Supplemental Disclosure

Yellow Pages Income Fund

Fourth Quarter and Year-End 2006

As filed on SEDAR on February 13, 2007 (www.sedar.com)
This report is also available at http://www.ypg.com/page.php/en/1/349.html

Yellow Pages
Income Fund™

TABLE OF CONTENTS

This Supplemental Disclosure contains forward-looking statements about the objectives, strategies, financial condition, results of operations and businesses of YPG. These statements are “forward-looking” as they are based on current expectations about our business and the markets we operate in, and on various estimates and assumptions. Our actual results could be materially different from our expectations if known or unknown risks affect our business, or if our estimates or assumptions turn out to be inaccurate. As a result, we cannot guarantee that any forward-looking statements will materialize. Forward-looking statements do not take into account the effect that transactions or non-recurring items announced or occurring after the statements are made may have on our business. We disclaim any intention or obligation to update any forward-looking statements even if new information becomes available as a result of future events or for any other reason. Risks that could cause our actual results to differ materially from our current expectations are discussed in section 7 of our February 13, 2007 Management's Discussion and Analysis.

This Supplemental Disclosure shall be read in connection with the February 13, 2007 Management's Discussion and Analysis.

1. FINANCIAL HIGHLIGHTS - YELLOW PAGES INCOME FUND

(in thousands of Canadian dollars)

	For the three-month periods ended December 31, 2006	2005	For the years ended December 31, 2006	2005
Revenues	**$378,987**	$276,232	**$1,384,956**	$922,945
Operating costs	**181,292**	124,698	**638,201**	382,329
Income from operations before depreciation and amortization restructuring and special charges and impairment of intangibles	**197,695**	151,534	**746,755**	540,616
Net earnings	**$113,038**	$41,200	**$431,933**	$241,833
Net earnings per unit	**$0.21**	$0.09	**$0.85**	$0.55
Diluted net earnings per unit	**$0.20**	$0.09	**$0.84**	$0.54
Adjusted Revenues	**$380,032**	$282,475	**$1,389,702**	$952,530
Adjusted EBITDA	**197,070**	161,779	**747,982**	548,048
Adjusted EBITDA margin	**51.9%**	57.3%	**53.8%**	57.5%
Cash flow from operating activities	**$172,020**	$159,679	**$601,363**	$497,372
Distributable cash	**$157,931**	$120,930	**$604,414**	$446,767
Distributable cash per unit	**$0.30**	$0.26	**$1.18**	$1.06
Distributions declared [1]	**$139,341**	$113,290	**$527,879**	$419,227
Distributions declared per unit	**$0.26**	$0.24	**$1.03**	$0.96
Payout ratio	**87%**	92%	**87%**	91%
Weighted average number of units outstanding				
Basic	**530,835,528**	472,034,794	**510,219,535**	421,086,434
Diluted	**556,440,897**	475,257,824	**523,976,992**	440,647,209

[1] Includes December 2006 distribution of approximately $48.3 million paid on January 15, 2007.

2. DIRECTORIES GROWTH RATE - COMPARABLE BASIS

(in thousands of Canadian dollars)

	For the three-month period ended December 31, 2005			For the three-month period ended December 31, 2006	
	YPG (Stand-alone)	ADS	Consolidated	Directories [3]	Growth on a Comparable Basis
Adjusted Revenues	182,297	100,178	282,475	294,661	
Independent revenues [1]		1,170	1,170		
Adjusted Revenues excluding independent revenues	**182,297**	**99,008**	**281,305**	**294,661**	**4.7%**
Adjusted EBITDA	**105,128**	**56,651**	**161,779**	**172,489**	**6.6%**
Adjusted EBITDA Margin [2]	57.7%	56.6%	57.3%	58.5%	

	For the year ended December 31, 2005			For the year ended December 31, 2006	
	YPG (Stand-alone)	ADS	Consolidated	Directories [3]	Growth on a Comparable Basis
Adjusted Revenues	708,019	410,811	1,118,830	1,154,077	
Independent revenues [1]		22,933	22,933		
Adjusted Revenues excluding independent revenues	**708,019**	**387,878**	**1,095,897**	**1,154,077**	**5.3%**
Adjusted EBITDA	**412,677**	**214,997**	**627,674**	**676,052**	**7.7%**
Adjusted EBITDA Margin [2]	58.3%	52.3%	56.1%	58.6%	

[1] Revenues from independent directory operations included in Adjusted Revenues of ADS. These amounts related to the operations of ADS in certain areas of Saskatchewan, Manitoba, Ontario, Nova Scotia and Quebec independent of any arrangements with local telecommunications companies which were discontinued in December 2004.

