



Yellow Pages (Singapore) Limited

Company Registration Number: 200304719G

NEWS RELEASE

YELLOW PAGES (SINGAPORE) POSTS INTERIM NET PROFIT OF S\$12.1M

1HFY07 Financial Highlights

- **FY2007 SPD canvass grew 0.7% to S\$51.04 million**
- **Revenue declined 8.9% to S\$38.9 million due to timing difference in revenue recognition**
- **Profit Before Tax of S\$15.2 million**
- **Net Profit of S\$12.1 million**
- **Earnings per share of 7.64 Singapore cents**
- **Proposed interim dividend of 3.5 Singapore cents per ordinary share**

Singapore, November 9, 2006 – Yellow Pages (Singapore) Limited (“YPS” or the “Group”), Singapore’s largest publisher of directories and provider of classified directory advertising and associated products and services, today reported a revenue decline of 8.9% to S\$38.9 million in the half-year under review due to timing difference in revenue recognition. On a normalised basis, an additional S\$3.6 million of revenue would have been recognised, bringing revenue for the six months ended 30 September 2006 (“1HFY07”) to S\$42.5 million, compared to S\$42.7 million for the same period last year. Net profit for 1HFY07 was S\$12.1 million, compared to a net profit of S\$16.3 million for the same period last year. On a normalised basis, net profit for 1HFY07 would have been S\$14.0 million.

The Group recognises revenue for directories on the basis of their distribution. The bulk of the Group’s revenue is typically recognised in the second quarter of the financial year when the Singapore Phone Directories (“SPD”) are distributed.

Mr Goh Sik Ngee, CEO of Yellow Pages (Singapore), said, "As previously announced, we have effectively reversed the declining SPD revenue trend by achieving a 0.7% sales growth for the 2006/07 edition. The Group's interim results, allowing for delays in income recognition due to a lower distribution rate of the SPD, are in line with internal expectations. Had the rate of distribution been the same as the corresponding period last year, an additional revenue of S\$3.6 million would have been recognised. This would have resulted in S\$42.5 million of revenue for 1HFY07, which includes contributions from SPD and other niche products. This is comparable to the same period last year."

The Internet Yellow Pages ("IYP") business recorded a strong 85.1% year-on-year increase in revenue contribution, which partially offset the decline in SPD and Singapore Infocomm Directory (SID) revenues. Unlike directories' income, IYP revenues are recognized throughout the year over the contract duration.

During the period under review, total expenses increased 5.0% to S\$25.5 million in 1HFY07 from S\$24.3 million in 1HFY06. The increase in direct costs was largely attributed to higher employee benefits as well as an increase in other expenses to strengthen the Group's sales and marketing units and the lower write-back of doubtful debts provision in the period under review.

The Board of Directors has proposed a tax exempt (one-tier) interim dividend of 3.5 cents per ordinary share.

Outlook

To accelerate the growth of its IYP, the Group is making further investments, especially in its Sales and Marketing functions and its online business – in both capital and operating expenditure.

The Group recently announced plans to invest more than S\$1 million to upgrade its online capabilities, including the acquisition of the state-of-the-art search engine. As a result, the Group's planned capital expenditure in FY2007 is expected to increase to between S\$2.5 million and S\$3.0 million, from S\$1.1 million in FY2006. Operational

investments, mainly in specialised IT and sales personnel would be on-going, varying in line with market conditions.

Mr Goh said, "With higher costs and lower write-backs of provisions, earnings for FY2007 will be lower compared to FY2006. However, we are confident that our investments to upgrade the Group's IYP capabilities will position the Group with a world class Internet product in future.

In addition, the Group also intends to explore merger and acquisition opportunities which fit its skills set and better geographic footprint."

Given the Group's current cash position and the results of the recently concluded FY2007 SPD, the Board anticipates, barring any exceptional events, that the full year dividend for FY2007 is likely to be 7.5 cents per share.

Mr Goh added: "The Board aims to provide shareholders with a predictable return from its solid directories business and seeks to make YPS a steady growth, low risk business."

About Yellow Pages (Singapore) Limited

Established in 1967, Yellow Pages (Singapore) Limited is the largest publisher of directories and provider of classified directory advertising and associated products and services in Singapore. The Company maintains, develops and updates extensive classified databases of information on businesses, the core of which are small and medium-sized enterprises in Singapore.

The Company's principal activities are in the sale of advertising in, and the preparation and publication of classified directories that connect businesses to businesses (B2B) and businesses to consumers (B2C). The Company also offers related products and services, including on-line products and services, an operator-assisted telephone

search service and database marketing services. In addition, the Company publishes and distributes specialized or niche directories and guides.

The Company was listed on the SGX-ST on 9 Dec 2004.

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

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