

"Welcome to the most technologically sophisticated newspaper printing plant in North America!"



Rémi Marcoux.

With those words Rémi Marcoux, Chairman of the Board and CEO of Transcontinental Inc., greeted some 350 guests from political and business circles in the Greater Montreal Area on September 29, 2003, marking the official opening of the new Transcontinental Metropolitan plant. He added "We are very proud that this jewel of technology is located in Montreal, because it strengthens the reputation of our city in the international communications industry."

Transcontinental Metropolitan is dedicated primarily to printing *La Presse*, the top French-language daily in North America. The first official issue of the new *La Presse* appeared on newsstands on October 7, 2003, and was a big hit with readers. Founded in 1884, the daily is owned by Power Corporation, a world leader in the financial and communications industries.

The new 125,000-square-foot plant makes Transcontinental Metropolitan the first printer in North America to use the all-new Heidelberg Mainstream 80 technology, produced in the United States. In Europe, the Mainstream 80 is used by the *Daily Telegraph*, which, with a circulation of 1.2 million papers a day, is Great Britain's largest daily newspaper.

In addition to its sophisticated technology, Transcontinental Metropolitan has also implemented a special work structure. All work at the plant is coordinated by independent and flexible teams of employees, called "associates."

One of the 10 largest commercial printers in North America, Transcontinental is already Canada's leading newspaper printer with a network of 12 printing plants stretching from Halifax to Vancouver. A number of years ago, the Corporation identified newspaper printing as a segment with high growth potential, and is now moving ahead with plans to market the company's expertise in the U.S. Transcontinental is also Canada's leading publisher of

consumer magazines and the second-largest publisher of community newspapers, two other fast-growing segments.

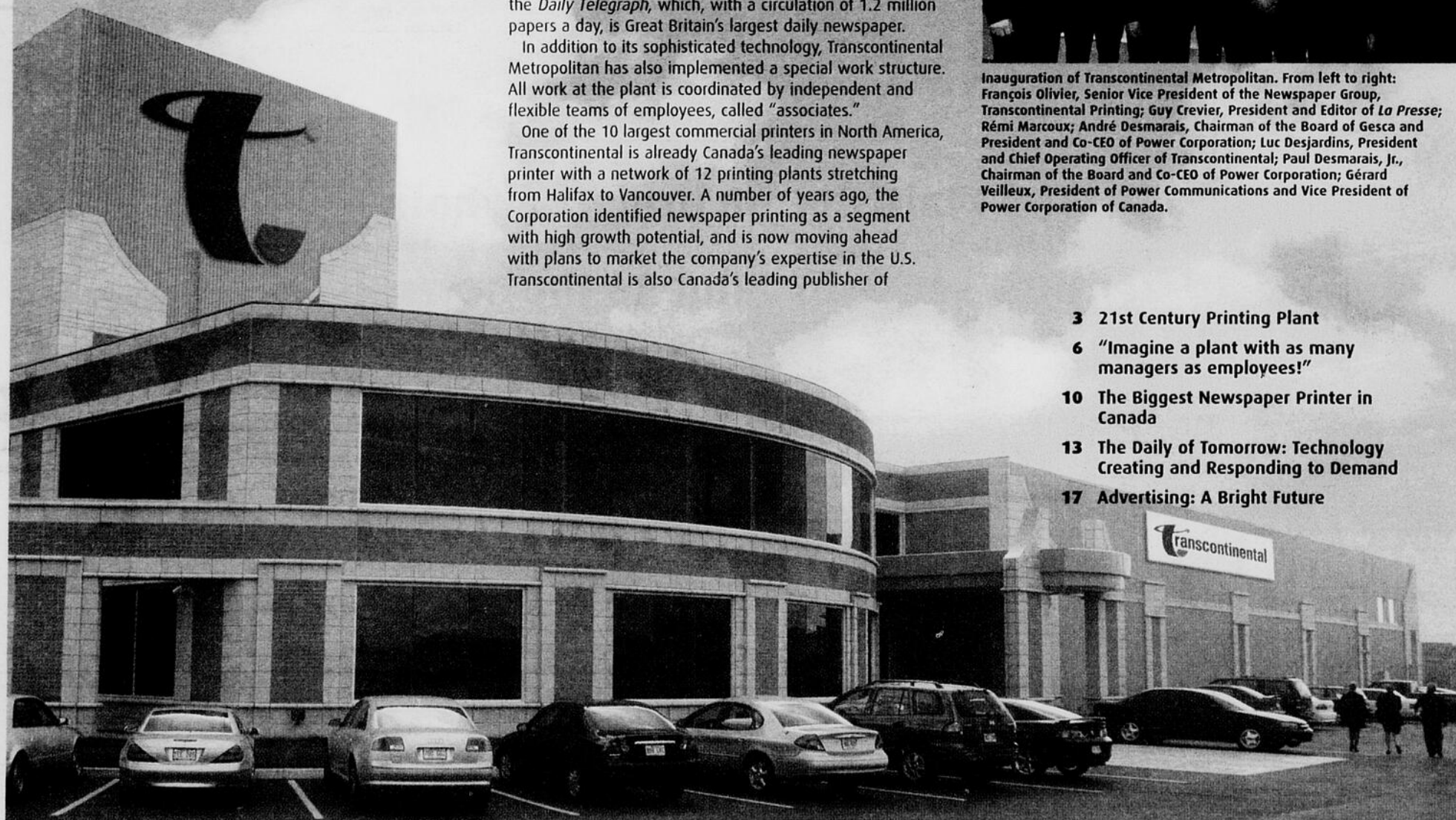
As Rémi Marcoux put it, "our strategic decision to develop newspaper printing is based on our conviction that, increasingly, newspaper publishers will want to concentrate on their core competency, which is producing top-quality content, and will entrust the printing side of the business to state-of-the-art printers, because that's what they do best."

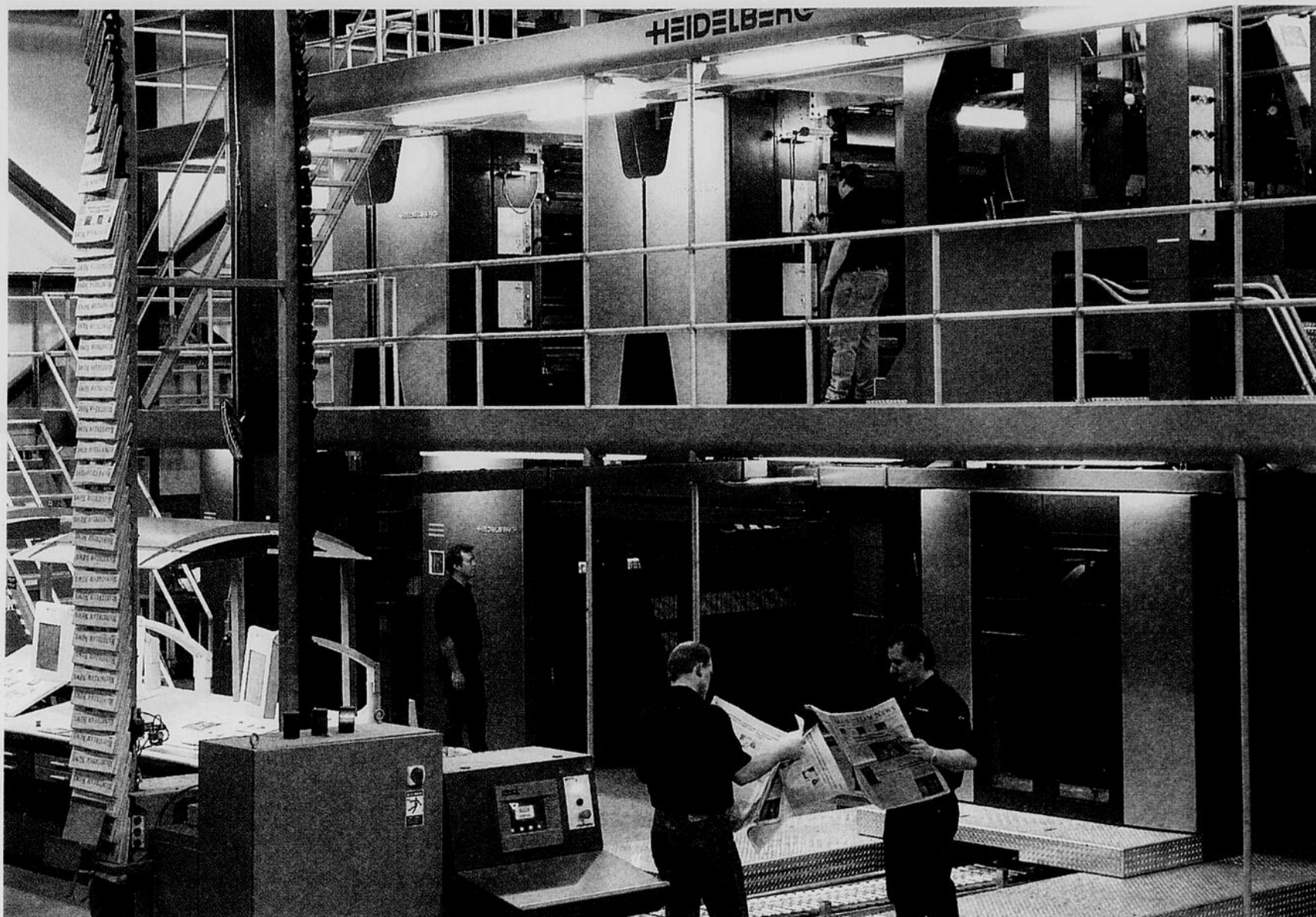
The Transcontinental-*La Presse* partnership gives us a taste of what the future holds for daily newspapers.



Inauguration of Transcontinental Metropolitan. From left to right: François Olivier, Senior Vice President of the Newspaper Group, Transcontinental Printing; Guy Crevier, President and Editor of *La Presse*; Rémi Marcoux; André Desmarais, Chairman of the Board of Gesca and President and Co-CEO of Power Corporation; Luc Desjardins, President and Chief Operating Officer of Transcontinental; Paul Desmarais, Jr., Chairman of the Board and Co-CEO of Power Corporation; Gérard Veilleux, President of Power Communications and Vice President of Power Corporation of Canada.

