CASCADES INC.

Institutional Investor Roadshow – Western Canada

May 26-27, 2014

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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 or reversal of 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.

INTRODUCTION

✓

Where we come from

- Unique culture – green visionaries, turnarounds, entrepreneurial philosophy
- Business model challenged by strong CAD$ and higher recycled fibre costs

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Our recent performance and financial situation

- Cost inflation in 2011/2012 but less volatile cost environment at the moment
- Low economic growth in Canada and Europe but favorable FX
- Productivity and profitability improving ➔ more to come
- 2011 negatively impacted our leverage ratios but the situation is improving

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Our action plan

- Started at the end of 2011: a lot has been done but not completed yet
- Investments reflected on balance sheet but not yet in results
- New state-of-the-art Greenpac mill ramping-up according to plan

Doing all the right things to improve a success story

OVERVIEW OF OUR OPERATIONS
Green packaging and tissue product offering

Packaging Products | **Tissue Papers**

Containerboard

1st containerboard producer in Canada
6th in North America

Boxboard Europe

2nd producer in Europe

Specialty Products

1st paper collector in Canada

Tissue Papers

1st tissue paper producer in Canada
4th in North America

Leading NA packaging and tissue manufacturer with substantial recycling capabilities

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OVERVIEW OF OUR OPERATIONS

Closed-loop business model

100+ business units

CLIENTS

RECOVERY

20 units

77% recycled fibre
(3.0M tons)

NA integration rate (2013):
27% (0.55M tons)

FINISHED PRODUCTS

Trims and rejects sent to recycling centers

MANUFACTURING

34 units[2]

CONVERTING

58 units[2]

NA integration rate (2013):
- Containerboard Group[1] 56%
- Tissue Papers Group 70%

Upstream and downstream integration in North America

1 Integration rate for our containerboard activities in North America.
2 Including Reno De Medici's units and Greenpac. Also including 7 manufacturing/converting tissue papers units which are counted in both Converting and Manufacturing.

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OVERVIEW OF OUR OPERATIONS
Balanced play in less cyclical sectors

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Q1-2014 LTM Sales: $3,929M
Q1-2014 LTM EBITDA: $364M
Q1-2014 LTM EBITDA Margin: 9%

Packaging Products
74% of Sales
69% of EBITDA

Containerboard
33% of Sales
38% of EBITDA
EBITDA Margin: 11%

Boxboard Europe
22% of Sales
16% of EBITDA
EBITDA Margin: 7%

Specialty Products
19% of Sales
15% of EBITDA
EBITDA Margin: 7%

Tissue Papers
26% of Sales
31% of EBITDA
EBITDA Margin: 12%

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

Exposure to two healthiest sectors in Pulp and Paper industry

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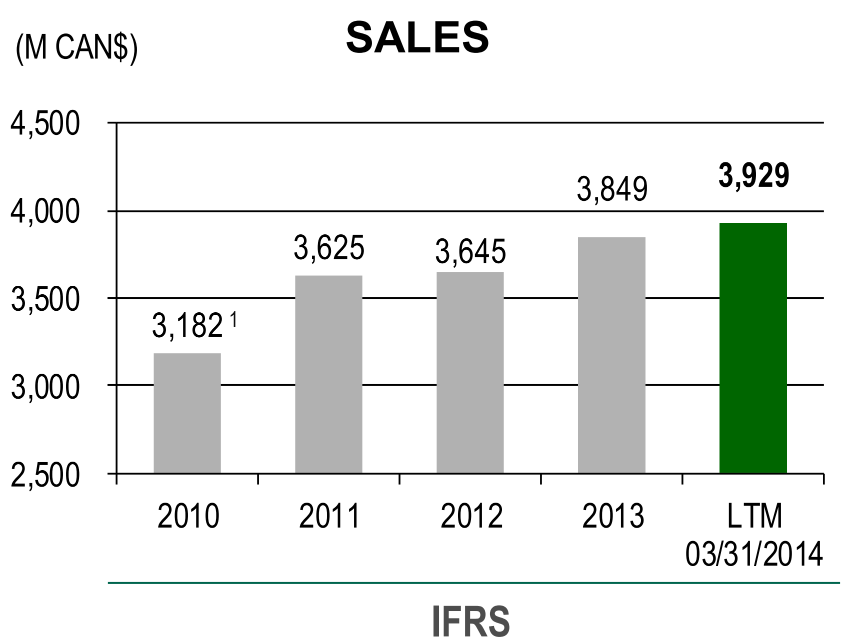
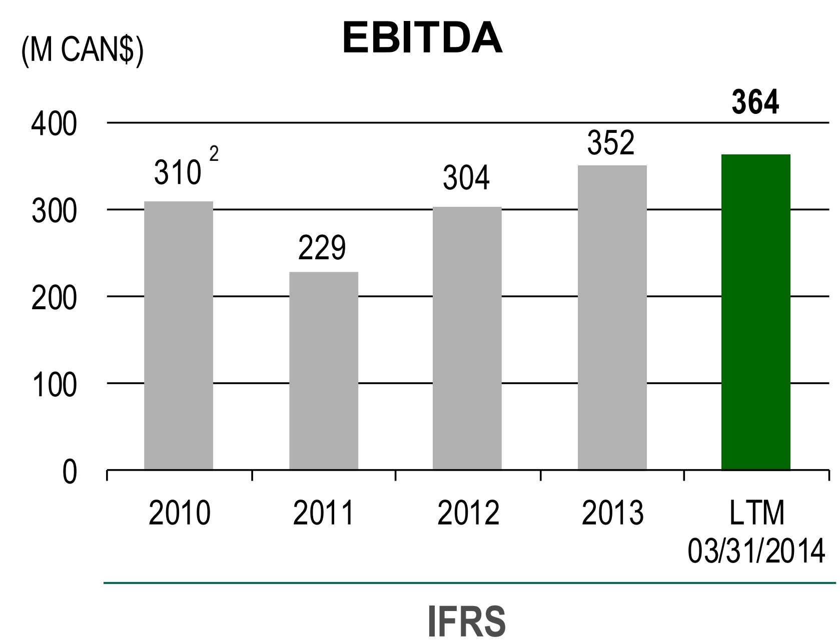
OUR FINANCIAL PERFORMANCE
Historical performance





EBITDA excluding specific items.
Note 1 – Elimination of joint venture consolidation
Note 2 – Impact of Dopaco divestiture and elimination of joint venture consolidation

