

NOT FOR DISTRIBUTION OR RELEASE, DIRECTLY OR INDIRECTLY, IN OR INTO THE UNITED STATES, AUSTRALIA, CANADA, SOUTH AFRICA OR JAPAN.



10 November 2009

YELL GROUP PLC

**Firm Placing of 785.9 million New Ordinary Shares at 42 pence per New Ordinary Share and
Placing and Open Offer of 785.9 million New Ordinary Shares at 42 pence per New Ordinary Share**

The Board of Yell Group plc ("Yell" or the "Group") today announces a fully underwritten share issue by way of a Firm Placing and Placing and Open Offer to raise gross proceeds of approximately £660 million through the issue of 1,571.8 million New Ordinary Shares at 42 pence per New Ordinary Share.

- £330 million will be raised, gross of expenses, through a Firm Placing of 785.9 million New Ordinary Shares; and
- £330 million will be raised, gross of expenses, through a 1 for 1 Placing and Open Offer resulting in the issue of 785.9 million New Ordinary Shares.

The Issue Price of 42 pence per New Ordinary Share represents a 12.5% discount to the closing price on the London Stock Exchange of 48 pence per Ordinary Share on 9 November 2009.

Summary

- As previously announced, the Group has concluded discussions with its lenders in relation to a refinancing and an agreement has been reached with in excess of 95 per cent. (by value) of the Group's lenders to enter into the New Facilities Agreement to revise its financial covenants and extend a significant proportion of the Group's senior debt;
- The New Facilities Agreement is conditional upon completion of a minimum gross equity raise of £500 million;
- The Firm Placing and Placing and Open Offer will raise gross proceeds of approximately £660 million and the net proceeds are required to be used to accelerate the prepayment of amounts outstanding under its New Facilities Agreement;
- The Board believes that the Capital Raising will benefit the Group in the following ways:
 - Satisfies a key condition to the effectiveness of the New Facilities Agreement, thereby enabling completion of the Group's refinancing;
 - Strengthens the Group's balance sheet and reduces its financial indebtedness;
 - Improves the Group's financial and operational flexibility;
 - Enhances the Group's ability to focus on its core strategies; and
 - By raising £660 million rather than the minimum £500 million, a margin ratchet in the Group's New Facilities Agreement will imply a 25bp reduction in interest cost across the New Debt Facilities;

NOT FOR DISTRIBUTION OR RELEASE, DIRECTLY OR INDIRECTLY, IN OR INTO THE UNITED STATES, AUSTRALIA, CANADA, SOUTH AFRICA OR JAPAN.

- The Capital Raising is subject to, among other things, the approval of Yell's shareholders at an EGM to be held on 26 November 2009.

Yell has also, today, released its results for the half year ended 30 September 2009, details of which are set out in a separate announcement.

A prospectus and shareholder circular containing details of the Capital Raising and associated proposed shareholder resolutions is expected to be posted to shareholders later today and will be available on the Company's website, www.yellgroup.com. An Extraordinary General Meeting to approve the Capital Raising is expected to be held at 11:00 a.m. on 26 November 2009.

John Condron, Chief Executive, said:

"Following last week's approval by our lenders of our refinancing proposals, our shareholders are today demonstrating their support for the second and inter-dependent part of these proposals, the raising of £660 million of new equity. This is significantly above the "at least £500 million" to which we had committed ourselves. We very much appreciate the support that our investors are demonstrating and the confidence they are placing in Yell.

Our refinancing will strengthen our capital structure, immediately reducing debt and supporting our strategic and operational focus. The extension of maturities of our debt out to 2014 provides a meaningful window for economic recovery while we also pursue our goal of deleveraging.

Our six months results have again delivered slightly above the revenue and EBITDA guidance with margins benefiting from the cost restructuring actions we undertook last year. While the results reflect the continued effects of the economic recession and reduction in confidence among businesses across all sectors, they also show the comparative strength of Yell's trading position and Yell's continued very strong cash generation. We are seeing the rate of revenue decline stabilising. We have continued to invest in our growing internet operations, and the actions we have taken to reshape our business in order to take advantage of the opportunities of changing consumer behaviour are standing us in good stead. We are progressively strengthening our position as a leading provider of business leads to SMEs regardless of channel and we are well placed to benefit from the economic recovery when it arrives."

A presentation to analysts is scheduled for 09:00 a.m. on 10 November 2009 at the City Presentation Centre, 4 Chiswell Street, London EC1Y 4UP.

NOT FOR DISTRIBUTION OR RELEASE, DIRECTLY OR INDIRECTLY, IN OR INTO THE UNITED STATES, AUSTRALIA, CANADA, SOUTH AFRICA OR JAPAN.

For further information, please contact:

Yell – Investors

Rob Hall

Tel +44 (0)118 950 6838

Mobile +44 (0)7793 957848

Yell - Media

Jon Salmon

Tel +44 (0)118 950 6656

Mobile +44 (0)7801 977340

Citigate Dewe Rogerson

Anthony Carlisle

Tel +44 (0)20 7638 9571

Mobile +44 (0)7973 611888

J.P. Morgan Cazenove

Laurence Hollingworth, Rupert Sadler

+44 (0) 20 7588 2828

BofA Merrill Lynch

Rupert Hume – Kendall, Mark Astaire

+44 (0) 20 7628 1000

Deutsche Bank

Edward Law, Geoffrey Austin

+44 (0) 20 7545 8000

Rothschild

Warner Mandel, Nigel Himsworth

+44 (0) 20 7280 5000

IMPORTANT NOTICE

This announcement does not constitute an offer to sell, or the solicitation of an offer to buy or subscribe for, securities of the Company in the United States or in any other jurisdiction.

*This announcement has not been approved by the Financial Services Authority or by any other regulatory authority. **This announcement is an advertisement and not a prospectus and investors should not subscribe for or purchase any securities referred to in this announcement except on the basis of information provided in the prospectus to be published by the Company in due course.** Copies of the prospectus will, following publication, be available from the Company's registered office at Queens Walk, Oxford Road, Reading, Berkshire, RG1 7PT, United Kingdom and at the Company's website at www.yellgroup.com.*

The securities of the Company (the "Securities") have not been and will not be registered under the US Securities Act of 1933, as amended (the "Securities Act"), and may not be offered or sold in the United States unless registered under the Securities Act or an exemption from such registration is available. No public offering of Securities is being made in the United States.

