CASCADES INC.

Goldman Sachs
2013 Montréal
Paper & Forest Products Investor Event

March 13, 2013

Cascades

GREEN BY NATURE™

RECOVERY + PACKAGING + PAPER CASCADES.COM

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.

GREEN PACKAGING AND TISSUE PRODUCT OFFERING

Packaging

Boxboard Europe

Containerboard

Specialty Products

Tissue Papers

Leading NA packaging and tissue manufacturer with substantial recycling capabilities

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BALANCED PACKAGING AND TISSUE PLAY

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2012 Sales: $3,645M
2012 EBITDA[1]: $304M

Packaging Products
74% of Sales
57% of EBITDA

Tissue Papers
26% of Sales
43% of EBITDA

Boxboard Europe
21% of Sales
13% of EBITDA

Containerboard
32% of Sales
29% of EBITDA

Specialty Products
21% of Sales
15% of EBITDA

Exposure to less cyclical end-markets

1 EBITDA excluding specific items. Breakdown of sales and EBITDA before eliminations & corporate activities.

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CLOSED-LOOP BUSINESS MODEL

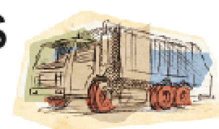
100+ business units

RECOVERY
23 units

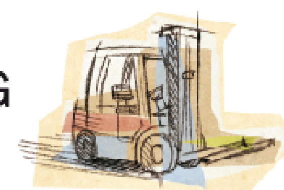
77% recycled fibre
(2.9M tons)

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

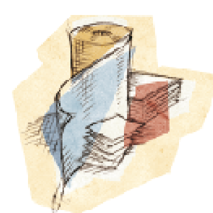
FINISHED PRODUCTS
May be sent to recycling centers



MANUFACTURING
32 units



CONVERTING
58 units



NA integration rate (2012):
51%

Upstream and downstream integration

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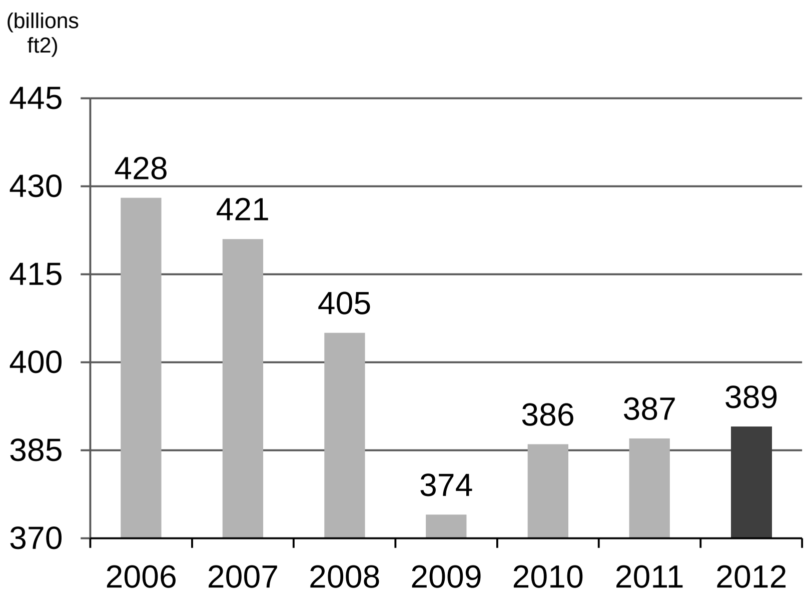
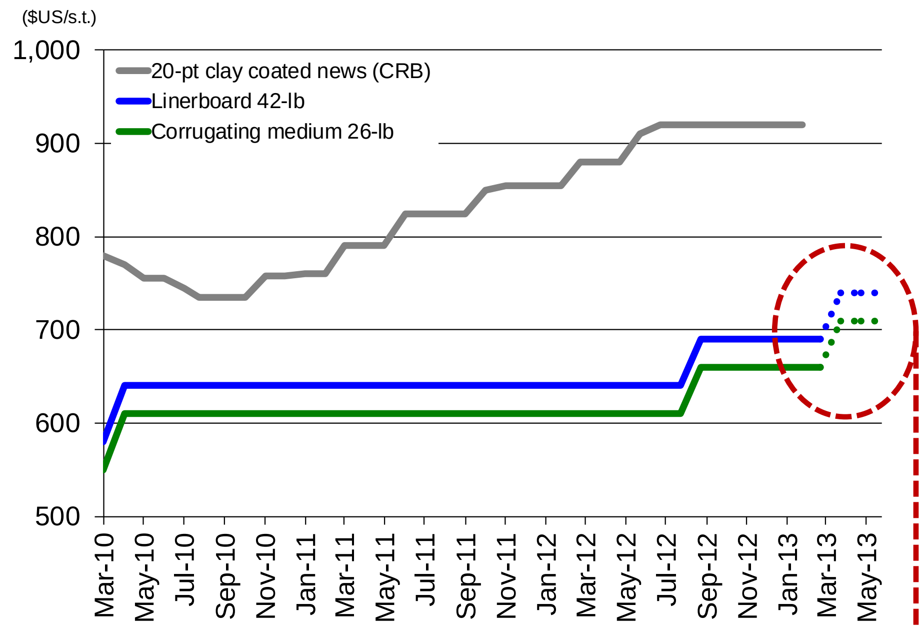
Including seven manufacturing/converting tissue papers units and Reno De Medici's units.

MARKET DYNAMICS – CONTAINERBOARD

North American Box Shipments



Containerboard Price Increases



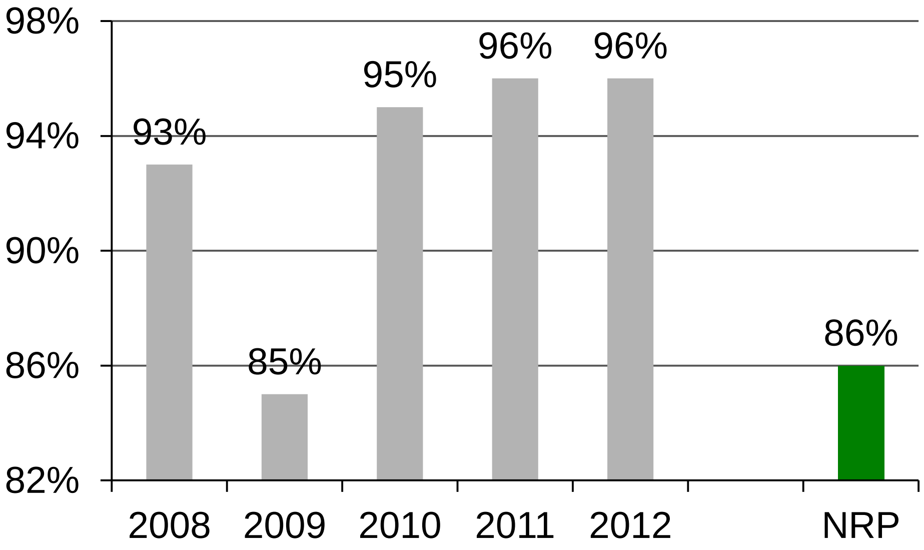
Second $US50/s.t. price increase announced for April 1st

Containerboard industry fundamentals are positive

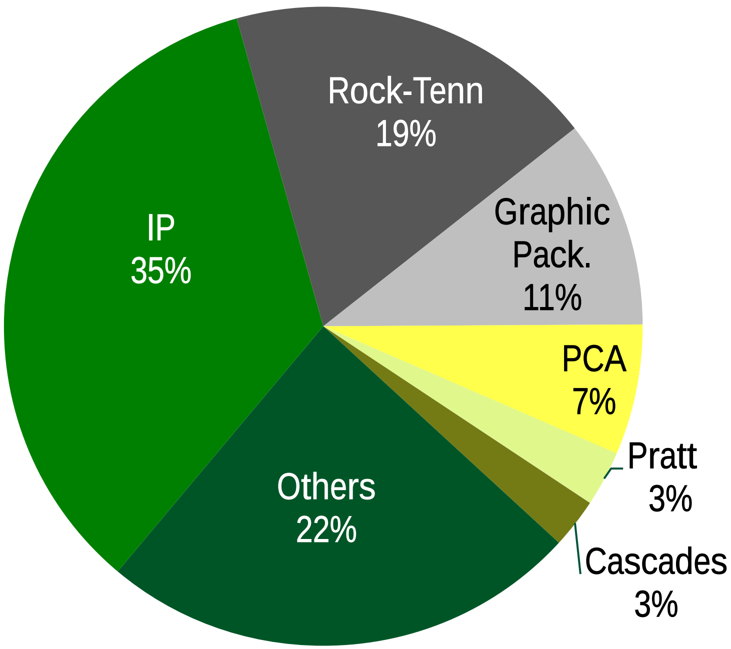
Sources: RISI, Fiber Box Association, Paper Packaging Canada.

