

*For Immediate Release***TRANSCONTINENTAL INC. ANNOUNCES REORGANIZATION OF ITS PRINT NETWORK**

Montreal, March 20, 2012 – In the wake of its acquisition of the shares of Quad/Graphics Canada Inc. finalized on March 1, 2012, Transcontinental Inc. (TSX: TCL.A, TCL.B, TCL.PR.D) announced today that it will be reorganizing its print operations across Canada. To stay competitive and maximize the use of its most productive equipment, Transcontinental is rationalizing some of its assets.

More specifically, Transcontinental's integration of the six Quad/Graphics plants in Canada (Aurora, Concord, Dartmouth, Edmonton, LaSalle and Rivière-des-Prairies) will result in the closure of the Dartmouth Quad/Graphics plant (at 57 Wright Avenue, Dartmouth, Nova Scotia) on April 20, 2012 and of the Rivière-des-Prairies Quad/Graphics plant (at 8000 Blaise Pascal, Montréal, Québec) on or about June 30th, 2012. The four remaining plants will be integrated into the Transcontinental network in order to maximize the use of each piece of equipment across our entire print network. Furthermore, the Quad Graphics Toronto Que-Net Media premedia centre (at 4500 Hood Road, Markham) will also be integrated with the Transcontinental premedia centre and will move to Mississauga, Ontario.

Today's announcement marks the start of this multi-phase integration which will take place over the coming months in order to improve Transcontinental's capacity utilization ratio and make full use of the \$700 million invested in its print network over the past several years. Naturally, many scenarios were examined by the integration committee in order to keep as many employees as possible, but given the low utilization rate of the equipment in the newly acquired network, strategic decisions had to be made. Transcontinental expects the acquisition of the Canadian assets of Quad/Graphics to bring in \$230 million in new business and to generate at least \$40 million in net incremental EBITDA over the next 12 to 24 months.

François Olivier, president and Chief Executive Officer of TC Transcontinental, noted that "the process of integrating the Canadian operations of Quad/Graphics was given a great deal of study and is a good fit with market requirements and Transcontinental's long-term vision. We have difficult choices to make, but are convinced that this is the best strategy for strengthening Transcontinental's base and protecting jobs in order to remain strong in a Canadian industry that is experiencing tough competition."

Over the coming months, some 500 of the 6,900 employees currently working at 33 printing plants will be affected by the integration. Transcontinental wishes to thank all the workers at all the plants involved. It is important to stress that over the years it has been the dedication, professionalism and talents of the men and women at these plants that has driven the success of their company. Employees who leave Transcontinental will receive separation packages and out-placement services to support them in their efforts to quickly find new employment.

About TC Transcontinental

TC Transcontinental creates marketing products and services that allow businesses to attract, reach and retain their target customers. The Corporation is the largest printer in Canada and the fourth-largest in North America. As the leading publisher of consumer magazines and French-language educational resources, and of community newspapers in Quebec

and the Atlantic provinces, it is also one of Canada's top media groups. TC Transcontinental is also the leading door-to-door distributor of advertising material in Canada through its celebrated Publisac network in Quebec and Targeo in the rest of Canada. Thanks to a wide digital network of more than 1,000 websites, the company reaches over 13.7 million unique visitors per month in Canada. The company also offers interactive marketing products and services that use new communication platforms supported by marketing strategy and planning services, database analytics, pre-media, e-flyers, email marketing, custom communications and mobile solutions.

Transcontinental Inc. (TSX : TCL.A, TCL.B, TCL.PR.D), known by the brands TC Transcontinental, TC Media and TC Transcontinental Printing, has about 11,000 employees in Canada and the United States, and reported revenues of C\$2.0 billion in 2011. For more information about the corporation, please visit www.tc.tc

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For information or interview requests:

Media

Nancy Bouffard
Director, Internal and External Communications
TC Transcontinental
Telephone: 514 954-2809
nancy.bouffard@tc.tc
www.tc.tc

Financial Community

Jennifer F. McCaughey
Senior Director, Investor Relations and Financial Communications
TC Transcontinental
Telephone: 514 954-2821
jennifer.mccaughey@tc.tc