No communication or information relating to the offer of Securities (the "Offering") may be disseminated to the public in jurisdictions other than the United Kingdom and the Republic of Ireland where prior registration or approval is required for that purpose. No

NOT FOR DISTRIBUTION OR RELEASE, DIRECTLY OR INDIRECTLY, IN OR INTO THE UNITED STATES, AUSTRALIA, CANADA, SOUTH AFRICA OR JAPAN.

action has been taken that would permit an offer of the Securities in any jurisdiction where action for that purpose is required, other than in the United Kingdom and the Republic of Ireland.

J.P. Morgan Cazenove is acting as Joint Sponsor, Joint Global Co-ordinator, Joint Bookrunner and Joint Financial Adviser to Yell in respect of the Capital Raising. Merrill Lynch and Deutsche Bank are acting as Joint Global Co-ordinators and Joint Bookrunners in respect of the Capital Raising. HSBC is acting as Joint Bookrunner in respect of the Capital Raising. Rothschild is acting as Joint Sponsor and Joint Financial Adviser to Yell in respect of the Capital Raising. RBS, Lloyds and BNP Paribas are acting as Co-Lead Managers in respect of the Capital Raising.

This announcement has been issued by and is the sole responsibility of Yell. No representation or warranty, express or implied, is or will be made as to, or in relation to, and no responsibility or liability is or will be accepted by J.P. Morgan Cazenove, Rothschild, Deutsche Bank, Merrill Lynch, HSBC, BNP Paribas, Lloyds TSB Corporate Markets or RBS Hoare Govett or by any of their respective affiliates or agents as to, or in relation to, the accuracy or completeness of this announcement or any other written or oral information made available to or publicly available to any interested party or its advisers, and any responsibility or liability therefore whether arising in tort, contract or otherwise is expressly disclaimed.

J.P. Morgan Cazenove, Rothschild, Deutsche Bank, Merrill Lynch, HSBC, BNP Paribas, Lloyds TSB Corporate Markets and RBS Hoare Govett are acting for Yell and no one else in connection with the Capital Raising and will not regard any other person as a client in relation to the Capital Raising and will not be responsible to anyone other than Yell for providing the protections afforded to their respective clients or for providing advice in relation to the Capital Raising or any matters referred to in this announcement.

Certain statements made in this announcement constitute forward-looking statements. Forward-looking statements can be identified by the use of words such as "believes", "estimates", "anticipates", "expects", "intends", "plans", "annualised", "goal", "target", "aim", "may", "will", "would", "could" or "should" or similar expressions (in each case, their negative or other variations or comparable terminology). Statements in this announcement that are not historical facts are hereby identified as "forward-looking statements". Such forward-looking statements, including, without limitation, those relating to future business prospects, revenue, liquidity, capital needs, interest costs and income, in each case relating to Yell, wherever they occur in this document, are not necessarily based on assumptions reflecting the views of the Group and involve a number of known and unknown risks, uncertainties and other factors that could cause actual results, performance or achievements to differ materially from those expressed or implied by the forward-looking statements. Such forward looking statements should, therefore, be considered in the light of various important factors. Important factors that could cause actual results to differ materially from estimates or projections contained in the forward-looking statements include, without limitation: economic and business cycles, the terms and conditions of the Group's financing arrangements, including fluctuations in interest rates, foreign currency rate fluctuations, competition in the Group's principal markets, acquisitions or disposals of businesses or assets and trends in the Group's principal industries and markets. As such, forward-looking statements are no guarantee of future performance.

NOT FOR DISTRIBUTION OR RELEASE, DIRECTLY OR INDIRECTLY, IN OR INTO THE UNITED STATES, AUSTRALIA, CANADA, SOUTH AFRICA OR JAPAN.

YELL GROUP PLC

Firm Placing of 785.9 New Ordinary Shares at 42 pence per New Ordinary Share and Placing and Open Offer of 785.9 New Ordinary Shares at 42 pence per New Ordinary Share

Introduction

On 30 June 2009, the Company announced that it had embarked upon a process to comprehensively refinance the Group. As announced on 2 November 2009, the Group has concluded discussions with its lenders in relation to the Refinancing and an agreement has been reached with in excess of 95 per cent. (by value) of its lenders of record to exchange their participations under the Existing Facilities Agreement for indebtedness under the New Facilities Agreement, which will become effective subject to, among other things, a minimum gross equity raising of £500 million to prepay amounts outstanding under the New Facilities Agreement.

The Company is proposing to raise gross proceeds of approximately £660 million to accelerate the prepayment of amounts outstanding under its New Facilities Agreement, which, in turn, will improve the strength of its balance sheet, and lower the costs of borrowing by taking advantage of the margin ratchet provisions of the New Facilities Agreement.

The Capital Raising is conditional on, among other things, the approval of the Capital Raising Resolutions by Shareholders at an Extraordinary General Meeting of the Company to be held at 11:00 a.m. on 26 November 2009 at the offices of Herbert Smith LLP, Exchange House, Primrose Street, London EC2A 2HS and upon the Placing Agreement becoming unconditional in all respects. Shareholder approval is required to remove the limitation on the Company's authorised share capital in line with the Companies Act 2006, the granting of authority to allot and issue the New Ordinary Shares on a non pre-emptive basis, the discounted Issue Price and the approval of related party transactions.

Background to and reasons for the Capital Raising

Yell is a leading international classified advertising publisher operating in the United Kingdom, the United States, Spain and certain countries in Latin America. Yell puts buyers in touch with sellers through an integrated portfolio of simple-to-use, cost-effective advertising products available through printed, online and mobile-based media. Yell aims to be the best provider of quality business leads in all of its markets, regardless of channel, by continuing to meet the changing demands of advertisers and consumers, and by taking advantage of new technologies and communication methods.

Yell aims to deliver value for money advertising solutions and believes that the directories sector in general has traditionally proved relatively resilient to economic downturns. This continues to be the case, with Yell UK's internet revenue outperforming many other advertising competitors such as the regional press.¹ The Board notes the comparative strength of the Group's trading position, the continued

¹ Local press, Enders analysis estimate of print/online revenue split for 2004, 2006 and 2008.

