

For Immediate Release

**TRANSCONTINENTAL AWARDED 18-YEAR CONTRACT TO
PRINT *THE GLOBE AND MAIL***

First integrated printing platform in Canada to produce newspapers and flyers

Montreal, August 26, 2008 – Transcontinental Inc. is pleased to announce it has been awarded a \$1.7 B contract to print *The Globe and Mail* in most of its major markets in Canada until 2028. This contract represents an extension of existing contracts with *The Globe and Mail* in the Atlantic provinces, Quebec and Ontario, and adds two new markets: Alberta and British Columbia. This represents approximately \$95 M per year in revenue, of which about \$25 M per year is new revenue. The printing will be done in Halifax, Montreal, Toronto, Calgary and Vancouver. The contract comes into effect when the current printing contracts expire in 2010.

In 2009 and 2010, Transcontinental will invest approximately \$200 M in a new and innovative Canada-wide platform for newspaper and flyer printing, the first Canadian network to integrate the printing of these two products. This network will provide the capacity to deliver colour on every page for *The Globe and Mail*, and it will also address the needs of Transcontinental's retail customers on the flyer side.

"Transcontinental has developed a newspaper outsourcing model that continues to evolve; unique in the industry, it allows publishers to focus on their core business, producing content, while we focus on delivering the best possible printed product to their customers," said François Olivier, President and Chief Executive Officer of Transcontinental. "*The Globe and Mail*, a leader in the newspaper industry, understands the value of integrating Transcontinental into its value chain in order to advance the development of its brand and its product and quickly adapt to the transformations taking place in the daily newspaper industry."

Phillip Crawley, Publisher and CEO, *The Globe and Mail*, said "High-quality colour production capacity has always been a key point of distinction for *The Globe and Mail*. Transcontinental's commitment to providing the most progressive high-speed colour printing capability will keep us at the leading edge. With millions of people every week reading the paper version of *The Globe and Mail*, sophisticated printing capability is vital to our business."

In print for 163 years, *The Globe and Mail*, considered the Canadian newspaper of record, reaches just over 2,800,000 readers each week. It is consistently recognized by the International Newspaper Color Quality Club (INCQC), the world's most prestigious quality newspaper production association, as one of the top 50 newspapers in the world for its printed quality. Included among the daily newspapers Transcontinental prints are *The New York Times* for the upper New York state and Ontario markets and *La Presse*. Also, in 2006 Transcontinental won a billion-dollar contract to print *The San Francisco Chronicle*.



Additional Information

Transcontinental will hold a conference call for the financial community today at 10:00 a.m. (ET). Media may hear the call in listen-only mode by calling (416) 644-3414 or 1 800 732-9307 or may tune in to the simultaneous audio broadcast on Transcontinental's website, which will be archived for 30 days. For Media requests for information or interviews, please contact Nessa Prendergast, Director, Media Relations, at 514 954-2809.

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 Corporation 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 more than 15,000 employees in Canada, the United States and Mexico, and reported revenues of C\$2.3 billion in 2007.

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