



Yellow Pages Income Fund Reports Third Quarter Results and Continuing Strong Performance

Ongoing Improvements in Yellow Pages Group Results

Montreal (Québec), November 3, 2004 – Yellow Pages Income Fund (TSX: YLO.UN) announced its third quarter results today, reporting further improvements in the performance of Yellow Pages Group (YPG), the Fund's wholly-owned operating company.

YPG reported net earnings of \$77.0 million for the third quarter of 2004, compared to a net loss of \$70.6 million for the quarter ended September 30, 2003. For the nine months ended September 30, 2004, YPG recorded net earnings of \$215.7 million, compared to a net loss of \$111.1 million for the first nine months of 2003. In addition to improved operating performance, the results reflect lower non-cash amortization of certain intangible assets and reduced financial charges resulting from a reduced level of borrowings and lower borrowing costs.

“Our growth strategies are proving to be effective and are expected to bring further improvements to our operating and financial metrics. Yellow Pages Group has established a strong track record of performance. This success speaks to the value we offer to both advertisers and users, and the commitment of our team to deliver that value. With most of the year now behind us, we are confident that we will meet our performance objectives for the year,” commented Marc P. Tellier, President and CEO.

For the quarter ended September 30, 2004, YPG reported Adjusted Revenues¹ of \$167.0 million up 3.7% and Adjusted EBITDA of \$98.2 million up 4.2% compared to corresponding period last year. For the nine months ended September 30, 2004, YPG reported Adjusted Revenues of \$497.2 million up 4.2% and Adjusted EBITDA of \$290.0 million up 5.0% compared to the same period last year. The increase in revenues is attributable to an increase in advertising revenues in our print directories which arises from new pricing models, improved sales coverage and neighbourhood directories, and the continuing strong growth in our online business.

Recent Developments

YPG's organic growth initiatives are centered on enhancing the strong value proposition it offers to users and advertisers. Significant recent achievements include:

- Signing of a strategic agreement with Google that makes YPG's 2.4 million business listings available on Google Local Canada, a new local search service. Our agreement with Google reinforces our position as Canada's leading online directory publisher and sets the stage for the next phase of growth in the online local search market in Canada. The agreement entails no significant increase in costs or revenues in the short term, but it furthers our strategic goal of increasing traffic to YellowPages.ca and our network of related sites and making it easier for users to locate the information they need – both of which translate into additional value for advertisers.

- The introduction of the new Montreal Yellow Pages™ directories, which for the first time, combines the Yellow Pages™ directory information with the alphabetical business pages that were previously part of the residential directory. This new 2-in-1 directory is a more complete, one-stop reference source where users can search for business information by category or by name. The same format was launched in the Greater Toronto Area for the Etobicoke, Scarborough and North York directories.
- The publication of the Consumer Report and Protégez-Vous Buying Guides, produced in collaboration with the Consumers Union and Protégez-Vous. These consumer guides found in the Toronto and Montreal directories offer consumers tips on how to make the best purchasing decision.
- A successful, eye-catching and innovative multi-media advertising campaign in Toronto and Montreal targeting users of Yellow Pages™ directories. The campaign combined the use of outdoor billboards, newspaper banners and street advertising with the message that Yellow Pages™ directories provide “More”. Consumer feedback has been highly positive with campaign results exceeding average advertising results.

Cash Distributions

During the quarter, total cash distributions paid to unitholders amounted to \$0.2298 per unit. Monthly distributions are currently at the level of \$0.0766 per unit, equivalent to \$0.92 annually.

Cash available for distributions continues to grow. For the twelve months ended September 30, 2004, cash available for distributions amounted to \$335 million, compared with cash available for distributions at the time of the Company’s IPO of approximately \$275 million. This represents growth on a comparable basis of 22%.

The Board of Directors periodically reviews cash distributions taking into account the current and prospective performance of YPG. Other factors considered include cash amounts required to service debt obligations, maintenance capital expenditures, taxes and other amounts considered to be prudent.

Strong Capital Structure

YPG’s strong capital structure is the result of more than \$5 billion of capital market transactions in the last 14 months including the Company’s IPO in August 2003. These transactions have allowed the Company to reduce debt, diversify funding sources and extend the term of its indebtedness. With its significantly reinforced capital structure, Yellow Pages Group is well positioned for future growth.

Outlook

YPG management is providing preliminary guidance for 2005. As a result of our organic growth strategy, we expect Adjusted Revenues to grow between 3% and 4%, and EBITDA on a comparable basis, adjusted for the elimination of purchase accounting, should grow between 3% and 5%.

Management is also confident in its ability to grow the Fund’s cash distributions by approximately 4% annually.

“Our focus going forward will be to continue to execute our organic growth strategies, building on our excellent value proposition. We may also consider increasing our geographic coverage through selective investments and business acquisitions,” stated Marc P. Tellier.

About Yellow Pages Income Fund

Yellow Pages Income Fund is an unincorporated, open-ended, limited purpose trust established to invest in Yellow Pages Group. The Fund indirectly holds Yellow Pages Group.