- 3 21st Century Printing Plant
- 6 "Imagine a plant with as many managers as employees!"
- 10 The Biggest Newspaper Printer in Canada
- 13 The Daily of Tomorrow: Technology Creating and Responding to Demand
- 17 Advertising: A Bright Future





PREPRESS

PRESS

POSTPRESS

The Mainstream brings a whole

With the installation of Canada's first Mainstream presses, we're proud to be a partner in transforming one of the world's leading

new sense of value to the news.

newspapers. With our advanced technology, Transcontinental is delivering improved print quality, versatility and efficiency.

Compelling advantages that *La Presse*, its readers, and its advertisers value every day.

Heidelberg Web Systems, Inc.
www.heidelberg.com

© 2003 Heidelberg. All rights reserved.

HEIDELBERG

21st Century Printing Plant

What you are first struck by is the sense of spaciousness and light, not to mention cleanliness. And everywhere you look there are computers, screens and workstations. Small groups of young technicians are clustered around a computer, or at one end of the press, or are closely checking the quality of the first sheet of the run. You feel like you're at NASA!

And that feeling just gets stronger as you continue around the plant.

Near the entranceway, a programmable stocking machine carts huge rolls of paper over to the printing units. The automated storage area can hold up to 600 rolls, or 590 metric tonnes, of paper. Thanks to a highly accurate and detailed computer program, the robotic stocker handles the stocking and restocking itself. Farther along, the four inks used in process printing are stored in tanks that match the ink colours; the cyan, yellow and magenta tanks hold 4,500 litres of ink and the black holds 175,000 litres. A bit farther back, toxic materials are stored in a hermetically sealed room that can withstand fire and explosions and contain any accidental spills.

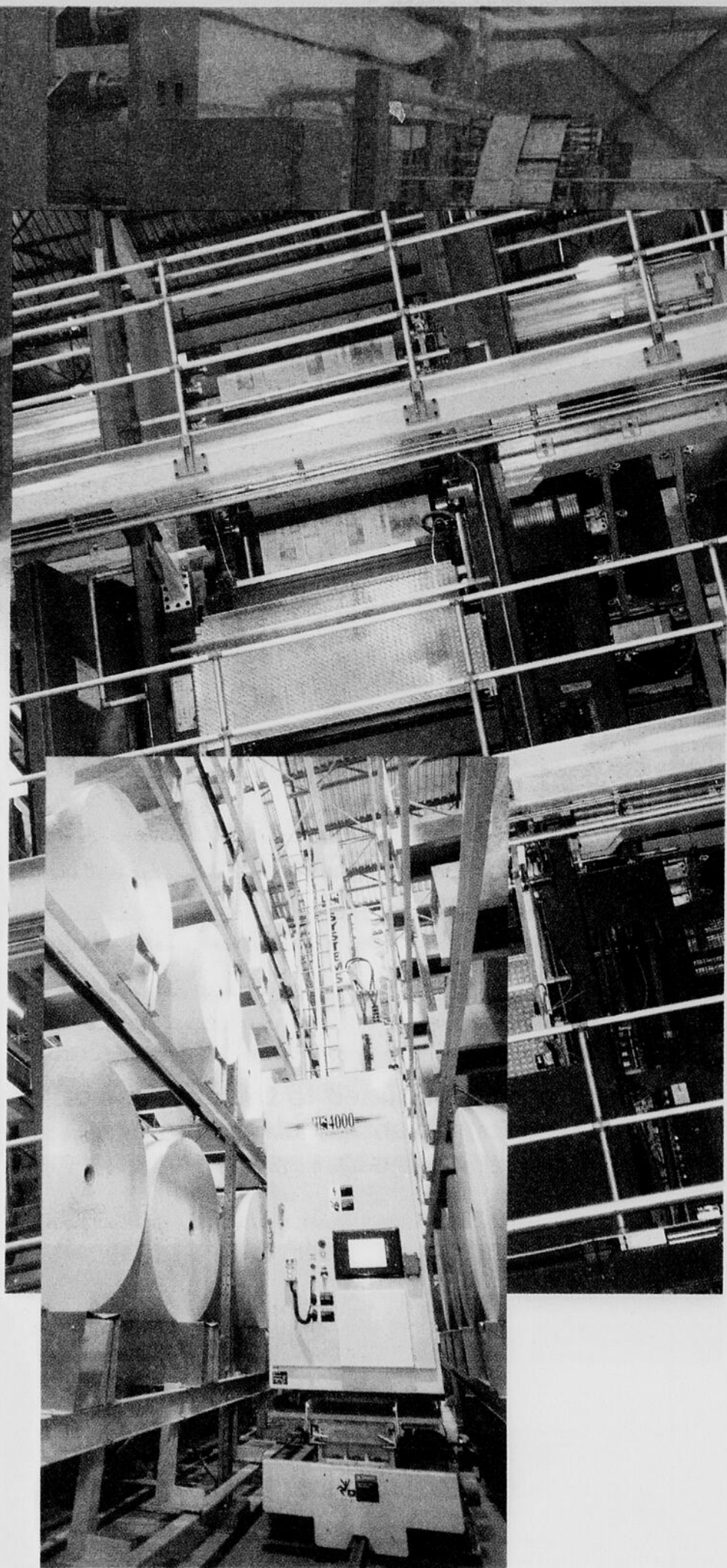
On the next level is the prepress control room. The files for printing come in over a high-speed landline. Then three CTP (computer-to-plate) machines take the electronic files and produce plates in just 60 seconds. As soon as the plates exit the machine they're ready to be put on the press. The ink fountains on the press are already automatically pre-adjusted for each plate.

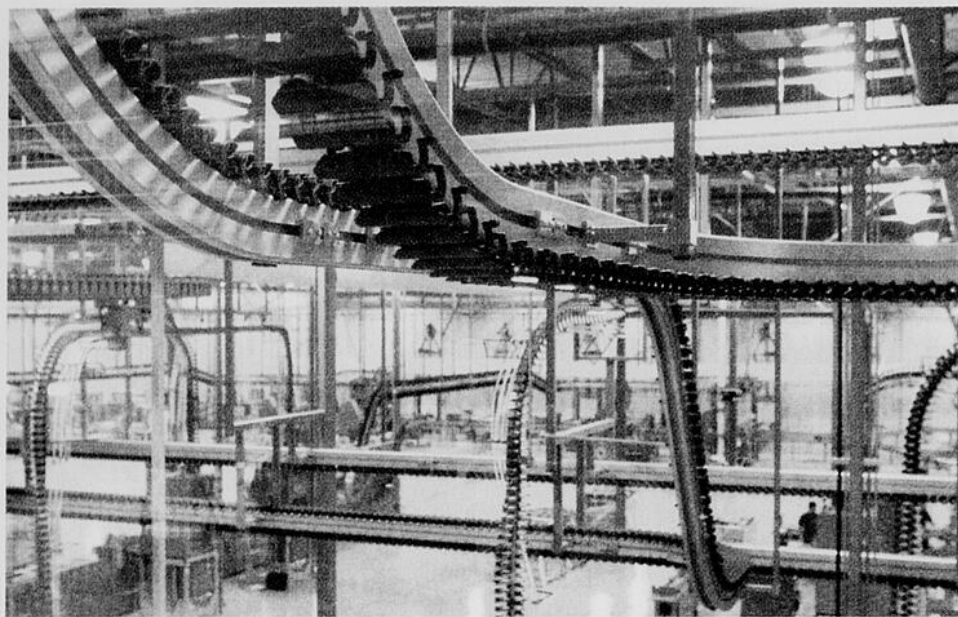
In the next room, in a glassed-in control area, the production technicians are

powering up the press at two consoles. Optical scanners regulate the ink flow and monitor the print quality throughout the run.

When the Heidelberg Mainstream 80 starts, a slight vibration runs through the whole building. The press is installed in tandem, with two press lines. Each line has three towers with four stacked units and one tower with five stacked units. The Mainstream 80 looks both modern and imposing. It can simultaneously print two 48-page sections at a speed of up to 80,000 copies an hour. All the preadjustments are done electronically. It's quite something to look down from the top walkway and see the two press lines operating at full speed!

But probably nothing is more impressive than the 200 metres of conveyor belts winding through the expensive finishing and shipping area. The conveyors carry the printed sections to the storage equipment where they are rolled in "Flexirolls". When the last section is done at the end of the evening, the waiting rolls are put back into the automatic feed stations and transported by conveyor to the various inserting stations.





Then come the final stages, inserting and shipping. Sections are automatically inserted into each other to produce a complete newspaper, which can contain up to six commercial inserts. Everything is done automatically. This means that an advertiser can target specific neighbourhoods based on delivery routes. The finished newspapers are then sent to automatic bundlers that count the papers, wrap them in a protective covering,



Affiliated®

CUSTOMS BROKERS LIMITED
INTERNATIONAL TRANSPORT

Customs Clearance / International Transport / Warehousing & Distribution

www.affiliated.ca

**Proud to be associated to the success of
Transcontinental Metropolitan**

A vast network of offices across Canada and the United States

Montréal : (514) 288-1211 / 1 888 683-9883

**Congratulations to Transcontinental
On the opening of its new printing facility**

www.kpmg.ca

KPMG member firms provide assurance, tax, financial and risk advisory services from offices around the world.

KPMG

© 2003 KPMG LLP, the Canadian member firm of KPMG International, a Swiss non-operating association

"Technological Change that Benefits Everyone"

Pierre Manseau is a resource person at Transcontinental Metropolitan and has worked in the newspaper printing industry for 34 years. He's been with Transcontinental for the past 10 years, and prior to that he worked for the daily *Le Droit*, in Ottawa, where he finished as production manager. He is therefore in a good position to talk about the technological change he has seen over all those years and which, in his opinion, "benefits everyone".



Pierre Manseau in a production meeting with two associates.

"I can't get over how fast the technology has changed over the course of my career. Just in prepress, I went from handset type to film, and then to digital data transfer. On the printing side of things, 45-pound typesetting forms were replaced by aluminum plates that weigh a few ounces each. The old letterpress technology finally gave way to offset technology.

