JOINT MATERIAL CHANGE REPORT UNDER
SECTION 75(2) OF THE *SECURITIES ACT* (ONTARIO)
SECTION 118(1)(b) OF THE *SECURITIES ACT* (ALBERTA)
SECTION 67(1)(b) OF THE *SECURITIES ACT* (BRITISH COLUMBIA)
SECTION 81(2) OF THE *SECURITIES ACT* (NOVA SCOTIA)
SECTION 84(1)(b) OF THE *SECURITIES ACT* (SASKATCHEWAN)
SECTION 76(2) OF THE *SECURITIES ACT* (NEWFOUNDLAND)

ITEM 1. REPORTING ISSUERS

Cascades Inc.

The head office and principal office of Cascades Inc. ("Cascades") is located at 404 Marie-Victorin Street, P.O. Box 30, Kingsey Falls, Quebec, J0A 1B0.

Paperboard Industries International Inc.

The head office and principal office of Paperboard Industries International Inc. ("Paperboard") is located at 772 Sherbrooke Street West, Suite 300, Montreal, Quebec, H3A 1G1.

Perkins Papers Ltd.

The head office and principal office of Perkins Papers Ltd. ("Perkins") is located at 77 Marie-Victorin Boulevard, Candiac, Quebec, J5R 1C3.

Rolland inc.

The head office and principal office of Rolland inc. ("Rolland") is located at 2 Rolland Avenue, St-Jérôme, Quebec, J7Z 5S1.

ITEM 2. DATE OF MATERIAL CHANGE

The effective date of the material change was October 17, 2000.

ITEM 3. PRESS RELEASE

The joint press release was issued from Montreal, Quebec, on October 19, 2000.

ITEM 4. SUMMARY OF MATERIAL CHANGE

Please refer to the joint press release dated October 19, 2000, a copy of which is attached hereto.

ITEM 5. FULL DESCRIPTION OF MATERIAL CHANGE

The Combination

Cascades, Paperboard, Perkins and Rolland jointly announced on October 19, 2000 that they had entered into a combination agreement dated October 17, 2000 (the "Combination Agreement") for the purpose of combining the respective businesses of Paperboard, Perkins and Rolland under the full ownership of Cascades. The combination consists of (i) the amalgamation of Paperboard and 3715965 Canada Inc., a corporation incorporated under the *Canada Business Corporations Act* ("CBCA") solely for the purpose of effecting this amalgamation ("Paperboard Newco"), the only share of which is beneficially owned by Cascades and to which Cascades will transfer all the shares it holds in the share capital of Paperboard prior to the first day of the month following the fulfilment or waiver of the conditions set forth in the Combination Agreement (the "Effective Date") (the "Paperboard Amalgamation"); (ii) the amalgamation of Perkins and 3715973 Canada Inc., a corporation incorporated under the CBCA solely for the purpose of effecting this amalgamation ("Perkins Newco"), the only share of which is beneficially owned by Cascades and to which Cascades will transfer all of the shares it holds in the share capital of Perkins prior to the Effective Date (the "Perkins Amalgamation"); and (iii) the amalgamation of Rolland and 3715981 Canada Inc., a corporation incorporated under the CBCA solely for the purpose of effecting this amalgamation ("Rolland Newco"), the only share of which is beneficially owned by Cascades and to which Cascades will transfer all of the shares it holds in the share capital of Rolland prior to the Effective Date (the "Rolland Amalgamation") (the "Combination").

Upon implementing the Combination, the common shares of Paperboard (the "Paperboard Common Shares"), the common shares of Perkins (the "Perkins Common Shares") and the common shares of Rolland (the "Rolland Common Shares") held immediately prior to the Effective Date by the shareholders of Paperboard, Perkins and Rolland (the "Shareholders"), other than those held by Paperboard Newco, Perkins Newco or Rolland Newco, as the case may be, as assignee of the shares presently held by Cascades, and by any dissenting Shareholders, will be exchanged for common shares of Cascades (the "Cascades Common Shares"). The exchange of the Paperboard Common Shares, Perkins Common Shares or Rolland Common Shares, as the case may be, for Cascades Common Shares will use the appropriate exchange ratio for each of Paperboard, Perkins and Rolland (the "Exchange Ratio"). In addition, the Class A preferred shares of Paperboard ("Paperboard Class A Preferred Shares") and the Class B preferred shares of Paperboard ("Paperboard Class B Preferred Shares") outstanding on the Effective Date will be converted into shares of the share capital of the amalgamated corporation resulting from the Paperboard Amalgamation ("Paperboard Amalco") carrying rights, privileges, restrictions and conditions which are the same in all material respects as those of the Paperboard Class A Preferred Shares or Paperboard Class B Preferred Shares, as the case may be. The common shares of Paperboard Amalco issued upon the conversion of the class B preferred shares of Paperboard Amalco may, at the option of Cascades or any holder of the Class B preferred shares of Paperboard Amalco exercising his conversion privilege, pursuant to contractual agreements entered into between Cascades and the holders of Paperboard Class B Preferred Shares, be exchanged for Cascades Common Shares on the basis of the same Exchange Ratio used to exchange Paperboard Common Shares for Cascades Common Shares pursuant to the Paperboard Amalgamation.

