Sappi Group
(Sappi Limited)
FOURTH QUARTER: FISCAL YEAR 2019
FINANCIAL RESULTS AND OPERATIONAL DATA ENDED
29 SEPTEMBER 2019

14 NOVEMBER 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 cyclicality, 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) 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.

sappi

Fourth quarter results for the period ended September 2019

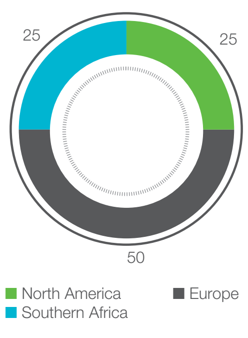
4th quarter results

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.

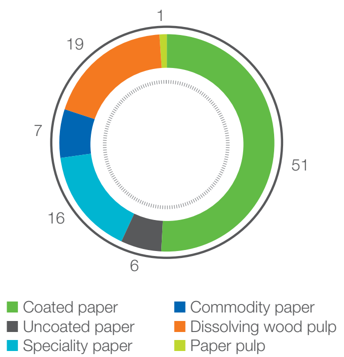
Our dissolving wood pulp products are used worldwide mainly by converters to create viscose fibre for fashionable clothing and textiles, as well as other consumer products; quality packaging and speciality papers are used in the manufacture of such products as soup sachets, luxury carry bags, cosmetic 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.

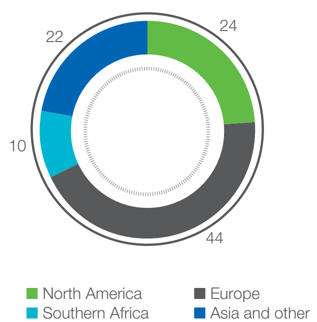
Sales by source* (%)



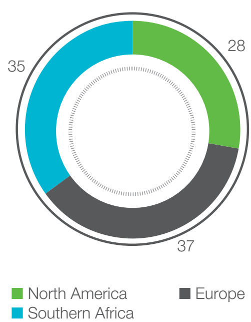
Sales by product* (%)



Sales by destination* (%)



Net operating assets** (%)



** For the period ended September 2019. ** As at September 2019.*

Highlights for the quarter

EBITDA excluding special items
US$185 million
(Q4 FY18 US$224 million)

Profit for the period
US$50 million
(Q4 FY18 US$107 million)

Strong cash generation of
US$173 million
(Q4 FY18 US$26 million)

EPS excluding special items
10 US cents
(Q4 FY18 19 US cents)

Highlights for the year

EBITDA excluding special items
US$687 million
(FY18 US$762 million)

Profit for the period
US$211 million
(FY18 US$323 million)

EPS excluding special items
44 US cents
(FY18 60 US cents)

Net debt
US$1,501 million
(FY18 US$1,568 million)

Highlights for the quarter and the year

	Quarter ended			Year ended	
	Sep 2019	Sep 2018	Jun 2019	**Sep 2019**	Sep 2018
Key figures: (US$ million)					
Sales	**1,454**	1,535	1,371	**5,746**	5,806
Operating profit excluding special items[1]	**109**	148	48	**402**	480
Special items – loss (gain)[2]	**12**	13	2	**19**	(9)
EBITDA excluding special items[1]	**185**	224	118	**687**	762
Profit for the period	**50**	107	8	**211**	323
Basic earnings per share (US cents)	**9**	20	1	**39**	60
EPS excluding special items (US cents)[3]	**10**	19	4	**44**	60
Net debt[3]	**1,501**	1,568	1,728	**1,501**	1,568
Key ratios: (%)					
Operating profit excluding special items to sales	**7.5**	9.6	3.5	**7.0**	8.3
Operating profit excluding special items to capital employed (ROCE)[3]	**12.1**	17.0	5.2	**11.5**	14.6
EBITDA excluding special items to sales	**12.7**	14.6	8.6	**12.0**	13.1
Net debt to EBITDA excluding special items	**2.2**	2.1	2.4	**2.2**	2.1
Interest cover[3]	**9.3**	11.0	9.6	**9.3**	11.0
Net asset value per share (US cents)[3]	**359**	361	375	**359**	361

[1] *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.*
[2] *Refer to note 2 to the group results for details on special items.*
[3] *Refer to supplemental information for the definition of the term.*

Commentary on the quarter

Year ended September 2019 compared to year ended September 2018

Market conditions across Sappi's major product categories were challenging throughout the year. Dissolving wood pulp (DWP) market prices in China fell US$273/ton and had reached historic lows by year-end despite global demand growth of more than 6%, and we experienced prolonged weakness in global graphic paper markets. Additionally, demand for some of our packaging and speciality grades was also under pressure. Uncertainty as a result of the ongoing trade wars and slower economic growth in various geographies were the major drivers of the volatility encountered during the year.

The company continued the strategy of recent years 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 year, thereby lessening the impact of weak graphic paper markets. Early in the fourth quarter we announced the acquisition of the Matane pulp mill, which will increase the pulp integration of our packaging businesses, thereby lowering costs. The acquisition was subsequently completed on 3 November 2019.