Results progressing as productivity, FX and pricing environment improve

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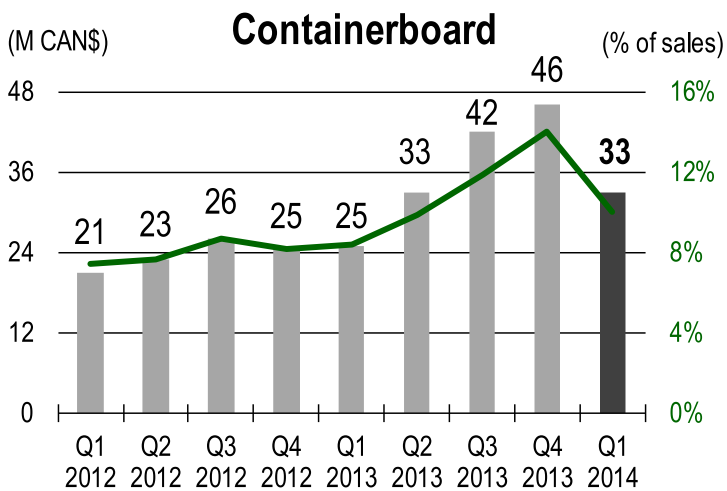
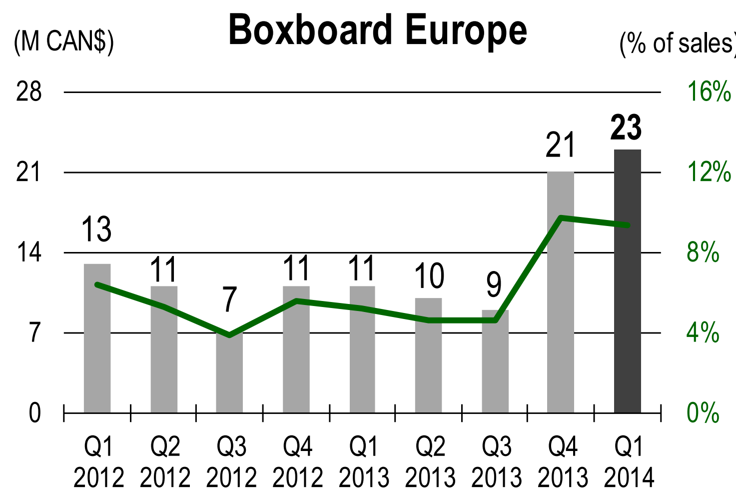
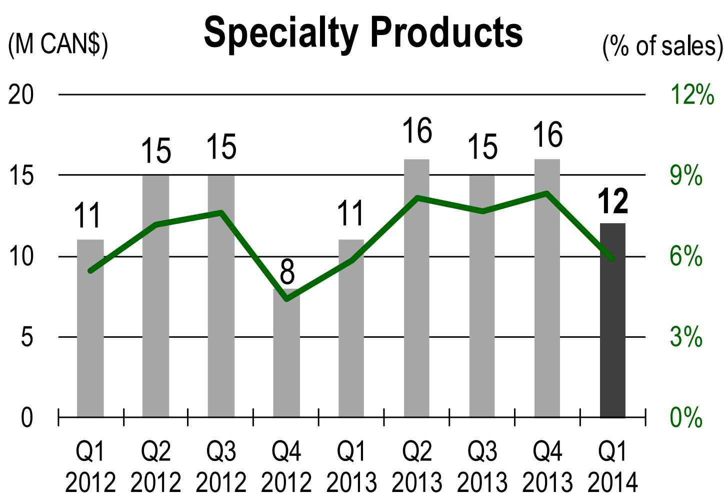
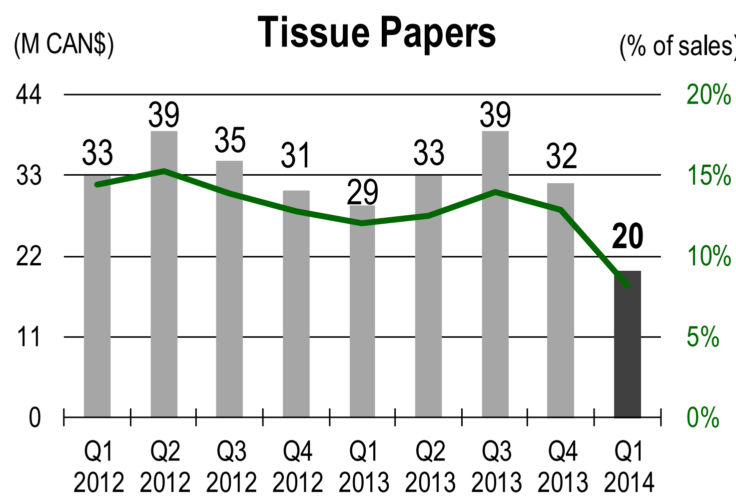
OUR FINANCIAL PERFORMANCE
Historical segmented EBITDA









EBITDA excluding specific items.

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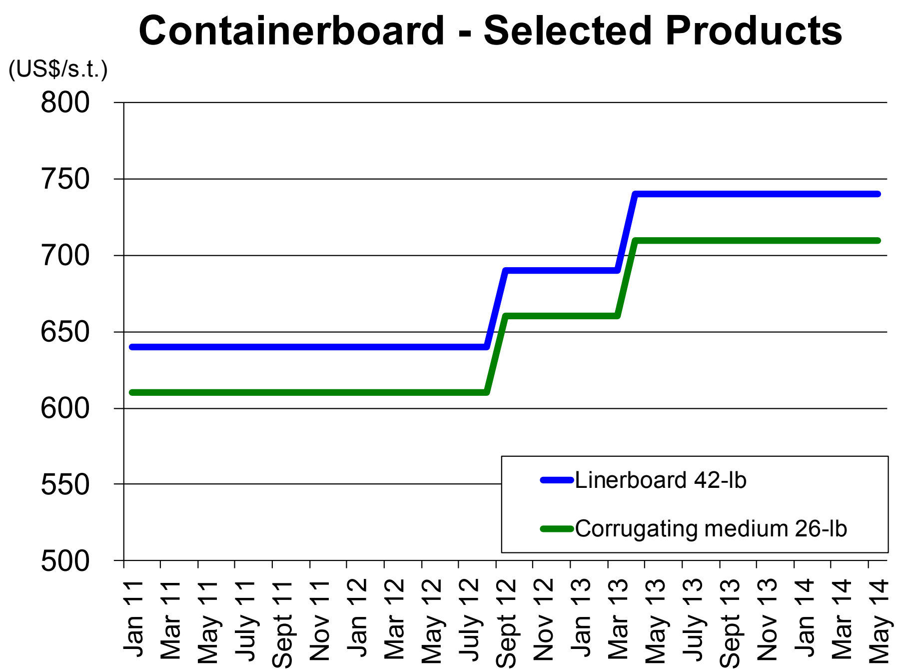
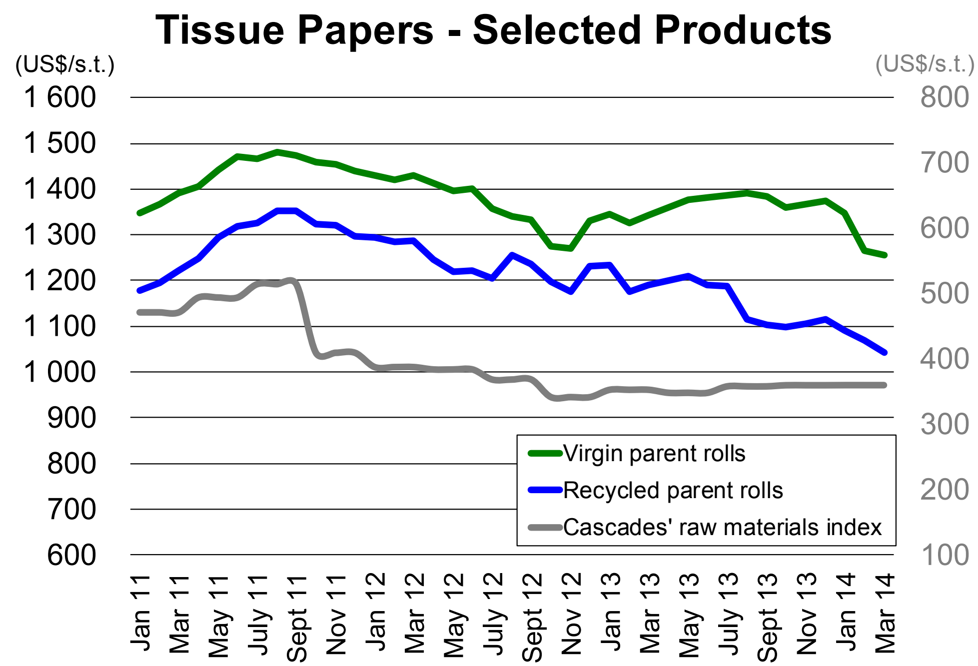
OUR BUSINESS DRIVERS – PRICES