Under the Combination:

(a) each Paperboard Common Share outstanding on the Effective Date, other than those held by Paperboard Newco, as assignee of the shares presently held by Cascades, and by any dissenting Shareholders, will be exchanged for 0.24 Cascades Common Share;

(b) each Paperboard Class A Preferred Share outstanding on the Effective Date will be converted into one class A preferred share of Paperboard Amalco;

(c) each Paperboard Class B Preferred Share outstanding on the Effective Date will be converted into one class B preferred share of Paperboard Amalco;

(d) each Perkins Common Share outstanding on the Effective Date, other than those held by Perkins Newco, as assignee of the shares presently held by Cascades, and by any dissenting Shareholders, will be exchanged for 0.64 Cascades Common Share;

(e) each Rolland Common Share outstanding on the Effective Date, other than those held by Rolland Newco, as assignee of the shares presently held by Cascades, and by any dissenting Shareholders, will be exchanged for 0.73 Cascades Common Share;

(f) each common share of the share capital of Paperboard Newco, Perkins Newco and Rolland Newco outstanding on the Effective Date will be converted into one common share in the respective share capital of (i) Paperboard Amalco; (ii) the amalgamated corporation resulting from the Perkins Amalgamation (the " Perkins Amalco"); and (iii) the amalgamated corporation resulting from the Rolland Amalgamation (the "Rolland Amalco"); and

(g) Cascades shall receive one common share in the share capital of Paperboard Amalco, Perkins Amalco or Rolland Amalco for each Cascades Common Share issued respectively by Cascades to Paperboard Shareholders, Perkins Shareholders and Rolland Shareholders.

Based on the number of shares of Cascades and of each of Paperboard, Perkins and Rolland outstanding as at October 13, 2000, upon completion of the Combination, Cascades will have a total of 81,589,175 Cascades Common Shares issued and outstanding, held as follows:

Shareholder Groups	Number of Cascades Common Shares(1)	% of Class(1)
Cascades former Shareholders	66,902,210	82.0
Paperboard former Shareholders (other than Paperboard Newco as assignee of the shares presently held by Cascades)	3,219,292	4.0
Perkins former Shareholders (other than Perkins Newco as assignee of the shares presently held by Cascades)	6,956,812	8.5
Rolland former Shareholders (other than Rolland Newco as assignee of the shares presently held by Cascades)	4,510,861	5.5
Total	**81,589,175**	**100.0**

1. Without taking into account the impact of the redemption of shares of any dissenting Shareholders of any of Paperboard, Perkins and Rolland or the issue of shares resulting from the exercise of conversion rights attaching to the Class B preferred shares of Paperboard Amalco or from the exercise of any outstanding options.

Holders of Paperboard Common Shares, Perkins Common Shares and Roland Common Shares are entitled to dissent and be paid the fair value of the shares owned by such shareholders in the event that Cascades does not exercise its termination rights in such circumstances and the Combination is completed.

It is anticipated that the Effective Date of the Combination will be January 1, 2001.

Reasons for and Benefits of the Combination

The underlying reason for the proposed Combination is that it should enhance the valuation of Cascades, Paperboard, Perkins, Rolland, Norampac Inc., Boralex Inc. and their respective subsidiaries (the “Cascades Group”) and thereby facilitate financing of future growth. The Combination will result in a variety of benefits to the shareholders of Cascades and to the Shareholders of the Paperboard, Perkins and Rolland, including the following:

(a) the size of the public share float of Cascades, Paperboard, Perkins and Rolland and the market liquidity of their shares will be enhanced by the Combination when compared to the current float and liquidity of Cascades and each of Paperboard, Perkins and Rolland as a separate public entity. The Combination will increase the public share float of Cascades by approximately 40% and should contribute to reduce the liquidity discount which has been applied by the markets to the Cascades Common Shares;

(b) the increased market capitalization of Cascades following the Combination should facilitate the Cascades Group’s access to financial markets for the financing of future growth and the creation of shareholders’ value;

(c) the holding company discount which has been applied by the stock market to the Cascades Common Shares is expected to be reduced for the benefit of the shareholders of Cascades and of Shareholders of Paperboard, Perkins and Rolland once the Combination is completed; and

(d) the corporate structure of the Cascades Group will be simplified as there will be only one public entity for Cascades, Paperboard, Perkins and Rolland.

