

*For immediate release***Transcontinental Inc. makes its first flexible packaging acquisition in Canada,
strengthening its North American platform**

Montreal, October 17, 2016 – Transcontinental Inc. (TSX: TCL.A TCL.B) today announced that it has acquired all of the shares of Flexstar Packaging Inc., a flexible packaging supplier based in the Vancouver suburb of Richmond, British Columbia. The company specializes in converting high barrier film, including printing, lamination and pouch making, for the cereal, confectionery, snack, frozen food and coffee markets. With more than 120 employees, Flexstar Packaging Inc. generated about C\$36 million in revenues for the last twelve months ending in July 2016.

"I am proud of this latest acquisition in our strategy to grow our flexible packaging network as it is our first in Canada," said François Olivier, President and Chief Executive Officer of TC Transcontinental. "Flexstar enables us to extend our footprint to the West Coast, providing us a coast-to-coast platform to better optimize our production. In addition, it brings us new manufacturing capabilities with film extrusion, a complementary sales force and the ability to generate synergies. We are delighted to welcome the leadership team and employees of Flexstar who have contributed to the company's remarkable success over the past few years".

For the past 11 years, Flexstar Packaging Inc. has been owned by a group of Vancouver-based investors led by Stern Partners Inc., a group that included the President and Chief Executive Officer of Flexstar Packaging Inc., Marc L. Bray, who is staying on with TC Transcontinental.

Mr. Bray added: "We are very excited to join a leading Canadian company like TC Transcontinental, a family business with a strong manufacturing expertise and strategic growth plans in the flexible packaging sector. We believe our core values align very well with TC Transcontinental and are pleased to be a part of its North American packaging platform. We look forward to joining the TC Transcontinental Packaging team and using our combined strengths to serve our customers with a continued focus on service and quality."

About TC Transcontinental

Canada's largest printer with operations in print, flexible packaging, publishing and digital media, 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 8,000 employees in Canada and the United States, and revenues of C\$2.0 billion in 2015. Website: www.tc.tc

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