As market conditions weakened, working capital was tightly managed and discretionary capital expenditure was postponed or reduced to reduce debt levels.

The year started strongly for dissolving wood pulp markets, with pricing above long-term averages for the first six months. Thereafter, the combination of the impact from global trade wars on Chinese textile markets, excess viscose staple fibre (VSF) capacity and a weaker Renminbi exchange rate drove DWP prices to historic lows, impacting profitability in this segment. The weak paper pulp prices and demand dynamics kept many swing producers in the DWP market, further exacerbating the situation.

The packaging and specialities segment had a mixed year. The trend towards paper-based packaging in consumer segments was positive. Stable South African containerboard demand was offset by higher paper pulp prices at the start of the year which negatively impacted margins, as well as the slower than expected ramp-up of the newly converted machines at Somerset and Maastricht. The slower European economy also adversely impacted the market for certain consumer speciality grades.

Commentary on the quarter

Global graphic paper demand declined by nearly 7% in the past nine months, and by more than 10% in European and US markets, impacted by a general weakening in economic activity, high inventory levels, secular demand trends and the rapid series of price increases in 2018. This necessitated 268,000 tons of production downtime during the year. However, in the second half of the year the segment started to benefit from a reduction in input costs, particularly paper pulp, helping to mitigate the impact of lower volumes.

The group's EBITDA excluding special items was US$687 million, a decline of 10% year-on-year as a result of the weak graphic paper demand and lower DWP prices. Operating profit excluding special items for the year was US$402 million compared to US$480 million in the prior year.

Net finance costs for the year were US$85 million, an increase from US$68 million in the prior year due to higher net debt levels on average for the year, lower interest income and US$9.6 million charges related to the refinancing of the 2022 bond.

Profit for the period decreased by US$112 million due to lower operating profit and increased finance costs.

Fourth quarter commentary

The group generated EBITDA excluding special items of US$185 million, a decrease of 17.5% over the same quarter last year, led by a decline in profitability in the DWP and graphic paper business, offset somewhat by growth in the speciality and packaging paper segment volumes.

Continued demand growth for DWP and the lag effect of contracts on DWP pricing relative to current spot market prices helped support profitability in the quarter, however lower overall US$ prices and cost pressures in South Africa from energy and externally purchased wood lowered margins for the segment.

The packaging and specialities segment delivered improved margins and higher profits for the quarter, as the ramp up of Somerset PM1 and Maastricht continued and input costs, led by pulp, declined.

The European business benefited from widening margins between selling prices and input costs, however, this was not enough to offset the impact of the continued severe decline in graphic paper sales volumes.

Profitability in the North American business improved sequentially in this seasonally strong quarter, however, weak domestic coated paper markets and lower DWP selling prices lowered profitability compared to last year.

Increased packaging and DWP sales volumes in addition to sales price benefits from the weaker Rand/US$ exchange rate helped mitigate some of the cost increases for the South African business.

Net finance costs were US$20 million compared to US$14 million in the equivalent quarter last year which benefited from once-off exchange rate adjustments.

Earnings per share excluding special items for the quarter was 10 US cents.

Cash flow and debt

Net cash generated for the quarter was a strong US$173 million, compared to US$26 million in the equivalent quarter last year. The increase was as a result of a significant reduction in working capital and lower finance, tax and capital expenditure. Capital expenditure of US$135 million related mainly to the expansion of DWP capacity and woodyard upgrade at Saiccor as well as the completion of the Lanaken PM8. A resequencing of the expansion project at Saiccor resulted in lower capital expenditure than previously forecast.

Net cash generated for the financial year was US$1 million (FY2018 US$254 million utilised, which included the US$132 million acquisition of Cham Paper Group). The improvement in cash generation was largely due to lower capital expenditure and a decrease in finance payments.

Net debt at financial year-end decreased to US$1,501 million as a result of the cash generation in the quarter and actions taken to decrease or postpone capital expenditure. At the end of September 2019, liquidity comprised cash on hand of US$393 million and US$640 million from the unutilised committed revolving credit facilities (RCF) in South Africa and Europe.

We have renegotiated the leverage covenant on the relevant bank facilities in order to provide more headroom and flexibility in the coming year. The net debt to EBITDA covenant increases to 4.5 times from the current 3.75 by the second quarter of FY2020 and remains there until the third quarter of FY2021 when it starts to return to current levels. This adjustment of the covenant was deemed prudent due to the significant impact of the lower DWP prices on the group's profitability while concurrently completing a major expansion at Saiccor.

Operating review for the quarter

Europe

		Quarter ended			
€ million	**Sep 2019**	Jun 2019	Mar 2019	Dec 2018	Sep 2018
Sales	**633**	637	675	642	671
Operating profit excluding special items	**21**	18	24	30	38
Operating profit excluding special items to sales (%)	***3.3***	*2.8*	*3.6*	*4.7*	*5.7*
EBITDA excluding special items	**51**	46	50	59	71
EBITDA excluding special items to sales (%)	***8.1***	*7.2*	*7.4*	*9.2*	*10.6*
RONOA pa (%)	***6.0***	*5.1*	*6.9*	*8.8*	*11.3*

Lower variable costs and higher average net selling prices were not sufficient to offset demand weakness in the graphic paper grades and some segments of the packaging and specialities market for the European business, leading to a year-on-year reduction in profitability.

