

**Sappi Group  
(Sappi Limited)  
THIRD QUARTER: FISCAL YEAR 2019  
FINANCIAL RESULTS AND OPERATIONAL DATA ENDED  
30 JUNE 2019**

**1 AUGUST 2019**

**This report is being furnished to The Bank of New York Mellon as trustee for the Senior Secured Notes of Sappi Papier Holding GmbH due 2022 issued pursuant to the indentures dated as of March 12, 2015; and the Senior Secured Notes of Sappi Papier Holding GmbH due 2023 issued pursuant to the indentures dated as of March 31, 2016; in each case pursuant to Section 4.03 of the indentures governing such Senior Notes.**

**On 31 August 2016, Sappi has released all existing security previously granted to secure certain indebtedness, including these Senior Notes.**

**CAUTIONARY STATEMENT REGARDING FORWARD-LOOKING STATEMENTS**

Except for historical information contained herein, statements contained in this report may constitute “forward-looking statements.” The words “believe”, “anticipate”, “expect”, “intend”, “estimate”, “plan”, “assume”, “positioned”, “will”, “may”, “should”, “risk” and other similar expressions, which are predictions of or indicate future events and future trends and which do not relate to historical matters, identify forward-looking statements. In addition, this document includes forward-looking statements relating to our potential exposure to various types of market risks, such as interest rate risk, foreign exchange rate risk and commodity price risk. You should not rely on forward-looking statements because they involve known and unknown risks, uncertainties and other factors which are in some cases beyond our control and may cause our actual results, performance or achievements to differ materially from anticipated future results, performance or achievements expressed or implied by such forward-looking statements (and from past results, performance or achievements). Certain factors that may cause such differences include but are not limited to:

- the highly cyclical nature of the pulp and paper industry (and the factors that contribute to such cyclicity, such as levels of demand, production capacity, production, input costs including raw material, energy and employee costs, and pricing);
- the impact on our business of adverse changes in global economic conditions;
- unanticipated production disruptions (including as a result of planned or unexpected power outages);
- changes in environmental, tax and other laws and regulations;
- adverse changes in the markets for our products;
- the emergence of new technologies and changes in consumer trends including increased preferences for digital media;
- consequences of our leverage, including as a result of adverse changes in credit markets that affect our ability to raise capital when needed;
- adverse changes in the political situation and economy in the countries in which we operate or the effect of governmental efforts to address present or future economic or social problems;
- the impact of restructurings, investments, acquisitions, dispositions and other strategic initiatives (including related financing), any delays, unexpected costs or other problems experienced in connection with dispositions or with integrating acquisitions or implementing restructuring or other strategic initiatives, and achieving expected savings and synergies; and
- currency fluctuations.

For a discussion of the above factors and certain additional factors, refer to the document entitled “Risk Report” attached to the 2018 Annual Integrated Report as disclosed in the “Bond Reporting Requirements” section of our webpage ([www.sappi.com](http://www.sappi.com)) under “Sappi Papier Holdings”. These factors are not necessarily all of the important factors that could cause our actual results to differ materially from those expressed in any forward-looking statements. Other unknown or unpredictable factors could also have material adverse effects on future results.

You are cautioned not to place undue reliance on these forward-looking statements. These forward-looking statements are made as of the date of this report or as of the date specified therein and are not intended to give any assurance as to future results. We undertake no obligation to publicly update or revise any of these forward-looking statements, whether to reflect new information or future events or circumstances or otherwise.



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Third quarter results for the  
period ended June 2019

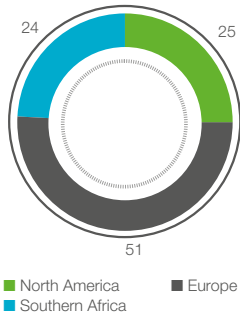
# 3rd quarter results

Sappi is a global diversified woodfibre company focused on providing dissolving wood pulp, packaging and speciality papers, printing and writing papers as well as biomaterials and biochemicals to our direct and indirect customer base across more than 150 countries.

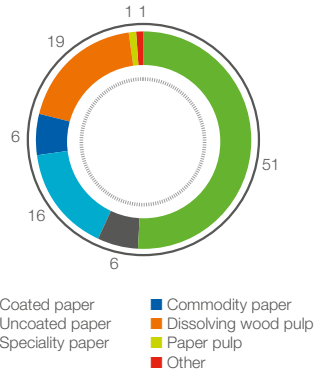
Our dissolving wood pulp products are used worldwide mainly by converters to create viscose fibre for fashionable clothing and textiles, as well as other consumer products; quality packaging and speciality papers are used in the manufacture of such products as soup sachets, luxury carry bags, cosmetic and confectionery packaging, boxes for agricultural products for export, tissue wadding for household tissue products and casting release papers used by suppliers to the fashion, textiles, automobile and household industries; our market-leading range of printing and writing papers are used by printers in the production of books, brochures, magazines, catalogues, direct mail and many other print applications; biomaterials include nanocellulose, fibre composites and lignosulphonate; biochemicals include second generation sugars.

The wood and pulp needed for our products are either produced within Sappi or bought from accredited suppliers. Sappi sells almost as much as it buys.

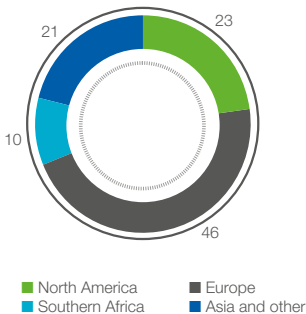
Sales by source\* (%)



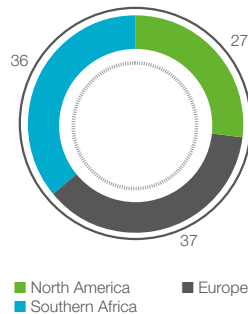
Sales by product\* (%)



Sales by destination\* (%)



Net operating assets\*\* (%)



\* For the period ended June 2019. \*\* As at June 2019.

