



INSTITUTIONAL ROADSHOW

TORONTO, ONTARIO

NOVEMBER 16, 2015

LEADING PACKAGING PRODUCTS AND TISSUE PAPER MANUFACTURER

Packaging Products

Containerboard



- A leader in Canada
- # 6 in North America³

Boxboard Europe



- # 2 in Europe

Specialty Products



- Largest paper collector in Canada

Tissue Papers



- # 1 in Canada
- # 4 in North America

Market Position

LTM 09/30/15 Financials

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

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

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

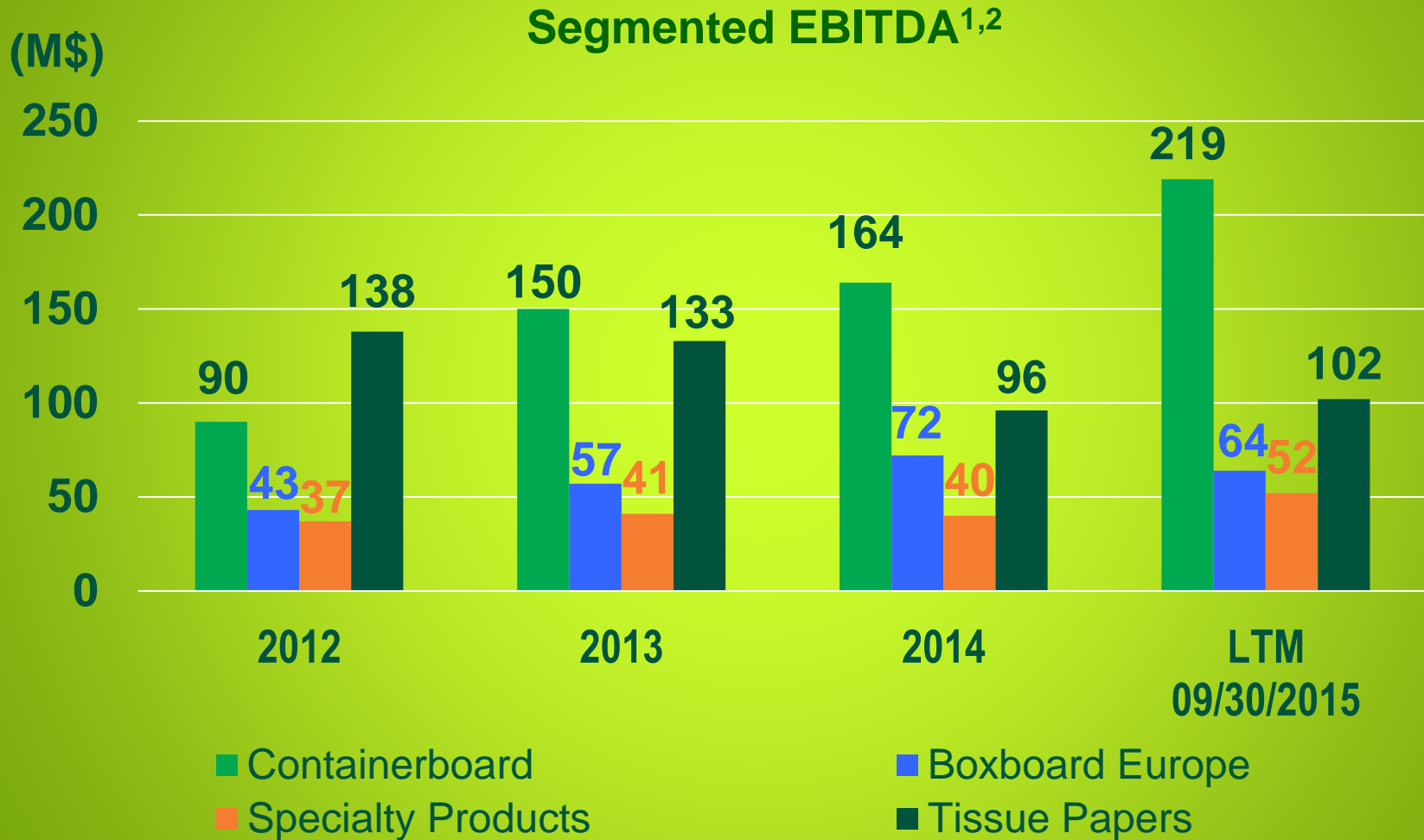
- 31% of Sales¹
- 23% of EBITDA^{1,2}
- EBITDA Margin²: 9%

¹ Before inter-segment sales and corporate activities

² Excluding specific items

³ Including 100% of Greenpac's capacity

BALANCED PLAY IN TWO HEALTHY SECTORS



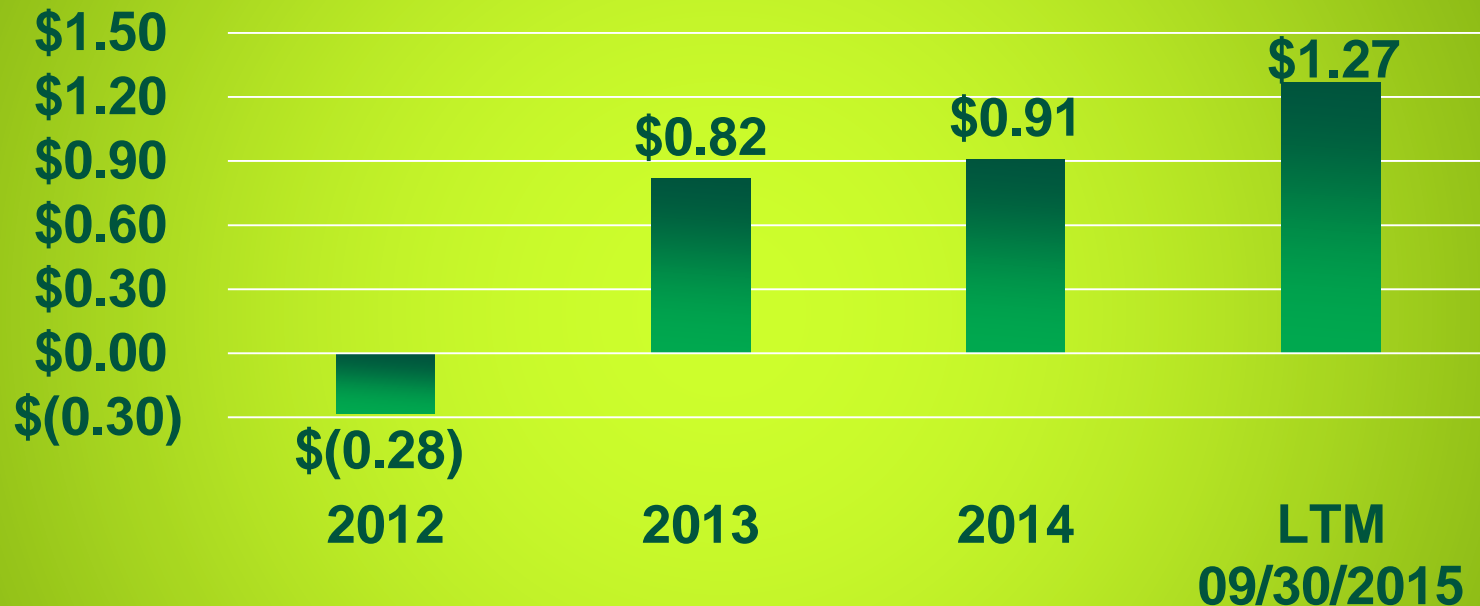
STRONG FINANCIAL MOMENTUM

EBITDA & EBITDA Margin
(excluding specifics)



STRONG FREE CASH FLOW GENERATION

Free Cash Flow per Share^{1,2}



- High free cash flow yield
- Improving cash flows driven by Strategic Action Plan and positive drivers

