

CASCADES INC.

Review of Q4 2013
financial results

March 13, 2014



GREEN BY NATURE™

RECOVERY + PACKAGING + PAPER

CASCADES.COM



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 Corporation'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 may also include 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 management of the Corporation.

The financial information included in this presentation also contains certain data that are not measures of performance under IFRS ("non-IFRS measures"). For example, the Corporation 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 Corporation's operating segments. Such information is reconciled to the most directly comparable financial measures, as set forth in the "Supplemental Information on Non-IFRS Measures" section of our most recent quarterly report or annual report.

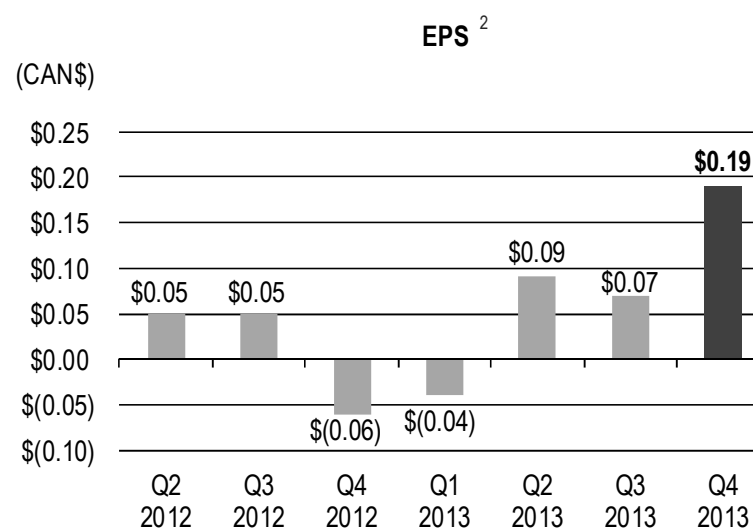
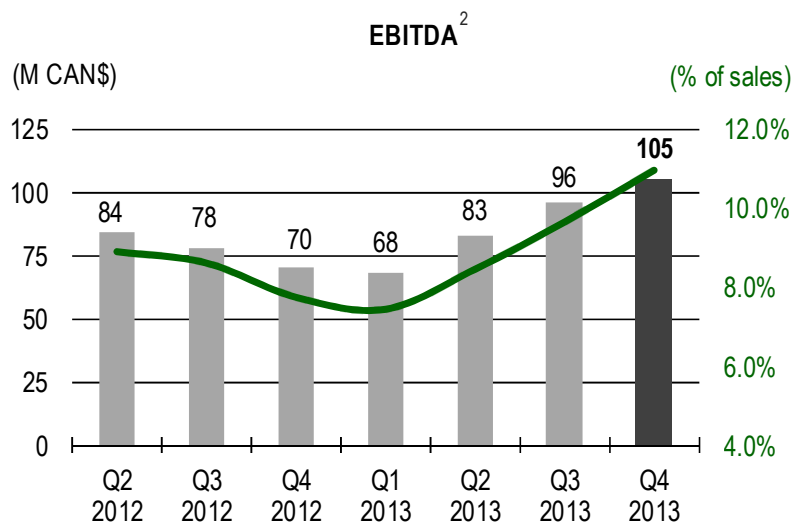
Specific items are defined as items such as charges for or reversal of impairment of assets, for facility or machine closures, accelerated depreciation of assets due to restructuring measures, debt restructuring charges, gains or losses on sales or acquisition of business units, unrealized gains or losses 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.



OPENING REMARKS

SUMMARY OF FINANCIAL RESULTS



| (In millions of CAN\$, except amount per share) | 2012 | | | | | 2013 | | | | |
|---|--------|--------|--------|----------|--------|----------|--------|--------|--------|--------|
| | Q1 | Q2 | Q3 | Q4 | Year | Q1 | Q2 | Q3 | Q4 | Year |
| Financial results | | | | | | | | | | |
| Sales | 891 | 944 | 906 | 904 | 3,645 | 914 | 982 | 995 | 958 | 3,849 |
| Excluding specific items | | | | | | | | | | |
| EBITDA | 72 | 84 | 78 | 70 | 304 | 68 | 83 | 96 | 105 | 352 |
| Net earnings (loss) ¹ | 1 | 5 | 4 | (5) | 5 | (4) | 8 | 7 | 18 | 29 |
| Net earnings (loss) per share ¹ | \$0.01 | \$0.05 | \$0.05 | \$(0.06) | \$0.05 | \$(0.04) | \$0.09 | \$0.07 | \$0.19 | \$0.31 |

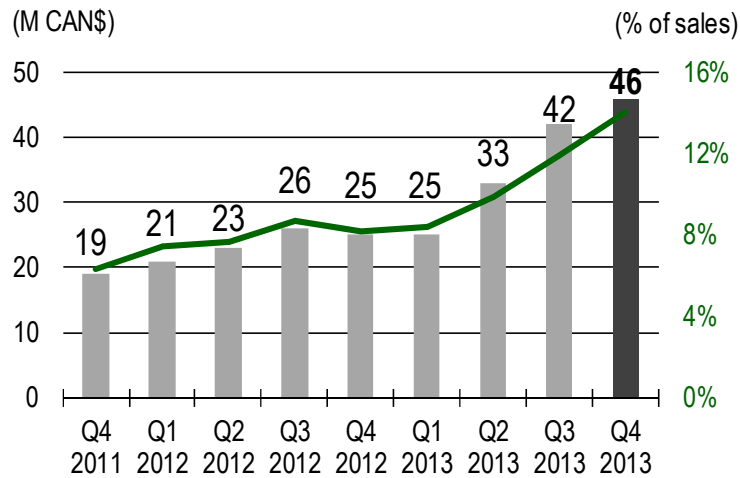
Note 1 - 2012 restated to comply with IAS19 standard – Employee benefits

Note 2 - EBITDA and net earnings excluding specific items.

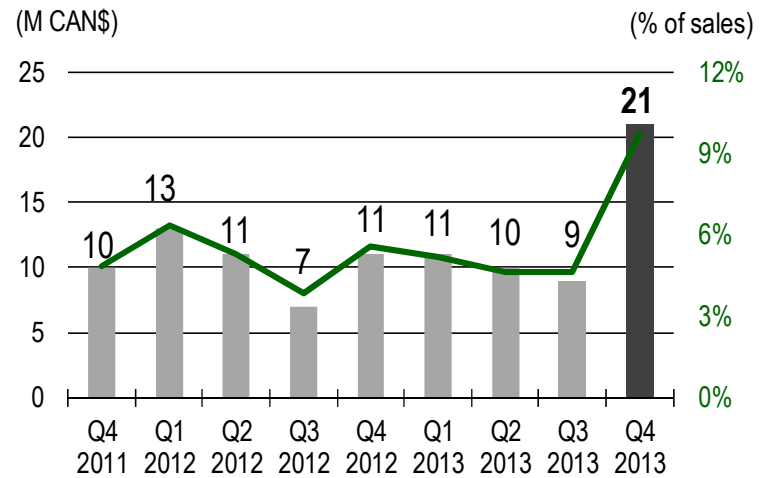
Very solid quarter; favorable exchange rate and Europe helped by energy credits

