

BANK OF AMERICA MERRILL LYNCH 2015 PAPER, PACKAGING AND BUILDERS CONFERENCE

BOSTON, USA

DECEMBER 10, 2015

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 Cascades Inc.'s ("Cascades," "CAS," the "Company," the "Corporation," "us" or "we") 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 Company.

The financial information included in this presentation also contain certain data that are not measures of performance under IFRS ("non-IFRS measures"). For example, the Company uses operating income before depreciation and amortization ("OIBD" which for purposes of this presentation we call, "EBITDA") and operating income before depreciation and amortization (excluding specific items) ("OIBD (excluding specific items)" which for purposes of this presentation we call, "EBITDA (excluding specific items)") because such measures are 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 quarterly report or annual report.

Specific items are defined as items such as charges for or reversal of impairment of assets, for facility or machine closures, accelerated depreciation of assets due to restructuring measures, discontinued operations, premiums paid on long-term debt refinancing, loss on refinancing of long-term debt, gains or losses on sales of business units, gains or losses on the share of results of associates and joint ventures, unrealized gains or losses on derivative financial instruments that do not qualify for hedge accounting, unrealized gains or losses on interest rate swaps, 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.

CASCADES INC. (CAS:TSX)

Current Price (11/25/2015): \$11.46
Market Capitalization: \$1,087M
Enterprise Value: \$2,952M
Enterprise Value to LTM EBITDA: 7.3x
Price to Book Value: 1.2x
Net Debt to LTM EBITDA: 4.3x



OUR RECENT FINANCIAL PERFORMANCE

\$3,765M
of sales¹

\$404M
EBITDA²

\$1.27
LTM free cash flow
per share for a yield of
11%

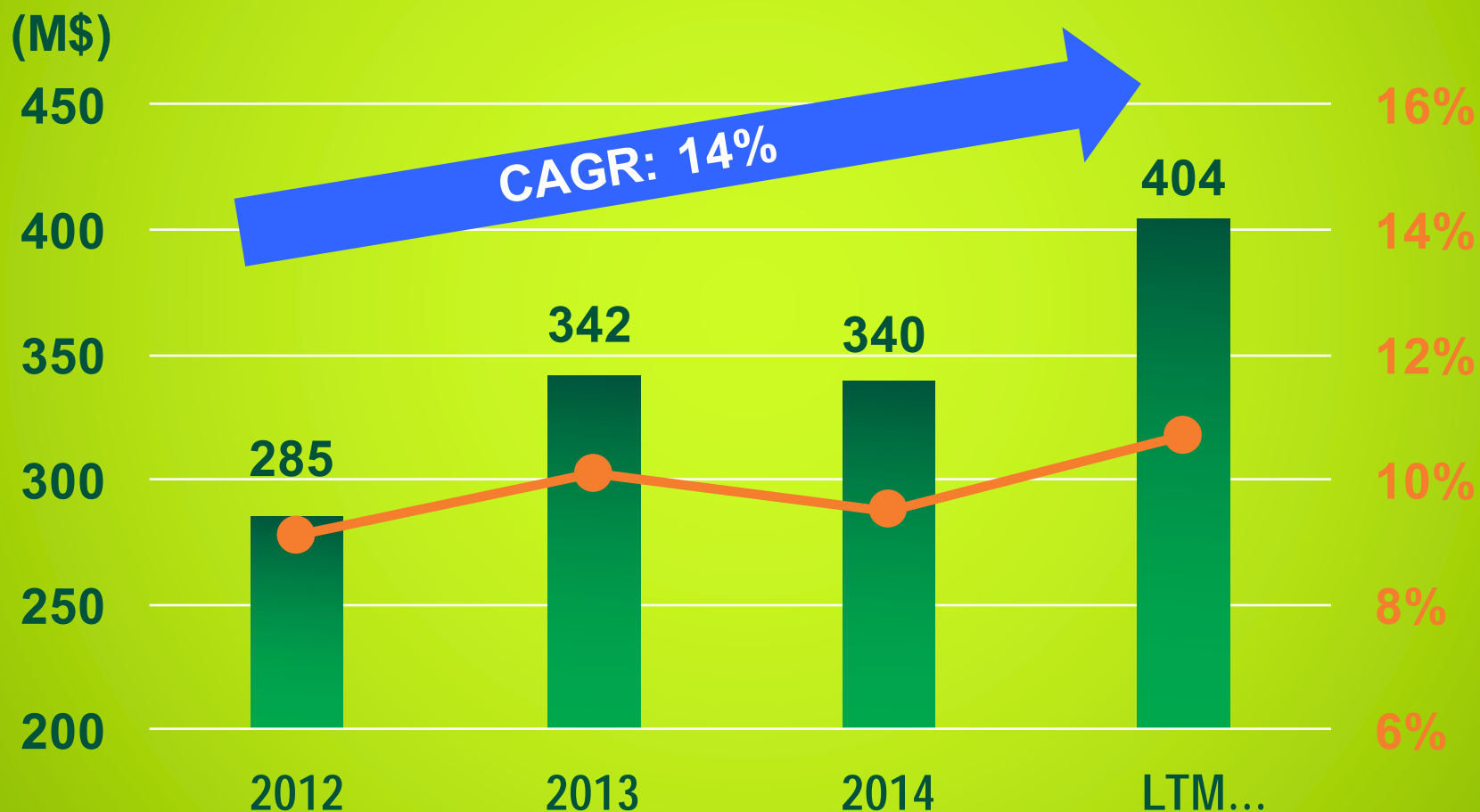
1 LTM 09/30/2015.

2 LTM 09/30/2015; excluding specific items.

3 LTM 09/30/2015; before inter-segment sales and corporate activities.

STRONG FINANCIAL MOMENTUM

EBITDA & EBITDA Margin
(excluding specific items)



