0)**	60.5
Total comprehensive (loss) income for the year		**(1,226.9)**	107.2

See notes to the financial information for additional details.

[1] Prior year numbers have been reclassified to move £7.4m out of distribution and £9.9m out of administrative costs into cost of sales to ensure consistency with current year presentation. There is no change to operating profit.

Group statement of cash flows

Year ended 31 March

£m	Notes	2012	2011
Net cash generated from operating activities			
Cash generated from operations		**507.9**	611.6
Interest paid		**(137.7)**	(234.0)
Interest received		**2.2**	1.9
Net income tax paid		**(8.5)**	(24.6)
Net cash generated from operating activities		**363.9**	354.9
Cash flows from investing activities			
Purchase of software, property, plant and equipment	7	**(52.4)**	(77.4)
Purchase of subsidiary undertakings, net of cash acquired	8	**(12.6)**	(12.8)
Net cash used in investing activities		**(65.0)**	(90.2)
Free cash flow		**298.9**	264.7
Cash flows from financing activities			
Proceeds from issuance of ordinary shares		**0.6**	0.8
Purchase of own shares		**(0.1)**	(0.2)
Financing fees paid		**(20.5)**	(0.4)
Net payments on revolving and other short-term credit facilities		**-**	(6.6)
Repayment of borrowings at par		**(185.0)**	(216.5)
Cash paid on debt buy back below par		**(159.5)**	-
Net cash used in financing activities		**(364.5)**	(222.9)
Net (decrease) increase in cash and cash equivalents		**(65.6)**	41.8
Cash and cash equivalents at beginning of the year		**200.5**	160.4
Exchange losses on cash and cash equivalents		**(0.3)**	(1.7)
Cash and cash equivalents at year end		**134.6**	200.5
Cash generated from operations			
(Loss) profit for the year		**(1,188.9)**	46.7
Adjustments for:			
Tax		**(228.2)**	19.6
Finance income		**(259.9)**	(1.9)
Finance costs		**159.5**	265.5
Depreciation of property, plant and equipment and amortisation of software		**71.6**	63.0
Amortisation of other acquired intangibles		**89.4**	106.6
Impairment of goodwill and other intangibles	6	**1,588.7**	-
Changes in working capital:			
Inventories and directories in development		**220.9**	6.3
Trade and other receivables		**193.7**	126.4
Trade and other payables		**(149.4)**	(40.7)
Share based payments and other		**10.5**	20.1
Cash generated from operations		**507.9**	611.6

See notes to the financial information for additional details.

Group balance sheet

At 31 March

£m	Notes	2012	2011
Non-current assets			
Goodwill	9	**1,909.9**	3,123.9
Other intangible assets	10	**637.7**	1,157.0
Property, plant and equipment	11	**86.5**	100.5
Deferred tax assets	12	**48.0**	69.3
Retirement benefit surplus	16	**9.4**	37.3
Investment and other assets		**9.1**	9.9
Financial assets – derivative financial instruments		**-**	1.1
Total non-current assets		**2,700.6**	4,499.0
Current assets			
Inventory		**11.7**	10.4
Directories in development		**-**	223.7
Trade and other receivables	13	**598.3**	763.1
Financial assets – derivative financial instruments		**-**	0.6
Cash and cash equivalents	14	**134.6**	200.5
Total current assets		**744.6**	1,198.3
Current liabilities			
Financial liabilities - loans and other borrowings	14	**(169.8)**	(125.3)
Financial liabilities – derivative financial instruments		**(4.0)**	(13.1)
UK corporation and foreign income tax		**(126.9)**	(73.4)
Trade and other payables	15	**(395.7)**	(521.8)
Total current liabilities		**(696.4)**	(733.6)
Net current assets		**48.2**	464.7
Non-current liabilities			
Financial liabilities - loans and other borrowings	14	**(2,165.2)**	(2,840.3)
Financial liabilities – derivative financial instruments		**-**	(2.1)
Deferred tax liabilities	12	**(271.6)**	(592.0)
Trade and other payables	15	**(14.4)**	(15.8)
Total non-current liabilities		**(2,451.2)**	(3,450.2)
Net assets		**297.6**	1,513.5
Capital and reserves attributable to owners			
Share capital		**1,870.0**	1,858.2
Other reserves		**191.6**	229.1
Accumulated deficit		**(1,764.0)**	(573.8)
Total equity		**297.6**	1,513.5

See notes to the financial information for additional details.

