CASCADES INC.
Institutional Roadshow – Toronto

November 21, 2013
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 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, opportunistic turnarounds, importance of autonomy and empowerment, open book and profit sharing, decentralized structure
• Business model challenged with dollar at near parity and volatile recycled fibre costs

Our recent performance and financial situation
• Cost inflation in 2011/2012 but Asian drivers result in less volatile fibre costs at the moment
• Anemic economic growth, in Canada and Europe
• Productivity and profitability improving; more to come
• Benefits from a more favorable FX
• 2011 left us with an over-levered balance sheet
• No immediate maturity but we wish to reduce leverage

Our action plan
• Started at the end of 2011
• A lot has been done but the plan is not completed yet
• Balance sheet reflects investments but benefits not yet in results
• New Greenpac mill ramping-up according to plan

Preserving and improving a Canadian 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>

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

100+ business units

RECOVERY
23 units

FINISHED PRODUCTS
Trims and rejects may be sent to recycling centers

MANUFACTURING
33 units

CONVERTING
57 units

CLIENTS

77% recycled fibre
(2.9M tons)

NA integration rate (2012):
34% (520K tons)

NA integration rate (YTD 2013):
• Containerboard Group: 53%
• Tissue Papers Group: 69%

Upstream and downstream integration in North America

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

Cascades
LTM Sales: $3,795M
LTM EBITDA: $317M

Packaging Products
74% of Sales
62% of EBITDA

Tissue Papers
26% of Sales
38% of EBITDA

Containerboard
33% of Sales
36% of EBITDA

Boxboard Europe
21% of Sales
12% of EBITDA

Specialty Products
20% of Sales
14% of EBITDA

Exposure to two healthiest sectors in the Pulp and Paper industry

LTM figures as at 09/30/2013. EBITDA excluding specific items. Breakdown of sales and EBITDA before eliminations & corporate activities.
OUR FINANCIAL PERFORMANCE AND SITUATION

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 AND SITUATION

Historical segmented EBITDA

Containerboard

(M CAN$)

(% of sales)

Q3 2011 Q4 2011 Q1 2012 Q2 2012 Q3 2012 Q4 2012 Q1 2013 Q2 2013 Q3 2013

27 19 21 23 26 25 25 33 42

0% 4% 8% 12% 16%

Boxboard Europe

(M CAN$)

(% of sales)

Q3 2011 Q4 2011 Q1 2012 Q2 2012 Q3 2012 Q4 2012 Q1 2013 Q2 2013 Q3 2013

10 10 13 11 7 11 11 10 9

0% 3% 6% 9% 12%

Specialty Products

(M CAN$)

(% of sales)

Q3 2011 Q4 2011 Q1 2012 Q2 2012 Q3 2012 Q4 2012 Q1 2013 Q2 2013 Q3 2013

13 11 15 15 8 11 16 15

0% 3% 6% 9% 12%

Tissue Papers

(M CAN$)

(% of sales)

