

Local Insight Yellow Pages

Presented January 15, 2008 by:

Leanne Bartholet
Area Vice President
Business Development

Local Insight Yellow Pages
100 Executive Parkway
Hudson, Ohio 44236

330-655-4497
lea.bartholet@localinsightyp.com

Table Of Contents

3..... Introduction

4..... Local Insight Yellow Pages – A Quick Overview

5, 6..... Who Are We?

7..... Our Success

8..... Marketing / Advertising

9, 10..... Sales

11..... Co-Op Advertising

12..... National Advertising

13..... Internet Yellow Pages (IYP) – Online Directories

14..... Internet Products Summary

15..... Production / Distribution

16..... Customer Service / Account Management / Directory Conversion

17..... Summary

Introduction

We are pleased to present the following information about Local Insight Yellow Pages (LIYP), formerly Windstream Yellow Pages and Alltel Publishing.

A leader in online and print directory publishing for Independent Telephone Companies, LIYP offers a complete bundle of in-house services, including marketing, sales, production, distribution, customer service and billing. With our industry leading, customized approach, we provide service to nearly 200 Independent Telephone Companies across the United States, including Alaska.

Our goal is to meet the needs of both telephone company and community by supplying accurate, quality products supported by a targeted marketing strategy and concentrated sales approach.

In the pages that follow, you will find detailed overview of our company and the services we provide.

Local Insight Yellow Pages - A Quick Overview

- ✓ We provide all aspects of marketing, sales, production, design, listing maintenance, distribution, customer service and billing functions – **we are a full service publisher.**
- ✓ We are committed to providing the very best account support in the industry with **one point of contact** for all directory related issues.
- ✓ We prepare and supply **annual marketing and sales support plans** for every directory.
- ✓ We create customized market specific sales collateral.
- ✓ We believe in the power of advertising and will cost share all advertising support.
- ✓ We are constantly looking for **new revenue streams** and opportunities and in doing so, have implemented the following:
 - Co-Op advertising
 - National Yellow Pages Advertising with CMR-trained sales “analysts”
 - CMR website (www.localinsightcmr.com)
 - Enhancement opportunities for all print products
 - Advertiser “WinBack” program
 - FLEX Plan pricing strategies
 - Value Tracking
 - On-line Directories and Internet Yellow Pages
- ✓ We understand quality customer contact is critical to success in advertising sales. Therefore, **more than half of our workforce is employed specifically within sales.**
- ✓ We have industry leading production accuracy:
 - Paid Advertising: 99.74%
 - Free Advertising: 99.97%
- ✓ We provide all graphic design and copywriting services **FREE** of charge.
- ✓ We have our own **in-house Customer Relations Department** who follows up on all claims.
- ✓ We have a **nationwide distribution channel** in place which ensures timely and accurate delivery of over seven and one half-million directories each and every year.
- ✓ We dedicate an experienced Marketing Analyst to oversee the daily operations and the development of every directory.

Who Are We?

LIYP is one the nation's leading publishers of telephone directories for Independent Telephone Companies. Producing nearly 400 directories across 35 states for approximately 200 customers, our 2006 Yellow Pages revenue exceeded \$130,000,000. And our growth has been dramatic, beginning with 17 employees in 1993 and expanding to more than 450, today – and we're still growing!

