

For Immediate Release

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TRANSCONTINENTAL INC. CLOSES \$287.5 MILLION BOUGHT DEAL PUBLIC OFFERING OF SUBSCRIPTION RECEIPTS

Montréal, April 20, 2018 – Transcontinental Inc. (TSX: TCL.A, TCL. B) ("**TC Transcontinental**" or the "**Corporation**") is pleased to announce that it has completed today its previously announced bought-deal subscription receipt offering for aggregate gross proceeds of approximately \$287.5 million.

The Corporation issued 10,810,000 subscription receipts (the "**Subscription Receipts**") from treasury at a price of \$26.60 per Subscription Receipt, on a bought-deal basis, for aggregate gross proceeds of approximately \$287.5 million (the "**Offering**"), through a syndicate of underwriters (the "**Underwriters**") co-led by CIBC Capital Markets and Scotiabank. The Offering includes the exercise by the Underwriters of the over-allotment option in full, resulting in the issuance of approximately \$37.5 million of Subscription Receipts. Foyston, Gordon & Payne Inc. and Caisse de dépôt et placement du Québec are among the important investors having participated in the public offering.

TC Transcontinental will use the proceeds of the Offering, funds drawn on new credit facilities, funds drawn on existing credit facilities and cash-on-hand to fund the purchase price and related transaction costs payable in connection with the previously announced acquisition of the business of Coveris Americas, a business held by Coveris Holdings S.A., a portfolio company of Sun Capital Partners, Inc. (the "**Acquisition**").

The gross proceeds from the Offering less one half of the Underwriters' fee with respect to the Subscription Receipts will be held in escrow by a subscription receipt agent pending the completion of the Acquisition. If the Acquisition is completed on or before 5:00 p.m. (Eastern time) on September 29, 2018 (the "**Outside Date**"), the escrowed funds and the interest earned thereon (less applicable withholding taxes, any amounts required to satisfy any unpaid dividend equivalent payment and the remaining portion of the Underwriters' fee to be paid net of applicable withholding taxes, if any) will be released to TC Transcontinental and each holder of a Subscription Receipt will receive, without any further action, one Class A Subordinate Voting Share of the Corporation (a "**Class A Share**") for each Subscription Receipt held, plus an amount, if any, equal to the amount per Class A Share of any dividends of TC Transcontinental for which record dates have occurred during the period from the date of this press release up to but not including the closing date of the Acquisition.

If the closing of the Acquisition does not occur on or before the Outside Date, the securities purchase agreement entered into in connection with the Acquisition is terminated in accordance with its terms prior to such time for any reason, or TC Transcontinental delivers notice to the subscription receipt agent and the Underwriters or announces to the public that it no longer intends to complete the Acquisition, holders of Subscription Receipts will be entitled to receive an amount equal to the full subscription price of each Subscription Receipt held, together with their pro rata portion of the interest or other income, if any, earned on the escrowed funds and interest that would have been earned on the one half of the Underwriters' fee paid to the Underwriters as if such fee had been held in escrow as part of the escrowed funds from, and including, the date of this press release to, but excluding, the date of termination per the above ("**Deemed Interest**"), less applicable withholding taxes. In that event, TC Transcontinental has agreed to pay the subscription receipt agent an amount equal to one half of the

Underwriters' fee (together with any Deemed Interest) with respect to the Subscription Receipts such that 100% of the gross proceeds of the Offering and any interest or other income earned on the escrowed funds (together with any Deemed Interest), less any applicable withholding taxes, would be returned to holders of Subscription Receipts.

The Subscription Receipts will commence trading today on the Toronto Stock Exchange (TSX) under the symbol TCL.R.

THIS NEWS RELEASE IS NOT AN OFFER OF SECURITIES FOR SALE IN THE UNITED STATES AND IS NOT AN OFFER TO SELL OR SOLICITATION OF AN OFFER TO BUY ANY SECURITIES OF TC TRANSCONTINENTAL, NOR SHALL IT FORM THE BASIS OF, OR BE RELIED UPON IN CONNECTION WITH ANY CONTRACT FOR PURCHASE OR SUBSCRIPTION. THE SUBSCRIPTION RECEIPTS OF TC TRANSCONTINENTAL WERE ONLY OFFERED IN THE PROVINCES OF CANADA BY MEANS OF THE SHORT FORM PROSPECTUS DATED APRIL 13, 2018, WHICH HAS BEEN FILED WITH THE SECURITIES REGULATORY AUTHORITIES. SECURITIES WERE OFFERED IN THE UNITED STATES IN TRANSACTIONS EXEMPT FROM REGISTRATION UNDER THE U.S. SECURITIES ACT OF 1933. THESE SECURITIES HAVE NOT BEEN REGISTERED UNDER THE U.S. SECURITIES ACT OF 1933 OR THE SECURITIES LAWS OF ANY STATE.