Q3 2011 Q4 2011 Q1 2012 Q2 2012 Q3 2012 Q4 2012 Q1 2013 Q2 2013 Q3 2013

18 28 33 39 35 31 29 33 39

0% 5% 10% 15% 20%

Our 2 core sectors performed in sync resulting in our best quarter since 2010

EBITDA excluding specific items.
### OUR FINANCIAL PERFORMANCE AND SITUATION

#### Variance of EPS excluding specifics in Q3

<table>
<thead>
<tr>
<th></th>
<th>Q2-2013</th>
<th></th>
<th>Q3-2013</th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>Operating Ass/JV &amp; Non-Cont. Int.</td>
<td>Excluding specifics</td>
<td>As reported</td>
<td>Operating Ass/JV &amp; Non-Cont. Int.</td>
</tr>
<tr>
<td><strong>EBITDA</strong></td>
<td>83 (44)</td>
<td>83 (44) (1) 82 (44)</td>
<td></td>
<td>96 (46) (13) 83 (46)</td>
</tr>
<tr>
<td><strong>Depreciation</strong></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td><strong>EBIT</strong></td>
<td>39 (26)</td>
<td>39 (26) (1) 38 (26)</td>
<td></td>
<td>50 (26) (13) 37</td>
</tr>
<tr>
<td><strong>Financing expenses</strong></td>
<td>(46) (3)</td>
<td>(46) (3) (1)</td>
<td></td>
<td>(46) (3) (1)</td>
</tr>
<tr>
<td><strong>Profit before tax</strong></td>
<td>(10) (1)</td>
<td>9 (6) 3 (1)</td>
<td></td>
<td>20 (5) 19 (5)</td>
</tr>
<tr>
<td><strong>Provision for income taxes</strong></td>
<td>(1) 1</td>
<td>0 0</td>
<td></td>
<td>(9) 2 (7) 0 (7)</td>
</tr>
<tr>
<td><strong>Net earnings per share</strong></td>
<td>9 (1)</td>
<td>8 (6) 2 (1)</td>
<td></td>
<td>11 (4) 7 (4) 11</td>
</tr>
<tr>
<td></td>
<td>$0.10 ($0.01)</td>
<td>$0.09 ($0.06) $0.03</td>
<td></td>
<td>$0.12 ($0.05) $0.07 $0.05 $0.12</td>
</tr>
</tbody>
</table>

**Change in Operating results after-tax (normalized 30%)** $0.07
**Change in Income taxes provision (vs normalized 30%)** ($0.05) → Tax rate mix, Europe valuation allowance, prior year tax adj.
**Change in Share of results of Assoc. and JVs - net of taxes** ($0.04) → Mainly share of Greenpac & Boralex ($0.02)

**Tax consideration and equity pick-up had a negative impact on EPS excluding specifics**

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**OUR FINANCIAL PERFORMANCE AND SITUATION**

Variance of EPS excluding specifics in Q3

- **EBITDA**
  - Depreciation
  - EBIT
  - Financing expenses
  - Interest expense on employee future benefits
  - FX gain (loss) on LT debt and fin. inst.
  - Share of results of associates and JVs

- **Profit before tax**
  - Provision for income taxes
  - Non-controlling interests

- **Net earnings per share**
  - $0.10 ($0.01)

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**OUR BUSINESS ACTIVITIES**

- **Market development** through strategic partnerships and business acquisition
- **Capacity utilization** and focus on high-margin products

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**OUR FINANCIAL PERFORMANCE AND SITUATION**

- **Key performance indicators** include EBITDA, EBIT, and net earnings
- **Operational efficiency** through robust cost management and productivity improvement

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**OUR RISK PROFILE**

- **Market risk** due to commodity prices
- **Operational risk** from production disruptions and supply chain challenges

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**OUR STRATEGIC INITIATIVES**

- **Sustainability initiatives** focused on reducing environmental impact
- **Digital transformation** to improve operational efficiency and customer experience

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**OUR FINANCIAL PERFORMANCE AND SITUATION**

- **Consolidated results** for Q3-2013
- **Segmental analysis** for operating results

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**OUR BUSINESS ACTIVITIES**

- **Investment in infrastructure** to support growth and efficiency
- **Customer engagement** through targeted marketing and sales strategies

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**OUR RISK PROFILE**

- **Strategic risks** related to market entry and expansion
- **Compliance challenges** with regulations and industry standards

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**OUR STRATEGIC INITIATIVES**

- **Digital innovation** to enhance market capabilities and customer satisfaction
- **Sustainability targets** aligned with global environmental goals

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**OUR FINANCIAL PERFORMANCE AND SITUATION**

- **EPS excluding specifics** in Q3-2013
- **Performance metrics** highlighting key financial indicators

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**OUR BUSINESS ACTIVITIES**

- **Product innovation** to meet evolving market demands
- **Customer retention** through personalized sales and service strategies

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**OUR RISK PROFILE**

- **Regulatory compliance** challenges in international markets
- **Technological disruptions** in supply chain and manufacturing processes

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**OUR STRATEGIC INITIATIVES**

