



Yellow Pages (Singapore) Limited

Company Registration Number: 200304719G

Press Release

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) Group's unaudited results
for the third quarter and nine months ended 31 December 2004**

- *Internet Yellow Pages shows strong potential*
- *Dividend payout on track*

Singapore, 14 February 2005 – Yellow Pages (Singapore) Limited (YPS) today announced its unaudited results for the third quarter and nine months ended 31 December 2004.

Summary

	<u>Actual</u>	<u>Illustrative</u> <u>Income</u> <u>Statement</u>		<u>Actual</u>	<u>Illustrative</u> <u>Income</u> <u>Statement</u>	
	FY2004/05	FY2003/04		FY2004/05	FY2003/04	
	3rd Qtr	3rd Qtr	Change	1.4.2004 to	1.4.2003 to	
	S\$M	S\$M	%	31.12.2004	31.12.2003	Change
				S\$M	S\$M	%
Operating revenue	8.9	11.7	-24.1	54.5	67.8	-19.6
Other operating income	0.2	0.3	-8.0	0.7	0.5	45.7
Operating expenses	(5.9)	(6.6)	-10.0	(26.7)	(33.3)	-19.9
Profit from operations	3.2	5.4	-40.6	28.5	35.0	-18.4
Finance expense - net	(2.8)	(3.8)	-24.5	(13.7)	(7.4)	85.4
Share of results of associated companies before tax	0.2	0.1	82.2	0.3	0.1	106.9
Profit before tax	0.6	1.7	-66.3	15.1	27.7	-45.5
Profit after tax	0.6	1.3	-52.2	11.5	22.2	-48.3

As the business, certain assets and liabilities of SingTel Yellow Pages Pte Ltd (presently known as SingTel Interactive Pte Ltd) were acquired 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.

Q3 FY2004/05 operating revenue within expectations

The bulk of the Group's operating revenue for Q3 FY2004/05 came from advertising sales in the 2004/05 Singapore Phone Directories (SPD) that was undertaken in the sales canvass from September 2003 to April 2004. In accordance with the Group's accounting policy, part of this revenue was recognised in Q3 FY2004/05 based on the number of directories distributed during the quarter. As at 31 December 2004, not all the directories had been distributed and hence not all of the 2004/05 SPD revenue can be recognised, whereas the full 2003/04 SPD revenue was recognised by 31 December 2003. Hence, the gap between current year's and last year's revenue will narrow as the remaining revenue from the 2004/05 SPD is recognised in the next quarter.

The Group recorded operating revenue of S\$8.9 million for Q3 FY2004/05, and S\$54.5 million for the nine months ended 31 December 2004. The quarter's operating revenue is down 24% from S\$11.7 million in the same quarter last year, and down 19.6% compared to the nine months ended 31 Dec 2003. This is mainly due to the timing difference as explained in the preceding paragraph, and the after-effects of SARS which dampened business sentiment during the sales canvass period from September 2003 to April 2004.

Profit from operations was S\$ 3.2 million for the quarter and S\$28.5 million for the nine months ended 31 December 2004. These were 40.6% lower than the same quarter last year and 18.4% lower than the nine months to 31 December 2003. The lower profit from operations was mainly the result of lower operating revenue as explained in the preceding paragraphs.

Encouraging improvements in Internet Yellow Pages

The Internet Yellow Pages (IYP) has shown encouraging improvement, with the number of advertisers growing more than 250% over the same quarter last year and by more than 80% compared to the nine months ended 31 December 2003. Usage of the portal has also increased more than 30% over the same quarter last year and 8% over the same nine-month period last year. 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 advertising period.

Outlook

The Group does not expect any exceptional one-off revenue or expenses to be recorded in the last quarter of this financial year. 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, in line with the previous guidance.

Mr Goh Sik Ngee, Chairman and CEO of YPS said: "We are on track to delivering on the dividend promise made during our IPO. We reaffirm our commitment to a dividend pay-out of approximately 100% of our profit after tax, as well as our intention to recommend a special dividend of S\$8.4 million for the year ending 31 March 2005, payable from our retained earnings."

"We are committed to the various growth initiatives put in place in 2004, some of which are showing promising results although we envisage that it will take more than one canvass cycle for the full benefits in terms of revenue improvements of the growth initiatives to be realized. 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."

For the current canvass (Sep 2004 – Apr 2005), the revenue of which will be recognized 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 the 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 form only about ten percent of the total revenue from the Singapore Phone Directories.

As a result of the deliberate plan to devote the initial phase of the canvass to new accounts acquisition, the number of existing accounts renewed as of 31 December 2004 is 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.

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About Yellow Pages (Singapore) Limited

Yellow Pages (Singapore) is the leading publisher of telephone directories as well as the largest provider of classified directory advertising and associated products and services in Singapore.

Its principal activity is the sale of advertising in, and the publication of, classified directories including the Singapore Phone Directories. Yellow Pages (Singapore) also offers related products and services, including the Internet Yellow Pages (www.yellowpages.com.sg), an operator-assisted telephone search service – CitySearch 1900 7-777-777, and database marketing services.

For further information, please visit www.yellowpages.com.sg/ypinfo

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