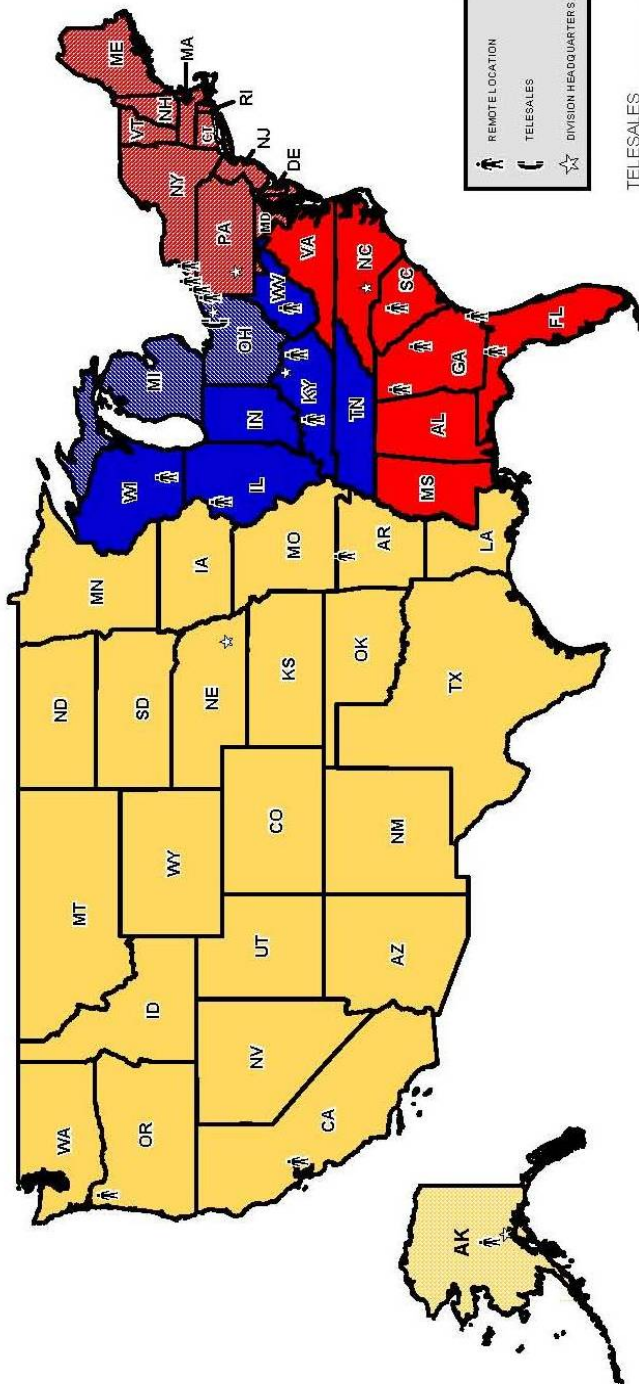
Now affiliated with Local Insight Media, the fifth largest Yellow Pages and local search corporation in the United States, our leadership has an established track record for innovation and performance. Our aggressive expansion into local search ensures directory advertisers are found online whenever – and wherever – consumers are searching.

LIYP is headquartered in Hudson, Ohio, approximately 30 miles southeast of Cleveland. Included at this location are Executive Offices, Business Development, National Sales, Marketing (including pricing, planning, research and advertising), Sales Operations, Telesales, our national Customer Service Center and the Hudson Outside Sales Division.

Five miles north, our Macedonia facility is home to LIYP's Production, Graphics, Creative Services and Distribution departments. Another two hours to the northeast, the White Pages Listing Management Center is located in Erie, PA and is responsible for directory conversion, listing management and maintenance, listing acquisition and licensing, and houses our Post-Sales Order Entry and Verification departments. Finally, our national sales force operates out of division offices in Charlotte, NC, Lexington, KY and Lincoln, NE, with satellite offices and additional representatives positioned strategically throughout the country, including Alaska.



DIVISION TERRITORIES



↑ REMOTE LOCATION
 ☎ TELESALES
 ☆ DIVISION HEADQUARTERS

TELESALES
 Supervisor - Advertising Sales:
 Niki Syab

<p>CHARLOTTE, NC / MONROEVILLE, PA Area Vice President - Advertising Sales: Robert Ortiz Staff Assistant Charlotte: Nancy Connor 1-800-830-1923 Staff Assistant Monroeville: Donna Martinelli 1-800-808-8938</p>	<p>LEXINGTON, KY / HUDSON, OH Area Vice President - Advertising Sales: Maggie Gunter Staff Assistant Lexington: Debbie Overstreet 1-800-860-4414 Staff Assistant Hudson: Sandra K. Wilson 1-888-419-6121</p>	<p>LINCOLN, NE / ANCHORAGE, AK Area Vice President - Advertising Sales: Chad Essex Staff Assistant Lincoln: Patricia Erpelding 1-877-232-0232 Staff Assistant Alaska: Margaret Linder 1-866-246-5785</p>
---	---	---

REVISION 1-4-08

Our Success

We know Yellow Pages. And we have a firm grasp on all of the various steps critical to the process of consistently providing quality, accurate Yellow Pages products to our Independent Telephone Company partners.

At LIYP we possess **two key advantages** in the marketplace that have played a crucial role in our success. The first advantage remains our ability to **customize our approach, directory by directory**, in developing market-specific programs and pricing strategies, establishing efficient sales tactics and timing, planning profitable product offerings and incentives and creating targeted advertising and focused market research programs. By customizing our approach to the specific needs of each of our telephone company partners, we have been able to **maximize opportunities on a market-by-market basis**.

The second advantage is our ability to **offer a complete bundle of in-house publishing services** to our customers. We provide all aspects of marketing, advertising, sales, production, design, listing maintenance, distribution, customer service and billing functions. In short, we are a **full service publisher**.

These advantages, combined with **our commitment to providing the very best in account support**, have precipitated our success and distinguish LIYP as an industry leader.

