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YELL ANNOUNCES AGREEMENT TO PURCHASE McLEODUSA PUBLISHING COMPANY

Yell, the international directories business, today announced that it has agreed to acquire McLeodUSA Publishing Company, one of the largest independent directory publishers in the US, for \$600 million.

This agreement signals a significant expansion in the US for Yell whose principal shareholders are funds advised by Apax Partners and funds advised by Hicks, Muse, Tate & Furst. Yell already has a strong presence in the US through ownership of the number one independent directory publisher Yellow Book USA. McLeodUSA Publishing Company, a wholly owned subsidiary of telecommunications company McLeodUSA Incorporated, is headquartered in Cedar Rapids, Iowa, and has an extensive US footprint as an innovative print and online telephone directory publisher.

In the year to December 2001, McLeodUSA Publishing Company published 267 directory editions – delivering 33 million copies to homes and businesses, predominantly in the Mid West, Upper Plains and Rocky Mountain states. This means that Yell will double the number of states in which it operates.

Revenues of McLeodUSA Publishing Company for the year to December 2001 are estimated at \$300 million with EBITDA estimated at \$58 million.

John Condron, chief executive of Yell, said: " The agreement to acquire McLeodUSA Publishing Company will be a very exciting development for Yell and signifies a major US expansion, building on our already strong presence with Yellow Book – the leading US independent directory publisher – which we purchased in 1999.

" This agreed acquisition is in line with our stated international strategy for appropriate expansion in key US and European markets. It provides us with exciting new growth opportunities in the largest directory market in the world. Also I am pleased to welcome a management team with enormous experience, proven track record and customer focus culturally attuned with the Yell Group."

Steve Gray McLeodUSA, President and CEO, said: " As a strategic buyer, the Yell Group has the opportunity to expand their presence in the US with the agreed purchase of our directory publishing business. We are certain they will provide a high quality directory for McLeodUSA as well as a good home for the directory publishing employees."

This deal is subject to Hart Scott Rodino notification and finalisation of the financial restructure of McLeodUSA.

Notes to Editors

About Yell

Yell was BT's international directories business which was acquired by funds advised by Apax Partners and funds advised by Hicks, Muse, Tate & Furst for a total consideration of £2.14 billion in June 2001.

Yell operates in the classified advertising market through printed and online media. Yell includes the UK Yellow Pages and Business Pages directories, Yellow Book directories in the US, Yell.com and Talking Pages.

For further information:

Richard Duggleby - Head of External Relations
Tel - +44 (0)118 950 6206 Mobile - + 44 (0) 7860 733488
E-mail – Richard.Duggleby@yellgroup.com

Jon Salmon, Senior Press Officer
Tel - +44 (0)118 950 6656 Mobile - +44 (0)7801 977340
E-mail – Jon.Salmon@yellgroup.com

About McLeodUSA

McLeodUSA provides integrated communications services, including local services, in 25 Midwest, Southwest, Northwest and Rocky Mountain states. The Company is a facilities-based telecommunications provider with, as of September 30, 2001, 393 ATM switches, 58 voice switches, 437 collocations, 520 DSLAMs, over 31,000 route miles of fiber optic network and 10,700 employees. McLeodUSA is traded on The Nasdaq Stock Market® under the symbol MCLD. Visit the Company's web site at www.mcleodusa.com.

For further information:

Investors: Bryce E. Nemitz
Press: Bruce A. Tiemann
Phone: + 1 319 790 7800
Fax: + 1 319 790 7767
Mcleodusa_ir@mcleodusa.com

About Apax Partners

Apax Partners is one of the world's leading private equity investment groups. It pursues a balanced equity portfolio strategy, investing in companies at all stages of development from start-up to buy-out. Apax Partners Funds invest in companies across its 6 chosen global growth sectors of telecommunications, information technology, media, financial services, healthcare and retail/consumer.

The firm has 180 investment professionals operating from 12 offices across Europe, Israel, the United States and Japan. Some of Apax Partners Funds investments include Autonomy Corporation, Dialog Semiconductor, Damovo, Blue Arc and The Stationery Office.

Apax Partners manages and advises more than \$11 billion on behalf of leading institutional investors around the world. For more information please visit www.apax.com.

For further information:

Siobhan Loftus – Director of Marketing – Apax Partners
Phone: +44 (0) 272 7872 6495 Mobile: +44 (0) 7771 943971
Email: Siobhan.Loftus@apax.co.uk

Clare Sillars – Press Officer – Apax Partners
Phone: +44 (0) 272 7872 6476 Mobile: +44 (0) 7785 344873
Email: Clare.Sillars@apax.co.uk

Mary Quinn – Director of Marketing – Apax Partners Inc
Phone: + 1212 753 6300 x 3396 Mobile: + 1 516 314 9723
Email: Mary.Quinn@apax.com

About Hicks, Muse, Tate & Furst

Since its formation in 1989, Hicks, Muse, Tate & Furst has completed or currently has pending more than 400 transactions with a total capital value of more than \$50 billion. Headquartered in Dallas, the firm has a global presence with additional offices in New York, London and Buenos Aires.

Hicks, Muse, Tate & Furst employs a buy-and-build investment strategy focusing on the media, branded food and manufacturing sectors.

For further information

Roy Winnick or Mark Semer, Kekst and Company

Phone - +1212 521 4842 or 4802

Email - Roy-Winnick@kekst.com or Mark-Semer@kekst.com

Shona Prendergast – Penrose Financial

Phone - +44 (0) 20 7786 4884 Mobile - + 44(0) 7798626284

Email - Shonap@penrose.co.uk