

The initial public offering of the shares of S\$0.05 each in the capital of Yellow Pages (Singapore) Limited was sponsored by UBS AG, acting through its business group, UBS Investment Bank, and DBS Bank Ltd

YELLOW PAGES (SINGAPORE) LIMITED

(Co. Reg. No. 200304719G)

AND ITS SUBSIDIARIES

SGXNET ANNOUNCEMENT

UNAUDITED INTERIM FINANCIAL INFORMATION

For the third quarter and nine months ended 31 December 2004

PART I - INFORMATION REQUIRED FOR ANNOUNCEMENTS OF QUARTERLY (Q1, Q2 & Q3), HALF-YEAR AND FULL YEAR RESULTS

(1)(a)(i) Consolidated income statement, together with a comparative statement for the corresponding period of the immediately preceding financial year.

	FY2004/05	FY2003/04	Change	FY2004/05	FY2003/04	Change
	3rd Qtr	3rd Qtr		1.4.2004 to	23.5.2003 to	
	S\$	S\$	%	31.12.2004	31.12.2003	%
Operating revenue	8,902,957	8,762,594	1.6	54,491,676	50,640,853	7.6
Other operating income	234,640	249,054	-5.8	672,726	536,708	25.3
Printing and material costs	(1,365,466)	(1,242,235)	9.9	(8,107,705)	(7,005,112)	15.7
Staff costs	(2,918,448)	(3,069,294)	-4.9	(11,084,865)	(9,459,729)	17.2
Depreciation	(439,446)	(310,739)	41.4	(1,303,384)	(582,603)	123.7
Amortisation	(64,287)	(64,288)	0.0	(192,861)	(128,575)	50.0
Selling and administrative expenses	(624,429)	(387,631)	61.1	(4,337,286)	(5,380,916)	-19.4
Other operating expenses	(512,138)	(461,330)	11.0	(1,625,165)	(1,164,904)	39.5
Total operating expenses	(5,924,214)	(5,535,517)	7.0	(26,651,266)	(23,721,839)	12.3
Profit from operations	3,213,383	3,476,131	-7.6	28,513,136	27,455,722	3.9
Finance expense - net	(2,838,165)	(3,765,109)	-24.6	(13,743,861)	(7,622,812)	80.3
Share of results of associated companies before tax	213,772	117,325	82.2	317,075	132,634	139.1
Profit/(loss) before tax	588,990	(171,653)	N.M.	15,086,350	19,965,544	-24.4
Tax	29,789	(72,670)	N.M.	(3,586,952)	(4,080,348)	-12.1
Profit/(loss) after tax	618,779	(244,323)	N.M.	11,499,398	15,885,196	-27.6

(1)(a)(ii) Other operating income and interest income	252,383	249,054	1.3	690,469	536,708	28.6
Interest on borrowings	(2,739,560)	(3,313,475)	-17.3	(9,214,853)	(6,680,649)	37.9
(Allowance for)/write-back of doubtful debts and bad debts written (off)/back	737,327	397,428	85.5	(917,877)	(2,008,306)	-54.3
Foreign exchange gain/(loss)	(93,056)	(731)	@	(71,563)	(25,773)	177.7
Gain/(loss) on sale of investments, properties, plant and equipment	89	-	N.M.	1,169	-	N.M.

N.M. – Not meaningful

@ Denotes change % more than 300%

(1)(b)(i) Balance sheet (for the issuer and group), together with a comparative statement as at the end of the immediately preceding financial year.