LEADING PACKAGING PRODUCTS AND TISSUE PAPER MANUFACTURER

Packaging Products

Containerboard



- 33% of Sales¹
- 50% of EBITDA^{1,2}
- **EBITDA Margin²: 17%**

Boxboard Europe



- 21% of Sales¹
- 15% of EBITDA^{1,2}
- **EBITDA Margin²: 9%**

Specialty Products



- 15% of Sales¹
- 12% of EBITDA^{1,2}
- **EBITDA Margin²: 8%**

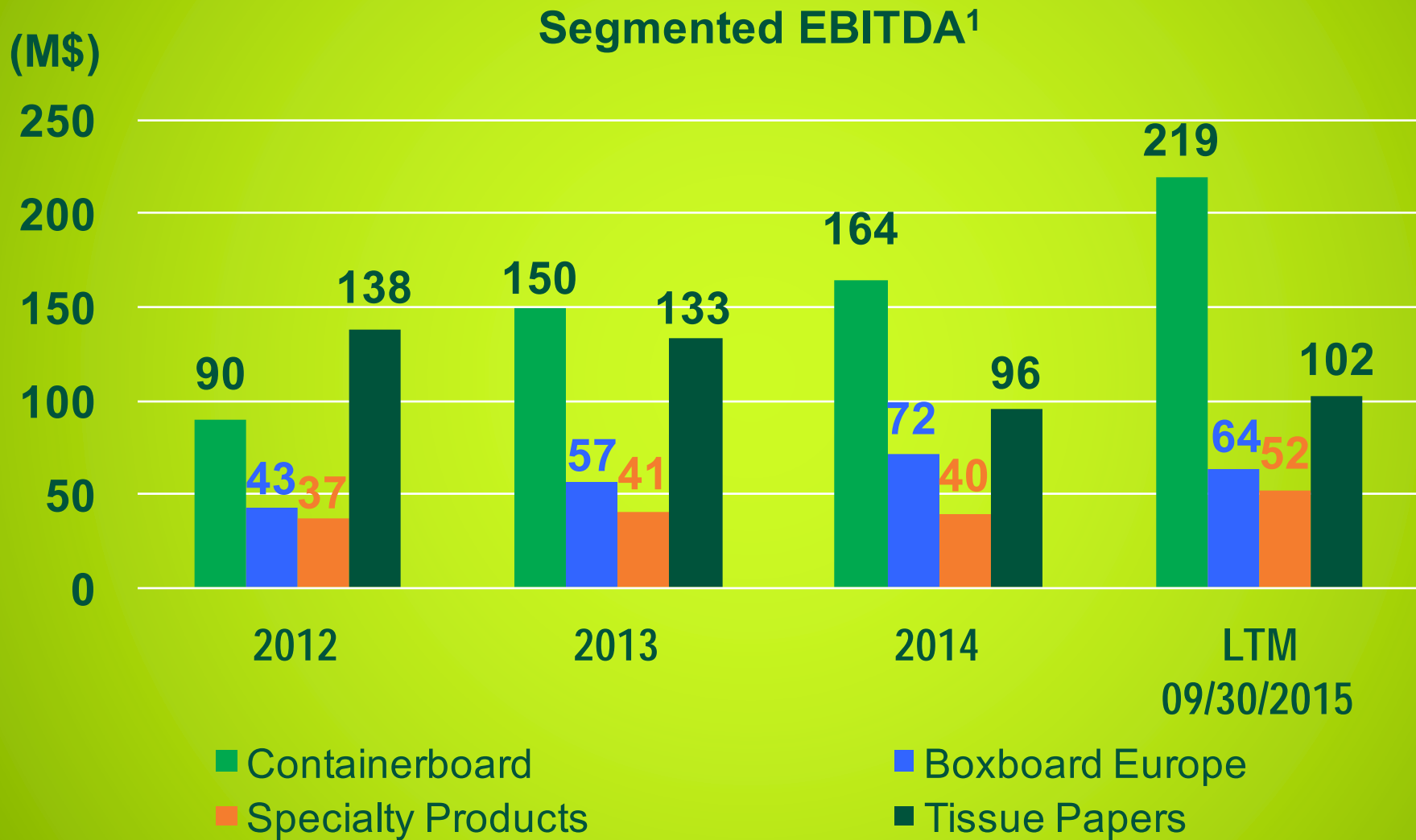
Tissue Papers



- 31% of Sales¹
- 23% of EBITDA^{1,2}
- **EBITDA Margin²: 9%**

LTM 09/30/15
Financials

BALANCED PLAY IN TWO HEALTHY SECTORS



PACKAGING

Containerboard

A leading
manufacturer
in Canada

6th in
North
America¹



\$1,290M
of sales²

\$219M
EBITDA³

1 Including 100% of Greenpac mill's capacity.

2 LTM 09/30/2015; before inter-segment sales and corporate activities.

3 LTM 09/30/2015; before corporate activities and excluding specific items.

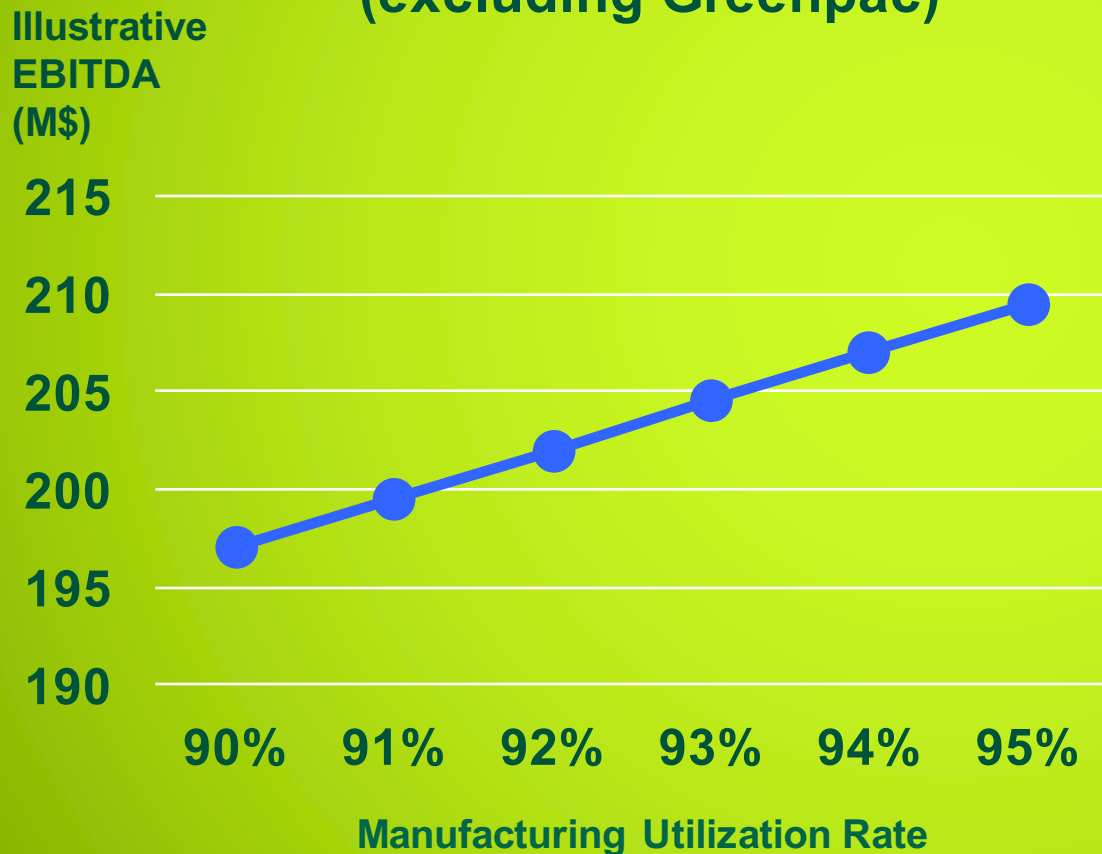
CONTAINERBOARD – STRATEGIC FOCUS

GROWTH AREAS AND PRODUCTIVITY INITIATIVES

- **Improve processes**
 - Produce to capacity
- **Leverage our modernized asset base in Canada**
 - Maintain our leadership position
 - Converting platforms in Ontario and Québec
 - Greenpac capacity and product lines
- **Increase our U.S. converting footprint**
- **Product innovation to capture benefits from recent trends**
- **Continue to improve Greenpac's performance**

CONTAINERBOARD - PRODUCE TO CAPACITY

Illustrative EBITDA and Manufacturing Utilization Rate (excluding Greenpac)



- LTM mill utilization rate at ~92% (95% during Q3-2015)
- Importance of ONE Certification program
- EBITDA increases ~\$2.5M for every additional percentage of utilization rate

CONTAINERBOARD - OUR CORNERSTONE: GREENPAC

- Largest recycled linerboard mill in NA:
1,500 s.t./day of lightweight recycled linerboard (26 pounds)
- Product differentiation
- State-of-the-art equipment
- Take-or-pay agreement
for 81% of the mill's
output
- 59.7% ownership:
 - Partners include a
pension fund and
two independent
converters



GREENPAC IMPACT ON EPS

- Assuming a conservative multiple, Greenpac adds significant value to the Cascades story

Greenpac Illustrative EBITDA (US\$M)	Impact on Cascades' EPS (CAN\$)	Illustrative Value per Share ¹ (CAN\$)
60	\$0.08	\$1.70
80	\$0.18	\$2.80
100	\$0.27	\$3.90

EBITDA Sensitivity

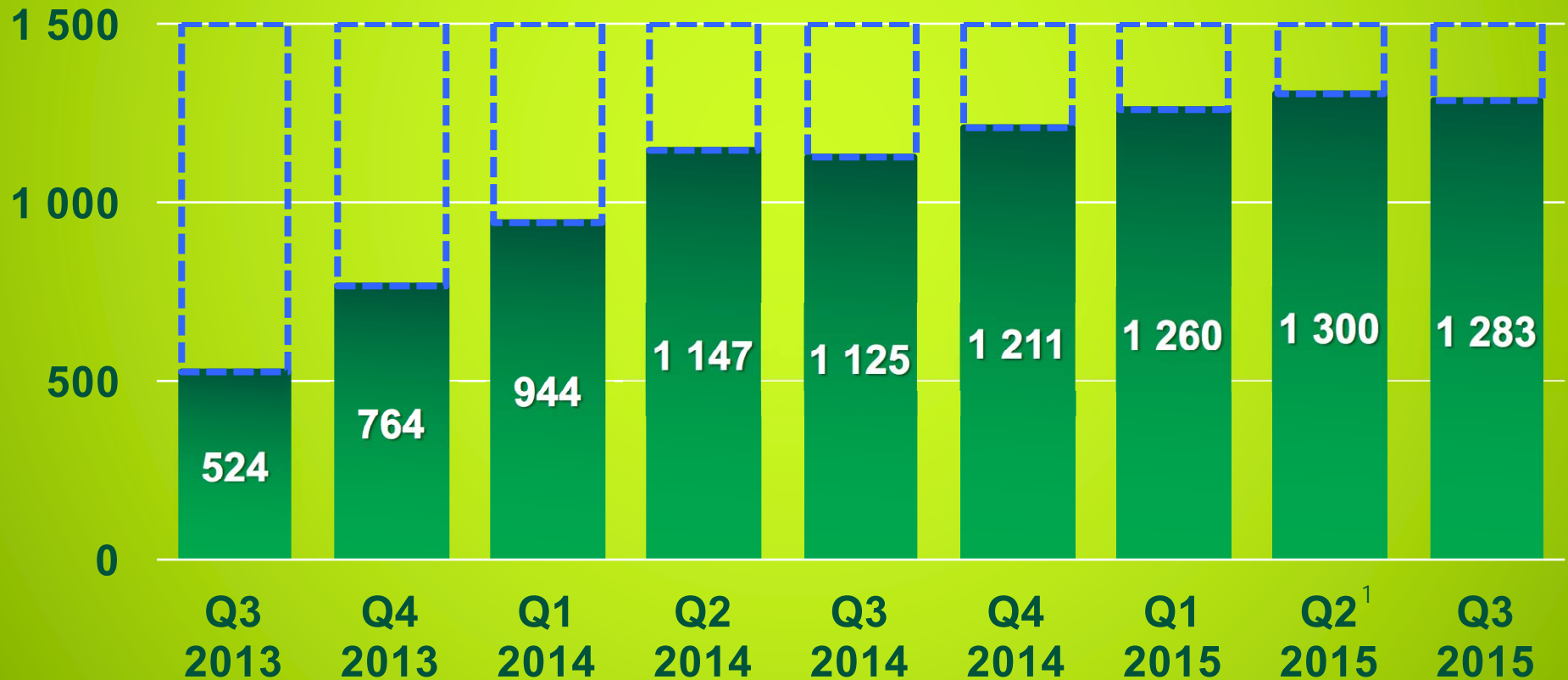
±10

±\$0.55

IMPROVING GREENPAC PERFORMANCE

- Greenpac XP grades represented 58% of the total production in Q3-2015 due to good market receptivity

('000 s.t.)



