CASCADES INC.
Institutional Roadshow – Toronto

April 1st, 2014
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 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 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.
INTRODUCTION

Where we come from
- Unique culture – green visionaries, turnarounds, entrepreneurial philosophy
- Business model challenged by strong CAD$ and volatile recycled fibre costs

Our recent performance and financial situation
- Cost inflation in 2011/2012 but less volatile cost environment at the moment
- Low economic growth in Canada and Europe but favorable FX
- Productivity and profitability improving ➔ more to come
- 2011 left us with an over-levered balance sheet but improving ratios

Our action plan
- Started at the end of 2011: a lot has been done but not completed yet
- Investments reflected on balance sheet but not yet in results
- New state-of-the-art Greenpac mill ramping-up according to plan

Doing all the right things to improve a success story
OVERVIEW OF OUR OPERATIONS
Green packaging and tissue product offering

<table>
<thead>
<tr>
<th>Packaging Products</th>
<th>Tissue Papers</th>
</tr>
</thead>
<tbody>
<tr>
<td>Containerboard</td>
<td></td>
</tr>
<tr>
<td>Boxboard Europe</td>
<td></td>
</tr>
<tr>
<td>Specialty Products</td>
<td></td>
</tr>
</tbody>
</table>

- **1st** containerboard producer in Canada
- **6th** in North America
- **2nd** producer in Europe
- **1st** paper collector in Canada
- **1st** tissue paper producer in Canada
- **4th** in North America

Leading NA packaging and tissue manufacturer with substantial recycling capabilities
OVERVIEW OF OUR OPERATIONS
Closed-loop business model

100+ business units

RECOVERY
20 units

FINISHED PRODUCTS
Trims and rejects sent to recycling centers

CONVERTING
58 units

MANUFACTURING
34 units

CLIENTS

77% recycled fibre
(3.0M tons)

NA integration rate (2013): 27% (550K tons)

Upstream and downstream integration in North America

1 Integration rate for our containerboard activities in North America.
2 Including Reno De Medici’s units and Greenpac. Also including 7 manufacturing/converting tissue papers units which are counted in both Converting and Manufacturing.
OVERVIEW OF OUR OPERATIONS
Balanced play in less cyclical sectors

Cascades
2013 Sales: $3,849M
2013 EBITDA: $352M
EBITDA Margin: 9%

Packaging Products
74% of Sales
66% of EBITDA
EBITDA Margin: 6%

Containerboard
33% of Sales
38% of EBITDA
EBITDA Margin: 11%

Boxboard Europe
21% of Sales
13% of EBITDA
EBITDA Margin: 6%

Specialty Products
20% of Sales
15% of EBITDA
EBITDA Margin: 7%

Tissue Papers
26% of Sales
34% of EBITDA

EBITDA Margin: 13%

Exposure to two healthiest sectors in the Pulp and Paper industry

EBITDA excluding specific items. Breakdown of sales and EBITDA before eliminations & corporate activities.
OUR FINANCIAL PERFORMANCE
Historical performance

Results progressing as productivity, FX and pricing environment improve

EBITDA excluding specific items.
Note 1 – Elimination of joint venture consolidation
Note 2 – Impact of Dopaco divestiture and elimination of joint venture consolidation
OUR FINANCIAL PERFORMANCE
Historical segmented EBITDA

EBITDA excluding specific items.
OUR BUSINESS DRIVERS – PRICES

Containerboard - Selected Products

- Prices relatively stable throughout the year 2013

Tissue Papers - Selected Products

- Recycled grade prices under pressure:
  - Additional capacity coming to market
  - Reasonable recovered paper prices

Price increases in containerboard have been beneficial
OUR BUSINESS DRIVERS – RAW MATERIAL COSTS

Recycled Fiber North American List Prices

- GreenFence program
- Greenpac start-up July 15

US OCC Costs Highly Correlated with Asian Board Market

- Experts estimate Chinese collection rate at approx. 46%
- Will increase as domestic consumption increases

Partially due to harsh weather, brown grades increased by $15/s.t. in March

Sources: RISI
Our North American Recycled Fibre Supply

Currently control over 60% of our fibre supply despite greater concentration on the supply side.

