## 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 parity and volatile recycled fibre costs

### Our recent performance and financial situation
- Pressures from cost inflation
- Slow growth, particularly in Canada
- Productivity and profitability improvement necessary
- 2011 left us with an over-levered balance sheet
- No immediate maturity but we need to address the debt situation

### 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
- Start-up of the Greenpac mill in July 2013

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*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
May be sent to recycling centers

CONVERTING
58 units

MANUFACTURING
32 units

NA integration rate (2012):
• Containerboard Group 56%
• Tissue Papers Group 69%

Upstream and downstream integration in North America

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

77% recycled fibre (2.9M tons)

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

LTM figures as at 03/31/2013. 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.

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

<table>
<thead>
<tr>
<th>Quarter</th>
<th>(M CAN$)</th>
<th>(% of sales)</th>
</tr>
</thead>
<tbody>
<tr>
<td>Q1 2011</td>
<td>20</td>
<td>0.0%</td>
</tr>
<tr>
<td>Q2 2011</td>
<td>27</td>
<td>9.0%</td>
</tr>
<tr>
<td>Q3 2011</td>
<td>21</td>
<td>3.0%</td>
</tr>
<tr>
<td>Q4 2011</td>
<td>23</td>
<td>6.0%</td>
</tr>
<tr>
<td>Q1 2012</td>
<td>26</td>
<td>9.0%</td>
</tr>
<tr>
<td>Q2 2012</td>
<td>25</td>
<td>3.0%</td>
</tr>
<tr>
<td>Q3 2012</td>
<td>25</td>
<td>3.0%</td>
</tr>
<tr>
<td>Q4 2012</td>
<td>35</td>
<td>12.0%</td>
</tr>
<tr>
<td>Q1 2013</td>
<td>31</td>
<td>12.0%</td>
</tr>
</tbody>
</table>

### Boxboard Europe

<table>
<thead>
<tr>
<th>Quarter</th>
<th>(M CAN$)</th>
<th>(% of sales)</th>
</tr>
</thead>
<tbody>
<tr>
<td>Q1 2011</td>
<td>17</td>
<td>0.0%</td>
</tr>
<tr>
<td>Q2 2011</td>
<td>10</td>
<td>3.0%</td>
</tr>
<tr>
<td>Q3 2011</td>
<td>10</td>
<td>3.0%</td>
</tr>
<tr>
<td>Q4 2011</td>
<td>13</td>
<td>9.0%</td>
</tr>
<tr>
<td>Q1 2012</td>
<td>11</td>
<td>6.0%</td>
</tr>
<tr>
<td>Q2 2012</td>
<td>11</td>
<td>6.0%</td>
</tr>
<tr>
<td>Q3 2012</td>
<td>11</td>
<td>6.0%</td>
</tr>
<tr>
<td>Q4 2012</td>
<td>11</td>
<td>6.0%</td>
</tr>
<tr>
<td>Q1 2013</td>
<td>0</td>
<td>0.0%</td>
</tr>
</tbody>
</table>

### Specialty Products

<table>
<thead>
<tr>
<th>Quarter</th>
<th>(M CAN$)</th>
<th>(% of sales)</th>
</tr>
</thead>
<tbody>
<tr>
<td>Q1 2011</td>
<td>12</td>
<td>0.0%</td>
</tr>
<tr>
<td>Q2 2011</td>
<td>13</td>
<td>9.0%</td>
</tr>
<tr>
<td>Q3 2011</td>
<td>15</td>
<td>6.0%</td>
</tr>
<tr>
<td>Q4 2011</td>
<td>11</td>
<td>6.0%</td>
</tr>
<tr>
<td>Q1 2012</td>
<td>15</td>
<td>6.0%</td>
</tr>
<tr>
<td>Q2 2012</td>
<td>8</td>
<td>3.0%</td>
</tr>
<tr>
<td>Q3 2012</td>
<td>8</td>
<td>3.0%</td>
</tr>
<tr>
<td>Q4 2012</td>
<td>11</td>
<td>9.0%</td>
</tr>
<tr>
<td>Q1 2013</td>
<td>11</td>
<td>9.0%</td>
</tr>
</tbody>
</table>

### Tissue Papers

<table>
<thead>
<tr>
<th>Quarter</th>
<th>(M CAN$)</th>
<th>(% of sales)</th>
</tr>
</thead>
<tbody>
<tr>
<td>Q1 2011</td>
<td>16</td>
<td>0.0%</td>
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<tr>
<td>Q2 2011</td>
<td>18</td>
<td>15.0%</td>
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<tr>
<td>Q3 2011</td>
<td>28</td>
<td>10.0%</td>
</tr>
<tr>
<td>Q4 2011</td>
<td>33</td>
<td>5.0%</td>
</tr>
<tr>
<td>Q1 2012</td>
<td>39</td>
<td>20.0%</td>
</tr>
<tr>
<td>Q2 2012</td>
<td>35</td>
<td>10.0%</td>
</tr>
<tr>
<td>Q3 2012</td>
<td>35</td>
<td>10.0%</td>
</tr>
<tr>
<td>Q4 2012</td>
<td>31</td>
<td>5.0%</td>
</tr>
<tr>
<td>Q1 2013</td>
<td>29</td>
<td>0.0%</td>
</tr>
</tbody>
</table>