## Highlights for the quarter

EBITDA excluding special items

**US\$118 million**

(Q3 2018 US\$155 million)

EPS excluding special items

**4 US cents**

(Q3 2018 10 US cents)

Profit for the period

**US\$8 million**

(Q3 2018 US\$51 million)

Net debt

**US\$1,728 million**

(Q3 2018 US\$1,603 million)

	Quarter ended			Nine months ended	
	Jun 2019	Jun 2018	Mar 2019	Jun 2019	Jun 2018
<b>Key figures: (US\$ million)</b>					
Sales	<b>1,371</b>	1,445	1,503	<b>4,292</b>	4,271
Operating profit excluding special items <sup>(1)</sup>	<b>48</b>	85	117	<b>293</b>	332
Special items – loss (gain) <sup>(2)</sup>	<b>2</b>	1	–	<b>7</b>	(22)
EBITDA excluding special items <sup>(1)</sup>	<b>118</b>	155	187	<b>502</b>	538
Profit for the period	<b>8</b>	51	72	<b>161</b>	216
Basic earnings per share (US cents)	<b>1</b>	9	13	<b>30</b>	40
EPS excluding special items (US cents) <sup>(3)</sup>	<b>4</b>	10	13	<b>33</b>	41
Net debt <sup>(3)</sup>	<b>1,728</b>	1,603	1,680	<b>1,728</b>	1,603
<b>Key ratios: (%)</b>					
Operating profit excluding special items to sales	<b>3.5</b>	5.9	7.8	<b>6.8</b>	7.8
Operating profit excluding special items to capital employed (ROCE) <sup>(3)</sup>	<b>5.2</b>	9.7	13.1	<b>10.7</b>	13.6
EBITDA excluding special items to sales	<b>8.6</b>	10.7	12.4	<b>11.7</b>	12.6
Net debt to EBITDA excluding special items	<b>2.4</b>	2.1	2.2	<b>2.4</b>	2.1
Interest cover <sup>(3)</sup>	<b>9.6</b>	11.0	10.5	<b>9.6</b>	11.0
Net asset value per share (US cents) <sup>(3)</sup>	<b>375</b>	342	366	<b>375</b>	342

<sup>(1)</sup> Refer to note 2 to the group results for the reconciliation of EBITDA excluding special items and operating profit excluding special items to segment operating profit, and profit for the period.

<sup>(2)</sup> Refer to note 2 to the group results for details on special items.

<sup>(3)</sup> Refer to supplemental information for the definition of the term.

## Commentary on the quarter

Market conditions across Sappi's major product categories were challenging during the quarter. The principal factors affecting results were sluggish graphic paper demand, resulting in 89,000 tons of production downtime scheduled across our European and North American paper operations and dissolving wood pulp (DWP) prices that weakened significantly due to soft viscose staple fibre (VSF) markets. Due to the seasonality of the business we also scheduled much of our maintenance activity during this period, including annual shuts at Ngodwana, Saiccor and Cloquet Mills.

The company continued to take action to diversify its product portfolio into higher margin segments and position the company for future growth. The recent projects to increase capacity at each of the DWP mills and convert capacity at Somerset and Maastricht towards packaging boosted sales volumes in each of these segments during the quarter, thereby lessening the impact of particularly weak graphic paper markets.

The group generated EBITDA excluding special items of US\$118 million, 24% below that of last year. Profit for the period decreased from US\$51 million to US\$8 million due to the lower operating profit and a US\$9 million once-off finance costs charge to the income statement for the refinancing of the 2022 bonds.

VSF markets were under significant pressure due to excess capacity and weak textile exports from China. The margins for VSF producers were squeezed which also impacted DWP demand. The situation was exacerbated by the low paper pulp prices, which removed any incentive for swing producers to move away from DWP. Consequently, prices for DWP followed VSF downwards and dropped to US\$786/ton by quarter end, the lowest level in a decade. The weaker Rand/US Dollar exchange rate and the quarter lag in contracted pricing benefited the South African business somewhat.

Packaging and speciality markets were mixed across our regions, with demand for packaging offsetting weakness in the consumer speciality grades. A late start to

the citrus season in South Africa also lowered volumes. The ramp-up of commercial volumes from both Somerset and Maastricht proceeded according to plan, however, profitability remains constrained in both cases by the product qualification process as well as lower average pricing during this period.

Higher average net selling prices and purchased pulp prices that declined throughout the quarter partially offset the impact of weak graphic paper sales into the publishing sector in Europe. The conversion of Lanaken PM8 from coated mechanical to coated woodfree was completed during the quarter, with some impact on fixed costs and production volumes.

The North American business remained under pressure, with weak graphic paper markets, lower dissolving wood pulp prices, the annual maintenance shut at Cloquet and the continued ramp-up of Somerset PM1 all weighing on margins.

Earnings per share excluding special items was 4 US cents, a decrease from the 10 US cents generated in the equivalent quarter last year. Special items and once-off finance costs reduced earnings by US\$14 million.

## Cash flow and debt

Net cash utilised was US\$17 million, compared to the US\$41 million utilised in the equivalent quarter last year, as a result of lower capital expenditure and a reduction in cash finance costs.

Cash taxes for the quarter were US\$5 million, a slight decrease on that of the prior year. Once-off cash costs of US\$4 million related to the refinancing of the 2022 bonds were also incurred in the quarter.

Net debt increased by US\$48 million from the prior quarter to US\$1,728 million as a result of the cash utilised in the quarter and the weaker Euro/Dollar exchange rate which increased the US Dollar translation of Euro denominated debt.

Liquidity comprised cash on hand of US\$226 million and US\$668 million available from the group's undrawn committed revolving credit facilities.

## Operating review for the quarter

### Europe

€ million	Jun 2019	Quarter ended			
		Mar 2019	Dec 2018	Sept 2018	Jun 2018
Sales	<b>637</b>	675	642	671	636
Operating profit excluding special items	<b>18</b>	24	30	38	31
<i>Operating profit excluding special items to sales (%)</i>	<b>2.8</b>	3.6	4.7	5.7	4.9
EBITDA excluding special items	<b>46</b>	50	59	71	60
<i>EBITDA excluding special items to sales (%)</i>	<b>7.2</b>	7.4	9.2	10.6	9.4
<i>RONOA pa (%)</i>	<b>5.1</b>	6.9	8.8	11.3	9.3

The European business continued to be affected by weak graphic paper markets, with higher average selling prices insufficient to offset lower sales volumes, production curtailment and a rise in input costs.

Sappi gained significant market share in coated woodfree as competitors looked to exit the market and, as a result, volumes were down only 3%. However, due to a weak publication paper demand and the Lanaken PM8 conversion, coated mechanical paper volumes were significantly lower. In order to manage inventory levels 30,000 tons of production downtime were taken in the quarter. Production was also impacted by the extended shut at Lanaken to complete the conversion of PM8 to coated woodfree. The project was completed on time and within budget. Average net selling prices for the graphics grades were 5% higher year-on-year.

Volumes in the packaging and specialties business were flat year-on-year, with stable packaging demand offsetting weakness in the consumer speciality products, especially for release liner. Average sales prices were up 4% over the prior year, matching variable cost prices increases.

Variable costs in Euro were 3% higher year-on-year, driven by higher softwood pulp and wood prices, with the weaker Euro more than offsetting US Dollar price declines. However, pulp, energy and wood costs all declined compared to the prior quarter. Fixed costs were flat year-on-year.