CONTAINERBOARD - OUR OBJECTIVE

EBITDA Margin ¹ (%)	2014	09/30/2015 YTD
IP (NA Industrial Packaging)	24%	24%
Packaging Corp. (Packaging)	22%	22%
WestRock ² (NA Corrugated Packaging)	18%	19%
KapStone (Consolidated, with kraft paper)	20%	16%
Average	21%	20%
Containerboard Group – excluding Greenpac	14%	18%
Containerboard Group – including Greenpac³		23%

Be among top-3 in the sector in terms of EBITDA margin

1 Based on public reports and Cascades' estimates

2 WestRock and RockTenn Corrugated Packaging Segment results

3 Including 100% of Greenpac's results

PACKAGING

Boxboard Europe

2nd manufacturer
of recycled grades
in Europe

\$819M
of sales¹

\$64M
EBITDA²



1 LTM 09/30/2015; before inter-segment sales and corporate activities.

2 LTM 09/30/2015; before corporate activities and excluding specific items.

EXTENSIVE EUROPEAN PLATFORM

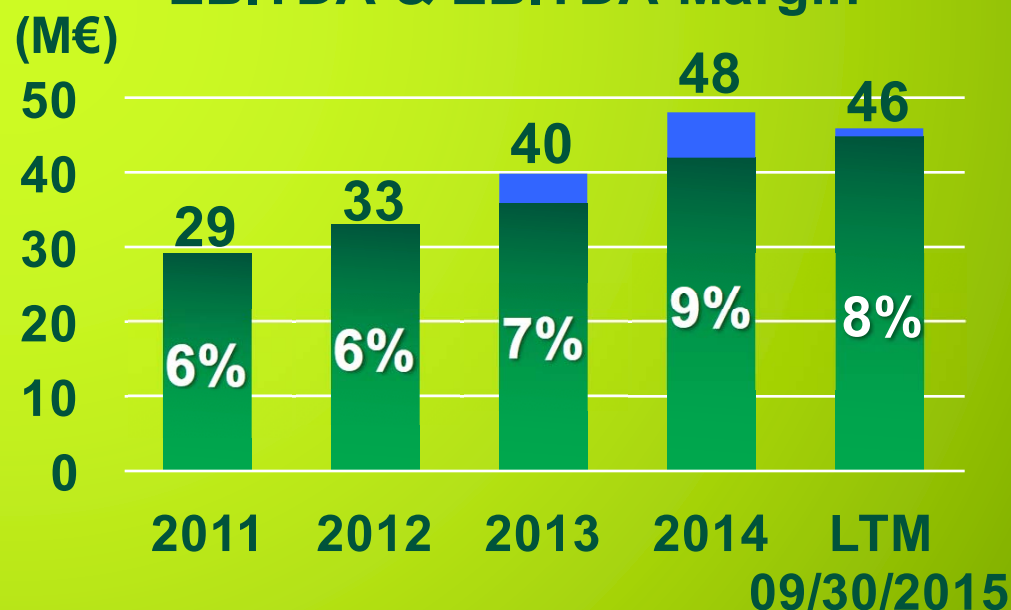
- ~58% ownership of RdM, a public Italian company, and 100% of a virgin board mill in France
- Rationalization of production capacity, consolidation of sales forces, structure simplification and modernization investments have resulted in improved performance

#2 Producer of Boxboard in Europe



- M** Manufacturing – Recycled grades
- M** Manufacturing – Virgin grades

EBITDA & EBITDA Margin



Energy credits totaling €4M in 2013, €6M in 2014 and €1M in LTM Q3-2015



BOXBOARD EUROPE - STRATEGIC FOCUS

GROWTH AREAS

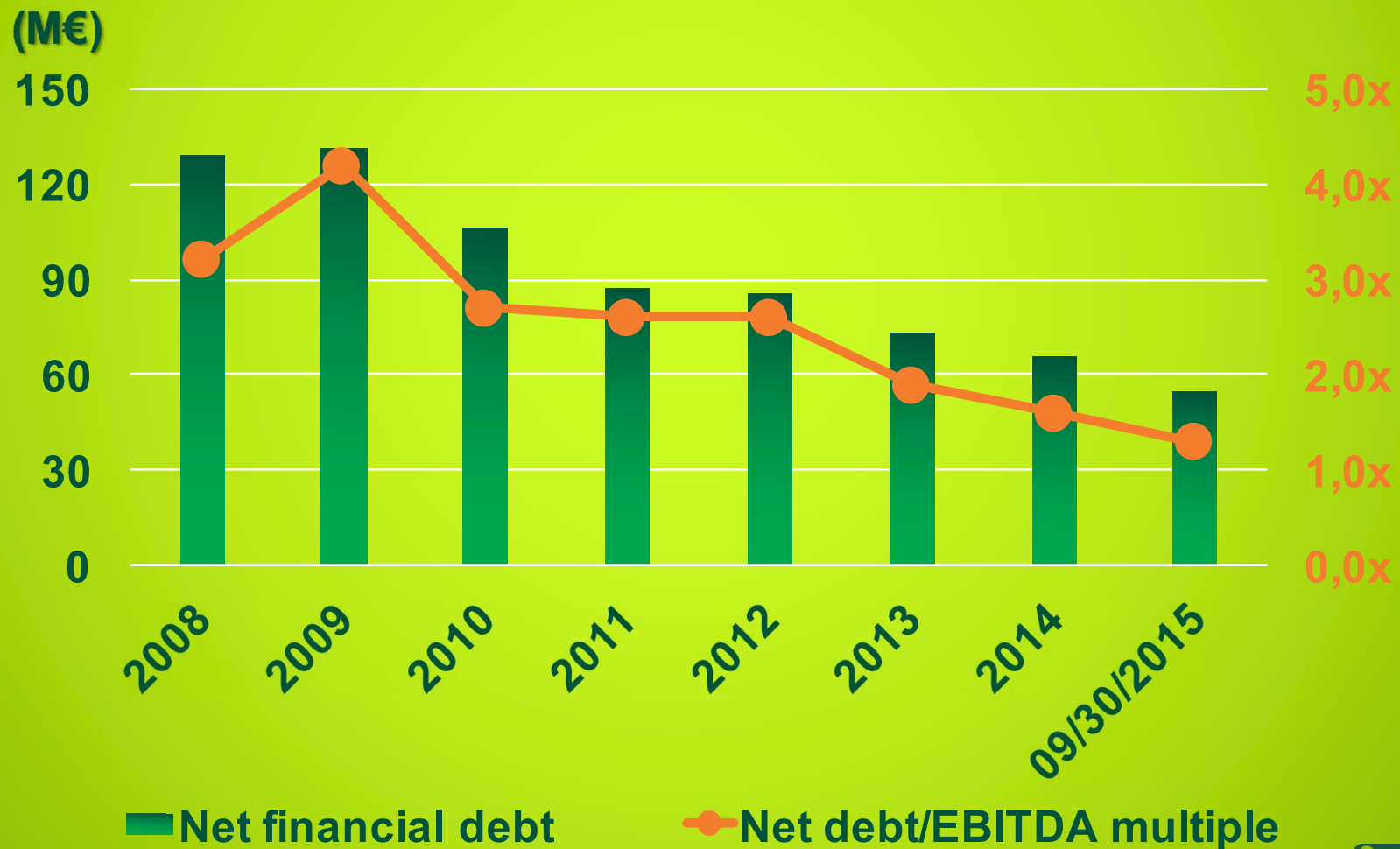
- **Strengthen presence in growing markets (i.e. Eastern Europe)**
- **Continue to reduce leverage to provide flexibility**

PRODUCTIVITY INITIATIVES

- **Strategic investment to reduce costs and improve quality and margins (energy, automation and capacity creep)**
- **Increase synergies between our recycled and virgin platforms**
- **IT upgrades**

BOXBOARD EUROPE - REDUCE LEVERAGE TO MAINTAIN FLEXIBILITY

Net Financial Debt Reno De Medici¹



■ Net financial debt

● Net debt/EBITDA multiple

PACKAGING

Specialty Products

Plastic Products

Honeycomb
Packaging Products

Paper Mill
Packaging Products

Recovery

\$569M
of sales¹

\$52M
EBITDA²



¹ LTM 09/30/2015; before inter-segment sales and corporate activities.

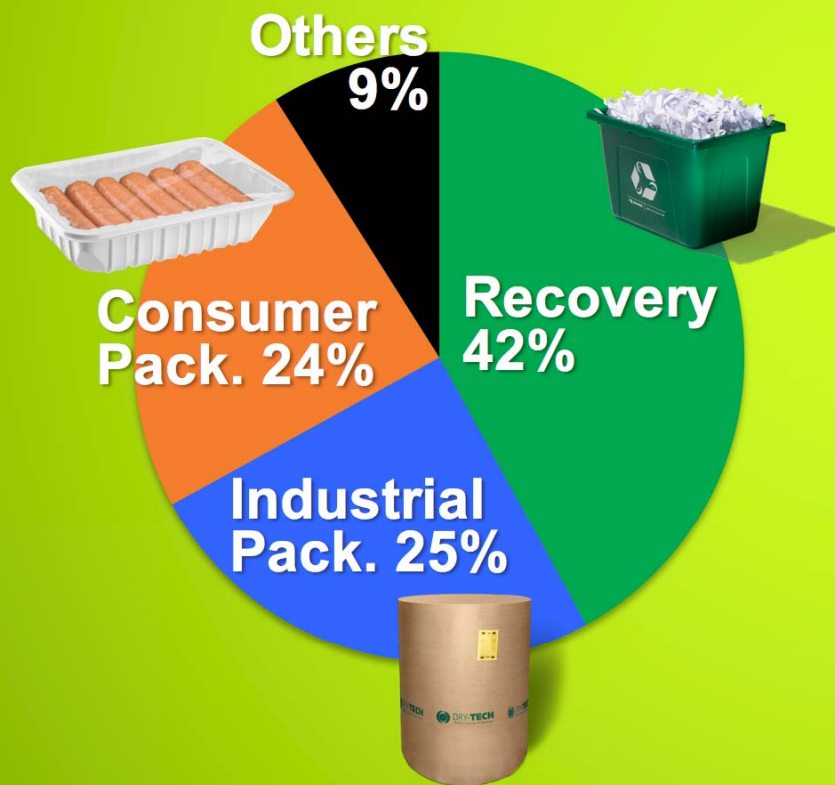
² LTM 09/30/2015; before corporate activities and excluding specific items.

