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 Company’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 also includes 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 Company.

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 Company 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 Company’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 annual report or earnings press release.

Specific items are defined as items such as charges for impairment of assets, for facility or machine closures, 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 – PACKAGING AND TISSUE PRODUCTS

Boxboard

Containerboard

Specialty products

Tissue papers

Leading NA packaging and tissue manufacturer with substantial recycling capabilities
OVERVIEW – BALANCED PLAY

Cascades
- Q1-2012 LTM Sales: $3,780
- Q1-2012 LTM EBITDA: $274

Packaging
- 77% of Sales
- 66% of EBITDA

Tissue Papers
- 23% of Sales
- 34% of EBITDA

Boxboard Europe
- 24% of Sales
- 21% of EBITDA

Containerboard
- 31% of Sales
- 31% of EBITDA

Specialty Products
- 22% of Sales
- 14% of EBITDA

Exposure to two healthiest P&P sectors and less cyclical end-markets

1 Adjusted for the full year consolidation of Reno de Medici and Papersource.
2 EBITDA excluding specific items and discontinued operations. Breakdown of sales and EBITDA before eliminations & corporate activities.
OVERVIEW – CLOSED-LOOP BUSINESS MODEL

100+ business units

RECOVERY
23 units

FINISHED PRODUCTS
May be sent to recycling centers

MANUFACTURING
30 units

CONVERTING
62 units

- 76% recycled fibre (2.9M tons)
- NA integration rate (2011):
  - 33% (580K tons)
- NA integration rate (2011):
  - 47%

Including the 6 manufacturing/converting tissue papers units and Reno De Medici's units.
Recycled Fibre Supply Sources – North America

2008
- Cascades Recovery and Internal: 35%
- Spot Purchases: 19%
- Contractual agreements: 46%

2011
- Cascades Recovery and Internal: 32%
- Spot Purchases: 20%
- Contractual agreements: 48%

Control over 80% of our fibre supply despite greater concentration on the supply side
MARKET DYNAMICS – DEMAND

Packaging

North American Box Shipments (billions ft²)

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

Tissue

U.S. Total Tissue Consumption (’000 s.t.)

<table>
<thead>
<tr>
<th>Year</th>
<th>2005</th>
<th>2006</th>
<th>2007</th>
<th>2008</th>
<th>2009</th>
<th>2010</th>
<th>2011</th>
</tr>
</thead>
<tbody>
<tr>
<td>Value</td>
<td>7,844</td>
<td>7,896</td>
<td>8,028</td>
<td>8,201</td>
<td>8,053</td>
<td>8,219</td>
<td>8,319</td>
</tr>
</tbody>
</table>

Exposure to relatively stable / growing demand

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

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%

Cascades's Market Share (estimate):
- North American coated boxboard: 3%
- European coated boxboard: 17%
- North American containerboard: 3%
- Canadian containerboard: 26%
- North American tissue: 7%

Increased consolidation over the last few years in our market segments

Sources: RISI, companies filings.
MARKET DYNAMICS – MARKET BALANCE

Annual Average Capacity Utilization Rates

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

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

Packaging Annual Average Selling Prices

Cascades Tissue Papers Index (January 1999 = 1,000)

Upward long-term pricing trend

Source: RISI.
MARKET DYNAMICS – RAW MATERIAL COSTS

Main Recycled Fiber North American OBM List Prices

(US$/ton)

White grades (SOP)

Brown grades (OCC)

Market anomaly: SOP trading close to OCC ⇒ OCC should trade at lower price

Sources: RISI, Bloomberg.
### MARKET DYNAMICS – FX AND OTHER INPUT COSTS

#### Oil & chemicals

<table>
<thead>
<tr>
<th></th>
<th>Since Dec. 2011</th>
<th>Since Jan. 2010</th>
</tr>
</thead>
<tbody>
<tr>
<td>Oil</td>
<td>+9%</td>
<td>+46%</td>
</tr>
<tr>
<td>Latex</td>
<td>+10%</td>
<td>+43%</td>
</tr>
<tr>
<td>Pigments</td>
<td>+1%</td>
<td>+37%</td>
</tr>
<tr>
<td>Plastics</td>
<td>+12%</td>
<td>+29%</td>
</tr>
<tr>
<td>Starch</td>
<td>+3%</td>
<td>+28%</td>
</tr>
</tbody>
</table>

