

For Immediate Release

This press release must not be published, distributed or disseminated, directly or indirectly, in the United States.

TRANSCONTINENTAL TO ACQUIRE CANADIAN ASSETS OF QUAD/GRAPHICS AND TO SELL ITS MEXICAN ASSETS

Montreal, July 13, 2011 – Transcontinental Inc. (TSX: TCL.A, TCL.B, TCL.PR.D) and Quad/Graphics Inc. (NYSE: QUAD) have entered into a definitive agreement pursuant to which Transcontinental will indirectly acquire all the shares of Quad Graphics Canada Inc. In a separate transaction, Transcontinental has also reached an agreement to sell its Mexican operations as well as transfer its black and white book printing business, destined for U.S. export, to Quad/Graphics. The definitive agreement has been approved by the Boards of Directors of both Transcontinental and Quad/Graphics. The transactions are subject to obtaining regulatory clearances, including under the Canadian Competition Act and the Mexican Federal Law on Economic Competition. Essentially, these transactions represent an exchange of assets. Both transactions are expected to close in the fall.

More specifically, Transcontinental will be acquiring seven of Quad/Graphics' facilities across Canada (3 in Ontario, 2 in Quebec 1 in Alberta and 1 in Nova Scotia), including six printing plants and one premedia facility. These operations employ 1,500 people and are forecasted to generate approximately US\$310 million of revenues in fiscal 2011. Conversely, Transcontinental will be divesting its Mexican assets which consist of 900 employees in three facilities and are forecasted to generate C\$67 million in revenues in fiscal 2011. Transcontinental will also be transferring its black and white book printing business, destined for U.S. export, which represents approximately C\$25 million in revenues.

“The acquisition of the Canadian assets of Quad/Graphics is in line with our strategy to build on our more traditional print assets and is key to maintain a solid business going forward given the competitive and industry dynamics. It will allow us to leverage the over \$700 million in investments we have made to our printing platform over the last several years. These transactions combined will generate at least \$40 million in net incremental EBITDA for Transcontinental, over 12 to 24 months following the closure of the transactions,” said François Olivier, President and Chief Executive Officer. “The print markets in general have suffered from overcapacity and more intense competitive pressures in certain niches in recent years, with the proliferation of digital and web communication platforms, technological advances in new printing presses as well as the entry of U.S. players in the Canadian marketplace. These transactions will permit us to improve our capacity utilization rate and better equip us to face these new challenges,” continued Mr. Olivier. “We thank all the employees in our Mexican operations for their dedication and outstanding contribution to the company’s success,” concluded Mr. Olivier.

Quad/Graphics Chairman, President & CEO Joel Quadracci said: “Our agreement with Transcontinental is compelling for many reasons. We have long recognized the high-growth potential in



Mexico where we already have operations. This acquisition supports our strategy to grow profitably in geographies and segments where we can be a market leader through a diverse product offering, and a superior and efficient operating platform. To drive growth in the highly competitive Canadian marketplace would have required a substantial capital investment. Overall, Mexico is a more-compelling long-term value creation opportunity for us compared to Canada, and through this acquisition we expect to achieve solid synergies and realize our platform, earnings and market-leadership objectives.”

Additional Information

Transcontinental will hold a conference call for the financial community today at 10:00 a.m. The conference call will be broadcast live (audio only) on the Transcontinental Internet site at www.transcontinental.com, and will be archived for 30 days.

Conference Call

Date : Wednesday, July 13, 2011
Time: 10:00 AM
Dial-in numbers: (514) 807-8791
(416) 644-3426
1 800 731-5319

Live audio webcast: www.transcontinental.com

Conference Recording Playback

Availability dates : July 13 (11 :00 AM) to July, 21
(11:59 PM)
Access telephone numbers: (416) 640-1917 or
1 877 289-8525
Access code: 4457035#

Transcontinental Profile

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 Mexico, and 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. Thanks to a wide digital network of more than 300 websites, the company reaches over 10 million unique visitors per month in Canada. 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 (TSX: TCL.A, TCL.B, TCL.PR.D) has 10,500 employees in Canada, the United States and Mexico, and reported revenues of C\$2.1 billion in 2010. For more information about the Corporation, please visit www.transcontinental.com.

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 implement its strategic plan and rationalization plan, engage in strategic transactions and integrate acquisitions into its activities, including the acquisition of the Canadian assets of Quad/Graphics. 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 July 13, 2011. The Corporation's management disclaims any intention or obligation to update or revise any forward-looking statements unless otherwise required by the Securities Authorities.

- 30 -

For information:

Media

Nancy Bouffard
Director, Internal and External Communications
Transcontinental Inc.
Telephone :514 954-2809
nancy.bouffard@transcontinental.ca
www.transcontinental.com

Financial Community

Jennifer F. McCaughey
Senior Director, Investor Relations and Financial
Communications
Transcontinental Inc.
Telephone : 514 954-2821
jennifer.mccaughey@transcontinental.ca
www.transcontinental.com