

Yellow Media Inc. Mails Management Proxy Circular for Meetings to Approve the Recapitalization

Montréal (Québec), August 3, 2012 — Yellow Media Inc. (TSX: YLO) announced today that it has initiated the mailing of the management proxy circular (the "Circular") with respect to the proposed recapitalization transaction announced on July 23, 2012 (the "Recapitalization"). The Circular contains extensive details on the Recapitalization and certain related matters, including the voting procedures. The Circular is also available on the Company's website at www.ypg.com and has been filed on SEDAR at www.sedar.com.

In accordance with the interim order granted by the Québec Superior Court on July 23, 2012, Yellow Media will hold and conduct, on Thursday September 6, 2012, at the Palais des Congrès, 1001 Place Jean-Paul-Riopelle, Room 510, Montreal, Québec, (i) a meeting of the affected unsecured debtholders of the Company, comprising of the credit facility lenders, the holders of the medium term notes and the holders of convertible debentures that have elected to opt-out of the shareholder vote, which will begin at 11:00 a.m. (Montreal time), and (ii) a meeting of the shareholders of the Company, comprising of the holders of preferred shares and common shares and the holders of the convertible debentures that have not elected to opt-out of the shareholder vote, which will begin at 11:30 a.m. (Montreal time) (collectively, the "Meetings"), in both cases to consider the approval of the plan of arrangement under the *Canada Business Corporations Act* implementing the Recapitalization. The Company's credit facility lenders and holders of medium term notes, convertible debentures, preferred shares and common shares of record at the close of business on July 24, 2012, will be entitled to receive notice of, and vote at, the Meetings.

Following the unanimous favourable recommendation of the Financing Committee and based on, among other things, the fairness opinions of BMO Capital Markets and Canaccord Genuity, the Company's financial advisors, the Board of Directors of Yellow Media has unanimously determined that the Recapitalization is in the best interests of the Corporation, taking into account the interests of stakeholders, and recommends that that Company's credit facility lenders and holders of medium term notes, convertible debentures, preferred shares and common shares vote in favour of the Recapitalization.

Further Information

Further information about the Recapitalization is available on SEDAR (www.sedar.com) and the Company's website (www.ypg.com).

A Questions & Answers document specific to the Recapitalization is also available on the Company's website.

About Yellow Media Inc.

Yellow Media Inc. (TSX: YLO) is a leading media and marketing solutions company in Canada. The Company owns and operates some of Canada's leading properties and publications including Yellow Pages™ print directories, YellowPages.ca™, Canada411.ca and RedFlagDeals.com™. Its online destinations reach approximately 8 million unique visitors monthly and its mobile applications for finding local businesses and deals have been downloaded more than 4 million times. Yellow Media Inc. is also a leader in national digital advertising through Mediative, a digital advertising and

marketing solutions provider to national agencies and advertisers. For more information, visit www.ypg.com.

Caution Concerning Forward-Looking Statements

This press release contains forward-looking statements about the objectives, strategies, financial conditions, results of operations and businesses of the Company. These statements are forward-looking as they are based on our current expectations, as at August 3, 2012, about our business and the markets we operate in, and on various estimates and assumptions. Our actual results could materially differ from our expectations if known or unknown risks affect our business, or if our estimates or assumptions turn out to be inaccurate. As a result, there is no assurance that any forward-looking statements will materialize. Risks that could cause our results to differ materially from our current expectations are discussed in section 6 of our February 9, 2012 Management's Discussion and Analysis. We disclaim any intention or obligation to update any forward-looking statements, except as required by law, even if new information becomes available, as a result of future events or for any other reason. The implementation of the Recapitalization is subject to a number of conditions provided in the plan of arrangement under the Canada Business Corporations Act, including, without limitation, court and any required regulatory approvals (including stock exchange approvals). The implementation of the Recapitalization is also subject to a number of other risks and uncertainties, including, without limitation, those described in the section "Risk Factors" of the Company's management proxy circular dated July 30, 2012 prepared in connection with the Meetings. Accordingly, there can be no assurance that the Recapitalization will occur. The Recapitalization could be modified, restructured or terminated.

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