

Yellow Pages Income Fund Reports Q1 2009 Financial Results

- Distributable cash per unit remains unchanged at \$0.35
- Online organic growth of close to 30%
- Cash distributions per unit reduced from \$1.17 to \$0.80

Montreal (Québec), May 7, 2009 – Yellow Pages Income Fund (TSX: YLO.UN) today reported its first quarter 2009 results demonstrating solid operational performance under difficult economic conditions, and displaying ongoing resilience of the Directories segment.

For the quarter ending March 31, 2009, consolidated net earnings were \$131.6 million compared with \$127 million for the same period in 2008. Income from operations was \$185.7 million compared to \$171.4 million for the same quarter in the prior year. Cash flow from operating activities reached \$197.4 million during the quarter from \$145.3 million in 2008.

Consolidated Adjusted Revenues¹ decreased by 0.4% to \$413.5 million compared to the first quarter of 2008 and revenues reached \$408.4 million. Consolidated Adjusted EBITDA¹ was essentially unchanged from the previous year at \$225.9 million. EBITDA (income from operations before depreciation and amortization) was \$223.9 million. Directory revenues grew over last year largely as a result of sustained online organic growth while EBITDA improved in line with our expectations under difficult market conditions. Vertical Media, however, was more seriously affected by the economic recession, especially in the vehicle and real estate categories.

“Despite the increasing pressure in the marketplace, we were able to deliver on our strategies and achieve growth in our directories business,” said Marc P. Tellier, President and Chief Executive Officer of Yellow Pages Group. “No company is immune to the economic recession. However, we believe that by continuing to invest in market coverage and new product introduction, we will be in a better position to capitalize on growth opportunities as the economy recovers.”

Online revenues for Directories and Vertical Media combined were \$68.6 million for the quarter or \$274.3 million on an annualized basis. This represents organic growth of 29.2% in the quarter.

Distributable cash of \$180.4 million, or \$0.35 per unit, in the quarter was relatively unchanged when compared to the same quarter in the previous year.

Directories

Given the overall contraction in the economy, the priority in Directories is to protect the company's revenue base through the introduction of new products. This includes the ongoing rollout of bundled offerings.

For the first quarter, Adjusted Revenues in Directories increased by 4.7% to \$354 million and Adjusted EBITDA grew 3.2% to \$209.8 million. Excluding the contribution of Volt (YPG USA), Adjusted Revenues grew by 0.9% to \$340.9 million in the first quarter of 2009. The Adjusted EBITDA margin was 59.3%, compared to a margin of 60.2% for the first quarter of 2008.

The integration of the assets of YPG USA is progressing according to plan. The Company has identified additional opportunities for further cost savings and incremental efficiencies. The integration is expected to be largely completed by the middle of 2010.

In April, YPG launched a new application for users of the BlackBerry® smartphone and Apple iPhone™ allowing them to easily search for local businesses and people. The YellowPages.ca™ application provides consumers with capabilities such as business, person and reverse phone number look-up, direct connect to Voice Search and local proximity-based searches using GPS and maps.

Vertical Media

The current economic downturn had its greatest impact on Trader. Trader's first quarter revenues were \$59.6 million representing a decline of 22.8% compared with the first quarter of 2008. The decline narrows to 18.4% when taking into account the sale of U.S. operations and other restructuring initiatives completed in the fourth quarter of 2008. EBITDA was \$16.1 million compared to \$23.2 million in the first quarter of the previous year. Consequently, Trader's EBITDA margin was 27% in the first quarter of 2009, compared to 30.1% in the first quarter of 2008.

During the quarter, Trader announced a strategic agreement with Vermont-based Dealer.com to deliver a suite of marketing technology solutions to Canada's new and used vehicle industry. Through the agreement, Trader's extensive customer base of car dealerships now has access to Dealer.com's industry-leading web-based applications. Trader has started offering the Dealer Smart Solutions to the Canadian marketplace and has received a very positive response from dealers.

