

CASCADES

RBC Capital Markets

Paper, Packaging &
Forest Products
Conference



Cascades

GREEN BY NATURE™

RECOVERY + PACKAGING + PAPER

CASCADES.COM

November 2010



DISCLAIMER

Certain statements in this presentation, including statements regarding future results and performance, are forward-looking statements within the meaning of securities legislation based on current expectations. The accuracy of such statements is subject to a number of risks, uncertainties and assumptions that may cause actual results to differ materially from those projected, including, but not limited to, the effect of general economic conditions, decreases in demand for the Company's products, the prices and availability of raw materials, changes in the relative values of certain currencies, fluctuations in selling prices and adverse changes in general market and industry conditions. This presentation also includes price indices as well as variance and sensitivity analyses that are intended to provide the reader with a better understanding of the trends related to our business activities. These items are based on the best estimates available to the Company.

The financial information included in this presentation also contains certain data that are not measures of performance under Canadian GAAP ("non-GAAP measures"). For example, the Company uses earnings before interest, taxes, depreciation and amortization (EBITDA) because it is the measure used by management to assess the operating and financial performance of the Company's operating segments. Such information is reconciled to the most directly comparable financial measures, as set forth in the "Supplemental Information on Non-GAAP Measures" section of our most recent quarterly report or annual report.

Specific items are defined as items such as charges for impairment of assets, for facility or machine closures, debt restructuring charges, gains or losses on sales of business units, unrealized gains or losses on derivative financial instruments that do not qualify for hedge accounting, foreign exchange gains or losses on long-term debt and other significant items of an unusual or non-recurring nature.

All amounts in this presentation are in Canadian dollars unless otherwise indicated.



KEY INVESTMENT MERITS



Integrated business
model

Leading market
positions

Improved balance
sheet and ratios

"Green" product
focus

Improved financial
results and strong
focus on FCF

Stable and consumer-
oriented end market
exposure



CascaDes

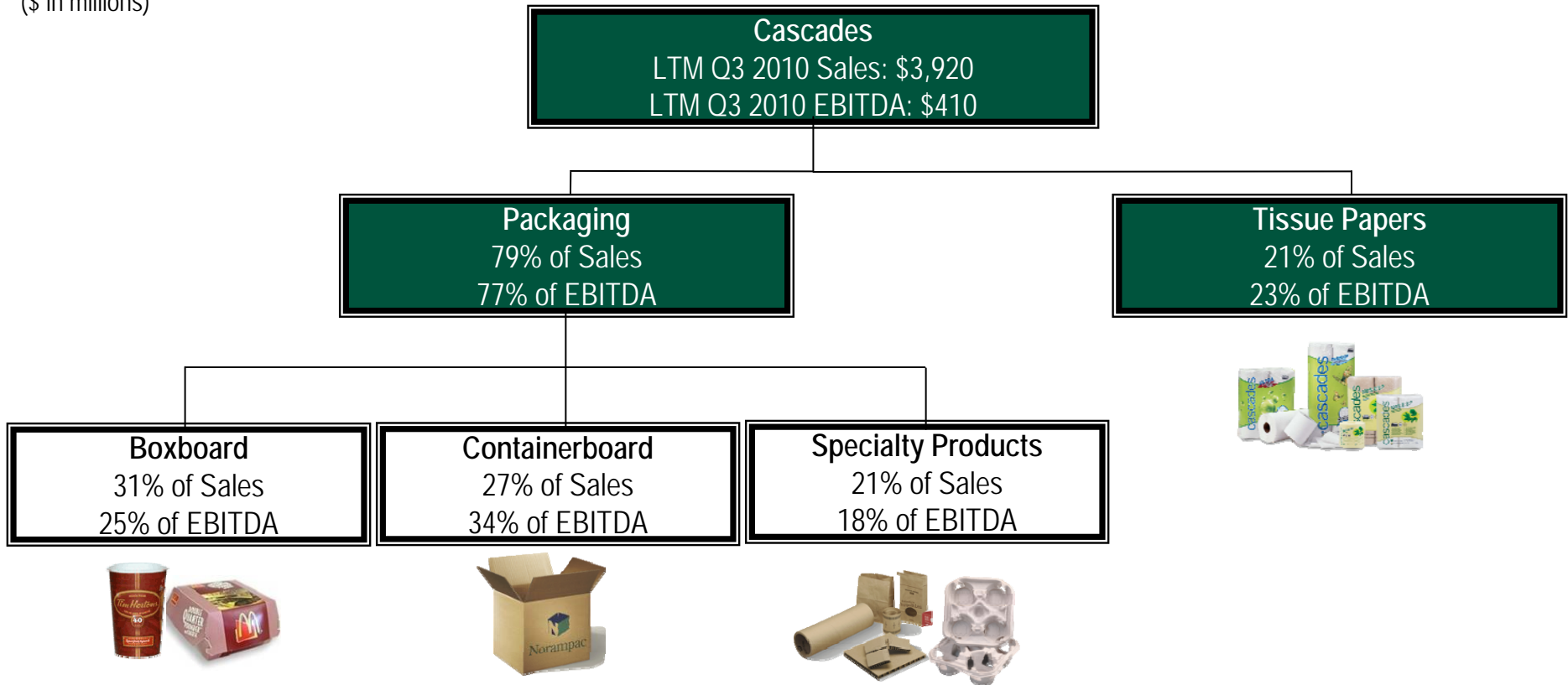
Healthy business
conditions



BALANCED PACKAGING AND TISSUE PLAY



(\$ in millions)

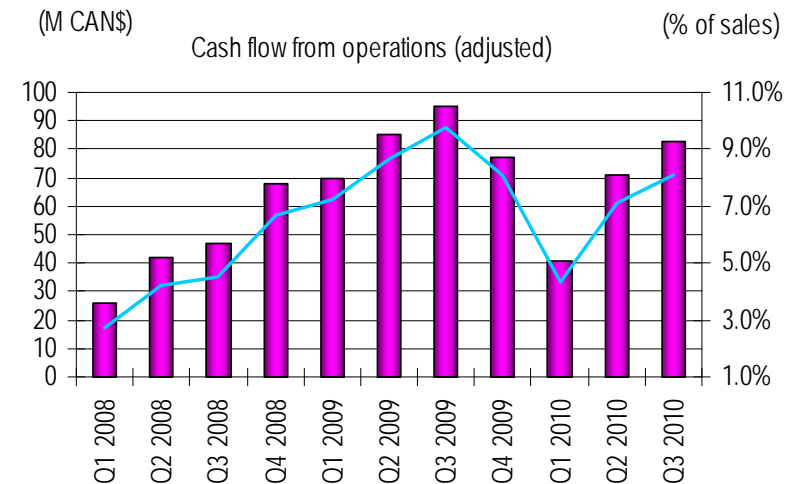
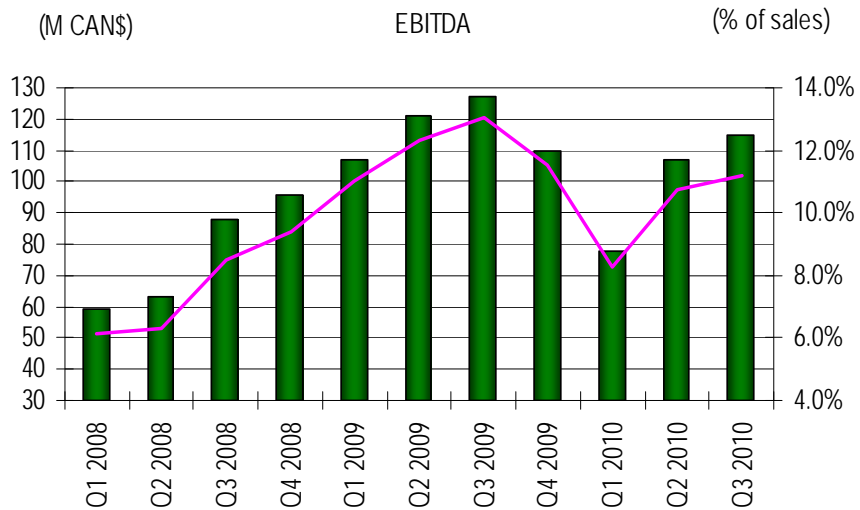


Leading North American packaging and tissue manufacturer with substantial recycling capabilities

EBITDA excluding specific items. Breakdown of sales and EBITDA before eliminations & corporate activities.

SUMMARY OF FINANCIAL RESULTS

	2008					2009					2010	
(In millions of CAN\$, except amount per share)	Year	Q1	Q2	Q3	Q4	Year	Q1	Q2	Q3	YTD	LTM	
Financial results												
Sales	4,017	970	981	974	952	3,877	942	998	1,028	2,968	3,920	
Excluding specific items												
EBITDA	306	107	121	127	110	465	78	107	115	300	410	
Net earnings (loss)	4	21	28	35	26	110	-	21	28	49	75	
Net earnings (loss) per share	0.04	0.22	0.28	0.36	0.27	1.13	-	0.22	0.29	0.51	0.78	
Cash flow from operations (adjusted)	183	70	85	95	77	327	41	71	83	195	272	



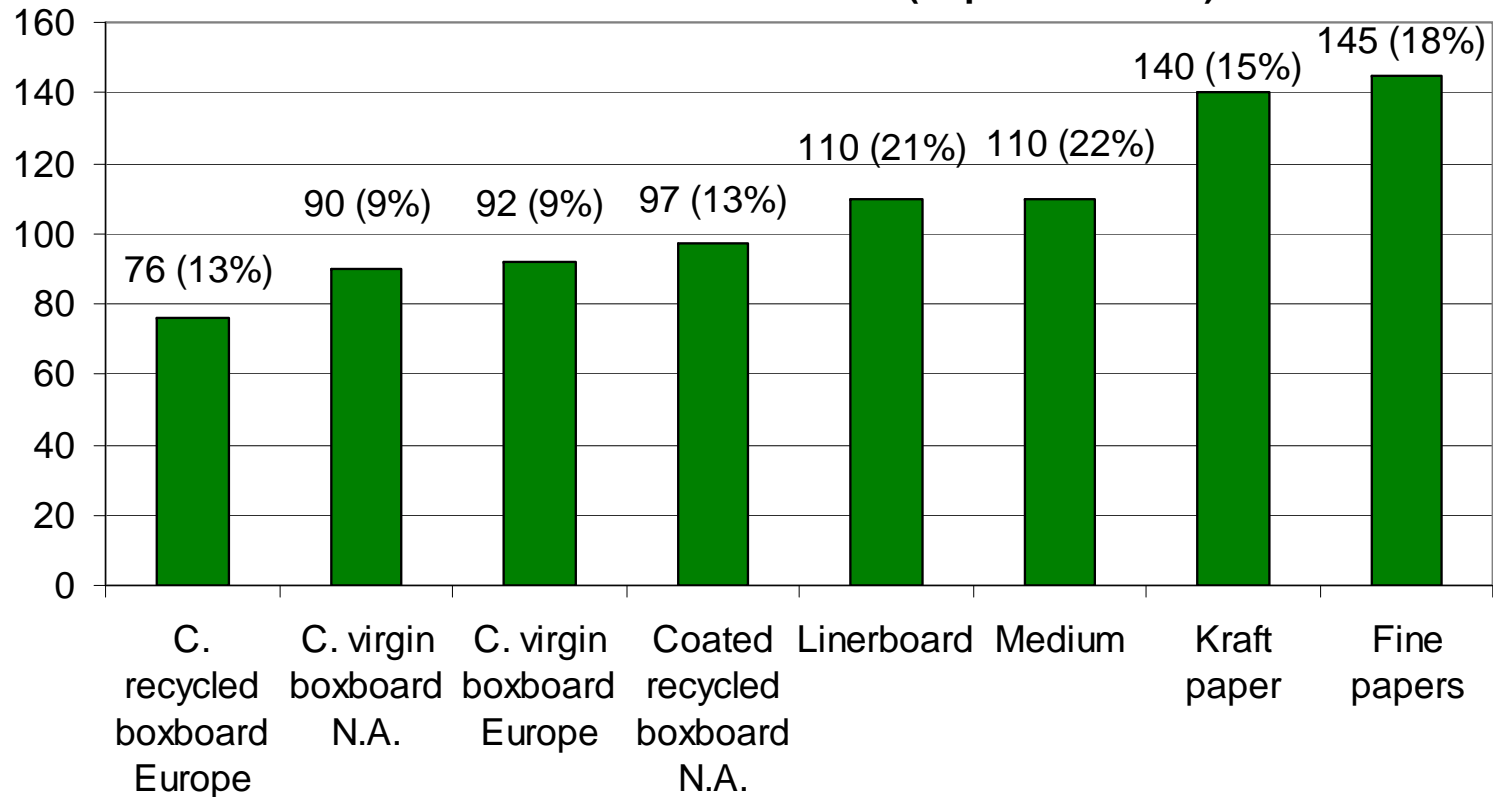
Considerable increase in EBITDA & cash flow relative to Q2 2010



