CASCADES INC.
Institutional Investors Roadshow
May 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.
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
May be sent to recycling centers

MANUFACTURING
32 units

CONVERTING
58 units

77% recycled fibre (2.9M tons)

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

Upstream and downstream integration

Including seven manufacturing/converting tissue papers units and Reno De Medici’s units.
OVERVIEW OF OUR OPERATIONS
Balanced play in less cyclical sectors

Cascades
2013 LTM Sales: $3,668M
2013 LTM EBITDA: $300M

Packaging Products
74% of Sales
58% of EBITDA

Tissue Papers
26% of Sales
42% of EBITDA

Containerboard
32% of Sales
31% of EBITDA

Boxboard Europe
21% of Sales
12% of EBITDA

Specialty Products
21% of Sales
15% of EBITDA

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 AND SITUATION

Historical performance

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

EBITDA excluding specific items.
OUR FINANCIAL PERFORMANCE AND SITUATION

Historical segmented EBITDA

Containerboard

(M CANS) (% of sales)
30 27 26 25 25
25 22 23 26 25 25
20 19 21 23 26 25
15 11 15 15 15 15
10 5 11 8 11 11
0 0 0 0 0 0
Q2 2011 Q3 2011 Q4 2011 Q1 2012 Q2 2012 Q3 2012 Q4 2012 Q1 2013

Boxboard Europe

(M CANS) (% of sales)
20 17 10 10 13 11 11 11
15 6 6 9 7 6 6 0
10 10 10 10 11 11 11 3
5 5 5 5 5 5 5 5
0 0 0 0 0 0 0 0
Q2 2011 Q3 2011 Q4 2011 Q1 2012 Q2 2012 Q3 2012 Q4 2012 Q1 2013

Specialty Products

(M CANS) (% of sales)
20 12 13 11 15 15 15 15
15 11 11 11 11 11 11 11
10 8 8 8 8 8 8 8
5 2 2 2 2 2 2 2
0 0 0 0 0 0 0 0
Q2 2011 Q3 2011 Q4 2011 Q1 2012 Q2 2012 Q3 2012 Q4 2012 Q1 2013

Tissue Papers

(M CANS) (% of sales)
40 16 28 33 39 35 31 29
35 18 18 18 18 18 18 18
30 28 28 28 28 28 28 28
20 20 20 20 20 20 20 20
10 10 10 10 10 10 10 10
0 0 0 0 0 0 0 0
Q2 2011 Q3 2011 Q4 2011 Q1 2012 Q2 2012 Q3 2012 Q4 2012 Q1 2013

EBITDA excluding specific items.
OUR FINANCIAL PERFORMANCE AND SITUATION

Key performance indicators (KPIs)

Total Shipments

('000 s.t.)

<table>
<thead>
<tr>
<th>Quarter</th>
<th>2012</th>
<th>2013</th>
</tr>
</thead>
<tbody>
<tr>
<td>Q1</td>
<td>808</td>
<td>831</td>
</tr>
<tr>
<td>Q2</td>
<td>826</td>
<td></td>
</tr>
<tr>
<td>Q3</td>
<td>804</td>
<td></td>
</tr>
<tr>
<td>Q4</td>
<td>809</td>
<td></td>
</tr>
</tbody>
</table>

Capacity Utilization Rate

<table>
<thead>
<tr>
<th>Quarter</th>
<th>2012</th>
<th>2013</th>
</tr>
</thead>
<tbody>
<tr>
<td>Q1</td>
<td>89%</td>
<td>92%</td>
</tr>
<tr>
<td>Q2</td>
<td>90%</td>
<td></td>
</tr>
<tr>
<td>Q3</td>
<td>87%</td>
<td></td>
</tr>
<tr>
<td>Q4</td>
<td>88%</td>
<td></td>
</tr>
</tbody>
</table>

Containerboard only:
- 86% (for the quarter)
- 87% (for the quarter)
- 92% (for March 2013)

