EPL OIL & GAS, INC.
Form 4
January 21, 2014

FORM 4

Check this box if no longer subject to Section 16. Form 4 or Form 5 obligations may continue. *See* Instruction 1(b).

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

STATEMENT OF CHANGES IN BENEFICIAL OWNERSHIP OF SECURITIES

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

OMB APPROVAL
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(Print or Type Responses)

1. Name and Address of Reporting Person *
HANNA GARY C

(Last) (First) (Middle)

C/O EPL OIL & GAS, INC., 919 MILAM STREET, SUITE 1600

(Street)

HOUSTON, TX 77002

(City) (State) (Zip)

2. Issuer Name **and** Ticker or Trading Symbol
EPL OIL & GAS, INC. [EPL]

3. Date of Earliest Transaction (Month/Day/Year)
01/16/2014

4. If Amendment, Date Original Filed(Month/Day/Year)

5. Relationship of Reporting Person(s) to Issuer

(Check all applicable)

__X__ Director _____ 10% Owner
__X__ Officer (give title below) _____ Other (specify below)
Chairman, President and CEO

6. Individual or Joint/Group Filing(Check Applicable Line)
_X_ Form filed by One Reporting Person
___ Form filed by More than One Reporting Person

Table I - Non-Derivative Securities Acquired, Disposed of, or Beneficially Owned

1.Title of Security (Instr. 3)	2. Transaction Date (Month/Day/Year)	2A. Deemed Execution Date, if any (Month/Day/Year)	3. Transaction Code (Instr. 8)		4. Securities Acquired (A) or Disposed of (D) (Instr. 3, 4 and 5)			5. Amount of Securities Beneficially Owned Following Reported Transaction(s) (Instr. 3 and 4)	6. Ownership Form: Direct (D) or Indirect (I) (Instr. 4)	7. Nature of Indirect Beneficial Ownership (Instr. 4)
			Code	V	Amount	(A) or (D)	Price			
Common Stock (1)	01/16/2014		A		8,787	A	(2)	95,991	D	
Common Stock (3)	01/18/2014		F		2,052	D	$ 27.57	93,939	D	

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

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SEC 1474 (9-02)

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

1. Title of Derivative Security (Instr. 3)	2. Conversion or Exercise Price of Derivative Security	3. Transaction Date (Month/Day/Year)	3A. Deemed Execution Date, if any (Month/Day/Year)	4. Transaction Code (Instr. 8)		5. Number of Derivative Securities Acquired (A) or Disposed of (D) (Instr. 3, 4, and 5)		6. Date Exercisable and Expiration Date (Month/Day/Year)		7. Title and Amount of Underlying Securities (Instr. 3 and 4)		8. Price of Derivative Security (Instr. 5)	9. Nu Deriv Secu Bene Owne Follo Repo Trans (Instr
								Date Exercisable	Expiration Date	Title	Amount or Number of Shares		
				Code	V	(A)	(D)						

Reporting Owners

Reporting Owner Name / Address	Relationships			
	Director	10% Owner	Officer	Other
HANNA GARY C C/O EPL OIL & GAS, INC. 919 MILAM STREET, SUITE 1600 HOUSTON, TX 77002	X		Chairman, President and CEO	

Signatures

David Cedro, Attorney in Fact	01/21/2014
**Signature of Reporting Person	Date

Explanation of Responses:

* If the form is filed by more than one reporting person, *see* Instruction 4(b)(v).

** Intentional misstatements or omissions of facts constitute Federal Criminal Violations. *See* 18 U.S.C. 1001 and 15 U.S.C. 78ff(a).

(1) Shares of restricted stock granted on January 16, 2014 under the Issuer's 2009 Long Term Incentive Plan, as amended. The restricted shares are subject to customary transfer restrictions and risk of forfeiture provisions, which lapse in one-third increments on the first three anniversaries of the Date of Grant.

(2) Consistent with the provisions of the Issuer's 2009 Long Term Incentive Plan, the grantee did not pay any consideration to the Issuer for the restricted shares that were granted. By way of reference, the closing price per share of the Issuer's common stock on the New York Stock Exchange on January 16, 2014 was $27.74.

(3) Pursuant to the Reporting Person's Rule 10b5-1 plan, the Issuer withheld shares of Common Stock from the Reporting Person to pay the withholding tax obligations related to the lapse of transfer and forfeiture restrictions on restricted shares of Common Stock held by the Reporting Person.

Note: File three copies of this Form, one of which must be manually signed. If space is insufficient, *see* Instruction 6 for procedure.
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Other non-interest-bearing liabilities

16,109

Repayment

1,281 4,667 3,116 2,396 4,649

93

Maturity of repayment and interest payment of financial liabilities as of 31 December 2006:

	Book value	2007	2008	2009	2010	2011	2012 and thereafter
Loans from financial institutions	242						
Repayment		121	121				
Interest payment		7	3				
Finance lease liabilities	68,107						
Repayment		11,335	11,815	12,431	11,957	8,842	11,727
Interest payment		2,728	2,143	1,527	838	309	92
Borrowings from related parties							
Repayment	197,935		166,819	31,116			
Interest payment		1,033	1,033	416			
Borrowings, total	266,284						
Repayments in 2007	(11,456)						
Borrowings in the balance sheet	254,828						
Repayment		11,456	178,755	12,431	11,957	8,842	11,727
Interest payment		2,735	2,146	1,527	838	309	92
Current borrowings	24,444						
Repayment		24,444					
Interest payment		1,350					
Accounts payable and other non-interest bearing liabilities	141,211						
Repayment		141,211					
Other non-interest-bearing liabilities	14,140						
Repayment			7,698	1,492	1,492	1,738	1,720

94

Maturity of repayment and interest payment of financial liabilities as of 31 December 2005

	Book value	2006	2007	2008	2009	2010	2011 and thereafter
Loans from financial institutions	364						
Repayment		122	121	121			
Interest payment		12	7	3			
Finance lease liabilities	78,757						
Repayment		11,029	11,316	11,900	12,204	12,110	20,198
Interest payment		2,858	2,470	1,886	1,236	608	128
Borrowings from related parties							
Repayment	197,968			166,819	31,149		
Interest payment		4,781	4,781	4,781	305		
Borrowings, total	277,091						
Repayments in 2006	(11,151)						
Borrowings in the balance sheet	265,940						
Repayment		11,151	11,437	178,840	43,353	12,110	20,198
Interest payment		7,651	7,258	6,670	1,541	608	128
Current borrowings	26,249						
Repayment		26,249					
Interest payment		822					
Accounts payable and other non-interest bearing liabilities	135,873						
Repayment		135,873					
Other non-interest-bearing liabilities	12,445						
Repayment			4,222	1,460	1,492	1,492	3,779

Note 21—Financial receivables and borrowings

The following is a summary of the Company's financial receivables and borrowings as of 31 December:

	2007		2006		2005	
	Book values	Fair values	Book values	Fair values	Book values	Fair values
Borrowings						
Non-current borrowings						
Loans from financial institutions (Note 24)	-	-	121	121	243	243
Finance lease liabilities (Note 19)	45,079	44,265	56,771	56,084	67,729	65,230
Interest bearing liabilities from related parties	55,661	55,661	197,935	197,935	197,968	197,968
Total non-current borrowings	100,740	99,926	254,827	254,140	265,940	263,441
Current borrowings						
Loans from financial institutions (Note 24)	121	121	122	122	126	126
Finance lease liabilities (Note 19)	11,925	11,632	11,335	11,215	11,029	10,645
Interest bearing liabilities from related parties	12,000	12,000	24,444	24,444	26,244	26,244
Total current borrowings	24,046	23,753	35,901	35,781	37,399	37,015
Borrowings, total	124,786	123,679	290,728	289,921	303,339	300,456
Financial receivables						
Total Interest-bearing receivables	2,100	2,100	-	-	-	-
Cash at bank and in hand (Note 16)	28,284	28,284	51,769	51,769	40,655	40,655
Total Interest-bearing receivables	30,384	30,384	51,769	51,769	40,655	40,655
Interest-bearing net liabilities	94,402	93,295	238,959	238,152	262,684	259,801

In the Company as part of M-real Group all interest-bearing liabilities are valued in the balance sheet at amortised cost based on effective interest method. Interest bearing receivables are classified according to the IAS standards. Fair values in the table are based on present value of cash flow of each liability or assets calculated by market rate.

The fair values of accounts and other non-interest- bearing receivables and accounts payables and other non-interest-bearing liabilities are not essentially deviating from the carrying amounts in the combined balance sheet.

96

Note 22—Other non-current liabilities

The following is a summary of the Company's other non-current liabilities as of 31 December:

	2007	2006	2005
Non-current government grant	6,407	-	-
Employee costs	7,144	8,307	8,636
Accrued non-current purchases	1,440	-	-
Accruals for compensation of rights to use	-	-	207
Waste water expenses	1,118	5,833	3,602
	16,109	14,140	12,445

Note 23—Accounts payable and other current liabilities

The following is a summary of the Company's accounts payable and other current liabilities as of 31 December:

	2007	2006	2005
Accounts payable	86,389	65,996	57,132
Related parties payable	21,693	17,220	20,571
Taxes and contributions (payroll)	2,236	2,430	3,434
Vat payable	689	1,923	2,134
Accrued personnel costs	15,488	16,478	14,434
Accrued insurances	9	627	2,603
Accrued purchases	8,717	8,712	14,056
Accrued freight costs	525	415	771
Accrued interest expenses	303	106	71
Provision for discounts	26,391	22,995	14,828
Other items	2,773	4,249	5,825
	165,213	141,151	135,859

Note 24—Debt and interest expense

The Company had bank debt outstanding at 31 December 2007, 2006 and 2005 of EUR 121, EUR 242 and EUR 364, respectively. As discussed in Note 19, finance lease liabilities from parties other than banks amounted to EUR 57,003, EUR 67,107 and EUR 78,758 for the years ended 31 December 2007, 2006 and 2005, respectively. As described in Notes 2 and 3, M-real also uses a centralised approach to cash management and financing its operations. The Company has related party interest bearing liabilities due to M-real and Metsä Finance. Interest expense for the years ended 31 December 2007, 2006 and 2005 totaled EUR 5,054, EUR 9,867 and EUR 8,412, respectively, and has been reflected in the combined income statements as a component of other financial expense (see Note 9).

During the year ended 31 December 2007, M-real converted EUR 166,819 of the Company's related party interest bearing liabilities to invested equity. During the same period M-real contributed an additional EUR 15,000 and the Company paid a dividend to M-real in the amount of EUR 45,000.

97

Explanation of Responses:

The net effect of the recapitalisation, all of which related to the Company's business in Finland, was a decrease in invested equity of EUR 136,819. For the years ended 31 December 2007, 2006 and 2005, the Company incurred interest expense on the related party interest bearing liabilities subject to the recapitalisation of EUR 1,893, EUR 7,342 and EUR 6,650, respectively.

Note 25—Commitments and contingencies

Commitments

Operating and finance lease commitments
The Company holds operating leases for certain vehicles and equipment. Leasing liabilities for contracts exceeding 12 months and for non-cancellable operating leasing contracts were EUR 1,839 for the year ended 31 December 2007, EUR 819 for the year ended 31 December 2006 and EUR 1,949 for the year ended 31 December 2005.

Non-cancellable purchase commitments
The Company has no non-cancellable purchase agreements as of 31 December 2007.

Guarantees and indemnifications

The Company has not entered into any agreements that would require it, as a guarantor, to recognise a liability for the fair value of obligations it has undertaken in issuing the guarantee. All assets of the Company have been pledged by the Parent.

Warranties
The Company does not make express warranties on its products other than that such products comply with the Company's specifications. Based on historical experience, product quality claims are not material, and are charged against net sales when incurred.

Contingent liabilities

Customer claims and other litigation
In addition to the environmental related matters discussed above, the Company may be subject to various product liabilities, commercial and employment litigation, and other legal matters that are considered to be in the ordinary course of business. The Company has no legal reserve as of 31 December 2007, pertaining to customer claims and other litigation. As of 31 December 2007, there are no open legal matters, and management of the Company cannot reasonably estimate the outcome of potential legal proceedings, claims, or litigation. Management believes that any such potential matters will not materially affect the Company's financial position, results of operations, or cash flows.

2. Interim Condensed Combined Financial Information for the six months ended 30 June 2008 and 2007

INTERIM CONDENSED COMBINED INCOME STATEMENTS
FOR THE SIX MONTHS ENDED 30 JUNE 2008 AND 2007
(Amounts in thousands of Euros, unless otherwise stated)

	2008	2007
Sales		
3rd parties	629,005	614,302
Related party companies	2,234	45,185
Total sales	631,239	659,487
Change in finished goods inventories and work in progress	2,919	2,809
Other operating income	14,798	7,004
Materials and services		
Purchases	(451,693)	(451,157)
External services	(37,893)	(37,553)
Employee costs	(75,044)	(78,265)
Depreciation and amortisation	(37,811)	(27,299)
Other operating expenses	(84,566)	(84,386)
Operating result	(38,051)	(9,360)
Net exchange gains/losses	(2,307)	227
Other financial income	457	553
Other financial expenses	(3,775)	(4,810)
Financial items, total	(5,625)	(4,030)
Result before tax	(43,676)	(13,390)
Income taxes	5,835	2,613
Result attributable to the equity holders of the parent	(37,841)	(10,777)

The accompanying notes are an integral part of the interim condensed combined financial information.

99

INTERIM CONDENSED COMBINED BALANCE SHEETS
AS OF 30 JUNE 2008 AND 31 DECEMBER 2007
(Amounts in thousands of Euros, unless otherwise stated)

ASSETS	30 June 2008	31 December 2007
Non-current assets		
Intangible assets	2,580	2,257
Property, plant and equipment	649,531	670,492
Financial receivables	2,100	2,100
Other non-current assets	1,238	1,203
Total non-current assets	655,449	676,052
Current assets		
Inventories	130,572	123,993
Financial receivables	1,991	
Accounts receivable and non-interest bearing receivables	237,252	247,660
Income tax receivables	128	124
Cash and cash equivalents	3,046	28,284
Total current assets	372,989	400,061
TOTAL ASSETS	1,028,438	1,076,113
LIABILITIES AND INVESTED EQUITY		
Invested equity	626,162	673,317
Non-current liabilities		
Deferred tax liabilities	44,664	50,652
Post employment benefit obligations	43,896	42,864
Provisions	1,810	3,051
Borrowings	95,231	100,740
Other non-current liabilities	16,443	16,109
Total non-current liabilities	202,044	213,416
Current liabilities		
Borrowings	45,037	24,046
Accounts payable and other non-interest bearing liabilities	155,117	165,213
Income tax liabilities	78	121
Total current liabilities	200,232	189,380
TOTAL LIABILITIES AND INVESTED EQUITY	1,028,438	1,076,113

The accompanying notes are an integral part of the interim condensed combined financial information.

INTERIM CONDENSED COMBINED CASH FLOW STATEMENTS
FOR THE SIX MONTHS ENDED 30 JUNE, 2008 and 2007
(Amounts in thousands of Euros, unless otherwise stated)

	2008	2007
Result for period	(37,841)	(10,777)
Adjustments to results, total (a)	39,007	27,923
Interest received	426	543
Interest paid	(3,771)	(4,811)
Dividends received	31	10
Other financial items, net	(2,312)	226
Income taxes paid/received	(55)	(563)
Corporate overhead costs funded by Parent	4,000	4,800
Income taxes funded by Parent	215	339
Changes in working capital (b)	(26,191)	12,300
Net cash flow (used in) / arising from operating activities	(26,491)	29,990
Capital expenditure	(14,623)	(11,882)
Increase in long-term receivables	(35)	
Net cash flow used in investing activities	(14,658)	(11,882)
Financing with Parent, net (c)	20,793	(43,910)
Repayment of interest bearing liabilities	(5,311)	(5,486)
Net cash flow arising from / (used in) financing activities	15,482	(49,396)
Net change in cash and cash equivalents	(25,667)	(31,288)
Effect of exchange rate changes on cash	429	(200)
Decrease in cash and cash equivalents	(25,238)	(31,488)
Cash at beginning of year	28,284	51,769
Cash at end of year	3,046	20,281
Notes to the combined statements of cash flow		
(a) Adjustments to the results		
Depreciation and amortisation	37,811	27,299
Taxes	(6,050)	(2,952)
Finance costs, net	5,626	4,032
Provisions	(209)	1,994
Other adjustments	1,829	(2,450)
	39,007	27,923
(b) Changes in working capital		
Inventories	(6,579)	920
Current receivables	(7,189)	1,305
Current non-interest bearing liabilities	(12,423)	10,075
	(26,191)	12,300
Non-cash transactions		
(c) In 2007 the Parent converted EUR 166,819 of related party interest-bearing liabilities to invested equity.		

The accompanying notes are an integral part of the interim condensed combined financial information.

101

Explanation of Responses:

INTERIM CONDENSED COMBINED CHANGES IN EQUITY
FOR THE SIX MONTHS ENDED 30 JUNE, 2008 and 2007
(Amounts in thousands of Euros, unless otherwise stated)

	SIX MONTHS ENDED 30 JUNE, 2007
Balance, 1 January 2007	460,381
Translation differences	(2,650)
Result for the period	(10,777)
Related party transactions	
Equity contribution by Parent	166,819
Corporate overhead costs funded by parent company	4,800
Income taxes funded by parent company	339
Other financing with Parent, net	(43,329)
Related party transactions, total	128,629
Balance, 30 June 2007	575,583

	SIX MONTHS ENDED 30 JUNE, 2008
Balance, 1 January 2008	673,317
Translation differences	2,262
Result for the period	(37,841)
Related party transactions	
Corporate overhead costs funded by parent company	4,000
Income taxes funded by parent company	215
Other financing with Parent, net	(15,791)
Related party transactions, total	(11,576)
Balance, 30 June 2008	626,162

The accompanying notes are an integral part of the interim condensed combined financial information.

NOTES TO THE INTERIM CONDENSED COMBINED FINANCIAL INFORMATION

(Monetary amounts in thousands of Euros, unless otherwise stated)

Note 1 - Background and basis of presentation

M-real Oyj and its subsidiaries ("M-real Group" or "M-real" or the "Parent") are one of Europe's leading producers of paperboard and paper. M-real Group offers premium solutions of consumer packaging, communications and advertising and has 17 production units in 6 European countries. M-real is present in over 70 countries thanks to its global sales network. M-real Oyj Headquarter is located in Espoo, Finland.

On 29 September 2008, M-real entered into a Master Business and Share Sale and Purchase Agreement ("SPA") with Sappi Limited, a South African company, regarding the sale of share holdings in four legal entities and two paper mills of M-real's Graphic Papers Business (the "Transaction"). The entities subject to the sale, all of which are 100% owned by M-real, are comprised of two separate paper mills in Finland (Kangas and Kirkniemi), Stockstadt GmbH ("Stockstadt") and its wholly owned subsidiary Chemische Werke Zell-Wildshausen GmbH ("CWZ"), CN-Papiervertrieb GmbH ("CN") in Germany and M-real Biberist AG ("Biberist") in Switzerland. Collectively these entities are referred to as the "Carve-out Graphic Papers Business " or the "Company." M-real has prepared the interim condensed combined financials information ("interim financial statements") of the Company in connection with the SPA.

The Company produces and provides coated fine and magazine paper and uncoated fine paper to publishing, advertising and communication end-users. Customers include printers, publishers, advertising agencies and corporations served both directly and through merchant partners. The manufacturing operations of the Company are located in Lohja and Jyväskylä, Finland, Stockstadt, Germany, and Biberist, Switzerland.

Basis of presentation

The interim financial statements have been prepared on a "carve-out" basis from M-real's consolidated financial statements using the historical results of operations, assets and liabilities attributable to the Company and include allocations of expenses and assets from M-real. The interim financial statements may not be indicative of the Company's future performance and do not necessarily reflect what its combined results of operations, financial position and cash flows would have been had the Company operated as an independent company during the periods presented. In addition to favorable industry and market conditions including raw material costs and paper prices, the Company's future profitability and cash flows depend on its ability to receive financing. Historically, financing has been made available to the Company by its Parent.

These interim financial statements include the assets, liabilities, sales, expenses and cash flows of the entities subject to the Transaction. Certain entities of M-real's Graphic Papers Business have been excluded from these interim condensed combined financial statements because they are not subject to the Transaction and there are no significant inter-business relationships, interdependencies or common facilities with the entities that are subject to the Transaction.

These interim financial statements include allocations for various expenses, including, among other things, corporate overheads and administration. These allocations are discussed in Note 5, Related party transactions. Company management considers that such allocations have been made on a reasonable basis, but are not necessarily indicative of the costs that would have been incurred if the Company were a stand-alone entity.

M-real uses a centralised approach via a cash pooling arrangement to manage cash and to finance its operations. Each of the Company entities historically maintained a separate balance sheet which included financing positions with M-real Group. Interest earned on deposits through the cash pooling arrangement and payable on related party interest bearing borrowings was historically settled through the cash pool arrangement. Invested equity of the Company represents M-real's residual claim on the Company entities and includes allocations from M-real, settlement of intercompany transactions with M-real, and the Company's cumulative operating results, including other income items recognised directly in equity. See Note 5, Related party transactions, for more information and transactions between the Parent and the Company.

