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 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.
OVERVIEW – WORLDWIDE ASSET BASE

Asset Base Distribution (PP&E per region)

<table>
<thead>
<tr>
<th>Region</th>
<th>Percentage</th>
</tr>
</thead>
<tbody>
<tr>
<td>Canada</td>
<td>64%</td>
</tr>
<tr>
<td>USA</td>
<td>21%</td>
</tr>
<tr>
<td>Europe</td>
<td>15%</td>
</tr>
</tbody>
</table>
### OVERVIEW – OTHER ASSETS & INVESTMENTS

<table>
<thead>
<tr>
<th>Assets</th>
<th>Consideration</th>
<th>Accounting</th>
</tr>
</thead>
<tbody>
<tr>
<td>RENO DE MEDICI</td>
<td>• 46% ownership</td>
<td>• Fully consolidated</td>
</tr>
<tr>
<td></td>
<td>• Public co: bloc worth ± $30M</td>
<td></td>
</tr>
<tr>
<td>RECOVERY OPERATIONS</td>
<td>• 73% ownership</td>
<td></td>
</tr>
<tr>
<td>GREENPAC PROJECT</td>
<td>• 59.7% ownership</td>
<td>• Equity pick-up</td>
</tr>
<tr>
<td></td>
<td>• $99M investment to date</td>
<td></td>
</tr>
<tr>
<td>JV IN INDUSTRIAL PACKAGING</td>
<td>• 50% ownership</td>
<td></td>
</tr>
<tr>
<td></td>
<td>• 35% ownership</td>
<td></td>
</tr>
<tr>
<td></td>
<td>• Public co: bloc worth ± $110M</td>
<td></td>
</tr>
</tbody>
</table>

Most of our investments are not reflected in our EBITDA numbers
OVERVIEW – BALANCED PLAY

Cascades
Q2-2012 LTM Sales¹: $3,734M
Q2-2012 LTM EBITDA¹, ²: $293M

Sales to:
Canada 40%
US 37%
Elsewhere 23%

Packaging
75% of Sales
58% of EBITDA

Tissue Papers
25% of Sales
42% of EBITDA

Boxboard Europe
22% of Sales
16% of EBITDA

Containerboard
31% of Sales
28% of EBITDA

Specialty Products
22% of Sales
14% of EBITDA

Having two core sectors is working to our advantage in the current economic context

¹ Adjusted for the full year consolidation of Papersource.
² EBITDA excluding specific items and discontinued operations. Breakdown of sales and EBITDA before eliminations & corporate activities.
OVERVIEW – HEALTHY P&FP SECTORS AND ACCESS TO FIBER

Recycled Fiber Sources - 2011

- Internal and CAS Recovery: 32%
- Spot Purchases: 20%
- Contractual agreements: 48%

Top 5 producers' share of capacity:

- North American coated boxboard: 85%
- European coated boxboard: 66%
- North American containerboard: 77%
- Canadian containerboard: 86%
- North American tissue: 76%

Two healthiest sectors in P&FP and substantial recycling capabilities.
OVERVIEW – GREEN LEADERSHIP PLAY

RECOVERED PAPER
• #1 Canadian collector

PACKAGING
• #1 Canadian containerboard producer
• #6 North American containerboard producer
• #2 European in coated recycled boxboard

TISSUE
• #1 “green” tissue papers retail brand in Canada
• #2 Canadian producer
• #4 North American producer

Leadership on the green scene with upstream and downstream integration

Including the 6 manufacturing/converting tissue papers units and Reno De Medici's units.