#### Currency

**Performance against€**
- Q1-2012 vs Q4-2011:
  - +2% vs +5%

**CAN$ strength and input costs sky-rocketing since 2010**
STRATEGIC ACTION PLAN – PRIORITY #1

Focused investing for modernization of core operations and IT

**ATMOS (Voith)**

- Full machine rebuilt
- Swing machine with “TAD equivalent” technology
- $30M investment
- First to install in North America
- High-end tissue paper offering
- Can use up to 100% recycled fiber
- Lower energy costs

**ERP**

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

**Challenging Market Evolution ⇔ Proactive measures ⇔ Improved profitability**
STRATEGIC ACTION PLAN – PRIORITY #1 (cont’d)

- 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
STRATEGIC ACTION PLAN – PRIORITY #2

2. Optimizing capital allocation between sectors and investments; reducing working capital

**Papersource Acquisition**

- Acquired one of the most modern converting plants in NA
- Integration level increased to 70% +
- Reinforces positioning in away-from-home sector
- 10 converting lines

**W/C Reduction**

<table>
<thead>
<tr>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td>Working capital (% of sales)</td>
<td>14.7%</td>
<td>16.3%</td>
<td>16.1%</td>
<td>14.6%</td>
<td>15.0%</td>
<td>14.8%</td>
<td>15.0%</td>
<td>13.7%</td>
</tr>
</tbody>
</table>

Challenging Market Evolution ⇒ Proactive measures ⇒ Improve profitability


## Strategic Action Plan – Priority #3

### Restructuring of under-performing units

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

**Challenging Market Evolution ➔ Proactive measures ➔ Improved profitability**
STRATEGIC ACTION PLAN – PRIORITY #4

4  Improvement and development of processes and products through innovation

MID-TERM OBJECTIVE

ROCE ≥ WACC

Net debt/EBITDA at 3x

Challenging Market Evolution ⇒ Proactive measures ⇒ Improve profitability
STRATEGIC ACTION PLAN – Q1-2012 INITIATIVES

- Announced consolidation of Ontario containerboard operations with closure of three plants
- Announced closure of Enviropac-Toronto

Focused investing for modernization of core operations (and IT)
- $30 million investment announced in Ontario in our containerboard sector
- ERP progressing

Optimizing capital allocation between sectors and investments
- Acquisition of Bird Packaging
- Greenpac on schedule and on budget; installation of paper machine started

Challenging Market Evolution ⇒ Proactive measures ⇒ Improved profitability
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.
Specialized Products & Tissue: Improvement due to lower raw material costs and productivity

Containerboard: Not producing to expectations

Europe: Difficult market environment in Q1-2012

EBITDA excluding specific items.
FINANCIAL REVIEW – KEY INDICATORS (KPIs)

Utilization rate and working capital KPIs did not meet expectations

See notes page 34.
FINANCIAL REVIEW – EQUITY INVESTMENTS

- 35% equity investment
- Market Value: +/- $110M

- 45% equity investment
- Market value: +/- $25M

**Boralex’s forecast installed production capacity**

<table>
<thead>
<tr>
<th>Year</th>
<th>MW</th>
</tr>
</thead>
<tbody>
<tr>
<td>2011</td>
<td>472</td>
</tr>
<tr>
<td>2013</td>
<td>818</td>
</tr>
<tr>
<td>2015</td>
<td>875</td>
</tr>
</tbody>
</table>

**Reno De Medici’s EBITDA**

<table>
<thead>
<tr>
<th>Year</th>
<th>(Euro)</th>
</tr>
</thead>
<tbody>
<tr>
<td>2009</td>
<td>32</td>
</tr>
<tr>
<td>2010</td>
<td>40</td>
</tr>
<tr>
<td>2011</td>
<td>30</td>
</tr>
</tbody>
</table>

**Investments in strong growth & turnaround stories currently worth +/- $135M**

Boralex’s production capacity pro forma for the Seigneurie de Beaupré project.
FINANCIAL REVIEW – DEBT PROFILE