Group statement of changes in equity

Year ended 31 March 2012

	Attributable to owners			
£m	**Share capital**	**Other reserves**	**Accumulated deficit**	**Total**
Balance at 31 March 2011	**1,858.2**	**229.1**	**(573.8)**	**1,513.5**
Loss on ordinary activities after taxation	**-**	**-**	**(1,188.9)**	**(1,188.9)**
Comprehensive loss not recognised in the income statement	**-**	**(38.0)**	**-**	**(38.0)**
Total comprehensive loss for the year	**-**	**(38.0)**	**(1,188.9)**	**(1,226.9)**
Value of services provided in return for share based payments	**-**	**10.5**	**-**	**10.5**
Own shares purchased by ESOP trust	**(0.1)**	**-**	**-**	**(0.1)**
Ordinary share capital issued to employees	**0.6**	**-**	**-**	**0.6**
Treasury shares issued to employees	**11.3**	**(10.0)**	**(1.3)**	**-**
	11.8	**(37.5)**	**(1,190.2)**	**(1,215.9)**
Balance at 31 March 2012	**1,870.0**	**191.6**	**(1,764.0)**	**297.6**

Year ended 31 March 2011

	Attributable to owners			
£m	**Share capital**	**Other reserves**	**Accumulated deficit**	**Total**
Balance at 31 March 2010	1,848.8	154.7	(617.9)	1,385.6
Profit on ordinary activities after taxation	-	-	46.7	46.7
Comprehensive income not recognised in the income statement	-	60.5	-	60.5
Total comprehensive income for the year	-	60.5	46.7	107.2
Value of services provided in return for share based payments	-	20.1	-	20.1
Own shares purchased by ESOP trust	(0.2)	-	-	(0.2)
Ordinary share capital issued to employees	2.2	(1.4)	-	0.8
Treasury shares issued to employees	5.8	(3.2)	(2.6)	-
Treasury shares sold by employee benefit trusts	1.6	(1.6)	-	-
	9.4	74.4	44.1	127.9
Balance at 31 March 2011	1,858.2	229.1	(573.8)	1,513.5

See notes to the financial information for additional details.

Notes to the financial information

1. Statutory disclosures

Basis of preparation and consolidation

Yell Group is a leading provider of digital services within the emerging local eMarketplace for consumers and SMEs across its operations in the UK, US, Spain and some countries in Latin America. The principal activity of Yell Group plc and its subsidiaries is the sale of quality business leads and marketing solutions to small and medium sized enterprises through an integrated portfolio of simple-to-use, cost effective advertising.

This unaudited condensed set of financial statements for the year ended 31 March 2012 has been prepared in accordance with International Financial Reporting Standards as adopted by the European Union ("IFRSs"), IFRIC Interpretations and the Companies Act 2006, as will be set out in Yell's annual report for the year ended 31 March 2012, 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 434 of the Companies Act 2006 but has been extracted from the statutory financial statements for the year ended 31 March 2012, 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 2011 was unqualified and unmodified, and included an emphasis of matter in respect of the uncertainty relating to the carrying value of goodwill. The financial information herein should be read in conjunction with Yell's 2012 annual report due to be published in June 2012, which includes the audited consolidated financial statements of Yell Group plc and its subsidiaries for the year ended 31 March 2012.

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, impairment testing and taxation.

Where change at constant currency is stated in this document it states the change in the 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. Figures reported at constant exchange rates are stated at the same exchange rates as those used to translate the comparative figures 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. The average effective exchange rates for the year ended 31 March 2012 were $1.59: £1.00 and €1.16: £1.00 as compared to $1.56: £1.00 and €1.18: £1.00 last year.

In the opinion of management, the financial information included herein includes all adjustments necessary for a fair presentation of the consolidated results, financial position and cash flows for each period presented.

The financial statements for the year ending 31 March 2012 are not expected to be materially affected by implementation of new standards, amendments to standards, or interpretations.

Risk Statement

Yell's risks and uncertainties include strategic and operational risks faced by Yell's businesses; debt and financing risks faced in funding Group operations and the financial reporting and related risks faced in reporting Yell's results.

