

Yellow Media Inc. Reports Fourth Quarter and 2010 Financial Results

- Significant investments made in 2010 to further accelerate business transformation
- Record annualized online revenues of \$495 million
- Online revenues now represent 29% of consolidated revenues

Montréal (Québec), February 10, 2011 — Yellow Media Inc. (TSX: YLO) announced fourth-quarter and full-year results today, capping off a year of progress in YPG's transformation into Canada's leading performance media and marketing solutions company. During the quarter, the Company successfully completed its conversion from an income trust to a corporate structure. Trading of the common shares of Yellow Media Inc. on the Toronto Stock Exchange commenced on November 1, 2010, under the symbol "YLO".

For the fiscal year ending December 31, 2010, net earnings were \$274.0 million compared to \$208.9 million in 2009. Income from operations stood at \$515.8 million versus last year's \$395.7 million.

Revenues grew 2.4% from the prior year's \$1.64 billion to reach \$1.68 billion. EBITDA declined from \$893.4 million in 2009 to \$850.3 million in 2010. Excluding non-recurring items¹, EBITDA grew 1% to reach \$898.8 million, as compared to the prior year. EBITDA on a reported basis is net of non-recurring costs aggregating \$48.5 million for the year. These costs are related to the Company's conversion to a corporate structure and to its rebranding efforts.

Online growth remained strong during the fourth quarter. Combined online revenues for Directories and Vertical Media were \$123.4 million, or approximately \$495 million on a fourth-quarter annualized basis. This represents organic growth of 16% for the year.

"We are encouraged by the progress we have made during 2010 to transform our business. With continued focus on operational excellence and strategic investments, we are now Canada's #1 internet company" said Marc P. Tellier, President and Chief Executive Officer of Yellow Pages Group. "Consumers are benefiting from a richer user experience while our sales professionals are now better equipped to offer the right solutions that fit our advertisers' evolving needs."

Fourth-Quarter Results

For the fourth quarter ended December 31, 2010, Yellow Media Inc. reported a loss of \$2.3 million compared to net earnings of \$128.4 million during the same prior-year period due to non-recurring costs and amortization of intangibles from business acquisitions. Income from operations stood at \$79.1 million versus \$164.6 million for the same quarter in 2009.

Fourth-quarter revenues were \$422.8 million, as compared to \$405.7 million in the last quarter of 2009. Meanwhile, EBITDA declined from \$219.3 million to \$192.7 million during the same period. EBITDA excluding non-recurring items¹ grew 3% to reach \$225.2 million. EBITDA on a reported basis is net of non-recurring items aggregating \$32.5 million for the quarter.

Directories

Full-year 2010 revenues in the Directories business were \$1.37 billion compared with \$1.39 billion in 2009. EBITDA excluding non-recurring items¹ was \$805.0 million compared with \$821.9 million in the prior year, representing an EBITDA margin of 59.0%, unchanged from 2009.

¹ See Non-GAAP Measures

For the fourth quarter of 2010, revenues decreased by 1% from \$345.4 million to \$340.6 million. EBITDA excluding non-recurring items¹ was \$198.8 million compared with \$203.2 million for the prior year, representing an EBITDA margin of 58.4% compared with 58.8% in 2009.

Business Transformation Gaining Traction

In 2010, YPG entered into a significant number of strategic partnerships and acquisitions that are enriching its online and mobile offerings and setting the stage for future growth.

They include the acquisition of Canpages, to further YPG's online reach and expand its sales force; Clear Sky Media, to add RedFlagDeals.com and other leading online shopping destinations to YPG's portfolio; Restaurantica.com, aggregating Canada's largest online restaurant/dining community; and the 411.ca brand.

During the year, YPG also launched Mediative, a digital advertising and marketing solutions provider for national agencies and advertisers. Concurrent with the launch of Mediative, YPG acquired Enquiro, Ad Splash and UPTREND Media and entered into an exclusive licensing agreement with Acquisio to accelerate Mediative's market positioning.

