Supplemental Disclosure

Yellow Pages Income Fund

First Quarter 2007

As filed on SEDAR on May 9, 2007 (www.sedar.com)

This report is also available at http://www.ypg.com/page.php/en/1/424.html

Yellow Pages Income Fund™

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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 May 9, 2007 Management's Discussion and Analysis.

This Supplemental Disclosure shall be read in connection with the May 9, 2007 Management's Discussion and Analysis.

1. FINANCIAL HIGHLIGHTS - YELLOW PAGES INCOME FUND

(in thousands of Canadian dollars)

	For the three-month periods ended March 31,	
	2007	**2006**
Revenues	**$384,241**	$295,770
Operating costs	**180,798**	128,188
Income from operations before depreciation and amortization	**203,443**	167,582
Net earnings	**$120,951**	$85,233
Basic net earnings per unit	**$0.23**	$0.17
Diluted net earnings per unit	**$0.22**	$0.17
Adjusted Revenues	**$385,128**	$299,345
Adjusted EBITDA	**$202,948**	$169,098
Adjusted EBITDA margin	**52.7%**	56.5%
Cash flow from operating activities	**$152,462**	$110,436
Distributable cash	**$163,992**	$136,962
Distributable cash per unit	**$0.31**	$0.28
Distributions declared [1]	**$144,615**	$123,773
Distributions declared per unit	**$0.27**	$0.25
Payout ratio	**87%**	89%
Weighted average number of units outstanding		
Basic	**530,480,603**	487,118,171
Diluted	**563,521,694**	490,462,608

[1] Includes March 2007 distribution of approximately $48.4 million paid on April 16, 2007.

2. DIRECTORIES GROWTH RATE - COMPARABLE BASIS

(in thousands of Canadian dollars)

	For the three-month period ended March 31, 2006			For the three-month period ended March 31, 2007	
	YPG (Stand-alone)	MTS	Consolidated	Directories	Growth on a Comparable Basis
Adjusted Revenues	283,241	10,481	293,722	**309,854**	**5.5%**
Adjusted EBITDA	164,969	5,687	170,656	**182,951**	**7.2%**
Adjusted EBITDA Margin	58.2%	54.3%	58.1%	**59.0%**	

3. VERTICAL MEDIA GROWTH RATE - COMPARABLE BASIS

(in thousands of Canadian dollars)

	For the three-month period ended March 31, 2006 [1]	For the three-month period ended March 31, 2007	
	Trader Corporation	Trader Corporation	Growth on a Comparable Basis
Revenues	**72,419**	**75,274**	**3.9%**
EBITDA	**19,358**	**19,997**	**9.0%**[2]
EBITDA Margin	26.7%	26.6%	

[1] Q1 2006 numbers including periods prior to the acquisitions.

[2] Q1 2007 EBITDA includes non-recurring costs of $1.1M associated with the integration of Trader Corporation.

4. SEGMENTED INFORMATION

(in thousands of Canadian dollars)

	For the three-month periods ended March 31,					
	Directories		Vertical Media [1]		Consolidated	
	2007	**2006**	**2007**	**2006**	**2007**	**2006**
Revenues	**308,967**	279,666	**75,274**	16,104	**384,241**	295,770
EBITDA	**183,446**	163,453	**19,997**	4,129	**203,443**	167,582
Adjusted Revenues	**309,854**	283,241	**75,274**	16,104	**385,128**	299,345
Adjusted EBITDA	**182,951**	164,969	**19,997**	4,129	**202,948**	169,098
Adjusted EBITDA Margin	**59.0%**	58.2%	**26.6%**	25.6%	**52.7%**	56.5%

[1] We closed the TMC acquisition on February 14, 2006, as such, included in the three-month period ended March 31, 2006, results are those of TMC from the date of acquisition to March 31, 2006.

5. ONLINE METRICS

Revenues

(in millions of Canadian dollars)

	Q1	Q2	Q3	Q4	YTD
2007 Revenues - Consolidated	**35.1**				**35.1**
2006 Revenues - Consolidated	16.7[1]	22.1[2]	28.4	33.9	101.1

[1] Including contribution from TMC since February 14, 2006.
[2] Including contribution from Trader Canada since June 8, 2006.

Operating Metrics [1]

(in millions)

	Mar-06[2]	Jun-06[3]	Sep-06	Dec-06	Q1 2007 [4]
Unduplicated Unique Visitors	8.4	9.1	8.8	8.6	**9.6**
Online Reach %	44%	43%	41%	39%	**42%**

[1] Source: comScore Media Metrix Canada.
[2] Including contribution from TMC online properties.
[3] Including contribution from Trader Canada online properties.
[4] Starting in 2007, online operating metrics are reported based on quarterly averages.

