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This Supplemental Disclosure contains forward-looking statements about the objectives, strategies, financial condition, results of operations and businesses of Yellow Pages Limited. These statements are considered "forward-looking" because they are based on current expectations about our business and the markets we operate in, and on various estimates and assumptions. Our actual results could be materially different 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, we cannot guarantee that any forward-looking statements will materialize. Forward-looking statements do not take into account the effect that transactions or non-recurring items announced or occurring after the statements are made may have on our business. We disclaim any intention or obligation to update any forward-looking statements, except as required by law, even if new information becomes available through future events or for any other reason.

Risks that could cause our actual results to differ materially from our current expectations are discussed in Section 6 of our February 14, 2017 Management's Discussion and Analysis. This Supplemental Disclosure should be read in conjunction with the February 14, 2017 Management's Discussion and Analysis.

1. Financial Highlights

In thousands of Canadian dollars, except % of Revenues ("% of Rev."), (Loss) Earnings per Share and Outstanding Share Data

	For the three-month periods ended Dec 31,				For the years ended Dec 31,			
	2016	% of Rev.	2015	% of Rev.	2016	% of Rev.	2015	% of Rev.
Print Revenues	59,600	29.4%	79,297	38.0%	262,207	32.1%	343,425	41.4%
Digital Revenues	143,123	70.6%	129,208	62.0%	555,772	67.9%	486,346	58.6%
Total Revenues	202,723		208,505		817,979		829,771	
Cost of Sales ⁽¹⁾	87,044		82,143		335,206		320,564	
General and Administrative ⁽¹⁾	58,261		61,864		247,582		248,520	
Total Operating Costs	145,305		144,007		582,788		569,084	
Adjusted EBITDA	57,418	28.3%	64,498	30.9%	235,191	28.8%	260,687	31.4%
Impairment of Intangible Assets ⁽²⁾	600,000		-		600,000		-	
Net (Loss) Earnings	(431,583)		5,866		(403,705)		61,055	
Basic (Loss) Earnings per Share	(16.35)		0.22		(15.23)		2.29	
Diluted (Loss) Earnings per Share	(16.35)		0.21		(15.23)		2.05	
Cash Flows from Operating Activities	27,874		42,417		158,113		197,566	
Capital Expenditures	20,036		17,168		63,506		75,421	
Free Cash Flow	7,838		25,249		94,607		122,145	

Outstanding Share Data

	February 14, 2017	December 31, 2016	December 31, 2015
Common Shares Outstanding	28,075,306	28,075,304	28,063,919
Exchangeable Debentures Outstanding ⁽³⁾	5,624,422	5,624,422	5,624,422
Common Share Purchase Warrants Outstanding ⁽⁴⁾	2,995,486	2,995,488	2,995,498
Stock Options Outstanding ⁽⁵⁾	630,950	630,950	522,950

(1) 2015 figures were reclassified to conform to the current period's presentation. These changes have no impact on adjusted EBITDA, cash flows from operating activities or free cash flow for the period.

(2) Please refer to Note 4 of the consolidated financial statements for the years ended December 31, 2016 and 2015.

(3) As at February 14, 2017, the Company had \$107.1 million principal amount of Exchangeable Debentures outstanding, which amount is exchangeable into 5,624,422 common shares of Yellow Pages Limited at an exchange price of \$19.04, subject to adjustment for specified transactions pursuant to the indenture governing the Exchangeable Debentures.

(4) Each common share purchase Warrant entitles the holder to acquire, upon exercise, one Yellow Pages Limited common share at a price of \$28.16.

(5) Included in the stock options outstanding balance of 630,950 as at February 14, 2017 and December 31, 2016 are 366,500 and 186,550 stock options exercisable as at those same dates. Included in the stock options outstanding balance of 522,950 as at December 31, 2015 are 78,000 stock options exercisable as at that date.

2. Operational Key Performance Indicators

	2016				2015			
	Q4	Q3	Q2	Q1	Q4	Q3	Q2	Q1
Digital Revenue Performance								
Digital Revenues (in millions of Canadian dollars)	143.1	138.6	142.5	131.6	129.2	127.8	116.4	112.9
Year-over-Year Digital Revenue Growth	10.8%	8.4%	22.4%	16.6%	10.5%	12.5%	7.4%	8.6%
Customer Metrics								
Customer Count	241,500	243,000	244,000	244,000	245,000	246,000	248,000	251,000
Customer Acquisition (Trailing Twelve Months)	41,100	40,200	38,600	34,600	30,800	27,200	24,800	23,700
Customer Renewal	82%	83%	83%	84%	85%	85%	85%	85%
Digital-Only Customers	32%	30%	28%	25%	22%	20%	18%	16%
Customer Penetration by Product Category								
Print	68%	70%	72%	75%	78%	80%	82%	84%
Owned and Operated Digital Media	70%	69%	68%	67%	66%	65%	64%	64%
Online Priority Placement	61%	61%	62%	61%	61%	60%	60%	58%
Mobile Priority Placement	26%	26%	27%	27%	27%	27%	26%	25%
Digital Services	10%	10%	10%	10%	10%	10%	10%	10%
Spending Dynamics Among Renewing Customers								
Increase in Spending								
Customer Distribution	47%	44%	43%	42%	44%	44%	40%	35%
% of Revenues	32%	31%	32%	32%	32%	32%	31%	30%
Stable Spending								
Customer Distribution	36%	38%	39%	40%	39%	38%	42%	47%
% of Revenues	27%	27%	26%	27%	27%	28%	29%	30%
Decrease in Spending								
Customer Distribution	17%	18%	18%	18%	17%	18%	18%	18%
% of Revenues	41%	42%	42%	41%	41%	40%	40%	40%
Average Revenue per Customer (in Canadian dollars)	2,689	2,755	2,817	2,876	2,930	2,970	3,009	3,038
Consumer Metrics								
Total Digital Visits (in millions) ⁽¹⁾	148.9	109.4	106.2	100.2	118.2	124.1	116.4	105.3

Refer to Section 5 (Glossary) for definitions of the metrics listed above.

