

**CUSTOMER: Cascades Inc. - Webcast Events**  
**TITLE: Cascades Inc.'s Conference Call for Q1-2014 Financial Result**

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*Operator: Welcome to Cascades Inc.'s Conference Call for the 2014 First Quarter 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 of Investor Relations. Mr. Gaudreault, you may begin.*

**Riko Gaudreault:** Thank you, operator. Good morning, everyone, and welcome to our conference call for the first quarter of 2014. Members of our Management Team are joining me today and you will hear from: Mario Plourde, our President and CEO; Allan Hogg, our CFO; Marc-André Dépin, President of our Containerboard Group; Luc Langevin, President of our Specialty Products Group; and Suzanne Blanchet, President of our Tissue Group. Mario will begin with his comments followed by Allan and the group's representative. The review of our operations in Europe will be covered by Mario 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 registration statement, can have a material impact on our results. Also, the statements in our press release include data that are not measures of performance under IFRS. You can have access to or request a copy of these documents through our website. You should also note that the quarterly results of

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Reno De Medici were released last week and can be reviewed on Reno's website. If you have any questions, please feel free to call us after the session.

I will now turn the call over to Mr. Mario Plourde. Mario.

**Mario Plourde:** Thank you, Riko. Good morning, everyone. We released our first quarter result this morning showing an EBITDA of \$80 million and \$0.01 of earning per share, both excluding specific item. This represent an 18 percent EBITDA improvement compared with same period last year. Sequentially, however, all of our North American Group are showing lower result. We need to remember that our Q4 result were stronger than usual and positively impacted by unexpected items. Like many company in our sectors, the weather condition prevailing in Quebec, Ontario, and the U.S. Northeast resulted in a lower economic activity and higher operating cost, mainly energy costs.

As we previously announced, our Containerboard Group suffered from an interrupted - - an interruption at its Trenton mill due to a water management equipment failure. Also, you saw that recovered paper prices seemed to have been impacted with higher prices for both browns and white grade in March. As we expected during last call, pricing is now back to an appropriate level due to the weakening demand at pickup and generation and the pushback from Asian and North American buyer. We believe OCC prices could continue to weaken during the second quarter and we do not foresee a significant increase in OCC costs in the short-term. Finally, we are glad to see the Greenpac mill production at capacity for a few days recently. The machine run wells and the paper quality is great. We will continue to develop lighter grades and ramp up production, particularly on the logistic front.

Looking at our KPIs, you can see that we've improved in all fronts. Shipments increased slightly during the quarter, mostly due to the seasonality in Europe. Our return on asset is now close to 10 percent, and we maintained a working capital ratio at 12.9 percent of the last 12 month sales.

I will be back later to discuss other aspect of our outlook and I will now let me colleague give you more specific information starting with Alan.

**Allan Hogg:** Thank you, Mario; and good morning, everyone. So on slide number 10, compare it to last year, sales were up 9 percent at 994 million due to a favorable exchange rate and positive price increases in our Containerboard activities. Sequentially, sales increased by 4 percent due to favorable exchange rates and a 9 percent increase in shipments, mainly coming from our European operations.

EBITDA for the fourth quarter is up 18 percent, or 12 million, compared to last year. The lower Canadian dollar and price increases in Containerboard combined with a stronger contribution from our European assets more than offset the lower volume impact in our Tissue segment. Once again, in Europe, we got a favorable contribution from energy-wide certificates for \$5 million. These credits were awarded by the Italian authorities for energy savings initiatives realized in our recycle barge water operations for the year 2013. Additional credits might be awarded in 2014, but for a lesser amount.

However, as Mario explained, our first quarter performance was affected by the weather conditions. The impacts of this is difficult to measure, but we can see that the direct impact on our energy costs is estimated at \$10 million. In addition, the impact of the Trenton shutdown removed 4 million of EBITDA during the quarter. Sequentially, our EBITDA is down 24 percent, or 25 million. In addition to the factors just mentioned, our Q4 2013 results were positively impacted by a 5 million positive adjustment - - pension adjustment and by energy credits of 6 million in Europe.

Slide 13 illustrate the impact of specific items that affected our results during the quarter. The main element consists of a gain recorded on the contribution of our corrugated containers asset in a new joint venture in the Atlantic Provinces in which we now own a 40 percent interest.