Valuation Report and Fairness Opinion

On July 7, 2000, the independent committees of the respective Board of Directors of Paperboard, Perkins and Rolland (the "Independent Committees") formally retained UBS Bunting Warburg Inc. ("UBS Warburg") to prepare and deliver to each Independent Committee, a formal valuation of the common shares of each of Paperboard, Perkins and Rolland as well as an opinion as to the fairness, from a financial point of view, of the Combination to the minority shareholders of each of Paperboard, Perkins and Rolland and to provide advice and assistance in evaluating the Combination.

In the opinion of UBS Warburg, as of August 11, 2000, being the last business day before UBS Warburg presented to the Independent Committees its report and findings on the proposed Combination, the value of the common shares of each of Paperboard, Perkins and Rolland, was in the range of \$2.25 to \$3.00 for Paperboard, \$7.25 to \$8.00 for Perkins and \$7.50 to \$8.50 for Rolland. In addition, UBS Warburg was of the opinion that the Combination is fair, from a financial point of view, to minority shareholders of each of Paperboard, Perkins and Rolland. A copy of the valuation report and fairness opinion prepared by UBS Warburg to the Independent Committees is attached to the joint management information circular prepared by Paperboard, Perkins and Rolland and to be distributed to the Shareholders.

Recommendations of Directors

The Board of Directors of each of Paperboard, Perkins and Rolland has determined that the Combination is in the best interests of such corporation and the minority shareholders of Paperboard, Perkins or Rolland, as the case may be, has approved the participation of Paperboard, Perkins or Rolland, as the case may be, in the Combination on the terms and conditions set forth in the Combination Agreement, and recommends that the Shareholders of Paperboard, Perkins or Rolland, as the case may be, vote in favour of the special resolution approving respectively the Paperboard Amalgamation, the Perkins Amalgamation or the Rolland Amalgamation, as the case may be.

Shareholders' Approval

The Combination must be approved by (i) a resolution requiring a majority of not less than two-thirds of the votes cast by the Shareholders of each of Paperboard, Perkins and Rolland; and (ii) a majority of the votes cast by the minority shareholders of each of Paperboard, Perkins and Rolland. The special meeting of shareholders of each of Paperboard, Perkins and Rolland will be held on December 4, 2000 for that purpose. In addition, the Paperboard Amalgamation must be approved by not less than two-thirds of the votes cast by the holders of Paperboard Class A Preferred Shares voting separately as a class, and by the holders of Paperboard Class B Preferred Shares voting separately as a class, said approvals were obtained through signed resolutions dated as of September 29, 2000.

A joint management information circular will be mailed to each of Paperboard's, Perkins', and Rolland's shareholders as soon as practicable.

ITEM 6. CONFIDENTIAL REPORT

Not applicable.

ITEM 7. OMITTED INFORMATION

No significant facts have been omitted from this report.

ITEM 8. SENIOR OFFICERS

Cascades

Robert F. Hall, Vice President Legal Affairs and Corporate Secretary of Cascades is the officer of Cascades knowledgeable about the details of this material change report.

Paperboard

Louise Paul, Assistant Corporate Secretary and Legal Counsel of Paperboard is the officer of Paperboard knowledgeable about the details of this material change report.

Perkins

Michèle Beauchamp, Corporate Secretary and Legal Counsel of Perkins is the officer of Perkins knowledgeable about the details of this material change report.

Rolland

Robert F. Hall, Secretary and General Counsel of Rolland is the officer of Rolland knowledgeable about the details of this material change report.

THE FOREGOING ACCURATELY DISCLOSES THE MATERIAL CHANGE REFERRED TO HEREIN, IN WITNESS WHEREOF THIS REPORT IS EXECUTED AT MONTREAL, THIS 20TH DAY OF OCTOBER, 2000.

CASCADES INC.

Per: (s) Robert F. Hall

Robert F. Hall
Vice President Legal Affairs and
Corporate Secretary

PAPERBOARD INDUSTRIES INTERNATIONAL INC.

Per: (s) Louise Paul

Louise Paul
Assistant Corporate Secretary and
Legal Counsel

PERKINS PAPERS LTD.

Per: (s) Michèle Beauchamp

Michèle Beauchamp
Corporate Secretary and Legal Counsel

ROLLAND INC.

