

TRANSCONTINENTAL OPTIMIZES ITS DEBT PORTFOLIO AND GAINS ADDITIONAL FINANCIAL FLEXIBILITY

Montreal, February 16, 2011 – Transcontinental Inc. (TSX: TCL.A, TCL.B, TCL.PR.D) announced today that it has agreed to pre-emptively repay and cancel its \$100 million term credit facility with Caisse de dépôt et placement du Québec. This facility had been put in place in the spring of 2009, with a five-year term.

“The increased cash flow Transcontinental is generating, combined with the significant reduction in capital expenditures, resulted in a rapid decrease in the usage of our revolving bank credit facilities and enabled us to further optimize our debt portfolio” said Benoît Huard, Vice President and Chief Financial Officer of Transcontinental.

Transcontinental has also set up a new two-year \$200 million securitization program with a major Canadian bank. Under this securitization agreement, the Corporation sells, on an on-going basis, certain of its receivables to a trust. The terms of the new program reflect current market conditions and are favorable compared to other sources of financing.

“While we do not believe we will need to use this program in the near term, this new agreement gives us greater financial flexibility while diversifying our sources of financing.” said Benoît Huard.

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.



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