- **Innovative solutions** for sustainable product development
- **Investment in technology** to drive operational excellence and growth

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**OUR FINANCIAL PERFORMANCE AND SITUATION**

- **Consolidated financial statements** for Q3-2013
- **Detailed analysis** of earnings and revenue growth

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**OUR BUSINESS ACTIVITIES**

- **Market expansion** into new geographic regions
- **Customer relationships** through feedback and product improvement cycles

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**OUR RISK PROFILE**

- **Economic downturns** and their impact on demand and profitability
- **Technological obsolescence** in existing product lines

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**OUR STRATEGIC INITIATIVES**

- **Research and development** focused on green and sustainable technologies
- **Partnerships** with universities and research institutions for innovation and knowledge sharing

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**OUR FINANCIAL PERFORMANCE AND SITUATION**

- **Consolidated financial data** for Q3-2013
- **Analysis of financial health** and performance indicators

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**OUR BUSINESS ACTIVITIES**

- **Operational improvements** to enhance productivity and efficiency
- **Customer service** enhancements through technology and process innovation

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**OUR RISK PROFILE**

- **Economic volatility** and its effect on revenue streams
- **Supply chain disruptions** and their implications on costs and delivery times

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**OUR STRATEGIC INITIATIVES**

- **Sustainable sourcing** of raw materials and components
- **Investment in human capital** to support growth and innovation
Stronger CAN$ and significant variable cost inflation negatively impact results

Source: Bloomberg

1 EBITDA sensitivity of $7M to every change of C$0.01 vs $US; balance sheet impact on US debt conversion

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**OUR BUSINESS DRIVERS – COST STRUCTURE AND FX**

**Energy costs higher than last year**

<table>
<thead>
<tr>
<th>Natural gas (US$)</th>
<th>Crude oil (US$)</th>
</tr>
</thead>
<tbody>
<tr>
<td>7.00</td>
<td>110</td>
</tr>
<tr>
<td>6.00</td>
<td>100</td>
</tr>
<tr>
<td>5.00</td>
<td>90</td>
</tr>
<tr>
<td>4.00</td>
<td>80</td>
</tr>
<tr>
<td>3.00</td>
<td>70</td>
</tr>
<tr>
<td>2.00</td>
<td>60</td>
</tr>
<tr>
<td>1.00</td>
<td>50</td>
</tr>
<tr>
<td>0.00</td>
<td>40</td>
</tr>
</tbody>
</table>

- **Natural gas (US$/mmBtu)**: Green line
- **Crude oil (US$/barrel)**: Grey line

**A weaker CAN$ would be a game changer**

<table>
<thead>
<tr>
<th>US$/CAN$</th>
<th>€/CAN$</th>
</tr>
</thead>
<tbody>
<tr>
<td>1.10</td>
<td>0.95</td>
</tr>
<tr>
<td>1.05</td>
<td>0.90</td>
</tr>
<tr>
<td>1.00</td>
<td>0.85</td>
</tr>
<tr>
<td>0.95</td>
<td>0.80</td>
</tr>
<tr>
<td>0.90</td>
<td>0.75</td>
</tr>
<tr>
<td>0.85</td>
<td>0.70</td>
</tr>
<tr>
<td>0.80</td>
<td>0.65</td>
</tr>
</tbody>
</table>

- **US$/CAN$ forecasts by top Canadian banks**
  - Range 2014 → 0.90 to 0.99 (average 0.95)
  - Range 2015 → 0.93 to 0.98 (average 0.96)
**OUR BUSINESS DRIVERS – RAW MATERIAL COSTS**

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### Recycled Fiber North American List Prices