MARKET DYNAMICS – CONTAINERBOARD

Containerboard Utilization Rate



Major Producers : Top 3 = 65%



Balanced supply/demand equation with industry utilization rates exceeding 95%

Sources: Company estimates, RISI, Fiber Box Association, Paper Packaging Canada.

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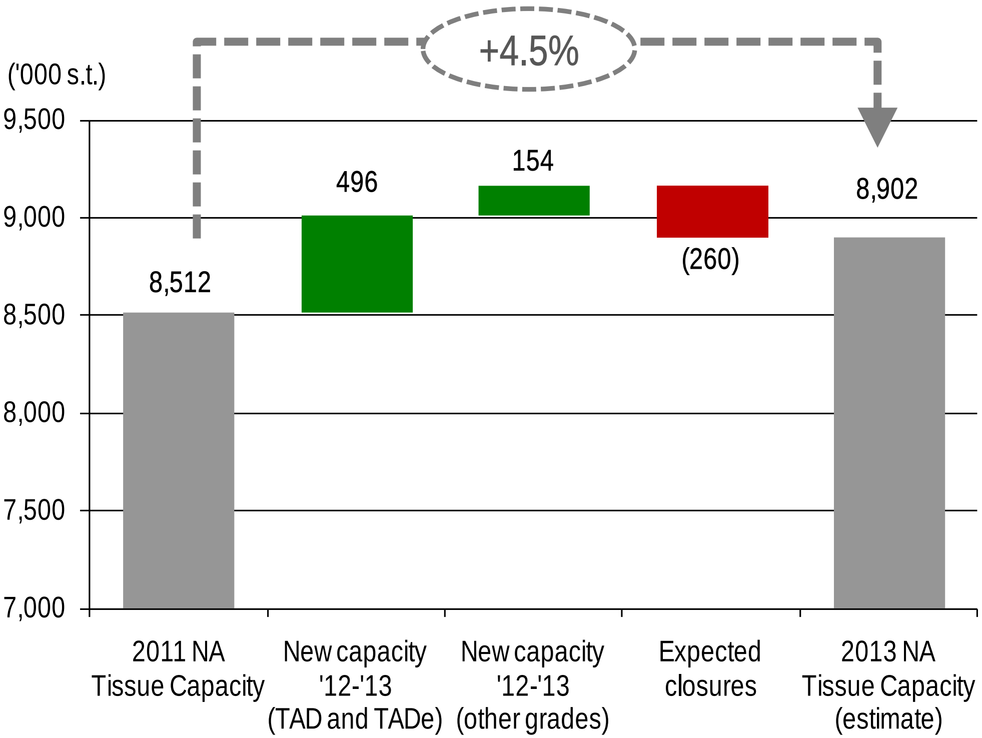
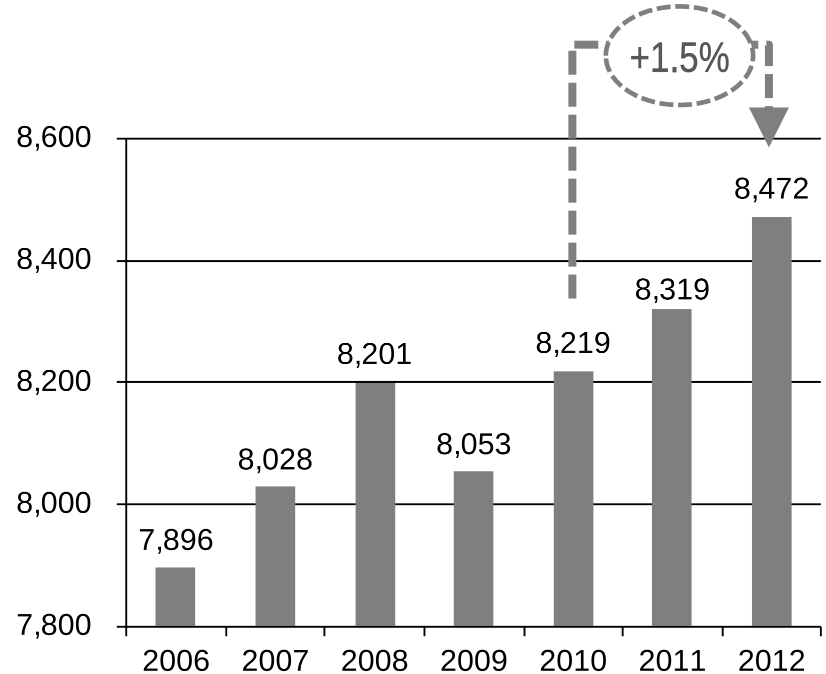
MARKET DYNAMICS – TISSUE PAPERS

Capacity additions in the tissue sector



US tissue consumption



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

Sources: RISI, Fiber Box Association, Paper Packaging Canada.

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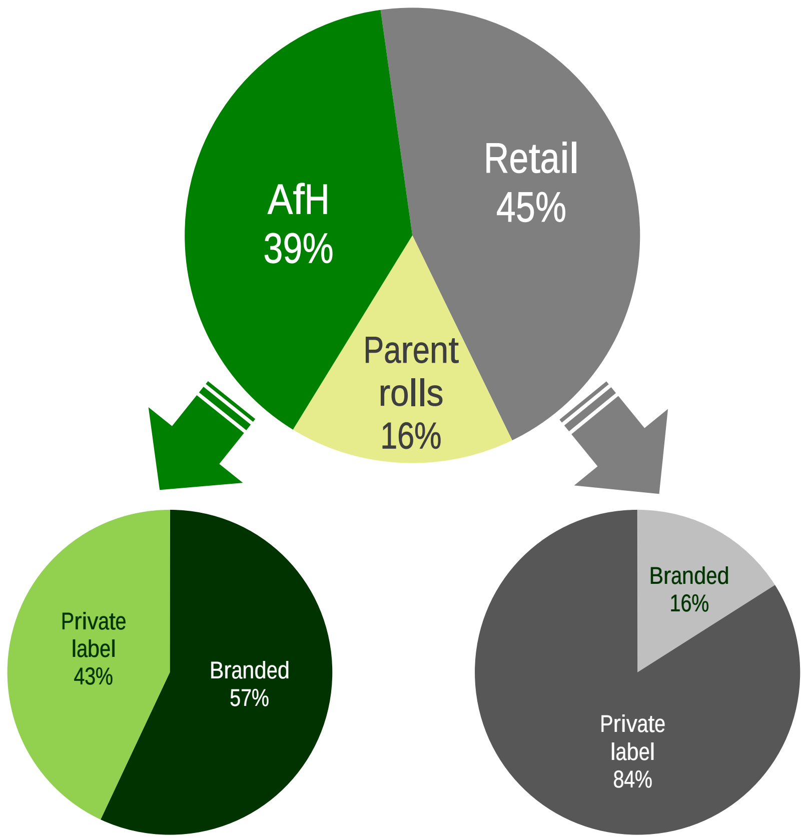
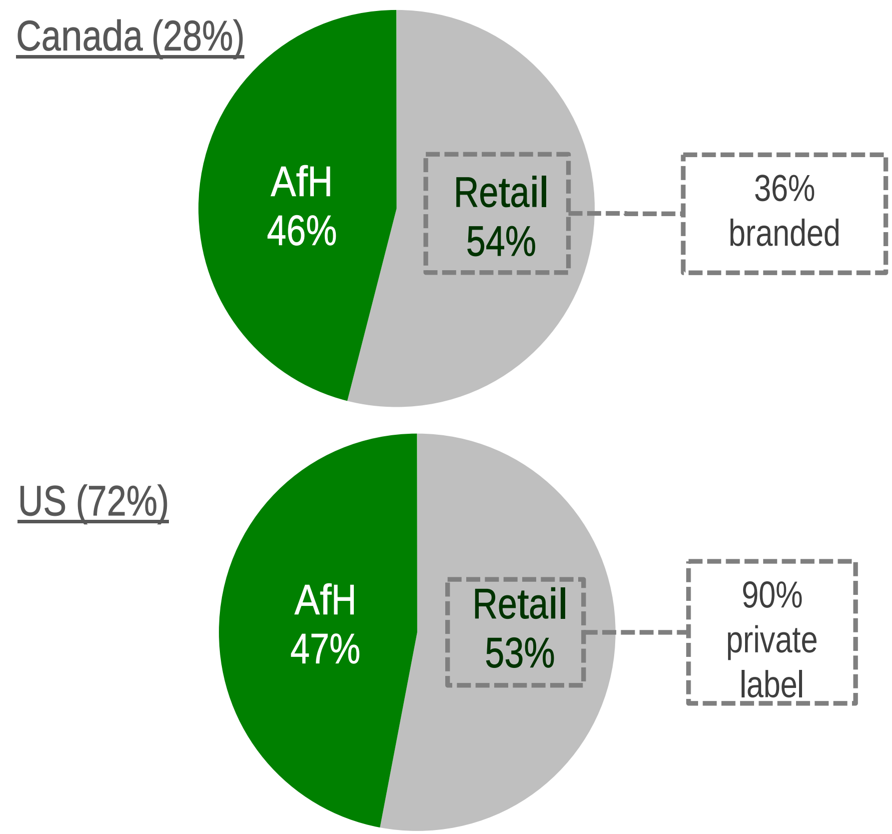
MARKET DYNAMICS – TISSUE PAPERS