On page 14, cash flow from operations amounted to 60 million, 14 million higher than last year, but still stable compared to Q4 due to our interest payment in the fourth quarter.

On page 15, we have included a quarterly reconciliation of our earnings per share by major component. You can see that our EPS, excluding specific items, was negatively impacted by our 42 percent non-controlling interests in Reno De Medici for which we consolidate 100 percent of the EBITDA but only 58 percent of the net earnings. Compared to last quarter, the contribution from our share of the results of our associates and joint venture investments was higher to the improved performance of the Greenpac containerboard mill, which is ramping up production, and of our share of the results of Boralex.

Despite positive free cash flows, net debt increased by 96 million due to the lower Canadian dollar, which increased our debt by 43 million during the period, and also the increase in working capital due to softer demand in the first two months of the year.

In terms of financial ratios, our debt to capitalization ratio is at 62 percent, and our net debt to EBITDA ratio increased slightly from 4.6 to 4.7 times at the end of the quarter.

Thank you for attention and I will ask Marc-André to discuss the Containerboard Group's results. Marc-André.

**Marc-André Dépin:** Good morning, everyone. Thank you, Allan. The Containerboard Group achieved an EBITDA of 33 million in the first quarter of 2014, representing a decrease of 13 million compared to the previous quarter. As we recorded an expected change of \$5 million post retirement benefit program in Q4, the difference is \$8 million. Compared to the fourth quarter of 2013, as mentioned in our outlook on the last conference call, our results have been negatively impacted by 4 million related to the water management issues in our Trenton facility, which resulted in an interruption of operations for 14 days. Also, we experienced a shortfall of \$4 million related to extremely winter condition, which have mainly

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impacted our energy costs in Q1. Excluding those factors, our performance in the first quarter would've been similar to the fourth quarter of 2013. In our manufacturing activities, external shipments sequentially went down by 2 percent for a negative impact of 3,000 short ton. This decrease is a result of a shortfall of 13,000 short ton in our containerboard activities, mainly due to the shutdown of the Trenton mill, which was partly offset by an improvement of 10,000 short ton in our boxboard subsector. On the productivity front, the operating rate of our containerboard manufacturing activities averaged 85 percent during the quarter compared to 88 percent in Q4. Again, this is explained by the Trenton situation as all others mill have improved their operating rate compared to the previous quarter. At our boxboard (inaudible), we took 14 days of downtime, representing 6,000 ton compared to 43 days and 12,000 short ton in the previous quarter. Despite bigger volumes, the contribution of the Jonquière mill in the result (inaudible) to be neutral. Moving to our converting activities, shipments have sequentially decreased by 1 percent. This compared to stable shipments in the containerboard industry in Canada and the U.S. On the pricing front, average selling prices were stable for second quarter in a row. The decrease in U.S. price - - prices essentially linked to foreign exchange conversion of Canadian-based product. Looking at our first quarter EBITDA where we saw the 33 million represent a margin of 10 percent on sale. If we look at the margin of our containerboard activities separately, it reached 12 percent for the quarter. The combination of average (inaudible) cost was for 10 percent lower and the change in the mix of paper rolls and OCC fiber had a negative impact of 6 million on raw material (inaudible) in Canadian dollars. This negative impact was mainly offset by a favorable foreign exchange rate and an increase in selling price dominated in Canadian dollar. With regard to the short-term outlook, we should continue to benefit from the stable economic environment in the containerboard and boxboard sectors. On the volume front in the converting sector, we will benefit of the normal seasonal pickup with the summer season coming ahead. Finally, operating rates in our manufacturing containerboard sector were at 92 percent in April. We are continuing to ramp up the operation of the Greenpac mill. In Q1, we produced 85,000 short ton of linerboard and we achieved a positive EBITDA. The ramp up of the paper machine continue according to plan and we expect to fully ramp up the machine within the next six months or earlier.

I thank you for your attention. I will now ask Mario to give you an overview of the Boxboard operation in Europe.