The financial information contained herein has been prepared on a going concern basis. The Group is in full compliance with the financial covenants and undertakings contained in all its borrowing agreements. The Group is also cash generative and profitable (before exceptional

items). The Board, in considering going concern, looked at various factors including Yell's ability to meet debt repayments and satisfy debt covenants. The Group has some ability to reduce the risk of any potential covenant breach by reducing costs. The majority of Yell's debt also matures in April 2014. The Group therefore intends to consult with its lenders and shareholders over the coming months in order to put in place an appropriate new capital structure within the current financial year.

The Board concluded that adoption of the going concern basis in preparing these financial statements is appropriate. However, as a consequence of increasingly difficult trading conditions and a greater proportion of future income expected to come from as yet unproven new strategies, there is a higher risk in the current year than in the previous year that the Group would not be able to meet its financial covenants with its lenders. Under certain circumstances, considered by the Board, the Group will not be able to meet its financial covenants.

In the event that covenants are breached without remedy or waiver, the lenders' facility agent may, and must if directed by two-thirds of lenders (by reference to debt held) demand immediate repayment of all amounts due to them. Whilst this eventuality would, if it arose, cast doubt on the future capital funding of the Group, the Group's cash flow forecasts show that in the twelve months ending 31 March 2013 interest payments will be fully met, with further cash generated to repay debt. The Board considers that such action by the lenders is either unlikely or will be unnecessary once an appropriate capital structure has been determined, but clearly, this is a material uncertainty.

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.

The financial covenants are disclosed in note 14 on page 23 of this financial information. A discussion of the risks associated with the debt covenants is presented on pages 19 to 21 of Yell's annual report for the financial year ended 31 March 2011, a copy of which is available on Yell's website at http://www.yellgroup.com. These risks and uncertainties will be updated in the annual report for the financial year ended 31 March 2012, which will be available on Yell's website in June 2012.

The auditors have yet to report on the Group's statutory accounts for the year ended 31 March 2012, however it is likely that the report, once issued, will include an emphasis of matter in respect of going concern along with an unmodified audit opinion.

2. Revenue

Year ended 31 March

£m, unless noted otherwise	2012	2011	Change Reporting currency	Change Constant currency
			%	%
US	**834.0**	947.0	*(11.9)*	*(9.8)*
UK	**441.2**	516.9	*(14.6)*	*(14.6)*
Spain	**215.1**	269.8	*(20.3)*	*(21.5)*
Latin America	**119.6**	143.9	*(16.9)*	*(14.7)*
Group revenue	**1,609.9**	1,877.6	*(14.3)*	*(13.2)*
Print and other directory services	**1,148.5**	1,420.6	*(19.2)*	*(18.1)*
Digital directories	**327.0**	388.7	*(15.9)*	*(14.9)*
Other digital services	**134.4**	68.3	*96.8*	*99.4*
Group revenue	**1,609.9**	1,877.6	*(14.3)*	*(13.2)*

3. EBITDA and operating (loss) profit [1]

Year ended 31 March

£m, unless noted otherwise	2012	2011	Change Reporting currency	Change Constant currency
			%	%
US	**236.8**	217.7	*8.8*	*11.6*
UK	**125.2**	159.5	*(21.5)*	*(21.5)*
Spain	**64.1**	85.7	*(25.2)*	*(26.7)*
Latin America	**35.2**	50.7	*(30.6)*	*(28.9)*
Group EBITDA	**461.3**	513.6	*(10.2)*	*(9.1)*

