

Yellow Media Reminds Holders of Securities to Vote for the Plan of Arrangement and Recapitalization

Montréal (Québec), August 23, 2012 — Yellow Media Inc. (TSX: YLO) wishes to remind its debtholders and shareholders that meetings will be held at the Palais des congrès, 1001 Place Jean-Paul-Riopelle, Room 510, Montreal, Québec, H2Z 1H5, on September 6, 2012 for purposes of voting on the proposed recapitalization.

Debtholders and shareholders are urged to give serious attention to the recapitalization. It is extremely important for Yellow Media's future that the recapitalization be approved and implemented without delay and the company recommends that debtholders and shareholders vote in favour of the recapitalization. Proxies must be received no later than 4:00 p.m. (Montreal time) on September 5, 2012.

After a comprehensive evaluation and negotiation process, Yellow Media's Board of Directors has unanimously recommended that debtholders and shareholders vote in favour of the proposed recapitalization. In making this determination, the Board considered a number of key factors including:

- Yellow Media's need to transform its business to meet the rapidly changing needs of Canadian businesses and their customers;
- Yellow Media's current debt, which at approximately \$2 billion is too high;
- the substantial refinancing risk which Yellow Media is facing, given that 44% of its current debt matures in the next 18 months and that the current debt was trading at less than 55 cents on the dollar when Yellow Media announced the recapitalization on July 23, 2012;
- the fact that the impact of the recapitalization on Yellow Media and its stakeholders will be less detrimental relative to other available alternatives;
- the opinions issued by BMO Capital Markets and Canaccord Genuity to the effect that the recapitalization is fair from a financial point of view to the holders of preferred shares, common shares, convertible debentures and senior debt of Yellow Media; and
- the fact that the Financing Committee, comprised only of independent directors, monitored the negotiation and structuring of the recapitalization and, after 19 formal meetings over a 9-month period and numerous other informal discussions with the company's management and financial advisors, unanimously recommended that debtholders and shareholders vote in favour of the recapitalization.

Glass Lewis & Co. and Institutional Shareholders Services Inc., two leading independent proxy advisory firms, have also recommended that common shareholders vote in favour of the proposed recapitalization.

Once implemented, the recapitalization will substantially improve the company's capital structure to support its business transformation:

- debt will be reduced by approximately \$1.1 billion (\$1.5 billion including preferred shares, series 1 and preferred shares, series 2);

- no debt will mature until 2018; and
- the annual interest burden will be reduced by approximately \$45 million.

The recapitalization is urgent. Yellow Media's current financial situation and a prolonged restructuring process will hurt the company. If the recapitalization is not implemented, Yellow Media will be required to immediately pursue other options less favourable to the company and its stakeholders.

Investor Conference Call

Yellow Media will hold a call at 10:00 a.m. (Eastern Time) on 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 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 23, 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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