

For Immediate Release

**FRANÇOIS OLIVIER BECOMES PRESIDENT AND CHIEF EXECUTIVE OFFICER OF
TRANSCONTINENTAL AT ITS GROWTH-FOCUSED ANNUAL MEETING**

Montreal, February 20, 2008 – As announced last September, François Olivier today officially became president and chief executive officer of Transcontinental at its annual shareholders' meeting. He is taking over from Luc Desjardins, who is leaving the company after eight years of loyal and productive service.

Rémi Marcoux, founder and executive chairman of the board, thanked Luc Desjardins for his contribution: "Luc successfully guided Transcontinental through an important stage in its growth. Since 2000, Transcontinental's performance has been a remarkable achievement, and I wish to personally thank him today, as well as on behalf of the board of directors."

François Olivier joined Transcontinental in 1993 and rose through the ranks, exceeding expectations every step of the way. He has become particularly known in recent years for developing the newspaper outsourcing model for North America, a future growth segment for Transcontinental. Mr. Olivier was appointed following a rigorous selection process headed by the independent members of the board, under the guidance of senior director J.V. Raymond Cyr.

"François has an impressive track record with Transcontinental," Mr. Marcoux said. "He is an entrepreneur and innovator who puts growth front and centre and he has excellent credibility throughout the organization. Because we have a strong management team, we were able to identify an internal successor, in this instance a member of my family, which guarantees the continuity and stability that are so crucial in today's economy."

Growth-focused annual meeting

Corporation spokespeople told the some 400 shareholders, business partners and executives present at the meeting just how well positioned Transcontinental is to keep growing.

First, Rémi Marcoux pointed out that Transcontinental has the strategy, solid financial base and leadership to continue to grow and to win in the printing and media industries. He touched on the company's niche-based strategy, which means "not being the biggest but being the best in each of our niches," its disciplined financial management, which makes it possible for it to play an active role in the current consolidation of the printing industry, as well as a mobilizing business project that "shows that at Transcontinental, it's the people who make the difference."



He added: “Transcontinental earns more than a quarter of its revenues and slightly more than 40% of its profits from its Media sector. Our strong brands in both magazines and newspapers have brought us exceptional awareness in the communities we serve and are an excellent lever for the development of our digital offering.”

Luc Desjardins, for his part, delivered a personal message to the guests present: “I have just finished eight fine years at the head of Transcontinental and I am leaving with a feeling of accomplishment. I am very confident that we will achieve the financial objectives of *Evolution 2010*. We have a business project, a technologically advanced company, a solid financial foundation and the teams we need to keep growing. The company is in good hands.”

François Olivier reviewed the main highlights of 2007 that he considers promising for the company’s future growth. In addition to the launch of *The Race Towards Excellence*, a mobilizing tool designed to impart the corporation’s vision and strategy to its 15,000 employees, he reviewed the four issues of *Evolution 2010*: talent, sales growth, efficiency and digital.

In his words, the “*Race Towards Excellence* is like a training program aimed at getting each Transcontinental business unit to strive for continuous improvement. By measuring ourselves against the best in each area of activity, we will create the conditions that will lead us to excellence.”

Among the year’s highlights, he mentioned the acquisition of PLM Group, a Canadian leader in direct marketing; winning the contracts to print Rogers’ magazines and the *San Francisco Chronicle*; the launch of *More* magazine; the launch (lebelage.ca) or revamping of websites tied to Transcontinental’s magazines (lesaffaires.com, canadianliving.com and thehockeynews.com); the planned investment of \$60 million to make Transcontinental Transmag one of the most modern newspaper printing plants in the world; and the renewal of Transcontinental’s commitment to protect the environment.

Mr. Olivier continued, saying “our growth in the years ahead will be based in part on our ability to integrate and develop new, non-print related growth platforms that will help our existing customers optimize their marketing dollar. At the same time, we will be active participants in the consolidation of the printing and publishing industries. The keystone will continue to be our close proximity to our customers, our business credibility and our reputation.”

Lastly, Benoît Huard, vice president and chief financial officer, put Transcontinental’s financial results into perspective, showing that Transcontinental did well in 2007 and is in a good position to keep growing. He noted the following: organic growth of revenue reached 4.4 % in the fourth quarter; excluding the impact of the exchange rate, adjusted net earnings per share increased 11%, slightly more than the *Evolution 2010* target; the cumulative impact of the exchange rate over the past five years, which reduced net earnings by \$51 million, or \$0.57 per share; the Corporation’s enviable financial position, generating \$240 million in cash flow from operations in 2007 and a net funded debt to total capitalization ratio of 29%.

Mr. Huard concluded by noting that “this solid financial position allowed us to invest \$130 million in fixed assets and more than \$130 million in acquisitions, including PLM Group. In addition, we increased



our dividend for the fifth consecutive year and bought back 2.5 million shares, worth \$53 million dollars. Our disciplined financial management and ability to generate cash flow from operations gives us the means to pursue our growth.”

About Transcontinental

The largest printer in Canada and sixth-largest in North America, Transcontinental is also the country's leading publisher of consumer magazines and French-language educational resources, and its second-largest community newspaper publisher. Transcontinental distinguishes itself by creating strategic partnerships that integrate the company into its customers' value chain, notably through its unique newspaper printing outsourcing model and its value-added services. From mass to highly personalized marketing, the company offers its clients integrated solutions which include a continent-leading direct marketing offering, a diverse digital platform and a door-to-door advertising material distribution network. Transcontinental is a company whose values, including respect, innovation and integrity, are central to its operation.

Transcontinental (TSX: TCL.A, TCL.B) has approximately 15,000 employees in Canada, the United States and Mexico, and reported revenues of C\$2.3 billion in 2007.

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