

**TRANSCONTINENTAL: ANNUAL SHAREHOLDERS' MEETING FOCUSED
ON AN INTEGRATED TRANSFORMATION**

Montreal, February 17, 2011 – At its annual shareholders' meeting held today, Transcontinental (TSX : TCL.A, TCL.B, TCL.PR.D) reported on its results for fiscal 2010 while also highlighting the remarkable achievements in the transformation currently underway in the organization.

In fiscal 2010, Transcontinental had the best operating performance in its history. "The dedication of our people, along with our prestigious, loyal and well-diversified clientele, winning strategy, culture of innovation and efficiency, and disciplined and responsible management are all factors that are contributing to our success and making Transcontinental a unique company," said Rémi Marcoux, founder and Executive Chair of the Board.

Mr. Marcoux then noted that from the very beginning, Transcontinental's role has been to help its customers and advertisers reach and keep their target consumers: "The future of Transcontinental is generally linked to print. But the needs of our customers have changed considerably, especially since the advent of the new media. Now, to properly carry out our role with our customers and ensure they reach their customers effectively, we are proposing a combination of interactive marketing solutions, new communication platforms and print."

Despite the fact that the predominant theme in this decade is the battle to win customer loyalty, Mr. Marcoux pointed out that Transcontinental has an impressive list of clients with whom it has great credibility. This, plus the Corporation's financial capacity to add new services through acquisitions, put the Corporation in an excellent position to succeed at the challenges it faces.

Finally, Mr. Marcoux emphasized the importance of sustainable development in the corporate transformation: "As an integral part of our management decisions, our commitment is demonstrated by the concrete action we have taken to promote sustainable development in all its aspects: social, environmental and economic. I am particularly proud of our second Sustainability Report, which fulfills the criteria for Application Level B of the Global Reporting Initiative (GRI) standard."

A Promising Future

In his review of operations, François Olivier, President and Chief Executive Officer of Transcontinental Inc. first said how proud he was of the financial results for fiscal 2010, and the action taken to maximize the Corporation's medium and long-term value. "Year over year, we had six consecutive quarters in which we improved our operating income," he said. "Another important achievement is that we have returned to organic growth in profits and revenues."

Mr. Olivier said that the overall excellent performance is due in large part to the major investments made in recent years, "which enabled us to improve customer retention while increasing our market share." With respect to new print technologies, he noted that several projects initiated since 2007 and involving total investments of \$700 million have now been completed. "In October 2010 our Canada-wide platform for printing newspapers and flyers became fully operational, and we printed the first issue of the completely redesigned *Globe & Mail* newspaper. This new 18-year contract, worth \$1.7 billion, will bring in an additional \$25 million a year."

The Media Sector also invested significantly in the content and quality of its newspapers and magazines, while ramping up the introduction of mobile media: "Our mobile app for *The Hockey News* has more than one million users," said Mr. Olivier.



Several other web-based enhancements have also been implemented, contributing to one of the Corporation's most important areas of growth, the integrated solutions that combine both print and new media now being offered to local communities in Canada: "We revamped publisac.ca and launched its English-language counterpart, dealstreet.ca, thereby enhancing the pre-shopping experience for consumers all across Canada." Plus, the search engine Weblocal.ca was the first in the industry to offer its advertisers an online reputation management tool. The Media Sector has a total of about 250 websites and portals, which have about 4 million unique visitors per month. "Our revenues from digital operations rose to \$36.8 million in 2010, up 33.8% over 2009," said François Olivier. "In our print newspapers, we added six titles, bringing their number to 175 in Canada; also, the Metro newspaper remains the most-read weekday paper on the Island of Montreal."

"Another important change in 2010 was that we gave a new name to our sector that specializes in one-to-one marketing and digital solutions. It is now called Transcontinental Interactive." The acquisitions of Montreal-based LIPSO and Toronto-based Vortex Mobile, two mobile solution providers, have enriched the offer in this fast-growing sector. "Following these acquisitions, we intensified the integration of the units in the Interactive Sector to ensure that we can offer our customers integrated solutions and promote synergies," said Mr. Olivier.

"I am very optimistic about the future. Transcontinental is now a more agile organization, more focused than ever on its assets and strategic priorities," said François Olivier. "Our effective strategy, our special relationships with our clients and our enviable financial situation put us in an excellent position to develop new services, particularly through acquisitions."

New Members on the Board of Directors

To conclude the meeting, Rémi Marcoux welcomed two new members to the Corporation's Board of Directors, Ms. Nathalie Marcoux, Vice President, Finance of Capinabel Inc., and Ms. Anna Martini, F.C.A., President of Groupe Dynamite Inc. "I am particularly proud of these two new appointments to the Board. In addition to their excellent qualifications in business administration, the strategic vision of Ms. Marcoux and Ms. Martini will help advance the transformation of Transcontinental."

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 solution that use new communications platforms supported by marketing strategies 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.

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