HISTORICAL SEGMENTED EBITDA

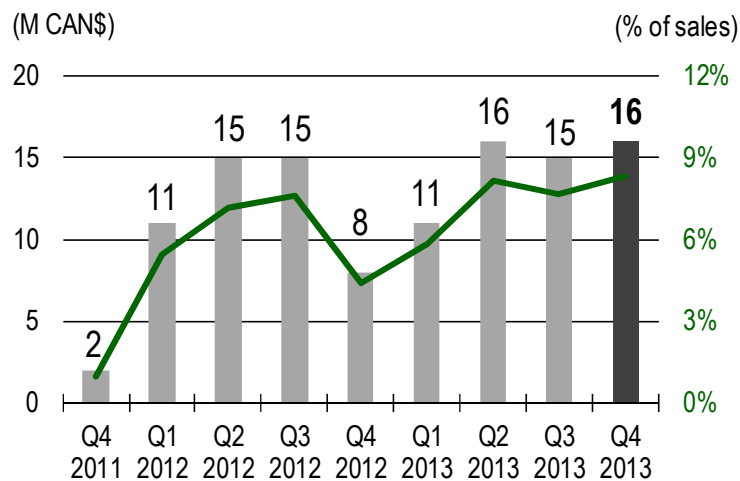
Containerboard



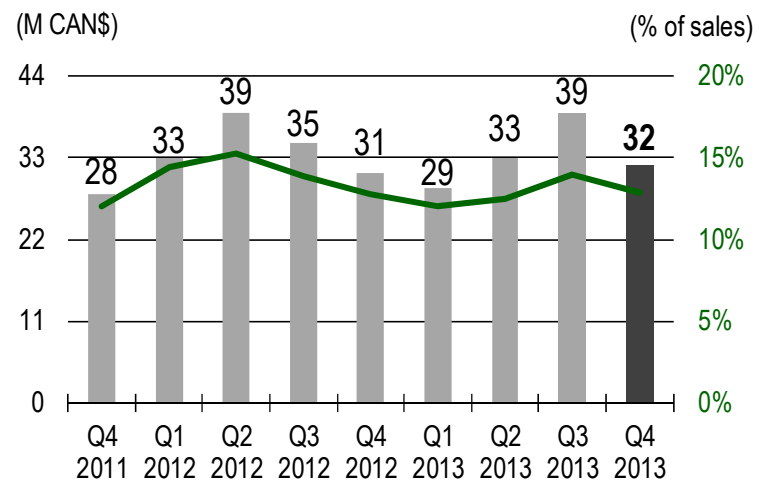
Boxboard Europe



Specialty Products

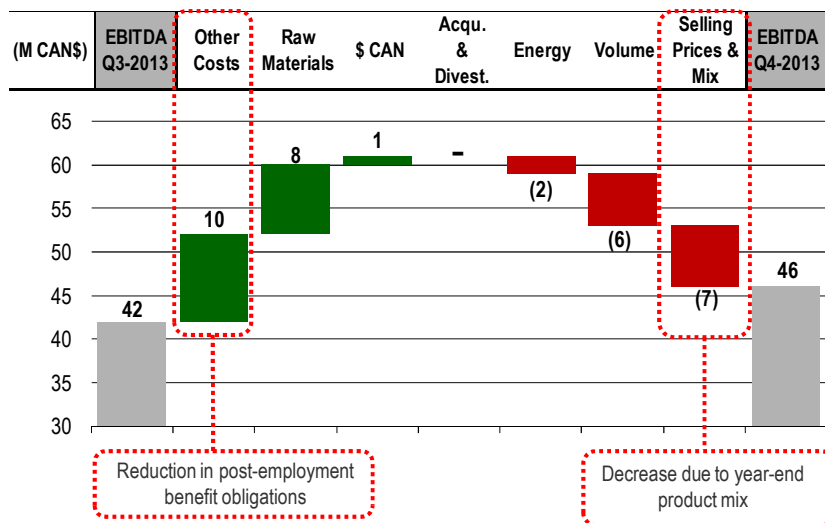


Tissue Papers

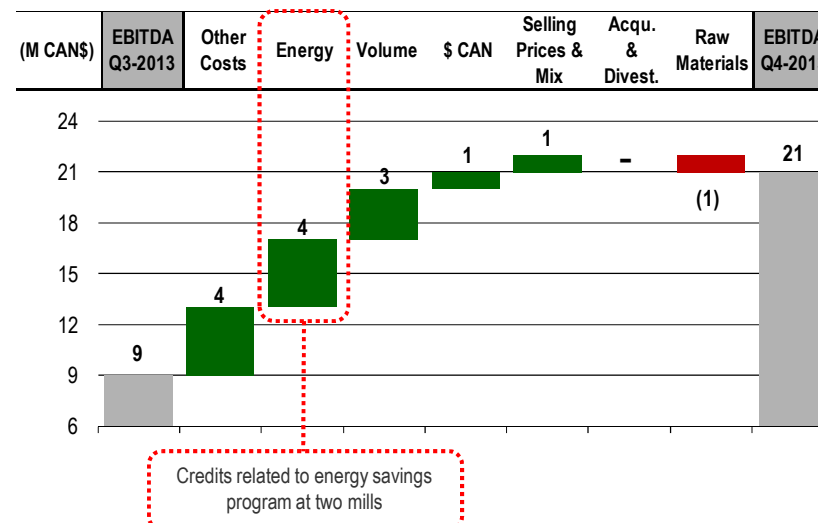


SEGMENTED EBITDA WATERFALLS

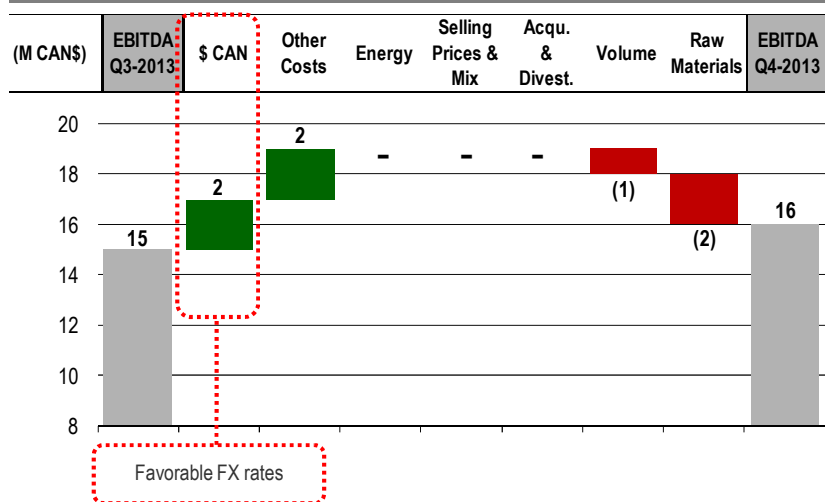
Containerboard



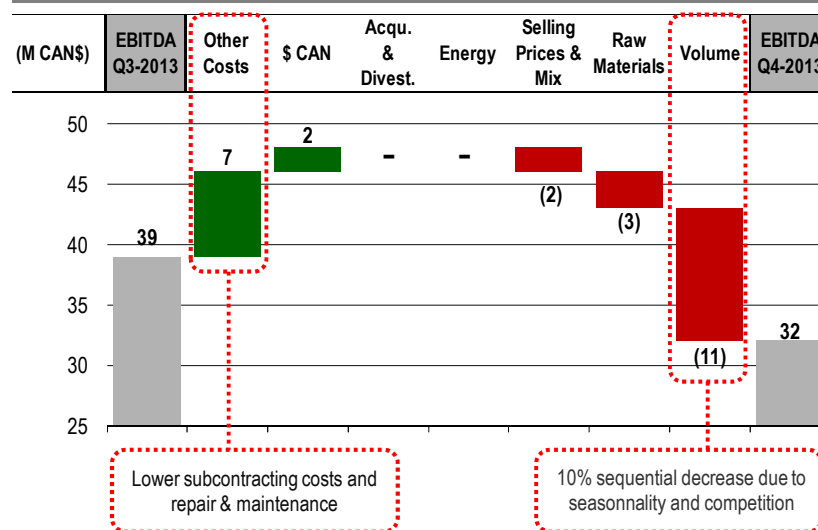
Boxboard Europe



Specialty Products



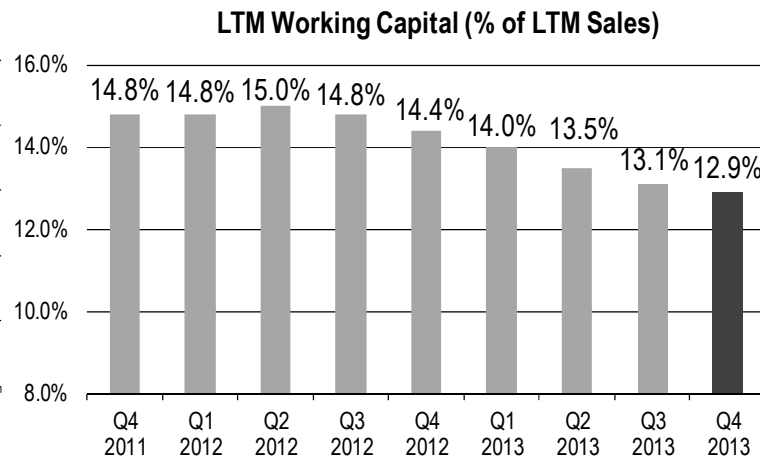
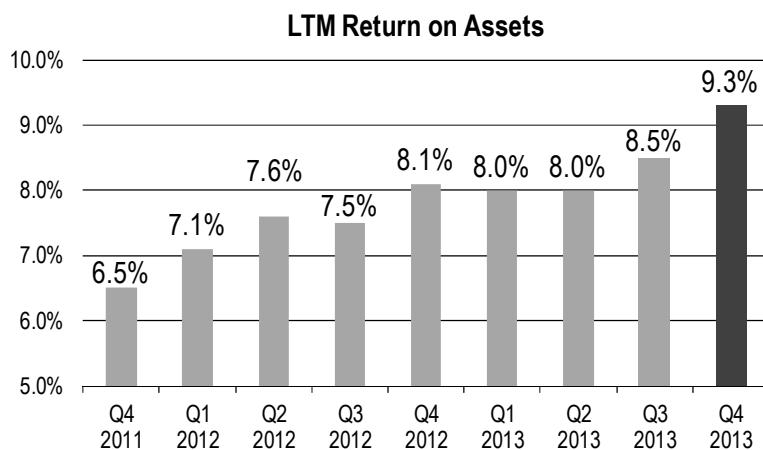
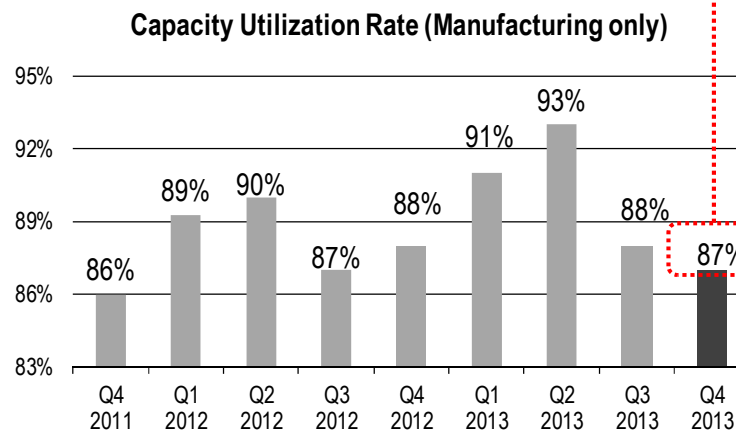
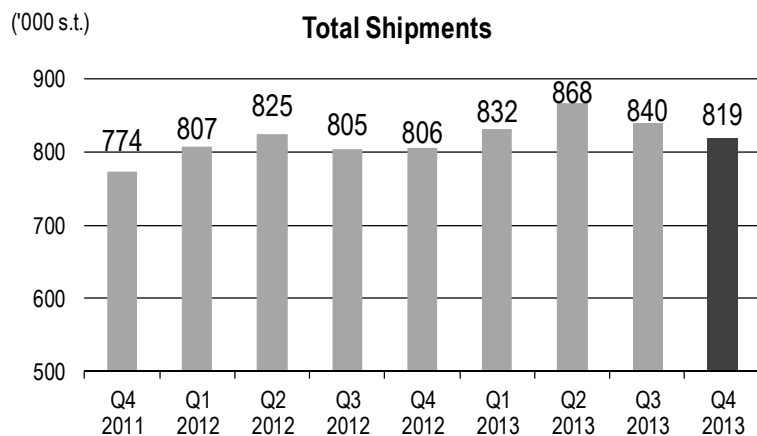
Tissue Papers



KEY PERFORMANCE INDICATORS (KPIs)

