

**TRANSCONTINENTAL CONTINUES ITS PROGRESSION BY STRATEGICALLY COMBINING ITS
DIGITAL AND INTERACTIVE MARKETING SOLUTIONS OPERATIONS**

Montreal, October 3, 2011 – On November 1, 2011, Transcontinental will implement a new operating structure in order to become more agile at meeting the multiplatform marketing communication needs of its customers. The operations of Transcontinental Media and Transcontinental Interactive will thus be combined into a single sector, “Transcontinental Media”, with Natalie Larivière as president. Ms. Larivière has been a driving force in the development of Transcontinental’s digital products and services since 2006. The sector will now be responsible for products and services in publishing, distribution, data analytics and management, as well as interactive marketing solutions (mobile, digital promotions, etc.) and digital media.

The purpose of this key new stage in the advancement of Transcontinental’s business plan is to better respond to the current needs of businesses who want to reach increasingly fragmented audiences.

“After three years of developing our interactive marketing products and services, it became a natural step to provide our customers with an integrated offer by grouping them in our media operations,” said François Olivier, President and CEO of Transcontinental. “Supply and demand in the marketing communications industry has changed rapidly, reflecting the ever-growing presence of communication channels such as mobile technology and social media. In this new environment our customers want to reach their target customers more effectively by using a combination of media, digital and interactive solutions. Concretely, the reorganization of our digital activities and interactive marketing solutions will make it easier to market our products and services and emphasize our offer on the various communication platforms, while continuing to deploy our other media and printing products.”

This reorganization furthers the development plan Transcontinental began implementing in 2008 to strengthen its traditional core operations and build new marketing services. Over the past three years, this plan has enabled Transcontinental to carve out an enviable position in the Canadian market for interactive marketing products and services and new digital platforms. Transcontinental’s digital activities and interactive marketing solutions now generate more than \$175 million in revenues on an annualized basis and employ some 1,000 people in Canada and the United States.



Departure of Christian Trudeau

Transcontinental's new operating structure will lead to the departure of the president of Transcontinental Interactive, Christian Trudeau. Mr. Trudeau will be leaving the organization on October 31, 2011. Until that time he will work to ensure the smooth integration of Interactive Sector activities with those of Transcontinental Media. "As an experienced manager, Christian has built a talented organization and laid the groundwork for Transcontinental's new interactive solutions. I'd like to thank him for his wholehearted contribution to Transcontinental's development over the past two years and I wish him every success in his career," said François Olivier.

About Transcontinental

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 company 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

- 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