



Yellow Pages Income Fund Reports Q1 2010 Financial Results

- Distributable cash per unit of \$0.34
- Solid gains in web traffic
- Online revenues close to \$400M on an annualized basis

Montreal (Quebec), May 6, 2010 — Yellow Pages Income Fund (TSX: YLO.UN) today announced its first quarter results. During the quarter, YPG made solid progress on its key objectives to grow audiences, build richer digital content and broaden its range of solutions which supports small and medium-sized enterprises (SMEs). YPG continues to invest in new product development, positioning itself for sustainable growth in 2011. In Vertical Media, YPG has stabilized the Trader business, and the Company is encouraged by the early signs of an economic recovery.

For the quarter ending March 31, 2010, consolidated net earnings were \$121.8 million compared with \$132.1 million for the same period in 2009. Income from operations was \$166.8 million versus \$185.7 million last year. Cash flow from operating activities reached \$143.5 million during the quarter as compared to \$197.4 million in 2009.

Consolidated Adjusted Revenues and revenues, at \$408.1 million, decreased by approximately 1% and \$0.2 million respectively from last year. Consolidated Adjusted EBITDA was \$219.8 million, down from \$225.9 million twelve months ago. EBITDA (income from operations before depreciation and amortization, and acquisition-related costs) was \$216.1 million compared to \$223.9 million in 2009. EBITDA on a reported basis is net of non-recurring rebranding and conversion costs aggregating \$3.7 million in the first quarter of 2010.

“We are positioning our properties for growth in 2011 by investing in new product launches, such as Search Engine Solutions,” said Marc P. Tellier, President and Chief Executive Officer of Yellow Pages Group. “We are enabling our advertisers to raise their profiles across our print, online and mobile platforms, so they can connect with more of their existing and potential customers. We are also pleased with our progress at Trader and with the successful launch of Dealer Smart Solutions, which has already attracted more than 2,700 Canadian auto dealers.”

Combined online revenues for Directories and Vertical Media reached \$98.4 million for the quarter or \$393.6 million on an annualized basis, representing online organic growth of 20%.

Distributable cash was \$171.3 million or \$0.34 per unit compared to \$180.4 million or \$0.35 per unit during the same quarter last year.

Positioning Directories for Sustainable Growth in 2011

For the first quarter, Adjusted Revenues in Directories declined by 5% to \$336.3 million. Meanwhile, Adjusted EBITDA decreased 4.2% to \$201.1 million, with a margin of 59.8% versus 59.3% for the first quarter of 2009. YPG’s decisive action to control expenditures generated continued strong EBITDA conversion. A portion of the cost containment is now being re-deployed to position YPG for growth through investment in YellowPages.ca™, new product introduction and traffic expansion for our online properties.

Also during the quarter, YPG unveiled its new brand image, which reflects its transformation into a performance media and marketing solutions company. The new Yellow Pages™ brand is bolder and more distinctive. It is more in tune with today’s markets and younger, more mobile demographic. In parallel, YPG announced the acquisition of Restaurantica.com, RedFlagDeals.com and the 411.ca brand. The Company also launched its offering of search engine solutions which provide richer online user experiences and further enhance the online presence of Canadian SMEs.

YPG also launched enhanced functionalities on its popular mobile applications for the Apple iPhone™, Blackberry® and Google™ Android™ smart phones. The YellowPages.ca™ applications have been downloaded more than 1,000,000 times.

Vertical Media Business Gaining Traction

The launch of Dealer Smart Solutions has served to stabilize the Trader business and is significantly improving the company's market position. While the automotive category is rebounding from the economic downturn, the real estate and generalist categories continue to be challenged.

Powered by Dealer.com, first quarter revenues grew 20.6% to \$71.8 million. Excluding this contribution, organic revenue declined approximately 6% compared to a 18% drop for the same period last year. First quarter EBITDA was \$18.7 million, a rise of 16.4% versus last year, which resulted in a margin of 26.0% compared to 27.0% for the same period last year. As cyclical pressures appear to be abating, revenue trends are showing promise. First quarter revenue trends also show a marked sequential improvement from the fourth quarter of 2009, when revenues decreased by 15%.