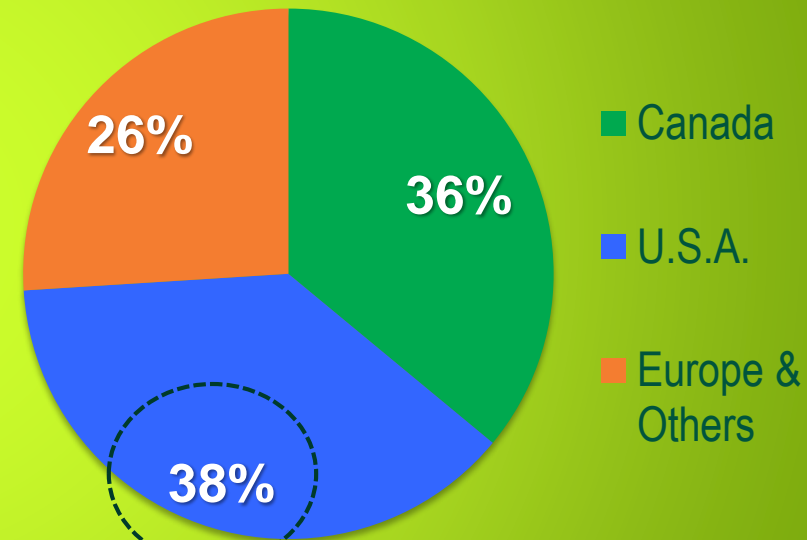
EXCHANGE RATE & SALES DISTRIBUTION

US\$/CAN\$ Exchange Rate



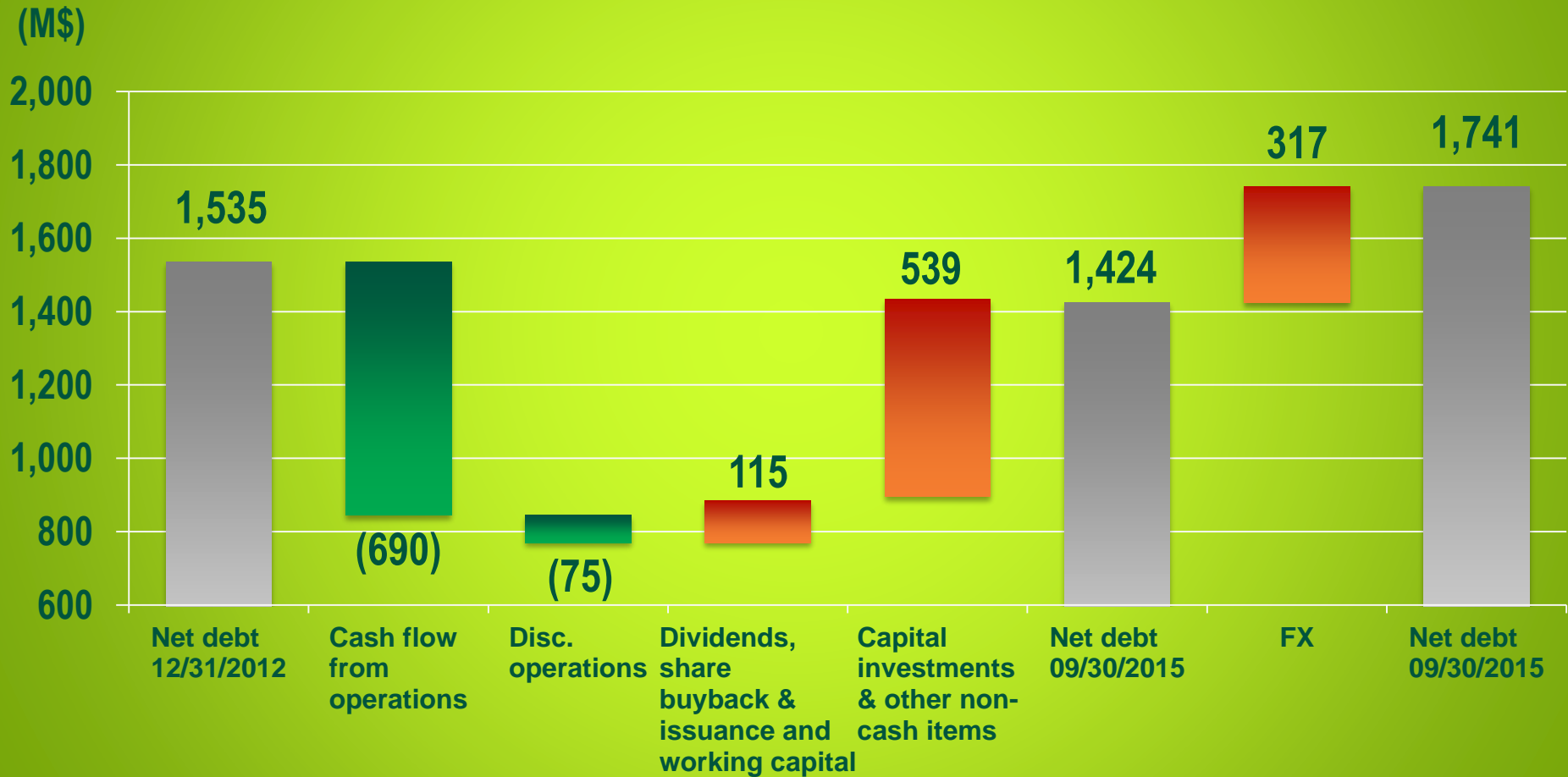
\$3 million EBITDA sensitivity to every CAN\$0.01 change in FX

Destination of 2014 Sales of \$3.6 billion

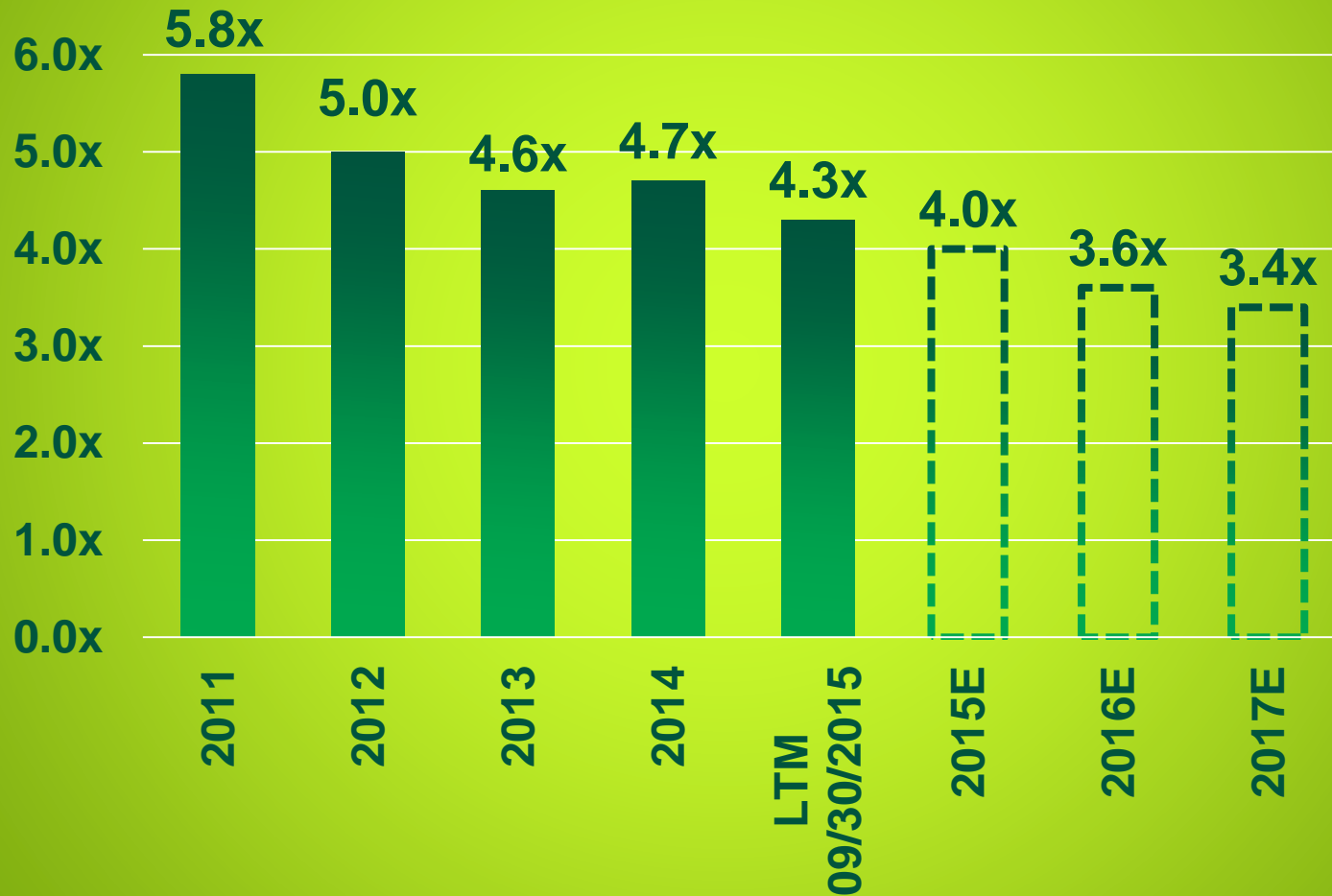


**14% from Canada
24% from the U.S.**

FX IMPACT ON DEBT HAS SLOWED US DOWN



LEVERAGE TARGET ACHIEVABLE WITHOUT ASSET DISPOSALS



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.

