

For immediate release

TRANSCONTINENTAL INVESTS \$60 M IN MONTREAL NEWSPAPER PRINTING FACILITY TO SUPPORT ITS GROWTH

Montreal, February 20, 2008 – Transcontinental today announced plans to invest \$60 million in state of the art equipment at its Transcontinental Transmag newspaper printing facility in Montreal. When completed in 2009, the printing plant, which mainly produces daily and weekly newspapers and specialty publications, will be one of the most modern in the world.

Transcontinental clients will have the option to include 100% colour pages on every page of a publication, a capability upon which growth in the newspaper industry is largely based. In addition to this, clients will benefit from improved production quality and efficiencies, which means top quality printed products can be produced within tighter timelines.

“This investment of \$60 million is part of our strategy to become North America’s leader in newspaper printing outsourcing,” said François Olivier, President and Chief Executive Officer, Transcontinental. “It demonstrates that we remain in a solid position for growth, and we have the financial resources to maintain our commitment to development over the long term by anticipating the new needs of our customers and meeting them quickly. Over the past five years, Transcontinental has invested approximately \$250 million in its printing facilities in the Montreal region alone.”

“Transcontinental Media will also benefit, as around 40 of our community newspapers, as well as the business newspaper *Les Affaires* and *Métro Montreal*, our free daily paper, are printed at Transcontinental Transmag,” Mr. Olivier added. “As Transcontinental Media’s renowned brands continue to set the standard of excellence in published products, this will further facilitate the extension of its brand success across the digital platform.”

To transform itself into one of the most modern newspaper printing facilities in the world, Transcontinental Transmag will acquire a MAN Roland CIC 8 web press with full colour capacity, as well as a new ultra violet (UV) dryer, a process never before used in North America. In order to accommodate the new press and peripheral equipment, the facility will be expanded to 145,000 sq. feet from its current size of 80,000 sq. feet.

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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