These interim financial statements of the Company have been prepared in accordance with International Financial Reporting Standards (IFRS), as adopted by the International Accounting Standards Board (IASB). The interim financial statements are presented in thousands of Euros (EUR), unless otherwise stated. The interim condensed combined financial statements have been prepared on a historical cost basis, except for certain other financial assets and liabilities, which are measured at fair value.

The interim financial statements have also been prepared in accordance with International Accounting Standard ("IAS") 34, "Interim Financial Reporting" and the accounting policies presented in the Company's annual combined financial statements as of and for the years ended 31 December 2007, 2006 and 2005. The preparation of interim financial statements requires management to make judgments, estimates and assumptions that affect the application of accounting policies, the reported amount of sales, expenses, assets and liabilities. Actual results may differ from management's estimates.

In the opinion of management, the interim financial statements reflect all adjustments necessary (consisting only of normal recurring adjustments) necessary for a fair presentation of the results of operations and the financial position of the Company. Operating results of the interim periods may not be indicative of the results that may be expected for any future period or for the full fiscal year.

Note 2 - Income taxes

During the periods presented, the Company did not file separate tax returns for the Finnish mills (Kangas and Kirkniemi) and Stockstadt and CWZ as these entities were included in the tax grouping of other M-real entities within the respective entities tax jurisdictions. Biberist and CN have historically not been part of any M-real tax grouping and have filed separate, respective local jurisdictional tax returns on an annual basis. The income tax provision included in these interim financial statements was calculated using a method consistent with a separate return basis, as if each of the Company's companies were a separate taxpayer in the jurisdiction of primary operation. Tax expense in the interim condensed combined income statement is comprised of the current tax and deferred taxes. Any current taxes are deemed settled through invested equity.

Income taxes for the six months ended 30 June 2008 and 2007 are as follows:

	2008	2007
Taxes for the current period	215	339
Taxes for the prior periods	(62)	-
Deferred taxes	(5,988)	(2,952)
Total income taxes	(5,835)	(2,613)

104

Explanation of Responses:

A reconciliation of income tax expense (benefit) computed at the statutory rate applicable in Finland of 26% for the six months ended 30 June 2008 and 2007 to the Company's reported income tax benefit for each respective period is as follows:

	2008	2007
Income tax expense (benefit) computed at		
The Finland statutory rate	(11,356)	(3,480)
Taxes for the prior periods	(62)	-
Difference between Finnish and foreign rates	(759)	(480)
Tax losses with no tax benefit	6,415	1,555
Other adjustments	(73)	(208)
Tax expense in income statement	(5,835)	(2,613)

Note 3 - Changes in property, plant and equipment

The following shows the components of changes in property, plant and equipment for the six months ended 30 June, 2008 and 2007:

	2008	2007
Book value 1 January	670,492	565,750
Increases	14,604	56,187
Decreases	(177)	(6,206)
Depreciation and amortisation	(37,440)	(94,084)
Impairment charges and reversal of impairment charges	-	151,000
Translation differences	2,052	(2,155)
Book value at 30 June	649,531	670,492

In December 2007, primarily because of a significant increase in the estimated long term sales prices of wood free coated paper, uncoated paper and magazine paper, and partially resulting from a decrease in excess paper capacity during the year, the Company recognised a reversal of impairment losses previously recognised on long lived assets in the amount of EUR 151,000. The recoverable amount of the cash generating unit at 30 June 2008 has been calculated on a value in use basis.

Note 4 - Provisions

The following is a summary of the Company's provisions made for the six months ended 30 June 2008 and 2007.

	Restructuring	Environmental obligations	Taxation	Other provisions	Total
At 1 January 2008	989	451	993	618	3,051
Increases	-	-	-	21	21
Utilised during the year	(129)	(4)	(993)	(136)	(1,262)
At 30 June 2008	860	447	-	503	1,810
At 1 January 2007	2,618	284	1,365	949	5,216
Increases	-	-	-	10	10
Utilised during the year	(456)	(162)	-	(123)	(741)
At 30 June 2007	2,162	122	1,365	836	4,485

Note 5 - Related party transactions

These interim financial statements include transactions with M-real, its subsidiaries and M-real's parent company Metsäliitto Cooperative and its other subsidiaries that are considered related parties in respect to the Carve-out Graphic Papers Business. The Company enters into a significant number of transactions with related parties for the purchases of inventory, sale of goods, as well as corporate services. Product and services transfers between the Company and the related parties have been made at arm's length prices.

Transactions between the Company and related parties for the six months ended 30 June are as follows:

	2008	2007
Sales	2,234	45,185
Other operating income	1,333	1,256
Purchases	234,100	227,248
Other operating expenses	24,574	26,530
Interest income from M-real recognised by the Company	348	533
Interest expenses from M-real recognised by the Company	2,186	3,150

Balances with the Company and related parties as of 30 June 2008 and 31 December 2007 are as follows

Receivables		
Current	16,717	33,267
Liabilities		
Non-current	55,585	55,661
Current	66,494	33,693

106

Sales of goods to related parties decreased in six month period ended 30 June 2008 as compared to the prior period due to the Parent's divestment of its paper merchant Map Merchant Group in October 2007.

Other operating expenses include allocated corporate costs of EUR 4,000 and EUR 4,800 for the six months period ended 30 June 2008 and 2007, respectively and other operating expenses. These costs are primarily related to corporate level administrative services (executive personnel costs, human resources, legal services, IT services, insurance and other administrative services), and are generally allocated based on the ratio of the Company's annual net sales or other specific allocation keys, to the Parent's comparable amounts. Corporate expense allocations are in addition to business level expenses which are invoiced to the individual the Company businesses on at least a quarterly basis. Management considers that such allocations have been made on a reasonable basis, but may not necessarily be indicative of the costs incurred had the Company operated as a separate entity during the periods presented. Certain corporate costs incurred by M-real that did not directly or indirectly benefit the Company entities were not allocated to the interim financial statements as such expenses could not be reasonably allocated.

As of 30 June 2008 and 31 December 2007 cash and cash equivalents include receivables due from M-real from cash pooling amounting to EUR 1,058 and EUR 24,538, respectively. Interest income on these balances due from M-real has been recognised in other financial income.

As of 30 June 2008 and 31 December 2007, current accounts receivable and non-interest bearing receivables include amounts due from related parties in the amount of EUR 14,846 and EUR 33,267, respectively, and accounts payable and other non-interest bearing liabilities include amounts due to related parties in the amount of EUR 33,625 and EUR 21,693, respectively.

As of 30 June 2008 and 31 December 2007, non-current borrowings include non-current loans due to related parties in the amount of EUR 55,585 and EUR 55,661, respectively, and current borrowings include current loans due to related parties in the amount of EUR 32,869 and EUR 12,000, respectively. Interest expenses on these balances due to related parties have been recognised in other financial expenses.

During the six months ended 30 June 2007, M-real converted EUR 166,819 of the Company's related party interest bearing liabilities to invested equity. During the same period the Company paid a dividend to M-real in the amount of EUR 45,000. The net effect of the recapitalisation, all of which related to the Company's business in Finland, was a decrease in invested equity of EUR 121,819.

Stockstadt and CWZ participate in a profit and loss transfer arrangement ("PLTA") interim with its holding company M-real Deutsche Holding GmbH for all periods presented in the interim financial statements. Under the PLTA, Stockstadt and CWZ are obligated to transfer their entire profits, as determined under the German Commercial Code (HGB), to Deutsche Holding GmbH during the term of the agreement. Conversely, Deutsche Holding GmbH is obliged to compensate any net loss generated by Stockstadt and CWZ as determined under HGB. The Company recognised the right to be compensated for net loss generated by recognizing EUR 15,791 in current accounts receivable as of 31 December 2007 offset with a corresponding increase in invested equity. As both the right to transfer profits and the claim to be compensated for any net losses arises at the end of the financial year, the Company did not recognise a receivable for net loss, as determined under HGB, generated at Stockstadt and CWZ in the amount of EUR 19,639 as of 30 June 2008.

In the regular course of business, the Company is exposed to certain financial risks which are hedged by either the local business or by Metsä Finance on positions held by the Company. These risks are typically commodity (energy) prices, foreign currency exposure and translation risk of net investments in foreign entities. The Company has elected not to allocate hedging positions of the Company specific risk, held by Metsä Finance, to the interim financial statements.

107

Explanation of Responses:

Note 6 - Commitments and contingencies

Commitments

Operating and finance lease commitments

The Company holds operating leases for certain vehicles and equipment. Leasing liabilities for contracts exceeding 12 months and for non-cancellable operating leasing contracts were EUR 1,879 for the six months ended 30 June 2008, EUR 1,657 and EUR 1,839 for the year ended 31 December 2007.

The Company recognised finance lease assets in the amount of EUR 51,600 and EUR 58,242 and corresponding obligations in the amount of EUR 51,754 and EUR 57,004 as of 30 June 2008 and 31 December 2007, respectively. Financial expenses recognised in relation to the finance lease arrangements amounted to EUR 1,555, EUR 1,706 and EUR 3,173 for the six months ended 30 June 2008 and 2007 and year ended 31 December 2007, respectively.

Non-cancellable purchase commitments

The Company has no non-cancellable purchase agreements as of 30 June 2008.

Guarantees and indemnifications

The Company has not entered into any agreements that would require it, as a guarantor, to recognise a liability for the fair value of obligations it has undertaken in issuing the guarantee. All assets of the Company have been pledged by the Parent.

Warranties

The Company does not make express warranties on its products other than that such products comply with the Company's specifications. Based on historical experience, product quality claims are not material, and are charged against net sales when incurred.

Contingent liabilities

Customer claims and other litigation

In addition to the environmental related matters discussed above, the Company may be subject to various product liabilities, commercial and employment litigation, and other legal matters that are considered to be in the ordinary course of business. The Company has no legal reserve as of 30 June 2008, pertaining to customer claims and other litigation. As of 30 June 2008, there are no open legal matters, and management of the Company cannot reasonably estimate the outcome of potential legal proceedings, claims, or litigation. Management believes that any such potential matters will not materially affect the Company's financial position, results of operations, or cash flows.

Note 7 - Material Changes in the Business

There have been no shares and convertible securities issued.

No material fact or circumstance has occurred between the end of the latest financial year of the Company and the date of the prospectus, in so far as not already dealt with in the interim financial statements included in the report of historical financial information.

3. Interim condensed combined financial information for the three months ended 31 December 2007 and 2006

INTERIM CONDENSED COMBINED INCOME STATEMENTS
FOR THE THREE MONTHS ENDED 31 DECEMBER 2007 AND 2006

(Amounts in thousands of Euros, unless otherwise stated)

	Three months ended		Year ended	
	31 December 2007	31 December 2006	31 December 2007	31 December 2006
Sales				
3rd parties	328,528	303,298	1,258,976	1,214,517
Related party	8,697	23,182	73,811	101,268
Total sales	337,225	326,480	1,332,787	1,315,785
Change in finished goods inventories and work in progress	(11,107)	(3,404)	(2,527)	(7,793)
Other operating income	5,355	(1,818)	15,452	17,112
Materials and services				
Purchases	(234,956)	(213,321)	(919,488)	(859,607)
External services	(20,217)	(19,306)	(76,123)	(76,493)
Employee costs	(32,750)	(35,808)	(145,579)	(155,628)
Depreciation and amortisation	(53,928)	(13,552)	(95,662)	(59,021)
Impairment and reversals of impairment charges	151,000	(20,000)	151,000	(20,000)
Other operating expenses	(42,963)	(41,476)	(169,023)	(169,473)
Operating result	97,659	(22,205)	90,837	(15,118)
Net exchange gains/losses	(2,435)	(525)	(4,110)	(3,314)
Other financial income	431	759	1,153	8,637
Other financial expenses	(2,319)	(3,360)	(8,687)	(13,479)
Financial items, total	(4,323)	(3,126)	(11,644)	(8,156)
Result before tax	93,336	(25,331)	79,193	(23,274)
Income taxes	(13,275)	3,787	(12,740)	3,069
Result for period	80,061	(21,544)	66,453	(20,205)

The accompanying notes are an integral part of the interim condensed combined financial information.

INTERIM CONDENSED COMBINED BALANCE SHEETS
AS OF 31 DECEMBER 2007 AND 2006
(Amounts in thousands of Euros, unless otherwise stated)

ASSETS	2007	2006
Non-current assets		
Intangible assets	2,257	5,433
Property, plant and equipment	670,492	565,750
Financial receivables	2,100	-
Other non-current assets	1,203	56
Total non-current assets	676,052	571,239
Current assets		
Inventories	123,993	134,382
Accounts receivable and non-interest bearing receivables	247,660	236,974
Income tax receivables	124	241
Cash and cash equivalents	28,284	51,769
Total current assets	400,061	423,366
TOTAL ASSETS	1,076,113	994,605
LIABILITIES AND INVESTED EQUITY		
Invested equity	673,317	460,381
Non-current liabilities		
Deferred tax liabilities	50,652	40,066
Post employment benefit obligations	42,864	42,863
Provisions	3,051	5,216
Borrowings	100,740	254,827
Other non-current liabilities	16,109	14,140
Total non-current liabilities	213,416	357,112
Current liabilities		
Borrowings	24,046	35,901
Accounts payable and other non-interest bearing liabilities	165,213	141,151
Income tax liabilities	121	60
Total current liabilities	189,380	177,112
TOTAL LIABILITIES AND INVESTED EQUITY	1,076,113	994,605

The accompanying notes are an integral part of the interim condensed combined financial information.

110

INTERIM CONDENSED COMBINED CASH FLOW STATEMENTS
FOR THE YEARS ENDED 31 DECEMBER 2007 AND 2006
(Amounts in thousands of Euros, unless otherwise stated)

	2007	2006
Result for period	66,453	(20,205)
Adjustments to results, total (a)	(36,786)	74,342
Interest received	1,143	1,666
Interest paid	(8,681)	(13,479)
Dividends received	10	6,970
Other financial items, net	(4,117)	(3,315)
Income taxes paid/received	(154)	402
Corporate overhead costs funded by Parent	8,600	8,000
Income taxes funded by Parent	2,154	7,725
Other Parent funding items	-	-
Changes in working capital (b)	42,523	15,755
Net cash flow arising from operating activities	71,145	77,861
Capital expenditure	(45,228)	(53,742)
Proceeds from sale of property, plant and equipment	159	43
Increase in long-term receivables	(3,247)	-
Net cash flow used in investing activities	(48,316)	(53,699)
Financing with Parent, net (c)	(34,891)	-
Repayment of 3rd party borrowings	(11,224)	(12,611)
Net cash flow used in financing activities	(46,115)	(12,611)
Net change in cash and cash equivalents	(23,286)	11,551
Effect of exchange rate changes on cash	(199)	(437)
(Decrease) / increase in cash and cash equivalents	(23,485)	11,114
Cash at beginning of year	51,769	40,655
Cash at end of year	28,284	51,769
Notes to the combined statements of cash flow		
(a) Adjustments to the results		
Depreciation and amortisation	95,662	59,021
Impairment charges and reversal of impairment charges	(151,000)	20,000
Taxes	10,586	(10,794)
Finance costs, net	11,644	8,156
Provisions	(2,164)	285
Other adjustments	(1,514)	(2,326)
	(36,786)	74,342
(b) Changes in working capital		
Inventories	10,389	18,264
Current receivables	5,376	(8,915)
Current non-interest bearing liabilities	26,758	6,406
	42,523	15,755
Non-cash transactions		

(c) In 2007 the Parent converted EUR 166,819 thousand of Related party interest-bearing liabilities to invested equity

The accompanying notes are an integral part of the interim condensed combined financial information.

111

INTERIM CONDENSED COMBINED CHANGES IN INVESTED EQUITY
FOR THE YEARS ENDED 31 DECEMBER 2007 AND 2006

(Amounts in thousands of Euros, unless otherwise stated)

	YEAR ENDED 2006
Balance, 1 January 2006	466,560
Translation differences	(2,729)
Result for the period	(20,205)
Related party transactions	
Corporate overhead costs funded by parent company	8,000
Income taxes funded by parent company	7,725
Other financing with Parent, net	1,030
Related party transactions, total	16,755
Balance, 31 December 2006	460,381
	YEAR ENDED 2007
Balance, 1 January 2007	460,381
Translation differences	(1,556)
Result for the period	66,453
Related party transactions	
Equity contribution by Parent	181,819
Corporate overhead costs funded by parent company	8,600
Income taxes funded by parent company	2,154
Other financing with Parent, net	(44,534)
Related party transactions, total	148,039
Balance, 31 December 2007	673,317

The accompanying notes are an integral part of the interim condensed combined financial information.

NOTES TO THE INTERIM CONDENSED COMBINED FINANCIAL INFORMATION
(Monetary amounts in thousands of Euros, unless otherwise stated)

Note 1 - Background and basis of presentation

M-real Oyj and its subsidiaries ("M-real Group" or "M-real" or the "Parent") are one of Europe's leading producers of paperboard and paper. M-real Group offers premium solutions of consumer packaging, communications and advertising and has 17 production units in 6 European countries. M-real is present in over 70 countries thanks to its global sales network. M-real Oyj Headquarter is located in Espoo, Finland.

On 29 September 2008, M-real entered into a Master Business and Share Sale and Purchase Agreement ("SPA") with Sappi limited, a South African company, regarding the sale of share holdings in four legal entities and two paper mills of M-real's Graphic Papers Business (the "Transaction"). The entities subject to the sale, all of which are 100% owned by M-real, are comprised of two separate paper mills in Finland (Kangas and Kirkniemi), Stockstadt GmbH ("Stockstadt") and its wholly owned subsidiary Chemische Werke Zell-Wildshausen GmbH ("CWZ"), CN-Papiervertrieb GmbH ("CN") in Germany and M-real Biberist AG ("Biberist") in Switzerland. Collectively these entities are referred to as the "Carve-out Graphic Papers Business " or the "Company." M-real has prepared the interim condensed combined financial information ("interim financial statements") of the Company in connection with the SPA.

The Company produces and provides coated fine and magazine paper and uncoated fine paper to publishing, advertising and communication end-users. Customers include printers, publishers, advertising agencies and corporations served both directly and through merchant partners. The manufacturing operations of the Company are located in Lohja and Jyväskylä, Finland, Stockstadt, Germany, and Biberist, Switzerland.

Basis of presentation

The interim financial statements have been prepared on a "carve-out" basis from M-real's consolidated financial statements using the historical results of operations, assets and liabilities attributable to the Company and include allocations of expenses and assets from M-real. The interim financial statements may not be indicative of the Company's future performance and do not necessarily reflect what its combined results of operations, financial position and cash flows would have been had the Company operated as an independent company during the periods presented. In addition to favorable industry and market conditions including raw material costs and paper prices, the Company's future profitability and cash flows depend on its ability to receive financing. Historically, financing has been made available to the Company by its Parent.

These interim financial statements include the assets, liabilities, sales, expenses and cash flows of the entities subject to the Transaction. Certain entities of M-real's Graphic Papers Business have been excluded from these interim financial statements because they are not subject to the Transaction and there are no significant inter-business relationships, interdependencies or common facilities with the entities that are subject to the Transaction.

These interim financial statements include allocations for various expenses, including, among other things, corporate overheads and administration. These allocations are discussed in Note 4. Company management considers that such allocations have been made on a reasonable basis, but are not necessarily indicative of the costs that would have been incurred if the Company were a stand-alone entity.

M-real uses a centralised approach via a cash pooling arrangement to manage cash and to finance its operations. Each of the Company entities historically maintained a separate balance sheet which included financing positions with M-real Group. Interest earned on deposits through the cash pooling arrangement and payable on related party interest bearing borrowings was historically settled through the cash pool arrangement. Invested equity of the Company represents M-real's residual claim on the Company entities and includes allocations from M-real, settlement of intercompany transactions with M-real, and the Company's cumulative operating results, including other income items recognised directly in equity. See Note 4, Related party transactions, for more information and transactions between the Parent and the Company.

These interim financial statements of the Company have been prepared in accordance with International Financial Reporting Standards (IFRS), as adopted by the International Accounting Standards Board (IASB). The interim condensed combined financial statements are presented in thousands of Euros (EUR), unless otherwise stated. The interim financial statements have been prepared on a historical cost basis, except for certain other financial assets and liabilities, which are measured at fair value.

The interim financial statements have also been prepared in accordance with International Accounting Standard (IAS) 34, “Interim Financial Reporting” and the accounting policies presented in the Company’s annual combined financial statements as of and for the years ended 31 December 2007 and 2006. The preparation of interim financial statements requires management to make judgments, estimates and assumptions that affect the application of accounting policies, the reported amount of sales, expenses, assets and liabilities. Actual results may differ from management’s estimates.

In the opinion of management, the interim financial statements reflect all adjustments necessary (consisting only of normal recurring adjustments) necessary for a fair presentation of the results of operations and the financial position of the Company. Operating results of the interim periods may not be indicative of the results that may be expected for any future period or for the full fiscal year.

Note 2 - Depreciation, amortisation and impairment charges

The following shows the split of the Company’s depreciation, amortisation and impairment charges for three months ended 31 December 2007 and 2006 and the years ended 31 December 2007 and 2006.

