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News Release

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DOMTAR TO IDLE WOODLAND PULP MILL IN BAILEYVILLE, MAINE

Montreal, March 5, 2009 – Domtar Corporation (NYSE/TSX: UFS) announced today that it will be idling its Woodland pulp facility in Baileyville, Maine for an undetermined period, as of May 5, 2009. The mill has an annual hardwood pulp production capacity of 398,000 air dry metric tons. Approximately 300 employees will be affected by this announcement.

“Current worldwide economic conditions with weaker global demand for pulp, historically high inventory levels and depressed prices make it extremely challenging for northern hardwood pulp mills to compete. With no immediate recovery in sight, we must temporarily reduce our pulp manufacturing capacity,” said John D. Williams, President and Chief Executive Officer of Domtar.

Domtar is committed to working with Maine State Governor, John E. Baldacci, and his administration, to explore steps that can be taken to mitigate the impact of this announcement.

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 publication 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 11,000 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 Form 10-K filed with the SEC. Unless specifically required by law, we assume no obligation to update or revise these forward-looking statements to reflect new events or circumstances.