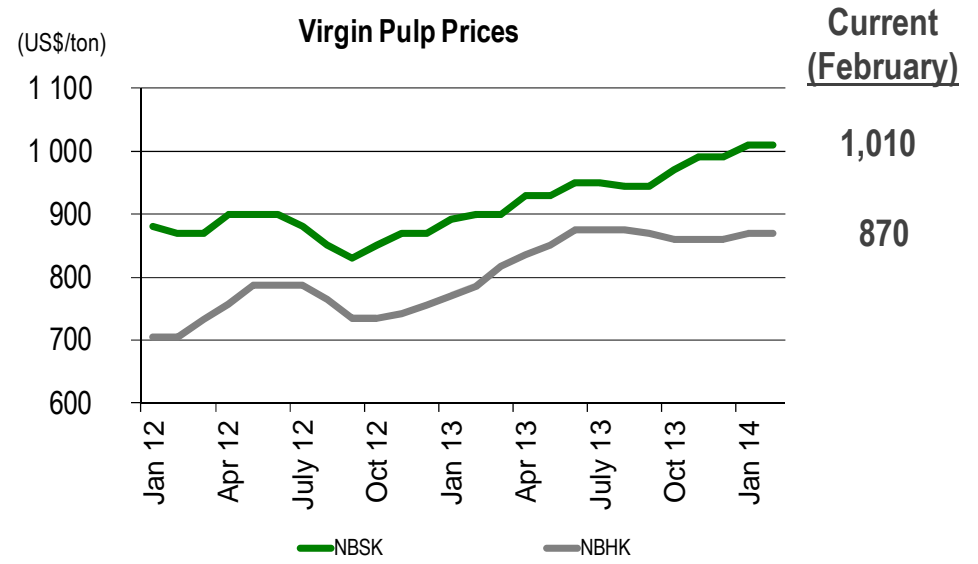
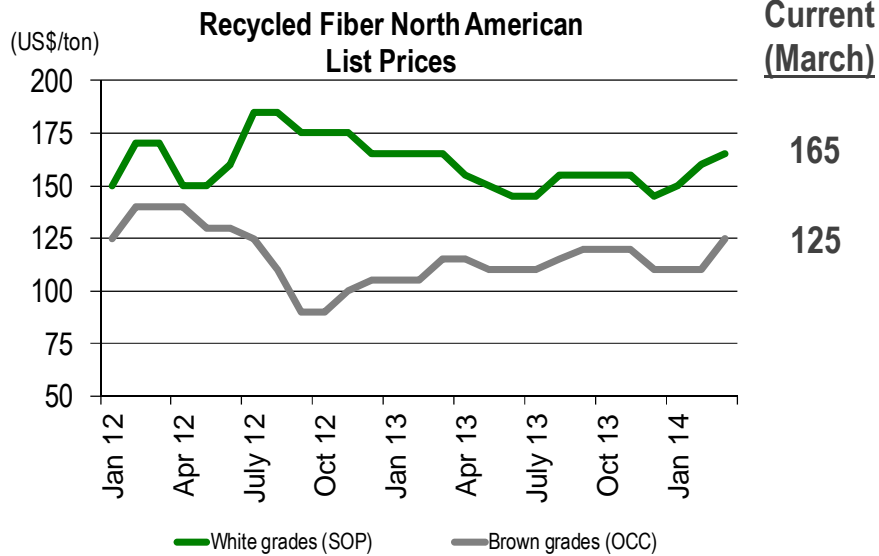
Slightly lower shipments due to seasonality

Containerboard: 84%
 Boxboard Europe: 91%
 Spec. Prod.: 72%
 Tissue Papers: 93%



Lower shipments due to the usual seasonality

RAW MATERIAL COSTS



OBM Average Quarterly List Prices

Brown grades - OCC No. 11 (New York)

White grades - SOP No. 37 (Northeast)

Q4-2012

Q3-2013

Q4-2013

Q4/Q4

Q4/Q3

98

115

117

+19%

+1%

172

152

152

-12%

+0%

Virgin Pulp Prices

NBSK (Canadian sources delivered to US East)

NBHK (Canada/US sources delivered to US East)

863

947

983

+14%

+4%

744

873

860

+16%

-2%

Prices stable in Q4 vs Q3;

Year-over-year, double-digit decrease for white grades and double-digit increase for pulps and OCC

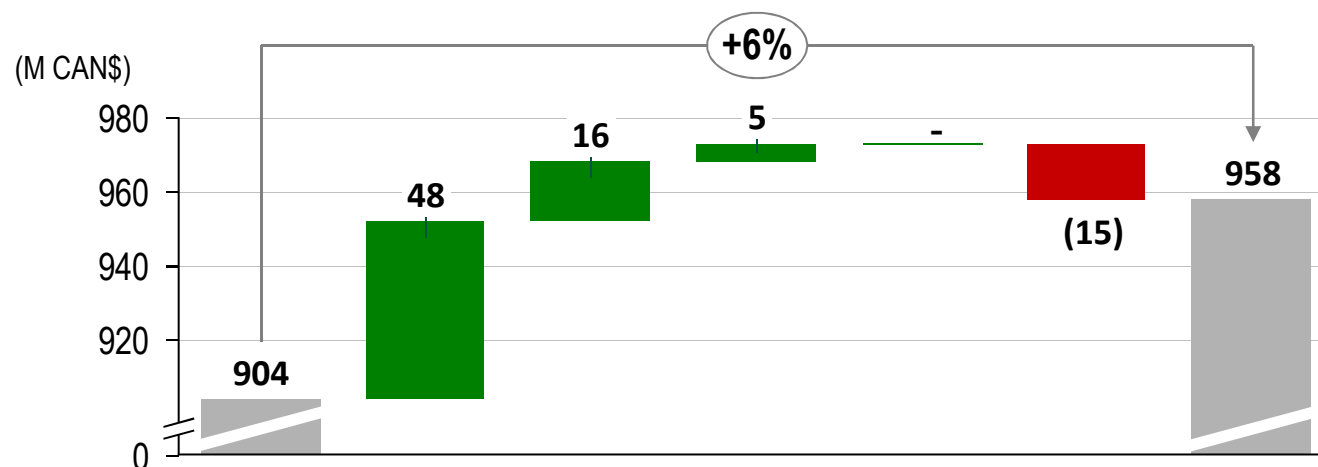


Sources: RISI, Bloomberg.



FINANCIAL REVIEW

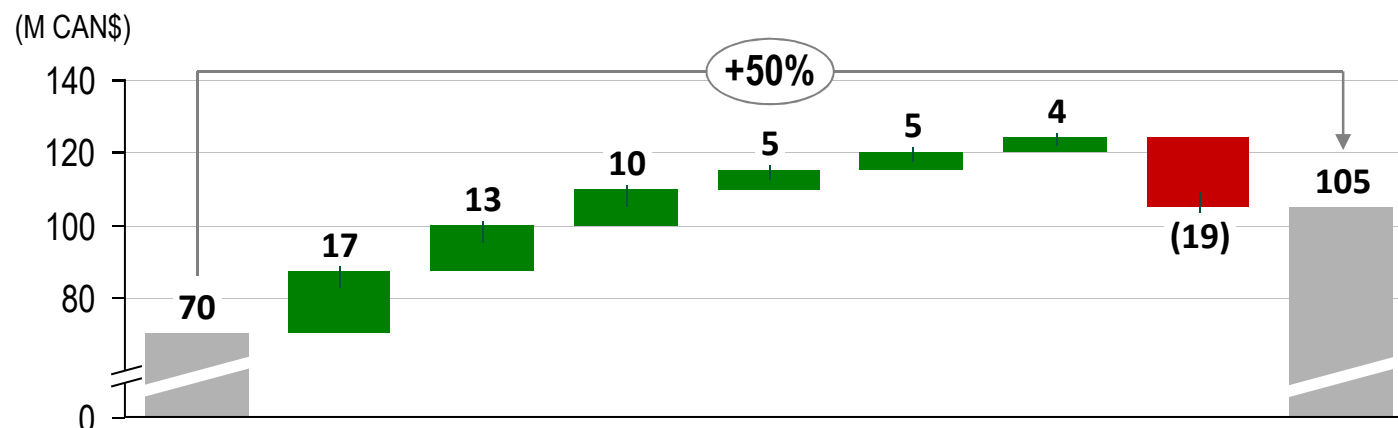
Q4 2012 – Q4 2013 SALES RECONCILIATION



| (M CAN\$) | Sales Q4-2012 | \$ CAN | Volume | Selling Prices & Mix | Acqu. & Disposals | Corp. Elim. | Sales Q4-2013 |
|--------------------|---------------|-----------|-----------|----------------------|-------------------|-------------|---------------|
| Containerboard | 306 | 7 | 23 | 4 | | (12) | 328 |
| Boxboard Europe | 198 | 21 | (2) | (1) | | | 216 |
| Specialty Products | 183 | 7 | 1 | 2 | | (1) | 192 |
| Tissue Papers | 242 | 13 | (6) | | | | 249 |
| Corporate | (25) | | | | | (2) | (27) |
| Total | 904 | 48 | 16 | 5 | 0 | (15) | 958 |

Sales benefited from a weaker CAN\$ and higher volumes in Containerboard

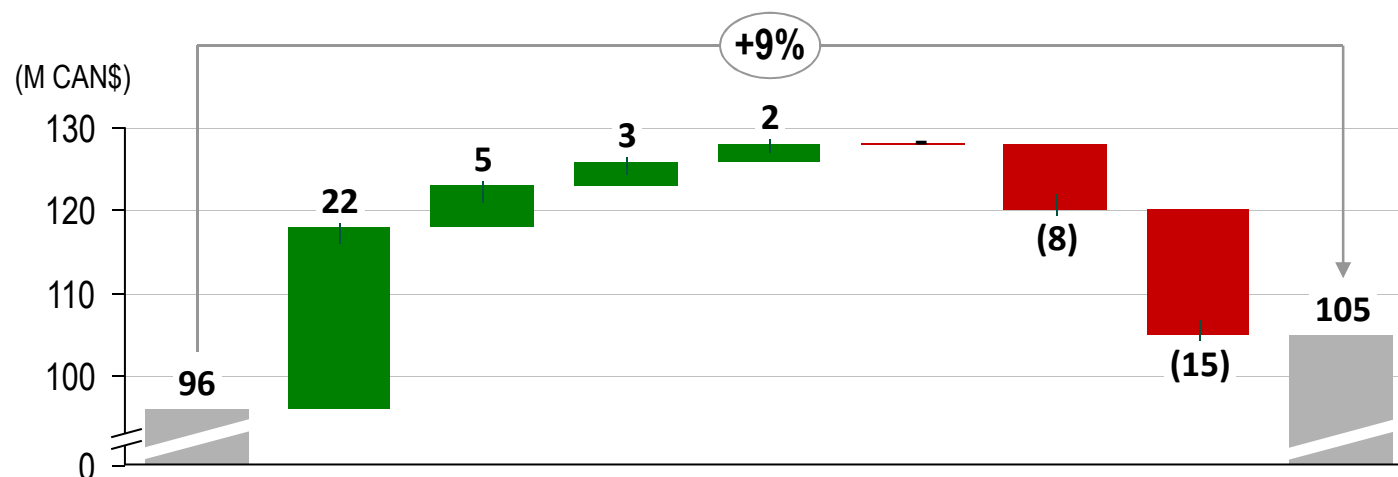
Q4 2012 – Q4 2013 EBITDA VARIANCE ANALYSIS



| (M CAN\$) | EBITDA Q4-2012 | Energy | \$ CAN | Other Costs | Volume | Selling Prices & Mix | Acq. & Disposals | Raw Materials ¹ | EBITDA Q4-2013 |
|--------------------|----------------|-----------|-----------|-------------|----------|----------------------|------------------|----------------------------|----------------|
| Containerboard | 25 | 4 | 4 | 15 | 8 | 4 | 2 | (16) | 46 |
| Boxboard Europe | 11 | 9 | 2 | (2) | (1) | (1) | 2 | 1 | 21 |
| Specialty Products | 8 | 1 | 3 | 6 | | 2 | | (4) | 16 |
| Tissue Papers | 31 | 2 | 4 | (3) | (2) | | | | 32 |
| Corporate | (5) | 1 | | (6) | | | | | (10) |
| Total | 70 | 17 | 13 | 10 | 5 | 5 | 4 | (19) | 105 |

