

For Immediate Release

TC Media acquires Sun Media's community papers in Quebec

Montreal, December 5, 2013 – TC Media, a division of TC Transcontinental, and Sun Media Corporation, a subsidiary of Quebecor Media, announce that they have signed a final agreement under which the 74 Sun Media community papers and associated web properties in Quebec will be acquired by TC Media for an amount of \$75 million. The agreement has been approved by the boards of directors of both companies, but is subject to regulatory approval from, among others, the Competition Bureau. During the period in which this transaction is being reviewed, the two companies will remain independent and will continue their normal operations. Sun Media will thus continue to publish the community papers covered by the agreement.

“Acquiring Sun Media’s 74 community papers in Quebec is in line with our strategy to strengthen the core assets of TC Media and develop a local digital media offering for businesses and communities,” said François Olivier, President and CEO of TC Transcontinental. “This transaction will add approximately \$20 million to TC Transcontinental’s operating income before amortization. It will also give us the opportunity to continue building multiplatform offerings across all of Quebec by drawing on the talents of our people and on those who work on the Sun Media community papers in Quebec. We are enthusiastic about welcoming them soon.”

“The digital revolution has completely transformed the local print media market in recent years. Clients can now place their ads on a multitude of platforms that did not exist just over a decade ago,” said Robert Dépatie, President and CEO of Quebecor Media, parent company of Sun Media. “We are delighted that with this transaction we are ensuring Quebec ownership of these papers for the future by selling them to another major Quebec company, TC Media. We wish to thank all the employees who for decades have made it possible for these local papers to keep their communities up-to-date on local events,” said Dépatie.

Print contract

As part of this transaction, TC Transcontinental has also signed a parallel agreement with Quebecor Media to print some of its magazines and direct marketing materials. Thus, on or about February 1, 2014, TC Transcontinental Printing will start printing Quebecor Media products.

“Today’s announcement by TC Transcontinental and Quebecor Media is a historic one. On the one hand it shows the relevance of our state-of-the-art printing platform and our ability to help publishers and marketers, and on the other it demonstrates our ability to change in keeping with the new realities of the local media market,” noted Olivier.

About TC Transcontinental

Largest printer and leading provider of media and marketing activation solutions in Canada, TC Transcontinental creates products and services that allow businesses to attract, reach and retain their target customers. The Corporation specializes in print and digital media, the production of magazines, newspapers, books and custom content, mass and personalized marketing, interactive and mobile applications, and door-to-door distribution.

Transcontinental Inc. (TSX: TCL.A, TCL.B, TCL.PR.D), known by the brands TC Transcontinental, TC Media and TC Transcontinental Printing, has more than 9,000 employees in Canada and the United States, and revenues of C\$2.1 billion in 2013. Website www.tc.tc.

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