DOWNSTREAM
Recycled fiber usage (2011): 76% (2.9M tons)
NA integration rate (2011): 33% (580K tons)

RECOVERY
23 units

CONVERTING
60 units

FINISHED PRODUCTS

MANUFACTURING
30 units

UPSTREAM
NA integration rate (2011): 47%
OVERVIEW – RECESSION PROOF PLAY

Strong performance during the economic downturn and less cyclical end-use markets
MARKET DYNAMICS – DEMAND

Packaging

North American Box Shipments

<table>
<thead>
<tr>
<th>Year</th>
<th>Billions ft²</th>
</tr>
</thead>
<tbody>
<tr>
<td>2001</td>
<td>412</td>
</tr>
<tr>
<td>2002</td>
<td>411</td>
</tr>
<tr>
<td>2003</td>
<td>413</td>
</tr>
<tr>
<td>2004</td>
<td>424</td>
</tr>
<tr>
<td>2005</td>
<td>421</td>
</tr>
<tr>
<td>2006</td>
<td>428</td>
</tr>
<tr>
<td>2007</td>
<td>421</td>
</tr>
<tr>
<td>2008</td>
<td>405</td>
</tr>
<tr>
<td>2009</td>
<td>374</td>
</tr>
<tr>
<td>2010</td>
<td>386</td>
</tr>
<tr>
<td>2011</td>
<td>387</td>
</tr>
</tbody>
</table>

Sources: RISI, Fiber Box Association, Paper Packaging Canada.

Tissue

U.S. Total Tissue Consumption

<table>
<thead>
<tr>
<th>Year</th>
<th>'000 s.t.</th>
</tr>
</thead>
<tbody>
<tr>
<td>2001</td>
<td>7,844</td>
</tr>
<tr>
<td>2002</td>
<td>7,896</td>
</tr>
<tr>
<td>2003</td>
<td>8,028</td>
</tr>
<tr>
<td>2004</td>
<td>8,201</td>
</tr>
<tr>
<td>2005</td>
<td>8,053</td>
</tr>
<tr>
<td>2006</td>
<td>8,219</td>
</tr>
<tr>
<td>2007</td>
<td>8,319</td>
</tr>
</tbody>
</table>

Exposure to relatively stable / growing demand

Sources: RISI, Fiber Box Association, Paper Packaging Canada.
MARKET DYNAMICS – MARKET BALANCE

Balanced supply/demand equation with utilization rates at approximately 95%

Sources: RISI, CEPI Cartonboard, Paper Packaging Canada, Fiber Box Association.
MARKET DYNAMICS – PRODUCT PRICES

After approx. 30 months of flat pricing, $50/s.t. price increase announced (applicable in September) along with following box price increases.

**Containerboard - Selected Products**

**Boxboard Europe - Selected Products**

**Tissue Papers - Parent Rolls**

Source: RISI
MARKET DYNAMICS – RAW MATERIAL COSTS

EBITDA sensitivity to 15$US or €/s.t. change in recycled fiber costs: ±$48M

Main Recycled Fiber North American OBM List Prices

(US$/ton)

White grades (SOP)
Brown grades (OCC)

Current List Prices

Jan 09  Mar 09  May 09  Jul 09  Sep 09  Jan 10  Mar 10  May 10  Jul 10  Sep 10  Jan 11  Mar 11  May 11  Jul 11  Sep 11  Jan 12  Mar 12  May 12  Jul 12  Sep 12

175
90
MARKET DYNAMICS – INPUT COST INFLATION

Financial results impacted by significant variable cost inflation

Source: Bloomberg
MARKET DYNAMICS – FOREIGN EXCHANGE

Exchange rates

US$/CAN$  EURO/CAN$

Q1 03  Q3 03  Q1 04  Q3 04  Q1 05  Q3 05  Q1 06  Q3 06  Q1 07  Q3 07  Q1 08  Q3 08  Q1 09  Q3 09  Q1 10  Q3 10  Q1 11  Q3 11  Q1 12

US$/CAN$ (green line)  Euro/CAN$ (gray line)

EBITDA sensitivity to 1 CAN$ change: ±$7M

Source: Bloomberg
Results impacted by challenging market conditions, lower shipments and higher cost input

EBITDA excluding specific items but including discontinued operations. Canadian GAAP (not adjusted for IFRS).