ADVISORS

Legal advice is being provided to TC Transcontinental by Stikeman Elliott LLP and, with respect to U.S. law, by Morgan, Lewis & Bockius LLP. Legal advice is being provided to the Underwriters by McCarthy Tétrault LLP. CIBC Capital Markets and Scotiabank are acting as Joint Bookrunners on the Offering.

AVAILABILITY OF DOCUMENTS

Copies of related documents, such as the final short form prospectus, the underwriting agreement, the securities purchase agreement and the subscription receipt agreement are or will be available on SEDAR (www.sedar.com) as part of the public filings of TC Transcontinental and on TC Transcontinental's website at www.tc.tc.

FORWARD-LOOKING STATEMENTS

This press release contains statements that are "forward-looking statements" or "forward-looking information" within the meaning of applicable Canadian securities legislation. This press release contains forward-looking statements with respect to the Acquisition and the Offering. Forward-looking statements typically use the conditional, as well as words such as prospect, believe, estimate, forecast, project, expect, anticipate, plan, may, should, could and would, or the negative of these terms, variations thereof or similar terminology. Forward-looking statements also include any other statements that do not refer to historical facts.

These forward-looking statements are used to assist readers in obtaining a better understanding of TC Transcontinental's business, current objectives, strategic priorities, expectations and plans, and may not be appropriate for other purposes. By their very nature, forward-looking statements are based on assumptions and involve inherent risks and uncertainties, both general and specific in nature. It is therefore possible that the forward-looking statements will not be achieved or will prove to be inaccurate. Although TC Transcontinental believes that the expectations, opinions, projections and comments reflected in these forward-looking statements are reasonable and appropriate, it can give no assurance that such statements will prove to be correct. The assumptions generally used by TC Transcontinental in making forward-looking statements are included in TC Transcontinental's Management's Discussion and Analysis (the "**Annual MD&A**") for the financial year ended October 29, 2017 available under the Corporation's profile on SEDAR at www.sedar.com. If any of the assumptions used by TC Transcontinental to make the forward-looking statements are inaccurate, TC Transcontinental's actual results could differ materially from those expressed or implied in such forward-looking statements. TC Transcontinental cautions readers against

placing undue reliance on forward-looking statements when making decisions, as the actual results could differ considerably from the opinions, plans, projections, objectives, expectations, forecasts, estimates and intentions expressed in such forward-looking statements due to various risk factors. These risk factors include, but are not limited to: failure to close the Acquisition (or timing thereof) and general economic conditions and legislative and regulatory developments. TC Transcontinental further cautions that the foregoing list of factors is not exhaustive. For more information on the risks, uncertainties and assumptions relating to TC Transcontinental's, please also refer to (i) the main risks, uncertainties and factors described in the Annual MD&A and in the Revised Annual Information Form of TC Transcontinental for the fiscal year ended October 29, 2017, which have been updated in the Management's Discussion and Analysis for TC Transcontinental's first quarter ended January 28, 2018, (ii) the risk factors described in the final short form prospectus of the Corporation for the Offering dated April 13, 2018, and (iii) other public filings; all of which are available under TC Transcontinental's profile on SEDAR at www.sedar.com.

The forward-looking statements contained in this press release are expressly qualified in their entirety by the foregoing cautionary statements. The forward-looking statements contained herein are subject to change after the date of this press release. TC Transcontinental does not undertake to update any forward-looking statements, whether oral or written, made by it or on its behalf, except to the extent required by applicable Canadian securities legislation or regulation. All subsequent forward-looking statements made by TC Transcontinental or any of its directors, officers or employees or any persons authorized to be acting on their behalf, whether written or oral, are expressly qualified in their entirety by the foregoing cautionary statements.

ABOUT TC TRANSCONTINENTAL

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 TC Transcontinental and its employees. TC Transcontinental's commitment to its stakeholders is to pursue its business activities in a responsible manner.

TC Transcontinental currently has over 6,100 employees in Canada and the United States, and had revenues of approximately \$2.0 billion for the fiscal year ended October 29, 2017. For more information, visit TC Transcontinental's website at www.tc.tc.

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