SPECIALTY PRODUCTS – OPERATING SNAPSHOT

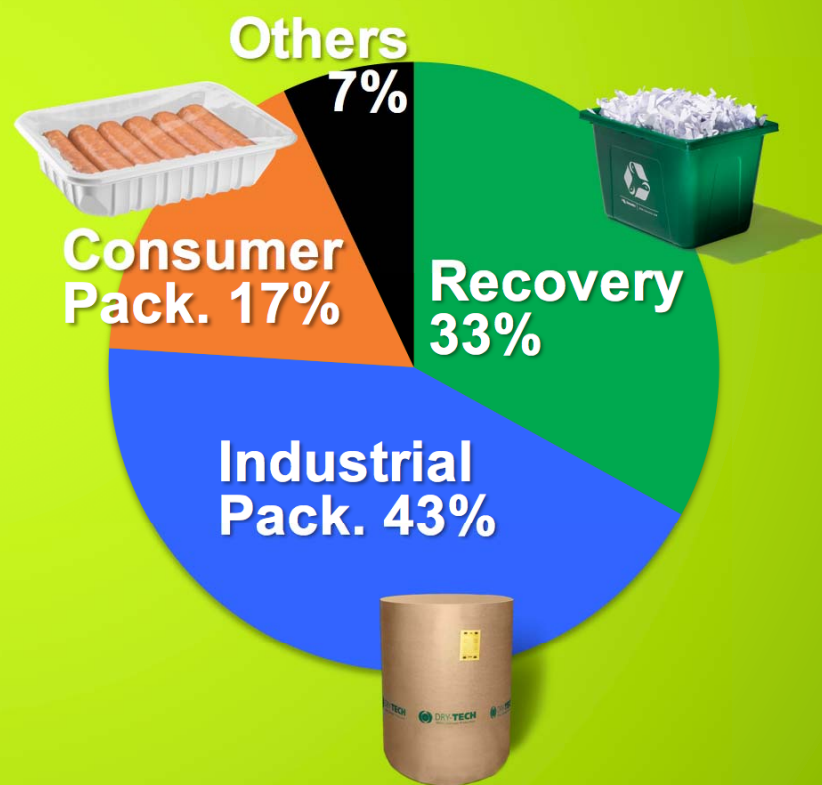
OPERATING PLATFORMS	RECOVERY	INDUSTRIAL PACKAGING AND OTHERS	CONSUMER PACKAGING
Units	18	14	6
Employees (2015)	1,050	630	400
Key Technologies	Collection vehicule fleet Bailing Sorting line	Board machine Extrusion/ Coating Slitting/ die-cutting/ lamination Deinked pulp line Board machine	Extrusion Thermo forming Pulp molding

SPG - CURRENT SALES DISTRIBUTION

LTM 09/30/2015
Sales Distribution - \$569 million
(IFRS)



LTM 09/30/2015
Sales Distribution
(JV at 100%; non-IFRS)



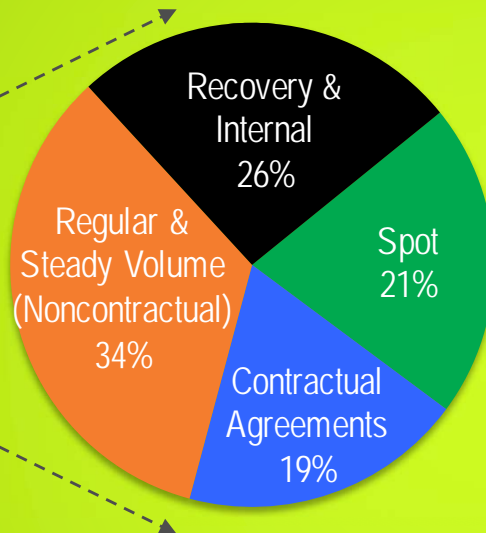
1ST PAPER COLLECTOR IN CANADA

Cascades' NA Recycled Fibre Supply

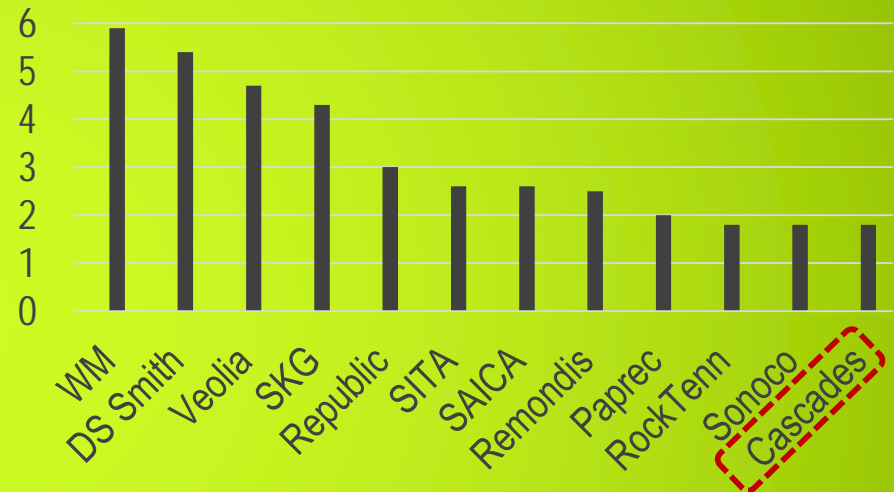
World Top Recovered Paper Suppliers

2014¹

Most of the fibre supply coming from internal sources, contracts and regular streams



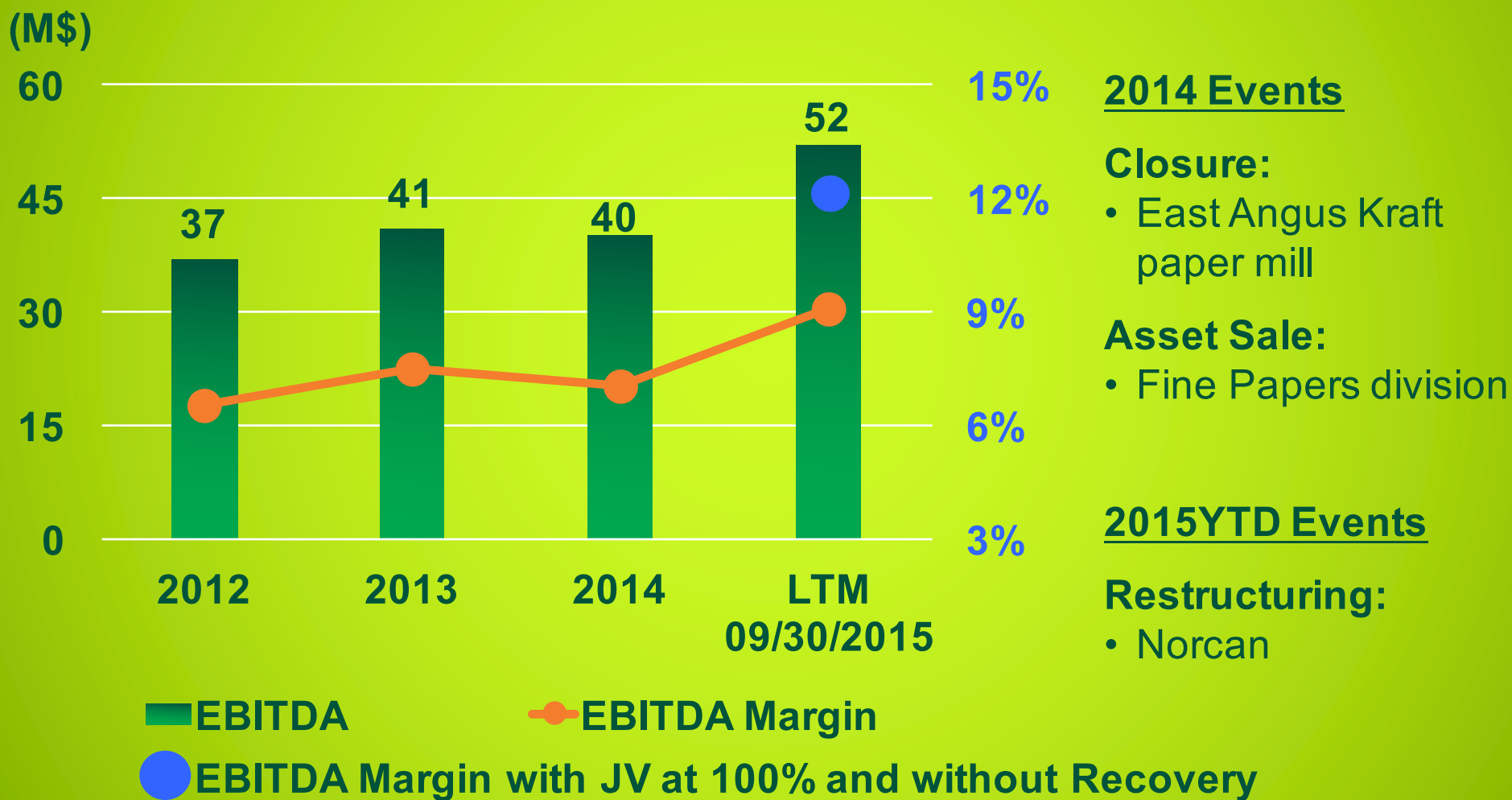
(M Tonnes)



