



Yellow Pages (Singapore) Limited

Company Registration Number: 200304719G

NEWS RELEASE

YELLOW PAGES (SINGAPORE) REPORTS NET PROFIT OF S\$17.1 MILLION FOR 9MFY2007

9MFY2007 Financial Highlights

- **Posts revenue growth of 8.5% to S\$55.8 million**
- **Profit Before Tax increased 2.5% to S\$21.5 million**
- **Net Profit of S\$17.1 million**
- **Earnings per share of 10.79 Singapore cents**
- **Board maintains commitment to a 100% payout policy**

Singapore, February 6, 2007 – 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 net profit of S\$17.1 million on the back of an 8.5% growth in revenue to S\$55.8 million for the nine months ended 31 December 2006 (“9MFY2007”).

The Group recognises revenue for directories according to the rate of distribution. The Group’s higher revenue in 9MFY2007 was mainly attributed to the timing difference in the recognition of revenue from the 2006/2007 edition of the Singapore Phone Directories (“SPD”) and higher revenue from Internet Yellow Pages (“IYP”). The Group completed the distribution of the 2006/2007 SPD in the third quarter of FY2007, whereas in the previous year, the distribution of the 2005/2006 SPD was only completed in the fourth quarter of FY2006. Therefore, the Group fully recognised the total sales contract value of S\$51.04 million for the 2006/2007 SPD as revenue in the third quarter of FY2007.

For 9MFY2007, revenue from IYP surged 80.8% year-on-year to reach S\$1.9 million.

During the nine-month period under review, total expenses increased 13.1% to S\$36.6 million from S\$32.4 million in the previous corresponding period. The increase in expenses was largely attributed to higher printing and material costs, employee benefits and other expenses primarily due to more revenue being recognised, and investments in training and coaching to strengthen the Group's sales and marketing units.

As a result, net profit for 9MFY2007 was S\$17.1 million. As at December 31, 2006, earnings per share was 10.79 cents and net asset value was at 70.49 cents.

Progress Report of the FY2008 SPD Canvass

The Group kicked off its sales canvass for the 2007/2008 SPD (Sep 2006 – Apr 2007) in the latter part of September 2006. As at 26 January 2007 (Week 19 of the canvass cycle), the Group's sales contract value increased 1.8% to S\$19.3 million, compared to S\$19.0 million achieved during the same period last year.

During the canvass period under review, the average contract value for the SPD grew 4.1% from S\$4,981 to S\$5,183. The number of advertisers contracted was 3,724 during the canvass period under review, compared to 3,805 in the previous corresponding period.

The Group's IYP business continued to achieve good growth in the first nine months of FY2007. For the period under review, sales contracts secured jumped 69.3% to S\$2.58 million, compared to \$1.53 million achieved during the same period last year. The Group's efforts to acquire new advertisers in its IYP business have started to pay off. The number of IYP accounts contracted rose 17.8% from 2,171 to 2,558.

Outlook

The Group has announced plans to invest more than S\$1 million to upgrade its online capabilities, including the recently completed acquisition of Endeca, a state-of-the-art search engine. As a result, the Group's capital expenditure in FY2007 is expected to increase to S\$2.1 million, up from S\$1.1 million in FY2006.

Mr Goh said, "While we have effectively reversed the declining revenue trend since FY1998, we will continue to make investments, particularly in our Sales and Marketing functions and online business, to strive for further improvement. 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."

The Group expects to launch the new IYP product with appropriate advertising and promotion in the next few months, in line with earlier plans.

Historically, revenue from the SPD accounts for approximately 90% of the Group's full-year revenue. With the FY2007 SPD sales contract value of S\$51.04 million fully recognised by the third quarter of FY2007, the Group expects to record higher losses in the fourth quarter as compared to the corresponding period last year. As announced previously in the Group's interim results, with higher costs and lower write-backs of provisions, the Board expects earnings for FY2007 to be lower compared to FY2006.

The Board is committed to maintaining a 100% payout policy. Given its cash position and the results of the FY2007 SPD canvass, the Group had earlier paid an interim dividend of 3.5 cents per share, and the Board anticipates, barring any exceptional events, that the full-year dividend for FY2007 is likely to be 7.5 cents per share.

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 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 is also the only publisher awarded the Singapore Land Authority licensing rights to publish the Singapore street directory.

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). The Group 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 Group publishes and distributes specialised or niche directories and guides.

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

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

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