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Thank you very much and good morning everyone. I want to start off by thanking the ASPI conference organizers for inviting me here to Naples to be with you. I hope that my perspective as CEO of a business that is re-defining its story will provide some helpful insight to help you all to steer the course for your own businesses. Specifically, what I want to talk to you about this morning is how you can align your business growth path with Domtar's, in a mutually supporting and beneficial relationship.

My message is simple but I think compelling – we need your help on our journey of transformation from a traditional pulp and paper maker to an innovative fiber-based business. This journey will be the foundation of our long-term prosperity and value creation for our customers, employees, host communities and shareholders.

I want to underline that although I am speaking in bold terms about Domtar's growth path, our journey will be an evolution, and not a revolution. It will be one that is founded on agility, innovation and caring for one another and the communities in which we live and work. It will be a story driven by our most valuable resource: our employees. Finally, and just as importantly, this journey will require a partnership approach with our key stakeholders, perhaps none more so than our suppliers.

I want to start out by providing a bit of background on Domtar as a way of leading into some thoughts on our journey ahead, because I think most of you in the room are facing similar challenges and opportunities.

So who is Domtar? We are a fibre procuring and processing company making high quality hardwood and softwood pulp. The vast majority of this pulp is consumed internally on our paper machines making us the largest integrated manufacturer and marketer of uncoated freesheet paper in North America, otherwise known as white paper, and the second largest in the world. We also sell our excess pulp in the form of paper grade, specialty and fluff pulp and this makes us one of the largest market pulp producers in North America.

We are a Fortune 500 company registered in the US and dual-listed on both the New York Stock Exchange and the Toronto Stock Exchange. For indexers, we are listed on the Standard & Poor's 400 Mid Cap Index. We have been a US corporation since 2007 but with a long history going back to the 1860s and the original Dominion Tar and Chemical Company from my part of the world – England – back when we liked to refer to the world as our Dominions…some of us still do!

Over the years the company evolved and built deep Canadian roots starting in the early 20th century in Cape Breton, Nova Scotia, supplying treated wood for railway and wharf construction. It wasn't until the 1960s that the company went from making construction materials to making paper, and took the name Domtar that went on to be a household name in communities across Canada where the company operated mills.

In 2007, we combined with Weyerhaeuser's fine paper and became the largest producer of uncoated freesheet (what most people know as white paper) in North America. Our global headquarters are in Montreal, Quebec, and our Pulp and Paper operations center is in Fort Mill, South Carolina just south of Charlotte. We have over 8,700 employees working in the United States, Canada and overseas. We have facilities in communities across North America, with 13 pulp and paper mills; along with a dozen converting and distribution operations that are an integral part of our manufacturing and distribution supply chain. Attends, our recently acquired

business in Personal care, operates a state-of-the-art converting and distribution facility in Greenville, North Carolina, 60 miles from our Plymouth, fluff pulp mill.

From a sales standpoint, Domtar is in than 50 countries and we have a growing presence in China through a representative office in Hong Kong and a paper converting and distribution business that we are in the process of setting up in the Southern Chinese province of Guangdong.

We manufacture high volume paper grades such as copy paper, but we also target the other end of the spectrum such as the food packaging market and medical sector with specialty papers, making for example, wax laminating papers, grease resistant papers, and a variety of FDA approved surgical paper specialties used in the hospitals.

But most importantly for our paper end-users, Domtar is an industry leader when it comes to sustainability. People know we adopted the “green path” long before many thought it was even possible for a pulp and paper company to be environmentally responsible. We’ve demonstrated sustainability can be a solid footing on which to base strategic, operational and manufacturing decisions that generate highly profitable results.

We were the first pulp and paper company in North America to commit to the FSC certification, and one of the many ways we are maintaining our partnership with this organization is through our involvement in several projects to increase the availability of FSC-certified fiber. These include the Working Woodlands, a project with the Nature Conservancy which aims to make certification easier and profitable for private landowners.

We were also one of the first of our industry and still are, I should add, to engage in a dialogue with leading environmental organizations, like the World Wildlife Fund and Rainforest Alliance, to see how we could work together to help promote responsible forest management.

