

Yell Limited

27 May 2010

Queens Walk
Oxford Road
Reading RG1 7PT

Dear Philip

Re: Organisational change and the future of Yell

I write further to our discussions at our consultative committee meeting last week. As I said at that meeting many Prospect members have told us that they are concerned about their future in the company following the recent announcement that both the Chief Executive Officer and Chief Financial Officer will be leaving Yell. Whilst the CEO's retirement has not come as a surprise, the timing of his announcement - on the same day the annual results were published and the CFO announced his resignation - has prompted much speculation about the future of the company. This comes on the back of significant cost reduction programmes which have seen many employees leave the business through redundancy and the recent re-financing of the company's debt. Employees are aware that the company has suffered through both the recession and changes in the industry, and are acutely aware of the large debt that it continues to carry.

We have worked with the company throughout this time to minimise the impact on members whilst delivering the changes needed to return the business to growth. Given the level of uncertainty that currently exists Prospect would welcome any reassurance you can provide to our members and to that end I wonder if you could let us have your thoughts on the following specific queries:

- Does the company envisage, or have any specific plans for, further headcount reductions?
- The annual results state that savings of £60m have already been identified for the financial year 10/11 - can you tell us what these saving are and how they will be achieved?

- How long does the company think it will take to recruit and have in place successors to the CEO and CFO?
- Do you envisage any changes to terms and conditions of employment as a result of these organisational changes?
- Does the company think the changes required to take the business forward are moving fast enough? One particular area of concern is the fact that the company does not yet have a fully operational echannel portal for use by customers.
- Is the company satisfied with the return on investment on its growth/retention initiatives such as Call Counter, SMS & Packages?
- Does the company envisage any approaches by other companies in the market seeking to take over its business?

When we established our consultative meeting for discussing business strategy we agreed within the terms of reference the ability to take issues of significant importance to the CEO. I would like to request that we have such a meeting with him now to discuss the future of the company.

Thank you for your attention to this and I look forward to hearing from you.

Yours sincerely

Johanna Baxter
National Officer

cc Simon Clarke, Principal Officer, Prospect Yell branch
Spencer Horne, Case Handler, Prospect Yell branch
Kirsty Hayward, HR Manager, Yell Corporate