[2] Including independent revenues.

[3] Excluding the contribution from MTS Media in Q4 2006 ($10.4M Adjusted Revenues and $6.3M Adjusted EBITDA)

3. VERTICAL MEDIA GROWTH RATE - COMPARABLE BASIS

(in thousands of Canadian dollars)

	For the year ended December 31, 2005 [1]			For the year ended December 31, 2006	
Full year numbers - including periods prior to the acquisitions	**TMC**	**Trader Canada**	**TMC & Trader Canada Consolidated - Full Year**	**TMC & Trader Canada Consolidated - Full Year**	**Growth on a Comparable Basis**
Revenues	132,679	164,772	297,451	313,864	**5.5%**
EBITDA	42,515	48,364	**90,879**	**89,762**	**9.2%** [2]

(1) As per the Base Shelf Prospectus filed May 8, 2006.

(2) Excluding the impact of the non-recurring transition expenses amounting to \$9.5 million in the vertical segment, EBITDA would have been \$99.3 million for 2006.

4. SEGMENTED INFORMATION

(in thousands of Canadian dollars)

For the three-month periods ended December 31,

	Directories [1]		Vertical Media [1]		Consolidated	
	2006	**2005**	**2006 [2]**	**2005**	**2006**	**2005**
Revenues	303,994	276,232	74,993	-	378,987	276,232
Income from operations before depreciation and amortization, special charges and impairment of intangibles	179,394	151,534	18,301	-	197,695	151,534
Adjusted Revenues	305,039	282,475	74,993	-	380,032	282,475
Adjusted EBITDA	178,769	161,779	18,301	-	197,070	161,779
Adjusted EBITDA Margin	58.6%	57.3%	24.4%	-	51.9%	57.3%

For the years ended December 31,

	Directories [1]		Vertical Media [1]		Consolidated	
	2006	**2005**	**2006**	**2005**	**2006**	**2005**
Revenues	1,159,709	922,945	225,247	-	1,384,956	922,945
Income from operations before depreciation and amortization, special charges and impairment of intangibles	681,105	540,616	65,650	-	746,755	540,616
Adjusted Revenues	1,164,455	952,530	225,247	-	1,389,702	952,530
Adjusted EBITDA	682,332	548,048	65,650		747,982	548,048
Adjusted EBITDA Margin	58.6%	57.5%	29.1%	-	53.8%	57.5%

(1) ADS acquisition closed on May 25, 2005, TMC acquisition closed on February 14, 2006, Trader Canada acquisition closed on June 8, 2006 and the MTS Media acquisition closed on October 2, 2006. As such, included in 2005 and 2006 results are the results of each acquired business from the respective date of acquisition to the year end.

(2) Includes non-recurring transition costs of $4 million for the quarter and $9.5 million for the year.

5. ONLINE METRICS

Revenues

(in millions of Canadian dollars)

	Q1	Q2	Q3	Q4	Full Year
2006 Revenues - Consolidated	**16.7**[1]	**22.1**[2]	**28.4**	**33.9**	**101.1**
2005 Revenues - YPG Stand-Alone [3]	**7.9**	**8.2**	**9.8**	**10.8**	**36.7**

(1) Including contribution from TMC since February 14, 2006.
(2) Including contribution from Trader Canada since June 8, 2006.
(3) Excluding the revenues generated by ADS following its acquisition.

Operating Metrics

(in millions)

	Dec-05	Mar-06[1]	Jun-06[2]	Sep-06	Dec-06
Unduplicated Unique Visitors [3]	7.0	8.4	9.1	8.8	8.6
Online Reach %	35%	41%	42%	40%	39%

(1) Including contribution from TMC online properties.
(2) Including contribution from Trader Canada online properties.
(3) Source: comScore Media Metrix Canada.