PROPORTIONATE CONSOLIDATION

Selected Financial Data Q3-2015	As Reported (IFRS)	Proportionate Consolidation ¹
Sales (M\$)	1,026	999
Adjusted EBITDA (M\$) ²	134	144
Adjusted EBITDA Margin ²	13%	14%
Net Debt to Adjusted EBITDA Ratio ^{2, 3}	4.3x	4.1x

¹ Selected financial data adjusted to proportionally reflect the impact of certain associates and joint ventures namely Greenpac at 59.7%, Sonoco JVs at 50%, Reno de Medici at 57.6% and Recovery at 73%. Not adjusted for Boralex interest.

² Proportionate net debt includes a subordinated loan of Greenpac to be repaid upon receipt of U.S. tax credits amounting to ~\$34 million on a proportionate basis.

³ Ratio "As reported" based on LTM EBITDA excluding specific items; ratio under "Proportionate consolidation" based on run-rate Adjusted EBITDA of \$464M for Q3-2015 (9-month period annualized).

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

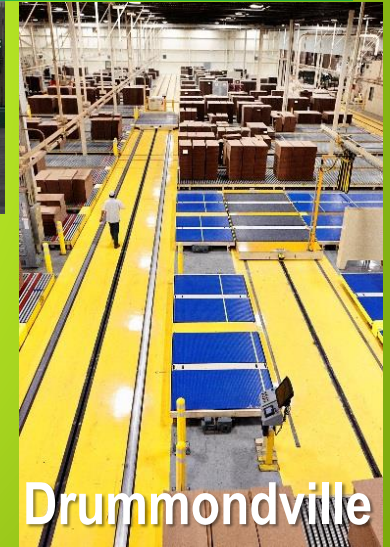
±\$300 million
invested in
modern
equipment



Candiac



Wagram



Drummondville



Santa Giustina



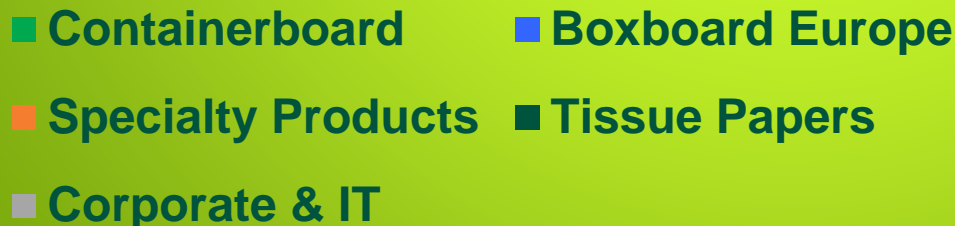
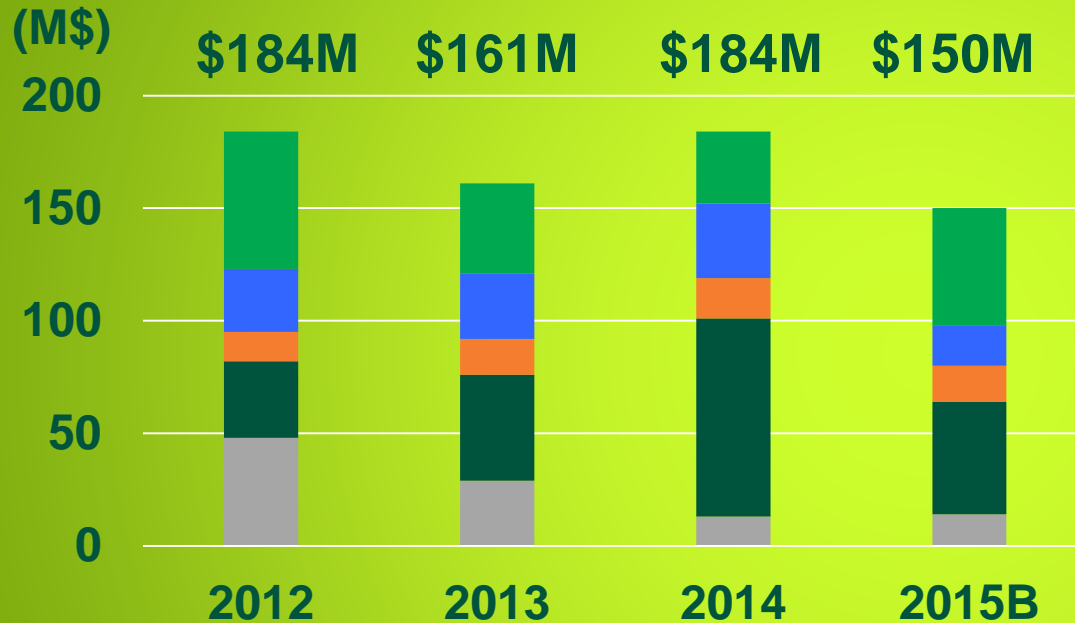
Kingsey Falls



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

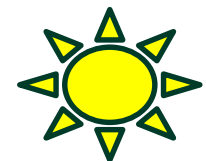
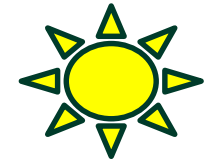
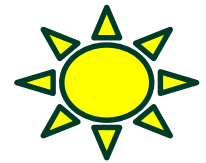
- 15 closures
- 6 asset sales

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

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

CONTAINERBOARD - DRIVERS

- **Canada's competitive positioning following the reversal of the \$CAD**
- **Spread**
 - Price
 - Raw materials
- **Supply/demand equation**
 - Economic environment and market segments
 - New capacity and machine conversions
 - Our approach: state-of-the-art mill Greenpac
- **Products**
 - Lightweighting
 - Online and on-shoring trends



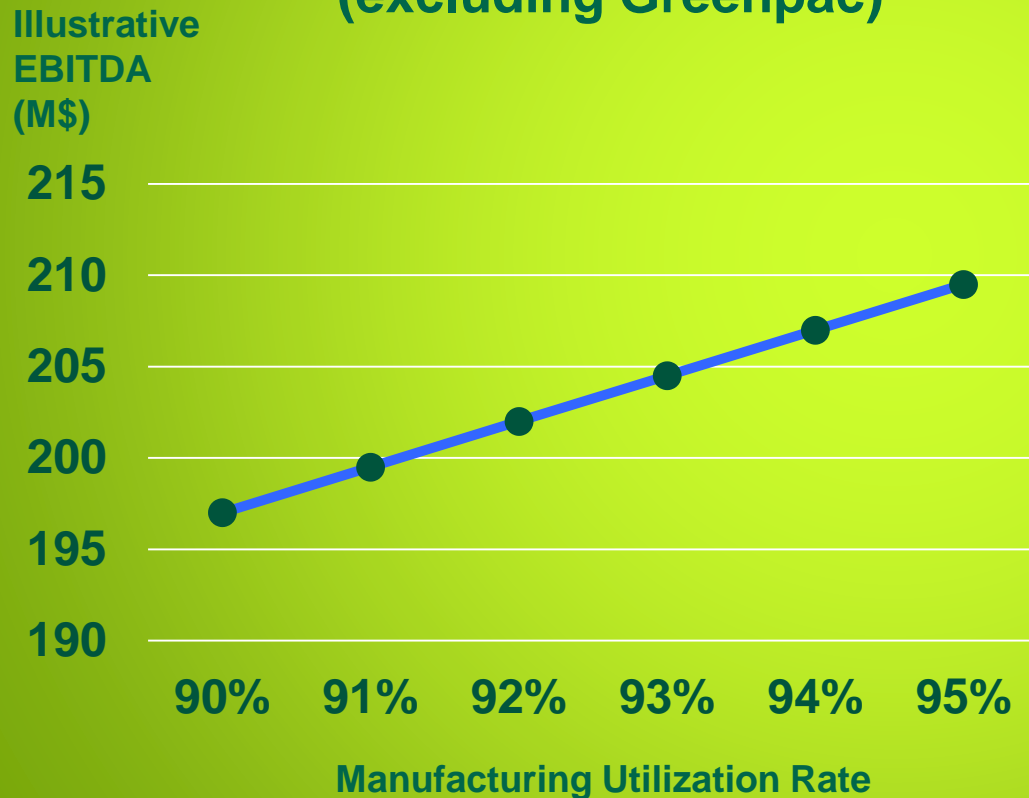
CONTAINERBOARD – STRATEGIC FOCUS

GROWTH AREAS AND PRODUCTIVITY INITIATIVES

- **Improve processes**
 - Produce to capacity
 - ONE Cascades and ONE Certification
- **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