Continued market share gains as competitors looked to exit the market led to coated woodfree sales shrinking by 7%, compared to the industry's 13%. Coated mechanical sales volumes were significantly lower as our capacity reduced following the conversion of PM8 at Lanaken. To manage inventory levels, 37,000 tons of production downtime was taken in the quarter. Average net selling prices for the graphics grades were 1% higher year-on-year.

Volumes in the packaging and specialities business were flat year-on-year, with stronger sales for rigid packaging offsetting weakness in the consumer speciality grades. Deteriorating paper pulp prices provided some relief to margins.

Variable costs were 4% lower year-on-year driven by a reduction in prices for all major cost categories with the exception of wood. Fixed costs increased by 5%, mainly due to additional maintenance expenditure.

North America

	Quarter ended				
US$ million	**Sep 2019**	Jun 2019	Mar 2019	Dec 2018	Sep 2018
Sales	**394**	343	378	351	388
Operating profit (loss) excluding special items	**17**	(9)	10	9	31
Operating profit (loss) excluding special items to sales (%)	***4.3***	*(2.6)*	*2.6*	*2.6*	*8.0*
EBITDA excluding special items	**39**	11	31	29	51
EBITDA excluding special items to sales (%)	***9.9***	*3.2*	*8.2*	*8.3*	*13.1*
RONOA pa (%)	***5.9***	*(3.0)*	*3.4*	*3.2*	*10.9*

Profitability in this seasonally strong quarter improved sequentially, however increased sales volumes of paperboard and paper pulp as well as higher coated paper selling prices could not offset the impact of lower year-on-year graphic paper volumes and DWP selling prices.

Demand for graphic paper in the US was 13% lower in the quarter, which necessitated 57,000 tons of commercial downtime. This negatively affected not only revenue but also paper mill efficiencies and thereby impacted variable costs per ton. Coated paper selling prices were constant compared to the prior quarter.

DWP sales volumes increased year-on-year following the successful debottlenecking of the Cloquet mill in April and a reduction in inventory.

However, due to challenging markets, average net selling prices were 9% below those of last year.

The ramp-up of the paperboard grades on PM1 progressed, with volumes, average net selling prices and variable costs improving in comparison to the prior quarter. Overall packaging and speciality volumes were 36% above those of the prior year.

Variable costs were 4% below that of the prior year with lower paper pulp prices offsetting slightly higher wood costs for the Somerset Mill. Fixed costs were 1% lower than the prior year.

Operating review for the quarter continued

Southern Africa

ZAR million	Sep 2019	Jun 2019	Mar 2019	Dec 2018	Sep 2018
		Quarter ended			
Sales	**5,467**	4,720	5,234	4,981	5,103
Operating profit excluding special items	**998**	496	1,121	1,217	1,081
Operating profit excluding special items to sales (%)	***18.3***	*10.5*	*21.4*	*24.4*	*21.2*
EBITDA excluding special items	**1,290**	754	1,374	1,446	1,344
EBITDA excluding special items to sales (%)	***23.6***	*16.0*	*26.3*	*29.0*	*26.3*
RONOA pa (%)	***18.2***	*9.0*	*21.1*	*24.0*	*22.4*

Increased sales volumes and a weaker Rand/US Dollar exchange rate were not sufficient to offset lower US$ DWP prices and higher wood and energy costs compared to the prior year.

Increased DWP sales volumes were offset by average Rand selling prices that were 4% below that of last year, while variable costs increased by 3% led by wood and energy. Progress on the capacity expansion of the Saiccor mill by 110,000 ton continues to plan, with completion expected in late 2020.

Improved packaging sales volumes and prices offset weaker printing paper demand. Tight cost control in this segment led to improved year-on-year profitability. Demand for packaging weakened late in the quarter as a slowdown in the SA economy and lower than expected citrus exports impacted demand.

Fixed costs rose slightly ahead of inflation, while variable costs were 8% higher year-on-year, primarily due to increased purchased coal, electricity and wood prices.

Outlook

The markets we operate in are expected to continue to be challenging in the coming year, and profitability is likely to be negatively impacted as a result. DWP pricing in particular will have a significant impact on earnings as this segment is a major contributor to our profits and cash flow generation. We have responded by reducing our capital expenditure both this past year and the next, and other than the 110,000 ton expansion of Saiccor which is currently underway we have not committed capital to any material project. We have reduced working capital, amended debt covenants, targeted further cost reductions and are evaluating various options regarding our paper machines in Europe in order to lower fixed costs and match capacity to demand.

DWP pricing remains under significant pressure, having declined to historic lows of US$638/ton at the time of writing this report, US$306/ton below that of a year ago. We believe that current pricing is below the cash cost of production for a significant proportion of global supply and is therefore unsustainable over any prolonged period. Underlying demand for DWP is still growing at rates consistent with our long-term forecasts. A recovery in DWP prices is likely to be prompted by a recovery in VSF prices which have been depressed by excess VSF capacity and a weak Chinese textile market.

