

For Immediate Release

TRANSCONTINENTAL PURSUES ITS NEWSPAPER OUTSOURCING PROJECT IN SAN FRANCISCO

Montreal, February 25, 2009 – Following the recent announcement by Hearst Corporation, the owner of the *San Francisco Chronicle*, Transcontinental wants to reaffirm:

1. Further to discussions with Hearst, the preparation of its plant continues as scheduled and the *Chronicle* expects to begin production in June 2009.
2. For the *San Francisco Chronicle*, the outsourcing of its newspaper's printing is part of a strategy to reduce costs and give the *Chronicle* industry-leading color reproduction capabilities.
3. The contract signed with Hearst Corporation provides for indemnification should the *San Francisco Chronicle* cease publication or be sold.

About Transcontinental

Transcontinental provides printing, publishing and marketing services that deliver exceptional value to its clients and provide a unique, integrated platform for them to reach and retain their target audiences. Transcontinental is the largest printer in Canada and sixth-largest in North America. It is also the country's leading publisher of consumer magazines and French-language educational resources, its second-largest community newspaper publisher, and its digital platform delivers unique content through more than 120 Web sites. Its Marketing Communications Sector provides advertising services and marketing products using new communications platforms supported by database analytics, premedia, email marketing, and custom communications. Transcontinental is a growing company with a culture of continuous improvement and financial discipline, whose values, including respect, innovation and integrity, are central to its operation. Transcontinental (TSX: TCL.A, TCL.B) operates in Canada, the United States and Mexico, and reported revenues of C\$2.4 billion in 2008. For more information about the Corporation, please visit www.transcontinental.com.

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