Net Debt

Long-term Debt Maturities Distribution

90% of debt maturing after 2015
FINANCIAL REVIEW – LEVERAGE RATIOS

Slight increase in debt during the execution of our strategic plan

¹Starting in Q2 2011, LTM EBITDA / Interest includes 100% of Reno De Medici. Starting in Q4 2011, also includes 100% of Papersource. Cascades’ financial covenant ratios: Net funded debt to capitalization of not more than 65%, interest coverage ratio not less than 2.25x. EBITDA excluding specific items. Q2 and Q3 2011 numbers have been slightly restated following the finalization of the purchase price allocation on the Reno De Medici acquisition.
FINANCIAL REVIEW – CAPEX PROGRAM

• Projects in the works could be approved if business conditions are favourable
  – Potential for $225M to $250M in 2012
• 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

- Corporate: 6%
- Boxboard: 23%
- Tissue papers: 25%
- Specialty products: 21%
- Containerboard: 25%

By project category

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

Gradual capex program to improve asset base while maintaining financial flexibility
CONCLUDING REMARKS

• Short term
  • Prioritize organic growth and productivity improvement
  • Proactively address operational issues and realize our strategic plan
    • Focused investing for modernization of core operations
    • Optimize capital allocation
    • Restructure under-performing units
    • Improve and develop processes and products through innovation

• Medium term
  • Reach industry comparable leverage ratios
  • Pursue consolidation opportunities

Prudent and gradual investments to improve portfolio of assets
NEAR TERM OUTLOOK: Cautious optimism

+ • Lower raw material costs
   • Consolidation of Papersource
   • Impacts of restructuring and optimization measures
   • Produce according to historical standards

− • Higher demand volatility
   • Europe uncertainty
   • Continuous strength of CAN$
   • High energy and chemical costs

<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>Volume</td>
<td>Stable</td>
<td>Slight increase</td>
<td>Slight increase</td>
<td>Slight increase</td>
</tr>
<tr>
<td>Selling prices</td>
<td>Slight increase</td>
<td>Stable</td>
<td>Stable</td>
<td>Stable</td>
</tr>
<tr>
<td>Raw material costs</td>
<td>Slight decrease</td>
<td>Slight decrease</td>
<td>Slight decrease</td>
<td>Slight decrease</td>
</tr>
<tr>
<td>Exchange rate</td>
<td>Stable</td>
<td></td>
<td>Stable</td>
<td></td>
</tr>
<tr>
<td>Energy Costs</td>
<td>Slight increase</td>
<td></td>
<td>Stable</td>
<td></td>
</tr>
</tbody>
</table>
ENERGY PRICES

Hedging Program - Natural gas

- **Canada:**
  - 2012: 65% at 5.97 CAN$/GJ
  - 2013: 70% at 5.48 CAN$/GJ

- **U.S.:**
  - 2012: 58% at 6.30 US$/mmBtu
  - 2013: 52% at 5.84 US$/mmBtu

---

| Energy prices | 2010 | 2011 | 2012 | Change
|---------------|------|------|------|-------
| Averages      | Year | Year | Q1   | Q1 2012 | Q1 2011 | Q4 2011 |
| Natural gas Henry Hub (US$/mmBtu) | 4.39 | 4.04 | 2.74 | -33% | -23% |
| Crude oil WTI (US$/barrel)         | 77.32 | 94.01 | 100.51 | 11% | 12% |

Source: Bloomberg.
FOREIGN EXCHANGE

Hedging Program - Cash flow USD:

- **2012**
  
  31 to 52% (with options) of exposure hedged at an average rate of 1.032CAN$/US$ to 1.067CAN$/US$

- **2013**
  
  23 to 39% (with options) of exposure hedged at an average rate of 1.037CAN$/US$ to 1.079CAN$/US$

### Foreign Exchange Rates

<table>
<thead>
<tr>
<th></th>
<th>2010</th>
<th>2011</th>
<th>2012</th>
<th>Change</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Averages</strong></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Foreign exchange rates</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>US$/CAN$</td>
<td>0.971</td>
<td>1.011</td>
<td>0.999</td>
<td>-2%</td>
</tr>
<tr>
<td>EURO/CAN$</td>
<td>0.733</td>
<td>0.727</td>
<td>0.762</td>
<td>3%</td>
</tr>
</tbody>
</table>