[1] Numbers include allocations of certain central costs

3. EBITDA and operating (loss) profit continued

Reconciliation of operating (loss) profit to EBITDA

Year ended 31 March

£m, unless noted otherwise	2012	2011
US operating (loss) profit	**(565.8)**	164.5
Depreciation and amortisation	**49.8**	50.2
Impairment of goodwill[1]	**607.6**	-
Other exceptional items	**145.2**	3.0
US EBITDA	**236.8**	217.7
US EBITDA margin	*28.4%*	*23.0%*
Exchange impact	**6.2**	-
US EBITDA at constant exchange rate	**243.0**	217.7
UK operating (loss) profit	**(173.1)**	141.9
Depreciation and amortisation	**24.7**	23.4
Impairment of goodwill[1]	**221.4**	-
Other exceptional items	**52.2**	(5.8)
UK EBITDA	**125.2**	159.5
UK EBITDA margin	*28.4%*	*30.9%*
Spain operating loss	**(646.5)**	(6.2)
Depreciation and amortisation	**72.7**	79.8
Impairment of goodwill and intangible assets[1]	**616.4**	-
Other exceptional items	**21.5**	12.1
Spain EBITDA	**64.1**	85.7
Spain EBITDA margin	*29.8%*	*31.8%*
Exchange impact	**(1.2)**	-
Spain EBITDA at constant exchange rate	**62.9**	85.7
Latin America operating (loss) profit	**(132.1)**	29.7
Depreciation and amortisation	**13.8**	16.2
Impairment of goodwill and intangible assets[1]	**143.3**	-
Other exceptional items	**10.2**	4.8
Latin America EBITDA	**35.2**	50.7
Latin America EBITDA margin	*29.4%*	*35.2%*
Exchange impact	**0.8**	-
Latin America EBITDA at constant exchange rate	**36.0**	50.7
Group operating (loss) profit	**(1,517.5)**	329.9
Depreciation and amortisation	**161.0**	169.6
Impairment of goodwill and intangible assets[1]	**1,588.7**	-
Other exceptional items (note 6)	**229.1**	14.1
Group EBITDA	**461.3**	513.6
Group EBITDA margin	*28.7%*	*27.4%*
Exchange impact	**5.8**	-
Group EBITDA at constant exchange rates	**467.1**	513.6

[1] See notes 9 and 10

4. Taxation

The tax charge for the year is different from the standard rate of corporation tax in the United Kingdom of 26% (2011 – 28%). The differences are explained below:

Year ended 31 March £m	2012	2011
(Loss) profit before tax multiplied by the standard rate of corporation tax in the United Kingdom	**(368.4)**	18.6
Effects of:		
Non deductible impairment on intangibles	**170.2**	-
Differing tax rates on foreign earnings	**(102.2)**	6.1
Deferred tax assets not recognised (recognised)	**72.1**	(3.2)
Adjustments in respect of prior years	**(6.2)**	(2.7)
Deferred tax effect of tax rate changes	**1.6**	(0.3)
Other	**4.7**	1.1
Tax (credit) charge on (loss) profit before tax	**(228.2)**	19.6
Effective tax rate on loss or profit before tax[1]	**16.1%**	29.6%

(1) The effective tax rate in 2012 has been significantly affected by the non tax deductible element of impairment expense. See note 6. The Group's effective tax rates before exceptional items were 28.3% in 2012 and 29.5% in 2011.

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

Year ended 31 March £m	2012	2011
Current tax:		
Current year corporation tax charge	**76.9**	12.5
Adjustments in respect of prior years	**(20.1)**	(2.1)
	56.8	10.4
Deferred tax:		
Current year deferred tax (credit) charge	**(298.9)**	9.8
Adjustments in respect of prior years	**13.9**	(0.6)
Tax (credit) charge on (loss) profit before tax	**(228.2)**	19.6

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

Year ended 31 March £m	2012	2011
Current tax on actuarial losses	**4.4**	3.1
Deferred tax on actuarial losses (gains)	**7.9**	(17.6)
Deferred tax on fair valuations of financial instruments used as hedges	**(3.8)**	(29.3)
Current tax arising on foreign exchange reserves	**-**	6.6
Total taxation recorded in equity	**8.5**	(37.2)

5. Earnings per share

The calculation of basic and diluted earnings per share is based on the profit or loss for the relevant financial year and on the weighted average share capital during the year.

