Operator: Welcome to Cascades Conference Call for the 4th Quarter and full year 2014 Financial Results. At this time, all participants are in a listen-only mode. Following today’s presentation, there will be a formal question and answer session at which time you can select star then one on your touchtone phone to ask a question. Please note that this conference is being recorded. I will now turn the call over to Riko Gaudreault, Director, Investor Relations and Business strategy. Mr. Gaudreault, you may begin.

Mr. Riko Gaudreault: Thank you, Operator. Good morning everyone. Welcome to our Conference Call for the 2014 4th Quarter and Full Year Results. With me today, Mario Plourde, our President and CEO; Allan Hogg, our CFO; Patrick Chaperon is with us today, our Vice President, Finance for the Containerboard Group. Patrick is replacing Marc-André Dépin who could not be available today. Luc Langevin is also with us, the President of our Specialty Products Group, and Jean Jobin President of our Tissue Group. Mario will begin with his comments, followed by Allan and the group’s representatives. The review of our operation in Europe will also be covered by Mario Plourde, and our CEO will also be back for the conclusion, following the question period. During this call, certain statements will discuss historical and forward-looking matters. Please note that the accuracy of these statements is subject to a number of risk factors. These factors, which are listed in our public filings, can have a material impact on our actual results. Also, these statements as well as the investor presentation and press release, which are posted on our website, include data that are not measures of performance under IFRS. You should also note that the quarterly results of Reno De Medici were released on February 12th, and can be reviewed on Reno’s website. I would like to remind the media and internet users that they can only listen to the call.
If you have any questions, please feel free to call us after the session. I will now turn the call over to Mr. Plourde, Mario please.

Mr. Mario Plourde: Thank you Riko, and good morning everyone. Earlier this morning, we released results for the 4th Quarter of 2014 and, as expected, we could not repeat last year performance. Excluding specific items, our EBITDA of $82 million is 12% lower than Q3, and 17% lower than last year when we adjust for discontinued operations. It is important to note, however, that our cash flow from operation of $73 million was 22% higher than during the same period last year. On the EPS front, our net earnings excluding specific items were 8 cents per share in Q4, compared to 4 cents in Q3. However, the reported Q4 EPS was a loss of 51 cents, most related to the divestiture and impairment charges during the quarter. Allan will discuss these non-cash items in more details later. On a segmented basis, we are particularly encouraged with the performance of our Containerboard Group. The investments undertaken over the last few years are starting to pay off in this sector, continuing to benefit from improving market conditions. This group’s EBITDA improved by 15% in 2014, compared to last year. It’s also realized an important strategic move by divesting its Boxboard activities, allowing the team to focus strictly on the Containerboard. On the European Boxboard Group, also significant improved its performance in 2014, despite lower than expected EBITDA in Q4. When results were compared by lower prices and the ramp-up of the new equipment and center [INDISCERNIBLE] mill. As usual, the Specialty Product Group was impacted by lower seasonal demands in Q4. The Tissue Paper Group continues to face difficult market condition, as well as startup costs related to the new paper machine on the West Coast, and the new converting facility in North Carolina. The Tissue Group will continue to be challenged in the first quarter of 2015, due to additional downtime for equipment management and upgrade. Finally, the Greenpac mill significantly increased average production during the 4th Quarter and continued the deployment of lightweight grades. This mill, EPS contribution excluding specific items, stood at 1 cent for Q4. Now quick words on Fiber. The market for brown grades continue to be soft following the price decrease of 8% on average for a second consecutive quarter. We do not foresee major changes in the
short term for OCC as the seasonal demand pickup from Asia buyer is behind us. Prices for white grades increased slightly, but generation has picked up over the last few weeks, which should stabilize pricing in before summer. For [PH] pop, nothing to signal during the 4th Quarter, as average prices remained relatively stable. Looking at RTPIs, we continue to improve on all fronts for this period of the year. I will now let my colleagues give you more specific information starting with Allan and I will be back later to cover Europe and our outlook. Allan.