UPWARD SELLING PRICES



Y-o-Y Price increases (September 2010)







Good pricing momentum in all segments



VALUE CREATION THROUGH FOCUS ON ROA



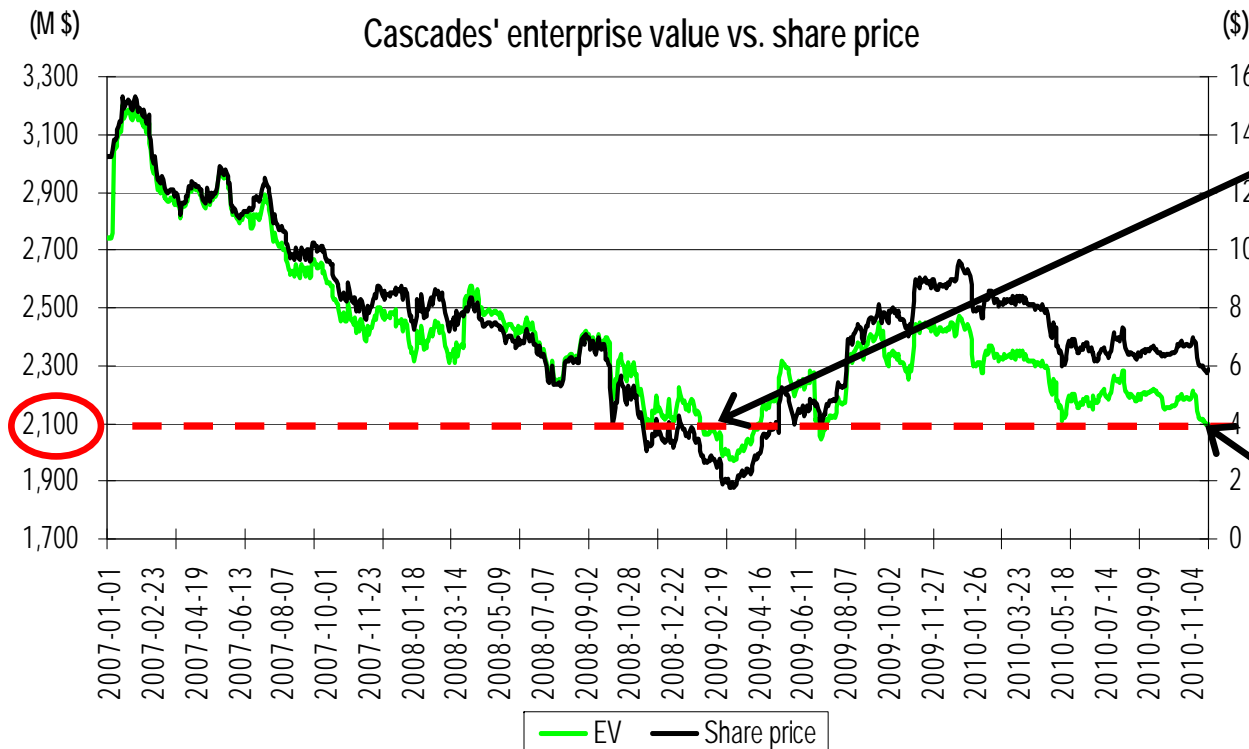
		Return on assets			% of assets (average assets)
		2008	2009	LTM Q3 2010	
Boxboard		3%	11%	12%	24%
Containerboard		9%	10%	11%	36%
Specialty products		11%	13%	13%	15%
Tissue papers		18%	27%	16%	16%
Total Cascades		8%	12%	11%	

Continuous focus on ROA to reach 15% within 3 to 5 years

Return on assets is a non-GAAP measure and is defined as: LTM EBITDA excluding specific items / LTM Average of total quarterly assets. Corporate assets represent 9% of total assets.



ENTRY POINT ?



	2008
EBITDA Margins (%)	8
ROA (%)	8
FCF (M\$)	(79)
Net debt (M\$)	1,800
Net debt/EBITDA	5.9

	LTM Q3 2010
EBITDA Margins (%)	10
ROA (%)	11
FCF (M\$)	56
Net debt (M\$)	1,516
Net debt/EBITDA	3.7

Since the acquisition of Norampac, the last time CAS traded at the level, profitability, balance sheet and risk premiums were not where they are today



APPENDICES



COMPANY OVERVIEW



LEADING MARKET POSITIONS



One of two North American public companies in packaging & tissue
Leverage to 4 million tons (74 % recycled)

PACKAGING

- **Global leader** in coated recycled boxboard
 - 2nd in Europe¹
 - 3rd in North America
- **#1** North American Quick-service-restaurant carton and cup producer (Dopaco)
- **#1** Canadian containerboard producer (Norampac)
- **#1** Canadian recycled fine paper producer
- **#1** Canadian recycled paper collector

TISSUE

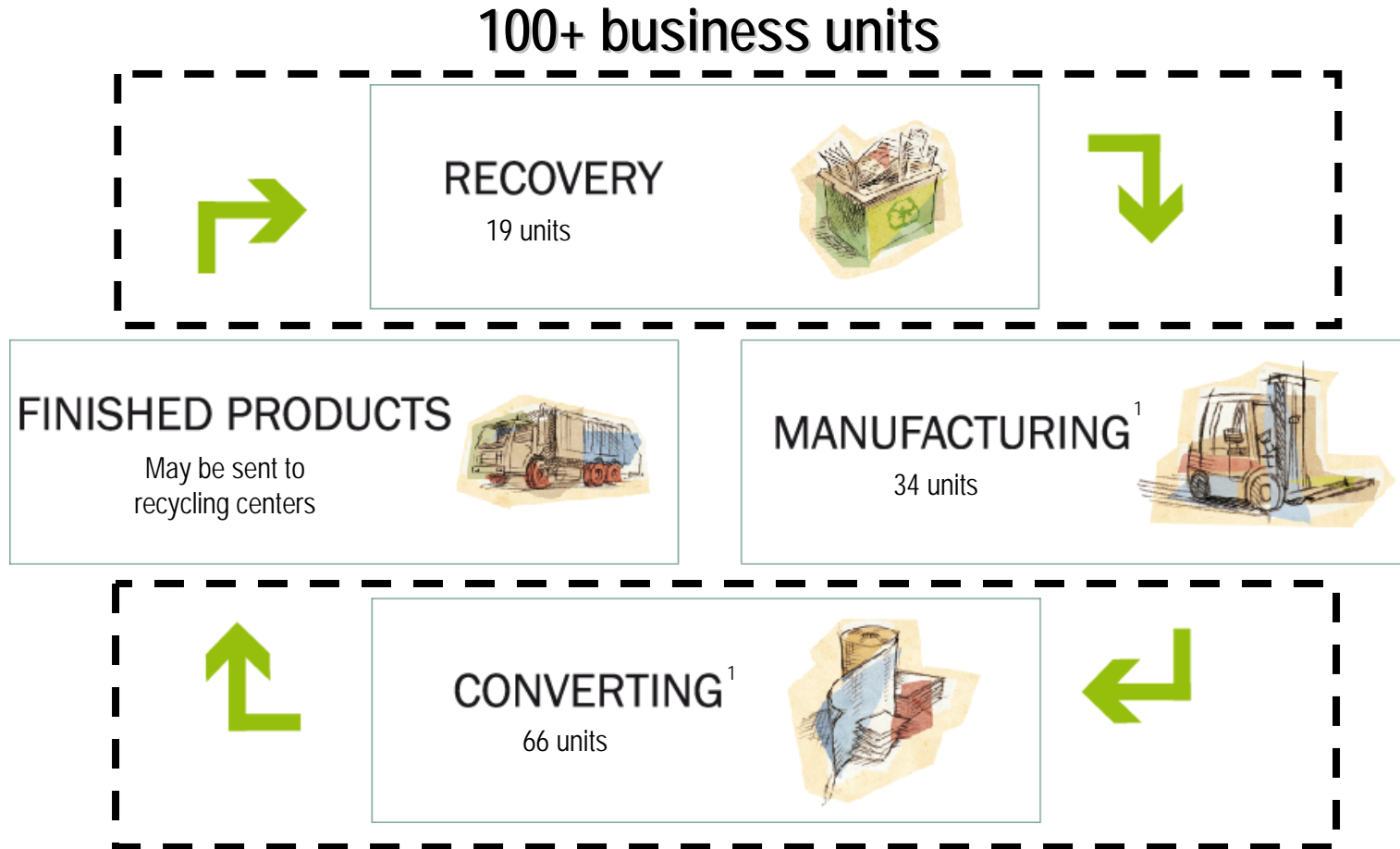
- **Co-leader** in Canada and **4th largest** in North America
- **#1** "green" tissue papers retail brand in Canada

Leading market positions complement our upstream recycling operations

¹Includes our share of Reno de Medici.



