

Yellow Pages Income Fund Reports Strong 2007 Third Quarter Results and Announces an Increase in Cash Distributions Per Unit

- Revenue growth trajectory continues
- Distributable cash per unit up 9.7 per cent
- Momentum expected to continue in 2008

Montreal (Quebec), November 7, 2007 – Yellow Pages Income Fund (TSX: YLO.UN) today announced solid 2007 third quarter financial results driven by continued momentum in the company's financial and operating metrics.

In the quarter ending September 30, 2007, consolidated net earnings increased to \$122.1 million from \$119.5 million during the same period of 2006. Income from operations was \$163.8 million for the quarter compared to \$164.6 million in the prior year due to higher amortization and depreciation following our recent business acquisitions.

Adjusted Revenues¹ grew 12.9 per cent to \$417.6 million while Adjusted EBITDA¹ grew by 15.1 per cent to \$227.6 million compared to the third quarter of 2006. Revenue growth came from both organic sources and from recently acquired businesses. This growth was achieved through a number of initiatives designed to maximize the performance of the directory platform. This national platform is effectively positioned for continued growth.

Online revenues for Directories and Vertical Media combined were \$45.1 million for the quarter or approximately \$180 million annualized.

“We are achieving strong growth from both our recent acquisitions and from enhancements to the reach and effectiveness of our platforms,” said Marc P. Tellier, President and CEO of Yellow Pages Group (YPG). “We continue to work diligently to integrate these acquisitions into our operations and to capitalize on the revenue opportunities they provide.”

The progressive strengthening of the Fund's performance metrics continues to be accretive to distributable cash¹. Distributable cash grew during the quarter by 14.4 per cent to \$182.9 million. On a per-unit basis for the quarter, distributable cash increased by 9.7 per cent from \$0.31 to \$0.34 per unit, when compared to the same period in 2006.

Increase in Cash Distributions

Based on the assessment of year-to-date performance in 2007 and the expectation of continuing strong momentum in operating and financial metrics in 2008, the Fund is increasing cash distributions to unitholders by 3.7% to the level of \$1.13 annually from \$1.09 currently. This increase is effective December 17, 2007 to unitholders of record on November 30, 2007.

“We believe our continuing strong performance and prospects for 2008 support this 6th increase in cash distributions since our IPO in August 2003,” mentioned Christian M. Paupe, Executive Vice President and Chief Financial Officer. “As we indicated earlier this year, YPG is well positioned for a successful transition from an income trust to a corporation on or about December 31, 2010. We are confident that the growth in our Distributable Cash will allow us to progressively reduce our payout ratio over the period 2007-2010 to take into account future expected cash income taxes while sustaining cash distributions.”

Directories

Third quarter results in Directories set a new record for the company. On a reported basis, Directories Adjusted Revenues and Adjusted EBITDA increased by approximately 15 per cent over the same period last year to reach \$331.6 million and \$198.4 million respectively. This reflects the contribution of two strategic acquisitions: MTS Media (October 2006) which served the province of Manitoba and Aliant Directory Services (April 2007) which covered the four Atlantic Provinces. Full integration of these acquisitions is expected to be completed by the end of this year with continued positive impact on margins in 2008.

On a comparable basis, Directories Adjusted Revenues grew by 5.5 per cent compared to the same period last year. Adjusted EBITDA increased by 6 per cent during the quarter when compared to the same period last year. YPG's Adjusted EBITDA margin reached a new industry-leading high at 59.8 per cent for the quarter compared to 59.5 per cent in the same quarter of 2006.

Vertical Media

In the third quarter of 2007, Trader Corporation (Trader) generated revenues of \$86 million and EBITDA of \$29.2 million. On a comparable basis, revenues in the third quarter grew by 5 per cent and EBITDA increased by 10.4 per cent. EBITDA margin was 34 per cent compared to 32 per cent in the third quarter of 2006.