<table>
<thead>
<tr>
<th>(USD/ton)</th>
<th>Sep 11</th>
<th>Dec 11</th>
<th>Mar 12</th>
<th>Jun 12</th>
<th>Sep 12</th>
<th>Dec 12</th>
<th>Mar 13</th>
<th>Jun 13</th>
<th>Sep 13</th>
</tr>
</thead>
<tbody>
<tr>
<td>White grades (SOP)</td>
<td>155</td>
<td>120</td>
<td>155</td>
<td>120</td>
<td>155</td>
<td>120</td>
<td>155</td>
<td>120</td>
<td>155</td>
</tr>
<tr>
<td>Brown grades (OCC)</td>
<td>155</td>
<td>120</td>
<td>155</td>
<td>120</td>
<td>155</td>
<td>120</td>
<td>155</td>
<td>120</td>
<td>155</td>
</tr>
</tbody>
</table>

**Greenpac start-up**

- **July 15**

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### US OCC Costs Highly Correlated with Asian Board Market

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**OBM Average Quarterly List Prices**

<table>
<thead>
<tr>
<th>OBM Average Quarterly List Prices</th>
<th>Q3-2012</th>
<th>Q2-2013</th>
<th>Q3-2013</th>
<th>YoY</th>
<th>QoQ</th>
</tr>
</thead>
<tbody>
<tr>
<td>Brown grades - OCC No. 11 (New England)</td>
<td>108</td>
<td>112</td>
<td>115</td>
<td>+6%</td>
<td>+3%</td>
</tr>
<tr>
<td>White grades - SOP No. 37 (New England)</td>
<td>182</td>
<td>150</td>
<td>152</td>
<td>-17%</td>
<td>+1%</td>
</tr>
</tbody>
</table>

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**No significant short term increase expected in recovered paper prices; pulp prices stable**

Sources: RISI, Bloomberg.
OUR FINANCIAL PERFORMANCE AND SITUATION
Investment program

- Capital expenditures for 2013 will stand at around $150M
- Currently budgeting for 2014 requirements
  - Likely to revolve around same amount as in 2013
  - 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 9-month period as at 09/30/2013 - $107M

By segment

- Corporate 7%
- Boxboard Europe 18%
- Tissue Papers 24%
- Specialty Products 13%
- Containerboard 24%
- IT 14%

Gradual capex program to improve asset base while maintaining financial flexibility
OUR FINANCIAL PERFORMANCE AND SITUATION

Our debt profile

Maturities well spread out

- Banking Facilities: $522M
- Senior Notes: $964M
- Other Debt (net): $115M
- Total Net Debt: $1,601M
- Available Liquidity (09/2013): $228M

Objective: reduce debt below long term average

- Increase in ratios due to challenging FY2011 and modernization program
- Short-term objective to improve profitability
  - Assuming debt remains the same, leverage ratio to improve
- Mid-term objective to reach industry standards (towards 3x EBITDA)

Debt Maturity

- 2016: 44%
- 2017: 33%
- 2019: 16%
- Before 2016: 7%

No significant maturity before 2016 and sufficient liquidity

1 EBITDA excl. spec. items. 2013E-2015E ratios based on Street's forecasts and debt reaching 12/31/2012 level at the end of 2013 and remaining stable afterwards.
OUR STRATEGIC ACTION PLAN

Four priorities

1. Modernize core operations (and IT) through focused investments

2. Optimize capital allocation and reduce working capital

3. Restructure underperforming units

4. Innovate to improve and develop processes and products

MEDIUM TERM OBJECTIVES

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 (and IT) 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
- Important upgrade of our ERP system
OPERATIONAL FACTS

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

RAMP-UP HIGHLIGHTS

- Satisfied with productivity and quality of board
- Average production during Q3: 532 tons/day
- Production peaks > 1,300 tons/day
- Positive EBITDA in September

MODERNIZE CORE OPERATIONS (AND IT) THROUGH FOCUSED INVESTMENTS
Objective: maintain our leading position in Ontario with a fully utilized state-of-the-art converting platform

- Acquisition of Bird
- Closure of 3 units
- Invest $30M to modernize and increase capacity at remaining plants

<table>
<thead>
<tr>
<th></th>
<th>Before</th>
<th>Now</th>
</tr>
</thead>
<tbody>
<tr>
<td># of plants</td>
<td>8</td>
<td>7</td>
</tr>
<tr>
<td>Average capacity per plant (‘000 MSF)</td>
<td>725</td>
<td>840</td>
</tr>
</tbody>
</table>