Mr. Allan Hogg: Yes, thank you Mario and good morning everyone. Once again, we had restated our previous period numbers following the announcement in December of the sale of our North American Boxboard activities. The results in cash flows of which are reclassified as discontinued operations. Remember, we also reclassified earlier this year the results and cash flows of our fine paper activities and of our [INDISCERNIBLE] and stained use paper mills. We had included on page 10 a table which reconciles some key figures. Page 11 shows the year net earnings, excluding specific items. You can see that our discontinued operations accounted for $87 million of the net loss for the year. Compared to last year, sales were up 4% to $879 million due to favorable exchange rate and volume increases in our containerboard and tissue activities, which were offset in part by lower average selling prices in Europe and in our tissue segment. Sequentially, despite favorable exchange rates, sale had decreased 3%, due to lower average selling prices in our containerboard operations and lower tissue volume. It is now for the 4th Quarter it is down 17% or $17 million compared to last year. The decrease is due to $4 million left of energy credits in Europe combined with lower selling prices and startup costs in our tissue business. Last year 4th Quarter results were also positively impacted by a $5 million pension liability adjustment in Containerboard. Sequentially, EBITDA is down 12%, or $11 million. Our tissue segment could not repeat its turn performance of the last quarter, as volume decreased by 6%. Lower average selling prices in our containerboard activities due to seasonality mix also impacted our results. Slides 15 and 16 there was truly impact of specific items that affected our results during the quarter when we recorded interment charges on assets in Europe in our end, in our specialty products group. We also recorded a $5 million
provision following a class action lawsuit settlement in our Containerboard business. Under the terms of this settlement agreement, we agreed to pay $4.8 million US into a settlement fund, in return for the release of all claims of the alleged class actions without any admission of wrongdoing on the part of Cascades. Yet strangely, also led to a loss on our longterm debt for $13 million, and we also recorded an after-tax loss of $25 million in our discontinued operations, mainly coming from the sales of our North American boxboard assets. Remember that during the 3rd Quarter, we carried out an internal transaction to optimize the capital structure of our U.S. and Canadian subsidiaries, with that resulting in a one-time withholding tax provision of $14 million or 15 cents per share, which will be recovered over time.

