Yellow Pages Income Fund™

Q2

Supplemental Disclosure

Period ended June 30, 2009

As filed on Sedar on August 6, 2009 (www.sedar.com). This report is also available at **www.ypg.com**

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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 throught 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 August 6, 2009 Management's Discussion and Analysis. This Supplemental Disclosure shall be read in connection with the August 6, 2009 Management's Discussion and Analysis.

1. Financial Highlights - Yellow Pages Income Fund

(in thousands of Canadian dollars, except unit information)

	For the three-month periods ended June 30,		For the six-month periods ended June 30,	
	2009	**2008**	**2009**	**2008**
Revenues	**$417,534**	$430,442	**$825,887**	$845,013
Operating costs	**193,465**	194,461	**377,955**	381,639
Income from operations before depreciation, amortization and restructuring and special charges (EBITDA)	**224,069**	235,981	**447,932**	463,374
Net earnings	**116,827**	135,686	**248,440**	262,674
Basic earnings per unit	**0.23**	0.26	**0.48**	0.50
Diluted earnings per unit	**0.19**	0.24	**0.40**	0.46
Adjusted Revenues	**$421,221**	$430,620	**$834,763**	$845,749
Adjusted EBITDA	**226,121**	235,444	**452,026**	462,047
Adjusted EBITDA margin	**53.7%**	54.7%	**54.2%**	54.6%
Cash flow from operating activities	**$185,487**	$181,839	**$382,905**	$327,177
Distributable cash	**181,653**	190,942	**362,099**	373,961
Distributable cash per unit	**0.35**	0.36	**0.70**	0.71
Distributions declared	**118,195** (1)	148,538	**268,527** (1)	298,376
Distributions declared per unit	**0.23**	0.28	**0.52**	0.57
Payout ratio	**66%**	78%	**74%**	80%
Weighted average number of units outstanding				
Basic	**512,153,331**	526,113,061	**512,991,928**	528,078,713
Diluted	**665,654,081**	611,946,207	**663,601,407**	609,162,219

(1) Includes June 2009 distribution of approximately $34.6 million paid on July 15, 2009.

2. Segmented Information - Reported Basis

(in thousands of Canadian dollars)

For the three-month periods ended June 30,

	Directories		Vertical Media		Consolidated	
	2009	**2008**	**2009**	**2008**	**2009**	**2008**
Revenues	**$351,060**	$339,878	**$66,474**	$90,564	**$417,534**	$430,442
EBITDA	**202,750**	203,549	**21,319**	32,432	**224,069**	235,981
Adjusted Revenues	**354,747**	340,056	**66,474**	90,564	**421,221**	430,620
Adjusted EBITDA	**204,802**	203,012	**21,319**	32,432	**226,121**	235,444
Adjusted EBITDA Margin	**57.7%**	59.7%	**32.1%**	35.8%	**53.7%**	54.7%

For the six-month periods ended June 30,

	Directories		Vertical Media		Consolidated	
	2009	**2008**	**2009**	**2008**	**2009**	**2008**
Revenues	**$699,859**	$677,309	**$126,028**	$167,704	**$825,887**	$845,013
EBITDA	**410,550**	407,725	**37,382**	55,649	**447,932**	463,374
Adjusted Revenues	**708,735**	678,045	**126,028**	167,704	**834,763**	845,749
Adjusted EBITDA	**414,644**	406,398	**37,382**	55,649	**452,026**	462,047
Adjusted EBITDA Margin	**58.5%**	59.9%	**29.7%**	33.2%	**54.2%**	54.6%

3. Online Metrics

Revenues [1]
(in millions of Canadian dollars)

	Q1	Q2	Q3	Q4	Full Year
2009 Revenues - Consolidated	**$68.6**	**$75.2**			**$143.8**
2008 Revenues - Consolidated	$53.5	$61.4	$62.4	$69.5	$246.8

[1] Including contribution from acquired businesses since their respective acquisition dates

Operating Metrics [1,2]
(in millions)

	2008				2009			
	Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4
Unduplicated Unique Visitors	9.7	9.8	9.1	9.0	9.5	9.7		
Online Reach %	41%	41%	38%	38%	40%	40%		

[1] Source: comScore Media Metrix Canada.
[2] 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 June 30, 2009			For the three-month period ended June 30, 2008		
	Reported	**Purchase accounting**	**Adjusted [1]**	**Reported**	**Purchase accounting**	**Adjusted [1]**
Revenues	**$417,534**	**$3,687**	**$421,221**	$430,442	$178	$430,620
Operating costs	**193,465**	**1,635**	**195,100**	194,461	715	195,176
EBITDA	**$224,069**	**$2,052**	**$226,121**	$235,981	($537)	$235,444

	For the six-month period ended June 30, 2009			For the six-month period ended June 30, 2008		
	Reported	**Purchase accounting**	**Adjusted [1]**	**Reported**	**Purchase accounting**	**Adjusted [1]**
Revenues	**$825,887**	**$8,876**	**$834,763**	$845,013	$736	$845,749
Operating costs	**377,955**	**4,782**	**382,737**	381,639	2,063	383,702
EBITDA	**$447,932**	**$4,094**	**$452,026**	$463,374	($1,327)	$462,047