Marketing / Advertising

Our customized approach begins with our Marketing department, an **extensive team of experienced marketing professionals** who research, develop, analyze and coordinate all phases of our sales approach for each individual market. This includes determining which print and online **product offerings** should be made available and what specific **pricing strategy** and advertiser incentive plans should be implemented based on current market conditions.

In addition to research done by our marketing analysts, LIYP also contracts with an **independent research firm** to find how our directories compare to those of our competitors in the same market area. Four key determining factors are measured, including Possession, Usage, Frequency and Preference. The results are collected and used in conjunction with other valuable research to develop **market-specific sales collateral** and direct mail for supporting sales during the directory canvass.

Beyond these functions, LIYP's Marketing department is constantly developing and rolling out new products and services depending on specific market needs and opportunities. For example, our new iPrint Bundles offer advertisers a wide array of directory supported internet products under one all-inclusive package. Our recycling programs promote Independent Telephone Companies as environmentally responsible members of the community. Finally, our "pick-up-point" distribution program helps put our books in the hands of every local consumer and business, driving additional usage and value.

Every year, after a complete review of each market, a fresh **marketing plan** is formulated, geared toward specific needs and opportunities. This plan includes a **detailed advertising strategy**, utilized in coordination with the individual sales campaign for maximum effectiveness. Our **advertising support** ranges from direct mail for advertisers, billboards and newspaper to radio and television and is designed to increase consumer awareness and usage. The specific program is dependent on market size, competition, local needs and negotiated budget agreements.

Prior to the beginning of a directory sales canvass, the Area Marketing Manager and Analyst will participate in a sales "kickoff" for the market, either in person or by conference call. The marketing plan is thoroughly discussed and reviewed with Sales. All expectations and goals are clearly stated at this time by the sales manager. From that point, these parties keep in constant communication throughout the canvass, appraising progress and evaluating the effectiveness of the implemented strategy. If necessary, revisions are made to ensure a successful canvass.

Sales

Every market is different, presenting unique challenges and opportunities. A focused, coordinated sales effort is essential to producing a successful directory and our experienced team of sales professionals follows a specific, proven canvass management structure. Internally, we continually evaluate our methods to find ways to meet – and exceed – the expectations of our Independent Telephone Company partners.

Our sales structure:

- A “Canvass Manager” is assigned to each market with the responsibility to review the directory on a weekly basis and confirm all contracts are assigned and managed properly.
- There is a targeted focus on “Specialty Items” throughout the canvass, with the intent of confirming and closing renewal of these items at least 3 weeks prior to Sales Close.
- Manager/Rep meetings are held weekly to discuss the status of each assigned revenue contract with special emphasis on accounts with revenue in excess of \$600.
- A minimum of 8 hours per week is dedicated to prospecting for new customers by all Telephone Units.
- Premise Reps, where warranted, are required to complete one hour of calling, per day, on new business and report results to the District Manager.
- Weekly meetings are held with each Representative to monitor and track individual performance, based on revenue and new money expectations.
- Telephone Reps partner with Premise Reps for assistance with customers requesting a face-to-face meeting (for customers who fall under the \$300 per month minimum).
- Telephone Sales Representatives are required to close \$125 in new money each week.
- The Premise Team is required to close \$250 in new money each week.

In addition to the above, we also offer the following services to our Independent Telephone Company partners:

- **FLEX Plan Pricing** – A powerful negotiating tool, this flexible incentive program – where available – offers an initial discount to advertisers with a 5% annual rollout.
- **Bi-Weekly Interim Sales Reports** – Progress reports are sent on a bi-weekly basis to update our directory partners on the most current results of a sales canvass. Conference calls are held when warranted.
- **WinBack Program** – Advertisers stating their desire to cancel are contacted by a WinBack Representative prior to the close of canvass. The rep uses this opportunity to reaffirm the general benefits of Yellow Page advertising and further promotes the advantages of our book, citing documented independent research. Price adjustments are available and offered on a case-by-case basis.

Sales continued

- **Value Tracking** – Through the use of an independent contractor, LIYP can assign a specific telephone number to an ad, which tracks and analyzes incoming calls. Sales can offer this powerful tool for measuring usage as a way of effectively proving the value of advertising in our directories.
- **Multi-book Opportunities** – Where applicable, sales representatives will cross-sell non-competing books in neighboring markets. Directories in close proximity to one another have the potential to receive added revenue from customers who might not have otherwise thought to advertise outside their local area.