	Three months ended 31 December		Year ended 31 December	
	2007	2006	2007	2006
Straight-line depreciation				
Other intangible assets	666	181	1,378	1,381
Buildings	9,084	1,039	11,661	4,882
Machinery and equipment	43,205	11,382	78,984	49,046
Other tangible assets	973	950	3,639	3,712
Total	53,928	13,552	95,662	59,021
Impairment charges and reversal of impairment charges				
Buildings	(30,955)	4,100	(30,955)	4,100
Machinery and equipment	(120,045)	15,900	(120,045)	15,900
Total	(151,000)	20,000	(151,000)	20,000
Straight-line depreciation, impairment charges and reversal of impairment charges, total	(97,072)	33,552	(55,338)	79,021

Depreciation of buildings and machinery and equipment during the three months and year ended 31 December 2007 includes a write-down of EUR 39,163 due to closure of a paper machine at the Kangas mill.

In the three months and year ended 31 December 2006, mostly because of higher SW pulp price estimates and lower magazine paper price estimates for the next 5 years, an impairment charge of EUR 20,000 was recognised in the Company's combined income statement. In 2007, primarily because of a significant increase in the estimated long term sales prices of wood free coated paper, uncoated paper and magazine paper, partially resulting from a decrease in excess paper capacity during the year, the Company recognised reversal of impairment losses previously recognised on long lived assets other than goodwill in the amount of EUR 151,000.

Note 3 - Income taxes

During the periods presented, the Company did not file separate tax returns for the Finnish mills (Kangas and Kirkniemi) and Stockstadt and CWZ as these entities were included in the tax grouping of other M-real entities within the respective entities tax jurisdictions. Biberist and CN have historically not been part of any M-real tax grouping and have filed separate, respective local jurisdictional tax returns on an annual basis. The income tax provision included in these interim financial statements was calculated using a method consistent with a separate return basis, as if each of the Company's companies were a separate taxpayer in the jurisdiction of primary operation. Tax expense in the interim condensed combined income statement is comprised of the current tax and deferred taxes. Any current taxes are deemed settled through invested equity.

Income taxes for the three months ended 31 December 2007 and 2006 and for the years ended 31 December 2007 and 2006 are as follows:

	Three months ended 31 December		Year ended 31 December	
	2007	2006	2007	2006
Taxes for the current period	1,614	5,845	2,153	7,725
Deferred taxes	11,661	(9,632)	10,587	(10,794)
Total income taxes	13,275	(3,787)	12,740	(3,069)

A reconciliation of income tax expense (benefit) computed at the statutory rate applicable in Finland of 26% for the three months ended 31 December 2007 and 2006 and for the year ended 31 December 2007 to the Company's reported income tax expense (benefit) is as follows:

	Three months ended 31 December		Year ended 31 December	
	2007	2006	2007	2006
Income tax expense (benefit) computed at				
the Finland statutory rate	24,266	(6,586)	20,590	(6,051)
Difference between Finnish and foreign rates	5,132	(1,216)	3,604	(2,196)
Tax losses with no tax benefit	(16,312)	4,135	(11,277)	5,527
Other adjustments	189	(120)	(177)	(349)
Tax expense (benefit) in income statement	13,275	(3,787)	12,740	(3,069)

115

Note 4 - Related party transactions

These interim financial statements include transactions with M-real, its subsidiaries and M-real's parent company Metsäliitto Cooperative and its other subsidiaries that are considered related parties in respect to the Carve-out Graphic Papers Business. The Company enters into a significant number of transactions with related parties for the purchases of inventory, sale of goods, as well as corporate services. Product and services transfers between the Company and the related parties have been made at arm's length prices.

Transactions between the Company and related parties for the three months ended 31 December 2007 and 2006 and for the year ended 31 December 2007 and 2006 are as follows:

	Three months ended 31 December		Years ended 31 December	
	2007	2006	2007	2006
Sales	8,697	23,182	73,811	101,268
Other operating income	1,044	890	2,557	2,333
Purchases	117,515	105,946	462,568	421,475
Other operating expenses	13,102	12,759	51,656	53,755
Interest income from M-real recognised by the Company	251	533	972	1,574
Interest expenses from M-real recognised by the Company	1,144	2,465	5,054	9,867
Receivables				
Current	33,267	40,706	33,267	40,706
Liabilities				
Non-current	55,661	197,935	55,661	197,935
Current	33,693	41,664	33,693	41,664

Sales of goods to related parties decreased in three month period ended 31 December 2007 as compared to the three month period ended 31 December 2006 due to the Parent's divestment of its paper merchant Map Merchant Group in October 2007.

Other operating expenses include allocated corporate costs of EUR 2,150, EUR 2,000, EUR 8,600 and EUR 8,000 for the three month periods ended 31 December 2007 and 2006 and for the years ended 31 December 2007 and 2006, respectively. These costs are primarily related to corporate level administrative services (executive personnel costs, human resources, legal services, IT services, insurance and other administrative services), and are generally allocated based on the ratio of the Company's annual net sales or other specific allocation keys, to the Parent's comparable amounts. Corporate expense allocations are in addition to business level expenses which are invoiced to the individual the Company businesses on at least a quarterly basis. Management considers that such allocations have been made on a reasonable basis, but may not necessarily be indicative of the costs incurred had the Company operated as a separate entity during the periods presented. Certain corporate costs incurred by M-real that did not directly or indirectly benefit the Company entities were not allocated to the interim financial statements as such expenses could not be reasonably allocated.

As of 31 December 2007 and 2006 cash and cash equivalents include receivables due from M-real from cash pooling amounting to EUR 24,538 and EUR 46,725, respectively. Interest income on these balances due from M-real has been recognised in other financial income.

116

As of 31 December 2007 and 2006, current accounts receivable and non-interest bearing receivables include amounts due from M-real and its subsidiaries in the amount of EUR 33,267 and EUR 40,706, respectively, and accounts payable and other non-interest bearing liabilities include amounts due to M-real in the amount of EUR 21,693 and EUR 17,220, respectively.

As of 31 December 2007 and 2006 non-current borrowings include non-current loans due to M-real in the amount of EUR 55,661 and EUR 197,935, respectively, and current borrowings include current loans due to M-real in the amount of EUR 12,000 and EUR 24,444, respectively. Interest expenses on these balances due to M-real have been recognised in other financial expenses.

During the first half of the year ended 31 December 2007, M-real converted EUR 166,819 of the Company's related party interest bearing liabilities to invested equity. During the quarter ended 31 December 2007, M-real contributed an additional EUR 15,000 of the Company's related party interest bearing liabilities to invested equity.

Stockstadt and CWZ participate in a profit and loss transfer arrangement ("PLTA") with its holding company M-real Deutsche Holding GmbH for all periods presented in the interim financial statements. Under the PLTA, Stockstadt and CWZ are obligated to transfer their entire profits, as determined under the German Commercial Code (HGB), to Deutsche Holding GmbH during the term of the agreement. Conversely, Deutsche Holding GmbH is obliged to compensate any net loss generated by Stockstadt and CWZ as determined under HGB. The Company recognised the right to be compensated for net loss generated by recognizing EUR 15,791 in current accounts receivable as of 31 December 2007 offset with a corresponding increase in invested equity. The Company recognised its obligation to transfer profits under the PLTA by recognizing EUR 1,667 in current accounts payable as of 31 December 2006 offset with a corresponding reduction in invested equity.

In the regular course of business, the Company is exposed to certain financial risks which are hedged by either the local business or by Metsä Finance on positions held by the Company. These risks are typically commodity (energy) prices, foreign currency exposure and translation risk of net investments in foreign entities. The Company has elected not to allocate hedging positions of the Company specific risk, held by Metsä Finance, to the interim financial statements.

Note 5 - Commitments and contingencies

Commitments

Operating and finance lease commitments

The Company holds operating leases for certain vehicles and equipment. Leasing liabilities for contracts exceeding 12 months and for non-cancellable operating leasing contracts were EUR 1,839 and EUR 819 for the three months ended 31 December 2007 and 2006, respectively.

The Company recognised finance lease assets in the amount of EUR 58,242 and EUR 70,796 and corresponding obligations in the amount of EUR 57,004 and EUR 68,107 as of 31 December 2007 and 2006, respectively. Financial expenses recognised in relation to the finance lease arrangements amounted to EUR 707 and EUR 874 for the three months ended 31 December 2007 and 2006 and EUR 3,173 and EUR 3,475 in the years ended 31 December 2007 and 2006, respectively.

Non-cancellable purchase commitments

The Company has no non-cancellable purchase agreements as of 31 December 2007.

117

Explanation of Responses:

Guarantees and indemnifications

The Company has not entered into any agreements that would require it, as a guarantor, to recognise a liability for the fair value of obligations it has undertaken in issuing the guarantee. All assets of the Company have been pledged by the Parent.

Warranties

The Company does not make express warranties on its products other than that such products comply with the Company's specifications. Based on historical experience, product quality claims are not material, and are charged against net sales when incurred.

Contingent liabilities

Customer claims and other litigation

The Company may be subject to various product liabilities, commercial and employment litigation, and other legal matters that are considered to be in the ordinary course of business. The Company has no legal reserve as of 31 December 2007 and 2006 pertaining to customer claims and other litigation. As of 31 December 2007 and 2006 there are no open legal matters, and management of the Company cannot reasonably estimate the outcome of potential legal proceedings, claims, or litigation. Management believes that any such potential matters will not materially affect the Company's financial position, results of operations, or cash flows.

ANNEXURE 2

INDEPENDENT REPORTING ACCOUNTANTS' REPORT ON THE
HISTORICAL FINANCIAL INFORMATION OF THE ACQUIRED BUSINESS

"The Directors
Sappi Limited
Sappi House
48 Ameshoff Street
Braamfontein
Johannesburg
2001

Dear Sirs

REPORT OF THE INDEPENDENT REPORTING ACCOUNTANTS ON THE HISTORICAL FINANCIAL INFORMATION OF THE CARVE-OUT GRAPHICS PAPER BUSINESS OF M-REAL OYJ

1. INTRODUCTION

Sappi Limited ("Sappi") is issuing a Circular to Shareholders in order to obtain shareholder approval for the proposed acquisition of the Carve-out Graphics Paper Business of M-real Oyj ("M-real") ("the Carve-out Graphics Business").

At your request, and for purposes of the Circular to Shareholders to be dated on or about 9 October 2008 ("the Circular"), we present our report on the historical financial information of the Carve-out Graphics Paper Business, presented in Sections 1, 2 and 3 of Annexure 1 to the Circular, in compliance with the Listings Requirements of the JSE Limited ("the JSE Listings Requirements").

The compilation, contents and presentation of the Circular, including the Report on the Historical Financial Information of the Carve-out Graphics Paper Business, are the responsibilities of the directors of Sappi.

2. AUDIT OF THE COMBINED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2007

We have audited the combined financial statements of the Carve-out Graphics Paper Business, which comprise the combined balance sheet at 31 December 2007, and the combined income statement, the combined statement of changes in equity and the combined cash flow statement for the year ended 31 December 2007, and a summary of significant accounting policies and other explanatory notes as set out in Section 1 of Annexure 1 to the Circular.

Directors' responsibility for the combined financial statements

The directors of M-real are responsible for the preparation and fair presentation of the combined financial statements in accordance with International Financial Reporting Standards as issued by the International Accounting Standards Board. This responsibility includes: designing, implementing and maintaining internal control relevant to the preparation and fair presentation of the combined financial statements that are free from material misstatement, whether due to fraud or error; selecting and applying appropriate accounting policies; and making accounting estimates that are reasonable in the circumstances.

Reporting accountant's responsibility

Our responsibility is to express an opinion on the combined financial statements based on our audit. We conducted our audit in accordance with International Standards on Auditing. Those Standards require that we comply with ethical requirements, and plan and perform the audit to obtain reasonable assurance about whether the financial information is free from material misstatement.

Scope of audit

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial information, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial information in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. An audit also includes evaluating the appropriateness of accounting policies used, and the reasonableness of accounting estimates made by management, as well as evaluating the overall presentation of the financial information.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Opinion

In our opinion, the combined financial statements present fairly, in all material respects, and for purposes of the Circular, the financial position of the Carve-out Graphics Paper Business as of 31 December 2007, and its financial performance and its cash flows for the year then ended, in accordance with International Financial Reporting Standards as issued by the International Accounting Standards Board.

Emphasis of matter

Without qualifying our opinion, we draw attention to the fact that, as described in note 1, the Carve-out Graphics Paper Business has not operated as a separate entity. The combined financial statements are therefore not indicative of the results of operations or financial position that would have occurred if the Carve-out Graphics Paper Business had been a separate stand-alone entity during the years presented or of the future results of the Carve-out Graphics Paper Business.

3. REVIEWS OF THE COMBINED FINANCIAL STATEMENTS FOR THE YEARS ENDED 31 DECEMBER 2006 AND 2005

We have reviewed the combined financial statements of the Carve-out Graphics Paper Business, which comprise the combined balance sheets at 31 December 2006 and 2005, and the combined income statements, the combined statements of changes in equity and the combined cash flow statements for the years ended 31 December 2006 and 2005, and a summary of significant accounting policies and other explanatory notes as set out in Section 1 of Annexure 1 to the Circular. These combined financial statements are the responsibility of the directors of M-real. Our responsibility is to issue a report on the combined financial information based on our review.

Scope of reviews

We conducted our reviews in accordance with International Standard on Review Engagements 2400, “Engagements to Review Financial Statements”. A review of financial information consists of making inquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and other review procedures. A review is substantially less in scope than an audit conducted in accordance with International Standards on Auditing and consequently does not enable us to obtain assurance that we would become aware of all significant matters that might be identified in an audit. Accordingly, we do not express an audit opinion.

Conclusions

Based on our reviews, nothing has come to our attention that causes us to believe that the combined financial statements do not present fairly in all material respects the financial position of the Carve-out Graphics Paper Business as of 31 December 2006 and 2005, and its financial performance and its cash flows for the years then ended, for the purposes of the Circular, in accordance with International Financial Reporting Standards as issued by the International Accounting Standards Board.

Emphasis of matter

Without qualifying our conclusions, we draw attention to the fact that, as described in note 1, the Carve-out Graphics Paper Business has not operated as a separate entity. The combined financial statements are therefore not indicative of the results of operations or financial position that would have occurred if the Carve-out Graphics Paper Business had been a separate stand-alone entity during the years presented or of the future results of the Carve-out Graphics Paper Business.

4. REVIEWS OF THE CONDENSED COMBINED FINANCIAL INFORMATION FOR THE SIX MONTHS ENDED 30 JUNE 2008 AND 2007, AND THE THREE MONTHS ENDED 31 DECEMBER 2007 AND 2006

We have reviewed the condensed combined financial information of the Carve-out Graphics Paper Business, which comprise the condensed combined balance sheet at 30 June 2008, and the condensed combined income statements, the condensed combined statements of changes in equity and the condensed combined cash flow statements for the six months ended 30 June 2008 and 2007, and explanatory notes as set out in Section 2 of Annexure 1 to the Circular. We have also reviewed the condensed combined financial information of the Carve-out Graphics Paper Business, which comprise the condensed combined balance sheets at 31 December 2007 and 2006, the condensed combined income statements for the three months ended 31 December 2007 and 2006, and the condensed combined statements of changes in equity and the condensed combined cash flow statements for the year ended 31 December 2007 and 2006, and explanatory notes as set out in Section 3 of Annexure 1 to the Circular. The condensed combined financial information is the responsibility of the directors of M-real. Our responsibility is to issue a report on the condensed combined financial information based on our review.

Scope of reviews

We conducted our reviews in accordance with International Standard on Review Engagements 2410, "Review of Interim Financial Information Performed by the Independent Auditor of the Entity". A review of interim financial information consists of making inquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and other review procedures. A review is substantially less in scope than an audit conducted in accordance with International Standards on Auditing and consequently does not enable us to obtain assurance that we would become aware of all significant matters that might be identified in an audit. Accordingly, we do not express an audit opinion.

Conclusions

Based on our reviews, nothing has come to our attention that causes us to believe that the condensed combined financial information for the six months ended 30 June 2008 and 2007, and the condensed combined financial information for the periods ended 31 December 2007 and 2006, have not been prepared, in all material respects, for the purposes of the Circular, in accordance with International Accounting Standard 34 "Interim Financial Reporting".

Emphasis of matter

Without qualifying our conclusions, we draw attention to the fact that, as described in note 1, the Carve-out Graphics Paper Business has not operated as a separate entity. The condensed combined financial information is therefore not indicative of the results of operations or financial position that would have occurred if the Carve-out Graphics Paper Business had been a separate stand-alone entity during the periods presented or of the future results of the Carve-out Graphics Paper Business.

122

Explanation of Responses:

Yours sincerely

PRICEWATERHOUSECOOPERS INC
DIRECTOR: B.J. OLIVIER
REGISTERED AUDITOR
SUNNINGHILL
6 October 2008”

123

ANNEXURE 3

PRO FORMA BALANCE SHEET AND INCOME STATEMENT OF THE SAPPI GROUP

Sappi has entered into agreements (which are subject to the fulfilment of the conditions precedent) to acquire the Acquired Business for a consideration of approximately EUR750 million (US$1,184 million), less the third party net debt and adjusted by the variation from the target net working capital of EUR235 million (US$371 million), as determined in accordance with the master sales agreement on the date of completion. As of 30 June 2008 the third party debt was EUR88 million (US$139 million) and the variation to the target net working capital was EUR13 million (US$21 million). In addition, total acquisition expenses directly attributable to the transaction are estimated to be EUR19 million (US$30 million).

In accordance with the agreements, the aggregated purchase price, if the transaction occurred on 30 June 2008, is calculated as follows:

	EUR'm	US$'m
Gross purchase price	750	1,184
Adjusted for:		
External third party debt	(88)	(139)
Acquisition costs	19	30
Working capital variation	13	21
	694	1,096
The purchase price will be funded as follows:		
Cash (obtained from the proceeds from the rights issue)	432	682
Newly issued Sappi shares	50	79
Interest bearing vendor loan due to M-real	212	335
	694	1,096

In connection with the Transaction, Sappi will also enter into long term supply agreements with M-real for energy, wood and pulp and transitional marketing agreements for the outputs of the Husum PM8 machine and the Äänekoski PM2 machine. Management believes these contracts are executed at a market rate and therefore have not been reflected as a pro forma adjustment.

The pro forma adjustments reflect the acquisition and related financing transactions. The unaudited pro forma condensed statements of operations for the year ended September 2007 and the period ended June 2008 give effect to the acquisition and related financing as if it occurred on 1 October 2006. The unaudited pro forma condensed balance sheet for the period ended June 2008 gives effect to the acquisition and related financing as if it occurred on that balance sheet date.

Historical financial information for the Acquired Business as at and for the year ended December 2007, and as at and for the six months ended June 2008, and for the three months ended December 2007 appears elsewhere in this Circular. Historical financial information for all periods presented has been prepared on a full carve-out basis in accordance with IFRS as issued by the IASB, and is presented in Euros. The condensed six months ended June 2008 and the condensed three months ended December 2007 have been prepared in accordance with International Accounting Standard 34, Interim Financial Reporting.

The unaudited pro forma condensed financial statements have been derived using:

for the year ended September 2007, Sappi's audited historical group income statement for the year ended September 2007, and the audited carve-out income statement of the Acquired Business for the year ended December 2007 appearing elsewhere in this Circular. The financial information for the Acquired Business has been converted from Euros into US dollars using the average exchange rate for the year ended December 2007 of EUR1 : US$1.3755;

for the nine months ended June 2008, Sappi's reviewed condensed interim group income statement for the nine months ended June 2008 and the reviewed condensed carve-out income statements of the Acquired Business for the six months ended June 2008, and the three months ended December 2007 appearing elsewhere in this Circular. Financial information for the Acquired Business for the six months ended June 2008 has been converted from Euros into US dollars using the average exchange rate for the six months ended June 2008 of EUR1 : US$1.5315, and for the three months ended December 2007, have been converted from Euros into US dollars using the average exchange rate for the three months ended December 2007 of EUR1 : US$1.4556;

as at June 2008, Sappi's reviewed condensed interim group balance sheet as at June 2008, and the reviewed condensed carve-out interim balance sheet of the Acquired Business as at June 2008 appearing elsewhere in this Circular. Financial information for the Acquired Business as at June 2008 has been converted from Euros into US dollars using Sappi's June 2008 closing rate of EUR1 : US$1.5795.

As noted above, the pro forma adjustments reflect the acquisition and associated financing transactions. The allocation of the purchase price reflected in the unaudited pro forma condensed financial statements is preliminary. It is based on estimated fair values and estimated purchase price and eventually will be adjusted based on a complete assessment of the fair value of the net assets acquired and final purchase price. The final purchase price allocation is dependent on, among other things, the finalization of asset and liability valuations. As at the date of this Circular, we have not completed the valuation studies necessary to finalize the fair values of the assets acquired and liabilities assumed and the related allocation of the purchase price. We have allocated the total estimated purchase price, calculated as described under ''Notes to Unaudited Pro forma Condensed Balance Sheet'', to the assets acquired and liabilities assumed based on preliminary estimates of their fair values. A final determination of these fair values will reflect, among other things, our consideration of a final valuation based on the actual net tangible and intangible assets, such as brands, order books, customer lists and intellectual property that exist as at the closing of the acquisition. Any final adjustment will change the allocation of the purchase price, which will affect the fair value assigned to the assets and liabilities and could result in a material change to the unaudited pro forma condensed financial statements, including a change to goodwill.