Strategy

- Constant review of our inventory strategy
- Ensure control over fibre supply with potential increase of tons under control
- Develop substitute grades
- Potential to increase virgin content in certain circumstances
- Continue to close the loop with customers retailers

SPG - RECENT PERFORMANCE & INITIATIVES



SPG - STABILITY AND GROWTH

RECOVERY



- Continue to secure strategic source of supply

INDUSTRIAL PACKAGING



- Stable contributor

CONSUMER PACKAGING



- Growth vector

Objective to increase top line by +10% over the next three years while improving margins in all segments, excluding Recovery

PAPERS

Tissue Papers

1st manufacturer
in Canada
4th in
North
America³



\$1,184M
of sales¹

\$102M
EBITDA²

1 LTM 09/30/2015; before inter-segment sales and corporate activities.

2 LTM 09/30/2015; before corporate activities and excluding specific items.

3 Not reflecting pending SCA acquisition of Wausau Papers

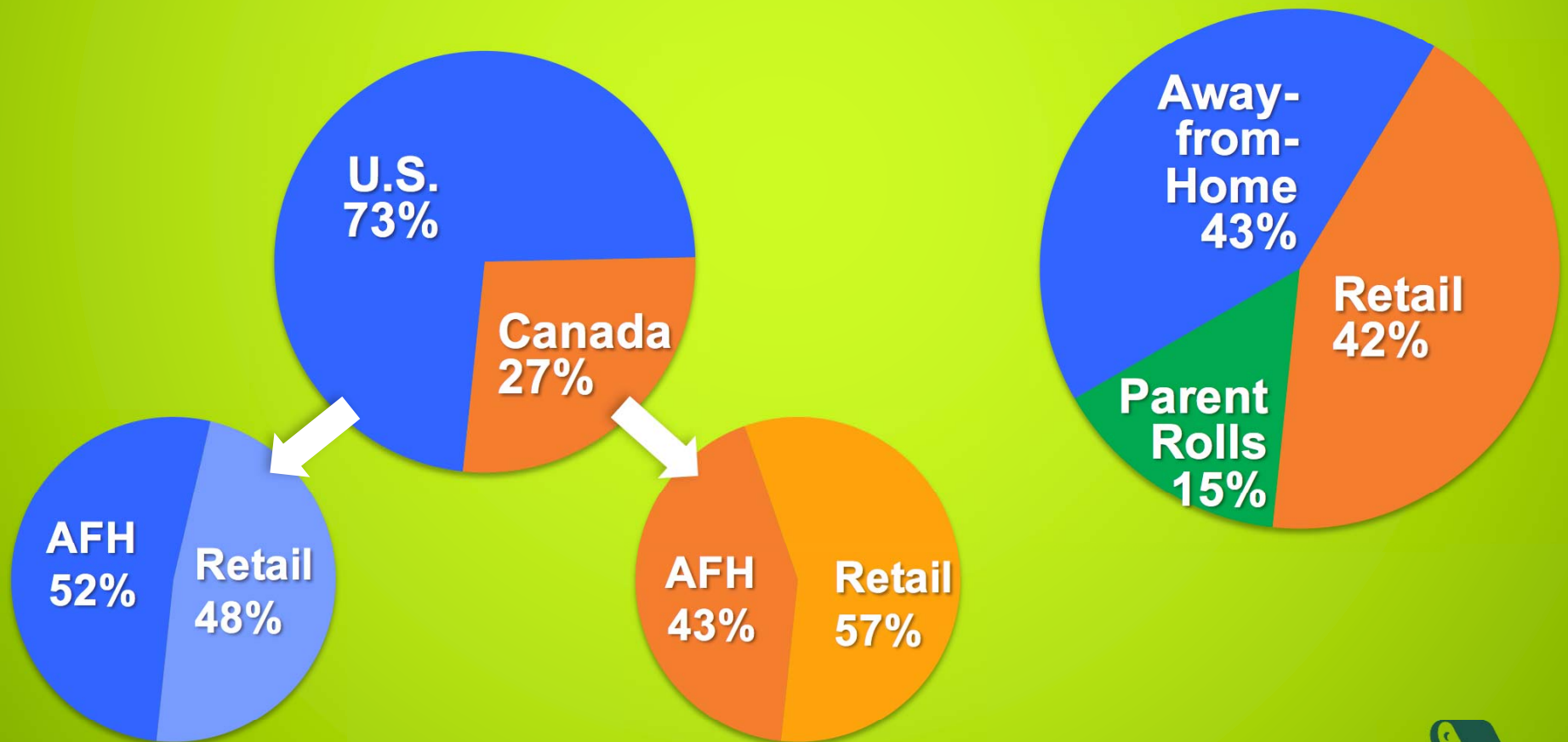
TISSUE – DIVERSIFIED CAPACITY

2014 NORTH AMERICAN TISSUE MANUFACTURERS

	Capacity ('000 s.t.)	Market Share	Capacity Retail	Capacity AfH
1 Georgia-Pacific	2,884	30%	67%	33%
2 Procter & Gamble	1,477	15%	100%	0%
3 Kimberly-Clark	1,458	15%	67%	33%
4 Cascades Tissue Papers	643	7%	62%	38%
5 SCA Tissue NA	574	6%	0%	100%
6 Clearwater Paper	538	6%	90%	10%
7 KP Tissue	390	4%	77%	23%
8 First Quality Tissue	285	3%	100%	0%
9 Irving Tissue	272	3%	100%	0%
10 Wausau Paper	190	2%	0%	100%
11 Soundview Paper	166	2%	66%	34%
12 Sofidel	68	1%	10%	90%
Others	756	6%		
TOTAL	9,679	100%		

TISSUE – GEOGRAPHIC DISTRIBUTION

LTM 06/30/2015 - Sales Distribution
(\$1,125 million)



TISSUE – STRATEGIC FOCUS

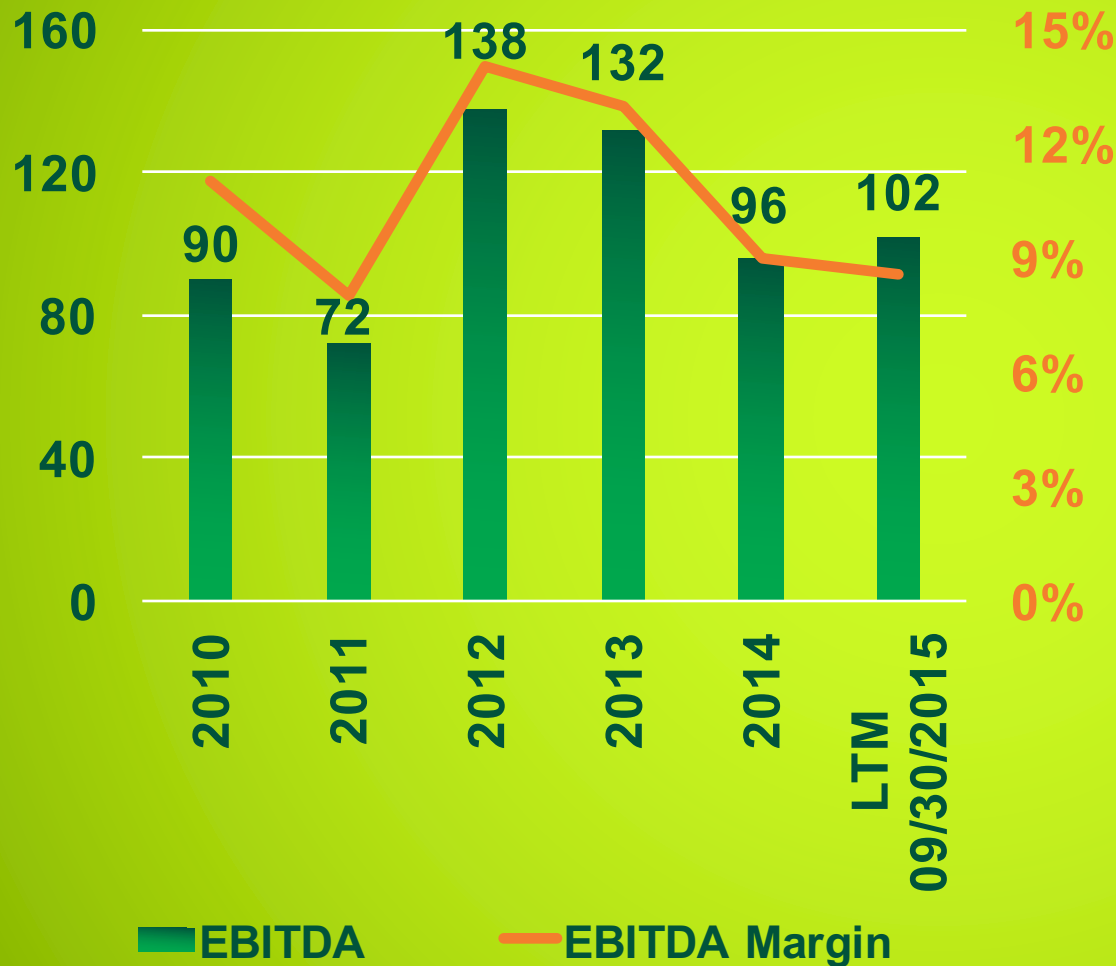
GROWTH AREAS

- **Grow U.S. Away-from-Home segment more aggressively**
- **Increase our footprint in the West and the South**
- **Increase integration rate – targeting 85%**
- **Increase market presence in value-added product segment (“Better” and “Best”)**