6. RECONCILIATION OF ADJUSTED REVENUES AND ADJUSTED EBITDA

(in thousands of Canadian dollars)

	For the three-month period ended December 31, 2006				For the year ended December 31, 2006			
	Reported	Purchase accounting [1]	Transition expenses [2]	Adjusted	Reported	Purchase accounting [1]	Transition expenses [2]	Adjusted
Revenues	378,987	1,045	-	380,032	1,384,956	4,746	-	1,389,702
Operating costs	181,292	1,670	-	182,962	638,201	5,806	(2,287)	641,720
EBITDA	$ 197,695	$(625)	$ -	$ 197,070	$ 746,755	$(1,060)	$ 2,287	$ 747,982

	For the three-month period ended December 31, 2005				For the year period ended December 31, 2005			
	Reported	Purchase accounting [1]	Transition expenses [2]	Adjusted	Reported	Purchase accounting [1]	Transition expenses [2]	Adjusted
Revenues	276,232	6,243	-	282,475	922,945	29,585	-	952,530
Operating costs	124,698	7,580	(11,582)	120,696	382,329	34,751	(12,598)	404,482
EBITDA	$ 151,534	$(1,337)	$ 11,582	$ 161,779	$ 540,616	$(5,166)	$ 12,598	$ 548,048

[1] Elimination of the impact of purchase accounting that prevents the Fund from recognizing deferred revenues and expenses associated with directories that were published prior to the acquisitions of YPG LP and the acquisition of ADS and MTS Media in the directories business.

[2] Transition expenses are related to acquisitions in the core Directories segment.

7. OPERATING COST AND CAPITAL EXPENDITURE DETAILS

(in thousands of Canadian dollars)

	For the three-month periods ended December 31,				For the years ended December 31,			
	2006		2005		**2006**		2005	
Adjusted Revenues	$380,032		$282,475		$1,389,702		$952,530	
Adjusted Expenses								
Cost of Sales	111,021 [(2)]	29.2%	63,803	22.6%	378,196	27.2%	226,475	23.8%
General and Administrative [(1)]	71,941	18.9%	56,893	20.1%	263,524	19.0%	178,007	18.7%
Adjusted EBITDA	$197,070		$161,779		$747,982		$548,048	
Adjusted EBITDA margin	51.9%		57.3%		53.8%		57.5%	
Capital Expenditures								
Transition Capital [(3)]	$3,500		$5,437		$11,354		$10,407	
Maintenance [(4)]	5,604		4,513		18,826		14,513	
New initiatives	4,373		3,598		16,366		13,028	
Leasehold improvements (net of lease inducements)	2,571		274		10,404		3,410	
Total	$16,048		$13,822		$56,950		$41,358	
Adjustment to reflect Expenditures on a Cash Basis	1,389		283		(544)		(5,933)	
Acquisition of Capital Assets, Net of Proceeds from Lease Inducements	$17,437		$14,105		$56,406		$35,425	

(1) Includes pension and post-employment expenses.

(2) During the fourth quarter, $1.8 million of general and administrative expenses were reclassified as costs of sales in the vertical media segment.

(3) Transition capital represents funds set aside as pre-funded capital for purposes of integrating acquired businesses.

(4) Maintenance capital expenditures are for ongoing operations to maintain the integrity of the infrastructure.

8. CONSOLIDATED CAPITALIZATION

(in millions of Canadian dollars)

	December 31, 2005	March 31, 2006	June 30, 2006	September 30, 2006	December 31, 2006
Medium Term Notes	$1,800	$2,050	$2,050	$2,050	$2,050
Exchangeable Debentures	$0	$0	$0	$288	$288.5
Term Facility	$0	$0	$600	$0	$0
Commercial Paper Facility (drawn amount)	$208	$27	$36	$245	$243
Obligations Under Capital Leases and Other	$6	$9	$8	$9	$11.0
Total Third-Party Debt	**$2,014**	**$2,086**	**$2,694**	**$2,592**	**$2,592**
Cash and cash equivalents	$49	$195	$47	$320	$57
Net Debt	**$1,965**	**$1,891**	**$2,646**	**$2,272**	**$2,535**
Unitholders' Equity	$4,996	$5,496	$5,488	$5,857	$5,832
Total Capitalization	**$6,961**	**$7,387**	**$8,134**	**$8,128**	**$8,366**
LTM Adjusted EBITDA [(1)]	628	686	743	757	791
Annualized Cash Interest Expense [(2)]	104	105	140	125	136
Average Interest Rate on Debt at Period End	5.2%	5.3%	5.3%	5.3%	5.3%
EBITDA / Annualized Interest	6.0	6.5	5.3	6.1	5.8
EBITDA / (Annualized Interest + Maint. CAPEX)	5.3	5.7	4.7	5.3	5.1
Net Debt / EBITDA	3.1	2.8	3.6	3.0	3.2
Net Debt / (EBITDA - Maint. CAPEX)	3.2	2.8	3.6	3.1	3.3
FCF / Net Debt [(3)]	26%	30%	22%	27%	25%
Net Debt / Unitholders' Equity	0.4	0.3	0.5	0.4	0.4
Net Debt / Enterprise Value [(4)]	20%	19%	24%	23%	27%

