

About Transcontinental

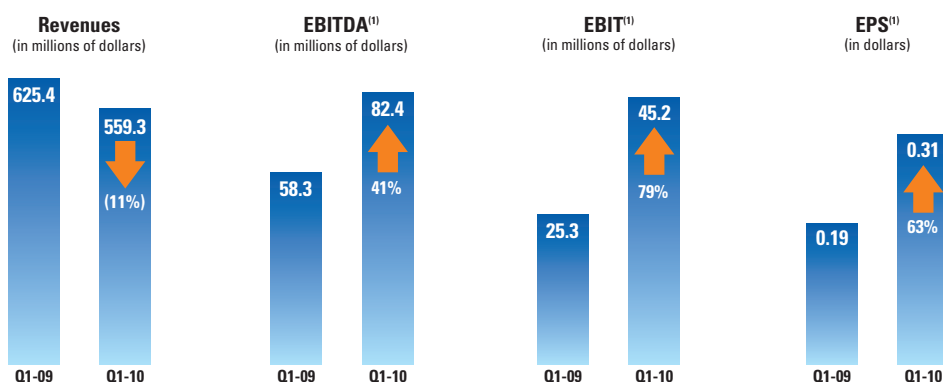
Transcontinental provides printing, publishing and marketing services that deliver exceptional value to its clients and provide a unique, integrated platform for them to reach and retain their target audiences. Transcontinental is the largest printer in Canada and in Mexico, and fourth-largest in North America. It is also Canada's leading publisher of consumer magazines and French-language educational resources, the second-largest community newspaper publisher, and its digital platform delivers unique content through more than 120 Web sites. Its Marketing Communications Sector provides advertising services and marketing products using new communications platforms supported by database analytics, premedia, e-flyers, email marketing, and custom communications. Transcontinental is a growth-oriented company with a culture of continuous improvement and financial discipline, whose values, including respect, innovation and integrity, are central to its operation.

Transcontinental (TSX: TCL.A, TCL.B, TCL.PR.D) has approximately 12,500 employees in Canada, the United States and Mexico, and reported revenues of C\$2.4 billion in 2009. For more information about the Corporation, please visit www.transcontinental.com.

Quarterly Highlights

- **Revenues** decreased 11% versus last year. Excluding the exchange rate, paper and acquisitions/closures/divestitures, revenues were down only 3%
- **EBITDA⁽¹⁾** was up 41% primarily due to the full-year effect from the rationalization plan
- We repaid and cancelled our \$150 million Tranche B **line of credit**
- We announced a 12.5% increase in our quarterly **dividend** on participating shares, to \$0.09 per share from \$0.08 per share
- As at January 31, 2010 our **net debt (including securitization) to EBITDA⁽¹⁾** ratio stood at 2.4x, within the target range of 2.0x to 2.5x set by management
- We signed an agreement to **sell our U.S. high-volume direct mail operations** to IWCO Direct, a U.S.-company headquartered in Minnesota, for net proceeds of over US\$100 million. The transaction is subject to regulatory approval and is expected to close by the end of April.

