

Yellow Media Amends Debtholders' Arrangement Resolution

Montréal (Québec), August 28, 2012 — Yellow Media Inc. (TSX: YLO) announces today that, in connection with the meetings of its debtholders and shareholders to be held September 6, 2012, it has amended the arrangement resolution to be voted upon by debtholders to approve the proposed recapitalization of Yellow Media.

The amendment to the debtholders' arrangement resolution provides that, should circumstances permit and if implementation of the recapitalization by way of a plan of arrangement under section 192 of the *Canada Business Corporations Act* appears for any reason impracticable, the company will be authorized to seek to implement the Recapitalization by way of an alternative plan under the provisions of the *Companies' Creditors Arrangement Act* and section 191 of the *Canada Business Corporations Act*.

Should Yellow Media seek to implement the alternative plan, the amended debtholders' arrangement resolution will constitute the consent of the debtholders to an order of the court permitting the procedure to be followed under the *Companies' Creditors Arrangement Act* in order to permit approval and completion of the alternative plan at the earliest possible time. Such procedure will require, among other things, that the proposed alternative plan be filed on SEDAR (www.sedar.com) and made available on the company's website (www.ypg.com), and that the company give notice of such filing by way of press release. The meeting to consider and if thought advisable approve the alternative plan may be held seven days following the giving of such notice or at such later date as the court shall order, and proxies given by debtholders in respect of the amended debtholders' arrangement resolution, unless revoked or superseded, would be applicable to any meeting called to consider the alternative plan.

A letter presenting the amendment was also mailed today to debtholders and shareholders entitled to vote at the meetings and a copy of such letter has been filed on SEDAR (www.sedar.com) and made available on the company's website (www.ypg.com).

The Board of Directors has unanimously determined, following the unanimous favourable recommendation of its Financing Committee, that the recapitalization is in the best interests of Yellow Media, taking into account the interests of stakeholders, and unanimously recommends that debtholders and shareholders vote in favour of the recapitalization.

There are no revisions to the management proxy circular of Yellow Media dated July 30, 2012 or to the debtholders' arrangement resolution other than the amendment described in this press release. **Votes of debtholders that have already exercised their vote pursuant to the instructions set forth on their proxy or voting information form remain valid and will be cast as they have directed unless revoked or superseded in accordance with the instructions contained in the circular.**

Investor Conference Call

As announced on August 23, 2012, Yellow Media will hold a call at 10:00 a.m. (Eastern Time) today, August 28, 2012, to discuss the recapitalization. The call may be accessed by dialing (416) 340-8061 within the Toronto area, or 1 866 225-0198 outside of Toronto. The call will be simultaneously webcast on the company's website at

<http://www.ypg.com/en/investors/2012-recapitalization-webcast>. The conference call will be archived in the Investor Center of the site at www.ypg.com. A playback of the call can also be accessed from August 28 to September 4, 2012 by dialing (905) 694-9451 from within the Toronto area, or 1 800 408-3053 outside Toronto. The conference passcode is 7821091.

Further Information

Debtholders and shareholders should now have received, either directly from Yellow Media or through their intermediary, a copy of the management proxy circular dated July 30, 2012 with respect to the proposed recapitalization.

A copy of the management proxy circular and further information about the recapitalization are 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.

If you have any questions or need assistance completing your proxy or voting instruction form, please call Kingsdale Shareholder Services Inc. at 1-800-749-9197 or email contactus@kingsdaleshareholder.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 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 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 28, 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 August 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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