**2013**

- **Cascades Recovery and Internal** 28%
- **Contractual Agreement** 35%
- **Spot Purchase** 37%

Our Strategy

- **Short term:**
  - constant review of our inventory strategy

- **Long term:**
  - ensure control over fiber supply
  - develop substitute grades
  - potential to increase virgin content in certain circumstances
  - continue to close the loop with customers retailers

Largest recycled paper collector in Canada
OUR BUSINESS DRIVERS – ENERGY AND FX

Energy costs higher than last year

A prolonged weakness of the CAN$ would be a game changer

- EBITDA sensitivity of $5M to every change of 0.01 CAN$ vs US$

Source: Bloomberg
OUR STRATEGIC ACTION PLAN
Four priorities

1. Modernize core operations through focused investments
2. Optimize capital allocation and reduce working capital
3. Restructure underperforming units
4. Innovate to improve and develop processes and products

Improve our ROCE to reach our cost of capital
Reach industry comparable leverage ratios

Improving our profitability and financial situation through our Action Plan
Modernize core operations through focused investments

Initiatives undertaken since the beginning of our Action Plan

- Construction of the Greenpac linerboard mill in Niagara Falls, NY
- Consolidation of our platform in Ontario
- Consolidation of our folding carton platform in Canada
- Installation in 2010 of an ATMOS machine in Candiac
- Installation of a new paper machine in Oregon (Q4-2014)
- Additional converting capacity in Arizona early in 2014
OUR NEW GREENPAC LINERBOARD MILL

Operational Facts
- Largest recycled linerboard mill in NA:
  - 1,500 s.t./day of lightweight recycled linerboard (26 pounds)
- Product differentiation
- Most technologically advanced equipment

Ramp-up Highlights
- Satisfied with productivity and board quality
- Average production during Q4: 747 tons/day
- Production peaks > 1,400 tons/day
- Positive EBITDA in Q4

Modernize core operations through focused investments
## ILLUSTRATIVE GREENPAC CONTRIBUTION TO EPS

### Cascades' EPS
(excluding specific items)

<table>
<thead>
<tr>
<th>Year</th>
<th>EPS</th>
</tr>
</thead>
<tbody>
<tr>
<td>2010</td>
<td>$0.83</td>
</tr>
<tr>
<td>2011</td>
<td>($0.14)</td>
</tr>
<tr>
<td>2012</td>
<td>$0.17</td>
</tr>
<tr>
<td>09/2013 LTM</td>
<td>$0.12</td>
</tr>
</tbody>
</table>

### Greenpac Depreciation

<table>
<thead>
<tr>
<th>EBITDA (M$)</th>
<th>Depreciation &amp; Interest (M$)</th>
<th>Income tax (39%) (M$)</th>
<th>Net income (M$)</th>
<th>CAS' share of income (M$)</th>
<th>Impact on Cascades EPS (M$)</th>
<th>Value per share using 7x EBITDA multiple</th>
</tr>
</thead>
<tbody>
<tr>
<td>60</td>
<td>40</td>
<td>8</td>
<td>12</td>
<td>7</td>
<td>$0.08</td>
<td>$0.76</td>
</tr>
<tr>
<td>80</td>
<td>40</td>
<td>16</td>
<td>24</td>
<td>15</td>
<td>$0.16</td>
<td>$1.65</td>
</tr>
<tr>
<td>100</td>
<td>40</td>
<td>23</td>
<td>37</td>
<td>22</td>
<td>$0.23</td>
<td>$2.54</td>
</tr>
</tbody>
</table>

### Sensitivity

<table>
<thead>
<tr>
<th>EBITDA (M$)</th>
<th>Depreciation &amp; Interest (M$)</th>
<th>Income tax (39%) (M$)</th>
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<th>Impact on Cascades EPS (M$)</th>
<th>Value per share using 7x EBITDA multiple</th>
</tr>
</thead>
<tbody>
<tr>
<td>10</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td>$0.45</td>
</tr>
</tbody>
</table>

