

Supplemental Disclosure

Yellow Pages Income Fund

Third Quarter 2005

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Yellow Pages Group™

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This Supplemental Disclosure may contain forward-looking statements. Such statements involve known and unknown risks, uncertainties and other factors which may cause actual results, performance or achievements to differ materially from those expressed in the forward-looking statements. The Fund assumes no responsibility for the accuracy and completeness of the forward-looking statements and does not undertake any obligation to publicly revise these forward-looking statements to reflect subsequent events or circumstances.

1. FINANCIAL HIGHLIGHTS - YELLOW PAGES INCOME FUND

(in thousands of Canadian dollars)

Yellow Pages Income Fund				
	<u>For the three-month period ended September 30</u>		<u>For the nine-month period ended September 30</u>	
	2005	2004	2005	2004
Revenues	\$260,579	\$159,484	\$646,713	\$470,922
Operating costs	102,014	55,710	257,631	164,582
EBITDA	158,565	103,774	389,082	306,340
Net earnings	\$72,676	\$41,368	\$200,633	\$68,640
Net earnings per unit	\$0.15	\$0.12	\$0.48	\$0.24
Diluted net earnings per unit	\$0.15	\$0.12	\$0.46	\$0.24
Adjusted Revenues	\$278,934	\$166,967	\$670,055	\$497,178
Adjusted EBITDA	160,616	98,055	386,269	289,676
Adjusted EBITDA margin	57.6%	58.7%	57.6%	58.3%
Distributable cash ¹	\$132,271	\$84,381	\$323,024	\$209,441
Distributable cash per unit	\$0.28	\$0.25	\$0.80	\$0.74
Distributions declared ^{2,3}	\$113,228	\$79,088	\$305,937	\$193,847
Distributions paid and payable per unit	\$0.24	\$0.23	\$0.72	\$0.68
Weighted average number of Units				
Basic	471,647,962	344,067,402	404,381,592	281,621,273
Diluted	475,259,156	348,590,934	428,983,558	286,288,282

¹ Distributable Cash for the nine-month period of 2005 and 2004 is not presented on the same basis as YPG LP was 70.28% owned by the Fund until June 11, 2004 while it was a wholly-owned subsidiary afterward.

² Includes September 2005 distribution of approximately \$37.8 million paid on October 17, 2005.

³ Nine-month distributions declared include an amount of \$8.3 million equivalent to one monthly distribution paid to former subscription receipt holders on May 25, 2005.

For the quarter ended September 30, 2005, the Fund reported Adjusted Revenues of 278.9\$ million and Adjusted EBITDA of 160.6\$ million, up 67% and 64%, respectively, compared to the same period last year. This growth reflects the contribution of ADS following the Acquisition on May 25, 2005. Excluding the impact of ADS, Adjusted Revenues grew by 6.7% and Adjusted EBITDA by 7%.

2. YPIF RESULTS: COMBINED ENTITY VS. YPG STAND-ALONE

(in thousands of Canadian dollars)

	For the three-month period ended September 30, 2005				For the nine-month period ended September 30, 2005			
	Combined	YPG Stand-alone	% Growth YPG Stand-alone	ADS Contribution	Combined	YPG Stand-alone	% Growth YPG Stand-alone	ADS Contribution Period from May 25 to Sept. 30, 2005
Adjusted Revenues	278,934	178,078	6.7%	100,856	670,055	525,722	5.7%	144,333
Adjusted EBITDA	160,616	104,891	7.0%	55,725	386,269	307,549	6.2%	78,720
Margin	57.6%	58.9%		55.3%	57.6%	58.5%		54.5%

	ADS Stand-alone Full Quarter			
	Q1 2005	Q2 2005	Q3 2005	YTD
Adjusted Revenues	102,851	106,926	100,856	310,633
Adjusted EBITDA	50,867	51,754	55,725	158,346
Margin	49.5%	48.4%	55.3%	51.0%

3. ONLINE METRICS

Revenues - YPG Stand-alone

(in millions of Canadian dollars)

	Q1	Q2	Q3	YTD
2005 Revenues	7.9	8.2	9.8	25.9
2004 Revenues	4.3	4.9	5.6	14.8
<i>Growth \$</i>	3.5	3.3	4.3	11.1
<i>Growth %</i>	82%	67%	76%	75%