Per: (s) Robert F. Hall

Robert F. Hall
Secretary and General Counsel

The Financial Restructuring Proposal of the Cascades Group Has Been Approved by the Board of Directors of its Subsidiaries

Kingsey Falls (Quebec), October 19, 2000 - The Cascades Group announces that the Board of Directors of its subsidiaries Paperboard Industries International Inc. ("Paperboard", TSE: PI,) Perkins Papers Ltd. ("Perkins", TSE: PKN) and Rolland Inc. ("Rolland", TSE: RL) have all approved the financial restructuring proposal aimed at improving its valuation on the financial markets and to sustain its future growth. The Boards have determined that the restructuring was in the best interest of the subsidiaries in question and of their minority shareholders. They are therefore recommending to their respective shareholders to vote in favour of the financial restructuring of the Cascades Group.

As previously announced, the proposed restructuring consists of exchanging all of the common shares held by the minority shareholders of Paperboard, Perkins and Rolland for new common shares of Cascades. Upon completion of the restructuring, Cascades will become the owner of all Paperboard's, Perkins' and Rolland's common shares. This restructuring will require the issuance of approximately 14.7 million common shares of Cascades Inc. to the minority shareholders of the concerned subsidiaries, bringing the number of shares issued and outstanding of Cascades to approximately 81.6 million. The operation will entail a dilution of the majority shareholder of Cascades, the Lemaire family, from 46% to approximately 38%. As per the terms of this restructuring, the public will own approximately 50.7 million shares, compared with approximately 36 million at this time.

APPROVAL PROCESS

At the time of the announcement of the financial restructuring proposal of the Cascades Group on July 10, 2000, the Board of Directors of Paperboard, Perkins and Rolland formed special independent committees to review the proposal and table recommendations to their respective Board of Directors on the equitable and fair nature of the proposal.

These independent committees were made up of the following persons:

- Paperboard: Messrs. John T. Evans, President of the committee, Cam Gentile and David R. Peterson
- Perkins: Messrs. Robert P. Kanee, President of the committee, Germain P. Lecours and Yves Séguin
- Rolland: Messrs. Gérald Tremblay, President of the committee, Stanislas Rolland, Carmand Normand as well as Ms. Marie-José Nadeau.

They retained UBS Bunting Warburg to act as independent valuator and they each retained the services of independent legal counsel.

> These independent committees reviewed the Cascades proposal and recommended to their respective Board of Directors that it be approved based on, among other things, the opinion given by the independent valuator that the offer is fair and equitable. The Boards of Directors therefore approved the transaction and they recommend that their shareholders familiarize themselves with the details of the transaction in the information circular that will be sent to them within the next few days and vote in favour of the financial restructuring.

The information circular will also be available on the Cascades Internet site at www.cascades.com. Special shareholders meetings will be held on December 4th, 2000 in order to allow shareholders to vote on the proposed financial restructuring. The restructuring must be approved by a majority of the minority shareholders of Paperboard, Perkins and Rolland present at the above mentioned meetings. The holders of the Class A and B preferred shares of Paperboard have already approved the proposed restructuring.

TERMS OF THE RESTRUCTURING

Further to the mandate carried out by UBS Bunting Warburg, the independent financial advisor retained by the subsidiaries in question, it was agreed between Cascades and the independent committees of each subsidiary to upwardly revise the exchange ratio proposed for Perkins. The latter is now set at 0.64 per common share of Cascades for each common share for Perkins compared with 0.60 at the time of the initial proposal. The ratios proposed on July 10, 2000 with regard to Paperboard and Rolland, were accepted. These ratios are 0.24 common share of Cascades for each common share of Paperboard and 0.73 common share of Cascades for each common share of Rolland.

A TIMELY RESTRUCTURING

> In commenting on this proposed financial restructuring, Mr. Laurent Lemaire, the President and Chief Executive Officer of Cascades, reiterated: “The financial structure that was put into place during the last few years allowed Cascades to grow quickly. However, the relatively small size of the public floats of our subsidiaries, combined with the low volume of share transactions made it difficult to finance growth through the issuance of new shares. For these reasons, we propose to reorganize these subsidiaries under one public entity, Cascades Inc., that will serve

to finance growth in our three main sectors being packaging products, tissue papers and fine papers.

We believe these changes will contribute to making Cascades an investment of choice in the pulp and paper sector increasing the number of shares available to the public by 40% and creating a vehicle that will be well equipped to continue its high rate of growth in a consolidating industry. We also believe these changes will eliminate the important holding company discount associated with its present financial structure.

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Corporate Contacts:

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