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Greenpac has the potential to contribute significantly to Cascades EPS.
THE CONTAINERBOARD MARKET

Changing landscape: Leading 3 North American Producers representing 62% of the market

% of total capacity

<table>
<thead>
<tr>
<th>2007 Industry Participants</th>
<th>2013 Industry Participants</th>
</tr>
</thead>
<tbody>
<tr>
<td>① Smurfit Stone</td>
<td>① IP</td>
</tr>
<tr>
<td>② Weyerhaeuser</td>
<td>② Rock Tenn</td>
</tr>
<tr>
<td>③ IP</td>
<td>③ Koch/GP</td>
</tr>
<tr>
<td>④ Georgia Pacific</td>
<td>④ PCA (incl. Boise)</td>
</tr>
<tr>
<td>⑤ Temple Inland</td>
<td>⑤ Kapstone (incl. Longview)</td>
</tr>
<tr>
<td>⑥ PCA</td>
<td>⑥ Cascades</td>
</tr>
<tr>
<td>⑦ Cascades</td>
<td>⑦ Pratt</td>
</tr>
<tr>
<td>Others</td>
<td>Others</td>
</tr>
</tbody>
</table>

Others: 24%  Others: 17%

Top-5: 67%  Top-5: 76%

Cascades has maintained its market share in a consolidated industry

Sources: Company reports and estimates, RISI, Fiber Box Association, Paper Packaging Canada.
Cascades’ capacity includes 100% of Greenpac
Selected initiatives undertaken since the beginning of our Action Plan

**Tissue Papers – Western US**

- Acquisition and conversion of Boise paper machine next to our existing tissue machine to:
  - increase our capacity by 55,000 tons on a faster timeline
  - improve the overall operating efficiency of the mill
  - increase market reach at a reduced capital cost per ton
- $35M cost and with start-up in Q4-2014

**Corporate – Working cap initiative**

<table>
<thead>
<tr>
<th>LTM Working Capital (% of LTM Sales)</th>
</tr>
</thead>
<tbody>
<tr>
<td>Q4 2011</td>
</tr>
<tr>
<td>14.8%</td>
</tr>
</tbody>
</table>

![Graph showing LTM Working Capital (% of LTM Sales)](image-url)
THE TISSUE PAPERS MARKET

Future capacity additions CAGR of 1.9%, not so far from annual consumption growth

Top 5 – North American Tissue Producers

<table>
<thead>
<tr>
<th>Rank</th>
<th>Company</th>
<th>% of total capacity</th>
</tr>
</thead>
<tbody>
<tr>
<td>1</td>
<td>Koch/GP</td>
<td>29%</td>
</tr>
<tr>
<td>2</td>
<td>P&amp;G</td>
<td>16%</td>
</tr>
<tr>
<td>3</td>
<td>Kimberly-Clark</td>
<td>15%</td>
</tr>
<tr>
<td>4</td>
<td>Cascades</td>
<td>7%</td>
</tr>
<tr>
<td>5</td>
<td>SCA</td>
<td>6%</td>
</tr>
<tr>
<td></td>
<td>Others</td>
<td>27%</td>
</tr>
</tbody>
</table>

Total - 2013: 8,671

Sources: RISI, Company reports and estimates

New capacity to have more impact on brands but potential trickle-down to AfH
OUR POSITIONING IN THE TISSUE PAPERS SEGMENT

Cascades’ Tissue Papers 2013 Sales – End-Users

Cascades’ Tissue Papers 2013 Sales – Countries

Canada (30%)

US (70%)

Optimize capital allocation and reduce working capital
OUR EQUITY INVESTMENT IN BORALEX

$102 million EBITDA

652 MW in operation

• Valuation does not fully reflect growth potential

• Current BLX share price: ~$13.00 - represents ±$1.85/share for CAS

Boralex has a tremendous pipeline of projects

+/- 950 MW Pro Forma attributable to Boralex

More than $200 million EBITDA in 2016
OUR INTEREST IN RENO AND OUR EUROPEAN PLATFORM