YPG continued to focus on improving the user experience and enhancing the advertiser value proposition. In 2010, YPG expanded its network of properties, made significant investments to enhance its YellowPages.ca flagship site that now includes a top-of-the-line mapping function, and expanded its digital product and service portfolio.

New product launches included YPG's Search Engine Solutions, composed of Search Engine Marketing (SEM) and Search Engine Optimization (SEO). With its SEM offering, YPG works closely with advertisers to build and manage effective paid-search advertising campaigns across multiple search engines including Google, Yahoo! and Bing. SEO solutions help advertisers improve their website rankings on search engines and ultimately attract new customers.

In addition, YPG introduced Deal of the Day from RedFlagDeals.com, an innovative way for consumers to shop for local goods and services whereby consumers get daily deals that are activated if enough people want to buy it.

Vertical Media

Driven by strong performance from Dealer.com, full-year revenues grew 27% to \$314.6 million compared with \$247.9 million in 2009. Trader's real estate and generalist verticals remained impacted by market conditions while the automotive category improved due to the strength of Dealer Smart Solutions.

As at December 31, 2010, 3,430 unique advertisers had subscribed to Dealer Smart Solutions out of a total of 7,470 commercial vehicle advertisers. Building on this success, the roll-out of Dealer Smart Solutions continued and was expanded to the non-passenger vehicle segment during the year.

EBITDA excluding non-recurring items¹ for 2010 was \$93.9 million compared with \$71.5 million a year ago, which represents an EBITDA margin of 29.8% compared with 28.9% in 2009.

Meanwhile fourth-quarter revenues grew 36.3% to \$82.2 million, once again fueled by Dealer.com. Trader's organic trend continued to improve, with positive growth in the commercial vehicle segment.

Fourth-quarter EBITDA excluding non-recurring items¹ was \$26.4 million compared to \$16.1 million during the same period in 2009. Given these positive trends, cyclical revenue pressures appear to be abating.

In 2010, Trader acquired CanadianDriver.com, an online magazine showcasing automotive articles and reviews. This acquisition has enriched Trader's offering and extended its online and mobile leadership in the automotive category.

Investor Conference Call

Yellow Media Inc. will hold an analyst and media call at 1:00 pm (Eastern Time) on February 10, 2011 to discuss the fourth-quarter 2010 results. The call may be accessed by dialing (514) 392-1478 within the Montréal area, or 1 866 223-7781 outside of Montréal. The call will be simultaneously webcast on the Company's web site at <http://www.ypg.com/en/investors/financial-reports/2010/quarterly-reports/fourth-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 February 10 to February 18, 2011 by dialing (905) 694-9451 from within the Toronto area, or 1 800 408-3053 outside Toronto. The conference passcode is 8841264.

About Yellow Media Inc.

Yellow Media Inc. (TSX: YLO) is Canada's #1 Internet company through its network of companies that include Yellow Pages Group, Trader Corporation and Canpages. Yellow Media Inc. owns and operates some of Canada's leading properties and publications including Yellow Pages™ directories, YellowPages.ca™, Canada411.ca™, AutoTrader.ca™, CanadianDriver.com, RedFlagDeals.com, and LesPAC.com. Its online destinations reach over 11M unique visitors monthly and its mobile applications for finding local businesses, deals and vehicles have been downloaded over 2M times. Yellow Media Inc. is also a leader in national digital advertising through Mediative, a digital advertising and marketing solutions provider to national agencies and advertisers. For more information, 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 February 10, 2011, 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 8 of our February 10, 2011 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 share information)

