



**Yellow Pages**  
Income Fund™

TM



487,390,147,453,806,123,595,984,032,46

**Q1**

## **Supplemental Disclosure**

Period ended March 31, 2009

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This Supplemental Disclosure contains forward-looking statements about the objectives, strategies, financial condition, results of operations and businesses of YPG. These statements are considered “forward-looking” because they are based on current expectations about our business and the markets we operate in, and on various estimates and assumptions. Our actual results could be materially different 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, we cannot guarantee that any forward-looking statements will materialize. Forward-looking statements do not take into account the effect that transactions or non-recurring items announced or occurring after the statements are made may have on our business. We disclaim any intention or obligation to update any forward-looking statements, except as required by law, even if new information becomes available through future events or for any other reason. Risks that could cause our actual results to differ materially from our current expectations are discussed in section 7 of our May 7, 2009 Management's Discussion and Analysis.

This Supplemental Disclosure shall be read in connection with the May 7, 2009 Management's Discussion and Analysis. Capitalized terms not defined herein are defined in the MD&A.

## 1. Financial Highlights - Yellow Pages Income Fund

(in thousands of Canadian dollars, except unit information)

	For the three-month periods ended	
	March 31,	
	2009	2008
Revenues	<b>\$408,353</b>	\$414,571
Operating costs	<b>184,490</b>	187,178
Income from operations before depreciation and amortization (EBITDA)	<b>223,863</b>	227,393
Net earnings	<b>131,613</b>	126,988
Basic earnings per unit	<b>0.26</b>	0.24
Diluted earnings per unit	<b>0.21</b>	0.22
Adjusted Revenues	<b>\$413,542</b>	\$415,129
Adjusted EBITDA	<b>225,905</b>	226,603
Adjusted EBITDA margin	<b>54.6%</b>	54.6%
Cash flow from operating activities	<b>\$197,418</b>	\$145,338
Distributable cash	<b>180,446</b>	183,019
Distributable cash per unit	<b>0.35</b>	0.35
Distributions declared <sup>(1)</sup>	<b>150,332</b>	149,838
Distributions declared per unit	<b>0.29</b>	0.28
Payout ratio	<b>83%</b>	80%
Weighted average number of units outstanding		
Basic	<b>513,839,842</b>	530,044,365
Diluted	<b>661,558,372</b>	606,720,316

<sup>(1)</sup> Includes March 2009 distribution of approximately \$50.5 million paid on April 15, 2009.

## 2. Segmented Information - Reported Basis

(in thousands of Canadian dollars)

For the three-month periods ended March 31,						
	Directories		Vertical Media		Consolidated	
	2009	2008	2009	2008	2009	2008
<b>Revenues</b>	<b>\$348,799</b>	\$337,431	<b>\$59,554</b>	\$77,140	<b>\$408,353</b>	\$414,571
<b>EBITDA</b>	<b>207,800</b>	204,176	<b>16,063</b>	23,217	<b>223,863</b>	227,393
<b>Adjusted Revenues</b>	<b>353,988</b>	337,989	<b>59,554</b>	77,140	<b>413,542</b>	415,129
<b>Adjusted EBITDA</b>	<b>209,842</b>	203,386	<b>16,063</b>	23,217	<b>225,905</b>	226,603
<b>Adjusted EBITDA Margin</b>	<b>59.3%</b>	60.2%	<b>27.0%</b>	30.1%	<b>54.6%</b>	54.6%

### 3. Online Metrics

<b>Revenues <sup>(1)</sup></b>					
(in millions of Canadian dollars)					
	Q1	Q2	Q3	Q4	Full Year
<b>2009 Revenues - Consolidated</b>	\$68.6				\$68.6
<b>2008 Revenues - Consolidated</b>	\$53.5	\$61.4	\$62.4	\$69.5	\$246.8

<sup>(1)</sup> Including contribution from acquired businesses since their respective acquisition dates.

<b>Operating Metrics <sup>(1,2)</sup></b>								
(in millions)								
	2008				2009			
	Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4
<b>Unduplicated Unique Visitors</b>	9.7	9.8	9.1	9.0	9.5			
<b>Online Reach %</b>	41%	41%	38%	38%	40%			

<sup>(1)</sup> Source: comScore Media Metrix Canada.

<sup>(2)</sup> Including contribution from acquired businesses since their respective acquisition dates.

#### 4. Reconciliation of Adjusted Revenues and Adjusted EBITDA

(in thousands of Canadian dollars)

	For the three-month period ended March 31, 2009			For the three-month period ended March 31, 2008		
	Reported	Purchase accounting	Adjusted <sup>(1)</sup>	Reported	Purchase accounting	Adjusted <sup>(1)</sup>
Revenues	\$408,353	\$5,189	\$413,542	\$414,571	\$558	\$415,129
Operating costs	184,490	3,147	187,637	187,178	1,348	188,526
EBITDA	\$223,863	\$2,042	\$225,905	\$227,393	(\$790)	\$226,603

<sup>(1)</sup> The adjusted results are derived by excluding from the reported amounts the impact of purchase accounting relating to acquisitions in the Directories segment.