£m unless noted otherwise	Statutory	Exceptional items[1]	Other items[2]	Adjusted
Year ended 31 March 2012				
Operating (loss) profit	**(1,517.5)**	**1,817.8**	**-**	**300.3**
Amortisation of acquired intangibles	**-**	**-**	**89.4**	**89.4**
Net finance income (costs)	**100.4**	**(253.1)**	**1.0**	**(151.7)**
Group (loss) profit before tax	**(1,417.1)**	**1,564.7**	**90.4**	**238.0**
Taxation[3]	**228.2**	**(269.9)**	**(28.3)**	**(70.0)**
Group (loss) profit after tax	**(1,188.9)**	**1,294.8**	**62.1**	**168.0**
Weighted average number of issued ordinary shares (millions)	**2,325.9**			**2,325.9**
Basic (loss) earnings per share (pence)	**(51.1)**			**7.2**
Effect of share options (pence)	**-**			**(0.1)**
Diluted (loss) earnings per share (pence)	**(51.1)**			**7.1**

£m unless noted otherwise	Statutory	Exceptional items[1]	Other items[2]	Adjusted
Year ended 31 March 2011				
Operating profit	329.9	14.1	-	344.0
Amortisation of acquired intangibles	-	-	106.6	106.6
Net finance (costs) income	(263.6)	-	5.1	(258.5)
Group profit before tax	66.3	14.1	111.7	192.1
Taxation	(19.6)	(4.1)	(36.1)	(59.8)
Group profit after tax	46.7	10.0	75.6	132.3
Weighted average number of issued ordinary shares (millions)	2,304.9			2,304.9
Basic earnings per share (pence)	2.0			5.7
Effect of share options (pence)	-			-
Diluted earnings per share (pence)	2.0			5.7

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

(2) Other items include amortisation of acquired intangibles and the fair valuation charge for the time value of interest rate caps taken directly to the Income Statement.

(3) Net exceptional tax credits primarily arose on exceptional items listed in note 6; but only £772.6m of the £1,588.7m goodwill and other intangibles written off in 2012 gave rise to tax credits, because most goodwill was not allowable for tax.

6. Exceptional items

Exceptional items are transactions which by virtue of their incidence, size, nature or a combination of all three, are disclosed separately. Exceptional items comprise the following:

Year ended 31 March £m	2012	2011
Restructuring charges and strategy implementation	**14.9**	49.7
Write off of directories in development through cost of sales[1]	**214.2**	-
Gain on curtailment of defined benefit pension scheme	**-**	(35.6)
Exceptional expenses in Group EBITDA	**229.1**	14.1
Impairment of goodwill and other intangibles (notes 9 and 10)	**1,588.7**	-
Gain on debt buy back	**(253.1)**	-
Net exceptional expenses in Group profit before tax	**1,564.7**	14.1
Net tax credits[2]	**(269.9)**	(4.1)
Net exceptional expenses in Group profit after tax	**1,294.8**	10.0

(1) Capitalised sales costs in directories in development were written off as the transformation to the digital model means the deferral of sales costs is less appropriate and more difficult to reliably calculate.

(2) Net exceptional tax credits primarily arose on exceptional items listed above; but only £772.6m of the £1,588.7m goodwill and other intangibles written off in 2012 gave rise to tax credits, because most goodwill was not allowable for tax.

7. Capital expenditure

Year ended 31 March £m	2012	2011
Capital expenditure on software, other intangible assets, property, plant and equipment	**47.4**	72.2
Decrease in accrued capital expenditure	**5.0**	5.2
Cash paid for capital expenditure	**52.4**	77.4

Proceeds on the sale of property, plant and equipment were £nil in the years ended 31 March 2012 and 2011. Capital expenditure committed at 31 March 2012 was £5.9m (2011 - £11.7m).

8. Acquisitions and disposals

In the year to 31 March 2012, the Yell Group paid $19.4m (£12.1m) for an eCommerce business in the US with recorded net assets of £0.6m. Total costs were allocated to the acquired assets and liabilities as follows:

£m	Fair value
Non current assets	
Other intangible assets	**11.6**
Property, plant and equipment	**0.1**
Deferred tax	**0.5**
Total non current assets	**12.2**
Current assets	
Trade and other receivables	**0.2**
Cash and cash equivalents	**0.2**
Total current assets	**0.4**
Current liabilities	
Trade and other payables	**(0.9)**
Total current liabilities	**(0.9)**
Non current liabilities	
Deferred tax	**(4.0)**
Total non current liabilities	**(4.0)**
Identifiable net assets	**7.7**
Goodwill[1]	**4.4**
Total cost	**12.1**

[1] Goodwill of £4.4m was attributable to the expected future synergies, the workforces acquired and the expected future growth of market share, non-contractual customer relationships not eligible for separate recognition, and the premium attributable to a pre-existing, well positioned business in the digital sector.