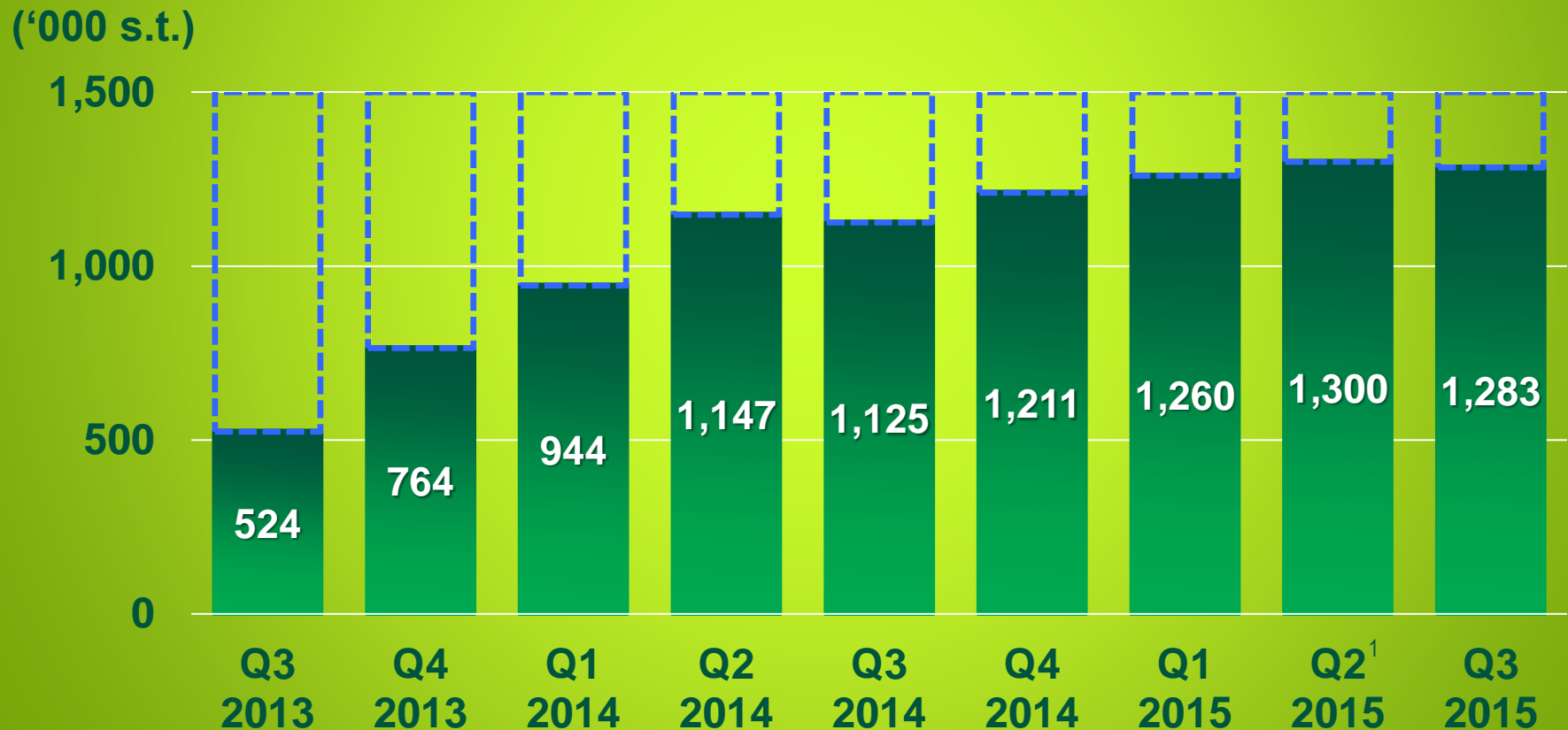
CONTAINERBOARD - OUR CORNERSTONE: GREENPAC

- 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



IMPROVING GREENPAC PERFORMANCE

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



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

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 RockTenn Corrugated Packaging Segment results

³ Including 100% of Greenpac's results

EXTENSIVE EUROPEAN PLATFORM

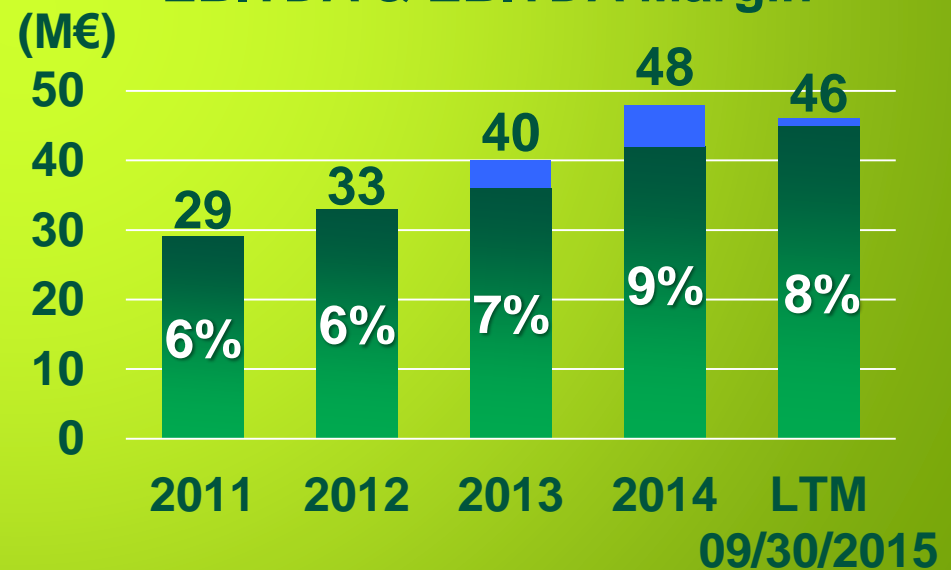
- ~58% ownership of RdM, a public Italian company, and 100% of a virgin board mill in France
- Rationalization of production capacity, consolidation of sales forces, structure simplification and modernization investments have resulted in improved performance

#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

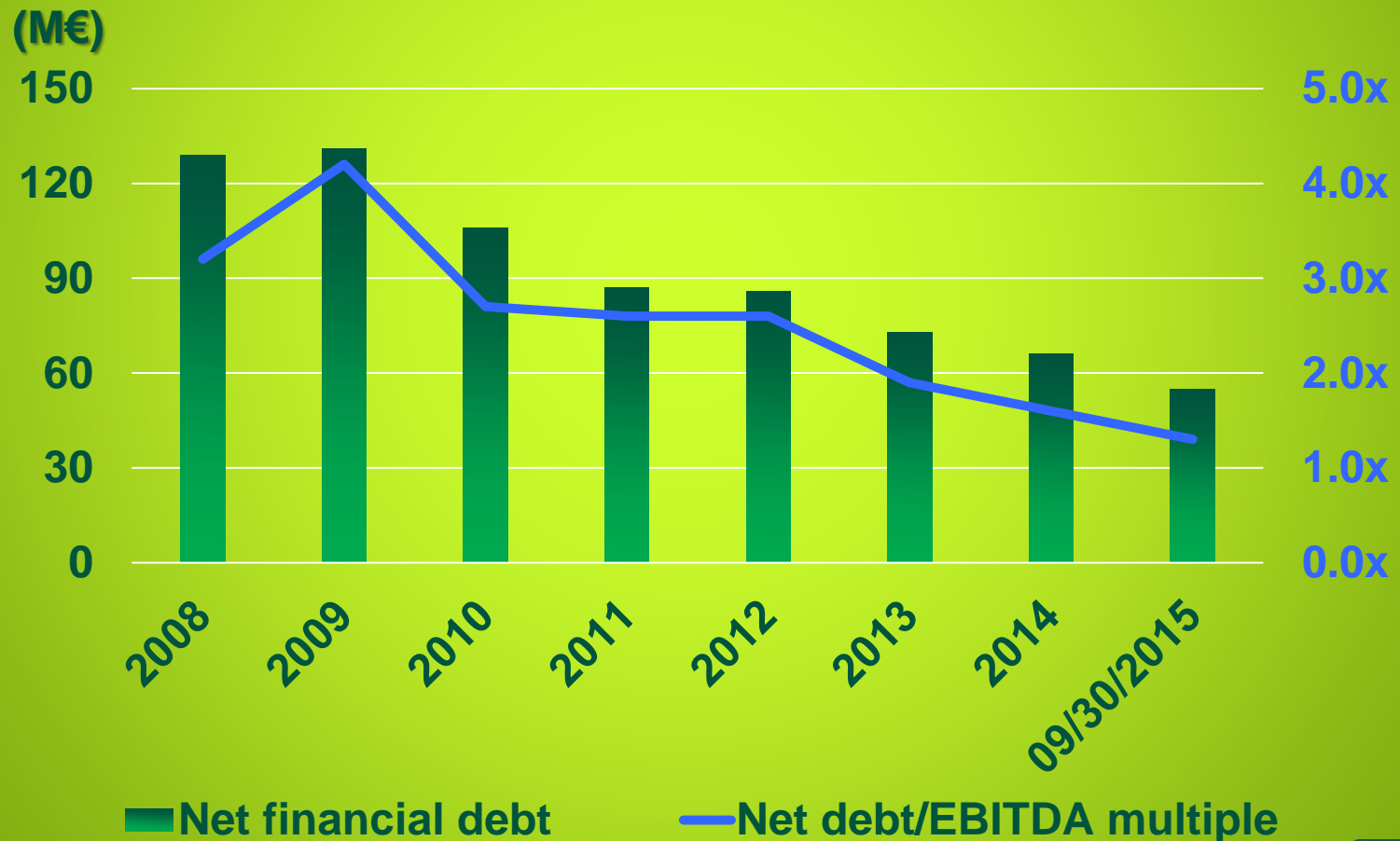
- **Strengthen presence in growing markets (i.e. Eastern Europe)**
- **Continue to reduce leverage to provide flexibility**

