

Expanding in a growing market

Domtar's acquisition of Laboratorios Indas

TRANSACTION OVERVIEW

ENTERPRISE VALUE*	TRANSACTION IS EXPECTED TO CLOSE	ANNUAL RUN RATE SALES OF	ANNUAL RUN RATE EBITDA OF
€400 Million	by year-end of 2013	€190 Million	€46 Million

STRATEGIC RATIONALE

- High performing business
Accretive to earnings and increases segment EBITDA margins
- Mostly branded business with strong market recognition
Increases Domtar Personal Care mix of branded products
- Key component to building a pan-European business
Allows us to become one of the leading adult incontinence products manufacturer in Europe
- Propels ongoing transformation into areas of higher growth
Substantially closer to goal of at least \$300 million of EBITDA from fiber based consumer products by 2017

ABOUT INDAS

- Largest Spanish manufacturer of sanitary and hygiene products focused on adult incontinence
- Strong market recognition with more than 30 brands, including top-tier brands such as Indas, Indasec, Incopack and Sabanindas
- Specialized sales force covering all channels: pharmacy, hospital, retail and international with full coverage of Iberian territory
- Modern manufacturing facility, strategically located in the center of Spain to provide cost efficient coverage of the Iberian market and competitively serve the Southern European market
- Proven track record of solid organic and profitable growth

* The Enterprise Value is the sum of capital stock (€285 million) and estimated debt, net of cash, at closing (€140 million). The net debt is expected to be reduced by the collection of approximately €25 million of past due accounts receivable before year-end or early 2014.

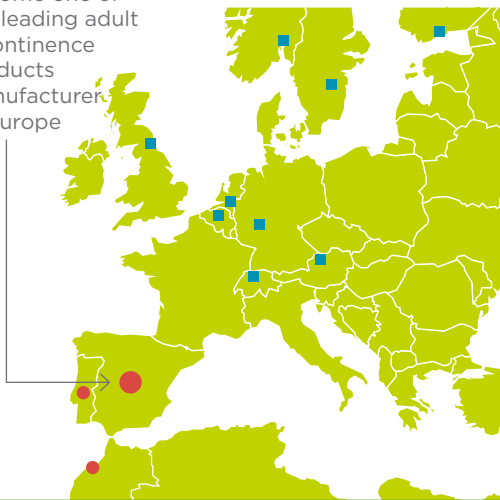
Largest adult incontinence manufacturer in Spain
with strong brand recognition in all channels

#1 Heavy incontinence | #1 Light incontinence | #1 Underpad



Gives critical mass in Europe

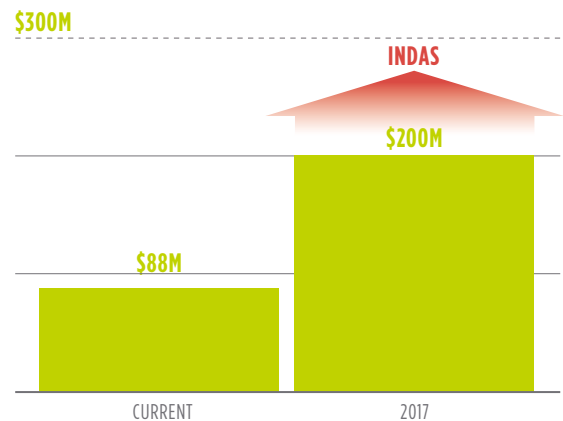
Indas allows us to become one of the leading adult incontinence products manufacturers in Europe



Gives critical mass to Domtar Personal Care segment

(in millions of U.S. dollars)

PERSONAL CARE RUN-RATE EBITDA



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

Media Relations
communications@domtar.com

Investor Relations
ir@domtar.com

FORWARD-LOOKING STATEMENTS

Statements in this factsheet about our plans, expectations and future performance are "forward-looking statements." Actual results may differ materially from those suggested by these statements for a number of reasons, including changes in customer demand and pricing, changes in manufacturing costs, future acquisitions and divestitures, including facility closings, and the other reasons identified under "Risk Factors" in our Form 10-K for 2012 as filed with the SEC and as updated by subsequently filed Form 10-Q's. Except to the extent required by law, we expressly disclaim any obligation to update or revise these forward-looking statements to reflect new events or circumstances or otherwise.