

Yellow Pages Income Fund's 2007 First Quarter Results Reflect Continued Operational Excellence

- Directories best-in-class performance continues
- Vertical Media's integration and cross-selling initiatives well underway
- Distributable cash per unit up 11%

Montreal (Québec), May 9, 2007 – Yellow Pages Income Fund (TSX: YLO.UN) announced its first quarter results of 2007 during its Annual Meeting today in Montreal. The Fund continues to demonstrate operational excellence with strong organic growth in its core directory business, augmented by contributions from recently acquired businesses.

For the first quarter ended March 31, 2007, consolidated net earnings amounted to \$121.0 million, compared to \$85.2 million during the same period of 2006, representing a 42% increase. Income from operations reached \$159.4 million for the quarter up from \$108.9 million in the prior year.

Adjusted Revenues¹ grew 29% to \$385.1 million and Adjusted EBITDA¹ grew by 20% to \$202.9 million compared to the corresponding period last year. This growth is mainly due to the contribution from the vertical media businesses and MTS Media both acquired in 2006.

Organic growth in the directory business, both print and online, also contributed to the Fund's improved performance. Online revenues for Directories and Vertical Media combined were \$35.1 million for the quarter or approximately \$140 million annualized. The momentum in online revenues reflects the success of our Directory Plus bundled offer as well as the introduction of stand-alone online products.

Marc P. Tellier, President and CEO of Yellow Pages Group (YPG) stated: "We are off to another good start for 2007. Our team continues to deliver industry-leading levels of organic growth in our core directories business, while setting the stage for us to fully leverage the value of our two national media platforms."

The Fund's improved operating performance continues to be accretive to distributable cash¹. Distributable cash grew by 20% to \$164.0 million compared to the same period in 2006, and by 11% on per-unit basis from \$0.28 to \$0.31 per unit.

Directories – Consistent and Strong Performance

YPG continues to lead directory publishers globally in terms of organic revenue growth and margin performance. On a comparable basis, Directories Adjusted Revenues increased by 5.5%, while Adjusted EBITDA increased by 7.2%. YPG's Adjusted EBITDA margin reached 59.0% for the quarter.

Management attributes YPG's solid first-quarter performance to sustained improvements to the broader directory platform. The focus is on maximizing performance and free cash flow generation for this segment.

During the quarter, YPG reinforced its position as Canada's leading directory publisher by announcing its intention to acquire the assets of Aliant Directory Services in which it had a 12.86% ownership for a purchase price consideration of \$330 million. This transaction closed on April 30, 2007.

Vertical Media – Investing in the Business

In the first quarter of 2007, Trader Corporation (Trader) generated Revenues of \$75.3 million and EBITDA of \$20.0 million. These results take into account non-recurring costs related to the acquisition and integration of the vertical media businesses totalling \$1.1 million.

Management continues to focus on the integration of the Trader businesses into a national platform. This integration involves significant investment to automate the sales force and publishing operations. Concurrently, Trader management is actively pursuing new revenue opportunities. As a result of the creation of the new national platform in vertical media, Trader has been successful at increasing the average spend of existing national advertisers and at securing new national accounts.

Highlights of Annual Meeting of Unitholders

At today's Annual Meeting, senior management reported on the Fund's strong operating and financial results for the fourth year in a row. Thanks to its employees, the Fund delivered well on execution organically, while at the same time pursuing external growth opportunities including the creation of a second national media platform in vertical media to complement the core directory business.

With two national platforms and strong operational excellence, the Fund is well positioned to continue to pursue organic growth prospects, both print and online, as well as to further maximize efficiencies. For Vertical Media, 2007 will be a year of investment in people and technology in order to position this business for future growth.

The Company also announced that 2007 will be a particularly special year for the company as it is about to enter its 100th year in business. The first Yellow Pages directory was published in 1908 and YPG has been an industry leader since then.

"We have built a solid track record of performance and have become one of Canada's leading media companies with a unique mix of print and digital media," stated Mr. Tellier. "Our goal is not to go back in time but to celebrate what we have accomplished, and the future. We want to enter our next century in a memorable way. That is why we have decided to celebrate our 99th Anniversary in 2007 as a means to welcome 100 more years of innovation. We are after all a 100-year-old start-up, which is quite different from being 100 years old."

