Buron Daniel Form 4 February 18, 2011

FORM 4

UNITED STATES SECURITIES AND EXCHANGE COMMISSION Washington, D.C. 20549

STATEMENT OF CHANGES IN BENEFICIAL OWNERSHIP OF

SECURITIES

OMB Number:

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OMB APPROVAL

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obligations may continue. See Instruction

Filed pursuant to Section 16(a) of the Securities Exchange Act of 1934, Section 17(a) of the Public Utility Holding Company Act of 1935 or Section 30(h) of the Investment Company Act of 1940

1(b).

(Print or Type Responses)

(Time of Type I	(Caponaea)						
1. Name and A Buron Danie	address of Reporting I el	Symbol	r Name and Ticker or Trading CORP [UFS]	5. Relationship of Reporting Person(s) to Issuer (Check all applicable)			
(Last)	(First) (M	fiddle) 3. Date o	f Earliest Transaction	(Check an approacte)			
		(Month/I	Day/Year)	Director 10% Owner			
	'AR TION, 395 DE EUVE BOULEV	02/16/2	•	Officer (give title Other (specify below) Senior VP and CFO			
	(Street)	1 If Ame	endment, Date Original	6. Individual or Joint/Group Filing(Check			
	(Succes)		nth/Day/Year)	Applicable Line) _X_ Form filed by One Reporting Person			
MONTREA	L, A8 H3A 1L6			Form filed by More than One Reporting Person			
(City) (State) (Zip) Table I - Non-Derivative Securities Acquired, Disposed of, or Bene							
1.Title of Security (Instr. 3)	2. Transaction Date (Month/Day/Year)	2A. Deemed Execution Date, if any (Month/Day/Year)	3. 4. Securities Acquired Transaction(A) or Disposed of (D) Code (Instr. 3, 4 and 5) (Instr. 8) (A) or Code V Amount (D) Price	5. Amount of Securities Form: Direct Indirect Beneficially (D) or Beneficial Owned Indirect (I) Ownership Following (Instr. 4) (Instr. 4) Reported Transaction(s) (Instr. 3 and 4)			

(T. (2)	(interior Buy, 1 cm)	Energia Eure, ii		(1) 01 2	•	` ′	D. C. : II	(D)	D
(Instr. 3)		any (Manth/Day/Vaan)	Code	(Instr. 3,	4 and	3)	Beneficially	(D) or Indirect (I)	Ben
		(Month/Day/Year)	(Instr. 8)				Owned Following	(Instr. 4)	Ow: (Ins
							Reported	(111501. 4)	(1113
					(A)		Transaction(s)		
			Code V	Amount	or (D)	Price	(Instr. 3 and 4)		
Common Stock	02/17/2011		M	2,416	A	\$ 75.98 (1)	9,825.4228 (2)	D	
Common Stock	02/17/2011		S	2,211 (3)	D	\$ 93.36 (5)	7,614.4228 (2)	D	
Common Stock	02/16/2011		S	5,384	D	\$ 93.93 (6)	2,243.4228 (2)	D	

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Reminder: Report on a separate line for each class of securities beneficially owned directly or indirectly.

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Table II - Derivative Securities Acquired, Disposed of, or Beneficially Owned (e.g., puts, calls, warrants, options, convertible securities)

1. Title of Derivative Security (Instr. 3)	2. Conversion or Exercise Price of Derivative Security	3. Transaction Date (Month/Day/Year)	3A. Deemed Execution Date, if any (Month/Day/Year)	4. Transactic Code (Instr. 8)	Transaction Derivative Code Securities		6. Date Exercisable and Expiration Date (Month/Day/Year)		7. Title and Amount of Underlying Securities (Instr. 3 and 4)	
				Code V	(A) (D)	Date Exercisable	Expiration Date	Title	Amount or Number of Shares	
Employee Stock Option (right to buy)	\$ 75.98 (1)	02/17/2011		M	2,416 (4)	<u>(4)</u>	02/26/2012	Common Stock	2,416	

Reporting Owners

Reporting Owner Name / Address

Relationships

Director 10% Owner Officer Other

Buron Daniel C/O DOMTAR CORPORATION 395 DE MAISONNEUVE BOULEVARD WEST MONTREAL, A8 H3A 1L6

Senior VP and CFO

Signatures

Razvan L. Theodoru, Attorney-in-fact for Mr.

Buron

02/18/2011

**Signature of Reporting Person Date

Explanation of Responses:

- * If the form is filed by more than one reporting person, see Instruction 4(b)(v).
- ** Intentional misstatements or omissions of facts constitute Federal Criminal Violations. See 18 U.S.C. 1001 and 15 U.S.C. 78ff(a).
- (1) The price has been adjusted to reflect the reverse stock split for a ratio of 1-for-12 of the issuer's common shares, which became effective June 10, 2009; price converted from CDN\$74.76 to US\$ at the spot exchange rate of 1.0164 on the date of the transaction.
- (2) Includes restricted stock units and performance conditioned restricted stock units.

Reporting Owners 2

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- (3) Shares sold to fund exercise price and withholding taxes due on the exercised stock options. The remaining shares are required to be held for at least 12 months.
- The options vest in approximately equal annual installments on the first four anniversaries of the grant date and become exercisable if (4) exercise conditions are satisfied. The options were granted on February 27, 2006 and 100 percent of the options were vested as of December 31, 2010.
- This transaction was executed in multiple trades at prices ranging from CDN\$91.81 to \$91.87. The price reported above is the weighted average sale price, converted from CDN\$ to US\$ at the spot exchange rate of 1.0164. on the date of the transaction. The reporting person hereby undertakes to provide upon request to the SEC, the issuer or a security holder of the issuer full information regarding the number of shares and prices at which the transaction was effected.
- (6) The price was converted from CDN\$92.57 to US\$ at the spot exchange rate of 1.0147 on the date of the transaction.

Note: File three copies of this Form, one of which must be manually signed. If space is insufficient, *see* Instruction 6 for procedure. Potential persons who are to respond to the collection of information contained in this form are not required to respond unless the form displays a currently valid OMB number.