



Yellow Pages (Singapore) Limited

Company Registration Number: 200304719G

NEWS RELEASE

YELLOW PAGES REPORTS NET LOSS OF S\$2.4 MILLION FOR 1QFY2009

- **First quarter loss arises from seasonality in revenue recognition**
- **Group revenue boosted by healthy growth from Internet Yellow Pages**

Singapore, August 14, 2008 - 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 announced its results for the first quarter ended June 30, 2008 (“1QFY2009”). Group net loss was S\$2.4 million, on the back of Group revenue of S\$3.8 million.

The Group has changed its revenue recognition policy with effect from FY2009, and the results of the last quarter have been restated accordingly for comparison purposes. Previously, revenue was recognised in the respective month of the Singapore Phone Directories (“SPD”) distribution to users, based on the number of copies distributed. The SPD, which is the major contributor to the Group’s revenue, used to be distributed, and its revenue recognised in the second and third quarters of Yellow Pages’ financial year. With the adoption of the new revenue recognition policy, the Group will now recognise most of its revenue in the third quarter of each financial year when the SPD is fully distributed, which results in the other quarters typically recording a net loss.

Mr Danny Chow, CEO of Yellow Pages, said: “Under this new policy, the Group will recognise revenue from the sale of advertising space in printed directories as well as all its direct and incremental costs incurred during production after the completion of distribution of our print directories to users. We believe that this policy provides more relevant information, resulting in greater comparability in analysing the Group’s quarterly financial results year-on-year. It will also ease the understanding and interpretation of the Group’s quarterly financial results.”

The 7.4% decline in Group revenue to S\$3.8 million was due mainly to lower revenue contribution from a niche publication, and timing difference in the revenue recognition for another niche publication. However, the decline in Group revenue was partially offset by the sustained growth momentum of its Internet Yellow Pages (“IYP”), which grew by 31.1% to reach S\$1.3 million in 1QFY2009.

Mr Chow said: “Our efforts to fast-track our IYP business through continuous upgrades and database enhancements have been rewarding. Our IYP continues to grow, testifying to the growing popularity of our IYP platform as the digital platform of choice. With our continuous efforts to improve IYP, we believe that our digital platforms will be able to contribute significantly in the years ahead.”

During the quarter under review, the Group’s total expenses decreased by 11.5% to S\$7.2 million due to a decline in staff costs and other expenses. Share of results of associated companies registered a S\$0.1 million loss, as compared to a gain of S\$0.8 million in the previous quarter, due mainly to timing difference in the revenue recognition for a major publication that had not yet been fully distributed. Excluding the share of results of associated companies, the Group would have recognised a smaller net loss of S\$2.3 million, an improvement of 21.3% as compared to the corresponding quarter last year.

Outlook

The Group recently announced the results of its FY2009 SPD canvass, which took place from September 2007 to June 2008. Total sales contract value secured was S\$47.6 million, which is 3.1% lower than the sales contract value of S\$49.1 million achieved for the previous year’s canvass.

Said Mr Chow: “The cautious economic outlook globally looks set to persist, with ongoing inflationary pressure fears and the anticipation of further bad news from the US.

“Nevertheless, the Group will continue to focus on growing our print directories revenue while fast-tracking the growth of its digital platforms. Besides introducing print products to tap the vibrant tourism sector, we have initiated discussions with grassroots organisations and government-associated infocomm groups on possible collaborations to launch new products and services. We will also proactively explore the provision of value-added services to encourage our small and medium enterprise (“SME”) customers to target niche groups via our print and online platforms.”

Recently, the Group made two acquisition announcements pertaining to Global Magazines Pte. Ltd. (“Global Magazines”) and Cityneon Holdings Limited (“Cityneon”), which will increase the Group’s revenue streams. With the acquisition of Global Magazines, the Group has made headway into the business of magazine publishing, which is in line with the Group’s growth strategy to be a leading multi-platform integrated directory search and advertising solutions provider.

The intended acquisition of Cityneon, a leading player in the exhibition and event management industry here, will further support the Group’s growth strategy, and will place the Group well to capitalise on the expected strong growth in Singapore’s meetings, incentives, conventions and exhibitions (“MICE”) and tourism industries.

Concluded Mr Stanley Tan, Yellow Pages’ newly-appointed Chairman: “We have always been proactively seeking synergistic collaborations to increase our revenue streams and result in win-win situations for the Group and our partners. Through these strategic acquisitions, we can better leverage on our proprietary comprehensive database and trusted Yellow Pages brand name to maximise returns for both the company and our valued shareholders.”

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, in the Hitwise Singapore Online Performance awards programme in 2006 and 2007.

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

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

ISSUED ON BEHALF OF	:	Yellow Pages (Singapore) Limited
BY	:	Citigate Dewe Rogerson, i.MAGE Pte Ltd 1 Raffles Place #26-02 OUB Centre SINGAPORE 048616
For CDRi.MAGE		
CONTACT	:	Ms Chia Hui Kheng / Ms Karin Xiao at telephone
DURING OFFICE HOURS	:	6534-5122 (Office)
AFTER OFFICE HOURS	:	9781-5913 / 9827-5226 (Handphone)
EMAIL	:	huikheng.chia@citigatedrimage.com karin.xiao@citigatedrimage.com
For Yellow Pages		
CONTACT	:	Mr Alan Siow / Mr Sean Tan at telephone
DURING OFFICE HOURS	:	6351-1388 / 6351-1628 (Office)
FAX	:	6351-1389 / 6351-1800
EMAIL	:	alan.siow@yellowpages.com.sg cetan@yellowpages.com.sg

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