NOT FOR DISTRIBUTION OR RELEASE, DIRECTLY OR INDIRECTLY, IN OR INTO THE UNITED STATES, AUSTRALIA, CANADA, SOUTH AFRICA OR JAPAN.

growth in internet revenue and the Group's strong cash generation, with 134.7 per cent. of adjusted EBITDA in the six months ended 30 September 2009 converted to operating cash flow of £399.8 million. However, the severity of the recent economic downturn has adversely affected the confidence and hence, advertising spend, of Yell's core customer base of SMEs. The Group believes that while customers continue to see the value of Yell's products and, therefore, continue their relationship with the Group, they have reduced their spend on classified advertising as economic pressures have increased. The reduction in customer advertising spend has negatively affected Yell's operating performance and balance sheet position. The Group's revenue began declining in the three months ended 30 September 2008 with a decline of 0.6 per cent., on a constant currency basis, compared to the same period in the prior year. This revenue decline has continued through the economic downturn and, for the three months ended 30 September 2009, the Group's revenue declined by 15.6 per cent. on a constant currency basis, as compared to the same period in the prior year. The Group does not expect revenue to improve until after market conditions improve.

In response to the difficult trading conditions, the Group has undertaken a number of initiatives with the aim of reducing costs, growing internet revenue, demonstrating the value of its products and refinancing the Group's term loans. Since 2008 the Group has taken steps to reduce its annual costs by £250 million (approximately 20 per cent. of the cost base in the year ended 31 March 2008) by, among other things, automating processes, changing publishing schedules and improving customer targeting. The Group has focused on growing the Group's internet revenue by investing in the development of the Group's internet products (including its websites). The Group has also invested in demonstrating the cost effectiveness of its products. In addition, the Group has successfully negotiated the New Facilities Agreement to refinance a significant portion of the Group's term loans, which required refinancing before their maturity in April 2011. Through the refinancing, the Group has also made favourable revisions to its financial covenants, which, in light of the economic environment, were becoming increasingly difficult to satisfy.

Notwithstanding the Board's confidence about the growth prospects of Yell over the medium to long term, it believes that the business will benefit from the Capital Raising in three ways:

- ***Provides opportunity to amend existing debt covenants and extend maturity of debt, thereby providing greater operational and financial flexibility***

The Board has concluded that the Group's capital structure is no longer appropriate for the business going forward. Accordingly, the Group has created additional headroom and extended the debt maturities by successfully negotiating the New Facilities Agreement, which will provide the Group greater operational and financial flexibility. The New Facilities Agreement includes, among others, the following provisions:

- extension of debt maturities to 2014;
- entry into a new covenant package, providing the Group greater headroom;
- as a condition to the effectiveness of the New Facilities Agreement, Yell must raise gross equity proceeds of at least £500 million to prepay amounts outstanding under the New Facilities Agreement;
- a new margin of between 3.5 per cent. and 3.75 per cent. over LIBOR or EURIBOR payable to the Consenting Lenders, and a consent fee of 1.25 per

NOT FOR DISTRIBUTION OR RELEASE, DIRECTLY OR INDIRECTLY, IN OR INTO THE UNITED STATES, AUSTRALIA, CANADA, SOUTH AFRICA OR JAPAN.

cent. of the Consenting Lender's commitments under the New Debt Facilities payable to Consenting Lenders; and

- a commitment by the Group to reduce senior term debt by a further £250 million within 18 months of the first utilisation date of the New Debt Facilities or incur an additional fee of 0.50 per cent. of the total aggregate amount of the New Debt Facilities payable to the Consenting Lenders and a 0.50 per cent. increase in the interest rate margins under the New Facilities Agreement.

The Board believes that the Capital Raising represents the only viable means of meeting the equity raising condition of the New Facilities Agreement. If the Capital Raising does not complete, the Board believes that it will not be possible for the Group to satisfy the equity raising condition referred to above within the required timeframe and, accordingly, that the New Facilities Agreement will not become effective and the Group will remain subject to the Existing Facilities Agreement. Should this occur, the Board believes it is probable that the Group would breach certain of its financial covenants under the Existing Facilities Agreement at the next test date as at 31 December 2009. Under the New Facilities Agreement, the Board believes that the Group would have sufficient covenant and liquidity headroom throughout the term of the New Debt Facilities.

The Board believes that, in conjunction with the New Debt Facilities, the Capital Raising should enable Yell to protect and enhance shareholder value and improve shareholder confidence without significantly detracting from the Group's ability to take advantage of the evolving marketplace for business leads as and when an economic recovery begins.

- ***Strengthens the Group's balance sheet and reduces its financial indebtedness***

The Capital Raising is intended to strengthen the Group's balance sheet as a result of a more robust capital structure achieved through the prepayment of debt, as required by the New Facilities Agreement. The Board believes that the proposed Capital Raising will achieve an immediate reduction in the Group's net debt, allowing it to deleverage more rapidly and diversify its funding sources and will support the Group through the current difficult economic climate and ensure it is well positioned to benefit once the economic recovery begins.

- ***Improves the Group's ability to focus on its core strategies***

The increased operational and financial flexibility provided by the Group's New Facilities Agreement, which will come into effect in the circumstances described above, are expected to improve the Group's ability to focus on its strategy to move from a multi-channel directories publisher to a comprehensive provider of business leads. As the usage market fragments further, businesses and, in particular, SMEs, increasingly need "hassle free" assistance to be found by consumers, regardless of media channel. In order to increase the overall cost-efficiency of its product offering, Yell aims to become a one-stop shop for generating business leads, by maintaining a robust, established print offering and affordable internet and mobile-based products. In particular, the Group intends to continue to invest in technology that enables it to demonstrate the effectiveness of its products and assist its advertising customers in increasing their online presence, and focus on improving the Group's operational and sales force efficiency.

NOT FOR DISTRIBUTION OR RELEASE, DIRECTLY OR INDIRECTLY, IN OR INTO THE UNITED STATES, AUSTRALIA, CANADA, SOUTH AFRICA OR JAPAN.

Competitive strengths of the Group

The Board believes that the Group has a number of key strengths, including the following:

- ***Leading positions in the classified directory advertising sector in the United Kingdom, the United States, Spain and Latin America***

Yell is a leading provider of classified directory advertising in the United Kingdom, Spain, Chile, Peru and Argentina. It is also the largest independent classified directory publisher in the United States with operations in 48 of the 50 states and the District of Columbia.