6. RECONCILIATION OF ADJUSTED REVENUES AND ADJUSTED EBITDA

(in thousands of Canadian dollars)

	For the three-month period ended March 31, 2007				For the three-month period ended March 31, 2006			
	Reported	**Purchase accounting** (1)	**Transition expenses** (2)	**Adjusted**	**Reported**	**Purchase accounting** (1)	**Transition expenses** (2)	**Adjusted**
Revenues	**384,241**	**887**	**-**	**385,128**	295,770	3,575	-	299,345
Operating costs	**180,798**	**1,382**	**-**	**182,180**	128,188	3,317	(1,258)	130,247
EBITDA	**$ 203,443**	**$(495)**	**$ -**	**$ 202,948**	$ 167,582	$ 258	$ 1,258	$ 169,098

(1) The adjusted results are derived by excluding from the reported amounts the impact of purchase accounting and non-recurring transition expenses relating to acquisitions in the core Directories segment.

(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 March 31,			
	2007		2006	
Adjusted Revenues	$385,128		$299,345	
Adjusted Expenses				
Cost of Sales	106,945	27.8%	71,450	23.9%
General and Administrative [1]	75,235	19.5%	58,797	19.6%
Adjusted EBITDA	$202,948		$169,098	
Adjusted EBITDA margin	52.7%		56.5%	
Capital Expenditures				
Transition Capital [2]	$3,577		$2,892	
Maintenance [3]	4,911		4,185	
New initiatives	3,121		2,896	
Leasehold improvements (net of lease inducements)	7,277		2,383	
Total	$18,886		$12,356	
Adjustment to reflect Expenditures on a Cash Basis	(2,908)		(764)	
Acquisition of Capital Assets, Net of Proceeds from Lease Inducements	$15,978		$11,592	

(1) Includes pension and post-employment expenses.

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

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

8. CONSOLIDATED CAPITALIZATION

(in millions of Canadian dollars)

Accounting Balances	December 31, 2006	March 31, 2007
Medium Term Notes	$2,050	$2,048
Exchangeable Debentures	$289	$277
Commercial Paper Facility (drawn amount)	$243	$0
Obligations Under Capital Leases and Other	$11	$12
Total Third-Party Debt	**$2,592**	**$2,337**
Cash and cash equivalents	$57	$83
Net debt	**$2,535**	**$2,254**
Preferred Shares	$0	$291
Net debt and preferred shares	**$2,535**	**$2,545**
Unitholders' Equity	$5,832	$5,802
Total Capitalization	**$8,366**	**$8,347**
LTM Adjusted EBITDA (1)	791	804
Annualized Financial Fixed Charges (2)	136	138
Average Interest Rate on Debt at Period End	5.3%	5.4%
EBITDA / Annualized Financial Fixed Charges	5.8	5.8
EBITDA / (Annualized Financial Fixed Charges + Maint. CAPEX)	5.1	5.1
Net Debt / EBITDA	3.2	2.8
Net Debt / (EBITDA - Maint. CAPEX)	3.3	2.9
Net Debt and preferred shares / EBITDA	3.2	3.2
Net Debt and preferred shares / (EBITDA - Maint. CAPEX)	3.3	3.2
FCF / Net Debt (3)	25%	29%
Net Debt / Unitholders' Equity	0.4	0.4
Net Debt / Enterprise Value (4)	27%	24%

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

(2) Annualized interest expense and preferred shares dividend based on full year impact of the debt and preferred shares structure at the end of the period with interest and dividend rates prevailing at such date.

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

(4) Based on market value of units at close on December 29, 2006 at $12.87 and on March 30, 2007 at $13.62.

9. CASH INTEREST EXPENSE COMPONENTS AND DIVIDENDS ON PREFERRED SHARES

(in thousands of Canadian dollars)