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

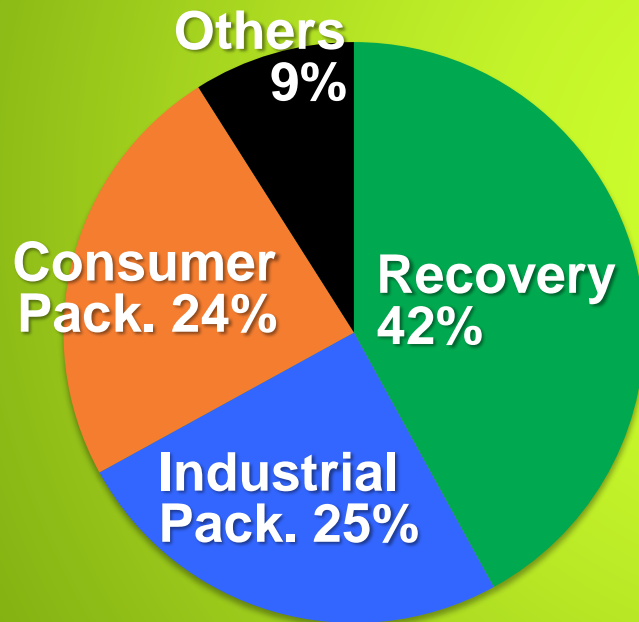


SPECIALTY PRODUCTS – OPERATING SNAPSHOT

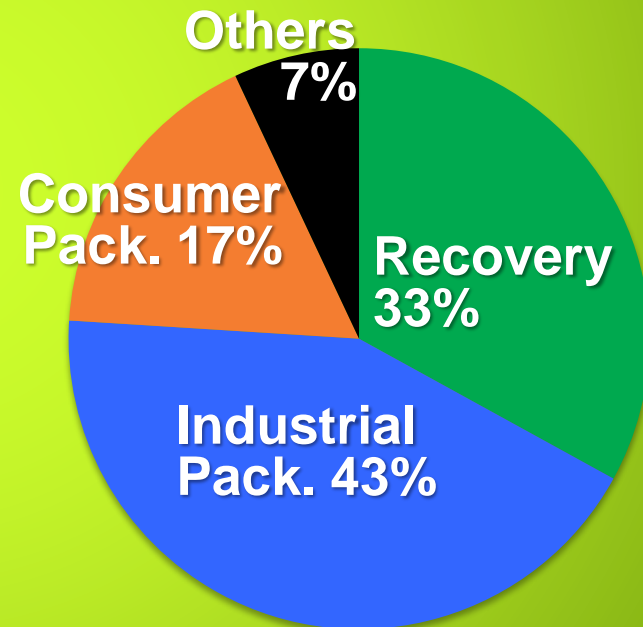
OPERATING PLATFORMS	RECOVERY	INDUSTRIAL PACKAGING AND OTHERS	CONSUMER PACKAGING
Units	18	14	6
Employees (2015)	1,050	630	400
Key Technologies	<p>Collection vehicle fleet</p> <p>Bailing</p> <p>Sorting line</p>	<p>Board machine</p> <p>Extrusion/Coating</p> <p>Slitting/die-cutting/lamination</p> <p>Deinked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

SPG - CURRENT SALES DISTRIBUTION

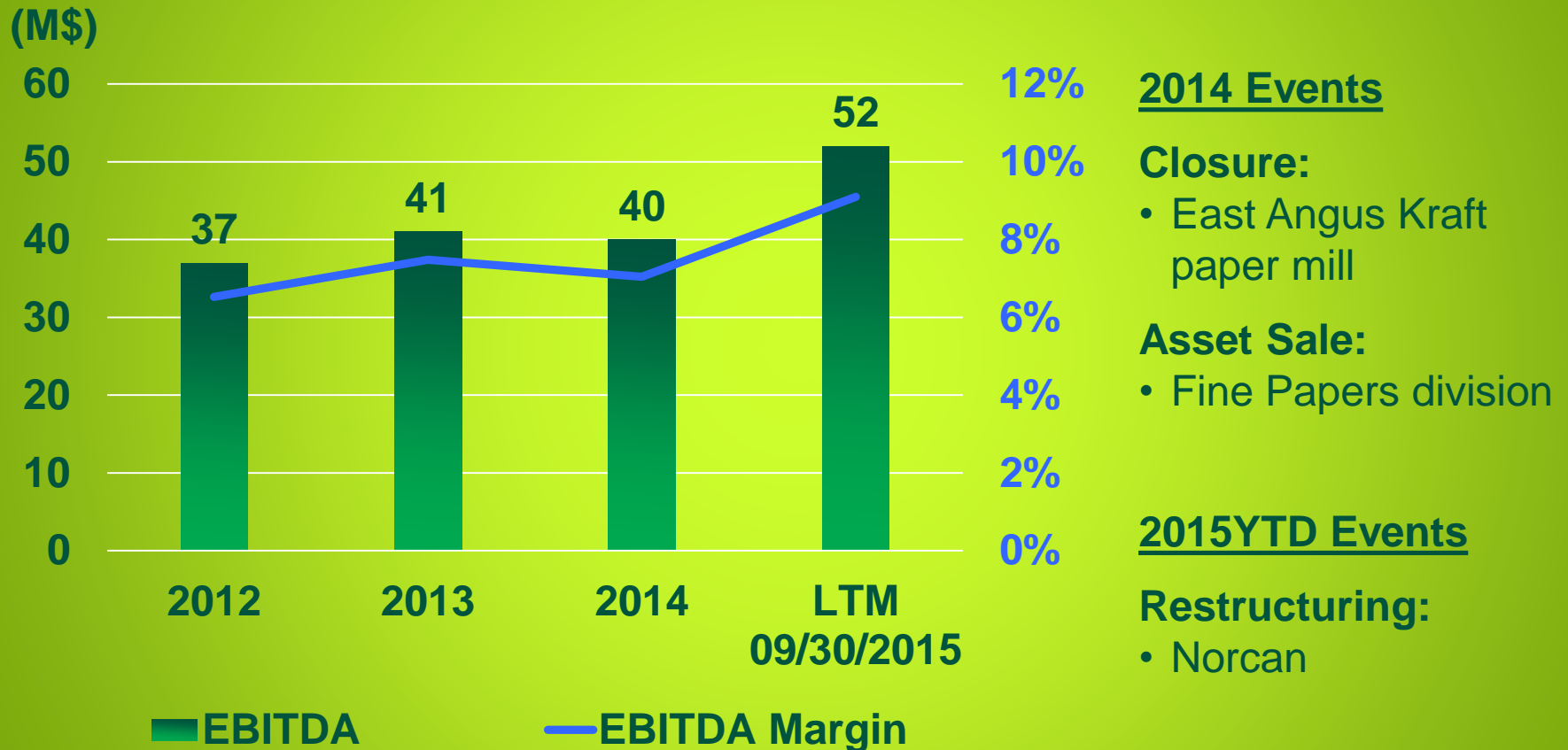
LTM 09/30/2015
Sales Distribution
(IFRS)