Quarterly Highlights

On October 9, 2007, YPG announced that it had entered into a strategic agreement with Google to become the first Canadian-based reseller of Google Adwords™ ads. With Google Adwords, YPG can provide its advertisers an enhanced offering to maximize their online exposure. It gives these local businesses, who already advertise on YellowPages.ca™ or YPG's network of web sites, yet another efficient and cost effective means of reaching their customers.

During the quarter, YPG organized a series of major customer and employee recognition events across the country to celebrate its 99 years of continuous innovation. YPG has built enviable brand presence in virtually every Canadian home and business. Its directories are present in markets that cover 97 per cent of the Canadian population and its online properties are preferred web destinations for online Canadians. The events serve to thank customers and employees for their part in helping write the YPG story over the past century.

Outlook

"We are well positioned to complete 2007 on a strong note," added Mr. Tellier. "The continuing enhancement of our directories business, coupled with investment in people and technology at Trader, will enable us to build momentum throughout 2008. We are confident in our ability to use that momentum to further improve returns for our unitholders."

Investor Conference Call

Yellow Pages Income Fund will hold an analyst and media call at 1:00 p.m. (Eastern Time) on November 7, 2007 to discuss third quarter results. The call may be accessed by dialling (416) 641-6105 within the Toronto area, or 1 866-696-5895 outside of Toronto. The call will be simultaneously webcast on the Company's web site at <http://www.ypg.com/page.php/en/1/460.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 7 to November 15, 2007 by dialling (416) 695-5800 from within the Toronto area, or 1 800 408-3053 outside Toronto. The conference pass code is 3239379.

About Yellow Pages Income Fund

Yellow Pages Income Fund indirectly holds an approximate 97% ownership interest in Yellow Pages Group and Trader Corporation. Yellow Pages Group is Canada's largest telephone directories publisher. It publishes annually more than 340 Yellow Pages™ and residential directories. The Company owns and manages Canada's most visited online directories, YellowPages.ca™ and Canada411.ca, as well as CanadaPlus.ca™, a network of seven local city sites. Trader Corporation is a Canadian leader in print and online vertical media with approximately 200 publications and 20 web sites covering four product verticals: automotive, real estate, generalist, as well as employment and other. Its main brands include Auto Trader™, Auto Hebdo™, The Bargain Finder™, Buy&Sell™, Renters News™ and Home Renters' Guide™. For more information about the Fund, visit www.ypg.com.

Caution Concerning Forward-Looking Statements

This press release contains forward-looking statements about the objectives, strategies, financial conditions, results of operations and businesses of the Fund. These statements are forward-looking as they are based on our current expectations, as at November 7, 2007, about our business and the markets we operate in, and on various estimates and assumptions. Our actual results could materially differ 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, there is no assurance that any forward-looking statements will materialize. Risks that could cause our results to differ materially from our current expectations are discussed in section 7 of our November 7, 2007 Management's Discussion and Analysis. 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.

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Enclosure: Financial Highlights

Financial Highlights

(in thousands of Canadian dollars, except unit information)

Yellow Pages Income Fund	Three-month periods ended September 30,		Nine-month periods ended September 30,	
	2007	2006	2007	2006
Revenues	\$416,507	\$369,875	\$1,211,858	\$1,005,969
Income from operations	163,756	164,639	493,506	413,916
Net earnings	122,137	119,471	370,661	318,895
Basic earnings per unit	\$0.23	\$0.23	\$0.70	\$0.63
Cash flow from operating activities	\$187,908	\$153,441	\$515,632	\$429,343
Adjusted Revenues ¹	\$417,649	\$369,875	\$1,215,578	\$1,009,670
Adjusted EBITDA ¹	227,645	197,756	650,026	550,912
Adjusted EBITDA margin	54.5%	53.5%	53.5%	54.6%
Distributable cash ¹	\$182,894	\$159,885	\$524,194	\$446,483
Weighted average number of units outstanding	530,752,506	516,695,886	530,537,607	503,272,021
Distributable cash per unit	\$0.34	\$0.31	\$0.99	\$0.89
Distributions declared	\$144,637	\$134,540	\$433,803	\$388,538
Distributions declared per unit	\$0.27	\$0.26	\$0.82	\$0.77

