

Growing in a growing market



DOMTAR'S ACQUISITION OF ATTENDS EUROPE

TRANSACTION OVERVIEW

- Estimated run-rate sales of €140 million
- Estimated run-rate EBITDA of €23 million
- Purchase price of €180 million including debt
- Accretive to earnings
- Closing expected during Q1 2012

Products and Markets

- High performance brand in the European market
- Focus on higher growth/higher margin products and markets
- Market leading product platform with outstanding technical performance
- Leading positions within the Nordic, UK, Benelux and Germanic markets

European Network

- World class well invested manufacturing, R&D and distribution facility located in Aneby, Sweden
- 413 employees across the group
- Direct sales organizations in 9 European markets

- Manufacturing facility
- Sales office / distribution centre



Strategic Combination

ATTENDS EUROPE

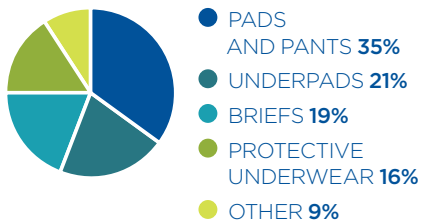
- Strong brand, well positioned in Europe
- High quality Management Team with a clear strategic vision for growth
- Strong technical product performance
- Significant barriers to entry
- Cash generative

DOMTAR

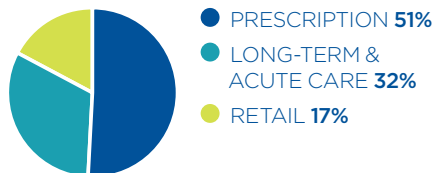
- Consolidates the ownership of the Attends brand
- Sales growth and market expansion opportunities
- Critical mass to drive product development synergies with North American business
- Accretive to earnings



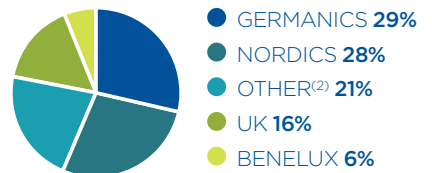
SALES BY PRODUCT⁽¹⁾



SALES BY CHANNEL⁽¹⁾



SALES BY GEOGRAPHY⁽³⁾



Note 1: Based on FY11 sales breakdown

Note 2: Includes other Northern European countries

Note 3: Based on run rate sale as of December 31, 2011

Forward-Looking Statements

All statements in this fact sheet that are not based on historical fact including those relating to the growth of Attends and its impact on earnings, are "forward-looking statements." While management has based any forward-looking statements contained herein on its current expectations, the information on which such expectations were based may change. These forward-looking statements rely on a number of assumptions concerning future events and are subject to a number of risks, uncertainties, and other factors, many of which are outside of our control, that could cause actual results to materially differ from such statements. Such risks, uncertainties, and other factors include, but are not necessarily limited to whether product demand grows as expected, competitive responses by other manufacturers and, those set forth under the captions "Forward-Looking Statements" and "Risk Factors" of the latest Form 10-K filed with the SEC as periodically updated by subsequently filed Form 10-Qs. Unless specifically required by law, we disclaim any obligation to update or revise these forward-looking statements to reflect new events or circumstances.

To find out more about Domtar, its people, its products and operations, go to: www.domtar.com

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