	Group		Company	
	Dec-04	Mar-04	Dec-04	Mar-04
	S\$	S\$	S\$	S\$
ASSETS				
Current assets				
Cash and cash equivalents	31,252,204	11,359,202	30,746,469	10,715,287
Trade and other receivables	24,974,268	24,796,406	24,641,259	24,025,123
Inventories	6,624,064	5,977,294	6,055,777	5,536,536
Other current assets	640,424	473,164	545,053	302,218
Due from subsidiaries	-	-	1,381,566	1,771,165
Due from associated companies	5,657	31,158	-	9,608
	<u>63,496,617</u>	<u>42,637,224</u>	<u>63,370,124</u>	<u>42,359,937</u>
Non-current assets				
Other receivables	3,130	20,924	2,804	18,907
Other assets	172,278	172,941	147,733	147,733
Investment in a subsidiary	-	-	1,547,973	1,713,584
Investment in associated companies	2,629,045	2,598,960	1,954,809	1,954,809
Property, plant and equipment	20,917,099	21,906,686	19,106,223	20,007,878
Intangible assets	174,878,797	175,071,658	174,126,016	174,318,877
Deferred tax assets	1,229,931	344,199	1,229,931	344,199
	<u>199,830,280</u>	<u>200,115,368</u>	<u>198,115,489</u>	<u>198,505,987</u>
Total assets	<u>263,326,897</u>	<u>242,752,592</u>	<u>261,485,613</u>	<u>240,865,924</u>
LIABILITIES				
Current liabilities				
Trade and other payables	8,538,707	5,859,550	8,430,512	5,463,385
Advance receipts and billings	1,345,694	3,675,192	1,169,487	3,577,610
Due to associated companies	1,309	-	1,309	-
Borrowings	-	19,008,330	-	19,008,330
Provision for income tax	4,972,132	2,995,026	4,934,935	2,957,738
	<u>14,857,842</u>	<u>31,538,098</u>	<u>14,536,243</u>	<u>31,007,063</u>
Non-current liabilities				
Borrowings	129,184,501	189,438,440	129,184,501	189,438,440
Interest payable to holding corporation	-	5,666,121	-	5,666,121
	<u>129,184,501</u>	<u>195,104,561</u>	<u>129,184,501</u>	<u>195,104,561</u>
Total liabilities	<u>144,042,343</u>	<u>226,642,659</u>	<u>143,720,744</u>	<u>226,111,624</u>
Net assets	<u>119,284,554</u>	<u>16,109,933</u>	<u>117,764,869</u>	<u>14,754,300</u>
SHAREHOLDERS' EQUITY				
Share capital	7,903,250	5,000,000	7,903,250	5,000,000
Share premium	88,783,776	-	88,783,776	-
Retained earnings	22,606,552	11,107,154	21,077,843	9,754,300
Translation reserve	(9,024)	2,779	-	-
	<u>119,284,554</u>	<u>16,109,933</u>	<u>117,764,869</u>	<u>14,754,300</u>

(1)(b)(ii) In relation to the aggregate amount of the group's borrowings and debt securities.

	Dec-04 S\$	Mar-04 S\$
Amount repayable in one year or less, or on demand		
Bank term loan (secured)	-	19,008,330
	<u>-</u>	<u>19,008,330</u>
Amount repayable after one year		
Bank term loan (secured)	-	106,438,440
Loan from holding corporation (unsecured)	-	83,000,000
Bonds (unsecured)	129,184,501	-
	<u>129,184,501</u>	<u>189,438,440</u>

The unsecured bonds, which were issued and listed on the Singapore Exchange Securities Trading Limited on 30 September 2004, will mature on 30 September 2009. The bonds were issued to re-finance the bank term loan, which has been fully repaid on 30 September 2004. The bank term loan was secured over the Company's total assets, capped at the amount outstanding.

The loan from holding corporation was repaid on 9 December 2004 using the proceeds from the Initial Public Offering of shares.

(1) (c) Consolidated cash flow statement, together with a comparative statement for the corresponding period of the immediately preceding financial year.