Yellow Pages Group will be organizing major customer events and celebrations for its employees this fall to celebrate this significant milestone in the company's history. "We are looking forward to celebrating our collective successes together," concluded Mr. Tellier.

Investor Conference Call

Yellow Pages Income Fund will hold an analyst and media call at 2:00 p.m. (Eastern Time) on May 9, 2007 to discuss the first quarter results. The call may be accessed by dialing (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/1/421.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 9 to 17, 2007 by dialing (416) 695-5800 from within the Toronto area, or 1 800 408-3053 outside Toronto. The conference passcode is 3220658.

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 PagesTM and residential directories. The Company owns and manages Canada's most visited online directories, YellowPages.caTM and Canada411.ca, as well as CanadaPlus.caTM, 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, general merchandise and employment. Its main brands include Auto TraderTM, Auto HebdoTM, The Bargain FinderTM, Buy&SellTM, Renters NewsTM and Home Renters' GuideTM. 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 May 9, 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 May 9, 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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Contacts:

Media Relations

Annie Marsolais
Director, Corporate Communications
Tel.: (514) 934-4016
annie.marsolais@ypg.com

Investor Relations

Anne-Sophie Roy
Senior Manager, Corporate Finance
Tel.: (514) 934-2828
anne-sophie.roy@ypg.com

Enclosure: Financial Highlights

Financial Highlights

(in thousands of Canadian dollars, except unit information)

Yellow Pages Income Fund	For the three-month periods ended March 31,	
	2007	2006
Revenues	\$384,241	\$295,770
Income from operations	159,413	108,870
Net earnings	120,951	85,233
Basic earnings per unit	\$0.23	\$0.17
Cash flow from operating activities	\$152,462	\$110,436
Adjusted Revenues ¹	\$385,128	\$299,345
Adjusted EBITDA ¹	202,948	169,098
Adjusted EBITDA margin	52.7%	56.5%
Distributable cash ¹	\$163,992	\$136,962
Weighted average number of units outstanding	530,480,603	487,118,171
Distributable cash per unit	\$0.31	\$0.28
Distributions declared	\$144,615	\$123,773
Distributions declared per unit	\$0.27	\$0.25

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 and 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

For the three-month periods ended March 31,

	2007	2006
Revenues	\$384,241	\$295,770
Elimination of purchase accounting impact	887	3,575
Adjusted Revenues	\$385,128	\$299,345
Income from operations	\$159,413	\$108,870
Depreciation and amortization	44,030	58,712
Income from operations before depreciation and amortization (EBITDA)	203,443	167,582
Elimination of purchase accounting impact	(495)	258
Transition expenses	-	1,258
Adjusted EBITDA	\$202,948	\$169,098

Distributable Cash

For the three-month periods ended March 31,

	2007 ¹	2006 ¹
Cash flow from operating activities	\$152,462	\$110,436
Operating non-cash items ²	(5,236)	(4,482)
Interest ³	33,319	26,135
Dividends on preferred shares ⁴	908	-
Tax related amounts ⁵	(834)	(101)
Change in operating assets and liabilities ⁶	22,437	35,431
Other ⁷	387	163
EBITDA	203,443	167,582
less:		
Maintenance capital expenditures ⁸	4,911	4,185
Interest ³	33,319	26,135
Dividends on preferred shares ⁴	908	-
Other	313	300
Distributable cash	\$163,992	\$136,962
Weighted average number of units outstanding	530,480,603	487,118,171
Distributable cash per unit	\$0.31	\$0.28
Distributions declared	\$144,615	\$123,773
Distributions declared per unit	\$0.27	\$0.25
Payout ratio ⁹	87%	89%

¹Following the revised Staff Notice 52-306 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 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.

³The interest is added to reconcile to EBITDA and then deducted to reconcile to distributable cash. Cash interest expense includes interest on Medium Term Notes, interest on Exchangeable Debentures net of accretion, interest on commercial paper, and standby fees and other financial charges.

⁴The dividends on preferred shares are added to reconcile to EBITDA and then deducted to reconcile to distributable

⁵The adjustment mostly represents corporate minimum tax and large corporation tax payable by YPG.

⁶Change 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. This amount should not be deducted from the distributable cash figure which is used as the basis for determining the distributions to be paid.

⁷These amounts are excluded from the calculation as they do not reflect the ongoing operations of our business.

⁸Maintenance 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.

⁹The 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.