PRELIMINARY SHORT FORM PROSPECTUS

New Issue February 21, 2007

YPG HOLDINGS INC.

$300,000,000
(12,000,000 shares)

4.25% Cumulative Redeemable First Preferred Shares, Series 1

This short form prospectus qualifies the distribution of 12,000,000 4.25% Cumulative Redeemable First Preferred Shares, Series 1 (the "Series 1 Shares") of YPG Holdings Inc. ("YPG Holdings") at a price of $25 per Series 1 Share.

The holders of the Series 1 Shares will be entitled to receive fixed cumulative preferential cash dividends, if, as and when declared by the Board of Directors of YPG Holdings in an amount equal to $1.0625 per Series 1 Share per annum, to accrue from and including the date of original issue, payable quarterly on the third last business day of March, June, September and December of each year. Assuming a closing date of March 6, 2007, the initial dividend, if declared, will be payable on June 27, 2007 in the amount of $0.32894 per Series 1 Share. The Series 1 Shares do not carry voting rights and rank senior to the Class A Common Shares and Class B Common Shares of YPG Holdings and rank *pari passu* with each other and all other series of cumulative redeemable first preferred shares of YPG Holdings ("First Preferred Shares") with respect to the payment of dividends and the distribution of the assets of YPG Holdings on the liquidation, dissolution or winding up of YPG Holdings. Immediately following the issue of the Series 1 Shares offered hereunder, the issued and outstanding capital of YPG Holdings will consist of the Series 1 Shares, Class A Common Shares and Class B Common Shares. Certain provisions relating to the Series 1 Shares are summarized under "Details of the Offering" and certain provisions of the Class A Common Shares and the Class B Common Shares of YPG Holdings are summarized under "Description of Share Capital".

The Series 1 Shares will be unconditionally guaranteed by Yellow Pages Income Fund (the "Fund") as to payment of dividends, as and when declared, and payment of amounts due on redemption or retraction of the Series 1 Shares and liquidation, dissolution or winding up of YPG Holdings. See "Details of the Offering — Fund Guarantee".

After announcement of the Offering, Standard & Poor's Rating Services, a division of The McGraw-Hill Companies (Canada) Corporation ("S&P") assigned a rating of P-3 for the Series 1 Shares and Dominion Bond Rating Service Limited ("DBRS") assigned a rating of Pfd-3 (high) for the Series 1 Shares. See "Ratings".

On and after March 31, 2012, YPG Holdings may, at its option, upon not less than 30 days and not more than 60 days prior written notice, redeem for cash the Series 1 Shares, in whole at any time or in part from time to time, upon payment of the Redemption Price specified below. In addition, the Series 1 Shares will be redeemable at the option of YPG Holdings on or after March 31, 2007 upon payment of the Redemption Price specified below, provided that any redemption prior to March 31, 2012 shall be done for all of the then outstanding Series 1 Shares and shall be limited to circumstances in which Series 1 Shares are entitled to vote separately as a class or series by law or court order. Notice of any such redemption to occur prior to March 31, 2012 may be provided by YPG Holdings at any time and from time to time prior to a meeting of shareholders of YPG Holdings at which holders of Series 1 Shares are entitled to vote separately as a class or series and for which a record date has been established, and during the period of 10 days following the holding of such meeting. Such redemption may be made upon payment in cash of $26.25 per Series 1 Share if redeemed on or after March 31, 2007, but before March 31, 2008, $26.00 per Series 1 Share if redeemed on or after March 31, 2008, but before March 31, 2009, $25.75 per Series 1 Share if redeemed on or after March 31, 2009, but before March 31, 2010, $25.50 per Series 1 Share if redeemed on or after March 31, 2010, but before March 31, 2011, $25.25 per Series 1 Share if redeemed on or after March 31, 2011, but before March 31, 2012 and $25.00 thereafter (each, a "Redemption Price"), plus, in each case, all accrued and unpaid dividends up to but excluding the date fixed for redemption.

On and after March 31, 2012 and prior to December 31, 2012, YPG Holdings may, at its option, upon not less than 30 days and not more than 60 days prior written notice, subject, if required, to regulatory approvals, exchange the outstanding Series 1 Shares, in whole or in part, into freely-tradable trust units (the "Units") of the Fund or into freely tradable securities (the "New Tradable Securities") of a publicly-listed entity successor to the Fund pursuant to a corporate reorganization. In addition, the Series 1 Shares will be exchangeable at

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the option of YPG Holdings, in whole or in part, into Units or New Tradable Securities on or after March 31, 2007, provided that any exchange prior to March 31, 2012 shall be limited to circumstances in which the Series 1 Shares are entitled to vote separately as a class or series by law or court order. Notice of any such exchange to occur prior to March 31, 2012 may be provided by YPG Holdings at any time and from time to time prior to a meeting of shareholders of YPG Holdings at which holders of Series 1 Shares are entitled to vote separately as a class or series and for which a record date has been established, and during the period of 10 days following the holding of such meeting. The number of Units or New Tradable Securities, as the case may be, into which each Series 1 Share may be so exchanged will be determined by dividing the then applicable Redemption Price per Series 1 Share, together with all accrued and unpaid dividends up to but excluding the date fixed for exchange, by the greater of (i) $2.00 and (ii) 95% of the weighted average trading price of the Units or New Tradable Securities, as the case may be, on the Toronto Stock Exchange (the "TSX") for the 20 consecutive trading days ending on the fourth day prior to the date specified for exchange, or, if such fourth day is not a trading day, the immediately preceding trading day. See "Details of the Offering".

On and after December 31, 2012, upon at least 30 days notice, a holder of Series 1 Shares may require YPG Holdings to redeem such Series 1 Shares for a cash price of $25.00 per Series 1 Share, together with any accrued and unpaid dividends to but excluding the date fixed for redemption. See "Details of the Offering".

There is currently no market through which the Series 1 Shares may be sold and purchasers may not be able to resell the Series 1 Shares purchased under this short form prospectus. This may affect the pricing of the Series 1 Shares in the secondary market, the transparency and availability of trading prices, the liquidity of the Series 1 Shares, and the extent of issuer regulation. Investing in the Series 1 Shares involves risks which potential investors should carefully consider. See "Risk Factors". YPG Holdings has applied for the listing of the Series 1 Shares distributed under this short form prospectus on the TSX. Listing will be subject to YPG Holdings fulfilling all the listing requirements of the TSX. The issued and outstanding Units of the Fund are listed on the TSX under the symbol "YLO.UN". On February 20, 2007, the day last trading day before the filing of this short form prospectus, the closing price of the Units on the TSX was $13.35 per Unit.

Scotia Capital Inc., CIBC World Markets Inc., RBC Dominion Securities Inc., BMO Nesbitt Burns Inc., National Bank Financial Inc., TD Securities Inc., Desjardins Securities Inc. and HSBC Securities (Canada) Inc. (collectively, the "Underwriters") have agreed to purchase the Series 1 Shares from YPG Holdings subject to the terms and conditions set forth in the Underwriting Agreement referred to under "Plan of Distribution". The price at which the Series 1 Shares are being offered hereunder was determined by negotiation between YPG Holdings and the Underwriters. Subject to applicable laws and in connection with this offering, the Underwriters may over-allot or effect transactions that stabilize or maintain the market price of the Series 1 Shares at levels other than those which might otherwise prevail in the open market. Such transactions, if commenced, may be discontinued at any time. **The Underwriters may offer the Series 1 Shares at a price lower than that stated below. See "Plan of Distribution".**

The principal and head office of YPG Holdings is located at 16 Place du Commerce, Île des Soeurs, Verdun, Québec, Canada, H3E 2A5.

Price: $25.00 per Series 1 Shares to yield 4.25%

	Price to YPG Holdings	Underwriters' Fee[(1)]	Net Proceeds to YPG Holdings[(2)(3)]
Per Series 1 Share	$25.00	$0.75	$24.25
Total[(2)]	$300,000,000	$9,000,000	$291,000,000

Notes:

(1) The Underwriters' fee is $0.25 for each Series 1 Share sold to certain institutions and $0.75 for all other Series 1 Shares sold. The Underwriters' fee set forth in the table assumes that no Series 1 Shares are sold to such institutions.

(2) Before deducting expenses of the offering, estimated to be $1 million which, together with the Underwriters' fee, will be paid from the proceeds of the offering.

(3) YPG Holdings has granted the Underwriters an option (the "Over-allotment Option"), exercisable such that closing of the Over-allotment Option occurs on or before March 31, 2007, to purchase up to an additional 1,800,000 Series 1 Shares (the "Additional Shares") at the offering price hereunder. This short form prospectus also qualifies both the grant of the Over-allotment Option and the distribution of the Additional Shares issuable upon exercise of the Over-allotment Option. If the Underwriters purchase all such Additional Shares, the total price to YPG Holdings, Underwriters' fee, and net proceeds to YPG Holdings before expenses of this offering will be $345,000,000, $10,350,000 and $334,650,000, respectively (assuming no Series 1 Shares are sold to those institutions referred to in note (1) above). See "Plan of Distribution".

The Underwriters, as principals, conditionally offer the Series 1 Shares, subject to prior sale, if, as and when issued by YPG Holdings and accepted by the Underwriters in accordance with the conditions contained in the Underwriting Agreement referred to under "Plan of Distribution" and subject to the approval of certain legal matters on behalf of YPG Holdings and the Fund by Stikeman Elliott LLP and on behalf of the Underwriters by Fasken Martineau DuMoulin LLP.

Subscriptions will be received subject to rejection or allotment in whole or in part and the Underwriters reserve the right to close the subscription books at any time without notice. A book-entry only certificate representing the Series 1 Shares will be issued in registered form to CDS Clearing and Depository Services Inc. ("CDS") or its nominee and will be deposited with CDS on the closing of this offering, which is expected to occur on or about March 6, 2007, or such later date as YPG Holdings and the Underwriters may agree, but in any event no later than March 13, 2007 (the "Closing Date"). A purchaser of Series 1 Shares will receive only a customer confirmation from the registered dealer which is a CDS participant and from or through whom the shares are purchased.

The earnings coverage ratio of the Fund for the 12-month period ended December 31, 2006 is 3.88 and the earnings coverage ratio of YPG Holdings is less than one-to-one. See "Earnings Coverage Ratio of the Fund" and "Earnings Coverage Ratio of YPG Holdings".

