



Announcement

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Immediate release

Sappi Announces Completion of Refinancing Transactions

March 23, 2015

Sappi Limited announced today the closing of the offering of €450 million 3.375% senior secured notes due 2022 by its subsidiary Sappi Papier Holding GmbH ("SPH"). The net proceeds from this offering, together with cash on hand and drawings under Sappi's recently amended and restated €465 million revolving credit facility maturing in 2020, will be used to redeem all of SPH's outstanding €250 million senior secured notes due 2018 (the "2018 Notes") and US\$300 million senior secured notes due 2019 (the "2019 Notes").

Steve Binnie, CEO of Sappi Limited, said:

"A strong balance sheet is integral to Sappi's long term strategy of refocusing the group to take advantage of high growth business opportunities. We have reduced debt by over US\$340 million from a year ago; we have also increased and renewed until 2020 our revolving credit facility; and with this debt refinancing we have reduced annual interest charges by approximately US\$25 million. We will continue to focus on reducing our debt whilst we implement various projects across the group to help drive increased revenue generation."

With the completion of these refinancing transactions, Sappi has now raised funds sufficient to pay the redemption price of, and accrued interest and any additional amounts payable on, SPH's outstanding 2018 Notes and 2019 Notes. As such, the Refinancing Condition stated in the notices of redemption issued on March 13, 2015 to holders of the 2018 Notes and the 2019 Notes has been satisfied, and the redemption of the 2018 Notes and the 2019 Notes will proceed as previously described in those notices.

This press release is for information purposes only and does not constitute any offer to sell or the solicitation of an offer to buy any security in the United States or in any other jurisdiction. The notes have not been and will not be registered under the U.S. Securities Act of 1933, as amended (the "Securities Act") or applicable state or foreign securities laws and may not be offered or sold in the United States absent registration under federal or applicable state securities laws or an applicable exemption from such registration requirements. Any public offering of securities to be made in the United States will be made by means of a prospectus that may be obtained from the issuer and that will contain detailed information about the company and management, as well as financial statements.

This press release shall not be considered an "offer of securities to the public" for purposes of the Luxembourg law on prospectus for public offering dated 10 July 2005. Furthermore, this press release constitutes neither an offer to sell nor a solicitation to buy securities nor shall it give rise to

or require the publication of a prospectus in any EU member state which has implemented the Prospectus Directive.

This announcement does not constitute an invitation or offer to underwrite, subscribe for or otherwise acquire or dispose of any securities nor is it intended to be an inducement to engage in investment activity for the purpose of Section 21 of the Financial Services and Markets Act 2000 of the United Kingdom (the "FSMA").

This announcement is directed only at (i) persons who are outside the United Kingdom; (ii) persons in the United Kingdom who have professional experience in matters relating to investments and who are investment professionals within the meaning of Article 19(5) of the Financial Services and Markets Act 2000 (Financial Promotion) Order 2005 (as amended) of the United Kingdom (the "Financial Promotion Order"); (iii) persons who fall within Articles 49(2)(a) to (d) ("high net worth companies, unincorporated associations etc.") of the Financial Promotion Order; and (iv) any other person to whom this announcement may be lawfully directed (all such persons together being referred to as "relevant persons"). Any investment or investment activity to which this announcement relates is only available to relevant persons and will be engaged in only with relevant persons. This announcement must not be acted on or relied on by persons who are not relevant persons.

The offer of the notes does not, nor is it intended to, constitute an "offer to the public" (as that term is defined in the South African Companies Act, 2008 (the "SA Companies Act")) and does not, nor is it intended to, constitute a prospectus prepared and registered under the SA Companies Act. No South African resident or offshore subsidiary of a South African resident may subscribe for or purchase any of the notes or beneficially own or hold any of the notes unless specific approval has been obtained from the South African Reserve Bank by such person or such subscription, purchase or beneficial holding or ownership is otherwise permitted under the South African exchange control regulations or the rulings promulgated thereunder.

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. 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 restructurings or 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.