

YELLOW PAGES INCOME FUND ANNOUNCES STRONG FOURTH QUARTER AND YEAR-END RESULTS

Montréal (Québec), February 17, 2004 – Yellow Pages Income Fund (TSX: YLO.UN) reported its results today for the fourth quarter and five-month fiscal year ended December 31, 2003.

For the fourth quarter, the Fund reported net earnings of \$3.0 million and declared cash distributions of \$31.3 million or \$0.2154 per unit. These distributions are higher than what was indicated at the time of the Initial Public Offering and result from a 6.7% increase in the monthly distribution that began with the November 2003 distribution.

The Fund's increased cash distributions reflect the strong performance of Yellow Pages Group ("YPG" or the "Company") in which the Fund holds a 70.25 % ownership interest. YPG's results have continued to show a steady upward progression since it became a stand-alone company in November 2002. For the three-month period ended December 31, 2003, Adjusted Revenues were \$163.3 million and Adjusted EBITDA (Earnings before interest, taxes, depreciation and amortization) was \$96.2 million. The momentum in results is evidenced in YPG's increasing Adjusted EBITDA margin, which increased from 58.1% in the first quarter to 58.9% in the fourth quarter of 2003.

"We had established goals for ourselves and I am pleased to report that our management team has executed well against all of our major objectives," said Marc P. Tellier, President and CEO of Yellow Pages Group. "2003 has been transitional year during which we reviewed and rejuvenated most aspects of our business. We are well positioned to offer value to our advertisers and users," added Mr. Tellier.

For the five months ended December 31, 2003, the Fund reported net earnings of \$3.2 million and declared distributions of \$45.3 million or \$0.3530 per unit.

On a comparable basis, for the year ended December 31, 2003, YPG Adjusted Revenues were \$640.2 million and Adjusted EBITDA was \$372.3 million. This represents a 4.4% increase in Adjusted Revenues and a 9.1% increase in Adjusted EBITDA compared to the 2002 adjusted results. The Company's EBITDA margin improved by 253 basis points on a comparable basis, from 55.6% in 2002 to 58.2% in 2003. Annualized cash available for distributions of \$315.0 million or \$0.919 per unit reflects maintenance capital spending of \$7.9 million and annualized interest expense of \$48.8 million.

"Our results favourably compare to other directory publishers in North America and Europe," stated Christian M. Paupe, Executive Vice President and CFO. "We continue to have momentum in EBITDA as benefits from supply chain improvements, workforce reductions and other initiatives accrue to the income statement."

The improvement in YPG's performance is a result of a new business plan that was developed following the acquisition of the Company in November 2002. This plan involves initiatives designed to increase revenues and reduce operating costs, while reinforcing the Company's position as a leading industry player. Some examples of these initiatives include the launching of a mass advertising campaign aimed at repositioning the Company's highly recognized brands, the renegotiation of supplier contracts, improvements to the sales coverage model refocusing sales representatives' time towards best opportunities, and the implementation of a Six Sigma process to ensure the sustainability of these new initiatives.

Reinforced Capital Structure

The highlight of the quarter was the completion of a \$1.5 billion equity offering by the Fund, of which \$107 million in net proceeds were used to reduce bank borrowings. This, combined with the proceeds from the Initial Public Offering completed August 1, 2003, served to significantly enhance the Company's capital structure. YPG's total indebtedness was \$1.06 billion as at December 31, 2003 compared with \$2.14 billion at the closing of the acquisition in November 2002. Total indebtedness at year-end 2003 represented 2.8 times Adjusted EBITDA compared with 6.3 times Adjusted EBITDA as at December 31, 2002. These financing initiatives give YPG a very strong capital structure. Standard & Poor's recently confirmed this with an upgrade in the Company's credit rating to investment grade. The Company's long-term debt is now rated BBB- by S&P and BBB (high) by DBRS.

Net Results

For the fourth quarter and year ended December 31, 2003, YPG reported net earnings of \$54.1 million and incurred a net loss of \$56.9 million, respectively. This reported loss for the year results from restructuring and other special charges amounting to \$144.1 million which were recognized in the third and fourth quarters of 2003 and the non-cash amortization during the year of certain intangible assets. The special charges which were mostly non-cash in nature relate primarily to the repayment of the acquisition credit facilities as a result of the initial public offering. The restructuring charge follows the implementation of initiatives undertaken to improve efficiencies following a thorough review of the business.