In the packaging and speciality segment we are making good progress with customer acceptance in both the US and European markets and the ramp-up of volumes continues, aided by the shift from plastic to paper in many packaging categories. However, the slowing South African economy will likely impact domestic demand for containerboard in the coming year.

Global graphic paper markets continue to experience weakness due to a combination of economic factors as well as the ongoing shift towards digital media. Pricing has declined only marginally over the past quarter, and as paper pulp prices in Europe and North America approach those prevalent in China, margins should be maintained.

Capital expenditure in 2020 is expected to decrease to US$460 million as we complete the Saiccor 110kt expansion project and some smaller European pulp mill debottlenecking projects. The payment of the adjusted Matane net acquisition price of approximately US$158 million will be made in the first quarter of the financial year, funded via a new term loan.

Due to the current very weak pricing in the DWP market and with paper markets yet to show signs of a sustained recovery in demand, we expect EBITDA in the first quarter of financial year 2020 to be below that of 2019.

Dividends

Management have taken a number of steps to mitigate the effect that the current uncertain market conditions and low DWP prices are having on the profitability and leverage of the group. These steps include tighter working capital management, the postponement and reduction in capital expenditure. The directors have furthermore concurred with management that it would be prudent to temporarily halt dividends until such time as market conditions improve.

On behalf of the board

S R Binnie
Director

G T Pearce
Director

14 November 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, 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 cyclicality, 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 restructurings or other strategic initiatives, and achieving expected savings and synergies;*
- *currency fluctuations.*

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Condensed group income statement

		Quarter ended		Reviewed Year ended	
US$ million	Note	**Sep 2019**	Sep 2018	**Sep 2019**	Sep 2018
Sales		**1,454**	1,535	**5,746**	5,806
Cost of sales		**1,247**	1,293	**4,969**	4,928
Gross profit		**207**	242	**777**	878
Selling, general and administrative expenses		**95**	103	**368**	396
Other operating expenses		**16**	4	**30**	(4)
Share of profit from equity investments		**(1)**	–	**(4)**	(3)
Operating profit	3	**97**	135	**383**	489
Net finance costs		**20**	14	**85**	68
Finance costs		**22**	21	**98**	92
Finance income		**(3)**	(3)	**(9)**	(18)
Net foreign exchange gain		**1**	(4)	**(4)**	(6)
Profit before taxation		**77**	121	**298**	421
Taxation[1]		**27**	14	**87**	98
Profit for the period		**50**	107	**211**	323
Basic earnings per share (US cents)	4	**9**	20	**39**	60
Weighted average number of shares in issue (millions)		**542.7**	539.1	**542.0**	538.1
Diluted earnings per share (US cents)	4	**9**	19	**39**	59
Weighted average number of shares on fully diluted basis (millions)		**546.3**	552.1	**546.3**	550.0

[1] *For the year ended September 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 Sep 2019	Quarter ended Sep 2018	Reviewed Year ended Sep 2019	Reviewed Year ended Sep 2018
Profit for the period	**50**	107	**211**	323
Other comprehensive income, net of tax				
Items that will not be reclassified subsequently to profit or loss	**(49)**	19	**(49)**	–
Actuarial gains (losses) on post-employment benefit funds	**(59)**	28	**(59)**	28
Tax effect on above item and tax rate changes[1]	**10**	(9)	**10**	(28)
Items that may be reclassified subsequently to profit or loss	**(87)**	(26)	**(78)**	(57)
Exchange differences on translation of foreign operations	**(82)**	(34)	**(67)**	(61)
Movements in hedging reserves	**(7)**	13	**(14)**	8
Movement in available for sale financial assets	**–**	(1)	**–**	(1)
Tax effect of above items	**2**	(4)	**3**	(3)
Total comprehensive income for the period	**(86)**	100	**84**	266

[1] *For the year ended September 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	Reviewed Sep 2019	Reviewed Sep 2018
ASSETS			
Non-current assets		**3,789**	3,766
Property, plant and equipment		**3,061**	3,010
Plantations	5	**451**	466
Deferred tax assets		**106**	106
Goodwill and intangible assets		**54**	63
Equity-accounted investees		**31**	33
Other non-current assets		**86**	88
Current assets		**1,834**	1,904
Inventories		**709**	741
Trade and other receivables		**718**	767
Derivative financial assets		**3**	21
Taxation receivable		**11**	12
Cash and cash equivalents		**393**	363
Total assets		**5,623**	5,670
EQUITY AND LIABILITIES			
Shareholders' equity			
Ordinary shareholders' interest		**1,948**	1,947
Non-current liabilities		**2,461**	2,550
Interest-bearing borrowings		**1,713**	1,818
Deferred tax liabilities		**328**	335
Defined benefit and other liabilities		**418**	397
Derivative financial liabilities		**2**	–
Current liabilities		**1,214**	1,173
Interest-bearing borrowings		**181**	97
Overdrafts		**–**	16
Trade and other payables		**969**	1,009
Provisions		**6**	6
Derivative financial liabilities		**7**	6
Taxation payable		**51**	39
Total equity and liabilities		**5,623**	5,670
Number of shares in issue at balance sheet date (millions)		**542.8**	539.3

