

*For Immediate Release*

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**TRANSCONTINENTAL INC. ANNOUNCES C\$250 MILLION BOUGHT DEAL PUBLIC OFFERING OF SUBSCRIPTION RECEIPTS**

Montréal, April 2, 2018 – Transcontinental Inc. (TSX: TCL.A, TCL.B) ("TC Transcontinental" or the "Corporation") has entered into an agreement with CIBC Capital Markets and Scotiabank (collectively, the "Joint Bookrunners"), on behalf of a syndicate of underwriters (the "Underwriters"), under which they have agreed to purchase, on a bought deal basis, 9,400,000 subscription receipts (the "Subscription Receipts") of TC Transcontinental at a price of C\$26.60 (the "Offering Price") per Subscription Receipt, for gross proceeds of C\$250 million (the "Offering"). In addition, the Underwriters have been granted an over-allotment option, exercisable in whole or in part at the Offering Price for a period of 30 days from the Offering Closing Date (as defined below), for additional gross proceeds of up to C\$37.5 million.

The net proceeds of the Offering are expected to be used to partially finance the previously announced acquisition of the business of Coveris Americas, a business held by Coveris Holdings S.A., a portfolio company of Sun Capital Partners, Inc., for a purchase price of US\$1.32 billion (approximately C\$1.72 billion<sup>1</sup>) (the "Acquisition"), the whole pursuant to the terms and conditions of a securities purchase agreement dated March 29, 2018.

TC Transcontinental expects the Acquisition to be immediately high-single digit accretive to adjusted net earnings per share<sup>2</sup> and free cash flow per share before cost synergies and double digit accretive including cost synergies.

The Subscription Receipts will be offered in all provinces of Canada pursuant to a short form prospectus to be filed by TC Transcontinental pursuant to *National Instrument 44-101 – Short Form Prospectus Distributions*. The Subscription Receipts may also be placed in the United States with certain qualified institutional buyers in transactions exempt from registration pursuant to Rule 144A under the United States Securities Act of 1933, as amended (the "U.S. Securities Act") and applicable state securities laws. The Offering is subject to the receipt of all necessary regulatory and stock exchange approvals.

The Offering is scheduled to close on or about April 20, 2018 (the "Offering Closing Date") and the Acquisition is expected to be completed in the third quarter of TC Transcontinental's fiscal year 2018.

**THIS NEWS RELEASE IS NOT AN OFFER OF SECURITIES FOR SALE IN THE UNITED STATES AND IS NOT AN OFFER TO SELL OR SOLICITATION OF AN OFFER TO BUY ANY SECURITIES OF TC TRANSCONTINENTAL, NOR SHALL IT FORM THE BASIS OF, OR BE RELIED UPON IN CONNECTION WITH ANY CONTRACT FOR PURCHASE OR SUBSCRIPTION. THE SUBSCRIPTION RECEIPTS OF TC TRANSCONTINENTAL WILL ONLY BE OFFERED IN THE PROVINCES OF CANADA BY MEANS OF THE SHORT FORM PROSPECTUS REFERRED TO ABOVE. SECURITIES MAY NOT BE OFFERED OR SOLD IN THE UNITED STATES ABSENT REGISTRATION UNDER THE U.S. SECURITIES**

<sup>1</sup> Converted at USD/CAD exchange rate of 1.30:1.00.

<sup>2</sup> Excludes amortization of transaction-related intangibles.

**ACT OR AN EXEMPTION FROM REGISTRATION THEREUNDER. THESE SECURITIES HAVE NOT BEEN AND WILL NOT BE REGISTERED UNDER THE U.S. SECURITIES ACT OR THE SECURITIES LAWS OF ANY STATE AND MAY NOT BE OFFERED OR SOLD IN THE UNITED STATES ABSENT REGISTRATION UNDER THE SECURITIES ACT AND APPLICABLE STATE SECURITIES LAWS OR PURSUANT TO AN APPLICABLE EXEMPTION THEREFROM.**

## **ADVISORS**

Legal advice is being provided to TC Transcontinental by Stikeman Elliott LLP and Morgan, Lewis & Bockius LLP, and is being provided to the Underwriters by McCarthy Tétrault LLP. CIBC Capital Markets and Scotiabank are acting as Joint Bookrunners on the Offering.

## **AVAILABILITY OF DOCUMENTS**

Copies of related documents, such as the preliminary short form prospectus, the underwriting agreement and the securities purchase agreement will be available on SEDAR ([www.sedar.com](http://www.sedar.com)) as part of the public filings of TC Transcontinental and on TC Transcontinental's website at [www.tc.tc](http://www.tc.tc).

## **NON-IFRS MEASURES**

This press release refers to financial measures that are not recognized under International Financial Reporting Standards (IFRS). A non-IFRS financial measure is a numerical indicator of a company's performance, financial position or cash flow that excludes or includes amounts, or is subject to adjustments that have the effect of excluding or including amounts that are included or excluded in most directly comparable measures calculated and presented in accordance with IFRS. Non-IFRS measures do not have any standardized meaning under IFRS and therefore are unlikely to be comparable to similar measures presented by other companies having the same or similar businesses.

The Corporation believes these measures are useful supplemental information. The following non-IFRS measures are used by the Corporation in this press release: adjusted net earnings per share and free cash flow per share.