Moving to page 17. Cash flow from operations amounted to $17 million in the fourth quarter. It is worth mentioning that our usual interest payment of December has been postponed to January 2015, as a result of our refinancing last June. Capital expenditures payment were impacted by the depreciation of the Canadian dollar and amounted to $55 million during the period. Net debt decreased by $27 million during the quarter, despite an increase of $31 million due to the exchange rate. For the year, net debt remained stable despite the depreciation of the Canadian dollar, which added $64 million to our debt during the year. Capital investments for the year were mainly done in our tissue segment for the new paper machines in Oregon and the new converting plant in North Carolina. And in Europe for the machinery built in Santa Justina. Note that the funds from the sale of our North American Boxboard assets were received in early February and are not included in our debt at the end of December. In terms of financial ratios, considering the sales of these assets, our net debt to EBITDA adjusted ratio remained stable at 4.6 times at the end of the quarter. Finally, on page 20, for those of you who are interested, we are introducing a new index to illustrate the spread of our North American manufacturing and converting operations of containerboard and tissue. This is only a portion of what is impacting our performance. It does not include all the cost component and the effects impact on our profitability. Thank you for your attention and I will ask Patrick to discuss the results of our Containerboard Group.
Mr. Patrick Chaperon: Good morning everyone. Thank you, Allan. Before I start, please note that all numbers exclude our Boxboard activities, which were sold to graphic packaging on February 4th. All Boxboard numbers are presented as discontinued operations. During the 4th Quarter of 2014, the Containerboard’s shipment reached 277 thousand short count, representing a 6.12 increase of 3%. The shortfall in volumes stems from our converting activity. As expected, with the seasonal slowdown, shipment has sequentially decreased by 8%. This performance compared to a decline of 5% for the Canadian industry. The difference can be explained mainly by Norampac being a larger producer of boxboard for the produce market segment in Canada, which is more exposed to seasonality. In our manufacturing activities, the 4th Quarter operating rate averaged 90% compared to 94% during the previous quarter. The 4% reduction is largely due to the December set store holidays, that’s translated into a reduction of 8,500 short tons in the mill’s overall shipment. On the other hand, with lower seasonal internal demand from our box plant, the mills were able to increase their external shipment by 5,700 short tons or 5%. On the pricing front, average selling prices decreased by $18 Canadian dollars per short tons, as a result of exchange in our product mix. Indeed, the higher contribution of the mills in the overall shipments in the region, and the decrease in the proportion of wax products within our converting activities all but categorically impacted our average selling price. On the other hand, the weakness in the Canadian dollar helped to partially reverse the mixed effect. Despite the seasonal slowdown, the Containerboard group realized an EBITDA $44 million in the 4th Quarter of 2014. A slightly lower number than during the previous quarter. Our 4th Quarter EBITDA of $44 million repeated the margin of 15% on sales, in line with the previous quarter. If we look at the margin of our manufacturing activities separately, it reached 24% for the quarter. An increase of 4% from the 3rd Quarter. As mentioned before, volume and average spending prices decreased on a scheduled basis subtracting $13 million from the EBITDA. On the other hand, raw material gap went down by $5 million following a decrease of $10 per short ton. In recycled bottom prices and higher proportioned overall in the overall shipment. Lastly, the weakening Canadian dollar translated into an additional $2 million updraft. With regards to the short-term outlook we should continue to benefit from the improving economic environment in the
Containerboard market. The main in the U.S. remains robust and we should continue to benefit from the weakness of the Canadian dollar. In the coming quarter, we should also benefit from normal seasonal pickup. Finally, a word on the Greenpac Mill. In the 4th Quarter, Greenpac produced 111 thousand short tons of linerboard, representing an improvement of 3% compared to the previous quarter when we exclude the impact of extraordinary even of Q3. Consequently, we achieve $1 million of net earnings excluding specific items, representing one tenth of the EPS in our results. We are readily increasing the proportion of value-added product as market reciprocity for lightweight grade is good. I thank you for your attention and will now ask Mario to give you an overview of our Boxboard operations in Europe.

Mr. Mario Plourde: Thank you, Patrick. In Europe, the 4th Quarter is usually stronger than the 3rd. But unfortunately this year it was not the case. The main reason behind the sequential decrease is the ramp-up of the new machine at Santa Justina Mills in Italy, which impacted volume and cost. Compare to last year, results of the Boxboard Europe group were not as high due to the fact that the energy credits were unusually high in Q4, 2013, representing a shortfall of $4 million. Looking more precisely at the result, sales increased by 2% to reach $196 million. Slightly higher shipment in our two markets counterbalance lower selling price in Canadian dollars. In Europe, average prices were 1% higher despite the decrease in price of the recycled grade at the end of the year. Despite an increase in sales, EBITDA remained stable during the quarter at $40 million due to higher cost of raw materials. EBITDA margin also remained at 7% of sale during the 4th Quarter. Looking ahead, the other flow is expected to be good in the short terms, and the backlog at the end of the year of 2014 was satisfactory. Shipments should improve in 2015, as we continue to ramp up the Santa Justina machine over the next few quarters. We expect sales prices, raw material cost and energy cost to remain stable or decrease only slightly. On the strategic front, in keeping with its subjective of focusing resources and facilities that are more efficient, and present higher growth potential, then it was announced that its mill in Spain is no longer a strategic asset for the group. Negotiation with potential buyers are in progress at this asset, and this asset should be sold during
the course of the year. The expected proceeds will not be significant. I thank you and I will ask Luc to follow up with the overview of our Specialty Product Group.

