

**Fonds de solidarité FTQ Reports Positive Earnings for the Year
Record Net Earnings Push Share Value Up 9.5% and
Shareholder Base Reaches New High**

Montréal, July 5, 2010 - For the fiscal year ended May 31, 2010, the owner shareholders of the Fonds de solidarité FTQ (the “Fund”) saw their share value rise 9.5% to \$23.84, an increase of \$2.06 over July 2009 and \$0.33 over January 2010. Net earnings set a new record at \$600 million, and net assets reached \$7.3 billion.

“This is a great performance,” said Fund Chairman and FTQ President Michel Arsenault. “First, we now have 577,511 shareholders, a record high that shows just how much faith Quebecers have in the Fund. Second, we issued \$660 million in shares, an increase over last year. And third, the Fund continues to demonstrate tremendous discipline, trimming its operating expense ratio by 0.2% from last year, bringing it down to 1.5%.”

“Thanks to dynamic management of our development capital portfolio and a solid performance by our private partners, we achieved an 11.0% return for this sector, which is our core business. Our marketable securities portfolio, which seeks to ensure that our assets are well diversified, returned 11.2%, fuelled by the rebound in the stock markets and reduction in credit spreads. We are very satisfied with this year’s performance, which positions the Fund as an indispensable growth lever for businesses,” affirmed Fund President and CEO Yvon Bolduc. “The professionals at the Fund and at our regional and local funds supported close to 300 companies this past year, and with the \$501 million we invested in 2009-2010, we are still the largest purveyor of development capital in Québec,” added Mr. Bolduc.

A RRSP that pays off

At a time when Quebecers are saving less and less every year, the Fund’s mission is more relevant than ever. The Fund is pleased to be able to count on the unwavering commitment of close to 2,050 local representatives, who show workers that the Fund RRSP is an interesting and profitable retirement savings product. For instance, when the tax credits are factored in, a Fund shareholder who has invested the same amount each year by way of payroll deduction earned a compounded annual return of 11.5% over 7 years and 7.8% over 10 years.

	7-Year	10-Year
Compounded annual return when tax credits are factored in.*	11.5%	7.8%

**Does not take into account RRSP tax deductions.*

Québec’s leading investor of venture and development capital

This past fiscal year, 71 new partners joined the Fund and its network of regional Funds. True to its mission to back SME growth, more than 82% of Fund’s and regional Funds’ partner companies have fewer than 100 employees. Together with its entire network, the Fund has 2,052 partner companies that have helped create, maintain and preserve nearly 181,000 jobs in Québec.

Consolidating the activities of Québec's flagship companies

During this last fiscal year, a number of SMEs consolidated their activities by making strategic acquisitions with the Fund's backing. Totalling \$123 million, these types of investments included \$30.8 million in **Stella-Jones**, a company that produces, among other things, railway ties, to acquire a U.S. company. **GLV**, an international provider of technological solutions used in water treatment, secured \$38.5 from the Fund for a major deal involving the acquisition of an Austrian company. Specializing in agriculture and horticulture, industrial equipment and environmental technology, **Premier Tech** purchased an Ontario company with \$10 million from the Fund, while **Groupe Bermex** was able to take a majority stake in Shermag thanks to a \$6 million investment from the Fund..

Flexible business solutions

In response to the issues confronting SMEs, the Fund and the 16 regional Solidarity Funds have developed financing products tailored to their needs. For instance, the Competitiveness Loan, with its optional single end-of-term repayment, is an extremely flexible solution. This past year, sawmill **Scierie Dion & Fils** took advantage of this type of loan, borrowing \$8 million to boost productivity and buy equipment to set up new equipment. For their part, the regional funds developed two new solutions – the Stabilization Loan and the Performance Loan – both of which offer a reduced interest rate tied to the achievement of business objectives.

Energizing the wood and furniture industry

In a bid to preserve jobs in a still fragile sector, the Fund injected \$68 million into the wood and furniture sector in 2009-2010, including \$15 million to allow **Fortress Paper** to reopen the Thurso pulp mill and recall nearly 300 employees, and \$5.5 million in the expansion projects of **Foliot Management**, a company that builds furniture for student dormitories.

The Fund also backed the forestry industry through **Solifor** (Société de gestion d'actifs forestiers Solifor s.e.c.), which picked up three new properties. Created by the Fund and capitalized with \$150 million, this investment fund owns 157,000 hectares of forestland. Its mandate is to finance the purchase of forest properties, to keep their ownership in Québec, and to ensure they are developed in a sustainable manner.

	Year ended May 31, 2010	Year ended May 31, 2009
Net assets (in \$ millions)	7,294	6,375
Revenues (in \$ millions)	222	239
Net earnings (loss) (in \$ millions)	600	(919)
Fund Return	9.2%	(12.6%)
Net assets per share (in \$)	23.84	21.78
Change in share value	9.5%	(13.1%)

- 30 -

Note: The telephone number provided below is for the exclusive use of journalists and other media representatives.

Source: Josée Lagacé
 Senior Advisor, Press Relations and Communications
 Fonds de solidarité FTQ
 Telephone: 514 850-4835
 Mobile : 514 707-5180
 e.mail : jlagace@fondsftq.com