dex·yp™

Q3 2017 FINANCIAL FLASH

DISCLAIMER

The following information is preliminary financial information only. The Company has not yet finalized the fresh start accounting or acquisition accounting processes. Material changes to net income or loss may result. None of the information has been reviewed or audited by our independent certified public accountants. Finalization of the 2016 and 2017 financial statement audit of multi-element revenue accounting could result in a non-cash shift between reported Print and Digital Net Revenue and between reporting periods. The information is subject to adjustment for normal period-end items as well as for other adjustments that may be required when quarterly or annual information is reported. The adjustments could be material. The Company's results can fluctuate from month to month depending on a variety of factors, some of which are beyond the Company's control or are difficult to predict, so no inference as to future results should be drawn from this information. The following information does not necessarily include all material information about the Company or its securities that an investor would consider in making a decision to purchase or sell securities, and, therefore, no person should place undue reliance on this information. The Company disclaims any duty to update the information disclosed below or to provide any information in the future.

The financial, or non-financial information, is presented as if the acquisition of YP Holdings had occurred prior to January 1, 2016 and excludes the impact of acquisition accounting, as required by U.S. GAAP. Adjusted pro forma EBITDA represents earnings before interest, taxes, depreciation and amortization and other non-recurring items, including acquisition transaction fees and integration costs, pension, long-term incentive compensation, capital restructuring, business transformation, and adjustments for reorganization (emergence), fresh start and acquisition accounting. Adjusted pro forma EBITDA margin is calculated by dividing adjusted pro forma EBITDA by pro forma net revenue. Adjusted pro forma results do not necessarily reflect what the underlying operational or financial performance of the Company would have been, had the Dex Media and YP transaction been consummated prior to January 1, 2016.

DexYP NON-GAAP KPI

		Q3				YTD			
				Variance				Variance	
		2017	2016	Fav (Unfav)	%	2017	2016	Fav (Unfav)	%
Client Count, Period End (000)	(a), (b)								
Multi-Product		213	246	(33)	-13.4%				
Digital		116	121	(4)	-3.6%				
Print		296	396	(100)	-25.3%				
Total Clients		**625**	**763**	**(137)**	**-18.0%**				
Net Revenue ($mm)	(b), (c)								
Print		$ 274.0	$ 355.6	$ (81.6)	-22.9%	$ 875.7	$ 1,129.0	$ (253.3)	-22.4%
Digital		292.4	334.6	(42.2)	-12.6%	906.5	1,023.3	(116.8)	-11.4%
Other		1.8	2.5	(0.7)	-28.7%	5.9	5.6	0.3	5.7%
Total Net Revenue		**$ 568.2**	**$ 692.7**	**$ (124.5)**	**-18.0%**	**$ 1,788.1**	**$ 2,157.9**	**$ (369.8)**	**-17.1%**
Adjusted Pro Forma EBITDA ($mm)	(b), (d), (e)	**$ 139.3**	**$ 178.5**	**$ (39.2)**	**-22.0%**	**$ 409.0**	**$ 529.3**	**$ (120.3)**	**-22.7%**
Adjusted Pro Forma EBITDA Margin %		***24.5%***	***25.8%***	***-1.3%***		***22.9%***	***24.5%***	***-1.7%***	
Free Cash Flow ($mm)	(b), (f), (g)	**$ 54.1**	**$ 47.7**	**$ 6.4**	**13.5%**	**$ 174.5**	**$ 189.8**	**$ (15.3)**	**-8.1%**
Debt ($mm)	(b)								
Term Note		$ 728.0	$ 890.5	$ 162.5	18.3%				
ABL		164.2	139.7	(24.5)	-17.5%				
Total Outstanding Debt		**$ 892.2**	**$ 1,030.3**	**$ 138.1**	**13.4%**				
Cash		**$ (14.4)**	**$ (74.5)**	**$ (60.1)**	**80.7%**				
Net Debt	(g)	**$ 877.8**	**$ 955.8**	**$ 78.0**	**8.2%**				

*Note: DexYP is a trade name for Dex Media Holdings, Inc.

Footnotes:

(a) Duplicative local clients were removed from the 2017 results but not from the 2016 results.