2010 and 2011 figures presented under IFRS and exclude discontinued operations of Dopaco.
FINANCIAL REVIEW – SEGMENTED EBITDA

Boxboard Europe

(M CAN$) (% of sales)

Containerboard

(M CAN$) (% of sales)

Specialty Products

(M CAN$) (% of sales)

Tissue

(M CAN$) (% of sales)

EBITDA excluding specific items.
Progressing on all fronts, except for working capital
**FINANCIAL REVIEW – DEBT PROFILE**

**Cascades’ Unsecured Senior Notes**
- **2020** - USD$250M @ 7.875% (YTW 6.80%)
- **2017** - USD$500M @ 7.75% (YTW 6.28%)
- **2016** - CAD$200M @ 7.75%

**Net Debt**

<table>
<thead>
<tr>
<th></th>
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<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td>2009</td>
<td>1,805</td>
<td>1,658</td>
<td>1,658</td>
<td>1,570</td>
<td>1,533</td>
<td>1,454</td>
<td>1,508</td>
<td>1,462</td>
<td>1,397</td>
<td>1,445</td>
<td>1,485</td>
<td>1,524</td>
<td>1,585</td>
<td></td>
</tr>
</tbody>
</table>

**Long-term Debt Maturities Distribution**
- 2017: 33%
- 2016: 41%
- Before 2016: 10%
- 2020: 16%

90% of debt not maturing until 2016
FINANCIAL REVIEW – LEVERAGE RATIOS & COVENANTS

- Cascades’ financial bank covenant ratios:
  - Net funded debt to capitalization
  - Interest coverage ratio

<table>
<thead>
<tr>
<th>Year</th>
<th>Debt / Debt + Equity</th>
<th>Net debt / LTM EBITDA¹</th>
</tr>
</thead>
<tbody>
<tr>
<td>2007</td>
<td>57%</td>
<td>4.6x</td>
</tr>
<tr>
<td>2008</td>
<td>59%</td>
<td>5.9x</td>
</tr>
<tr>
<td>2009</td>
<td>54%</td>
<td>3.3x</td>
</tr>
<tr>
<td>2010</td>
<td>57%</td>
<td>3.8x</td>
</tr>
<tr>
<td>2011</td>
<td>59%</td>
<td>5.8x</td>
</tr>
<tr>
<td>LTM</td>
<td>61%</td>
<td>5.4x</td>
</tr>
</tbody>
</table>

Increase in ratios due to a more challenging H2 2011 and CAPEX program

Covenant
- Now
  - Net funded debt to capitalization ≤ 65%
  - Interest coverage ratio ≥ 2.25x

¹ EBITDA excluding specific items. Starting in Q4 2011, ratios include 100% of Papersource.
FINANCIAL REVIEW – CAPEX PROGRAM

- Capex requests for 2012 initially approved at approximately $150M
  - Amount subject to change depending on operating results and economic conditions.

Capital Expenditures Distribution in 2011 - $141M

By segment
- Tissue papers: 25%
- Containerboard: 25%
- Specialty products: 21%
- Corporate: 6%

By project category
- Cost Reduction, Productivity & Maintenance: 74%
- Energy: 4%
- Health & Safety: 7%
- Others: 15%

Gradual capex program to improve asset base while maintaining financial flexibility
**STRATEGIC ACTION PLAN**

**ACTION PLAN PRIORITIES**

1. Focused investing for modernization of core operations (and IT)
2. Optimizing capital allocation & reducing working capital
3. Restructuring of under-performing units
4. Innovation

**TOOL OR PROCESS**

- ERP
- Working Cap Initiative

**MEDIUM TERM OBJECTIVES**

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

**Improving our profitability and financial situation through our Action Plan**
STRATEGIC ACTION PLAN – PRIORITY #1

1. Focused investing for modernization of core operations and IT

CONSOLIDATION OF OUR PACKAGING OPERATIONS WITH CONCURRENT INVESTMENTS

- Recent investment announcements:
  - $30M in our containerboard sector
  - $22M in our boxboard sector

ERP IMPLEMENTATION

- $80M investment program
- Blueprint and programming: 2011-2012

Challenging Market Evolution ⇒ Proactive measures ⇒ Improved profitability
OUR GREENPAC PROJECT

- Competitive advantage – Recycled liner
  - Largest in NA
    - 540,000 short tons capacity
  - Most technologically advanced equipment
  - Well-aligned with current market trends

- Financial flexibility not affected
  - $99M total investment
    - $84M in equity
    - $15M in bridge loan
  - Debt non-recourse to Cascades