Cascades' Tissue Papers 2012 Sales – End-Users



Cascades' Tissue Papers 2012 Sales – Countries



Exposure to relatively stable / growing demand

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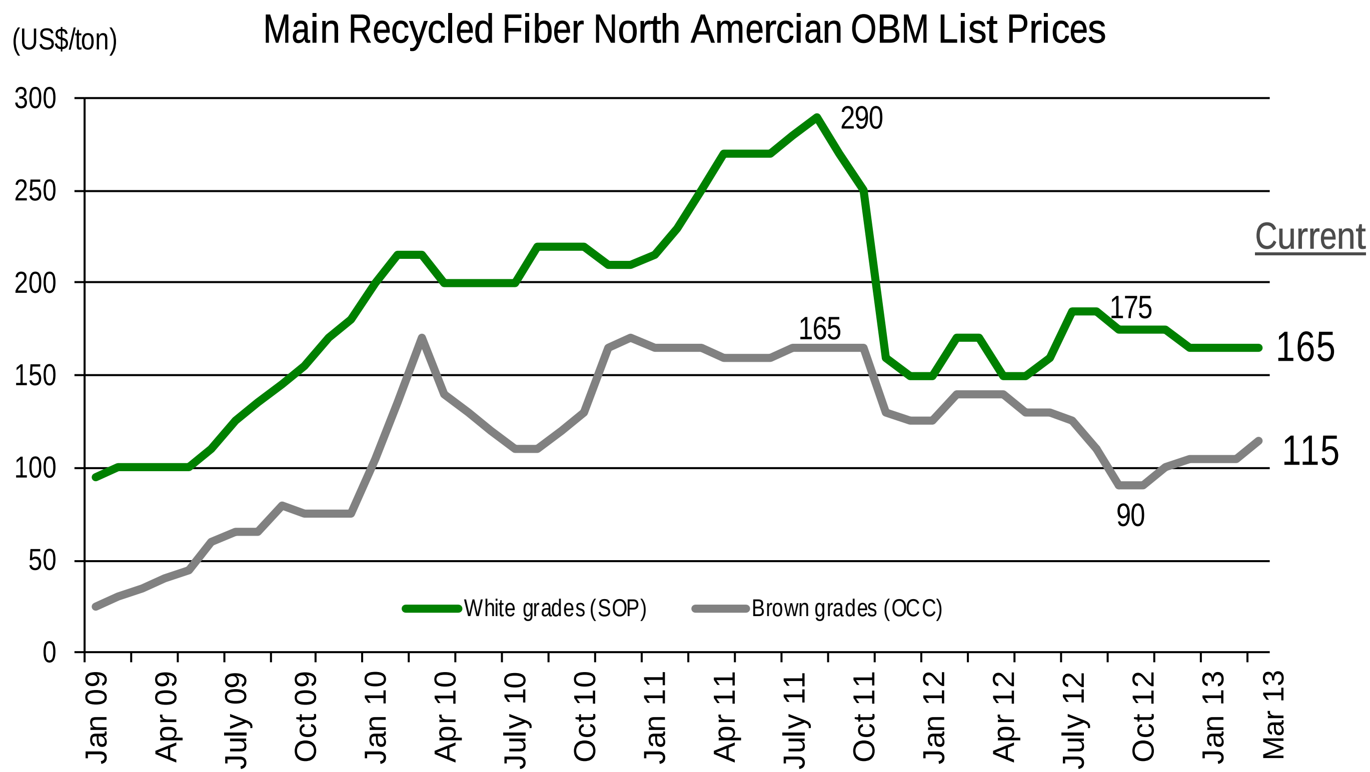
Source: RISI and Company estimates; sales by countries exclude parent roll sales

MARKET DYNAMICS – RAW MATERIAL COSTS



OBM Average Annually List Prices	2011	2012	YoY	YTD-2013
Brown grades - OCC No. 11 (New England)	158	119	-25%	108
White grades - SOP No. 37 (New England)	242	168	-31%	165

Recent price increases but costs not expected to average significantly more in 2013

Sources: RISI, Bloomberg.

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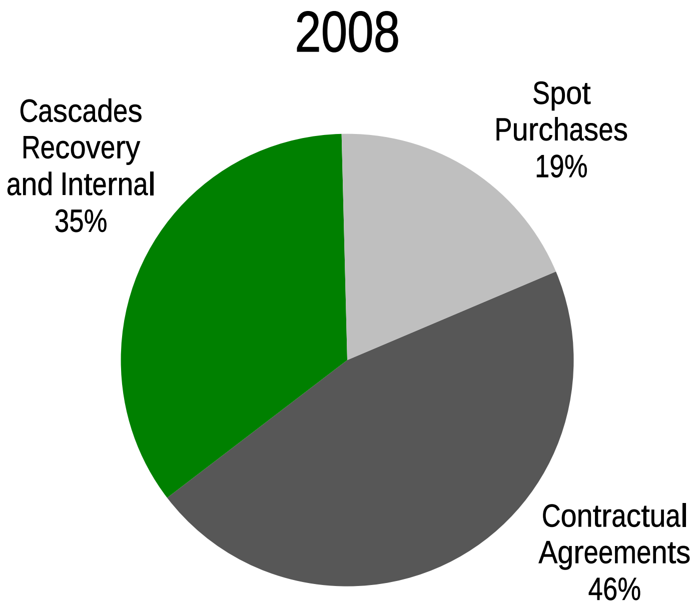
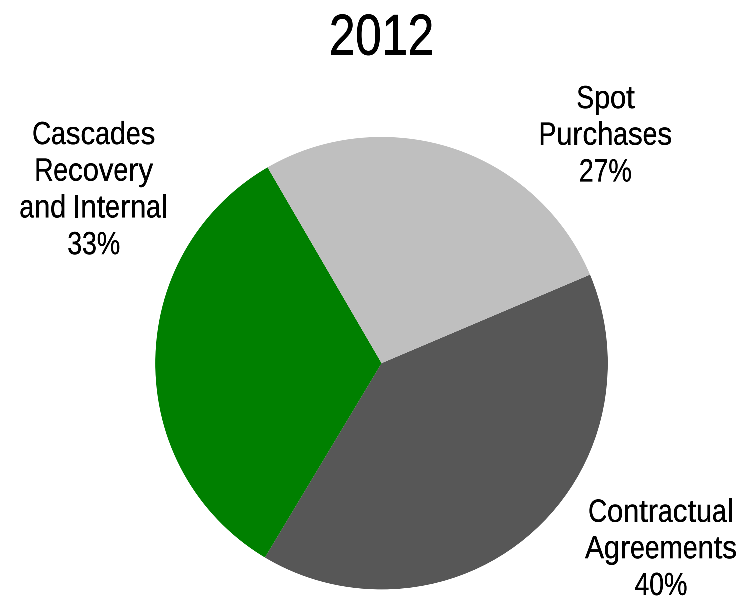
MARKET DYNAMICS – RAW MATERIAL COSTS