Scotia Capital Inc., CIBC World Markets Inc., RBC Dominion Securities Inc., BMO Nesbitt Burns Inc., National Bank Financial Inc., TD Securities Inc. and HSBC Securities (Canada) Inc. are subsidiaries of Canadian chartered banks which are members of a syndicate of financial institutions that have made credit facilities available to YPG Holdings. Accordingly, under applicable securities laws, YPG Holdings may be considered a "connected issuer" of such Underwriters. See "Plan of Distribution".

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DOCUMENTS INCORPORATED BY REFERENCE

Information has been incorporated by reference in this short form prospectus from documents filed with securities commissions or similar authorities in Canada. Copies of the documents incorporated herein by reference may be obtained on request without charge from the Secretary of Yellow Pages Group, at 16 Place du Commerce, Île des Soeurs, Verdun, Québec, Canada, H3E 2A5, telephone: (514) 934-2611 and are also available electronically at www.sedar.com. For the purpose of the Province of Québec, this short form prospectus contains information to be completed by consulting the permanent information record. A copy of the permanent information record may be obtained without charge from the Secretary of Yellow Pages Group at the above-mentioned address and telephone number and is also available electronically at www.sedar.com

The following documents of the Fund, filed by the Fund with the various securities commissions or similar authorities in each of the provinces and territories of Canada, are specifically incorporated by reference into and form an integral part of this short form prospectus:

(a) Annual Information Form of the Fund dated March 24, 2006 (excluding the Business Acquisition Report of the Fund dated August 8, 2005 relating to the Fund's indirect acquisition of Advertising Directory Solutions Inc. incorporated by reference therein) (the "Annual Information Form");

(b) Audited Consolidated Financial Statements of the Fund as at December 31, 2006 and 2005 and for the years then ended, together with the notes thereto and the auditors' report thereon;

(c) Management's Discussion and Analysis of the financial condition and results of operations of the Fund for the years ended December 31, 2006 and 2005;

(d) Management Proxy Circular of the Fund dated March 24, 2006 in connection with the Annual Meeting of Unitholders held on May 9, 2006; and

(e) Material Change Report dated May 5, 2006 relating to the entering into of a definitive share purchase agreement among YPG Holdings, Trader Classified Media International Holdings B.V., Trader Classified Media N.V. and Classified Media (Canada) Holdings Inc. to acquire the vertical publication and web site publishing business carried on by Trader Canada.

Any documents of the type referred to above (excluding confidential material change reports), interim or annual financial statements, including comparative interim financial statements and comparative financial statements for the Fund's most recently completed financial year, together with the accompanying report of the Fund's auditors, any exhibits to interim and annual consolidated financial statements containing updated earnings coverage information and any information circulars or annual filings of the Fund filed by the Fund or, if applicable, YPG Holdings with the various securities commissions or similar authorities in Canada after the date of this short form prospectus and prior to the completion or withdrawal of any offering hereunder, shall be deemed to be incorporated by reference into this short form prospectus.

As at the date hereof, YPG Holdings does not directly satisfy the eligibility criteria required to be able to file a prospectus in the form of a short form prospectus under Canadian securities legislation. However, because the Fund will fully and unconditionally guarantee the payments to be made by YPG Holdings in connection with the Series 1 Shares and the Fund satisfies the prescribed eligibility criteria, YPG Holdings is qualified to avail itself of the short form prospectus provisions of Canadian securities legislation. As required by Canadian securities legislation, the Fund has certified the content of this short form prospectus (see "Certificate of the Guarantor") and various disclosure documents filed by the Fund under applicable securities legislation are incorporated by reference herein.

Subject to the terms and conditions of the decisions obtained from certain Canadian securities regulatory authorities, YPG Holdings is not required to file with Canadian securities regulatory authorities separate continuous disclosure information regarding YPG Holdings, except for material change reports in the event there is a material change in the business, operations or capital of YPG Holdings that is not a material change in respect of the Fund. YPG Holdings' financial results, are reflected in the consolidated financial results of the Fund, which financial results are being filed by the Fund.

Any statement contained in this short form prospectus or in a document incorporated or deemed to be incorporated by reference herein shall be deemed to be modified or superseded, for the purposes of this short form prospectus, to the extent that a statement contained herein or in subsequently filed document is also or is deemed to be incorporated by reference herein modifies or supersedes such statement. The modifying or superseding statement need not state that it has modified or superseded a prior statement or include any other information set forth in the document that it modifies or supersedes. The making of a modifying or superseding statement shall not be deemed an admission for any purposes that the modified or superseded statement, when made, constituted a misrepresentation, an untrue statement of a material fact or an omission to state a material fact that is required to be stated or that is necessary to make a statement not misleading in light of the circumstances in which it was made. Any statement so modified or superseded shall not constitute a part of this short form prospectus, except as so modified or superseded.

ELIGIBILITY FOR INVESTMENT

In the opinion of Stikeman Elliott LLP, counsel to YPG Holdings, and Fasken Martineau DuMoulin LLP, counsel to the Underwriters, provided the Series 1 Shares are listed on a prescribed stock exchange at the relevant time, the Series 1 shares, if issued on the date hereof, would be qualified investments under the *Income Tax Act* (Canada) (the "Tax Act") and the Regulations thereunder for trusts governed by registered retirement savings plans, registered retirement income funds, deferred profit sharing plans and registered education savings plans.

FORWARD-LOOKING STATEMENTS

Certain statements in this short form prospectus, including the documents incorporated by reference herein, may constitute "forward-looking" statements that involve known and unknown risks, uncertainties and other factors that may cause the actual results, performance or achievements of the Fund or YPG Holdings, or industry results, to be materially different from any future results, performance or achievements expressed or implied by such forward-looking statements. When used in this short form prospectus, such statements use such words as "may", "will", "expect", "believe", "plan" and other similar terminology. These statements reflect current expectations regarding future events and operating performance and speak only as of the date of this short form prospectus. Forward-looking statements involve significant risks and uncertainties, should not be read as guarantees of future performance or results, and will not necessarily be accurate indications of whether or not such results will be achieved. A number of factors could cause actual results to differ materially from the results discussed in the forward-looking statements, including, but not limited to, the factors discussed under "Risk Factors". Although the forward-looking statements contained in this short form prospectus are based upon what management believes are reasonable assumptions, neither the Fund nor YPG Holdings can assure investors that actual results will be consistent with these forward-looking statements. These forward-looking statements are made as of the date of this short form prospectus, and the Fund and YPG Holdings assume no obligation to update or revise them to reflect new events or circumstances.

YPG HOLDINGS

YPG Holdings is a corporation incorporated under the laws of Canada and is a wholly owned subsidiary of YPG LP, a limited partnership existing under the laws of the Province of Manitoba pursuant to a partnership agreement dated November 14, 2002 (as amended on November 29, 2002, on August 1, 2003 and on February 14, 2006). YPG Holdings operates as a holding company and its principal assets are its interest in Yellow Pages Group Co. and Trader Corporation. YPG Holdings, YPG LP, and its general partner YPG GP, are indirectly controlled by the Fund through YPG Trust. The Fund currently indirectly holds an approximately 97% interest in YPG LP and a 100% interest in YPG LP's general partner, YPG GP.

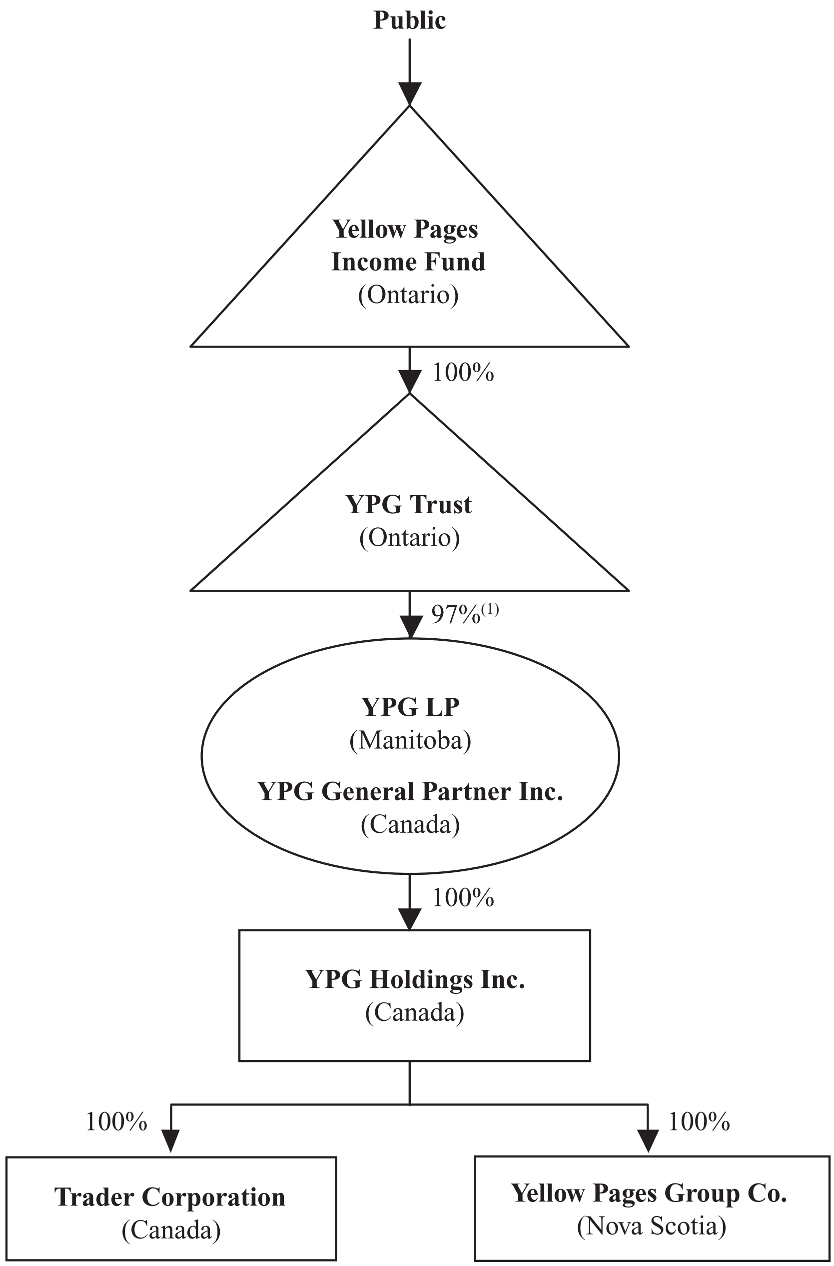
The Fund is an unincorporated, open-ended, limited purpose trust established under the laws of the Province of Ontario on June 25, 2003 pursuant to a declaration of trust (as amended on July 24, 2003, July 30, 2003 and May 10, 2005) (the "Fund Declaration of Trust"). The Fund was established to indirectly acquire and hold limited partnership units of YPG LP, and, through YPG LP, investments in subsidiary companies which were acquired as part of the Fund's initial public offering on August 1, 2003. The principal terms of the Fund Declaration of Trust and the Units, including, among other things, the 49.9% limitation on ownership of Units by non-residents of Canada, are described in the section entitled "Description of the Fund" in the Fund's Annual Information Form incorporated by reference in this short form prospectus.

