

Recapitalization Transaction
Estimated Proceeds of Disposition for Canadian Income Tax Purposes

As described in the Management Proxy Circular dated July 30, 2012 (page 226 and ss.) (the “**Circular**”) and subject to the statements made therein, Yellow Media Limited’s recapitalization transaction (the “**Recapitalization**”) is considered a disposition for Canadian income tax purposes.

The Recapitalization was implemented and made effective on December 20, 2012 (the “**Effective Date**”). All undefined terms hereafter shall have the meaning ascribed to them in the Circular.

The following table presents the consideration received by holders of Existing Notes, Existing Convertible Unsecured Subordinated Debentures, and Existing Shares (collectively, the Existing Preferred Shares and the Existing Common Shares) pursuant to the Recapitalization.

	Cash (\$)	Senior Secured Notes (\$)	Senior Sub. Exch. Debentures (\$)	New Common Shares (#)	Warrants (#)
\$1,000 face value of Existing Notes	145.644814	451.498923	58.257925	13.435995	—
\$1,000 face value of Existing Convertible Unsecured Subordinated Debentures	—	—	37.675190	2.500891	2.433753
100 Existing Preferred Shares (other than Existing Preferred Shares, series 7)	—	—	—	6.252229	3.572702
100 Existing Preferred Shares, series 7	—	—	—	1.875669	1.071811
100 Existing Common Shares.....	—	—	—	0.500178	0.285816

A holder’s proceeds of disposition of the Existing Notes on their exchange for cash, Senior Secured Notes, Senior Subordinated Exchangeable Debentures and New Common Shares is an amount equal to the aggregate of the cash and the fair market value, on the Effective Date, of the Senior Secured Notes, Senior Subordinated Exchangeable Debentures and New Common Shares received on the Effective Date.

A holder’s proceeds of disposition of the Existing Convertible Unsecured Subordinated Debentures on their exchange for Senior Subordinated Exchangeable Debentures, New Common Shares and Warrants is an amount equal to the aggregate of the fair market value, on the Effective Date, of the Senior Subordinated Exchangeable Debentures, New Common Shares and Warrants received on the Effective Date.

A holder’s proceeds of disposition of the Existing Shares on their exchange for New Common Shares and Warrants is an amount equal to the aggregate of the fair market value, on the Effective Date, of the New Common Shares and Warrants received on the Effective Date.

As an indication of the fair market value of each Senior Subordinated Exchangeable Debenture, New Common Share and Warrant, as the case may be, the listed closing price (in Canadian dollars) on the Effective Date was as follows:

Senior Subordinated Exchangeable Debenture: \$80.00.

New Common Share: \$6.86.

Warrant: \$2.50.

As an indication of the fair market value of each Senior Secured Note, the average trading price (in Canadian dollars) in the days following the Effective Date of the exchange was as follows:

Senior Secured Note: \$99.47.

The above indication as to the fair market value is not intended to be, nor should it be construed to be, legal, financial or tax advice to any particular securityholder. The above fair market value indications have not been confirmed by the Canada Revenue Agency nor any provincial tax authority, and such tax authorities may be of a different view. **Securityholders are urged to consult their own tax advisors concerning their personal tax consequences from the Recapitalization.**