(b) All figures presented are preliminary, subject to change, and unaudited. Material changes may result from audit procedures, and finalization of fresh start accounting and acquisition accounting. Finalization of the 2016 and 2017 financial statement audit of multi-element revenue accounting could result in a non-cash shift between reported Print and Digital Net Revenue and between reporting periods.

(c) Net Revenue for Q3 2017 and YTD September 2017 is presented on a consolidated pro forma basis as a result of fresh start accounting. Dex Media's historical net revenue for Q3 2016 and YTD September 2016 has been adjusted to reflect proper recognition of contracts with both print and digital advertising components. DexYP's historical net revenue for the periods prior to the acquisition date of June 30, 2017 does not reflect the elimination of intercompany net revenue between Dex Media and YP. YP's historical accounting treatment for multi-element arrangements is currently being evaluated for conformity with Dex Media's current methodology and therefore is subject to change. Any identified differences will be addressed as part of acquisition accounting.

(d) Adjusted Pro Forma EBITDA excludes interest, taxes, depreciation and amortization, and other non-cash/non-recurring expenses, such as integration costs and transaction fees, pension, long-term incentive compensation, capital restructuring, business transformation and adjustments for reorganization (emergence), fresh start and acquisition accounting.

(e) The accounting policies of YP are currently being reviewed and evaluated for conformity with Dex Media. Additionally, the historical results of YP are reflective of YP's accounting policies in place during those periods.

(f) Free Cash Flow reflects cash generated from operating activities, less capital expenditures, proceeds from the sale of the St. Petersburg building in Q3 2017 and interest payments. Free cash flow in 2017 includes the payment of YP acquisition integration and transaction fees of $15.3 million in Q3 and $58.3 million YTD September, income taxes of $24.0 million in Q3 and $124.3 million YTD September, and other non-recurring costs of $1.9 million in Q3 and $17.8 million YTD September. Free cash flow in 2016 includes capital restructuring costs of $2.6 million in Q3 and $29.4 million YTD September and reorganization costs of $12.2 million in Q3 and $13.8 million YTD September.

(g) Net debt excludes capital lease obligations. Total capital lease obligations as of Q3 2017 and Q3 2016 were $72.3 million and $74.2 million, respectively. Total capital lease payments in Q3 2017 were $3.5 million.

