TRANSCONTINENTAL

Investor Fact Sheet

First Quarter of 2018

March 1st, 2018

HIGHLIGHTS

- Revenues decreased by $1.9 million, or 0.4%, from $503.6 million to $501.7 million. Adjusted revenues, which exclude the accelerated recognition of deferred revenues related to the new agreement with Hearst, decreased by $41.7 million, or 8.3%, to $461.9 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 $61.1 million, from $62.4 million to $123.5 million. Adjusted operating earnings, which exclude an amount of $33.5 million for the accelerated recognition of deferred revenues net of accelerated depreciation related to the new agreement with Hearst, as well as restructuring and other costs (gains) and impairment of assets, increased by $4.8 million, from $61.3 million to $66.1 million, or 7.8%.
- Net earnings increased by $15.5 million, from $42.7 million to $58.2 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 taxes, as well as the impact of the U.S. tax reform (U.S. Tax Cuts and Jobs Act) on deferred tax, increased by $7.3 million, from $41.3 million to $48.6 million, or 17.7%.
- Acquired Les Industries Flexipak Inc., a flexible packaging supplier located in Montréal.
- Concluded into a new agreement with Hearst under which the Corporation will transfer to Hearst, effective April 2, 2018, the printing of the *San Francisco Chronicle*.
- The Board of Directors approved a 5.0% increase in the annual dividend, bringing it to $0.84 per share.

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 first quarter ended January 28th, 2018 for a complete description of these measures.

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 first quarter ended January 28th, 2018.

PROFILE

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 the Corporation and its employees. The Corporation's commitment to its stakeholders is to pursue its business and philanthropic activities in a responsible manner.

Transcontinental Inc. (TSX: TCL.A TCL.B), known as TC Transcontinental, has close to 6,500 employees in Canada and the United States, and revenues of C$2.0 billion in 2017.

www.tc.tc

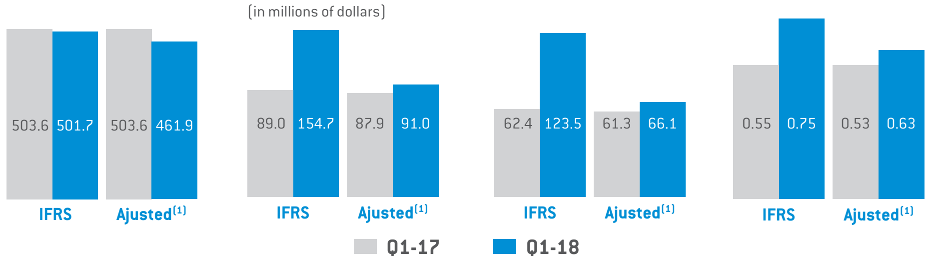
FINANCIAL HIGHLIGHTS

Revenues (in millions of dollars)

Operating earnings before depreciation and amortization (in millions of dollars)

Operating earnings (in millions of dollars)

Net earnings per share (in dollars)



MESSAGE FROM THE PRESIDENT & CEO

"I am satisfied with our first quarter financial results, which show that our profitability has increased while we continue the transformation of our organization," said François Olivier, President and Chief Executive Officer of TC Transcontinental.

"In the printing division, the demand for our retailer-related service offering remained relatively stable. Furthermore, we implemented initiatives aimed at continuously optimizing our printing platform, namely the consolidation of our Québec newspaper printing plants. In addition, we will transfer to Hearst the operations of our California facility as of April 2018. Consequently, we will repatriate state-of-the art equipment to some of our Canadian plants, which will generate synergies mainly starting in 2019.

"In the packaging division, this year's first quarter results were mainly affected by timing differences in purchases at one of our plants, but we anticipate that organic sales growth in 2018 will be similar to 2017. In addition, we pursued in a very active manner a number of promising acquisition opportunities.

"In our Media Sector, we sold 34 local and regional newspapers during the quarter and continued to adjust our costs to our asset base. Overall, the Media Sector's activities performed well.

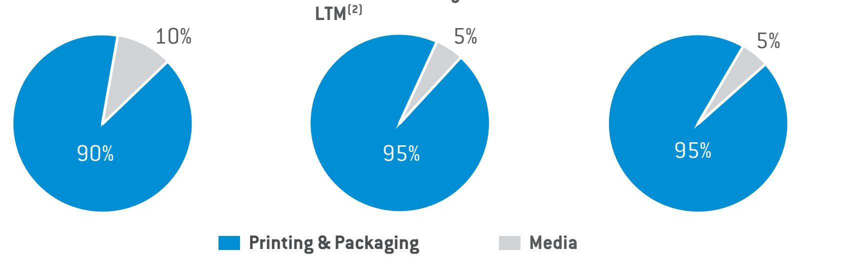
"Today, with our enviable financial position and significant cash flows, we are, more than ever, well positioned to accelerate the growth of our packaging business."