- Prices relatively stable throughout the year 2013 and 2014

- Recycled grade prices under pressure:
  - Additional capacity coming to market
  - Reasonable recovered paper prices

Beneficial containerboard price increases; temporary pressures in tissue

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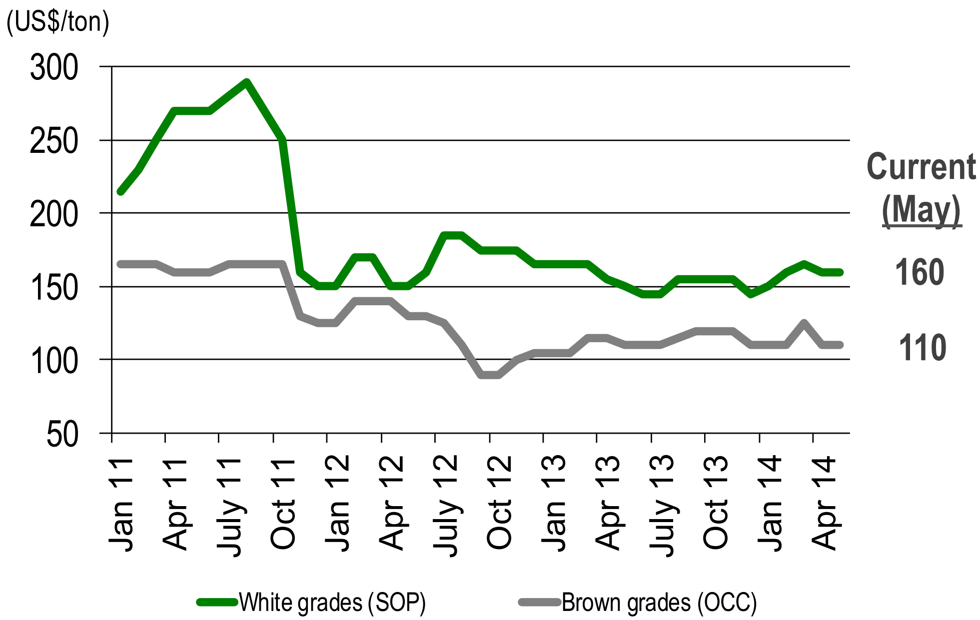
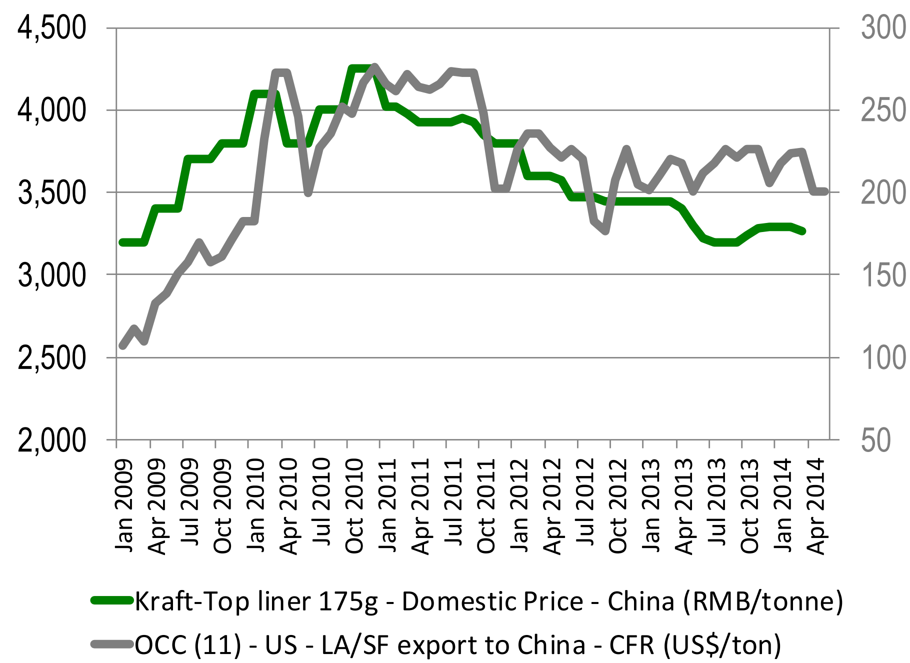
OUR BUSINESS DRIVERS – RAW MATERIAL COSTS

Recycled Fiber North American List Prices



US OCC Costs Highly Correlated with Asian Board Market



- Experts estimate Chinese collection rate at approx. 46%
- Will increase as domestic consumption increases