Modernize core operations (and IT) through focused investments
### THE CONTAINERBOARD MARKET

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

<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>
</tbody>
</table>

Others 24%  Others 20%

Top-5 67%  Top-5 74%

Cascades has maintained its market share in a consolidated industry

Sources: Company estimates, RISI, Fiber Box Association, Paper Packaging Canada.
Cascades' capacity includes 100% of Greenpac
Optimize capital allocation and reduce working capital

Selected initiatives undertaken since the beginning of our Action Plan

Tissue Papers – Western US

- Acquisition of Boise fine paper machine adjacent to our existing tissue machine
- Will allow us to
  - improve the overall operating efficiency of the St. Helen's mill
  - increase market reach at a reduced capital cost
  - increase our capacity by 55,000 tons on a faster timeline
- $35M cost and with start-up in Q4-2014

Corporate

- Working capital reduction initiative

LTM Working Capital (% of LTM Sales)

<table>
<thead>
<tr>
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<th></th>
<th></th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td>Q3</td>
<td>14.7%</td>
<td>14.8%</td>
<td>14.8%</td>
<td>15.0%</td>
<td>14.8%</td>
<td>14.4%</td>
<td>14.0%</td>
<td>13.5%</td>
</tr>
<tr>
<td>Q4</td>
<td>14.8%</td>
<td>14.8%</td>
<td>15.0%</td>
<td>14.8%</td>
<td>14.4%</td>
<td>14.0%</td>
<td>13.5%</td>
<td>13.1%</td>
</tr>
</tbody>
</table>
THE TISSUE PAPERS MARKET

2013-2017 capacity additions CAGR of 1.6% in the tissue sector, close to annual consumption growth

Top 5 – North American Tissue Producers

<table>
<thead>
<tr>
<th>Rank</th>
<th>Producer</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>
</tbody>
</table>

Total - 2013 8,671

New capacity to have more impact on national brands but potential trickle-down to AfH

Sources: RISI
Increase in debt since 2010 essentially related to accounting consolidation of Reno ($149M)

Divestitures and FCF have funded acquisitions and capex

Optimize capital allocation and reduce working capital
Restructure underperforming units

Difficult decisions taken since the beginning of our Action Plan

- 12 closures
  - Containerboard – Manufacturing
  - Containerboard – Converting
  - Spec. Prod. – Manufacturing
  - Boxboard – Converting
  - Boxboard – Europe
  - Tissue Papers
  - Burnaby mill
  - Le Gardeur, Leominster, 3 plants Greater Toronto Area
  - East Angus pulp mill, Enviropac plant in Toronto
  - Lachute plant
  - Magenta and Marzabotto mills
  - Napkin plant in Toronto

- 4 sales
  - Containerboard – Manufacturing
  - Boxboard – Manufacturing
  - Boxboard – Converting
  - Avot-Vallée mill
  - Versailles mill
  - Dopaco business, Hebron plant
OUR INTEREST IN RENO AND OUR EUROPEAN PLATFORM

Reno is a turnaround story
• 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

RdM achievements 2008-2012
• From 10 to 7 machines with same production capacity
• Implementation of Paneuropean direct sales network
• >90 M€ of capex to modernize asset base, now in the 1st quartile of cost curve
• €12M of fixed cost saving program achieved

Restructure underperforming units - now 2nd producer of boxboard in Europe
Innovate to improve and develop processes and products

Ultrafit – Cup tray
Won prestigious HAVI Global Supplier of the Year and McDonald’s System First Award

Antibacterial Towel
Won prestigious Edison Award Gold Medal

Moka – Beige bath tissue

EVOK™ – Polystyrene foam packaging using recycled material

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

LTM sales of $962M in four main sectors of activities (including joint ventures)

Recycling and Recovery (23 units)
- 28% of sales
- Largest recycled paper collector in Canada

Specialty Papers (6 units)
- 30% of sales
- Eco-friendly fine and security papers

