



Yellow Pages Income Fund Reports Strong First Quarter Results

- Adjusted Revenues up 5.0%
- Adjusted EBITDA up 4.7%
- Strong momentum in online revenues

Montreal (Québec), May 10, 2005 – Yellow Pages Income Fund (TSX: YLO.UN) released its first quarter results today, reporting a continuing upward progression in Yellow Pages Group's (YPG) financial performance.

For the first quarter ended March 31, 2005, Adjusted Revenuesⁱ increased by 5.0% to \$172.5 million and Adjusted EBITDAⁱ increased by 4.7% to \$99.9 million compared to the corresponding periods last year. These results continue to demonstrate the positive trend that began when the Company became a stand-alone entity in November 2002.

Net earnings amounted to \$63.7 million for the quarter, compared to \$9.5 million in the first quarter of 2004. In addition to the Company's improved operating performance, net earnings were also favourably impacted by a decrease in depreciation and amortization expenses as a result of purchase accounting.

"YPG has built a strong track record of performance over the past two years. Our growth levels and EBITDA margins are best-in-class. This attests to the strong value that our print and online directories provide to users and advertisers," stated Marc P. Tellier, President and CEO.

Growth initiatives include improving YPG's business processes, sharpening the sales message, strengthening the online offering, enhancing the print directories, expanding distribution and reinforcing the brand equity.

Online revenues increased by 81.5% to \$7.9 million compared to the same quarter last year. This significant increase in online revenues is a direct result of last year's very successful full scale roll-out of Directory Plus, a bundle of print and online advertising that is being rapidly adopted by YPG's existing advertiser base.

Recent Corporate Developments

On March 7, 2005, the Company executed a definitive agreement to acquire Advertising Directory Solutions Holdings Inc. (ADS), Canada's second largest directory publisher and the official publisher of TELUS directories. The acquisition provides YPG with the opportunity to create a strong national platform for both its print and online directories, and to further grow the business. The acquisition is expected to be immediately accretive to cash available for distributions. The transaction is currently under review by the Competition Bureau and is expected to close on or about June 30, 2005.

Highlights of Annual Meeting of Unitholders

At the Company's Annual Meeting today in Toronto, Mr. Tellier reported on YPG's 2004 accomplishments. Management met or exceeded all of its major objectives for the year. Mr. Tellier also highlighted the Company's track record of performance over the past two years, stating that the Company is uniquely positioned to continue to grow through both organic and external expansion.

For the remainder of 2005, the Company will continue to focus on developing its products – both print and online. To exemplify this, YPG launched a new service called *WebNumber™* that provides a free Web site to every Canadian company that has a business line. This national online search tool is a first for the directory industry worldwide. “We created over one million Web sites and unique Web addresses,” stated Mr. Tellier. “With the *WebNumber* service, almost all merchants now have a Web presence, a distinct Web address, which is their phone number, and more comprehensive local content associated with their business.”

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. Yellow Pages Group publishes annually more than 200 print Yellow Pages™ directories and alphabetical pages. 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 2:00 p.m. (Eastern Time) on May 10, 2005 to discuss the first 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/1/248.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 May 10 to May 18 by dialling (416) 695-5800 from within the Toronto area, or 1 800 408-3053 outside Toronto. The seven-digit access code is 3150227.

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. YPG does not 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)

Note: Beginning this quarter, the Company is not reporting the results of YPG LP separately. They have been consolidated into those of the Yellow Pages Income Fund since December 17, 2003. We now have a full year of available comparative information for the consolidated entity to present.

Yellow Pages Income Fund	For the three-month period ended March 31,	
	2005	2004
Revenues	\$170,849	\$154,684
Income from operations	76,077	28,858
Net earnings	63,704	9,471
Net earnings per unit	\$0.19	\$0.04
Adjusted Revenues ⁱ	172,531	164,323
Adjusted EBITDA ⁱ	99,918	95,466
<i>Adjusted EBITDA margin</i>	57.9%	58.1%
Cash available for distributions ⁱⁱ	84,438	60,048
Weighted average number of units outstanding	344,221,790	236,040,035
Cash available for distributions per unit	\$0.25	\$0.25
Distributions declared	81,442	52,198
Distributions paid and payable per unit	\$0.24	\$0.22

¹ Cash available for distributions as at March 31, 2004 and 2005 are not comparable since Yellow Pages Income Fund owned 70.28% of YPG LP as at March 31, 2004, and was a wholly-owned subsidiary as at March 31, 2005.

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 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:

For the three-month period ended March 31,

	2005	2004
Revenues	\$170,849	\$154,684
Elimination of purchase accounting impact	1,682	9,639
Adjusted Revenues	\$172,531	\$164,323

For the three-month period ended March 31,

	2005	2004
Income from operations	\$76,077	\$28,858
Depreciation and amortization	26,868	72,791
EBITDA	\$102,945	\$101,649
Elimination of purchase accounting impact	(3,027)	(6,746)
Transition expenses	-	563
Adjusted EBITDA	\$99,918	\$95,466