Partially due to harsh weather, brown grades increased by $15/s.t. In March

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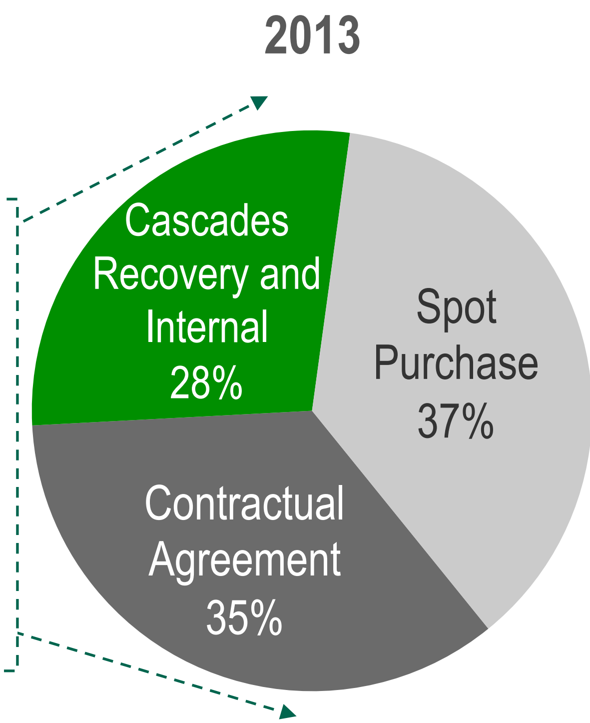
Sources: RISI

OUR BUSINESS DRIVERS – RAW MATERIAL STRATEGY

Our North American Recycled Fibre Supply

Currently control over 60% of our fibre supply despite greater concentration on the supply side



Our Strategy

- Short term:
  - constant review of our inventory strategy
- 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

Largest recycled paper collector in Canada

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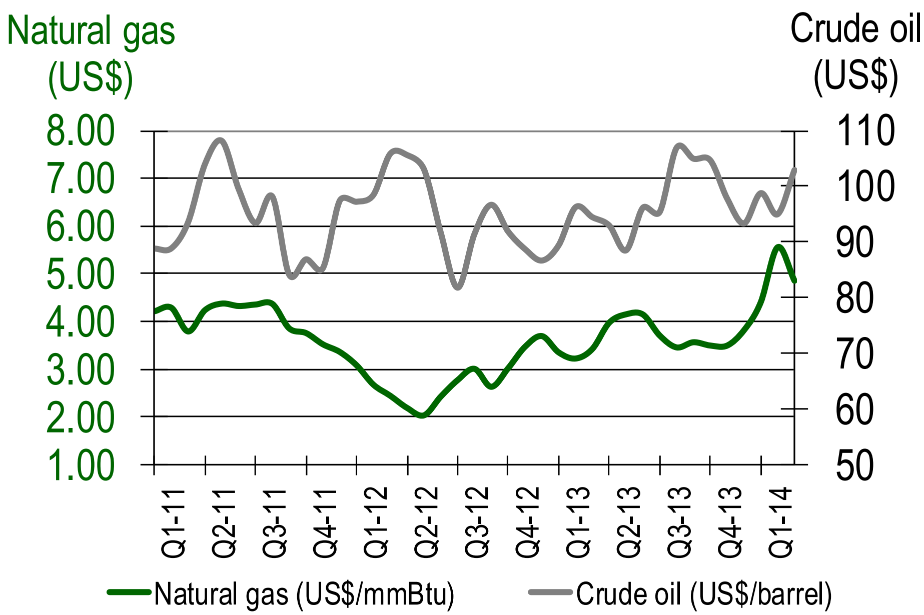
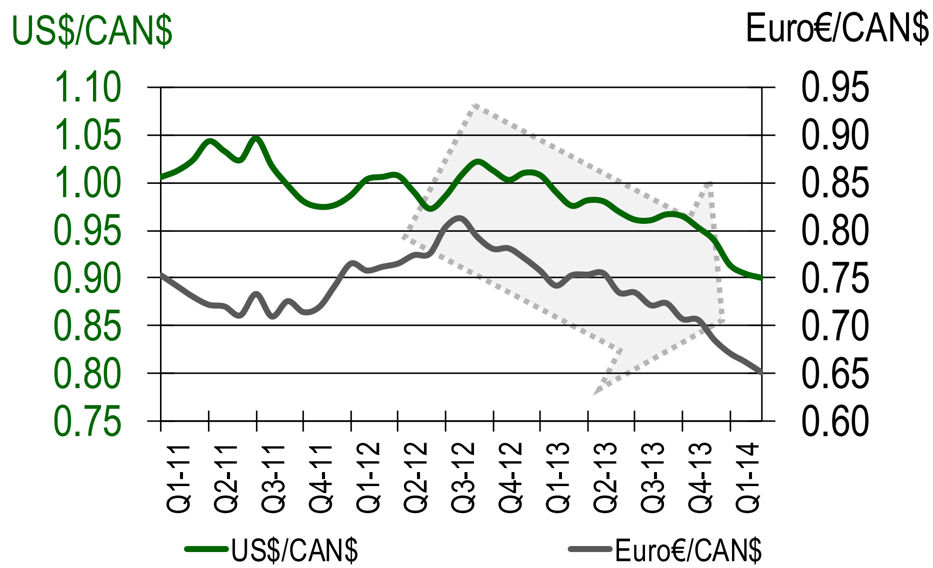
OUR BUSINESS DRIVERS – ENERGY AND FX

Energy costs higher than last year



A prolonged weakness of the CAN$ would be a game changer



- EBITDA sensitivity of $5M to every change of 0.01 CAN$ vs US$

Recent price increase for natural gas; recent reversal of the CAN$

Sources: Bloomberg

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OUR STRATEGIC ACTION PLAN
Four priorities

ACTION PLAN PRIORITIES

1. **Modernize** core operations 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

1 Modernize core operations 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 of a new paper machine in Oregon (Q4-2014)
Tissue Papers – Converting	• Additional converting capacity in Arizona early in 2014

OUR NEW GREENPAC LINERBOARD MILL

Key Facts

- 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
- Significant ownership at 59.7%
  - Partners include a pension fund and two independent converters

Ramp-up Highlights

- Satisfied with productivity and board quality
- Average production Q1-2014: 944 tons/day
- Produced to capacity for a few days in April
- Positive EBITDA since Q4-2013

1 **Modernize core operations through focused investments**

ILLUSTRATIVE GREENPAC CONTRIBUTION TO EPS

Cascades' EPS (excluding specific items)	
2011	($0.14)
2012	$0.05
2013	$0.31
LTM 03/31/2014	$0.36

	Greenpac EBITDA (M$)	Depreciation & Interest (M$)	Income tax (39%) (M$)	Net income (M$)	CAS' interest	CAS' share of income (M$)	Impact on Cascades EPS	Value per share using 7x EBITDA multiple
	60	40	8	12	59.7%	7	$0.08	$0.76
	80	40	16	24	59.7%	15	$0.16	$1.65
	100	40	23	37	59.7%	22	$0.23	$2.54
Sensitivity	± 10							± $0.45

Greenpac has the potential to contribute significantly to Cascades EPS

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THE CONTAINERBOARD MARKET

Changing landscape: Leading 3 North American Producers representing 62% of the market

% of total capacity

2007 Industry Participants		
❶	Smurfit Stone	20%
❷	Weyerhaeuser	16%
❸	IP	11%
❹	Georgia Pacific	11%
❺	Temple Inland	9%
❻	PCA	6%
❼	Cascades	3%
	Others	24%
Top-5		**67%**