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



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

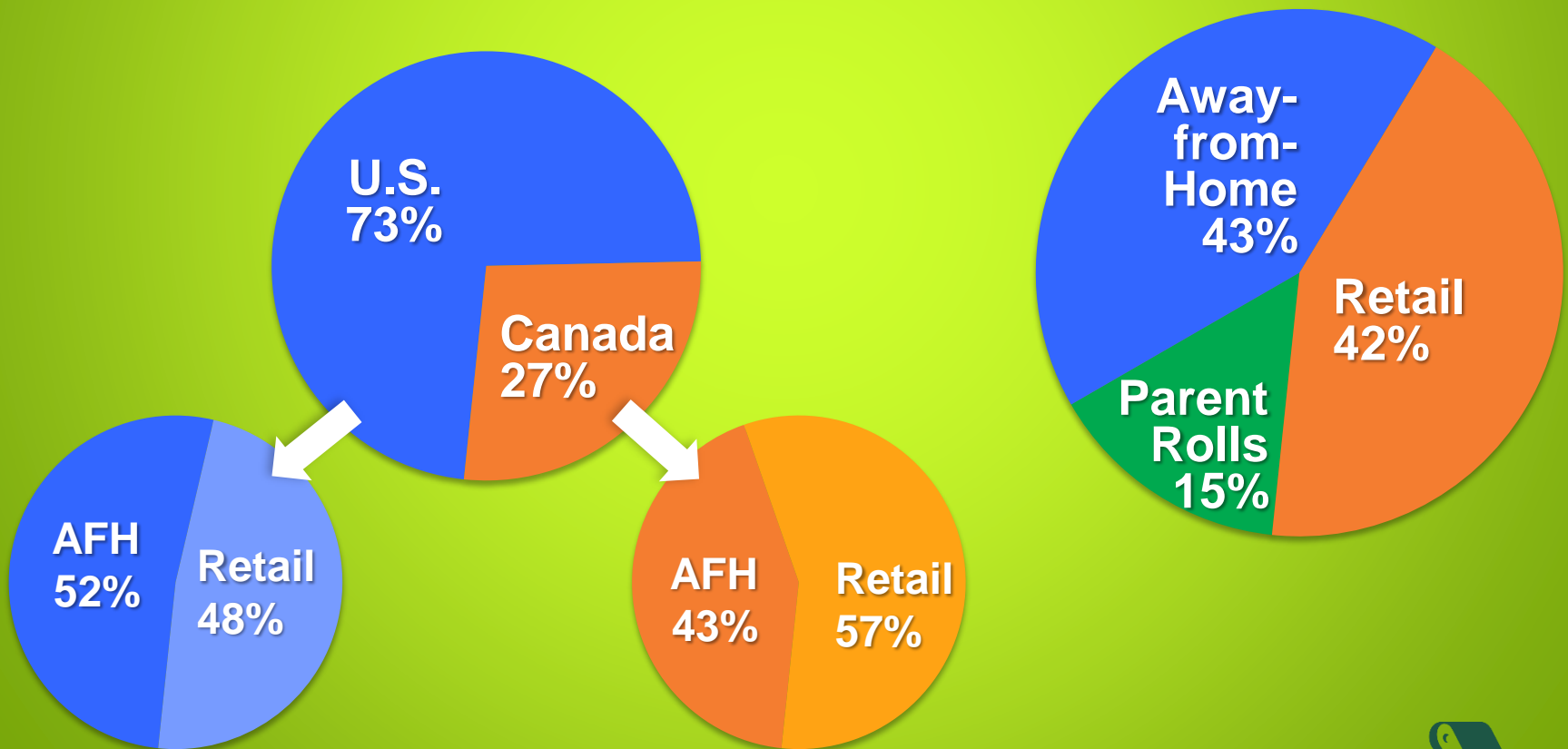
TISSUE – DIVERSIFIED CAPACITY

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	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”)**

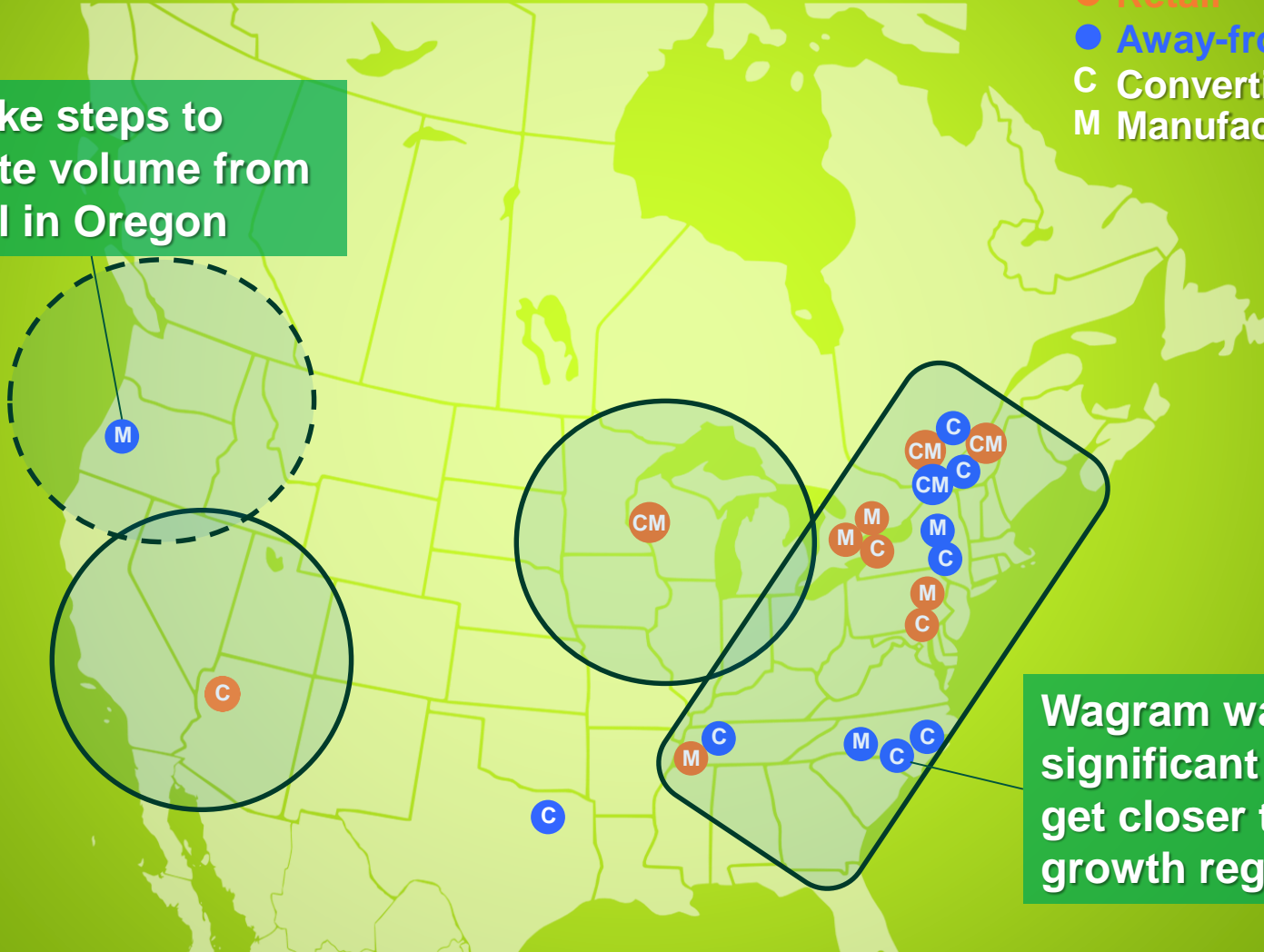
PRODUCTIVITY INITIATIVES

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

TISSUE – OPTIMIZE LOGISTICS AND INCREASE INTEGRATION

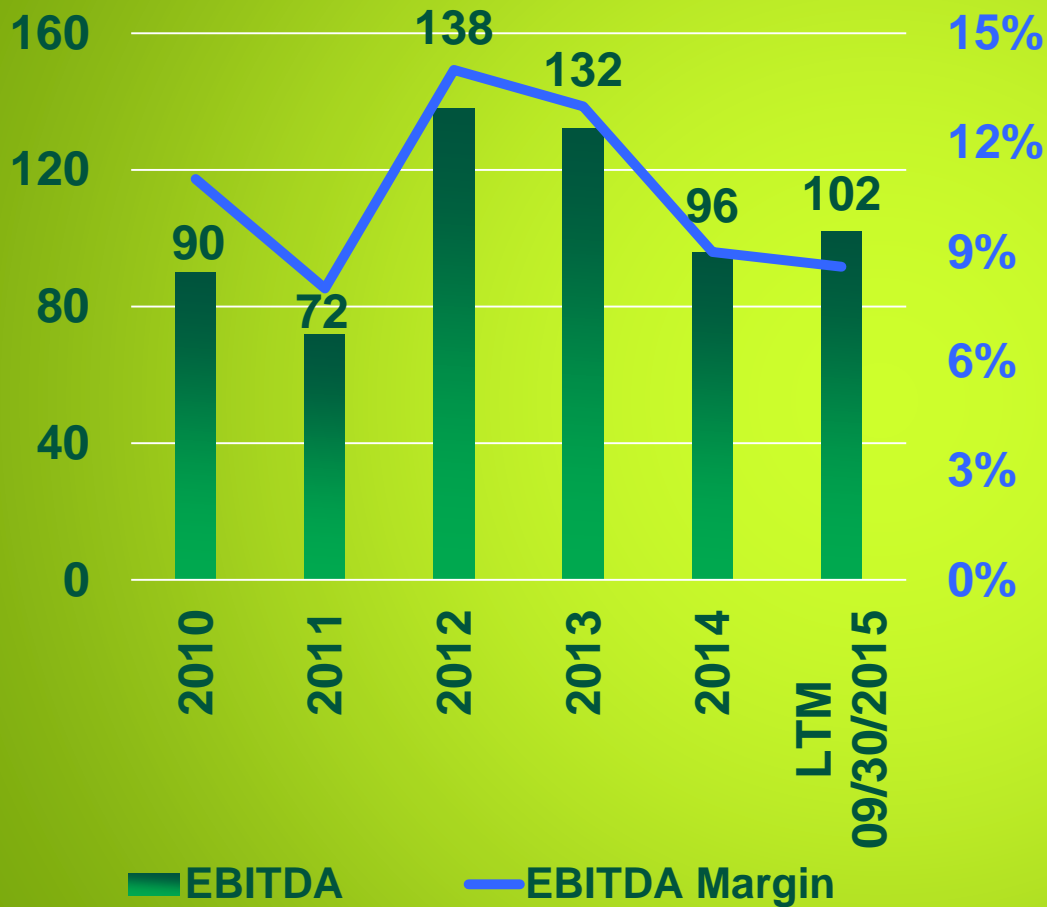
Now take steps to integrate volume from our mill in Oregon