Yellow Pages Group Co., a Nova Scotia company and wholly owned subsidiary of YPG Holdings, is the operating entity that carries on the telephone directories business of Yellow Pages Group. Trader Corporation, a federal company and wholly owned subsidiary of YPG Holdings, is the operating entity that carries on the vertical media business. See "Business of Yellow Pages Group".

The principal and head office of the Fund and YPG Holdings is located at 16 Place du Commerce, Île des Soeurs, Verdun, Québec, Canada, H3E 2A5.

YPG LP, together with YPG GP, YPG Holdings, Yellow Pages Group Co. and Trader Corporation are collectively referred to herein as "Yellow Pages Group".

The following chart illustrates the structure of the Fund and its material subsidiaries, including jurisdiction of establishment or incorporation of the various entities presented.



(1) 1285464 Alberta Inc. owns approximately 3% of YPG LP and does not own any interest in YPG GP, the general partner of YPG LP. The limited partnership units held by 1285464 Alberta Inc. are exchangeable on a one-for-one basis at the option of the holder into fully paid Units of the Fund.

BUSINESS OF YELLOW PAGES GROUP

Directories

Yellow Pages Group, through Yellow Pages Group Co., is Canada's largest telephone directories publisher and the exclusive owner of the Yellow Pages™, Pages Jaunes™ and Walking Fingers & Design™ trademarks in Canada.

Yellow Pages Group has a long-term strategic relationship with Bell Canada, the largest telecommunications service provider in Canada, and is the official publisher of Bell Canada's directories in Canada. Yellow Pages Group is also the official publisher of TELUS Communications Inc. ("Telus") directories, MTS Allstream Inc.'s ("MTS") directories, as well as the official publisher of a number of other incumbent telephone company directories that have leading market shares in their markets. Yellow Pages Group is also the managing partner (with a 12.86% partnership interest) of Aliant Directory Services (formerly known as Aliant Actimedia) ("Aliant Partnership"), which is the incumbent telephone directories publisher in Atlantic Canada. On February 19, 2007, Yellow Pages Group Co. entered into a binding memorandum of understanding with Bell Aliant Regional Communications Inc. ("Bell Aliant") which provides for, among other things, the acquisition of the remaining 87.14% interest in the directories business owned by Aliant Partnership and of the assets, properties and undertakings related thereto (see "Recent Developments").

Yellow Pages Group publishes more than 340 different telephone directories annually, including 35 telephone directories published by Aliant Partnership. Such directories have a total circulation of approximately 30 million copies, reaching substantially all of the households and businesses in the major markets of Canada.

Yellow Pages Group also owns and manages Canada's most visited online directories, YellowPages.ca™ (and its French equivalent, PagesJaunes.ca™), as well as CanadaPlus.ca™, a network of seven local city sites. This online presence allows Yellow Pages Group to offer bundled packages of print and online directory advertising products.

Yellow Pages Group sells print and online telephone directory advertising to a diversified advertiser base of more than 395,000 advertisers consisting of small, medium and large local businesses as well as some national accounts. Local businesses represent approximately 90% of Yellow Pages Group Co.'s revenue. The top 25 headings of the directory represents approximately 25% of Yellow Pages Group Co.'s published revenue.

The directory activities of Yellow Pages Group are concentrated in British Columbia, Alberta, Manitoba, Ontario and Québec, and in Atlantic Canada through Aliant Partnership.

Vertical Publications and Web Sites

Yellow Pages Group is a leading publisher of vertical publications and web sites in Canada as a result of its acquisitions of Trader Media Corp. ("TMC") in February 2006 and of Classified Media (Canada) Holdings Inc. ("Trader Canada") in June 2006. TMC is Ontario's largest publisher of classified advertising and related web sites while Trader Canada is a leading publisher of classified advertising and related web sites in all Canadian provinces except Ontario. On January 1, 2007, TMC and Trader Canada amalgamated. The combined vertical business renamed Trader Corporation resulted in the creation of a national platform of vertical media with approximately 200 publications and 20 web sites covering four main product verticals: (i) automotive, (ii) real estate, (iii) general merchandise, and (iv) employment, comprising brands such as Auto Trader™, Auto Hebdo™, The Bargain Finder™, Buy & Sell™, Renters News™ and Home Renters' Guide™. The portion of total revenues attributable to each product vertical in 2006 is 64.2% for automotive, 17.7% for real estate, 14.6% for general merchandise and 3.5% for employment and other.

The vertical activities of Yellow Pages Group generate revenues through three primary sources: (i) fees for display advertising sold to commercial customers, (ii) fees for classified advertisements sold to commercial and private party customers, and (iii) circulation revenue.

Trademarks

Yellow Pages Group currently owns the following trademarks in Canada: Yellow Pages™, Pages Jaunes™, Walking Fingers Design™, YellowPages.ca™, PagesJaunes.ca™, canadaTollfree.ca™, canadaSansfrais.ca™, Info-Direct™, HelloYellow Design™, AlloPagesJaunes Design™, QuebecPlus.ca™, MontrealPlus.ca™, OttawaPlus.ca™, TorontoPlus.ca™, CalgaryPlus.ca™, EdmontonPlus.ca™ and VancouverPlus.ca™. Yellow Pages Group also owns more than 115 additional trademarks in connection with its directories business. These marks have been registered in Canada. In addition, Yellow Pages Group also has exclusive rights to use the Bell Canada trademark in connection with the publication of telephone directories and online directories in any format pursuant to 30-year license agreements which were entered into in November 2002. Yellow Pages Group has also exclusive rights to use the Telus and MTS trademarks in connection with the publication of telephone directories and online directories pursuant to 30-year license agreements which were entered into in July 2001 and October 2006, respectively. In addition, Yellow Pages Group owns trade-marks in Canada in connection with the vertical media business including Trader™, Auto Trader™, Auto Hebdo™, The Bargain Finder™ and Home Renters' Guide™ and also owns the trademarks Auto Mart™, Renters News™, Super Shopper & Design™ and New Homes & Condos For Sale & Design™.

RECENT DEVELOPMENTS

Acquisition of the Business of Aliant Partnership

On February 19, 2007, Yellow Pages Group Co. entered into a binding memorandum of understanding with Bell Aliant, which provides for, among other things, the acquisition of the remaining 87.14% of the directories business owned by Aliant Partnership and of the assets, properties and undertakings related thereto for a purchase price of approximately $330 million payable in cash at closing. The purchase price will be financed through existing funding sources. This transaction is subject to customary closing conditions, including the execution of a definitive purchase agreement, the parties entering into certain long term commercial agreements, and the satisfaction of regulatory requirements such as regulatory clearance under the *Competition Act* (Canada). Closing of this acquisition is anticipated to occur in early April, 2007.

Aliant Partnership is the incumbent telephone directories publisher in the four Atlantic provinces of Canada. It publishes 35 different directories with a total circulation of approximately 1.8 million copies.

In connection with the acquisition, Yellow Pages Group Co. will establish at closing a long-term and strategic relationship with Bell Aliant similar to the one established with Bell Canada, Telus and MTS, by executing operating agreements such as a directory publication and distribution agreement, a billing and collection services agreement, a 30-year non-competition agreement and other intellectual property agreements.

DESCRIPTION OF SHARE CAPITAL

Prior to the issuance of the Series 1 Shares, the articles of amalgamation of YPG Holdings will be amended to create the First Preferred Shares and the Series 1 Shares. Once this amendment is effective, YPG Holdings will be authorized to issue an unlimited number of Class A Common Shares, an unlimited number of Class B Common Shares and an unlimited number of First Preferred Shares, issuable in series. The following is a summary of the rights, privileges, restrictions and conditions attached to the Class A Common Shares and the Class B Common Shares. Provisions relating to the First Preferred Shares (including the Series 1 Shares) are summarized under "Details of the Offering" below.

Class A Common Shares and Class B Common Shares

Holders of Class A Common Shares and Class B Common Shares are entitled to one vote for each such share held on all votes taken at meetings of the shareholders of YPG Holdings, except meetings at which only the holders of a specified class or series of shares of YPG Holdings are entitled to vote. As of February 20, 2007 335,443,716 Class A Common Shares and 815,636 Class B Common Shares were issued and outstanding. Approximately 97% of the Class A Common Shares and all of the Class B Common Shares issued and outstanding as of February 20, 2007 were indirectly held by the Fund. Subject to the rights of holders of First Preferred Shares or any series thereof, and other shares of YPG Holdings ranking prior to the Class A Common

Shares and Class B Common Shares, the Class A Common Shares and Class B Common Shares participate equally, share for share, as to dividends. The Class B Common Shares are automatically exchangeable into Units of the Fund upon issuance and are convertible, at the holder's option, in whole or in part, into Class A Common Shares of YPG Holdings.

DETAILS OF THE OFFERING

The following is a summary of the material rights, privileges, restrictions and conditions to be attached to the First Preferred Shares as a class and the Series 1 Shares once the articles of amalgamation of YPG Holdings have been amended to create the First Preferred Shares and Series 1 Shares, and this summary is qualified in its entirety by reference to the articles of amendment of YPG Holdings pursuant to which the First Preferred Shares and the Series 1 Shares will be created, copies of which will be filed by YPG Holdings with the Canadian provincial securities regulatory authorities and available at www.sedar.com.

