

SUPPLEMENTAL DISCLOSURE

PERIOD ENDED MARCH 31, 2014

As filed on Sedar on May 8, 2014 (www.sedar.com). This report is also available at www.ypg.com

Table of Contents

1. Financial Highlights	2
2. Operational Key Performance Indicators	3
3. Operating Cost and Capital Expenditure Details	5
4. Consolidated Capitalization	6
5. Cash Interest Expense Obligations	7
6. Taxes - Outlook	8
7. Pension - Outlook	9
8. Capital Expenditures - Outlook	10

This Supplemental Disclosure contains forward-looking statements about the objectives, strategies, financial condition, results of operations and businesses of Yellow Media Limited. 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 8, 2014 Management's Discussion and Analysis. This Supplemental Disclosure should be read in conjunction with the May 8, 2014 Management's Discussion and Analysis.

1. Financial Highlights

(in thousands of Canadian dollars - except share and per share information)

	For the three-month periods ended March 31,	
	2014	2013
Revenues	\$223,203	\$253,277
Operating costs	128,582	137,799
EBITDA ⁽¹⁾	94,621	115,478
% Margin	42.4%	45.6%
Net earnings	39,222	53,465
Basic earnings per share attributable to common shareholders	1.43	1.91
Diluted earnings per share attributable to common shareholders	1.22	1.64
Cash flows from operating activities	\$10,910	\$86,588
Free cash flow ⁽²⁾	\$(3,298)	\$67,678
Weighted average shares outstanding used in computing earnings per share		
Basic	27,419,026	27,955,077
Diluted	33,728,338	33,601,085

(1) Income from operations before depreciation and amortization and restructuring and special charges.

(2) Free cash flow is defined as cash flows from operating activities less capital expenditures, net of lease inducements.

2. Operational Key Performance Indicators

Customer Count

Number of unique customers advertising through one of our product groups as at the end of the reporting period. Figures exclude Wall2Wall.

(in thousands)	Q1	Q2	Q3	Q4
2014	270			
2013	300	291	283	276

Total Digital Visits

Total digital visits represents the number of visits made across our YP, RedFlagDeals and ShopWise online and mobile properties during the reporting period.

(in millions)	Q1	Q2	Q3	Q4
2014	94.1			
2013	93.8	100.1	100.4	102.8

Digital Revenues

Digital revenues are presented on a consolidated basis.

(in millions)	Q1	Q2	Q3	Q4
2014	\$104.0			
2013	\$98.9	\$98.4	\$101.6	\$107.4

Customer Renewal & Acquisition

Customer renewal represents the percentage of customers who advertised with YPG in the previous period and have renewed their advertising in the current period. Acquisition represents the number of YPG customers acquired over the last twelve months. Figures exclude Mediative, Wall2Wall and Canpages.

		Q1	Q2	Q3	Q4
2014	Renewal	85%			
	Acquisition	16,500			
2013	Renewal	86%	85%	85%	85%
	Acquisition	16,400	15,300	14,800	15,200

Revenue Generating Units ("RGU") per Customer and Yellow Pages 360° Solution Penetration

RGU represents the number of product groups selected by YPG customers as at the end of the reporting period. Yellow Pages 360° Solution Penetration represents the percentage of YPG customers purchasing three product categories or more. Figures exclude Mediative and Wall2Wall.

		Q1	Q2	Q3	Q4
2014	RGU	1.83			
	360° Penetration	29.9%			
2013	RGU	1.75	1.76	1.78	1.81
	360° Penetration	18.9%	21.1%	24.0%	27.1%

Average Revenue Per Customer

Revenue of the last twelve months divided by the average customer base during the last twelve months. Figures exclude Wall2Wall and Canpages.

	Q1	Q2	Q3	Q4
2014	\$3,244			
2013	\$3,259	\$3,257	\$3,256	\$3,259

2. Operational Key Performance Indicators (Cont'd)

Customer Penetration

Figures Exclude Mediative and Wall2Wall

Owned and Operated Digital Media: Percentage of YPG customers purchasing at least one Online Priority Placement, Mobile Priority Placement, Virtual Business Profile, HD Video, and/or Legacy product.

