TC TRANSCONTINENTAL

Investor Fact Sheet

Second Quarter of 2018

As at June 7, 2018

HIGHLIGHTS

- Revenues increased by $36.0 million, or 7.2%, from $498.7 million to $534.7 million. Adjusted revenues, which exclude an amount of $62.3 million for the accelerated recognition of deferred revenues related to the agreement signed with Hearst in December 2017, decreased by $26.3 million, or 5.3%, to $472.4 million. This decrease is mainly due to the sale of our media assets in Atlantic Canada and local and regional newspapers in Québec.
- Operating earnings increased by $31.2 million, or 46.0%, from $67.8 million to $99.0 million. Adjusted operating earnings, which exclude an amount of $46.6 million for the accelerated recognition of deferred revenues net of accelerated depreciation related to the agreement signed with Hearst in December 2017, as well as restructuring and other costs (gains) and impairment of assets, increased by $2.0 million, or 3.1%, from $63.7 million to $65.7 million.
- Net earnings increased by $22.5 million, or 48.5%, from $46.4 million to $68.9 million. Adjusted net earnings, which exclude the accelerated recognition of deferred revenues, accelerated depreciation, restructuring and other costs (gains) and impairment of assets, net of related income taxes, increased by $2.6 million, or 6.1%, from $42.5 million to $45.1 million.
- Acquired Multifilm Packaging Corporation, a flexible packaging supplier located in Elgin, Illinois.
- Sold 33 publications, including 32 local newspapers, of which those sold on June 6, 2018, and the *Métro* Montréal daily newspaper, as well as the related web properties.
- Completed the acquisition of Coveris Americas on May 1, 2018. TC Transcontinental becomes a North American leader in flexible packaging. The Corporation acquired 21 production facilities located in the United States, Canada, Ecuador, Guatemala, Mexico, the United Kingdom, New Zealand and China for US$1.32 billion (C$1.697 billion) and welcomed 3,100 employees. For its fiscal year ended December 31, 2017, Coveris Americas generated US$966 million in revenues (about C$1.26 billion).

NOTES TO READERS

In this document, unless otherwise indicated, all financial data are prepared in accordance with International Financial Reporting Standards (IFRS) and the term "dollar", as well as the symbol "$" designate Canadian dollars. In this Investor Fact Sheet, we also use non-IFRS financial measures. Please refer to the section entitled "Reconciliation of Non-IFRS Financial Measures" in the Management Discussion and Analysis (MD&A) and Note 3 "Segmented Information" accompanying the unaudited interim consolidated financial statements for the second quarter ended April 29th, 2018 for a complete description of these measures.

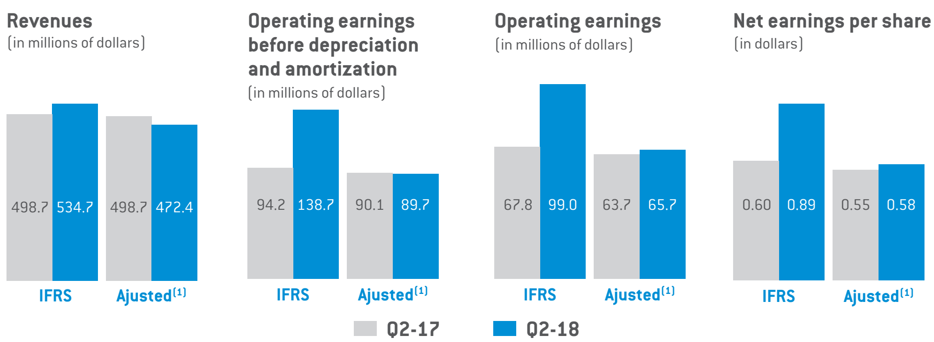
PROFILE

TC Transcontinental is a leader in flexible packaging in North America, and Canada's largest printer. The Corporation is also a Canadian leader in its specialty media segments. For over 40 years, TC Transcontinental's mission has been 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 the Corporation and its employees. TC Transcontinental's commitment to its stakeholders is to pursue its business activities in a responsible manner.

Transcontinental Inc. (TSX: TCL.A TCL.B), known as TC Transcontinental, has over 9,000 employees, the majority of which are based in Canada, the United States and Latin America. TC Transcontinental had revenues of approximately C$2.0 billion for the fiscal year ended October 29, 2017. The Corporation has completed, on May 1st, 2018, the transformational acquisition of Coveris Americas which generated approximately C$1.26 billion in revenues (US$966 million) for its fiscal year ended December 31, 2017. For more information, visit TC Transcontinental's website at www.tc.tc.