Important increase YoY from segments in Packaging Products

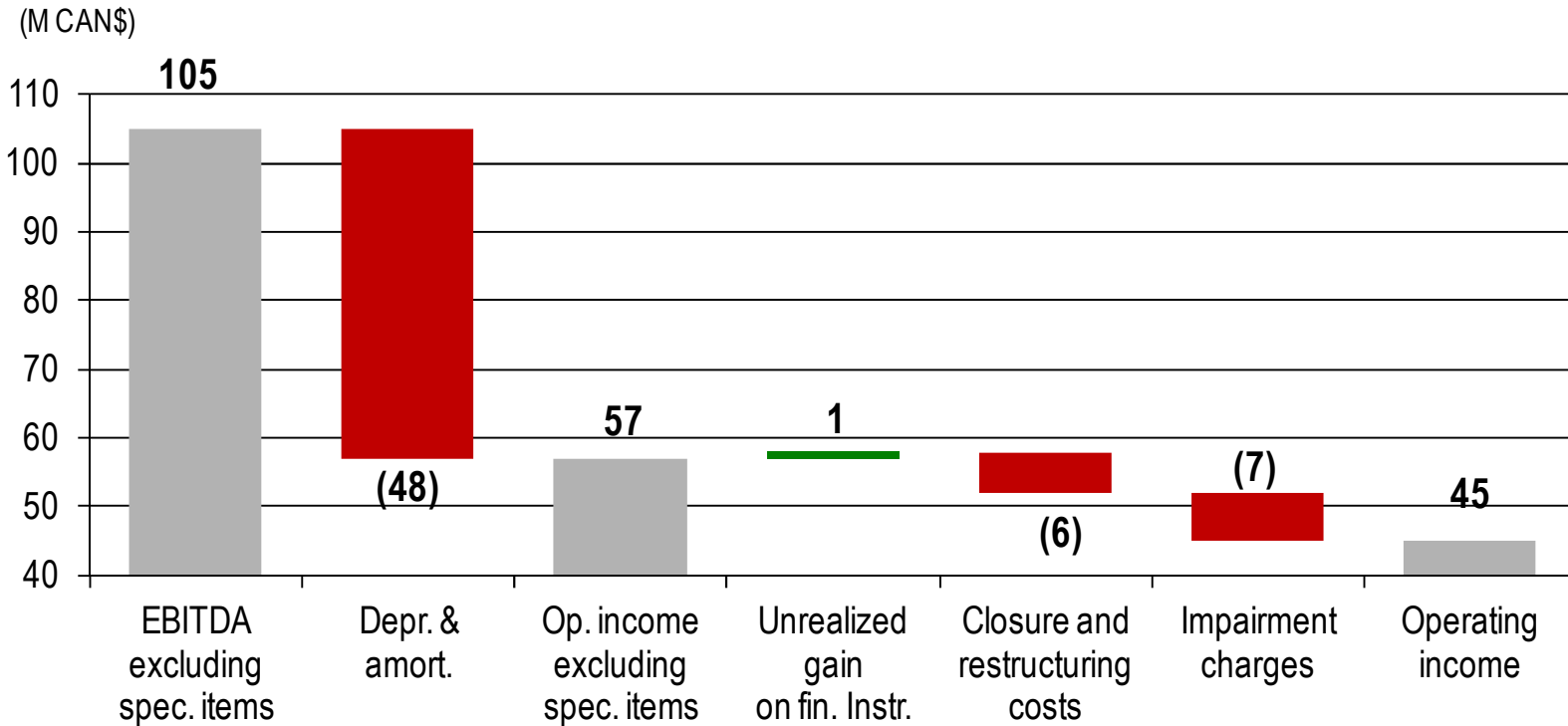
Q3 2013 – Q4 2013 EBITDA VARIANCE ANALYSIS



| (M CAN\$) | EBITDA Q3-2013 | Other Costs | \$ CAN | Energy | Raw Materials ¹ | Acqu. & Disposals | Selling Prices & Mix | Volume | EBITDA Q4-2013 |
|--------------------|----------------|-------------|----------|----------|----------------------------|-------------------|----------------------|-------------|----------------|
| Containerboard | 42 | 10 | 1 | (2) | 8 | | (7) | (6) | 46 |
| Boxboard Europe | 9 | 4 | 1 | 4 | (1) | | 1 | 3 | 21 |
| Specialty Products | 15 | 2 | 2 | | (2) | | | (1) | 16 |
| Tissue Papers | 39 | 7 | 2 | | (3) | | (2) | (11) | 32 |
| Corporate | (9) | (1) | (1) | 1 | | | | | (10) |
| Total | 96 | 22 | 5 | 3 | 2 | 0 | (8) | (15) | 105 |

Strong contribution from Europe due to seasonality and energy credits

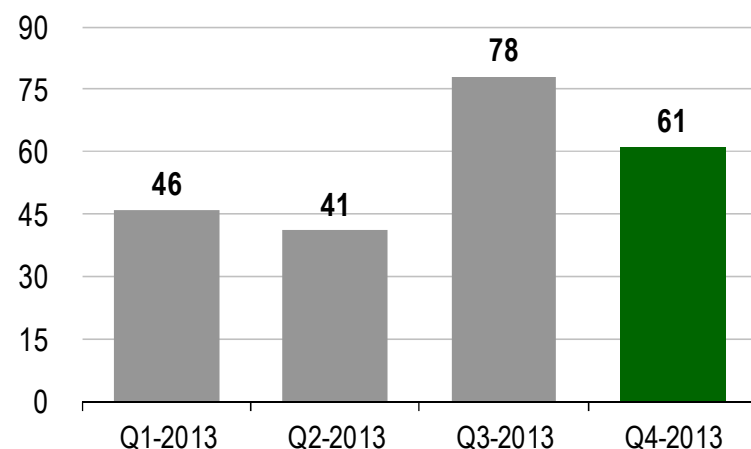
Q4 2013 EBITDA TO OPERATING INCOME RECONCILIATION



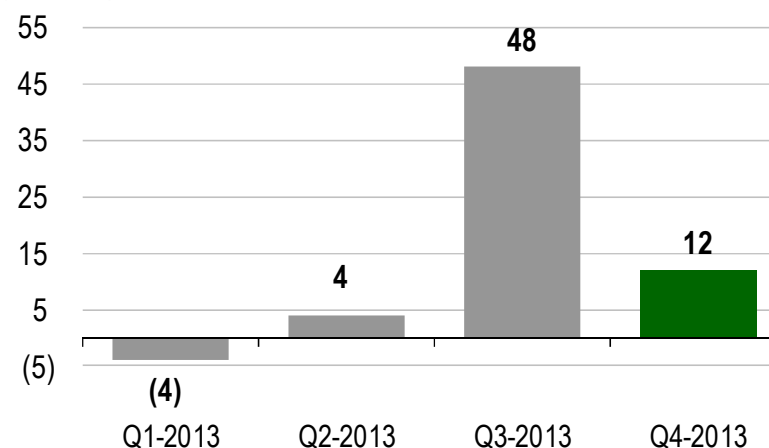
| (M CAN\$) | Container-board | Boxboard Europe | Specialty Products | Tissue Papers | Corporate Activities | Total |
|---|-----------------|-----------------|--------------------|---------------|----------------------|------------|
| Operating income (loss) | 28 | (10) | 4 | 36 | (13) | 45 |
| Specific items: | | | | | | |
| Impairment charges (reversal) | 1 | 17 | 6 | (17) | - | 7 |
| Closure and restructuring costs | 2 | 4 | - | - | - | 6 |
| Unrealized gain on financial instruments | (1) | - | - | - | - | (1) |
| Total specific items | 2 | 21 | 6 | (17) | - | 12 |
| Operating income (loss) excluding specific items | 30 | 11 | 10 | 19 | (13) | 57 |
| Depreciation | 16 | 10 | 6 | 13 | 3 | 48 |
| EBITDA excluding specific items | 46 | 21 | 16 | 32 | (10) | 105 |

CASH FLOW OVERVIEW

(M CAN\$) **Cash flow from continuing operations**



(M CAN\$) **Free cash flow**



| (in millions of CAN\$) | 2012 | | | | | 2013 | | | | |
|--|------------|------------|-----------|-------------|-------------|------------|----------|-----------|-----------|-----------|
| | Q1 | Q2 | Q3 | Q4 | Year | Q1 | Q2 | Q3 | Q4 | Year |
| Cash flow from operations, including disc. operations | 48 | 37 | 42 | 34 | 161 | 46 | 41 | 78 | 61 | 226 |
| Capital expenditures & other assets, net of disposals ¹ | (47) | (36) | (25) | (57) | (165) | (46) | (33) | (26) | (45) | (150) |
| Dividend & share buyback | (6) | (4) | (4) | (4) | (18) | (4) | (4) | (4) | (3) | (15) |
| Free cash flow | (5) | (3) | 13 | (27) | (22) | (4) | 4 | 48 | 12 | 60 |
| Free cash flow per share | \$(0.05) | \$(0.03) | \$0.14 | \$(0.29) | \$(0.23) | \$(0.04) | \$0.04 | \$0.51 | \$0.13 | \$0.64 |

Stronger cash flows but negative impacts of year-end capex and interest payments

QUARTERLY VARIANCE OF EPS

Including (6) for Greenpac

| | Q3-2013 | | | | | Q4-2013 | | | | |
|--|--------------------|----------------------------------|---------------------|-----------|---------------|--------------------|----------------------------------|---------------------|-----------|---------------|
| | Operating segments | Share of Ass/JV & Non-Cont. Int. | Excluding specifics | Specifics | As reported | Operating segments | Share of Ass/JV & Non-Cont. Int. | Excluding specifics | Specifics | As reported |
| EBITDA | 96 | | 96 | (13) | 83 | 105 | | 105 | (12) | 93 |
| Depreciation | (46) | | (46) | | (46) | (48) | | (48) | | (48) |
| EBIT | 50 | 0 | 50 | (13) | 37 | 57 | 0 | 57 | (12) | 45 |
| Financing expenses | (27) | | (27) | 1 | (26) | (26) | | (26) | | (26) |
| Interest expense on employee future benefits | (3) | | (3) | | (3) | (3) | | (3) | | (3) |
| FX gain (loss) on LT debt and fin. Inst. | | | 0 | 11 | 11 | | | 0 | (2) | (2) |
| Share of results of associates and JVs | | (5) | (5) | 5 | 0 | | (4) | (4) | (1) | (5) |
| Profit (loss) before tax | 20 | (5) | 15 | 4 | 19 | 28 | (4) | 24 | (15) | 9 |
| Provision for income taxes | (9) | 2 | (7) | 0 | (7) | (1) | 1 | 0 | (4) | (4) |
| Non-controlling interests | | (1) | (1) | | (1) | | (6) | (6) | 5 | (1) |
| Discontinued operations | | | | | | | | | 2 | 2 |
| Net earnings (loss) per share | 11 | (4) | 7 | 4 | 11 | 27 | (9) | 18 | (12) | 6 |
| | \$0.12 | (\$0.05) | \$0.07 | \$0.05 | \$0.12 | \$0.29 | (\$0.10) | \$0.19 | (\$0.14) | \$0.05 |