Condensed group statement of cash flows

US$ million	Quarter ended Sep 2019	Quarter ended Sep 2018	Reviewed Year ended Sep 2019	Reviewed Year ended Sep 2018
Profit for the period	**50**	107	**211**	323
Adjustment for:				
Depreciation, fellings and amortisation	**93**	93	**356**	348
Taxation	**27**	14	**87**	98
Net finance costs	**20**	14	**85**	68
Defined post-employment benefits paid	**(10)**	(12)	**(41)**	(45)
Plantation fair value adjustments	**(23)**	(14)	**(92)**	(96)
Asset impairments	**7**	–	**18**	–
Asset impairment reversals	**–**	–	**(8)**	(3)
Net restructuring provisions	**–**	3	**–**	1
(Profit) loss on disposal and written off assets	**7**	4	**11**	(4)
Other non-cash items[1]	**5**	3	**46**	19
Cash generated from operations	**176**	212	**673**	709
Movement in working capital	**132**	6	**(15)**	(79)
Finance costs paid	**(5)**	(28)	**(51)**	(84)
Finance income received	**3**	4	**9**	18
Taxation (paid) refund	**–**	(23)	**(51)**	(73)
Dividend paid	**–**	–	**(92)**	(81)
Cash generated from operating activities	**306**	171	**473**	410
Cash utilised in investing activities	**(133)**	(145)	**(472)**	(664)
Capital expenditure	**(135)**	(146)	**(471)**	(541)
Proceeds on disposal of assets	**1**	–	**3**	11
Acquisition of subsidiary	**–**	–	**–**	(132)
Other non-current asset movements	**1**	1	**(4)**	(2)
Net cash (utilised) generated	**173**	26	**1**	(254)
Cash effects of financing activities	**12**	21	**56**	68
Proceeds from interest-bearing borrowings	**9**	21	**616**	137
Repayment of interest-bearing borrowings	**3**	–	**(560)**	(69)
Net movement in cash and cash equivalents	**185**	47	**57**	(186)
Cash and cash equivalents at beginning of period	**226**	317	**363**	550
Translation effects	**(18)**	(1)	**(27)**	(1)
Cash and cash equivalents at end of period	**393**	363	**393**	363

[1] *Other non-cash items for the year ended September 2019 mainly relate to defined benefit liabilities and plan assets of US$33 million (2018: US$18 million), IFRS 2 charges of US$12 million (2018: US$12 million) offset by a release of the contingent consideration of US$7 million (2018: US$6 million).*

Condensed group statement of changes in equity

US$ million	Review Year ended Sep 2019	Sep 2018
Balance – beginning of period	**1,947**	1,747
Profit for the period	**211**	323
Other comprehensive income for the period	**(127)**	(57)
Shareholders for dividend	**(92)**	(81)
Transfers from the share purchase trust	**1**	5
Transfers of vested share options	**(2)**	(1)
Share-based payment reserve	**10**	11
Balance – end of period	**1,948**	1,947
Comprising		
Ordinary share capital and premium	**802**	858
Non-distributable reserves	**99**	133
Foreign currency translation reserves	**(184)**	(180)
Hedging reserves	**(41)**	(28)
Retained earnings	**1,272**	1,164
Total equity	**1,948**	1,947

Notes to the condensed group results

1. Basis of preparation

The condensed consolidated financial statements are prepared in accordance with the requirements of the JSE Limited Listings Requirements for preliminary reports and the requirements of the Companies Act of South Africa. The Listings Requirements require preliminary reports to be prepared in accordance with the framework concepts and the measurement and recognitions requirements of International Financial Reporting Standards (IFRS) and the SAICA Financial Reporting Guides as issued by the Accounting Practices Committee and Financial Pronouncements as issued by Financial Reporting Standards Council and to also, as a minimum, contain the information required by IAS 34, Interim Financial Reporting. The accounting policies applied in the preparation of the condensed consolidated financial statements are in terms of IFRS and are consistent with those applied in the previous annual financial statements except for the changes arising from the adoption of the new accounting pronouncements detailed below, which became effective in the current period.

The preparation of these condensed consolidated financial statements was supervised by the Chief Financial Officer, G T Pearce, CA(SA) and were authorised for issue on the 14 November 2019.

The condensed consolidated financial statements for the year ended September 2019 have been reviewed by KPMG Inc., who expressed an unmodified review conclusion. The auditor's report does not necessarily report on all of the information contained in these financial results. Shareholders are therefore advised that in order to obtain a full understanding of the nature of the auditor's engagement they should obtain a copy of the auditor's report, together with the accompanying financial information, from the issuer's registered office.

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 group's 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. Accordingly, the information presented for 2018 has not been restated - ie, it is presented, as previously reported, under IAS 18 and related interpretations.