BALANCED PACKAGING AND TISSUE PLAY



Evolving to a closed-loop business model that offers a variety of green products

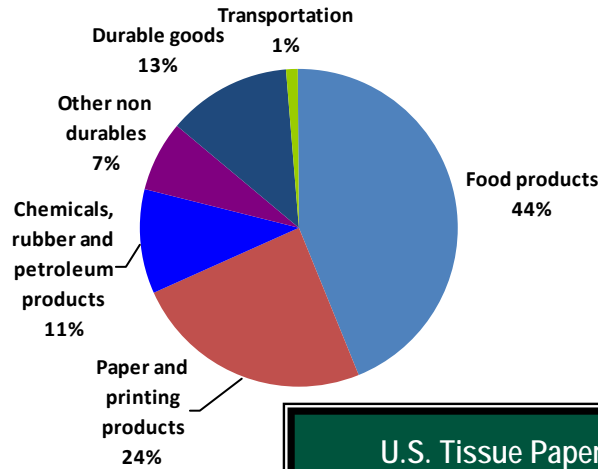
¹Includes the 6 manufacturing/converting tissue papers units and 7 Reno de Medici's units.



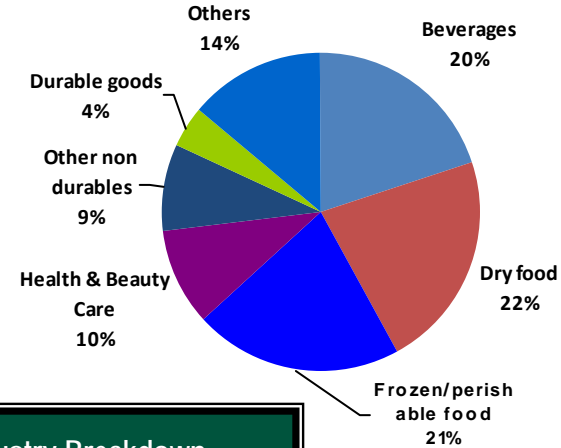
RELATIVELY STABLE END MARKET EXPOSURE



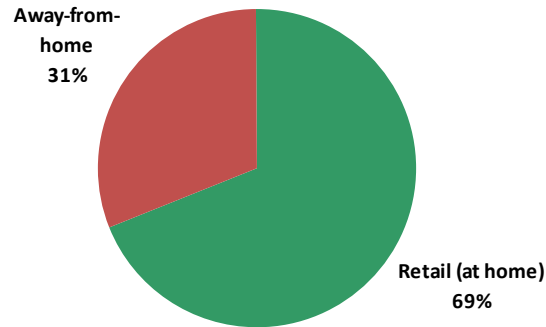
U.S. Corrugated Box Shipments Industry Breakdown



U.S. Folding Carton Industry Breakdown



U.S. Tissue Paper Products Shipments Industry Breakdown



Similar to industry, Cascades' sales are mostly exposed to less cyclical end-use markets



GEOGRAPHIC AND PRODUCT DIVERSITY



Capacity (in 000's) ¹

Boxboard

Mill ² 979 ST
 Converting 241 ST

Containerboard

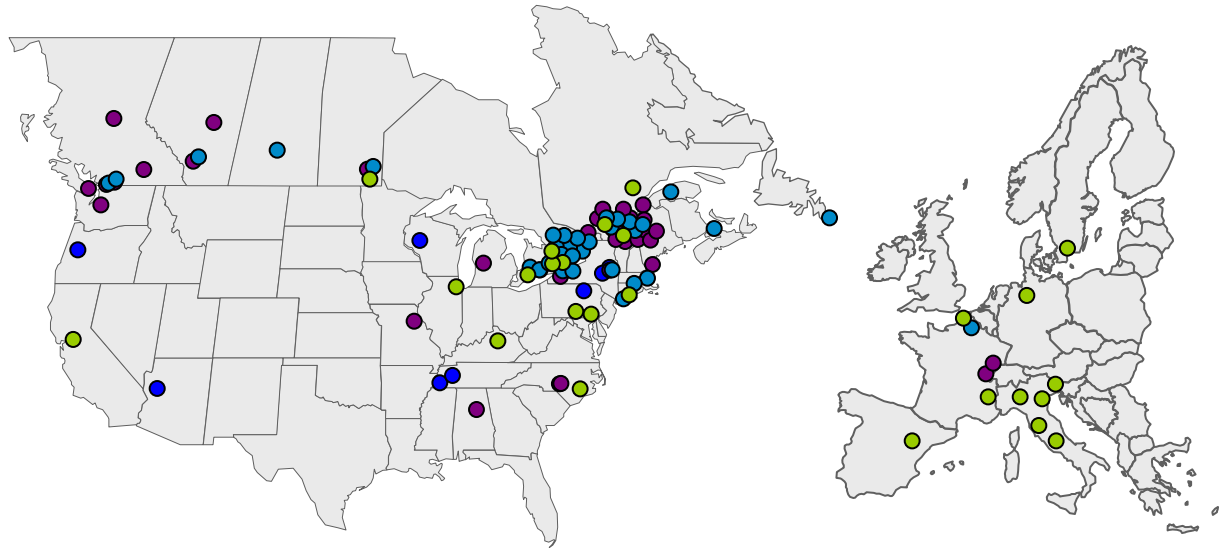
Mill 1,270 ST
 Converting 11,732 MSF

Specialty Products

Industrial Packaging 387 MT or SQ FT
 Consumer Packaging 44,000 KG
 Specialty Paper 596 ST
 Recovery and Recycling 1,500 ST

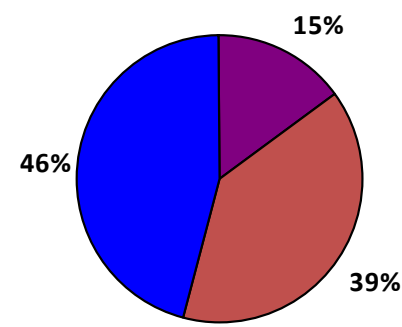
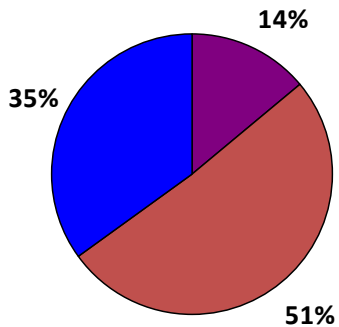
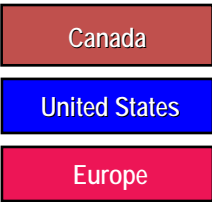
Tissue Paper

Mill 664 ST
 Converting n/a



Sales «from» (source) 2009

Sales «to» (destination) 2009

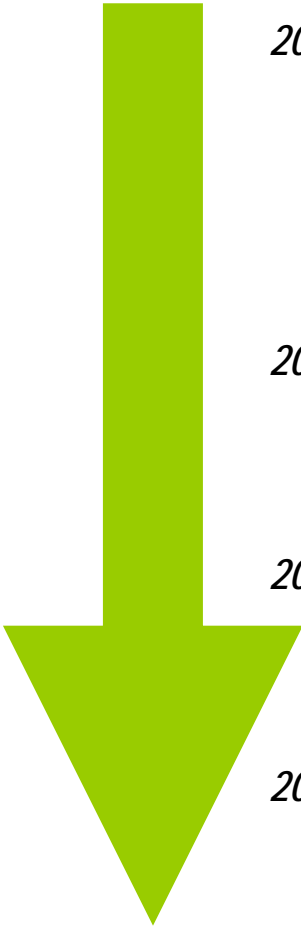


¹Theoretical capacity. ²Including our share of Reno de Medici S.p.A.
 Note: ST – Short Tons; MT – Metric Tonnes; MSF – Million Square Feet; SQ FT – Square Feet; and KG – Kilograms.



PROACTIVELY ADJUSTING ASSET BASE



- 
- 2006:*
 - Implementation of several restructuring measures in our fine paper operations
 - Acquisition of Domtar's 50% stake in Norampac
 - Acquisition of recycled boxboard assets (Simkins, Caraustar)
 - Sale of our fine papers distribution assets
 - Closure of our pulp mill and sawmill
 - 2007:*
 - Sale of our interest in two boxboard converting joint ventures
 - Sale of Red Rock, Ontario containerboard mill and Thunder Bay, Ontario fine papers mill
 - 2008:*
 - Merger of our European recycled boxboard assets with Reno de Medici S.p.A
 - Closure of Toronto, Ontario recycled boxboard mill
 - Sale of our Greenfield, France deinked pulp mill
 - 2009:*
 - Acquisition of Atlantic Packaging's tissue paper assets
 - Acquisition of Yorkshire Paper Corporation and Sonoco's Canadian Recycling Operations

Proactively adjusting asset base to reduce costs, improve financial flexibility and redeploy capital towards core segments



INVESTMENTS WITH STRONG POTENTIAL

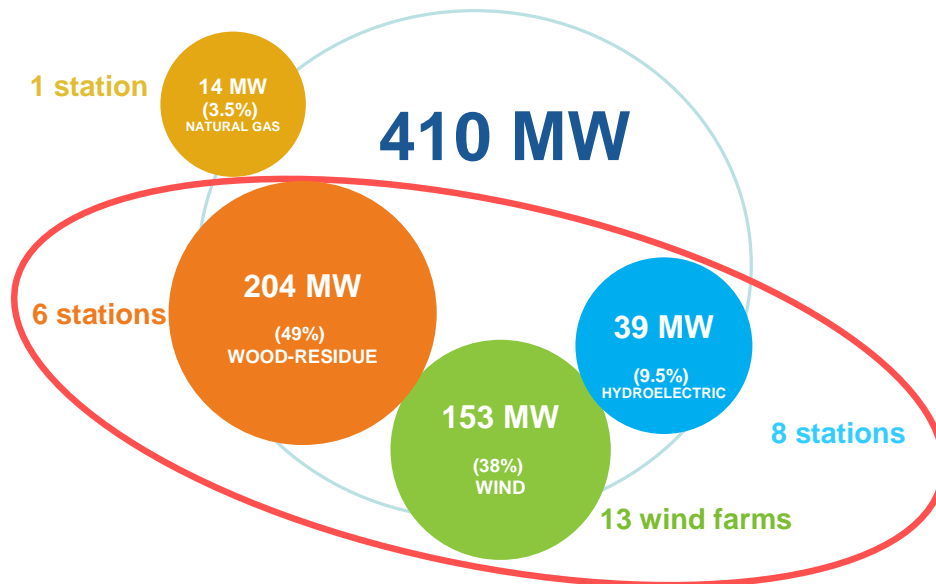


RenoDeMedici



- 35% equity investment in this publicly traded renewable energy producer (BLX: Toronto)
- Market Value*: +/- \$1.20 per Cascades share

- 39% equity investment in this publicly traded European boxboard producer (RM: Milan)
- Market value*: +/- \$0.55 per Cascades share
- Total Capacity: 992,000 tons