(1) Latest twelve months EBITDA giving effect to the impact of acquisitions.

(2) Annualized interest expense based on full year impact of the debt structure at the end of the period with interest rates prevailing at such date. Q3 2006 annualized cash interest expense adjusted to exclude the Commercial Paper borrowings drawn towards the end of the quarter and used to finance the acquisition of MTS Media that closed on October 2, 2006.

(3) FCF is assumed to be equal to Distributable Cash adjusted for items in note 1 and 2 above.

(4) Based on market value of units at close on December 31, 2005 of $16.30, on March 31, 2006 at $16.24, on June 30, 2006 at $16.10, on September 29, 2006 at $14.10 and on December 29, 2006 at $12.87.

9. CASH INTEREST EXPENSE COMPONENTS

(in thousands of Canadian dollars)

Debt Component		Q4 2006	Interest Basis	Observations
Medium Term Notes (MTN)			Fixed Rates	
5-year Notes maturing 2009		450,000	4.57%	
5-year Notes maturing 2011		150,000	4.65%	
10-year Notes maturing 2014		300,000	5.71%	
10-year Notes maturing 2016		550,000	5.25%	
15-year Notes maturing 2019		250,000	5.85%	
30-year Notes maturing 2036		350,000	6.25%	
Exchangeable Debentures		300,000	5.50%	
Exchangeable Debentures - Equity Component (net of accretion)		(11,499)	Please refer to note 11 of the Annual Financial Statements	Value of the exchange option classified as equity on the balance sheet. Accretion not included in the cash interest expense.
Commercial Paper facility (Authorized limit of $500M)		242,800	Banker's Acceptance plus +/- 0.14%	CP drawings fluctuate intra-quarter
Cash and ST Investments		(57,408)	Overnight/Banker's Acceptance	Cash levels fluctuate intra-quarter
Swaps and Derivatives			For current swap and derivatives portfolio, please refer to note 21 of the Annual Financial Statements	
Obligations under Capital Leases		10,823		
Note payable		210		
Standby and other financial charges		-	-	Standby and agency fees on bank facilities and other
Net Debt	**$**	**2,534,926**		

10. DISTRIBUTABLE CASH

(in thousands of Canadian dollars except for Units Outstanding)

	For the year ended December 31, 2005 [(2)]	For the year ended December 31, 2006 [(2)]	Growth %
Cash flow from operating activities	$497,372	$601,363	
Operating non-cash items	(15,357)	(15,576)	
Interest	74,111	122,315	
Tax related amounts	5,261	1,553	
Change in operating assets and liabilities	(38,989)	35,674	
Other	9,855	1,426	
Restructuring and special charges	8,363		
EBITDA	$540,616	$746,755	
Maintenance capital expenditures	(14,513)	(18,826)	
Interest	(74,111)	(122,315)	
Other	(5,225)	(1,200)	
Distributable Cash	$446,767	$604,414	**35.3%** [(1)]
Distributable Cash per unit	$1.06	$1.18	**11.3%** [(1)]
Weighted Average number of units outstanding (in millions)	421.1	510.2	

(1) Following the new Staff Notice issued by the Canadian Securities Administrators on distributable cash presentation, we adopted their recommendations retroactive to January 1, 2005 in order to disclose comparable results. As such, adjustments to eliminate the impact of purchase accounting and transition expenses are no longer made. The elimination of those adjustments in our reconciliation has impacted our 2005 distributable cash reducing it by $0.02 per unit for the year ending December 31, 2006. The 2005 distributable cash initially amounted to $454.2 million or $1.08 per unit for the year. Based on these amounts for 2005, growth in distributable cash in 2006 would have been 33.1% and growth in distributable cash per unit would have been 9.3%

(2) See additional disclosure on the various adjustments in the Distributable Cash section of the February 13, 2007 Management's Discussion and Analysis.