	Q1 2007			
Debt Components	**Accounting Balances**	**Nominal Balances**	**Interest Basis**	**Observations**
Medium Term Notes (MTN)			Fixed Rates	
5-year Notes maturing 2009	450,000	450,000	4.57%	Please refer to note 6
5-year Notes maturing 2011	150,000	150,000	4.65%	Please refer to note 6
10-year Notes maturing 2014	300,000	300,000	5.71%	Please refer to note 6
10-year Notes maturing 2016	550,000	550,000	5.25%	Please refer to note 6
15-year Notes maturing 2019	250,000	250,000	5.85%	Please refer to note 6
30-year Notes maturing 2036	350,000	350,000	6.25%	Please refer to note 6
Fair value adjustment of hedge item	16,079			Please refer to note 6
Deferred financing costs	(18,469)			Please refer to note 6
Exchangeable Debentures	300,000	300,000	5.50%	
Exchangeable Debentures - Equity Component (net of accretion)	(10,950)		Please refer to note 7 of the Interim Consolidated Financial Statements	Value of the exchange option classified as equity on the balance sheet. Accretion not included in the cash interest expense.
Deferred financing costs	(11,947)			Please refer to note 7
Commercial Paper facility (Authorized limit of $500M)	-	-	Banker's Acceptance plus +/- 0.14%	CP drawings fluctuate intra-quarter
Cash and ST Investments	(83,093)	(83,093)	Overnight/Banker's Acceptance	Cash levels fluctuate intra-quarter
Swaps and Derivatives	-	-	Please refer to the Financial and Other Instruments Section of the May 9, 2007 Management's Discussion and Analysis	
Obligations under Capital Leases	12,104	12,104		
Note payable	210	210		
Standby and other financial charges	-	-	-	Standby and agency fees on bank facilities and other
Net Debt	**$ 2,253,934**	**$ 2,279,221**		
Preferred Shares	300,000	300,000	4.25%	Please refer to note 8
Deferred financing costs	(8,862)			Please refer to note 8
Net Debt and preferred shares	**$ 2,545,072**	**$ 2,579,221**		

10. DISTRIBUTABLE CASH

(in thousands of Canadian dollars except for Units Outstanding)

	For the year ended December 31, 2006	For the three month period ended March 31, 2007 [1]	LTM March 31, 2007
Cash flow from operating activities	$601,363	$152,462	$643,389
Operating non-cash items	(15,576)	(5,236)	(16,330)
Interest	122,315	33,319	129,499
Dividends on preferred shares	-	908	908
Tax related amounts	1,553	(834)	820
Change in operating assets and liabilities	35,674	22,437	22,680
Other	1,426	387	1,426
EBITDA	$746,755	$203,443	$782,392
Maintenance capital expenditures	(18,826)	(4,911)	(19,552)
Interest	(122,315)	(33,319)	(129,499)
Dividends on preferred shares	-	(908)	(908)
Other	(1,200)	(313)	(1,213)
Distributable Cash	$604,414	$163,992	$631,220
Distributable Cash per unit	$1.18	$0.31	$1.21
Weighted Average number of units outstanding (in millions)	510.2	530.5	520.9

[1] See additional disclosure on the various adjustments in the Distributable Cash section of the May 9, 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, 2006	**June 30, 2006**	**September 30, 2006**	**December 31, 2006**	**March 31, 2007**
Cash flow from operating activities	$110,436	$165,466	$153,441	$172,020	$152,462
Operating non-cash items	(4,482)	(6,038)	(1,773)	(3,283)	(5,236)
Interest	26,135	28,501	33,819	33,860	33,319
Dividends on preferred shares	-	-	-	-	908
Tax related amounts	(101)	(3,258)	4,309	603	(834)
Change in operating assets and liabilities	35,431	(1,577)	7,952	(6,132)	22,437
Other	163	113	523	627	387
EBITDA	$167,582	$183,207	$198,271	$197,695	$203,443
Maintenance capital expenditures	(4,185)	(4,770)	(4,267)	(5,604)	(4,911)
Interest	(26,135)	(28,501)	(33,819)	(33,860)	(33,319)
Dividends on preferred shares	-	-	-	-	(908)
Other	(300)	(300)	(300)	(300)	(313)
Distributable Cash	$136,962	$149,636	$159,885	$157,931	$163,992
Distributable Cash per unit	$0.28	$0.30	$0.31	$0.30	$0.31
Weighted Average number of units outstanding (in millions)	487.1	505.7	516.7	530.8	530.5

(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.

(2) See additional disclosure on the various adjustments in the Distributable Cash section of the May 9, 2007 Management's Discussion and Analysis.

12. OUTLOOK

Year over Year Performance	2007 Outlook
DIRECTORIES	
Adjusted Revenues growth - Comparable Basis	4% to 5%
Adjusted EBITDA growth - Comparable Basis	4% to 7%
VERTICAL MEDIA	
Revenues growth - Comparable Basis	6% to 7%
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 2006	FY 2007			% Var	FY 2008		
		Low	Average	High	Avg. 07 / Act. 06	Low	Average	High
Adjusted Revenues	$1,389.7	$1,588.7	$1,638.4	$1,662.0	17.9%	$1,711.2	$1,749.4	$1,799.0
Adjusted EBITDA	$748.0	$836.1	$868.5	$888.0	16.1%	$876.9	$924.9	$961.0
Distributable Cash per Unit	$1.18	$1.25	$1.30	$1.34	10.2%	$1.34	$1.41	$1.47

[1] Based on most recent reports from 13 analysts covering YPIF, excludes analysts who provided insufficient information.