Operating Metrics

(in millions)

	Q1	Q2	Q3
Unduplicated Unique Visitors	4.3	6.5	6.6
Online Reach %	22%	34%	34%

4. RECONCILIATION OF ADJUSTED REVENUES AND ADJUSTED EBITDA

(in thousands of Canadian dollars)

	<u>For the three-month period ended September 30, 2005</u>				<u>For the nine-month period ended September 30, 2005</u>			
	<u>Reported</u>	<u>Purchase accounting ¹</u>	<u>Transition expenses ²</u>	<u>Adjusted</u>	<u>Reported</u>	<u>Purchase accounting ¹</u>	<u>Transition expenses ²</u>	<u>Adjusted</u>
Revenues	260,579	18,355	-	278,934	646,713	23,342	-	670,055
Operating costs	102,014	17,320	1,016	119,334	257,631	27,171	1,016	284,802
EBITDA	\$ 158,565	\$ 1,035	\$ 1,016	\$ 160,616	\$ 389,082	\$(3,829)	\$ 1,016	\$ 386,269
	<u>For the three-month period ended September 30, 2004</u>				<u>For the nine-month period ended September 30, 2004</u>			
	<u>Reported</u>	<u>Purchase accounting ¹</u>	<u>Transition expenses ²</u>	<u>Adjusted</u>	<u>Reported</u>	<u>Purchase accounting ¹</u>	<u>Transition expenses ²</u>	<u>Adjusted</u>
Revenues	159,484	7,483	-	166,967	470,922	26,256	-	497,178
Operating costs	55,710	14,442	1,240	71,392	164,582	45,557	2,637	210,139
EBITDA	\$ 103,774	\$(6,959)	\$ 1,240	\$ 98,055	\$ 306,340	\$(19,301)	2,637	\$ 289,676

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 acquisition by YPG LP of the directories business from Bell Canada, the step-acquisitions of YPG LP by the Fund and the acquisition of ADS.

² Transition expenses are related to the acquisitions of directories businesses, such as costs incurred to become a stand-alone entity and non-recurring items when applicable.

5. OPERATING COST AND CAPITAL EXPENDITURE DETAILS

(in thousands of Canadian dollars)

	<u>For the three-month period ended September 30</u>				<u>For the nine-month period ended September 30</u>			
	<u>2005</u>		<u>2004</u>		<u>2005</u>		<u>2004</u>	
Adjusted Revenues	\$278,934		\$166,967		\$670,055		\$497,178	
Expenses								
Cost of Sales ¹	65,168	23.4%	42,791	25.6%	162,672	24.3%	129,174	26.0%
General and Administrative ^{2,3}	53,150	19.1%	26,121	15.6%	121,114	18.1%	78,328	15.8%
Adjusted EBITDA	\$160,616		\$98,055		\$386,269		\$289,676	
Adjusted EBITDA margin	57.6%		58.7%		57.6%		58.3%	
<u>Capital Expenditures</u> ⁴								
Transition Capital	\$4,970		\$3,463		\$4,970		\$6,538	
Maintenance	4,522		2,006		10,000		2,855	
New initiatives	2,627		3,191		9,430		4,044	
Leasehold improvements (net of lease inducements)	981		1,474		3,136		1,533	
Total	<u>\$13,100</u>		<u>\$10,134</u>		<u>\$27,536</u>		<u>\$14,970</u>	
Adjustment to reflect Expenditures on a Cash Basis	(6,774)		(4,598)		(6,216)		(3,729)	
Acquisition of Capital Assets, Net of Lease Inducements	\$6,326		\$ 5,536		\$21,320		\$11,241	

¹ The increase substantially relates to the acquired business. Cost of sales of YPG on a stand-alone basis remained stable as a result of our cost containment initiatives and increased sales efficiencies.

² Includes pension and post-employment expenses.

³ The impact of ADS accounts for \$23.2 million and \$32.8 million of the increases for the third quarter and nine-month period while the remaining portion of the variances is attributable to employee-related expenses.