Capacity utilization rate improving and shipments picking up

Refer to Notes included in the Appendix.
OUR FINANCIAL PERFORMANCE AND SITUATION

Our debt profile

Maturities well spread out

- Banking Facilities: $422M
- Senior Notes: $958M
- Other Debt (net): $201M
- Total Net Debt: $1,581M
- Available Liquidity (03/2013): $300M

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

No significant maturity before 2016 and sufficient liquidity

1 EBITDA excluding specific items. 2013E and 2014E ratios are based on forecasts by analysts and debt remaining at Q1 2013 level.
OUR FINANCIAL PERFORMANCE AND SITUATION

Investment program

- Capex requests for 2013 initially approved at approximately $175M
  - First allocation of $150M
  - Including ~$60-70M of maintenance capex
  - Amount subject to change depending on operating results and economic conditions
  - Mostly dedicated towards converting operations

Capital Expenditures Distribution in 2012 - $198M

- Containerboard 36%
- IT 15%
- Boxboard Europe 15%
- Tissue Papers 17%
- Specialty Products 7%
- Corporate 10%

Gradual capex program to improve asset base while maintaining financial flexibility
OUR BUSINESS DRIVERS
Raw material costs

<table>
<thead>
<tr>
<th>OBM Average Quarterly List Prices</th>
<th>Q1-2012</th>
<th>Q4-2012</th>
<th>Q1-2013</th>
<th>YoY</th>
<th>QoQ</th>
</tr>
</thead>
<tbody>
<tr>
<td>Brown grades - OCC No. 11 (New England)</td>
<td>135</td>
<td>98</td>
<td>108</td>
<td>-20%</td>
<td>+10%</td>
</tr>
<tr>
<td>White grades - SOP No. 37 (New England)</td>
<td>163</td>
<td>172</td>
<td>165</td>
<td>+1%</td>
<td>-4%</td>
</tr>
</tbody>
</table>

Virgin Pulp Prices

<table>
<thead>
<tr>
<th></th>
<th>NBSK (Canadian sources delivered to US East)</th>
<th>NBHK (Canada/US sources delivered to US East)</th>
</tr>
</thead>
<tbody>
<tr>
<td>Current</td>
<td>873</td>
<td>714</td>
</tr>
<tr>
<td>Sept 12</td>
<td>863</td>
<td>744</td>
</tr>
<tr>
<td>Oct 12</td>
<td>898</td>
<td>791</td>
</tr>
<tr>
<td>Nov 12</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Dec 12</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Jan 13</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Feb 13</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Mar 13</td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

Based on 2012 shipments, EBITDA sensitivity to US$15 or €/s.t. change: ±$47M

Sources: RISI, Bloomberg.
OUR BUSINESS DRIVERS
Raw material dynamics

Our North American Recycled Fibre Supply

- **2012**
  - Cascades Recovery and Internal: 33%
  - Spot Purchases: 27%
  - Contractual Agreement: 40%

Current control over 80% of our fibre supply despite greater concentration on the supply side

Our strategy

- **Short term:**
  - constant review of our inventory strategy
  - prepare for Greenpac project to minimize market disruption

- **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

Currently control over 80% of our fibre supply despite greater concentration on the supply side

Largest recycled paper collector in Canada
OUR BUSINESS DRIVERS
Cost structure and FX

Raw materials, energy & supplies = 62% of 2012 COGS

A weaker CAN$ would be a game changer

- US$/CAN$ forecasts by top-5 Canadian banks
  - Range 2013 → 0.95 to 0.99 (average 0.97)
  - Range 2014 → 0.91 to 1.01 (average 0.98)

Stronger CAN$ and significant variable cost inflation negatively impact results

Source: Bloomberg
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

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 of an ATMOS machine in Candiac
- Launch of an important upgrade of our ERP system
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># of plants</th>
<th>Before</th>
<th>Now</th>
</tr>
</thead>
<tbody>
<tr>
<td>Average capacity per plant (‘000 MSF)</td>
<td>725</td>
<td>840</td>
</tr>
</tbody>
</table>
OUR NEW GREENPAC LINERBOARD MILL

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

Financial Structure

• $99M total investment (represents ± $1.05/share)
• Debt non-recourse to Cascades

