

A NEW BIODEGRADABLE PUBLI-SAC FROM TRANSCONTINENTAL

Montreal, November 13, 2007 – Transcontinental today announced it has chosen an Environmental Products Inc. (EPI) certified biodegradable plastic bag for its Publi-Sac, a well-known tool used to distribute marketing material door-to-door to households in Quebec and eastern Ontario. The plastic is engineered to degrade and totally fragment in 90 to 120 days and to biodegrade in a further 12 to 24 months after disposal. The company will begin using the biodegradable plastic in early 2008.

“Transcontinental is committed to implementing ways of doing business that promote sustainable development,” said Luc Desjardins, President and Chief Executive Officer, Transcontinental Inc. “The Publi-Sac is of course reusable and recyclable. Now, it’s also biodegradable. This is an important step that reflects our commitment to the environment.”

Transcontinental chose oxo-biodegradable technology known as Totally Degradable Plastic Additives™ (“TDPA™”), developed by EPI, a Vancouver-based company considered a pioneer in innovative environmental technologies. TDPA™ is supplied to the company that manufactures the Publi-Sac and added during the manufacturing process, which enables the plastic to biodegrade.

A recent report commissioned by the government agency RECYC-QUEBEC validated the compatibility of EPI bags with the plastics recycling process. For more information, please visit <http://www.epi-global.com/en/media/CRIQReport071015.pdf> and <http://www.epi-global.com/en/media/News071101.pdf>.

“Transcontinental professionalized the distribution of door-to-door material through the Publi-Sac, and it is an important part not only of our company’s history, but of how our clients communicate with their target audience,” said Natalie Larivière, President, Transcontinental Media, the publishing and distribution arm of Transcontinental Inc. “The Publi-Sac provides an important link to communities: each week, nearly 90% of Publi-Sac recipients spend close to 40 minutes* reviewing the promotional material from businesses that operate locally, as well as, in many cases, reading their local community news.”

Having implemented its first environmental policy in 1993, Transcontinental has often been recognized for its environmental initiatives, including a 2007 award from *PrintAction* magazine in the category Most Progressive Environmental Process. Company-wide environmental policies and procedures are founded on three guiding principles: protection of the environment for present and future generations, reduction of risks and efficiency improvement, and introduction of improved technology and processes. Recently, the company announced the implementation of a Paper Purchasing Policy that promotes the use of environmentally preferable papers.

For more information on Publi-Sac, visit www.publisac.com.



**Source: CROP 2006.*

About Transcontinental

The largest printer in Canada and sixth-largest in North America, Transcontinental also ranks as 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 more than 14,500 employees in Canada, the United States and Mexico, and reported revenues of C\$2.3 billion in 2006.

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