- ***Strong relationships with a wide, diverse and loyal customer base***

The Group has 1.6 million customers across a diverse range of SMEs. The Group acts as an outsourced "sales and marketing department" for many of its SME customers, who often receive many of their business leads through advertisements placed in the Group's products. In the current economic climate, SMEs have been reducing their advertising expenditure, but have generally continued their relationships with the Group. The Group believes the strength of these relationships is evidenced by the Group's strong retention rates for advertising customers, who continue to demonstrate high levels of customer loyalty despite the economic downturn.

- ***Extensive field and telephone sales forces, expertly supported, targeted and incentivised***

The Group's products are offered to advertising customers by a team of over 6,300 experienced sales consultants who have direct contact with the Group's customers, maintaining and supporting the strong relationship-based service the Group offers. The Group's sales consultants are trained to market comprehensive advertising solutions across all of the Group's products. The Group uses sophisticated techniques to incentivise and manage its sales force to efficiently and effectively target potential sales leads and offer the most appropriate advertising solutions to its customers, depending on the preference and behaviour of consumers.

- ***Channel-neutral approach delivering widely-used, high value advertising solutions for SMEs***

Directories (both print and online) are simple to use and are frequently used by a wide variety of consumers to search for a broad range of products and services. The Group believes that classified directory advertising is a key advertising medium for SMEs because it is generally recognised as a cost-effective and targeted form of advertising. The Group believes that return on investment for advertisers remains high in both the Group's print and internet products. The Group seeks to continue to "prove value" to its advertising customers through a number of new and existing initiatives.

NOT FOR DISTRIBUTION OR RELEASE, DIRECTLY OR INDIRECTLY, IN OR INTO THE UNITED STATES, AUSTRALIA, CANADA, SOUTH AFRICA OR JAPAN.

As consumers are using a wider variety of channels to search for local businesses, the Group believes SMEs are looking for simple ways to increase their exposure on the internet and to exploit its potential power as an advertising and promotional medium. The Group understands SME advertisers typically lack the time, expertise and resources to devise complex internet advertising strategies involving keyword selection, SEM, SEO and many other techniques necessary to gain prominence and effectively target consumers. The Group believes, with its strong sales force, close customer relationships, extensive databases and solid customer service processes, it is well placed to put buyers in touch with sellers through its internet products.

- ***Excellent brand recognition***

Brand recognition is key to making Yell a trusted business that is attractive to consumers and advertisers. The Group believes it has achieved excellent brand recognition through effective advertising and strong promotional campaigns in the markets in which it operates.

- ***Strong cash generation with cash conversion of 89.5 per cent. or more from adjusted EBITDA***

Despite difficult economic conditions and the resulting decline in consumer activity and advertising revenue, the cash generation of the Group remains very strong with 89.5 per cent. of adjusted EBITDA in the year ended 31 March 2009 converted to operating cash flow of £730.2 million² and 134.7 per cent. of adjusted EBITDA converted to operating cash flow of £399.8 million for the six months ended 30 September 2009.

- ***Proven management team***

Each of the Group's senior management has, on average, more than 20 years of experience in either directory advertising or media and communications businesses more generally. The team has both substantial experience and a successful track record of operating the Group, delivering organic revenue growth, implementing ongoing efficiency gains and making and integrating acquisitions.

Objectives and strategy of the Group

The key objectives and strategies of the Group are set out below:

- ***Leverage "one stop shop" multi-channel platform to become the best provider of quality business leads for SMEs***

The Group believes that its close customer relationships and experienced sales force allow it to deliver business leads via any combination of print, online and mobile search channels, and provide its SME customers a particular advantage in today's fragmenting usage market. As well as delivering leads from its own products, the Group intends to continue to deliver additional value by helping

² Operating cash flow is adjusted EBITDA plus the change in working capital minus capital expenditure.

NOT FOR DISTRIBUTION OR RELEASE, DIRECTLY OR INDIRECTLY, IN OR INTO THE UNITED STATES, AUSTRALIA, CANADA, SOUTH AFRICA OR JAPAN.

SMEs manage their online marketing and exposure on major search engines and on other platforms.

- ***Maintain and prove value to further improve customer retention***

The Group believes its products provide attractive value in terms of generating business leads and the Group intends to continue to invest in technology that enables it to demonstrate the effectiveness of its products and so improve its customer retention and increase its market share. The Board believes that continued investment in product development and marketing will allow the Group to maintain and increase usage across its products. For example, the Group has significantly increased the unique phone lines available to its customers. These lines allow resulting calls to be logged and tracked, enabling the Group to demonstrate to its customers the effectiveness of each advertisement.

- ***Deliver value from new technologies and assist the migration of SMEs online***

The Group intends to continue to develop new technologies and platforms, assist its advertising customers in increasing their online presence and leverage the value that new technology can bring to its existing products and processes. The Group continues to invest in online technologies. The Group also intends to continue to invest in its ability to deliver quality business leads to its advertising customers through existing and emerging media channels.

- ***Continue to focus on operational and sales efficiency***

The Group intends to continue to improve the efficiency of its sales teams while maintaining the recent improvements made to its cost structure. Measures being implemented to enhance sales efficiency include devoting fewer resources to targeting new advertising customers who the Group believes are less likely to generate repeat business and rescheduling printing runs to improve capacity. In addition, the Group has increased the level of automation, allowing sales consultants to spend more time with advertising customers and to meet more advertising customers per day. In line with its recent initiatives, the Group also intends to maintain an efficient cost base, through a continued focus on streamlining back office functions and overall process efficiency.

The New Facilities Agreement

The New Facilities Agreement will become effective subject to, among other things, the Company completing a gross equity raising of at least £500 million. The gross equity proceeds less agreed costs and expenses (including, but not limited to, equity raising, debt amendment and hedging costs) will be used to prepay, on a pro rata basis, the term loans made available under the New Facilities Agreement.

The New Debt Facilities will be used to fund the purchase of the term loan commitments of the lenders consenting to the exchange of participations in the Existing Debt Facilities for participations in the New Debt Facilities. The participations under the New Debt Facilities to which the Consenting Lenders become entitled will be of the same principal amount and denominated in the same currency as the

NOT FOR DISTRIBUTION OR RELEASE, DIRECTLY OR INDIRECTLY, IN OR INTO THE UNITED STATES, AUSTRALIA, CANADA, SOUTH AFRICA OR JAPAN.

participations in the Existing Debt Facilities. The New Debt Facilities also include a revolving credit facility of up to £200 million.