## Operating review for the quarter continued

### North America

US\$ million	Jun 2019	Quarter ended				
		Mar 2019	Dec 2018	Sept 2018	Jun 2018	Mar 2018
Sales	<b>343</b>	378	351	388	339	363
Operating profit (loss) excluding special items	<b>(9)</b>	10	9	31	1	18
<i>Operating profit (loss) excluding special items to sales (%)</i>	<b>(2.6)</b>	2.6	2.6	8.0	0.3	5.0
EBITDA excluding special items	<b>11</b>	31	29	51	20	37
<i>EBITDA excluding special items to sales (%)</i>	<b>3.2</b>	8.2	8.3	13.1	5.9	10.2
RONOA <i>pa (%)</i>	<b>(3.0)</b>	3.4	3.2	10.9	0.4	6.8

Higher coated paper prices and lower fixed costs were insufficient to offset the impact of a very weak domestic graphic paper market. Industry apparent consumption fell an estimated 15% for the quarter year-on-year, which necessitated 59,000 tons of production downtime to manage inventory levels.

Significant coated woodfree price increases last year led to an inventory build and affected downstream demand which was further exacerbated by some customers downgrading to coated mechanical and uncoated paper. Softer demand, along with a surge in imports earlier in the year, have pulled selling prices downwards since February.

DWP sales volumes increased year-on-year, with the successful debottlenecking of the Cloquet Mill in April. Average net selling prices were 4% below those of last year.

The ramp-up of Somerset PM1 paperboard grades progressed with commercial sales volumes up 38% on the prior quarter, however, average net selling prices remain below target and variable costs above optimum as we grow the business and optimise the machine. Overall packaging and speciality volumes were 88% higher than the prior year.

Variable costs were 5% higher than a year ago due to operating inefficiencies arising from the production downtime as well as higher wood and energy costs, but 1% lower than the prior quarter as the Somerset ramp-up progressed and pulp costs started to decline. Fixed costs were 7% lower year-on-year as the comparative quarter last year included costs related to the Somerset PM1 conversion.



## Southern Africa

ZAR million	Jun 2019	Quarter ended			
		Mar 2019	Dec 2018	Sept 2018	Jun 2018
Sales	<b>4,720</b>	5,234	4,981	5,103	4,383
Operating profit excluding special items	<b>496</b>	1,121	1,217	1,081	553
<i>Operating profit excluding special items to sales (%)</i>	<b>10.5</b>	21.4	24.4	21.2	12.6
EBITDA excluding special items	<b>754</b>	1,374	1,446	1,344	742
<i>EBITDA excluding special items to sales (%)</i>	<b>16.0</b>	26.3	29.0	26.3	16.9
<i>RONOA pa (%)</i>	<b>9.0</b>	21.1	24.0	22.4	11.9

The Southern African results were impacted by lower average US Dollar pricing for DWP and a delayed start to the citrus season which impacted containerboard sales volumes. A weaker Rand/US Dollar exchange rate only partially offset these factors.

US Dollar DWP sales prices declined as continued pressure from excess VSF capacity impacted textile fibre prices and VSF producers lowered their demand for DWP. Sales volumes were marginally up year-on-year, but some 20% below those of the prior quarter as scheduled maintenance shuts were completed at both Saiccor and Ngodwana Mills during the quarter.

Packaging sales volumes were below those of the prior year due to the timing differences on citrus exports, while local sales prices increased to match variable cost rises. Newsprint sales volumes were negatively impacted by low stock volumes post the annual maintenance shut.

Fixed costs rose in line with inflation, while variable costs were 14% higher as a result of a higher proportion of DWP production and by increases in energy and wood costs.

## Directorate

On 13 May 2019 the board announced the appointment of Ms Janice E Stipp as independent non-executive director with effect from 1 June 2019.

## Post balance sheet event

On 31 July 2019, Sappi signed an agreement to acquire, subject to conditions precedent including the prerequisite approvals of certain anti-trust authorities, the 270,000 ton Matane high yield hardwood pulp mill, in Quebec, Canada, from Rayonier Advanced Materials Inc for US\$175 million. The acquisition will increase Sappi's pulp integration for both its North American and European packaging businesses and lower Sappi's costs of pulp, reduce its volatility of earnings throughout the pulp cycle and provide certainty of supply. The acquisition will be financed from internal resources and is expected to be concluded in the fourth calendar quarter of 2019. A separate JSE SENS announcement will be made in this regard.

## Outlook

DWP pricing is expected to continue to be under pressure while VSF producers are impacted by low margins, paper pulp prices remain low and uncertainty exists in textile markets as a result of the US/China trade tensions. Our DWP sales volumes are expected to stay healthy and the expanded production capacity at Saiccor, Ngodwana and Cloquet will be utilised to meet customer demand.

Packaging and speciality markets show good growth prospects, however, growth has slowed in some segments due to general economic conditions. Raw material prices, particularly paper pulp, are declining and offer some relief for margins. Demand for South African packaging products is expected to be strong going into the local spring. The ramp-up and product mix

optimisation process continues at Somerset and Maastricht as qualification and customer acceptance is completed. As mentioned above, the acquisition of Matane Mill will increase the pulp integration for our North American and European packaging businesses, and lower costs going forward.

Persistent weakness in graphic paper markets will require further production downtime in the coming quarter. Sufficient capacity is expected to be shut or converted within the industry, thereby allowing operating rates and margins to recover in future periods. Lower paper pulp prices are offering some relief, however, paper prices in both US and Europe have declined due to current market conditions.

Capital expenditure for the remainder of the year is expected to be approximately US\$200 million as we continue the transition to growing and higher margin segments. Major projects currently underway include the 110,000 ton expansion at Saiccor Mill and the final commissioning of Lanaken PM8 after the conversion from coated mechanical to coated woodfree paper. No other major projects are currently committed and therefore we expect annual capex levels to reduce over the next two years.

Given the current weak market conditions for graphic paper, DWP pricing pressure from oversupplied VSF markets and global economic uncertainty related to trade wars, our fourth quarter profitability will likely be below that of the prior year.