Please find below definitions of non-IFRS financial measures used by the Corporation herein:

**"adjusted net earnings per share"** means the net earnings of TC Transcontinental before restructuring and other costs (gains) and impairment of assets, net of related income taxes, for the fiscal year ended October 29, 2017, divided by the weighted average number of issued and outstanding shares of TC Transcontinental as at the end of the fiscal year ended October 29, 2017.

**"free cash flow per share"** means the adjusted operating earnings of TC Transcontinental before depreciation and amortization less the sum of capital expenditures, interest paid and income taxes paid for the fiscal year ended October 29, 2017, divided by the weighted average number of issued and outstanding shares of TC Transcontinental as at the end of the fiscal year ended October 29, 2017.

## **FORWARD-LOOKING STATEMENTS**

This press release contains statements that are "forward-looking statements" or "forward-looking information" within the meaning of applicable Canadian securities legislation. Forward-looking statements also include, but are not limited to, statements regarding TC Transcontinental's business objectives and statements with respect to the expected timing and completion of the Acquisition and the Offering, and statements with respect to the anticipated benefits of the Acquisition and

TC Transcontinental's ability to successfully integrate Coveris Americas' business, which include, without limitation, cost synergies, future revenues, economic performance, economies of scale, accretion to adjusted net earnings per share and free cash flow per share. This press release contains forward-looking statements with respect to the Acquisition and the Offering. Forward-looking statements typically use the conditional, as well as words such as prospect, believe, estimate, forecast, project, expect, anticipate, plan, may, should, could and would, or the negative of these terms, variations thereof or similar terminology. Forward-looking statements also include any other statements that do not refer to historical facts.

These forward-looking statements are used to assist readers in obtaining a better understanding of TC Transcontinental's business, current objectives, strategic priorities, expectations and plans, and may not be appropriate for other purposes. By their very nature, forward-looking statements are based on assumptions and involve inherent risks and uncertainties, both general and specific in nature. It is therefore possible that the forecasts, projections and other forward-looking statements will not be achieved or will prove to be inaccurate. Although TC Transcontinental believes that the expectations, opinions, projections and comments reflected in these forward-looking statements are reasonable and appropriate, it can give no assurance that such statements will prove to be correct. The assumptions generally used by TC Transcontinental in making forward-looking statements are included in TC Transcontinental's Management's Discussion and Analysis (the "Annual MD&A") for the financial year ended October 29, 2017 available under the Corporation's profile on SEDAR at [www.sedar.com](http://www.sedar.com). In relation to the Offering, TC Transcontinental makes the following material assumptions, without limitation: availability of capital resources, strength of market conditions and the timing and receipt of regulatory approval with respect to the Offering. If these assumptions are inaccurate, TC Transcontinental's actual results could differ materially from those expressed or implied in such forward-looking statements.

TC Transcontinental cautions readers against placing undue reliance on forward-looking statements when making decisions, as the actual results could differ considerably from the opinions, plans, projections, objectives, expectations, forecasts, estimates and intentions expressed in such forward-looking statements due to various risk factors. These risk factors include, but are not limited to: failure to close the Acquisition, failure to close the Offering, possible failure to realize anticipated benefits of the Acquisition or to achieve the full amount of anticipated cost synergies, changes in the terms of the Acquisition, changes in capital market conditions, changes in interest rates, inflation levels and general economic conditions and legislative and regulatory developments. TC Transcontinental further cautions that the foregoing list of factors is not exhaustive. For more information on the risks, uncertainties and assumptions relating to TC Transcontinental's, please also refer to the main risks, uncertainties and factors described in the Annual MD&A and in the Revised Annual Information Form of TC Transcontinental for the fiscal year ended October 29, 2017, which have been updated in the Management's Discussion and Analysis for TC Transcontinental's first quarter ended January 28, 2018, as well as to other public filings available under TC Transcontinental's profile on SEDAR at [www.sedar.com](http://www.sedar.com).

The forward-looking statements contained in this press release are expressly qualified in their entirety by the foregoing cautionary statements. The forward-looking statements contained herein are subject to change after the date of this press release. TC Transcontinental does not undertake to update any forward-looking statements, whether oral or written, made by it or on its behalf, except to the extent required by applicable Canadian securities legislation or regulation. All subsequent forward-looking statements made by TC Transcontinental or any of its directors, officers or employees or any persons authorized to be acting on their behalf, whether written or oral, are expressly qualified in their entirety by the foregoing cautionary statements.

## ABOUT TC TRANSCONTINENTAL

TC Transcontinental is Canada's largest printer and a key supplier of flexible packaging in North America. The Corporation is also a leader in its specialty media segments. TC Transcontinental's mission is to create products and services that allow businesses to attract, reach and retain their target customers.

Respect, teamwork, performance and innovation are strong values held by TC Transcontinental and its employees. TC Transcontinental's commitment to its stakeholders is to pursue its business activities in a responsible manner.

TC Transcontinental currently has over 6,100 employees in Canada and the United States, and had revenues of approximately \$2.0 billion for the fiscal year ended October 29, 2017. For more information, visit TC Transcontinental's website at [www.tc.tc](http://www.tc.tc).

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