Industrial Packaging (11 units)
- 30% of sales
- Leading producer of papermill packaging
- $10-15M EBITDA under equity method

Consumer Packaging (7 units)
- 12% of sales
- Largest producer of honeycomb in Canada

Stable source of revenues and platform for innovation
INVESTMENT CONSIDERATIONS
Recent share price performance and analyst recommendations

LTM share price performance

<table>
<thead>
<tr>
<th>Brokerage firm</th>
<th>Rating</th>
<th>Target</th>
<th>EBITDA Q3</th>
<th>EPS 2013</th>
<th>EBITDA 2014</th>
<th>EPS 2014</th>
</tr>
</thead>
<tbody>
<tr>
<td>BMO</td>
<td>Outperform</td>
<td>$6.50</td>
<td>337</td>
<td>$0.25</td>
<td>387</td>
<td>$0.79</td>
</tr>
<tr>
<td>Desjardins</td>
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<td>$7.50</td>
<td>332</td>
<td>$0.22</td>
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<td>337</td>
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<td>TD</td>
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<td>$0.18</td>
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<td><strong>Average</strong></td>
<td><strong>$7.00</strong></td>
<td><strong>333</strong></td>
<td><strong>$0.21</strong></td>
<td><strong>365</strong></td>
<td><strong>$0.55</strong></td>
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</table>

Outperform rating by all sell-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 (LTM)</th>
<th>EV / EBITDA (next)</th>
<th>P / E (next)</th>
<th>Dividend yield (%)</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Packaging</strong></td>
<td>Graphic Packaging</td>
<td>US$5,049</td>
<td>2.6x</td>
<td>8.1x</td>
<td>6.8x</td>
<td>18.4x</td>
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<tr>
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<td>IP</td>
<td>US$27,799</td>
<td>2.7x</td>
<td>7.7x</td>
<td>6.0x</td>
<td>13.8x</td>
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<tr>
<td></td>
<td>Meadwestvaco</td>
<td>US$7,715</td>
<td>1.8x</td>
<td>10.3x</td>
<td>8.1x</td>
<td>26.8x</td>
<td>2.9%</td>
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<tr>
<td></td>
<td>PCA¹</td>
<td>US$8,198</td>
<td>5.4x</td>
<td>8.7x</td>
<td>7.3x</td>
<td>14.5x</td>
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<tr>
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<td>Kapstone²</td>
<td>US$3,822</td>
<td>4.2x</td>
<td>10.1x</td>
<td>7.4x</td>
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<td>3.9%</td>
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<td>Rock Tenn</td>
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<td>6.7x</td>
<td>5.5x</td>
<td>11.3x</td>
<td>1.1%</td>
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<td>8.4x</td>
<td>7.9x</td>
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<td>3.1%</td>
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<td><strong>US$9,591</strong></td>
<td><strong>3.0x</strong></td>
<td><strong>8.6x</strong></td>
<td><strong>7.0x</strong></td>
<td><strong>16.3x</strong></td>
<td><strong>2.3%</strong></td>
</tr>
<tr>
<td><strong>Tissue Papers</strong></td>
<td>Clearwater</td>
<td>US$1,648</td>
<td>2.3x</td>
<td>8.9x</td>
<td>5.7x</td>
<td>NMF</td>
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<td></td>
<td>KP Tissue</td>
<td>US$1,157</td>
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<td>9.2x</td>
<td>7.5x</td>
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<tr>
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<td>Orchids Paper</td>
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<tr>
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<td>Wausau</td>
<td>US$765</td>
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<td>17.9x</td>
<td>10.0x</td>
<td>NMF</td>
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<td><strong>Average - Tissue</strong></td>
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<td><strong>2.6x</strong></td>
<td><strong>11.6x</strong></td>
<td><strong>8.0x</strong></td>
<td><strong>17.6x</strong></td>
<td><strong>2.3%</strong></td>
</tr>
<tr>
<td>Cascades</td>
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<td>$2,269</td>
<td>0.5x</td>
<td>7.2x</td>
<td>6.2x</td>
<td>10.9x</td>
<td>2.7%</td>
</tr>
</tbody>
</table>