On behalf of the board

**S R Binnie**  
*Director*

**G T Pearce**  
*Director*

1 August 2019

## Forward-looking statements

*Certain statements in this release that are neither reported financial results nor other historical information, are forward-looking statements, including but not limited to statements that are predictions of or indicate future earnings, savings, synergies, events, trends, plans or objectives. The words “believe”, “anticipate”, “expect”, “intend”, “estimate”, “plan”, “assume”, “positioned”, “will”, “may”, “should”, “risk” and other similar expressions, which are predictions of or indicate future events and future trends and which do not relate to historical matters, and may be used to identify forward-looking statements. You should not rely on forward-looking statements because they involve known and unknown risks, uncertainties and other factors which are in some cases beyond our control and may cause our actual results, performance or achievements to differ materially from anticipated future results, performance or achievements expressed or implied by such forward-looking statements (and from past results, performance or achievements). Certain factors that may cause such differences include but are not limited to:*

- *the highly cyclical nature of the pulp and paper industry (and the factors that contribute to such cyclicity, such as levels of demand, production capacity, production, input costs including raw material, energy and employee costs, and pricing);*
- *the impact on our business of a global economic downturn;*

- *unanticipated production disruptions (including as a result of planned or unexpected power outages);*
- *changes in environmental, tax and other laws and regulations;*
- *adverse changes in the markets for our products;*
- *the emergence of new technologies and changes in consumer trends including increased preferences for digital media;*
- *consequences of our leverage, including as a result of adverse changes in credit markets that affect our ability to raise capital when needed;*
- *adverse changes in the political situation and economy in the countries in which we operate or the effect of governmental efforts to address present or future economic or social problems;*
- *the impact of restructurings, investments, acquisitions, dispositions and other strategic initiatives (including related financing), any delays, unexpected costs or other problems experienced in connection with dispositions or with integrating acquisitions or implementing restructuring and other strategic initiatives and achieving expected savings and synergies; and*
- *currency fluctuations.*

*We undertake no obligation to publicly update or revise any of these forward-looking statements, whether to reflect new information or future events or circumstances or otherwise.*

## Condensed group income statement

US\$ million	Note	Quarter ended		Nine months ended	
		Jun 2019	Jun 2018	Jun 2019	Jun 2018
<b>Sales</b>		<b>1,371</b>	1,445	<b>4,292</b>	4,271
Cost of sales		<b>1,236</b>	1,270	<b>3,722</b>	3,635
Gross profit		<b>135</b>	175	<b>570</b>	636
Selling, general and administrative expenses		<b>86</b>	93	<b>273</b>	293
Other operating expenses		<b>4</b>	(2)	<b>14</b>	(8)
Share of profit from equity investments		<b>(1)</b>	–	<b>(3)</b>	(3)
<b>Operating profit</b>	3	<b>46</b>	84	<b>286</b>	354
Net finance costs		<b>28</b>	18	<b>65</b>	54
Net interest expense		<b>30</b>	19	<b>70</b>	58
Interest capitalised		–	(1)	–	(2)
Net foreign exchange gain		<b>(2)</b>	–	<b>(5)</b>	(2)
<b>Profit before taxation</b>		<b>18</b>	66	<b>221</b>	300
Taxation <sup>(1)</sup>		<b>10</b>	15	<b>60</b>	84
<b>Profit for the period</b>		<b>8</b>	51	<b>161</b>	216
<b>Basic earnings per share (US cents)</b>	4	<b>1</b>	9	<b>30</b>	40
Weighted average number of shares in issue (millions)		<b>542.7</b>	538.9	<b>541.7</b>	537.8
<b>Diluted earnings per share (US cents)</b>	4	<b>1</b>	9	<b>29</b>	39
Weighted average number of shares on fully diluted basis (millions)		<b>546.4</b>	550.0	<b>547.9</b>	549.5

<sup>(1)</sup> For the nine months ended June 2018, there were tax rate changes in various countries resulting in a US\$17 million taxation charge recorded through the income statement and US\$19 million through other comprehensive income.

## Condensed group statement of other comprehensive income

US\$ million	Quarter ended		Nine months ended	
	Jun 2019	Jun 2018	Jun 2019	Jun 2018
Profit for the period	8	51	161	216
<b>Other comprehensive income, net of tax</b>				
<i>Items that will not be reclassified subsequently to profit or loss</i>				
Tax rate change <sup>(1)</sup>	-	-	-	(19)
<i>Items that may be reclassified subsequently to profit or loss</i>				
Exchange differences on translation of foreign operations	34	(180)	9	(31)
Movements in hedging reserves	3	(14)	(7)	(5)
Tax effect of above items	(1)	2	1	1
<b>Total comprehensive income for the period</b>	<b>42</b>	<b>(129)</b>	<b>170</b>	<b>166</b>

<sup>(1)</sup> For the nine months ended June 2018, there were tax rate changes in various countries resulting in a US\$17 million taxation charge recorded through the income statement and US\$19 million through other comprehensive income.

## Condensed group balance sheet

US\$ million	Note	Jun 2019	Reviewed Sept 2018
<b>ASSETS</b>			
<b>Non-current assets</b>		<b>3,874</b>	3,766
Property, plant and equipment		<b>3,095</b>	3,010
Plantations	5	<b>482</b>	466
Deferred tax assets		<b>104</b>	106
Goodwill and intangible assets		<b>57</b>	63
Equity-accounted investees		<b>33</b>	33
Other non-current assets		<b>103</b>	88
<b>Current assets</b>		<b>1,740</b>	1,904
Inventories		<b>780</b>	741
Trade and other receivables		<b>710</b>	767
Derivative financial assets		<b>13</b>	21
Taxation receivable		<b>11</b>	12
Cash and cash equivalents		<b>226</b>	363
<b>Total assets</b>		<b>5,614</b>	5,670
<b>EQUITY AND LIABILITIES</b>			
<b>Shareholders' equity</b>			
Ordinary shareholders' interest		<b>2,033</b>	1,947
<b>Non-current liabilities</b>		<b>2,499</b>	2,550
Interest-bearing borrowings		<b>1,762</b>	1,818
Deferred tax liabilities		<b>345</b>	335
Other non-current liabilities		<b>390</b>	397
Derivative financial instruments		<b>2</b>	–
<b>Current liabilities</b>		<b>1,082</b>	1,173
Interest-bearing borrowings		<b>191</b>	97
Overdrafts		<b>1</b>	16
Trade and other payables		<b>838</b>	1,009
Provisions		<b>6</b>	6
Derivative financial liabilities		<b>4</b>	6
Taxation payable		<b>42</b>	39
<b>Total equity and liabilities</b>		<b>5,614</b>	5,670
Number of shares in issue at balance sheet date (millions)		<b>542.7</b>	539.3