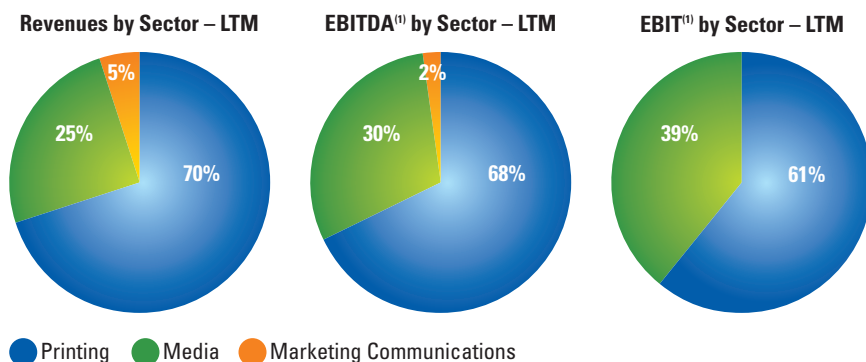
Financial Highlights



Variance Analysis

(in millions of dollars)	Revenues	%	EBIT ⁽¹⁾	%
Q1-09	625.4		25.3	
Acquisitions/Divestitures/Closures	-18.2	-2.9%	2.6	10.3%
Existing Operations				
Paper effect	-10.4	-1.7%	1.6	6.3%
Exchange rate	-20.5	-3.3%	-1.6	-6.3%
Organic growth (negative)	-17.0	-2.7%	17.3	68.4%
Q1-10	559.3	-10.6%	45.2	78.7%

Overview (LTM: last twelve months)



FORWARD-LOOKING STATEMENT

This report contains certain forward-looking statements concerning the future performance of the Corporation. Such statements, based on the current expectations of management, inherently involve numerous risks and uncertainties, both general and specific. We caution that all forward-looking information is inherently uncertain and actual results may differ materially from the assumptions, estimates or expectations reflected or contained in the forward-looking information, and that actual future performance will be affected by a number of factors, many of which are beyond the Corporation's control. The risks, uncertainties and other factors that could influence actual results are described in Management's Discussion and Analysis for the first quarter ended January 31, 2010 and in the 2009 Annual Information Form.

Note 1: On adjusted basis. For additional information regarding the specific items and non-GAAP measures, please refer to the section entitled "Reconciliation of non-GAAP financial measures" in the Management's Discussion and Analysis for the first quarter ended January 31, 2010.

Key investment considerations

- Investment grade credit rating
- Free cash flow profile to return to prior levels in the near term
- Leader in most of the markets we serve
- Solid relationships with our customers
- Balanced portfolio of businesses
- Track record of dividend growth
- Family-owned and operated business
- Long term contracts ranging from 1-18 years with customers who generate more than 50% of printing revenues
- Close to 40% of consolidated revenues are less exposed to cyclical changes in the economy
- Almost half of advertising revenues from the media sector is from local advertising

Selected Financial Data

(in millions of dollars, except ratios)	Q1-10	Q4-09	Q3-09	Q2-09	LTM	Q1-09
Printing	410.2	447.4	385.0	430.0	1672.6	467.6
Media	135.7	164.0	151.9	151.2	602.8	139.9
Marketing Communications	30.3	28.8	29.2	25.6	113.9	39.9
Other	-16.9	-25.7	-19.1	-24.7	-86.4	-22.0
Total Revenues	559.3	614.5	547.0	582.1	2302.9	625.4
Printing	66.1	83.7	55.3	55.7	260.8	45.3
Media	16.3	39.7	33.4	25.5	114.9	11.8
Marketing Communications	3.1	2.0	0.4	1.6	7.1	4.2
Other	-3.1	-1.1	-2.9	-2.3	-9.4	-3.0
Total EBITDA⁽¹⁾	82.4	124.3	86.2	80.5	373.4	58.3
Printing	16.1%	18.7%	14.4%	13.0%	15.6%	9.7%
Media	12.0%	24.2%	22.0%	16.9%	19.1%	8.4%
Marketing Communications	10.2%	6.9%	1.4%	6.3%	6.2%	10.5%
EBITDA margin⁽¹⁾	14.7%	20.2%	15.8%	13.8%	16.2%	9.3%
Selected Data						
Net debt / EBITDA ⁽¹⁾	2.40	2.59	3.18	3.38		3.25
Net indebtedness	804.1	792.1	929.2	916.8		826.0
Net debt / total capitalization	42%	42%	49%	49%		43%