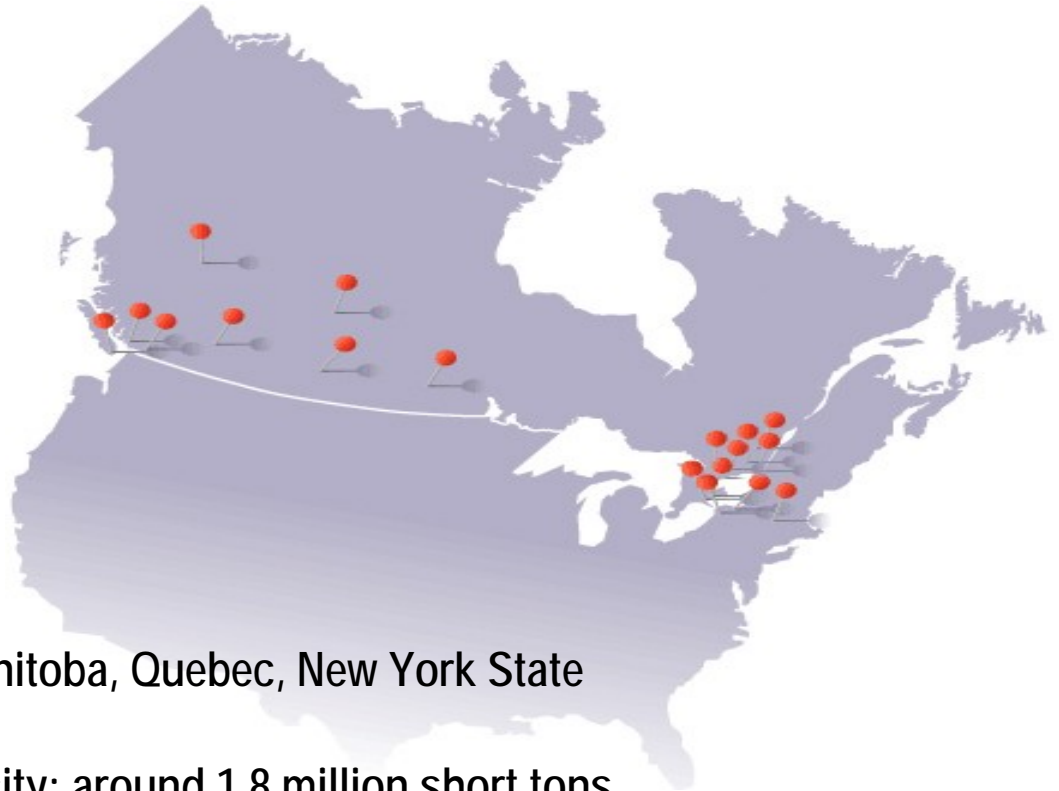


Strong growth & turnaround stories currently worth +/- \$1.75 per CAS share

* As of November 15, 2010.



CANADIAN LEADER IN PAPER RECOVERY



- Material Sorting Facilities (MRF): 19
- Major Regions: BC, Alberta, Ontario, Manitoba, Quebec, New York State
- Annual brokerage and processing capacity: around 1.8 million short tons

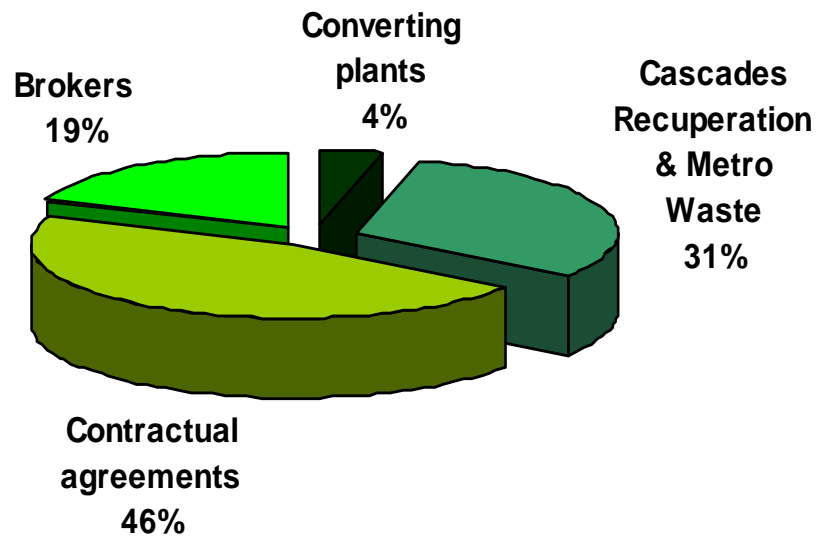
Proactively managing raw material supply



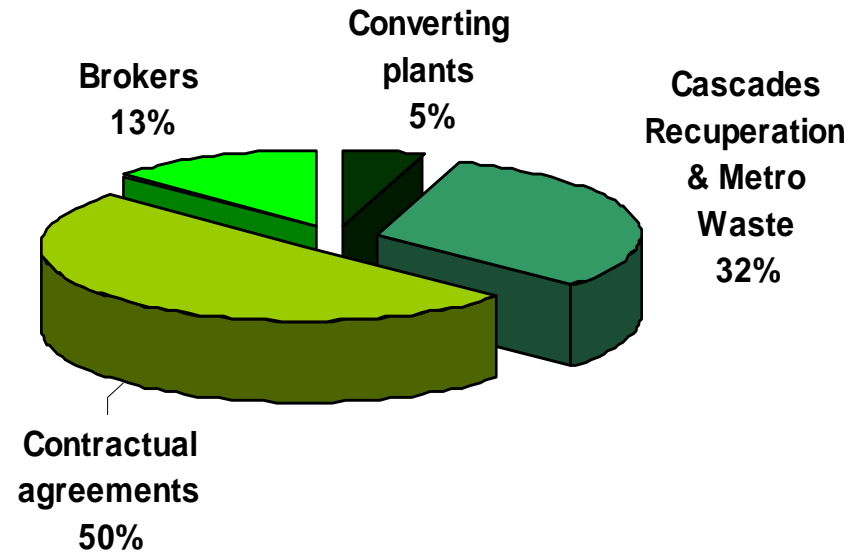
NORTH AMERICAN RECYCLED FIBRE SUPPLY



2008



2009



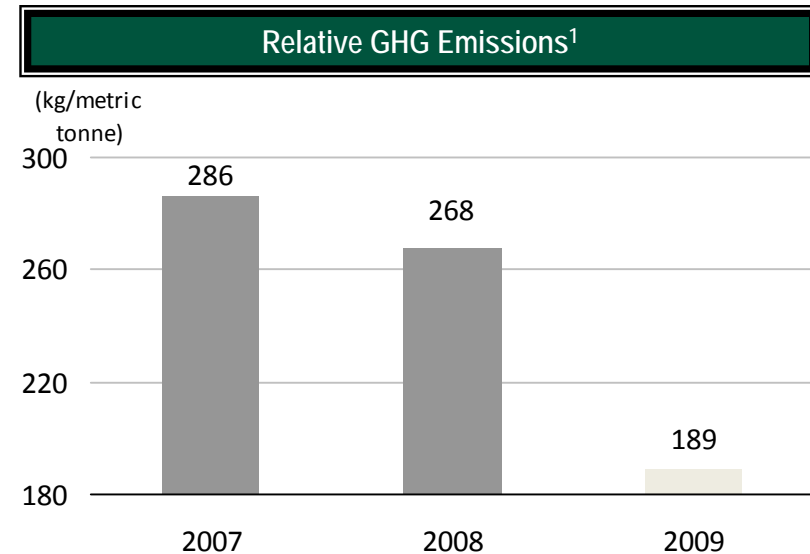
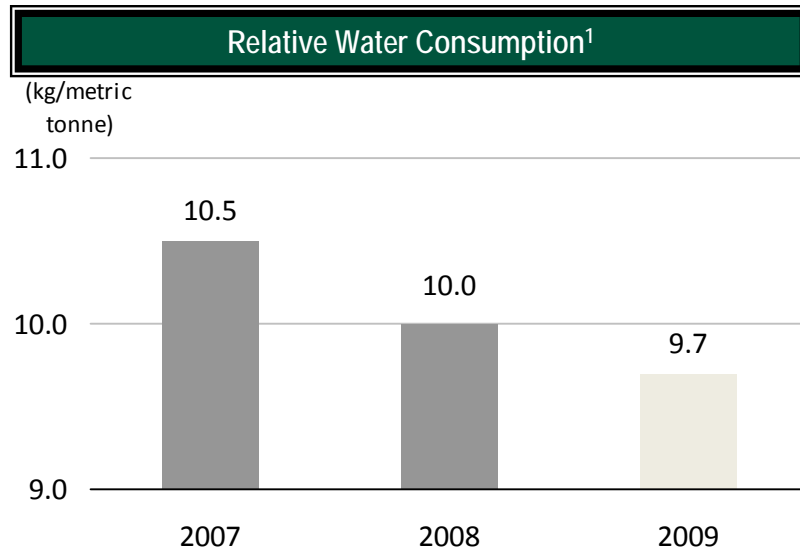
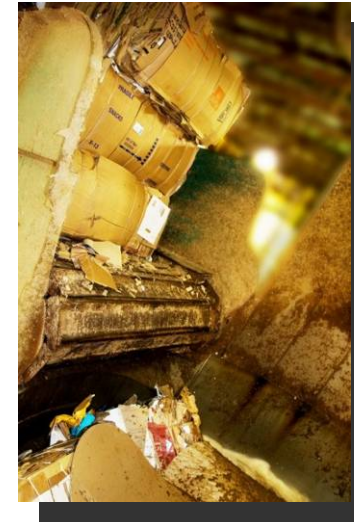
Control over 87% of our fibre supply



PIONEER OF SUSTAINABLE DEVELOPMENT



- 2.5 million short tons of recycled fibres (consumption)
- 9.7 m³ of water used per metric tonne of paper¹
- Continuous reduction in energy consumption & GHG emissions
- Beneficial use of 63% of generated waste



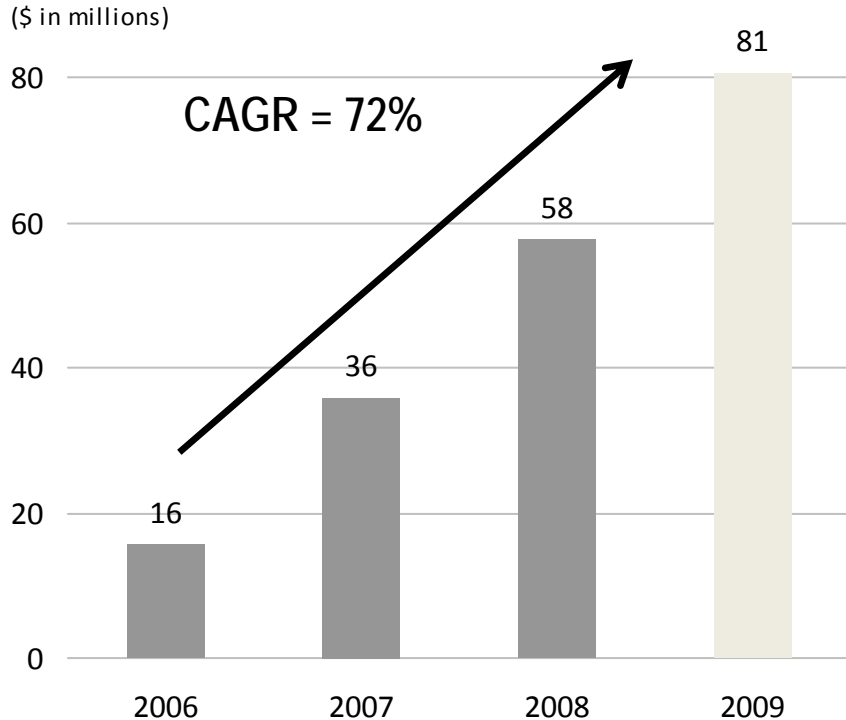
¹2007 and 2008 data includes the two recycled boxboard mills that were transferred to Reno De Medici in March 2008. All the data excludes our participation in Reno De Medici S.p.A.



