

TRANSCONTINENTAL CLOSES THE SALE OF ITS MEXICAN OPERATIONS

Montreal, September 8, 2011 – Transcontinental Inc. (TSX: TCL.A TCL.B TCL.PR.D) announced today that it has closed the sale of its Mexican operations to Quad/Graphics, after receiving approval by the Mexican Federal Competition Commission. As a reminder, its Mexican operations employed 900 people in three facilities and were forecasted to generate about C\$67 million in revenues in fiscal 2011.

François Olivier, President and Chief Executive Officer of Transcontinental wanted to highlight that this transaction was beneficial for Transcontinental. “I am pleased with this first completed milestone. The divestiture of our Mexican assets to Quad/Graphics is in line with our strategy to further strengthen our printing assets in Canada and continue to improve our profitability while helping our customers to better reach their target consumers.”

“Over the past thirteen years, we have built a solid business in Mexico, said Brian Reid, President of the Printing sector of Transcontinental. The combination of these assets with those of Quad/Graphics will take this growth a step further. It will be beneficial for employees, customers and the industry. I want to thank all of the employees of our Mexican operations for their support and commitment and wish them well moving forward,” added Brian Reid.

In addition, in connection with this transaction, over the next four to six weeks, Transcontinental will gradually transfer its one and two color book printing business, destined for U.S. export, to Quad/Graphics.

Recall that last July 13 Transcontinental also announced that it had agreed to acquire all the shares of Quad Graphics Canada Inc. including seven facilities of Quad Graphics Canada (3 in Ontario, 2 in Quebec, 1 in Alberta and 1 in Nova Scotia), including six printing plants and one premedia facility. This transaction is currently being reviewed by the Competition Bureau of Canada.

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 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. 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



11.3 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 10,000 employees in Canada and in the United States, 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 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 September 8, 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.

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