"The daily newspaper has also changed significantly. I saw the disappearance of the afternoon papers with their two editions - late morning and afternoon. All the dailies are now printed in the evening and early night and come out first thing in the morning. I also saw the advent of tabloid sections in large-format newspapers and, starting in the '60s, a spectacular improvement in the use of colour. Colour, which was very discreet and approximate in the early years, has now become widespread.

"In production, our work changed radically. From a workshop-type environment where everything was done by hand we have moved to a highly technological environment where computer systems handle the checks, the pre-adjustments, the adjustments while the press is running, the controls, etc. Computers have also made it possible to do more complicated folds, and to target inserts. In the old days, we printed the newspaper from beginning to end, all at once. Today we do it section by section, often the evening before, and it's much faster. For instance, the first presses I worked with printed 18,000 copies an hour, while here at Transcontinental Metropolitan

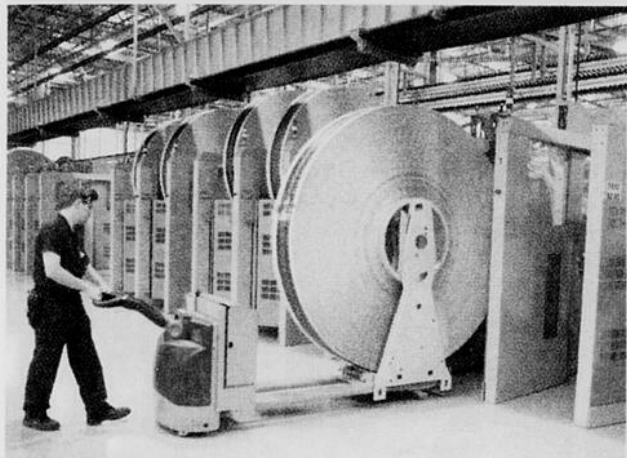
each of our two presses can print up to 80,000 copies an hour!

"Today's publisher gets a product made with higher quality materials that's more lively and has fine images in colour or black and white. The production steps have also been significantly reduced. With the remote transfer of data, you can make changes right up to the last minute, which makes the product more up to date and relevant. For example, we can now change the content of the front-page story in six minutes in the late evening, just before going to press.

"Technological change has also been of great benefit to advertisers. I'm thinking about the true colour quality of reproductions, where the final printed product is really the same as what you see on the computer screen. No unpleasant surprises! And there's also a lot of flexibility with deadlines, both in terms of sending ads to the newspaper and making last minute changes. Also, the advertiser can take advantage of preprinted theme sections that can be targeted to reach a specific type of clientele.

"As for the readers, who are the *raison d'être* of any newspaper, they get an aesthetically superior product that looks clean and modern. The daily is looking more and more like a magazine in its general presentation, type of paper, use of colour and layout, which makes it much easier and more pleasant to read."

manseau@transcontinental.ca



print the bar code, bundle them and eject them onto a distribution belt.

Every night, anywhere from 90 to 130 *La Presse* delivery trucks load up at 10 loading bays. The drivers start the process by activating the conveyor at the bay to which they are assigned. The system reads the bar codes printed on each bundle, then distributes the bundles to the right bays at the right time. It takes 22 minutes from the time a truck

arrives to its departure with a full load.

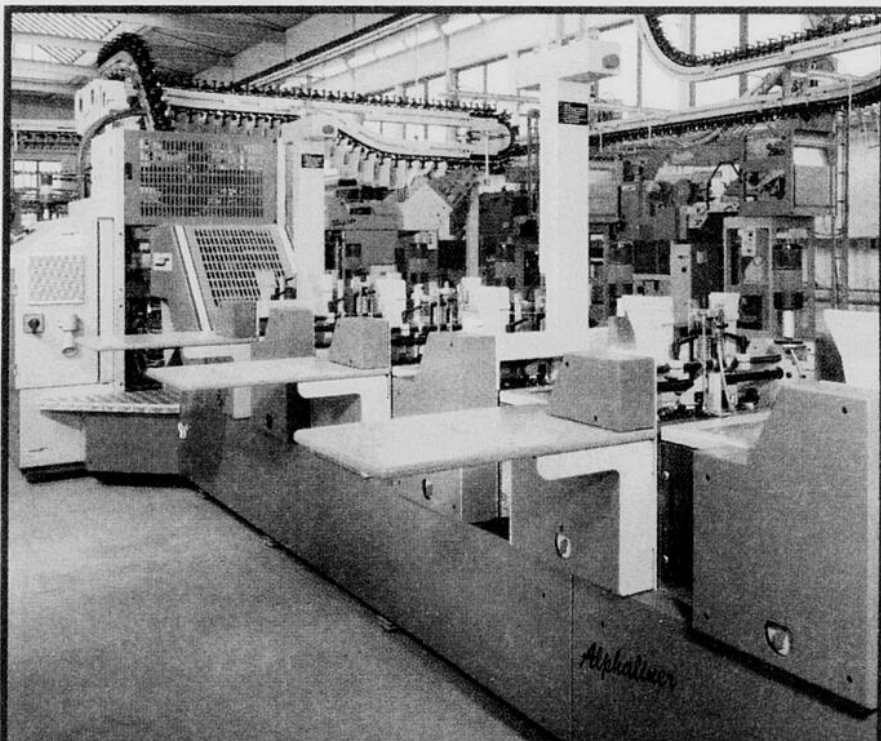
Welcome to the 21st century printing plant! Transcontinental Metropolitan is a technological jewel that will become a North American model for overall quality, print speed, use of colour and flexibility. This plant is the kingdom of advanced technologies: Heidelberg for the presses, HK Systems for the paper receiving system, AGFA for the computer-to-plate technology and, last

but not least, GMA for the assembly and inserting technology.

The new printing technologies and peripherals allow newspapers to meet the new needs of publishers. What do readers and advertisers want? First of all, a dynamic layout that's well spaced out and easy to read. Then, broader use and better quality of colour in photographs and ads. The ever-increasing use of colour is a computer-driven trend that

stems from digital photo capability. Another key advantage of these technologies is that they make it possible to push back deadlines, which gives you a superior editorial product, particularly in relation to breaking news.

The result? In the era of satellites, information technology and the Internet, the relevance and positioning of daily newspapers in modern society is strengthened. ■



Thank You Transcontinental

Müller Martini Canada Inc. and GMA, a member of the Müller Martini Group, thank Transcontinental for their loyal support and valued business partnership.

Müller Martini Canada Inc. has recently installed Alphaliner Inserting Machines into both the Halifax, Nova Scotia and Borden, PEI Transcontinental Printing plants, along with Corona Perfect Binders at Imprimerie Gagné Transcontinental, Louiseville, Quebec and Transcontinental Boucherville, Boucherville, Quebec.

GMA has just completed a state-of-the-art mailroom, including the installation of FlexiRoll Buffer Storage System, NewsGrip single gripper conveyor, SLS3000 Inserting Machines and Bundlers, at La Presse, Montreal, Quebec.

These opportunities are greatly appreciated. We look forward to our continuing partnership and to your continuing success.



GMA

MÜLLER MARTINI

MEMBER OF THE MÜLLER MARTINI GROUP

"Imagine a plant with as many managers as employees!"

They're between the ages of 20 and 30. They've got diplomas in a wide range of technical areas: electrical, mechanical, electronics, aeronautics, information systems, industrial automation, electromechanical... Some have a Bachelor's degree in one of these fields. Most had never set foot in a printing plant before they were hired.

W

hat Transcontinental was looking for, in addition to technical training, was a very precise profile: people who would be good team players in a participatory structure. These employees are one of the main reasons Transcontinental Metropolitan was able to pull off its coup: starting with an empty lot, in less than 18 months it built a plant, installed equipment, trained employees in the most advanced newspaper printing technology in the world, ramped up production and produced the first official issue of the new *La Presse*.

Transcontinental Metropolitan is a combination of the latest technology and a unique management model based on the empowerment of teams of employees called "associates".

Says resource person Monique Fry: "There's no hierarchy, no foreman, no narrowly defined functions. There are a few resource people who are the guardian angels of the company's values, and the production technicians. We are all called associates and as a team we're responsible for producing and managing the plant in accordance with our values. Imagine a plant that has as many managers as employees!"

Take production. There is no paper, prepress or printing department. Each production technician is assigned a specific function. But when that job is over, the technician switches over to a different task or phase. So the technician working on the ink or plates may, by the end of the evening, be on the plant floor supervising conveyors or helping with shipping.

"Our vision," says Ms. Fry, "is that eventually everyone will be able to carry out every production job right down the line. Our ultimate goal is to meet the needs of our customer and stand out from our competitors. And with the way we've structured the work, we can adapt to any kind of environment."

The same principle applies to management. To manage efficiently, Transcontinental Metropolitan set up a star structure, which is the complete opposite of the traditional pyramid. Teams of associates - resource people and production technicians - are responsible for the five points of the star: strategy and long-term vision, environment (maintenance, health and safety), personnel (hiring, schedules, vacations, etc.), planning (including performance measurements,



Monique Fry (left) and Karine Beauchamp (centre), two resource people at Transcontinental Metropolitan, in a work session with associates.

Digital imaging at work

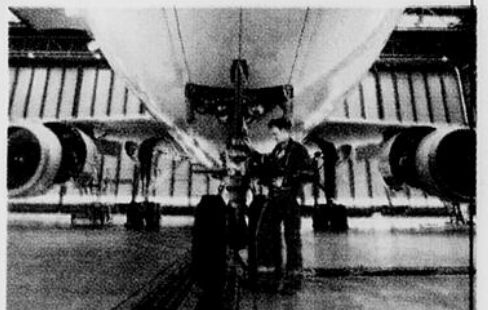
Newspaper printers ensure the distribution of hot news all around the world. To do so they rely on Agfa's most advanced workflow solutions and computer-to-plate print technology. Agfa's prepress expertise is also used in packaging, commercial and small offset printing.



In modern healthcare, imaging and hospital networking helps medical staff to make their diagnoses faster. Agfa is a reliable partner for X-ray imaging and diagnosis systems and is the global market leader in digital hospital networks.



