

About Transcontinental

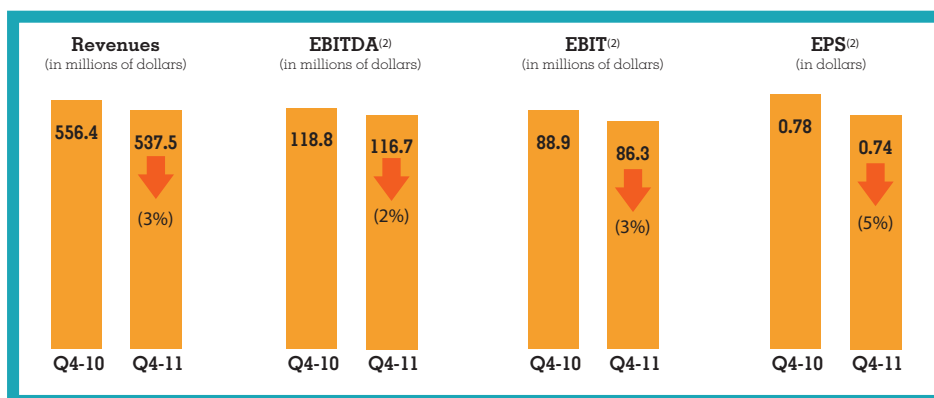
TC Transcontinental creates marketing products and services that allow businesses to attract, reach and retain their target customers. The Corporation is the largest printer in Canada and the fourth-largest in North America. As the leading publisher of consumer magazines and French-language educational 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 celebrated 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 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 10,000 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.

Highlights⁽¹⁾

- **Revenues** decreased 3% in the fourth quarter of 2011, primarily due to the non-recurring revenue from the printing contract for the Canadian Census last year. For the year, revenues increased 1% and organic revenue growth was generated in all three sectors.
- **EBIT⁽²⁾** declined 3% in the fourth quarter of 2011, primarily due to continued strategic investments in the Media and Interactive sectors. For the year, EBIT increased 1% and we generated 5% organic profit growth.
- **Free cash flow** in 2011 increased significantly as capital expenditures decreased, from \$125 million in 2010 to \$47 million in 2011.
- Improved the **adjusted net indebtedness ratio⁽²⁾**. As at October 31, 2011, the ratio was 1.4x as compared to 1.9x for the same time last year.
- Announced the combination of the Media and Interactive sectors and launched a new brand and positioning to better reflect our evolution into a leading player in the new marketing communications landscape.

Financial Highlights⁽¹⁾



Variance Analysis⁽¹⁾

(in millions of dollars)	Revenues	%	EBIT ⁽²⁾	%
Q4-10	556.4		88.9	
Acquisitions/Divestitures/Closures	1.8	0.3%	0.1	0.1%
Existing operations				
Paper effect	1.8	0.3%	(0.3)	(0.3%)
Exchange rate	(1.8)	(0.3%)	(0.3)	(0.3%)
Organic growth	(20.7)	(3.7%)	(2.1)	(2.4%)
Q4-11	537.5	(3.4%)	86.3	(2.9%)

Forward-looking statement

This report 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, both general and specific.

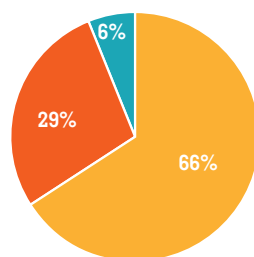
We caution that all forward-looking information is inherently uncertain and actual results may differ materially from the assumptions, estimates or expectations reflected or contained in the forward-looking information, and that actual future performance will be affected by a number of factors, many of which are beyond the Corporation's control. The risks, uncertainties and other factors that could influence actual results are described in the Management's Discussion and Analysis for the year ended October 31, 2011 and in the 2010 Annual Information Form.

Note 1: Excluding the Mexican operations, which are presented as discontinued operations.