2013 Industry Participants		
❶	IP	33%
❷	Rock Tenn	19%
❸	Koch/GP	10%
❹	PCA	10%
❺	Kapstone	4%
❻	Cascades	4%
❼	Pratt	3%
	Others	17%
Top-5		**76%**

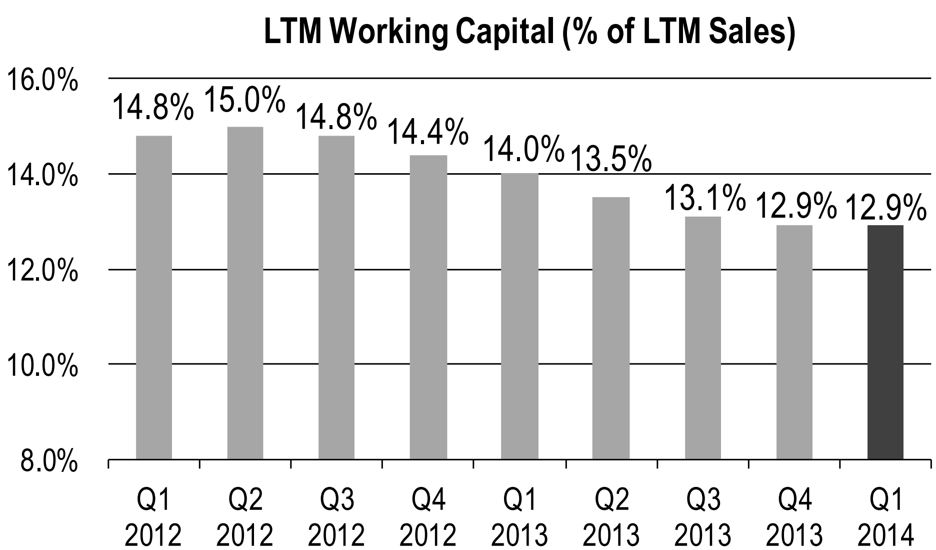
Cascades has maintained its market share in a consolidated industry

Sources: Company reports and estimates, RISI, Fiber Box Association, Paper Packaging Canada
Cascades' capacity includes 100% of Greenpac

2 Optimize capital allocation and reduce working capital

Selected initiatives undertaken since the beginning of our Action Plan

Corporate – Working cap initiative



Tissue Papers – Western US

- Acquisition and conversion of Boise paper machine next to our existing tissue machine to:
  - increase our capacity by 55,000 tons on a faster timeline
  - improve the overall operating efficiency of the mill
  - increase market reach at a reduced capital cost per ton
- $35M cost and start-up in Q4-2014

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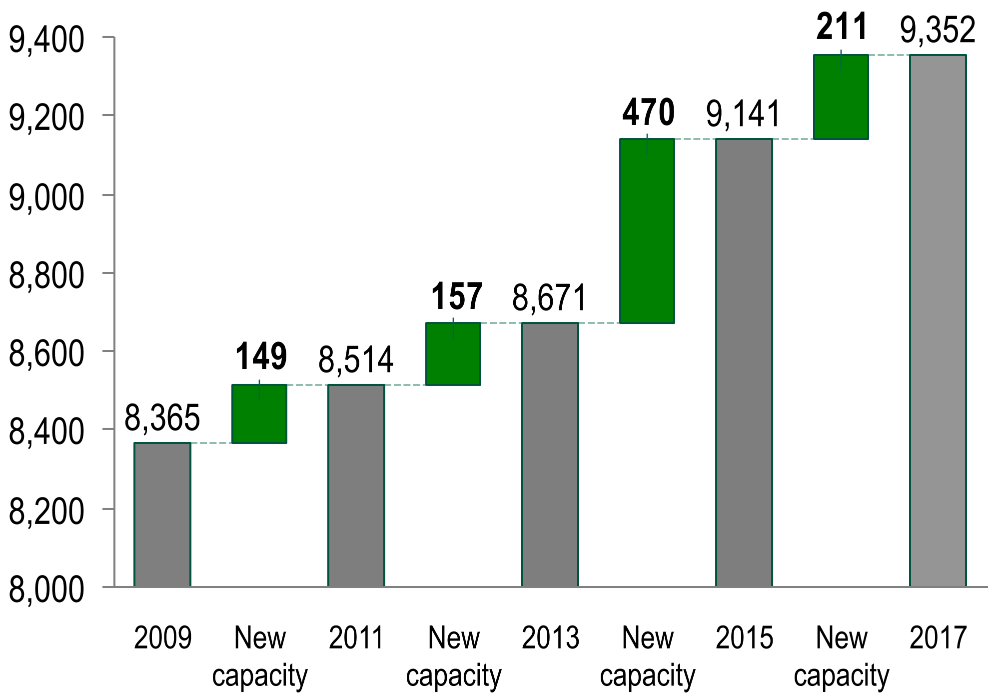
THE TISSUE PAPERS MARKET

Future capacity additions CAGR of 1.9%, not so far from annual consumption growth



Sources: RISI, Company reports and estimates

Top 5 – North American Tissue Producers

% of total capacity

❶	Koch/GP	29%
❷	P&G	16%
❸	Kimberly-Clark	15%
❹	Cascades	7%
❺	SCA	6%
	Others	27%
	Total - 2013	**8,671**