	FY2004/05 3rd Qtr S\$	FY2003/04 3rd Qtr S\$	FY2004/05 1.4.2004 to 31.12.2004 S\$	FY2003/04 23.5.2003 to 31.12.2003 S\$
Cash flows from operating activities				
Profit/(loss) before tax	588,990	(171,653)	15,086,350	19,965,544
Adjustments for :				
Share of profit in associated companies	(213,772)	(117,325)	(317,075)	(132,634)
Depreciation of property, plant and equipment	439,446	310,739	1,303,384	582,603
Gain on sale of property, plant and equipment	(89)	-	(1,169)	-
Amortisation of intangible assets	64,287	64,288	192,861	128,575
Amortisation of deferred financing costs	42,918	435,912	5,496,148	871,821
Loss/(gain) from termination of interest rate swap	70,651	-	(1,029,349)	-
Interest income	(17,743)	-	(17,743)	-
Interest expense	2,739,560	3,313,475	9,214,853	6,680,649
Exchange differences	45,491	13,274	30,437	(6,734)
Operating cash flows before working capital changes	3,759,739	3,848,710	29,958,697	28,089,824
Change in operating assets and liabilities				
Inventories	216,273	(931,831)	(646,770)	6,643,910
Receivables	7,912,787	9,861,034	(283,293)	(10,774,285)
Advance receipts and billings	128,414	823,979	(2,329,498)	(3,167,240)
Payables	(2,054,848)	(2,290,368)	622,277	(1,899,862)
Cash generated from operations	9,962,365	11,311,524	27,321,413	18,892,347
Tax paid	(753,942)	(1,449)	(2,384,899)	(8,787)
Interest paid	-	(16,029)	-	(44,638)
Net cash inflow from operating activities	9,208,423	11,294,046	24,936,514	18,838,922
Cash flow from investing activities				
Acquisition of business, net of cash acquired	-	(330,483)	-	(225,123,320)
Purchase of property, plant and equipment	-	(220,766)	(358,637)	(857,292)
Proceeds from sale of property, plant and equipment	89	-	3,464	-
Interest received	518	-	518	-
Dividend received from an associated company	177,279	111,195	177,279	111,195
Net cash inflow/(outflow) from investing activities	177,886	(440,054)	(177,376)	(225,869,417)
Cash flow from financing activities				
Payment for deferred financing costs	(196,417)	-	(846,417)	(6,760,963)
Proceeds from bank term loan	-	-	-	140,000,000
Repayment of bank term loan	-	(4,550,000)	(130,900,000)	(4,550,000)
Repayment of revolving credit facility	-	(2,000,000)	-	-
Proceeds from termination of interest rate swap	-	-	1,100,000	-
Interest paid	(10,448,907)	(1,406,636)	(13,590,436)	(2,808,245)
(Repayment of)/proceeds from loan from holding corporation	(83,000,000)	-	(83,000,000)	83,000,000
Repayment of advance from holding corporation	-	(7,233,050)	-	-
Proceeds from issue of shares net of paid capitalised costs*	92,370,717	-	92,370,717	5,000,000
Proceeds from issue of bonds	-	-	130,000,000	-
Net cash (outflow)/inflow from financing activities	(1,274,607)	(15,189,686)	(4,866,136)	213,880,792
Net increase in cash and cash equivalents	8,111,702	(4,335,694)	19,893,002	6,850,297
Cash and cash equivalents at beginning of the financial period	23,140,502	11,185,991	11,359,202	-
Cash and cash equivalents at end of the financial period	31,252,204	6,850,297	31,252,204	6,850,297

* Costs related to the issue of shares were partly capitalised against share premium and partly recognised in the income statement as expenses. As at 31 December 2004, unpaid and accrued capitalised costs amounted to S\$683,691 while costs that were recognised in the income statement amounted to S\$558,220.

(1)(d)(i) **Statement of all changes in equity (for the issuer and group), together with a comparative statement for the corresponding period of the immediately preceding financial year.**

<u>The Group</u>	<u>Share capital</u> S\$	<u>Share premium</u> S\$	<u>Retained earnings</u> S\$	<u>Translation reserve</u> S\$	<u>Total</u> S\$
Balance at 1 October 2004	5,000,000	-	21,987,773	(839)	26,986,934
Net loss recognised directly in equity					
- Currency translation differences	-	-	-	(8,185)	(8,185)
Net profit for the financial period	-	-	618,779	-	618,779
Total gains/(loss) recognised for the financial period	-	-	618,779	(8,185)	610,594
Issue of share capital	2,903,250	93,484,650	-	-	96,387,900
Expenses of share issue	-	(4,700,874)	-	-	(4,700,874)
Balance at 31 December 2004	7,903,250	88,783,776	22,606,552	(9,024)	119,284,554
Balance at 1 October 2003	5,000,000	-	16,129,519	(17,390)	21,112,129
Net loss recognised directly in equity					
- Currency translation differences	-	-	-	(17,159)	(17,159)
Net loss for the financial period	-	-	(244,323)	-	(244,323)
Total loss recognised for the financial period	-	-	(244,323)	(17,159)	(261,482)
Balance at 31 December 2003	5,000,000	-	15,885,196	(34,549)	20,850,647
<u>The Company</u>	<u>Share capital</u> S\$	<u>Share premium</u> S\$	<u>Retained earnings</u> S\$	<u>Total</u> S\$	
Balance at 1 October 2004	5,000,000	-	20,337,361	25,337,361	
Net profit for the financial period	-	-	740,482	740,482	
Total gains recognised for the financial period	-	-	740,482	740,482	
Issue of share capital	2,903,250	93,484,650	-	96,387,900	
Expenses of share issue	-	(4,700,874)	-	(4,700,874)	
Balance at 31 December 2004	7,903,250	88,783,776	21,077,843	117,764,869	
Balance at 1 October 2003	5,000,000	-	15,864,330	20,864,330	
Net loss for the financial period	-	-	(225,320)	(225,320)	
Total loss recognised for the financial period	-	-	(225,320)	(225,320)	
Balance at 31 December 2003	5,000,000	-	15,639,010	20,639,010	