Non-destructive testing enables security checks of materials and structures without damaging or deforming them. Agfa is the worldwide market leader in analogue and digital X-ray and ultrasonic inspection systems.



Photos capture life's greatest moments. Thanks to its unique digital technology Agfa is the global leader in high-speed printers for commercial photo finishing centers. 30% of all photographs made in the world are processed with Agfa technologies.



www.agfa.com

AGFA 

| see more | do more |



Headquartered in Elk Grove Village, Illinois, INX is the third largest producer of ink in North America and a global supplier as part of Sakata INX worldwide operations. We are an industry leader offering a full line of ink & coating solutions technology for packaging and commercial print applications. Our product solutions focus on metal decorating, flexographic, gravure, web offset, lamination, corrugated, sheetfed and UV/EB inks and coatings. We are dedicated to our customers, employees, the graphic arts industry and society.

For more information, please contact Mr. Normand Leduc Vice-President Operations.

ENCRES INTERNATIONALES INX CORPORATION

799 Avoca Avenue
Dorval (Québec) H9P 1G4
Telephone: (514) 636-5330
Fax: (514) 636-9390

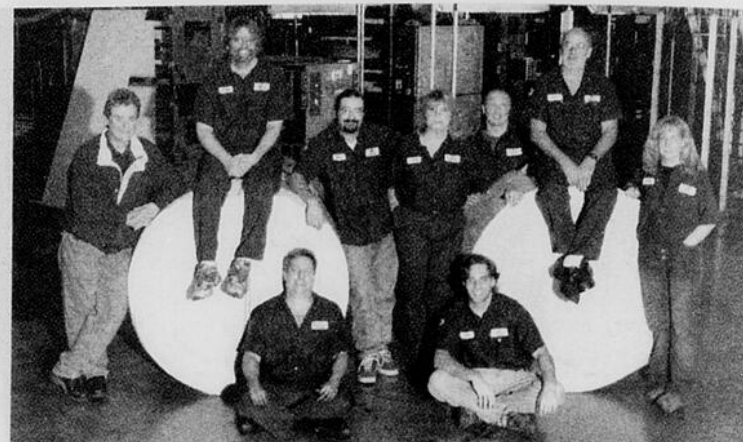
INX INTERNATIONAL INK Co.

651 Bonnie Lane
Elk Grove Village, IL 60007
Telephone: (847) 545-8272
Fax: (847) 981-9447
www.inxinternational.com



Ink & Coating Solutions

Transcontinental Interweb Toronto: the Archetype for Participatory Management



Tom Hogan (left) with associates at Transcontinental Interweb Toronto.

For more than ten years now, Transcontinental Interweb Toronto, where *The Globe and Mail* is printed for Ontario, has been using a horizontal management structure without foremen or supervisors, without administrators or managers, without even a maintenance staff. It's called *Starpoint*, and thanks to its unique structure, the plant is highly profitable and offers its clients recognized quality and service without equal in the industry. How does it work? We asked Tom Hogan, who has been part of the program since its inception.

Q: What is *Starpoint* and what makes it so different?

A: *Starpoint* is the high-performance, team-based organizational structure we use here at Transcontinental Interweb Toronto. What makes us different is that each of our associates has two roles. The first is a functional role, such as being a press operator or running an inserter. The other is a part-time management or systems role. These systems roles are organized around the *Starpoint* model at each of the five points on the star:

- Navigation (guiding the organization toward its goals)
- Personnel (training, hiring, managing HR issues)
- Site (maintenance, equipment, health and safety)
- Planning (measurement, quality, environment)
- Operations (tasks, procedures, process improvements)

Q: How long have you been using the *Starpoint* system?

A: Since Day 1. When we built this greenfield plant 10 years ago, we intended to organize it around high-performance, team-based systems.

Q: What do your customers think about it?

A: To the publisher, we add competitive advantage. With our efficiency, flexibility and productivity, we've given our most important customer - *The Globe and Mail*, Canada's National Newspaper - two more hours of editorial time and we deliver to doorsteps earlier. So we've really squeezed the produc-

tion window and given the paper more time at both the front and back ends.

We've enabled the paper to grow its circulation and pagination capacity by 10% without affecting delivery times. And we incorporated more colour technology with no effect on deadlines and no drop in quality. Publishers believe in the system and what it means to the quality of their papers, to the point where if we were to change to a more conventional infrastructure, we would seriously risk losing our most important customers.

Q: What is the biggest difference between you and other newspaper printing plants?

A: There is no plant manager here. The associates manage all aspects of the business. They are all responsible to the customer. They operate under a pay-for-skills program and apply their many skills at various times in their shift. Compared to other newspaper printing plants, we are role-based, not job-based. Here, you don't get stuck in one job for many years. Each of our value-adding process teams is responsible for bringing in all the raw materials and delivering a product out the other end. So on any given day, an associate will unload a truck of paper, go into prepress and operate the desktop publishing and CTP systems, operate the presses and finish the whole shift by running an inserting machine. We develop our associates to do all these functions.

Q: What about the people? Where do they come from?

A: Many of our associates had never seen a printing press before. We hire people based on their behaviour, their attitudes, and their "fit" into a team-based organization. We then teach them the technical aspects of printing. The selection process is rigorous and has very high standards.

Q: What is the draw to working here?

A: The appeal lies in the daily challenge of making a business work and adding value to the process in a pure team environment. Associates are empowered to make management decisions day in and day out. "Everyone is in charge" is the culture. And everyone is responsible for the effectiveness and performance of the company. Attrition is very low. Pay is linked to skills and knowledge. As they develop more knowledge and abilities to bring to the process, their pay increases.

Q: What is the underpinning philosophy of your *Starpoint* system?

A: Our driving value is customer satisfaction. We are organized around the customer. And these aren't just words on a plaque - we behave that way here. All our associates are guided by values they contract to abide by: customer satisfaction, continuous improvement, a sense of urgency, quality of life, development of associates, and a sharing of leadership and responsibility.

hogant@transcontinental.ca



ISO and spare parts), and operations (procedures, quality and continuous improvement). Everything is discussed and decided as a team. If it's necessary, for health and safety, to get first-aid training, all the associates will take the course. Same thing for ISO training: it's everyone's responsibility. Also, when they were hired, all the partners took an in-depth course on the production chain in printing from the Institut des communications graphiques du Québec.

"We're building an organization based on empowerment of team members, partnership with customers and the development of innovative and creative processes that make maximum use of the potential of our people and our technology," says Ms. Fry, who helped introduce this model to Transcontinental Interweb Toronto. (See box at left)

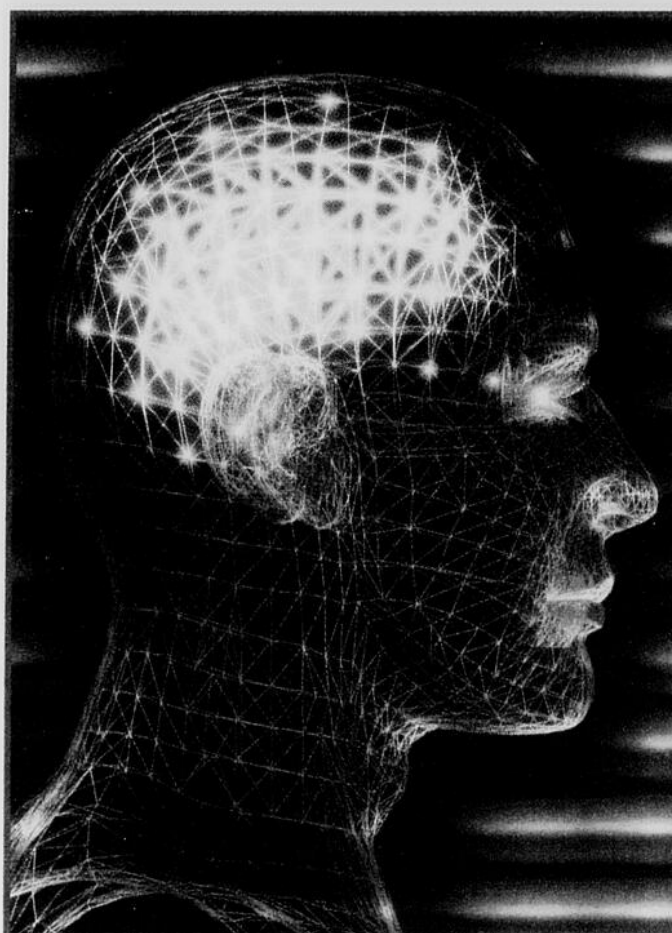
Transcontinental Metropolitan stresses four values:

surpassing the customer's expectations, working as a team, continuous improvement and the development of its associates. The first three are focused on the client. The last one is closely related: developing the social skills, techniques and managerial skills of associates to their full potential to help them acquire new knowledge and take on additional responsibilities. This is one of the key competitive advantages of the company.

It was not for nothing that the hiring process lasted several months, that no compromises were made on the profile and that once the hiring was over, integration activities went full steam ahead.

As in all companies, but maybe more here than elsewhere, it's the people who make—and will continue to make—the difference. ■

frym@transcontinental.ca



Congratulations to the entire team at Transcontinental Metropolitan!

Yours is a remarkable group, leaving a great imprint on the industry, both on paper and in person.

As the premier financial group in Canada for the knowledge-based industry (KBI) community, RBC Financial Group has helped more KBI companies succeed than any other with our unique four-step approach:

- Specialize • Customize • Innovate
- Collaboration through Networks

Find out more about how your KBI business can benefit from our four-step approach. Contact one of our specialists at 1-800 ROYAL® 7-0 (1 800 769-2570) or visit www.rbcroyalbank.com/kbi



BANKING • INVESTMENTS • INSURANCE

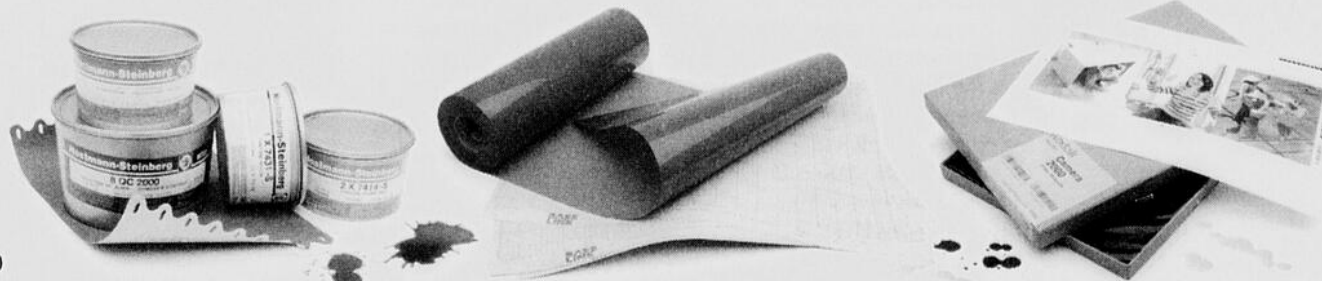
® Trademark of Royal Bank of Canada. RBC Financial Group is a trademark of Royal Bank of Canada.