Source: Bloomberg.
Manufacturing spread in CAN$ in Q1/12: +1% vs Q4/11 and +17% vs Q1/11

See notes page 34. Source: Bloomberg.
MARKET PRICES AND COSTS SUMMARY

<table>
<thead>
<tr>
<th>Selling prices</th>
<th>2010 Average</th>
<th>2011 Average</th>
<th>2012 Average</th>
<th>Change Q1 2012</th>
<th>Change Q4 2011</th>
</tr>
</thead>
<tbody>
<tr>
<td>Cascades North American US$ index (index 2005 = 1,000)</td>
<td>1,186</td>
<td>1,238</td>
<td>1,250</td>
<td>1,267</td>
<td>1,272</td>
</tr>
</tbody>
</table>

**PACKAGING**

<table>
<thead>
<tr>
<th>Boxboard</th>
<th>North America (US$/ton)</th>
<th>Europe (Euro/tonne)</th>
<th>Virgin coated duplex boardboard (GC2) index</th>
<th>Containerboard (US$/ton)</th>
<th>Specialty products (US$/ton, tonne for deinked pulp)</th>
<th>TISSUE PAPERS</th>
<th>Raw materials</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td></td>
<td>828</td>
<td>880</td>
<td>917</td>
<td>920</td>
<td>920</td>
<td>909</td>
<td>920</td>
</tr>
<tr>
<td></td>
<td>639</td>
<td>690</td>
<td>716</td>
<td>716</td>
<td>718</td>
<td>710</td>
<td>698</td>
</tr>
<tr>
<td></td>
<td>1,055</td>
<td>1,155</td>
<td>1,151</td>
<td>1,152</td>
<td>1,155</td>
<td>1,153</td>
<td>1,141</td>
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<tr>
<td></td>
<td>625</td>
<td>640</td>
<td>640</td>
<td>640</td>
<td>640</td>
<td>640</td>
<td>640</td>
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<tr>
<td></td>
<td>595</td>
<td>610</td>
<td>610</td>
<td>610</td>
<td>610</td>
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<td>610</td>
</tr>
<tr>
<td></td>
<td>619</td>
<td>667</td>
<td>675</td>
<td>670</td>
<td>670</td>
<td>670</td>
<td>670</td>
</tr>
<tr>
<td></td>
<td>743</td>
<td>748</td>
<td>768</td>
<td>812</td>
<td>725</td>
<td>763</td>
<td>663</td>
</tr>
<tr>
<td></td>
<td>1,022</td>
<td>1,025</td>
<td>1,093</td>
<td>1,110</td>
<td>1,150</td>
<td>1,110</td>
<td>1,110</td>
</tr>
<tr>
<td></td>
<td>914</td>
<td>930</td>
<td>955</td>
<td>947</td>
<td>930</td>
<td>940</td>
<td>923</td>
</tr>
<tr>
<td></td>
<td>1,619</td>
<td>1,631</td>
<td>1,662</td>
<td>1,718</td>
<td>1,664</td>
<td>1,669</td>
<td>1,612</td>
</tr>
</tbody>
</table>

**Raw materials**

| Cascades North American US$ index (index 2005 = 300) | 421 | 471 | 494 | 512 | 410 | 472 | 387 | -83 | -18% | -23 | -6% |

**RECYCLED PAPER**

| North America (US$/ton) | 149 | 182 | 178 | 179 | 155 | 174 | 152 | -30 | -17% | -4 | -2% |
| Special news, no. 8 (ONP - Chicago & NY average) | 88 | 128 | 139 | 135 | 103 | 126 | 85 | -43 | -34% | -18 | -18% |
| Sorted office papers, no. 37 (SOP - Chicago & NY average) | 214 | 223 | 263 | 283 | 164 | 233 | 145 | -78 | -35% | -18 | -11% |
| Europe (Euro/tonne) | 120 | 146 | 158 | 147 | 107 | 140 | 113 | -33 | -23% | 6 | 6% |