New capacity has more impact on brands but trickles-down to other products

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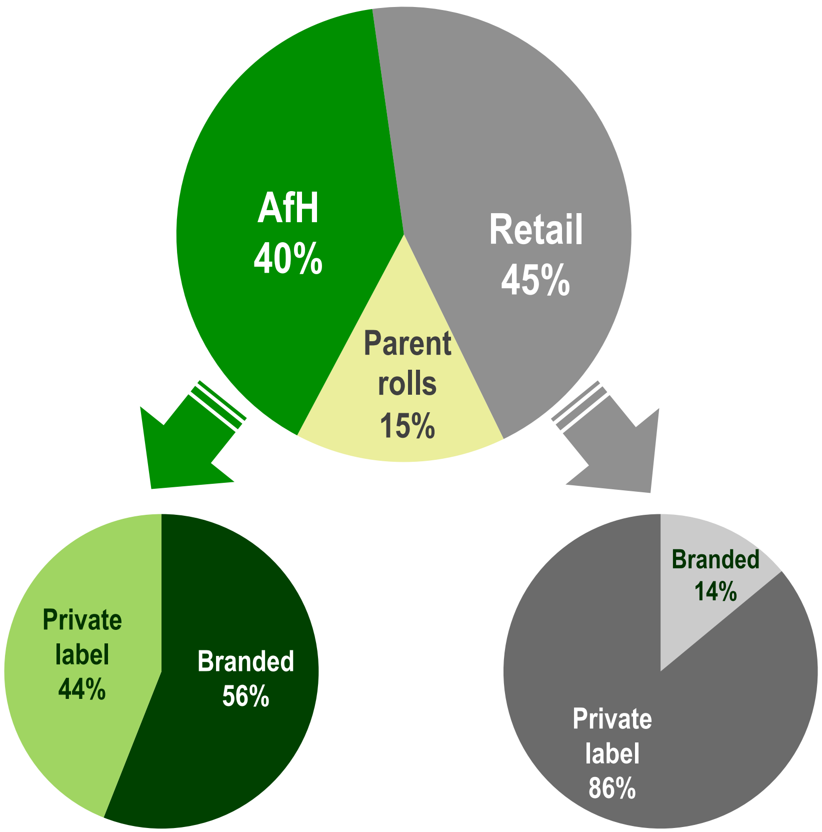
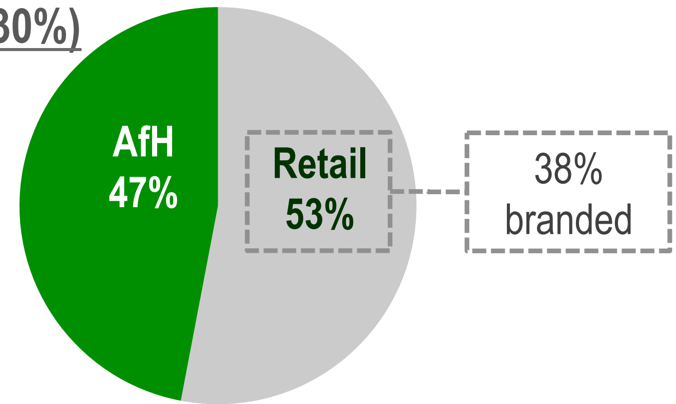
OUR POSITIONNING IN THE TISSUE PAPERS SEGMENT

Cascades' Tissue Papers 2013 Sales – End-Users

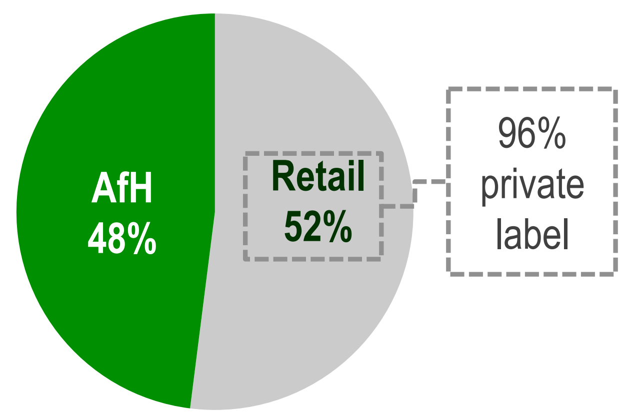


Cascades' Tissue Papers 2013 Sales – Countries

Canada (30%)



US (70%)



2 Optimize capital allocation and reduce working capital

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OUR EQUITY INVESTMENT IN BORALEX

652 MW in operation

$102 million EBITDA

CONTRACTED							PIPELINE
FRANCE		CANADA					Europe or Canada
2014	2015	2014	2014	2014	2015	2015	
Fortel-Bonnières	St-François	Jamie Creek	Seigneurie de Beaupré (phase II)	Témiscouata I (municipal)	Côte-de-Beaupré (municipal)	Témiscouata II	
23 MW	23 MW	22 MW	68 MW	25 MW	25 MW	50 MW	+/- 100 MW
WIND	WIND	HYDRO	WIND	WIND	WIND	WIND	WIND EQUIVALENT
2029	2030	2054	2034	2034	2035	2035	
Total project investment (millions $) [1]							
$60 - $65	$65 - $70	$55 - $60	$180 - $190	$65 - $70	$65 - $70	$150 - $160	
Boralex's ownership							
75%	75%	100%	50%	51%	51%	100%	100%

+/- 950 MW Pro Forma attributable to Boralex [2]

More than $200 million EBITDA in 2016 [2]

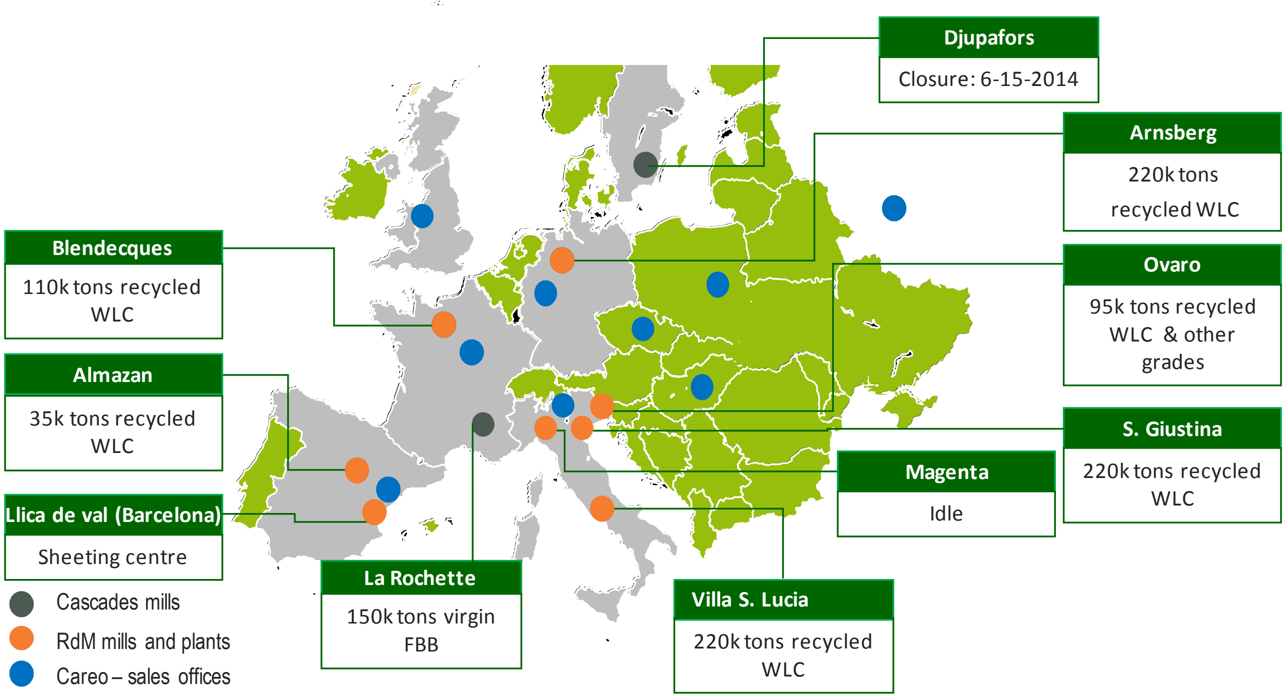
- Valuation does not fully reflect growth potential
- Current BLX share price: ~ $14.00 - represents ± $2.00/share for CAS