The unaudited pro forma adjustments give effect to events that are directly attributable to the acquisition and related financing, and are factually supportable. The unaudited pro forma condensed financial statements are presented for information purposes only, and do not purport to represent what our actual results of operations or financial condition would have been had the acquisition and financing occurred on the dates indicated, nor are they necessarily indicative of future results of operations or financial condition. In addition to the matters noted above, the unaudited condensed consolidated pro forma financial statements do not reflect the effect of:

anticipated synergies and efficiencies associated with combining the Sappi Group and the Acquired Business due to the adoption of best practices;

efficiencies in the permanent funding structure; and

movements in the US Dollar / Euro exchange rate.

The unaudited pro forma condensed financial statements should be read in conjunction with the information contained elsewhere in this Circular, Sappi's audited historical financial statements for the year ended September 2007 and the reviewed condensed interim financial statements for the period ended June 2008.

The directors of Sappi are responsible for the preparation of the unaudited pro forma balance sheet and income statements. The unaudited pro forma balance sheet and income statements as set out below should be read in conjunction with the report of the independent reporting accountants which is included as Annexure 4 to this Circular. The unaudited pro forma financial results have been prepared in accordance with IFRS as issued by the IASB.

The unaudited pro forma balance sheet of the Sappi Group as at June 2008 has been prepared on the assumption that the proposed transactions were effected on 30 June 2008.

US$ million	Sappi Group As at June 2008 (A)	Acquired Business As at June 2008 (B)	Pro forma adjustments	Notes	Pro forma
ASSETS					
Non-current assets	4,574	1,035	(85)		5,524
Property, plant and equipment	3,568	1,026	(294)	(1)	4,300
Plantations	556	-	-		556
Deferred taxation	56	-	83	(1)	139
Other non-current assets	394	9	126	(1)	529
Current assets	1,758	589	(16)		2,331
Inventories	789	206	-		995
Trade and other receivables	742	378	(11)	(1)	1,109
Cash and cash equivalents	227	5	(5)	(1)	227
TOTAL ASSETS	6,332	1,624	(101)		7,855

127

US$ million	Sappi Group As at June 2008 (A)	Acquired Business As at June 2008 (B)	Pro forma adjustments	Notes	Pro forma
EQUITY AND LIABILITIES					
Shareholders' equity	1,669	989	(228)	(1),(2)	2,430
Non-current liabilities	2,629	319	135		3,083
Interest-bearing borrowings	1,882	150	198	(1),(3)	2,230
Deferred taxation	384	71	(51)	(1)	404
Other non-current liabilities	363	98	(12)	(1)	449
Current liabilities	2,034	316	(8)		2,342
Interest-bearing borrowings	990	71	-		1,061
Bank overdraft	22	-	-		22
Other current liabilities	946	245	(8)	(1)	1,183
Taxation payable	76	-	-		76
TOTAL EQUITY AND LIABILITIES	6,332	1,624	(101)		7,855
Number of shares in issue at balance sheet date (in millions)	229.1				302.1
Net asset value per share (US$)	7.29				8.04
Net tangible asset value per share (US$)	7.25				7.59

* The number of shares in issue at balance sheet date has been adjusted by 73 million shares representing the estimated number of shares to be issued as consideration for the Acquired Business of EUR 50 / US$ 79 million and the proposed rights offering of EUR 450 / US$711 million. The number of Settlement Shares will be determined by reference to the volume weighted average share price of Sappi on the JSE during the 30 trading days prior to the date of the announcement of this acquisition. The number of rights offering shares was calculated using the Sappi closing share price on 26 September 2008 of ZAR81.50. The actual number of shares will be based on the relevant variable components of the financing and of the relevant agreements and, accordingly, the number of shares will change.

128

(A) Financial information for the Sappi Group has been extracted without adjustment from Sappi's published condensed consolidated reviewed results as at June 2008.

(B) The Acquired Business financial information has been extracted from the Acquired Business's reviewed condensed Carve-out Financials as at June 2008. The Acquired Business's balance sheet was converted from Euros into US Dollars at Sappi's June 2008 closing rate of EUR1 : US$1.5795. Refer to note 1 in the notes to the balance sheet as at June 2008 for a reconciliation of the Acquired Business's balance sheet information as presented in the carve-out accounts as at June 2008 to Sappi's presentation format above.

Pro-forma notes

(1) The estimated price for the Acquired Businesses is EUR750 million (US$1,184 million), which is based on the enterprise value of the Acquired Business (as defined in the Master Agreement) less third party debt and adjusted by the variation from the target net working capital of EUR235 million (US$371 million). The net debt at 30 June 2008 was EUR88 million (US$139 million) and the variation to the target net working capital was EUR13 million (US$21 million). In addition, it is estimated that the costs incurred in connection with the acquisition will be approximately EUR19 million (US$30 million), resulting in an aggregated purchase price of EUR694 million (US$1,096 million) including fees. The actual cash and enterprise value of the Acquired Business will be determined at the Completion Date and accordingly will vary from that used in the preparation of the pro forma financials. Any variation could have a material impact on the cost of the Acquired Business and accordingly, the purchase price allocation.

129

The preliminary allocation of the estimated aggregate purchase price to the fair value of the assets and liabilities acquired is summarised below:

	EUR'm	US$'m
Net assets of the Acquired Business as at June 2008	626	989
Cash and cash equivalents *	(3)	(5)
VAT receivables *	(7)	(11)
Other current liabilities *	5	8
Other non-current liabilities *	8	12
Deferred tax liability **	32	51
Intercompany debt ***	87	137
Adjusted net assets as at June 2008	748	1,181
Decrease in property, plant and equipment ****	(186)	(294)
Tax effect thereon	52	83
Net assets acquired	614	970
Goodwill	80	126
Aggregate purchase price	694	1,096

* These items were included in the Acquired Business condensed carve-out financials as at June 2008 but which are excluded from the Master Agreement.

** This relates to the Kirkniemi and Kangas mills. As these are asset purchases, Sappi will not be taking over the tax history of these mills and therefore has reduced the deferred tax liability balance by this amount.

*** The intercompany debt will be assumed by Sappi and settled as part of the Transaction Consideration.

**** Management has preliminarily determined the fair value of the mills acquired to be less than the reported book value in the Carve-Out Graphic Paper business reviewed interim condensed combined balance sheet as of 30 June 2008.

The aforementioned purchase price allocation is preliminary. It is based on estimated fair values and eventually may require adjustment based on a complete assessment of the fair value of the net assets acquired. Any adjustments made to fair values of assets and liabilities acquired will impact on the purchase price allocation and could result in a material change to goodwill.

(2) Adjustments to the equity balance consist of the following:

	EUR'm	US$'m
- Elimination of the Acquired Business historical equity	(626)	(989)
- Newly issued equity (a)	50	79
- Estimated additional equity in terms of the rights offering (b)	432	682
	(144)	(228)

(a) As described in the introduction, a portion of the consideration to purchase the Acquired Business will be funded through the issuance of shares valued at EUR50 million (US$79 million). The number of shares issued will vary based on the purchase agreement. The purchase agreement states that the price of each share issued for the portion paid in shares will be determined by reference to the volume weighted average share price of Sappi on the JSE during a period of 30 trading days prior to the announcement of the signing of the Master Agreement based on the average EUR / ZAR daily closing exchange rate for the same period and such price per share is adjusted for issuances of shares by Sappi at a discount to market value and other specified actions taken by Sappi in respect of its capital prior to the Completion Date. In accordance with International Financial Reporting Standards, in determining the cost of the Acquired Business, the cost of the Settlement Shares issued by Sappi will be measured at their fair value at the date of exchange, which may differ from the market price on such date due to, among other things, the Lock-Up Deed. To the extent that the price of the Settlement Shares as determined in accordance with the Master Agreement, differs from the fair value of the Settlement Shares on the date of the exchange, the cost of acquisition will vary. Any such difference could have a material impact on the cost of the Acquired Business. In the preparation of this pro forma financial information, Sappi have assumed that the fair value of the Settlement Shares equates to the market price, and that the date of exchange is 30 June 2008.

(b) The rights offering is for up to EUR450 million (US$711 million), and the estimated cost are expected to be EUR18 million (US$28million). This represents the net proceeds for the issuance of these shares. The number of shares will vary based on the offer price.

(3) This pro forma adjustment reflects the changes in the interest bearing borrowings. A reconciliation is as follows:

	EUR'm	US$'m
Interest bearing vendor loan note	250	395
Variation in respect of third party debt and working capital	(38)	(60)
	212	335
Less: Intercompany debt per note 1 above	(87)	(137)
Pro forma adjustment	125	198

A portion of the Transaction Consideration will be funded by the issue of a vendor note payable to M-real amounting to EUR250 million (US$395 million). The amount of this note will vary according to the variation from EUR50 million in respect of third party debt and EUR235 million in respect of the target working capital. At 30 June 2008 these variations amounted to EUR38 million (US$60 million). The loan has a 48 month term, repayable in tranches of EUR10 million, before expiry date and ranks pari passu with existing long term debt.

Notes to the unaudited pro-forma balance sheet as at June 2008

(1) The Acquired Business carve-out graphic paper business balance sheet presentation format differs in certain respects from that of Sappi. The table below conforms the Acquired Business carve-out graphic paper business information as at June 2008, appearing elsewhere in this document, into Sappi's reporting format.

	EUR'000 Acquired Business carve-out financial statements conformed As at June 2008 (i)	Abridging notes	US$'000 Conformed presentation format (ii)
ASSETS			
Non-current assets	655,449		1,035,281
Property, plant and equipment	649,531		1,025,934
Goodwill and intangibles	2,580		4,075
Other non-current assets	3,338	(iii)	5,272
Current assets	372,989		589.135
Inventories	130,572		206,238
Trade and other receivables	239,371	(iv)	378,086
Cash and cash equivalents	3,046		4,811
TOTAL ASSETS	1,028,438		1,624,416
EQUITY AND LIABILITIES			
Shareholders' equity	626,162		989,022
Non-current liabilities	202,044		319,128
Interest-bearing borrowings	95,231		150,417
Deferred taxation	44,664		70,547
Other non-current liabilities	62,149	(v)	98,164
Current liabilities	200,232		316,267
Interest-bearing borrowings	45,037		71,136
Trade and other payables	155,195		245,131
Taxation payable	–		–
Total equity and liabilities	1,028,438		1,624,416

(i) Financial information for the Acquired Business carve-out graphic paper business as at June 2008 has been extracted from the Acquired Business reviewed condensed results as at June 2008, appearing elsewhere in this Circular.

(ii) The conformed carve-out financial statements for the Acquired Business graphic paper business have been converted from Euros to US dollars at Sappi's June 2008 closing rate of EUR1 : US$1.5795.

Abridging notes

(iii) This represents the aggregation of the non-current financial receivables of EUR2,100 and other non-current assets of EUR1,238.

(iv) This represents the aggregation of the current financial receivables of EUR1,991, accounts receivable and non-interest bearing receivables for an amount of EUR237,252 and a current income tax receivable of EUR128.

(v) This represents the aggregation of post employment benefit obligations of EUR43,896, provisions of EUR1,810, and other non-current liabilities of EUR16,443.

134

UNAUDITED PRO FORMA INCOME STATEMENT OF THE SAPPI GROUP

The unaudited pro forma income statement of the Sappi Group as at September 2007 has been prepared on the assumption that the proposed transactions occurred on 01 October 2006.

US$'m	Sappi Group Year ended September 2007 (A)	Acquired Business Year ended December 2007 (B)	Pro forma adjustments	Notes	Pro forma
Sales	5,304	1,833	–		7,137
Cost of sales	4,591	1,722	(29)	(1)	6,284
Gross profit	713	111	29		853
Selling, general and administration expenses	362	119	–		481
Share of profit (loss) from associates and joint ventures	(10)	–	–		(10)
Other operating (income) expenses	(22)	(133)	–		(155)
Operating profit	383	125	29		537
Net finance costs	134	16	25		175
Finance costs	173	12	25	(2)	210
Finance revenue	(21)	(2)	–		(23)
Finance costs capitalised	(14)	–	–		(14)
Net foreign exchange gains	(13)	6	–		(7)
Net fair value loss on financial instruments	9	–	–		9
Profit (loss) before taxation	249	109	4		362
Taxation charge (benefit)	47	18	1	(3)	66
Profit (loss) for the year	202	91	3		296
Basic earnings per share (US cents)	89				98
Weighted average number of shares in issue (millions) *	227.8				300.8
Diluted earnings per share (US cents)	88				98
Weighted average number of shares on fully diluted basis (millions) *	230.5				303.5
Headline earnings per share (US cents)	82				51

135

Explanation of Responses:

US$'m	Sappi Group Year ended September 2007 (A)	Acquired Business Year ended December 2007 (B)	Pro forma adjustments	Notes	Pro forma
Calculation of Headline earnings **					
Profit for the year	202				296
Profit on disposal of property, plant and equipment	(24)				(24)
Asset impairments (reversals)	2				(152)
Tax effect of above items	6				32
Headline earnings	186				152

* The number of shares in issue at balance sheet date has been adjusted by 73 million shares representing the estimated number of shares to be issued as consideration for the Acquired Business of EUR50 million (US$79 million) and the proposed rights offering of EUR450 million (US$711 million). The number of Settlement Shares will be determined by reference to the volume weighted average share price of Sappi on the JSE during the 30 trading days prior to the date of the announcement of this acquisition adjusted for issuances of shares by Sappi at a discount to market value and other specified actions taken by Sappi in respect of its capital prior to the Completion Date. The number of rights offering shares was calculated using the Sappi closing share price on 26 September 2008 of ZAR81.50. The actual number of shares will be based on the relevant variable components of the financing and of the relevant agreements and, accordingly, the number of shares will change.

** Headline earnings disclosure is required by the JSE Limited.

(A) The Sappi financial information has been extracted without adjustment from Sappi's published consolidated audited results for the year ended September 2007.

(B) The Acquired Business financial information has been extracted from the Acquired Business audited carve-out financials for the year ended December 2007. The Acquired Business income statement was converted from Euros into US Dollars using the average exchange rate for the year ended December 2007 of EUR1 : US$1.3755. Refer to note 1 in the notes to the income statement for the year ended September 2007 for a reconciliation of the Acquired Business income statement information as presented in the carve-out accounts for the year ended December 2007 to the Acquired Business carve-out information presented above.

136

Pro forma notes

(1) Reflects the elimination of estimated historical depreciation charges associated with the decrease in property, plant and equipment in connection with the purchase price allocation.

(2) The pro forma adjustment related to finance costs represents the incremental interest expense associated with the financing used to partially fund the acquisition of the Acquired Business. The adjustment is calculated as follows:

	EUR'm	US$'m
Vendor note loan	23	30
Less: historical interest on debt not acquired	(4)	(5)
Pro forma adjustment	19	25

The finance costs on the note payable of EUR212 million (US$335 million) has been determined based on fixed interest rates established in the vendor note agreement and calculated at 9% for the first 6 months, 12% for the next 6 months, 14% for the next 6 months and 15% thereafter.

(3) Represents the tax effect of the pro forma adjustments described above at an estimated statutory tax rate for the combined group of 28.3%. We have applied this rate to all periods presented as we believe it is a rate indicative of our future tax rate. We have assumed that tax benefits created will be utilised to offset tax liabilities in these periods. However, our ability to utilise such assets is dependent on our taxable income and actual deferred tax liabilities. Accordingly, our future effective tax rate may differ significantly from the rate presented in these unaudited pro forma condensed combined financial statements.

The unaudited pro forma income statement of the Sappi Group as at June 2008 has been prepared on the assumption that the proposed transactions occurred on 01 October 2007.

US$'m	Sappi Group Nine month period ended June 2008 (A)	Acquired Business Three month period ended December 2007 (B)	Acquired Business Six month period ended June 2008 (C)	Acquired Business Combined nine month period ended June 2008	Pro forma adjustments	Notes	Pro forma
Sales	4,344	491	967	1,458	–		5,802
Cost of sales	3,782	448	956	1,404	(22)	(1)	5,164
Gross profit	562	43	11	54	(22)		638
Selling, general and administration expenses	294	56	46	102	–		396
Share of profit (loss) from associates and joint ventures	(6)	–	–	–	–		(6)
Other operating (income) expenses	(15)	(155)	23	(132)	–		(147)
Operating profit	289	142	(58)	84	22		395
Net finance costs	100	7	9	16	30		146
Net interest	106	3	5	8	30	(2)	144
Finance costs capitalised	(16)	–	–	–	–		(16)
Net foreign exchange gains	(3)	4	4	8	–		5
Net fair value loss on financial instruments	13	–	–	–	–		13
Profit (loss) before taxation	189	135	(67)	68	(8)		249
Taxation charge (benefit)	55	19	(9)	10	(2)	(3)	63
Profit (loss) for the year	134	116	(58)	58	(6)		186

Basic earnings per share (US cents)	59	62
Weighted average number of shares in issue (millions) *	228.7	301.7
Diluted earnings per share (US cents)	58	61
Weighted average number of shares on fully diluted basis (millions) *	230.9	303.9
Headline earnings per share (US cents)	58	18

138

US$'m	Sappi Group Nine month period ended June 2008 (A)	Acquired Business Three month period ended December 2007 (B)	Acquired Business Six month period ended June 2008 (C)	Acquired Business Combined nine month period ended June 2008	Pro forma adjustments	Notes	Pro forma
Calculation of Headline earnings **							
Profit for the year	134						186
Profit on disposal of property, plant and equipment	(5)						(5)
Asset impairments (reversals	3						(160)
Tax effect of above items	1						28
Headline earnings	133						49

* The number of shares in issue at balance sheet date has been adjusted by 73 million shares representing the estimated number of shares to be issued as consideration for the Acquired Business of EUR50 million (US$79 million) and proposed rights offering of EUR450 million (US$711 million). The number of Settlement Shares will be determined by reference to the volume weighted average share price of Sappi on the JSE during the 30 trading days prior to the date of the announcement of this acquisition adjusted for issuances of shares by Sappi at a discount to market value and other specified actions taken by Sappi in respect of its capital prior to the Completion Date. The number of rights offering shares was calculated using the Sappi closing share price on 26 September 2008 of ZAR81.50. The actual number of shares will be based on the relevant variable components of the financing and of the relevant agreements and, accordingly, the number of shares will change.

** Headline earnings disclosure is required by the JSE Limited.

(A) The Sappi financial information has been extracted without adjustment from Sappi's published consolidated reviewed results for the period ended June 2008.

(B) The Acquired Business financial information has been extracted from the Acquired Business reviewed condensed carve-out financials for the three month period ended December 2007. The Acquired Business income statement was converted from Euros into US Dollars using the average exchange rate for the three months ended December 2007 of EUR1 : US$1.4556. Refer to note 1 in the notes to the income statement for the three month period ended December 2007 for a reconciliation of the Acquired Business income statement information as presented in the carve-out accounts for the three month period ended December 2007 to the Acquired Business carve-out information presented above.

139

Explanation of Responses:

(C) The Acquired Business financial information has been extracted from the Acquired Business reviewed condensed Carve-out Financials for the six month period ended June 2008. The Acquired Business income statement was converted from Euros into US Dollars using the average exchange rate for the six months ended June 2008 of EUR1 : US$1.5315. Refer to note 1 in the notes to the income statement for the six month period ended June 2008 for a reconciliation of the Acquired Business income statement information as presented in the carve-out accounts for the six month period ended June 2008 to the Acquired Business carve-out information presented above.

Pro forma notes

(1) Reflects the elimination of estimated historical depreciation charges associated with the decrease in property, plant and equipment in connection with purchase price allocation.

(2) The pro forma adjustment related to finance costs represents the incremental interest expense associated with the financing used to partially fund the acquisition of the Acquired Business. The adjustment is calculated as follows:

	EUR'm	US$'m
Vendor loan note	23	35
Less: historical interest on debt not acquired	(3)	(5)
Pro forma adjustment	20	30

The finance costs on the note payable of EUR212 million (US$335 million) has been determined based on fixed interest rates established in the vendor note agreement and calculated at 9% for the first 6 months, 12% for the next 6 months, 14% for the next 6 months and 15% thereafter.

(3) Represents the tax effect of the pro forma adjustments described above at an estimated statutory tax rate for the combined group of 28.3%. We have applied this rate to all periods presented as we believe it is a rate indicative of our future tax rate. We have assumed that tax benefits created will be utilised to offset tax liabilities in these periods. However, our ability to utilise such assets is dependent on our taxable income and actual deferred tax liabilities. Accordingly, our future effective tax rate may differ significantly from the rate presented in these unaudited pro forma condensed combined financial statements.

140

Notes to the unaudited pro forma condensed consolidated income statement for the year ended December 2007

(a) The Acquired Business income statement presentation format differs in certain respects from that of Sappi. The table below conforms the Acquired Business information for the year ended December 2007, appearing elsewhere in this document, to Sappi's reporting format.