Yellow Media Inc.	For the three-month periods ended December 31,		For the years ended December 31,	
	2010	2009	2010	2009
Revenues	\$422,777	\$405,679	\$1,679,860	\$1,639,884
Income from operations	79,143	164,555	515,756	395,708
Net (loss) earnings ²	(2,333)	128,405	274,035	208,882
Basic (loss) earnings per share	-\$0.01	\$0.25	\$0.53	\$0.40
Cash flow from operating activities	\$180,919	\$198,734	\$646,536	\$750,187
EBITDA before conversion and rebranding costs ¹	225,213	219,297	898,844	893,438
EBITDA margin before conversion and rebranding costs ¹	53.3%	54.1%	53.5%	54.5%
Adjusted earnings ¹	\$119,435	n.a.	n.a.	n.a.
Weighted average number of shares outstanding	502,452,392	506,694,949	503,111,679	510,658,375
Adjusted earnings per share	\$0.24	n.a.	n.a.	n.a.
Dividends on common shares	\$100,631	\$101,329	\$402,719	\$471,897
Dividends declared per share	\$0.20	\$0.20	\$0.80	\$0.92

Non-GAAP Measures¹

In order to provide a better understanding of the results, the Company uses the term EBITDA, defined as income from operations before depreciation and amortization, acquisition-related costs, impairment of goodwill and restructuring and special charges. In addition, the term EBITDA excluding non-recurring items is used to reflect EBITDA adjusted for non-recurring items such as conversion and rebranding costs. Management believes these measures are reflective of ongoing operations. The Company also uses the term Adjusted earnings, defined as net income available to shareholders excluding amortization of intangible assets attributable to shareholders, conversion and rebranding costs, acquisition-related costs, restructuring and special charges, other non-recurring items and non-cash financial charges and future income taxes, where all adjustments except future income taxes are net of the income tax effect thereon calculated at the statutory income tax rate. 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, EBITDA before conversion and rebranding costs, and Adjusted earnings to be important measures as they allow management to assess the performance of the ongoing business. The tables below are a reconciliation of EBITDA, EBITDA before conversion and rebranding costs, and Adjusted earnings 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 shareholders of the Company and to the non-controlling interests. The presentation requirements for non-controlling interests were applied retrospectively to 2009.

Revenues and EBITDA

(in thousands of Canadian dollars)

	For the three-month periods ended December 31,		For the years ended December 31,	
	2010	2009	2010	2009
Revenues	\$422,777	\$405,679	\$1,679,860	\$1,639,884
Income from operations	\$79,143	\$164,555	\$515,756	\$395,708
Depreciation and amortization	101,170	35,010	270,117	142,414
Acquisition-related costs	4,952	-	30,539	-
Impairment of goodwill	-	-	-	315,000
Restructuring and special charges	7,461	19,732	33,903	40,316
Income from operations before depreciation and amortization, acquisition-related costs impairment of goodwill and restructuring and special charges	192,726	219,297	850,315	893,438
Conversion and rebranding costs	32,487	-	48,529	-
EBITDA before conversion and rebranding costs	\$225,213	\$219,297	\$898,844	\$893,438

Adjusted earnings

(in thousands of Canadian dollars except share information)

	For the three-month period ended December 31,
	2010
Net loss attributable to shareholders	(\$483)
Amortization of intangibles assets ^{1,6}	65,107
Acquisition-related costs ^{2,6}	3,471
Conversion and rebranding costs ^{4,6}	22,773
Restructuring and special charges ^{3,6}	5,230
Other ^{5,6}	6,560
Future income taxes	16,777
Adjusted earnings	\$119,435
Weighted average number of shares outstanding	502,452,392
Adjusted earnings per share ⁶	\$0.24
Dividends on common shares	\$100,631
Dividends declared per share	\$0.20

¹Represents amortization of intangible assets attributable to shareholders.

²Acquisition-related costs are excluded from the calculation as they do not reflect the ongoing operations of the business. Prior to the Company'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.

³Restructuring and special charges are excluded from the calculation as they do not reflect the ongoing operations of the business.

⁴Conversion and rebranding costs are excluded from the calculation as they do not reflect the ongoing operations of the business.

⁵Includes amounts relating to other non-recurring items and non-cash financial charges.

⁶Items are net of income taxes using the combined statutory provincial and federal tax rate of 29.9%.