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

5. Operating Cost and Capital Expenditure Details

(in thousands of Canadian dollars)

	For the three-month periods ended June 30,				For the six-month periods ended June 30,			
	2009		**2008**		**2009**		**2008**	
Adjusted Revenues	**$421,221**		$430,620		**$834,763**		$845,749	
Adjusted Expenses								
Cost of Sales	**118,312**	28.1%	120,296	27.9%	**233,889**	28.0%	234,348	27.7%
General and Administrative (1)	**76,788**	18.2%	74,880	17.4%	**148,848**	17.8%	149,354	17.7%
Adjusted EBITDA	**$226,121**		$235,444		**$452,026**		$462,047	
Adjusted EBITDA margin	**53.7%**		54.7%		**54.2%**		54.6%	
Capital Expenditures								
Transition Capital (2)	**$2,254**		$-		**$4,499**		$-	
Maintenance (3)	**4,256**		5,313		**7,219**		10,528	
New Initiatives	**5,855**		5,277		**10,408**		9,461	
Leasehold Improvements (net of lease inducements)	**613**		748		**711**		1,081	
Total	**$12,978**		$11,338		**$22,837**		$21,070	
Adjustment to Reflect Expenditures on a Cash Basis	**(665)**		409		**1,932**		2,805	
Acquisition of Capital Assets, Net of Lease Inducements	**$12,313**		$11,747		**$24,769**		$23,875	

(1) Includes pension and post-employment expenses.
(2) Transition capital represents funds set aside as pre-funded capital for purposes of integrating acquired businesses.
(3) Maintenance capital expenditures are for ongoing operations to maintain the integrity of the infrastructure.

6. Consolidated Capitalization

(in millions of Canadian dollars)

Reported Basis	June 30, 2008	Sept. 30, 2008	Dec. 31, 2008	March 31, 2009	June 30, 2009
Medium Term Notes	$2,051	$2,051	$2,051	$2,051	$1,856
Exchangeable Debentures	283	284	285	287	288
Credit Facilities	-	46	359	240	250
Commercial Paper Facility (drawn amount)	162	298	-	156	388
Obligations Under Capital Leases	16	15	14	13	8
Total Third-Party Debt	**2,512**	**2,695**	**2,709**	**2,747**	**2,790**
Cash and cash equivalents	54	22	25	33	64
Net debt	**$2,458**	**$2,672**	**$2,684**	**$2,714**	**$2,726**
Preferred Shares	488	489	489	490	489
Net debt and preferred shares	**2,946**	**3,161**	**3,173**	**3,203**	**3,216**
Unitholders' Equity	5,673	5,630	5,561	5,541	5,504
Total Capitalization	**$8,619**	**$8,791**	**$8,735**	**$8,744**	**$8,720**
Average Interest Rate on Debt at Period End	5.3%	5.2%	5.1%	4.8%	5.1%
Adjusted EBITDA / Annualized Financial Fixed Charges	5.8x	5.6x	5.8x	5.8x	5.5x
Net Debt / Adjusted EBITDA	2.7x	2.9x	2.9x	2.9x	3.0x
Net Debt and preferred shares / Adjusted EBITDA	3.2x	3.4x	3.4x	3.4x	3.5x
FCF / Net Debt (1)	30%	28%	28%	28%	27%
Net Debt / Unitholders' Equity	0.4x	0.5x	0.5x	0.5x	0.5x

(1) 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)

- As of August 6, 2009, YPG has in place two senior unsecured credit facilities totalling $800 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% [1]
	Tranche 2 :	200.0	5-year revolver	May 2012		BA + 0.575%
Institutional Investor Private Facility		100.0	5-year term	July 2014	General Corporate Purposes	BA + Margin

- At the end of Q2-2009, YPG had total available liquidity of $375.7 million:

	Limit	Drawn	Available
Principal Revolving Facility	$700.0	-	$700.0
Commercial Paper Backup	-	388.0	(388.0)
New Credit Facility [2]	250.0	250.0	-
Cash and Cash Equivalents	-	-	63.7
TOTAL	**$950.0**		**$375.7**

[1] Drawn pricing increases by 0.5% upon conversion into term loan.

[2] Repayments on the New Credit Facility automatically reduce the limit of the facility.