Cascades' North American Fibre Supply





Control over 70% of our fibre supply despite greater concentration on the supply side

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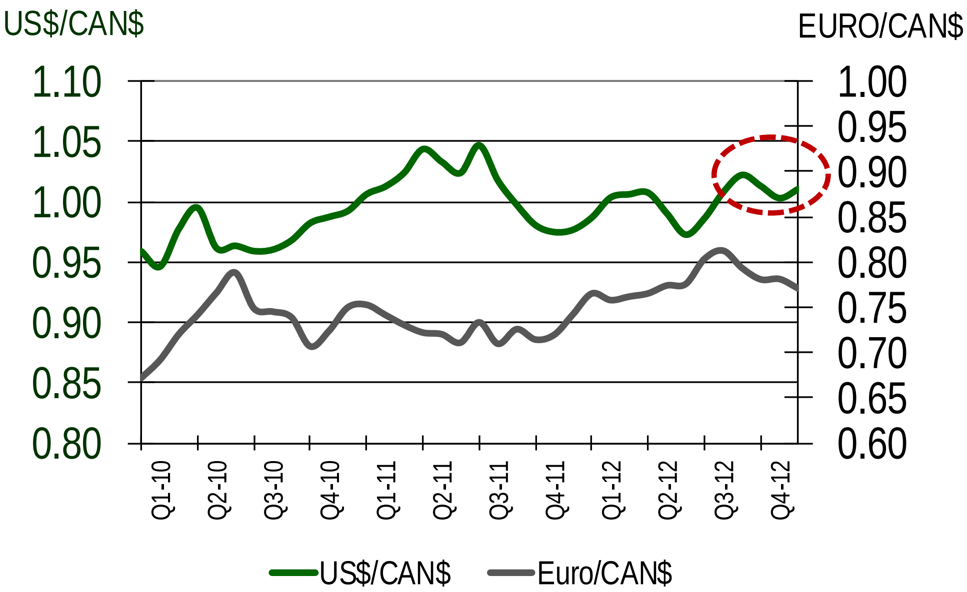
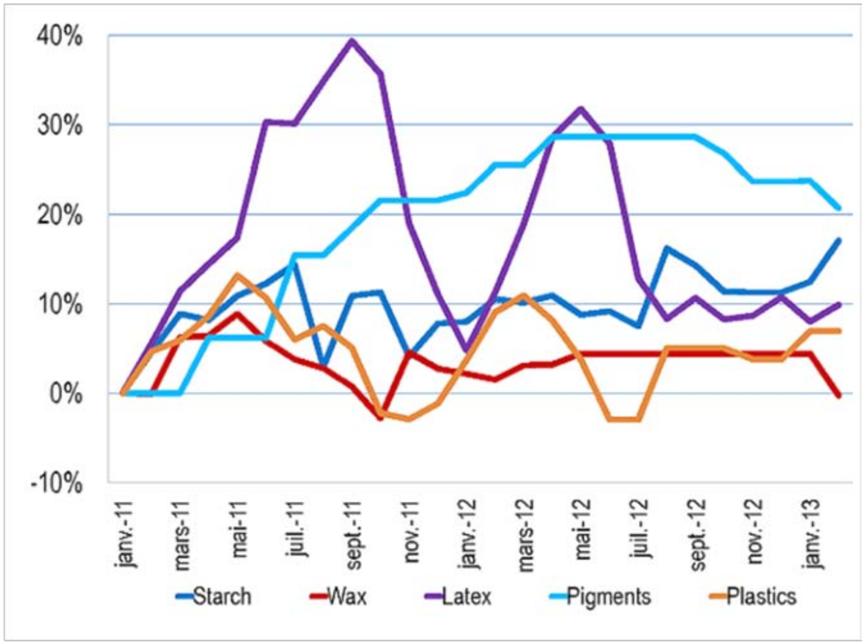
MARKET DYNAMICS – OTHER DRIVERS

Canadian dollar - recent 52-week high



Chemicals – Increase over last 2 years



Increase over +24 months	+17%	+0%	+10%	+21%	+7%

Financial results impacted negatively by stronger CAD$ and variable cost inflation

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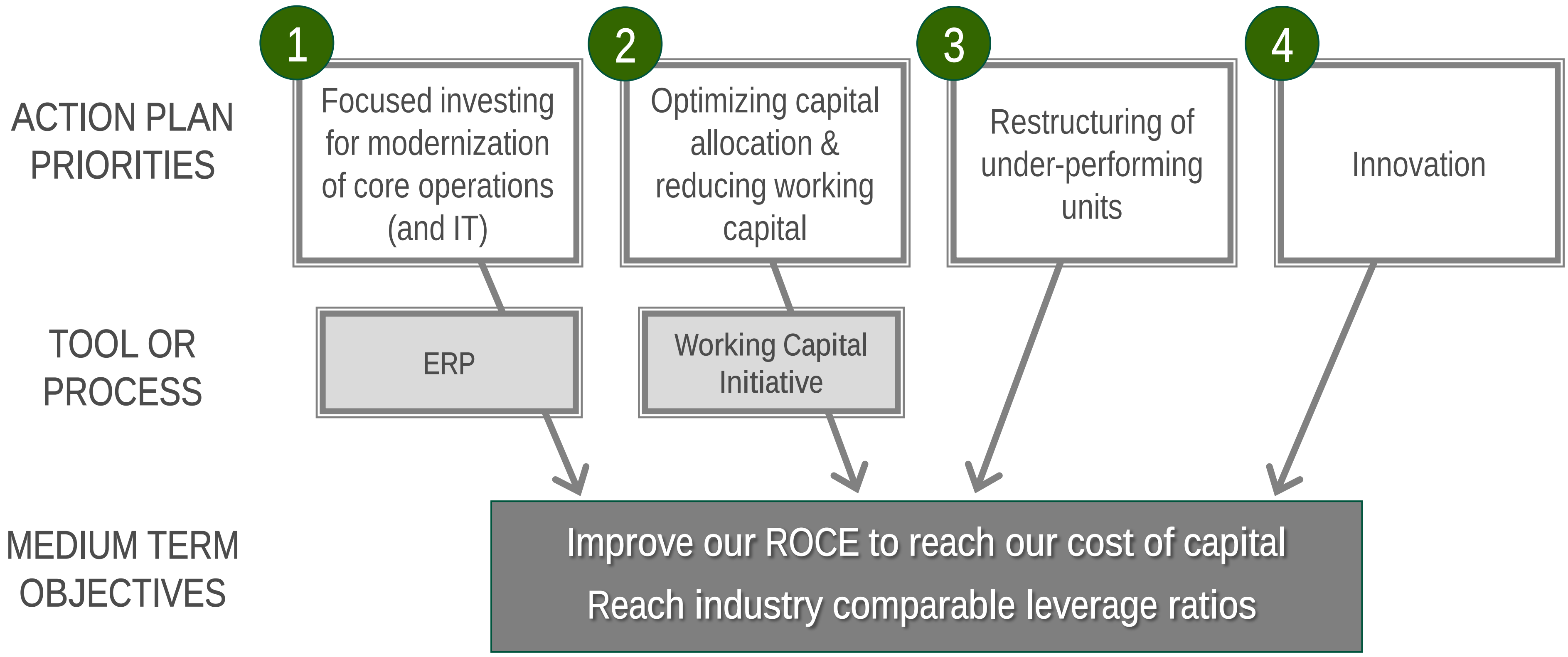
Source: Bloomberg

OUR STRATEGIC ACTION PLAN



Improving our profitability and financial situation through our Action Plan

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ACTING ON OUR STRATEGIC PRIORITIES

1 Focused investing for modernization of core operations and IT

IMPROVED PACKAGING PLATFORM

- Consolidation of our corrugated products sector in Ontario with the acquisition of Bird and concurrent investments totaling $30M
- Consolidation of our folding carton and microlithography operations with investments totaling $20M

ERP

- Important investment program
- Blueprint and programming: 2011-2012
- Implementation: 2011-2015

Challenging Market Evolution ⇨ Proactive measures ⇨ Improved profitability

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TOWARDS MODERNIZATION : GREENPAC