	EUR'000 Year ended December 2007 (i)	Abridging notes	EUR'000 Reclassifications (A),(B)	Reclassification notes	EUR'000 Conformed presentation format	US$'000 Conformed presentation format (ii)
Sales	1,332,787		–		1,332,787	1,833,249
Cost of sales	1,239,379	(a)	12,448	(1),(2)	1,251,827	1,721,888
Gross profit	93,408		(12,448)		80,960	111,361
Selling, general and administration expenses	–		86,508	(1)	86,508	118,992
Share of profit (loss) from associates and joint ventures	–		–		–	–
Other operating (income) expenses	2,571	(b)	(98,956)	(2)	(96,385)	(132,578)
Operating profit	90,837		–		90,837	124,947
Net finance costs	11,644		–		11,644	16,016
Finance costs	8,687		–		8,687	11,949
Finance revenue	(1,153)		–		(1,153)	(1,586)
Net foreign exchange gains	4,110		–		4,110	5,653
Profit before taxation	79,193		–		79,193	108,931
Taxation charge	12,740		–		12,740	17,524
Profit for the year	66,453		–		66,453	91,407

(i) The Acquired Business financial information has been extracted from the Acquired Business audited results for the year ended December 2007.

(ii) The conformed carve out income statement for the Acquired Business Graphic Paper business has been converted from Euros to US dollars using the average rate for the 12 months to December 2007 of EUR1 : US$1.3755.

Abridging notes

(a) This represents the aggregation of change in stocks of finished goods and work in progress for EUR2,527, purchases during the financial period of EUR919,488, external services of EUR76,123, employee costs of EUR145,579, depreciation and amortisation cost of EUR95,662.

(b) This represents other operating income of (EUR15,452), the impairment reversal of (EUR151,000) and other operating expenses of EUR169,923.

Reclassification notes

(A) Financial information for the Acquired Business for the year ended December 2007 is included in the Acquired Businesses audited financial statements, appearing elsewhere in this Circular.

(B) The Acquired Business income statement presentation is by nature of expense while Sappi income statement presentation is by function. As a result certain presentation reclassifications have been performed to conform to Sappi's presentation format. These reclassifications from cost of sales are as follows:

(1) EUR86,508 has been reallocated to selling, general and administration expenses (SG&A). These expenses include costs such as personnel, marketing and general office expenses that are not directly related to the cost of production of goods.

(2) (EUR98,956) has been reallocated to other operating expenses. Included in this income (expense) function are items of income or expense which are material by nature or amount to the operating results and require separate disclosure. Under Sappi's accounting policies, such items would generally include profit and loss on disposal of property, investments and business, asset impairments, restructuring charges, financial impacts of natural disasters and non-cash gains or losses on the price fair value adjustment of plantations.

Notes to the unaudited pro forma condensed consolidated income statement for the three month period ended December 2007

a. The Acquired Business income statement presentation format differs in certain respects from that of Sappi. The table below conforms the Acquired Business information for the three month period ended December 2007, appearing elsewhere in this document, into Sappi's reporting format.

	EUR'000 3 month period ended December 2007 (i)	Abridging notes	EUR'000 Reclassifications (A),(B)	Reclassification notes	EUR'000 Conformed presentation format	US$'000 Conformed presentation format (ii)
Sales	337,225		–		337,225	490,865
Cost of sales	352,958	(a)	(45,392)	(1),(2)	307,566	447,693
Gross (loss) profit	(15,733)		45,392		29,659	43,172
Selling, general and administration expenses	–		38,482	(1)	38,482	56,014
Share of profit (loss) from associates and joint ventures	–		–		–	–
Other operating (income) expenses	(113,392)	(b)	6,910	(2)	(106,482)	(154,995)
Operating profit	97,659		–		97,659	142,153
Net finance costs	4,323		–		4,323	6,293
Finance costs	2,319		–		2,319	3,376
Finance revenue	(431)		–		(431)	(627)
Net foreign exchange gains	2,435		–		2,435	3,544
Profit before taxation	93,336		–		93,336	135,860
Taxation charge	13,275		–		13,275	19,323
Profit for the period	80,061		–		80,061	116,537

(i) The Acquired Business financial information has been extracted from the Acquired Business reviewed condensed results for the 3 month period ended December 2007.

(ii) The conformed carve out income statement for the Acquired Business graphic paper business has been converted from Euros to US dollars using the average exchange rate for the three months ended December 2007 of EUR1 : US$1.4556.

143

Explanation of Responses:

Abridging notes

(a) This represents the aggregation of change in stocks of finished goods and work in progress for EUR11,107, purchases during the financial period of EUR234,956, external services of EUR20,217, employee costs of EUR32,750, depreciation and amortisation of EUR53,928.

(b) This represents other operating income of (EUR5,355), the impairment reversal of (EUR151,000) and other operating expenses of EUR42,963.

Reclassification notes

(A) Financial information for the Acquired Business for the 3 months ended December 2007 is included in the Acquired Businesses reviewed condensed results, appearing elsewhere in this Circular.

(B) The Acquired Business income statement presentation is by nature of expense while Sappi income statement presentation is by function. As a result certain presentation reclassifications have been performed to conform to Sappi's presentation format. These reclassifications are as follows:

(1) EUR38,482 has been reallocated to selling, general and administration expenses (SG&A). These expenses include costs such as personnel, marketing and general office expenses that are not directly related to the cost of production of goods.

(2) EUR6,910 has been reallocated to other operating (income) expenses. Included in this income (expense) function are items of income or expense which are material by nature or amount to the operating results and require separate disclosure. Under Sappi's accounting policies, such items would generally include profit and loss on disposal of property, investments and business, asset impairments, restructuring charges, financial impacts of natural disasters and non-cash gains or losses on the price fair value adjustment of plantations.

144

Notes to the unaudited pro forma condensed consolidated income statement for the six month period ended June 2008

a. The Acquired Business income statement presentation format differs in certain respects from that of Sappi. The table below conforms the Acquired Business information for the six month period ended June 2008, appearing elsewhere in this document, into Sappi's reporting format.

	EUR'000 6 month period ended June 2008 (i)	Abridging notes	EUR'000 Reclassifications (A),(B)	Reclassification notes	EUR'000 Conformed presentation format	US$'000 Conformed presentation format (ii)
Sales	631,239		–		631,239	966,743
Cost of sales	599,522	(a)	24,864	(1),(2)	624,386	956,247
Gross profit	31,717		24,864		6,853	10,496
Selling, general and administration expenses	–		30,106	(1)	30,106	46,107
Share of profit (loss) from associates and joint ventures	–		–		-	-
Other operating (income) expenses	69,768	(b)	(54,970)	(2)	14,798	22,663
Operating loss	(38,051)		–		(38,051)	(58,274)
Net finance costs	5,625		–		5,625	8,614
Finance costs	3,775		–		3,775	5,781
Finance revenue	(457)		–		(457)	(700)
Net foreign exchange gains	2,307		–		2,307	3,533
Loss before taxation	(43,676)		–		(43,676)	(66,888)
Taxation benefit	(5,835)		–		(5,835)	(8,936)
Loss for the period	(37,841)		–		(37,841)	(57,952)

(i) The Acquired Business financial information has been extracted from the Acquired Business reviewed condensed results for the six month period ended June 2008.

(ii) The conformed carve out income statement for the Acquired Business graphic paper business has been converted from Euros to US dollars using the average exchange rate for the six months ended June 2008 of EUR1 : US$1.5315.

Explanation of Responses:

Abridging notes

(a) This represents the aggregation of change in stocks of finished goods and work in progress for (EUR2,919), purchases during the financial period of EUR451,693, external services of EUR37,893, employee costs of EUR75,044, depreciation and amortisation cost of EUR37,811.

(b) This represents other operating income of (EUR14,798) and other operating expenses of EUR84,566.

Reclassification notes

(A) Financial information for the Acquired Business for the six months ended 30 June 2008 is included in the Acquired Businesses reviewed condensed results, appearing elsewhere in this Circular.

(B) The Acquired Business income statement presentation is by nature of expense while Sappi income statement presentation is by function. As a result certain presentation reclassifications have been performed to conform to Sappi's presentation format. These reclassification are as follows:

(1) EUR30,106 has been reallocated to selling, general and administration expenses (SG&A). These expenses include costs such as personnel, marketing and general office expenses that are not directly related to the cost of production of goods.

146

(2) (EUR54,970) has been reallocated to other operating (income) expenses. Included in this income (expense) function are items of income or expense which are material by nature or amount to the operating results and require separate disclosure. Under Sappi's accounting policies, such items would generally include profit and loss on disposal of property, investments and business, asset impairments, restructuring charges, financial impacts of natural disasters and non-cash gains or losses on the price fair value adjustment of plantations.

147

ANNEXURE 4

INDEPENDENT REPORTING ACCOUNTANTS' REPORT ON THE UNAUDITED PRO FORMA FINANCIAL INFORMATION OF THE SAPPI GROUP

"The Directors
Sappi Limited
48 Ameshoff Street
Braamfontein
2001

Dear Sirs

INDEPENDENT REPORTING ACCOUNTANTS' ASSURANCE REPORT ON THE PRO FORMA FINANCIAL INFORMATION RELATING TO THE PROPOSED ACQUISITION BY SAPPI LIMITED ("SAPPI") OF THE GRAPHIC PAPER BUSINESS OF M-real

We have performed our limited assurance engagement in respect of the pro forma financial information set out in paragraph 12 and Annexure 3 of the Circular dated on or about 10 October 2008 issued in connection with the acquisition of the graphic paper business by Sappi from M-real Corporation, that is the subject of this Circular of Sappi. The pro forma financial information has been prepared in accordance with the requirements of the JSE Limited ("JSE") Listings Requirements, for illustrative purposes only, to provide information about how the Transaction and Financing thereof might have affected the reported historical financial information presented, had the corporate action been undertaken at the commencement of the period or at the date of the pro forma balance sheet being reported on.

Directors' responsibility

The directors are responsible for the compilation, contents and presentation of the pro forma financial information contained in the Circular and for the financial information from which it has been prepared. Their responsibility includes determining that: the pro forma financial information has been properly compiled on the basis stated; the basis is consistent with the accounting policies of Sappi; and the pro forma adjustments are appropriate for the purposes of the pro forma financial information disclosed in terms of the JSE Listings Requirements.

Reporting accountants' responsibility

Our responsibility is to express our limited assurance conclusion on the pro forma financial information included in the Circular to Shareholders. We conducted our assurance engagement in accordance with the International Standard on Assurance Engagements applicable to Assurance Engagements Other Than Audits or Reviews of Historical Financial Information and the Guide on Pro Forma Financial Information issued by SAICA.
This standard requires us to obtain sufficient appropriate evidence on which to base our conclusion.

We do not accept any responsibility for any reports previously given by us on any financial information used in the compilation of the pro forma financial information beyond that owed to those to whom those reports were addressed by us at the dates of their issue.

Sources of information and work performed

Our procedures consisted primarily of comparing the unadjusted financial information with the source documents, considering the pro forma adjustments in light of the accounting policies of Sappi, the issuer, considering the evidence supporting the pro forma adjustments and discussing the adjusted pro forma financial information with the directors of the company in respect of the corporate actions that are the subject of this Circular.

In arriving at our conclusion, we have relied upon financial information prepared by the directors of Sappi and other information from various public, financial and industry sources.

While our work performed has involved an analysis of the historical published audited financial information and other information provided to us, our assurance engagement does not constitute an audit or review of any of the underlying financial information conducted in accordance with International Standards on Auditing or International Standards on Review Engagements and accordingly, we do not express an audit or review opinion.

In a limited assurance engagement, the evidence-gathering procedures are more limited than for a reasonable assurance engagement and therefore less assurance is obtained than in a reasonable assurance engagement. We believe our evidence obtained is sufficient and appropriate to provide a basis for our conclusion.

Conclusion

Based on our examination of the evidence obtained, nothing has come to our attention, which causes us to believe that, in terms of the section 8.17 and 8.30 of the JSE Listings Requirements:

§ the pro forma financial information has not been properly compiled on the basis stated;

§ such basis is inconsistent with the accounting policies of the issuer; and

§ the adjustments are not appropriate for the purposes of the pro forma financial information as disclosed.

149

Consent

We consent to the inclusion of this report, which will form part of the Circular, to be issued on or about 10 October 2008, in the form and context in which it will appear.

Deloitte & Touche
Registered Auditors
Per M J Comber
Partner
Deloitte & Touche
Deloitte Place
The Woodlands
20 Woodlands Drive
Woodmead
2196

Date: 6 October 2008"

150

ANNEXURE 5

MATERIAL LOANS RELATING TO LOANS MADE TO THE SAPPI GROUP

Sappi has no debentures and no loan capital.

Currency Rate(9)	Interest	Balance Sheet Value as at 31 September, 2007	Security / Cession	Expiry	Financial Covenants
Redeemable bonds					
Public bond (11) (17) USD	Variable(7)	USD486 million(2, 3, 6)	Unsecured	Jun-12	No financial covenants
Public bond (11) (18) USD	Variable(7)	USD237 million(2, 3, 6)	Unsecured	Jun-32	No financial covenants
Town of Skowhegan USD (12)	Variable(7)	USD32 million(6)	Land and Buildings (partially)	Oct-15	No financial covenants
Town of Skowhegan USD (12)	Variable(7)	USD29 million(6)	Land and Buildings (partially)	Nov-13	No financial covenants
Michigan Strategic Fund & City of Westbrook USD (12)	Variable(7)	USD46 million(6)	Land and Buildings (partially)	Jan-22	No financial covenants
Public bond ZAR (13) (19)	Fixed	ZAR1,000 million	Unsecured	Jun-13	No financial covenants
Public bond ZAR (13) (19)	Fixed	ZAR1,000 million	Unsecured	Oct-11	No financial covenants
Securitisation Arrangements					
State Street Bank(10) (14) EUR	Variable	EUR157 million	Trade receivables	Revolving facility	EBITDA to net interest and net debt to capitalisation(5)
State Street Bank(10) (14) USD	Variable	USD74 million	Trade receivables	Revolving facility	EBITDA to net interest and net debt to capitalisation(5)
State Street Bank(10) (14) USD	Variable	USD71 million	Trade receivables	Revolving facility	EBITDA to net interest and net debt to capitalisation(5)
Capitalised leases					
Standard Bank (13) ZAR	Fixed	ZAR85 million(1)	Plant and equipment	Oct-08	No financial covenants

Rand Merchant Bank (13) ZAR	Fixed	ZAR170 million(1)	Buildings	Sep-15	No financial covenants

151

Currency Rate(9)	Interest	Balance Sheet Value as at 31 September, 2007	Security / Cession	Expiry	Financial Covenants
Unsecured bank term loans					
Österreichische Kontrollbank (16) EUR	Fixed	EUR35 million (1,2,8)		Revolving facility	EBITDA to net interest and net debt to capitalisation(5)
Österreichische Kontrollbank(15) EUR	Fixed	EUR398 million (2,6,8)		Dec-10	EBITDA to net interest and net debt to capitalisation(5)
ABN AMRO (15) USD	Fixed	USD21 million		May-09	No financial covenants
Österreichische Kontrollbank (15) USD	Fixed	USD38 million (2,6,8)		Jun-10	EBITDA to net interest and net debt to capitalisation(5)
Syndicated loan agent is:					
BNP Paribas (16) EUR	Variable	EUR100 million (2,8)		Jun-10	EBITDA to net interest and net debt to capitalisation(5)
BNP Paribas (16) CHF	Variable	CHF165 million (2,8)		Jun-10	EBITDA to net interest and net debt to capitalisation(5)
Nedbank (16) ZAR	Fixed	ZAR348 million (1)		Jan-11	No financial covenants
Commerzbank (16) ZAR	Fixed	ZAR146 million (1)		Mar-10	No financial covenants
Calyon (16) ZAR	Variable	ZAR66 million (1,4)		Oct-09	EBITDA to net interest and net debt to capitalisation(5)
Raiffeisen Zentralbank Österreich AG (RZB) Bank(15) EUR	Fixed	EUR10 million		Dec-09	No financial covenants
Sanlam Bank (16) ZAR	Fixed	ZAR107 million		Nov-12	No financial covenants
Sanlam Bank (16) ZAR	Fixed	ZAR105 million		Jan-13	No financial covenants
Sanlam Bank (16) ZAR	Fixed	ZAR26 million		Jan-13	No financial covenants

(1) The value outstanding equals the total facility available.
(2) In terms of the agreement, limitations exist on liens, sale and leaseback transactions and mergers and consolidation. Sappi Limited must maintain a majority holding in Sappi Paper Holding GmbH Group.
(3) Sappi Papier Holding GmbH, Sappi Limited or Sappi International SA may at any time redeem the June 2012 and 2032 public bonds (the "Securities") in whole or in part at a redemption price equal to the greater of (i) 100% of the principal amount of the Securities to be redeemed and (ii) a make-whole amount based upon the present values of remaining payments at a rate based upon yields of specified US treasury securities plus 25 basis points, with respect to the 2012 Securities, and 30 basis points, with respect to the 2032 Securities, together with, in each case, accrued interest on the principal amount of the securities to be redeemed to the date of redemption.

152

(4) The financial covenant relates to the financial position of Sappi Manufacturing, a wholly owned subsidiary of Sappi Limited.
(5) Financial covenants relate to the Sappi Limited Group.
(6) The principal value of the loans/bonds corresponds to the amount of the facility, however, the outstanding amount has been adjusted by the discounts paid upfront and the fair value adjustments relating to hedge accounting.
(7) Fixed rates have been swapped into variable rates. These swaps are subject to hedge accounting in order to reduce as far as possible the fair value exposure. Changes in fair value of the underlying debt which are attributable to changes in credit spread have been excluded from the hedging relationship.
(8) A limitation exists on the disposal of assets. Sappi Limited must maintain a majority in Sappi Papier Holding GmbH Group.
(9) The nature of the variable rates for the group bonds is explained in note 31 to the 2007 financial statements. The nature of the interest rates is determined with reference to the underlying economic hedging instrument.
(10) Trade receivables have been securitised for the amounts outstanding.
(11) Refinancing of existing debt.
(12) Assumed debt relating to prior acquisitions.
(13) Financing for capital expenditure.
(14) Accounts receivable securitisation programme.
(15) Prior acquisition funding.
(16) Business operations / working capital funding.
(17) 6.75% Guaranteed Note due 2012 of an amount of USD500 million. The bond was entered into on 10 June 2002 by Sappi Papier Holding AG and Sappi International AG, with Sappi Limited as Guarantors.
(18) 7.5% Guaranteed Notes due 2032 of an amount of USD250 million. The bond was entered into by Sappi Papier Holding AG, with Sappi Limited and Sappi International S.A. as Guarantors.
(19) Domestic Medium Term Notes.

DEBT REPAYMENT SCHEDULE

Debt Repayable within 12 months:

	Currency	Short-term debt (millions)	Repayment of short term debt
Sappi Europe			
Austria – Various	EUR	1,377	Cash Resources
Belgium – RZB Bond	EUR	4,662	Cash Resources
Belgium – Rabobank	EUR	245	Cash Resources
Belgium – KBC	EUR	544	Cash Resources
Sappi Manufacturing			
RMB – Building	ZAR	832	Cash Resources
FNB – Usutu	ZAR	860	Cash Resources
Calyon Bank	ZAR	6,403	Cash Resources
Group Treasury			

Syndication (Tranche A)	CHF	141,724	Syndicated loan until June 2010. Rolled quarterly

153

Interest-bearing borrowings

The table below provides information about Sappi's non-current borrowings that are sensitive to changes in interest rates. The table presents discounted cash flows by expected maturity dates. The average fixed effective interest rates presented below are based on weighted average contract rates applicable to the amount expected to mature in each respective year. Forward looking average variable effective interest rates for the financial years ended September 2007 and thereafter are based on the yield curves for each respective currency as published by Reuters on 30 September 2007. The information is presented in US$, which is the group's reporting currency.

US$ million	Expected maturity date									
	2008	2009	2010	2011	2012	2013+	Total carrying value	2007 Fair value	2006 Carrying value	2006 Fair value
US Dollar										
Fixed rate	17	–	38	–	–	–	55	56	54	44
Average interest rate (%)	6.13	–	4.49	–	–	–	5.01		4.5	
Variable rate (1)(2)	145	–	–	–	469	332	946	947	1,071	1,174
Average interest rate (%)	4.86	–	–	–	7.83	7.87	7.39		7.1	
Euro										
Fixed rate	128	6	6	570	1	5	716	721	651	673
Average interest rate (%)	5.02	5.97	6.13	4.62	2.49	2.46	4.69	–	4.7	–
Variable rate (1)(3)	297	–	–	–	–	–	297	297	273	273
Average interest rate (%)	3.98	–	–	–	–	–	3.98	–	3.7	–
Rand										
Fixed rate	6	7	23	53	149	161	399	408	235	150
Average interest rate (%)	9.42	9.56	8.69	8.84	10.65	9.53	9.81	–	9.6	–
Variable rate (1)(4)	36	6	2	–	–	–	44	44	44	44
Average interest rate (%)	9.84	9.86	9.86	–	–	–	9.84	–	8.7	–
Swiss Franc										
Variable rate	142	–	–	–	–	–	142	142	–	–
Average interest rate (%)	3.3	–	–	–	–	–	3.3	–	–	–
Total										
Fixed rate	151	13	67	623	150	166	1,170	1,184	940	867
	5.32	7.93	6.10	4.98	10.57	9.33	6.46	–	5.9	–

Average interest rate (%)										
Variable rate	620	6	2	–	469	332	1,429	1,429	1,388	1,491
Average interest rate (%)	4.38	9.86	9.86		7.83	7.87	6.36	–	6.5	–
Fixed and variable	771	19	69	623	619	498	2,599	2,613	2,328	2,358
Current portion							771	764	694	695
Long term portion							1,828	1,898	1,664	1,695
Total Interest-bearing borrowings							2,599	2,662	2,328	2,390

154

The fair value of non-current borrowings is estimated by Sappi based on the rates from market quotations for non-current borrowings with fixed interest rates and on quotations provided by internationally recognised pricing services for notes, exchange debentures and revenue bonds.