**Mario Plourde:** Thank you, Marc-André. The shipments of our Boxboard Europe Group went up by 9 percent during the quarter and this increases normal on the sequential basis due to the issues in our downtime in December. Compared with the same period last year, volume increased only slightly due to higher shipment in recycle product overseas. (Inaudible) shipment also explained lower average selling price in euros that were 1 percent lower than the previous quarter. In Canadian dollar, price increased by 4 percent as the exchange rate was even more favorable than in Q4. These higher prices in our reporting currency and the accrued level of activity resulted in an increase 14 percent of our revenues compared to the Q4 and positively impact our profitability. The 10 percent increase in EBITDA can also be explained by credit linked to energy saving program that were received for a second quarter in a row. These credit contributed 5 million to the EBITDA during the first quarter. Looking ahead, the other flow remains at satisfactory level despite demand weakness in general. The main operating cost should not suffer major change, but the visibility of the energy cost remain uncertain with the situation in Eastern Europe. We believe the Boxboard Europe Group will perform steadily in the immediate future even if the markup for recycle grade remains challenging and existing contracts limit potential price increases. Finally, in consultation process with the union in Djupafors mill is over and the mill in Sweden will cease its operation mid June. This is a concrete illustration of our commitment to manage our portfolio of asset and improve profitability.

I thank you and I'll ask Luc to follow-up with your review performance of the Specialty Product Group.

**Luc Langevin:** Thank you. Thank you, Mario. Good morning. For this first quarter, sales for the Specialty Products Group increased to 203 million compared to 192 million in Q4 2013, representing a 6 percent sequential increase. Our top line also improved by 7 percent compared to the same quarter last year. We

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record higher volumes in our Industrial Packaging, Consumer Product Packaging, and Specialty Papers. Volumes in our Recovery segment decreased from typical lower seasonal demand in Q1. All four segments benefited from a more favorable exchange rate impacting positively our average selling prices. EBITDA for the quarter was 12 million representing a 9 percent increase versus the same quarter in 2013, but a 25 percent reduction from Q4. Lower SG&A in the previous quarter returned to normal during this quarter. The cold and difficult winter conditions impacted significantly our energy costs, resulting in an estimated impact of 2 million. Finally, we record significant and rapid raw material increases in our Consumer Product Packaging sector. The favorable exchange offset only part of this - - of these costs. Looking more specifically at our four sub segments, our Industrial Packaging segment delivered stable results. Slightly higher fixed costs were more than offset by improved shipments. The EBITDA of our Consumer Product Packaging segment declined by 1 million sequentially due to a significant increase in the price of polystyrene and pol(inaudible). The amplitude and the rapidness of these increases impacted negatively our spread. Price increases have been implemented and profitability will return to normal in the following quarters. Volumes improved compared to lower seasonal demand experienced in Q4. As far as the Specialty Paper segment, the profitability increased by almost 3 million. Significantly higher in energy costs during the quarter explained most of this variance. Both our (inaudible) and paper mills suffered from high energy costs. Volume improved sequentially and remained stable for the same quarter last year. Moving on to our Recovery and Recycling segment, the EBITDA went up by 1 million compared to Q4. Benefiting from improved spread, volumes were lower, and this is typical for this period of the year. Looking forward to the next quarter, we anticipate improved profitability in our Industrial and Consumer Product Packaging segments with seasonal volume pickup. Implemented price increases in our Plastic division will contribute positively to our result. Finally, our Specialty Paper segment will benefit from the recent uncoated free sheet and craft paper price increases and from energy costs now returning back to a more normal level. We remain prudent with volume and spreads in our Recovery and Specialty Paper segment, and we will continue to closely monitor the situation.

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Thank you for your attention, and I will now turn the conference to Suzanne for the results of the Tissue Paper Group. Suzanne