EBITDA excluding specific items.
OUR FINANCIAL PERFORMANCE AND SITUATION

Key performance indicators (KPIs)

Capacity utilization rate improving and shipments picking up

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

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 03/31/2013 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

OBM Average Quarterly List Prices

<table>
<thead>
<tr>
<th></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></th>
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<th></th>
<th></th>
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<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td>NBSK (Canadian sources delivered to US East)</td>
<td>873</td>
<td>863</td>
<td>898</td>
<td>+3%</td>
<td>+4%</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>NBHK (Canada/US sources delivered to US East)</td>
<td>714</td>
<td>744</td>
<td>791</td>
<td>+11%</td>
<td>+6%</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

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

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

Our North American Recycled Fibre Supply

2012

Cascades Recovery and Internal 33%
Contractual Agreement 40%
Spot Purchases 27%

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

- Raw material and consumables = 32%
- Wages and benefits = 18%
- Others = 13%
- Energy = 10%
- Freight = 8%
- Maintenance = 7%
- Supplies and chemicals = 12%

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

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

- **Containerboard – Manufacturing**
  - Construction of the Greenpac linerboard mill in Niagara Falls, NY

- **Containerboard – Converting**
  - Consolidation of our platform in Ontario

- **Boxboard – Converting**
  - Consolidation of our folding carton platform in Canada

- **Tissue Papers – Manufacturing**
  - Installation in 2010 of an ATMOS machine in Candiac

- **Corporate**
  - Launch of an important upgrade of our ERP system
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
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

### Before vs. Now

<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 68% of the market

% of total capacity

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

Top-5 67%                      Top-5 77%

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

Market tightness supporting 2\textsuperscript{nd} increase

Initiatives undertaken will position us 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

![Graph showing Working Capital to Sales from Q1 2011 to Q1 2013]
OUR POSITIONNING IN THE TISSUE PAPERS SEGMENT

Cascades’ Tissue Papers 2012 Sales – End-Users

- AfH 39%
- Retail 45%
- Parent rolls 16%
- Private label 43%
- Branded 57%

Cascades’ Tissue Papers 2012 Sales – Countries

- Canada (28%)
  - AfH 46%
  - Retail 54%
  - 90% private label

- US (72%)
  - AfH 47%
  - Retail 53%
  - 36% branded

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

('000 s.t.)

+1.5% CAGR

US tissue consumption grows steadily, based on demographics.

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

Upward trend in parent rolls price linked to higher raw materials.

Sources: RISI
THE TISSUE PAPERS MARKET

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

End of 2011 NA Tissue Capacity 8,543
New capacity '12-'14 (TAD and TADe) 356
New capacity '12-'14 (other grades) 531
Expected closures (265)
End of 2014 NA Tissue Capacity (estimate) 9,165

+2.4% CAGR

Top 5 – North American Tissue Producers

<table>
<thead>
<tr>
<th>Rank</th>
<th>Company</th>
<th>Capacity (‘000 s.t.)</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

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

Sources: RISI
DIVESTITURE TO FINANCE OTHER GROWTH INITIATIVES

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

Divestitures and FCF have funded acquisitions and capex

Optimize capital allocation and reduce working capital
Difficult decisions taken since the beginning of our Action Plan

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

- 4 sales
  - Containerboard – Manufacturing Avot-Vallée mill
  - Boxboard – Manufacturing Versailles plant
  - Boxboard – Converting Dopaco subsidiary, Hebron mill
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 producer of boxboard in Europe