The New Debt Facilities will mature in April 2014, "Facility A" and July 2014, "Facility B", respectively. Under the new Facility A, the Group is obliged to make six monthly mandatory repayment instalments of £25 million (commencing 30 September 2010), with the remainder to be repaid in full on the applicable maturity date. The new Facility B is to be repaid in full on the applicable maturity date. The New Debt Facilities carry a higher interest rate than the Existing Debt Facilities.

Terms and Conditions of the Capital Raising

Structure of the Capital Raising

The Company proposes to raise gross proceeds of approximately £660 million through the Capital Raising by the issue of New Ordinary Shares at an issue price of 42 pence per New Ordinary Share, a discount of 6 pence (12.5 per cent) to the Closing Price on 9 November 2009. 785.9 million New Ordinary Shares will be issued through the Firm Placing and 785.9 million New Ordinary Shares will be issued through the Placing and Open Offer.

In setting the Issue Price, the Directors have considered the price at which the New Ordinary Shares need to be offered to investors to ensure the success of the Capital Raising and have held discussions with a number of key institutional investors to determine their willingness to subscribe for the New Ordinary Shares at that price. The level of discount reflects the need, due to the size of the Capital Raising relative to the existing market capitalisation of the Group, to generate demand from both existing shareholders of the Group and new investors. The Directors believe that both the Issue Price and the discount are appropriate.

In structuring the Capital Raising, the Directors have had regard, among other things, to the current market conditions, the level of the Company's share price and the importance of pre-emption rights to Shareholders. After considering these factors, the Directors have concluded that the Firm Placing and Placing and Open Offer is the most suitable option available to the Company and its Shareholders. The Open Offer component of the fundraising provides an opportunity for all Qualifying Shareholders (other than, subject to certain exceptions, Excluded Territory Shareholders) to participate by subscribing for Open Offer Shares pro rata to their current holding of Ordinary Shares.

Principal terms of the Firm Placing

The Company is proposing to issue 785.9 million New Ordinary Shares at a price of 42 pence per New Ordinary Share pursuant to the Firm Placing. The Firm Placing is fully underwritten by the Joint Underwriters pursuant to the Placing Agreement.

The Firm Placed Shares are not subject to clawback and do not form part of the Open Offer. The Firm Placing is expected to raise £330 million before expenses. The Firm Placing is subject to the same conditions and termination rights that apply to the Placing and Open Offer.

NOT FOR DISTRIBUTION OR RELEASE, DIRECTLY OR INDIRECTLY, IN OR INTO THE UNITED STATES, AUSTRALIA, CANADA, SOUTH AFRICA OR JAPAN.

The Firm Placing and Placing and Open Offer are inter-conditional and conditional, among other things, on Shareholder approval, which will be sought at the Extraordinary General Meeting.

The Joint Bookrunners, as agents for the Company, have made arrangements to conditionally place the Open Offer Shares pursuant to the Placing, subject to clawback to satisfy valid applications by Qualifying Shareholders pursuant to the Open Offer.

Application will be made to the UK Listing Authority for the Firm Placed Shares to be admitted to the Official List and to the London Stock Exchange for the Firm Placed Shares to be admitted to trading on the London Stock Exchange's main market for listed securities. It is expected that Admission will become effective on 30 November 2009 and that dealings for normal settlement in the Firm Placed Shares will commence at 8:00 a.m. on 30 November 2009.

The Firm Placed Shares will, when issued and fully paid, be identical to, and rank in full with, the Ordinary Shares for all dividends and other distributions declared, made or paid after Admission and will rank *pari passu* in all respects with the Existing Ordinary Shares as at the date of issue.

Principal Terms of the Placing and Open Offer

The Issue Price of 42 pence per New Ordinary Share represents a discount of 6 pence (12.5 per cent.) to the Closing Price of 48 pence per Ordinary Share on 9 November 2009 (being the last Dealing Day prior to announcement of the Capital Raising). The Placing and Open Offer is expected to raise approximately £330 million before expenses.

Under the terms of the Placing and Open Offer, Qualifying Shareholders (other than, subject to certain exceptions, Excluded Territory Shareholders) will be given the opportunity to apply for the Open Offer Shares at the Issue Price, *pro rata*, to their holdings of Existing Ordinary Shares on the Record Date, on the basis of:

1 Open Offer Share for every 1 Existing Ordinary Share

Qualifying Shareholders (other than, subject to certain exceptions, Excluded Territory Shareholders) may apply for any whole number of Open Offer Shares up to their maximum entitlement.

Application Forms are expected to be despatched to Qualifying Non-CREST Shareholders (other than, subject to certain exceptions, Excluded Territory Shareholders) on 10 November 2009 and Qualifying CREST Shareholders (other than, subject to certain exceptions, Excluded Territory Shareholders) are expected to receive a credit to their appropriate stock accounts in CREST in respect of their Open Offer Entitlements at 8:00 a.m. on 11 November 2009.

The Placing and Open Offer is fully underwritten by the Joint Underwriters pursuant to the Placing Agreement. J.P. Morgan Cazenove and Rothschild have been appointed as Joint Sponsors; J.P. Morgan Cazenove, Merrill Lynch, Deutsche Bank and HSBC have been appointed as Joint Bookrunners and J.P. Morgan Securities, Merrill Lynch, Deutsche Bank, HSBC and the Co-Lead Managers (being each of RBS, Lloyds and BNP Paribas) have been appointed as Joint Underwriters to the Capital Raising.

NOT FOR DISTRIBUTION OR RELEASE, DIRECTLY OR INDIRECTLY, IN OR INTO THE UNITED STATES, AUSTRALIA, CANADA, SOUTH AFRICA OR JAPAN.

Application has been made for the Open Offer Shares to be admitted to CREST. It is expected that the Open Offer Entitlements will be admitted to CREST at 8:00 a.m. on 11 November 2009. The Open Offer Entitlements will also be enabled for settlement in CREST at 8:00 a.m. on 11 November 2009. Applications through the CREST system may only be made by the Qualifying Shareholder originally entitled or by a person entitled by virtue of a *bona fide* market claim.