- Strong partnership
  - Norampac (Cascades) 59.7%
  - Caisse de dépôt et placement du Québec 20.2%
  - Two industry converters 20.1%

Will position us amongst leaders in terms of product offering, productivity and profitability
2 Optimizing capital allocation between sectors and investments

Tuck-in acquisitions

- Papersource
  - Modern converting plant
  - Integration increased to 70% +

- Bird Packaging
  - Broadens market presence in Ontario
  - Allows streamlining of production base

W/C Reduction Initiative

Challenging Market Evolution ⇒ Proactive measures ⇒ Improve profitability
# STRATEGIC ACTION PLAN – PRIORITY #3

## Restructuring of under-performing units

<table>
<thead>
<tr>
<th></th>
<th></th>
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<th></th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Strategic measures</strong></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Packaging</td>
<td>5 acquisitions</td>
<td>2 mergers</td>
<td>2 closures</td>
<td>4 sales</td>
<td>1 investment</td>
</tr>
<tr>
<td></td>
<td>7 closures</td>
<td>4 closures</td>
<td>2 acquisitions</td>
<td>1 investment</td>
<td>4 closures</td>
</tr>
<tr>
<td></td>
<td>2 sales</td>
<td>4 sales</td>
<td>1 partnership</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Tissue</td>
<td>1 sale</td>
<td>1 acquisition</td>
<td>1 investment</td>
<td>1 acquisition</td>
<td>1 closure</td>
</tr>
<tr>
<td></td>
<td>1 closure</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td></td>
<td>1 acquisition</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

---

**Challenging Market Evolution ⇒ Proactive measures ⇒ Improved profitability**
## INVESTMENT CONSIDERATIONS – RECOMMENDATIONS

<table>
<thead>
<tr>
<th>Brokerage Firm</th>
<th>Rating</th>
<th>Target</th>
<th>EBITDA (M$) 2012</th>
<th>EPS 2012</th>
</tr>
</thead>
<tbody>
<tr>
<td>BMO CAPITAL MARKETS</td>
<td>Outperform</td>
<td>$5.75</td>
<td>326</td>
<td>$0.31</td>
</tr>
<tr>
<td>DESJARDINS SECURITIES</td>
<td>Buy</td>
<td>$6.50</td>
<td>341</td>
<td>$0.43</td>
</tr>
<tr>
<td>NATIONAL BANK FINANCIAL</td>
<td>Outperform</td>
<td>$6.00</td>
<td>331</td>
<td>$0.32</td>
</tr>
<tr>
<td>SCOTIA BANK</td>
<td>Sector outperform</td>
<td>$5.50</td>
<td>370</td>
<td>$0.42</td>
</tr>
<tr>
<td>TD</td>
<td>Hold</td>
<td>$5.00</td>
<td>311</td>
<td>$0.26</td>
</tr>
<tr>
<td>RBC</td>
<td>Outperform</td>
<td>$6.00</td>
<td>320</td>
<td>$0.21</td>
</tr>
<tr>
<td><strong>AVERAGE</strong></td>
<td></td>
<td><strong>$5.79</strong></td>
<td><strong>333</strong></td>
<td><strong>$0.33</strong></td>
</tr>
</tbody>
</table>

- **Share price - Sept 10, 2012**: $4.89
- **Potential Upside**: 18%

*Outperform rating by most buy-side analysts*
## INVESTMENT CONSIDERATIONS – VALUATION METRICS