<u>The Group</u>	Share capital S\$	Share premium S\$	Retained earnings S\$	Translation reserve S\$	Total S\$
Balance at 1 April 2004	5,000,000	-	11,107,154	2,779	16,109,933
Net loss recognised directly in equity					
- Currency translation differences	-	-	-	(11,803)	(11,803)
Net profit for the financial period	-	-	11,499,398	-	11,499,398
Total gains/(loss) recognised for the financial period	-	-	11,499,398	(11,803)	11,487,595
Issue of share capital	2,903,250	93,484,650	-	-	96,387,900
Expenses of share issue	-	(4,700,874)	-	-	(4,700,874)
Balance at 31 December 2004	7,903,250	88,783,776	22,606,552	(9,024)	119,284,554
Balance at 23 May 2003	-	-	-	-	-
Net loss recognised directly in equity					
- Currency translation differences	-	-	-	(34,549)	(34,549)
Net profit for the financial period	-	-	15,885,196	-	15,885,196
Total gains/(loss) recognised for the financial period	-	-	15,885,196	(34,549)	15,850,647
Issue of share capital	5,000,000	-	-	-	5,000,000
Balance at 31 December 2003	5,000,000	-	15,885,196	(34,549)	20,850,647
 <u>The Company</u>	 Share capital S\$	 Share premium S\$	 Retained earnings S\$	 Total S\$	
Balance at 1 April 2004	5,000,000	-	9,754,300	14,754,300	
- Net profit for the financial period	-	-	11,323,543	11,323,543	
Total gains recognised for the financial period	-	-	11,323,543	11,323,543	
Issue of share capital	2,903,250	93,484,650	-	96,387,900	
Expenses of share issue	-	(4,700,874)	-	(4,700,874)	
Balance at 31 December 2004	7,903,250	88,783,776	21,077,843	117,764,869	
Balance at 23 May 2003	-	-	-	-	
- Net profit for the financial period	-	-	15,639,010	15,639,010	
Total gains recognised for the financial period	-	-	15,639,010	15,639,010	
Issue of share capital	5,000,000	-	-	5,000,000	
Balance at 31 December 2003	5,000,000	-	15,639,010	20,639,010	

- (1)(d)(ii) Details of any changes in the company's share capital arising from rights issue, bonus issue, share buy-backs, exercise of share options or warrants, conversion of other issues of equity securities, issue of shares for cash or as consideration for acquisition or for any other purpose since the end of the previous period reported on. State also the number of shares that may be issued on conversion of all the outstanding convertibles as at the end of the current financial period reported on and as at the end of the corresponding period of the immediately preceding financial year.

Share Capital

Details of movement in the Company's share capital for the financial period are as follows:

	Shares	S\$
(a) <u>Authorised</u>		
Balance at 1 October 2004		
- ordinary shares of S\$1.00 each	10,000,000	10,000,000
Sub-division of each ordinary share of S\$1.00 into 20 ordinary shares of S\$0.05 each on 29 Oct 2004	190,000,000	-
Balance at 31 December 2004	200,000,000	10,000,000
(b) <u>Issued and fully paid</u>		
Balance at 1 October 2004		
- ordinary shares of S\$1.00 each	5,000,000	5,000,000
Sub-division of each ordinary share of S\$1.00 into 20 ordinary shares of S\$0.05 each on 29 Oct 2004	95,000,000	-
Issued during the financial period		
- ordinary shares of S\$0.05 each at a premium of S\$1.61 per share pursuant to the Initial Public Offering	58,065,000	2,903,250
Balance at 31 December 2004	158,065,000	7,903,250

Share options

During the 3 months ended 31 December 2004, the Company granted options of 1,264,103 shares with exercise price of S\$1.66 each under the Yellow Pages Share Option Scheme. None of these share options of unissued ordinary shares of S\$0.05 each has been exercised as at 31 December 2004.

- (2) **Whether the figures have been audited or reviewed and in accordance with which auditing standard or practice.**

The figures have not been audited but have been reviewed by PricewaterhouseCoopers in accordance with the Singapore Statement of Auditing Practice 11 - Review of Interim Financial Information.

(3) Where the figures have been audited or reviewed, the auditors' report (including any qualifications or emphasis of a matter).

