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***For Immediate Release***

**IWCO DIRECT ANNOUNCES AGREEMENT TO ACQUIRE  
TRANSCONTINENTAL DIRECT US OPERATIONS**

Chanhassen, Minn. (February 10, 2010) — IWCO Direct, a leading, U.S.-based privately held provider of direct marketing solutions has announced it has entered into a definitive purchase agreement to acquire Transcontinental Direct's US operations, a high-volume direct mail organization with a network of facilities throughout the United States. Transcontinental Direct's parent company, Transcontinental, is the largest printer in Canada and Mexico and Canada's leading consumer magazine publisher. This acquisition positions IWCO Direct's platform as an unrivaled solution in the industry for the optimization, execution, and delivery of direct marketing campaigns. Terms of the deal are not yet disclosed; the transaction is expected to close in the spring of 2010.

"We are pleased to combine the strengths of these organizations to provide a robust national total package footprint for our customers seeking innovative and cost effective programs for customer acquisition, loyalty and engagement programs anchored by powerful strategy development," said Jim Andersen, IWCO Direct president and CEO. "The IWCO Direct team is looking forward to working with our new colleagues from Transcontinental to create exceptional direct marketing programs for our customers."

"Combining the production technology and world-class manufacturing techniques and processes of Transcontinental Direct's US operations with IWCO Direct's exceptional campaign execution will provide tremendous opportunities for our customers and employees," said François Olivier, Transcontinental's President and Chief Executive Officer.

IWCO Direct will acquire Transcontinental Direct's US operations in Warminster and Hamburg, Pa., Downey, Calif. and Ft. Worth, TX. The acquisition will further IWCO Direct's position as one of the largest service providers of paper-based and digital marketing programs in North America.

**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 in Mexico, and sixth-largest in North America. It is also Canada's leading publisher of consumer magazines and French-language educational resources,

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the 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, e-flyers, email marketing, and custom communications. Transcontinental is a growth-oriented 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, TCL.PR.D) has approximately 12,500 employees in Canada, the United States and Mexico, and reported revenue of C\$2.3 billion in 2009. For more information about the Corporation, please visit [www.transcontinental.com](http://www.transcontinental.com) or contact:

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**About IWCO Direct**

IWCO Direct ([www.iwco.com](http://www.iwco.com)), one of the nation's largest providers of direct marketing solutions, has served the needs of North American companies for more than 40 years. IWCO Direct helps its customers acquire, retain, and engage customers and members through highly personalized paper-based and digital marketing programs. The company provides direct marketing like no one else by seamlessly supplying all design, production, mailing and management services in an integrated "total package" supply chain solution. IWCO Direct pioneered commingling and continues to provide its customers with dramatic postage savings and faster time to market through its proprietary IWCO P.O.S.T. (Postal Optimization Strategy and Technologies) and RideShare™ commingling and logistics management programs, as well as its automated marketing program platform and proprietary data services.

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