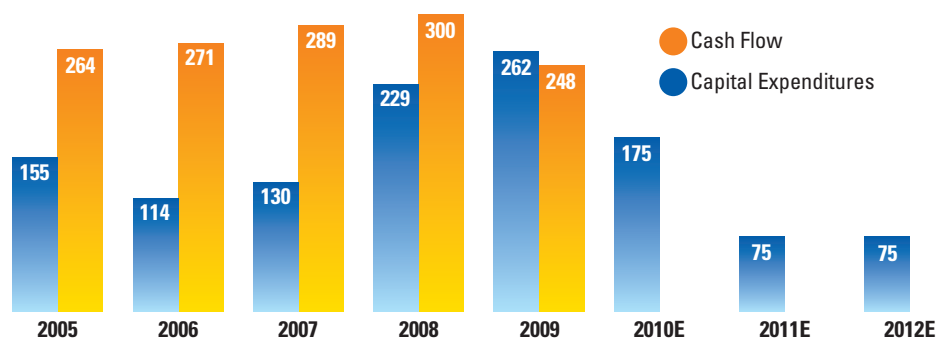
Revenues by Group 2009

(in millions CAD)

Printing Sector	1,730
Magazine, Book and Catalogue Group	487
Retail Group	458
Marketing Products Group	273
Newspaper Group	235
Direct Mail Group ⁽²⁾	200
Mexico Group	77
Media Sector	607
Local Solutions Group	352
Business & Consumer Solutions Group	167
Educational Book Publishing Group	62
New Media and Digital Solutions Group	26
Marketing Communications Sector	124

Cash Flow⁽³⁾ and Capital Expenditures

(in millions of dollars)

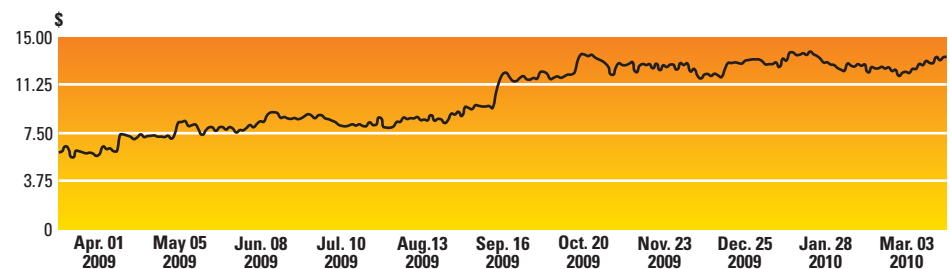


Stock Market Information

As at March 16, 2010

Symbol on the TSX:	TCL.A	TCL.B	TCL.PR.D
Shares Outstanding:	80.8 M		
Public Float:	67.6 M		
Market Capitalization:	\$1.1 billion		
Dividend Yield:	2.7%		
Corporate Credit Ratings:	DBRS: BBB high, Stable S&P: BBB -, Stable		

TCL.A Stock Price - LTM



Analyst Coverage

BMO Capital Markets	Tim Casey
CIBC	Robert Bek
Credit Suisse	Randal Rudniski
National Bank Financial	Adam Shine
RBC Capital Markets	Drew McReynolds
Cormark Securities Inc.	David McFadgen
TD Newcrest	Scott Cuthbertson
Scotia Capital	Paul Steep
Bank of America Merrill Lynch	Christopher Li

Important Dates

Quarterly Results

Q2 - 2010	June 8, 2010
Q3 - 2010	September 8, 2010
Q4 - 2010	December 8, 2010

Contact

Jennifer F. McCaughey
 Director, Investor Relations
 Telephone: 514 954-4000
 E-mail: jennifer.mccaughey@transcontinental.ca

Transcontinental Inc.
 1 Place Ville Marie, Suite 3315
 Montreal, Quebec, Canada H3B 3N2
 E-mail: investorrelations@transcontinental.ca

Note 1: On adjusted basis. For additional information regarding the specific items and non-GAAP measures, please refer to the section entitled "Reconciliation of non-GAAP financial measures" in the Management's Discussion and Analysis for the first quarter ended January 31, 2010.

Note 2: Transcontinental has signed an agreement to sell these operations. The transaction is subject to regulatory approval and is expected to close by the end of April 2010.

Note 3: Cash flow from operating activities before changes in non-cash operating items.