FINANCIAL HIGHLIGHTS



MESSAGE FROM THE PRESIDENT & CEO

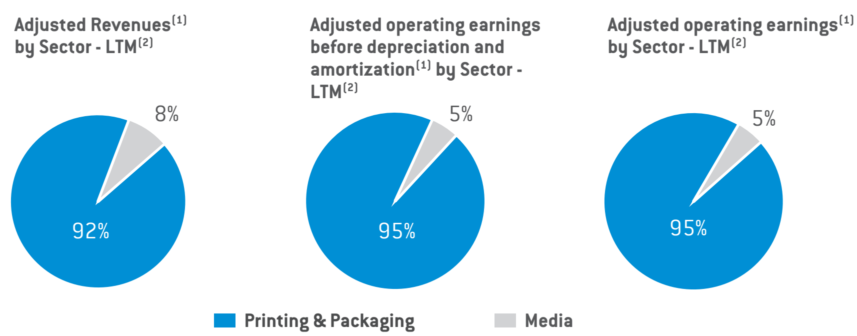
"Our good performance in the second quarter demonstrates that our strategic decisions in our three business lines contributed to the strong results for our entire portfolio, said François Olivier, President and Chief Executive Officer of TC Transcontinental. We are therefore in an excellent position to begin a new phase of our growth plan with enthusiasm and conviction.

"During the quarter, we positioned ourselves as a North American leader in flexible packaging with the transformational acquisition of Coveris Americas. This is a pivotal point in our evolution as our packaging division is now the largest division in terms of our pro forma revenues. This transaction is in addition to the acquisition of Multifilm Packaging, in Illinois, which was completed in March.

"The printing division experienced a stable quarter, and certain initiatives implemented to optimize our platform continued to bear fruit. In our Media Sector, we are very pleased with the results of the sale process of local publications. All titles in Québec are now owned by local players, and the vast majority of jobs were maintained. We only have one local newspaper remaining to be sold in Ontario.

"Supported by these results and our solid financial position, we begin the integration of Coveris Americas with confidence. We expect to continue generating significant cash flows, which should enable us to reduce our net indebtedness, while pursuing our growth strategy in packaging."

OVERVIEW



FORWARD-LOOKING STATEMENT

This report 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, both general and specific.

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. The risks, uncertainties and other factors that could influence actual results are described in the *Management's Discussion and Analysis (MD&A) for the fiscal year ended October 29th, 2017* and in the latest Annual Information Form and have been updated in the *MD&A for the second quarter ended April 29th, 2018.*

SELECTED FINANCIAL DATA

(in millions of dollars, except ratios)

	Q2-18	Q1-18	Q4-17	Q3-17	LTM[2]	Q2-17
Revenues	**534.7**	**501.7**	**527.2**	**477.7**	**2,041.3**	**498.7**
Printing & Packaging	451.8	436.2	479.3	430.3	1,797.6	449.5
Media	24.8	29.6	54.1	56.1	164.6	59.0
Other	(4.2)	(3.9)	(6.2)	(8.7)	(23.0)	(9.8)
Adjusted Revenues	**472.4**	**461.9**	**527.2**	**477.7**	**1,939.2**	**498.7**
Operating earnings before depreciation and amortization	**138.7**	**154.7**	**128.5**	**93.7**	**515.6**	**94.2**
Printing & Packaging	97.2	89.0	118.7	95.8	400.7	98.2
Media	(0.6)	2.7	12.0	7.3	21.4	0.7
Other	(6.9)	(0.7)	(7.4)	(7.7)	(22.7)	(8.8)
Adjusted operating earnings before depreciation and amortization[1]	**89.7**	**91.0**	**123.3**	**95.4**	**399.4**	**90.1**
Printing & Packaging	21.5%	20.4%	24.8%	22.3%	22.3%	21.8%
Media	(2.4%)	9.1%	22.2%	13.0%	13.0%	1.2%
Adjusted operating earnings before depreciation and amortization margin[1]	**19.0%**	**19.7%**	**23.4%**	**20.0%**	**20.6%**	**18.1%**
Net earnings per share	**0.89**	**0.75**	**0.94**	**0.64**	**3.22**	**0.60**
Adjusted net earnings per share[1]	**0.58**	**0.63**	**0.88**	**0.65**	**2.74**	**0.55**
Net indebtedness ratio[3]	0.1x	0.1x	0.3x	0.5x		0.6x
Net indebtedness[3]	50.3	34.5	101.2	195.4		234.6

KEY INVESTMENT CONSIDERATIONS

- Strong cash flow generating ability
- Leader in most of the markets we serve
- Solid relationships with our customers
- Balanced portfolio of businesses
- Track record of dividend growth
- Family-controlled business with long term vision
- Investment grade credit rating