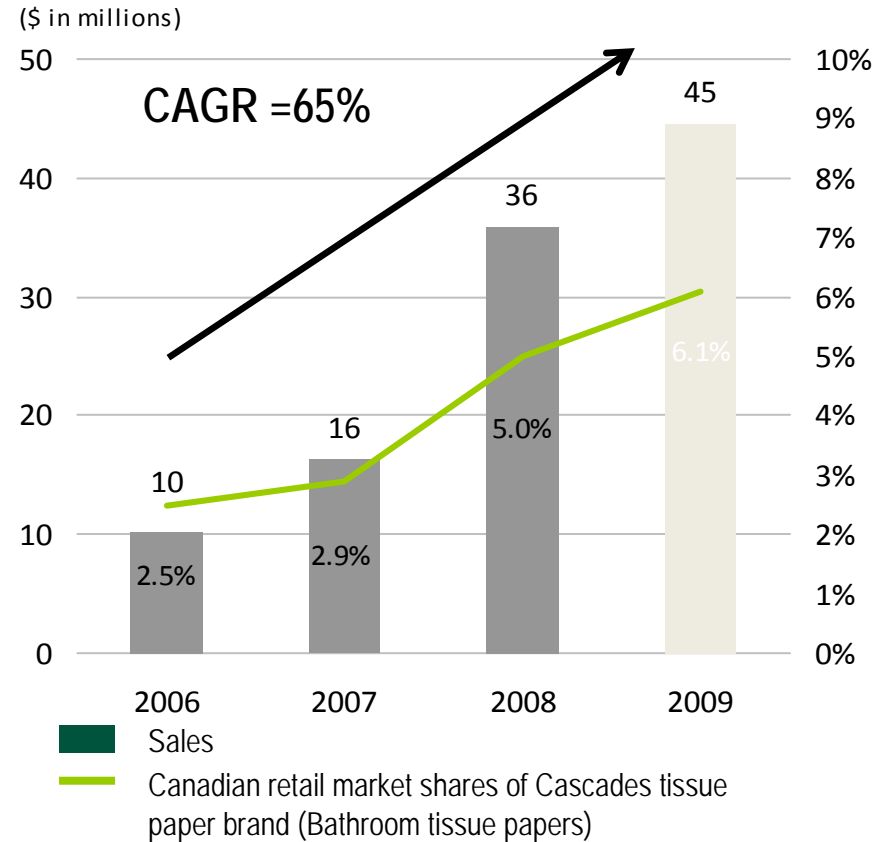
LEADER IN GREEN PRODUCTS



Sales of the Cascades Fine Paper Enviro Brand



Canadian Retail Sales of the Cascades Tissue Paper Brand

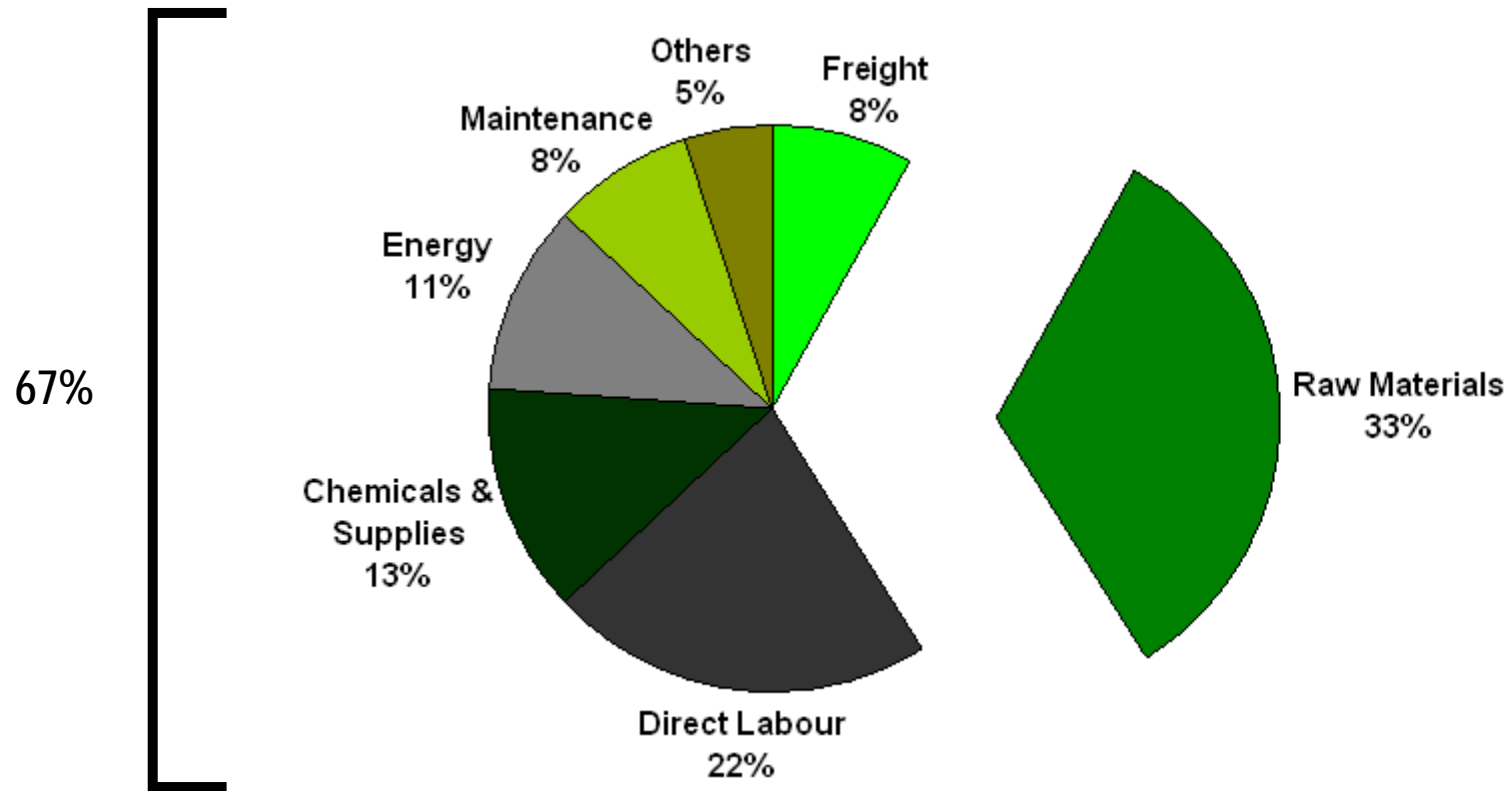


Right product offering to benefit from the "green" demand

Source: ACNielsen (MarketTrack).



COGS BREAKDOWN



While raw material price is a major factor, efficiencies are being implemented in the remaining 67% of costs



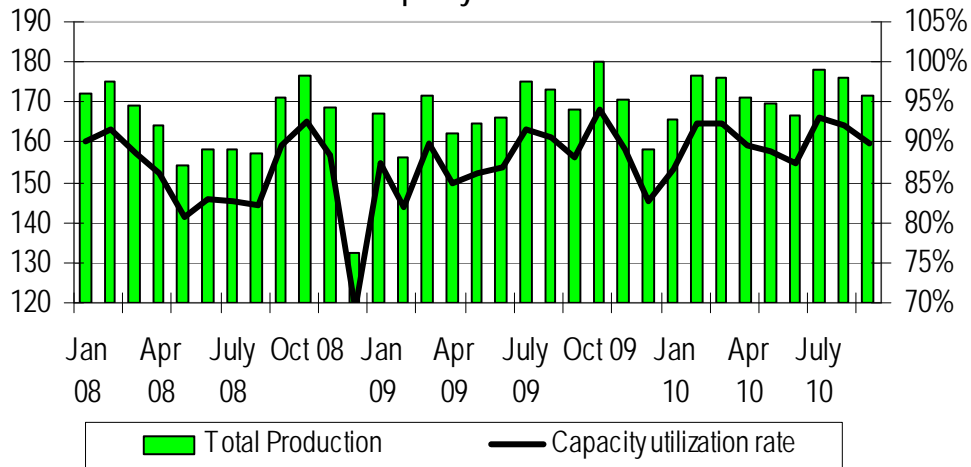
CURRENT MARKET TRENDS



NORTH AMERICAN PACKAGING MARKETS



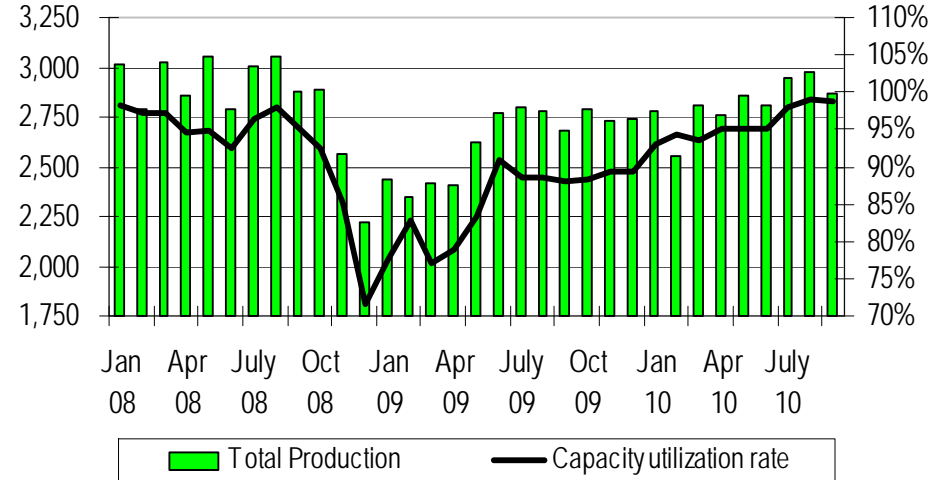
(‘000 s.t.) U.S. folding coated recycled boxboard industry production and capacity utilization rate



Coated Recycled Boxboard

YoY production change YTD Sep. 2010 3 %
 Capacity utilization rate YTD Sep. 2010 90 %

(‘000 s.t.) U.S. containerboard industry production and capacity utilization rate



Containerboard

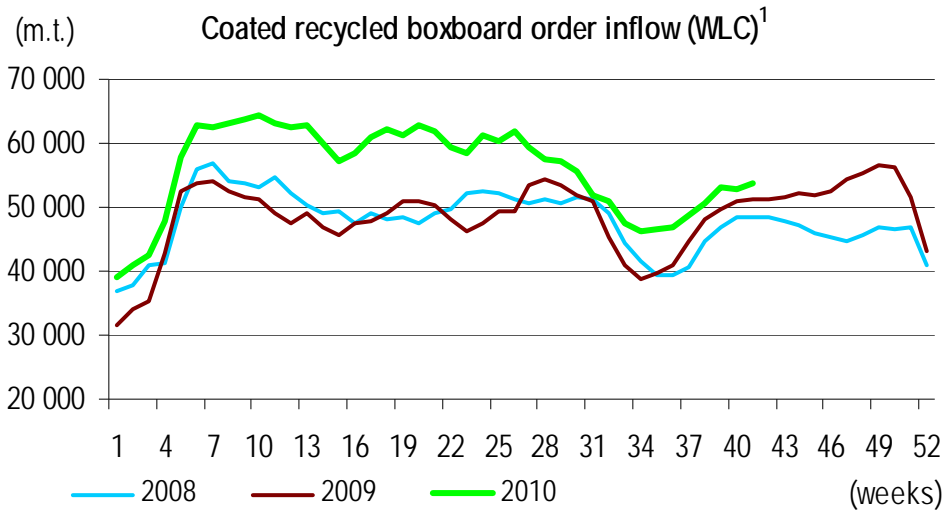
YoY production change YTD Sep. 2010 9 %
 Capacity utilization rate YTD Sep. 2010 96 %