## Condensed group statement of cash flows

US\$ million	Quarter ended		Nine months ended	
	Jun 2019	Jun 2018	Jun 2019	Jun 2018
<b>Profit for the period</b>	<b>8</b>	51	<b>161</b>	216
<i>Adjustment for:</i>				
Depreciation, fellings and amortisation	<b>89</b>	87	<b>263</b>	255
Taxation	<b>10</b>	15	<b>60</b>	84
Net finance costs	<b>28</b>	18	<b>65</b>	54
Defined post-employment benefits paid	<b>(9)</b>	(11)	<b>(31)</b>	(33)
Plantation fair value adjustments	<b>(20)</b>	(25)	<b>(69)</b>	(82)
Asset impairments	–	–	<b>11</b>	–
Asset impairment reversals	–	(3)	<b>(8)</b>	(3)
Net restructuring provisions	–	–	–	(2)
(Profit) loss on disposal and written off assets	<b>1</b>	1	<b>4</b>	(8)
Other non-cash items <sup>(1)</sup>	<b>11</b>	8	<b>41</b>	16
<b>Cash generated from operations</b>	<b>118</b>	141	<b>497</b>	497
Movement in working capital	<b>20</b>	33	<b>(147)</b>	(85)
Net finance costs paid	<b>(15)</b>	(21)	<b>(40)</b>	(42)
Taxation (paid) refund	<b>(5)</b>	(6)	<b>(51)</b>	(50)
Dividend paid	–	–	<b>(92)</b>	(81)
<b>Cash generated from operating activities</b>	<b>118</b>	147	<b>167</b>	239
<b>Cash utilised in investing activities</b>	<b>(135)</b>	(188)	<b>(339)</b>	(519)
Capital expenditure	<b>(135)</b>	(188)	<b>(336)</b>	(395)
Proceeds on disposal of assets	<b>1</b>	1	<b>2</b>	11
Acquisition of subsidiary	–	–	–	(132)
Other non-current asset movements	<b>(1)</b>	(1)	<b>(5)</b>	(3)
<b>Net cash (utilised) generated</b>	<b>(17)</b>	(41)	<b>(172)</b>	(280)
<b>Cash effects of financing activities</b>	<b>(489)</b>	(71)	<b>44</b>	47
Proceeds from interest-bearing borrowings	<b>49</b>	(6)	<b>607</b>	116
Repayment of interest-bearing borrowings	<b>(538)</b>	(65)	<b>(563)</b>	(69)
<b>Net movement in cash and cash equivalents</b>	<b>(506)</b>	(112)	<b>(128)</b>	(233)
Cash and cash equivalents at beginning of period	<b>720</b>	459	<b>363</b>	550
Translation effects	<b>12</b>	(30)	<b>(9)</b>	–
<b>Cash and cash equivalents at end of period</b>	<b>226</b>	317	<b>226</b>	317

<sup>(1)</sup> Other non-cash items for the nine months ended June 2019 primarily relate to non-cash movements in the defined benefit liabilities and plan assets of US\$26 million (2018: US\$15 million).

## Condensed group statement of changes in equity

US\$ million	Nine months ended	
	Jun 2019	Jun 2018
Balance – beginning of period	1,947	1,747
Total comprehensive income for the period	170	166
Shareholders for dividend	(92)	(81)
Transfers from the share purchase trust	–	3
Transfers of vested share options	–	(1)
Share-based payment reserve	8	8
<b>Balance – end of period</b>	<b>2,033</b>	1,842
<b>Comprising</b>		
Ordinary share capital and premium	863	884
Non-distributable reserves	139	132
Foreign currency translation reserves	(173)	(176)
Hedging reserves	(34)	(37)
Retained earnings	1,238	1,039
<b>Total equity</b>	<b>2,033</b>	1,842



## Notes to the condensed group results

### 1. Basis of preparation

The condensed consolidated interim financial statements for the quarter and nine months ended June 2019 are prepared in accordance with the International Financial Reporting Standards, IAS 34 *Interim Financial Reporting*, the SAICA Financial Reporting Guides as issued by the Accounting Practices Committee and Financial Pronouncements as issued by Financial Reporting Standards Council and the requirements of the Companies Act of South Africa. The accounting policies applied in the preparation of these interim financial statements are in terms of International Financial Reporting Standards as issued by the IASB and are consistent with those applied in the previous annual financial statements except those new standards adopted and set out below under "Adoption of accounting standards in the current year".

The preparation of these condensed consolidated interim financial statements was supervised by the Chief Financial Officer, G T Pearce, CA(SA) and were authorised for issue on 1 August 2019.

The results are unaudited.

#### **Adoption of accounting standards in the current year**

The group has adopted the following standards and amendments to standards during the current year, all of which had no material impact on the groups reported results or financial position:

##### **IFRS 9 Financial Instruments**

IFRS 9 set out a new classification and measurement approach for financial assets that reflects the business model in which the assets are managed and their cash flow characteristics. The three principal classification categories for financial assets are: measured at amortised cost, fair value through profit or loss and fair value through other comprehensive income. The new classification did not have a significant impact compared to the previous accounting for financial assets under IAS 39. IFRS 9 replaced the 'incurred loss' model in IAS 39 with a forward-looking 'expected credit loss' (ECL) model. The group applied the practical expedient in IFRS 9 to calculate the ECL on trade receivables using a provision matrix. The application of the ECL model did not result in a material impact compared to the previous accounting under IAS 39. With respect to hedging, a new non-distributable equity reserve was created called cost of hedging reserve. This reserve is used to separate all time value of money and forward point valuations on hedged instruments, as required per IFRS 9. This resulted in an increase to retained earnings and a decrease to this 'cost of hedging reserve' of US\$4 million on adoption of IFRS 9.

##### **IFRS 15 Revenue from Contracts with Customers**

Revenue is derived principally from the sale of goods to customers and is measured at the fair value of the amount received or receivable after the deduction of trade and settlement discounts, rebates and customer returns. For the majority of local and regional sales, transfer occurs at the point of offloading the shipment into the customer's warehouse whereas for the majority of export sales, transfer occurs when the goods have been loaded onto the relevant carrier unless the contract of sale specifies different terms.

The adoption of IFRS 15 resulted in the group recognising revenue from delivery activities as a separate performance obligation when control of the goods pass to customers at the point when the goods have been loaded onto the relevant carrier for export sales. Given that the group is acting as an agent in these activities, revenue is recognised when the delivery is arranged which is considered to be at the point of loading of the goods resulting in no significant timing differences compared to revenue recognition under IAS 18. The related delivery costs have been set off against this revenue based on agent accounting principles whereas these were previously included in cost of sales. Refer to note 2 for the quantitative impact of this adjustment. The group elected to adopt IFRS 15 on a cumulative effect method.

