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Supplemental Disclosure

For the period ended March 31, 2016

As filed on Sedar on May 10, 2016 (www.sedar.com).
This report is also available at www.corporate.yip.ca

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This Supplemental Disclosure contains forward-looking statements about the objectives, strategies, financial condition, results of operations and businesses of Yellow Pages 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 6 of our May 10, 2016 Management's Discussion and Analysis. This Supplemental Disclosure should be read in conjunction with the May 10, 2016 Management's Discussion and Analysis.

1. Financial Highlights

In thousands of Canadian dollars, except % of Revenues ("% of Rev."), Earnings per Share and Outstanding Share Data

	For the three-month periods ended March 31,			
	2016	% of Rev.	2015	% of Rev.
Print Revenues	72,028	35.4%	93,027	45.2%
Digital Revenues	131,599	64.6%	112,875	54.8%
Total Revenues	203,627		205,902	
Cost of Sales ⁽¹⁾	78,639		75,710	
General and Administrative ⁽¹⁾	63,095		59,406	
Total Operating Costs	141,734		135,116	
Adjusted EBITDA	61,893	30.4%	70,786	34.4%
Net Earnings	13,151		25,524	
Basic Earnings per Share	0.49		0.95	
Diluted Earnings per Share	0.45		0.81	
Cash Flows from Operating Activities	24,248		62,834	
Capital Expenditures, Net of Related Lease Incentives	15,425		17,942	
Free Cash Flow	8,823		44,892	

Outstanding Share Data

	May 10, 2016	March 31, 2016	December 31, 2015
Common Shares Outstanding	28,075,294	28,075,294	28,063,919
Exchangeable Debentures Outstanding ⁽²⁾	5,624,422	5,624,422	5,624,422
Common Share Purchase Warrants Outstanding ⁽³⁾	2,995,498	2,995,498	2,995,498
Stock Options Outstanding ⁽⁴⁾	763,275	763,275	522,950

(1) 2015 figures were reclassified to conform to the current period's presentation. These changes have no impact on the adjusted EBITDA, cash flows from operating activities or free cash flow for the period.

(2) As at May 10, 2016, the company had \$107.1 million principal amount of Exchangeable Debentures outstanding, which amount is exchangeable into 5,624,422 common shares of Yellow Pages Limited at an exchange price of \$19.04, subject to adjustment for specified transactions pursuant to the indenture governing the Exchangeable Debentures.

(3) Each common share purchase Warrant entitles the holder to acquire, upon exercise, one Yellow Pages Limited common share at a price of \$28.16.

(4) Included in the stock options outstanding balance of 763,275 as at May 10, 2016 and March 31, 2016 are 180,250 stock options exercisable as at those same dates. Included in the stock options outstanding balance of 522,950 as at December 31, 2015 are 78,000 stock options exercisable as at that date.

2. Operational Key Performance Indicators

	2016	2015				2014		
	Q1	Q4	Q3	Q2	Q1	Q4	Q3	Q2
Digital Revenue Performance								
Digital Revenues (in millions of Canadian dollars)	131.6	129.2	127.8	116.4	112.9	116.9	113.6	108.4
Year-over-Year Digital Revenue Growth	16.6%	10.5%	12.5%	7.4%	8.6%	8.9%	11.9%	10.1%
Customer Metrics								
Customer Count	244,000	245,000	246,000	248,000	251,000	256,000	260,000	265,000
Customer Acquisition (Trailing Twelve Months)	34,600	30,800	27,200	24,800	23,700	22,100	20,200	18,400
Customer Renewal	84%	85%	85%	85%	85%	84%	85%	85%
Digital-Only Customers	25%	22%	20%	18%	16%	14%	13%	11%
Customer Penetration by Product Category								
Print	75%	78%	80%	82%	84%	85%	87%	89%
Owned and Operated Digital Media	67%	66%	65%	64%	64%	63%	63%	62%
Online Priority Placement	61%	61%	60%	60%	58%	57%	55%	53%
Mobile Priority Placement	27%	27%	27%	26%	25%	24%	23%	21%
Digital Services	10%	10%	10%	10%	10%	10%	10%	9%
Spending Dynamics Among Renewing Customers								
Increase in Spending								
Customer Distribution	42%	44%	44%	40%	35%	31%	27%	26%
% of Revenues	32%	32%	32%	31%	30%	30%	29%	29%
Stable Spending								
Customer Distribution	40%	39%	38%	42%	47%	51%	55%	55%
% of Revenues	27%	27%	28%	29%	30%	30%	29%	27%
Decrease in Spending								
Customer Distribution	18%	17%	18%	18%	18%	18%	18%	19%
% of Revenues	41%	41%	40%	40%	40%	40%	42%	44%
Average Revenue per Customer (in Canadian dollars)	2,876	2,930	2,970	3,009	3,038	3,063	3,097	3,111
Consumer Metrics								
Total Digital Visits (in millions) ⁽¹⁾	100.2	118.2	124.1	116.4	105.3	117.4	110.2	102.4

Refer to Section 5 (Glossary) for definitions of the metrics listed above.

