

Yellow Pages Income Fund Reports 2004 Results and Increase in Distributions to \$0.96 Per Unit

- YPG's Adjusted Revenues up 4.2% and EBITDA up 4.4% for 2004
- 47% year-over-year increase in online revenues
- Continuing steady usage of print directories

Montreal (Québec), February 14, 2005 – Yellow Pages Income Fund (TSX: YLO.UN) released its fourth quarter and 2004 year-end results today, reporting continued improvement to the performance of Yellow Pages Group (YPG), the Fund's wholly-owned operating company. Concurrent with this release, the Company also announced an increase in cash distributions to unitholders of 4.4% to \$0.96 annually.

YPG reported net earnings of \$60.9 million for the fourth quarter ended December 31, 2004, compared to net earnings of \$54.1 million in the fourth quarter of 2003. For the fiscal year 2004, YPG recorded net earnings of \$276.5 million, compared to a net loss of \$56.9 million in 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.

YPG's operating performance has improved in every quarter since becoming a stand-alone company in November 2002. The fourth quarter ended December 31, 2004, continued this positive trend, with Adjusted Revenues¹ of \$170.2 million up 4.3% and Adjusted EBITDA of \$98.7 million up 2.6% compared to the corresponding period last year. For the year, YPG reported Adjusted Revenues of \$667.4 million up 4.2% and Adjusted EBITDA of \$388.8 million up 4.4% compared to the same period last year. The 2004 results reflect an EBITDA margin of 58.3%, which along with certain other measures, places YPG among the top performing directory publishers in North America and Europe.

Management attributes the continuing upward momentum in YPG's financial and operating metrics to the strong value that its directories, both print and online, offer to users and advertisers, and also to management's success in enhancing and communicating that value, while implementing initiatives to improve efficiency and effectiveness for the benefit of customers and unitholders alike.

"We have moved to an environment of greater accountability and transparency. Our employees are taking ownership of our corporate goals, displaying high levels of entrepreneurship, and proving over and over again that they can execute our growth initiatives with excellence," stated Marc P. Tellier, President and CEO.

Directories: Seamless and Ubiquitous

According to Mr. Tellier, "The directory business is growing in Canada and consumer usage of print directories remains strong and steady, while usage of online directories is expanding at a rapid pace." In December 2004, 4.2 million unique visitors logged onto one of the Company's sites, which include YellowPages.ca™, Canada411.ca and CanadaPlus.ca, a network of city sites, representing a reach of 22.5% of online Canadians¹. On the other hand, print directories usage remains strong, with seven out of ten Canadians referring to a print directory monthly, a level that has not changed over the last five years.²

¹ comScore Media Metrix Canada, December 2004

² NFO CF Group, 2003

“One of our strategic objectives is to grow the directory category as a whole in Canada by making no distinction between our print, online or wireless services, and we believe we are succeeding. Print advertising revenues remain positive and for the first time this year, our online revenues have reached critical mass levels. Our online revenues increased by 47% in 2004 and we expect to see continued strong growth in our online business,” said Mr. Tellier.

Increase in Cash Distributions

YPG’s strong operating performance has resulted in increasing cash distributions to unitholders. Cash available for distributions in 2004 was \$337 million, up 7.1% from 2003 and up 22.8% from our initial public offering (IPO) in August 2003. The annualized level of cash distributions at year-end 2004 was \$0.92 per unit, representing a 4.5% increase over 2003 and an 11.5% increase over the level indicated at the time of the IPO.

The Fund announced today an increase in its annualized level of cash distributions to \$0.96, representing growth of 4.4%. This increase will begin with the March 15th distribution to unitholders of record on February 28, 2005.

Management considers this new level of cash distributions to be sustainable and prudent. Cash available for distributions amounted to \$0.98 per unit at the end of 2004. Furthermore, YPG believes the increase is warranted based on our continuing positive outlook for 2005, and our strong capital position, including cash and cash equivalents of \$187 million at December 31, 2004, among other factors.

Completion of Post-IPO Financing Initiatives

During the fourth quarter, Yellow Pages Group concluded the final step in its post-IPO financing initiatives with the completion of an offering of \$250 million in Medium Term Notes through YPG Holdings Inc. These financings, which amounted to close to \$6 billion in capital market transactions including the IPO, were conducted with a clear underlying objective: to achieve a strong capital structure which should position the Company for growth. Management now considers this important objective has been achieved. In addition to substantial debt reduction, the Company has diversified its funding sources and extended the term of its indebtedness, providing it with financial flexibility. At year-end, the Company’s ratio of net debt to EBITDA was 2.6 times.

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

YPG will hold an analyst call at 8:30 a.m. (Eastern Time) on February 15, 2005 to discuss the year-end 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/1/214.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 (February 15 to February 23) by dialling (416) 695-5800 from within the Toronto area, or 1 800 408-3053 outside Toronto. The seven-digit access code is 3134067.

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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Enclosure: Financial Highlights

Financial Highlights

(in thousands of Canadian dollars, except unit information)

Yellow Pages Income Fund	For the three-month period ended December 31, 2004	For the three-month period ended December 31, 2003	For the year ended December 31, 2004	From commencement of operations, August 1 to December 31, 2003
Net earnings	\$38,349	\$2,968	\$106,989	\$3,161
Net earnings per unit	0.11	0.026	0.36	0.028
Distributions declared	79,092	31,288	272,939	45,280
Distributions paid and payable per unit	0.2298	0.2154	0.906	0.3530
Units outstanding (basic)	344,330,140	229,692,030	344,330,140	229,692,030

YPG LP	For the three-month period ended December 31,		For the year ended December 31,	
	2004	2003	2004	2003
Revenues	\$170,197	\$162,056	\$667,375	\$612,558
Income (loss) from operations	89,841	69,795	358,506	(31,068)
Net earnings (loss)	60,892	54,116	276,547	(56,936)
Adjusted revenues ⁱ	170,197	163,257	667,375	640,216
Adjusted EBITDA ⁱ	98,708	96,181	388,757	372,347
<i>Adjusted EBITDA margin</i>	58.0%	58.9%	58.3%	58.2%
Cash available for distributions	81,862	81,589	337,265	315,011
Distributions declared	79,115	72,489	311,485	120,059
Units outstanding (basic)	344,330,140	342,803,030	344,330,140	342,803,030

ⁱ Non-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 December 31,		Year ended December 31,	
	2004	2003	2004	2003
Revenues	\$170,197	\$162,056	\$667,375	\$612,558
Elimination of purchase accounting impact	-	1,201	-	27,658
Adjusted Revenues	\$170,197	\$163,257	\$667,375	\$640,216
	Three-month period ended December 31,		Year ended December 31,	
	2004	2003	2004	2003
Income (loss) from operations	\$89,841	\$ 69,795	\$358,506	\$(31,068)
Depreciation and amortization	3,984	21,675	27,745	287,769
Restructuring and special charges	-	7,979	-	144,115
EBITDA	\$93,825	\$ 99,449	\$386,251	\$400,816
Elimination of purchase accounting impact	(90)	(4,946)	(5,104)	(34,629)
Transition expenses	4,973	1,678	7,610	6,160
Adjusted EBITDA	\$98,708	\$96,181	\$388,757	\$372,347