Change in Operating results after-tax (normalized 30%) \$0.06
 Change in income taxes provision (vs normalized 30%) \$0.11 → Tax rate mix, Europe valuation allowance reversal in Q4, prior year tax adjustment in Q3
 Change in share of results of Associates and JVs - net of taxes and non-controlling interests (\$0.05) → Impacted by start-up loss related to Greenpac ramp-up

\$0.12

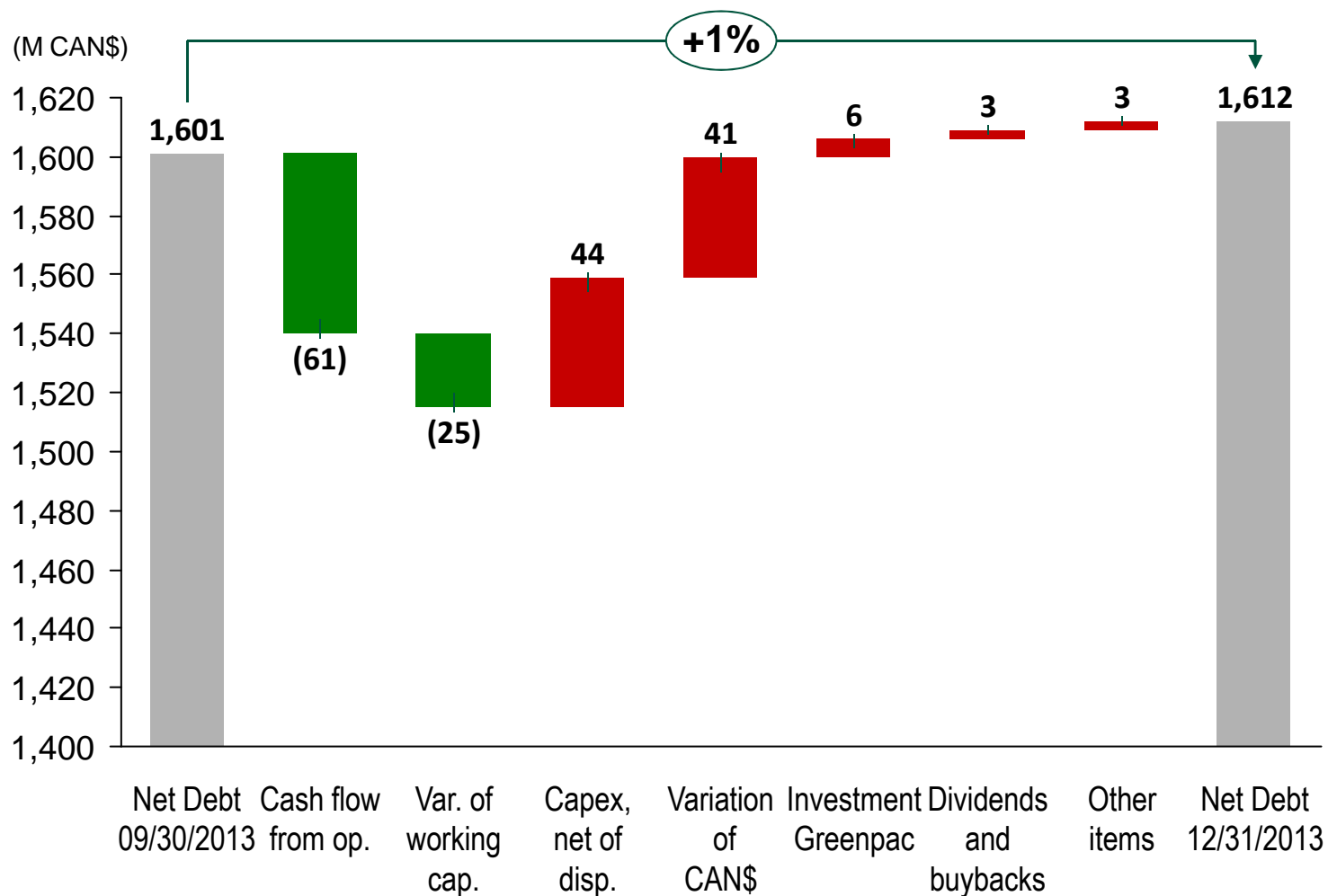
Higher EBITDA and favorable tax provisions contributed to EPS increase before specific items

STATUS OF EMPLOYEE FUTURE BENEFITS

| | 2012 | 2013 | 2014E |
|--|------------|------------|----------|
| Balance sheet obligations for | | | |
| Present value of obligations | 736 | 668 | |
| Fair value of assets | <u>598</u> | <u>624</u> | |
| Defined pension benefits | 138 | 44 | |
| Other post-employment benefits | 120 | 114 | |
| Income statement charge | | | |
| Defined pension benefits | 19 | 20 | 15 |
| Defined contribution benefits | 17 | 19 | 19 |
| Other post-employment benefits | <u>7</u> | <u>7</u> | <u>7</u> |
| | 43 | 46 | 41 |
| Contributions and premiums paid by the employer | | | |
| Defined pension benefits | 26 | 27 | 11 |
| Defined contribution benefits | 17 | 19 | 19 |
| Other post-employment benefits | <u>8</u> | <u>8</u> | <u>8</u> |
| | 51 | 54 | 38 |

Pension plan situation improved in 2013; this will help to alleviate the impacts of new rules on P&L

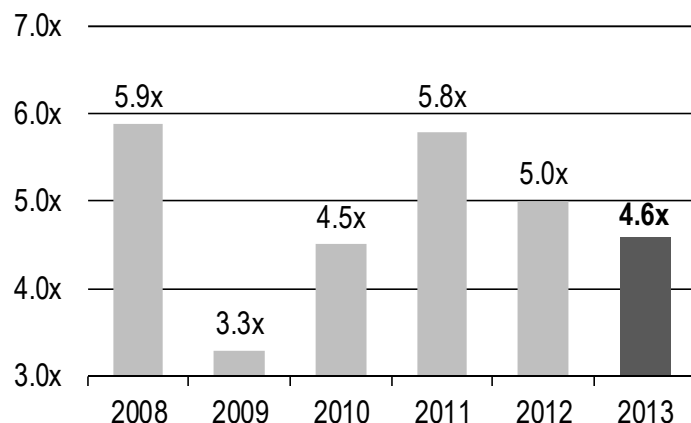
NET DEBT RECONCILIATION



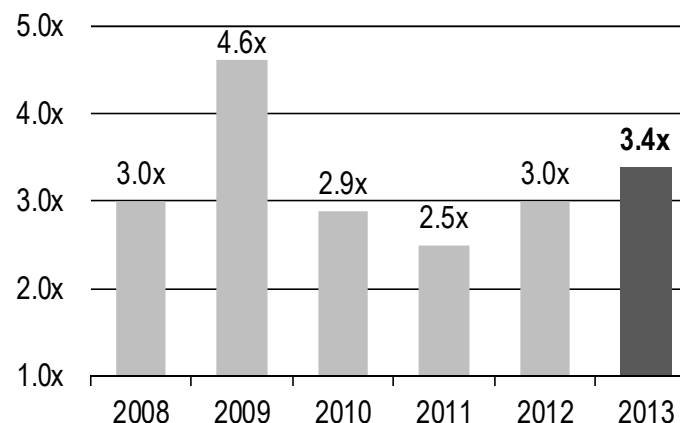
Slight increase in debt despite strong cash flows due to CAN\$ weakness (+\$82M for the year)

CONSOLIDATED FINANCIAL RATIOS & DEBT MATURITIES

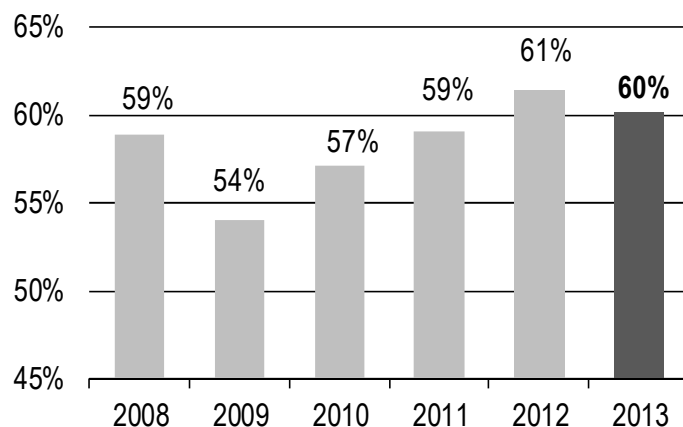
Net debt / LTM EBITDA



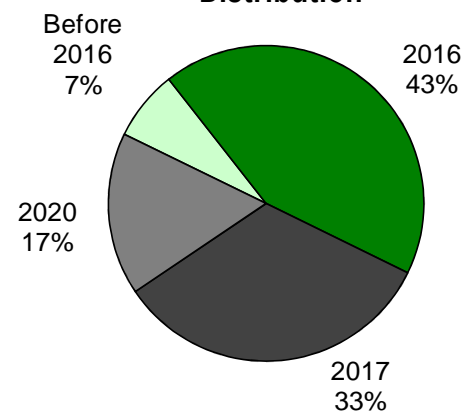
Interest Coverage Ratio



Debt / Debt + Equity



Long-term Debt Maturities Distribution



Net debt / LTM EBITDA follows a steady improvement since 2011



SEGMENTED REVIEW

TISSUE PAPERS

| Results Q4 2013 | Change vs. Q3 2013 Q4 2012 | |
|---|----------------------------------|-----|
| Shipments ('000 s.t.) 138 | -10% | -2% |
| Average selling price (CAN\$/unit) 1 812 (US\$/unit) 1 726 | 0% | 6% |
| | -1% | 0% |
| Sales (\$M) 249 | -11% | 3% |
| EBITDA (\$M) 32 % of sales 13% | -18% | 3% |

EBITDA excluding specific items

Comments on sequential performance

- ▶ Decreased shipments mostly related to lower sales in the US, both in the away-from-home and retail markets
 - ▶ Volume of converted products decreased by 12% due to seasonality in the AFH market and lower demand from customers in the retail market
 - ▶ Shipments of parent rolls shipment decreased by 9% due to usual seasonality
 - ▶ 1% decrease in average selling price due to higher proportion of parent rolls in our product mix
 - ▶ Prices of converted products remained stable
 - ▶ Promotional activities by Canadian market participants during Q4
 - ▶ Positive impact of favorable exchange rate offset the lower average selling price in US dollars
-
- ▶ Above-mentioned decreases in shipments and prices explain sequential decrease in sales
-
- ▶ Increased recycled paper costs and additional promotional activities also contributed to lower EBITDA sequentially
 - ▶ More than offset the positive impact of favorable exchange rate, lower subcontracting and repair and maintenance expenses