(1) Excludes the impact of the acquisition of the ComFree/DuProprio Network. Total Digital Visits executed on the ComFree/DuProprio Network totalled 19.2M, 16.5M and 25.2M in Q3 2015, Q4 2015 and Q1 2016, respectively.

3. Consolidated Capitalization and Credit Ratings

In millions of Canadian dollars, unless otherwise noted

	March 31, 2016	December 31, 2015	September 30, 2015	June 30, 2015	March 31, 2015
9.25% Senior Secured Notes due November 30, 2018 ⁽¹⁾	407	407	473	473	507
Obligations Under Finance Leases	1	1	1	1	1
8% Exchangeable Debentures due November 30, 2022 ⁽²⁾	91	90	90	90	89
Total Debt	498	498	564	563	597
Cash	35	67	108	74	142
Total Net Debt	463	431	456	489	455
Equity	748	760	752	734	705
Total Capitalization	1,211	1,190	1,207	1,223	1,160
Net Debt / Latest Twelve-Month Adjusted EBITDA⁽³⁾	1.8x	1.7x	1.7x	1.8x	1.6x
Average Interest Rate on Debt at Period End	9.0%	9.0%	9.0%	9.0%	9.0%

Credit Ratings

	DBRS Limited	Standard and Poor's Rating Services
Issuer Rating / Corporate Credit Rating	B - Positive Trend	B - Stable Outlook
Rating for Senior Secured Notes	B (high)	BB-
Rating for Exchangeable Debentures	CCC (high)	CCC+

(1) Please refer to Note 4 of the interim condensed consolidated financial statements for the three-month periods ended March 31, 2016 and 2015. 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 5 of the interim condensed consolidated financial statements for the three-month periods ended March 31, 2016 and 2015. Interest on the Exchangeable Debentures is payable in cash at 8% or in additional debentures at 12% in the event that the company makes a Payment in Kind election to pay any interest in additional senior subordinated unsecured exchangeable debentures. Interest on the Exchangeable Debentures is payable semi-annually in arrears in equal installments on the last day of May and November of each year.

(3) Latest Twelve-Month Adjusted EBITDA represents latest twelve-month income from operations before depreciation and amortization, and restructuring and special charges.

4. Outlook

In millions of Canadian dollars

	2016E	2017E
Cash Outflows Expected from Income Taxes and Tax Assessments	2	5
Cash Funding of the Pension Solvency Deficit	26	27
Capital Expenditures, Net of Related Lease Incentives	60	50

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.

5. Glossary

All definitions account for YP Core only - excludes the contribution of Mediative, JUICE Mobile, 411 Local Search Corp., Yellow Pages Homes Limited and the ComFree/DuProprio Network.

Customer Metrics

Customer Count	Number of customers advertising through one of our product groups as at the end of the reporting period.
Customer Acquisition	Number of customers acquired over the last twelve months.
Customer Renewal	Percentage of customers who advertised with YP in the previous period and have renewed their advertising in the current period.
Digital-Only Customers	Percentage of customers purchasing only digital products.

Customer Penetration by Product Category

Owned and Operated Digital Media	Percentage of customers purchasing at least one Online Priority Placement, Mobile Priority Placement, NetSync, Content, Video and/or Legacy product.
Digital Services	Percentage of customers purchasing at least one Presence Extended, Website, SEO, SEM, Facebook Solution and/or Smart Digital Display product.

Spending Dynamics Among Renewing Customers

Increase in Spending	Renewing customers experiencing an increase in spending of over 5%, on a year-over-year basis.
Stable Spending	Renewing customers experiencing an increase in spending between 0% and 5%, on a year-over-year basis.
Decrease in Spending	Renewing customers experiencing a decrease in spending, on a year-over-year basis.
Average Revenue Per Customer	Revenue of the last twelve months divided by the average customer base during the last twelve months.

Consumer Metrics

Total Digital Visits	Number of visits made across the YP, YP Shopwise, YP Dine, RedFlagDeals, Canada411, Bookenda and dine.TO online and mobile properties, as well as visits made across the properties of Yellow Pages Limited's application syndication partners.
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