

Yellow Pages (Singapore) Limited

Company Registration Number: 200304719G

NEWS RELEASE

YELLOW PAGES (SINGAPORE) RECORDS INTERIM NET PROFIT OF S\$11.5 MILLION FOR 1HFY2008

- Revenue increased 10.3% to S\$42.9 million
- Profit Before Tax of S\$14.0 million
- Net Profit of S\$11.5 million
- Earnings per share of 7.28 Singapore cents
- Fair value loss of S\$2.6m recognised for forward forex contracts
- Proposed interim dividend of 1.0 Singapore cent per ordinary share

Singapore, 13 November 2007 – 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, today reported a revenue improvement of 10.3% to S\$42.9 million for the six months ended 30 September 2007 (“1HFY2008”) under review, due to the difference in distribution rates of the Singapore Phone Directories (“SPD”) compared to the corresponding period last year and an increase in revenue from its Internet Yellow Pages (“IYP”) business.

The Group recognises revenue for print directories according to the rate of distribution. Therefore, the bulk of the Group’s revenue is typically recognised in the second quarter of the financial year when the SPD are distributed.

On a normalised basis, i.e., had the same rate of distribution of the SPD been achieved as last year, the Group’s 1HFY2008 revenue recognised would have been lower by S\$4.9 million. Net profit for 1HFY2008 was S\$11.5 million, compared to a net profit of S\$12.1 million for the same period last year. On a normalised basis, net profit for 1HFY2008 would have been S\$8.9 million.

For the half-year under review, the Group's IYP business registered a strong 78.6% year-on-year increase in revenue contribution. Unlike directories' income, IYP advertising solutions are sold and revenue is recognised throughout the year.

The Group has forward foreign exchange contracts to hedge against directory paper purchases denominated in USD. These forward foreign exchange contracts qualified for cash flow hedge accounting under the Financial Reporting Standards ("FRS"). The associated losses arising from change in fair values were then accounted for within reserves on the balance sheet.

The Group has sufficient paper stock for printing next year's publications and has decided against additional paper purchases for FY2009 publications. Commitments to purchase paper in subsequent years have not yet been made. As such, the Group recognised a fair value loss of S\$2.6 million for its forward foreign exchange contracts. This loss is included in other (losses)/gains (net) in the Income Statement for the half-year under review.

The Group has decided that all forward hedge contracts must meet actual needs. Accordingly, it has since taken steps to unwind its forward foreign exchange contracts denominated in USD and will realise a total loss of S\$3.4 million after closing all its positions on 12 November 2007. After recognising S\$2.6 million fair value loss in 2QFY2008, a further loss of approximately S\$0.8 million will be taken in 3QFY2008. There will be no further losses arising from current outstanding forward foreign exchange contracts as all positions are now closed.

For 1HFY2008, total expenses increased 9.4% to S\$27.7 million. The increase was largely attributed to higher printing and material costs, increased staff costs as well as distribution expenses rising in tandem and matched against the higher revenue recognised.

The Board of Directors has proposed a tax exempt (one-tier) interim dividend of 1.0 cent per ordinary share.

Outlook

Having reported in July 2007 a 5% lower sales contract value of S\$49.2 million for the FY2008 SPD canvass, the Group expects its full-year results for FY2008 to be lower than that of FY2007.

Following the Group's AGM held on 31 August 2007, the Group is gearing up to continue its renewal programme which had already commenced at the Board level. The Board of Directors recently announced the appointment of local advertising industry veteran, Mr Danny Chow, as Chief Executive Officer of Yellow Pages to lead the Group's management team with effect from 15 October 2007.

Yellow Pages' Chairman, Mr Victor Ang said: "Yellow Pages is at an important crossroad in its 40-year history in Singapore. With its renewal programme underway, the Board and the management team will now embark on the re-engineering of Yellow Pages' existing business. "

Mr Chow said: "Yellow Pages is a valued brand name in Singapore. Consumers have long come to associate Yellow Pages with print directory search services. Plans are in the pipeline to raise awareness of our transformation into a multi-platform directory search and advertising solutions provider in Singapore. To do so, the Group plans to boost promotional expenditures and launch an advertising and promotion campaign to strengthen the Yellow Pages brand name."

Moving forward, Mr Chow is looking at the restructuring of the existing core business of print publishing and fast-tracking the growth of the digital business. As part of this exercise, he will be presenting an interim plan to shareholders before the end of this calendar year. This will include highlighting plans of new products and the re-design of existing products. It will also set forth the preliminary plans on setting the Group on a growth path again. This will entail additional investments and as a result the Board has decided to review the Group's dividend policy going forward.

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.

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

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

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