One of the benefits of these relationships has been the public support of WWF and Rainforest Alliance for our Domtar EarthChoice line of papers. The fact that all of these papers now carry the WWF Panda and the Rainforest Alliance frog logos is added value to our consumers and customers. Indeed, not only does it increase our brand’s awareness and integrity in the eyes of

end users seeking an environmentally responsible paper choice, it also gives peace of mind to those customers at risk of being targeted by environmental groups. Because without a customer, a business is very much a theoretical concept, an important angle of the Domtar story is our brand, or the promise we bring to our customers. Sustainability happens to be an increasingly important aspect of their buying decisions.

As you well know, the issue of the environmental impact of paper use is a longstanding one and our industry continues to face challenges on its perceived environmental record. Paper remains the most recycled product in the United States at, no less than 63% being recycled - and we strongly encourage recycling. But it is grossly misleading to think all paper products could be made from recycled fiber. Should we stop the production of papers made from recycled fiber, we would run out of fiber required for printing & writing papers, boxes or tissue paper within months (studies suggest between three and six).

This is why sustainable forestry practices are in Domtar's fiber. We were the first pulp and paper company in North America to commit to FSC, and one of the many ways we are maintaining our partnership with this organization is through our involvement in several projects to increase the availability of FSC certified fiber.

Back in 2010, we felt that as a leader in our sector, it was up to us to put out a positive message about paper. So, we launched a bold campaign called PAPERbecause to address some of those misconceptions. This campaign supported by a web site and print advertisements in some of the dailies in North America, demonstrates that paper continues to play an important role and that using paper is a responsible choice.

The PAPER Because campaign conveys a strong message about responsible paper use. The fact of the matter is that paper can be a sustainable choice specifically in comparison to the range of energy use and e-waste issues associated with the manufacture and disposal of smart phones and tablets that are now so ubiquitous in our daily lives.

The digital transfer of information is a reality that we fully accept and in fact embrace at Domtar, because we think there will always be a need for paper in our lives. As society becomes more

digitized and fast-paced, some of the intrinsic value of paper becomes even more heightened. In the history of mankind, we're at a point where people are growing concerned with their footprint. We respect that. You don`t need it, you don`t waste it. Truth is that paper has been an effective means of communication for over 2,000 years and for people concerned with recycling, with energy intensity, etc. we have a green story to tell. This is the essence of our campaign.

PAPER Because is more than a utilitarian defense of paper. It's an expression of the emotional connection that takes place when we send a simple thank you card. It illustrates the effectiveness of the printed word in business. And it shows why paper is important to our relationships, our economy and our planet. The response to *PAPER Because* has been positive with numerous honours including winning the promotional campaign of the year at the 2011 Pulp and Paper International awards in Brussels.

I also want to touch on another key aspect of sustainability and that is the question of innovation. At first glance, one could think that there have been very few advances of late in the pulp and paper industry. But I would argue strongly that there is TONS of innovation going on in our industry and I see this from two angles:

Number 1 - There is the work we do at the back end on the manufacturing side to improve efficiency, de-bottleneck our operations and achieve productivity improvements and cost reductions. And Number 2 - there is the work that's done at the front end, the customer facing level, where we try to understand the macro trends in terms of the consumers' experience with our products.

We need to better understand what drives consumers' consumption patterns and how can we prepare a shift to better utilize our assets and leverage our core competencies to move our business in the right direction.

At Domtar we're putting our money where our mouth is in terms of investing in innovation, with some highly innovative projects such as the joint venture in nanocrystalline cellulose by our Windsor, Quebec, paper mill. NCC is a fundamental component extracted from wood fiber that has outstanding strength and iridescent features that could potentially take our business in new and exciting directions – far from traditional pulp and paper applications.

We held the ribbon cutting for this facility just a few weeks ago, and over the next two or three years we will build a customer base through R&D and market development. The expectation is that over time we will ramp up to production levels of one metric ton of NCC per day destined for industrial market applications around the world.

Finally, we are investing in other projects including an Integrated Biorefinery concept, lignin isolation with the LignoBoost project at our Plymouth, pulp mill, and fast pyrolysis of biomass with partial upgrading of bio-oil.

So referring back to who we are - a fiber procuring and processing business - we are now thinking of our manufacturing system as a plug and play system whereby we unplug fine paper making capacity as declining demand warrants, while at the same time forward integrating our pulp by moving downstream.

This is our path of sustainable growth. Paper making will always be the platform to support our growth, but over the coming years you'll start to see other pieces starting to play a growing role in our business profile.