APPENDIX

DexYP ADJUSTED PRO FORMA EBITDA RECONCILIATION

$mm		Q3 2017	Q3 2016	Q3 Variance Fav (Unfav)	Q3 Variance %	YTD 2017	YTD 2016	YTD Variance Fav (Unfav)	YTD Variance %
Net income (loss) - GAAP		$ (28.0)	$ 464.9	$ (492.9)	106.0%	$ (203.4)	$ 323.9	$ (527.3)	162.8%
Add/(subtract) non-operating items:									
Provision for income taxes		33.9	3.1	30.8	981.0%	103.1	15.4	87.6	568.2%
Interest expense, net		26.9	29.6	(2.7)	-9.2%	85.2	188.7	(103.5)	-54.9%
Interest income & debt issuance cost amortization		(0.9)	(1.5)	0.6	-38.5%	(2.9)	(2.2)	(0.6)	29.2%
Gains on early extinguishment of debt		-	(1.0)	1.0	-100.0%	(0.8)	(0.4)	(0.3)	77.0%
Add/(subtract) fresh start adjustments/reorganization items:									
Fresh start adjustments		-	11.3	(11.3)	-100.0%	-	11.3	(11.3)	-100.0%
Reorganization - Emergence adjustments		0.2	(536.9)	537.1	-100.0%	(1.6)	(458.1)	456.6	-99.7%
Operating income (loss)		**$ 32.2**	**$ (30.4)**	**$ 62.6**	**-205.8%**	**$ (20.3)**	**$ 78.6**	**$ (98.9)**	**-125.9%**
Depreciation and amortization		74.1	95.2	(21.2)	-22.2%	224.7	270.2	(45.5)	-16.8%
EBITDA		**$ 106.2**	**$ 64.8**	**$ 41.4**	**63.8%**	**$ 204.4**	**$ 348.7**	**$ (144.4)**	**-41.4%**
Adjustments:									
Adjustments for fresh start accounting	**(a)**	$ 4.6	$ 81.5	$ (77.0)	-94.4%	$ 92.6	$ 81.5	$ 11.0	13.5%
Pension expense		(0.4)	2.3	(2.7)	-117.1%	15.0	6.1	8.8	144.2%
Long term incentive compensation		(1.5)	-	(1.5)	0.0%	(1.5)	0.4	(1.8)	-523.0%
Capital restructuring costs	**(b)**	-	2.6	(2.6)	-100.0%	-	27.5	(27.5)	-100.0%
Business transformation costs	**(c)**	2.5	8.1	(5.6)	-69.3%	7.2	18.8	(11.7)	-61.8%
YP acquisition integration & transaction costs		6.3	-	6.3	0.0%	49.4	-	49.4	0.0%
Severance - YP acquisition related		16.7	-	16.7	0.0%	25.1	-	25.1	0.0%
Other one-time costs	**(d)**	4.8	19.1	(14.3)	-74.9%	16.9	46.2	(29.3)	-63.4%
Adjusted Pro Forma EBITDA - (non-GAAP)		**$ 139.3**	**$ 178.5**	**$ (39.2)**	**-22.0%**	**$ 409.0**	**$ 529.3**	**$ (120.3)**	**-22.7%**
Operating Revenue - GAAP		**$ 562.2**	**$ 582.7**	**$ (20.4)**	**-3.5%**	**$ 1,661.8**	**$ 2,047.8**	**$ (386.0)**	**-18.9%**
Pro forma revenue excluded from GAAP revenue		6.0	110.0	(104.1)	-94.6%	126.3	110.0	16.2	14.7%
Pro Forma and Operating Revenue - (non-GAAP)		**$ 568.2**	**$ 692.7**	**$ (124.5)**	**-18.0%**	**$ 1,788.1**	**$ 2,157.9**	**$ (369.8)**	**-17.1%**
Net Cash Provided by Operating Activities - GAAP		**$ 58.5**	**$ 61.4**	**$ (2.9)**	**-4.7%**	**$ 189.5**	**$ 224.2**	**$ (34.6)**	**-15.5%**
Less: Additions to fixed assets and capitalized software		(4.4)	(13.7)	9.3	68.0%	(15.1)	(34.4)	19.3	56.2%
Free Cash Flow, after Capital Restructuring Costs and Reorganization Costs	**(e)**	**$ 54.1**	**$ 47.7**	**$ 6.4**	**13.5%**	**$ 174.5**	**$ 189.8**	**$ (15.3)**	**-8.1%**

Footnotes:

(a) Fresh start accounting requires that deferred revenue and deferred costs be written off. This adjustment adds back revenue, net of expenses, for what would have been recognized in EBITDA, absent fresh start accounting.

(b) Capital restructuring costs represent advisory fees incurred by Dex Media in connection with their evaluation of the Company's capital structure, prior to filing a prepackaged Chapter 11 plan of reorganization with the U.S. Bankruptcy Court.

(c) Business transformation costs represent expenses incurred by Dex Media in connection with their organizational restructuring program, which included the launch of virtual sales offices, enabling the Company to eliminate field sales offices, plus the automation of the sales process, integration of systems to eliminate duplicative systems and workforce reductions.

(d) Other one-time costs for 2017 primarily represents YP litigation costs of $4.6 million in Q3 and YTD September, plus YP severance (not related to the YP acquisition) of $9.8 million YTD September. Other one-time costs for 2016 primarily represents YP severance (not related to the YP acquisition) of $5.8 million in Q3 and $17.8 million YTD September, YP litigation costs of $5.5 million in Q3 and $7.6 million YTD September, and YP other project costs.

(e) Free cash flow in Q3 2017 of $54.1 million, excludes proceeds from the sale of the St. Petersburg building in Q3 2017 which generated an additional $7.3 million in cash which was used to pay down debt. Free cash flow in 2017 includes the payment of YP acquisition integration and transaction fees of $15.3 million in Q3 and $58.3 million YTD September, income taxes of $24.0 million in Q3 and $124.3 million YTD September, and other non-recurring costs of $1.9 million in Q3 and $17.8 million YTD September.