⁴ Pursuant to the acquisition of the directories business from affiliates of Bell Canada and the initial public offering, \$10 million was set aside as pre-funded capital for the purpose of the Company's transition to a stand-alone company. This transition ended in the fourth quarter of 2004. Pursuant to the ADS Acquisition, approximately \$15 million has also been set aside as pre-funded capital for purposes of integrating the ADS operations. **Maintenance** capital expenditures are for ongoing operations to maintain the integrity of the infrastructure. In our efforts to optimize processes and reduce costs, we invest in selected **new initiatives**. As a result of significant renovations made to our Toronto office, we have invested in **leasehold improvements** in 2005. A substantial portion of these expenditures are reimbursed to us through lease inducements.

6. CONSOLIDATED CAPITALIZATION - YPIF

(in millions of Canadian dollars)

	December 31, 2004	March 31, 2005	June 30, 2005	September 30, 2005
Medium Term Notes	\$1,000	\$1,000	\$1,000	\$1,000
Bank Term Facilities	-	-	\$800	\$800
Commercial Paper	\$184	\$188	\$256	\$220
Obligations Under Capital Leases	\$8	\$7	\$7	\$7
Total Third-Party Debt	\$1,192	\$1,195	\$2,062	\$2,027
Cash and cash equivalents	\$187	\$180	\$22	\$31
Net Debt	\$1,005	\$1,015	\$2,041	\$1,996
Unitholders' Equity	\$3,512	\$3,494	\$5,096	\$5,067
Total Capitalization	\$4,516	\$4,509	\$7,137	\$7,063
EBITDA / Annualized Interest	9.2	8.1 ^{1, 2}	7.3 ^{5, 6}	7.2 ^{5, 6}
EBITDA / (Annualized Interest + Maint. CapEx)	7.7	6.7 ^{1, 2}	6.3 ^{5, 6}	6.1 ^{5, 6}
Net Debt / EBITDA	2.6	2.6 ¹	3.3 ⁶	3.2 ⁶
Net Debt / (EBITDA - Maint. CapEx)	2.7	2.6 ¹	3.3 ⁶	3.2 ⁶
FCF / Net Debt ³	33%	33%	25%	26%
Net Debt / Partners' Equity	0.3	0.3	0.4	0.4
Net Debt / Enterprise Value ⁴	18%	18%	23%	23%

¹ Latest twelve months EBITDA

² Interest expense of Q1 2005 annualized

³ FCF is assumed to be equal to Distributable Cash before non-controlling interest.

⁴ Based on market value of units at close on December 31, 2004 of \$13.49, on March 31, 2005 of \$13.32, on June 30, 2005 at \$14.91 and on September 30, 2005 at \$14.45.

⁵ Interest charge annualized based on capital structure as of the end of the quarter.

⁶ YPG LTM EBITDA as of quarter end plus ADS EBITDA first half of 2005 (\$102.6M) annualized for the period prior to May 25, 2005, plus annualized synergies

7. CASH INTEREST EXPENSE COMPONENTS

(in thousands of Canadian dollars)

Debt Component	End of Q3 Drawings	Interest Basis	Observations
Term Facilities	800,000	Banker's Acceptance plus 0.70%	Management has indicated that bank drawings will ultimately be replaced with longer term MTN
Medium Term Notes (MTN)		Fixed Rates	
5-year Notes	450,000	4.57%	
10-year Notes	300,000	5.71%	
15-year Notes	250,000	5.85%	
Commercial Paper facility (Authorized limit of \$300M)	220,000	Banker's Acceptance plus +/- 0.15%	CP drawings fluctuate intra-quarter
Cash and ST Investment	(30,578)	Overnight/Banker's Acceptance	Cash levels fluctuate intra-quarter
Swaps and Derivatives		For current swap and derivatives portfolio, please refer to note 5 of the F/S	
Capital Leases	6,798		
Standby and other financial charges	-	-	Stand-by and agency fees on bank facilities and other
Net Debt	1,996,220		

8. DISTRIBUTABLE CASH - YPIF

(in thousands of Canadian dollars)

	<u>Year Ended</u>	<u>For the three-month period Ended</u>	<u>For the nine-month period Ended</u>	<u>TTM</u>
	December 31, 2004	September 30, 2005	September 30, 2005	September 30, 2005
Adjusted EBITDA	\$388,365	\$160,616	\$386,269	\$484,958
Less:				
Maintenance capital expenditures	7,949	4,522	10,000	15,094
Interest	42,432	21,952	49,926	61,547
Other	1,479	1,871	3,319	3,704
Non-controlling interest	45,475	-	-	-
Distributable Cash	\$291,030	\$132,271	\$323,024	\$404,613
Distributable Cash per unit	\$0.98	\$0.28	\$0.80	\$1.04
Average number of Units outstanding (M)	297.2	471.6	404.4	389.0