Notes to the condensed group results *continued*

## 2. Segment information

Metric tons (000's)	Quarter ended		Nine months ended	
	Jun 2019	Jun 2018	Jun 2019	Jun 2018
<b>Sales volume</b>				
North America	320	318	991	1,008
Europe	789	833	2,440	2,502
Southern Africa – Pulp and paper	375	383	1,189	1,179
Forestry	369	380	992	882
<b>Total</b>	<b>1,853</b>	1,914	<b>5,612</b>	5,571
Which consists of:				
Dissolving wood pulp	285	277	932	866
Packaging and specialities papers	295	289	820	718
Printing and writing papers	904	968	2,868	3,105
Forestry	369	380	992	882

US\$ million	Quarter ended		Nine months ended	
	Jun 2019	Jun 2018	Jun 2019	Jun 2018
<b>Sales</b>				
North America	343	339	1,072	1,044
Europe	715	759	2,214	2,188
Southern Africa – Pulp and paper	307	325	991	983
Forestry	21	22	58	56
Delivery costs revenue adjustment <sup>(2)</sup>	(15)	–	(43)	–
<b>Total</b>	<b>1,371</b>	1,445	<b>4,292</b>	4,271
Which consists of:				
Dissolving wood pulp	244	245	815	765
Packaging and specialities papers	326	327	920	777
Printing and writing papers	795	851	2,542	2,673
Forestry	21	22	58	56
Delivery costs revenue adjustment <sup>(2)</sup>	(15)	–	(43)	–

<sup>(2)</sup> Relates to delivery costs netted off against revenue. Refer to note 1, IFRS 15 adoption.

## 2. Segment information continued

US\$ million	Quarter ended		Nine months ended	
	Jun 2019	Jun 2018	Jun 2019	Jun 2018
<b>Operating profit (loss) excluding special items</b>				
North America	(9)	1	10	18
Europe	20	37	81	119
Southern Africa	34	44	199	192
Unallocated and eliminations <sup>(1)</sup>	3	3	3	3
<b>Total</b>	<b>48</b>	<b>85</b>	<b>293</b>	<b>332</b>
Which consists of:				
Dissolving wood pulp	35	46	189	177
Packaging and specialities papers	3	18	26	59
Printing and writing papers	7	18	75	93
Unallocated and eliminations <sup>(1)</sup>	3	3	3	3
<b>Special items – (gains) losses</b>				
North America	–	1	13	3
Europe	(3)	(2)	2	(1)
Southern Africa	1	(6)	(16)	(35)
Unallocated and eliminations <sup>(1)</sup>	4	8	8	11
<b>Total</b>	<b>2</b>	<b>1</b>	<b>7</b>	<b>(22)</b>
<b>Segment operating profit (loss)</b>				
North America	(9)	–	(3)	15
Europe	23	39	79	120
Southern Africa	33	50	215	227
Unallocated and eliminations <sup>(1)</sup>	(1)	(5)	(5)	(8)
<b>Total</b>	<b>46</b>	<b>84</b>	<b>286</b>	<b>354</b>
<b>EBITDA excluding special items</b>				
North America	11	20	71	75
Europe	52	71	176	218
Southern Africa	52	59	251	240
Unallocated and eliminations <sup>(1)</sup>	3	5	4	5
<b>Total</b>	<b>118</b>	<b>155</b>	<b>502</b>	<b>538</b>
Which consists of:				
Dissolving wood pulp	49	60	232	218
Packaging and specialities papers	22	33	81	98
Printing and writing papers	44	57	185	217
Unallocated and eliminations <sup>(1)</sup>	3	5	4	5

<sup>(1)</sup> Includes the group's treasury operations and our insurance captive.

Notes to the condensed group results continued2. Segment information continued**Reconciliation of EBITDA excluding special items and operating profit excluding special items to segment operating profit and profit for the period**

Special items cover those items which management believe are material by nature or amount to the operating results and require separate disclosure.

US\$ million	Quarter ended		Nine months ended	
	Jun 2019	Jun 2018	Jun 2019	Jun 2018
<b>EBITDA excluding special items</b>	<b>118</b>	155	<b>502</b>	538
Depreciation and amortisation	<b>(70)</b>	(70)	<b>(209)</b>	(206)
<b>Operating profit excluding special items</b>	<b>48</b>	85	<b>293</b>	332
Special items – gains (losses)	<b>(2)</b>	(1)	<b>(7)</b>	22
Plantation price fair value adjustment	<b>1</b>	8	<b>14</b>	30
Acquisition costs	–	–	–	(2)
Net restructuring provisions	–	–	–	2
Profit (loss) on disposal and written off assets	<b>(1)</b>	(1)	<b>(4)</b>	8
Asset impairments	–	–	<b>(11)</b>	–
Asset impairment reversals	–	3	<b>8</b>	3
Black Economic Empowerment charge	–	–	–	(1)
Fire, flood, storm and other events	<b>(2)</b>	(11)	<b>(14)</b>	(18)
<b>Segment operating profit</b>	<b>46</b>	84	<b>286</b>	354
Net finance costs	<b>(28)</b>	(18)	<b>(65)</b>	(54)
<b>Profit before taxation</b>	<b>18</b>	66	<b>221</b>	300
Taxation	<b>(10)</b>	(15)	<b>(60)</b>	(84)
<b>Profit for the period</b>	<b>8</b>	51	<b>161</b>	216

## 2. Segment information continued

US\$ million	Nine months ended	
	Jun 2019	Jun 2018
<b>Segment assets</b>		
North America	1,177	1,141
Europe	1,609	1,556
Southern Africa	1,583	1,380
Unallocated and eliminations <sup>(1)</sup>	25	4
<b>Total</b>	<b>4,394</b>	4,081
<b>Reconciliation of segment assets to total assets</b>		
<b>Segment assets</b>	<b>4,394</b>	4,081
Deferred tax assets	104	92
Cash and cash equivalents	226	317
Trade and other payables	838	916
Provisions	6	4
Derivative financial instruments	4	11
Taxation payable	42	46
<b>Total assets</b>	<b>5,614</b>	5,467

<sup>(1)</sup> Includes the group's treasury operations and our insurance captive.

## 3. Operating profit

US\$ million	Quarter ended		Nine months ended	
	Jun 2019	Jun 2018	Jun 2019	Jun 2018
Included in operating profit are the following items:				
Depreciation and amortisation	70	70	209	206
Fair value adjustment on plantations (included in cost of sales)				
Changes in volume				
Fellings	19	17	54	49
Growth	(19)	(17)	(55)	(52)
	-	-	(1)	(3)
Plantation price fair value adjustment	(1)	(8)	(14)	(30)
	(1)	(8)	(15)	(33)
Net restructuring provisions	-	-	-	(2)
(Profit) loss on disposal and written off assets	1	1	4	(8)
Asset impairment reversals	-	(3)	(8)	(3)
Asset impairments	-	-	11	-