A world of resources always within reach

Cascades Resources

A key player in the distribution of fine papers and graphic arts supplies. We provide the book paper market with an outstanding line of products to meet their every needs.

cascadesresources.com tel.: 514.356.3820





The Biggest Newspaper Printer in Canada

"It's all this expertise and experience, as well as our unique business model, that we're making available to newspaper printers in North America, particularly in the north-eastern United States."



The list of customers is impressive: the two most prestigious English-language and French-language dailies in Canada: *The Globe and Mail* in its main markets (Ontario, Quebec and the Atlantic provinces), and *La Presse* across its entire market. Plus the *National Post* in British Columbia and the Atlantic provinces and over 150 community newspapers across the country, including 19 dailies. Noteworthy among the latter are *The Halifax Daily News* in Nova Scotia; *The St. John's Telegram* in Newfoundland; *Le Soleil* in Quebec City, *Le Droit* in Gatineau and Ottawa, and *Métro* in Montreal.

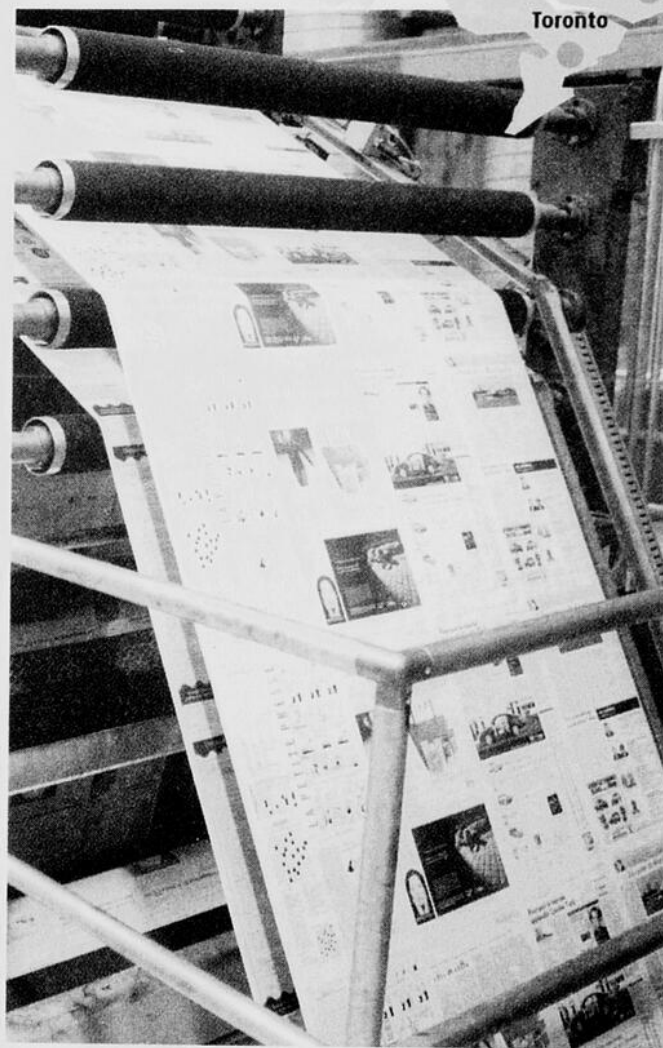
With annual revenues of about \$250 million for its newspaper printing operations across a network of 12 specialized plants in eight provinces, Transcontinental is the biggest newspaper printer in Canada.

For Transcontinental, this is all part of the plan. From the time it was founded in 1976, the company focused on printing flyers and newspapers. Then in the mid-1980s,

it began diversifying into other commercial printing niches: books, magazines, catalogues and directories, sheetfed press products such as brochures, posters and annual reports, followed, in the 1990s, by direct marketing and related services. Transcontinental is now Canada's leading printer in almost all of its niches.

In the mid-1990s, as part of its ongoing strategic planning, Transcontinental identified a definite trend in which publishers would outsource their newspaper printing because it's a natural fit: both parties can focus on what they do best. This means, for the publisher, producing content and, for the printer, producing superior products using advanced technologies.

Accordingly, Transcontinental, which was already printing about a hundred community newspapers at one of its plants in Montreal, became *The Globe and Mail* printer by acquiring, in 1998, the Interweb printing plants in Toronto and Montreal that produced *The Globe and Mail* for the Ontario and Quebec



The Strength of Our Network



Thanks to the ingenuity of its employees and the strength of its network, Transcontinental pulled off the feat of getting *The Globe and Mail* out on time on Friday, August 15, 2003, the day after the biggest blackout in North American history. In fact, that morning *The Globe* was the only national daily to be distributed as a full newspaper at the usual time in the Toronto area. To top it all off, *The Globe* decided to increase its run by about 160,000 copies. Yet everything came out on - or even before - time.

This is how it was done: production was transferred to the three plants in the Montreal area (Transcontinental Interweb Montreal, Transcontinental Transmag and Transcontinental Metropolitan) and an emergency generator was found for Transcontinental Interweb Toronto. Printing

of the first edition started in Montreal at around 9:30 p.m. and by 11 p.m., the final pages were transferred to the Toronto plant, which had power again. By that time, the Montreal plants had already produced 90,000 copies, and about half of those were already en route to Toronto by truck.

"We were the only product available in Toronto this morning," wrote Andy Ritchie, Vice President, Operations for *The Globe and Mail*, in a thank-you letter to Transcontinental the day after the blackout. "This was an outstanding achievement by everybody involved. The communication, teamwork, and outright hard work last night proves that not only are you a fantastic partner to *The Globe and Mail* but you have proved why you're Canada's number one printing corporation."

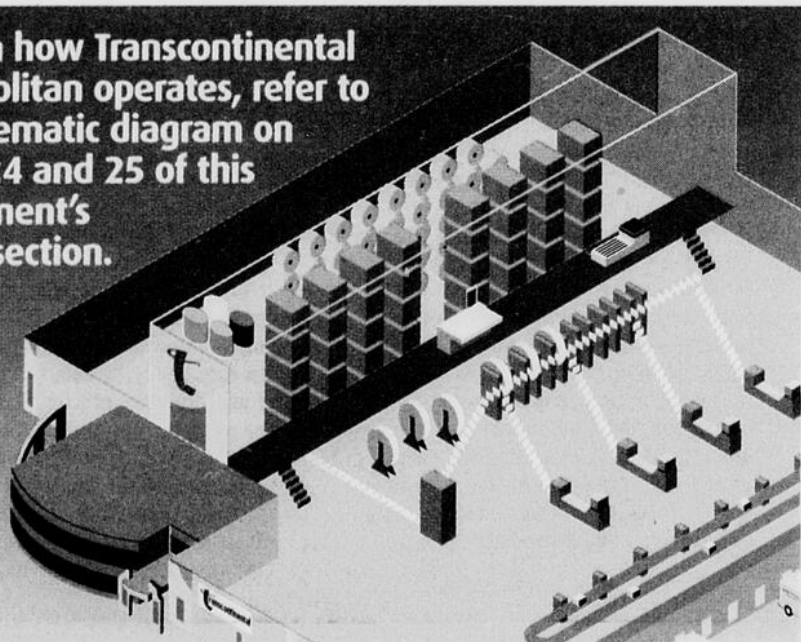
markets. The following year Transcontinental added the Halifax plant that printed the national daily for the Atlantic provinces. The agreement with *The Globe* was recently renewed and runs until 2010.

The other key step took place in 2002. First, Transcontinental bought the three printing plants owned by Gesca (which also owns *La Presse*) that were printing the daily papers *Le Soleil* in

Quebec City, *Le Droit* in Ottawa and Gatineau and *Le Nouvelliste* in Trois-Rivières. With the acquisition came 15-year agreements to print the three dailies. In other developments, as part of the acquisition of the CanWest newspapers in the Atlantic provinces and Saskatchewan, Transcontinental extended its network in these two regions and started printing the *National Post* for the Atlantic provinces. "It's

all this expertise and experience, as well as our unique business model, that we're making available to newspaper printers in North America, particularly in the northeastern United States," said François Olivier, Senior Vice President of the Newspaper Group within Transcontinental Printing - Information Products. (See interview, page 12) ■

To learn how Transcontinental Metropolitan operates, refer to the schematic diagram on pages 24 and 25 of this supplement's French section.



Congratulations
to Transcontinental Metropolitan
on the inauguration of your
new printing plant!



IRVING FOREST PRODUCTS



Want to know more?

Transcontinental Metropolitan

12300 Metropolitan Blvd. East
Pointe-aux-Trembles, Quebec
Canada H1B 5Y2
Telephone: (514) 640-1840
Fax: (514) 640-6697
Internet Site:
www.transcontinental-printing.com

François Olivier

Senior Vice President, Newspaper Group
Transcontinental Printing —
Information Products
Telephone: (514) 640-1840, Ext. 8607
Fax: (514) 640-7437
E-mail: olivierf@transcontinental.ca

Karine Beauchamp

Resource Person
Transcontinental Metropolitan
Telephone: (514) 640-1840, Ext. 2233
Fax: (514) 640-6697
E-mail: beauchampk@transcontinental.ca



Pierre Manseau

Resource Person
Transcontinental Metropolitan
Telephone: (514) 640-1840, Ext. 2367
Fax: (514) 640-6697
E-mail: manseup@transcontinental.ca

Monique Fry

Resource Person
Transcontinental Metropolitan
Telephone: (514) 640-1840, Ext. 2234
Fax: (514) 640-6697
E-mail: frym@transcontinental.ca

Sylvain Guilbert

Resource Person
Transcontinental Metropolitan
Telephone: (514) 640-1840, Ext. 2235
Fax: (514) 640-6697
E-mail: guilberts@transcontinental.ca

"Helping dailies stay competitive in their markets"

As Senior Vice President of the Newspaper Group, François Olivier is central to the development of Transcontinental's newspaper segment. He also coordinated each major stage in the Transcontinental Metropolitan project: signing the agreements with *La Presse*, building the plant and starting actual production.