The Board of Directors
Yellow Pages (Singapore) Limited
1 Lorong 2 Toa Payoh
Singapore 319637

14 February 2005

Our ref : ABAS2C/02518980-A000/GU/TSO(14)

Dear Sirs

**YELLOW PAGES (SINGAPORE) LIMITED AND ITS SUBSIDIARIES
REVIEW OF INTERIM FINANCIAL INFORMATION
FOR THE THIRD QUARTER AND NINE MONTHS ENDED 31 DECEMBER 2004**

We have performed a review on certain interim financial information of Yellow Pages (Singapore) Limited (the "Company") and its subsidiaries (the "Group") as at 31 December 2004 and for the third quarter and nine months ended 31 December 2004. Such interim financial information has been prepared by the Company for announcement on the Singapore Exchange.

Appendix 7.2 of the Singapore Exchange Securities Trading Limited Listing Manual (the "Listing Manual") requires the preparation of interim financial information to be in compliance with the relevant provisions thereof. The accompanying financial information comprises the balance sheet of the Company and the consolidated balance sheet of the Group as at 31 December 2004, and the related income statements, changes in equity and consolidated cash flows for the three-month and nine-month periods then ended. The financial information reviewed by us is restricted to that as set out in paragraph 1 of this announcement. The interim financial information is the responsibility of, and has been approved by the directors. Our responsibility is to issue a report solely for the use of the directors on the interim financial information based on our review.

We conducted our review in accordance with the Singapore Statement of Auditing Practice 11, Review of Interim Financial Information. A review of interim financial information consists principally of applying analytical review procedures to financial data and making inquiries of, and having discussions with, persons responsible for financial and accounting matters. It is substantially less in scope than an audit in accordance with Singapore Standards on Auditing and does not provide assurance that we would become aware of any or all significant matters that might be identified in an audit. We have not performed an audit and, accordingly, we do not express an audit opinion.

Based on our review, nothing has come to our attention that causes us to believe that there are any material modifications that need to be made to the accompanying interim financial information for it to be in accordance with Appendix 7.2 of the Listing Manual.

Without qualifying our opinion, we wish to highlight that the comparative financial information for the third quarter ended 31 December 2004 and period from 23 May 2003 to 31 December 2003 have not been reviewed by us.

Yours faithfully

PricewaterhouseCoopers
Certified Public Accountants
Singapore

- (4) **Whether the same accounting policies and methods of computation as in the issuer's most recently audited annual financial statements have been applied.**

The accounting policies and methods of computation used are consistent with those used in the most recently audited annual financial statements.

- (5) **If there are any changes in the accounting policies and methods of computation, including any required by an accounting standard, what has changed, as well as the reasons for, and the effect of, the change.**

Not applicable.

- (6) **Earnings/(loss) per ordinary share of the group for the current financial period reported on and the corresponding period of the immediately preceding financial year, after deducting any provision for preference dividends.**

	<u>The Group</u>			
	FY2004/05 3rd Qtr	FY2003/04 3rd Qtr	FY2004/05 1.4.2004 to 31.12.2004	FY2003/04 23.5.2003 to 31.12.2003
Based on weighted average number of ordinary shares in issue (cents)	0.54	(0.24)	10.97	15.89
On a fully diluted basis (cents)	0.54	(0.24)	10.97	15.89

- (7) **Net asset value (for the issuer and group) per ordinary share based on issued share capital of the issuer at the end of the current financial period reported on and immediately preceding financial year.**

	<u>The Group</u>		<u>The Company</u>	
	Dec-04	Mar-04	Dec-04	Mar-04
Net asset value per ordinary share based on issued share capital of the Company at the end of the financial period (cents)	75.47	16.11	74.50	14.75

- (8) **Review of the performance of the group.**

During the quarter and nine-month period ended 31 December 2004, the Group registered an increase in operating revenue as compared to the corresponding periods last year. However, the Group's results in the current periods were not directly comparable with the corresponding prior year periods. As the Company acquired the business, certain assets and liabilities of SingTel Yellow Pages Pte Ltd (presently known as SingTel Interactive Pte Ltd) on 30 June 2003, the Group's results for (i) Q3 FY2003/04 and (ii) the period from 23 May 2003 (date of incorporation of the Company) to 31 December 2003 did not reflect what the results might have been had the currently existing Group been in place since 1 April 2003.