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

Manufacturing capacity breakdown

	Before Greenpac	After Greenpac
Linerboard	28%	51%
Medium	72%	49%
Canada	72%	49%
USA	18%	51%

Financial Structure

- $99M total investment
  - Represents ± $1.05/share
- Debt non-recourse to Cascades

Partners	Ownership
Cascades	59.7%
CDPQ	20.2%
Two industry converters	20.1%

Will position us amongst leaders in terms of offering, productivity and profitability

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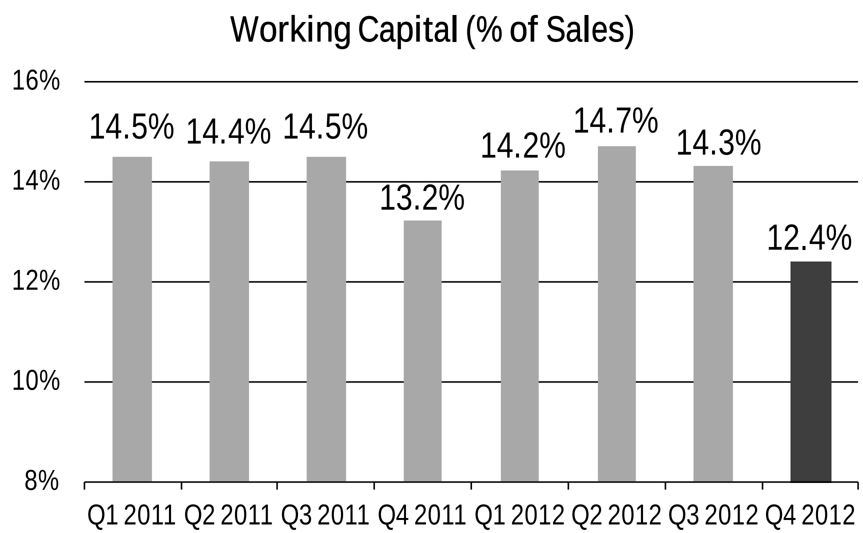
ACTING ON OUR STRATEGIC PRIORITIES

2 Optimizing capital allocation; 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



Challenging Market Evolution ⇨ Proactive measures ⇨ Improve profitability

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ACTING ON OUR STRATEGIC PRIORITIES

3 Restructuring of under-performing units

Periods	2004-2006	2006-2008	2008-2010	2011-2012
Strategic measures	Packaging 5 acquisitions 7 closures 2 sales Tissue 1 sale 1 closure 1 acquisition	Packaging 2 mergers 4 closures 4 sales 2 acquisitions 1 partnership	Packaging 2 closures 2 acquisitions Tissue 1 investment 1 acquisition	Packaging 4 sales 1 investment 10 closures Tissue 1 acquisition

Challenging Market Evolution ⇨ Proactive measures ⇨ Improved profitability

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ACTING ON OUR STRATEGIC PRIORITIES