Boralex has tremendous pipeline of projects

1 Refer to Boralex's presentations
2 Refer to Boralex's presentations

OUR INTEREST IN RENO AND OUR EUROPEAN PLATFORM

- Results from 2007 transaction: we received a 31% interest in exchange for our recycled mills
- We now **own ~58%** of public Italian company (fully consolidated in our EBITDA)
- Allowed for **rationalization of production capacity** and amalgamation of sales forces



RdM achievements

- From 10 to 7 machines with same production capacity
- Implementation of Paneuropean direct sales network
- > €90M of capex to modernize asset base
- €12M of fixed cost saving program achieved

3 **Restructure underperforming units – now 2nd producer of boxboard in Europe**

3 Restructure underperforming units

Difficult decisions taken since the beginning of our Action Plan

- **14 closures**
  - Containerboard: 1 manufacturing mill + 5 converting plants
  - Boxboard North America: 1 converting plant
  - Boxboard Europe: 2 mills + 1 paper machine; closure of our Sweden boxboard mill to occur on June 15, 2014
  - Specialty Products: 1 pulp mill + 1 specialty packaging plant
  - Tissue: 1 napkin plant
- **4 sales**

• Containerboard – Manufacturing	Avot-Vallée mill
• Boxboard – Manufacturing	Versailles mill
• Boxboard – Converting	Dopaco business, Hebron plant

4 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 Innovative Technology by Novation

Moka –
Beige bath tissue

EVOK™ – Polystyrene foam packaging using recycled material

Some of our activities aim at achieving 10% of sales from new products

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OUR SPECIALTY PRODUCTS GROUP

2013 sales of $965M in four main sectors of activities (including joint ventures)

Recycling and Recovery (20 units)

- 32% of sales
- Largest recycled paper collector in Canada

Specialty Papers (6 units)

- 37% of sales
- Eco-friendly fine and security papers

Industrial Packaging (12 units)

- 16% of sales
- Leading producer of papermill packaging
- $10-15M EBITDA under equity method

Consumer Packaging (7 units)

- 15% of sales
- Largest producer of honeycomb in Canada

Stable source of revenues and platform for innovation

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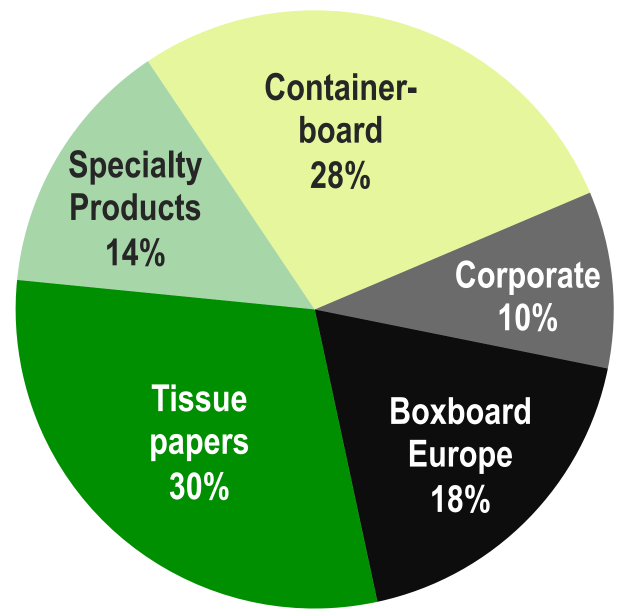
OUR FINANCIAL SITUATION
Investment program

- Capital expenditures for 2013 stood at $172M ($157M excluding IT)
- 2014 level to revolve around $160M, including IT
  - Including ~$60-70M of maintenance capex
  - Amount subject to change depending on operating results and economic conditions
  - Mostly dedicated towards tissue activities

Capital Expenditures Distribution for FY2013 - $157M

By segment



Gradual capex program to improve asset base

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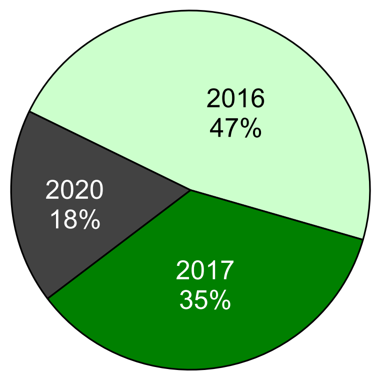
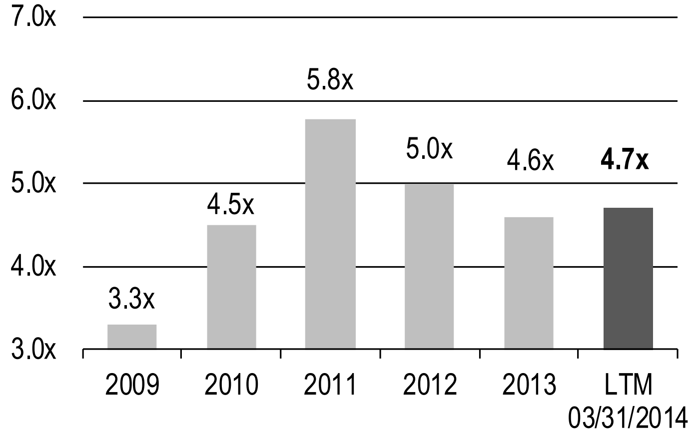
OUR FINANCIAL SITUATION
Financial Ratios & Debt Maturities

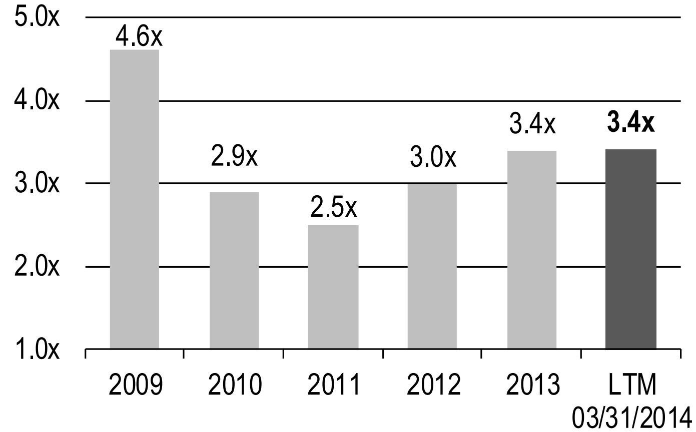
Long-term Debt Maturities Distribution



Net debt / LTM EBITDA



Interest Coverage Ratio



Net debt to EBITDA ratio should continue to improve in 2014

Cascades' bank debt financial covenant ratios: Net funded debt to capitalization < 65% (currently at 56%),interest coverage ratio > 2.25x (currently at 3.2x).