## 5. Operating Cost and Capital Expenditure Details

(in thousands of Canadian dollars)

	For the three-month periods ended March 31,			
	2009		2008	
Adjusted Revenues	<b>\$413,542</b>		\$415,129	
Adjusted Expenses				
Cost of Sales	<b>115,577</b>	27.9%	114,051	27.5%
General and Administrative <sup>(1)</sup>	<b>72,060</b>	17.4%	74,475	17.9%
Adjusted EBITDA	<b>\$225,905</b>		\$226,603	
Adjusted EBITDA margin	<b>54.6%</b>		54.6%	
<b>Capital Expenditures</b>				
Transition Capital <sup>(2)</sup>	<b>\$2,245</b>		\$-	
Maintenance <sup>(3)</sup>	<b>2,963</b>		5,215	
New Initiatives	<b>4,553</b>		4,184	
Leasehold Improvements (net of lease inducements)	<b>98</b>		333	
<b>Total</b>	<b>\$9,859</b>		\$9,732	
Adjustment to Reflect Expenditures on a Cash Basis	<b>2,597</b>		2,396	
Acquisition of Fixed Assets, Net of Lease Inducements	<b>\$12,456</b>		\$12,128	

<sup>(1)</sup> Includes pension and post-employment expenses.

<sup>(2)</sup> Transition capital represents funds set aside as pre-funded capital for purposes of integrating acquired businesses.

<sup>(3)</sup> Maintenance capital expenditures are for ongoing operations to maintain the integrity of the infrastructure.

## 6. Consolidated Capitalization

(in millions of Canadian dollars)

Reported Basis	March 31, 2008	June 30, 2008	Sept. 30, 2008	Dec. 31, 2008	March 31, 2009
Medium Term Notes	\$2,052	\$2,051	\$2,051	\$2,051	\$2,051
Exchangeable Debentures	282	283	284	285	287
Revolving Credit Facilities	13	0	46	359	240
Commercial Paper Facility (drawn amount)	115	162	298	0	156
Obligations Under Capital Leases	17	16	15	14	13
<b>Total Third-Party Debt</b>	<b>2,479</b>	<b>2,512</b>	<b>2,695</b>	<b>2,709</b>	<b>2,747</b>
Cash and cash equivalents	53	54	22	25	33
<b>Net debt</b>	<b>\$2,426</b>	<b>\$2,458</b>	<b>\$2,672</b>	<b>\$2,684</b>	<b>\$2,714</b>
Preferred Shares	488	488	489	489	490
<b>Net debt and preferred shares</b>	<b>2,913</b>	<b>2,946</b>	<b>3,161</b>	<b>3,173</b>	<b>3,203</b>
Unitholders' Equity	5,746	5,673	5,630	5,561	5,541
<b>Total Capitalization</b>	<b>\$8,659</b>	<b>\$8,619</b>	<b>\$8,791</b>	<b>\$8,735</b>	<b>\$8,744</b>
Average Interest Rate on Debt at Period End	5.3%	5.3%	5.2%	5.1%	4.8%
Adjusted EBITDA / Annualized Financial Fixed Charges	5.8x	5.8x	5.6x	5.8x	5.8x
Net Debt / Adjusted EBITDA	2.7x	2.7x	2.9x	2.9x	2.9x
Net Debt and preferred shares / Adjusted EBITDA	3.2x	3.2x	3.4x	3.4x	3.4x
FCF / Net Debt <sup>(1)</sup>	30%	30%	28%	28%	28%
Net Debt / Unitholders' Equity	0.4x	0.4x	0.5x	0.5x	0.5x

<sup>(1)</sup> FCF is assumed to be equal to Distributable Cash adjusted for LTM Adjusted EBITDA giving effect to the impact of acquisitions and annualized interest expense and preferred share dividends based on full year impact of the debt and preferred share structure at the end of the period with interest and dividend rates prevailing at such date.