Digital Services: Percentage of YPG customers purchasing at least one Website, SEO, SEM, Facebook Solution, and/or Smart Digital Display product.

	Q1	Q2	Q3	Q4
--	----	----	----	----

2014	Print	90%			
	Owned and Operated Digital Media ⁽¹⁾	61%			
	<i>Online Placement</i>	50%			
	<i>Mobile Placement</i>	18%			
	<i>Legacy</i>	10%			
	Digital Services	9%			
2013	Print	94%	93%	92%	91%
	Owned and Operated Digital Media ⁽¹⁾	61%	60%	61%	61%
	<i>Online Placement</i>	37%	40%	43%	47%
	<i>Mobile Placement</i>	9%	10%	12%	15%
	<i>Legacy</i>	25%	21%	18%	14%
	Digital Services	7%	8%	8%	9%

(1) Customer penetration within Owned and Operated Digital Media impacted by the loss of customers purchasing online products as we migrate these customers from Directory Plus legacy products to other digital products.

Spending Dynamics Amongst Renewing Customers

Figures Exclude Mediative, Wall2Wall and Canpages

Increase in Spending: Renewing YPG customers experiencing an increase in spending of over 5%, on a year over year basis

Stable Spending: Renewing YPG customers experiencing an increase in spending between 0% and 5%, on a year over year basis

Decrease in Spending: Renewing YPG customers experiencing a decrease in spending, on a year over year basis

	Q1	Q2	Q3	Q4
2014				
Increase in Spending				
Customer Distribution	26%			
% of Revenues	29%			
Stable Spending				
Customer Distribution	55%			
% of Revenues	27%			
Decrease in Spending				
Customer Distribution	19%			
% of Revenues	44%			
2013				
Increase in Spending				
Customer Distribution	43%	36%	30%	26%
% of Revenues	37%	32%	30%	29%
Stable Spending				
Customer Distribution	38%	45%	51%	55%
% of Revenues	20%	23%	25%	27%
Decrease in Spending				
Customer Distribution	19%	19%	19%	19%
% of Revenues	43%	45%	45%	44%

3. Operating Cost and Capital Expenditure Details

(in thousands of Canadian dollars)

	For the three-month periods ended March 31,			
	2014		2013	
Revenues	\$223,203		\$253,277	
Expenses				
Cost of Sales	74,804	33.5%	79,197	31.3%
General and Administrative	53,779	24.1%	58,602	23.1%
EBITDA	\$94,621		\$115,478	
Acquisition of Property, Plant, Equipment and Intangible Assets, Net of Lease Inducements				
Sustaining Capital Expenditures ⁽¹⁾	1,907		7,476	
Growth Capital Expenditures ⁽²⁾	10,544		9,934	
Total	\$12,451		\$17,410	
Adjustment to Reflect Expenditures on a Cash Basis	1,757		715	
Acquisition of Property, Plant, Equipment and Intangible Assets, Net of Lease Inducements	\$14,208		\$18,125	

(1) Sustaining capital expenditures are related to ongoing operations to maintain the integrity of the infrastructure.

(2) Growth capital expenditures are related to new initiatives.

4. Consolidated Capitalization

(in millions of Canadian dollars)

Reported Basis	March 31, 2014	December 31, 2013	September 30, 2013	June 30, 2013	March 31, 2013
Senior Secured Notes ⁽¹⁾	\$647	\$647	766	774	800
Obligations Under Finance Leases	\$1	\$1	1	1	2
Exchangeable Debentures ⁽¹⁾	\$88	\$88	88	87	87
Total Debt	\$736	\$735	\$855	\$862	\$889
Cash and Cash Equivalents	\$194	\$202	\$254	198	165
Total Net Debt	\$541	\$533	\$601	\$664	\$724
Equity Attributable to the Shareholders	\$566	\$544	\$505	442	378
Non-Controlling Interests ⁽²⁾	0	0	0	0	1
Total Capitalization	\$1,107	\$1,078	\$1,106	\$1,107	\$1,102
Average Interest Rate on Debt at Period End	9.1%	9.1%	9.1%	9.1%	9.1%
EBITDA / Annualized Interest Charges ⁽³⁾	5.9x	6.3x	6.1x	6.4x	6.7x
Net Debt / EBITDA ⁽³⁾	1.4x	1.3x	1.3x	1.3x	1.3x

(1) Refer to Cash Interest Expense Obligations schedule.

