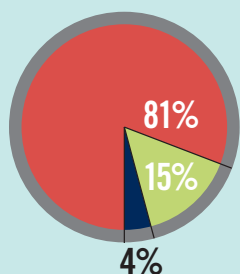




FACT SHEET

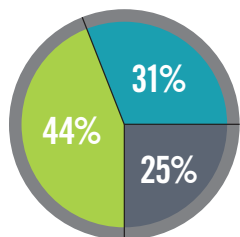


- PAPERS
- PAPER MERCHANTS
- WOOD

SALES PER BUSINESS SEGMENT

(As at December 31, 2008)

SHIPMENTS OF PAPER PRODUCTS



- Business Papers
- Commercial Printing and Publishing Papers
- Converting and Specialty Papers

PAPERS

Domtar Corporation is the largest integrated manufacturer and marketer of uncoated freesheet paper in North America and the second largest in the world. It designs, manufactures, markets and distributes a wide range of business, commercial printing and publishing, and converting and specialty papers. This includes several recognized brands such as Domtar EarthChoice®, a line of FSC-certified, environmentally and socially responsible papers. Domtar also manufactures papergrade, fluff and specialty pulp.

Paper

Annual paper production capacity of **4.1 million tons** of uncoated freesheet
 Annual paper production capacity of **238,000 tons** of coated groundwood

Paper production capacity:
 U.S.: **83%** Canada: **17%**
Paper sales:
 U.S.: **81%** Canada: **8%** Other: **11%**

Pulp

Capacity to sell approximately **1.6 million metric tons** of pulp annually
Net market pulp position in 2008: 1.1 million metric tons (Pulp sold net of external purchases)

Pulp production capacity:
 U.S.: **42%** Canada: **58%**
Pulp sales:
 U.S.: **35%** Canada: **5%** Overseas: **60%**

Paper Products Offering

CATEGORIES	Business Papers	Commercial Printing and Publishing Papers			Converting and Specialty Papers	
TYPE	UNCOATED FREESHEET		COATED GROUNDWOOD		UNCOATED FREESHEET	
GRADES	Copy	Premium papers	Offset Colors Index Tag Bristol	Opaques Premium opaques Lightweight Tradebook	No. 4 No. 5	Business converting Flexible packaging Abrasive papers Decorative papers Imaging papers Labels Medical disposables
APPLICATIONS	Photocopies Office documents	Presentations Reports	Commercial printing Direct mail Pamphlets Brochures	Stationery Brochures Annual reports Books Catalogs	Catalogs Magazines Direct mail Cards Posters Packaging	Forms & envelopes Food & candy wrappings Surgical gowns Repositionable note pads Security check papers

PAPER MERCHANTS

Domtar owns and operates the Domtar Distribution Group, an extensive network of paper distribution facilities located across North America.

Sells about **0.8 million tons of paper** annually from over 60 suppliers from around the world. Domtar products represent approximately 35% of the total.

Merchant sales:
 U.S.: **68%** Canada: **32%**

WOOD

Domtar produces lumber and other specialty and industrial wood products, and is also involved in the management of forest resources.

Operates seven sawmills with a wood production capacity of **855 million board feet** and one remanufacturing facility.

Seeks to optimize **31 million acres** of forestland in the U.S. and Canada that are directly licensed or owned.

FOOTPRINT



PERFORMANCE INDICATORS

(In millions of U.S. dollars unless otherwise noted)	1Q 2009	2Q 2009	3Q 2009	4Q 2008	4Q 2009	2008	2009
Sales	\$ 1,302	\$ 1,319	\$ 1,440	\$ 1,465	\$ 1,404	\$ 6,394	\$ 5,465
Operating income (loss)							
Papers	\$ (6)	\$ 150	\$ 294	\$ (693)	\$ 212	\$ (369)	\$ 650
Paper Merchants	2	1	2	2	2	8	7
Wood	(18)	(12)	(1)	(28)	(11)	(73)	(42)
Corporate	-	-	-	-	-	(3)	-
Total	(22)	139	295	(719)	203	(437)	615
Net earnings (loss)	(45)	48	183	(676)	124	(573)	310
Free cash flow ¹	\$ 33	\$ 288	\$ 220	\$ (123)	\$ 145	\$ 34	\$ 686
Net debt-to-capitalization ratio ¹	51%	45%	38%	50%	35%	50%	35%

¹ Non-GAAP financial measure. Refer to the reconciliation at www.domtar.com.

**TO FIND OUT MORE
ABOUT DOMTAR,
ITS PEOPLE, ITS
PRODUCTS AND
OPERATIONS,
GO TO:
www.domtar.com**

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DOMTAR EarthChoice®

High quality paper with a conscience

For more on our offering of sustainable paper products and their wide range of applications, go to www.domtarearthchoice.com