OVERVIEW

Adjusted Revenues[1] by Sector - LTM[2]

Adjusted operating earnings before depreciation and amortization[1] by Sector - LTM[2]

Adjusted operating earnings[1] by Sector - LTM[2]



SELECTED FINANCIAL DATA

(in millions of dollars, except ratios)

	Q1-18	Q4-17	Q3-17	Q2-17	LTM[2]	Q1-17
Revenues	**501.7**	**527.2**	**477.7**	**498.7**	**2,005.3**	**503.6**
Printing & Packaging	436.2	479.3	430.3	449.5	1,795.3	450.1
Media	29.6	54.1	56.1	59.0	198.8	63.1
Other	(3.9)	(6.2)	(8.7)	(9.8)	(28.6)	(9.6)
Adjusted Revenues[1]	**461.9**	**527.2**	**477.7**	**498.7**	**1,965.5**	**503.6**
Operating earnings before depreciation and amortization	**154.7**	**128.5**	**93.7**	**94.2**	**471.1**	**89.0**
Printing & Packaging	89.0	118.7	95.8	98.2	401.7	93.8
Media	2.7	12.0	7.3	0.7	22.7	0.7
Other	(0.7)	(7.4)	(7.7)	(8.8)	(24.6)	(6.6)
Adjusted operating earnings before depreciation and amortization[1]	**91.0**	**123.3**	**95.4**	**90.1**	**399.8**	**87.9**
Printing & Packaging	20.4%	24.8%	22.3%	21.8%	22.4%	20.8%
Media	9.1%	22.2%	13.0%	1.2%	11.4%	1.1%
Adjusted operating earnings before depreciation and amortization margin[1]	**19.7%**	**23.4%**	**20.0%**	**18.1%**	**20.3%**	**17.5%**
Net earnings per share	**0.75**	**0.94**	**0.64**	**0.60**	**2.93**	**0.55**
Adjusted net earnings per share[1]	**0.63**	**0.88**	**0.65**	**0.55**	**2.71**	**0.53**
Net indebtedness ratio[3]	0.1x	0.3x	0.5x	0.6x		0.7x
Net indebtedness[3]	34.5	101.2	195.4	234.6		280.9

KEY INVESTMENT CONSIDERATIONS

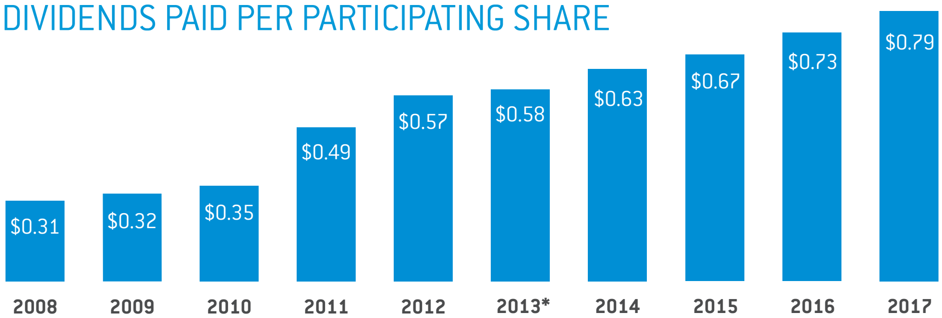
- Strong cash flow generating ability
- Leader in most of the markets we serve
- Solid relationships with our customers
- Balanced portfolio of businesses
- Track record of dividend growth
- Family-controlled business with long term vision
- Investment grade credit rating

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

DIVIDENDS PAID PER PARTICIPATING SHARE



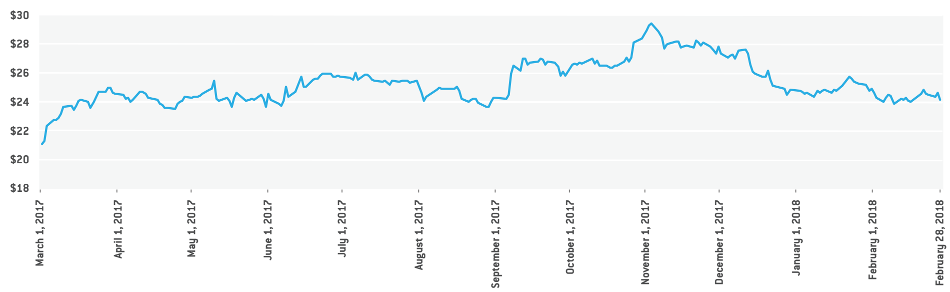
* Paid a special dividend of $1.00 and a regular dividend of $0.58.

STOCK MARKET INFORMATION

As at February 28, 2018

Symbol on the TSX:	**TCL.A**	**TCL.B**
Participating Shares Outstanding:		77.3 M
Public Float:		64.7 M
Market Capitalization:		$1,866.8 M
Dividend Yield:		3.5%
Dividend per Share:		$0.84
Corporate Credit Ratings:	- DBRS: BBB (low), Stable - S&P: BBB-, Stable	

TCL.A STOCK PRICE - LTM[2]



ANALYST COVERAGE

Adam Shine	National Bank Financial
Aravinda Galappatthige	Canaccord Genuity
Robert Bek	CIBC
David McFadgen	Cormark Securities Inc.
Drew McReynolds	RBC Capital Markets
Mark Neville	Scotia Capital
Matthew Griffiths	Bank of America Merrill Lynch
Tim Casey	BMO Capital Markets

IMPORTANT DATES

Quarterly Results

Q2-2018	June 7, 2018
Q3-2018	September 6, 2018
Q4-2018	December 13, 2018

CONTACT

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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.