Year ended 31 March 2011

In the year ended 31 March 2011, the Yell Group paid £1.2m for a digital media company in the UK with recorded net assets of £0.3m, £0.4m for the net assets of a pre-press operation in the Philippines with recorded net assets of £0.4m, and £10.2m for in-fill acquisitions in the US. Goodwill of £5.9m was attributable to the expected future synergies, the workforces acquired and the expected future growth of the businesses.

Cash flow

A reconciliation of cash paid on acquisitions, including deferred payments for prior year acquisitions, to the cash flow on page 7 is as follows:

Year ended 31 March		
£m	**2012**	2011
Cost of acquisitions in the year, net of cash acquired	**11.9**	11.8
Payments in year for amounts deferred on prior year acquisitions	**0.7**	1.0
Net cash outflow in year	**12.6**	12.8

The Yell Group did not make any disposals in any of the periods presented in this financial information.

9. Goodwill

At 31 March £m	2012	2011
Opening net book value at 1 April 2011 and 2010	**3,123.9**	3,218.3
Impairment	**(1,209.2)**	-
Acquisitions (note 8)	**4.4**	5.9
Currency movements	**(9.2)**	(100.3)
Net book value at year end	**1,909.9**	3,123.9

Goodwill is not amortised but is tested, at least annually, for impairment. The impairment analysis is based on certain assumptions, including future revenue and profit growth, that can change the conclusion on whether goodwill is impaired. The impairment loss is applied against goodwill first and if it exceeds the amount of goodwill, then the excess is allocated to other long-lived intangible assets. (see note 10).

During the year ended 31 March 2012, impairment losses of £607.6m, £221.4m, £256.9m, £78.6m and £44.7m were recorded on goodwill in relation to the Group's operations in the US, UK, Spain, Chile and Peru, respectively. There was no goodwill write down in 2011. In accordance with IAS 36, future financial results expected for all group operations were reduced to reflect the worsening economic outlook in all of the Group's markets, the latest revenue trends for the legacy directory products and the fact that the expected revenue effect of the new strategy is not yet confirmed. At 31 March 2012 the fair values of the operations in the US, UK, Spain, Chile, 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 Argentina has not been written down, because the estimated recoverable amount of operations in that country was in excess of the carrying value.

10. Other intangible assets

At 31 March £m	2012	2011
Opening net book value at 1 April 2011 and 2010	**1,157.0**	1,266.9
Impairment	**(379.5)**	-
Additions	**33.8**	42.7
Acquisitions (note 8)	**11.6**	4.0
Disposals and writeoffs	**(0.6)**	(1.1)
Amortisation	**(134.8)**	(138.9)
Currency movements	**(49.8)**	(16.6)
Net book value at year end	**637.7**	1,157.0

Goodwill is not amortised but is tested, at least annually, for impairment (see note 9). The impairment loss is applied against goodwill first and if it exceeds the amount of goodwill, then the excess is attributed to other long-lived intangible assets. During the year ended 31 March 2012, impairment charges of £359.5m and £20.0m in relation to brands and contracts in Spain and Chile, respectively, were recorded. There were no write downs in 2011.

11. Property, plant and equipment

At 31 March £m	2012	2011
Opening net book value at 1 April 2011 and 2010	**100.5**	104.6
Additions	**13.6**	29.5
Acquisitions (note 8)	**0.1**	0.3
Disposals and writeoffs	**-**	(1.1)
Depreciation	**(26.2)**	(30.7)
Currency movements	**(1.5)**	(2.1)
Net book value at year end	**86.5**	100.5

12. Deferred tax assets and liabilities

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

At 31 March £m	2012	2011
Tax effect of timing differences due to:		
Recognised tax net operating losses	**26.4**	-
Bad debt provisions	**6.2**	30.3
Depreciation	**5.4**	7.9
Other allowances and accrued expenses	**1.9**	13.4
Financial instruments	**1.2**	5.2
Share based payments	**0.3**	0.9
Other	**6.6**	11.6
Recognised deferred tax assets	**48.0**	69.3

Deferred income tax assets are recognised to the extent that the realisation of the related tax benefit through future taxable profit is probable. The Group did not recognise deferred income tax assets of £461.4m (2011: £378.6m) in respect of tax loss carry forwards of £1,537.9m (2001: £1,261.7m) due to uncertainty over the availability of the tax losses. The benefits available in respect of £1,534.7m of these tax loss carry forwards expire between 2024 and 2030 if not used and the remaining £3.2m do not time expire. In addition, the Group did not recognise deferred income tax assets of £27.6m (2001: £nil) in respect of other assets of £71.4m (2011: £nil).