PRODUCTIVITY INITIATIVES

- **Reduce costs to improve competitiveness**
 - Continue to modernize asset base
 - Optimize logistics (trim and freight)
- **Invest in innovation**

TISSUE – IMPROVING OUR PERFORMANCE

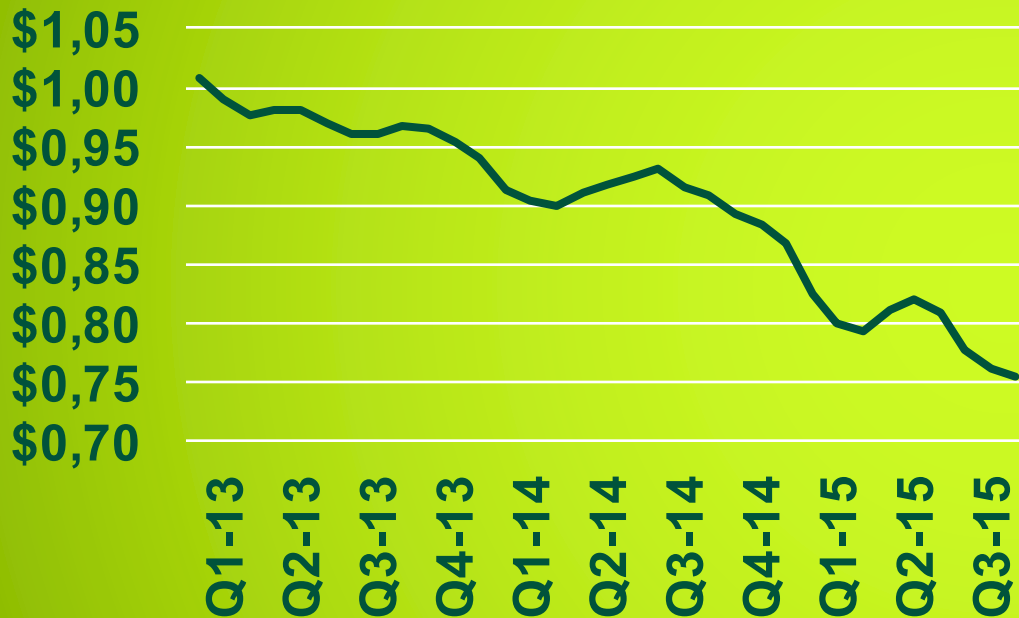


Objective: 13% margin

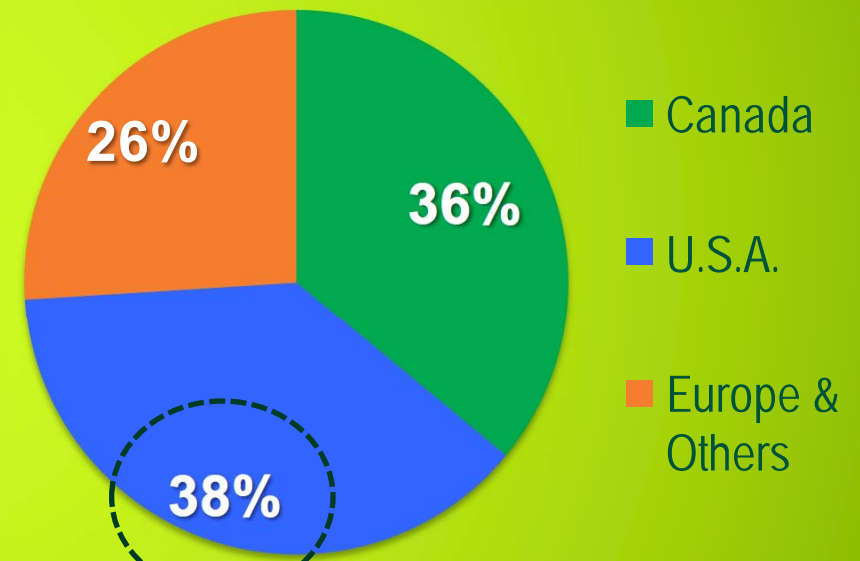
- Expected margin expansion with announced price increases
- Improved Canadian producer competitiveness
- Complete start-ups
- Growth in private label (US/CA)
- Growth in AfH USA
- OEE/Quality/H&S
- Cost reduction initiatives