Recent Developments

YPG continues to prepare for conversion from an income trust to a traditional corporate structure. The Proxy Circular was mailed in late March 2010 and Unitholders will vote on the Plan of Arrangement today.

YPG will maintain the current level of \$0.80 annual cash distributions up to the conversion date. Provided that the effective date of the Plan of Arrangement is on November 1, 2010, shareholders will receive a monthly dividend of \$0.0667 (\$0.80 annually) per common share for the months of November and December 2010. Starting in January, 2011 Yellow Media Inc. will pay a monthly dividend of \$0.0542 (\$0.65 annually) per common share.

With the first quarter acquisition of Restaurantica.com and RedFlagDeals.com, and increased ownership of Dealer.com, YPG continued to deploy capital to build traffic, improve the consumer experience and extend customer service. These investments represent capital deployment in the aggregate of \$37 million.

During the quarter, YPG also announced its proposed acquisition of Canpages for a purchase price consideration of approximately \$225 million. Of that amount, \$75 million will be payable in cash at closing to settle third-party debt and other obligations, and the shares of Canpages will be purchased through the issuance of \$150 million of Exchangeable Promissory Notes.

In addition to the Canpages acquisition, YPG announced the contribution of its U.S. directory operations, YPG Directories, LLC, publisher of Your Community PhoneBook, to Ziplocal, a leader in providing an innovative source of information for the businesses and communities it serves. The transaction closed on April 15, 2010, and, as a result, YPG now owns a 35% stake in Ziplocal. YPG will continue to fully own and operate its information technology platform and centers of excellence located in Blue Bell, Pennsylvania and Indianapolis, Indiana.

Making Further Progress on Capital Structure Front

The Company completed, during the first quarter, the early redemption of \$150 million of Medium Term Notes Series 6 due February 2011. The Company also repurchased \$142.8 million of Medium Term Notes during the quarter to accelerate its financial deleveraging, and is staying the course in pursuit of its goal to further strengthen YPG's capital structure. In addition, the Company intends to repurchase at par the remaining balance of its Exchangeable Debentures on August 1, 2010.

Investor Conference Call

Yellow Pages Income Fund will hold an analyst and media call at 2:00pm (Eastern Time) on May 6, 2010 to discuss the first quarter 2010 results. The call may be accessed by dialing (416) 340-8061 within the Toronto area, 1 866 225-0198 outside of Toronto. The call will be simultaneously webcast on the Company's web site at <http://www.ypg.com/en/investors/financial-reports/2010/quarterly-reports/first-quarter>. 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 6 to May 14 by dialing (416) 695-5800 from within the Toronto area, or 1 800 408-3053 outside Toronto. The conference passcode is **2327338**.

About Yellow Media Inc.

Yellow Media Inc., a subsidiary of Yellow Pages Income Fund, owns Yellow Pages Group and Trader Corporation. Yellow Pages Group (YPG) is Canada's leading performance media and marketing company. The Company brings local consumers and businesses together through its network of print, digital and mobile properties. YPG enables consumers to make smarter decisions, helping people find what they need wherever and whenever. YPG partners with businesses to build successful marketing and lead generation programs, helping them grow their business. Trader Corporation (Trader) is a leader in print and digital vertical media and offers a broad set of services such as inventory management, web solutions, optimization of media spend, and lead generation campaigns. Trader caters to the automotive, real estate and generalist verticals. Yellow Media Inc. owns and operates some of Canada's leading properties and publications such as Yellow Pages™ directories, YellowPages.ca™, Canada411.ca™, Auto Trader™(.ca), Home Trader™(.ca), and LesPAC.com. 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 6, 2010, 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 6, 2010 Management's Discussion and Analysis. We disclaim any intention or obligation to update any forward-looking statements, except as required by law, even if new information becomes available, as a result of future events or for any other reason.