Notes to the condensed group results continued

2. Segment information

Metric tons (000's)	Quarter ended Sep 2019	Quarter ended Sep 2018	Year ended Sep 2019	Year ended Sep 2018
Sales volume				
North America	**388**	363	**1,379**	1,371
Europe	**801**	864	**3,241**	3,366
Southern Africa – Pulp and paper	**450**	441	**1,639**	1,620
Forestry	**371**	352	**1,363**	1,234
Total	**2,010**	2,020	**7,622**	7,591
Which consists of:				
Dissolving wood pulp	**352**	332	**1,284**	1,198
Packaging and specialities	**309**	291	**1,129**	1,009
Graphics[3]	**978**	1,045	**3,846**	4,150
Forestry	**371**	352	**1,363**	1,234

US$ million	Quarter ended Sep 2019	Quarter ended Sep 2018	Reviewed Year ended Sep 2019	Reviewed Year ended Sep 2018
Sales				
North America	**394**	388	**1,466**	1,432
Europe	**704**	782	**2,918**	2,970
Southern Africa – Pulp and paper	**351**	345	**1,342**	1,328
Forestry	**22**	20	**80**	76
Delivery costs revenue adjustment[2]	**(17)**	–	**(60)**	–
Total	**1,454**	1,535	**5,746**	5,806
Which consists of:				
Dissolving wood pulp	**280**	278	**1,095**	1,043
Packaging and specialities	**329**	310	**1,249**	1,087
Graphics[3]	**840**	927	**3,382**	3,600
Forestry	**22**	20	**80**	76
Delivery costs revenue adjustment[2]	**(17)**	–	**(60)**	–

[2] *Relates to delivery costs netted off against revenue. Refer to note 1, IFRS 15 adoption.*
[3] *Graphics was previously referred to as printing and writing papers.*

2. Segment information continued

US$ million	Quarter ended Sep 2019	Quarter ended Sep 2018	Reviewed Year ended Sep 2019	Reviewed Year ended Sep 2018
Operating profit (loss) excluding special items				
North America	**17**	31	**27**	49
Europe	**23**	44	**104**	163
Southern Africa	**68**	78	**267**	270
Unallocated and eliminations[1]	**1**	(5)	**4**	(2)
Total	**109**	148	**402**	480
Which consists of:				
Dissolving wood pulp	**56**	74	**245**	251
Packaging and specialities	**26**	19	**52**	78
Graphics[3]	**26**	60	**101**	153
Unallocated and eliminations[1]	**1**	(5)	**4**	(2)
Special items – (gains) losses				
North America	**12**	(1)	**25**	2
Europe	**(3)**	(2)	**(1)**	(3)
Southern Africa	**–**	10	**(16)**	(25)
Unallocated and eliminations[1]	**3**	6	**11**	17
Total	**12**	13	**19**	(9)
Operating profit (loss) by segment				
North America	**5**	32	**2**	47
Europe	**26**	46	**105**	166
Southern Africa	**68**	68	**283**	295
Unallocated and eliminations[1]	**(2)**	(11)	**(7)**	(19)
Total	**97**	135	**383**	489

[1] *Includes the group's treasury operations and insurance captive.*
[3] *Graphics was previously referred to as printing and writing papers.*

Notes to the condensed group results continued

2. Segment information continued

US$ million	Quarter ended Sep 2019	Quarter ended Sep 2018	Reviewed Year ended Sep 2019	Reviewed Year ended Sep 2018
EBITDA excluding special items				
North America	**39**	51	**110**	126
Europe	**56**	81	**232**	299
Southern Africa	**88**	97	**339**	337
Unallocated and eliminations[1]	**2**	(5)	**6**	–
Total	**185**	224	**687**	762
Which consists of:				
Dissolving wood pulp	**72**	88	**304**	306
Packaging and specialities	**45**	40	**126**	138
Graphics[3]	**66**	101	**251**	318
Unallocated and eliminations[1]	**2**	(5)	**6**	–

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 Sep 2019	Quarter ended Sep 2018	Reviewed Year ended Sep 2019	Reviewed Year ended Sep 2018
EBITDA excluding special items	**185**	224	**687**	762
Depreciation and amortisation	**(76)**	(76)	**(285)**	(282)
Operating profit excluding special items	**109**	148	**402**	480
Special items – gains (losses)	**(12)**	(13)	**(19)**	9
Plantation price fair value adjustment	**5**	(3)	**19**	27
Acquisition costs	**(2)**	–	**(2)**	(2)
Net restructuring provisions	**–**	(3)	**–**	(1)
Profit (loss) on disposal and written off assets	**(7)**	(4)	**(11)**	4
PPE impairments	**(7)**	–	**(18)**	–
PPE impairment reversals	**–**	–	**8**	3
Black Economic Empowerment charge	**–**	–	**–**	(1)
Fire, flood, storm and other events	**(1)**	(3)	**(15)**	(21)
Operating profit	**97**	**135**	**383**	489
Net finance costs	**(20)**	**(14)**	**(85)**	(68)
Profit before taxation	**77**	**121**	**298**	421
Taxation	**(27)**	**(14)**	**(87)**	(98)
Profit for the period	**50**	**107**	**211**	323

[1] *Includes the group's treasury operations and insurance captive.*
[3] *Graphics was previously referred to as printing and writing papers.*