Description of the First Preferred Shares

Issuance in Series

The board of directors of YPG Holdings (the "Board of Directors") may at any time and from time to time issue First Preferred Shares in one or more series. Prior to issuing First Preferred Shares of any series, the Board of Directors is required to fix the number of shares in the series and determine the designation of, and the rights, privileges, restrictions and conditions attached to, that series of First Preferred Shares.

Priority

With respect to the payment of dividends and the distribution of the assets of YPG Holdings in the event of the liquidation, dissolution or winding up of YPG Holdings, whether voluntary or involuntary, or any other distribution of the assets of YPG Holdings for the purpose of winding up its affairs, the First Preferred Shares of each series rank on a parity with the First Preferred Shares of every other series and in priority to the Class A Common Shares, the Class B Common Shares and the shares of any other class ranking junior to the First Preferred Shares.

Voting Rights

The holders of First Preferred Shares do not have the right to receive notice of, attend, or vote at any meeting of shareholders except (i) to the extent that voting rights may be attached to any series of First Preferred Shares, (ii) for a meeting called for the purpose of authorizing the dissolution of YPG Holdings or the sale, lease or exchange of all or substantially all of its property, other than in the ordinary course of business of YPG Holdings, (iii) as required by law or as may be required by an order of a court of competent jurisdiction, or (iv) as required to modify the rights, privileges, restrictions and conditions attached to the First Preferred Shares as a class or as a series as provided in the CBCA. In connection with any matter requiring the approval of the First Preferred Shares as a class, the holders of existing series of First Preferred Shares which are outstanding are entitled to one vote in respect of each First Preferred Shares held. YPG Holdings may, without the approval of the holders of the First Preferred Shares, as a class, (i) increase or decrease any maximum number of authorized First Preferred Shares or of another class of shares of YPG Holdings having rights or privileges equal or superior to the First Preferred Shares; (ii) effect an exchange, reclassification or cancellation of all or part of the First Preferred Shares; or (iii) create any new class of shares ranking on a parity with the First Preferred Shares. In addition, the rights, privileges, restrictions and conditions attached to a series of First Preferred Shares may limit the voting entitlements of holders of such shares and may provide YPG Holdings with a right to redeem or exchange such shares. See "—Description of the First Preferred Shares, Series 1 — Voting Rights", "Description of the First Preferred Shares, Series 1 — Redemption by YPG Holdings" and "—Description of the First Preferred Shares, Series 1 — Exchange at the Option of YPG Holdings" below.

Modification

The rights, privileges, restrictions and conditions attached to the First Preferred Shares as a class may only be amended with the prior approval of the holders of the First Preferred Shares in addition to any other approvals required by law or court order. The approval of the holders of the First Preferred Shares to any matter referred to in the First Preferred Share class provisions may be given by at least two-thirds of the votes cast at a meeting of the holders of the First Preferred Shares duly called and held for that purpose. In addition, the rights, privileges, restrictions and conditions attached to a series of First Preferred Shares may limit the voting entitlements of the holders of such shares and may provide YPG Holdings with a right to redeem or exchange such shares. See " — Description of the First Preferred Shares, Series 1 — Voting Rights", "— Description of the First Preferred Shares, Series 1 — Redemption by YPG Holdings" and "— Description of the First Preferred Shares, Series 1 — Exchange at the Option of YPG Holdings" below.

Description of the First Preferred Shares, Series 1

Dividends

The holders of Series 1 Shares will be entitled to receive fixed cumulative preferential cash dividends, if, as and when declared by the Board of Directors, in an amount equal to $1.0625 per Series 1 Share per annum (less any tax required to be deducted and withheld by YPG Holdings), to accrue daily from and including the original date of issue, payable quarterly on the third last business day of March, June, September and December in each year. Assuming an issue date of March 6, 2007, the first such dividend, if, as and when declared, will be payable on June 27, 2007 and will be $0.32894 per Series 1 Share (less any tax required to be deducted or withheld by YPG Holdings).

Redemption by YPG Holdings

Subject to the provisions described under "— Restriction on Dividends and Retirement and Issue of Shares", the Series 1 Shares will be redeemable at the option of YPG Holdings on or after March 31, 2012, at any time, or from time to time, upon not less than 30 days and not more than 60 days prior written notice at the Redemption Price specified below. In addition, the Series 1 Shares will be redeemable at the option of YPG Holdings on or after March 31, 2007 upon payment of the Redemption Price specified below, provided that any redemption prior to March 31, 2012 shall be done for all of the then outstanding Series 1 Shares and shall be limited to circumstances in which Series 1 Shares are entitled to vote separately as a class or series by law or court order. Notice of any such redemption to occur prior to March 31, 2012 may be provided by YPG Holdings at any time and from time to time prior to a meeting of shareholders of YPG Holdings at which holders of Series 1 Shares are entitled to vote separately as a class or series and for which a record date has been established, and during the period of 10 days following the holding of such meeting. Such redemption may be made upon payment in cash of the amount of (each, a "Redemption Price"):

- $26.25 per Series 1 Share if redeemed on or after March 31, 2007 and prior to March 31, 2008,
- $26.00 per Series 1 Share if redeemed on or after March 31, 2008 and prior to March 31, 2009,
- $25.75 per Series 1 Share if redeemed on or after March 31, 2009 and prior to March 31, 2010,
- $25.50 per Series 1 Share if redeemed on or after March 31, 2010 and prior to March 31, 2011,
- $25.25 per Series 1 Share if redeemed on or after March 31, 2011 and prior to March 31, 2012, and
- $25.00 per Series 1 Share if redeemed on or after March 31, 2012,

plus, in each case, an amount equal to all accrued and unpaid dividends thereon to but excluding the date of redemption (less any tax required to be deducted and withheld by YPG Holdings).

Where applicable, if less than all outstanding Series 1 Shares are at any time to be redeemed, the shares to be redeemed will be selected on a pro-rata basis.

Retraction by the Holder

Prior to December 31, 2012, a holder of Series 1 Shares cannot require YPG Holdings to redeem any Series 1 Shares. Subject to the provisions described under "— Restriction on Dividends and Retirement and Issue of Shares" and applicable law, a holder of Series 1 Shares may require YPG Holdings to redeem such shares (by deposit by the holder of the Series 1 Shares to be redeemed not less than 30 days before redemption) on or after December 31, 2012 for a cash price of $25.00 per Series 1 Share, together with any accrued and unpaid dividends thereon to but excluding the date of redemption (less any tax required to be deducted and withheld by YPG Holdings).

Exchange at the Option of YPG Holdings

On or after March 31, 2012 and prior to December 31, 2012, YPG Holdings may, upon not less than 30 days and not more than 60 days prior written notice, subject, if required, to regulatory approvals, exchange, the outstanding Series 1 Shares into Units or New Tradable Securities of a publicly-listed entity successor to the Fund pursuant to a corporate reorganization. Without limiting the generality of the foregoing, a publicly listed entity will be treated as a successor to the Fund if unitholders of the Fund receive directly or indirectly securities of such entity that are publicly listed in exchange or substitution for the units that they hold in the Fund. In addition, the Series 1 Shares will be exchangeable at the option of YPG Holdings, in whole or in part, into Units or New Tradable Securities on or after March 31, 2007, provided that any exchange prior to March 31, 2012 shall be limited to circumstances where the Series 1 Shares are entitled to vote separately as a class or series by law or court order. Notice of any such exchange to occur prior to March 31, 2012 may be provided by YPG Holdings at any time and from time to time prior to a meeting of shareholders of YPG Holdings at which holders of Series 1 Shares are entitled to vote separately as a class or series and for which a record date has been established, and during the period of 10 days following the holding of such meeting. Subject to the previous sentence, YPG Holdings may, subject to applicable law and, if required, to regulatory approval, exchange all, or from time to time any part, of the then outstanding Series 1 Shares into that number of Units or New Tradable Securities determined (per Series 1 Share) by dividing the then applicable Redemption Price, together with all accrued and unpaid dividends up to but excluding the date fixed for exchange, by the greater of (i) $2.00 and (ii) 95% of the weighted average trading price of the Units or New Tradable Securities, as the case may be, on the TSX (or if the Units or New Tradable Securities, as at the case may be, do not trade on the TSX on the date specified for exchange, on the exchange or trading system with the greatest volume of Units or New Tradable Securities, as the case may be, traded during the 20 day period referred to below) for the 20 consecutive trading days ending on the fourth day prior to the date specified for exchange, or, if such fourth day is not a trading day, the immediately preceding trading day. Fractional Units or New Tradable Securities, as the case may be, will not be issued on any exchange of Series 1 Shares, but in lieu thereof YPG Holdings will make cash payments.

If less than all the outstanding Series 1 Shares are at any time to be exchanged, the shares to be exchanged will be selected on a pro-rata basis.

Upon exercise by YPG Holdings of its right to exchange Series 1 Shares into Units or New Tradable Securities, YPG Holdings is not required to issue Units or New Tradable Securities, as the case may be, to any person whose address is in, or whom YPG Holdings or its transfer agent has reason to believe is a resident of, any jurisdiction outside Canada, to the extent that such issue would require compliance by YPG Holdings with the securities or other laws of such jurisdiction. If in such circumstances YPG Holdings elects not to issue Units or New Tradable Securities, YPG Holdings may elect, in lieu thereof, to make a cash payment. Any such payment will be considered to have been paid on a redemption of Series 1 Shares in accordance with the terms and conditions of the Series 1 Shares.

Purchase for Cancellation

Subject to applicable law and the provisions described under "— Restriction on Dividends and Retirement and Issue of Shares", YPG Holdings may at any time or times purchase for cancellation the whole or any part of the then outstanding Series 1 Shares on the open market, by private agreement, pursuant to tenders received by YPG Holdings upon an invitation for tenders addressed to all holders of the Series 1 Shares, or otherwise, at the lowest price or prices at which in the opinion of the Board of Directors such shares are obtainable.