**Mr. Luc Langevin:** Thank you, Mario. Sales for the Specialty Products Group declined to $138 million, compared to $145 in Q3. Representing a 5% sequential decrease. These reduced sales were expected as we typically experience lower seasonal demand in Q4. However, our topline improved by more than 2% from the same quarter last year when we exclude discontinued operations. On the sequential basis the positive impact of a weaker Canadian dollar was not sufficient to offset the combined impact of lower seasonal volumes in most of our segments and lower selling prices in our recovery segment compared to Q3. We completed the 4th Quarter with an EBITDA of $10 million, which represented $2 million decrease from the previous quarter. This negative variance results mainly from lower volumes observed during the quarter. Looking more statistically at our four sub-segments, our industrial packaging activities delivered stable results. Slightly lower volume were offset by reduced operating costs. Our consumer products packaging segment also maintained this EBITDA. The impact of typical lower seasonal demand was totally offset by the improved brand mainly resulting from price decreases. Please note that resin prices have also started to decline during that quarter—during that period. As for our other activities, the EBITDA declined by $1 million sequentially. Lower volume and increased energy costs negatively impacted results. The EBITDA of our Recovery and Recycling Division also decreased by $1 million in Q4, reflecting the state of the recycled paper market. Although no significant variation in volume was observed in this quarter, the segment was negatively impacted by slightly declining OCC prices and increased fixed costs. Looking to the near term, we remain prudent based on the flowing variables. We typically deal with lower recycled paper duration during the first quarter, and higher energy costs. Our consumer packaging product segment should benefit from reduced resin costs although it could still be partly impacted by seasonal volume weakness. Volume should pick up over the other segments. Thank you for your attention and I will now ask Jean to present the results of the Tissue Paper Group.
Mr. Jean Jobin: Good morning, everyone. The current market condition continued to be challenging for the group. The decrease in shipment was the most important factor explaining the 4th Quarter performance. The usual seasonality in the away-from-home segment, difficult condition in the retail and panel wall markets explained the decrease in shipment. Sales for the 4th Quarter were 3% lower than during the previous ones. A 6% decrease in shipment was offset by higher average selling price, essentially linked to a 4% favorable movement of the exchange rate. The away-from-home segment has been impacted by the usual year-end seasonality resulting in a 9% volume reduction compared to the previous quarter. This phenomenon equally impacted Canadian and U.S. markets. In the retail segment, shipments were 6% lower than the last quarter, mainly due to the aggressive national brand promotion activities. Our panel wall shipment has also been impacted by seasonality and were sequentially lower by 6%. The imbalance between supply and demand still represent a challenge in order to avoid excess inventory, some exceptional market shutdown were taken in December. As for profitability, we delivered $21 million EBITDA, or an 8% margin on sales compared to $32 million and 11% margin on sales last quarter. The erosion in sequential profitability is largely driven by lower volume by parent role and converting production shutdown. The startup of the new redone paper machine has also had an impact on our 4th Quarter results. We are pleased to say that the equipment performance is now in line with the original project plan and continues to improve on a daily basis. Even if we expect a soft quarter, we are now looking forward to 2015. We are finalizing two major initiatives such as the ERP implementation and the ramp up of our new paper machine on the west coast. In addition, during the next six months, most of our major projects that we launched to optimize our converting platform such as the Wagram facility will be essentially completed and we will focus on growing the business. Thank you. I will now turn the call back to the Operator. Operator.

Operator: Thank you. We will now begin the question and answer session. If you have a question, please press start then one on your touchtone phone. If you wish to be removed from the queue, please
press the pound sign or the hash key. There will be a delay before the first question is announced. If you are using a speaker phone you may need to pick up the handset first before pressing the numbers. Once again, if you have a question, please press star then one on your touchtone phone. Our first question comes from Mr. Bill Hoffman from RBC Capital Markets.

Mr. Bill Hoffman: Yeah, good morning. Just a couple of questions on the Tissue side. I wonder if you could just talk a little bit about the converting plant down in North Carolina, where you are in process of ramping that up from an operational standpoint. Then second is, just with regards to Tissue you talked about the downtime in production in Q4. I just wonder how you’re operating in Q1 on the tissue side, just to balance that in the choice in demand.

