



Yellow Media Receives Final Court Approval for its Recapitalization

Montréal (Québec), December 14, 2012 — Yellow Media Inc. (TSX: YLO) announced today that the Québec Superior Court (the "Court") has issued its final order and approved the Company's proposed recapitalization (the "Recapitalization"). The Court declared that the Recapitalization is fair and reasonable to the holders of securities subject to the plan of arrangement under the *Canada Business Corporations Act*.

The Court's decision is the final step in advance of completing the Recapitalization. The Recapitalization is expected to be implemented and become effective on December 20, 2012 (the "Effective Date"), subject to customary conditions, including the approval of the Toronto Stock Exchange.

Holders of record of Yellow Media's existing securities as of the Effective Date will receive, as applicable, cash, new senior secured notes, new senior subordinated exchangeable debentures, new common shares and warrants to which they are entitled under the Recapitalization in exchange for their existing securities and all entitlements relating thereto. As announced on December 10, 2012, the Recapitalization, as it affects the Company's senior unsecured credit facility, will be implemented through a Termination and Settlement Agreement rather than through the Company's plan of arrangement under the *Canada Business Corporations Act*.

Yellow Media's Recapitalization will reduce the Company's debt, including preferred shares, series 1 and series 2, by approximately \$1.5 billion and provide it with the financial flexibility necessary to advance its business transformation to a digital media and marketing solutions company and enhance long-term value for stakeholders. On September 6, 2012, a vast majority of debtholders and shareholders voted in favour of the Recapitalization at their respective meetings.

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

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 over 9 million unique visitors monthly and its mobile applications for finding local businesses and deals have been downloaded over 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 December 14, 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 7 of our November 6, 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, and is also subject, without limitation, to Toronto Stock Exchange approval. 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.

Contacts:**Investor Relations**

Pierre Van Gheluwe
Treasurer
Tel.: (514) 934-4325
pierre.vangheluwe@ypg.com

Media

Fiona Story
Senior Manager, Public Relations
Tel.: (514) 934-2672
fiona.story@ypg.com

Institutional Security Holders

BMO Capital Markets Transaction Hotline
Tel.: (416) 359-4306
Toll free: (855) 666-4361

Canaccord Genuity Transaction Hotline
Tel.: (416) 687-5517
Toll free: (855) 333-5517