Steady demand supporting recent price increases

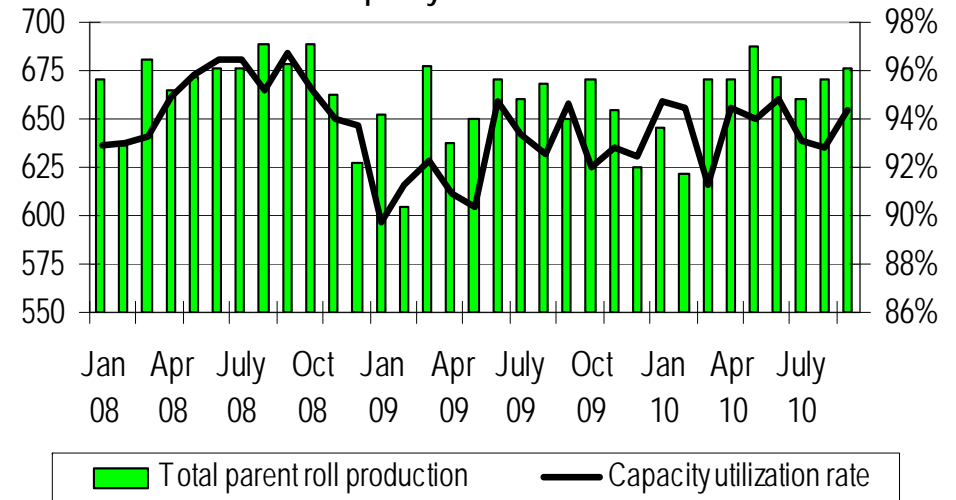
Source: RISI.
 Capacity utilization rate estimated by Cascades for boxboard.



EUROPEAN PACKAGING & TISSUE MARKETS



('000 s.t.) U.S. tissue paper industry production (parent rolls) and capacity utilization rate



Coated Recycled Boxboard

Tissue

YoY change Week 41 YTD order inflow WLC 18%

YoY Production change YTD Sep 2010 2 %
Capacity utilization rate YTD Sep 2010 94%

Strong rebound in the European boxboard industry in 2010 and balanced market in tissue

Source: CEPI Cartonboard, RISI.
¹ 5-week weekly moving average

MARKET PRICE AND COST SUMMARY

											Change		Change			
	2008					2009					2010		Q3 2010	Q3 2010	Q3 2010	Q3 2010
	Average	Average	Average	Average	Average	Average	Average	Average	Average	Average	Average	Q3 2009	Q3 2009	Q2 2010	Q2 2010	
These indexes should only be used as indicator of trends and they be different than our actual selling prices or purchasing costs.											(unit)	(%)	(unit)	(%)		
Selling prices																
Cascades North American US\$ index (index 2005 = 1,000)	1,198	1,166	1,121	1,080	1,070	1,109	1,106	1,180	1,223	1,170	143	13%	43	4%		
PACKAGING																
Boxboard																
North America (US\$/ton)																
Recycled boxboard - 20pt. Clay coated news (transaction)	764	768	745	743	759	754	790	825	843	819	100	13%	18	2%		
Europe (Euro/tonne)																
Recycled white-lined chipboard (GD2) index	640	621	591	580	575	592	580	631	656	622	76	13%	25	4%		
Virgin coated duplex boxboard (GC2) index	1,010	1,012	988	972	969	985	976	1,025	1,063	1,021	91	9%	38	4%		
Containerboard (US\$/ton)																
Linerboard 42-lb. unbleached kraft, East US (transaction)	582	578	543	537	530	547	580	640	640	620	103	19%	0	0%		
Corrugating medium 26-lb. Semicemical, East U.S. (transaction)	561	548	513	507	500	517	550	610	610	590	103	20%	0	0%		
Specialty products																
(US\$/ton, tonne for deinked pulp)																
Recycled boxboard - 20pt. Bending chip (transaction)	601	600	555	548	555	565	575	625	625	608	77	14%	0	0%		
Deinked pulp (f.o.b; U.S. air-dried & wet-lap, post-consumer)	740	585	570	595	653	601	708	752	755	738	160	27%	3	0%		
Unbleached kraft paper, Grocery bag 30-lb.	958	937	920	920	927	926	960	1,020	1,047	1,009	127	14%	27	3%		
Uncoated white 50-lb. offset, rolls	914	897	845	822	855	855	868	917	938	908	116	14%	21	2%		
TISSUE PAPERS																
Cascades Tissue papers (index 1999 = 1,000)	1,581	1,615	1,628	1,605	1,628	1,617	1,617	1,623	1,615	1,625	10	1%	-8	0%		
Raw materials																
Cascades North American US\$ index (index 2005 = 300)	379	206	220	280	324	258	426	409	397	411	117	42%	-12	-3%		
RECYCLED PAPER																
North America (US\$/ton)																
Corrugated containers, no. 11 (New England)	114	43	59	84	88	68	149	146	131	142	47	56%	-15	-10%		
Special news, no. 8 (ONP - Chicago & NY average)	115	32	45	65	83	56	90	92	78	86	13	20%	-14	-15%		
Sorted office papers, no. 37 (SOP - Chicago & NY average)	188	90	90	125	174	120	225	198	218	214	93	74%	20	10%		
Europe (Euro/tonne)																
Recovered paper index	86	43	48	55	66	53	100	120	126	115	71	129%	6	5%		
VIRGIN PULP (US\$/tonne)																
Bleached softwood kraft Northern, East U.S.	857	677	643	733	820	718	880	993	1,000	958	267	36%	7	1%		
Bleached hardwood kraft Northern mixed, East U.S.	788	595	532	603	706	609	776	908	900	861	297	49%	-8	-1%		
WOODCHIPS - Conifer eastern Canada (US\$/odmt)	132	111	118	124	131	121	125	121	120	122	-4	-3%	-1	-1%		

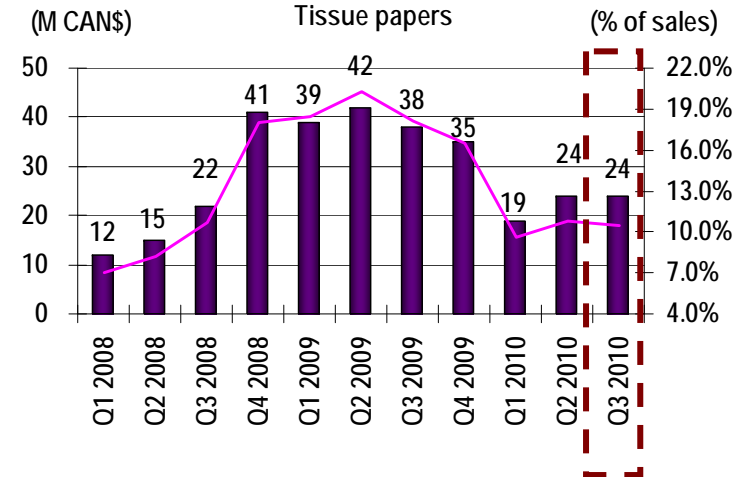
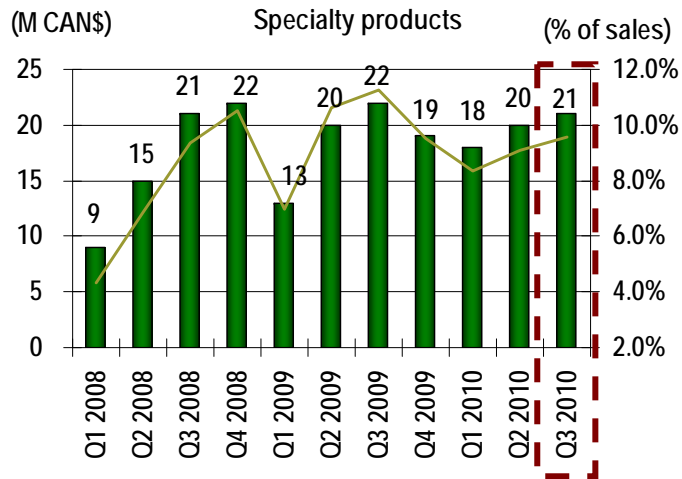
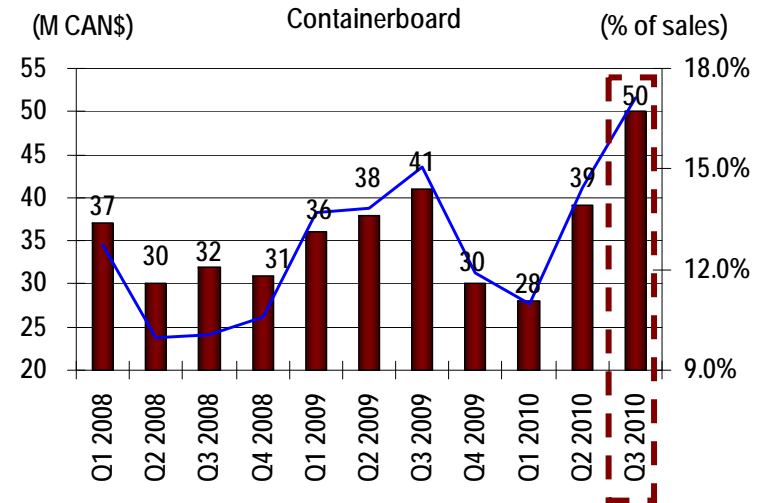
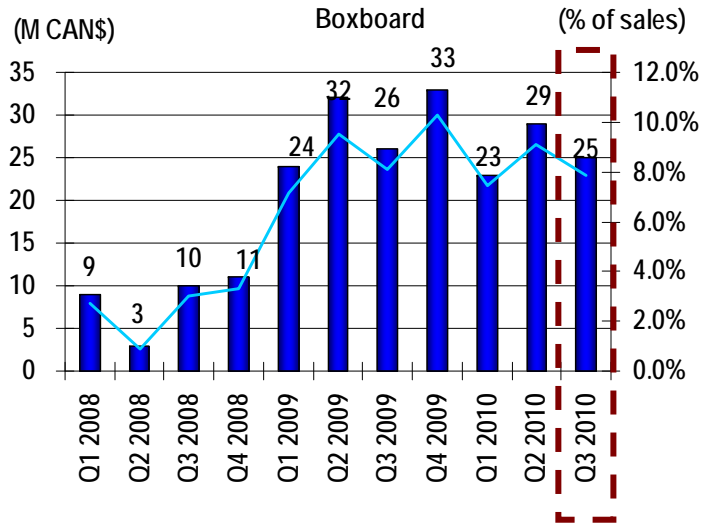
Source: RISI, Random Lengths and Cascades.



