

*For Immediate Release*

**STANDARD & POOR'S raises Transcontinental Inc.  
rating from BBB- to BBB**

**Montreal, December 21, 2010** – Transcontinental Inc. yesterday obtained an upgrade of its credit rating from Standard & Poor's ("S&P"). S&P has raised the Corporation's credit rating from BBB- (stable) to BBB (stable). The agency also raised Transcontinental's Canadian Preferred Share Rating from P-3 to P-3 (high), and its Preferred Share Global Rating to BB+. S&P noted that the upgrade reflects the continued improvement in Transcontinental's financial risk profile stemming from lower debt levels, increased profitability, and significant financial flexibility due to management's focus on streamlining the business and cutting costs.

"This upgrade reflects our strong operating performance and our ability to quickly take action to strengthen our balance sheet" said Benoît Huard, Transcontinental's Vice President and Chief Financial Officer. "Transcontinental had accelerated its capex program from 2008 to 2010, resulting in an increased debt level. These projects are now completed and we expect to generate strong free cash flows, with a significant reduction in indebtedness as a result. We are confident that 2011 will keep bringing the benefits of our investments in each of our 3 sectors."

**About Transcontinental**

Transcontinental creates marketing products and services that allow businesses to attract, reach and retain their target customers. The Corporation is the largest printer in Canada and Mexico, and fourth-largest in North America. As the leading publisher of consumer magazines and French-language educational resources, and of community newspapers in Quebec and the Atlantic provinces, it is also one of Canada's top media groups. In addition, its digital platforms deliver unique content through more than 250 websites. Transcontinental also offers interactive marketing products and services that use new communications platforms supported by marketing strategy and planning services, database analytics, premedia, e-flyers, email marketing, custom communications and mobile solutions.

Transcontinental (TSX: TCL.A, TCL.B, TCL.PR.D) has 10,500 employees in Canada, the United States and Mexico, and reported revenues of C\$2.1 billion in 2010. For more information about the Corporation, please visit [www.transcontinental.com](http://www.transcontinental.com).

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