11. HISTORICAL DISTRIBUTABLE CASH CALCULATION

(in thousands of Canadian dollars except for Units Outstanding)

For the three-month periods ended[1] [2]

	March 31, 2005	June 30, 2005	September 30, 2005	December 31, 2005	March 31, 2006	June 30, 2006	September 30, 2006	December 31, 2006
Cash flow from operating activities	$85,546	$87,867	$164,280	$159,679	$110,436	$165,466	$153,441	$172,020
Operating non-cash items	(2,591)	(3,014)	(3,511)	(6,241)	(4,482)	(6,038)	(1,773)	(3,283)
Interest	12,094	15,880	21,952	24,185	26,135	28,501	33,819	33,860
Tax related amounts	486	964	1,903	1,908	(101)	(3,258)	4,309	603
Change in operating assets and liabilities	7,261	10,374	(23,839)	(32,785)	35,431	(1,577)	7,952	(6,132)
Other	149	15,501	(2,220)	(3,575)	163	113	523	627
Restructuring and special charges	-	-	-	8,363	-	-	-	-
EBITDA	$102,945	$127,572	$158,565	$151,534	$167,582	$183,207	$198,271	$197,695
Maintenance capital expenditures	(2,900)	(2,578)	(4,522)	(4,513)	(4,185)	(4,770)	(4,267)	(5,604)
Interest	(12,094)	(15,880)	(21,952)	(24,185)	(26,135)	(28,501)	(33,819)	(33,860)
Other	(486)	(962)	(1,871)	(1,906)	(300)	(300)	(300)	(300)
Distributable Cash	$87,465	$108,152	$130,220	$120,930	$136,962	$149,636	$159,885	$157,931
Distributable Cash per unit	$0.25	$0.27	$0.28	$0.26	$0.28	$0.30	$0.31	$0.30
Weighted Average number of units outstanding (in millions)	344.2	395.9	471.6	472.0	487.1	505.7	516.7	530.8

(1) Following the new Staff Notice issued by the Canadian Securities Administrators on distributable cash presentation, we adopted their recommendations retroactive to January 1, 2005 in order to disclose comparable results. As such, adjustments to eliminate the impact of purchase accounting and transition expenses are no longer made. The elimination of those adjustments in our reconciliation has impacted our 2005 distributable cash reducing it by $0.02 per unit for both the three-month period and the year ending December 31, 2005.

(2) See additional disclosure on the various adjustments in the Distributable Cash section of the February 13, 2007 Management's Discussion and Analysis.

12. OUTLOOK

Year over Year Performance	2006 - 2007 Outlook
DIRECTORIES	
Adjusted Revenues growth - Comparable Basis	4% to 5%
Adjusted EBITDA growth - Comparable Basis	4% to 7%
VERTICAL MEDIA	
Adjusted Revenues growth - Comparable Basis	6% to 7%
Adjusted EBITDA growth - Comparable Basis	7% to 9%
CONSOLIDATED - YPIF	
Online Revenues growth - Comparable Basis	30%
Growth in cash distributions per unit	6%

13. CONSENSUS ESTIMATES

(in millions of Canadian dollars except for Distributable Cash per Unit)

Consensus Estimates [1]								
	FY 2005	FY 2006			% Var	FY 2007		
		Low	Average	High	Avg. 06 / Act. 05	Low	Average	High
Adjusted Revenues	$952.5	$1,359.7	$1,385.9	$1,396.0	45.5%	$1,543.6	$1,586.9	$1,617.0
Adjusted EBITDA	$548.0	$731.0	$751.7	$758.3	37.2%	$796.0	$844.2	$868.0
Distributable Cash per Unit	$1.06	$1.15	$1.18	$1.21	11.3%	$1.24	$1.29	$1.32

[1] Based on most recent reports from 14 analysts covering YPIF, excludes analysts who provided insufficient information.