François Olivier discussing printing quality with an associate.

Q. What are the main challenges facing publishers of daily newspapers today?

A. Daily newspapers compete with other media like television and the Internet for advertising dollars. Some even say that dailies will be increasingly competing against magazines. The publishers are faced with two types of challenges. First, they have to offer better quality in terms of the actual product: higher quality paper, more colour and a more dynamic layout. Then they have to offer advertisers better targeting for their zoning programs and distribution of inserts. And that's got to happen in a low-growth market in the coming years. Those who come out on top will be those who can adapt to these changes and attract young readers.

Q. Why is outsourcing the printing end of things the solution?

R. In general, outsourcing can help publishers handle the technological and financial risks associated with the enormous capital investments required to meet the new needs of advertisers and the demands of readers. There is of course a psychological barrier for the publisher, because someone else will be in charge of printing "his" newspaper. Letting go of that control requires a lot of confidence and a great deal of credibility on both sides. More specifically, I'm convinced that Transcontinental's unique approach can help daily newspapers stay competitive in their market.

Q. Exactly what is this unique approach?

R. The partnership with *La Presse* is a good example. Transcontinental offers to build for publishers of major dailies or of groups of regional papers a state-of-the-art printing plant in exchange for a long-term printing contract with guaranteed volumes. With *La Presse*, for instance, we have a 15-year contract. We print the newspaper more efficiently, which gives the publisher a competitive edge in the market: higher quality, superior insertion capacity, multiple versions of the paper. We also take charge of ancillary products like magazines and special inserts. Last, but not least, Transcontinental can provide great printing flexibility with its network of printing plants.

R. How do things work on the plant floor?

Q. A key aspect of our approach is that we take a participatory management approach to the work, with independent teams responsible for all aspects of the operations. The reason for this is simple: the new technologies require a very carefully selected workforce that undergoes intensive training. The business environment demands that plant operations be highly flexible so that we can provide superior efficiency. As a commercial printer, Transcontinental is using the latest technology and knows its printing operations inside out. We also have a company culture based on innovation, delivering what we promise, and customer service. It's a winning formula.

olivierf@transcontinental.ca

*Congratulations to
Transcontinental
for this jewel
of modern technology.
We wish you
many years of success with
Transcontinental Metropolitan.*

sappi

The Daily of Tomorrow: Technology Creating and Responding to Demand

Not so very long ago, the buzz the media maintains at all times about itself was focused on how the Internet would replace newspapers and magazines entirely, conserving forests in an electrical revolution. While the timetable drafted by analysts at the end of the millennium was erroneous, still, a media shift is undoubtedly afoot.

The daily newspaper has been an information mainstay for over a century, during which time it has had to reinvent itself repeatedly, presenting visual and textual style and content that kept up with, rather than simply chronicled, the times. In today's climate of media crowding, convergence, and dizzying technological advance, the role and appearance of tomorrow's successful daily newspaper is hardly printed in stone.

Michael Cobden, a former *Toronto Star* writer who now teaches journalism at Halifax's King's College, feels the lack of interest in news among the up-and-coming young adult demographic is a concern. Newspapers, he says, "are all trying different things to hook them, but so far not with much success. They're not interested in journalism as we've defined it."

It's not just the venerable daily that's feeling the squeeze, he adds. "The other media are suffering just as much as newspapers. Kids aren't bored with newspapers, they're bored with news."

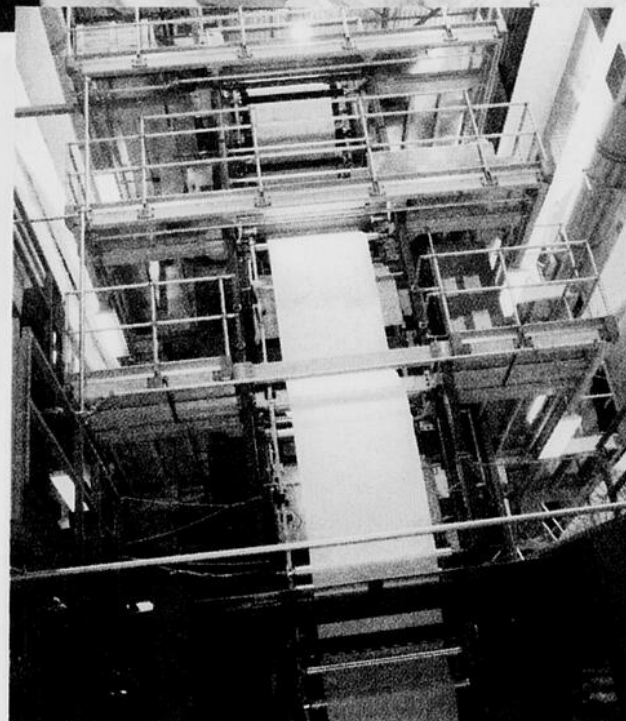
That's partly because there is so much other news-like information vying for their attention. The *Entertainment Tonight* model has spawned

many offspring, with the result that "young people are walking encyclopedias of popular culture," affirms Cobden.

Maintaining the journalistic integrity we always imagine existed a few years ago is certainly honorable. To attempt to do so without an eye toward changing demands, however, is hubristic. In order to get or stay ahead in such a tight media market, readers' attention must be grabbed and kept.

But while the message is evolving, interest in the newspaper medium remains strong. In a recent study conducted by an American market research firm for the Graphic Arts Technical Foundation and the Printing Industries of America, 73% of the 500 on-line respondents said they would not give up their paper magazine for an Internet alternative.

The preference can be partly attributed to improvements in print technology. Long gone are the days of monotype and linotype printing, with only 36 of North America's 1,560 daily newspapers still using letterpresses. With the arrival of superior offset printing in the 1960s, then the advent of editorial room colour



scanners in the '80s, many newspapers have recently had to adapt or replace their presses, "which were never conceived with newspapers with colour appearing on every page in mind," explains Jean-Marc de Jonghe, Prepress Manager at *La Presse*, North America's

"Transcontinental can change more easily with the times because printing is what they do."

top French-language daily. That's exactly what happened at *The Roanoke Times* in Virginia, where they've just installed a new 6-tower, 2-folder Heidelberg Mainstream 80 to handle their daily run of 100,000 copies. The soon-to-be-launched press replaces a

Goss model they've used since 1949, most recently retrofitted, from letterpress to offset, in 1986.

"It was a horrible ordeal trying to put a paper out on a press you're trying to retrofit at the same time," says Wendy Zomparelli, President and Publisher of *The Roanoke Times*. But with its new press, the *Times* has been able to restructure and reduce its fee schedule for colour ads.

"Newspapers had traditionally priced colour at a prohibitive rate," explains Peter Walczak, Technical Sales Manager for Heidelberg Web Systems in Dover, NH. "But now, with colour available on every

page, they can attract different advertisers that wanted colour and were in other mediums," such as fashion advertisers in glossy magazines. "Colour is a matter-of-fact of doing business now," because, he says, "colour sells."

Zomparelli of *The Roanoke Times* confirms that "advertisers have responded very enthusiastically" to the paper's reduced colour rates. But Walczak sees the *Times's* new press purchase as a less than perfect solution. "Newspapers look at printing as a necessary evil to produce the paper. They're content providers first and foremost." He notes an increasing trend among newspapers to

The Essential Key to Profitable CTP

Burgess Industries' CTP Automated Plate Management and Handling System

The Burgess System shown is managed by CTP workflow software using Burgess' "On-Command" Bar Coding System. Our patented, streamlined system is uniquely designed to process plates for diverse press and plate sizes from single or multiple CTP devices into one or more lines of punch/bend automation. Plates are then transferred to multiple plate sorting stations for automated stacking by job, press tower or press cylinder. Without any operator involvement, our cost-effective system is proven to maximize your profitability.

Modular and flexible in design, the Burgess In-Line System can be configured for small, medium, and large newspaper and commercial CTP and press applications.

Burgess Industries' is Proud To Be Transcontinental's Partner and Premiere Supplier of CTP In-line Plate Management and Handling Systems.

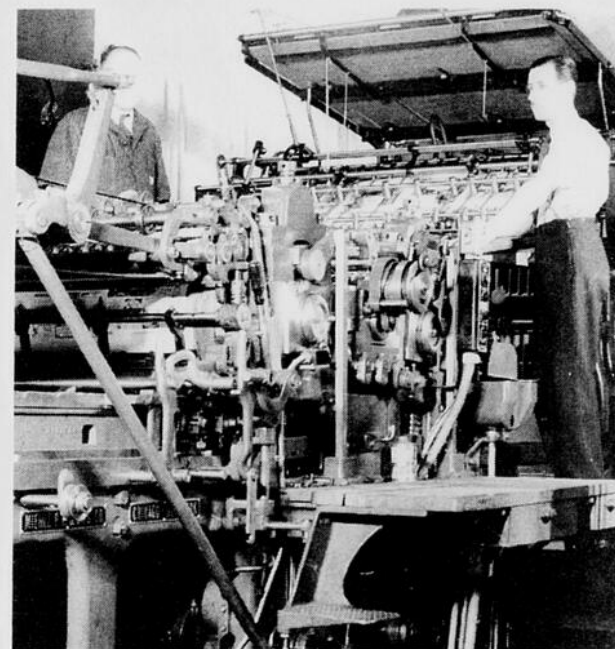
Burgess CTP system shown without protective covers.

In-line or off-line, Burgess' superior and reliable image to plate-on-press register systems, combined with our expert service is essential for today's profitable printing!