• Results from 2007 transaction: we received a 31% interest in exchange for our recycled mills
• We now own ~58% of public Italian company (fully consolidated in our results)
• Allowed for rationalization of production capacity and amalgamation of sales forces

Restructure underperforming units – now 2nd producer of boxboard in Europe

RdM achievements
• From 10 to 7 machines with same production capacity
• Implementation of Paneuropean direct sales network
• > €90M of capex to modernize asset base
• €12M of fixed cost saving program achieved
Restructure underperforming units

Difficult decisions taken since the beginning of our Action Plan

• 12 closures
  • Containerboard: 1 manufacturing mill + 5 converting plants
  • Boxboard North America: 1 converting plant
  • Boxboard Europe: 2 mills + 1 paper machine; in discussion with union for a potential closure of our Sweden boxboard mill
  • Specialty Product: 1 pulp mill + 1 specialty packaging plant
  • Tissue: 1 napkin plant

• 4 sales
  • Containerboard – Manufacturing Avot-Vallée mill
  • Boxboard – Manufacturing Versailles mill
  • Boxboard – Converting Dopaco business, Hebron plant
Innovate to improve and develop processes and products

Ultrafit – Cup tray

Antibacterial Towel

Moka – Beige bath tissue

Won prestigious HAVI Global Supplier of the Year and McDonald’s System First Award

Won prestigious Edison Award Gold Medal

EVOK™ – Polystyrene foam packaging using recycled material

Some of our activities aim at achieving 10% of sales from new products
OUR SPECIALTY PRODUCTS GROUP

2013 sales of $965M in four main sectors of activities (including joint ventures)

Recycling and Recovery (20 units)
- 32% of sales
- Largest recycled paper collector in Canada

Specialty Papers (6 units)
- 37% of sales
- Eco-friendly fine and security papers

Industrial Packaging (12 units)
- 16% of sales
- Leading producer of papermill packaging
- $10-15M EBITDA under equity method

Consumer Packaging (7 units)
- 15% of sales
- Largest producer of honeycomb in Canada

Stable source of revenues and platform for innovation
OUR FINANCIAL SITUATION

Investment program

• Capital expenditures for 2013 stood at around $160M
• 2014 level to revolve around $160M
  • Including ~$60-70M of maintenance capex
  • Amount subject to change depending on operating results and economic conditions
  • Mostly dedicated towards tissue activities

Capital Expenditures Distribution for FY2013 - $157M

By segment

- Container-board 28%
- Boxboard Europe 18%
- Specialty Products 14%
- Tissue papers 30%
- Corporate 10%

Gradual capex program to improve asset base
Our Financial Situation
Consolidated Financial Ratios

Net Debt / LTM EBITDA

Interest Coverage Ratio

Improvement of our financial situation since 2011
OUR FINANCIAL SITUATION
Divestiture to finance other growth initiatives

Increase since 2010 mostly related to consolidation of Reno ($149M) and exchange rate ($73M)

Divestitures and FCF have funded acquisitions and capex
OUR FINANCIAL SITUATION
Status of employee future benefits