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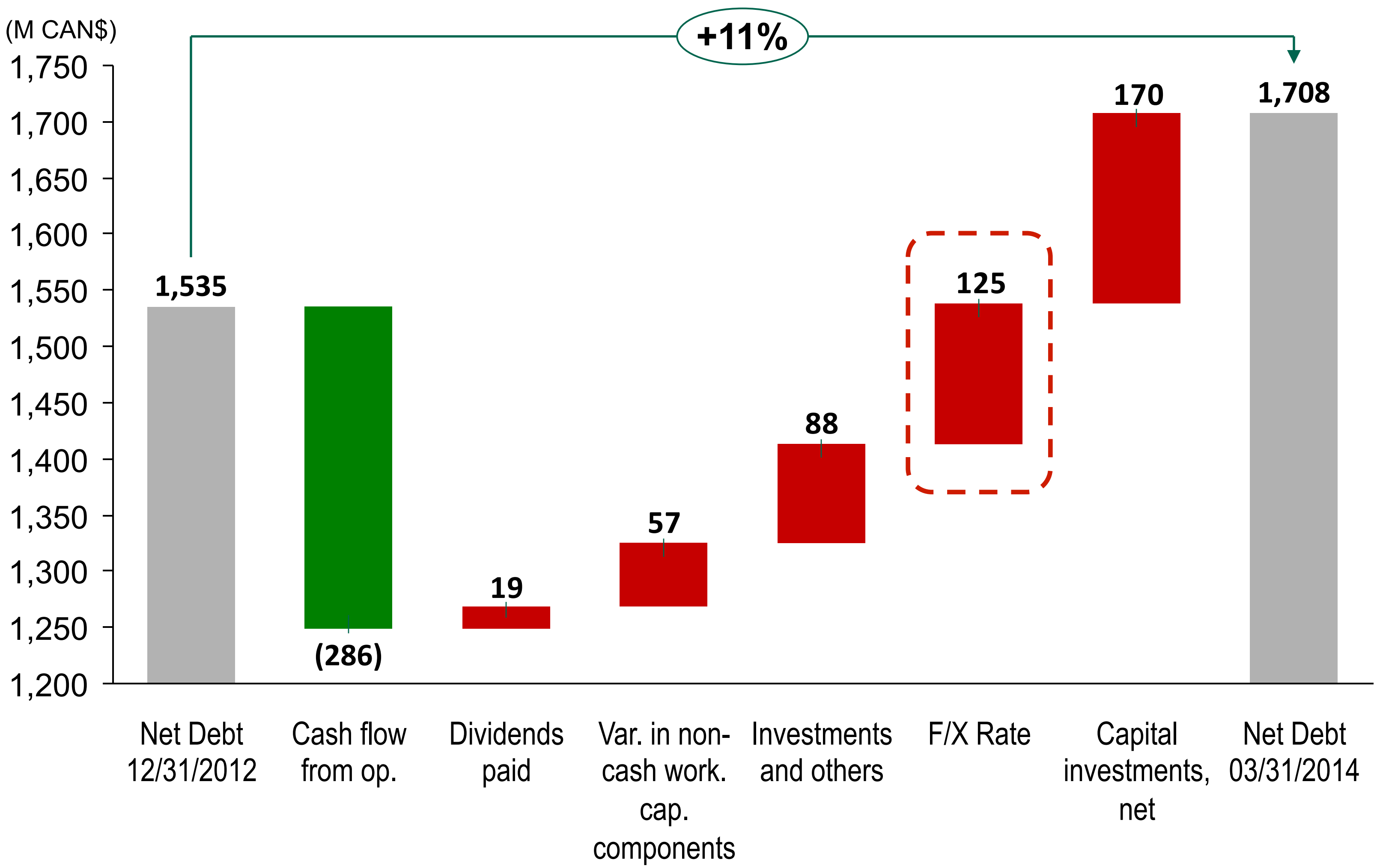
OUR FINANCIAL SITUATION

Net Debt Reconciliation



F/X rate and working capital are the main reasons of the net debt increase

Q1 2014 net debt includes $120 million of non-recourse net debt of Reno De Medici and other unrestricted subsidiaries.

ILLUSTRATIVE SUM-OF-THE-PARTS VALUATION ANALYSIS

	Comparable Companies Trading Range[1]	Illustrative Cascades' LTM EBITDA	Selected Multiple	Illustrative Value
	TEV/LTM EBITDA	(M$ rounded, net corp. activities)	(conservative)	(M$ rounded)
• Tissue Papers	8.5x – 11.5x	124	7.5x	930
• Containerboard	6.5x - 10.0x	154	6.5x	1,001
• Boxboard Europe	6.0x - 9.0x	63	6.0x	378
• Specialty Products	7.0x - 11.0x	59	6.0x	354
• Corporate activities		(36)	6.0x	(216)
Total Enterprise Value		364	6.7x	2,447
Add:	JV contribution ($10M EBITDA @ 6.0x)			60
Subtract:	Net Debt[2]			(1,708)
Total Equity Value – pre-adjustments				799
Add:	Boralex' stake (at market value)			183
Add:	Greenpac investment (at cost)			140
Subtract:	Minority interest (estimate at market value)			(124)
Total Equity Value – post-adjustments				**998**
Per share				*10.63$*
Current Market Price (as at May 20, 2014)				*$5.94*

Share trading at discount, even using conservative multiples

Refer to Notes included in this presentation

For illustration purposes only. Value by segment do not necessary reflect the Corporation's view on their respective value

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POTENTIAL BENEFITS STEMMING FROM OUR RECENT INITIATIVES

✓

Modernizing our operating platform to increase profitability

- ±$150M capex program per year, including ERP upgrade
- Divestitures and closures of under-performing units
- Containerboard: great fundamentals and improved platform
  - Modernized converting platform and manufacturing productivity improvement
  - Greenpac has the potential to contribute to EPS in 2014
- Tissue Papers: strong and growing position
  - Increasing presence in the US and recent expansion announcement in the West
  - Better performance from ATMOS tissue paper machine

✓

Other sources of growth and incremental value

- Culture of innovation
- European platform and Boralex

✓

Potential tailwinds

- CAD$ weakness
- Chinese's economy weakness and impact on recovered paper prices

Taking the right steps to position Cascades for the future

NOTES

1. Comparable companies include:
   - Graphic Packaging, IP, Kapstone, Meadwestvaco, Packaging Corp. and Rock Tenn for Containerboard.
   - KP Tissue, Clearwater Paper, Kimberly-Clark and Orchids Paper for Tissue Papers. Wausau Papers trailing multiple not considered.
   - Holmen, Mayr Melhnof , Mesta Board and Stora Enso for Boxboard Europe.
   - Sonoco, CCL, Domtar, Greif, Sealed Air and Winpak for Specialty Products.
2. Minority interest adjustments estimated for Reno (assuming 58% 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

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