DexYP FREE CASH FLOW RECONCILIATION

		Q3				YTD			
				Variance				Variance	
$mm		2017	2016	Fav (Unfav)	%	2017	2016	Fav (Unfav)	%
Adjusted Pro Forma EBITDA		**$ 139.3**	**$ 178.5**	**$ (39.2)**	**-22.0%**	**$ 409.0**	**$ 529.3**	**$ (120.3)**	**-22.7%**
Non-cash EBITDA adjustments		(2.2)	0.2	(2.4)	-1512.1%	(2.6)	3.5	(6.1)	-172.7%
Tax refunds/(payments)		(24.0)	(17.2)	(6.8)	-39.7%	(124.3)	(49.0)	(75.3)	-153.8%
Late fees		1.1	1.5	(0.4)	-29.4%	3.3	4.0	(0.8)	-19.7%
YP acquisition integration & transaction costs		(15.3)	-	(15.3)	NM	(58.3)	-	(58.3)	NM
Business transformation costs	(a)	(1.9)	(12.1)	10.3	84.6%	(9.0)	(24.2)	15.1	62.6%
Other cash costs	(b)	-	(14.2)	14.2	100.0%	(8.8)	(35.8)	27.0	75.4%
Pension funding		(2.9)	(2.4)	(0.5)	-21.3%	(4.3)	(4.1)	(0.2)	-4.0%
Working capital/other		(9.6)	(28.8)	19.2	66.7%	52.5	(18.8)	71.3	379.7%
Cash from Operating Activities		**$ 84.4**	**$ 105.4**	**$ (21.1)**	**-20.0%**	**$ 257.4**	**$ 405.0**	**$ (147.6)**	**-36.4%**
Capital expenditures		(4.4)	(13.7)	9.3	68.0%	(15.1)	(34.4)	19.3	56.2%
Free Cash Flow (before Debt Service)		**$ 80.0**	**$ 91.8**	**$ (11.8)**	**-12.8%**	**$ 242.3**	**$ 370.6**	**$ (128.3)**	**-34.6%**
Interest payments		(25.9)	(29.3)	3.4	11.6%	(67.9)	(137.6)	69.7	50.7%
Free Cash Flow, before Capital Restructuring Costs & Reorganization Costs	(c)	**$ 54.1**	**$ 62.5**	**$ (8.4)**	**-13.4%**	**$ 174.5**	**$ 233.0**	**$ (58.6)**	**-25.1%**
Capital restructuring costs	(d)	-	(2.6)	2.6	100.0%	-	(29.4)	29.4	100.0%
Reorganization costs	(e)	-	(12.2)	12.2	100.0%	-	(13.8)	13.8	100.0%
Free Cash Flow, after Capital Restructuring Costs & Reorganization Costs	(c)	**$ 54.1**	**$ 47.7**	**$ 6.4**	**13.5%**	**$ 174.5**	**$ 189.8**	**$ (15.3)**	**-8.1%**

Footnotes:

(a) Business transformation costs represent amounts paid by Dex Media in connection with their organizational restructuring program, which included the launch of virtual sales offices, enabling the Company to eliminate field sales offices, plus the automation of the sales process, integration of systems to eliminate duplicative systems and workforce reductions.

(b) Other cash costs in 2017 primarily represents YP severance (not related to the YP acquisition) and YP other project costs through YTD June. Other cash costs in 2016 primarily represents YP severance (not related to the YP acquisition) of $5.8 million in Q3 and $17.8 million YTD September, YP litigation costs of $5.5 million in Q3 and $7.6 million YTD September, and YP other project costs.

(c) Free cash flow in Q3 2017 of $54.1 million, excludes proceeds from the sale of the St. Petersburg building which generated an additional $7.3 million in cash which was used to pay down debt.

(d) Capital restructuring costs represent advisory fees paid by Dex Media in 2016 in connection with their evaluation of the Company's capital structure, prior to filing a prepackaged Chapter 11 plan of reorganization with the U.S. Bankruptcy Court.

(e) Reorganization costs represent charges paid by Dex Media in 2016 that were directly associated with the process of reorganizing the business under Chapter 11 of the U.S. Bankruptcy Code.