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R E S S R E L E A S E**TREASURY OFFERING OF CUMULATIVE RATE RESET FIRST PREFERRED SHARES, SERIES D**

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For Immediate Release

**TRANSCONTINENTAL INC. ANNOUNCES \$ 100 MILLION OFFERING OF CUMULATIVE RATE
RESET PREFERRED SHARES**

Montreal (Québec), September 21, 2009 – Transcontinental Inc. announced today that it will be issuing 4,000,000 cumulative rate reset preferred shares, series D (the “Series D Preferred Shares”) for aggregate gross proceeds of \$100 million on a bought deal basis to a syndicate of underwriters led by Scotia Capital Inc. and CIBC World Markets Inc., acting as joint book-runners. The Series D Preferred Shares will pay cumulative dividends of \$1.6875 per share per annum, yielding 6.75% per annum, payable quarterly, for the initial five year period ending October 15, 2014. The dividend rate will be reset on October 15, 2014 and every five years thereafter at a rate equal to the 5-year Government of Canada bond yield plus 4.16%. The Series D Preferred Shares will be redeemable by Transcontinental on October 15, 2014, and every five years thereafter in accordance with their terms.

Holder of the Series D Preferred Shares will have the right, at their option, to convert their shares into cumulative floating rate preferred shares series E. (the “Series E Preferred Shares”) subject to certain conditions, on October 15, 2014 and on October 15 every five years thereafter. Holders of the Series E Preferred Shares will be entitled to receive cumulative quarterly floating dividends at a rate equal to the three-month Government of Canada Treasury Bill yield plus 4.16%.

Transcontinental has also granted the underwriters the option to purchase up to 600,000 additional Series D Preferred Shares to cover over-allotments, exercisable in whole or in part anytime up to 30 days following closing of the offering.

Net proceeds resulting from the sale of the Series D Preferred Shares of Transcontinental shall be used by the Corporation to repay indebtedness, and for general corporate purposes.

The Series D Preferred Shares will be offered for sale to the public in each of the provinces Canada pursuant to a prospectus supplement and the base shelf prospectus filed on September 17, 2009. The



prospectus supplement will be filed with Canadian securities regulatory authorities in all provinces of Canada.

The offering is scheduled to close on or about October 2, 2009, subject to certain conditions, including conditions set forth in the underwriting agreement.

About Transcontinental

Transcontinental provides printing, publishing and marketing services that deliver exceptional value to its clients along with a unique, integrated platform for them to reach and retain their target audiences. Transcontinental is the largest printer in Canada and the sixth largest in North America. It is also Canada's leading publisher of consumer magazines and French-language educational resources as well as the country's second-largest community newspaper publisher. Transcontinental's digital platform delivers unique content through more than 120 websites. Its Marketing Communications Sector provides advertising services and marketing products using new communications platforms supported by database analytics, premedia, email marketing, and custom communications. Transcontinental is a growing corporation with a culture of continuous improvement and financial discipline, whose values, including respect, innovation and integrity, are central to its operation.

Transcontinental (TSX: TCL.A, TCL.B) employs approximately 13,000 employees in Canada, the United States and Mexico, and reported revenues of \$2.4 billion in 2008. For more information about the Corporation, please visit www.transcontinental.com.

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