Last summer, we acquired Attends Healthcare, Inc. of Greenville, North Carolina, a manufacturer of adult incontinence care products sold under the "Attends" brand. And just a few weeks ago we announced that we intend to purchase Attends Europe to consolidate our ownership of the brand on both sides of the Atlantic bringing back together two businesses that were once operating under the same umbrella.

This measured entry into the consumer products market is driven by our quest to bring some growth into our traditional business that is seeing secular demand declines that is expected to continue going forward. The aging populations of North America and Europe, on the other hand, are projected to drive strong demand for incontinence care products so we see this as a golden opportunity to take our existing fluff pulp production expertise and connect it to an end-product that is fuelled by demographics that will drive demand growth for many years to come.

As you have heard today, Domtar is evolving in ways that marry sustainability and profitability. And we plan to continue breaking new ground in our business and industry. Our performance proves that sustainability is not just the "right thing to do" from a social and environmental perspective but also from a business perspective. We have a long-standing commitment to responsible forest management and a strong desire to build a business for the decades to come. The pulp and paper industry is one of the cornerstones of this country and provides well-paid jobs to over 2 million people in the US. Sustainability is the way to ensure that this will continue.

Domtar is at the vanguard of this business shift and we encourage all our industry colleagues here today to join us in carrying and living the sustainability message – if you aren't already!

I want to touch briefly now on the business outlook for Domtar because I imagine many of you are facing similar headwinds as well as opportunities in our globalized economy.

The ongoing financial instability in Europe and restrictive monetary policy in China are leaving all of us concerned over risks of a global recession. But Corporate America has done a good job of reducing debt loads, Domtar is most certainly leading the paper industry, and we are starting to see employment figures improving. Our view is for uncoated freesheet paper demand decline in 2012 consistent with the long-term rate decline rate of 2-4% per year in North America with some fluctuations in the trend.

Our effort to develop new businesses in new markets and geographies has allowed our volumes to remain steady in 2011, and we will continue the work to shift some of our mix into specialty paper grades where demand trends are more consistent with GDP growth. Our just-announced end-of-year financial results demonstrate that we are showing the Agility required to succeed as a 21st century business.

In 2011, Domtar generated over 1 billion dollars of EBITDA and 740 million dollars of free cash flow. Our solid performance was on par with our record earnings in 2010 and it allowed us to pursue a more aggressive capital allocation policy, delivering on our commitment to return a majority of free cash to shareholders.

Looking back at the fourth quarter of 2011 we certainly delivered a strong finish to a great year. We have a solid balance sheet, with plenty of capacity to make sensible investments going forward. Our teams continue to execute and keep the focus on the 3 Cs - Customers, Costs and Cash - while moving forward on our strategic growth plan. We will continue to pursue acquisition opportunities that fit our growth strategy and our goal is to ultimately target 300 to 500 million dollars of annualized EBITDA from alternative segments within 5 years.

As we continue to investigate opportunities to go beyond the traditional pulp and paper business, we remain committed to maintaining our standing as the sustainability leader in our industry. I have been in this role for over three years and right when I joined I came to appreciate how fascinating the Domtar story is.

More important is the next chapter that we are in the process of writing. My role is to bring our troops together around a common goal and to motivate them as we move towards achieving our objectives. Before concluding, I would invite you to pay attention to the following short video clip and I will come back with some final comments and then we can move into a question and answer session.

From this tapestry I hope you all captured some of the essence of our legacy, but also the aspiration we have to further build on the fiber of our people to position this great company as a global leader in fiber innovation for the 21st century.

So to sum up - Domtar has three unwavering business priorities:

Number one is to grow and find ways to become less vulnerable to the secular decline of the Uncoated Free Sheet business;

Number two is to reduce volatility by increasing the visibility and predictability of our earnings; and

Number three is to create value over time by making sure that our use of capital can generate returns in excess of our cost of capital.

With that, our vision is to be the leader in innovating fiber-based products, technologies, and services; committed to a sustainable and better future. And the driving force that will enable us to achieve this sustainable business model are three core values we live every day, defining who we are and how we do business: Agility, Caring and Innovation.

So to conclude, what I want to leave you with is the conviction that Domtar most definitely rests on a solid footing looking for acquisitions and investments that make both financial and strategic sense. I hope I've given you a better understanding of the Fiber of Domtar, and how your respective companies could fit into our story as we build a business tailored for success in the 21st century.

I thank you for your attention and I will now gladly take questions.