EXCHANGE RATE & SALES DISTRIBUTION

US\$/CAN\$ Exchange Rate



Destination of 2014 Sales of \$3.6 billion

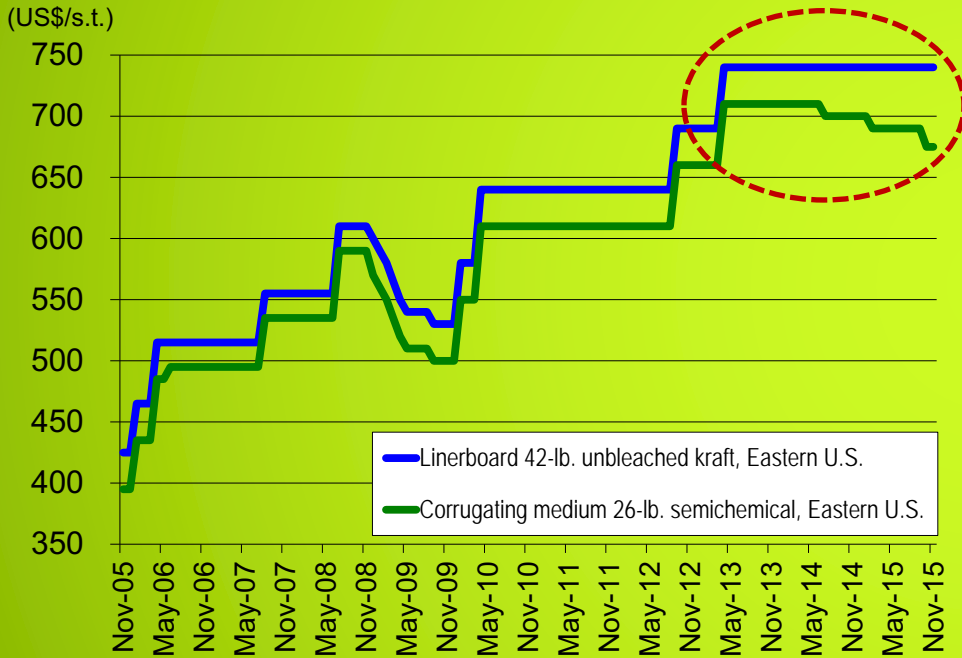


\$3 million EBITDA sensitivity to every CAN\$0.01 change in FX

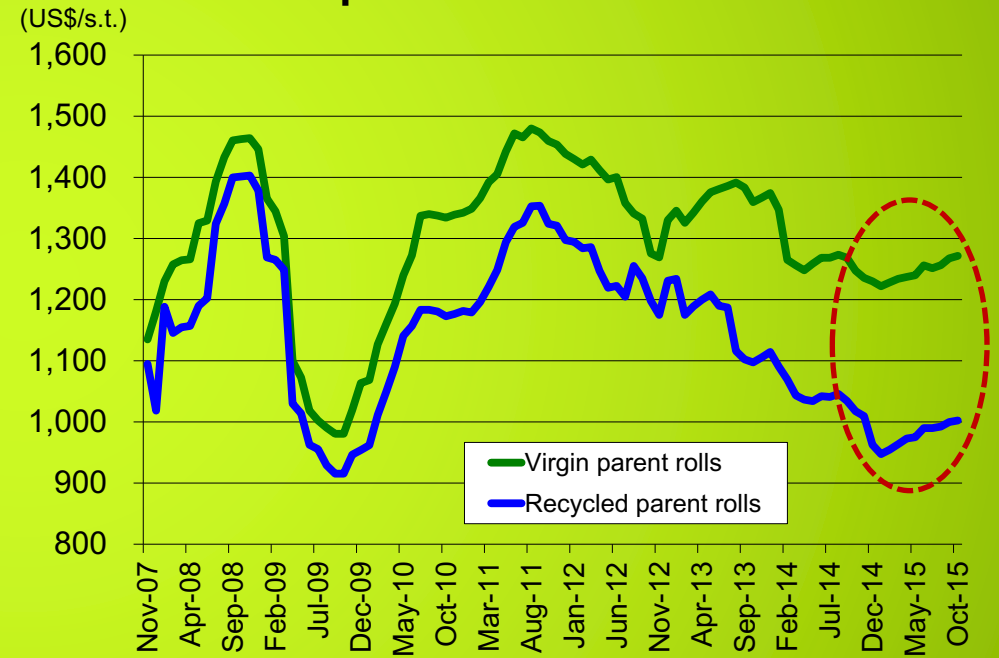
**14% from Canada
24% from the U.S.**

PRICE DYNAMICS

Containerboard - Selected Benchmarks

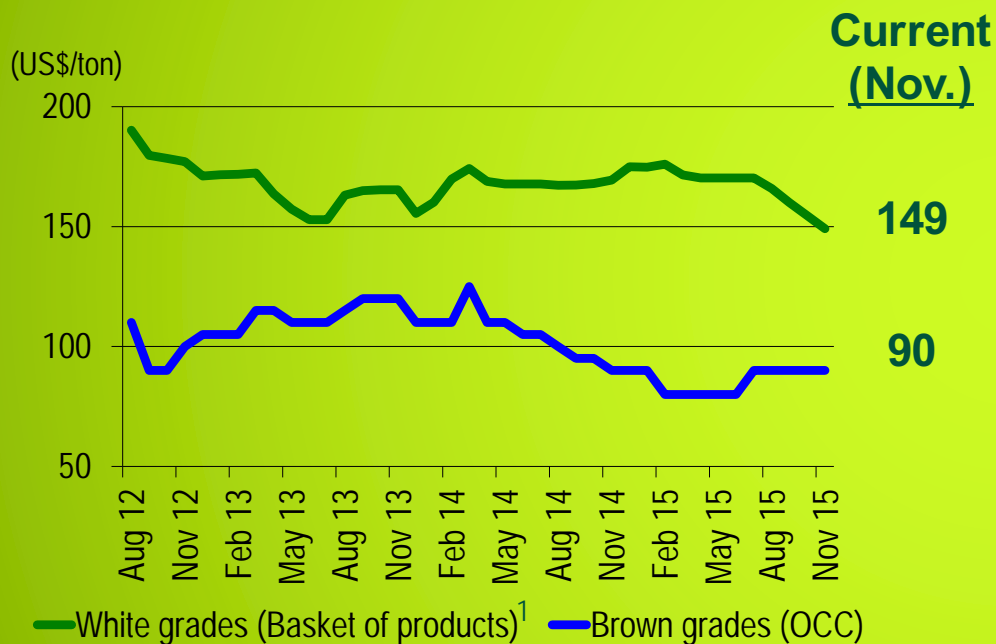


Tissue Papers - Selected Benchmarks

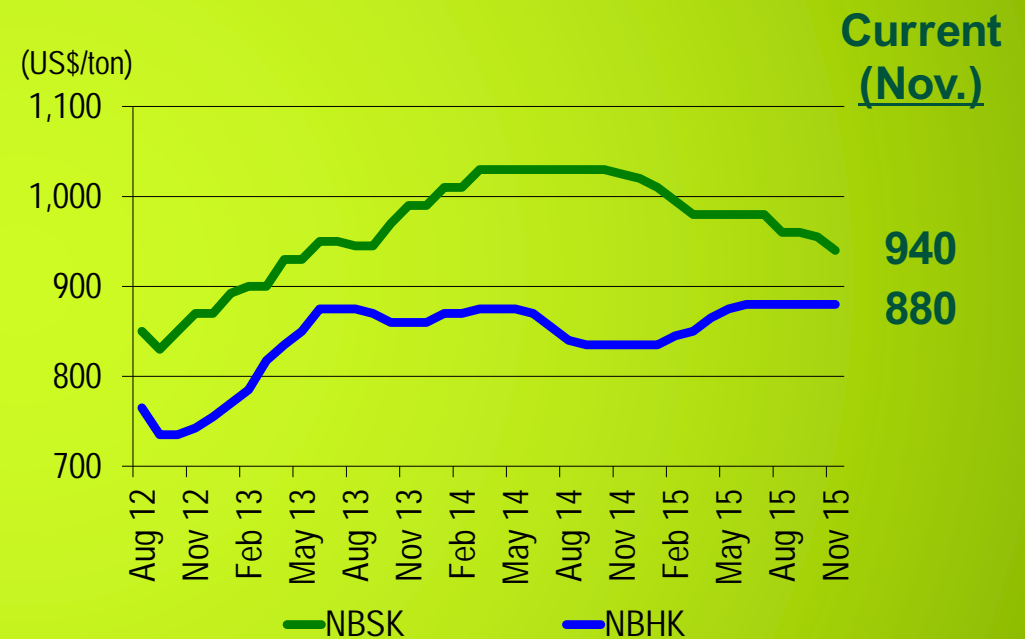


RAW MATERIALS – FIBRE COSTS

Recycled Fibre NA List Prices



Virgin Pulp Prices



OUR FOUR STRATEGIC PRIORITIES

1

MODERNIZE

core operations through
focused investments

Status: Ongoing

2

OPTIMIZE

capital allocation and
reduce working capital

Status: Ongoing

3

RESTRUCTURE

underperforming units

Status: Well-advanced

4

INNOVATE

to improve and develop
processes and products

Status: Continuous

IMPROVING ASSET BASE



St. Marys



Vaughan



St. Helens

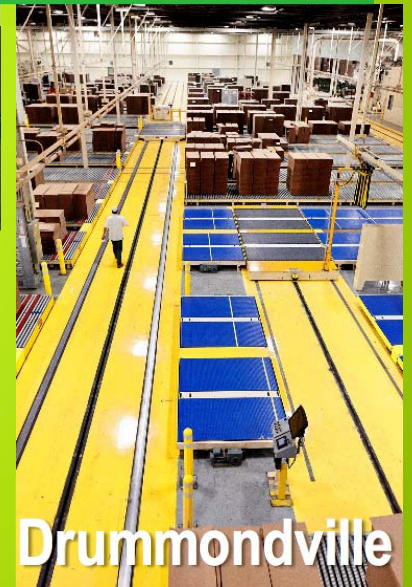
±\$300 million
invested in
modern
equipment



Candiac



Wagram



Drummondville



Santa Giustina



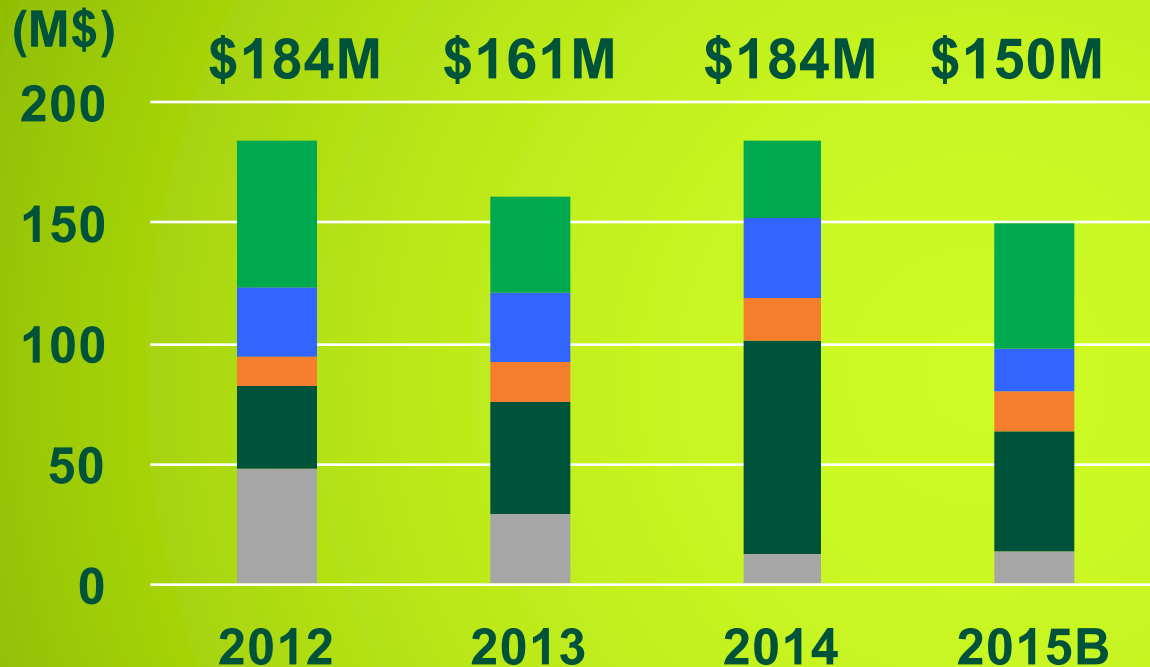
Kingsey Falls



Granby

CAPEX DURING MODERNIZATION PHASE

Capital Expenditures



- 2015 level to be lower (~\$150-160M)
- Impacted by strong US\$
- 2012-2013: investment in containerboard – now bearing fruit
- 2013-2015: investment in tissue papers – not yet reflected in results