2. Segment information continued

US$ million	Reviewed Year ended Sep 2019	Sep 2018
Net operating assets		
North America	**1,135**	1,137
Europe	**1,518**	1,574
Southern Africa	**1,430**	1,392
Unallocated and eliminations(1)	**8**	38
Total	**4,091**	4,141
Reconciliation of segment assets to total assets		
Net operating assets	**4,091**	4,141
Deferred tax assets	**106**	106
Cash and cash equivalents	**393**	363
Trade and other payables	**969**	1,009
Provisions	**6**	6
Derivative financial instruments	**7**	6
Taxation payable	**51**	39
Total assets	**5,623**	5,670

(1) *Includes the group's treasury operations and our insurance captive.*

3. Operating profit

US$ million	Quarter ended Sep 2019	Quarter ended Sep 2018	Reviewed Year ended Sep 2019	Reviewed Year ended Sep 2018
Included in operating profit are the following items:				
Depreciation and amortisation	**76**	76	**285**	282
Fair value adjustment on plantations (included in cost of sales)				
Changes in volume				
Fellings	**17**	17	**71**	66
Growth	**(18)**	(17)	**(73)**	(69)
	(1)	–	**(2)**	(3)
Plantation price fair value adjustment	**(5)**	3	**(19)**	(27)
	(6)	3	**(21)**	(30)
Net restructuring provisions	**–**	3	**–**	1
(Profit) loss on disposal and written off assets	**7**	4	**11**	(4)
PPE impairment reversals(1)	**–**	–	**(8)**	(3)
PPE impairments(1)	**7**	–	**18**	–

(1) *The property, plant and equipment (PPE) impairment reversal of US$8m relates to the Tugela and Stanger mills within the South African segment and the PPE impairment of $18m relates to the Westbrook mill in the North American segment which was necessitated due to a decline in demand for release paper products and the related impact on profitability. A pre-tax discount rate of 10% and a terminal growth rate of 2.6% were used.*

Notes to the condensed group results continued

4. Earnings per share

	Quarter ended		Reviewed Year ended	
US$ million	**Sep 2019**	Sep 2018	**Sep 2019**	Sep 2018
Basic earnings per share (US cents)	**9**	20	**39**	60
Headline earnings per share (US cents)	**11**	20	**42**	59
EPS excluding special items (US cents)	**10**	19	**44**	60
Weighted average number of shares in issue (millions)	**542.7**	539.1	**542.0**	538.1
Diluted earnings per share (US cents)	**9**	19	**39**	59
Diluted headline earnings per share (US cents)	**11**	20	**42**	58
Weighted average number of shares on fully diluted basis (millions)	**546.3**	552.1	**546.3**	550.0
Calculation of headline earnings				
Profit for the period	**50**	107	**211**	323
(Profit) loss on disposal and written off assets	**7**	4	**11**	(4)
PPE impairment reversals[1]	**–**	–	**(8)**	(3)
PPE impairments[1]	**7**	–	**18**	–
Tax effect of above items	**(3)**	(1)	**(4)**	1
Headline earnings	**61**	110	**228**	317
Calculation of earnings excluding special items				
Profit for the period	**50**	107	**211**	323
Special items after tax	**6**	13	**16**	(2)
Special items	**12**	13	**19**	(9)
Tax effect	**(6)**	–	**(3)**	7
Refinancing costs	**–**	–	**9**	–
Tax special items	**–**	(16)	**–**	3
Earnings excluding special items	**56**	104	**236**	324

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 and 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	Reviewed Sep 2019	Reviewed Sep 2018
Fair value of plantations at beginning of year	**466**	458
Additions	**2**	–
Gains arising from growth	**73**	69
Fire, flood, storm and other events	**(4)**	–
In-field inventory	**(3)**	1
Gain arising from fair value price changes	**19**	27
Harvesting – agriculture produce (fellings)	**(71)**	(66)
Translation difference	**(31)**	(23)
Fair value of plantations at end of period	**451**	466

6. Financial instruments

The group's financial instruments that are measured at fair value on a recurring basis consist of derivative financial instruments, investments funds 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.

			Fair value[1]	
US$ million	Classification	Fair value hierarchy	Reviewed Sep 2019	Reviewed Sep 2018
Investment funds[2]	FV through OCI	Level 1	**7**	7
Derivative financial assets	FV through PL	Level 2	**3**	21
Derivative financial liabilities	FV through PL	Level 2	**9**	6
Contingent consideration liability[3]	FV through PL	Level 3	**–**	7

[1] *The fair value of the financial instruments is equal to their carrying value.*
[2] *Included in other non-current assets.*
[3] *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 was based on a multiple of targeted future earnings, of which a weighted average outcome was been considered. During the year the fair value of the liability was remeasured and a gain of US$7 million was recognised.

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, trade and other receivables, certain investments, trade and other payables, bank overdrafts and current interest-bearing borrowings approximate their fair values.

7. Capital commitments

	Reviewed Sep 2019	Reviewed Sep 2018
Contracted	**194**	293
Approved but not contracted	**167**	381
	361	674

The above figures exclude the post-balance sheet acquisition. Refer to note 10.

8. 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.