Co-Op Advertising

Driving additional revenue into directories, Co-Op advertising (Cooperative Advertising) is an effective way for advertisers to **increase their presence in the directory without increasing their out of pocket cost. Manufacturers and major brand names subsidize the cost** of cooperative Yellow Pages advertising for dealers and distributors as a means of boosting brand awareness.

In our industry, Co-Op advertising tends to be an under-worked, overlooked stream of revenue. For many businesses, the idea of a national brand offering assistance toward local directory advertising is a foreign concept. At LIYP, our Co-Op department specializes in researching Co-Op programs and securing them for local advertisers. They provide lead sheets with this important information to our sales force during a directory canvass. This allows representatives to offer increased advertising to a customer who might not otherwise be able to afford it.

In short, Co-Op advertising:

- Incites advertisers to increase ad budgets – bigger ads at no additional cost
- Builds strong relationships with customers through “consultative selling”
- Increases directory revenue

National Advertising

National Advertising (also referred to as National Yellow Pages Sales or “NYPS”) offers, yet, another vital channel for driving revenue in directories. At LIYP, we employ a team of specially trained CMR sales “analysts” who promote our directories to every CMR (Certified Marketing Representative) in the country, thus maximizing NYPS opportunities.

Our CMR website, www.localinsightcmr.com, puts important LIYP directory information at the fingertips of any interested CMR. A visit to the site reveals general book information, with more in-depth marketing data accessible to those possessing a member ID and password. Information such as directory number, publication month, population, coverage area, demographics, usage studies, sales visuals, state maps, coverage area maps and incentive programs are available to help promote and drive National revenue.

Our NYPS process:

- Once the canvass plan is received, all information is checked and verified on the CMR website to ensure the data is accurately represented to the CMR community.
- All CMRs receive important directory information, including close date, pub date, coverage areas, name changes, combination books, discount programs, etc.
- In general (varying by directory), the NYPS team investigates all deletion orders and contacts the corresponding CMR to determine the reason behind the cancellation and explore possible ways to save the account.
- The NYPS team actively pursues “up-selling” opportunities and other potential means of increasing sales.
- “*elinc*” messages are sent to all members of YPA (Yellow Page/Publishers Association) who are listed as a CMR (more than 200).

Internet Yellow Pages (IYP) – Online Directories

Quick, Accurate, Local. Adding an online directory (also known as an IYP product) brings enormous value. It enhances the existing directory while establishing a solid internet presence for the book. Advertisers enjoying benefits of a printed appearance, now have the opportunity for exposure online.

IYP products **support the existing directory revenue stream**, instead of siphoning from it. For a business to appear in the online directory, they must also appear in the printed directory. Similarly, an the online directory represents a tremendous value for all local businesses in that their listings and ads appear in both places at no extra cost.

Typically linked to and from the telephone company's own web site, the online directory often compliments current marketing strategies. For instance, the product's popularity among consumers can be used to help leverage DSL sales. Finally, the internet directory can also be produced as a CD-ROM and offered as a distribution option to large users.

In short, LIYP Internet Yellow Pages products:

- Support and enhance the core directory product
- Add value for your business customers
- Allow advertisers to link ads to their websites
- Evolve and protect your directory revenue channel
- Are constantly improving in terms of access speed, features, and functionality

Please continue to the next page for a detailed description of our Internet Products.

Internet Products Summary

LIYP offers two unique online directory services – separately, or as a package – to our Independent Telephone Company partners. Each is summarized below.

ActivDirectory:

Available as an online platform or on CD-ROM, *ActivDirectory* extends the telco brand by providing fast, reliable local search with the quality, look and feel of print products advertisers know and trust-with complete usage tracking and reporting.

ActivDirectory's core technologies significantly reduce search time and improve relevancy by enabling natural language, multiple-keyword search based on deep content extracted from listings and display ads. Multiple language support, reverse number search, lightning fast page loads and page-turns along with a user-friendly layout and intuitive navigation, enhance *ActivDirectory's* functionality.

ActivDirectory is completely search engine database-driven, providing the relevant results, thorough mapping and proximity search capabilities you'd expect to find in an advanced search engine platform.

ActivDirectory requires no software downloads or plug-ins and is compatible with most Internet browsers, giving more consumers instant access to up-to-date local business information.

ActivSearch:

Based completely on the data from the printed directory, *ActivSearch* is the smart way to deliver local search with advanced, multiple language naturalization and easy-to-use multiple word single search box design. It presents content-rich "finds" in a practical, organized "search engine listing" format. *ActivSearch* leverages cutting-edge technologies that take complete advantage of listing, advertising and website content, mapping and proximity applications to provide the richest user experience and strongest advertiser results possible. Print ads are made easily viewable in high-quality image formats for maximum impact and consumer response.