The above mentioned fair values do not include Sappi's own credit risk. Based on Sappi's rating as per 30 September 2007 the fair value relating to the fixed rate debt, adjusted with a credit spread for Sappi's own risk, would amount to a decrease in fair value of US$63.8 million. The impact would have been equivalent as per September 2006 because Sappi's rating did not change compared to last year.

(1) Includes fixed rate loans where fixed-for-floating rate swap contracts have been used to convert the exposure to floating rates. Some of the swaps do not cover the full term of loans.
(2) The US Dollar floating interest rates is based on the London Inter-bank Offer Rate (LIBOR)
(3) The Euro floating interest rates is based on the European Inter-bank Offer Rate (EURIBOR)
(4) The Rand floating rates are predominately based on the Johannesburg Inter-bank Asking rate (JIBAR)

The range of interest rates in respect of all non-current borrowings comprising both fixed and floating rate obligations, is between 2.46 % and 10.65 % (depending on currency). At September 2007, 45 % of Sappi's non-current borrowings were at fixed rates of interest, and 55 % were at floating rates. Floating rates of interest are based on LIBOR (London Inter-bank Offered Rate - for USD borrowings), on EURIBOR (European Inter-bank Offered Rate - for Euro denominated borrowings) and on JIBAR (Johannesburg Inter-bank Agreed Rate - for SA borrowings). Fixed rates of interest are based on contract rates.

Sappi's southern African operations have in the past been particularly vulnerable to adverse changes in short-term domestic interest rates, as a result of the volatility in interest rates in South Africa. During 2007 however domestic interest rates have increased from 8.5 % to 10.2% for the 3-month JIBAR.

In 2006, Sappi Manufacturing Pty Ltd converted ZAR 1 billion worth of short term funding by raising a bond in the local market under its medium term note program (DMTN). The bonds are repayable in 2013 and bear interest at a fixed rate of 9.34% payable semi-annually.

Sappi Forest Products issued a second tranche of R1bn (SMF2) under its DMTN programme on 25 September 2007. The bond was issued at a fixed rate of 10.64% maturing 14 October 2011 and was 1½ times oversubscribed.

Interest rate derivatives

Sappi uses interest rate options, caps, swaps and interest rate and currency swaps as a means of managing interest rate risk associated with outstanding debt entered into in the normal course of business. Sappi does not use these instruments for speculative purposes. Interest rate derivative financial instruments are subject to hedge accounting, where applicable and as appropriate under International Financial Reporting Standards.

There are four existing US$ interest rate swaps for the total amount of US$750 million converting fixed rates of 6.75% and 7.5% into variable rates and three US$ interest rate swap contracts for the total amount of US$106.6 million, converting US$ fixed interest rates of 5.90%, 7.38% and 6.65% respectively, into 6-month US$ Libor floating rates. All swaps are subject to hedge accounting in order to reduce as much as possible the fair value exposure. As the critical terms of the swaps match the critical terms of the underlying debt, the hedge is highly effective. Changes in the fair value of the underlying debt, attributable to changes in the credit spread are excluded from the hedging relationship.

155

At September 2007 Sappi had in total seven US$ swap contracts outstanding for a total amount of US$857 million and the swaps had a negative total fair value of US$10 million (2006: seven contracts, total amount US$857 million, negative fair value US$23 million).

At September 2007, Sappi had an interest rate and currency swap (IRCS) contract outstanding for the amount of US$350 million with a positive fair value of US$136 million. This swap converts future US$ cash flows into GBP and fixed US$ interest rates into fixed GBP interest rates (2006: US$350 million with a fair value of US$102 million).

Instrument	Interest Rate	Maturity date	Nominal value US$ million	Fair value * favourable (unfavourable) US$ million
Interest rate swaps:	6.75% to variable (LIBOR)	June 2012	250	(5)
	6.75% to variable (LIBOR)	June 2012	200	(6)
	6.75% to variable (LIBOR)	June 2012	50	(1)
	7.50% to variable (LIBOR)	June 2012	250	(2)
	5.90% to variable (LIBOR)	November 2013	28	–
	7.38% to variable (LIBOR)	July 2014	44	1
	6.65% to variable (LIBOR)	October 2014	35	1
Interest rate and currency swaps:	US Dollar 6.30% into Pound Sterling 6.66%	December 2009	350	137
Total				125

* This refers to the carrying value

The fair value of interest rate swaps and IRCS is the estimated amount that Sappi would pay or receive to terminate the agreement at the balance sheet date, taking into account current interest rates and the current creditworthiness of the counterparties.

156

ADDITIONAL MATERIAL LOANS OF THE GROUP SUBSEQUENT TO THE PROPOSED TRANSACTIONS

As a consequence of the proposed transactions, Sappi and its subsidiaries will have the following additional debt:

Holder	M-real
Issuer	Sappi Papier Holdings
Nature of debt / loan	Acquired business acquisition funding
Loan amount	€ 250 million
Guarantees	Guaranteed jointly and severally by Sappi, Sappi International SA and Sappi Trading Pulp AG
Security	Unsecured
Guarantor	Sappi, Sappi International and Sappi Trading Pulp
Repayment terms	48 month term, Sappi has the right to repay in tranches of € 10 million, before expiry date
Interest rate	First 6 months 9% per annum Second 6 months 12% per annum
	Third 6 months 14% per annum
	Thereafter 15% per annum
Type of interest rate	Fixed per period stated above

157

ANNEXURE 6

DETAILS ON THE DIRECTORS AND SENIOR MANAGEMENT OF SAPPI AND ITS MAJOR SUBSIDIARIES

DETAILS ON THE DIRECTORS OF SAPPI

Executive directors of Sappi

Roeloff (Ralph) Jacobus Boëttger	Chief Executive Officer
Age	47
Business Address	Sappi Offices, 48 Ameshoff Street, Braamfontein, Johannesburg, South Africa
Occupation	Executive Director, Sappi (Chief Executive Officer)
Nationality	South African
Qualification	BAcc Hons, CA (SA)
Experience	At the age of 34 he was appointed Chief Executive Officer of Safair and the next year appointed to the executive committee of Safmarine Limited. From 1998 until July 2007 he was the Chairman of the Aviation Division with Imperial Holdings Limited following Imperial's acquisition of Safair and from 2002 he was an Executive Director of Imperial Holdings with responsibility for their local and international logistics operations, the aviation division and the heavy commercial vehicle distribution operations. His field of responsibility encompassed businesses operating in Southern Africa, numerous European countries, the Middle East and Asia.

Directorships in the last five years	Current Sappi Limited, Ralph Boëttger Farming (Pty) Ltd, Ralph Boëttger Investments (Pty) Ltd, Sappi Forest Products (Pty) Ltd, Sappi Manufacturing (Pty) Limited, Sappi Esus Beteiligungsverwaltungs GmbH, SD Warren Company, SDW Holdings Corporation Former ACL Aviation Ltd, Safair (Pty) Ltd, SFCM Aviation (Pty) Limited, Air Contractors (Ireland) Limited, National Airways and Finance Corporation Limited, National Airways Corporation (Pty) Limited, Imperial Group (Pty) Ltd, Tyco Truck Manufacturers (Pty) Ltd, Megafreight Services (Pty) Ltd, Safair Lease Finance (Pty) Ltd, SLF 32632 Operations (Pty) Ltd, SLF/KLM Operations (Pty) Ltd, SLF 32632 Operations (Pty) Ltd, SLF 32633 Operations (Pty) Ltd, Imperial Holdings Limited, SLF 32634 Operations (Pty) Ltd, SLR 32635 Operations (Pty) Ltd, Associated Motor Holdings (Pty) Ltd, Tyco International (Pty) Ltd, BAC Group, Naturelink Charters (Pty), Imperial Commercials
Mark Richard Thompson	
Age	56
Business Address	Sappi Offices, 48 Ameshoff Street, Braamfontein, Johannesburg, South Africa
Occupation	Executive Director, Sappi (Chief Financial Officer)
Nationality	South African
Qualification	BCom, BAcc, LLB, CA (SA)
Experience	Mr. Thompson joined Sappi in 1999 as Group Corporate Counsel and was appointed to his present position in August 2006 when he was also appointed to the Board of Sappi. Prior to joining Sappi, he was Group Treasurer at Anglo American, Managing Director of Discount House Merchant Bank and previously Head of Corporate Finance Division of Senbank.

159

Directorships in the last five years	Current Sappi Limited, Sappi Management Services (Pty) Limited, Sappi Fine Paper (Pty) Ltd, Sappi Papier Holding GmbH (Austria) Sappi Holding GmbH (Austria) Sappi Share Facilitation Company (Pty) Limited, The Discount House Group Limited, Marshand Nominees (Pty) Limited, Lidham Investments (Pty) Ltd, Lignin Insurance Co Ltd, PTI Leasing Limited (Mauritius), Pulp Holdings (Pty) Ltd, Sappi Esus Beteiligungsverwaltungs GmbH, Sappi Forest Products (Pty) Ltd, Sappi Manufacturing (Pty) Ltd, Sappi International SA, Sappi Trading Hong Kong Limited, Sappi Trading Arica (Pty) Limited, SD Warren Company, SDW Holdings Corp. Former Alex White Holdings Limited

Non-executive directors of Sappi

Daniël (Danie) Christiaan Cronje	Chairman
Age	62
Business Address	Sappi Offices, 48 Ameshoff Street, Braamfontein, Johannesburg, South Africa
Occupation	Director of companies
Nationality	South African
Qualification	BCom(Hons), MCom, DCom
Experience	Dr Cronjé retired in July 2007 as Chairman of both ABSA Group Ltd and ABSA Bank Ltd, a leading South African banking organisation in which Barclays plc obtained a majority share in 2005. He had been with the ABSA group since 1975 and held various executive positions including Group Chief Executive for 4 years and Chairman for 10 years. Prior to that Dr Cronje was a Lecturer in Money and Banking at Potchefstroom University.
Directorships in the last five years	Current Sappi Limited, Dagbreek Trust, Danhurt Beleggings (Edms) Bpk, Eqstra Holdings Ltd, Stand 53 Leopard Creek (Pty) Ltd TSB Sugar Holdings Ltd, Worldwide Fund for Nature. Former ABSA Group Ltd, ABSA Bank Ltd, Barclays PLC, Barclays Bank PLC, KWV Holdings Limited, Sage Group Limited.

160

David Charles Brink	
Age	69
Business Address	Sappi Offices, 48 Ameshoff Street, Braamfontein, Johannesburg, South Africa
Occupation	Director of companies
Nationality	South African
Qualification	MSc Eng (Mining), DCom (hc), Graduate Diploma (Company Direction)
Experience	Mr. Brink was appointed a Non-Executive Director of Sappi Limited in March 1994 and in March 2006 he was appointed senior independent director.
Directorships in last five years	Current Sappi Limited, See Ahead Investments (Pty) Limited, Steinhoff International Holdings Ltd, The Business Trust, Absa Bank Limited, Absa Group Limited, National Business Initiative, Business Trust. Former BHP Billiton Ltd, BHP Billiton Plc, Sanlam Limited, Unitrans Limited, Murray & Roberts Limited.
Prof. Meyer Feldberg	
Age	66
Business Address	Sappi Offices, 48 Ameshoff Street, Braamfontein, Johannesburg, South Africa
Occupation	Senior Advisor, Morgan Stanley (Investment Banking Division, New York)
Nationality	American
Qualification	BA, MBA, PhD
Experience	Professor Feldberg's career has included teaching and leadership positions in the business schools of the universities of Cape Town, Northwestern and Tulane. He served as President of Illinois Institute of Technology for three years and as Dean of Columbia Business School for fifteen years. He is currently Dean Emeritus and Professor of Leadership at Columbia Business School. He is also a Senior Advisor to Morgan Stanley in New York. Professor Feldberg serves on the Advisory Board of the British American Business Council and has served on the Council of Competitiveness in Washington, DC. In 2001, the International Centre in New York honoured Professor Feldberg as a distinguished foreign-born American who has made a significant contribution to American life. In 2007 Mayor Michael Bloomberg appointed him president of New York City Global Partners.

Directorships in last five years	Current Sappi Limited, Macy's Inc, UBS Global Asset Management, Primedia, Revlon, Private Partnership – Advisory Board Welsh, Carson, Anderson & Stowe Former Select Medical Corporation
James Edward Healey	
Age	67
Business Address	Sappi Offices, 48 Ameshoff Street, Braamfontein, Johannesburg, South Africa
Occupation	Director of companies
Nationality	American
Qualification	BSc (Public Accounting), Honorary Doctor (Commercial Science), Certified Public Accountant (USA)
Experience	He has held various senior financial positions in a career spanning 37 years. In 1995, Mr. Healey became Vice President and Treasurer of Bestfoods, formerly CPC International Inc. In 1997 he became Executive Vice President and Chief Financial Officer of Nabisco Holdings Inc, one of the world's largest snack food manufacturers, a position from which he retired at the end of 2000.
Directorships in last five years	Current Marcal paper Mills Inc, Sappi Limited, St Joseph's Health Care System, Pace University, Pascack Mental Health Centre, United Way of Bergen County, NJ Former Interchange Financial Services Corp, 3D Risk Solutions Inc.
Deenadayalen (Len) Konar	
Age	54
Business Address	Sappi Offices, 48 Ameshoff Street, Braamfontein, Johannesburg, South Africa
Occupation	Director of companies
Nationality	South African
Qualification	BCom, MAS, DCom, CA (SA)
Experience	Previously Professor and Head of the Department of Accountancy at the University of Durban-Westville, he is a member of the King Committee on Corporate Governance, the Securities Regulation Panel and the Institute of Directors.

Directorships in last five years	Current Sappi Limited, Accounting Standards Board, Alexander Forbes Equity Holdings (Pty) Ltd, Automobile Association of South Africa, CIC Energy Corp, Development Bank of Southern Africa, Exxaro Resources Limited (Previously Kumba Resources Ltd), Illovo Sugar Limited, J D Group Limited, Makalani Holdings Limited, Macsteel Service Centres SA 2005 (Pty) Ltd, Mustek Limited, Old Mutual Life Assurance Company (South Africa) Ltd, Old Mutual Life Holdings (South Africa) Ltd, Outsourced Risk and Compliance Assessment (Pty) Ltd, Securities Regulation Panel, Sentech Limited, Steinhoff International Holdings Limited, The National Horseracing Authority Former Mutual and Federal Insurance Company Limited, Kersaf Limited, Sun International Limited, South African Airways (Pty) Ltd
Helmut Claus-Jurgen Mamsch	
Age	63
Business Address	Sappi Offices, 48 Ameshoff Street, Braamfontein, Johannesburg, South Africa
Occupation	Director of companies
Nationality	German
Qualification	Studied Economics at Deutsche Aussenhandels-und-Verkehrs-Akademie, Bremen
Experience	Mr. Mamsch studied economics at Deutsche Aussenhandels-und-Verkehrs-Akademie, Bremen and also received training in business administration and shipping in Germany, the United Kingdom and Belgium. He worked for 20 years in international trade and shipping. In 1989 he joined VEBA AG (now E ON AG), Germany's largest utility-based conglomerate. From 1993 to 2000 he was a VEBA AG management board member and as from 1998 responsible for their US electronic businesses and their Corporate Strategy and Development. In 1997 he joined Logica as a Non-Executive Director and until 2007 was appointed their Deputy Chairman.
Directorships in last five years	Current Sappi Limited, Electrocomponents plc, GKN plc Former LogicaCMG plc, K+S Aktiengesellschaft, RMC Group plc

163

Explanation of Responses:

John David McKenzie	
Age	61
Business Address	Sappi Offices, 48 Ameshoff Street, Braamfontein, Johannesburg, South Africa
Occupation	Consultant
Nationality	South African
Qualification	BSc Chemical Engineering, MA
Experience	Mr. McKenzie joined the Sappi Board after having held senior executive positions globally and in South Africa. He is a former President for Asia, Middle East and Africa Downstream of the Chevron Texaco Corporation and also served as the Chairman and Chief Executive Officer of the Caltex Corporation.
Directorships in last five years	Current Sappi Limited, Accelerate Cape Town Former Sondela (Pty) Ltd Singapore, US-Asean Business Council, Singapore Economic Development Board, Singapore Training and Development Association, INSEAD Singapore, National University of Singapore Business School, Nanyang Technological University Business School, American Chamber of Commerce, RSA-Singapore Business Association, Chevron Trading Pte. Ltd, Chevron Global Energy Inc. GS Caltex Corporation, Texaco Overseas Holdings Inc.

Karen Rohn Osar	
Age	59
Business Address	Sappi Offices, 48 Ameshoff Street, Braamfontein, Johannesburg, South Africa
Occupation	Director of companies
Nationality	American
Qualification	MBA, Finance
Experience	Ms. Osar was Executive Vice President and Chief Financial Officer of speciality chemicals company Chemtura Corporation until her retirement in March 2007. Prior to that, she held various senior management and board positions in her career. She was Vice President and Treasurer for Tenneco Inc and also served as Chief Financial Officer of Westvaco Corporation and as Senior Vice President and Chief Financial Officer of the merged MeadWestvaco Corporation. Prior to those appointments she spent 19 years at JP Morgan & Company, becoming a Managing Director of the Investment Banking Group. Sappi Limited, BNY Hamilton Funds, Webster Financial Corporation, Innophos Inc.

Explanation of Responses:

Directorships in last five years	Former
	Allergan Inc., AGL Resources Inc., Encore Medical
Bridgette Radebe	
Age	48
Business Address	Sappi Offices, 48 Ameshoff Street, Braamfontein, Johannesburg, South Africa
Occupation	Founder and Executive Chairperson of Mmakau Mining
Nationality	South African
Qualification	BA (Pol Sc and Socio)
Experience	Ms. Radebe was the first black South African deep level hard rock mining entrepreneur in the late 1980s. She has more than a decade of experience in contract mining, mining construction and mergers and acquisitions.
Directorships in last five years	Current
	Sappi Limited, Mmakau Mining (Pty) Ltd, Capstone 615 (Pty) Limited, Eureka Gold, Dorstfontein Coal Mines (Pty) Limited, Mmakau Coal (Pty) Limited, Kianga Financial Services and Investments (Pty) Limited, Madibeng Platinum (Pty) Limited, Minerals and Mining Development Board, Mmakau Investments (Pty) Limited, MOTY Capital Partners Consortium (Pty) Limited, New Africa Mining Fund, Sayora Minerals (Pty) Limited, Shaftsinkers (Pty) Limited, South African Mining Development Association, South African Tourism Board, Tumelo Coal Mines (Pty) Limited.
	Former
	NIL
Sir Anthony Nigel Russell Rudd	
Age	61
Address	Sappi Offices, 48 Ameshoff Street, Braamfontein Johannesburg, South Africa
Occupation	Director of companies
Nationality	British
Qualification	Bachelor’s Degree

Experience	Sir Nigel Rudd joined the Sappi Board in April 2006. He has held various senior management and board positions in a career spanning more than 35 years. He founded Williams plc in 1982 and the Company went on to become one of the largest industrial holding companies in the United Kingdom. He was Non-Executive Chairman of Pilkington plc from August 1994 to June 2006. He was knighted by the Queen for services to the manufacturing industry in 1996 and holds honorary doctorates at both Loughborough and Derby Universities. In 1995 he was awarded the Founding Societies Centenary Award by the Institute of Chartered Accountants. He is a Deputy Lieutenant of Derbyshire and a Freeman of the City of London.
Directorships in last five years	Current BAA Limited, BAE Systems plc, Sappi Ltd, Barclays PLC, Barclays Bank PLC, Pendragon PLC, Coleman Investments Limited, Rother House Finance Limited, Former Alliance Boots plc (formerly Boots Group plc),Pilkington Group, Bridgewell, Kidde plc, The Boots Company plc
Franklin Abraham Sonn	
Age	68
Business Address	Sappi Offices, 48 Ameshoff Street, Braamfontein, Johannesburg, South Africa
Occupation	Director of companies
Nationality	South African
Qualification	BA Hons, HdipEd
Experience	Former Rector of Peninsula Technikon for 17 years and was appointed democratic South Africa’s first ambassador to the United States

166

Directorships in last five years	Current Sappi Limited, ABSA Group Ltd, Pioneer Food Group (Pty) Ltd, RGA Reinsurance Co of SA, RGA SA Holdings (Pty) Ltd, Kwezi V3 Engineers (Pty) Ltd, Metropolitan Holdings Ltd, Airports Company of South Africa Ltd, Macsteel Services Centres Sa (Pty) Ltd, JIA Piazza (Pty) Ltd, Future Africa Investment Holdings (Pty) Ltd, Steinhoff International Holdings Ltd, African Star Investments (Pty) Ltd, African Star Ventures (Pty) Ltd, Cape Star Investments (Pty) Ltd, Ekapa Mining (Pty) Ltd, Esor Limited, Superstone Mining (Pty) Ltd, Montebello Design Centre, Angel Capital (Pty) Ltd, Keypunch Properties 170 (Pty) Ltd, Notae Resorts (Pty) Ltd, Imalivest (Pty) Ltd, Xinergistix Ltd, Franschhoek Country Club Estate Former Future Africa Trading (Pty) Ltd, Celcom Group (Pty) Ltd, Soltex (Pty) Ltd, School Education Services Network (Pty) Ltd, Western Province Rugby (Pty) Ltd, WPK Landbou Beperk, WPK Beleggings Beperk, WPK Genomineerdes (Edms) Beperk, Capespan Group Holdings Ltd, KWV Limited, Safmarine (Pty) Ltd

Senior Management

Mark Gardner	
Age	53
Business Address	Sappi Offices, 48 Ameshoff Street, Braamfontein, Johannesburg, South Africa
Occupation	Chief Executive Officer: Sappi Fine Paper North America
Nationality	American
Qualification	BSc
Experience	Mark Gardner joined Sappi in 1981. Prior to accepting the position of President and Chief Executive Officer, Mark held the roles of Vice President Manufacturing and Vice President, Supply Chain. He has also worked in a variety of production management roles, including Production Manager at the Westbrook Mill, Paper Mill Manager at the Somerset Mill, Managing Director at the Muskegon Mill and Director of Engineering and Manufacturing Technology position at the regional head office in Boston. He holds a B.Sc. degree in Industrial Technology from the University of Southern Maine.