Outlook

A number of initiatives were developed and implemented since the acquisition in November 2002 to strengthen our business, to streamline operations, and to achieve growth in revenue and profitability, to ultimately improve returns to unitholders. Many of the supply chain, marketing, sales, workforce reduction and consolidation initiatives implemented during the course of 2003 are expected to fully accrue to the income statement in 2004. We therefore anticipate maintaining our momentum in Adjusted Revenues and EBITDA growth, and we remain comfortable in our ability to sustain the current level of EBITDA margins and high free cash flow generation.

In 2004, we expect to fully realize the benefits from our ongoing projects. YPG management confirms its guidance as follows:

- As a result of our organic growth strategy, we expect Adjusted Revenues to grow by approximately 3%; and
- EBITDA on a comparable basis, adjusted for transition expenses, elimination of purchase accounting and non-recurring expenses, should grow between 3% and 5%.

We are also comfortable in our ability to grow distributions by approximately 4% annually.

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 a 70.25% ownership interest in Yellow Pages Group.

About Yellow Pages Group

Yellow Pages Group is Canada's largest telephone directories publisher and the official publisher of Bell Canada's directories. Yellow Pages Group markets and distributes print Yellow Pages™ directories and the 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. Yellow Pages Group is one of Canada's leading media companies. The Company publishes more than 200 directories annually. Yellow Pages directories reach approximately 70% of the Canadian population and provide one of the highest returns on investment for advertisers. Yellow Pages Group employs approximately 1,400 people.

Investor Conference Call

Yellow Pages Group will hold an analyst call at 8:30 a.m. (EST) on February 18, 2004 to discuss the quarter and year-end 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 website at: <http://www.ypg.com/en/investor/calendar/webcasts/Q403>. The conference call will be archived in the Investor Center of the Yellow Pages Group website at www.ypg.com. A playback of the call can also be accessed on February 18 through February 25, 2004 by dialling (416) 695-5800 from within the Toronto area, or 1 800 408-3053 outside Toronto. The seven-digit access code is 1525793.

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 which may cause the actual results, performance or achievements to differ materially from those expressed in the forward-looking statements. Neither the Fund nor YPG 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.

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 loss from operations before depreciation, amortization and restructuring and special charges. 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.

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Enclosure: Selected consolidated financial and operating data

Selected consolidated financial and operating data (unaudited)

(in thousands of Canadian dollars, except unit and per unit information)

YELLOW PAGES INCOME FUND

	Three-month period ended December 31, 2003	Five-month period ended December 31, 2003
Statements of earnings:		
Revenues	\$ 25,416	\$ 25,416
Operating income before depreciation and amortization	17,148	17,108
Income from operations	4,079	4,039
Financial charges	1,642	1,642
Share of earnings from equity investee	1,873	2,106
Net earnings	2,968	3,161
Average number of units outstanding	122,337,191	114,079,127
Distributions declared	31,288	45,280
Distributions paid and payable per unit	0.2154	0.3530

YPG LP

	Three-month period ended December 31, 2003	Year ended December 31, 2003	Period from commencement of operations November 30 to December 31, 2002
Statements of earnings:			
Revenues	\$ 162,056	\$ 612,558	\$ 47,429
Operating income before depreciation, amortization, restructuring and special charges	99,449	400,816	30,870
Income (loss) from operations	69,795	(31,068)	(13,819)
Financial charges	13,204	120,592	36,216
Net earnings (loss)	54,116	(56,936)	(36,852)
Number of units outstanding, end of period	342,615,642	342,615,642	180,994,325
Distributions declared	72,489	120,059	
Cashflow data:			
Acquisition of capital assets	\$ (9,331)	\$ (17,147)	\$ (397)
Issuance (Repayment) of long-term debt, net	(150,091)	(1,075,237)	2,140,000
Operating data:			
Adjusted revenues	\$ 163,257	\$ 640,216	\$ 50,293
Adjusted EBITDA	96,181	372,347	27,384
Balance sheet data:			
	As at December 31, 2003	As at December 31, 2002	
Cash and cash equivalents	\$ 45,545	\$ 37,382	
Total assets	2,990,821	3,234,801	
Long-term debt	1,055,106	2,143,688	
Partners' equity	1,774,730	869,026	