Restriction on Dividends and Retirement and Issue of Shares

So long as any of the Series 1 Shares are outstanding, YPG Holdings will not, without the approval of the holders of the Series 1 Shares given as described under "— Modification of Series" unless, in each such case, all accrued and unpaid dividends up to and including the dividend payable for the last completed period for which dividends were payable on the Series 1 Shares have been declared and paid or monies set apart for payment:

(a) declare, pay or set apart for payment any dividends on any shares of YPG Holdings ranking as to dividends on parity with or junior to the Series 1 Shares (other than stock dividends payable in shares of YPG Holdings ranking as to dividends and capital junior to the Series 1 Shares);

(b) except in connection with the exercise of a retraction privilege attaching thereto, or except out of the net cash proceeds of a substantially concurrent issue of shares ranking as to capital junior to the Series 1 Shares, redeem, call for redemption, purchase for cancellation or otherwise retire or make any return of capital in respect of any shares of YPG Holdings ranking as to capital junior to or on a parity with the Series 1 Shares;

(c) except in connection with the exercise of a retraction privilege attaching thereto, redeem, call for redemption, purchase for cancellation or otherwise retire or make any return of capital in respect of less than all of the Series 1 Shares then outstanding;

(d) issue any additional shares ranking as to the payment of dividends or capital prior to the Series 1 Shares; or

(e) except where the net cash proceeds of an issue of shares ranking as to the payment of dividends or capital junior to the Series 1 Shares are used to pay all accrued and unpaid dividends up to and including the dividend payable for the last completed period for which dividends were payable on the Series 1 Shares, if any, or except pursuant to the exercise of stock options or otherwise under YPG Holdings's security-based compensation arrangements in effect at any time and from time to time, issue any additional shares ranking as to dividends or capital junior to the Series 1 Shares.

Voting Rights

The holders of the Series 1 Shares will not be entitled (except as otherwise provided by law or in the conditions attaching to the First Preferred Shares as a class) to receive notice of, attend, or vote at, any meeting of shareholders of YPG Holdings, for greater certainty, including at any meeting relating to a proposal to effect an exchange of the Series 1 Shares by way of an amalgamation or plan of arrangement involving YPG Holdings provided that the rights, privileges, restrictions and conditions of the Series 1 Shares are not removed or changed and provided that no class of shares of YPG Holdings superior to the Series 1 Shares is created or are otherwise negatively impacted, unless and until YPG Holdings shall have failed to pay eight quarterly dividends on the Series 1 Shares, whether or not consecutive and whether or not such dividends have been declared. In that event, and for only so long as any such dividends remain in arrears, the holders of the Series 1 Shares will be entitled to receive notice of and to attend each meeting of YPG Holdings' shareholders other than any meetings at which only holders of another specified class or series are entitled to vote, and, except when the vote of the holders of shares of any other class or series is to be taken separately and as a class or series, to vote together with all of the voting shares of YPG Holdings on the basis of one vote for each Series 1 Share held.

Liquidation, Dissolution and Winding Up

In the event of the liquidation, dissolution or winding up of YPG Holdings or any other distribution of assets of YPG Holdings among its shareholders for the purpose of winding up its affairs, subject to the prior satisfaction of the claims of all creditors of YPG Holdings and of holders of shares of YPG Holdings ranking prior to the Series 1 Shares, the holders of the Series 1 Shares will be entitled to payment of an amount equal to $25.00 per Series 1 Share, plus an amount equal to all accrued and unpaid dividends up to but excluding the date fixed for payment or distribution (less any tax required to be deducted and withheld by YPG Holdings), before any amount is paid or any assets of YPG Holdings are distributed to the holders of any shares ranking junior as to capital to the Series 1 Shares. The holders of the Series 1 Shares will not be entitled to share in any further distribution of the assets of YPG Holdings.

The payment of the amounts to be paid to the holders of the Series 1 Shares upon liquidation, dissolution and winding-up of YPG Holdings is fully and unconditionally guaranteed by the Fund. See "Fund Guarantee".

Modification of Series

The approval of all amendments to the rights, privileges, restrictions and conditions attaching to the Series 1 Shares as a series and any other approval to be given by the holders of the Series 1 Shares may be given by a resolution passed by an affirmative vote of at least two-thirds of the votes cast at a duly called and held meeting at which the holders of at least 25% of the outstanding Series 1 Shares are present in person or represented by proxy or, if no quorum is present at such meeting, at an adjourned meeting at which the holders of Series 1 Shares then present would form the necessary quorum. At any meeting of holders of Series 1 Shares as a series, each such holder shall be entitled to one vote in respect of each Series 1 Share held.

Tax Election

The provisions of the Series 1 Shares as a series require YPG Holdings to make an election in prescribed form pursuant to the provisions of subsection 191.2(1) of the Tax Act, and within the time limits provided therein, for purposes of determining the tax payable under Part VI.1 of such Act with respect to the Series 1 Shares. See "Certain Canadian Federal Income Tax Considerations".

Fund Guarantee

Until exchanged as described hereunder, each Series 1 Share will be fully and unconditionally guaranteed by the Fund as to (i) the payment of dividends, as and when declared, (ii) the Redemption Price on a redemption of the Series 1 Shares for cash, (iii) the payment of the amounts due upon retraction by a holder of Series 1 Share and (vi) the payment of the amounts due in the event of the liquidation, dissolution and winding up, whether voluntary or involuntary of YPG Holdings (the "Guarantee"). The obligation of the Fund under the Guarantee will constitute direct unsecured, unsubordinated and known obligations of the Fund, which obligations are to be paid and settled before distributions are to be made by the Fund of any of its remaining assets among its unitholders.

RATINGS

The Series 1 Shares have been given a Canadian scale rating of P-3, by S&P. Such P-3 rating is the eighth highest of eighteen ratings used by S&P in its Canadian preferred share rating scale. According to S&P, such a P-3 rating indicates that although the obligation is considered to be less vulnerable to nonpayment than other speculative issues, it faces major ongoing uncertainties or exposure to adverse business, financial, or economic conditions which could lead to the obligor's inadequate capacity to meet its financial commitment on the obligation.

The Series 1 Shares have been given a rating of Pfd-3 (high) by DBRS. Pfd-3 (high) is the seventh highest of sixteen ratings used by DBRS for preferred shares. According to DBRS, preferred shares rated Pfd-3 are of adequate credit quality and, while protection of dividends and principal is still considered acceptable for such preferred shares, the issuing entity of preferred shares with a Pfd-3 rating is considered to be more susceptible to adverse changes in financial and economic conditions, and there may be other adverse conditions present which detract from debt protection.

Ratings are intended to provide investors with an independent assessment of the credit quality of an issue or issuer of securities and do not speak to the suitability of particular securities for any particular investor. A security rating is not a recommendation to buy, sell or hold securities and may be subject to revision or withdrawal at any time by the rating organization. There is no assurance that any rating will remain in effect for any given period of time or that any rating will not be withdrawn or revised entirely by a rating agency at any time if in its judgment circumstances so warrant.

LIMITATION ON NON-RESIDENT OWNERSHIP

Pursuant to the Fund Declaration of Trust, the trustees of the Fund must ensure that the Fund continues to qualify as a mutual fund trust within the meaning of the Tax Act. In order for the Fund to maintain its status as a "mutual fund trust" under the Tax Act, the Fund must not be established or maintained primarily for the benefit of non-residents of Canada within the meaning of the Tax Act ("Non-Residents"). In this regard, YPG Holdings may, upon the exercise of its right to exchange Series 1 Shares into Units or New Tradable Securities, elect not to exchange Series 1 Shares held by Non-Residents into Units or New Tradable Securities and elect to make, in lieu thereof, a cash payment and any such payment will be considered to have been paid on a redemption of Series 1 Shares in accordance with the terms and conditions of the Series 1 Shares.

USE OF PROCEEDS

The net proceeds from the sale of Series 1 Shares under this short form prospectus are estimated to be approximately $290,000,000 (or $333,650,000 if the Additional Shares are issued), after deduction of the Underwriters' fee and the estimated expenses of this offering. The Underwriters' fee and the expenses of this offering will be paid out of the proceeds of this offering.

The net proceeds of this offering will be used by YPG Holdings to repay indebtedness, and for general corporate purposes.

EARNINGS COVERAGE RATIO OF THE FUND

The following consolidated earnings coverage ratios are calculated for the 12-month period ended December 31, 2006 giving effect to the additional issuance of $100 million Series 5 Medium Term Notes and $150 million Series 6 Medium Term Notes of YPG Holdings and the repayment by YPG Holdings of all the commercial paper outstanding during the year as if these transactions had occurred on January 1, 2006. In addition, it gives effect to the issuance of the Exchangeable Debentures of YPG Holdings for gross proceeds of $300 million and the repayment by YPG Holdings of $50 million of the new Term A facilities and $250 million of the new Term B facilities as if these transactions had occurred on June 8, 2006 as well as the repayment by YPG Holdings of the remaining new Term A facilities from the proceeds of the issuance of the Warranted Units of the Fund as if these transactions had occurred on June 8, 2006. It also gives effect to the issuance of $300 million Series 1 Shares as if this transaction had occurred on January 1, 2006.

After giving effect to these issuances, the interest requirements and dividend requirements adjusted to a before-tax equivalent using an effective income tax rate of 31.59%, for the Fund amounted to $127.5 million and $18.6 million, respectively, for the 12-month period ended December 31, 2006. The consolidated earnings of the Fund for the 12-month period ended December 31, 2006 before interest on long-term debt and income taxes amounted to $566.5 million, which is 3.88 times the Fund's aggregate interest and dividend requirements for the 12-month period ended December 31, 2006.

Before giving effect to the amortization and impairment of intangible assets in the amount of $143.9 million for the 12-month period ended December 31, 2006, the earnings coverage ratio would have been 4.86.

EARNINGS COVERAGE RATIO OF YPG HOLDINGS INC.

The following consolidated earnings coverage ratios are calculated for the 12-month period ended December 31, 2006 giving effect to the additional issuance of $100 million Series 5 Medium Term Notes and $150 million Series 6 Medium Term Notes of YPG Holdings and the repayment by YPG Holdings of all the commercial paper outstanding during the year as if these transactions had occurred on January 1, 2006. In addition, it gives effect to the issuance of the Exchangeable Debentures of YPG Holdings for gross proceeds of $300 million and the repayment by YPG Holdings of $50 million of the new Term A facilities and $250 million of the new Term B facilities as if these transactions had occurred on June 8, 2006 as well as the repayment by YPG Holdings of the remaining new Term A facilities from the proceeds of the issuance of the Warranted Units of the Fund as if these transactions had occurred on June 8, 2006. It also gives effect to the issuance of $300 million Series 1 Shares as if this transaction had occurred on January 1, 2006.