The Placing and Open Offer is conditional, among other things, upon the passing of the Capital Raising Resolutions at the Extraordinary General Meeting and Admission of the New Ordinary Shares occurring by no later than 8:00 a.m. on 30 November 2009 (or such later time and/or date as the parties to the Placing Agreement may determine).

If Admission does not take place on or before 8:00 a.m. on 30 November 2009 (or such later time and/or date as the parties to the Placing Agreement may determine), the Open Offer will lapse, any Open Offer Entitlements admitted to CREST will thereafter be disabled and application monies under the Open Offer will be refunded to the applicants, by cheque (at the applicant's risk) in the case of Qualifying Non-CREST Shareholders and by way of a CREST payment in the case of Qualifying CREST Shareholders, without interest as soon as practicable thereafter. In these circumstances, the Placing to the Conditional Placees will not proceed.

Application will be made to the UK Listing Authority for the Open Offer Shares to be admitted to the Official List and to the London Stock Exchange for the Open Offer Shares to be admitted to trading on the London Stock Exchange's main market for listed securities. It is expected that Admission will become effective on 30 November 2009 and that dealings for normal settlement in the Open Offer Shares will commence at 8:00 a.m. on 30 November 2009.

Any Qualifying Shareholder who has sold or transferred all or part of his or her registered holding(s) of Ordinary Shares prior to 8:00 a.m. on 10 November 2009 is advised to consult his or her stockbroker, bank or other agent through or to whom the sale or transfer was effected as soon as possible since the invitation to apply for Open Offer Shares may be a benefit which may be claimed from him or her by the purchasers under the rules of the London Stock Exchange.

The Open Offer Shares, when issued and fully paid, will be identical to and rank in full for all dividends or other distributions declared, made or paid after Admission and in all respects will rank *pari passu* with the Existing Ordinary Shares. No temporary documents of title will be issued.

Commitments of Conditional Placees to subscribe for Open Offer Shares pursuant to the Placing are subject to clawback in respect of valid applications for Open Offer Shares by Qualifying Shareholders pursuant to the Open Offer.

Effect of the Capital Raising

Upon completion of the Capital Raising, the New Ordinary Shares will represent approximately 200 per cent. of the Company's existing issued share capital and approximately 66.7 per cent. of the Company's Enlarged Issued Share Capital. New Ordinary Shares issued through the Placing and Open Offer and New Ordinary Shares issued through the Firm Placing will each account for 50 per cent., of the total New Ordinary Shares to be issued. The Capital Raising Resolutions set out in the Notice of

NOT FOR DISTRIBUTION OR RELEASE, DIRECTLY OR INDIRECTLY, IN OR INTO THE UNITED STATES, AUSTRALIA, CANADA, SOUTH AFRICA OR JAPAN.

Extraordinary General Meeting must be passed in order for the Capital Raising to proceed.

Following the issue of the New Ordinary Shares to be allotted pursuant to the Capital Raising, Qualifying Shareholders who take up their full entitlements in respect of the Open Offer will experience a dilution of 33.3 per cent. of their interests in the Company as a result of the Firm Placing. Qualifying Shareholders who are not eligible to or do not take up any of their entitlements in respect of the Open Offer will experience a greater dilution of approximately 66.7 per cent. of their interests in the Company as a result of the Capital Raising.

Qualifying Shareholders should note that the Open Offer is not a rights issue. In the Open Offer, unlike in a rights issue, any Open Offer Shares not applied for will not be sold in the market on behalf of, or placed for the benefit of, Qualifying Shareholders who are not eligible to or do not apply under the Open Offer but rather will be issued to Placees for the benefit of the Company.

Use of proceeds

The Directors will use the gross proceeds of the Capital Raising, amounting to £660 million, to prepay the term loans made available under the New Facilities Agreement, to settle hedging contracts relating to the prepayment, and to satisfy the fees and expenses associated with the Refinancing and the Capital Raising.

Current trading and future prospects

The Group's third quarter trading is in line with guidance given on 10 November 2009, when the Group indicated it expected revenue for the third quarter to be around 16 per cent. lower than the comparable period last year at constant exchange rates. For the three months ended 30 September 2009, actual revenue at constant exchange rates was down 15.6 per cent. compared to the same period last year.

Trading conditions continue to be challenging and the Group believes it is too early to tell if confidence has returned to its core target customer base. As a consequence, the Group does not currently anticipate any significant improvement in the rate of year on year revenue decline for the remainder of the fiscal year.

Dividends and dividend policy

As part of the New Facilities Agreement, Yell is restricted from paying dividends until its net debt to EBITDA ratio is less than 3.50:1, subject to the exceptions described below.

Subject to reducing the New Debt Facilities by a further £250 million within 18 months of the first utilisation date of the New Debt Facilities, as part of the negotiation of the terms of the New Debt Facilities, the Company has agreed an exception to the dividend restriction. In the financial year commencing 1 April 2010 (but not before 1 December 2010), the Company may pay an annual dividend of £25 million plus a further £8.5 million for every £50 million by which the amount of gross proceeds of the Capital Raising exceeds £500 million (of which up to one third may be paid as the interim dividend with the remaining proportion paid as the final dividend).

The Board intends to re-assess its dividend policy on a regular basis with a view (subject to business performance, the ongoing investment requirements of the business and the restrictions under the New Facilities Agreement) to re-commence the payment of dividends.

NOT FOR DISTRIBUTION OR RELEASE, DIRECTLY OR INDIRECTLY, IN OR INTO THE UNITED STATES, AUSTRALIA, CANADA, SOUTH AFRICA OR JAPAN.

Directors' intentions

Each of the Directors who currently has a beneficial holding in the Company intends to take up all, or a majority of (as the case may be) his Open Offer Entitlements.

Extraordinary General Meeting

The Extraordinary General Meeting will be held at 11:00 a.m. on 26 November 2009 at the offices of Herbert Smith LLP, Exchange House, Primrose Street, London EC2A 2HS. The purpose of the Extraordinary General Meeting is to consider and, if thought fit, to pass the Resolutions necessary to effect the Capital Raising.

Shareholders should read the full text of the Resolutions contained in the Notice of Extraordinary General Meeting in the Prospectus.