<table>
<thead>
<tr>
<th>Partners</th>
<th>Ownership</th>
</tr>
</thead>
<tbody>
<tr>
<td>Cascades</td>
<td>~60%</td>
</tr>
<tr>
<td>3 other partners</td>
<td>~40%</td>
</tr>
</tbody>
</table>

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

## Changing landscape: Leading 3 North American Producers representing 68% of the market

% of total capacity

### 2007 Industry Participants

<table>
<thead>
<tr>
<th>Rank</th>
<th>Company</th>
<th>Capacity</th>
</tr>
</thead>
<tbody>
<tr>
<td>1</td>
<td>Smurfit Stone</td>
<td>20%</td>
</tr>
<tr>
<td>2</td>
<td>Weyerhaeuser</td>
<td>16%</td>
</tr>
<tr>
<td>3</td>
<td>IP</td>
<td>11%</td>
</tr>
<tr>
<td>4</td>
<td>Georgia Pacific</td>
<td>11%</td>
</tr>
<tr>
<td>5</td>
<td>Temple Inland</td>
<td>9%</td>
</tr>
<tr>
<td>6</td>
<td>PCA</td>
<td>6%</td>
</tr>
<tr>
<td>7</td>
<td>Cascades</td>
<td>3%</td>
</tr>
<tr>
<td></td>
<td>Others</td>
<td>24%</td>
</tr>
</tbody>
</table>

### 2013 Industry Participants

<table>
<thead>
<tr>
<th>Rank</th>
<th>Company</th>
<th>Capacity</th>
</tr>
</thead>
<tbody>
<tr>
<td>1</td>
<td>IP</td>
<td>35%</td>
</tr>
<tr>
<td>2</td>
<td>Rock Tenn</td>
<td>20%</td>
</tr>
<tr>
<td>3</td>
<td>Koch/GP</td>
<td>11%</td>
</tr>
<tr>
<td>4</td>
<td>PCA</td>
<td>7%</td>
</tr>
<tr>
<td>5</td>
<td>Cascades</td>
<td>4%</td>
</tr>
<tr>
<td>6</td>
<td>Pratt</td>
<td>3%</td>
</tr>
<tr>
<td>7</td>
<td>Kapstone</td>
<td>2%</td>
</tr>
<tr>
<td></td>
<td>Others</td>
<td>18%</td>
</tr>
</tbody>
</table>

Top-5: 2007: 67%  
Top-5: 2013: 77%

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**Cascades is increasing its market share**

Sources: Company estimates, RISI, Fiber Box Association, Paper Packaging Canada.
Cascades’ capacity includes 100% of Greenpac
THE CONTAINERBOARD MARKET

Two US$50/s.t. price increases since fall

Second US$50/st price increase announced for April 1st

Market tightness supporting 2nd increase

Initiatives undertaken will position well in an industry with positive fundamentals

Sources: Company estimates, RISI, Fiber Box Association, Paper Packaging Canada.
Optimize capital allocation and reduce working capital

Selected initiatives undertaken since the beginning of our Action Plan

**Tissue Papers – Converting**

- Acquisition of remaining interest in Papersource
- One of the most modern converting plants in NA
- Integration level increased to 70% +
- Reinforces positioning in away-from-home sector
- 10 converting lines

**Corporate**

- Working capital reduction initiative

**Working Capital to Sales**

- Q1 2011: 14.5%
- Q2 2011: 14.4%
- Q3 2011: 14.5%
- Q4 2011: 13.2%
- Q1 2012: 14.2%
- Q2 2012: 14.7%
- Q3 2012: 14.3%
- Q4 2012: 12.4%
- Q1 2013: 13.3%
OUR POSITIONNING IN THE TISSUE PAPERS SEGMENT

Cascades’ Tissue Papers 2012 Sales – End-Users

Cascades’ Tissue Papers 2012 Sales – Countries

Canada (28%)

US (72%)