4 Improvement and development of processes and products through innovation

Two-finger drink carrier

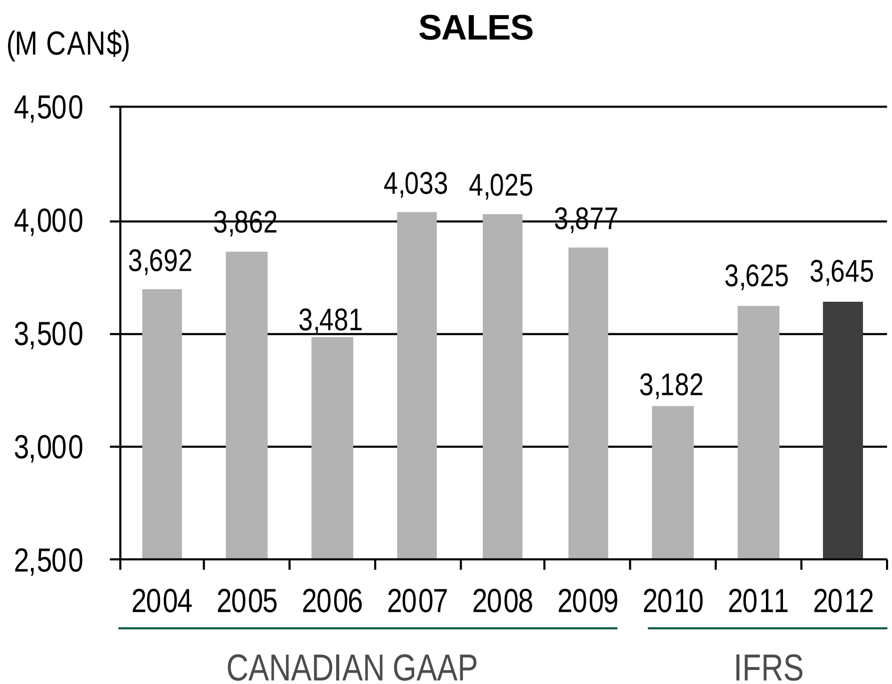
Closing system reducing air exchange

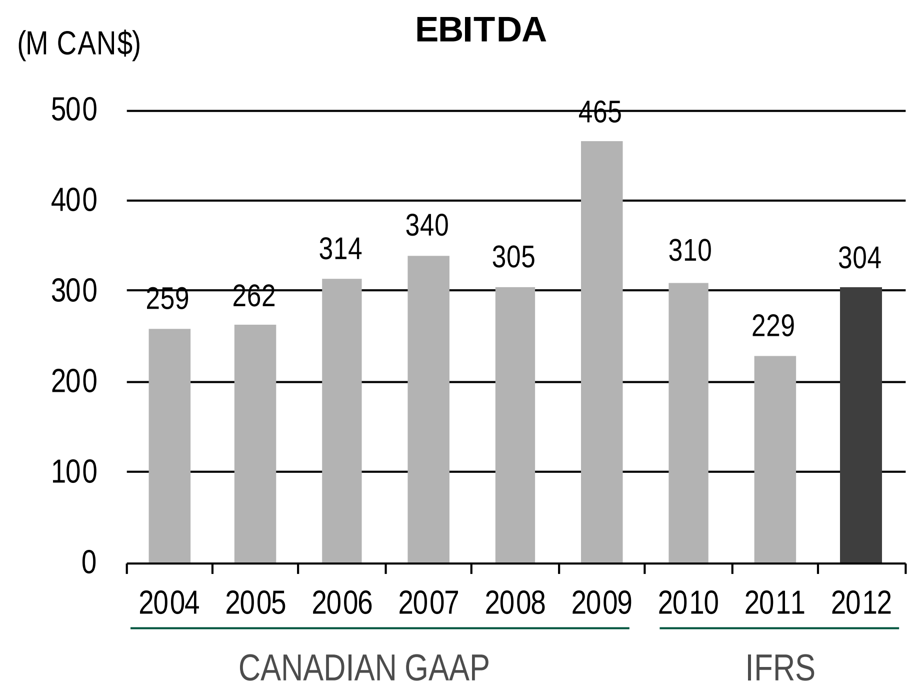
Moka – Beige bath tissue

cascades ultrafit™
four cup carrier

Challenging Market Evolution ⇨ Proactive measures ⇨ Improve profitability

HISTORICAL FINANCIAL PERFORMANCE





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

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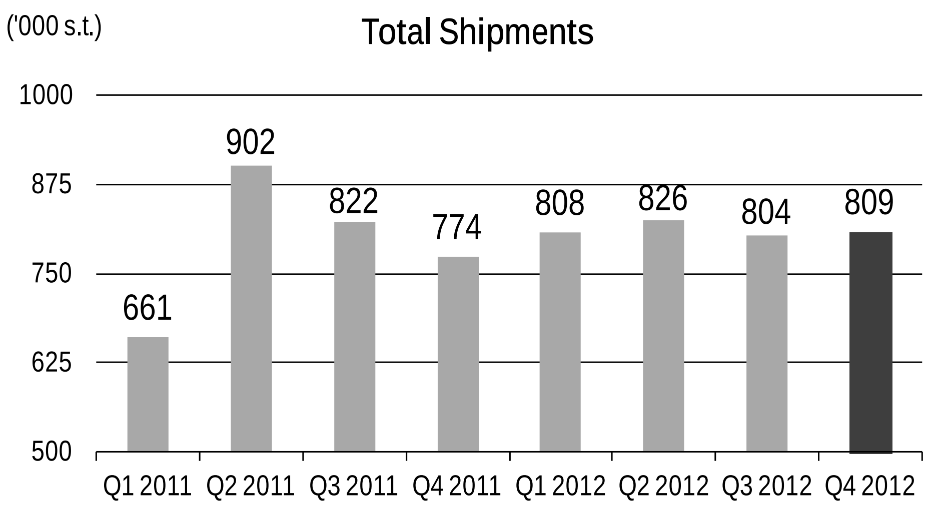
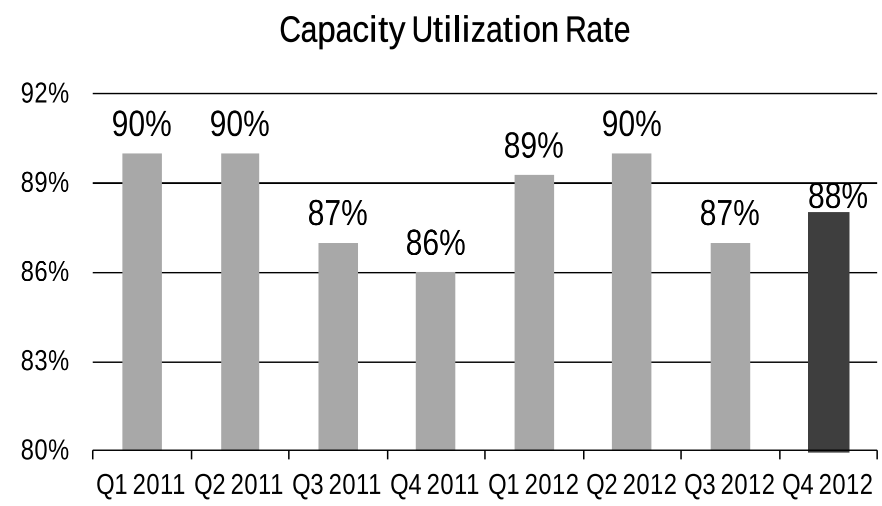
EBITDA excluding specific items but including discontinued operations. Canadian GAAP (not adjusted for IFRS).
2010 and 2011 figures presented under IFRS and exclude discontinued operations of Dopaco.

KEY PERFORMANCE INDICATORS (KPIs)





Need for improvement in productivity

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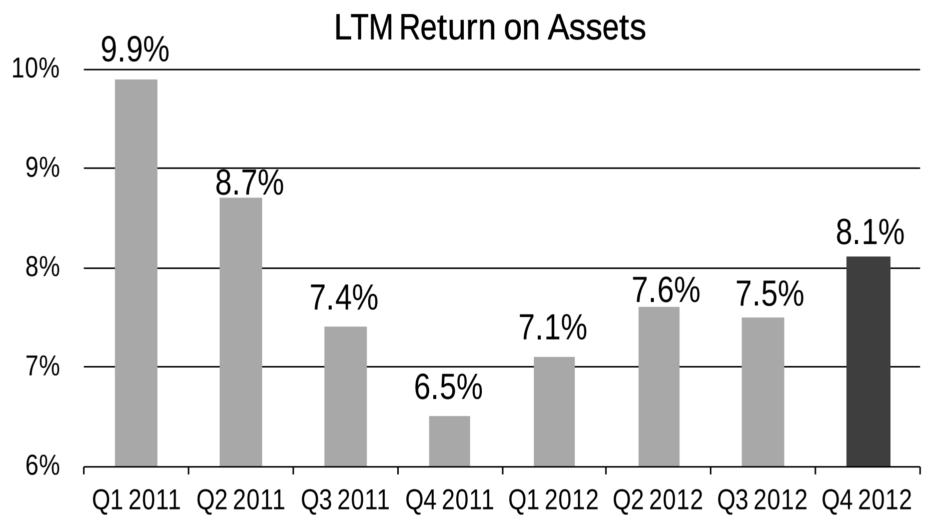
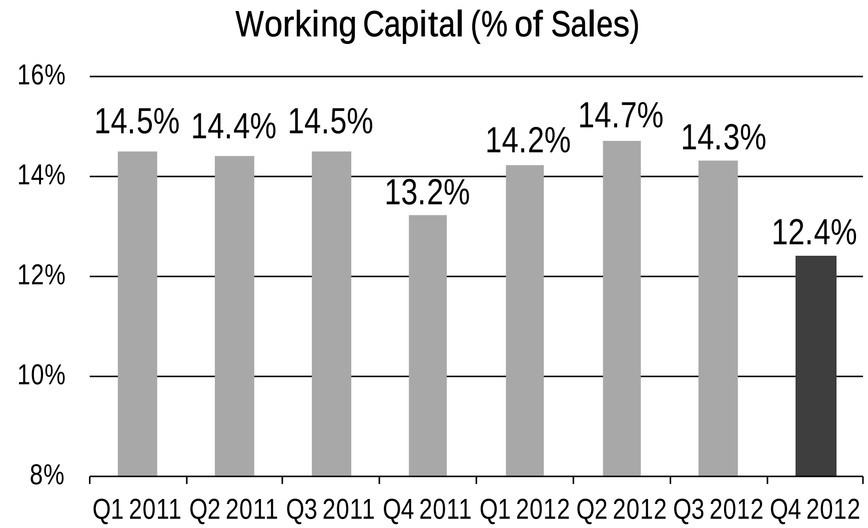
The capacity utilization rate is defined as: Shipments/Practical capacity. Paper manufacturing only.

KEY PERFORMANCE INDICATORS (KPIs)





Return on assets progressing; major improvement in working capital management

Return on assets 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.

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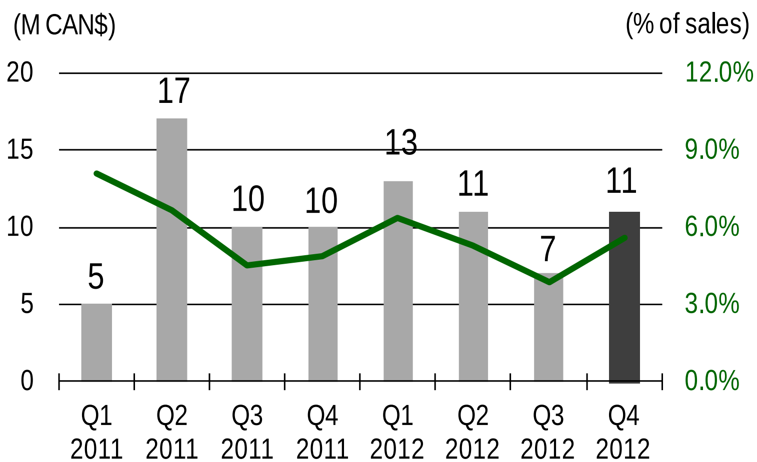
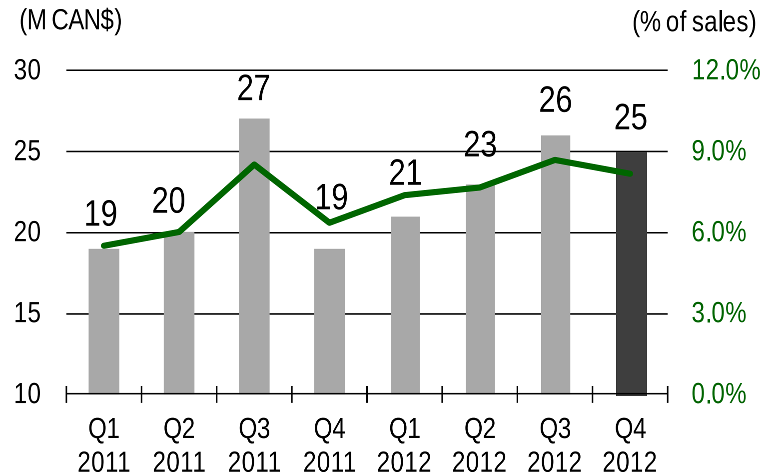
HISTORICAL SEGMENTED EBITDA