PACKAGING / CONTAINERBOARD

| Results Q4 2013 | Change vs. Q3 2013 Q4 2012 | |
|---|----------------------------------|-----|
| Shipments ('000 s.t.) 314 | -6% | 7% |
| Average selling price (CAN\$/unit) 1 046 (US\$/unit) 996 | -1% | 1% |
| | -2% | -5% |
| Sales (\$M) 328 | -7% | 7% |
| EBITDA (\$M) 46 % of sales 14% | 10% | 84% |

EBITDA excluding specific items

Average selling prices now include converted products

Comments on sequential performance

- ▶ 4% decrease in external shipments of our manufacturing activities following anticipated decrease in boxboard demand as major clients reduced their year-end inventory; containerboard shipments were essentially flat
 - ▶ 7% decrease in shipments of converted products as seasonality impacted shipments of our corrugated products (-6%) more than the Canadian industry (-5%) as we sell more products related to agriculture in Q3
 - ▶ Slightly better selling price for our converted products
 - ▶ More than offset by the impact of seasonality on the products mix leading to decline of average selling price
 - ▶ Favorable exchange rate positively impacted selling prices in our two segments
-
- ▶ Decrease in sales due to lower shipments (-\$21M) and lower average selling prices for most of our segments (-\$7M), offset by a favorable exchange rate (+\$1M)
 - ▶ Sequentially, lower volumes (-\$6M) and lower average selling price (-\$7M) noted above were offset by lower raw material costs due to a decrease in external purchases of paper, higher weight for our manufacturing products (+\$8M), and lower chemical costs in good part due to a smaller percentage of waxed products sold (+\$3M)
 - ▶ Fourth quarter performance was also positively impacted by a favorable adjustment to future employee benefit liabilities (+\$5M)

PACKAGING / BOXBOARD EUROPE

| Results Q4 2013 | Change vs. Q3 2013 Q4 2012 | |
|--|----------------------------------|-----|
| Shipments ('000 s.t.) 277 | 7% | -1% |
| Average selling price (CAN\$/unit) 778 (Euros/unit) 544 | 4% | 10% |
| | 1% | -1% |
| Sales (\$M) 216 | 11% | 9% |
| EBITDA (\$M) 21 % of sales 10% | 133% | 91% |

EBITDA excluding specific items

Comments on sequential performance

- ▶ Sequentially, higher shipments in all of our markets due to downtimes taken during the previous quarter
- ▶ Increase in shipments overseas for recycled grades
- ▶ Slightly higher average selling price due to higher prices for shipments overseas and in Western Europe for virgin grades
- ▶ Sequential weakening of the Canadian dollar against the Euro resulted in the realization of higher selling prices in Canadian dollars
- ▶ Sales increased due to higher shipments (\$13M) and a favorable exchange rate (+\$8M)
- ▶ EBITDA positively impacted by higher shipments (+\$3M) and credits related to energy saving initiatives (+\$6M)

PACKAGING / SPECIALTY PRODUCTS

| Results Q4 2013 | Change vs. Q3 2013 Q4 2012 | |
|---|----------------------------------|------|
| Shipments ('000 s.t.) 90 | -3% | -1% |
| Average selling price (CAN\$/unit) 946 (US\$/unit) 901 | 6% | 5% |
| | 5% | -1% |
| Sales (\$M) 192 | -3% | 5% |
| EBITDA (\$M) 16 % of sales 8% | 7% | 100% |

Comments on sequential performance

- ▶ Sequentially, Specialty Papers shipments remained fairly stable
 - ▶ Reduced volumes in Industrial Packaging but in line with Q4 2012
 - ▶ Lower volumes in Consumer Product Packaging and Recovery
-
- ▶ Improved average selling prices (in CAN\$) from weaker Canadian dollar
 - ▶ A portion of our Canadian sales are not directly impacted by the currency
 - ▶ Improved selling price in Specialty Papers due to positive impact from UFS increase
 - ▶ Unfavorable product mix in Consumer Product Packaging negatively impacted the average selling price in that segment
-
- ▶ Decrease in sales linked to lower volumes in the Recovery, Industrial Packaging and Consumer Product Packaging
 - ▶ Specialty Papers improved selling price and favorable exchange rate partly offset the reduced volume in other segments
-
- ▶ Increased selling prices combined with the positive impact of FX gains, lower fixed costs and SG&A were partly offset by lower volumes and higher raw material costs

EBITDA excluding specific items

1 Shipments and average selling prices for Specialty Papers and Industrial Packaging segments only



Q&A

AND

CONCLUDING REMARKS

NEAR TERM OUTLOOK



- Favorable FX
- Price increases for boxboard and UFS products in North America
- Benefits of restructuring and optimization measures
- Improvement of Greenpac contribution to EPS
- Cash flow contribution from Boralex



- Short term increase of recovered paper costs
- Shutdown of our Trenton mill for 14 days
- Impacts of weather conditions
- Challenges in our North American boxboard operations
- Impact of additional capacity in tissue industry

| | Boxboard Europe | Containerboard | Specialty Products | Tissue Papers |
|--------------------------|-------------------|-------------------|--------------------|-------------------|
| Volume | Stable ↔ | Slight increase ↗ | Slight increase ↗ | Slight decrease ↘ |
| Selling prices | Stable ↔ | Stable ↔ | Stable ↔ | Stable ↔ |
| Raw material costs | Stable ↔ | Slight increase ↗ | Slight increase ↗ | Slight increase ↗ |
| CDN \$ vs other currency | Slight decrease ↘ | Slight decrease ↘ | | |
| Energy costs | Stable ↔ | Stable ↔ | Stable ↔ | Slight increase ↗ |



APPENDIX

YEARLY VARIANCE OF EPS

Including (9) for Greenpac

| | YTD-2012 | | | |
|--|--------------------|----------------------------------|---------------------|-------------|
| | Operating segments | Share of Ass/JV & Non-Cont. Int. | Excluding specifics | As reported |
| EBITDA | 304 | | 304 | (30) |
| Depreciation | (186) | | (186) | (13) |
| EBIT | 118 | 0 | 118 | (43) |
| Financing expenses | (102) | | (102) | |
| Interest expense on employee future benefits | (13) | | (13) | |
| FX gain (loss) on LT debt and fin. Inst. | | | 0 | 8 |
| Share of results of associates and JVs | | 0 | 0 | 2 |
| Profit (loss) before tax | 3 | 0 | 3 | (33) |
| Provision for income taxes | (4) | | (4) | 10 |
| Non-controlling interests | | 6 | 6 | 1 |
| Discontinued operations | | | 0 | (5) |
| Net earnings (loss) per share | (1) | 6 | 5 | (27) |
| | (\$0.01) | \$0.06 | \$0.05 | (\$0.28) |

| | YTD-2013 | | | |
|--|--------------------|----------------------------------|---------------------|-------------|
| | Operating segments | Share of Ass/JV & Non-Cont. Int. | Excluding specifics | As reported |
| | 352 | | 352 | (30) |
| | (182) | | (182) | |
| | 170 | 0 | 170 | (30) |
| | (104) | | (104) | 1 |
| | (12) | | (12) | |
| | | | 0 | 2 |
| | | (7) | (7) | 4 |
| | 54 | (7) | 47 | (23) |
| | (13) | 3 | (10) | (2) |
| | | (8) | (8) | 5 |
| | | | 0 | 2 |
| | 41 | (12) | 29 | (18) |
| | \$0.44 | (\$0.13) | \$0.31 | (\$0.20) |

Change in Operating results after-tax (normalized 30%) \$0.38
 Change in Income taxes provision (vs normalized 30%) \$0.07 → Tax rate mix, Europe valuation allowance reversal, prior year tax adjustment in 2013
 Change in Share of results of Associates and JVs - net of taxes and non-controlling interests (\$0.19) → Higher contribution from Reno De Medici and Greenpac's negative share of results in 2013

\$0.26

Increase in operating results partially offset by minority interests in RDM and Greenpac start-up

2013 SENSITIVITY TABLE¹

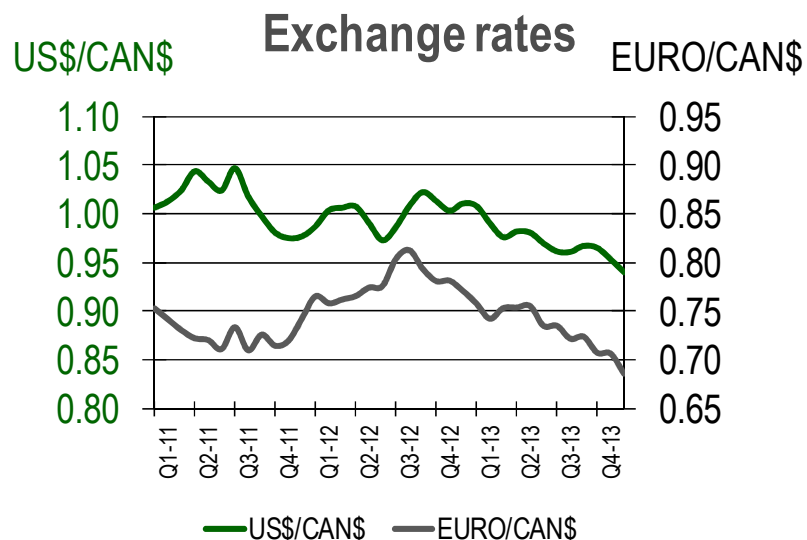
| | CAPACITY / CONSUMPTION (‘000 s.t., except where indicated) | INCREASE | EBITDA IMPACT (In million of CAN\$) |
|--|---|-------------------|--|
| SELLING PRICES (MANUFACTURING)² | | | |
| Containerboard | 1,268 | US\$25/s.t. | 33 |
| Specialty Products (Industrial Packaging and Specialty Papers sectors only) | 371 | US\$25/s.t. | 10 |
| Tissue | 583 | US\$25/s.t. | 15 |
| Boxboard | 1,137 | €25/s.t. | 39 |
| RAW MATERIAL COSTS² | | | |
| Recycled papers | | | |
| Brown grades (OCC & others) | 1,902 | US\$ or €15/s.t. | (34) |
| Groundwood grades (ONP & others) | 294 | US\$ or €15/s.t. | (6) |
| White grades (SOP & others) | 804 | US\$ or €15/s.t. | (13) |
| Commercial pulp | 306 | US\$ or €30/s.t. | (11) |
| Natural gas (‘000 mmBtu) | 13,460 | US\$ or €1 /mmBtu | (15) |
| FOREIGN EXCHANGE³ | | | |
| Change of US\$ 0.01 vs CAN\$ | | | (5) |

¹ Sensitivity calculated according to 2013 volumes or consumption, and with an exchange rate of US\$/CAN\$ 0.97 and €/CAN\$ 0.73, excluding hedging programs and the impact of related expenses such as discounts, commissions on sales and profit sharing.