(2) Represents non-controlling interest related to Mediative L.P.

(3) Latest Twelve Month EBITDA represents latest twelve month income from operations before depreciation and amortization, impairment of goodwill, intangible assets and property, plant and equipment, and restructuring and special charges.

5. Cash Interest Expense Obligations

(in thousands of Canadian dollars)

Debt Components	March 31, 2014		Interest	Maturity Date
	Reported Basis	Notional Balances		
Senior Secured Notes ⁽¹⁾	\$646,577	\$646,577	9.25%	November 30, 2018
Exchangeable Debentures ⁽²⁾	88,250	107,485	8.00%	November 30, 2022
Cash and Cash Equivalents	(194,420)	(194,420)	Bankers' acceptance	n.a.
Obligations Under Finance Leases	751	751		n.a.
Net Debt	\$ 541,158	\$ 560,393		

(1) Please refer to note 3 of the Interim Condensed Consolidated Financial Statements for the three-month period ended March 31, 2014. Interest on the Senior Secured Notes is payable in cash quarterly in arrears in equal installments at 9.25% per annum on the last day of February, May, August and November of each year.

(2) Please refer to note 4 of the Interim Condensed Consolidated Financial Statements for the three-month period ended March 31, 2014. Interest on the Senior Subordinated Unsecured Exchangeable Debentures is payable in cash at 8% or in additional debentures at 12% in the event that YPG Financing Inc. makes a Payment in Kind election to pay any interest in additional senior subordinated unsecured exchangeable debentures. Interest on the Senior Subordinated Unsecured Exchangeable Debentures will be payable semi-annually in arrears in equal installments on the last day of May and November of each year.

6. Taxes - Outlook

(in millions of Canadian dollars)

The following table presents key income tax assumptions applicable to Yellow Media Limited

	2014E	2015E
Cash Outflows Expected from Income Taxes and Sales Tax Assessments	\$100	\$20

Combined Statutory Provincial and Federal Tax Rate Assumption: ~26%

Note: Yellow Media Limited is subject to taxation in numerous jurisdictions. Various estimates are required in determining the consolidated provision for taxation. There are many transactions and calculations for which the ultimate tax determination is uncertain during the ordinary course of business. Yellow Media Limited maintains provisions for uncertain tax positions that it believes appropriately reflect its risk with respect to tax matters under active discussion, audit, dispute or appeal with tax authorities, or which are otherwise considered to involve uncertainty. These provisions for uncertain tax positions are made using the best estimate of the amount expected to be paid based on a qualitative assessment of all relevant factors. Yellow Media Limited reviews the adequacy of these provisions at each statement of financial position date. However, it is possible that at some future date an additional liability could result from audits by tax authorities. Where the final tax outcome of these matters is different from the amounts that were initially recorded, such differences will affect the tax provisions in the period in which such determination is made.

7. Pension - Outlook

(in millions of Canadian dollars)

The following table presents key pension funding assumptions applicable to Yellow Media Limited

	2014E	2015E
Cash Funding of the Solvency Deficit	\$22	\$33
Total Cash Funding	\$40	\$53

Note: The information presented above is considered forward-looking because it is based on current expectations about our business and on various estimates, assumptions and regulations. Our actual results could be materially different from our expectations as known or unknown risks affect our business or if estimates and assumptions turn out to be inaccurate. As a result, we cannot guarantee that the information above will materialize.

8. Capital Expenditures - Outlook

(in millions of Canadian dollars)

The following table presents key capital expenditure assumptions applicable to Yellow Media Limited

	2014E	2015E
Capital Expenditures	\$85 - \$90	\$70 - \$75

Note: The information presented above is considered forward-looking because it is based on current expectations about our business and on various estimates and assumptions. Our actual results could be materially different from our expectations as known or unknown risks affect our business or if estimates and assumptions turn out to be inaccurate. As a result, we cannot guarantee that the information above will materialize.