8. Cash Interest Expense Components and Dividends on Preferred Shares

(in thousands of Canadian dollars)

	June 30, 2009			
Debt Components	**Reported Basis**	**Nominal Balances**	**Interest / Dividend Basis**	**Maturity Date**
Medium Term Notes (MTN) (1)			Fixed Rates	
5-year Notes maturing 2011	$150,000	$150,000	4.65%	February 28, 2011
5-year Notes maturing 2015	260,000	260,000	7.30%	February 2, 2015
10-year Notes maturing 2014	297,500	297,500	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	14,664			
Deferred financing costs	(16,398)			
Exchangeable Debentures (2,3)	300,000	300,000	5.50%	
Equity Component (net of accretion)	(5,642)			August 1, 2011
Deferred financing costs	(6,288)			
Credit Facilities	250,000	250,000	BA + Margin	$200M tranche: May 25, 2012
			BA + Margin	$500M tranche: May 19, 2012
			BA + Margin	$250M tranche: May 8, 2011
Commercial Paper Facility	388,000	388,000	BA + Margin	n.a.
Cash and Cash Equivalents	(63,743)	(63,743)	Overnight/Banker's Acceptance	n.a.
Swaps and Derivatives (4)	-	-		n.a.
Obligations Under Capital Leases	8,272	8,272		n.a.
Net Debt	**$ 2,726,365**	**$ 2,740,029**		
Preferred Shares (5)				
Series 1	299,780	299,780	4.25%	December 31, 2012 (6)
Series 2	199,685	199,685	5.00%	June 30, 2017 (6)
Deferred financing costs and derivative component	(9,966)			
Net Debt and Preferred Shares	**$ 3,215,864**	**$ 3,239,494**		

(1) Please refer to note 6 of the Q2 2009 Financial Statements.
(2) Please refer to note 7 of the Q2 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) Please refer to the Financial and Other Instruments Section of the August 6, 2009 Management's Discussion and Analysis.
(5) Please refer to note 8 of the Q2 2009 Financial Statements.
(6) 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 June 30, 2009 [(1)]	LTM June 30, 2009
Cash flow from operating activities	$692,356	$185,487	$748,084
Operating non-cash items	(19,741)	(2,159)	(12,273)
Change in operating assets and liabilities	53,934	(22,759)	(47,238)
Maintenance capital expenditures	(21,101)	(4,256)	(17,792)
Restructuring and special charges	36,225	20,584	56,809
Other	9,197	4,756	11,418
Distributable Cash	$750,870	$181,653	$739,007
Distributable Cash per unit	1.43	0.35	1.43
Weighted Average number of units outstanding (in millions)	523.4	512.2	515.9

(1) See additional disclosure on the various adjustments in the Distributable Cash section in our August 6, 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 [1,2]				
	June 30, 2008	September 30, 2008	December 31, 2008	March 31, 2009	**June 30, 2009**
Current Methodology:					
Cash flow from operating activities	$181,839	$187,528	$177,651	$197,418	**$185,487**
Operating non-cash items	(5,079)	(5,146)	(3,706)	(1,262)	**(2,159)**
Change in operating assets and liabilities	16,775	13,406	(22,229)	(15,656)	**(22,759)**
Maintenance capital expenditures	(5,313)	(5,280)	(5,293)	(2,963)	**(4,256)**
Restructuring and special charges	-	-	36,225	-	**20,584**
Other	2,720	1,854	1,899	2,909	**4,756**
Distributable Cash	$190,942	$192,362	$184,547	$180,446	**$181,653**
Previous Methodology[3]:					
EBITDA	$235,981	$237,793	$231,539	$223,863	**$224,069**
Maintenance capital expenditures	(5,313)	(5,280)	(5,293)	(2,963)	**(4,256)**
Interest	(32,943)	(33,466)	(35,181)	(34,058)	**(32,878)**
Dividends on preferred shares	(5,688)	(5,688)	(5,688)	(5,688)	**(5,687)**
Other	(1,095)	(997)	(830)	(708)	**405**
Distributable Cash	$190,942	$192,362	$184,547	$180,446	**$181,653**
Distributable Cash per unit	0.36	0.37	0.36	0.35	**0.35**
Weighted Average number of units outstanding (in millions)	526.1	519.9	517.8	513.8	**512.2**

(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 August 6, 2009 Management's Discussion and Analysis.

(3) For reference in accordance with historical disclosure.

11. Outlook

Key Performance Indicators
2009 Progress Year-to-date and 2010 Objectives

	Revised 2009 Target	**Six-month period ended June 30, 2009**	**2010 Target**
Directories			
Adjusted Revenues	Stable at approx. $1.4 billion	$709 million	$1,385 to $1,415 million
Adjusted EBITDA	$825 to $830 million	$415 million	$830 to $840 million
Vertical Media			
Revenue	$255 to $265 million	$126 million	$275 to $295 million
EBITDA	$75 to $80 million	$37 million	$80 to $90 million
Consolidated Metrics			
Online Organic Growth	approx. 30%	26%	approx. 20%
Distributable Cash per unit	Stable	Stable	1% to 3%

12. Consensus Estimates

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

		Consensus Estimates (1)			% Var	Consensus Estimates (1)		
	2008 Actual	2009			Avg. 09 / Act. 08	2010		
		Low	Average	High		Low	Average	High
Adjusted Revenues	$1,697.5	$1,654.0	$1,685.1	$1,714.8	-0.7%	$1,615.0	$1,684.0	$1,725.7
Adjusted EBITDA	$931.0	$899.0	$919.1	$937.0	-1.3%	$864.0	$917.8	$938.4
Distributable Cash per Unit	$1.43	$1.35	$1.41	$1.44	-1.5%	$1.28	$1.39	$1.43

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