After giving effect to these issuances, the interest requirements and dividend requirements adjusted to a before-tax equivalent using an effective income tax rate of 31.59%, for YPG Holdings amounted to $646.3 million and $18.6 million, respectively, for the 12-month period ended December 31, 2006. The consolidated earnings of YPG Holdings for the 12-month period ended December 31, 2006 before interest on long-term debt and income taxes amounted to $568.7 million. Additional earnings before interest on long-term debt and income taxes of $96.2 million would be required to achieve a one-to-one earnings coverage ratio. Included in the interest expense is $514.3 million related to intercompany debt for the 12-month period ended December 31, 2006.

Before giving effect to the amortization and impairment of intangible assets in the amount of $143.7 million for the 12-month period ended December 31, 2006, the earnings coverage ratio would have been 1.07.

PLAN OF DISTRIBUTION

Pursuant to an underwriting agreement (the "Underwriting Agreement") entered into on the date hereof among YPG Holdings, the Fund and the Underwriters, YPG Holdings has agreed to sell an aggregate of 12,000,000 Series 1 Shares to the Underwriters, and the Underwriters have severally (and not jointly or solidarily) agreed to purchase from YPG Holdings, as principals, such Series 1 Shares on the Closing Date. Delivery of the Series 1 Shares is conditional upon payment in cash on the Closing Date by the Underwriters to the Fund of $25.00 per Series 1 Share, net of a fee of $0.25 per Series 1 Share sold to certain institutions and $0.75 per Series 1 Share with respect to all other sales that YPG Holdings is to pay on the Closing Date to the Underwriters under the Underwriting Agreement in consideration of services in connection with the Offering.

The price at which the Series 1 Shares are being offered hereunder was determined by negotiation between YPG Holdings, the Fund and the Underwriters.

The obligations of the Underwriters under the Underwriting Agreement are several (and not joint or solidarily) and may be terminated at their discretion upon the occurrence of certain stated events. The Underwriters are obligated to take up and pay for all of the Series 1 Shares if any of such Series 1 Shares are purchased under the Underwriting Agreement. The Underwriting Agreement also provides that the Fund and YPG Holdings will indemnify the Underwriters and their respective directors, officers, agents and employees against certain liabilities and expenses, including liabilities under Canadian securities legislation.

Subscriptions for Series 1 Shares will be received subject to rejection or allotment in whole or in part and the right is reserved to close the subscription books at any time without notice.

YPG Holdings has been advised by the Underwriters that, in connection with the Offering, the Underwriters may effect transactions which stabilize or maintain the market price of Series 1 Shares which might otherwise prevail in the open market. Such transactions, if commenced, may be discontinued at any time.

Pursuant to policy statements of certain securities regulators, the Underwriters may not, throughout the period of distribution, bid for or purchase Series 1 Shares. The policy statements allow certain exceptions to the foregoing prohibitions. The Underwriters may only avail themselves of such exceptions on the condition that the bid or purchase not be engaged in for the purpose of creating actual or apparent active trading in, or raising the price of, the Series 1 Shares. These exceptions include a bid or purchase permitted under the Universal Market Integrity Rules for Canadian Marketplaces of Market Regulation Services Inc., relating to market stabilization and passive market making activities and a bid or purchase made for and on behalf of a customer where the order was not solicited during the period of distribution. Pursuant to the first mentioned exception, in connection with the Offering, the Underwriters may over-allot or effect transactions which stabilize or maintain the market price of the Series 1 Shares at levels other than those which otherwise might prevail on the open market. Such transactions, if commenced, may be discontinued at any time.

YPG Holdings has granted the Underwriters an option (the "Over-allotment Option"), exercisable such that the closing of the Over-allotment Option would occur before March 31, 2007, to purchase up to an additional 1,800,000 Series 1 Shares (the "Additional Shares") at the offering price hereunder. This short form prospectus also qualifies both the grant of the Over-allotment Option and the distribution of the Additional Shares issuable upon exercise of the Over-allotment Option. YPG Holdings has agreed to pay the Underwriters an underwriting fee equal to $0.25 per Additional Share sold to certain institutions and $0.75 per Series 1 Share with respect to all other sales of Additional Shares. Assuming that no Series 1 Shares (including Additional Shares) are sold to such institutions, if the Underwriters purchase all such Additional Shares, the total price to YPG Holdings, Underwriters' fee and net proceeds to YPG Holdings before expenses of this offering will be $345,000,000, $10,350,000 and $334,650,000, respectively.

Scotia Capital Inc., CIBC World Markets Inc., RBC Dominion Securities Inc., BMO Nesbitt Burns Inc., National Bank Financial Inc., TD Securities Inc. and HSBC Securities (Canada) Inc. are subsidiaries or affiliates of lenders (the "Lenders") that have made credit facilities (the "Credit Facilities") available to YPG Holdings. As of the date hereof, there was no indebtedness outstanding under the Credit Facilities. Accordingly, YPG Holdings may be considered a connected issuer to the Underwriters for purposes of securities laws in certain Canadian provinces. YPG Holdings is not and has not been in default of its obligations to the Lenders under the Credit Facilities, which are unsecured. The decision to distribute Series 1 Shares was made by YPG Holdings and the terms and conditions of distribution were determined through negotiations between YPG Holdings, the Fund and the Underwriters. The Lenders have not had any involvement in such decision and will not have any involvement in such determination. None of the Underwriters will receive any benefit from the offering of Series 1 Shares other than its portion of the remuneration payable by YPG Holdings on the principal amount of the Series 1 Shares sold through or to such Underwriters.

Certain of the Underwriters or their affiliates have in the past engaged, and may in the future engage, in transactions with and perform services, including commercial banking, financial advisory and investment banking services, for YPG Holdings and its affiliates in the ordinary course of business for which they have received or may receive customary compensation.

The Series 1 Shares have not been and will not be registered under the U.S. Securities Act or any State securities laws and may not be offered or sold within the United States or to, or for the account or benefit of, U.S. persons.

Pursuant to the Underwriting Agreement, the Fund and its subsidiaries (including YPG Holdings) shall not, directly or indirectly, without the prior written consent of the Underwriters, such consent not to be unreasonably withheld, issue, offer, sell, or enter into an agreement to issue, offer or sell (or announce any intention to do so) any Series 1 Shares, Units or any other financial instruments or securities convertible into or exchangeable for Units, in each case, for a period ending on the date that is 90 days after the closing of this offering.

There is currently no market through which the Series 1 Shares may be sold and purchasers may not be able to resell the Series 1 Shares purchased under this short form prospectus. YPG Holdings has applied for the listing of the Series 1 Shares distributed under this short form prospectus on the TSX. Listing will be subject to YPG Holdings fulfilling all the listing requirements of the TSX.

The Underwriters propose to offer the Series 1 Shares initially at the offering price specified on the cover page of this short form prospectus. After the Underwriters have made a reasonable effort to sell all of the Series 1 Shares at the price specified on the cover page, the offering price may be decreased and may be further changed from time to time to an amount not greater than that set out on the cover page, and the compensation realized by the Underwriters will be decreased by the amount that the aggregate price paid by purchasers for the Series 1 Shares is less than the price paid by the Underwriters to YPG Holdings.

CERTAIN CANADIAN FEDERAL INCOME TAX CONSIDERATIONS

In the opinion of Stikeman Elliott LLP, counsel to YPG Holdings, and Fasken Martineau DuMoulin LLP, counsel to the Underwriters, the following is, at the date hereof, a fair summary of the principal Canadian federal income tax considerations generally applicable to a purchaser of Series 1 Shares who acquires such shares pursuant to this short form prospectus (a "Holder") and who, at all relevant times, for purposes of the Tax Act, is, or is deemed to be, resident in Canada, holds the Series 1 Shares as capital property, deals with YPG Holdings at arm's length and is not affiliated with YPG Holdings. Generally, the Series 1 Shares will be considered to be capital property to a Holder provided that the Holder does not hold the Series 1 Shares in the course of carrying on a business and has not acquired them in one or more transactions considered to be an adventure in the nature of trade. Certain Holders who are resident in Canada whose Series 1 Shares might not otherwise qualify as capital property may be entitled to obtain such qualification for the Series 1 Shares and all other "Canadian Securities", as defined in the Act, in certain circumstances, by making an irrevocable election permitted by subsection 39(4) of the Tax Act.

This summary is not applicable to a Holder that is a "financial institution" (as defined in the Tax Act for purposes of the mark-to-market rules) or a Holder whose interest in the Series 1 Shares is a "tax shelter investment" (as defined in the Tax Act). Such Holders should consult their own tax advisors having regard to their particular circumstances.

This summary is based upon the facts set out in this short form prospectus, the current provisions of the Tax Act and the Regulations in force at the date of this short form prospectus, all specific proposals to amend the Tax Act and Regulations publicly announced by or on behalf of the Minister of Finance (Canada) prior to the date hereof and counsel's understanding and assessing of the current administrative practices published in writing by the Canada Revenue Agency (the "CRA"). This summary assumes that all proposed amendments will be enacted in the form proposed. There can be no assurance that the proposed amendments will be implemented in their current form or at all. This summary does not otherwise take into account or anticipate any changes in law or practice, whether by judicial, governmental or legislative decision or action or changes in the administrative policies or assessment practices of the CRA, nor does it take into account tax legislation or considerations of any province, territory or foreign jurisdiction. The provisions of provincial income tax legislation vary from province to province in Canada and in some cases differ from federal income tax legislation.

This summary is of a general nature only and is not intended to be, nor should it be construed to be, legal or tax advice to any particular Holder, and no representations with respect to the income tax consequences to any particular Holder are made. Accordingly, prospective purchasers should consult their own tax advisors for advice with respect to the tax consequences to them of acquiring, holding and disposing of Series 1 Shares, including the application and effect of the income and other tax laws of any country, province, state or local tax authority.