**Suzanne Blanchet:** Thank you, Luc. Good morning, everyone. As you can see from the result released today, our first quarter has been a challenging one in the context of a competitive market. Our EBITDA reached 20 million compared to 32 million the previous quarter. The first quarter performance was mainly driven by (inaudible) and converted product mainly in the Canadian market. Higher energy costs have been taken. Most of our Northeastern Mill also contributed to lower our first quarter EBITDA by approximately 6 million. Total shipments decreased by 6 percent sequentially, many related to shipment of finished product. Looking at Away-From-Home segment, we experienced an 8 percent decline in shipments mainly in Canada. This resulted in lower order label. For our most of customer and seasonality and severe weather condition contribute to lower sales. In the U.S., the away-from-home market remains stable. Shipment for our consumer product activities were 5 percent lower than during the fourth quarter. In Canada, shipment were down 15 percent due to a competitive market environment as (inaudible) promotional activities from national brand limited sequential growth in our private label business. In the U.S, the volume remains stable. Year-over-year, we were impacted by tight supply management from major retailers. Now turning to our average selling prices, the overall slight decrease in the average selling price in U.S. dollar is explained by product mix due to a lower volume of converted product sold. In term of market price, they remain fairly stable. Average selling prices in Canadian dollar are higher due to a favorable foreign exchange rate compared to the previous quarter. In term of profitability, our EBITDA reached 8 percent margin on sales, which is lower than the 13 percent recorded in the previous quarter. Weather-related issue combined with the competitive market results in volume and product margins that were below expectation. These factors more than offset the favorable exchange rate. To conclude, entering the second quarter of 2014, we remain cautious about the market condition given the competitive environment. Also, during the second quarter, one of our (inaudible) machine will be down for one week for maintenance investment project. With the difficult winter behind us, we should see improvement in the



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level of shipments. Higher volume combined to a stable fiber cost should bring results - - should bring better results.

Thank you, and I will now turn the call back to the operator.

**Riko Gaudreault:** Operator.

***Operator:** Thank you. We will now begin the question-and-answer session. If you have a question, please press star 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 speakerphone, 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 Leon Agazarian, National Bank Finance.*

**Leon Agazarian:** Hi. Good morning. **My first question is on the Tissue side. I mean you mentioned that shipments were under pressure in Q1. Can you discuss if this is something that you're seeing for the foreseeable future or if there are any I guess further one-time factors you can discuss for us in Q1? Just want to get a sense of what we should be looking for for the balance of the year for Tissue.**

**Suzanne Blanchet:** For Tissue, one, the weather condition have affected many of the (inaudible) in business and it was all the customer that was lower. And what you could see for the rest of the year, it should improve. Second and the third quarter are better in shipment and we should see improvement in shipment for the balance of the year.

**Leon Agazarian:** And what's the competitive environment like in the U.S. and Canada in the context of increasing industry capacity?

**Suzanne Blanchet:** What we could see right now, the increase capacity was mainly in 2014. We see - - 2013 - - excuse me. 2014 there is less additional capacity, but I think we continue to absorb them, and we see a lot of promotional activities from the national brand, that's what put pressure on the private label brand.

**Leon Agazarian:** Yeah, I'm trying to see if there's any potential for - - I mean for price hikes. I think that seems to be quite difficult in the current environment. I'm just trying to see if there's any opportunity for you in terms of margin enhancement opportunities on the Tissue side.

**Suzanne Blanchet:** On the pricing front, we see that there has been announced for the away-from-home business and it's effective July and - - or June and July up to 10 percent for the away-from-home business.

**Leon Agazarian:** Okay, that's helpful. And just one other question for me, just switching sides a little bit. There aren't many details on the Greenpac. I understand it's for more for competitive reasons and you do have some private partners, but can you talk about what the average production and what peak production was like in the quarter and how that ramp up is progressing please? Thanks.

**Marc-André Dépin:** We are... We're (inaudible) on the average monthly production since the beginning of the ramp up, except for one month where we have bad production, so we're averaging around 1,100 tons - - short ton of production per day. This month so far we're about 1,300, so it's a typical ramp up where we have great days - - we have - - with beta production. We have records of about 1,600 tons a day, 1,672 short ton a day, and then other days you have worse days and so it's up and down, but the average is right on where we want to see it. The product is good. It's well received in the marketplace.

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The sheet runs well. We're making some trials on some special grades also, so we're happy. The logistic side is improving a lot where we had problem shipping what we were producing at the beginning related to some mechanical issue at the mill. It's all solved and we're - - we had in the month of April, we have the record production, record shipment, so we're happy with the result. We just need to improve all the cost structure which is inbound and outbound freight and also some of the destination where we're shipping our product further than we expected, so this is where we have to work on the cost structure. But anything else operation wise is working as planned and better.

