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Media Release

Johannesburg, 01 August 2019

Sappi increases pulp integration to secure supply and decrease costs. Will acquire Matane Mill in Quebec (Canada) from Rayonier Advanced Materials (RYAM)

Sappi Limited, a leading global producer of dissolving wood pulp, speciality and packaging papers, graphic paper and biomaterials, today announced that it had signed an agreement to acquire the 270,000 tons per year Matane high yield hardwood pulp mill from Rayonier Advanced Materials for US\$175 million.

The transaction will be funded through internal cash resources and available debt facilities. The transaction is conditional on the approval from certain competition authorities. We expect the acquisition to be completed during the fourth calendar quarter of 2019.

The main benefits of the acquisition include:

- Increases Sappi's pulp integration for its fast-growing packaging papers businesses in both North America and Europe
- Supports Sappi's 2020Vision to grow in higher margin growth segments
- Reduces Sappi's cost of pulp
- Reduces the volatility of earnings through the pulp cycle



- Establishes certainty of supply for Sappi's increasing need for high yield pulp to support its recent investments, and
- Will enable supply to be increased over time to Sappi's mills in North America and Europe as demand increases and capacity expands in certain growth businesses.

Commenting on the transaction, Chief Executive Officer of Sappi Limited, Steve Binnie, said: "This acquisition will provide Sappi with both cost reductions and decreased volatility at a very competitive price per ton of pulp. Indeed, this is a more cost effective and efficient approach than building additional internal capacity for our North American and European mills. I am very pleased that we have taken another significant step towards realising our 2020Vision goal."

Mark Gardner, Chief Executive Officer of Sappi North America stated: "We are very pleased to be able to increase our pulp integration for our North American businesses. The acquisition eliminates the need to invest in a pulp expansion project at the Somerset Mill, which for the same investment would have delivered significantly less pulp. At the same time, this acquisition provides us with a healthy market pulp business with a strong customer base. We will work with our new customers during the transition and will of course honor all contractual commitments."

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Further information can be found at www.sappi.com

Note to editors:

About Sappi Limited

A global leader in paper, paper pulp and dissolving wood pulp solutions, Sappi Limited (listed and in the Top 40 on the JSE), is headquartered in Johannesburg (South Africa); has over 12,000 employees; manufacturing operations on three continents, in seven countries (nine mills in Europe, three mills in America and four mills in South Africa) and customers in over 150 countries worldwide

Sappi works closely with customers to provide relevant and sustainable paper, paper pulp, dissolving wood pulp and biomaterial products and related services and innovations. Our market-leading range of paper products includes: coated fine papers used by printers, publishers and corporate end-users; casting release papers used by suppliers to the fashion, textiles, automobile and household industries; and in our Southern African region newsprint, uncoated graphic and business papers, premium quality packaging papers and paper grade pulp. Our dissolving wood pulp products are used worldwide by converters to produce viscose fibre, pharmaceutical products as well as a wide range of household and consumer products.



In FY2018, we produced approximately: 5.7 million tons of printing and writing, speciality and packaging paper; 2.3 million tons of paper pulp, and 1.4 million tons of dissolving wood pulp.

We are investing in developing our biomaterials (nanocellulose, fibre composites and lignosulphonate) and biorefinery (second generation sugars and bio-energy) businesses.

We continue to grow into a profitable and cash-generative diversified business with an exciting future in woodfibre, a renewable resource.

Matane Mill (Gaspé Peninsula, Quebec, Canada): The mill is located on the south shore of the St Lawrence River at the mouth of the Matane River. The mill has a capacity of 270,000 tons per year of high yield hardwood pulp. It has 129 employees.



About Rayonier Advanced Materials

Rayonier Advanced Materials is a global leader of cellulose-based technologies, including high purity cellulose specialties, a natural polymer commonly found in mobile phones, computer screens, filters and pharmaceuticals. The Company also manufactures products for lumber, paper and packaging markets. With manufacturing operations in the United States of America, Canada and France, Rayonier Advanced Materials employs approximately 4,200 people and had revenues of US\$2.1 billion in 2018. More information is available at www.rayonieram.com