About Yellow Pages Group

Yellow Pages Group is Canada's largest telephone directories publisher and the official publisher of Bell Canada's directories. Yellow Pages Group publishes annually more than 200 print Yellow Pages™ directories and alphabetical pages reaching approximately 70% of the Canadian population. The Company also manages Canada's most visited commercial online directories YellowPages.ca™, Canada411.ca, CanadaTollFree.ca, as well as the CanadaPlus.ca network, a leader in the local city sites market.

Investor Conference Call

Yellow Pages Group will hold an analyst call at 1:00 p.m. (Eastern Time) on November 3 to discuss the third quarter results. The call may be accessed by dialling (416) 405-9328 within the Toronto area, or 1 800 387-6216 outside of Toronto. The call will be simultaneously webcast on the Company's Web site at <http://www.ypg.com/page.php/en/1/198.html>.

The conference call will be archived in the Investor Center of the site at www.ypg.com. A playback of the call can also be accessed from November 3 to November 11 by dialling (416) 695-5800 from within the Toronto area, or 1 800 408-3053 outside Toronto. The seven-digit access code is 3106022.

Caution Concerning Forward-Looking Statements

Certain statements in this news release may contain forward-looking statements. Such statements involve known and unknown risks, uncertainties and other factors that may cause the actual results, performance or achievements to differ materially from those expressed in the forward-looking statements. Neither the Fund nor YPG assume responsibility for the accuracy and completeness of the forward-looking statements and do not undertake any obligation to publicly revise these forward-looking statements to reflect subsequent events or circumstances.

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Contacts:

Claire Lanctôt
Vice President, Corporate Finance
Tel: (514) 934-6509
claire.lanctot@ypg.com

Annie Marsolais
Senior Manager, Corporate Communications
Tel: (514) 934-4016
annie.marsolais@ypg.com

Enclosure: Financial Highlights

¹Non-GAAP Measures

In order to provide a better understanding of the results, YPG uses the term EBITDA (earnings before interest, taxes, depreciation and amortization). Management defines EBITDA as revenues less operating costs which represents income/(loss) from operations before depreciation and amortization. YPG also uses the terms Adjusted Revenues and Adjusted EBITDA (revenues and EBITDA adjusted for certain items, which management believes are reflective of ongoing operations). These terms do not have any standardized meaning prescribed by Canadian GAAP and may not be comparable to similar measures presented by other issuers. Management believes EBITDA, Adjusted Revenues and Adjusted EBITDA to be important measures as they allow management to assess the operating performance of the ongoing business. The table below is a reconciliation of Adjusted Revenues, EBITDA and Adjusted EBITDA to the most comparable Canadian GAAP financial measures:

	Three-month period ended September 30,		Nine-month period ended September 30,	
	2004	2003	2004	2003
Revenues	\$166,967	\$154,546	\$497,178	\$450,502
Elimination of purchase accounting impact	-	6,430	-	26,457
Adjusted revenues	\$166,967	\$160,976	\$497,178	\$476,959

	Three-month period ended September 30,		Nine-month period ended September 30,	
	2004	2003	2004	2003
Income (loss) from operations	\$92,393	\$(88,503)	\$268,665	\$(100,863)
Depreciation and amortization	5,094	52,222	23,761	266,094
Restructuring and special charges	-	136,136	-	136,136
EBITDA	\$97,487	\$ 99,855	\$292,426	\$ 301,367
Elimination of purchase accounting impact	(553)	(6,274)	(5,014)	(29,683)
Transition expenses	1,240	623	2,637	4,482
Adjusted EBITDA	\$98,174	\$94,204	\$290,049	\$276,166

Financial Highlights

(in thousands of Canadian dollars, except unit information)

	For the three-month period ended September 30, 2004	For the nine-month period ended September 30, 2004	For the period of August 1 to September 30, 2003
Yellow Pages Income Fund			
Net earnings	\$41,368	\$68,640	\$193
Net earnings per unit	0.12	0.24	0.002
Distributions declared	79,088	193,847	13,992
Distributions paid and payable per unit	0.2298	0.6762	0.1376
Units outstanding (basic)	344,201,268	344,201,268	101,692,030

YPG LP	For the three-month period ended September 30,		For the nine-month period ended September 30,	
	2004	2003	2004	2003
Revenues	\$166,967	\$154,546	\$497,178	\$450,502
Income (loss) from operations	92,393	(88,503)	268,665	(100,863)
Adjusted revenues ¹	166,967	160,976	497,178	476,959
Adjusted EBITDA ¹	98,174	94,204	290,049	276,166
<i>Adjusted EBITDA margin</i>	58.8%	58.5%	58.3%	57.9%
Cash available for distributions	84,621	67,093	255,404	150,568
Distributions declared	79,088	47,570	232,370	47,570
Units outstanding (basic)	344,201,268	332,803,030	344,201,268	332,803,030

¹ EBITDA is defined as revenues less operating costs which represents income/(loss) from operations before depreciation and amortization. YPG also uses the terms Adjusted Revenues and Adjusted EBITDA (revenues and EBITDA adjusted for certain items which management believes are reflective of ongoing operations).