² Based on 2013 external manufacturing and converting shipments, as well as 2013 fibre and pulp consumption, including purchases from our subsidiary Cascades Recovery.

³ As an example, from US\$/CAN\$ 0.97 to US\$/CAN\$ 0.98

FOREIGN EXCHANGE



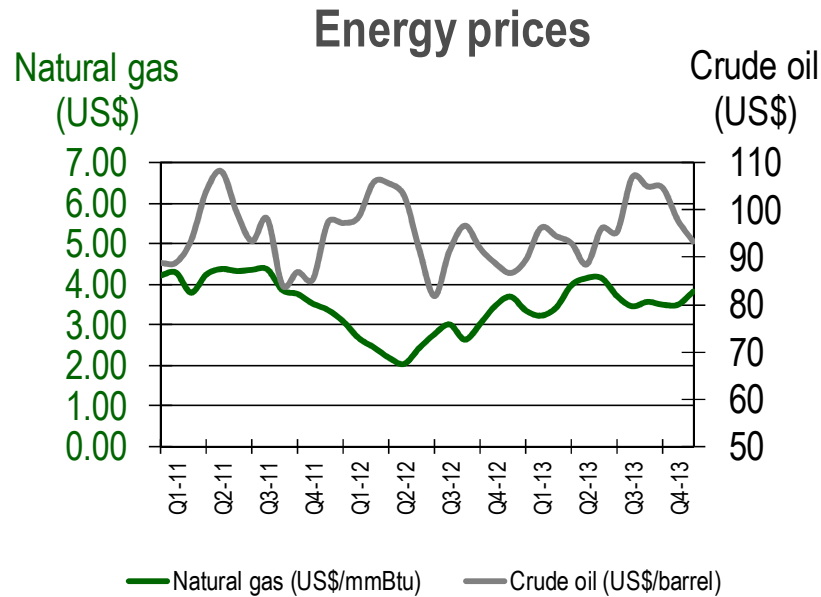
Hedging Program – USD Cash flows

- 2014
24 to 41% of exposure hedged at an average rate of 1.0477 CAN\$/US\$ to 1.0788 CAN\$/US\$
- 2015
15 to 30% of exposure hedged at an average rate of 1.043 CAN\$/US\$ to 1.0858 CAN\$/US\$

| | 2011 | | 2012 | | 2013 | | Change | |
|-------------------------------|-------|-------|-------|-------|-------|-------|--------------------|--------------------|
| | Year | Year | Q1 | Q2 | Q3 | Q4 | Q4 2013 Q4 2012 | Q4 2013 Q3 2013 |
| <i>Averages</i> | | | | | | | | |
| Foreign exchange rates | | | | | | | | |
| US\$/CAN\$ | 1.011 | 1.001 | 0.991 | 0.977 | 0.963 | 0.953 | -6% | -1% |
| EURO/CAN\$ | 0.727 | 0.779 | 0.751 | 0.748 | 0.727 | 0.700 | -10% | -4% |

Source: Bloomberg

ENERGY PRICES



Hedging Program – Natural gas

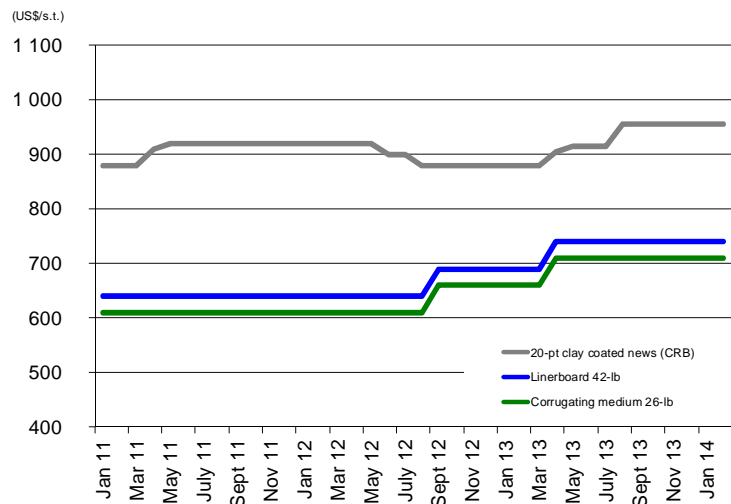
- Canada:
 - 2014 : 66% at 5.31 CAN\$/GJ
 - 2015 : 59% at 4.72 CAN\$/GJ
- U.S.:
 - 2014 : 55% at 5.12 US\$/mmBtu
 - 2015 : 44% at 5.09 US\$/mmBtu

| | 2011 | | 2012 | | 2013 | | Change | |
|------------------------------------|-------|-------|-------|-------|--------|-------|--------------------|--------------------|
| | Year | Year | Q1 | Q2 | Q3 | Q4 | Q4 2013 Q4 2012 | Q4 2013 Q3 2013 |
| Averages | | | | | | | | |
| Energy prices | | | | | | | | |
| Natural gas Henry Hub (US\$/mmBtu) | 4.04 | 2.79 | 3.34 | 4.09 | 3.58 | 3.60 | 6% | 1% |
| Crude oil WTI (US\$/barrel) | 94.01 | 94.92 | 93.37 | 92.54 | 102.42 | 98.60 | 11% | -4% |