Dividends

Dividends (including deemed dividends) received on the Series 1 Shares by an individual (other than certain trusts) will be included in the individual's income and will be subject to the gross-up and dividend tax credit rules normally applicable to taxable dividends received from taxable Canadian corporations. Bill C-28, which received third reading in the Senate on February 14, 2007 proposes to enhance the gross-up and dividend tax credit for eligible dividends received after 2005 from taxable Canadian corporations such as YPG Holdings. Eligible dividends will generally include dividends paid after 2005 by taxable Canadian corporations, where those dividends have been designated as eligible dividends by the dividend-paying corporation.

YPG Holdings will take any required actions, which may include the filing of the necessary election under Part VI.1 of the Tax Act, to ensure that Holders that are corporations will not be subject to tax under Part IV.1 of the Tax Act on dividends received (or deemed to be received) by such Holder on the Series 1 Shares.

Dividends (including deemed dividends) on the Series 1 Shares received by a corporation other than a "specified financial institution" (as defined in the Tax Act) will be included in computing the corporation's income and will generally be deductible in computing the taxable income of the corporation. Where the Holder is a specified financial institution, such dividends will be deductible only if the Series 1 Shares are not "term preferred shares" (as defined in the Tax Act) or, if they are term preferred shares, such shares were not acquired by the specified financial institution in the ordinary course of the business carried on by it. A Series 1 Share will not be a term preferred share to a specified financial institution where such share is listed on a prescribed stock exchange in Canada and the specified financial institution, alone or together with persons with whom it does not deal at arm's length within the meaning of the Tax Act, does not receive (and is not deemed to receive) dividends in respect of more than 10% of the issued and outstanding Series 1 Shares, as the case may be.

Holders that are specified financial institutions and who alone, or together with non-arm's length persons, will receive or be deemed to receive dividends in respect of more than 10% of the issued and outstanding Series 1 Shares should consult their own tax advisors regarding the consequences to them of an investment in the Series 1 Shares.

A "private corporation" (as defined in the Tax Act), or any other corporation controlled whether by reason of a beneficial interest in one or more trusts or otherwise by or for the benefit of an individual (other than a trust) or a related group of individuals (other than trusts), will generally be liable to pay a 33⅓% refundable tax under Part IV of the Tax Act on dividends received (or deemed to be received) on the Series 1 Shares to the extent such dividends are deductible in computing its taxable income.

Dispositions

A Holder who disposes of or is deemed to dispose of Series 1 Shares (either on redemption or retraction of the shares for cash, on the exchange into Units or New Tradable Securities or otherwise, but not on conversion for other shares of YPG Holdings or any successor corporation) will generally realize a capital gain (or sustain a capital loss) to the extent that the proceeds of disposition, net of any reasonable costs of disposition, exceed (or are less than) the adjusted cost base of such shares to the Holder. The amount of any deemed dividend arising on the redemption or purchase for cancellation by YPG Holdings of Series 1 Shares will not be included in computing the Holder's proceeds of disposition to any shareholder for purposes of computing the capital gain or capital loss arising on the disposition of the Series 1 Shares. See "Redemption" below.

Generally, one-half of any such capital gain will be included in computing the Holder's income as a taxable capital gain and one-half of any such capital loss may be deducted from the Holder's taxable capital gains in accordance with the rules contained in the Tax Act. Capital gains realized by an individual may give rise to a liability for minimum tax. Any such capital loss may in certain circumstances be reduced by the amount of any dividends, including deemed dividends, which have been received on such shares.

A "Canadian-controlled private corporation" as defined in the Tax Act may be subject to an additional refundable tax of 6⅔% on investment income, including taxable capital gains.

Redemption

If YPG Holdings redeems Series 1 Shares for cash or, at the option of YPG Holdings, through the issuance of Units or New Tradable Securities upon the exchange at the option of YPG Holdings or otherwise acquires Series 1 Shares other than by a purchase in the manner in which shares are normally purchased by a member of the public in the open market, the Holder will be deemed to have received a dividend equal to the amount, if any, paid by YPG Holdings in excess of the paid-up capital of such shares at such time. Generally, the difference between the amount paid and the amount of the deemed dividend will be treated as proceeds of disposition for the purposes of computing the capital gain or capital loss arising on the disposition of such shares. See "Dispositions" above. In the case of a Holder that is a corporation, it is possible that in certain circumstances all or part of the amount so deemed to be a dividend may be treated as proceeds of disposition and not as a dividend.

RISK FACTORS

Investors should consider carefully before purchasing the Series 1 Shares the risks described below as well as the other information in this short form prospectus and the documents incorporated by reference herein, in particular the risks described in the information that is incorporated by reference into this short form prospectus including, without limitation, the risk factors described in the Annual Information Form of the Fund at pages 30 to 34 and the management's discussion and analysis of the Fund for the years ended December 31, 2006 and 2005 at pages 40 to 45.

YPG Holdings' ability to meet its financial obligations is dependent on receipt of funds from its principal subsidiaries and the value of its underlying business and assets.

As YPG Holdings is primarily a holding company, YPG Holdings' ability to pay dividends and other operating expenses and interest and to meet its obligations depends to a significant extent upon receipt of sufficient funds from its principal subsidiaries, the amount of intercompany debt between YPG Holdings and its subsidiaries, the returns generated by its investments (including by way of interest and dividends thereon received and the proceeds of disposition thereof), its ability to raise additional capital and the value of its underlying business and assets, being the operating entities which carry on the telephone business directories and the vertical media business of Yellow Pages Group. Accordingly, the likelihood that holders of the Series 1 Shares will receive dividends will depend to a significant extent upon the financial position and creditworthiness of the principal subsidiaries and affiliates of YPG Holdings including the Fund. The payment of interest and dividends by certain of these principal subsidiaries or investee entities to YPG Holdings is also subject to restrictions set forth in certain laws and regulations which require that solvency and capital standards be maintained by such companies. As disclosed under the heading "Earnings Coverage Ratio of YPG Holdings", YPG Holdings' earning coverage ratio for the 12-month period ended December 31, 2006 is less than one to one. Should the value of the underlying assets of YPG Holdings decrease substantially, YPG Holdings may not legally be in a position to declare or pay its dividends or pay amounts due upon redemption or retraction of the Series 1 Shares or upon liquidation, dissolution or winding up of YPG Holdings, subject to the ability of the Fund to pay such amounts under the Guarantee. See "Details of the Offering — Description of the First Preferred Shares, Series 1 — Fund Guarantee" and "Earnings Coverage Ratio of the Fund".

Limitation under the Guarantee

Although the Series 1 Shares carry cumulative dividends, YPG Holdings may not be in a position pursuant to law to declare and pay such dividends as contemplated in this short form prospectus, regardless of distributions on the Units by the Fund. While the payment of such dividends has been guaranteed by the Fund, such Guarantee only becomes exercisable when such dividends are declared by the board of directors of YPG Holdings or, upon the redemption or retraction of the Series 1 Shares or upon the liquidation, dissolution or winding-up of YPG Holdings.

Payment under the Guarantee will also depend, to a large extent, on the receipt by the Fund of sufficient funds from its indirect subsidiaries including YPG Holdings and its operating subsidiaries as the Fund does not have any significant assets of its own.

There is currently no trading market for the Series 1 Shares.

There is currently no trading market for the Series 1 Shares. No assurance can be given that an active or liquid trading market for the Series 1 Shares will develop or be sustained. If an active or liquid market for the Series 1 Shares fails to develop or be sustained, the prices at which the Series 1 Shares trade may be adversely affected.

The market value of Series 1 Shares will be affected by a number of factors and, accordingly, its trading price will fluctuate.

The value of Series 1 Shares will be affected by the general creditworthiness of YPG Holdings. The Fund's management's discussion and analysis for the year ended December 31, 2006 is incorporated by reference in this section. These analyses discuss, among other things, known material trends and events, and risks or uncertainties that are reasonably expected to have a material effect on YPG Holdings' business, financial condition or results of operations. See also the discussions under "Earnings Coverage Ratio of the Fund" and "Earnings Coverage Ratio of YPG Holdings", which are relevant to an assessment of the risk that YPG Holdings will be unable to pay dividends on the Series 1 Shares.

The market value of the Series 1 Shares, as with other preferred shares, is primarily affected by changes (actual or anticipated) in prevailing interest rates and in the credit rating assigned to such shares. Real or anticipated changes in credit ratings on the Series 1 Shares may also affect the cost at which YPG Holdings can transact or obtain funding, and thereby affect its liquidity, business, financial condition or results of operations.

Prevailing yields on similar securities will affect the market value of the Series 1 Shares. Assuming all other factors remain unchanged, the market value of the Series 1 Shares would be expected to decline as prevailing yields for similar securities rise and would be expected to increase as prevailing yields for similar securities decline.

The market value of Series 1 Shares may also depend on the market price of the Units or, if and when issued, the New Tradable Securities as a consequence of, among other things, YPG Holdings' right to exchange the Series 1 Shares into Units or New Tradable Securities. It is impossible to predict whether the price of the Units and, if and when issued, the New Tradable Securities will rise or fall. Trading prices of the Units and the New Tradable Securities will be influenced by the Fund's or, if and when the New Tradable Securities are issued, its successor's financial results and by complex and interrelated political, economic, financial and other factors that can affect the capital markets generally, the stock exchanges on which the Units and, if and when issued, the New Tradable Securities are traded and the market segment of which YPG Holdings is a part.

Creditors of YPG Holdings rank ahead of holders of Series 1 Shares in the event of an insolvency or winding up of YPG Holdings.

The Series 1 Shares rank equally with other First Preferred Shares of YPG Holdings that may be outstanding in the event of an insolvency or winding up of YPG Holdings. If YPG Holdings becomes insolvent or is wound-up, YPG Holdings's assets must be used to pay debt, including inter-company debt, before payments may be made on Series 1 Shares and other preferred shares.

Income Tax Matters

Income fund structures generally involve a significant amount of inter company or similar debt, generating substantial interest expense, which serves to reduce earnings and therefore income tax payable. Management believes that the interest expense inherent in the structure of the Fund is supportable and reasonable in the light of the terms of inter group indebtedness and expects that such interest expense will remain supportable and reasonable. There can be no assurance that taxation authorities will not seek to challenge the amount of interest expense deducted. If such a challenge were to succeed against YPG Holdings, Yellow Pages Group Co. or Trader Corporation, it could materially adversely affect the amount of distributable cash available. There can be no assurance that the Fund will not reorganize or make acquisitions or dispositions in the future that could affect the tax treatment of the Canadian or foreign Unitholders.