## 7. Credit Facilities & Liquidity Discussion

(In millions of Canadian dollars)

- YPG currently has in place two senior unsecured revolving credit facilities totalling \$1,150 million

	Amount	Structure	Final Maturity	Use	Drawn Pricing	
Principal Revolving Facility	Tranche 1 :	500.0	364 days + 2-year term	May 2012	Commercial Paper Back-up & General Corporate Purposes	BA + 2.5% <sup>(1)</sup>
	Tranche 2 :	200.0	5-year revolver	May 2012		BA + 0.575%
New Revolving Facility		450.0	364 days + 2-year term	May 2011	General Corporate Purposes	BA + 2.0% <sup>(2)</sup>

- At the end of Q1-2009, YPG had total available liquidity of \$787.3 million

	Limit	Drawn	Available
Principal Revolving Facility	700.0	240.0	460.0
Commercial Paper Backup	-	156.0	(156.0)
New Revolving Facility	450.0	-	450.0
Cash and Cash Equivalents	-	-	33.3
<b>TOTAL</b>	<b>1,150.0</b>		<b>787.3</b>

<sup>(1)</sup> Drawn pricing increases by 0.5% upon conversion into term loan.

<sup>(2)</sup> Drawn pricing increases by 0.5% upon conversion into term loan and by a further 0.5% twelve months after the conversion into term loan.

## 8. Cash Interest Expense Components and Dividends on Preferred Shares

(in thousands of Canadian dollars)

Debt Components	March 31, 2009		Interest / Dividend Basis	Maturity Date
	Reported Basis	Nominal Balances		
<b>Medium Term Notes (MTN)</b> <sup>(1)</sup>			Fixed Rates	
5-year Notes maturing 2009	\$450,000	\$450,000	4.57%	April 21, 2009
5-year Notes maturing 2011	150,000	150,000	4.65%	February 28, 2011
10-year Notes maturing 2014	300,000	300,000	5.71%	April 21, 2014
10-year Notes maturing 2016	550,000	550,000	5.25%	February 15, 2016
15-year Notes maturing 2019	250,000	250,000	5.85%	November 18, 2019
30-year Notes maturing 2036	350,000	350,000	6.25%	February 15, 2036
Fair value adjustment of hedged item & deferred financing costs	1,334			
<b>Exchangeable Debentures</b> <sup>(2,3)</sup>	300,000	300,000	5.50%	
Equity Component (net of accretion) & deferred financing costs	(13,238)			August 1, 2011
<b>Revolving Credit Facilities</b>	240,000	240,000	BA + 0.575%	\$200M tranche: May 25, 2012
			BA + 2.5% <sup>(4)</sup>	\$500M tranche: May 19, 2012
			BA + 2.0% <sup>(5)</sup>	\$450M tranche: May 8, 2011
<b>Commercial Paper Facility</b>	156,000	156,000	BA + Margin	n.a.
<b>Cash and Short-Term Investments</b>	(33,321)	(33,321)	Overnight/Banker's Acceptance	n.a.
<b>Swaps and Derivatives</b> <sup>(6)</sup>	-	-		n.a.
<b>Obligations Under Capital Leases</b>	12,915	12,915		n.a.
<b>Net Debt</b>	<b>\$ 2,713,690</b>	<b>\$ 2,725,594</b>		
<b>Preferred Shares</b> <sup>(7)</sup>				
Series 1	300,000	300,000	4.25%	December 31, 2012 <sup>(8)</sup>
Series 2	200,000	200,000	5.00%	June 30, 2017 <sup>(8)</sup>
Deferred financing costs and derivative component	(10,456)			
<b>Net Debt and Preferred Shares</b>	<b>\$ 3,203,234</b>	<b>\$ 3,225,594</b>		

(1) Please refer to note 5 of the Q1 2009 Financial Statements.

(2) Please refer to note 6 of the Q1 2009 Financial Statements.

(3) Value of the exchange option classified as equity on the balance sheet. Accretion not included in the cash interest expense.

(4) Drawn pricing increases by 0.5% upon conversion into term loan.

(5) Drawn pricing increases by 0.5% upon conversion into term loan and by a further 0.5% twelve months after the conversion into term loan.

(6) Please refer to the Financial and Other Instruments Section of the May 7, 2009 Management's Discussion and Analysis.

(7) Please refer to note 7 of the Q1 2009 Financial Statements.

(8) Date of retraction at the option of the holders.

## 9. Distributable Cash

(in thousands of Canadian dollars except for Units Outstanding)

	For the year ended December 31, 2008	For the three-month period ended March 31, 2009 <sup>(1)</sup>	LTM March 31, 2009
Cash flow from operating activities	\$692,356	\$197,418	\$744,436
Operating non-cash items	(19,741)	(1,262)	(15,193)
Change in operating assets and liabilities	53,934	(15,656)	(7,704)
Maintenance capital expenditures	(21,101)	(2,963)	(18,849)
Restructuring and special charges	36,225	-	36,225
Other	<u>9,197</u>	<u>2,909</u>	<u>9,382</u>
Distributable Cash	750,870	180,446	748,297
Distributable Cash per unit	1.43	0.35	1.44
Weighted Average number of units outstanding (in millions)	523.4	513.8	519.4

<sup>(1)</sup> See additional disclosure on the various adjustments in the Distributable Cash section in our May 7, 2009 Management's Discussion and Analysis.