Expected Timetable of Principal events

Event	2009
Record Date for Open Offer Entitlements	6:00 p.m. on 6 November
Announcement of the proposed Capital Raising and Prospectus and Form of Proxy published	10 November
Ex-entitlement date for the Open Offer	8:00 a.m. on 10 November
Open Offer Entitlements credited to stock accounts of Qualifying CREST Shareholders in CREST	8:00 a.m. on 11 November
Recommended latest time for withdrawing Open Offer Entitlements from CREST	4:30 p.m. on 18 November
Latest time and date for depositing Open Offer Entitlements into CREST	3:00 p.m. on 19 November
Latest time and date for splitting Application Forms (to satisfy <i>bona fide</i> market claims only)	3:00 p.m. on 20 November
Latest time and date for receipt of completed Application Forms and payment in full under the Open Offer and settlement of the CREST instructions (as appropriate)	11:00 a.m. on 24 November
Latest time and date for receipt of Forms of Proxy and receipt of electronic proxy appointments by registered Shareholders for the Extraordinary General Meeting	11:00 a.m. on 24 November
Announcement of acceptances by Qualifying Shareholders	25 November
Placees notified of total number of New Ordinary Shares for which they are subscribing	25 November
Extraordinary General Meeting	11:00 a.m. on 26 November
Announcement of results of the Extraordinary General Meeting	26 November
Admission and commencement of dealings in New Ordinary Shares,	8:00 a.m. on 30

NOT FOR DISTRIBUTION OR RELEASE, DIRECTLY OR INDIRECTLY, IN OR INTO THE UNITED STATES, AUSTRALIA, CANADA, SOUTH AFRICA OR JAPAN.

fully paid, on the London Stock Exchange	November
New Ordinary Shares credited to CREST stock accounts (uncertificated holders only)	8:00 a.m. on 30 November
Despatch of definitive share certificates for the New Ordinary Shares in certificated form (to Qualifying Non-CREST Shareholders only)	7 December
Completion of the Refinancing	30 November

NOT FOR DISTRIBUTION OR RELEASE, DIRECTLY OR INDIRECTLY, IN OR INTO THE UNITED STATES, AUSTRALIA, CANADA, SOUTH AFRICA OR JAPAN.

<u>DEFINITIONS</u>	
The following definitions apply throughout this announcement, unless the context otherwise requires:	
"Admission"	the admission of the New Ordinary Shares to the Official List becoming effective in accordance with the Listing Rules and the admission of the New Ordinary Shares to trading on the London Stock Exchange's main market for listed securities becoming effective in accordance with the Admission Standards;
"Admission Standards"	the Admission and Disclosure Standards issued by the London Stock Exchange;
"Application Form"	the personalised application form on which Qualifying Non-CREST Shareholders may apply for Open Offer Shares under the Open Offer;
"Board"	the Directors of the Company;
"Capital Raising"	the Firm Placing and the Placing and Open Offer;
"Capital Raising Resolutions"	Resolution 1, Resolution 2 and Resolution 3 set out in the Notice of Extraordinary General Meeting;
"Closing Price"	the closing middle market quotation of an Ordinary Share as derived from the Daily Official List published by the London Stock Exchange;
"Co-lead Managers"	BNP Paribas, Lloyds TSB and RBS Hoare Govett;
"Company or Yell"	Yell Group plc;
"Conditional Places"	those persons (if any) to whom Open Offer Shares not taken up by Qualifying Shareholders in the Open Offer are to be placed;
"Consenting Lenders"	the lenders who sell their participations in the Existing Debt Facilities in exchange for participations in the New Debt Facilities;
"CREST"	the computerised settlement system operated by Euroclear that facilitates the transfer of shares;
"Daily Official List"	the daily record setting out the price of all trades in shares and other securities conducted on the

NOT FOR DISTRIBUTION OR RELEASE, DIRECTLY OR INDIRECTLY, IN OR INTO THE UNITED STATES, AUSTRALIA, CANADA, SOUTH AFRICA OR JAPAN.

	London Stock Exchange;
"Dealing Day"	any day on which the London Stock Exchange is open for business in the trading of securities admitted to the Official List;
"Deutsche Bank"	Deutsche Bank AG, London Branch, branch registered in England;
"Directors"	the Executive Directors and Non-Executive Directors of the Company;
"EBITDA"	Earnings before interest, tax, depreciation and amortisation;
"Enlarged Issued Share Capital"	the issued number of Ordinary Shares immediately following the completion of the Capital Raising;
"EURIBOR"	Euro Interbank Offered Rate;
"Euroclear"	Euroclear UK & Ireland Limited, the operator of CREST;
"Excluded Territory"	Australia, its territories and possessions, Canada, Japan, South Africa and any other jurisdiction where the extension or availability of the Capital Raising (or any transaction contemplated thereby and any activities carried out in connection therewith) would breach applicable law and "Excluded Territory" means any one of them;
"Excluded Territory Shareholders"	a Qualifying Shareholder who has a registered address in, or who is resident or located in (as applicable), any Excluded Territory or who has a registered address in the United States;
"Executive Directors"	the executive directors of the Company;
"Existing Facilities Agreement"	the facilities agreement entered into on 27 April 2006 among the Company and certain of its subsidiaries, as borrowers and/or guarantors, with Citigroup Global Markets Limited, Deutsche Bank AG, London Branch, Goldman Sachs International and HSBC Bank plc as arrangers; Deutsche Bank AG, London branch, Goldman Sachs International, Goldman Sachs Credit Partners LP, HSBC Bank plc and Citibank, N.A. as original lenders (such agreement as amended on 27 July 2006, 10 August 2006 and 8 October 2008,

NOT FOR DISTRIBUTION OR RELEASE, DIRECTLY OR INDIRECTLY, IN OR INTO THE UNITED STATES, AUSTRALIA, CANADA, SOUTH AFRICA OR JAPAN.