To enable an illustrative comparison of the Group's performance, a set of summarised illustrative income statements of the Group for the quarter and nine-month period ended 31 December 2003 have also been prepared. The objective of the illustrative income statements is to illustrate what the Group's results might have been had the currently existing Group structure and ownership been in place since 1 April 2003. These illustrative income statements have been prepared on a basis consistent with that of the proforma financial statements found within the "Basis of Presentation and Compilation of the Proforma Financial Statements of the Group" section in the Prospectus dated 22 November 2004. These illustrative income statements, however, are not necessarily indicative of the results that would have been attained if the Group had been in existence since 1 April 2003 and should not be relied upon for comparison purposes.

These illustrative summary income statements are outlined in the "Comparison with illustrative income statements" narrative below for both the quarter and nine-month period ended 31 December 2004. Whilst accounting policies used for the illustrative income statements are consistent with those adopted for the group's actual income statements for the quarter and nine-month period ended 31 December 2004, they are not compiled in a format to provide all disclosures required to comply with all applicable Singapore generally accepted accounting principles. They are compiled to provide the summary financial information for illustration purposes only. The summary illustrative financial information has not been subject to audit or review.

Q3 FY2004/05

Comparison with actual Q3 FY2003/04

The Group's operating revenue of S\$8.9M in Q3 FY2004/05, which consisted mainly of revenue from the 2004/05 edition of the Singapore Phone Directories (SPD), was consistent with the revenue recorded for the same quarter last year.

In accordance with the Group's accounting policy, part of the revenue attributable to the 2004/05 SPD was recognised in Q3 FY2004/05 based on the number of directories distributed during the quarter. However, in FY2003/04, only three-quarters of 2003/04 SPD revenue ("reduced revenue base") were recognised by the Group because one quarter of the revenue had already been recognised by SingTel Yellow Pages Pte Ltd prior to the acquisition date on 30 June 2003. Thus, in Q3 FY2003/04, part of this reduced revenue base was recognised based on the number of directories distributed in that quarter.

For the third quarter, the Group's operating expenses of S\$5.9M were 7.0% higher than the S\$5.5M in the comparative quarter mainly due to certain IPO related expenditures.

As a result, profit from operations was S\$3.2M, which was 7.6% lower than the S\$3.5M in the same quarter last year. The operating profit margin of 36.1% for Q3 FY2004/05 was lower than the comparative period's 39.7% mainly because of certain IPO related expenditures.

For the quarter, profit after tax was S\$0.6M as compared to a loss of S\$0.2M in the same quarter last year. This was mainly due to lower interest expense and deferred financing costs, partially offset by lower profit from operations. Interest expense and deferred financing costs were lower mainly as a result of the repayment of loan from holding corporation in early December 2004 and repayment of the bank term loan at the end of September 2004 respectively.

Comparison with illustrative income statement Q3 FY2003/04

	<u>Actual</u>	<u>Illustrative</u> <u>Income</u> <u>Statement</u>	
	FY2004/05	FY2003/04	
	3rd Qtr	3rd Qtr	Change
	S\$M	S\$M	%
Operating revenue	8.9	11.7	-24.1
Other operating income	0.2	0.3	-8.0
Operating expenses	(5.9)	(6.6)	-10.0
Profit from operations	<u>3.2</u>	<u>5.4</u>	-40.6
Finance expense - net	(2.8)	(3.8)	-24.5
Share of results of associated companies before tax	<u>0.2</u>	<u>0.1</u>	82.2
Profit before tax	<u>0.6</u>	<u>1.7</u>	-66.3
Profit after tax	<u>0.6</u>	<u>1.3</u>	-52.2

The Group's operating revenue of S\$8.9M for the quarter under review was 24.1% lower than the illustrative Q3 FY2003/04 operating revenue. The latter consisted mainly of revenue from 2003/04 SPD which was recognised in proportion to the number of directories distributed during that quarter based on the full year revenue as if the Group had been in place since 1 April 2003 (whereas actual Q3 FY2003/04 income statement reflected the impact of the lower revenue base as explained in "Comparison with actual Q3 FY2003/04"). The lower revenue compared to the illustrative comparatives was mainly due to the following:

- a) adverse impact of the after effect of SARS on the economic climate and the advertising expenditure of SMEs in Singapore and on the sales canvass period from September 2003 to April 2004, as well as the adverse impact of cost reduction initiatives of the Singapore Government that resulted in reduced advertising expenditure by its agencies; and
- b) the lower distribution rate of 2004/05 SPD in Q3 FY2004/05 as compared to that of 2003/04 SPD in the corresponding quarter last year.

