

For Immediate Release

**TRANSCONTINENTAL ACQUIRES REDWOOD CUSTOM COMMUNICATIONS,
A NORTH AMERICAN LEADER IN CUSTOM PUBLISHING**

Montreal, November 18, 2008 – Transcontinental today announced it has acquired Redwood Custom Communications, a North American leader in custom communications headquartered in Toronto. Redwood is a full service marketing and communications company and creates turn-key custom publishing and branded content solutions for both print and digital platforms.

Redwood's offering includes data sciences, research and measurement, database marketing, variable printing, photo studio and premedia tools. This makes it an attractive complement to the services offered by Transcontinental's newly created Marketing Communications Sector, such as database analytics, premedia, email marketing, one-to-one marketing and the printing of marketing products.

"Transcontinental's primary goal is to help our customers identify, reach and retain their target audience," said François Olivier, President and Chief Executive Officer, Transcontinental. "Custom communications is at the frontier between traditional publishing and direct marketing, and offers the potential to unlock great value for our clients. We're thrilled to have a leader like Redwood Custom Communications on our team."

"Transcontinental's strategy for growth includes accelerating its development of the most compelling portfolio of marketing communications services in Canada," said Isabelle Marcoux, Vice Chair of the Board and Vice President, Corporate Development, Transcontinental Inc. "With Redwood Custom Communications, the first acquisition for our Marketing Communications Sector, we've significantly enhanced our offering for clients."

Key clients of Redwood Custom Communications include Aeroplan, Canadian Automobile Association (CAA), Home Depot, Mazda, Procter & Gamble, Sears and Sobeys. Redwood's team of 130 employees will remain under the leadership of Eric Schneider, Chief Executive Officer, Redwood Custom Communications, who will stay on as an equity partner.

"By partnering with Transcontinental, Redwood Custom Communications has the opportunity to grow its relationship marketing business and deliver incremental value to its clients," said Eric Schneider. "Our team is thrilled about the opportunities ahead of us."



About Redwood Custom Communications

Redwood creates branded communications programs using the power of editorial to build meaningful customer relationships and drive our clients' ROI. Redwood has offices in Toronto and New York. For more information about Redwood, please visit www.redwoodcc.com and www.redwoodcc.com/portfolio.

About Transcontinental

The largest printer in Canada and sixth-largest in North America, Transcontinental is also the country's leading publisher of consumer magazines and French-language educational resources, and its second-largest community newspaper publisher. Transcontinental distinguishes itself by creating strategic partnerships that integrate the company into its customers' value chain, notably through its unique newspaper printing outsourcing model and its value-added services. From mass to highly personalized marketing, the company offers its clients integrated solutions which include a continent-leading direct marketing offering, a diverse digital platform and a door-to-door advertising material distribution network. Transcontinental is a company whose values, including respect, innovation and integrity, are central to its operation.

Transcontinental (TSX: TCL.A, TCL.B) has more than 15,000 employees in Canada, the United States and Mexico, and reported revenues of C\$2.3 billion in 2007. For more information about the Corporation, please visit www.transcontinental.com.

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