

*For Immediate Release***A MILESTONE FOR TRANSCONTINENTAL INC.:
TRANSCONTINENTAL INC. CLOSES THE QUAD/GRAPHICS CANADA, INC. TRANSACTION**

Montreal, March 1, 2012 – Transcontinental Inc. (TSX: TCL.A, TCL.B, TCL.PR.D) today is pleased to announce that it has closed the transaction for the indirect acquisition of the shares of Quad/Graphics Canada, Inc.

“The important acquisition of the Canadian assets of Quad/Graphics is a milestone in our development as it strengthens our position as the leading printer in the country and allows us to leverage the major investments we have made to our printing platform over the last several years. It will add about \$230 million to our revenues and should generate at least \$40 million in net incremental EBITDA over the coming 12 to 24 months. It is also good news for the health of the print industry in Canada and confirms the important role of Canadian companies, such as Transcontinental Inc., in the North American printing industry,” said François Olivier, President and Chief Executive Officer.

“This important acquisition will allow us to maintain a solid print business going forward, given the competitive and industry dynamics, as it will allow us to continue to improve our manufacturing efficiency and capacity utilization rate by using our most productive assets,” said Brian Reid, President of TC Transcontinental Printing.

Profile

TC 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 the 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. TC Transcontinental is also the leading door-to-door distributor of advertising material in Canada through its Publisac network in Quebec and Targeo in the rest of Canada. Thanks to a wide digital network of more than 1,000 websites, the Corporation reaches over 13.7 million unique visitors per month in Canada. TC Transcontinental also offers interactive marketing products and services that use new communication platforms supported by marketing strategy and planning services, database analytics, premedia, e-flyers, email marketing, custom communications and mobile solutions.

Transcontinental Inc. (TSX: TCL.A, TCL.B, TCL.PR.D), known by the brands TC Transcontinental, TC Media and TC Transcontinental Printing, has approximately 11,000 employees in Canada and the United States, and reported revenues of C\$2.0 billion in 2011. For more information about the corporation, please visit www.tc.tc

Forward-looking Statements

This press release contains certain forward-looking statements concerning the future performance of the Corporation. Such statements, based on the current expectations of management, inherently involve numerous risks and uncertainties, known

and unknown. We caution that all forward-looking information is inherently uncertain and actual results may differ materially from the assumptions, estimates or expectations reflected or contained in the forward-looking information, and that actual future performance will be affected by a number of factors, many of which are beyond the Corporation's control, including, but not limited to, the economic situation, structural changes in its industries, exchange rate, availability of capital, energy costs, increased competition, as well as the Corporation's capacity to engage in strategic transactions and integrate acquisitions into its activities. The risks, uncertainties and other factors that could influence actual results are described in the *Management's Discussion and Analysis* and *Annual Information Form*.

The forward-looking information in this release is based on current expectations and information available as at March 1, 2012. The Corporation's management disclaims any intention or obligation to update or revise any forward-looking statements unless otherwise required by the Securities Authorities.

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