## 10. Historical Distributable Cash Calculation

(in thousands of Canadian dollars except for Units Outstanding)

	For the three-month periods ended <sup>(1,2)</sup>				
	March 31, 2008	June 30, 2008	September 30, 2008	December 31, 2008	March 31, 2009
<b>Current Methodology:</b>					
Cash flow from operating activities	\$145,338	\$181,839	\$187,528	\$177,651	<b>\$197,418</b>
Operating non-cash items	(5,810)	(5,079)	(5,146)	(3,706)	<b>(1,262)</b>
Change in operating assets and liabilities	45,982	16,775	13,406	(22,229)	<b>(15,656)</b>
Maintenance capital expenditures	(5,215)	(5,313)	(5,280)	(5,293)	<b>(2,963)</b>
Restructuring and special charges	-	-	-	36,225	-
Other	<u>2,724</u>	<u>2,720</u>	<u>1,854</u>	<u>1,899</u>	<b><u>2,909</u></b>
Distributable Cash	183,019	190,942	192,362	184,547	<b>180,446</b>
<b>Previous Methodology<sup>(3)</sup>:</b>					
EBITDA	\$227,393	\$235,981	\$237,793	\$231,539	<b>\$223,863</b>
Maintenance capital expenditures	(5,215)	(5,313)	(5,280)	(5,293)	<b>(2,963)</b>
Interest	(32,607)	(32,943)	(33,466)	(35,181)	<b>(34,058)</b>
Dividends on preferred shares	(5,688)	(5,688)	(5,688)	(5,688)	<b>(5,688)</b>
Other	<u>(864)</u>	<u>(1,095)</u>	<u>(997)</u>	<u>(830)</u>	<b><u>(708)</u></b>
Distributable Cash	183,019	190,942	192,362	184,547	<b>180,446</b>
Distributable Cash per unit	0.35	0.36	0.37	0.36	<b>0.35</b>
Weighted Average number of units outstanding (in millions)	530.0	526.1	519.9	517.8	<b>513.8</b>

(1) Following the Staff Notice issued in 2006 by the Canadian Securities Administrators on distributable cash presentation, we adopted their recommendations retroactive to January 1, 2005 in order to disclose comparable results. As such, adjustments to eliminate the impact of purchase accounting and transition expenses are no longer made. In July 2007, the CSA issued a replacement to National Policy 41-201 to provide additional guidance with respect to disclosures on distributable cash.

(2) See additional disclosure on the various adjustments in the Distributable Cash section of the May 7, 2009 Management's Discussion and Analysis.

(3) For reference in accordance with historical disclosure.

## 11. Normal Course Issuer Bid ("NCIB")

### Purchase of Units for Cancellation<sup>(1)</sup>

	# of Units	Avg. Price <sup>(2)</sup>	Total (incl. Commissions)
April	2,788,400	\$11.06	\$30,900,327
May	1,033,800	\$10.15	\$10,515,570
June	2,463,400	\$9.40	\$23,205,224
<b>Q2-2008</b>	<b>6,285,600</b>	<b>\$10.26</b>	<b>\$64,621,121</b>
July	3,479,300	\$8.60	\$29,989,247
August	42,200	\$9.90	\$418,827
September	1,348,600	\$9.58	\$12,948,732
<b>Q3-2008</b>	<b>4,870,100</b>	<b>\$8.88</b>	<b>\$43,356,806</b>
October	113,100	\$7.97	\$903,522
November	-	-	-
December	4,201,400	\$5.85	\$24,676,885
<b>Q4-2008</b>	<b>4,314,500</b>	<b>\$5.91</b>	<b>\$25,580,407</b>
January	267,300	\$7.18	\$1,924,720
February	-	-	-
March	-	-	-
<b>Q1-2009</b>	<b>267,300</b>	<b>\$7.18</b>	<b>\$1,924,720</b>
<b>Total</b>	<b>15,737,500</b>	<b>\$8.59</b>	<b>\$135,483,054</b>

<sup>(1)</sup> Please refer to the System for Electronic Disclosure by Insiders ("SEDI") for further details. <https://www.sedi.ca/>

<sup>(2)</sup> Excluding commissions.

## 12. Consensus Estimates

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

	2008 Actual	Consensus Estimates			% Var
		2009			Avg. 09 / Act. 08
		Low	Average	High	
Adjusted Revenues	\$1,697.5	\$1,634.0	\$1,724.0	\$1,776.9	1.6%
Adjusted EBITDA	931.0	885.0	943.9	982.7	1.4%
Distributable Cash per Unit <sup>(1)</sup>	1.43	1.35	1.45	1.54	1.5%

<sup>(1)</sup> Distributable Cash per Unit is calculated by deducting from EBITDA: maintenance capex, cash interest expense, dividends on preferred shares and cash taxes.