<table>
<thead>
<tr>
<th>Balance sheet obligations</th>
<th>2012</th>
<th>2013</th>
<th>2014E</th>
</tr>
</thead>
<tbody>
<tr>
<td>Present value of obligations</td>
<td>736</td>
<td>668</td>
<td></td>
</tr>
<tr>
<td>Fair value of assets</td>
<td>598</td>
<td>624</td>
<td></td>
</tr>
<tr>
<td>Defined pension benefits</td>
<td>138</td>
<td>44</td>
<td></td>
</tr>
<tr>
<td>Other post-employment benefits</td>
<td>120</td>
<td>114</td>
<td></td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>Income statement charge</th>
<th>2012</th>
<th>2013</th>
<th>2014E</th>
</tr>
</thead>
<tbody>
<tr>
<td>Defined pension benefits</td>
<td>19</td>
<td>20</td>
<td>15</td>
</tr>
<tr>
<td>Defined contribution benefits</td>
<td>17</td>
<td>19</td>
<td>19</td>
</tr>
<tr>
<td>Other post-employment benefits</td>
<td>7</td>
<td>7</td>
<td>7</td>
</tr>
<tr>
<td></td>
<td>43</td>
<td>46</td>
<td>41</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>Contributions and premiums paid by the employer</th>
<th>2012</th>
<th>2013</th>
<th>2014E</th>
</tr>
</thead>
<tbody>
<tr>
<td>Defined pension benefits</td>
<td>26</td>
<td>27</td>
<td>11</td>
</tr>
<tr>
<td>Defined contribution benefits</td>
<td>17</td>
<td>19</td>
<td>19</td>
</tr>
<tr>
<td>Other post-employment benefits</td>
<td>8</td>
<td>8</td>
<td>8</td>
</tr>
<tr>
<td></td>
<td>51</td>
<td>54</td>
<td>38</td>
</tr>
</tbody>
</table>

Pension plan situation improved in 2013; alleviates impacts of new rules on P&L
**WHY INVEST IN CASCADES**

Illustrative sum-of-the-parts valuation analysis

<table>
<thead>
<tr>
<th>Comparable Companies</th>
<th>Illustrative Cascades’ LTM EBITDA</th>
<th>Selected Multiple (conservative)</th>
<th>Illustrative Value (M$ rounded)</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>Trading Range</td>
<td>(M$ rounded, net corp. activities)</td>
<td></td>
</tr>
<tr>
<td></td>
<td>TEV/LTM EBITDA</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Tissue Papers</td>
<td>8.5x – 11.5x</td>
<td>133</td>
<td>7.5x</td>
</tr>
<tr>
<td>Containerboard</td>
<td>7.0x - 10.0x</td>
<td>146</td>
<td>6.5x</td>
</tr>
<tr>
<td>Boxboard Europe</td>
<td>6.5x - 9.5x</td>
<td>51</td>
<td>6.0x</td>
</tr>
<tr>
<td>Specialty Products</td>
<td>7.5x - 10.0x</td>
<td>58</td>
<td>6.0x</td>
</tr>
<tr>
<td>Corporate activities</td>
<td></td>
<td>(36)</td>
<td>6.0x</td>
</tr>
<tr>
<td></td>
<td></td>
<td>352</td>
<td>6.1x</td>
</tr>
</tbody>
</table>

Total Enterprise Value: 2,385

Add: JV contribution ($10M EBITDA @ 6.0x) 60
Subtract: Net Debt (1,612)

Total Equity Value – pre-adjustments: 833

Add: Boralex’ stake (at market value) 174
Add: Greenpac investment (at cost) 130
Subtract: Minority interest (estimate at market value) (115)

Total Equity Value – post-adjustments: 1,022
Per share: 10.88$ 707

Current Market Capitalization: 707
Current Market Price (as at March 26, 2014) 7.53$

Discount to Sum-of-the-Parts Equity Value (given current market price and using trailing EBITDA) 31%

**Shares trading at discount, even using conservative multiples**

For illustration purposes only. Values by segment do not necessarily reflect the Corporation’s view on their respective value.
WHY INVEST IN CASCADERS
Potential Benefits Stemming From Our Recent Initiatives

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Modernizing our operating platform to increase profitability
- ±$150M capex program per year, including ERP upgrade
- Divestitures and closures of under-performing units
- Containerboard: great fundamentals and improved platform
  - Modernized converting platform and manufacturing productivity improvement
  - Greenpac has the potential to contribute to EPS in 2014
- Tissue Papers: strong and growing position
  - Increasing presence in the US and recent expansion announcement in the West
  - Better performance from ATMOS tissue paper machine

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Other sources of growth and incremental value
- Culture of innovation
- European platform and Boralex

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Potential tailwinds
- CAD$ weakness
- Chinese’s economy weakness and impact on recovered paper prices

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Taking the right steps to position Cascades for the future