Optimize capital allocation and reduce working capital
THE TISSUE PAPERS MARKET

US tissue consumption grows steadily, based on demographics

Upward trend in parent rolls price linked to higher raw materials

Market is growing every year which will contribute to absorb additional capacity

Sources: RISI
THE TISSUE PAPERS MARKET

Capacity additions in the tissue sector close to 1.5-2.0% consumption growth

Top 5 – North American Tissue Producers

<table>
<thead>
<tr>
<th>Rank</th>
<th>Company</th>
<th>Capacity (% of total capacity)</th>
</tr>
</thead>
<tbody>
<tr>
<td>1</td>
<td>Koch/GP</td>
<td>30%</td>
</tr>
<tr>
<td>2</td>
<td>P&amp;G</td>
<td>17%</td>
</tr>
<tr>
<td>3</td>
<td>Kimberly-Clark</td>
<td>16%</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>24%</td>
</tr>
</tbody>
</table>

Total - 2012: 8,476

Sources: RISI

New capacity to have more impact on national brands but potential trickle-down to AfH
DIVESTITURE TO FINANCE OTHER GROWTH INITIATIVES

Net Debt 12/31/2010: 1,397

Dopaco sale: (298)

Cash flow from op.: (287)

Var. of working Capital: (20)

$CAN: 278

Acqu. & consol.: 250

Capex, net of disp.: 99

Greenpac investment: 83

Leases & others: 44

Dividends & buy-backs: 1,535

Optimize capital allocation and reduce working capital
Restructure underperforming units

Difficult decisions taken since the beginning of our Action Plan

• 12 closures
  • Containerboard – Manufacturing Burnaby
  • Containerboard – Converting Le Gardeur, Leominster, 3 mills Greater Toronto Area
  • Spec. Prod. – Manufacturing East Angus (pulp mill)
  • Boxboard – Converting Lachute
  • Boxboard – Europe Magenta, Marzabotto
  • Others Toronto (2)

• 4 sales
  • Containerboard – Manufacturing Avot-Vallée
  • Boxboard – Manufacturing Versailles
  • Boxboard – Converting Dopaco, Hebron
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 CRB mills
- We now own ~50% of public Italian company (fully consolidated in our results)
- Allowed for rationalization of production capacity and amalgamation of sales forces
- Now 2nd supplier 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

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

LTM sales of $960M in four main sectors of activities (including joint ventures)

Recycling and Recovery (23 units)
- 30% 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)
- 29% of sales
- Leading producer of papermill packaging
- $10-15M EBITDA under equity method

Consumer Packaging (7 units)
- 11% of sales
- Largest producer of honeycomb in Canada

Stable source of revenues and platform for innovation
INVESTMENT CONSIDERATIONS
Analyst recommendations

<table>
<thead>
<tr>
<th>Brokerage Firm</th>
<th>Rating</th>
<th>Target</th>
<th>EBITDA (M$) 2013</th>
<th>EPS 2013</th>
</tr>
</thead>
<tbody>
<tr>
<td>BMO CAPITAL MARKETS</td>
<td>Outperform</td>
<td>$5.50</td>
<td>317</td>
<td>$0.37</td>
</tr>
<tr>
<td>DESJARDINS SECURITIES</td>
<td>Buy</td>
<td>$6.00</td>
<td>314</td>
<td>$0.16</td>
</tr>
<tr>
<td>NATIONAL BANK FINANCIAL</td>
<td>Outperform</td>
<td>$5.25</td>
<td>322</td>
<td>$0.22</td>
</tr>
<tr>
<td>SCOTIA CAPITAL</td>
<td>Sector perform</td>
<td>$6.00</td>
<td>359</td>
<td>$0.45</td>
</tr>
<tr>
<td>TD SECURITIES</td>
<td>Buy</td>
<td>$6.00</td>
<td>334</td>
<td>$0.30</td>
</tr>
<tr>
<td>RBC CAPITAL MARKETS</td>
<td>Outperform</td>
<td>$6.00</td>
<td>333</td>
<td>$0.41</td>
</tr>
<tr>
<td>AVERAGE</td>
<td></td>
<td>$5.79</td>
<td>330</td>
<td>$0.32</td>
</tr>
</tbody>
</table>