<table>
<thead>
<tr>
<th>Sector</th>
<th>Comparable companies</th>
<th>Enterprise Value (M$)</th>
<th>Price / BV</th>
<th>EV / EBITDA (next)</th>
<th>P / E (next)</th>
<th>Dividend yield (%)</th>
</tr>
</thead>
<tbody>
<tr>
<td>Packaging</td>
<td>Graphic Packaging</td>
<td>US$4,328</td>
<td>1.8x</td>
<td>6.4x</td>
<td>17.0x</td>
<td>0.0%</td>
</tr>
<tr>
<td></td>
<td>Kapstone</td>
<td>US$1,254</td>
<td>1.7x</td>
<td>5.9x</td>
<td>12.5x</td>
<td>0.0%</td>
</tr>
<tr>
<td></td>
<td>Meadwestvaco</td>
<td>US$6,509</td>
<td>1.6x</td>
<td>6.6x</td>
<td>20.6x</td>
<td>3.4%</td>
</tr>
<tr>
<td></td>
<td>PCA</td>
<td>US$3,900</td>
<td>3.5x</td>
<td>6.9x</td>
<td>16.3x</td>
<td>2.8%</td>
</tr>
<tr>
<td></td>
<td>Rock Tenn</td>
<td>US$8,067</td>
<td>1.3x</td>
<td>5.7x</td>
<td>15.0x</td>
<td>1.2%</td>
</tr>
<tr>
<td></td>
<td>Sonoco</td>
<td>US$4,267</td>
<td>2.2x</td>
<td>6.7x</td>
<td>13.2x</td>
<td>3.8%</td>
</tr>
<tr>
<td></td>
<td>Average - Packaging</td>
<td>US$4,721</td>
<td>2.0x</td>
<td>6.4x</td>
<td>15.8x</td>
<td>1.9%</td>
</tr>
<tr>
<td>Tissue Papers</td>
<td>Clearwater Paper</td>
<td>US$1,382</td>
<td>1.8x</td>
<td>5.5x</td>
<td>12.5x</td>
<td>0.0%</td>
</tr>
<tr>
<td></td>
<td>Orchids Paper</td>
<td>US$146</td>
<td>1.8x</td>
<td>8.0x</td>
<td>15.5x</td>
<td>3.9%</td>
</tr>
<tr>
<td></td>
<td>Wausau</td>
<td>US$571</td>
<td>2.2x</td>
<td>6.3x</td>
<td>22.8x</td>
<td>2.0%</td>
</tr>
<tr>
<td></td>
<td>Average - Tissue</td>
<td>US$700</td>
<td>1.9x</td>
<td>6.6x</td>
<td>16.9x</td>
<td>2.0%</td>
</tr>
</tbody>
</table>

**Cascades** | $2,179 | 0.5x | 6.0x | 15.3x | 3.3%

*Undervalued compared to peer group*
INVESTMENT CONSIDERATIONS – POTENTIAL IMPROVEMENTS

- Modernization initiatives (±$150M capex program)
  - Papersource integration
  - Bird Packaging integration
    - Containerboard productivity rate reverting to historical levels
    - Streamlining of converting operations in New England, Ontario and Québec
  - 17 sales or closures since 2008, some of which unprofitable units
  - Announced price increase in containerboard sector
  - Recent weakness in recycled paper prices
  - Greenpac contribution and valuation
  - Complete turnaround and modernization of European platform
  - Complete ramp-up of Atmos tissue paper machine
  - Boralex major project start-up and potential impact on valuation

Taking the steps to be ready for tailwinds
NEAR TERM OUTLOOK: Confidence

- Lower to stable raw material costs
- Announced price increase in containerboard sector
- Impacts of restructuring and optimization measures
- Potential to improve utilization rate
- Additional contribution from Papersource and Bird

<table>
<thead>
<tr>
<th></th>
<th>Boxboard Europe</th>
<th>Containerboard</th>
<th>Specialty Products</th>
<th>Tissue Papers</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Volume</strong></td>
<td>Slight increase</td>
<td>Slight increase</td>
<td>Slight increase</td>
<td>Slight increase</td>
</tr>
<tr>
<td><strong>Selling prices</strong></td>
<td>Stable</td>
<td>Slight increase</td>
<td>Stable</td>
<td>Stable</td>
</tr>
<tr>
<td><strong>Raw material costs</strong></td>
<td>Slight decrease</td>
<td>Slight decrease</td>
<td>Slight decrease</td>
<td>Slight increase</td>
</tr>
<tr>
<td><strong>CDN $ vs other currency</strong></td>
<td>Stable</td>
<td></td>
<td>Stable</td>
<td></td>
</tr>
<tr>
<td><strong>Energy costs</strong></td>
<td>Stable</td>
<td></td>
<td>Stable</td>
<td></td>
</tr>
</tbody>
</table>