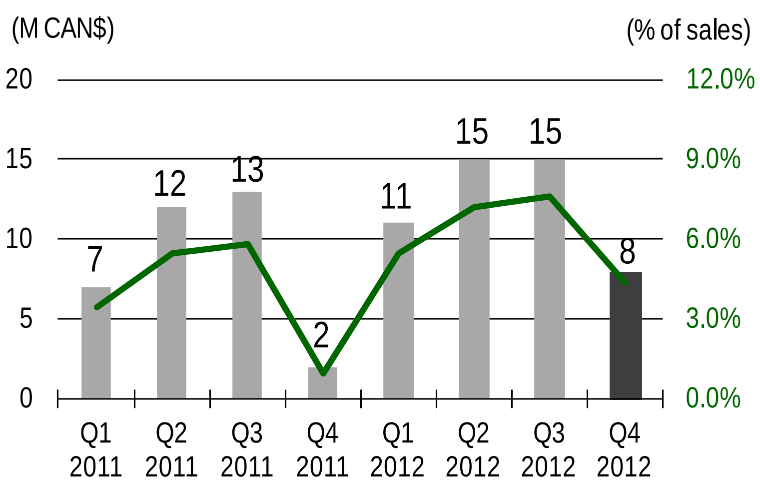
Boxboard Europe



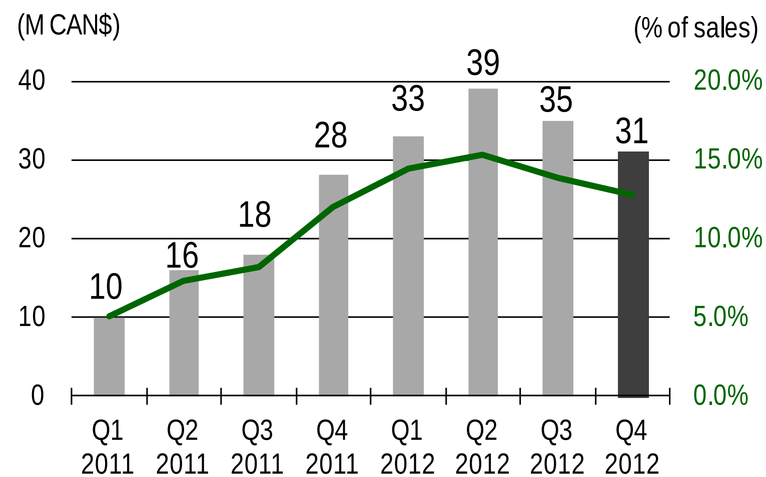
Containerboard



Specialty Products



Tissue Papers



EBITDA excluding specific items.

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PERFORMANCE OF OUR EQUITY INVESTMENTS - BORALEX

476 MW in operation

$99 million EBITDA (LTM)

CONTRACTED								PIPELINE [7]
2013	2013	2013	2013	2014	2014	2015	2015	
France	France	Canada	Canada	Canada	Canada	Canada	Canada	Europe or Canada
La Vallée	Other projects (3 projects)	Seigneurie de Beaupré (phase 1)	Jamie Creek	Seigneurie de Beaupré (phase 2)	Municipal - Témiscouata	Municipal – Côte de Beaupré	Témiscouata II	
32 MW	56 MW	272 MW	22 MW	68 MW	25 MW	25 MW	50 MW	+/- 100 MW net
WIND	WIND	WIND	HYDRO	WIND	WIND	WIND	WIND	WIND EQUIVALENT
Total project investment (millions $)								
$50 - $ 55	$140 - $ 150	$700 - $725	$55 - $60	$180 - $190	$65 - $70	$65 - $70	$130 - $140	
Boralex's participation [6]								
75%	75%	50%	100%	50%	51%	51%	100%	

+/- 930 MW Pro Forma net to Boralex

More than $200 million EBITDA [8] in 2016

Analyst Recommendations

	Average target
1 top pick	13.00$
4 buys or outperforms	~12.00$
1 sector outperform	11.25$
2 market or sector perform	~10.50$

Comparative Valuation Matrix (based on 2013 figures)	BLX	INE	NPI
Price/Book	1.2x	1.6x	4.4x
Price/Cash flow	8.4x	12.9x	12.1x
EV/EBITDA	10.5x	17.3x	12.2x

BLX growth not fully reflected in its valuation; still represents ±$1.35/share for CAS

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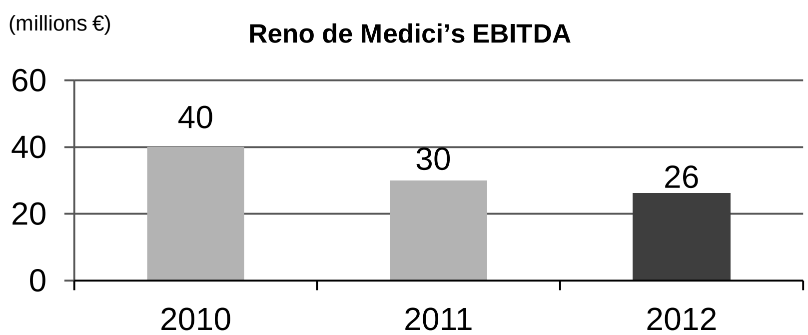
Source: Bloomberg and Boralex' website; refer to October 2012 Investor Presentation for footnotes.

PERFORMANCE OF OUR EQUITY INVESTMENTS - RDM

Cascades' Ownership in Reno de Medici

- 30.6% interest received in 2007 in exchange for our CRB mills
- RDM is a public company
  - Market cap: 57M €
  - TEV/EBITDA: 5.5x (LTM); 3.5x (2013E)
  - P/BV: 0.4x
- Current ownership : 48.5%
- Put option requiring us to buy additional 9%
- Fully consolidated in our results



Competitive Positioning

- 2nd supplier of boxboard in Europe
- Excellent geographical coverage of Western Europe with production facilities in main markets
- Wide range of packaging products – virgin and recycled
- Competitive cost structure will allow to compete against Asian supply
- Three WLC units seen as European class facilities
- Capital structure in good position

Reno is a turnaround story in a tough economic environment

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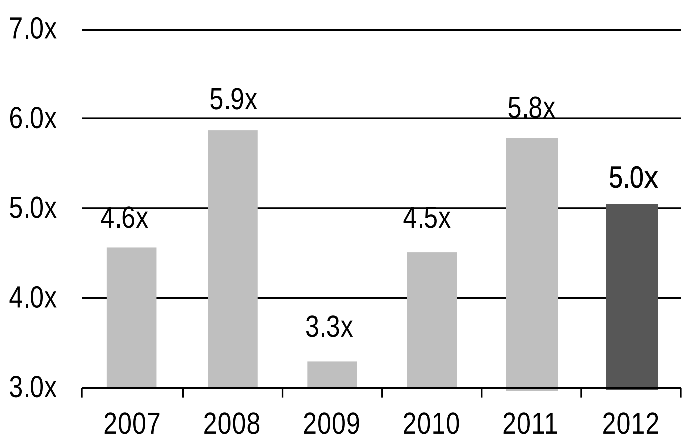
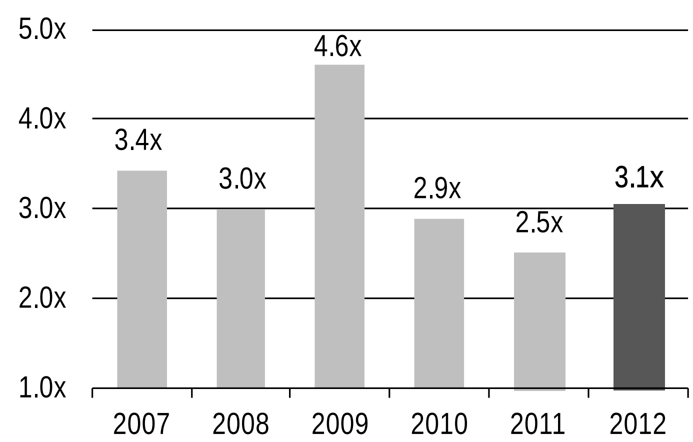
DEBT PROFILE

