

*For Immediate Release***Transcontinental Inc. divesting assets in Saskatchewan**

Montreal, May 30, 2016 – Transcontinental Inc. (TSX: TCL.A TCL.B) announced today it is divesting of its assets in the province of Saskatchewan. The transaction includes the sale of its 13 local newspapers and associated web properties, as well as some commercial printing equipment and related book of business in Saskatchewan, to Star News Publishing Inc., a local newspaper publisher and printer with interests in Saskatchewan and Alberta. The sale of the local newspapers is effective immediately, while the printing plant, located at 838 – 56th Street East in Saskatoon, will remain in operation for a transition period, after which it will close.

“Given challenging market conditions and limited synergies with the rest of our assets, primarily in Quebec and Eastern Canada, we have made the decision to divest of our newspaper publications, located throughout Saskatchewan, and today are announcing the sale of these publications to Star News Publishing Inc.,” said Julia Kamula, Senior Vice-President, TC Media Local Solutions. “From a geographic perspective, the reality of operating a small number of newspapers in Western Canada was simply not efficient for TC Media. The new owner’s portfolio of assets is much more aligned with these publications, better enabling their growth and continued evolution. This transaction is a very positive development for both our employees and these operations moving forward.”

The newspapers involved in this transaction are:

- Moose Jaw – *The Moose Jaw Times Herald* (Daily) and *unCut* (Weekly)
- Prince Albert – *The Prince Albert Daily Herald* (Daily), *Rural Roots* (Weekly) and *SHOP P.A.* (Periodical)
- Swift Current – *The Southwest Booster* (Weekly)
- Coronach – *The Triangle News* (Weekly)
- Grenfell – *The Grenfell Sun* (Weekly)
- Broadview – *The Broadview Express* (Weekly)
- Oxbow – *The Oxbow Herald* (Weekly)
- Radville – *The Radville Star* (Weekly) and *Deep South Star* (Weekly)
- *Southern Life* (Monthly)

“In light of the current print market, we must continuously adapt and review our equipment utilization to maximize our printing platform,” said Jacques Grégoire, President of TC Transcontinental Printing. “Given the sale of our local newspapers and the remaining commercial printing volume in the plant, we made the decision to dispose of our printing assets in Saskatchewan. We are certain that customers will continue to be well served by the new owner and we thank them for their support over the past several years.”

Roger W. Holmes, owner of Star News Publishing Inc. added: “With our long-standing and innovative printing and publishing roots in Saskatchewan and Alberta, we feel we are well positioned to take the TC Transcontinental publications

and print operations to the next level. The values that TC Transcontinental upholds are well aligned with our mission 'to serve our readers with news and advertising of high integrity' and we welcome this opportunity."

Unfortunately, the closure of the Saskatoon printing plant will result in the loss of approximately 30 full time positions when the transition period is complete. Transcontinental Inc. thanks these employees for their dedicated contribution to the company.

About TC Transcontinental

Canada's largest printer, with operations in print, flexible packaging, publishing and digital media, TC Transcontinental's mission is to create products and services that allow businesses to attract, reach and retain their target customers.

Respect, teamwork, performance and innovation are strong values held by the Corporation and its employees. The Corporation's commitment to all stakeholders is to pursue its business and philanthropic activities in a responsible manner.

Transcontinental Inc. (TSX: TCL.A TCL.B), known as TC Transcontinental, has over 8,000 employees in Canada and the United States, and revenues of C\$2.0 billion in 2015. Website www.tc.tc

About Star News Publishing Inc.

The Star News group of companies operates five community newspapers in Alberta and Saskatchewan in addition to printing over 60 different community newspapers in Western Canada.

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