¹Non-GAAP Measures

In order to provide a better understanding of the results, the Fund uses the term EBITDA (income from operations before depreciation and amortization). In addition, the terms Adjusted Revenues and Adjusted EBITDA are used to reflect revenues and EBITDA adjusted for certain items. Management believes these measures are reflective of ongoing operations. The Fund also uses the term Distributable cash (cash flow from operating activities, net of change in operating assets and liabilities, maintenance capital expenditures, amounts to service debt obligations, taxes and other items affecting cash generated from the ongoing operations of the business). 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, Adjusted EBITDA, and Distributable cash to be important measures as they allow management to assess the performance of the ongoing business. The tables below are a reconciliation of Adjusted Revenues, EBITDA, Adjusted EBITDA, and Distributable cash to the most comparable Canadian GAAP financial measures:

Adjusted Revenues and Adjusted EBITDA

	Three-month periods ended September 30,		Nine-month periods ended September 30,	
	2007	2006	2007	2006
Revenues	\$416,507	\$369,875	\$1,211,858	\$1,005,969
Elimination of purchase accounting impact	1,142	-	3,720	3,701
Adjusted Revenues	\$417,649	\$369,875	\$1,215,578	\$1,009,670
Income from operations	\$163,756	\$164,639	\$493,506	\$413,916
Depreciation and amortization	64,746	33,632	158,758	135,144
Income from operations before depreciation and amortization (EBITDA)	228,502	198,271	652,264	549,060
Elimination of purchase accounting impact	(857)	(515)	(2,238)	(435)
Transition expenses	-	-	-	2,287
Adjusted EBITDA	\$227,645	\$197,756	\$650,026	\$550,912

Distributable Cash

	Three-month periods ended September 30,		Nine-month periods ended September 30,	
	2007	2006 ¹	2007	2006 ¹
Cash flow from operating activities	\$187,908	\$153,441	\$515,632	\$429,343
Operating non-cash items ²	(5,601)	(1,773)	(16,752)	(12,293)
Change in operating assets and liabilities ³	4,325	7,952	39,075	41,806
Maintenance capital expenditures ⁴	(6,416)	(4,267)	(16,379)	(13,222)
Other ⁵	2,678	4,532	2,618	849
Distributable cash	\$182,894	\$159,885	\$524,194	\$446,483
Weighted average number of units outstanding	530,752,506	516,695,886	530,537,607	503,272,021
Distributable cash per unit	\$0.34	\$0.31	\$0.99	\$0.89
Distributions declared	\$144,637	\$134,540	\$433,803	\$388,538
Distributions declared per unit	\$0.27	\$0.26	\$0.82	\$0.77
Payout ratio ⁶	79%	84%	83%	87%

¹Following the revised Staff Notice 52-306 issued by the Canadian Securities Administrators on distributable cash presentation, YPG adopted their recommendations retroactive to January 1, 2005 in order to disclose comparable results. As such, adjustments to eliminate purchase accounting impact and non-recurring transition expenses are no longer made.

²Represents operating items with no impact on current cash flow such as pension expense and employee-related expenses through restricted unit awards. The likelihood of those elements materializing into outflows on a long-term basis is such that management believes it should be included in the calculation in order to reflect the cash generated from the ongoing operations.

³Change in operating assets and liabilities is excluded from the calculation as it would introduce cash flow variability and affect underlying cash flow from operating activities.

⁴Maintenance capital expenditures refer to capital expenditures that are necessary to sustain current productive capacity. Management believes that maintenance capital expenditures should be funded by cash flow from operating activities. Capital spending for new initiatives are expected to improve future distributable cash and as such are not deducted from cash flow from operating activities. Transition capital is provided for as part of the financing plan of specific business acquisitions and is therefore not funded from distributable cash.

⁵Includes non-controlling interest related to the LesPAC partnership formed in April 2007, tax related amounts and other amounts that do not reflect the ongoing operations of the business.

⁶The level of distributions paid is reviewed periodically to take into account the current and prospective performance of the business and other items considered to be prudent.