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

At 31 March £m	2012	2011
Tax effect of timing differences due to:		
Intangible assets	**237.8**	510.2
Unremitted earnings	**11.5**	12.0
Deferred directory costs	**-**	42.9
Defined benefit pension scheme	**3.2**	9.8
Other	**19.1**	17.1
Recognised deferred tax liabilities	**271.6**	592.0

During the year legislation to change the corporation tax rates was substantially enacted in the UK and enacted in Chile. The net effect of these changes has been to reduce deferred tax assets by £2.1m and deferred tax liabilities by £0.7m, reduce profit after tax by £1.6m in the year and increase other comprehensive income not recognised in the income statement by £0.2m.

13. Trade and other receivables

At 31 March £m	2012	2011
Net trade receivables[1]	**464.1**	677.5
Net accrued income[1]	**68.2**	29.9
Corporate income tax recoverable	**29.4**	18.4
Prepayments	**18.9**	19.5
Other receivables	**17.7**	17.8
Total trade and other receivables	**598.3**	763.1

[1] The Group's trade receivables are stated after deducting a provision of £149.8m (March 2011 - £178.4m) for bad and doubtful debts. Trade receivables are down on the prior year and accrued income is up on the prior year due to changes in billing practices and contract terms (see also Note 15, Trade and other payables).

14. Loans and other borrowings, net debt

At 31 March £m	2012	2011
Amounts falling due within one year		
Term loans under senior credit facilities[1]	**167.1**	122.6
Net obligations under finance leases and other short term borrowings	**2.7**	2.7
Total amounts falling due within one year	**169.8**	125.3
Amounts falling due after more than one year		
Term loans under senior credit facilities[1]	**2,165.2**	2,840.3
Net loans and other borrowings	**2,335.0**	2,965.6
Cash and cash equivalents	**(134.6)**	(200.5)
Net debt at year end	**2,200.4**	2,765.1

[1] Balances are shown net of deferred financing fees totalling £62.0m (March 2011 - £64.1m).

The movement in net debt for the year ended 31 March 2012 and 2011 arose as follows:

Year ended 31 March £m	2012	2011
At 1 April 2011 and 2010	**2,765.1**	3,094.6
Free cash flow	**(298.9)**	(264.7)
Gain on debt buyback	**(253.1)**	-
Currency movements	**(36.7)**	(86.9)
Amortisation of financing fees	**24.5**	22.7
Purchase of own shares	**0.1**	0.2
Proceeds from shares issued, net of expenses	**(0.6)**	(0.8)
At year end	**2,200.4**	2,765.1

14. Loans and other borrowings, net debt

The extended bank facilities became effective on 30 November 2009, were amended on 19 December 2011 and mature in April and July 2014. Amounts outstanding under the old and extended debt facilities at 31 March 2012 were as follows:

At 31 March	A tranches		B tranches			
	Old facilities	Extended facilities	Old facilities	Extended facilities	Other	Total
£m						
Pounds sterling	-	**584.4**	**-**	**-**	**-**	**584.4**
US dollars [1]	-	**468.4**	**28.0**	**712.9**	**2.5**	**1,211.8**
Euro [1]	-	**327.2**	**37.7**	**235.7**	**0.2**	**600.8**
Total principal	-	**1,380.0**	**65.7**	**948.6**	**2.7**	**2,397.0**
Deferred financing fees						**(62.0)**
Cash and cash equivalents						**(134.6)**
Net debt at year end						**2,200.4**

[1] The closing rate for the US dollar at 31 March 2012 was $1.5978 to £1.00 and for the Euro was €1.1998 to £1.00.