"Existing Ordinary Shares"	the Ordinary Shares in issue at the Record Date;
"Extraordinary General Meeting" or "EGM"	the extraordinary general meeting of the Company to be held on 26 November 2009;
"Facility A"	Facility A1, Facility A2, Facility A3, Facility A4 and Facility A5 as put forth in the Existing Facilities Agreement;
"Facility B"	Facility B1 and Facility B2 as put forth in the Existing Facilities Agreement;
"Firm Placed Shares"	the 785.9 million New Ordinary Shares which are the subject to the Firm Placing and ‘Firm Placed Share’ means one of them;
"Firm Places"	those persons (if any) with whom Firm Placed Shares are placed;
"Firm Placing"	the placing of 785.9 million New Ordinary Shares with the Firm Places;
"Form of Proxy"	the form of proxy accompanying the Prospectus for use in connection with the Extraordinary General Meeting;
"FSA"	the Financial Services Authority of the United Kingdom;
"FSMA"	the Financial Services and Markets Act 2000, as amended;
"Group"	the Company and its subsidiary undertakings;
"HSBC"	HSBC Bank plc;
"Issue Price"	42 pence per New Ordinary Share
"Joint Bookrunners"	J.P. Morgan Cazenove, Merrill Lynch, Deutsche Bank and HSBC;
"Joint Financial Advisers"	J.P. Morgan Cazenove and Rothschild;
"Joint Global Co-ordinators"	J.P. Morgan Cazenove, Merrill Lynch and Deutsche Bank;
"Joint Sponsors"	J.P. Morgan Cazenove and Rothschild;
"Joint Underwriters"	J.P. Morgan Securities, Merrill Lynch, Deutsche Bank, HSBC and the Co-Lead Managers (being each of BNP Paribas, Lloyds TSB and RBS

NOT FOR DISTRIBUTION OR RELEASE, DIRECTLY OR INDIRECTLY, IN OR INTO THE UNITED STATES, AUSTRALIA, CANADA, SOUTH AFRICA OR JAPAN.

	Hoare Govett;
"J.P. Morgan Cazenove"	J.P. Morgan Cazenove Limited;
"J.P. Morgan Securities"	J.P. Morgan Securities Limited;
"LIBOR"	London Interbank Offered Rate;
"Listing Rules"	the listing rules issued by the FSA pursuant to Part VI of FSMA;
"Lloyds"	Lloyds TSB Corporate Markets;
"London Stock Exchange"	London Stock Exchange plc;
"Merrill Lynch"	Merrill Lynch International;
"New Debt Facilities"	the new debt facilities provided under the New Facilities Agreement;
"New Facilities Agreement"	the facilities agreement that the Company and certain of its subsidiaries, as borrowers and guarantors and certain other of the Company's subsidiaries as guarantors, have agreed to enter into, the effectiveness of which is subject to certain conditions, with HSBC Bank plc as facility agent and security trustee and the financial institutions referred to therein as original lenders;
"New Ordinary Share(s)"	the new ordinary shares to be issued pursuant to the Capital Raising and "New Ordinary Share" means one of them;
"Non-Executive Directors"	the non-executive directors of the Company;
"Notice of Extraordinary General Meeting"	the notice convening the Extraordinary General Meeting;
"Official List"	the official list of the FSA;
"Open Offer"	the offer to Qualifying Shareholders, constituting an invitation to apply for the Open Offer Shares, on the terms and subject to the conditions set out in the prospectus and, in the case of Qualifying Non-CREST Shareholders, in the Application Form;
"Open Offer Entitlement(s)"	the entitlement of a Qualifying Shareholder to apply for 1 Open Offer Share for every 1 Existing Ordinary Share held by him on the Record Date;

NOT FOR DISTRIBUTION OR RELEASE, DIRECTLY OR INDIRECTLY, IN OR INTO THE UNITED STATES, AUSTRALIA, CANADA, SOUTH AFRICA OR JAPAN.

"Open Offer Share(s)"	the 785.9 million New Ordinary Shares to be offered to Qualifying Shareholders under the Open Offer and "Open Offer Share" means one of them;
"Ordinary Share(s)"	the ordinary shares with a nominal value of 1 pence each in the share capital of the Company;
"Places"	the Conditional Places and the Firm Places;
"Placing"	the conditional placing of Open Offer Shares as described in the Prospectus and subject to clawback in respect of valid applications for Open Offer Shares by Qualifying Shareholders in the Open Offer;
"Placing Agreement"	the Firm Placing and Placing and Open Offer sponsor agreement entered into between the Company, the Joint Underwriters, the Joint Bookrunners and the Joint Sponsors dated 10 November 2009;
"Placing and Open Offer"	the Placing and the Open Offer;
"Prospectus"	The prospectus to be issued on 10 November 2009 in connection with the Capital Raising;
"Qualifying CREST Shareholder(s)"	Qualifying Shareholders whose Ordinary Shares on the register of members of the Company on the Record Date are in uncertificated form;
"Qualifying Non-CREST Shareholder(s)"	Qualifying Shareholders whose Ordinary Shares on the register of members of the Company on the Record Date are in certificated form;
"Qualifying Shareholder(s)"	holder(s) of Ordinary Shares on the register of members of the Company on the Record Date;
"RBS"	RBS Hoare Govett Limited;
"Record Date"	6:00 p.m. on 6 November 2009;
"Refinancing"	the process by which the Group is seeking to replace the terms of the Existing Debt Facilities provided under the Existing Facilities Agreement with the terms of the New Debt Facilities provided under the New Facilities Agreement;
"Resolutions"	the Resolutions set out in the notice of

NOT FOR DISTRIBUTION OR RELEASE, DIRECTLY OR INDIRECTLY, IN OR INTO THE UNITED STATES, AUSTRALIA, CANADA, SOUTH AFRICA OR JAPAN.

	Extraordinary General Meeting;
"Rothschild"	N.M. Rothschild & Sons Limited;
"Securities"	The securities of the Company;
"Securities Act"	The US Securities Act of 1933, as amended;
"SEM"	search engine marketing;
"SEO"	search engine optimisation;
"Shareholders"	the holders of Ordinary Shares from time to time and "Shareholder" means any one of them;
"SMEs"	a small to medium size enterprise;
"UK Listing Authority"	the FSA acting in its capacity as the competent authority for the purposes of Part VI of FSMA and in the exercise of its functions in respect of the admission to listing on the Official List otherwise than in accordance with Part VI of FSMA;
"United Kingdom or UK"	the United Kingdom of Great Britain and Northern Ireland;
"United States of America or the US"	the United States, its territories and possessions and any state of the United States and the District of Columbia;
"Yell UK"	the business segment that is managed from the United Kingdom, which includes the operations of Yell Limited, a wholly-owned subsidiary of Yell Group plc registered in the United Kingdom (and its subsidiaries) and the Yell Adworks business;