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News Release

TICKER SYMBOL
UFS (NYSE, TSX)

MEDIA AND INVESTOR RELATIONS
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DOMTAR CORPORATION ANNOUNCES APPOINTMENT OF SENIOR VICE-PRESIDENT OF DISTRIBUTION

Montreal, October 2, 2009 – Domtar Corporation (NYSE/TSX: UFS) announced today the appointment of Mark Ushpol as Senior Vice-President of Distribution, effective January 4, 2010. Mark will be responsible for the Domtar Distribution Group, Domtar’s merchant business, which is one of the largest paper distributors in North America. He will be based in Covington, Kentucky.

“With his international sales and marketing perspective and his keen understanding of the fine paper market, Mark will bring added value to my Management Committee,” said John D. Williams, President and Chief Executive Officer. “Combined with his direct supplier and customer experience in paper sales and distribution, this will provide him with the right tools to get the most out of our merchant business in North America and I welcome him to the Domtar team.”

Mark joins Domtar from Mondi Europe & International Uncoated Fine Paper, one of the largest producers of uncoated woodfree paper in Europe. Mark has over 20 years of experience in senior marketing and sales functions with the last 12 years in the pulp and paper sector. Most recently, Mark was Sales & Marketing Director, responsible for Mondi Europe & International’s global uncoated fine paper sales, based in Vienna, Austria.

About Domtar Distribution Group

Domtar’s merchant business involves the purchasing, warehousing, sale and distribution of Domtar paper products as well as those of other manufacturers. It is made up of five key merchants, with a sales force 825-strong, operating at 26 locations across Canada and the United States. It operates in the U.S. as RIS Paper, and in Canada as Buntin Reid, JBR/La Maison du Papier, and the Paper House. This network serves numerous segments of the commercial printing, publishing, retail, wholesale, catalog and industrial markets with logistics and services tailored to the needs of its customers. To learn more, visit <http://www.domtardistributiongroup.com>.

About Domtar

Domtar Corporation (NYSE/TSX:UFS) is the largest integrated manufacturer and marketer of uncoated freesheet paper in North America and the second largest in the world based on production capacity, and is also a manufacturer of papergrade, fluff and specialty pulp. The Company designs, manufactures, markets and distributes a wide range of business, commercial printing and publishing as well as converting and specialty papers including recognized brands such as Cougar[®], Lynx[®] Opaque, Husky[®] Offset, First Choice[®] and Domtar EarthChoice[®] Office Paper, part of a family of environmentally and socially responsible papers. Domtar owns and operates Domtar Distribution Group, an extensive network of strategically located paper distribution facilities. Domtar also produces lumber and other specialty and industrial wood products. The Company employs nearly 10,500 people. To learn more, visit www.domtar.com.

Forward-Looking Statements

All statements in this press release that are not based on historical fact 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, 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-Q’s. Unless specifically required by law, we assume no obligation to update or revise these forward-looking statements to reflect new events or circumstances.