Contact Burgess today for more information and worldwide CTP customer references:

@www.burgessind.com
e-mail: djburgess@burgessind.com
Sales and Service: (800)-AddaLUX(233-2589)

BII BURGESS INDUSTRIES, INC.



Then and now: newspaper printing technology in 1939 (above) and at Transcontinental Metropolitan (below).





A newspaper production meeting before the era of electronic prepress.

Stora Enso wishes Transcontinental the very best on the inauguration of their brand new printing plant, Transcontinental Metropolitan.

We at Stora Enso take great pride in being a valued business partner and paper supplier to Transcontinental.

Congratulations Transcontinental!

For more information about our papers call 1 800 322-7377, or visit our web site www.storaenso.com/na

STORAENSO 
what paper can do



Canada Post has always known that to succeed in business, you need to respect the past and embrace the future. That's why we would like to take this time to congratulate one of our most valued partners, Transcontinental, for combining their long-standing tradition of customer service with a long-term commitment to innovation and technology. It is this kind of vision that guarantees a prosperous future and works to everyone's advantage.

www.canadapost.ca

CANADA POSTES
POST CANADA

From anywhere... to anyone

outsource their printing, as *La Presse* has just done with Transcontinental, for several good reasons. Instead of being locked into a long technology cycle with their own machines – *La Presse's* previous press was new in 1959 – outsourcing on a shorter contract means it's

"But since the advent of radio, depth, not speed, has been the focus for newspapers, and will continue to be so."

up to the printer to stay current to compete for a newspaper's business. "Transcontinental can change more easily with the times because printing is what they do," said Walczak. "As that cycle goes through, either side could say 'we have this idea. Would you



**NATIONAL
BANK
FINANCIAL**

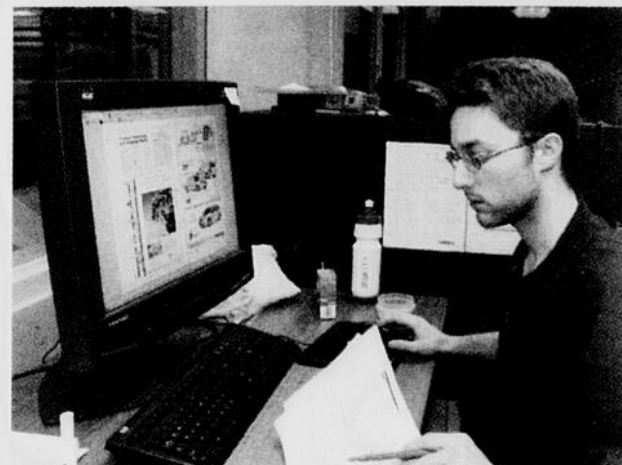
National Bank Financial, whose origins date back to 1902, has made a name for itself over the years, thanks to its many strategic and the diversified services it offers its clientele. An uncontested leader in the Quebec securities industry and one of Canada's top six brokerage firms, National Bank Financial maintains an active presence from coast to coast, with 86 branches and 2,700 employees. We serve nearly 275,000 individual investors, who together entrust over \$35 billion of assets to our care.

We have been a financial partner of Transcontinental for over 20 years and are proud to be associated with the inauguration of the firm's new Montreal printing plant, Transcontinental Metropolitan. We commend Transcontinental for its drive and innovative spirit. With 12,000 employees in Canada, the United States and Mexico, Transcontinental is a dynamic organization that contributes to the economic development of both the local community and the global market.

Congratulations to the entire Transcontinental team.



Above, layout of a traditional newspaper and, below, electronic prepress at Transcontinental Metropolitan.



like to try it? They would never have done that before because they'd made a 40-year investment."

That flexibility is important as newspapers try new things to maintain and re-carve their niche in an overloaded media market. But the improved speed and quality of print technology is having an ambivalent trickle-down effect for editorial departments. On the one hand, increased flexibility means colour news photos can run on more pages, feeding our appetite for immediate and impressive images of news and pop culture events. On the other, a newspaper's physical rather than virtual nature means it will never deliver these images faster than digital media. But since the advent of radio, depth, not speed, has been the focus for newspapers, and will continue to be so. "When I hear people say they get all the news

they need from news radio or commuter newspapers, I think 'no background, no analysis,'" says Brian Cantley, Vice President, Member Services for the Canadian Newspaper Association.

Apparently, so do many readers, whose numbers haven't diminished significantly despite the e-revolution of the past decade (According to the Newspaper Association of America's figures, in 2002 there were 55,186,157 daily newspaper readers in the U.S., compared to some 59,000,000 in its peak year, 1994).

As in the past, the quality of both content and appearance will be central to any newspaper that will flourish in the 21st century. As Michael Cobden of King's College simply puts it, "for newspapers, the future lies in giving people pleasure in reading." ■

Advertising: A Bright Future

Isabelle Massé

A full-page ad in which two prayer pews rise starkly against a white background. In the shape of the twin towers of the New York World Trade Center. This ad by the Montreal Archdiocese was printed in French-language dailies in Quebec just days after the attacks on September 11, 2001. The text at the bottom of the page said "This Sunday, may our prayers accompany the victims of September 11."

This meaningful and timely message designed by the Bos agency won the top award, in 2002, at the Extra competition, which pays tribute to the best advertisements published in Canadian daily newspapers. It's not just TV ads that get people talking. When well used, space in a daily newspaper is sometimes the perfect vehicle for the finest concepts. "With dailies, you can be very opportunistic. You can grab something as it happens and work with the news," says Marie-Claude Ducas, editor-in-chief of the trade magazine *Infopresse*.

"With the daily, you can react ... to daily events," adds Philippe Meunier, Creative Vice President of Diesel Advertising, host of the 2002 Extra awards.

There were the CKAC radio ads with just one word in the middle of the page, and ads with plays on words by PCN Physiothérapie et médecine de sport du Québec. Ad writers love to play with their dictionaries. "Traditionally, the TV has been the medium of choice for ad guys, but there's been some saturation since there's so much crap on TV," says Jean-Jacques Stréliski, Vice President of the ad agency Taxi Montréal. "So the status of the daily newspaper has gone up. More and more

international advertisers are doing ads there. It's a formidable medium, because the time spent reading the paper is special."

Words are powerful in daily newspaper ads... even though they're printed in black on white! Ad agencies often go for high contrast in newspapers, for a number of reasons, including print quality. "In Quebec, the low visual quality of the newspapers has stopped us from doing certain things," says Marc Fortin, Creative Manager at Cossette Communication-Marketing. "We're a few years behind the times. You see it in the competitions. There's lots of white space in our ads! The ones that win prizes are often in four colours."

"For a long time we've lived in the backwoods of printed ad country," says Philippe Meunier. "For an advertiser, it's like putting out a message on a black and white TV when everyone else is using high definition!"

Are things changing now that *La Presse* is being printed on new presses? Now that it's possible to do ads in colour? Adding colour increases the impact of an ad by 60%. What reader of a daily newspaper remembers that Bell's logo is blue and... yellow? "We're going to be able to start doing the type of ads for newspapers that we do for billboards and magazines," says Marc Fortin. "We're working on getting Bell to do ads in four colours."

Diesel has just designed a full-page ad for Gaz Métropolitain on a blue background "with a colour photo and subtle shades in the blue," explains Philippe Meunier. "For a long time ad people have been disappointed and felt like they

were working for nothing when they did ads in daily papers. But there's nothing like getting your morning surprise when you open the newspaper."

Simplicity

Even so, simplicity is the order of the day for many in the ad business. "It's not like there's 50,000 ways to do a good ad," says Jean-Jacques Stréliski. "The advertisers are starting to understand that they have to use less copy, because hardly anyone reads it. The main thing is the quality of the message. As ad people, we're always working with space. The more we have, the better we like it. It's not a problem if you've got a lot of white space around an image. But the ad has to draw you in and get your attention."

Ad agency Taxi Montréal designed the Telus ads "The future is friendly" (in French: "le futur est simple"), dotted with salamanders, tree frogs and other charming little beasties. "In a daily, we have a big presence, even when we only take up a little bit of space. Ads with a simple concept and top quality graphics stand out more than ones full of copy, discounts, prices and percentages," says Marie-Claude Ducas.

"With its new printing technology, *La Presse* will gain a number of advertisers," believes Jean Durocher, Sales and Marketing Vice President of *La Presse*. "Newspapers that improve the quality of their product see their revenues go up," he says. "All the more so since the daily has become the only true mass media because of the fragmentation of TV viewership, due to all the specialty channels."

Advertisers like Brault & Martineau, Toyota and other

"With its new printing technology, *La Presse* will gain a number of advertisers. Newspapers that improve the quality of their product see their revenues go up. All the more so since the daily has become the only true mass media because of the fragmentation of TV viewership (...)"

Jean Durocher

dealers who use advertising mainly as a showcase for their sales may also find the daily newspaper interesting. Even though their ads may not be the most appealing to look at... "A daily newspaper gets the message across quickly," says Marie-Claude Ducas. "The car and retail segments can take advantage of that."

"Ad people are never crazy about it when they have to communicate a lot of information and prices," says Jean-Jacques Stréliski. "But when they're given a strong brand message, they love it."

A new era? Some think that image-based campaigns, often seen on television, will become more

common. "I can't wait until people discover the power of the daily paper," says Philippe Meunier. "Now things are going to change more quickly," adds Marc Fortin. Open your paper and find out! ■

Our thanks to *La Presse* for permission to reprint this article.

NEWSPRINT COMPANY

is proud to be part of the continuing success
of

**TRANSCONTINENTAL
METROPOLITAN**

in meeting your pressroom targets
with quality, 100% recycled newsprint
today and everyday.

CONGRATULATIONS ON YOUR LATEST
PRINTING ACHIEVEMENT

We salute your growth,
accomplishments in environmental
responsibility, innovation & results
oriented publishing leadership.

