



Yellow Pages (Singapore) Limited

Company Registration Number: 200304719G

NEWS RELEASE

YELLOW PAGES (SINGAPORE) REPORTS 1QFY08 NET LOSS OF S\$2.7 MILLION

- **Seasonality in revenue recognition accounts for loss**
- **Group revenue increases 71.4%, driven mainly by Internet Yellow Pages and niche publications**

Singapore, August 14, 2007 – In view of seasonality in revenue recognition, Yellow Pages (Singapore) Limited (“YPS” or the “Group”), Singapore’s largest publisher of telephone directories and provider of classified directory advertising and associated products and services, reported a smaller net loss of S\$2.7 million for the first quarter ended June 30, 2007 (“1QFY08”), which was a marginal 3.2% improvement over the loss of S\$2.8 million for the same quarter last year.

The Group recognises revenue for print directories according to the rate of distribution. Therefore, the bulk of the revenue from the Singapore Phone Directories (“SPD”) is typically recognised in the second and third quarters of the financial year when distribution of directories takes place. Hence, the first quarter of the financial year typically registers a low level of revenue and a small loss.

For 1QFY08, Group revenue increased 71.4% to S\$2.0 million. This was mainly driven by increased revenue from Internet Yellow Pages (“IYP”) and niche publications. Revenue contribution from IYP surged 77.9% to \$1.0 million in the quarter under review. As for niche publications, besides an increase in advertising sales, the increase in revenue was also partly due to a higher distribution rate for the Singapore Infocomm Directory (“SID”) compared to the corresponding quarter last year.

During the quarter under review, total expenses rose 13.3% from S\$5.8 million to S\$6.6 million. This was mainly attributed to higher printing and material costs, increase in employee benefits, and expenses relating to the Extraordinary General Meeting.

As a result, despite strong revenue growth, the Group reported a loss after tax of S\$2.7 million in 1QFY08, albeit a marginal improvement over the corresponding quarter last year.

Outlook

YPS recently announced the results of its FY2008 Singapore Phone Directory (“SPD”) canvass, which took place from September 2006 to June 2007. The Group reported a total sales contract value of S\$49.2 million for its FY2008 SPD canvass which is 5.0% lower than the sales contract value of S\$51.7 million achieved for the previous year’s canvass.

For FY2008, YPS’ number of advertising accounts for the SPD fell 5.5% to 11,304 advertisers compared to 11,956 advertisers in the last canvass the previous year. Advertiser retention rate declined from 79.9% to 76.9%.

Mr Goh Sik Ngee, CEO of Yellow Pages (Singapore), said, “It was disappointing that we were not able to maintain the positive trend achieved in the previous SPD canvass. While print directories remain the Group’s core business, the healthy growth of our IYP revenues in the quarter under review has demonstrated its potential to be a significant growth driver for the Group.

“Unlike print directories which are canvass-based, IYP revenues accrue throughout the year and would contribute to partially offsetting the seasonality in revenue recognition. We are confident that our growing IYP sales contracts could contribute more significantly to the Group’s revenue in the current financial year and beyond.”

About Yellow Pages (Singapore) Limited

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

The Group'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) in both print and digital form. The Group's Internet Yellow Pages (IYP) is the most comprehensive online directory in Singapore and was ranked as the #1 website in the Business and Finance category – Business Directories 2006 in the Hitwise Singapore Online Performance awards programme.

In March 2007, the Group successfully blazed a new trail with the soft launch of its enhanced IYP and Mobile Yellow Pages (MYP). MYP is Singapore's first mobile directory that allows users to access shopping, dining and business information on their mobile phones.

The Group was listed on SGX-ST on December 9, 2004.

For further information, please visit www.yps.com.sg

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