- 30 -

Contacts:

Media Relations

Annie Marsolais
Director, Communications
514-934-4016
annie.marsolais@ypg.com

Investor Relations

Anne-Sophie Roy
Director, Corporate Finance and Investor Relations
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,	
	2010	2009
Revenues	\$408,131	\$408,353
Income from operations	166,802	185,746
Net earnings ²	121,757	132,087
Basic earnings per unit	\$0.24	\$0.26
Cash flow from operating activities	\$143,539	\$197,418
Adjusted Revenues ¹	\$408,131	\$413,542
Adjusted EBITDA ¹	219,781	225,905
Adjusted EBITDA margin	53.9%	54.6%
Distributable cash ¹	\$171,274	\$180,446
Weighted average number of units outstanding	504,752,813	513,839,842
Distributable cash per unit	\$0.34	\$0.35
Distributions declared	\$101,033	\$150,332
Distributions declared per unit	\$0.20	\$0.29

Non-GAAP Measures¹

In order to provide a better understanding of the results, the Fund uses the term EBITDA (income from operations before depreciation and amortization and acquisition-related costs). 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, acquisition-related costs, 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:

Non-controlling interests²

Non-controlling interests are no longer recorded as a deduction in calculating net earnings and total comprehensive income. Instead, net earnings and each component of other comprehensive income are attributed to the owners of the Fund and to the non-controlling interests. The presentation requirements for non-controlling interests were applied retrospectively to 2009.

Adjusted Revenues and Adjusted EBITDA

	For the three-month periods ended March 31,	
	2010	2009
Revenues	\$408,131	\$408,353
Elimination of purchase accounting impact	-	5,189
Adjusted Revenues	\$408,131	\$413,542
Income from operations	\$166,802	\$185,746
Depreciation and amortization	45,713	38,117
Acquisition-related costs	3,615	-
Income from operations before depreciation and amortization and acquisition-related costs	216,130	223,863
Elimination of purchase accounting impact	-	2,042
Conversion and rebranding costs	3,651	-
Adjusted EBITDA	\$219,781	\$225,905

Distributable Cash

	For the three-month periods ended March 31,	
	2010	2009
Cash flow from operating activities	\$143,539	\$197,418
Operating non-cash items ¹	(3,594)	(1,262)
Change in operating assets and liabilities ²	28,166	(15,656)
Maintenance capital expenditures ³	(3,611)	(2,963)
Acquisition-related costs ⁴	3,615	-
Other ⁵	3,159	2,909
Distributable cash	\$171,274	\$180,446
Weighted average number of units outstanding	504,752,813	513,839,842
Distributable cash per unit	\$0.34	\$0.35
Distributions declared	\$101,033	\$150,332
Distributions declared per unit	\$0.20	\$0.29
Payout ratio ⁶	59%	83%

¹Represents 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.

²Changes in operating assets and liabilities are not considered a source or use of distributable cash. As a result, it is excluded from the calculation as it would introduce cash flow variability and affect underlying cash flow available for distributions. Various working capital items, including but not limited to the timing of receivables collected and payment of payables and accruals, can have a significant impact on the determination of free cash flow available for distribution. Accordingly, management excludes the impact of changes in non-cash working capital items to remove the resulting variability of including such amounts in the determination of free cash flow available for distribution. Realized changes in working capital and working capital acquired by way of acquisition are typically funded from excess free cash flow available for distribution or the Fund's cash on hand and available credit facilities.

³Maintenance 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.

⁴Acquisition-related costs are excluded from the calculation as they do not reflect the ongoing operations of the business. Prior to the Fund's early adoption of Section 1582, *Business Combinations* on January 1, 2010, these expenses would have been included in the purchase price of such acquisitions.

⁵Includes amounts related to non-controlling interest in Dealer.com and LesPAC, 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.