ActivSearch was designed with the consumer in mind, so users spend more time on-site, visit more advertisers, buy more and keep coming back again and again. Searches are performed from a single search box (no stumbling around to get to the next level of information), results are presented in a clear and easy-to-navigate format, and best of all, site terminology was designed by consumers - so they understand what they are viewing and doing. Publishers and advertisers know exactly what is happening too, with complete usage tracking and reporting capabilities.

Future Internet Products:

We are currently investigating our next generation of online products that will incorporate a "pay-per-performance" feature while still using the local directory as the core of the database. Future enhancements also include the use of audio and video streaming within our internet products. In short, LIYP is working to become "the trusted internet adviser" to directory advertisers, helping them establish an effective online presence that is available to consumers anytime, anywhere.

Production

Accuracy is crucial to the success of any telephone directory and something we take very seriously here, at LIYP. In fact, all Production departments are held accountable for the accuracy of our directories to the point where individual performance evaluations are based, in part, on the viability of the end product. We understand the books we publish carry the names and logos of our Independent Telephone Company partners and share in their commitment to provide quality products.

Our production software platform is unique in our industry. Most systems utilize a linear workflow, whereby each step must be completed before the next step in the process can begin. In contrast, our platform is based on a relational database, providing much greater flexibility and much faster final production turn-around. It also supplies our quality control department with exact pre-press proofs of every page in the directory.

We check and double check our work. Every ad we sell is keyed into our system.* They are then proofed and verified by two different individuals making absolutely sure the content, layout and billing instructions are correct. This type of quality control is repeated throughout our production process. Finally, after each department proofs and submits their final layouts, no less than **six additional proofing reviews make up our final approval process** for each and every directory we produce. It is this commitment at all stages of production which makes it possible for LIYP to maintain our high level of accuracy.

Accuracy Rate for Paid Advertising: 99.74%

Accuracy Rate for Free Advertising: 99.99%

The Production group also includes our award winning **Creative Services** department. Using input from our customers, these professionally trained artists design covers, glossy community magazine inserts and much, much more. **All directory graphic design and copywriting services are available to you at no charge.**

** On average contracts are keyed and turned around within 2 days. Ads are keyed and turned around within 3.5 days.*

Distribution

Planning the delivery of a single directory is a challenge. Planning the delivery of over seven and a half million directories is an undertaking.

At LIYP, our experienced Distribution department takes pride in successfully coordinating these efforts. Using an established **nationwide distribution channel**, they provide for the timely and accurate distribution of all our directories each and every year. We work directly with our Independent Telephone Company partners to determine the best method of delivery on a market-by-market basis. Whether hand delivered or mailed, our directories arrive on time and in perfect condition.

Customer Service

Our **National Customer Service Center** is located at our corporate offices in Hudson, OH and provides all advertisers with quick and accurate resolutions to questions and concerns. We have recently expanded this department, **assuring the timely resolution of all customer issues**. Our National Customer Service Center investigates every issue and works to resolve them to the complete satisfaction of the advertiser.

Account Management

Publishing a top quality, accurate and profitable directory is almost a yearlong process involving many different departments and functions. Interaction between our internal groups and our Independent Telephone Company partners can be significant. While we will provide departmental contacts for specific functions within the process, we realize how important it is to also make available **one point of contact for all directory related issues**.

We are committed to providing the **very best account support in the industry**. As such, we offer an Account Manager to act as a single point of contact for all directory issues. Our current directory partners have found this to be very helpful in simplifying communications between companies.

Directory Conversion

Converting a book from another publisher is complex process, but one in which we are very experienced. Upon receipt of directory materials, a very careful conversion procedure involving more than 800 checkpoints takes place at our Erie, Macedonia and Hudson facilities. At the end of this process we make certain we have accounted for every advertiser, every dollar of revenue and adjustment, every listing, and have re-created every ad for electronic retrieval.

We coordinate service order start-up dates and begin establishing working relationships between our marketing, graphics, and accounting staffs and our new Independent Telephone Company partner. We confirm next-issue rates in the YPA National Order Database and send *elinc* messages to all Certified Marketing Representatives in the United States informing them to direct all national orders for the directory to us.

The entire conversion process for any given directory requires approximately six weeks.

Summary

At Local Insight Yellow Pages, our goal is to provide accurate, quality products that address community needs and, combined with a targeted marketing strategy and concentrated sales approach, generate additional revenue for our Independent Telephone Company partners.

If you're looking for a directory partner dedicated to maximizing opportunities, alleviating problems, providing information and developing the finest in print and online directories for your company, we invite you to consider Local Insight Yellow Pages as your next directory publisher.