Notes to the condensed group results continued

## 4. Earnings per share

US\$ million	Quarter ended		Nine months ended	
	Jun 2019	Jun 2018	Jun 2019	Jun 2018
Basic earnings per share (US cents)	1	9	30	40
Headline earnings per share (US cents)	2	9	31	38
EPS excluding special items (US cents)	4	10	33	41
Weighted average number of shares in issue (millions)	542.7	538.9	541.7	537.8
Diluted earnings per share (US cents)	1	9	29	39
Diluted headline earnings per share (US cents)	2	9	30	38
Weighted average number of shares on fully diluted basis (millions)	546.4	550.0	547.9	549.5
<b>Calculation of headline earnings</b>				
Profit for the period	8	51	161	216
(Profit) loss on disposal and written off assets	1	1	4	(8)
Asset impairment reversals	–	(3)	(8)	(3)
Asset impairments	–	–	11	–
Tax effect of above items	1	(1)	(1)	2
<b>Headline earnings</b>	<b>10</b>	<b>48</b>	<b>167</b>	<b>207</b>
<b>Calculation of earnings excluding special items</b>				
Profit for the period	8	51	161	216
Special items after tax	5	1	10	(15)
Special items	2	1	7	(22)
Tax effect	3	–	3	7
Refinancing costs	9	–	9	–
Tax special items	–	–	–	19
<b>Earnings excluding special items</b>	<b>22</b>	<b>52</b>	<b>180</b>	<b>220</b>

## 5. Plantations

Plantations are stated at fair value less cost to sell at the harvesting stage. In arriving at plantation fair values, the key assumptions are estimated prices less cost of delivery, discount rates, volume and growth estimations.

Mature timber that is expected to be felled within 12 months from the end of the reporting period is valued using unadjusted current market prices. Mature timber that is to be felled in more than 12 months from the reporting date is valued using a 12-quarter rolling historical average price. Immature timber is valued using a discounted cash flow method taking into account the growth cycle of a plantation.

The fair value of plantations is a Level 3 measure in terms of the fair value measurement hierarchy as established by IFRS 13 *Fair Value Measurement*.

US\$ million	Jun 2019	Reviewed Sept 2018
Fair value of plantations at beginning of year	466	458
Additions	2	–
Gains arising from growth	55	69
In-field inventory	(3)	1
Gain arising from fair value price changes	14	27
Harvesting – agriculture produce (fellings)	(54)	(66)
Translation difference	2	(23)
Fair value of plantations at end of period	482	466

## 6. Financial instruments

The group's financial instruments that are measured at fair value on a recurring basis consist of derivative financial instruments, available-for-sale financial assets and a contingent consideration liability. These have been categorised in terms of the fair value measurement hierarchy as established by IFRS 13 *Fair Value Measurement* per the table below.

US\$ million	Fair value hierarchy	Fair value <sup>(1)</sup>	
		Jun 2019	Reviewed Sept 2018
Investment funds <sup>(2)</sup>	Level 1	7	7
Derivative financial assets	Level 2	13	21
Derivative financial liabilities	Level 2	6	6
Contingent consideration liability <sup>(3)</sup>	Level 3	5	7

<sup>(1)</sup> The fair value of the financial instruments is equal to their carrying value.

<sup>(2)</sup> Included in other non-current assets.

<sup>(3)</sup> Included in other non-current liabilities and trade and other payables.

## Notes to the condensed group results continued

### 6. Financial instruments continued

There have been no transfers of financial assets or financial liabilities between the categories of the fair value hierarchy.

The fair value of all external over-the-counter derivatives is calculated based on the discount rate adjustment technique. The discount rate used is derived from observable rates of return for comparable assets or liabilities traded in the market. The credit risk of the external counterparty is incorporated into the calculation of fair values of financial assets and own credit risk is incorporated in the measurement of financial liabilities. The change in fair value is therefore impacted by the movement of the interest rate curves, by the volatility of the applied credit spreads, and by any changes to the credit profile of the involved parties.

The contingent consideration is based on a multiple of targeted future earnings, of which a weighted average outcome has been considered.

There are no financial assets and liabilities that have been remeasured to fair value on a non-recurring basis.

The carrying amounts of other financial instruments which include cash and cash equivalents, accounts receivable, certain investments, accounts payable, bank overdrafts and current interest-bearing borrowings approximate their fair values.

### 7. Capital commitments

	Jun 2019	Reviewed Sept 2018
Contracted	264	293
Approved but not contracted	268	381
	<b>532</b>	674

### 8. Material balance sheet movements

#### Cash and interest-bearing borrowings

On 26 March 2019 the group raised an aggregate principal amount of €450 million (US\$505 million) in new senior unsecured notes due 2026 at a coupon of 3.125% per annum. The proceeds from these notes were used to redeem the full amount of the group's €450 million senior (US\$505 million) unsecured notes due 2022 on 10 April as the group exercised its option to early redeem these notes. The coupon on the notes redeemed was 3.375%.

On 17 May 2019 Sappi Southern Africa Limited entered into a new R1.5 billion (US\$107 million), five-year floating rate bilateral loan with Nedbank Limited. The loan was swapped from a floating rate to fixed rate via an interest rate swap. The loan matures on 16 May 2024 and will be repaid in a bullet payment.

#### Inventories and trade and other receivables and trade and other payables

The increase in inventories and decrease in trade and other receivables and trade and other payables is largely attributable to seasonal working capital movements.



**9. Related parties**

There has been no material change, by nature or amount, in transactions with related parties since the 2018 financial year-end except for The Boldt Company which is no longer considered a related party.

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**10. Accounting standards, interpretations and amendments to existing standards that are not yet effective**

There has been no significant change to managements estimates in respect of new accounting standards, amendments and interpretations to existing standards that have been published which are not yet effective and which have not yet been adopted by the group. Management is in the process of completing their assessment of IFRS 16 *Leases*.

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**11. Events after the balance sheet date**

On 31 July 2019, Sappi signed an agreement to acquire, subject to conditions precedent including the prerequisite approvals of certain anti-trust authorities, the 270,000 ton Matane high yield hardwood pulp mill, in Quebec, Canada, from Rayonier Advanced Materials Inc for US\$175 million. The acquisition will increase Sappi's pulp integration for both its North American and European packaging businesses and lower Sappi's costs of pulp, reduce its volatility of earnings throughout the pulp cycle and provide certainty of supply. The acquisition will be financed from internal resources and is expected to be concluded in the fourth calendar quarter of 2019.