Restructure underperforming units
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 $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
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 2013</th>
<th>EPS 2013</th>
</tr>
</thead>
<tbody>
<tr>
<td>BMO</td>
<td>Outperform</td>
<td>5.00</td>
<td>317</td>
<td>$0.37</td>
</tr>
<tr>
<td>Desjardins</td>
<td>Buy</td>
<td>6.00</td>
<td>314</td>
<td>$0.16</td>
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<tr>
<td>NBF</td>
<td>Outperform</td>
<td>5.25</td>
<td>322</td>
<td>$0.22</td>
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<tr>
<td>Scotia</td>
<td>Sector perform</td>
<td>6.00</td>
<td>359</td>
<td>$0.45</td>
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<tr>
<td>TD</td>
<td>Buy</td>
<td>6.00</td>
<td>334</td>
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<tr>
<td>RBC</td>
<td>Outperform</td>
<td>6.00</td>
<td>333</td>
<td>$0.41</td>
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<tr>
<td>Average</td>
<td></td>
<td>5.71</td>
<td>330</td>
<td>$0.32</td>
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</table>
## 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>Packaging Products</td>
<td>Graphic Packaging</td>
<td>US$5,110</td>
<td>2.8x</td>
<td>8.2x</td>
<td>7.0x</td>
<td>16.2x</td>
<td>0.0%</td>
</tr>
<tr>
<td></td>
<td>Kapstone</td>
<td>US$1,746</td>
<td>2.6x</td>
<td>9.8x</td>
<td>6.3x</td>
<td>14.0x</td>
<td>6.8%</td>
</tr>
<tr>
<td></td>
<td>Meadwestvaco</td>
<td>US$8,052</td>
<td>1.9x</td>
<td>10.7x</td>
<td>7.7x</td>
<td>24.4x</td>
<td>2.8%</td>
</tr>
<tr>
<td></td>
<td>PCA</td>
<td>US$5,400</td>
<td>4.8x</td>
<td>9.8x</td>
<td>7.7x</td>
<td>16.8x</td>
<td>2.1%</td>
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<tr>
<td></td>
<td>Rock Tenn</td>
<td>US$10,265</td>
<td>1.9x</td>
<td>8.6x</td>
<td>6.0x</td>
<td>15.4x</td>
<td>0.9%</td>
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<tr>
<td></td>
<td>Sonoco</td>
<td>US$4,534</td>
<td>2.4x</td>
<td>8.0x</td>
<td>7.4x</td>
<td>15.5x</td>
<td>3.4%</td>
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<tr>
<td></td>
<td><strong>Average - Packaging</strong></td>
<td><strong>US$5,851</strong></td>
<td><strong>2.7x</strong></td>
<td><strong>9.2x</strong></td>
<td><strong>7.0x</strong></td>
<td><strong>17.1x</strong></td>
<td><strong>2.7%</strong></td>
</tr>
<tr>
<td>Tissue Papers</td>
<td>Clearwater</td>
<td>US$1,650</td>
<td>2.2x</td>
<td>7.7x</td>
<td>5.8x</td>
<td>18.6x</td>
<td>0.0%</td>
</tr>
<tr>
<td></td>
<td>KP Tissue</td>
<td>US$1,165</td>
<td>1.0x</td>
<td>11.0x</td>
<td>8.1x</td>
<td>16.0x</td>
<td>4.2%</td>
</tr>
<tr>
<td></td>
<td>Orchids Paper</td>
<td>US$200</td>
<td>2.3x</td>
<td>9.0x</td>
<td>6.4x</td>
<td>15.9x</td>
<td>3.8%</td>
</tr>
<tr>
<td></td>
<td>Wausau</td>
<td>US$765</td>
<td>3.2x</td>
<td>17.6x</td>
<td>7.6x</td>
<td>NMF</td>
<td>1.0%</td>
</tr>
<tr>
<td></td>
<td><strong>Average - Tissue</strong></td>
<td><strong>US$945</strong></td>
<td><strong>2.2x</strong></td>
<td><strong>11.3x</strong></td>
<td><strong>7.0x</strong></td>
<td><strong>16.8x</strong></td>
<td><strong>2.3%</strong></td>
</tr>
<tr>
<td><strong>Cascades</strong></td>
<td></td>
<td><strong>$2,171</strong></td>
<td><strong>0.5x</strong></td>
<td><strong>7.3x</strong></td>
<td><strong>6.0x</strong></td>
<td><strong>16.4x</strong></td>
<td><strong>3.1%</strong></td>
</tr>
</tbody>
</table>

**Undervalued compared to peer group**

Data as of May 29, 2013
**INVESTMENT CONSIDERATIONS**

Illustrative sum-of-the-parts valuation analysis

<table>
<thead>
<tr>
<th>Comparable Companies</th>
<th>Illustrative Cascades’ Selected Illustrative Trading Range</th>
<th>LTM EBITDA²</th>
<th>Multiple (conservative)</th>
<th>Value (M$ rounded)</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>TEV/LTM EBITDA¹</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Tissue Papers</td>
<td>7.0x – 12.0x</td>
<td>129</td>
<td>7.5x</td>
<td>970</td>
</tr>
<tr>
<td>Containerboard</td>
<td>6.0x – 10.0x</td>
<td>92</td>
<td>6.5x</td>
<td>600</td>
</tr>
<tr>
<td>Boxboard Europe</td>
<td>5.0x – 9.0x</td>
<td>34</td>
<td>6.0x</td>
<td>200</td>
</tr>
<tr>
<td>Specialty Products</td>
<td>4.0x – 8.0x</td>
<td>45</td>
<td>6.0x</td>
<td>270</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 (estimate³) (67)

**Total Equity Value – post-adjustments**

Per share 687

**Current Market Capitalization**

Current Market Price (as at May 29, 2013) 463

**Discount to Sum-of-the-Part Equity Value**

(given current market price and using trailing EBITDA) 29%

**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

Analyst Recommendations

Average target
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.
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 be higher
  - Greenpac contribution
  - prices increasing

- Tissue Papers: strong and growing position
  - increasing presence in the US
  - ramp-up of 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
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.
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.

For more information: www.cascades.com/investors

Riko Gaudreault, CFA, ASA
Director, Investor Relations
riko_gaudreault@cascades.com
514-282-2697