Cash Distributions

Based on the expectation of continuing difficult market conditions and our objective of securing additional financial flexibility, the Fund announced a reduction in cash distributions to unitholders from \$1.17 to \$0.80 annually. A monthly cash distribution of \$0.0667 per unit will be paid on June 15 to unitholders of record at the close of business on May 29, 2009. "Given the prevailing economic environment, a reduction in cash distributions to unitholders is the right precautionary decision to strengthen the Company's capital position while still providing an attractive source of recurring income for our investors," stated Christian M. Paupe, Executive Vice President and Chief Financial Officer.

Investor Conference Call

Yellow Pages Income Fund will hold an analyst and media call at 1:30 p.m. (Eastern Time) on Thursday, May 7, 2009 to discuss the first quarter 2009 results. The call may be accessed by dialling (416) 340-2219 within the Toronto area, or 1 866 226-1793 outside of Toronto. The call will be simultaneously webcast on the Company's web site at <http://www.ypg.com/page.php/en/1/575.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 7 to May 15, 2009 by dialling (416) 695-5800 from within the Toronto area, or 1 800 408-3053 outside Toronto. The conference passcode is 6156677.

About Yellow Pages Income Fund

Yellow Pages Income Fund indirectly holds an approximate 98% ownership interest in Yellow Pages Group and Trader Corporation. Yellow Pages Group is Canada's leading local commercial search provider. It publishes annually more than 340 Yellow Pages™ and residential directories. The Company owns and manages Canada's most visited online directories, YellowPages.ca™ and Canada411.ca™, as well as CanadaPlus.ca™, a network of seven local city sites. Trader Corporation is a Canadian leader in print and online vertical media with over 160 publications and 20 web sites covering four product verticals: automotive, real estate, generalist, as well as employment and other. Its main print brands include Auto Trader™, Auto Hebdo™, The Bargain Finder™, Buy&Sell™, Renters News™ and Home Renters' Guide™, and its online destinations, AutoTrader.ca™, HomeTrader.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 7, 2009, 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 7, 2009 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.

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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,	
	2009	2008
Revenues	\$408,353	\$414,571
Income from operations	185,746	171,429
Net earnings	131,613	126,988
Basic earnings per unit	\$0.26	\$0.24
Cash flow from operating activities	\$197,418	\$145,338
Adjusted Revenues ¹	\$413,542	\$415,129
Adjusted EBITDA ¹	225,905	226,603
Adjusted EBITDA margin	54.6%	54.6%
Distributable cash ¹	\$180,446	\$183,019
Weighted average number of units outstanding	513,839,842	530,044,365
Distributable cash per unit	\$0.35	\$0.35
Distributions declared	\$150,332	\$149,838
Distributions declared per unit	\$0.29	\$0.28

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 (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,

	2009	2008
Revenues	\$408,353	\$414,571
Elimination of purchase accounting impact	5,189	558
Adjusted Revenues	\$413,542	\$415,129
Income from operations	\$185,746	\$171,429
Depreciation and amortization	38,117	55,964
Income from operations before depreciation and amortization	223,863	227,393
Elimination of purchase accounting impact	2,042	(790)
Adjusted EBITDA	\$225,905	\$226,603

Distributable Cash

For the three-month periods ended March 31,

	2009	2008
Cash flow from operating activities	\$197,418	\$145,338
Operating non-cash items ¹	(1,262)	(5,810)
Change in operating assets and liabilities ²	(15,656)	45,982
Maintenance capital expenditures ³	(2,963)	(5,215)
Other ⁴	2,909	2,724
Distributable cash	\$180,446	\$183,019
Weighted average number of units outstanding	513,839,842	530,044,365
Distributable cash per unit	\$0.35	\$0.35
Distributions declared	\$150,332	\$149,838
Distributions declared per unit	\$0.29	\$0.28
Payout ratio ⁵	83%	80%

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.

⁴Includes non-controlling interest related to the LesPAC partnership formed in April 2007, tax related amounts and other amounts that do not reflect the ongoing operations of the business.

⁵The 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.