Outperform rating by most 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 (next)</th>
<th>P / E (next)</th>
<th>Dividend yield (%)</th>
</tr>
</thead>
<tbody>
<tr>
<td>Packaging Products</td>
<td>Graphic Packaging</td>
<td>US$5,090</td>
<td>2.7x</td>
<td>7.0x</td>
<td>16.1x</td>
<td>0.0%</td>
</tr>
<tr>
<td></td>
<td>Kapstone</td>
<td>US$1,720</td>
<td>2.6x</td>
<td>6.4x</td>
<td>13.7x</td>
<td>1.9%</td>
</tr>
<tr>
<td></td>
<td>Meadwestvaco</td>
<td>US$8,046</td>
<td>1.9x</td>
<td>7.6x</td>
<td>24.4x</td>
<td>2.3%</td>
</tr>
<tr>
<td></td>
<td>PCA</td>
<td>US$5,442</td>
<td>4.9x</td>
<td>7.7x</td>
<td>16.9x</td>
<td>1.0%</td>
</tr>
<tr>
<td></td>
<td>Rock Tenn</td>
<td>US$10,507</td>
<td>1.9x</td>
<td>6.1x</td>
<td>16.0x</td>
<td>2.6%</td>
</tr>
<tr>
<td></td>
<td>Sonoco</td>
<td>US$4,565</td>
<td>2.4x</td>
<td>7.4x</td>
<td>15.5x</td>
<td>3.5%</td>
</tr>
<tr>
<td></td>
<td><strong>Average - Packaging</strong></td>
<td><strong>US$5,895</strong></td>
<td><strong>2.7x</strong></td>
<td><strong>7.0x</strong></td>
<td><strong>17.1x</strong></td>
<td><strong>1.9%</strong></td>
</tr>
<tr>
<td>Tissue Papers</td>
<td>Cleanwater</td>
<td>US$1,631</td>
<td>2.2x</td>
<td>5.8x</td>
<td>18.3x</td>
<td>0.0%</td>
</tr>
<tr>
<td></td>
<td>KP Tissue</td>
<td>US$367</td>
<td>1.1x</td>
<td>9.4x</td>
<td>27.0x</td>
<td>3.9%</td>
</tr>
<tr>
<td></td>
<td>Orchids Paper</td>
<td>US$185</td>
<td>2.3x</td>
<td>5.9x</td>
<td>14.8x</td>
<td>3.6%</td>
</tr>
<tr>
<td></td>
<td>Wausau</td>
<td>US$705</td>
<td>2.9x</td>
<td>6.8x</td>
<td>NMF</td>
<td>1.2%</td>
</tr>
<tr>
<td></td>
<td><strong>Average - Tissue</strong></td>
<td><strong>US$722</strong></td>
<td><strong>2.1x</strong></td>
<td><strong>7.0x</strong></td>
<td><strong>20.0x</strong></td>
<td><strong>2.2%</strong></td>
</tr>
<tr>
<td>Cascades</td>
<td></td>
<td><strong>$2,146</strong></td>
<td><strong>0.5x</strong></td>
<td><strong>6.5x</strong></td>
<td><strong>15.4x</strong></td>
<td><strong>3.2%</strong></td>
</tr>
</tbody>
</table>

Data as of May 14, 2013

*Undervalued compared to peer group*
INVESTMENT CONSIDERATIONS

Illustrative sum-of-the-parts valuation analysis

<table>
<thead>
<tr>
<th>Comparable Companies</th>
<th>Illustrative Cascades’ LTM EBITDA&lt;sup&gt;2&lt;/sup&gt; (M$ rounded, net corp. activities)</th>
<th>Selected Multiple (conservative)</th>
<th>Illustrative Value (M$ rounded)</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>TEV/LTM EBITDA&lt;sup&gt;1&lt;/sup&gt;</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Tissue Papers</td>
<td>7.0x – 12.0x</td>
<td>129</td>
<td>7.5x</td>
</tr>
<tr>
<td>Containerboard</td>
<td>6.0x – 10.0x</td>
<td>92</td>
<td>6.5x</td>
</tr>
<tr>
<td>Boxboard Europe</td>
<td>5.0x – 9.0x</td>
<td>34</td>
<td>6.0x</td>
</tr>
<tr>
<td>Specialty Products</td>
<td>4.0x – 8.0x</td>
<td>45</td>
<td>6.0x</td>
</tr>
</tbody>
</table>

