

INVESTOR DAY
2010

Corporate Finance Update

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Investment Considerations

Capital structure

- Stronger capital structure
- YPG self-funded for the 2010 - 2013 period
- Maintain path to deleveraging through free cash flow

Conversion

- Conversion from an income trust to a corporation was approved by unitholders on May 6, 2010
- Sustainable dividend of \$0.65
- Dividend growth model

Fundamentals Strategy & growth initiatives

- Leverage core competencies
- Build traffic, grow audience and extend services

Capital Structure Drivers

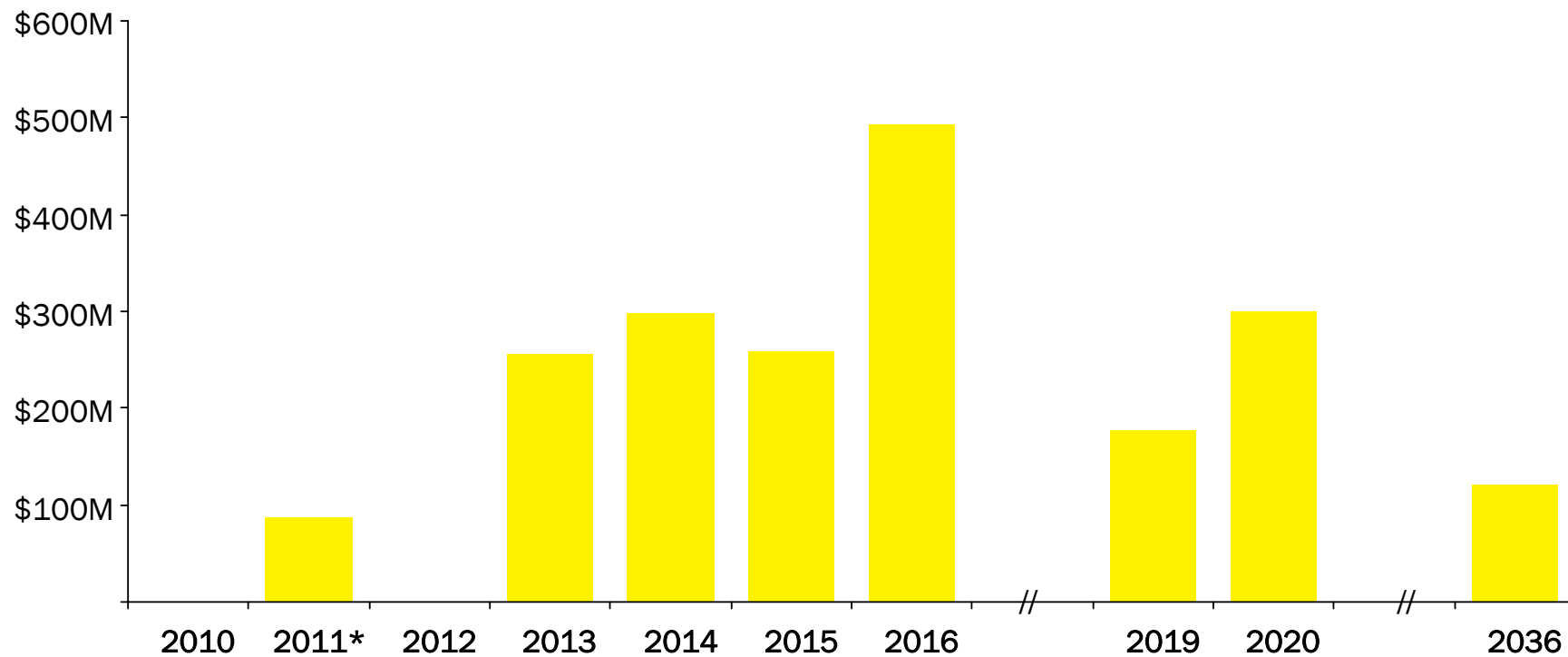
Clear objectives

**Pay down
bank borrowings**

**Extend term
of indebtedness**

**Eliminate
refinancing risk**

Maturity Schedule



* 2011: Exchangeable Debentures Redeemable *August 2010*

Guiding Principles – Capital Allocation

- Ability to reinvest sufficient capital to support growth objectives
- Further pay down debt
- Shareholder returns

Prudent approach to liquidity management

Conversion Specifics

- **\$0.80 cash distributions to be maintained until December 2010**
- **Conversion to take place on November 1, 2010**
- **Initial dividend set at \$0.65 per year, to be paid monthly**
- **Payout of 60% to 70% of cash EPS**
- **Sustainable source of income**

Strategic Filters to Deploy Capital

1. Build traffic

**2. Improve user
experience**

3. Extend services

Build versus buy consideration

Investor Communications

**Recent corporate
developments**

**Transition to
corporate structure**

The new YPG

Growth strategy

New Key Performance Indicators

Advertiser count

**Advertiser
renewal rate**

**Revenue
Generating Unit**

**Average Revenue
Per Advertiser**

Positioning for Sustainable Growth

- **Management focused on organic execution**
- **Tuck-in acquisitions to build traffic, grow audience and extend services**
- **Transitional year to position YPG for sustainable growth**