Robert Darsie Hope	
Age	56
Business Address	Sappi Offices, 48 Ameshoff Street, Braamfontein, Johannesburg, South Africa
Occupation	Group Head Strategic Development
Nationality	South African
Qualification	BA (Hons) Economics, MRICS,
Experience	Since joining Sappi in 1976, Robert Hope has held a number of management roles including General Manager of Sappi Sawmills, Managing Director of Sappi Trading and is currently Group Head Strategic Development.

Jan Harm Labuschagne	
Age	48
Business Address	Sappi Offices, 48 Ameshoff Street, Braamfontein, Johannesburg, South Africa
Occupation	Chief Executive Officer: Sappi Southern Africa
Nationality	South African
Qualification	B.Com (Hon), CA (SA)

Experience	Jan joined Sappi in 1992 as Divisional Financial Controller. In 1996, he was appointed as Financial Director of the Timber Industries Division. Subsequent to Sappi's acquisition of the KNP Leykam in Europe, he was seconded to the newly formed European head office in Brussels as Director Accounting. In 2002 he was appointed as Financial Director of Sappi Forest Products operations. He was appointed to his current position in January 2007. Jan was appointed a Board member of the South African Institute of Chartered Accountants in 2006, and is Chairman of their Commerce and Industry Committee and a member of their Audit Committee and the Enterprise and Socio Economic Development Committee.
Andrea Rossi	
Age	55
Business Address	Sappi Offices, 48 Ameshoff Street, Braamfontein, Johannesburg, South Africa
Occupation	Group Head Technology
Nationality	Italian
Qualification	B Sc Eng.(Hon), C.Eng
Experience	Andrea Rossi joined Sappi in 1989. Prior to accepting the position of Group Head Technology, Andrea held the roles of Project Director of the Sappi Saiccor Amakhulu Expansion project, Strategic Projects Director of Sappi Forest Products, Sappi Kraft Manufacturing Director, Managing Director Sappi Forests, General Manager Enstra Mill, Project Director Enstra Mill expansion, Project Manager for the Sappi Saiccor Mkomazi Expansion and Engineering Services for Sappi Management Services.
Lucia Adele Swartz	
Age	51
Business Address	Sappi Offices, 48 Ameshoff Street, Braamfontein, Johannesburg, South Africa
Occupation	Group Head Human Resources
Nationality	South African
Qualification	Dip HR, B.A

169

Experience	Lucia joined Sappi in May 2002. Prior to joining Sappi she worked for the Seagram Spirits and Wine Group in New York as Human Resources Director, Global Functions based in New York. She holds a BA in Psychology and Geography from the University of the Western Cape and a Diploma in Human Resources from the Peninsula Technikon. Lucia serves as a Non-Executive Director for New Clicks Holdings Limited, a JSE listed retail company.
Alexander van Coller Thiel	
Age	47
Business Address	Sappi Offices, 48 Ameshoff Street, Braamfontein, Johannesburg, South Africa
Occupation	Integration Executive
Nationality	South African
Qualification	BSc, Mechanical Engineering and an MBA
Experience	Alex joined Sappi in December 1989 as the Executive Assistant to the Executive Chairman in Johannesburg. In April 1993, as part of Sappi's expansion into Europe, he moved to Brussels as the Administration Manager reporting to the Managing Director of Sappi Europe. With the creation of Sappi Fine Paper Europe he was appointed in February 1998 as Manager Marketing Intelligence, reporting to the Sales and Marketing Director. In January 2003 he became the Director Logistics for SFPE, reporting to the Chief Executive Officer of SFPE. He was appointed as Group Head Procurement in January 2008.
Berend (Berry) John Wiersum	
Age	53
Business Address	Sappi Offices, Ameshoff Street, Braamfontein
Occupation	Chief Executive Officer: Sappi Fine Paper Europe
Nationality	British
Qualification	MA

170

Experience	Berry Wiersum joined Sappi in January 2007 as Chief Executive Officer Sappi Fine Paper Europe. Prior to joining Sappi, Berry was a freelance mergers and acquisitions consultant for one year. He previously was Managing Director Kappa Packaging and member of the management board in Eindhoven (The Netherlands). He holds a masters degree in medieval & modern history from St. Andrews University Scotland.

171

DETAILS OF MAJOR SUBSIDIARIES

Name	Share capital	Registration Number	% Held	Year Acquired	Country of Incorporation	Nature of Business
Southern Africa						
Sappi Management Services (Pty) Ltd	ZAR100	1989/001134/07	100	1989	South Africa	Management services
Sappi Manufacturing (Pty) Ltd	ZAR12,026,250	1951/003180/07	100	1951	South Africa	Pulp and paper manufacturer and forestry operations
Sappi Share Facilitation Company (Pty) Ltd	ZAR1,000	1998/015629/07	100	1998	South Africa	Treasury shares
Usutu Pulp Company Ltd	SZL10,000,000	35/1959	100	1990	Swaziland	Pulp manufacturer and forestry operations.
America						
S.D. Warren Company	USD1,000	N/A	100	1994	United States	Pulp and paper manufacturer
Sappi Cloquet LLC	N/A	N/A	100	2002	United States	Pulp and paper manufacturer
Europe						
Sappi Alfeld GmbH	EUR31,200,000	HR B 110356	100	1992	Germany	Pulp and paper manufacturer
Sappi Austria Produktions GmbH and CoKG	EUR35,000	FN 223882 p	100	1997	Austria	Pulp and paper manufacturer
Sappi Deutschland GmbH	EUR25 565	HR B 59586	100	1992	Germany	Sales and marketing
Sappi Ehingen GmbH	EUR20,800,000	HR B 490647	100	1992	Germany	Pulp and paper manufacturer
Sappi Esus Beteiligungsverwaltungs GmbH	EUR1,000,000	FN 261911 p	100	2005	Austria	Holding company
Sappi Europe SA	EUR15,130,751	0449654386	100	1994	Belgium	European head office
Sappi Holding GmbH	EUR72,700	FN 165965 t	100	1997	Austria	Holding company
Sappi International SA	EUR1,220,621,000	BE 0449887582	100	1993	Belgium	Treasury
Sappi Lanaken NV	EUR51,377,000	0420732352	100	1997	Belgium	Paper manufacturer
Sappi Lanaken Press Paper NV	EUR57,179,613	0426966779	100	1997	Belgium	Pulp and paper manufacturer
Sappi Maastricht BV	EUR31,992	14631722	100	1997	Netherlands	Paper manufacturer
Sappi Nijmegen BV	EUR59,037	10041104	100	1997	Netherlands	Paper manufacturer
Sappi Papier Holding GmbH	EUR72,700	FN 167931 h	100	1997	Austria	Pulp and paper manufacturer; Treasury and holding company

Sappi Trading Pulp AG	CHF100,000	CH-020.3.927.008-6	100	1987	Switzerland	Sales and marketing
Sappisure Försäkrings AB	EUR 3.300.000	516406-0583	100	2007	Sweden	Captive Insurance company

172

ANNEXURE 7

DETAILS ON THE SAPPI SHARE OPTIONS

The following table sets out the number of share options outstanding at September 2008, excluding the trust shares:

	Number of shares at 25 September 2008	Vesting conditions	Expiry date	Exercise price ZAR
14 December 1998	48,300	Time	14 December 2008	22.10
03 February 1999	1,000	Time	03 February 2009	22.35
15 January 2001	214,600	Time	15 January 2009	49.00
4 February 2002	7,000	Time	04 February 2010	131.40
28 March 2002	623,000	Time	28 March 2010	147.20
13 February 2003	743,800	Time	13 February 2011	112.83
30 December 2003	150,250	Time	30 December 2011	79.25
14 January 2004	630,700	Time	14 January 2012	79.25
25 March 2004	1,000	Time	25 March 2012	86.60
13 December 2004	1,029,500	Time	13 December 2012	78.00
13 December 2004	148,000	Performance	N/A	–
13 December 2005	1,413,800	Performance	N/A	–
08 August 2006	50,000	Performance	N/A	–
15 January 2007	5,000	Performance	N/A	–
15 January 2007	5,000	Performance	N/A	–
15 January 2007	5,000	Performance	N/A	–
29 January 2007	50,000	Performance	N/A	–
31 May 2007	1,419,300	Performance	N/A	–
02 July 2007	100,000	Performance	N/A	–
10 September 2007	10,000	Time	N/A	–
10 September 2007	25,000	Performance	N/A	–
12 December 2007	610,600	Time	12 December 2015	91.32
12 December 2007	525,000	Performance	N/A	–
19 March 2008	279,200	Time	19 March 2016	98.80
19 March 2008	205,000	Performance	N/A	–
	8,300,050			

173

Sappi Limited

NOTICE OF GENERAL MEETING OF SHAREHOLDERS

All terms defined in the "Definitions, Interpretations and Other Information" section of the circular to which this notice of general meeting is attached shall have the same meaning in this notice of general meeting unless otherwise stated or the context clearly indicates otherwise.

NOTICE IS HEREBY GIVEN that a general meeting of the shareholders of the Company will be held at the registered office of the Company, 48 Ameshoff Street, Braamfontein, Johannesburg, 2001, South Africa at 15:00 on 3 November 2008, to consider and if deemed fit, to pass the following special and ordinary resolutions with or without modification in the manner required by the Companies Act, No. 61 of 1973, as amended (the "Companies Act") and subject to the Listings Requirements of the JSE Limited.

ORDINARY RESOLUTION NUMBER 1
Acquisition of M-real's Acquired Business and authority to issue shares under the Master Agreement

"RESOLVED THAT:

(a) the proposed acquisition by the Company of the business and assets being acquired from M-real in terms of the Master Agreement and other Transaction Agreements, as referred to in the Company's circular to shareholders dated 10 October 2008 (the "Circular"), to which a copy of this notice of general meeting is attached, be and is hereby approved; and

(b) the directors of the Company are hereby authorised, as a specific authority in terms of S221 of the Companies Act, to allot and issue the Settlement Shares on all of the terms and conditions of the Master Agreement as and when the Company becomes obliged to issue them in accordance with the terms and conditions of the Master Agreement, a copy of which has been made available for inspection at the registered office of the Company during normal office hours from 08:00 to 16:30."

SPECIAL RESOLUTION NUMBER 1
Increase in authorised share capital

“RESOLVED THAT, the authorised ordinary share capital of the Company be and is hereby increased from R325,000,000, comprising 325,000,000 ordinary shares of R1.00 each, to R1,325,000,000, comprising 1,325,000,000 ordinary shares of R1.00 each, by the creation of 1,000,000,000 new ordinary shares of R1.00 each.”

The reason for special resolution number 1 is to increase the authorised share capital of the Company so as to provide the Company with sufficient authorised shares to enable it, inter alia, to (a) conduct the Rights Offering (as defined and described in the Circular); and (b) issue the unissued shares required to be issued by Sappi in terms of the Master Agreement. The effect of passing special resolution number 1 will be to increase the authorised share capital of the Company by R1,000,000,000 by the creation of 1,000,000,000 new ordinary shares having a par value of R1.00 each.

Explanatory Note to Special Resolution Number 1:

Sappi wishes to increase its share capital by such number of shares as the director of Sappi believe is necessary to give the Company sufficient flexibility to make the Rights Offering at a price which will, in the circumstances prevailing at the time at which that price is determined, be appropriate.

ORDINARY RESOLUTION NUMBER 2
Resolution placing unissued shares under Directors’ control for Rights Offering

“RESOLVED THAT:

(a) subject to the passing of ordinary resolution number 1 above, all of the authorised but unissued ordinary shares in the capital of the Company, including those created pursuant to special resolution number 1 above if it is passed and duly registered, and excluding those which will be subject to the directors’ specific authority pursuant to ordinary resolution number 1 above if it is passed, be and are hereby placed under the control of the directors of the Company with a general authority to allot and issue all or part of them, in their discretion, in terms of section 221 of the Companies Act, pursuant to the Rights Offering; and

(b) subject always to the provisions of Article 6 of the Company's Articles of Association, the payment by the Company of commission, whether in the form of cash, Sappi Shares or other equity linked instruments, on such terms and conditions as the directors, in their discretion, may decide, to the underwriters of the Rights Offering, be and is hereby authorised as required in terms of Article 6 of the Company's Articles of Association."

ORDINARY RESOLUTION NUMBER 3
Waiver of Mandatory Offer

"RESOLVED THAT, subject to the passing of ordinary resolution number 1, the passing and registration of special resolution number 1 and the passing of ordinary resolution number 2, a waiver of any obligation, which might otherwise arise on the part of any underwriters appointed by the Company for the Rights Offering (the "Underwriters") to make a mandatory offer in accordance with the requirements of Rule 8.1 of the Securities Regulation Code on Takeovers and Mergers (the "Code"), if the Underwriters become obliged, in terms of their obligation to underwrite the Rights Offering, to acquire enough Sappi Shares for the acquisition to be an "affected transaction" in terms of the Code, be and is approved."

It is a requirement of the Code that this resolution be passed by a majority of independent votes cast, being the votes cast by persons other than the Underwriters and any person acting in concert (as defined in the Code) with either of the Underwriters.

Explanatory Note to Ordinary Resolution Number 3

If, as a result of the implementation of the Rights Offering and the underwriting of the Rights Offering, one or more of the Underwriters acquire a sufficient number of Sappi Shares for an affected transaction in terms of the Code to have occurred, a mandatory offer may have to be made to all the Shareholders pursuant to the requirements of Rule 8 of the Code. Accordingly, the Shareholders are requested to pass a resolution approving of a waiver of their rights to a mandatory offer being made by the Underwriters in those circumstances.

Each shareholder is entitled to appoint one or more proxies (who need not be a member of the Company) to attend, speak and on a poll, to vote in his stead.

By order of the board

Sappi Management Services (Proprietary) Limited
Company Secretary

10 October 2008

177

178

(Incorporated in the Republic of South Africa)
Registration number: 1936/008963/06
JSE share code: SAP ISIN: ZAE000006284
("Sappi" or "the Company")

FORM OF PROXY FOR SAPPI SHAREHOLDERS

For use at the general meeting to be held at 48 Ameshoff Street, Braamfontein, Johannesburg, 2001, South Africa at 15:00 on 3 November 2008.

Only for use by shareholders who have not dematerialised their Sappi shares or who have dematerialised their Sappi shares with own name registration or who are nominees of a Central Securities Depository Participant ("CSDP") or brokers on the sub-registers of the Company.

Shareholders who have dematerialised their Sappi shares with a CSDP or broker, other than own name registration, must arrange with the CSDP or broker concerned to provide them with the necessary authorisation to attend the general meeting or the shareholders concerned must instruct their CSDP or broker as to how they wish to vote in this regard. This must be done in terms of the custody agreement entered into between the shareholder and the CSDP or broker concerned.

A separate form of direction is attached for holders of Depository Interests with CREST to complete.

I/We (full names in BLOCK LETTERS)
of (address in BLOCK LETTERS)
Telephone (work) ( ) Telephone (home) ( )

being the registered holder/s of ordinary shares in the Company, appoint (see note 1)

1. or failing him/her,
2. or failing him/her,
3. the Chairman of the general meeting.

As my/our proxy to act on my/our behalf at the general meeting which will be held for the purpose of considering, and if deemed fit, passing with or without modification, the special and ordinary resolutions to be proposed thereat and at any adjournment or postponement thereof, and to vote for and/or against such resolutions and/or abstain from voting in respect of the ordinary shares registered in my/our name/s, in accordance with the following instructions (see note 2):

		Insert the number of votes exercisable (one vote per share)		
		For	Against	Abstain
Ordinary resolution number 1	Acquisition of M-real's Acquired Business and authority to issue shares under the Master Agreement			
Special resolution number 1	Increase in authorised share capital			
Ordinary resolution number 2	Resolution placing unissued shares under Directors' control for Rights Offering			
Ordinary resolution number 3	Waiver of Mandatory Offer			

Please indicate instructions to proxy in the space provided above the insertion therein of the relevant number of ordinary shares in the Company.

Each shareholder is entitled to appoint one or more proxies (who need not be a shareholder of the Company) to attend, speak and vote in place of that shareholder at the general meeting. Proxies must be lodged at the office of the transfer secretaries of the Company at Computershare Investor Services (Proprietary) Limited PO Box 61051, Marshalltown, 2107, South Africa, or Capita Registrars (Jersey) Limited at 12 Castle Street, St Helier, Jersey JE2 3RT, Channel Islands not less than 48 hours before the time for holding the general meeting.

Signed at On 2008.

Signature(s) Assisted by me (where applicable)

Please read the notes below

Notes:

1. A shareholder's instructions to the proxy must be indicated by the insertion of the relevant number of shares held by that shareholder in the appropriate box provided. Failure to comply with the above will be deemed to authorise the proxy to vote or to abstain from voting at the general meeting as he/she deems fit in respect of all the shareholder's votes exercisable thereat. A shareholder or the proxy is not obliged to use all the votes exercisable by the shareholder or by the proxy, but the total votes cast and in respect of which abstention is recorded may not exceed the total of the votes exercisable by the shareholder or by the proxy.

2. Should a shareholder only want to vote in respect of some of the shares held by it, it should indicate its instructions in this regard by inserting only the number of shares held by that shareholder in respect of which it wants to vote in the appropriate box.

3. Forms of proxy must be lodged with or posted to the Company's transfer office, at Computershare Investor Services (Proprietary) Limited PO Box 61051, Marshalltown, 2107, South Africa or at Capita Registrars (Jersey) Limited 12 Castle Street, St Helier, Jersey JE2 3RT, Channel Islands, to reach them by no later than 48 hours before the time appointed for the general meeting at 15:00 (South Africa) on 3 November 2008 or, if in respect of an adjournment of the general meeting, not less than 48 hours before the resumption of that general meeting should it be adjourned.

4. The completion and lodging of this form of proxy by certificated shareholders and shareholders who have dematerialised their shares and who have elected own-name registration through a CSDP, will not preclude the relevant shareholder from attending the general meeting and speaking and voting in person thereat to the exclusion of any proxy appointed in terms thereof. Shareholders who have dematerialised their shares and who have not elected own-name registration through a CSDP or broker, who wish to attend the general meeting, must instruct

their CSDP or broker to issue them with the necessary authority to attend.

5. Documentary evidence establishing the authority of a person signing this form of proxy in a representative capacity (e.g. on behalf of a company, close corporation, trust, pension fund, deceased estate, etc.) must be attached to this form of proxy, unless previously recorded by the Company or waived by the Company at the general meeting.

6. Any alteration or correction made to this form of proxy must be initialled by the signatory/ies.

7. The chairman of the general meeting may reject or accept any form of proxy, which is completed and/or received, other than in compliance with these notes, in the Chairman's discretion.

8. A minor must be assisted by his/her parent or guardian, unless the relevant documents establishing his/her capacity are produced or have been registered by the Company.

9. Where there are joint holders of shares:

- any one holder may sign this form of proxy; and

- if more than one joint holder of a share is present at the general meeting, either personally or by proxy, the vote of the joint holder who tenders a vote and whose name stands in the register before the other joint holders who are present in person or by proxy, will be accepted.

FORM OF DIRECTION FOR HOLDERS OF DEPOSITORY INTERESTS

Sappi Limited
(Incorporated in the Republic of South Africa with registration number 1936/008963/06)

"Issuer Company"

Form of Direction

Form of direction for completion by holders of Depository Interests representing shares on a one for one basis in the Issuer Company in respect of the General Meeting of the Issuer Company at 48 Ameshoff Street, Braamfontein, Johannesburg, 2001, South Africa at 15:00 (South Africa) on 3 November 2008.