9. SELECTED HISTORICAL FINANCIAL NUMBERS - YPIF

(in thousands of Canadian dollars except for Units Outstanding)

	For the three-month period ended						
	March 31, 2004	June 30, 2004	September 30, 2004	December 31, 2004	March 31, 2005	June 30, 2005	September 30, 2005
Adjusted Revenues	\$164,323	\$165,888	\$166,967	\$170,197	\$172,531	\$218,590	\$278,934
YOY growth					5.0%	31.8%	67.1%
Adjusted EBITDA	\$95,466	\$96,155	\$98,055	\$98,689	\$99,918	\$125,735	\$160,616
YOY growth					4.7%	30.8%	63.8%
EBITDA margin	58.1%	58.0%	58.7%	58.0%	57.9%	57.5%	57.6%
Maintenance capital expenditures ¹	(337)	(512)	(2,006)	(5,094)	(2,900)	(2,578)	(4,522)
Interest	(9,493)	(10,507)	(10,811)	(11,621)	(12,094)	(15,880)	(21,952)
Other	(130)	(117)	(847)	(385)	(486)	(962)	(1,871)
Non-controlling interest	(\$25,458)	(\$20,017)	-	-	-	-	-
Distributable Cash	\$60,048	\$65,002	\$84,391	\$81,589	\$84,438	\$106,315	\$132,271
Distributable Cash per unit	\$0.25	\$0.25	\$0.25	0.24	\$0.25	\$0.27	\$0.28
Average number of units outstanding (M)	236.0	264.0	344.1	344.1	344.2	395.9	471.6

¹ Prior to Q3 2004, amounts restated to reflect capital expenditures incurred during the period. Previous methodology reflected capital expenditures on a cash basis.

10. 2004 PRO FORMA INFORMATION

(in thousands of Canadian dollars except for Units Outstanding)

Extract from Base Shelf Prospectus dated March 11, 2005

	Year Ended December 31, 2004			
	<u>Yellow Pages Income Fund</u>	<u>ADS</u>	<u>Adjustments</u>	<u>Combined Pro Forma</u>
Adjusted Revenues	\$667,375	\$371,254		\$1,038,629
SUMMARY OF DISTRIBUTABLE CASH				
Adjusted EBITDA	\$388,365	\$198,915		\$587,280
Management estimates that the following amounts will be used to maintain the assets of the business:				
Maintenance capital expenditure	(7,949)		(6,000)	(13,949)
Management also believes the distributable amounts should be reduced by the following:				
Interest	(42,093)		(40,146) ¹	(82,239)
Taxes	(1,492)		(5,100) ²	(6,592)
Estimated distributable cash	<u>\$336,831</u>	<u>\$198,915</u>	<u>(51,246)</u>	<u>\$484,500</u>
Units outstanding ³	344,330		126,827	471,157
Estimated distributable cash per unit	\$0.98			\$1.03
Accretion to distributable cash				5.1%

¹ Represents estimated interest expense and other charges on the new debt incurred to finance the Acquisition assuming funds had been drawn down on January 1, 2004. Drawings under the \$800 million term loan is at 4.63% based on a five year floating-to-fixed interest rate swap and commercial paper is at 2.77% based on rates as of the close of business on March 10, 2005.

² Represents additional estimated large corporation taxes of \$5,100 per year.

³ Based on issuance of \$1.7 billion of equity of which 104,100,000 Units at \$13.45 and 22,727,273 Units under the Private Placement at \$13.20.

11. CONSENSUS ESTIMATES

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

Consensus Estimates¹						
	FY 2003	FY 2004	Low	FY 2005 Average	High	% Var Avg. 05/ Act. 04
Revenues	\$640.2	\$667.4	\$917.6	\$930.4	\$949.5	39.4%
Adjusted EBITDA	\$372.3	\$388.8	\$524.4	\$540.0	\$549.0	38.9%
Distributable Cash per Unit	\$0.92	\$0.98	\$1.02	\$1.04	\$1.06	6.5%

¹ As of November 7, 2005. Excludes analysts who provided only full-year pro forma estimates for 2005.