- Retail
- Away-from-Home
- C Converting
- M Manufacturing



Wagram was a significant step to get closer to growth regions

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

Q3-2015 NEAR TERM OUTLOOK



- Favourable FX environment
- Continued implementation of prices increases for containerboard
- New volume obtained in the Tissue Papers Group
- Ramp-up of new tissue sites in the U.S. completed



- Seasonality in Q4
- Weak backlog orders in Europe for recycled grades
- Decrease in index price for corrugating medium

	Boxboard Europe	Impact EBITDA	Containerboard	Impact EBITDA	Specialty Products	Impact EBITDA	Tissue Papers	Impact EBITDA
Volume	Stable	↔	Slight decrease	↘	Slight decrease	↘	Slight decrease	↘
Average selling prices	Slight decrease	↘	Slight increase	↗	Stable	↔	Slight increase	↗
Raw material costs	Slight decrease	↗	Stable	↔	Stable	↔	Slight decrease	↗
CAN\$ vs other currency	Stable	↔	Stable	↔	Stable	↔	Stable	↔
Energy costs	Slight increase	↘	Slight increase	↘	Slight increase	↘	Slight increase	↘

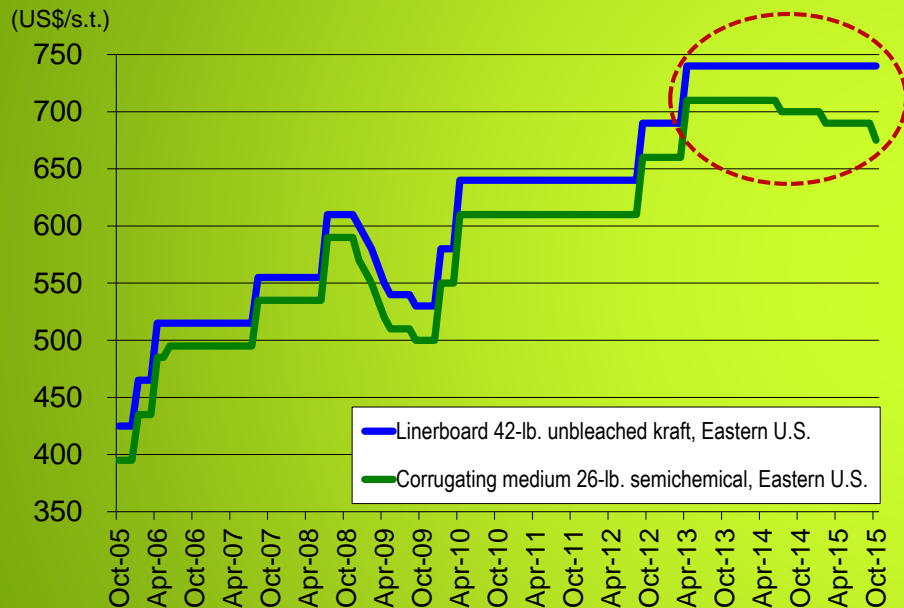
POSITIVE DRIVERS FOR H2-2015 AND 2016

- **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

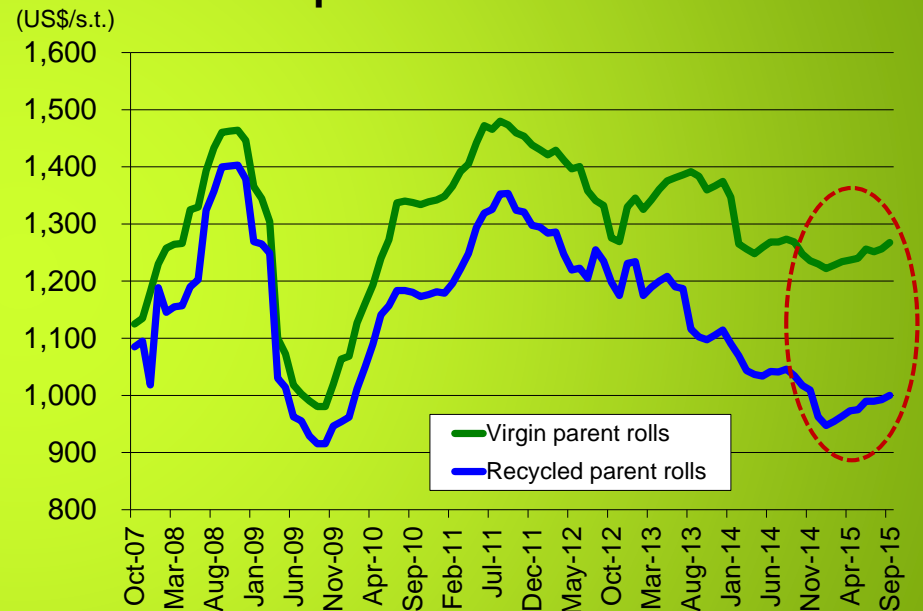
APPENDIX

BUSINESS DRIVERS – PRICE DYNAMICS

Containerboard - Selected Benchmarks



Tissue Papers - Selected Benchmarks



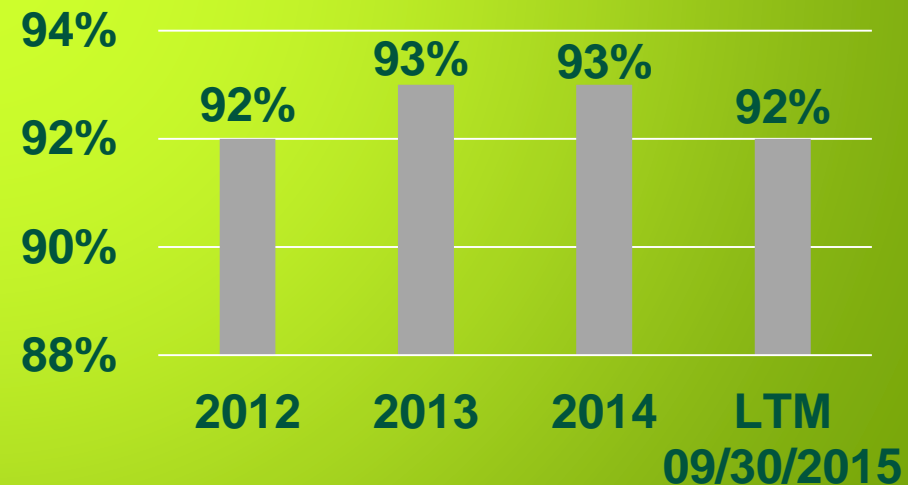
BUSINESS DRIVERS – SHIPMENTS

- Shipments increased in all Groups in Q3-2015 compared to the same period last year, up 4% globally
- Manufacturing utilization rates² hovering around 93% in Q3-2015
 - Containerboard – 95%
 - Boxboard Europe – 91%
 - Tissue Papers – 95%

Total Shipments ('000 s.t.)