FINANCIAL SUMMARY



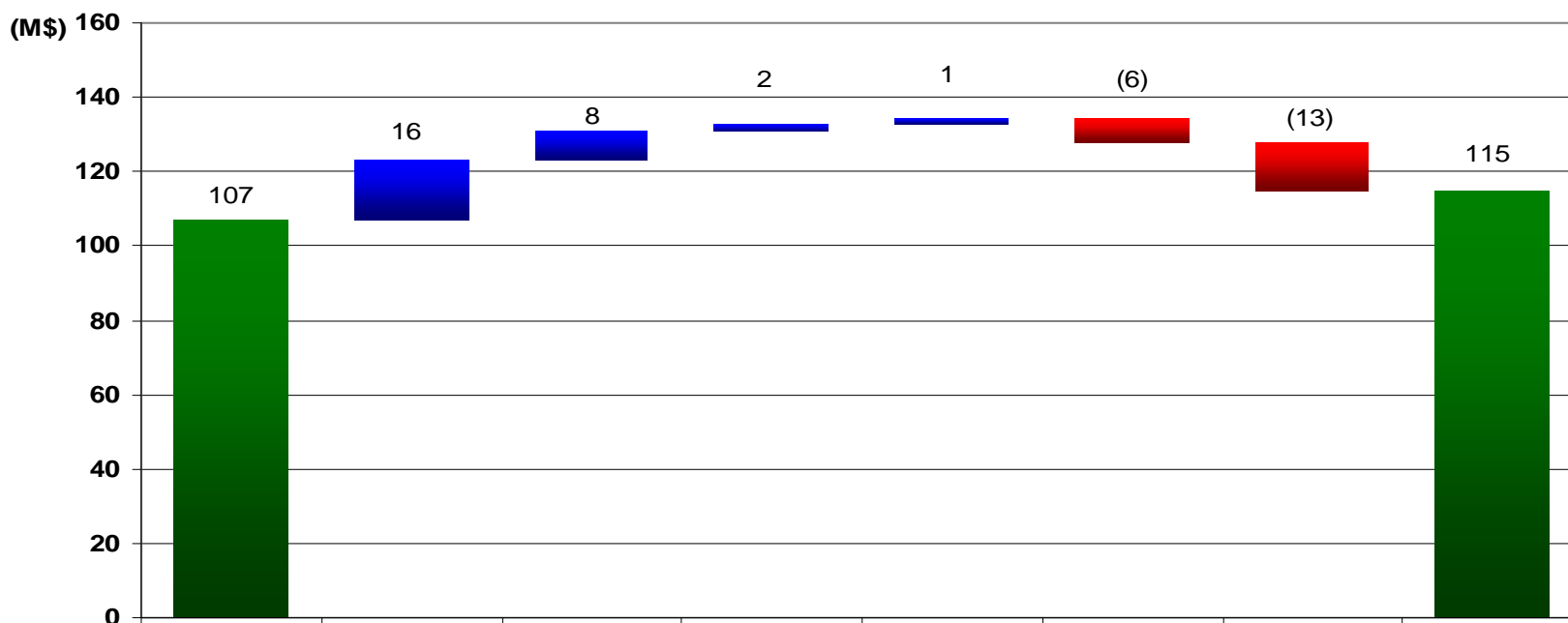
SEGMENTED EBITDA



Highest EBITDA in containerboard since 2006



Q3 2010 EBITDA VARIANCE ANALYSIS

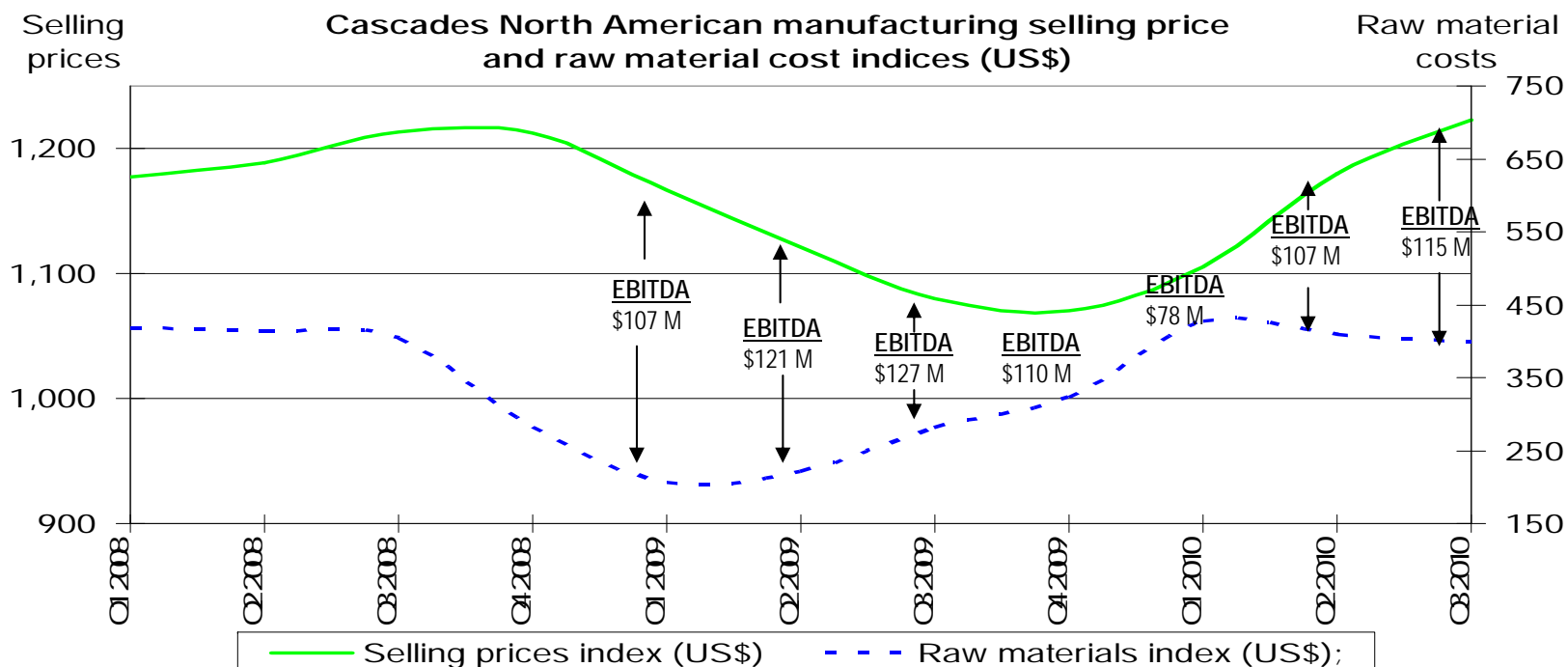


	Q2 2010 EBITDA	Selling price & mix	Cost improvements & other items	Volume	Energy costs	Variation of the CAN\$	Raw material costs	Q3 2010 EBITDA
Containerboard	39	5	6	6	1	(2)	(5)	50
Boxboard	29	9	-	(4)	-	(3)	(6)	25
Specialty products	20	2	5	(2)	-	(2)	(2)	21
Tissue	24	-	(1)	2	-	(1)	-	24
Corporate	(5)	-	(2)	-	-	2	-	(5)
Consolidated	107	16	8	2	1	(6)	(13)	115

Even if higher raw material costs continued to negatively impact our converting & European operations, improved overall selling prices and operating rates favourably impacted our Q3 EBITDA



BUSINESS CONDITIONS IN Q3 2010



	2008				2009				2010
	Total	Q1	Q2	Q3	Q4	Q1	Q2	Q3	
US\$/CAN\$	\$0.94	\$0.80	\$0.86	\$0.91	\$0.95	\$0.96	\$0.97	\$0.96	
Natural Gas Henry Hub - US\$/mmBtu	\$9.03	\$4.89	\$3.50	\$3.39	\$4.17	\$5.30	\$4.09	\$4.38	
Capacity utilization rate (Manufacturing)	88%	81%	85%	89%	89%	94%	96%	93%	
Total shipments ('000 s.t.)	3,396	727	765	790	800	828	839	839	

As expected, business conditions remained favourable in the third quarter



SENSITIVITY ANALYSIS



		Shipments/Consumption ('000 tons, '000 mm Btu for natural gas)	CHANGE	EBITDA impact (in millions of CAN\$)
1- SELLING PRICE	NORTH AMERICA			
	BOXBOARD	499	25\$ / ST	13
	CONTAINERBOARD	1 062	25\$ / ST	28
	SPECIALTY (paper only)	444	25\$ / ST	12
	TISSUE	459	25\$ / ST	12
	EUROPE			
	BOXBOARD	525	25\$ / ST	20
	CONTAINERBOARD	153	25\$ / ST	6
2- RAW MATERIALS	NORTH AMERICA			
RECYCLED PAPERS	Brown grades (OCC and others)	1 208	15\$ / ST	(19)
	Groundwood grades (ONP and others)	134	15\$ / ST	(2)
	White grades (SOP and others)	650	15\$ / ST	(10)
	EUROPE			
	Brown grades (OCC and others)	242	15€ / ST	(5)
	Groundwood grades (ONP and others)	118	15€ / ST	(3)
	White grades (SOP and others)	152	15€ / ST	(3)
COMMERCIAL PULP	NORTH AMERICA	184	30 \$ / ST	(6)
	EUROPE	79	30 € / ST	(4)
3- NATURAL GAS	NORTH AMERICA	8 692	1,00 \$	(9)
	EUROPE	3 036	1,00 €	(5)
4- CANADIAN DOLLAR		Sales in US	(0,01) \$	(3)
		EBITDA US Subs	(0,01) \$	(2)



HEDGING PORTFOLIO



1. Cash flow USD, net exposure including interest:

- 2010 (Q4): US\$ 16.1 M @ \$1.21 (97% of exposure)
- 2011: US\$ 52.5 M @ \$1.14 (33% of exposure)

2. USD long-term debt:

- 2013 forward contracts for \$360 M (40%) @ \$1.19

3. Natural gas:

- Canada:
 - Q4 2010: 75% at 6.13 CAN\$/GJ
 - 2011: 70% at 6.34 CAN\$/GJ
 - 2012: 54% at 6.42 CAN\$/GJ
- U.S.:
 - Q4 2010: 74% at 6.34 US\$/mmBtu
 - 2011: 69% at 6.55 US\$/mmBtu
 - 2012: 49% at 6.78 US\$/mmBtu