**Leon Agazarian:** Thank you. That's helpful.

***Operator:** Our next question comes from Mr. Shawn Stewart with TD Securities.*

**Shawn Stewart:** Thanks. Good morning, everyone. **Suzanne, just following up on the Q1 results, there was in the waterfall slide bridging Q4 EBITDA to the Q1 result, there was a 7 million other cost item in the Tissue segment. Can you go into a bit more detail what contributed to that?**

**Suzanne Blanchet:** Unfortunately it's on the labor side and also we have shipped further away. That's mainly two major things.

**Shawn Stewart:** Okay. **So these are I guess recurring items to an extent?**

**Mario Plourde:** It depends on the efficiency during the quarter, also on the production side and there's a bit more repair and maintenance than Q4 as well so...

**Shawn Stewart:** Okay. That helps. **And Mario, you mentioned last quarter that sale of Boralex wasn't contemplated even post dividend announcement there. You see further upside. Any further**

**thoughts on your appetite for potentially considering selling that investment off as a means of deleveraging or expediting the deleveraging process from here?**

**Mario Plourde:** Well it's a little bit the same answer as the last quarter. We feel that the ramp up of (Inaudible) is going well. The... We can see the benefit of it right now. And they're not up fully to speed right now, so we don't think at this moment that the share price of our (inaudible) is well reflected. So at the moment, it's no. We have not changed our position. We're monitoring that very closely. Next time comes and we hit the value we consider being the right one, well we'll look then. But at the moment, it's not the case.

**Shawn Stewart:** Okay. That's all I had. Thanks, everyone.

**Operator:** *Our next question comes from Mr. Paul Quinn with RBC Capital Markets.*

**Paul Quinn:** Yeah, thanks. Morning. **Just I guess following up on Tissue here. I think there's some comments in the press release from you, Mario, on the Tissue side where you're saying lower demand from Tissue from retailers and I'm just trying to understand whether that's lower demand or is that just increased competition from some of the majors?**

**Mario Plourde:** I guess I will let Suzanne answer that. You know she's a better position than me.

**Suzanne Blanchet:** There is a lot of consolidation in market. You have seen shoppers with a low (inaudible) Canada. Same thing with Safeway and Sobeys, that's really - - they're doing their consolidation and there is a lot of activities from the national brand and the national brand are pushing on their brand and we have seen like one point difference from the product label from year-over-year. I think we need to come back with innovation and all of that, but the market is there. It's growing with only some

enrolled in the state where it's more stable, but you see the consolidation that the retail are on the market putting more activities or pressure on the supplier.

**Paul Quinn: It seems... I don't know from my perspective, it seems like the branded guys have really start to go increase their promotional activities, especially over the last it seems six months. Do you expect that to continue right though '14?**

**Suzanne Blanchet:** I think so. We have seen a lot of more promotional activities from the branded side. This trend also understate the category where the promotional activities were more around like the 65 percent, now it's more like the 75 percent year-over-year. Then you see more pressure from the national brand to keep their market share.

**Paul Quinn: Okay. And just last question for you on Tissue cost. What... Are you expecting back half of I guess paper momentum on the cost side?**

**Suzanne Blanchet:** The back half, usually the second and the third quarter are higher in terms of raw material. It seems to remain stable. (Inaudible) on top is still priced seem to be high, but the energy cost will go down. Definitely energy price is going down.

**Paul Quinn: So you're not expecting pulp prices to fall in the second half?**

**Suzanne Blanchet:** This I cannot really - - we're not in the pulp business, but what Mario...

**Mario Plourde:** I don't think the pulp price should go down. I think it will remain probably more stable. We saw some price increase lately, so no. But on the recycle fiber side, we don't expect any price increase. There's plenty of material right now in the market. So for the next quarter, we see the price should remain

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as it is, maybe a slight decrease. On energy side, we feel that it should go down. So all in all, I think the cost structure in the Tissue should remain lower than the first quarter.