STREAMLINING THE PORTFOLIO

Data on Sales and Closures

Excluding Dopaco

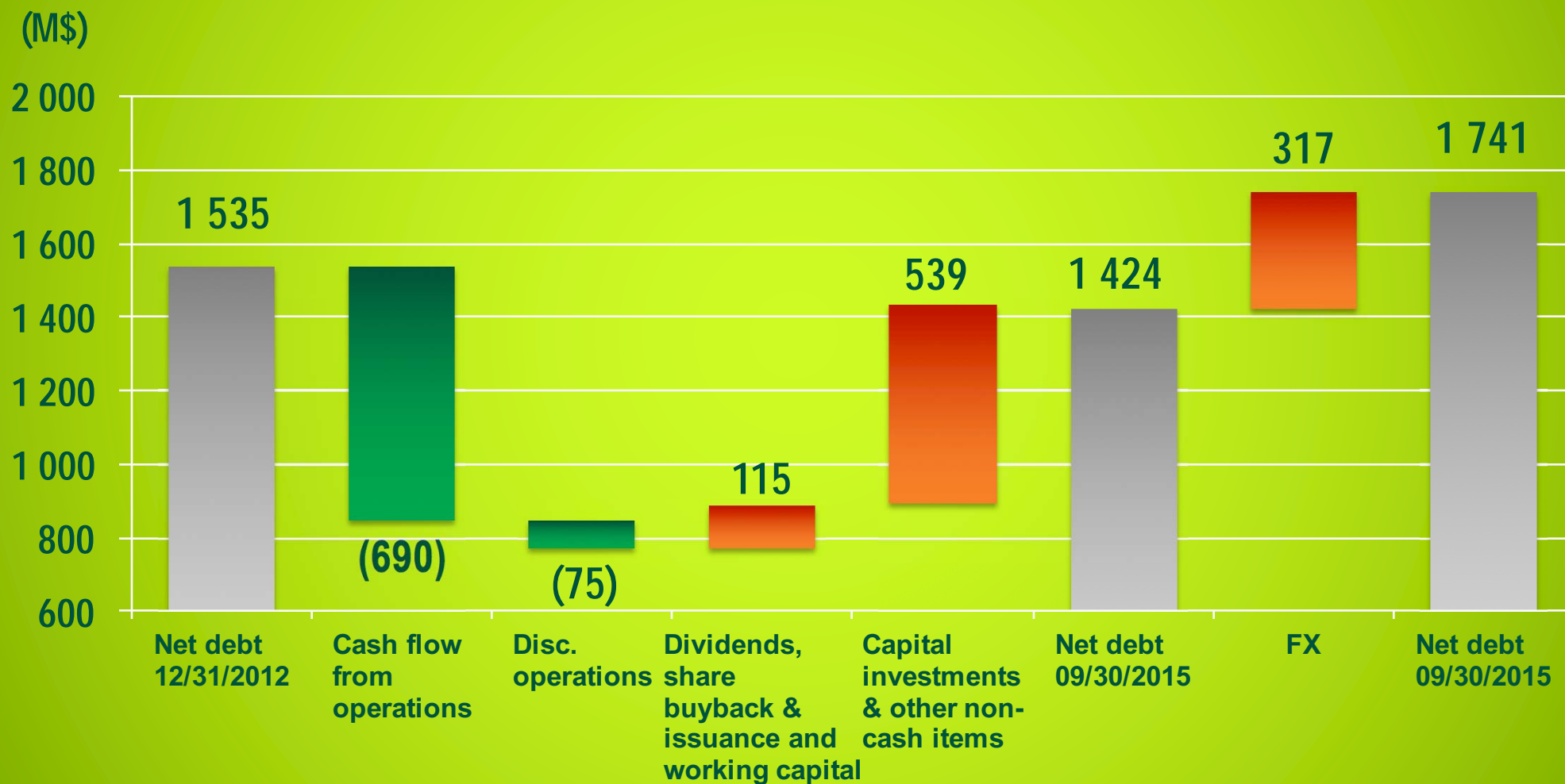
From 2011 to 2015

- 15 closures
- 6 asset sales

• Employees:	– 2,300
• Sales:	– \$986M
• EBITDA:	– \$29M
• EBITDA Margin:	3%

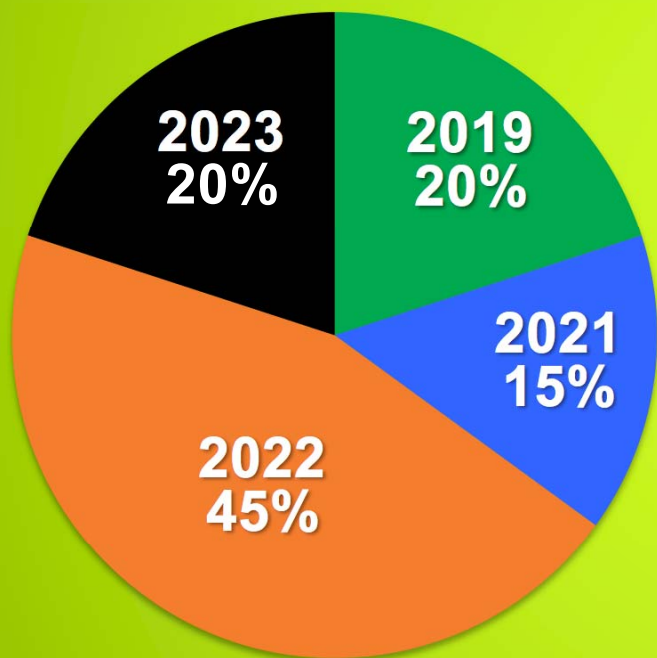
- Dopaco division also divested in 2011 to finance Greenpac, Reno and Papersource investments

FX IMPACT ON DEBT HAS SLOWED US DOWN

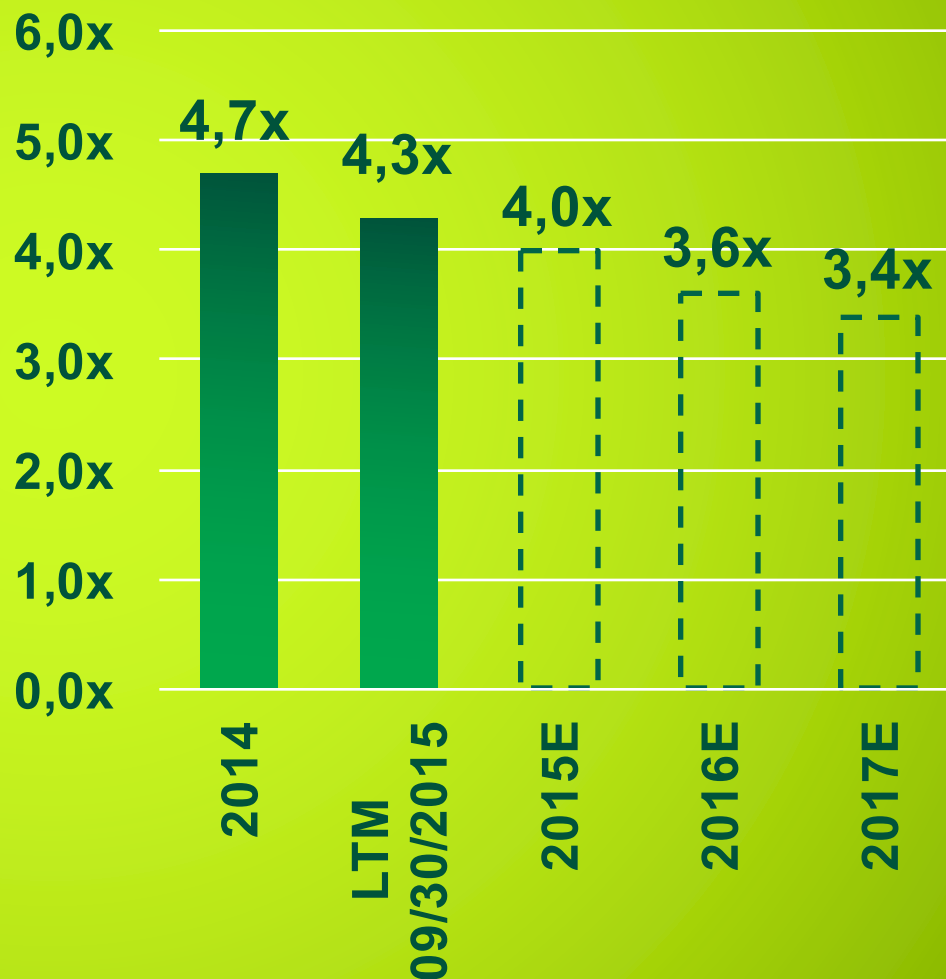


DELEVERAGING

Long-Term Debt Maturities¹



Net Debt/EBITDA Ratio²



¹ Percentage long-term debt's breakdown to maturity.

² Based on Street's EBITDA estimates of \$428 million for 2015 and \$448 million for 2016. Assuming stable EBITDA for 2017 (\$448 million), FX at 1.33 and \$100 million of free cash flows dedicated to debt annually.



INNOVATION

CONTAINERBOARD

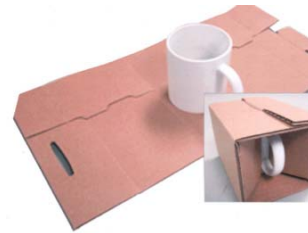
XP LINER –
KP LINER



E-FOOD



E-COMMERCE



BREWERIES



TISSUE PAPERS

PRODUCTIVITY



HYGIENE



SUSTAINABILITY



INNOVATION

SPECIALTY PRODUCTS



SurfSHIELD™



FluteSHIELD™



FlexSHIELD™

PROCESS STANDARDIZATION



- Standard processes
- Increase customer-driven approach
- Improve production efficiency

Short-term focus

SUPPLY
CHAIN



SHARED
SERVICES



HUMAN
RESOURCES



POSITIVE DRIVERS FOR Q4-2015 AND 2016

- **Continue to improve EBITDA, EBITDA margin EPS**
 - Greenpac impact on EPS
- **Potential operational improvements**
 - Produce to capacity
 - Process improvements
 - Ramp-up two new tissue sites
- **Beneficial drivers**
 - FX
 - Price increase implementation
 - Recovered papers and China situation
 - Natural gas, oil and oil-influenced products
 - Economic environment and demand

Question Period
