



PRESS RELEASE

FOR IMMEDIATE RELEASE

**ADS SUBMITS PROPOSAL TO PRIVATIZE THE CORPORATION
TO ITS SHAREHOLDERS**

Saint-Elzéar-de-Beauce, Quebec, January 12, 2009 — The Board of Directors of ADS Inc. ("ADS") (TSX: AAL.A) announced today that ADS has concluded a merger agreement (the "Merger Agreement") and an amalgamation agreement (the "Amalgamation Agreement") with 7097697 Canada Inc. ("Newco") relating to the amalgamation of ADS and Newco (the "Amalgamation").

Newco is a recently incorporated corporation whose outstanding shares are currently held by 4076508 Canada Inc., a corporation whose outstanding shares are all held by management corporations controlled by Messrs. Paul Drouin, Guy Drouin and René Drouin, all of whom are shareholders, directors and senior officers of ADS.

Under the terms and conditions of the Merger Agreement and the Amalgamation Agreement, ADS will amalgamate with Newco and ADS shareholders, except for dissenting shareholders, if any, and Newco, will receive a redeemable preferred share of the corporation resulting from the Amalgamation for each Class A Multiple Voting Share (the "ADS Shares") that he held immediately before the Amalgamation. Each redeemable preferred share of the corporation resulting from the Amalgamation will then be redeemed by the corporation resulting from the Amalgamation on the first business day following the Amalgamation through a payment of \$0.90 in cash (the "Redemption Price"). The Redemption Price represents a premium of 28.6% over the closing price of \$0.70 per ADS Share on the TSX on January 9, 2009 and also represents a premium of 55.17% over the 20-day volume weighted average trading price of about \$0.58 per ADS Share on the TSX.

The transaction will be completed by way of an amalgamation under the *Canada Business Corporations Act* and will be subject to customary conditions precedent, including approval of the Amalgamation by ADS and Newco shareholders.

The Caisse de dépôt et placement du Québec, Howson Tattersall Investment Counsel Limited (a member of the Mackenzie Financial Corporation Group), Foyston, Gordon & Payne Inc., Gestion Roger Simard Ltée and Mr. Roger Simard who own, directly or indirectly, or exercise control or direction over 30.61% of the issued and outstanding ADS Shares, have signed support and voting agreements pursuant to which they have agreed, subject to certain conditions, to exercise the voting rights attached to their ADS Shares in favour of the Amalgamation.

Messrs. Paul Drouin, René Drouin, Guy Drouin, Christian Bernard, Fernand Bernard and Guy Bérubé who hold, directly or through management corporations (collectively the “Interested Shareholders”), 46.89% of the issued and outstanding ADS Shares, have also concluded a support and voting agreement pursuant to which they have agreed to exercise the voting rights attached to their ADS Shares in favour of the Amalgamation and to transfer to Newco, prior to the Amalgamation, the aggregate of ADS shares that they hold in exchange for voting and participating shares of Newco.

After due consideration, the Board of Directors of ADS has unanimously approved the Amalgamation (with interested directors abstaining from the vote due to their interest in Newco) based on the report and the unanimous favourable recommendation of an independent committee comprised of three independent members of the Board of Directors of ADS, Messrs. Jean-Yves Leblanc (committee chair), Gilles Laurin and Laurier Boivin (the “Independent Committee”). In doing so, the Board of Directors of ADS found that the Amalgamation is fair to ADS shareholders, other than the Interested Shareholders (the “Public Shareholders”), and is in the best interests of ADS, and has agreed to submit the Amalgamation for approval to ADS shareholders at a special meeting to be held on February 20, 2009 (the “Special Meeting”). The Board of Directors of ADS has also unanimously resolved (with the interested directors abstaining from the vote) to recommend that the Public Shareholders vote in favour of the Amalgamation.

The Board of Directors of ADS and the Independent Committee have based their respective decisions, among other things, on an opinion of Ernst & Young LLP (“Ernst & Young”), the financial advisor retained by the Independent Committee, which found, as at January 12, 2009 and subject to the limitations, assumptions and qualifications set forth therein, that the Amalgamation is fair, from a financial point of view, to the Public Shareholders. A copy of Ernst & Young’s fairness opinion that has been considered by the Board of Directors of ADS and the Independent Committee as well as other material information will be included in the Management Proxy Circular to be forwarded to ADS shareholders regarding the Special Meeting.

To be completed, the Amalgamation must be approved by way of a special resolution (the “Special Resolution”) of ADS and Newco shareholders whereby the Amalgamation Agreement is adopted. As regards ADS, the Special Resolution must be approved at the Special Meeting by: (i) the affirmative vote of at least $66\frac{2}{3}\%$ of the votes cast by ADS shareholders and (ii) the simple majority of the votes cast by the Public Shareholders, in each case, present in person or represented by proxy and qualified to vote at this meeting.

Subject to the necessary approvals of ADS and Newco shareholders being obtained and subject to other customary conditions precedent being met, the Amalgamation should be completed on or about February 23, 2009.

In order to finance the Redemption Price, the Interested Shareholders have received from the Solidarity Fund QFL (the “Fund”) a letter of commitment pursuant to which the Fund has agreed to subscribe Newco shares in the amount of \$3,600,000 and a

debenture to be issued by Newco in the amount of \$5,400,000. The balance of the financing required to settle the Redemption Price will be provided by credit facilities extended by two financial institutions. Once the Amalgamation has been completed, it is anticipated that the Interested Shareholders and the Fund own all of the voting and participating shares issued and outstanding of the corporation resulting from the Amalgamation on a pro rata basis of 69.06% and 30.94%, respectively.

Once the Amalgamation has been completed, the corporation resulting from the Amalgamation will own all of the property, rights and assets of ADS and Newco and will assume all of their obligations. The corporation resulting from the Amalgamation will be named "ADS Inc." and will have its head office at 485 des Érables, Saint-Elzéar-de-Beauce, Quebec, G0S 2J0.

Copies of the Merger Agreement, the Amalgamation Agreement and the support and voting agreements will be filed with Canadian securities regulatory authorities and will be available for consultation on SEDAR's web site, at www.sedar.com. The Management Proxy Circular relating to the Special Meeting should be mailed to ADS shareholders in the weeks to come. This circular will also be part of ADS' public documents available for consultation at www.sedar.com.

ABOUT ADS

ADS, whose head office is based in Beauce, near Quebec City, is a corporation active primarily in the manufacturing sector through subsidiaries operating in the technical textiles field. For more information about ADS, please visit the corporation's web site at www.adsinc.ca.

ABOUT THE FUND

With net assets of \$6.2 billion as at November 30, 2008, the Fund is a development capital company that through its RRSP channels the savings of Quebecers into investments in all sectors of the economy to help create and maintain jobs and to further Québec's economic growth. The Fund is a partner, either directly or through its network members, in 1,881 companies. It currently has more than 571,000 shareholders and has helped, on its own or with other financial partners, to create, maintain and protect over 126,000 jobs. For more information, visit www.fondsftq.com.

FORWARD-LOOKING STATEMENTS

This press release contains "forward-looking statements" within the meaning of the applicable securities legislation regarding the proposal to privatize ADS, including the statement regarding the terms of the proposed transaction. Therefore, readers are cautioned not to place undue reliance on forward-looking statements. Forward-looking statements involve known and unknown risks, uncertainties and other factors which may cause the actual results, performance or achievements of ADS to be materially different from any future results, performance or achievements expressed or implied by the forward-looking statements in this press release. These risks and uncertainties include, but are not limited to, the satisfaction of the conditions to consummate the