**Paul Quinn:** Okay, and last question. **Just on your Jonquière mill, I mean it sounds like you took less down time, but it sounds like the financial results are still pretty muted. What's the outlook for that facility?**

**Marc-André Dépin:** We have... In our budget, we had some downtime planned to - - which is exactly what we're taking, so first quarter downtime is equal to what we have planned. The issue with Jonquière is an issue of product. We are right in the middle of... We're right in the midst of between the SBS and the CRB and it's always been a struggle for this mill to find its niche. We have some new product that we're working on that we're launching now, a poly replacement which we're really excited about it, so hopefully we'll be able to fill the mill up. But the first quarter was really impacted by the winter, also due to this mill serves a lot of the QSR business and, as you know, this business was slow down. We see a huge pickup now in order take now and we're optimistic about Q2 on the volume side and... But we need to keep developing new product to get this mill out of this position, which is breakeven on profitability.

**Paul Quinn:** Great. Thanks for that detail. Best of luck.

**Mario Plourde:** Thank you.

**Operator:** *Once again, if you have a question, please press star then one on your touchtone phone.*

*Our next question comes from Mr. Pierre LaCroix with Desjardins.*

**Pierre LaCroix:** Thank you. **On the risen cost in your (inaudible) operations, I guess what's tied to the rise in the natural gas in the quarter and if so now that we've seen some kind of a pull back,**

**are you expecting the pressure to be alleviated or it's going to stick there and you'll have to recoup that by price increases?**

**Luc Langevin:** It's not a direct relationship. It's unfortunately not as simple as that between the price of (inaudible) and the price of natural gas. There's another market dynamics. We had observed a slight decrease after the increases, but not to the level of the increases, and the solution is to pass price increases and most of them have already been implemented.

**Pierre LaCroix:** Okay. **Normally it's relatively easy to push through the price increase to customers? How long does it take?**

**Luc Langevin:** It's just a matter of price mechanism we have with customers. Most of them are under agreement and it's either reviewed monthly or quarterly. So, yes, it is fairly well accepted in the market.

**Pierre LaCroix:** So good. **In term of the outlook for the next quarter, should - - we should some kind of an improvement ROE I guess soon as the second?**

**Luc Langevin:** Absolutely, and the volume also is - - it's the stronger quarter for this business in general.

**Pierre LaCroix:** Good. **On the Greenpac, Marc-André, you mentioned that it was EBITDA positive in the first quarter. I guess there was some improvement from the fourth quarter. Was just curious if we are getting close to be breakeven or positive on the net income side and how far are we from that - - from positive net income?**

**Marc-André Dépin:** No, I think that - - like I said, we're progressing really well. We're happy with, like I said, the ramp up. For sure, we have some costs that we have to keep on improving, but we're confident

that you too will - - we've been improving every month, so there's no reason to believe we're not going to be improving in the months to come and to get to where we want to be financially, so...

**Mario Plourde:** But on the positive contribution to EPS towards the end of the year, we should achieve that.

**Pierre LaCroix:** Before the end of the year, okay good. **And one final, on the way away-from-home, Suzanne, you mentioned that there's a price increase being called and will be implemented soon. Is it in Canada and U.S. both or just one market?**

**Suzanne Blanchet:** It's both in the U.S. and (inaudible) - - Canada, yeah.

**Pierre LaCroix:** Okay. **And all the major players have announced it?**

**Suzanne Blanchet:** Yes.

**Pierre LaCroix:** 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.*

**Mario Plourde:** Thank you, operator. In conclusion, the first quarter represent a shortfall versus our expectation. We still believe, however, that we will do better this year than we did in 2013. Input cost should remain manageable. We do not foresee a strong appreciation of the Canadian dollar. Aside from Europe where the competitive environment might be challenging for recovered paper, our packaging product activity should continue to improve and should enjoy a seasonal pickup in demand in the next two



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quarters. The tissue sector will face headwinds in 2014 caused by additional capacity, national brands competitive stance, and tight supply change management by major retailer. Nevertheless, we are continuing to make inroads and are focusing on the successful expansion in the U.S. footprint at the moment. You saw from the data provided that Greenpac mill is progressing well. We are currently reaching new milestone in terms of daily production peaks. We will continue to ramp up and stabilize the activity with a particular focus on logistic activity. Finally, despite the recent weakness of the Canadian dollar and seasonal working capital requirements, we expect our leverage ratio to continue to improve in 2014.

We thank you for your support and wish you a very good day. Thank you very much.

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

Please Note: \* Proper names/organizations spelling not verified.  
[sic] Verbatim, might need confirmation.  
- - Indicates hesitation, faltering speech, or stammering.