9. 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 has substantially completed its assessment of IFRS 16 *Leases* which it will adopt from its mandatory adoption date of 30 September 2019, being the beginning of the 2020 financial year. IFRS 16 introduces a single on-balance sheet lease accounting model for lessees. A lessee recognises a right-of-use asset representing its right to use the underlying asset and a lease liability representing its obligation to make lease payments. There are recognition exemptions for short-term leases and leases of low-value items. The group intends to apply the modified retrospective transition approach and will not restate comparative amounts. The group expects to recognise right-of-use assets measured at the amount of the lease liability on adoption between the range of US$85 million and US$100 million. This will increase the group's net debt but will not impact the covenant calculation.

10. Events after the balance sheet date

On 3 November 2019, Sappi acquired the 270,000 ton Matane high yield hardwood pulp mill, in Quebec, Canada, from Rayonier Advanced Materials Inc., for US$158 million. The acquisition will increase Sappi's pulp integration for its packaging businesses and lower Sappi's costs of pulp, reduce its volatility of earnings throughout the pulp cycle and provide certainty of supply. The last twelve months' annual sales were US$159 million. The acquisition will be financed from internal cash resources and available debt facilities.

Provisional fair values of assets acquired and liabilities assumed as at November 2019 are as follows:

	US$m
Property, plant and equipment, intangibles and goodwill	**145**
Inventories	**19**
Trade receivables	**14**
Prepayments and other assets	**1**
Cash and cash equivalents	**–**
Trade payables	**(9)**
Pension liabilities	**(8)**
Provisions	**–**
Other payables and accruals	**(4)**
Net cash outflow on acquisition	**158**

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).

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		Year ended	
	Sep 2019	Sep 2018	**Sep 2019**	Sep 2018
Key figures: (ZAR million)				
Sales	**21,349**	21,584	**82,434**	75,779
Operating profit excluding special items[1]	**1,600**	2,081	**5,767**	6,265
Special items – (gains) losses[1]	**176**	183	**273**	(117)
EBITDA excluding special items[1]	**2,716**	3,150	**9,856**	9,945
Profit for the period	**734**	1,505	**3,027**	4,216
Basic earnings per share (SA cents)	**135**	279	**558**	783
Net debt[1]	**22,750**	22,183	**22,750**	22,183
Key ratios: (%)				
Operating profit excluding special items to sales	**7.5**	9.6	**7.0**	8.3
Operating profit excluding special items to capital employed (ROCE)[1]	**12.2**	17.2	**11.3**	13.7
EBITDA excluding special items to sales	**12.7**	14.6	**12.0**	13.1

[1] *Refer to supplemental information for the definition of the term.*

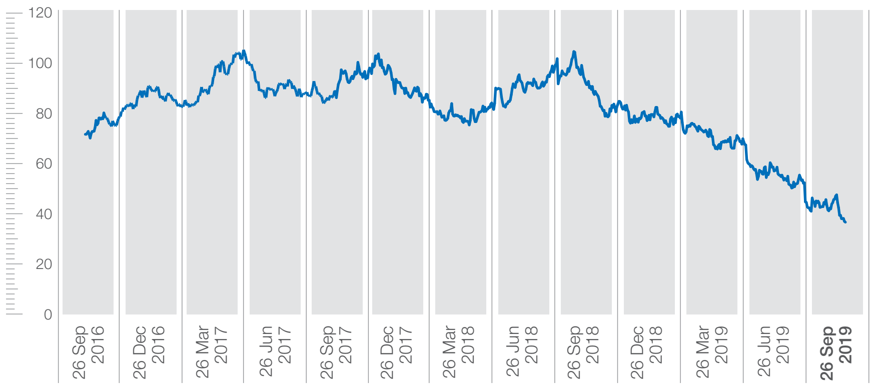
The above financial results have been translated into Rand from US Dollar as follows:
– assets and liabilities at rates of exchange ruling at period end; and
– income, expenditure and cash flow items at average exchange rates.

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

Exchange rates

	Sep 2019	Jun 2019	Mar 2019	Dec 2018	Sep 2018
Exchange rates:					
Period end rate: US$1 = ZAR	**15.1563**	14.0808	14.4975	14.4361	14.1473
Average rate for the quarter: US$1 = ZAR	**14.6831**	14.3772	14.0203	14.3127	14.0615
Average rate for the YTD: US$1 = ZAR	**14.3464**	14.2363	14.1668	14,3127	13.0518
Period end rate: €1 = US$	**1.0939**	1.1370	1.1218	1.1438	1.1609
Average rate for the quarter: €1 = US$	**1.1123**	1.1236	1.1360	1.1409	1.1626
Average rate for the YTD: €1 = US$	**1.1282**	1.1335	1.1385	1.1409	1.1902

Sappi share price – Sep 2016 to Sep 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

South Africa

Computershare Investor Services (Pty) Ltd
Rosebank Towers, 15 Biermann Avenue
Rosebank 2196, South Africa
PO Box 61051, Marshalltown 2107, South Africa
www.computershare.com

United States ADR Depositary

The Bank of New York Mellon
Investor Relations
PO Box 11258
Church Street Station
New York, NY 10286-1258
Tel +1 610 382 7836

JSE Sponsor:
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