**VIRGIN PULP (US$/tonne) | 960 | 970 | 1,027 | 993 | 920 | 978 | 873 | -97 | -10% | -47 | -5% |

**WOODCHIPS – Conifer eastern Canada (US$/odmt) | 123 | 123 | 125 | 125 | 134 | 127 | 130 | 7 | 6% | 4 | 3% |

Sources: RISI, Dow Jones, Random Lengths and Cascades. See notes p. 34.
## SENSITIVITY TABLE 2011

<table>
<thead>
<tr>
<th>SELLING PRICES (MANUFACTURING)</th>
<th>CAPACITY / CONSUMPTION ('000 s.t. and '000 mmBtu for natural gas)</th>
<th>CHANGE</th>
<th>EBITDA IMPACT (In million of CAN$)</th>
</tr>
</thead>
<tbody>
<tr>
<td>Boxboard</td>
<td>1,425</td>
<td>25 US$ or € / ton</td>
<td>45</td>
</tr>
<tr>
<td>Containerboard</td>
<td>920</td>
<td>25 US$ / ton</td>
<td>23</td>
</tr>
<tr>
<td>Specialty Products (paper only)</td>
<td>375</td>
<td>25 US$ / ton</td>
<td>9</td>
</tr>
<tr>
<td>Tissue</td>
<td>525</td>
<td>25 US$ / ton</td>
<td>13</td>
</tr>
</tbody>
</table>

### RAW MATERIAL COSTS

<table>
<thead>
<tr>
<th>Raw Material</th>
<th>CAPACITY / CONSUMPTION</th>
<th>CHANGE</th>
<th>EBITDA IMPACT (In million of CAN$)</th>
</tr>
</thead>
<tbody>
<tr>
<td>Recycled papers</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Brown grades (OCC &amp; others)</td>
<td>1,740</td>
<td>15 US$ or € / ton</td>
<td>(29)</td>
</tr>
<tr>
<td>Groundwood grades (ONP &amp; others)</td>
<td>305</td>
<td>15 US$ or € / ton</td>
<td>(5)</td>
</tr>
<tr>
<td>White grades (SOP &amp; others)</td>
<td>870</td>
<td>15 US$ or € / ton</td>
<td>(14)</td>
</tr>
<tr>
<td>Commercial pulp</td>
<td>275</td>
<td>30 US$ or € / ton</td>
<td>(9)</td>
</tr>
<tr>
<td>Natural gas</td>
<td>11,740</td>
<td>1.00 US$ or € / mmBtu</td>
<td>(13)</td>
</tr>
</tbody>
</table>

### FOREIGN EXCHANGE

| Change of US$ 0.01 vs CAN$ | EBITDA IMPACT (In million of CAN$) | 7 |

Sensitivity table adjusted for all recent initiatives (transactions, closures).
1. The Cascades North American selling prices index represents an approximation of the Company’s manufacturing selling prices in North America (excluding converting). It is weighted according to shipments and is based on the average selling price of our North American manufacturing operations of boxboard, containerboard, speciality products and tissue paper. It considers the change in the mix of products sold. This index should only be used as a trend indicator.

2. The Cascades recycled white-lined chipboard selling prices index represents an approximation of Cascades’ recycled grades selling prices in Europe. It is weighted by country.

3. The Cascades virgin coated duplex boxboard selling prices index represents an approximation of Cascades’ virgin grades selling prices in Europe. It is weighted by country.

4. The Cascades Tissue paper selling prices index represents a mix of primary and converted products, and is based on the product mix at the end of 2006.

5. The Cascades North American raw materials index is based on publication prices and the average weighted cost paid for some of our manufacturing raw materials, namely recycled fibre, virgin pulp and woodchips, in North America. It is weighted according to purchase volume. This index should only be used as a trend indicator, as it may differ from our actual manufacturing purchasing costs and our purchase mix.

6. The Cascades recovered paper index represents an approximation of Cascades’ recovered paper purchase prices in Europe. It is weighted by country based on the recycled fibre supply mix of 2009.

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

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

Working capital includes accounts receivable plus inventories less accounts payable. It excludes an unpaid provision for closure and restructuring costs. It also excludes the current portion of derivatives financial instruments and the current portion of future taxes liability.