Total Enterprise Value:

- **Add:** JV contribution ($10M EBITDA @ 6.0x) 60
- **Subtract:** Net Debt (1,581)

Total Equity Value – pre-adjustments:

- **Add:** Boralex’ stake (at market value) 135
- **Add:** Greenpac investment (at book value) 100
- **Subtract:** Minority interest (estimate<sup>3</sup>) (67)

Total Equity Value – post-adjustments:

- **Per share** 687

Current Market Capitalization:

- **Current Market Price (as at May 14, 2013)** 463

Discount to Sum-of-the-Part Equity Value (given current market price and using trailing EBITDA): 33%

**Shares trading at significant discount, even using current trough EBITDA and conservative multiples**

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
Our equity investments - Boralex

• No capital allocated to Boralex; valuation does not fully reflect growth potential
• Current BLX share price: $11.00 - represents ±$1.50/share for CAS

![Diagram showing 476 MW in operation with $99 million EBITDA (LTM)]

<table>
<thead>
<tr>
<th>Contracted</th>
<th>Pipeline</th>
</tr>
</thead>
<tbody>
<tr>
<td>France</td>
<td>France</td>
</tr>
<tr>
<td>La Vallée</td>
<td>Other projects (2 projects)</td>
</tr>
<tr>
<td>32 MW</td>
<td>56 MW</td>
</tr>
<tr>
<td>WIND</td>
<td>WIND</td>
</tr>
<tr>
<td>Total project investment (millions $)</td>
<td></td>
</tr>
<tr>
<td>$56 - $55</td>
<td>$140 - $150</td>
</tr>
</tbody>
</table>

- Boralex's participation:
  - 75% 75% 50% 100% 50% 51% 51% 100%

- +/- 930 MW Pro Forma net to Boralex
  - More than $200 million EBITDA in 2016

Analyst Recommendations
- 1 top pick: $13.00
- 4 buys or outperforms: ~$12.40
- 1 sector outperform: $12.00
- 2 market or sector perform: ~$10.50

Comparative Valuation Matrix (based on 2013 figures)

<table>
<thead>
<tr>
<th></th>
<th>BLX</th>
<th>INE</th>
<th>NPI</th>
</tr>
</thead>
<tbody>
<tr>
<td>Price/Book</td>
<td>1.3x</td>
<td>1.6x</td>
<td>4.4x</td>
</tr>
<tr>
<td>Price/Cash flow</td>
<td>8.9x</td>
<td>10.6x</td>
<td>12.7x</td>
</tr>
<tr>
<td>EV/EBITDA</td>
<td>10.9x</td>
<td>15.8x</td>
<td>15.1x</td>
</tr>
</tbody>
</table>

Source: Bloomberg and Boralex’ website; refer to January 2013 Investor Presentation for footnotes.
POTENTIAL BENEFITS STEMMING FROM OUR RECENT INITIATIVES

- Modernization initiatives (±$150M capex program per year)
- Streamlining of containerboard and boxboard converting operations in New England, Ontario and Québec
- Containerboard productivity rate to revert to historical levels
- Announced price increases in the containerboard sector
- Greenpac contribution and valuation
- 18 divestitures/closures since 2008, some of which unprofitable units
- Turnaround and modernization of European platform
- Ramp-up of Atmos tissue paper machine
- Boralex project pipeline
- Benefits from ERP upgrade
APPENDIX
NOTES

1. Comparable companies include:
   - Graphic Packaging, Greif, IP, Meadwestvaco, Packaging Corp., Rock Tenn for Containerboard.
   - Reno de Medici’s current market multiple for Boxboard Europe.
   - Boise, Domtar, KapStone, Sealed Air and Sonoco 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 57% 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.