Total Manufacturing Utilization¹

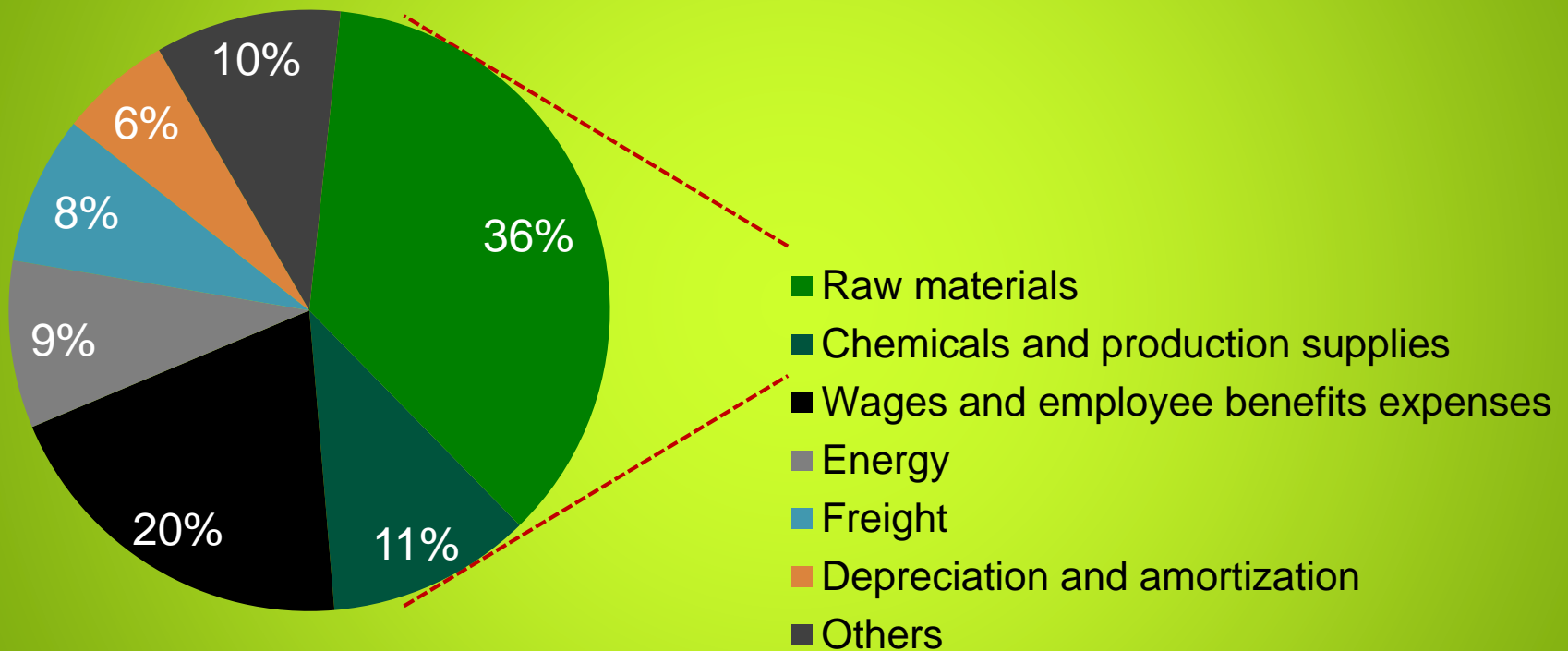


¹ Excludes Specialty Products segment

² Defined as: Manufacturing internal and external shipments/practical capacity

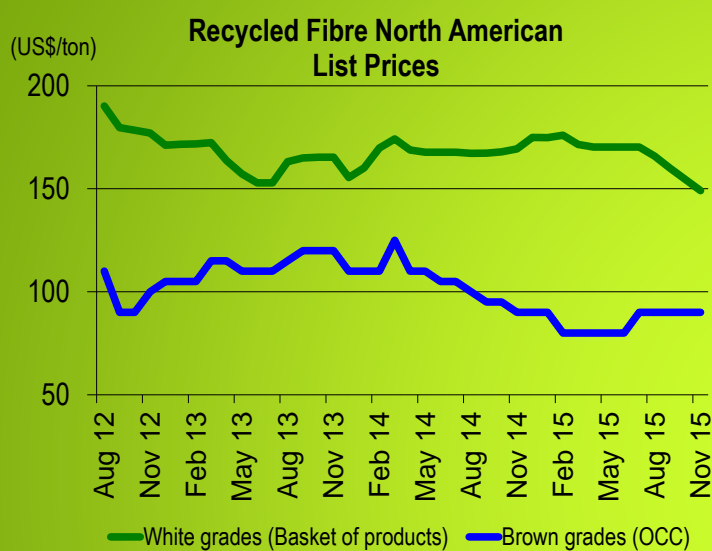
BUSINESS DRIVERS – COGS

LTM 09/30/2015



- Raw materials (including chemicals and supplies) = nearly half of COGS

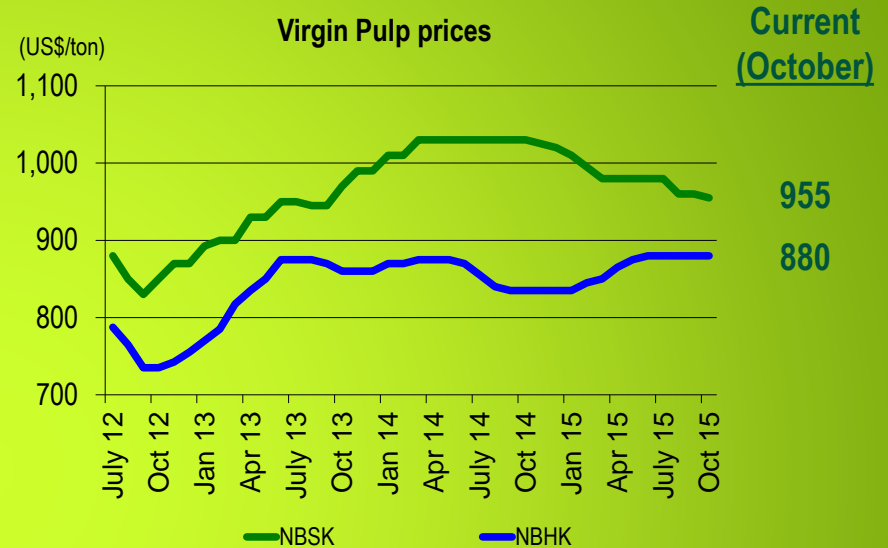
RAW MATERIALS – FIBRE COSTS



**Current
(November)**

149

90



**Current
(October)**

955

880

OBM Average Quarterly List Prices	Q3-2014	Q2-2015	Q3-2015	Q3/Q3	Q3/Q2
White grades – Basket of products (Northeast) ¹	167	170	165	-1%	-3%
Brown grades – OCC No. 11 (Northeast)	100	80	90	-10%	+13%
Virgin Pulp Price					
NBSK (Canadian sources delivered to U.S. East)	1,030	980	967	-6%	-1%
NBHK (Canada/U.S. sources delivered to U.S. East)	843	873	880	+4%	+1%

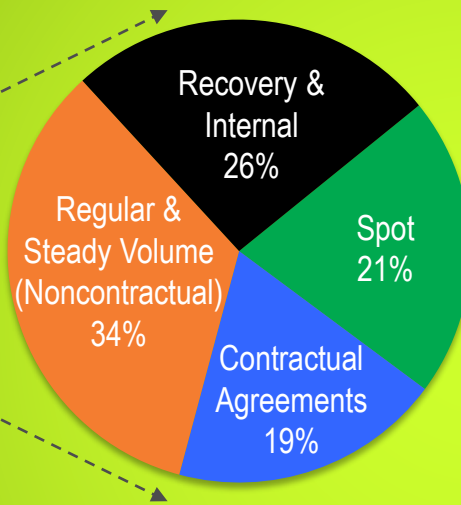
RAW MATERIALS – SOURCING STRATEGY

Cascades' NA Recycled Fibre Supply

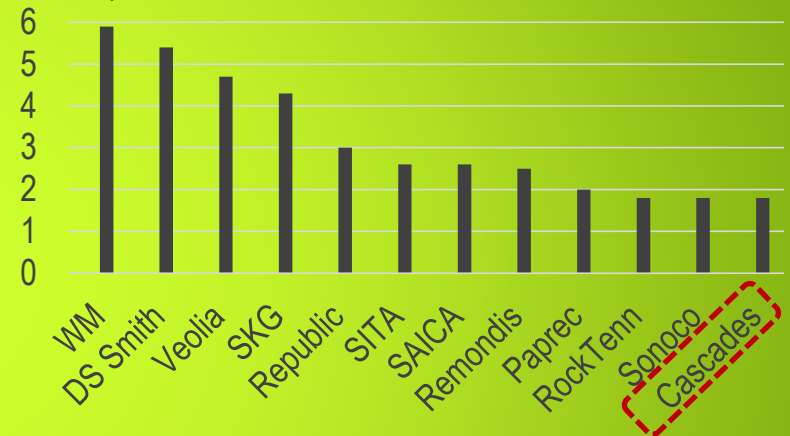
World Top Recovered Paper Suppliers

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