

2010 At a Glance!

Media

- Transcontinental Media is the fourth largest print media group in Canada and now has about 3,300 employees. Through its multiplatform offering, the sector reaches more than 18 million Canadian consumers.
- In fiscal 2010, Media Sector revenues grew by \$1.3 million, or 0.2%, from \$607.0 million in 2009 to \$608.3 million in 2010.



- The Local Solutions Group launched six new community newspapers in 2010, each with its own website.
- The Business and Consumer Solutions Group introduced the magazine *PREMIUM*, an innovative high-end publication for business managers.
- The New Media and Digital Solutions Group experienced strong growth in 2010: revenues from digital operations rose to \$36.8 million in 2010, up 33.8% over 2009.
- The mobile application for *The Hockey News* was downloaded by more than one million users.

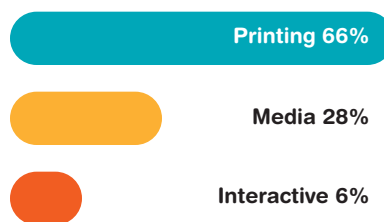
Printing



Today, the Printing Sector has more than 5,800 employees. Transcontinental Printing is the largest printer in Canada and Mexico and the fourth-largest in North America.

- Printing Sector revenues decreased by \$88.1 million, down 5.8%, from \$1,530.8 million in fiscal 2009 to \$1,442.7 million in 2010. The sector's lower revenues stem mainly from the sale of the Retail Group printing plant in Ohio, USA, in May 2009.
- On October 1, 2010, Transcontinental successfully began printing, three months ahead of schedule, the redesigned *The Globe and Mail* newspaper in most of its major markets in Canada.

Sector Revenues

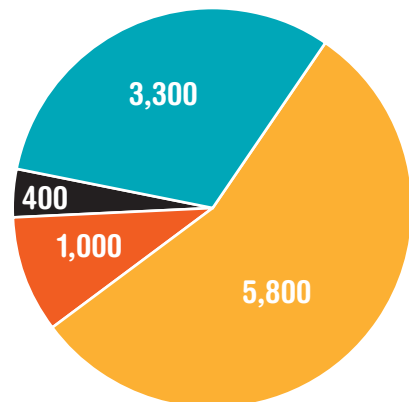


Interactive

Number of employees by sector

Total number of employees in 2010: 10,500 employees

- Media Sector
- Printing Sector
- Interactive Sector
- Head Office and Administrative Services



- Transcontinental Interactive has close to 1,000 employees in Canada and the United States. This sector offers marketing services and solutions that blend strategy, content and multi-channel delivery systems, including mobile technology.
- Interactive Sector revenues amounted to \$123.3 million in 2010.





Financial Highlights

For fiscal years ended October 31
(Unaudited)

(in millions of dollars, except per share data)	2010	2009	Variation in %
Operations			
Revenues	\$ 2,091.6	\$ 2,169.8	(4)%
Adjusted operating income before amortization ⁽¹⁾	382.0	338.9	13 %
Operating income (loss)	224.2	(11.8)	n/a
Adjusted operating income ⁽¹⁾	252.5	217.1	16 %
Net income (loss) applicable to participating shares	166.6	(82.3)	n/a
Adjusted net income applicable to participating shares ⁽¹⁾	158.5	133.5	19 %
Cash flow from operating activities before changes in non-cash operating items ⁽¹⁾	316.0	247.1	28 %
Cash flow related to operating activities of continuing operations	162.2	101.5	60 %
Investments			
Acquisitions of property, plant and equipment	126.8	256.8	(51)%
Business acquisitions ⁽²⁾	14.0	14.4	(3)%
Per share data (basic)			
Net income (loss) applicable to participating shares	2.06	(1.02)	n/a
Adjusted net income applicable to participating shares ⁽¹⁾	1.96	1.65	19 %
Cash flow from operating activities before changes in non-cash operating items ⁽¹⁾	3.91	3.06	28 %
Cash flow related to operating activities of continuing operations	2.01	1.26	60 %
Dividends on participating shares	0.35	0.32	9 %
Average number of participating shares outstanding (in millions)	80.8	80.8	

	As at October 31 2010	As at October 31 2009
Financial condition		
Total assets	\$ 2,594.7	\$ 2,531.0
Net indebtedness ⁽¹⁾	694.4	791.1
Shareholders' equity	1,247.0	1,115.2
Net indebtedness (including utilization of securitization program) / adjusted operating income before amortization	1.82	2.59 ⁽³⁾
Shareholders' equity per participating share	\$ 14.16	\$ 12.56
Number of participating shares at end of period (in millions)	81.0	80.8

⁽¹⁾ Please refer to the table «Reconciliation of Non-GAAP Financial Measures» on page 36 of the *Management's Discussion and Analysis*.

⁽²⁾ Total consideration in cash or otherwise for businesses acquired through the purchase of shares or assets.

⁽³⁾ As initially reported.