Operating expenses of the Group in Q3 FY2004/05 were 10.0% lower than that in the comparative quarter mainly due to reduced staff costs and printing and material costs. Staff costs were reduced mainly because of lower staff head count while printing and material costs were reduced in line with lower advertising revenues.

The resulting profit from operations of S\$3.2M was 40.6% lower than that in the comparative period. The lower operating profit margin of 36.1% as compared to the corresponding period's 46.0% was mainly due to certain IPO related expenditures in Q3 FY2004/05 as well as timing differences in expenditures for Q3 FY2003/04.

The Group's profit after tax of S\$0.6M was 52.2% lower than the S\$1.3M recorded from the corresponding period last year as a result of lower profit from operations, partially offset by lower interest expense and deferred financing costs (as explained in "Comparison with actual Q3 FY2003/04" above), as well as lower tax expense based on lower taxable profit.

Nine-Month Period Ended 31 December 2004

Comparison with actual period ended 31 December 2003

For the nine-month period ended 31 December 2004, operating revenue of the Group was S\$54.5M, which was 7.6% higher than the S\$50.6M amount achieved in the corresponding period from 23 May 2003 (date of incorporation of the Company) to 31 December 2003. The revenue of 2004/05 SPD was recognised based on the number of distributed directories as at the end of December 2004. As the distribution has not been completed at the end of the period under review, the full 2004/05 SPD revenue has not been recognised. By comparison, the distribution of 2003/04 SPD had been substantially completed by the end of December 2003 and therefore all revenue attributable to 2003/04 SPD had been recognised. However, this comparable revenue represented only three-quarters of the 2003/04 full year SPD advertising revenue due to the business acquisition on 30 June 2003 as explained in the revenue analysis for Q3 FY2004/05 above.

Operating expenses of S\$26.7M were 12.3% higher than that in the comparative period due largely to higher recorded printing and material costs, staff costs and other operating expenses. Higher printing and material costs and staff costs were recognised proportionately to the higher SPD revenue (these are the main components of direct costs of SPD revenues). Higher staff costs and higher other operating expenses in the period under review were largely attributable to the shorter period of operations post acquisition in the corresponding period.

As a result, profit from operations was S\$28.5M, which was 3.9% higher than last year's S\$27.5M. The operating profit margin declined slightly to 52.3% from 54.2% in the same period last year mainly as a result of certain IPO related expenditures.

The Group's profit after tax decreased from S\$15.9M last year to S\$11.5M in the nine-month period ended 31 December 2004. The higher profit from operations was offset by the higher net finance expense. Net finance expense was significantly higher due to the S\$4.8M one-time, non-cash amortisation charge of deferred financing cost upon the early repayment of the bank term loan. Last year's interest expense was also lower as the bank term loan and loan from holding corporation only commenced from the end of June 2003.

Comparison with illustrative income statement for period ended 31 December 2003

	<u>Actual</u> FY2004/05 1.4.2004 to 31.12.2004 S\$M	<u>Illustrative Income Statement</u> FY2003/04 1.4.2003 to 31.12.2003 S\$M	Change %
Operating revenue	54.5	67.8	-19.6
Other operating income	0.7	0.5	45.7
Operating expenses	(26.7)	(33.3)	-19.9
Profit from operations	28.5	35.0	-18.4
Finance expense - net	(13.7)	(7.4)	85.4
Share of results of associated companies before tax	0.3	0.1	106.9
Profit before tax	15.1	27.7	-45.5
Profit after tax	11.5	22.2	-48.3

The Group's operating revenue for the period ended 31 December 2004 of S\$54.5M was 19.6% lower compared to the illustrative nine-month period ended 31 December 2003. As described in "Comparison with actual period ended 31 December 2003" above, the distribution of 2003/04 SPD had been substantially completed by the end of December 2003 and thus the full 2003/04 SPD revenue was recognised for the illustrative period ended 31 December 2003 as if the Group had been in place since 1 April 2003. The lower operating revenue, which could be attributed mainly to SPD, was largely the result of the adverse impact of the after effect of SARS during the canvass period and the cost reduction initiatives of the Singapore Government that resulted in reduced advertising expenditure by its agencies and the lower distribution rate of 2004/05 SPD as also described in "Comparison with illustrative income statements Q3 FY2003/04" above.

Operating expenses of S\$26.7M were 19.9% lower than that in the illustrative comparative period principally due to lower printing and material costs, staff costs and selling and administrative expenses recorded. Lower printing and material costs and staff costs were recognised proportionately to the lower SPD advertising revenue, given these were the main components of direct costs for SPD revenues. The lower staff costs were also due to lower staff head count. Selling and administrative expenses decreased mainly because of lower doubtful debts provisioning during the period under review and the professional services costs during the corresponding period in relation to the business acquisition.