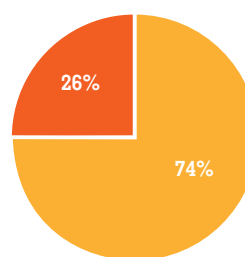
Note 2: On adjusted basis. For additional information regarding the specific items and non-GAAP measures, please refer to the section entitled "Reconciliation of non-GAAP financial measures" in the Management's Discussion and Analysis for the year ended October 31, 2011. Adjusted net indebtedness ratio excludes the amount to be paid to Quad/Graphics at closing of the indirect acquisition of Quad/Graphics Canada, Inc., which is subject to the approval of the Competition Bureau.

Overview⁽¹⁾

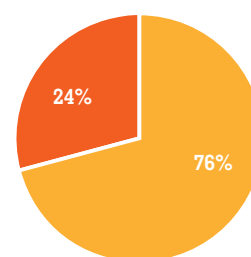
Revenues by Sector – 2011



EBITDA⁽²⁾ by Sector – 2011



EBIT⁽²⁾ by Sector – 2011



■ Printing ■ Media ■ Interactive

Key investment considerations

- Investment grade credit rating
- Free cash flow profile improving significantly
- Leader in most of the markets we serve
- Solid relationships with our customers
- Balanced portfolio of businesses
- Track record of dividend growth
- Family-controlled business with long term vision
- Long term contracts ranging from 3-18 years with customers who generate 50-60% of printing revenues
- Close to 40% of consolidated revenues are less exposed to cyclical changes in the economy
- Good balance between local and national advertising revenues in the Media Sector
- Approximately \$200 million in digital and interactive revenues

Revenues by Group 2011⁽¹⁾

(in millions CAD)

Printing Sector⁽¹⁾	1,401
Retail Group	474
Magazine, Book and Catalogue Group	389
Newspaper Group	310
Marketing Products Group	228
Media Sector	613
Local Solutions Group	361
Business and Consumer Solutions Group	156
Educational Book Publishing Group	50
New Media and Digital Solutions Group	46
Interactive Sector	125

Stock Market Information

As at December 7, 2011

Symbol on the TSX:	TCL.A	TCL.B	TCL.PR.D
Participating Shares Outstanding:	81.0 M		
Public Float:	71.8 M		
Market Capitalization:	\$0.9 billion		
Dividend Yield:	4.6%		
Corporate Credit Ratings:	- DBRS: BBB high, Stable		
	- S&P: BBB, Stable		

Analyst Coverage

BMO Capital Markets	Tim Casey
CIBC	Robert Bek
Credit Suisse	Colin Moore
National Bank Financial	Adam Shine
RBC Capital Markets	Drew McReynolds
Cormark Securities Inc.	David McFadgen
TD Newcrest	Scott Cuthbertson
Scotia Capital	Paul Steep
Bank of America Merrill Lynch	Christopher Li
Canaccord Genuity	Aravinda Galappathige

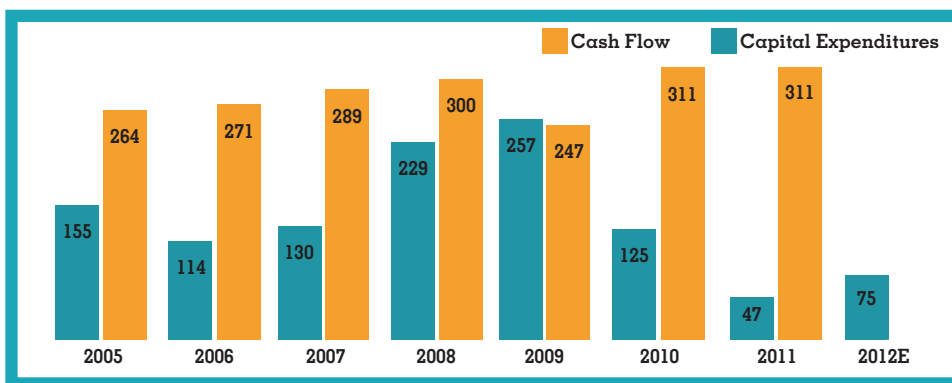
Selected Financial Data⁽¹⁾

(in millions of dollars, except ratios)