On October 31, 2003, the Department of Finance released, for public comment, proposed amendments to the Tax Act that relate to the deductibility of interest and other expenses for income tax purposes for taxation years commencing after 2004. In general, the proposed amendments may deny the realization of losses in respect of a business if there is no reasonable expectation that the business will produce a cumulative profit over the period that the business can reasonably be expected to be carried on. Management believes that it is reasonable to expect the property or business of YPG Holdings, Yellow Pages Group Co. and Trader Canada to produce a cumulative profit over the expected period that the property will be held or the business will be carried on. After an extended period of public consultations that ended in August 2004, the 2005 Budget Proposals announced that the Department of Finance has sought to respond to concerns about the proposal by developing "a more modest legislative initiative" that would respond to taxpayer's concerns while still achieving the Government's objective. It cannot yet be determined whether such further legislative proposals will have an effect on the Fund.

On October 31, 2006, the Minister of Finance (Canada) announced new tax proposals concerning the taxation of income trusts and other flow-through entities (the "**October 31, 2006 Proposal**"). The October 31, 2006 Proposal was followed by the release of draft legislation by the Department of Finance on December 21, 2006 (the "**2006 Proposed Amendments**"). The 2006 Proposed Amendments, if enacted as currently drafted, will subject the Fund to trust level taxation as of January 1, 2011, subject to application of the Québec tax regime discussed further below. In addition, the taxable distributions received by investors from the Fund, would be treated as taxable dividends.

There can be no assurance that the Fund will be able to retain the benefit of the deferred application of the new tax regime until 2011. If the Fund is deemed to have undergone "undue expansion" during the period from November 1, 2006 to December 31, 2010, as described in a press release issued by the Department of Finance (Canada) on December 15, 2006 that provides guidance on what the Department of Finance means by normal growth (the "**Normal Growth Guidelines**"), the 2006 Proposed Amendments would become effective on a date earlier than January 1, 2011.

The Normal Growth Guidelines indicate that the Fund will not lose the benefit of the deferred application of the new tax regime to 2011 if the equity capital of the Fund does not grow as a result of issuances of new equity (which includes trust units, debt that is convertible into trust units, and could potentially apply to other alternatives for such equity) before January 1, 2008 by an amount that exceeds the greater of $50 million and an objective "safe harbour" amount equal to 40% of the entity's market capitalisation as of the end of trading on October 31, 2006 (measured in terms of the value of the entity's issued and outstanding publicly traded units (not including debt, options or other interest convertible into Units of the entity)) (the "**2006 Market Capitalisation**"). More specifically, the "safe harbour" for the intervening years up to 2011 will be as follows:

Time Period	Safe Harbour Amount
November 1, 2006 to December 31, 2007	40% of October 31, 2006 Market Capitalisation
2008	20% of October 31, 2006 Market Capitalisation
2009	20% of October 31, 2006 Market Capitalisation
2010	20% of October 31, 2006 Market Capitalisation

As the above-noted table illustrates, in the aggregate, a publicly traded income trust or other flow-through entity can incrementally increase its equity capital by 100% of its 2006 Market Capitalisation. Based on the

2006 Market Capitalisation of the Fund, Management believes that neither the issuance of Series 1 Shares nor their exchange into Units will, in and of itself, result in the Fund being deemed to have undergone "undue expansion".

On December 20, 2006, the Ministère des Finances (Québec) (the "**Ministère**") published Information Bulletin 2006-6 which sets out Ministère's position regarding the October 31, 2006 Proposals to the effect that Québec's tax legislation will be harmonized with the federal tax legislation but that a separate Québec tax regime will be implemented. The Minister of Finance (Canada) has not yet indicated if and how the 2006 Proposed Amendments will be amended to take into account the proposed Québec tax regime.

BOOK-BASED SYSTEM

Registration of interests in and transfers of the Series 1 Shares will only be made through the book-based system administered by CDS. On or about the date of closing of this offering, YPG Holdings will deliver to CDS a certificate evidencing the aggregate number of Series 1 Shares subscribed for under this offering. Series 1 Shares must be purchased, transferred and surrendered for redemption, exchange or retraction through a participant in CDS (a "CDS Participant"). All rights of an owner of Series 1 Shares must be exercised through, and all payments or other property to which such owner is entitled will be made or delivered by, CDS or the CDS Participant through which the owner holds Series 1 Shares. Upon a purchase of any Series 1 Shares, the owner will receive only the customary confirmation. References in this short form prospectus to a holder of Series 1 Shares mean, unless the context otherwise requires, the owner of the beneficial interest in such shares.

The ability of a beneficial owner of Series 1 Shares to pledge such shares or otherwise take action with respect to such owner's interest in such shares (other than through a CDS Participant) may be limited due to the lack of a physical certificate.

YPG Holdings has the option to terminate registration of the Series 1 Shares through the book-based system, in which event certificates for Series 1 Shares in fully registered form will be issued to the beneficial owners of such shares or their nominees.

EXPERTS

Certain legal matters in connection with the securities offered hereby will be passed upon by Stikeman Elliott LLP on behalf of YPG Holdings and by Fasken Martineau DuMoulin LLP on behalf of the Underwriters. The partners and associates of Stikeman Elliott LLP, as a group, and Fasken Martineau DuMoulin LLP, as a group, each beneficially own, directly or indirectly, less than 1% of the outstanding securities of YPG Holdings or any associated party or affiliate of YPG Holdings.

AUDITORS, REGISTRAR AND TRANSFER AGENT

The independent auditors of the Fund are Deloitte & Touche LLP, Chartered Accountants, at their offices in Montreal, Québec.

The transfer agent and registrar of the Series 1 Shares and the Units is CIBC Mellon Trust Company at its principal transfer office in Montreal, Québec.

PURCHASER'S STATUTORY RIGHTS OF WITHDRAWAL AND RESCISSION

Securities legislation in certain of the provinces of Canada provides purchasers with the right to withdraw from an agreement to purchase securities. This right may be exercised within two business days after receipt or deemed receipt of a prospectus and any amendment thereto, irrespective of the determination at a later date of the purchase price of the securities distributed. In several of the provinces, securities legislation further provides the purchaser with remedies for rescission or, in some jurisdictions, damages if the prospectus and any amendment contains a misrepresentation or is not delivered to the purchaser, provided that such remedies for rescission or damages are exercised by the purchaser within the time limit prescribed by the securities legislation of the purchaser's province or territory. A purchaser should refer to any applicable provisions of the securities legislation of the purchaser's province or territory for the particulars of these rights or consult with a legal advisor.

AUDITORS' CONSENT

We have read the short form prospectus of YPG Holdings dated February ● , 2007 relating to the qualification for distribution of 12,000,000 4.25% Cumulative Redeemable First Preferred Shares, Series 1. We have complied with Canadian generally accepted standards for an auditor's involvement with offering documents.

We consent to the incorporation by reference in the above-mentioned short form prospectus of our report dated February 6, 2007 to the Unitholders of the Fund on the consolidated balance sheets of the Fund as at December 31, 2006 and 2005 and the consolidated statements of earnings, unitholders' equity and cash flows for the years then ended.

Montreal, Québec	(Signed) ●
● , 2007	Chartered Accountants

CERTIFICATE OF YPG HOLDINGS INC.

Dated: February 21, 2007

This short form prospectus, together with the documents incorporated herein by reference, constitutes full, true and plain disclosure of all material facts relating to the securities offered by this prospectus as required by the securities legislation of each of the provinces and territories of Canada. For the purpose of the Province of Québec, this simplified prospectus, together with documents incorporated herein by reference and as supplemented by the permanent information record, contains no misrepresentation that is likely to affect the value or the market price of the securities to be distributed.

YPG HOLDINGS INC.

CHIEF EXECUTIVE OFFICER
By: (Signed) MARC P. TELLIER
President and Chief Executive Officer
and Director

CHIEF FINANCIAL OFFICER
By: (Signed) CHRISTIAN M. PAUPE
Executive Vice President, Corporate Services
and Chief Financial Officer and Director

By: (Signed) FRANÇOIS D. RAMSAY
Director

CERTIFICATE OF THE GUARANTOR

Dated: February 21, 2007

This short form prospectus, together with the documents incorporated herein by reference, constitutes full, true and plain disclosure of all material facts relating to the securities offered by this prospectus as required by the securities legislation of each of the provinces and territories of Canada. For the purpose of the Province of Québec, this simplified prospectus, together with documents incorporated herein by reference and as supplemented by the permanent information record, contains no misrepresentation that is likely to affect the value or the market price of the securities to be distributed.

YELLOW PAGES INCOME FUND

By: (Signed) MICHAEL T. BOYCHUK
Trustee

By: (Signed) DONALD F. MAZANKOWSKI
Trustee

By: (Signed) ANTHONY G. MILLER
Trustee

By: (Signed) HEATHER MUNROE-BLUM
Trustee

CERTIFICATE OF UNDERWRITERS

Dated: February 21, 2007

To the best of our knowledge, information and belief, this short form prospectus, together with the documents incorporated herein by reference, constitutes full, true and plain disclosure of all material facts relating to the securities offered by this prospectus as required by the securities legislation of each of the provinces of Canada. For the purpose of the Province of Québec, this simplified prospectus, together with documents incorporated herein by reference and as supplemented by the permanent information record, contains no misrepresentation that is likely to affect the value or the market price of the securities to be distributed.

SCOTIA CAPITAL INC.	CIBC WORLD MARKETS INC.	RBC DOMINION SECURITIES INC.	BMO NESBITT BURNS INC.
By: (Signed) CHARLES ÉMOND	By: (Signed) BENOIT LAUZÉ	By: (Signed) KIRON MONDAL	By: (Signed) LINE RIVARD

NATIONAL BANK FINANCIAL INC.	TD SECURITIES INC.
By: (Signed) ENRICO PALLOTTA	By: (Signed) LUC OUELLET
DESJARDINS SECURITIES INC.	HSBC SECURITIES (CANADA) INC.
By: (Signed) JEAN-PHILIPPE MORIN	By: (Signed) LUC BUISSON

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