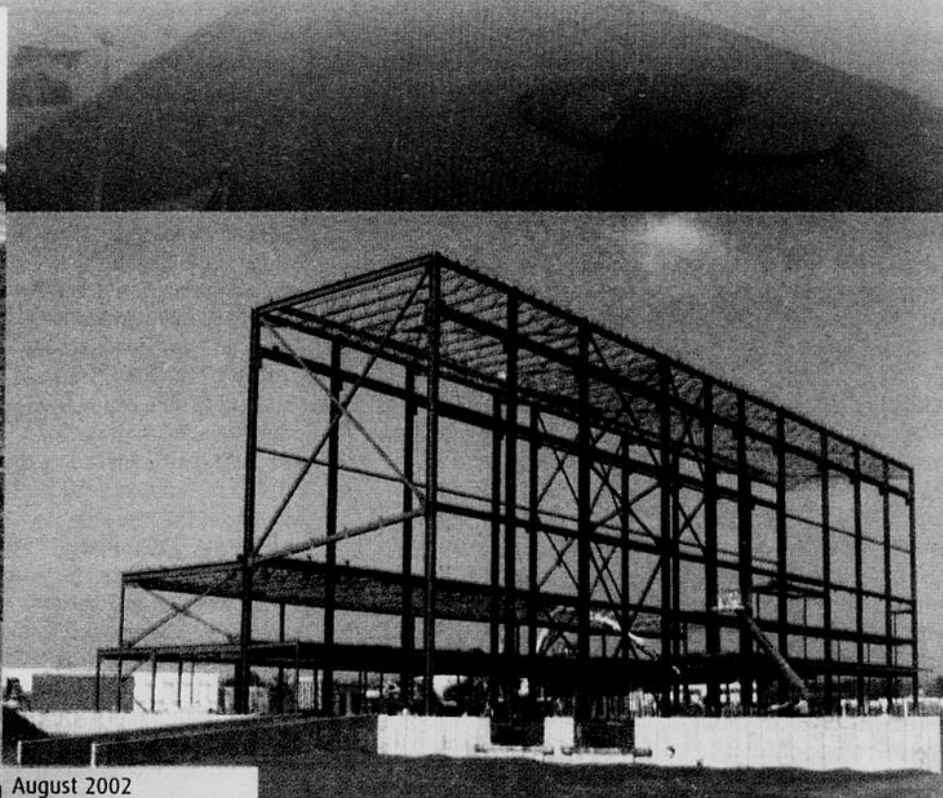
1st in 100% recycled newsprint,
Atlantic Newsprint
A Division of Atlantic Packaging Products Limited

From the Ground Breaking Ceremony to the First Edition of *La Presse*... in 16 months

Donald Courchesne, Canadian Press



June 11, 2002



August 2002



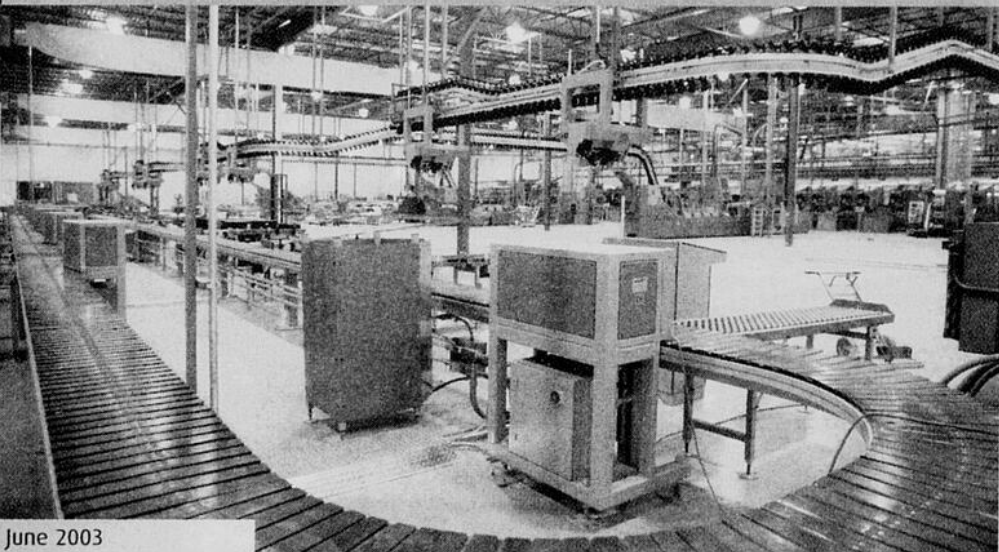
July 2002



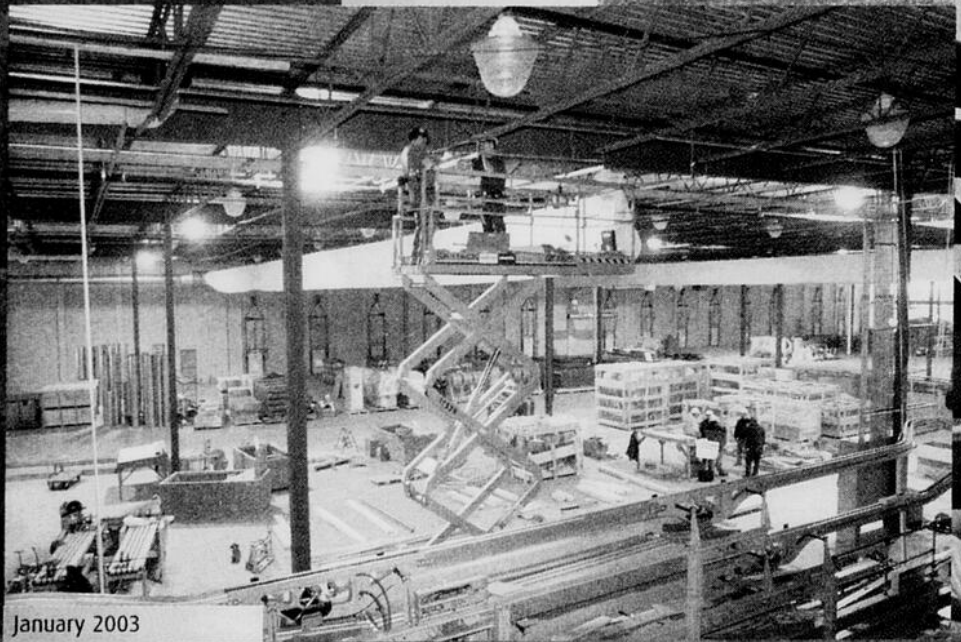
September 2002



October 2002



June 2003



January 2003



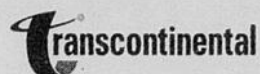
The evening of October 6, 2003

Publisher:
Public Relations Department of Transcontinental Inc.

Layout and design:
Mario Monastesse

Photographs:
Pierre Charbonneau
Donald Courchesne, *Canadian Press* (page 18)
Archives nationales du Québec, Direction du Centre d'archives de Montréal (pages 14, 15 and 16)
Cliff Spicer, *Canadian Press Images* (page 8)

Printing:
Transcontinental Metropolitan
12300 Métropolitain Blvd. East
Pointe-aux-Trembles, Quebec, Canada H1B 5Y2
(Transcontinental Printing G.T. Inc.)



Transcontinental Inc.
1 Place Ville Marie, Suite 3315
Montreal, Quebec, Canada H3B 3N2
Telephone: (514) 954-4000
Fax: (514) 954-4016
Internet Site: www.transcontinental.com

Printed in Canada

Inauguration of Transcontinental Metropolitan

Address by Rémi Marcoux (excerpts)



Honoured partners,
Distinguished guests,
Dear colleagues,
Dear friends,

It is with great pride and emotion that I say: "Welcome to Transcontinental Metropolitan." For Transcontinental as a whole and for our partners at *La Presse*, today is a great day.

What you see around you and what you will soon have a chance to tour is the most modern newspaper printing plant in North America for overall quality, printing speed, use of colour and flexibility. And this jewel of technology is in Montreal, which strengthens our city's reputation in the international communications industry. Suffice it to say that Transcontinental Metropolitan is the first printing plant in North America to use Heidelberg's new Mainstream 80 technology, made in the United States.

First of all, I'd like you to know that this achievement is the result of a unique partnership between *La Presse* and Transcontinental. This partnership is based on our shared conviction that from now on, newspaper publishers will focus on what they do best, which is to produce top-quality content, and will outsource the printing of their papers to companies whose primary expertise is printing, and who are therefore equipped with state-of-the-art technology.

I'd like to publicly pay tribute to Guy Crevier, President and Publisher of *La Presse*, who was central to this achievement. Guy, thank you for your trust and determination. You were a visionary throughout the process. It is now our responsibility to meet the expectations of your team, your readers and your advertisers. We will spare no effort to make sure that every day you are as proud of the print quality of your newspaper as you are already proud of its content.

(...) If you will allow me a slightly more personal touch, printing *La Presse* is an old dream of mine. That the dream has come true makes today one of the greatest moments in my life as an entrepreneur. Thank you, once again, to the team at *La Presse* for allowing me to see this dream become reality.

Dear friends, if you had been here in June 2002, you would have seen a huge empty lot. In less than 18 months we have built this plant, installed the equipment, trained our plant associates to use the most advanced newspaper-printing technology in the world, done test production runs and, starting next week, will produce the first official issue of *La Presse*.

This small miracle is due to the efforts of many local and international partners. I would like to mention our architect, Claude Bisson, as well as the numerous local firms who supplied the many construction components. Then there were our international equipment suppliers: Heidelberg for the presses; HK Systems for the paper receiving system; AGFA for the computer-to-plate technology, and lastly, GMA for the assembly and insertion equipment.

(...) I must also mention the hard work by the *La Presse* production crew and our plant workers who, for months, working in the background, won a race against the clock to make it possible for this event to happen today.

Experience partnership



Business solutions through information technology™

**CGI is a proud partner
of Transcontinental**

At CGI, we work in partnership with our clients to develop information technology (IT) solutions that exceed their expectations. Our flexible approach, adapted to your environment, enables us to rapidly recommend IT and business strategies in line with your goals.

Our many years of experience in your industry and our deep knowledge of best practices allow us to offer you a wide range of services. That's how we contribute to your success and have the capability to deliver within required time frames and budgets.

With CGI, flexibility is a real competitive advantage. Experience it today!

ISO 9001 Certified

consulting/systems integration/management of IT and business functions/tsx:gib.a/nyse:gib/www.cgi.com