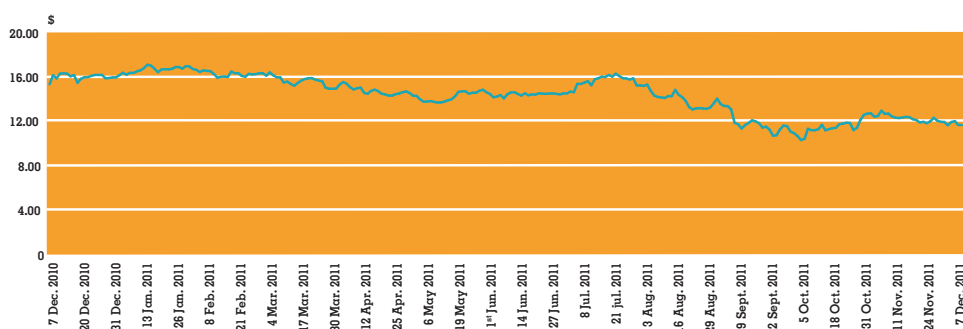
	Q4-11	Q3-11	Q2-11	Q1-11	2011	Q4-10
Printing	363.6	329.0	345.3	362.9	1,400.8	380.2
Media	173.4	150.8	149.0	139.2	612.4	169.2
Interactive	33.0	31.6	29.6	31.2	125.4	33.4
Other	(32.5)	(18.8)	(25.2)	(18.5)	(95.0)	(26.4)
Total Revenues	537.5	492.6	498.7	514.8	2,043.6	556.4
Printing	81.6	65.2	71.5	69.3	287.6	79.8
Media	30.3	23.9	22.1	13.9	90.2	34.1
Interactive	0.8	(1.0)	(0.8)	0.0	(1.0)	1.1
Other	4.0	(1.5)	(2.7)	(3.6)	(3.8)	3.8
Total EBITDA⁽²⁾	116.7	86.6	90.1	79.6	373.0	118.8
Printing	22.4%	19.8%	20.7%	19.1%	20.5%	21.0%
Media	17.5%	15.8%	14.8%	10.0%	14.7%	20.2%
Interactive	2.4%	(3.2%)	(2.7%)	0.0%	(0.8%)	3.3%
EBITDA margin⁽²⁾	21.7%	17.6%	18.1%	15.5%	18.3%	21.4%
Selected data						
Adjusted net indebtedness ratio ⁽²⁾	1.4x	1.6x ⁽³⁾	1.7x ⁽³⁾	1.8x ⁽³⁾		1.9x
Net indebtedness	489.4	596.7 ⁽³⁾	637.8 ⁽³⁾	680.3 ⁽³⁾		698.8

Cash Flow⁽⁴⁾ and Capital Expenditures

(in millions of dollars)



TCL.A Stock Price - LTM



Important Dates

Quarterly Results	
Q1-2012	March 13, 2012
Q2-2012	June 7, 2012
Q3-2012	September 6, 2012
Q4-2012	December 6, 2012

Contact

Jennifer F. McCaughey
Senior Director, Investor Relations and
Financial Communications
Telephone: 514 954-4000
E-mail: jennifer.mccaughey@tc.tc

Transcontinental Inc
1 Place Ville Marie, Suite 3315
Montreal, Quebec, Canada H3B 3N2
E-mail: investorrelations@tc.tc

Note 1: Excluding the Mexican printing operations, which are presented as discontinued operations.

Note 2: On adjusted basis. For additional information regarding the specific items and non-GAAP measures, please refer to the section entitled "Reconciliation of non-GAAP financial measures" in the Management's Discussion and Analysis for the year ended October 31, 2011. Adjusted net indebtedness ratio excludes the amount to be paid to Quad/Graphics at closing of the indirect acquisition of Quad/Graphics Canada, Inc., which is subject to the approval of the Competition Bureau.

Note 3: As originally reported.

Note 4: Cash flow from operating activities before changes in non-cash operating items (continuing operations).