(1) Excludes the impact of the acquisition of the ComFree/DuProprio Network. Total Digital Visits executed on the ComFree/DuProprio Network totalled 25.2M, 23.8M, 19.8M and 16.3M in Q1 2016, Q2 2016, Q3 2016 and Q4 2016, respectively.

3. Consolidated Capitalization and Credit Ratings

In millions of Canadian dollars, unless otherwise noted

	As at	December 31, 2016	September 30, 2016	June 30, 2016	March 31, 2016	December 31, 2015
9.25% Senior Secured Notes due November 30, 2018 ⁽¹⁾		310	371	371	407	407
Obligations Under Finance Leases		0	0	0	1	1
8% Exchangeable Debentures due November 30, 2022 ⁽²⁾		92	92	91	91	90
Total Debt		402	463	462	498	498
Cash		17	72	14	35	67
Total Net Debt		385	391	449	463	431
Equity		369	717	721	748	760
Total Capitalization		754	1,107	1,169	1,211	1,190
Net Debt / Latest Twelve-Month Adjusted EBITDA⁽³⁾		1.6x	1.6x	1.8x	1.8x	1.7x
Average Interest Rate on Debt at Period End		8.9%	9.0%	9.0%	9.0%	9.0%

Credit Ratings

	DBRS Limited	Standard and Poor's Rating Services
Issuer Rating / Corporate Credit Rating	B (high)	B - Stable Outlook
Rating for Senior Secured Notes	BB (low)	BB-
Rating for Exchangeable Debentures	B (low)	CCC+

(1) Please refer to Note 12 of the consolidated financial statements for the years ended December 31, 2016 and 2015. Interest on the Senior Secured Notes is payable in cash quarterly in arrears in equal installments at 9.25% per annum on the last day of February, May, August and November of each year.

(2) Please refer to Note 13 of the consolidated financial statements for the years ended December 31, 2016 and 2015. Interest on the Exchangeable Debentures is payable in cash at 8% or in additional debentures at 12% in the event that the company makes a Payment in Kind election to pay any interest in additional senior subordinated unsecured exchangeable debentures. Interest on the Exchangeable Debentures is payable semi-annually in arrears in equal installments on the last day of May and November of each year.

(3) Latest Twelve-Month Adjusted EBITDA represents latest twelve-month income from operations before depreciation and amortization, impairment of intangible assets and restructuring and special charges.

4. Outlook

In millions of Canadian dollars

	2017E	2018E
Cash Outflows Expected from Income Taxes and Tax Assessments	-	-
Cash Funding of the Pension Solvency Deficit	13	13
Capital Expenditures, Net of Related Lease Incentives	70 ⁽¹⁾	58 ⁽²⁾

(1) Included in 2017E capital expenditures is \$20 million related to leasehold improvements associated with the relocation of the Montreal office.

(2) Included in 2018E capital expenditures is \$8 million related to leasehold improvements for later phases of the relocation of the Toronto office.

The information presented above is considered forward-looking because it is based on current expectations about our business and on various estimates, assumptions and regulations. Our actual results could be materially different from our expectations as known or unknown risks affect our business or if estimates and assumptions turn out to be inaccurate. As a result, we cannot guarantee that the information above will materialize.

5. Glossary

All definitions account for YP only - excludes the contribution of Mediative, JUICE Mobile, 411 Local Search Corp., Yellow Pages Homes Limited, the ComFree/DuProprio Network and Totem.

Customer Metrics

Customer Count	Number of customers advertising through one of our product groups as at the end of the reporting period.
Customer Acquisition	Number of customers acquired over the last twelve months.
Customer Renewal	Percentage of customers who advertised with YP in the previous period and have renewed their advertising in the current period.
Digital-Only Customers	Percentage of customers purchasing only digital products.

Customer Penetration by Product Category

Owned and Operated Digital Media	Percentage of customers purchasing at least one Online Priority Placement, Mobile Priority Placement, NetSync, Content, Video and/or Legacy product.
Digital Services	Percentage of customers purchasing at least one Presence Extended, Website, SEO, SEM, Facebook Solution and/or Smart Digital Display product.

Spending Dynamics Among Renewing Customers

Increase in Spending	Renewing customers experiencing an increase in spending of over 5%, on a year-over-year basis.
Stable Spending	Renewing customers experiencing an increase in spending between 0% and 5%, on a year-over-year basis.
Decrease in Spending	Renewing customers experiencing a decrease in spending, on a year-over-year basis.
Average Revenue Per Customer	Revenue of the last twelve months divided by the average customer base during the last twelve months.

Consumer Metrics

Total Digital Visits	Number of visits made across the YP, YP Shopwise, YP Dine, RedFlagDeals, Canada411, Bookenda and dine.TO online and mobile properties, as well as visits made across the properties of Yellow Pages Limited's application syndication partners.
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