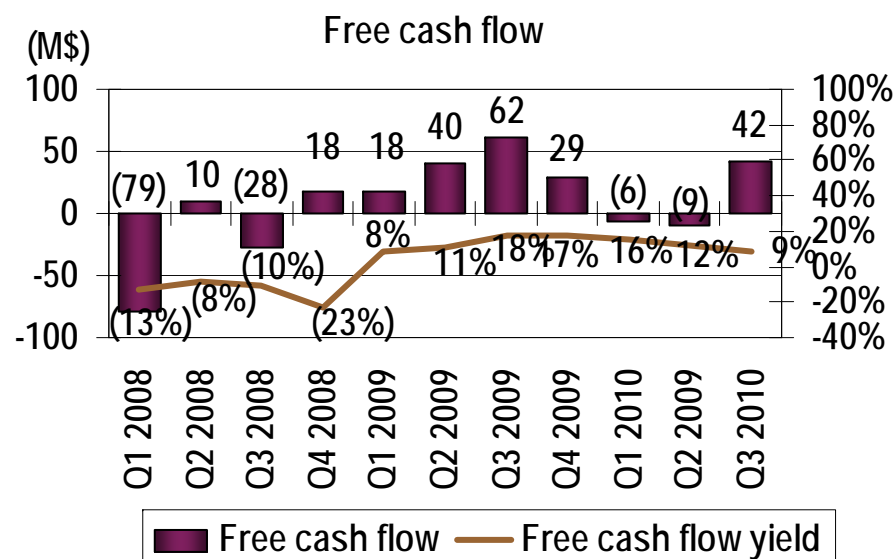
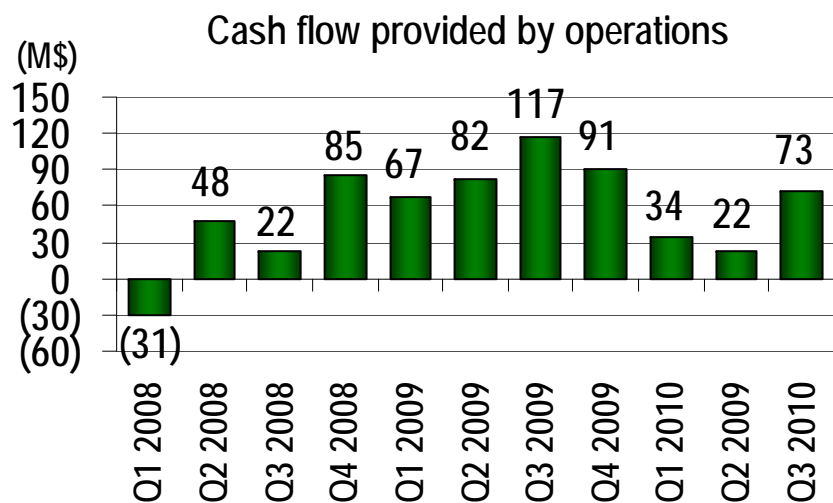
Lower business risk by managing financial risk



CASH FLOW OVERVIEW



(in millions of CAN\$)	2008 Year	Q1	Q2	2009 Q3	Q4	Year	Q1	2010 Q2	Q3	YTD	LTM
Cash flow from operations	155	68	81	94	62	305	38	71	82	191	253
Working capital variation	(31)	(1)	1	23	29	52	(4)	(49)	(9)	(62)	(33)
Cash flow provided by operations	124	67	82	117	91	357	34	22	73	129	220
Capital expenditures & other assets	(183)	(43)	(38)	(50)	(57)	(188)	(34)	(25)	(27)	(86)	(143)
Dividend & Share Buyback	(20)	(6)	(4)	(5)	(5)	(20)	(6)	(6)	(4)	(16)	(21)
Free cash flow	(79)	18	40	62	29	149	(6)	(9)	42	27	56
Free cash flow per share	(0.80)\$	0.18 \$	0.41 \$	0.64 \$	0.30 \$	1.52 \$	(0.06)\$	(0.09)\$	0.43 \$	0.28 \$	0.58 \$



Significant rebound in FCF despite another quarter of negative contribution from W/C

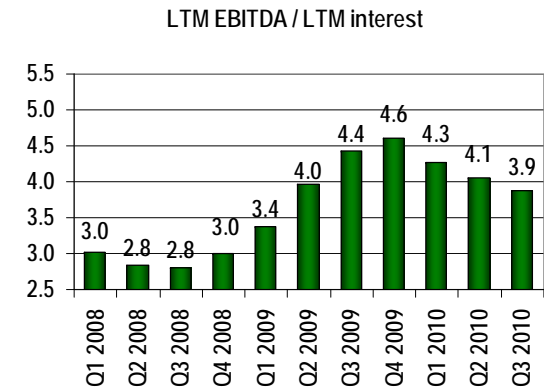
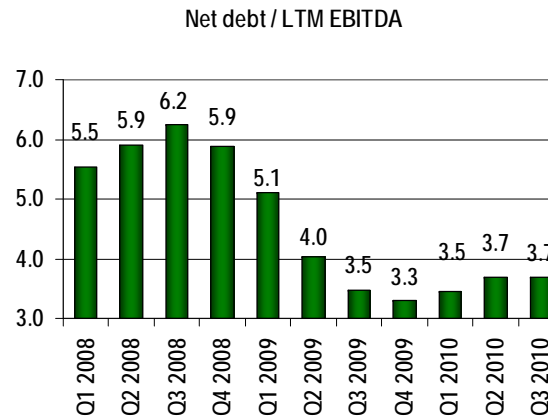
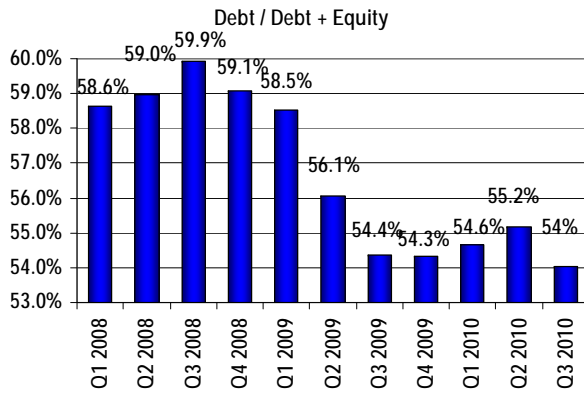
Free cash flow yield is defined as LTM FCF per share / share price end of period



BALANCE SHEET & KEY FINANCIAL RATIOS



	2008	2009				2010	2010		
	Year	Q1	Q2	Q3	Q4	Year	Q1	Q2	Q3
Total assets	4,031	4,041	3,886	3,877	3,792	3,792	3,764	3,796	3,851
Total debt	1,812	1,818	1,670	1,590	1,552	1,552	1,531	1,575	1,537
Net debt*	1,800	1,805	1,658	1,570	1,533	1,533	1,508	1,553	1,516
Shareholders' equity	1,256	1,289	1,309	1,335	1,304	1,304	1,271	1,280	1,307
Book value per share	\$12.79	\$13.23	\$13.43	\$13.70	\$13.41	\$13.41	\$13.11	\$13.24	\$13.53
LTM EBITDA	306	354	412	451	465	465	436	422	410
LTM Interest	102	103	102	101	101	101	102	104	106



Net debt down \$37M relative to the previous quarter and \$54M Y-o-Y

* Includes \$78 M of net debt from unrestricted subsidiaries and joint ventures.



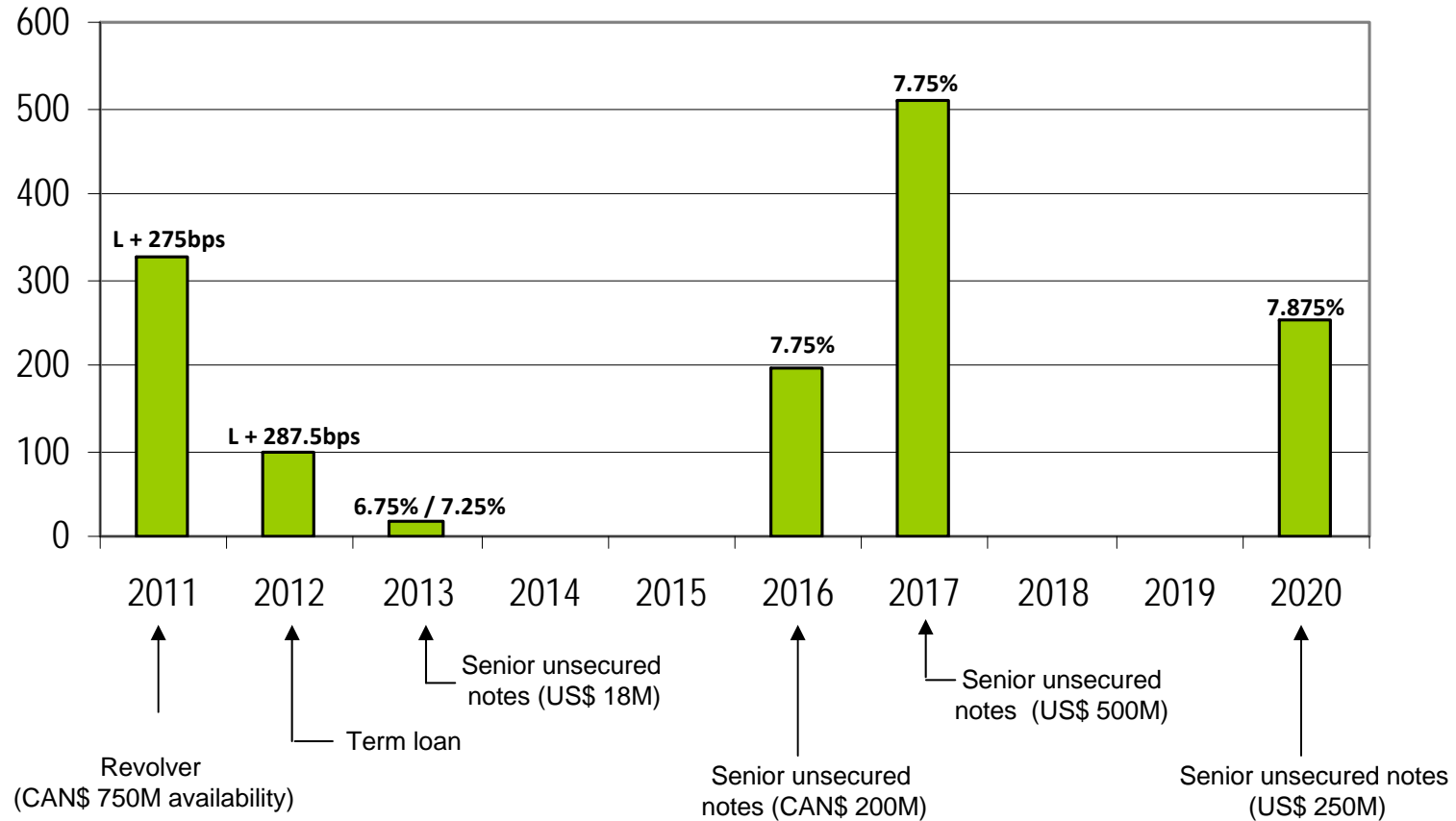
DEBT SCHEDULE



Long-term debt repayment schedule

(September 30th 2010)

(M CAN\$)



Senior notes refinancing addressed last year, revolver to be addressed soon



RATING



	Moody's	Standard & Poor's
Senior secured debt	Baa3	BB+
Senior unsecured debt	Ba3	B+
Corporate debt rating	Ba2	BB-
Outlook	Stable	Stable
Most recent rating comment	December 09	December 09



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