Mr. Jean Jobin: Yes, thank you Bill for your question. Jean Jobin speaking here. So Wagram facility we have actually 60% of our capacity that is already running. The rest of the capacity that we’re planning for this year will be running by Q2, by the end of Q2. Concerning the second question which was the downtime. The downtime we took in December. December was approximately 6,500 tons total paper machine and converting, and in January we are approximately at 4,000 tons shutdown that we took.

Mr. Bill Hoffman: Do you expect, just from a downtime standpoint. Do you expect to have to continue that kind of plan this year. What’s sort of the outlook in the tissue markets from a production standpoint?

Mr. Jean Jobin: Well on our side what we’re going to do, we’re going to manage our capacity. We’re going to make sure that the working capital is in control, so we’ll see how the volume will pick up. It’s too early on our side to answer that action.

Mr. Bill Hoffman: Thank you.
**Operator:** Our next question comes from Mr. Amir Patel from RBC Capital Markets.

**Mr. Amir Patel:** Hi, good morning. I had a few questions for Patrick. You know, we saw the [INDISCERNIBLE] drop the medium benchmark price by $10 per ton in February. Have you seen that shift in your business in the last month, or was that really just catch up in the benchmark for maybe what was going on in the market over the last few months?

**Mr. Patrick Chaperon:** We understand the RSIs just do changes our selling price so I think your option is the bid one.

**Mr. Amir Patel:** Okay, great thanks. And just a final question I had was could you comment on your box shipments in February in both Canada and the U.S.?

**Mr. Patrick Chaperon:** Fortunately in the beginning of the year, the look in here is good. The money is good, so we hope for the best for the coming months.

**Mr. Amir Patel:** Thanks, that’s all I have.

**Operator:** Once again, if you have a question, please press star then one on your touchtone phone. Our next question comes from Mr. Frederick [PH] Combles from Federal Bank.

**Frederick:** Thank you from National Bank. Just a question on the Containerboard. We saw one of your competitors announced a price increase a couple of weeks ago. Just wondering what you’re seeing in the market in terms of implementation of that price increase or you actually think it’s too early for the market to implement that increase.
Mr. Patrick Chaperon: Fortunately I’m sure you’re going to understand we cannot comment any pricing right now. So even though we’re analyzing all options.

Frederick: Okay, and then just in terms of your CAPEX budget for the year, I think somewhere in the press release you mentioned that you were going to have lower CAPEX this year?

Mr. Patrick Chaperon: Yup, we’re budgeting to have a CAPEX in the loop of $150 million, that may be affected by the exchange rate, but as we speak now it’s $150 million for the year.

Frederick: Okay, and just coming back to Tissue, in terms of the away-from-home, what’s the status of the price increase that was announced last year, has that been implemented as of January?

Mr. Jean Jobin: We have implemented part of that in specific markets, but not everywhere and not to the full extent.

Frederick: Okay, thank you.

Operator: We have no further questions at this time. I will now turn the call over to Mr. Mario Plourde for closing remarks. Mr, Plourde.

Mr. Mario Plourde: Thank you, Operator. 2014 was a year of intense activity during which we completed several specific initiative design to move us towards our goal of rationalizing and modernizing our asset base. These moves are now behind us and we can now look forward to improved result in 2016. We are still expecting challenging conditions during the coming year in the tissue sector, but other drivers should be provided better conditions. Our new tissue spike in the U.S. will gradually add to our result. Demand for packaging product seems good to start the year and we should benefits from favorable
exchange rates, favorable recycled fiber costs, lower oil price and economic recovery in the U.S. In addition, the Greenpac Mill will make a contribution to our net result for the full first year in 2015. Absent this sudden depreciation of the Canadian dollar at the end of the year, the close to $100 million of proceeds from divestiture, working capital improvement and prudent cash flow management, we would have allowed us to reduce our indebtedness in 2014. However, if the foreign exchange situation prevails in 2015, our cash flow will improve and coupled with lower capital expenditure this year, we should continue to improve our leverage ratio. We thank you for your support and we wish to remind you that our General Meeting and Shareholder and Q4 Results Release will take place in May 7. Have a nice day.

**Operator:** Thank you ladies and gentlemen. This concludes today’s conference. Thank you for participating you may now disconnect.