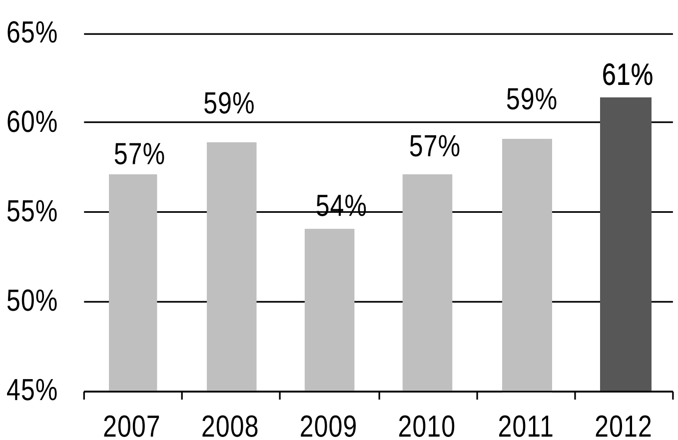
Net debt / LTM EBITDA



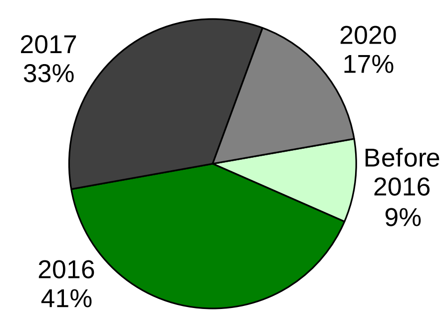
Interest Coverage Ratio



Debt / Debt + Equity



Long-term Debt Maturities Distribution



Leverage ratio improvement due to increased profitability

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Note: EBITDA excluding specific items. Starting in Q2 2011, LTM EBITDA / Interest includes 100% of RDM. Starting in Q4 2011, also includes 100% of Papersource. Cascades' bank debt financial covenant ratios: Net funded debt to capitalization < 65% (currently at 55%),interest coverage ratio > 2.25x (currently at 3.01x).

CREDIT AGREEMENT TERMS

	February 2011	February 2012
Structure	$750 M revolving credit facility	$750 M revolving credit facility
Maturity	February 2015	February 2016
Interest rate	LIBOR + 212.5 bps	LIBOR + 175 bps
Standby fees	48 bps	35 bps
Covenants[1]	Funded Debt to Capitalization Ratio ≤ **65%** Interest Coverage Ratio ≥ **2.25x**	Funded Debt to Capitalization Ratio ≤ **65%** Interest Coverage Ratio ≥ **2.25x**

Current Debt / Cap Ratio : 51%

Current Interest Coverage Ratio : 3.3x

Advantageous credit terms providing flexibility

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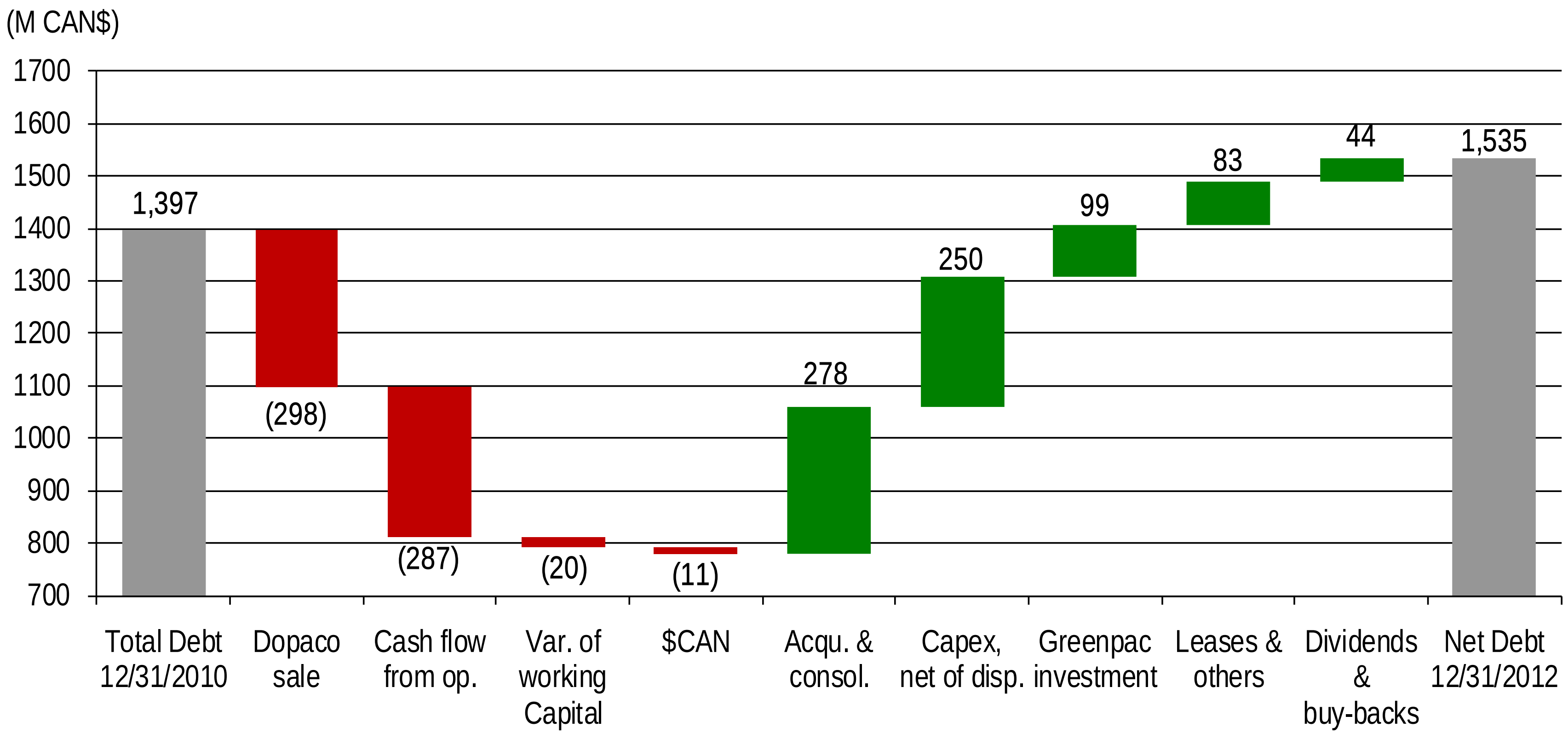
1 On an adjusted consolidated basis

CAPITAL ALLOCATION



Important capital allocation decisions since FY2010

1 EBITDA excluding specific items. Starting in Q4 2011, ratios include 100% of Papersource. 2012E and 2013E ratios are based on forecasts by analysts and debt remaining at Q2 2012 level.

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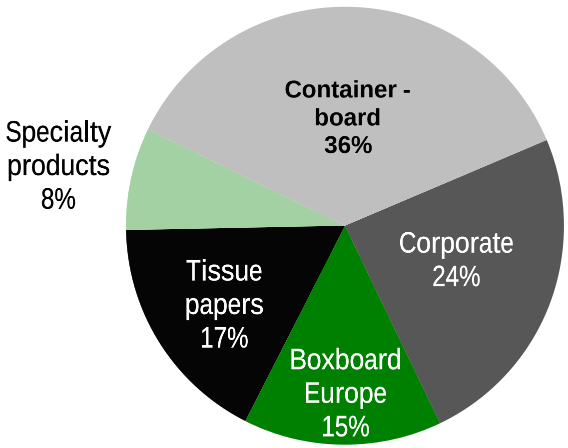
CAPEX PROGRAM

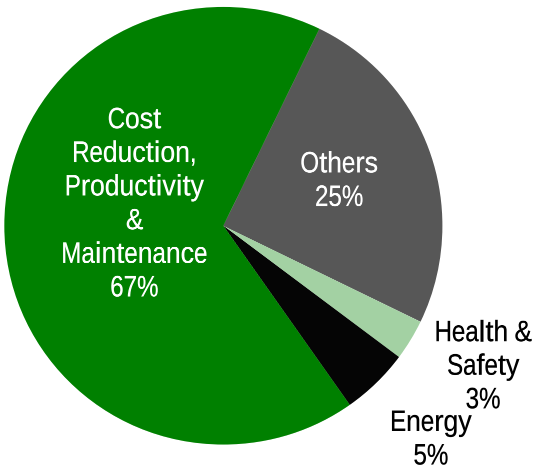
- Capex requests for 2013 initially approved at approximately $175M
  - First allocation of $150M
  - Amount subject to change depending on operating results and economic conditions

Capital Expenditures Distribution in 2012 - $198M

By segment



By project category



Gradual capex program to improve asset base while maintaining financial flexibility

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POTENTIAL BENEFITS STEMMING FROM OUR RECENT INITIATIVES

Improvement in the economic environment in North America and Europe

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

Taking the steps to be ready for tailwinds

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