REVENUES BY GROUP 2017

(in millions of dollars)

Printing and Packaging Sector	**1,809**
Retailer-related services[4]	885
Newspapers	242
Magazines and Books	225
Marketing products	149
Packaging	308
Media Sector	**232**
Local Solutions	133
Business and Education	99

STOCK MARKET INFORMATION

As at June 6, 2018

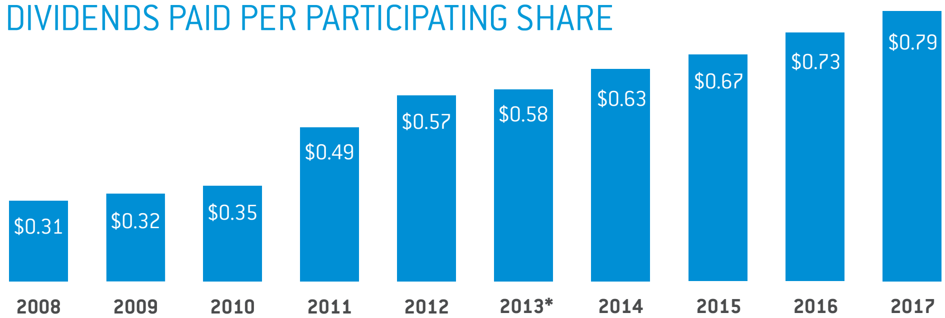
Symbol on the TSX:	**TCL.A**	**TCL.B**
Participating Shares Outstanding:		77.1 M
Public Float:		64.4 M
Market Capitalization:		$2,277.5 M
Dividend Yield:		2.8%
Dividend per Share:		$0.84

Corporate Credit Ratings:
- DBRS: BBB (low), Stable trend
- S&P: BBB-, Negative

ANALYST COVERAGE

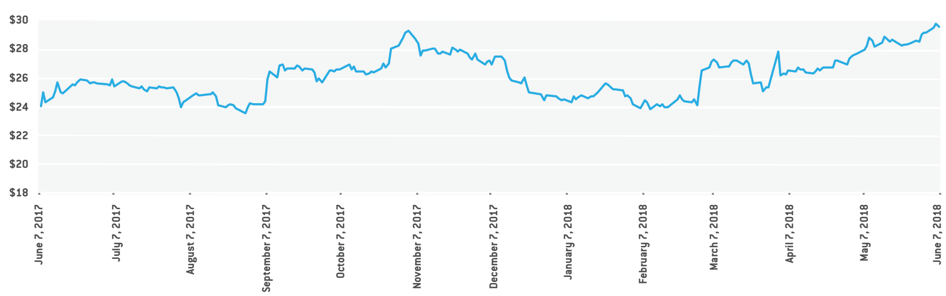
Adam Shine	National Bank Financial
Aravinda Galappatthige	Canaccord Genuity
Robert Bek	CIBC
Damir Gunja	TC Securities
David McFadgen	Cormark Securities Inc.
Drew McReynolds	RBC Capital Markets
Mark Neville	Scotia Capital
Tim Casey	BMO Capital Markets

DIVIDENDS PAID PER PARTICIPATING SHARE



* Paid a special dividend of $1.00 and a regular dividend of $0.58.

TCL.A STOCK PRICE - LTM[2]



IMPORTANT DATES

Quarterly Results

Q3-2018	September 6, 2018
Q4-2018	December 13, 2018

CONTACT

Shirley Chenny
Advisor, Investor Relations

Telephone: 514-954-4000
E-mail: shirley.chenny@tc.tc

Transcontinental Inc.
1 Place Ville Marie, Suite 3240
Montreal, Quebec, Canada H3B 0G1
E-mail: investorrelations@tc.tc

Note 1: Adjusted revenues exclude the accelerated recognition of deferred revenues related to the agreement with Hearst. Adjusted operating earnings before depreciation and amortization and adjusted operating earnings exclude the accelerated recognition of deferred revenues, accelerated depreciation in the case of adjusted operating earning, restructuring and other costs (gains) and impairment of assets. Adjusted net earnings exclude the same elements, net of related taxes, as well as the impact of the U.S. tax reform on deferred tax. Adjusted operating earnings before depreciation and amortization margin is calculated by dividing adjusted operating earnings before depreciation and amortization by adjusted revenues.

Note 2: Last twelve months.

Note 3: Net indebtedness represents total of long-term debt plus current portion of long-term debt les cash. The net indebtedness ratio is calculated by dividing the net indebtedness by the last 12 months adjusted operating earnings before depreciation and amortization.

Note 4: Retailer-related services include flyer and in-store marketing product printing, premedia services, and door-to-door distribution.