1. PCA pro forma acquisition of Boise and related financing
2. Kapstone pro forma acquisition of Longview

Undervalued compared to peer group

Source: Company reports; Bloomberg; data as of November 14, 2013
### INVESTMENT CONSIDERATIONS

#### Illustrative sum-of-the-parts valuation analysis

| Comparable Companies | Trading Range | Illustrative Cascades’ 
| | TEV/LTM EBITDA¹ | LTM EBITDA² 
| | (M$ rounded, net corp. activities) | Selected Multiple 
| | | (conservative) | Illustrative Value 
| | | (M$ rounded) | Per share |
|---|---|---|---|---|
| Tissue Papers | 9.0x – 13.0x | 123 | 7.5x | 925 |
| Containerboard | 6.5x – 10.5x | 114 | 6.5x | 740 |
| Boxboard Europe | 6.0x – 9.5x | 34 | 6.0x | 205 |
| Specialty Products | 6.0x – 10.0x | 46 | 6.0x | 275 |

**Total Enterprise Value**

Add: JV contribution ($10M EBITDA @ 6.0x)

Subtract: Net Debt

**Total Equity Value – pre-adjustments**

Add: Boralex’ stake (at market value)

Add: Greenpac investment (at book value)

Subtract: Minority interest (estimate³)

**Total Equity Value – post-adjustments**

**Current Market Capitalization (as at November 14, 2013)**

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

30%

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Refer to Notes page included in the Appendix.

For illustration purposes only. Values by segment do not necessarily reflect the Corporation’s view on their respective value.
INVESTMENT CONSIDERATIONS
Illustrative Greenpac Contribution to EPS

Cascades' EPS (excluding specific items)
2010  $0.83
2011  ($0.14)
2012  $0.17
09/2013 LTM  $0.12

<table>
<thead>
<tr>
<th>Greenpac EBITDA (M$)</th>
<th>Depreciation &amp; Interest (M$)</th>
<th>Income tax (39%) (M$)</th>
<th>Net income (M$)</th>
<th>CAS' interest (M$)</th>
<th>CAS' share of income (M$)</th>
<th>Impact on Cascades EPS</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>59.7%</td>
<td>7</td>
<td>$0.08</td>
<td>$0.76</td>
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<tr>
<td>80</td>
<td>40</td>
<td>16</td>
<td>24</td>
<td>59.7%</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>59.7%</td>
<td>22</td>
<td>$0.23</td>
<td>$2.54</td>
</tr>
</tbody>
</table>

Sensitivity
10

$0.45

Greenpac has the potential to contribute significantly to Cascades EPS
CONCLUSION
Potential Benefits Stemming From Our Recent Initiatives

- Modernizing our operating platform to increase profitability
  - ±$150M capex program per year
  - divestitures and closures of under-performing units
  - ERP upgrade

- Containerboard: great fundamentals and improved platform
  - modernized converting platform and manufacturing productivity expected to grow
  - Greenpac contribution
  - prices increasing

- Tissue Papers: strong and growing position
  - increasing presence in the US and recent paper machine announcement in the West
  - better performance from ATMOS tissue paper machine

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

Taking the right steps to position Cascades for the future
APPENDIX
NOTES

1. Comparable companies include:
   - Graphic Packaging, IP, Kapstone, Meadwestvaco, Packaging Corp. and Rock Tenn for Containerboard.
   - Holmen, Mayr Melnho, Mesta Board and Stora Enso for Boxboard Europe.
   - Sonoco, CCL, Domtar, Greif, Sealed Air and Winpak for Specialty Products.
2. EBITDA adjusted for corporate activities which have been distributed according to sales for illustration purposes.
3. Minority interest adjustments estimated for Reno (assuming 58% ownership) and Cascades Recovery (73% ownership).

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

Working capital includes accounts receivable (excluding the short term portion of other assets) plus inventories less accounts payable.

For more information: www.cascades.com/investors

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