The resulting profit from operations of S\$28.5M was 18.4% lower than the comparative period. The operating profit margin of 52.3% was marginally higher than the corresponding period's 51.6%.

The Group's profit after tax of S\$11.5M was lower than last year by 48.3% mainly because of the lower profit from operations and higher net finance expense (as explained in "Comparison with actual period ended 31 December 2003" above). These were partially offset by lower tax expense due to lower taxable profits.

(9) Where a forecast, or a prospect statement, has been previously disclosed to shareholders, any variance between it and the actual results.

The results for the period are generally in line with the guidance provided in the "Prospects" section included in the Management's Discussion and Analysis of Financial Condition and Results of Operations of the Company's Prospectus dated 22 November 2004 issued for the purpose of its Initial Public Offering.

(10) A commentary at the date of the announcement of the significant trends and competitive conditions of the industry in which the group operates and any known factors or events that may affect the group in the next reporting period and the next 12 months.

For the last quarter of this financial year, barring any unforeseen circumstances, we do not expect any significant exceptional "one-off" revenue or expense items to be recorded. Hence, the Group's advertising revenue and profit from operations for the year ending 31 March 2005 will be lower than the proforma advertising revenue and profit from operations for the year ended 31 March 2004, as provided in the Prospectus dated 22 November 2004. We also reaffirm our dividend policy as stated previously, of a dividend pay-out of approximately 100% of the Company's profit after tax, and we expect to recommend a special dividend of S\$8.4 million for the year ending 31 March 2005, payable from the retained earnings of the Company. This special dividend is to address the one-time, non-cash impact on our profit after tax for the year from an unamortized deferred financing charge arising from the repayment of our bank loan in September 2004 as well as the impact of the interest on loan from holding corporation which will not recur as the loan from holding corporation has been repaid in December 2004.

The various growth initiatives put in place in 2004 are at various stages of implementation. The door-to-door delivery of the Buying Guide and Commercial & Industrial Guide will take place this year for the 2005/06 edition of the directories. We envisage that it will take more than one canvass cycle for the full benefits, in terms of revenue improvement, of the growth initiatives to be realised.

For the current canvass (Sep 2004 – Apr 2005), the revenue of which will be recognised in FY2005/06, the number of new accounts signed up as at 31 December 2004 has increased by more than 50% over the same period last year. This is also 60% of the total number of new accounts acquired in last year's canvass. However, these results should not be taken as indication of final canvass performance as the company has devoted the first three months of this year's canvass exclusively to the acquisition of new accounts. This is unlike last year where acquisition of new accounts and renewal of existing accounts were carried out concurrently throughout the whole canvass. It is expected that the acquisition rate of new accounts will slow down in the remaining few months as the focus of the canvass shifts to renewal of existing accounts. It is also important to note that total revenue from new accounts only make up about ten percent of the total Singapore Phone Directories revenue.

Because of the deliberate plan to devote the initial phase of the canvass to new accounts acquisition, the number of existing accounts renewed as of the end of December 2004 was correspondingly lower than that of the same period last year. With four more months to the close of the current sales canvass, there is sufficient time to renew the existing accounts. It is still too early to draw any conclusions on the final outcome of the whole canvass and the corresponding impact on FY 2005/06 financial results because at least half of the advertising contracts are usually completed only in the last two months of the canvass.

The Internet Yellow Pages (IYP) has shown encouraging improvements. The number of accounts has increased by about 250% over the same quarter last year, and by more than 80% compared to the nine months ended 31 December 2003. Advertising revenue has increased by a smaller amount, as the average revenue per account (ARPA) was lower and also because IYP revenue is recognised rateably over the contracted advertising period. As for the portal enhancement, we are on track with our plans. The usage of the IYP and demand of on-line searches has continued to increase. We have launched the stand-alone Chinese language version of IYP (Singapore). We have also added new and improved "Refined Search" features for selected industries. This initiative is still "work-in-progress" as we are constantly building and expanding the database for refined search services. Since the revamp of the portal in the third quarter, the average number of monthly searches on IYP has increased by 32% over the same quarter last year and by 22% over the nine months ended 31 December 2003.

(11) Dividends

Not applicable.

(12) If no dividend has been declared (recommended), a statement to that effect.

No dividends have been declared or recommended for the three-month and nine-month periods ended 31 December 2004.