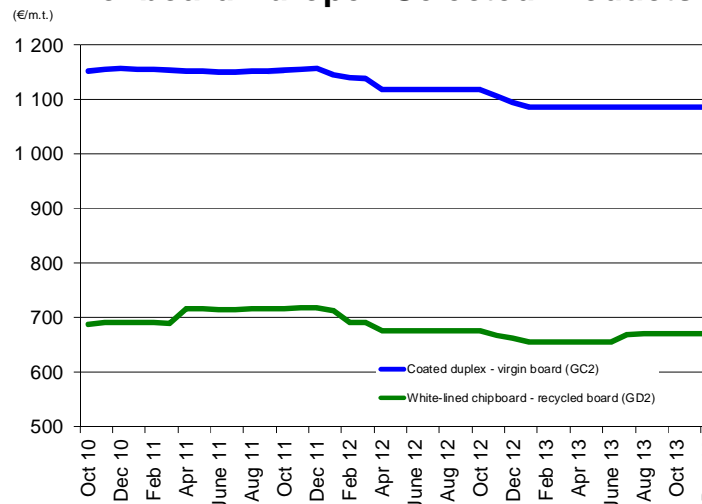
Source: Bloomberg

SELECTED INDUSTRY REFERENCE PRICES

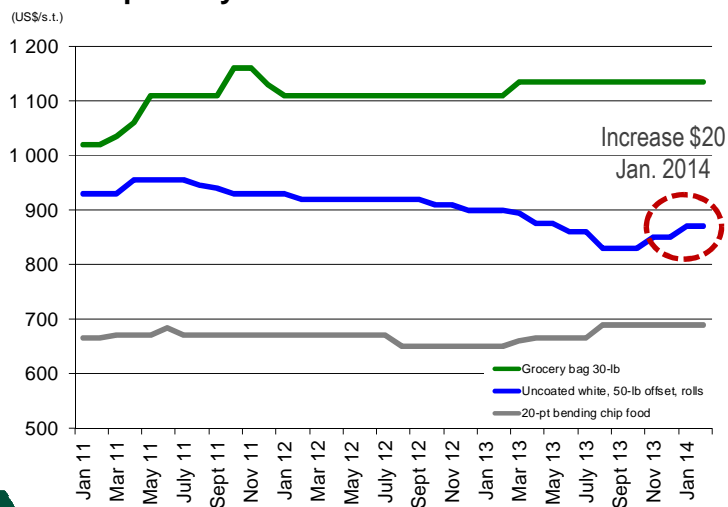
Containerboard - Selected Products



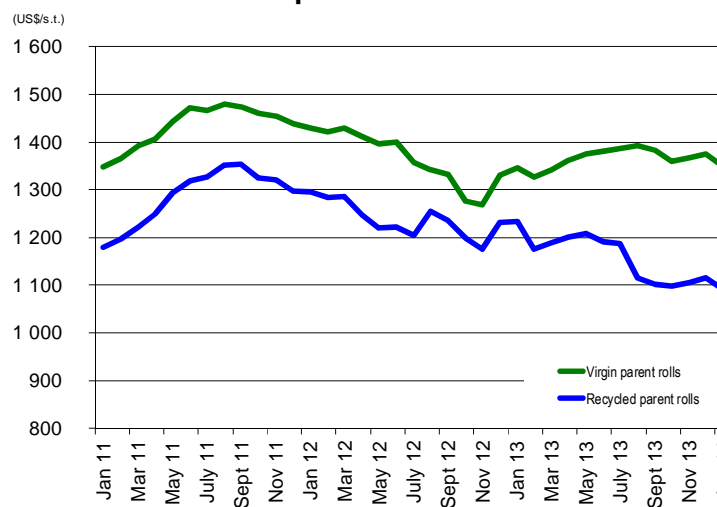
Boxboard Europe - Selected Products



Specialty Products - Selected Products



Tissue Papers - Selected Products

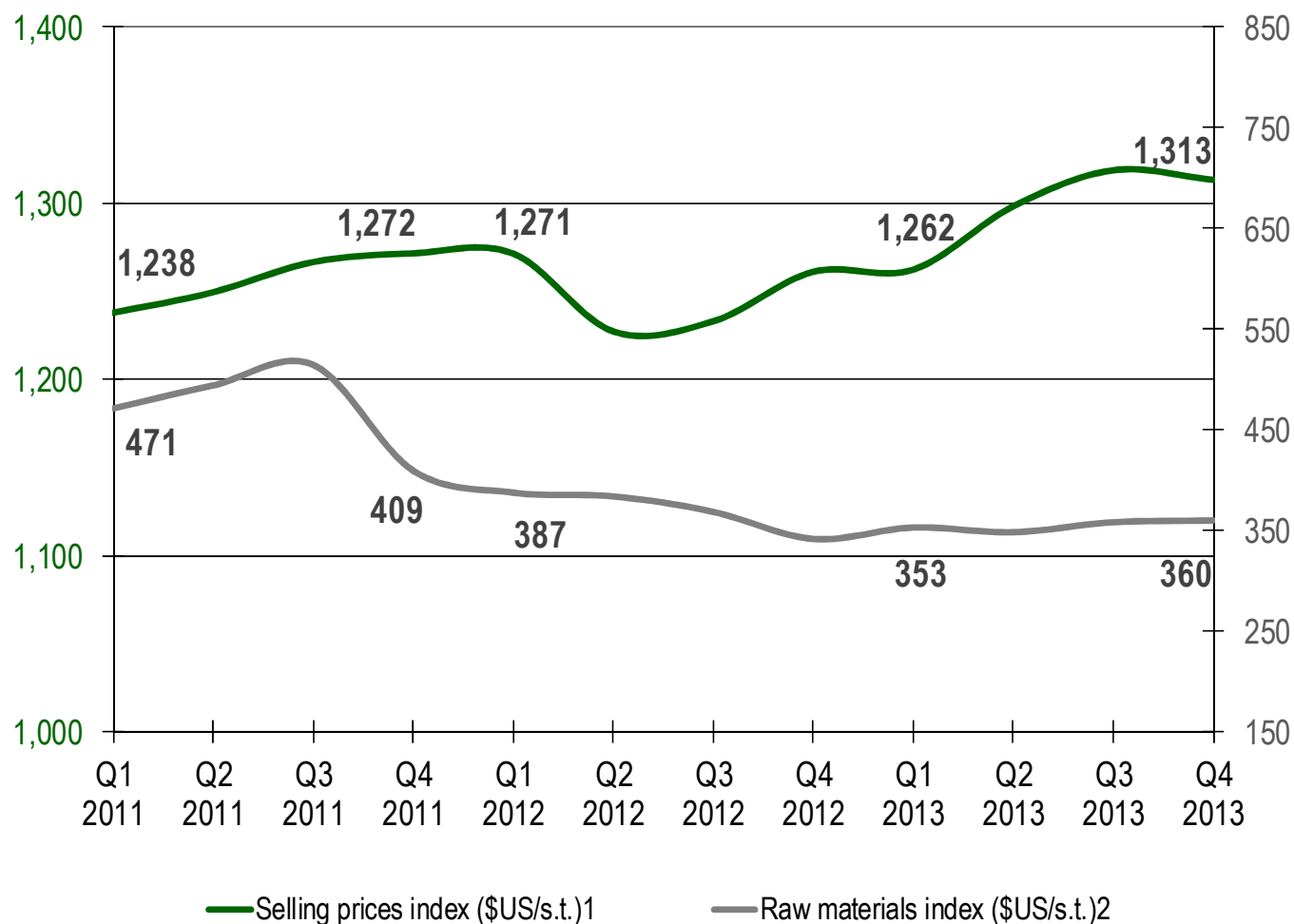


MARKET PRICES AND COSTS SUMMARY

| These indexes should only be used as indicator of trends and they be different than our actual selling prices or purchasing costs. | | | | | | | | | | | | Q4 2013 over Q4 2012 | | Q4 2013 over Q3 2013 | | Year 2013 over Year 2012 | | |
|--|-------|-------|-------|-------|-------|-------|-------|-------|-------|-------|-------|----------------------|------|----------------------|-----|--------------------------|------|--|
| | 2011 | 2012 | | | | | 2013 | | | | | | | | | | | |
| | Year | Q1 | Q2 | Q3 | Q4 | Year | Q1 | Q2 | Q3 | Q4 | Year | (units) | (%) | (units) | (%) | (units) | (%) | |
| Selling prices (average) | | | | | | | | | | | | | | | | | | |
| Cascades North American US\$ index (index 2005 = 1,000)¹ | 1,256 | 1,271 | 1,227 | 1,233 | 1,261 | 1,248 | 1,262 | 1,298 | 1,319 | 1,313 | 1,298 | 52 | 4% | -5 | 0% | 50 | 4% | |
| PACKAGING PRODUCTS | | | | | | | | | | | | | | | | | | |
| Boxboard | | | | | | | | | | | | | | | | | | |
| North America (US\$/ton) | | | | | | | | | | | | | | | | | | |
| Recycled boxboard - 20pt. clay coated news (transaction) | 909 | 920 | 913 | 887 | 880 | 900 | 880 | 912 | 942 | 955 | 922 | 75 | 9% | 13 | 1% | 22 | 2% | |
| Europe (Euro/tonne) | | | | | | | | | | | | | | | | | | |
| Recycled white-lined chipboard (GD2) index ² | 710 | 698 | 677 | 677 | 669 | 680 | 656 | 656 | 670 | 671 | 663 | 2 | 0% | 0 | 0% | -17 | -2% | |
| Virgin coated duplex boxboard (GC2) index ³ | 1,153 | 1,141 | 1,118 | 1,118 | 1,106 | 1,121 | 1,086 | 1,086 | 1,086 | 1,086 | 1,086 | -20 | -2% | 0 | 0% | -35 | -3% | |
| Containerboard (US\$/ton) | | | | | | | | | | | | | | | | | | |
| Linerboard 42-lb. unbleached kraft, East U.S. (transaction) | 640 | 640 | 640 | 657 | 690 | 657 | 690 | 740 | 740 | 740 | 728 | 50 | 7% | 0 | 0% | 71 | 11% | |
| Corrugating medium 26-lb. semichemical, East U.S. (transaction) | 610 | 610 | 610 | 627 | 660 | 627 | 660 | 710 | 710 | 710 | 698 | 50 | 8% | 0 | 0% | 71 | 11% | |
| Specialty Products (US\$/ton, tonne for deinked pulp) | | | | | | | | | | | | | | | | | | |
| Recycled boxboard - 20pt. bending chip (transaction) | 670 | 670 | 670 | 657 | 650 | 662 | 653 | 665 | 682 | 690 | 673 | 40 | 6% | 8 | 1% | 11 | 2% | |
| Deinked pulp (f.o.b.; U.S. air-dried & wetlap, post-consumer) | 763 | 663 | 675 | 713 | 715 | 692 | 740 | 755 | 758 | 770 | 756 | 55 | 8% | 12 | 2% | 64 | 9% | |
| Unbleached kraft paper, grocery bag 30-lb. | 1,095 | 1,110 | 1,110 | 1,110 | 1,110 | 1,110 | 1,118 | 1,135 | 1,135 | 1,135 | 1,131 | 25 | 2% | 0 | 0% | 21 | 2% | |
| Uncoated white 50-lb. offset, rolls | 940 | 923 | 920 | 920 | 907 | 918 | 898 | 870 | 840 | 843 | 863 | -63 | -7% | 3 | 0% | -55 | -6% | |
| TISSUE PAPERS | | | | | | | | | | | | | | | | | | |
| Cascades Tissue Papers (index 1999 = 1,000) ⁴ | 1,669 | 1,654 | 1,647 | 1,651 | 1,642 | 1,649 | 1,619 | 1,598 | 1,594 | 1,599 | 1,603 | -43 | -3% | 5 | 0% | -46 | -3% | |
| Raw materials (average) | | | | | | | | | | | | | | | | | | |
| Cascades North American US\$ index (index 2005 = 300)⁵ | 472 | 387 | 384 | 368 | 342 | 370 | 353 | 348 | 358 | 360 | 355 | 18 | 5% | 2 | 0% | -16 | -4% | |
| RECYCLED PAPER | | | | | | | | | | | | | | | | | | |
| North America (US\$/ton) | | | | | | | | | | | | | | | | | | |
| Corrugated containers, no. 11 (OCC - Northeast & Midwest average) | 149 | 123 | 120 | 93 | 82 | 104 | 94 | 98 | 102 | 102 | 99 | 20 | 24% | 0 | 0% | -5 | -5% | |
| Special news, no. 8 (ONP - Chicago & NY average) | 126 | 85 | 90 | 70 | 60 | 76 | 67 | 65 | 58 | 58 | 62 | -3 | -5% | 0 | 0% | -15 | -19% | |
| Sorted office papers, no. 37 (SOP - Chicago & NY average) | 233 | 145 | 151 | 170 | 151 | 154 | 150 | 138 | 135 | 134 | 139 | -17 | -11% | -1 | -1% | -16 | -10% | |
| Europe (Euro/tonne) | | | | | | | | | | | | | | | | | | |
| Recovered paper index ⁶ | 140 | 113 | 118 | 102 | 111 | 111 | 111 | 119 | 114 | 116 | 115 | 5 | 5% | 1 | 1% | 4 | 4% | |
| VIRGIN PULP (US\$/tonne) | | | | | | | | | | | | | | | | | | |
| Bleached softwood kraft Northern, East U.S. | 978 | 873 | 900 | 853 | 863 | 873 | 898 | 937 | 947 | 983 | 941 | 120 | 14% | 37 | 4% | 69 | 8% | |
| Bleached hardwood kraft Northern mixed, East U.S. | 808 | 714 | 778 | 763 | 744 | 750 | 791 | 853 | 873 | 860 | 844 | 116 | 16% | -13 | -2% | 95 | 13% | |
| WOODCHIPS - Conifer Eastern Canada (US\$/odmt) | 127 | 130 | 121 | 120 | 120 | 123 | 110 | 107 | 105 | 104 | 107 | -16 | -13% | -1 | -1% | -16 | -13% | |

Source: RISI, Random Lengths and Cascades. Refer to Notes page included at the end of the Appendix.

NORTH AMERICAN MANUFACTURING SPREAD



Manufacturing spread in CAN\$ in Q4/13: stable vs Q3/13 and +10% vs Q4/12

NOTES

1. The Cascades North American selling prices index represents an approximation of the Corporation's manufacturing selling prices in North America (excluding converting). It is weighted according to shipments and is based on the average selling price of our North American manufacturing operations of boxboard, containerboard, speciality products and tissue paper. It considers the change in the mix of products sold. This index should only be used as a trend indicator.
2. The Cascades recycled white-lined chipboard selling prices index represents an approximation of Cascades' recycled grades selling prices in Europe. It is weighted by country.
3. The Cascades virgin coated duplex boxboard selling prices index represents an approximation of Cascades' virgin grades selling prices in Europe. It is weighted by country.
4. The Cascades Tissue Papers selling prices index represents a mix of primary and converted products, and is based on the product mix at the end of 2006.
5. The Cascades North American raw materials index is based on publication prices and the average weighted cost paid for some of our manufacturing raw materials, namely recycled fibre, virgin pulp and woodchips, in North America. It is weighted according to purchase volume. This index should only be used as a trend indicator, as it may differ from our actual manufacturing purchasing costs and our purchase mix.
6. The Cascades recovered paper index represents an approximation of Cascades' recovered paper purchase prices in Europe. It is weighted by country based on the recycled fibre supply mix of 2009 and has been updated in 2013.

The capacity utilization rate is defined as: Shipments/Practical capacity. Paper manufacturing only.

Return on assets is a non-IFRS measure and is defined as: LTM EBITDA excluding specific items/ LTM Average of total quarterly assets. It includes discontinued operations.

Working capital includes accounts receivable plus inventories less accounts payable.