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## Supplemental information (this information has not been audited or reviewed)

### General definitions

**Average** – averages are calculated as the sum of the opening and closing balances for the relevant period divided by two

**Broad-based Black Economic Empowerment (BBBEE) charge** – represents the IFRS 2 non-cash charge associated with the BBBEE transaction implemented in fiscal 2010 in terms of BBBEE legislation in South Africa

**Capital employed** – shareholders' equity plus net debt

**EBITDA excluding special items** – earnings before interest (net finance costs), taxation, depreciation, amortisation and special items

**EPS excluding special items** – earnings per share excluding special items and certain once-off finance and tax items

**Fellings** – the amount charged against the income statement representing the standing value of the plantations harvested

**Headline earnings** – as defined in circular 4/2018, issued by the South African Institute of Chartered Accountants in April 2018, which separates from earnings all separately identifiable remeasurements. It is not necessarily a measure of sustainable earnings. It is a Listings Requirement of the JSE Limited to disclose headline earnings per share

**Interest cover** – last 12 months EBITDA excluding special items to net interest adjusted for refinancing costs

**NBSK** – Northern Bleached Softwood Kraft pulp. One of the main varieties of market pulp, produced from coniferous trees (ie spruce, pine) in Scandinavia, Canada and northern USA. The price of NBSK is a benchmark widely used in the pulp and paper industry for comparative purposes

**Net assets** – total assets less total liabilities

**Net asset value per share** – net assets divided by the number of shares in issue at balance sheet date

**Net debt** – current and non-current interest-bearing borrowings, bank overdrafts less cash and cash equivalents

**Net debt to EBITDA excluding special items** – net debt divided by the last 12 months EBITDA excluding special items

**Net operating assets** – total assets (excluding deferred tax assets and cash) less current liabilities (excluding interest-bearing borrowings and overdraft). Net operating assets equate to segment assets

**Operating profit** – A profit from business operations before deduction of net finance costs and taxes

**Non-GAAP measures** – the group believes that it is useful to report certain non-GAAP measures for the following reasons:

- these measures are used by the group for internal performance analysis;
- the presentation by the group's reported business segments of these measures facilitates comparability with other companies in our industry, although the group's measures may not be comparable with similarly titled profit measurements reported by other companies; and
- it is useful in connection with discussion with the investment analyst community and debt rating agencies

These non-GAAP measures should not be considered in isolation or construed as a substitute for GAAP measures in accordance with IFRS

**ROCE** – annualised return on average capital employed. Operating profit excluding special items divided by average capital employed

**RONOA** – return on average net operating assets. Operating profit excluding special items divided by average net operating assets

**Special items** – special items cover those items which management believes are material by nature or amount to the operating results and require separate disclosure. Such items would generally include profit or loss on disposal of property, investments and businesses, asset impairments, restructuring charges, non-recurring integration costs related to acquisitions, financial impacts of natural disasters, non-cash gains or losses on the price fair value adjustment of plantations and alternative fuel tax credits receivable in cash

*The above financial measures are presented to assist our shareholders and the investment community in interpreting our financial results. These financial measures are regularly used and compared between companies in our industry.*

## Supplemental information (this information has not been audited or reviewed)

### Summary Rand convenience translation

	Quarter ended		Nine months ended	
	Jun 2019	Jun 2018	Jun 2019	Jun 2018
<b>Key figures: (ZAR million)</b>				
Sales	<b>19,711</b>	18,252	<b>61,102</b>	54,351
Operating profit excluding special items <sup>(1)</sup>	<b>690</b>	1,074	<b>4,171</b>	4,225
Special items – (gains) losses <sup>(1)</sup>	<b>29</b>	13	<b>100</b>	(280)
EBITDA excluding special items <sup>(1)</sup>	<b>1,697</b>	1,958	<b>7,147</b>	6,846
Profit for the period	<b>115</b>	644	<b>2,292</b>	2,749
Basic earnings per share (SA cents)	<b>21</b>	120	<b>423</b>	511
Net debt <sup>(1)</sup>	<b>24,332</b>	22,005	<b>24,332</b>	22,005
<b>Key ratios: (%)</b>				
Operating profit excluding special items to sales	<b>3.5</b>	5.9	<b>6.8</b>	7.8
Operating profit excluding special items to capital employed (ROCE) <sup>(1)</sup>	<b>5.2</b>	9.6	<b>10.8</b>	12.7
EBITDA excluding special items to sales	<b>8.6</b>	10.7	<b>11.7</b>	12.6

<sup>(1)</sup> Refer to supplemental information for the definition of the term.

The above financial results have been translated into Rand from US Dollar as follows:

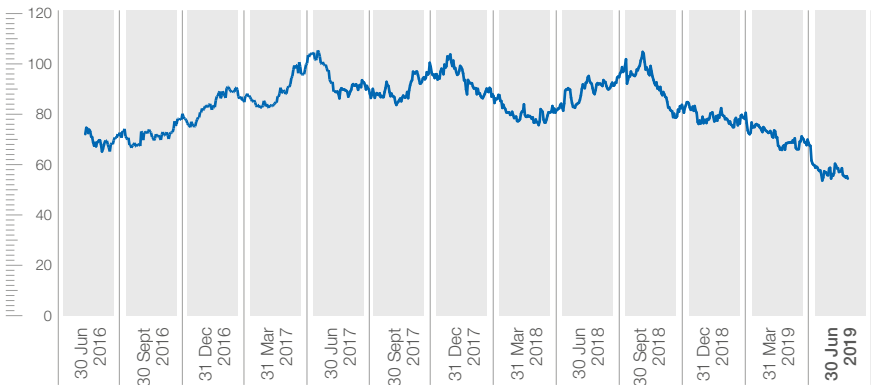
- assets and liabilities at rates of exchange ruling at period end; and
- income, expenditure and cash flow items at average exchange rates.

## Supplemental information (this information has not been audited or reviewed)

### Exchange rates

	Jun 2019	Mar 2019	Dec 2018	Sept 2018	Jun 2018
<b>Exchange rates:</b>					
Period end rate: US\$1 = ZAR	<b>14.0808</b>	14.4975	14.4361	14.1473	13.7275
Average rate for the quarter: US\$1 = ZAR	<b>14.3772</b>	14.0203	14.3127	14.0615	12.6312
Average rate for the year to date: US\$1 = ZAR	<b>14.2363</b>	14.1668	14.3127	13.0518	12.7255
Period end rate: €1 = US\$	<b>1.1370</b>	1.1218	1.1438	1.1609	1.1685
Average rate for the quarter: €1 = US\$	<b>1.1236</b>	1.1360	1.1409	1.1626	1.1920
Average rate for the year to date: €1 = US\$	<b>1.1335</b>	1.1385	1.1409	1.1902	1.1995

**Sappi share price – June 2016 to June 2019**  
(ZAR)



# sappi

Sappi Limited  
(Incorporated in the Republic of South Africa)  
Registration number: 1936/008963/06  
JSE code: SAP  
ISIN code: ZAE000006284  
Issuer code: SAVVI

Sappi has a primary listing on the JSE Limited and a Level 1 ADR programme that trades in the over-the-counter market in the United States

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