The extended facilities contain covenants over net cash interest cover and debt cover. The net cash interest cover covenant requires that the ratio of EBITDA (adjusted for exceptional items and acquisitions during the year) for the latest twelve month period to net cash interest payable for the latest twelve month period does not fall below specific threshold ratios at specific test dates. The debt cover covenant requires that the ratio of net debt, excluding deferred financing fees and restated at the calculated average exchange rate for the relevant EBITDA, at the testing date to EBITDA for the latest twelve month period should not exceed specific threshold ratios at specific test dates. Yell paid fees of £22m, plus a potential further 2%, to obtain the lenders' agreement to revise this latter covenant in December 2011. The existing threshold ratios at 31 March 2012 and for each test date until 30 June 2014 are as set out in the table below. The net debt to EBITDA covenant is adjusted for debt buy backs as per the amended facility agreement. Future ratios set out here will also be adjusted for any future debt buy back below par.

Test date	Cash interest cover ratio	Debt cover ratio
31 March 2012	2.25 : 1	5.79 : 1
30 June 2012	2.27 : 1	5.79 : 1
30 September 2012	2.32 : 1	5.79 : 1
31 December 2012	2.40 : 1	5.54 : 1
31 March 2013	2.49 : 1	5.29 : 1
30 June 2013	2.55 : 1	5.04 : 1
31 March 2013	2.63 : 1	4.79 : 1
31 December 2013	2.73 : 1	4.54 : 1
31 March 2014	2.84 : 1	4.29 : 1
30 June 2014	2.91 : 1	4.04 : 1

14. Loans and other borrowings, net debt

Yell operated within its debt covenants for all periods presented in this financial information with headroom for the year ended 31 March 2012 of 34% on the cash interest cover ratio and 14% on the debt cover ratio. Had the debt buy back and covenant reset not taken place, the Group would still have had headroom on its previous covenants. However, as a consequence of increasingly difficult trading conditions and a greater proportion of future income expected to come from as yet unproven new strategies, there is a higher risk in the current year than in the previous year that the Group would not be able to meet its financial covenants with its lenders. A discussion of the risks associated with the future tightening of debt covenants is presented on page19 of Yell's annual report for the financial year ended 31 March 2011, a copy of which is available on Yell's website at http://www.yellgroup.com. These risks are updated in Note 1 under 'Risk Statement' and will be included in the annual report for the year ended 31 March 2012, which will be available on Yell's website in June 2012.

15. Trade and other payables

At 31 March £m	2012	2011
Amounts falling due within one year		
Trade payables	**64.3**	56.9
Other taxation and social security	**6.9**	15.0
Accruals and other payables	**180.3**	219.2
Deferred income [1]	**144.2**	230.7
Trade and other payables falling due within one year	**395.7**	521.8
Amounts falling due after more than one year		
Accruals and other payables	**14.4**	15.8
Trade and other payables falling due after more than one year	**14.4**	15.8
Total trade and other payables	**410.1**	537.6

[1] Deferred income is down on the prior year due to changes in billing practices and contract terms (see also note 13, Trade and other receivables).

16. Retirement benefits

At 31 March £m	2012	2011
Net retirement benefits surplus (obligation) at 1 April 2011 and 2010	**37.3**	(63.3)
Net actuarial (loss) gain on defined benefit pension schemes	**(47.9)**	55.3
Curtailment benefit	**-**	35.6
Contributions in excess of charges	**20.0**	9.7
Net movement in retirement benefits (obligation) surplus	**(27.9)**	100.6
Net retirement benefits surplus at year end	**9.4**	37.3

The reason for the net actuarial loss in the year ended 31 March 2012 was primarily a 60 basis point decrease in real interest rates, thus increasing estimated liabilities, partially offset by an increase in the value of assets held.

17. Financial commitments, litigation and contingent liabilities

At 31 March 2012, Yell has no material unrecorded litigation settlement obligations.

As part of the revised lenders agreement, Yell will be required to pay around £45m to its lenders if the consolidated net debt : consolidated EBITDA ratio at 31 March 2013 exceeds the equivalent of 4.6 after adjusting for below par debt buy backs.

Yell has £19.9m of restructuring provisions expensed but not yet paid at 31 March 2012 as the best estimate of the remaining amounts to be settled.

There are no contingent liabilities or guarantees other than those referred to above and those arising in the ordinary course of the Group's business. No material losses are anticipated on liabilities arising in the ordinary course of business.