I/We (full names in BLOCK LETTERS)
of (address in BLOCK LETTERS)
being a holder of Depository Interest representing shares in the Issuer Company hereby instruct Capita IRG Trustees Limited, the Depository, to vote for me/us and on my/our behalf in person or by proxy at the General Meeting of the Issuer Company to be held on the above date (and at any adjournment thereof) as directed by an X in the spaces below.

Please indicate with an "X" in the spaces below how you wish your vote to be cast. If no indication is given, you will be deemed as instructing the Depository to abstain from voting.

	For	Against	Abstain
Ordinary resolution number 1 Acquisition of M-real's Acquired Business and authority to issue shares under the Transaction Agreements			
Special resolution number 1 Increase in authorised share capital			
Ordinary resolution number 2 Resolution placing unissued shares under Directors' control for Rights Offering			
Ordinary resolution number 3 Waiver of Mandatory Offer			

Signed at on 2008.
Signature(s) Assisted by me (where applicable)

Notes:

1. To be effective, this form of direction and the power of attorney or other authority (if any) under which it is signed, or a notarially or otherwise certified copy of such power of authority, must be deposited at Capita Registrars, The Registry, 34 Beckenham Road, Beckenham, Ken BR3 4TU not later than 72 hours before the time appointed for holding the meeting.

2. Any alterations made to this form of direction should be initialled.

3. In the case of a corporation this form of direction should be given under its Common Seal or under the hand of an officer or attorney duly authorised in writing.

4. Please indicate how you wish your votes to be cast by placing an "X" in the box provided. On receipt of this form duly signed, you will be deemed to have authorised Capita IRG Trustees Limited to vote, or to abstain from voting, as per your instructions.

182

Explanation of Responses:

(Incorporated in the Republic of South Africa)
Registration number: 1936/008963/06
JSE share code: SAP ISIN: ZAE000006284
("Sappi" or "the Company")

REVISED LISTING PARTICULARS
(Issued in terms of the JSE Listings Requirements)

The "Corporate Information" section on page 4 of this Circular and the "Definitions, Interpretations and Other Information" section commencing on page 12 of this Circular apply mutatis mutandis to these revised listing particulars.

These revised listing particulars have been prepared on the assumption that the special and ordinary resolutions proposed in the notice of general meeting forming part of the Circular, dated 10 October 2008, to which these revised listing particulars are attached, will be approved at the general meeting of Sappi shareholders to be held at 15:00 on 3 November 2008 at the registered offices of Sappi (Sappi Offices, 48 Ameshoff Street, Braamfontein, Johannesburg, 2001, South Africa) and, where applicable, registered by the Registrar and that the proposed transactions will have been implemented.

These revised listing particulars do not constitute an invitation to the public to subscribe for shares in the Company, but are issued in compliance with the Listings Requirements for the purposes of providing information to the public with regard to Sappi after the implementation of the proposed transactions.

The directors of Sappi whose names appear on page 4 of the Circular to which these revised listing particulars are attached, collectively and individually, accept full responsibility for the accuracy of the information given in these revised listing particulars and certify that, to the best of their knowledge and belief, there are no facts the omission of which would make any statement in these revised listing particulars false or misleading and that they have made all reasonable inquiries to ascertain such facts and that these revised listing particulars contains all information required in law and by the Listings Requirements.

Morgan Stanley South Africa (Pty) Ltd, which is regulated in terms of the Listings Requirements, is acting for Sappi and no one else in relation to the preparation of these revised listing particulars and will not be responsible to anyone other than Sappi in relation to the preparation of these revised listing particulars.

Financial advisor and Transaction Sponsor to Sappi	Reporting accountants in respect of Sappi
South African legal advisor to Sappi	U.S. legal advisor to Sappi
U.K. legal advisor to Sappi	

Date of issue: 10 October 2008

184

TABLE OF CONTENTS

(Incorporated in the Republic of South Africa)
Registration number: 1936/008963/06
JSE share code: SAP ISIN: ZAE000006284
("Sappi" or "the company")

REVISED LISTING PARTICULARS

1. INTRODUCTION

As the Rights Offering, the issue of shares in terms of the Transaction Agreements and the possible issue of shares for cash may result in an issue of new Sappi Shares which will increase Sappi's issued share capital by more than 25%, Sappi is required to provide that information which must be disclosed in terms of a pre-listing statement.

These revised listing particulars have been prepared on the assumption that the special and ordinary resolutions proposed in the notice of general meeting forming part of the Circular, dated 10 October 2008, to which these revised listing particulars are attached, will be approved at the general meeting of Shareholders to be held on 3 November 2008 and, where applicable, registered by the Registrar and that the proposed transactions will have been implemented.

2. BACKGROUND INFORMATION ON SAPPI

2.1 Incorporation

Sappi was founded and incorporated in 1936 in South Africa. Sappi currently has its primary listing on the JSE Limited (formerly the Johannesburg Stock Exchange) and has secondary listings on the New York and London Stock Exchanges.

2.2 Background

Sappi Limited was founded in South Africa and is a corporation organised under the Companies Act 61 of 1973 of the Republic of South Africa. Until 1990, Sappi primarily expanded its operations within southern Africa. Since 1990, Sappi has grown through acquisitions outside of southern Africa. In the mid 1990s, Sappi acquired S.D. Warren Company, a market leader in the United States in coated fine paper and a major producer of other speciality paper products. It now conducts business as Sappi Fine Paper North America. In the late 1990s Sappi acquired KNP Leykam, a leading European producer of coated fine paper. KNP Leykam now conducts business as Sappi Fine Paper Europe. In May 2002 Sappi acquired Potlatch Corporation's coated fine paper business and have integrated it in Sappi Fine Paper North America.

In December 2004 Sappi acquired 34% of Jiangxi Chenming Paper Company, a joint venture which commissioned in mid-2005 a coated mechanical paper machine, mechanical pulp mill and de-inked pulp mill in China.

In August 2006, Sappi announced the expansion of the existing capacity at Sappi Saiccor in South Africa, where Chemical Cellulose products are produced. The current capacity of the mill is approximately 600,000 metric tonnes per annum. The expansion will increase capacity by a net 225,000 metric tonnes per annum and started up during September 2008.

In April 2006, Sappi announced a black economic empowerment transaction involving the sale of identified forestry land to a South African empowerment partner. The final conditions to formalise the black economic empowerment transaction involving the sale of identified forestry land to a South African empowerment partner were met in June 2008, and the transactions under this arrangement have been effected.

2.3 Nature of business

Sappi is a global paper and pulp group and a leading producer of coated fine paper widely used in books, brochures, magazines, catalogues and many other print applications. Sappi is also the world's largest producer of chemical cellulose, used primarily in the manufacture of viscose fibre, acetate tow and consumer and pharmaceutical products. In addition, Sappi produces newsprint, uncoated graphic and business papers, premium quality packaging papers and a range of coated speciality papers and a range of paper grade pulp.

187

2.4 Material changes

There not been any material changes in the financial position of Sappi and its subsidiaries since the end of the last financial period, other than as set out in this Circular.

2.5 Prospects for the enlarged Sappi Group

Prospects in Europe include:

- Improved profitability, cash flows and returns
- Increased strategic production capacity flexibility
- Expanded customer base and increased market share
- Expanded product range
- Addition of recognised brands

Prospects in North America include:

- Expanded import product offering
- Expanded export markets

3. PRO FORMA FINANCIAL EFFECTS OF THE PROPOSED TRANSACTIONS

Please refer to Section 12 of the Circular to which these revised listing particulars are attached.

4. SHARE CAPITAL OF SAPPI

The share capital of Sappi before and after the proposed transactions is set out in Section 13 of the Circular to which these revised listing particulars are attached.

All the authorised and issued Sappi shares are of the same class and rank pari passu in all respects. All shares to be issued will:

- be of the same nominal value as the current Sappi ordinary shares;
- rank pari passu with the current Sappi ordinary shares;
- have the same rights as to unrestricted transfer, attendance and voting at general/ annual general meetings, and in all other respects; and
- be entitled to dividends at the same rate and for the same period, as the current Sappi ordinary shares.

Where shareholders are required to vote in terms of the Listing Requirements, the votes of the shareholders of the unlisted securities will not be taken into account in determining either a quorum or for any approval of any resolution considered at any general meeting.

Other than the subject of the Transaction, there have been no other issues or offers of securities of Sappi and its subsidiaries during the preceding three years.

There have not been any consolidations or sub-divisions of securities during the preceding three years.

There are no preferential rights or options given to any shareholders of Sappi.

4.1 Changes in share capital

There have not been any changes in the authorised share capital of Sappi or any of its subsidiaries during the preceding three years.

2007

There have not been any movements in the number of issued ordinary shares of Sappi or any of its subsidiaries during the 2007 financial year.

2006

There have not been any movements in the number of issued ordinary shares of Sappi or any of its subsidiaries during the 2006 financial year.

2005

During 2005 Sappi acquired approximately 1.3 million shares for a total consideration of approximately USD15.9 million. Shareholders granted the authority to use treasury shares for the purposes of the Scheme and/or the Plan was granted by shareholders at the annual general meeting held on 07 March 2005.

There have not been any consolidations or subdivision of shares during the preceding three years.

4.2 Control of unissued authorised share capital

Save as set out below, there are no unissued shares of the Company under the control of the directors.

Sappi has a general authority to purchase its shares up to a maximum of 10% of the issued ordinary share capital in any one financial year. This is in terms of a resolution passed at the annual general meeting of shareholders on 3 March 2008. The general authority is subject to the Listings Requirements of the JSE and the Companies Act.

Sappi has authority to use 19,000,000 unissued shares to meet the requirements of The Sappi Limited Share Incentive Trust or The Sappi Limited Performance Share Incentive Trust. In terms of the rules of these Trusts the maximum number of shares which may be acquired in aggregate by the Trusts and allocated to the participants of the Trusts from time to time is 19,000,000 shares. Sappi is obliged to reserve and keep available at all times out of its authorised but unissued share capital such number of shares (together with any treasury shares held by Sappi subsidiaries which may be used for the purposes of the Trusts) as shall then be required in terms of the Trusts. Authority to use treasury shares for the purposes of the Trusts was granted by shareholders at the annual general meeting held on 7 March 2005.

In addition, in terms of resolutions to be passed at the general meeting, Sappi Shares are to be placed under the control of the directors, subject to the provisions of the Companies Act and the Listings Requirements and resolutions concerned.

4.3 Preferential conversion or exchange rights

There are no preferential conversion or exchange rights in respect of the share capital of Sappi.

4.4 Voting rights and rights to dividends, profits or capital

All the shares have equal voting rights and rank pari passu in respects of dividends, profits or capital distributions and liquidation distributions in respect of the winding up of Sappi.

4.5 Variation of rights

The rights attaching to Sappi Shares may only be varied by a special resolution passed by the requisite majority of Sappi shareholders in general meeting.

4.6 Other classes of securities and listings on other exchanges

Sappi has American Depositary Receipts listed on the New York Stock Exchange and ordinary shares listed on the London Stock Exchange.

5. MAJOR SHAREHOLDERS OF SAPPI

Please refer to Section 13 of the Circular to which these revised listing particulars are attached.

6. INFORMATION RELATING TO THE DIRECTORS OF SAPPI

6.1 Current directors of Sappi

The details relating to the directors are set out in Section 14 and Annexure 6 of the Circular to which these revised listing particulars are attached.

6.2 Appointment, qualification, remuneration and borrowing powers of directors

6.2.1 Appointment

The executive directors have service contracts with notice periods of two years or less. These notice periods are in line with international norms for executive directors.
The only non-executive director who has a service contract with the company is Dr DC Cronjé, the Chairman of the Board of Directors. Subject to the provisions of Sappi's Articles of Association and his re-election by rotation as a director, his appointment as Chairman is for an initial period of up to three years, expiring on 2 March 2011.

None of the directors have provisions for pre-determined compensation on termination of their contracts exceeding two years' gross remuneration and benefits in kind.

The relevant provisions of the articles of association of Sappi concerning the appointment, qualification, remuneration and borrowing powers of Sappi and its subsidiaries, exercisable by the directors, are set out in Annexure C to these revised listing particulars.

6.2.2 Borrowing powers

The borrowing powers of the directors of the Group have not been exceeded during the three years preceding the date of these revised listing particulars. The South African Reserve Bank has granted the relevant exchange control approval for this Transaction. There is no exchange control or other restrictions on the borrowing powers of the Company or any of its subsidiaries other than those controls that pertain to all South African residents. A summary of the relevant provisions of the articles of association of Sappi concerning the borrowing powers of Sappi and its subsidiaries, exercisable by the directors, is set out in Annexure C to these revised listing particulars.

6.2.3 Remuneration

Refer to Section 14.1 of the Circular, to which these revised listing particulars are attached.

Proposed emoluments to be paid by Sappi Limited to directors are available for inspection at Sappi's registered office during normal office hours.

There have been no fees paid or accrued as payable to a third party in lieu of directors' fees.

The remunerations receivable by any of the directors of Sappi will not be varied in consequence of the transaction.

6.3 Directors' interests in Sappi

Refer to Section 14.5 of the Circular, to which these revised listing particulars are attached.

6.3.2 Subsequent to the Transaction

Refer to Section 14.5 of the Circular, to which these revised listing particulars are attached.

6.3.3 Changes in directors' interests in Sappi Shares after year-end

Subsequent to year-end in November 2007, Mr E van As fulfilled his obligation in respect of 100,000 shares of the 200,000 vested obligations to purchase listed above. Mr Boëttger received 35,000 restricted shares which vested on 31 December 2007. Also, refer to Section 14.2.2 of the Circular to which these revised listing particulars are attached.

6.3.4 Directors' interests in contracts

The directors have certified that they did not have any material interest in any transaction with either the company or any of its subsidiaries. Therefore there has not been any conflict of interest with regard to directors' interests in contracts. Meyer Feldberg, a non-executive director of the company, disclosed his role as senior advisor at an affiliated company of the Financial Advisor and Transaction Sponsor.

6.3.5 There will not be any changes in the directors' shareholdings in Sappi as a result of the proposed transactions, other than in terms of the proposed Rights Offering.

6.3.6 For details of the individual share options held by Sappi directors, please refer to Section 14.2. of the Circular to which this revised listing particulars are attached.

6.3.7 No director of Sappi has or has had a direct or indirect material beneficial interest in any transactions effected by Sappi during the current or immediately preceding financial year, or in any earlier year which remains in any respect outstanding or unperformed.

6.4 Additional information pertaining to the directors

All of the directors who were appointed in 2002 or later, have completed directors' declarations in terms of Schedule 21 of the Listings Requirements relating to the appointment of new directors. Copies of the declarations are available for inspection as detailed in Section 6 of the Circular. No payments have been made to any director, either directly or indirectly, by Sappi or any other person in the three years preceding the date of these revised listing particulars to induce him/her to become, or to qualify him/her as a director or otherwise for services rendered by him/her or by the associate's company or the associate entity in connection with the promotion or formation of the Company.
No loans have been made by Sappi to any of its directors nor has any security been furnished by the Company on behalf of any of its directors or managers.

None of the directors of Sappi have:

- been declared bankrupt, insolvent or have entered into any individual voluntary compromise arrangements;
- entered into any receiverships, compulsory liquidations, creditors voluntary liquidations, administrations, company voluntary arrangements or any compromise or arrangement with creditors generally or any class of creditors of any company where such directors are or were directors with an executive function during the preceding 12 months;
- entered into any compulsory liquidations, administrations or partnership voluntary arrangements of any partnerships where such directors are or were partners during the preceding 12 months;
- entered into any receiverships of any assets of such person or of a partnership of which the person is or was a partner at the time of or during the preceding 12 months;
- been publicly criticised by a statutory or regulatory authority, including recognised professional bodies or been disqualified by a court from acting as a director of a company or from acting in the management or conduct of the affairs of any company; or
- been involved in any offence of dishonesty, fraud or embezzlement.

The business of Sappi and its subsidiaries are not managed and will not be managed by a third party under a contract of arrangement.

7. SAPPI SHARE TRADING HISTORY

A table setting out the history of the performance of Sappi shares on the JSE has been included as Annexure A to these revised listing particulars.

193

8. SUBSIDIARY COMPANIES OF SAPPI

Details of the major subsidiary companies of Sappi are set out in Annexure 6 of the Circular to which these revised listing particulars are attached.

9. DIVIDENDS

The Sappi group aims to declare annual dividends which, over time, incorporate real growth for shareholders. The dividend policy is determined by its board of directors from time to time, based on Sappi's results and anticipated funding requirements associated with its growth strategy and dividends may be settled in whole or in part in such manner as the directors may at the time of determining the dividend direct. To this end, dividend cover in each year varies in line with changes in the business cycle, but the current intention is to maintain a long-term average earnings/dividend ratio of three to one. A dividend of 32 US cents per share was declared by the Company in respect of the financial year ended 30 September 2007. A general meeting or the directors may declare dividends to any one or more classes of members from time to time. The dividends will be registered as such at a date which shall be not less than fourteen days after the date of publication of the announcement of the declaration of the dividend on the basis that the register of members may not be closed between the date of the publication of such announcement and the record date for the payment of the dividend; and any dividend declared may be paid either wholly or in part by the distribution of such specific assets in such manner as the directors may determine; provided that no greater dividend shall be declared by a general meeting than is recommended by the directors.

Any dividends which are retained and unclaimed for twelve years, after the payment date of the dividend in question, shall be forfeited and revert to Sappi and may be dealt with by the directors as they deem fit.

The capital structure of the proposed acquisition was considered carefully as to its effect on the cash flow position of the South African operations of Sappi. Sappi expects to be able to continue to pay dividends.

10. TRANSACTION-RELATED FEES, COMMISSIONS, INTERESTS AND COSTS

No amounts are payable or have been paid, nor have any other benefit accrued, to any promoter during the three years preceding the date of these revised listing particulars.

No commissions are payable or have been paid in respect of any underwriting or sub-underwriting arrangements during the three years preceding the date of these revised listing particulars.

No commissions, discounts, brokerages or other special terms have been granted in respect of the issue of any equity or debt instrument during the three years preceding the date of these revised listing particulars.

No promoter holds any material beneficial interest in the promotion of Sappi or in any material acquisition or proposed acquisition of Sappi or has done so for the three years preceding the date of these revised listing particulars.

11. PRELIMINARY AND ISSUE EXPENSES

Sappi has not incurred any preliminary expenses within the three years preceding the date of these revised listing particulars.

12. CAPITAL COMMITMENTS AND CONTINGENT LIABILITIES OF SAPPI

The details relating to material commitments are set out in Annexure E.

The details relating to capital commitments, contingent liabilities and lease payments have been disclosed in Annexure E to these revised listing particulars.

13. MATERIAL CONTRACTS ENTERED INTO BY SAPPI

Section 16 of the Circular provides details of material contracts entered into by the Sappi Group during the two years preceding the Last Practicable Date, which were not in the ordinary course of business.

Save as disclosed in Section 16 of the Circular, the Sappi Group has not entered into any material contracts in the two years prior to the Last Practicable Date. In addition, the Sappi Group has not entered into any material contracts at any time which contain an obligation or settlement that is material to the Sappi Group at the Last Practicable Date.

14. MATERIAL ACQUISITIONS AND DISPOSALS BY SAPPI

Over the last three years Sappi has reorganised it operations and closed capacity where acceptable returns have not been achieved. In 2005 the Sappi Group closed the Muskegon Mill Paper Machine PM5 in the United States of America with a capacity of 105,000 tonnes of coated fine paper and mothballed Muskegon's pulp mill. In 2006 the Nash Mill in the United Kingdom was closed. It had a capacity of 30,000 tonnes of graphic fine paper. In August 2008 Sappi announced that it is contemplating the cessation of production at its Blackburn Mill in the United Kingdom with a capacity of 120,000 tonnes of graphic paper and intends to cease production from the Maastricht Mill PM5 which produces 60,000 tonnes of speciality paper. On Monday 22 September 2008 agreement was reached between Blackburn Mill management, and Trade Union representatives regarding the future of the Blackburn Mill. Sappi and the Union agree that, unless a buyer who has no interest in the graphic coated business can be found before the end of the consultation period which runs until November 12th, the Blackburn Mill will close and all employees will be made redundant, apart from any employees for whom suitable alternative employment can be found. Most employees will leave through redundancy on Wednesday 12 November 2008. The agreement specifies redundancy terms and includes provisions for outplacement and training support for all employees, to ensure that people have the best possible opportunity to secure new employment. Blackburn Management team has started to plan the run down of the Mill in an orderly way. Alongside this, Sappi Fine Paper Europe will inform customers about the agreement and the likely closure of Blackburn Mill as a production facility in order to find alternatives within Sappi to meet the needs of these customers as soon as possible.

Sappi and its Subsidiaries have not acquired or disposed of securities in or of the business undertaking of any other company in consequence of which that company of business undertaking will become or cease to become a subsidiary of or part of the business of Sappi, in respect of each of the preceding three years other than that subject of the Circular to which these revised listing particulars form part.

This Circular does not coincide, directly or indirectly, with the acquisition by Sappi or any of its Subsidiaries of securities in or the business undertaking of any company, other than that of the Acquired Business.

This Circular does not coincide with any acquisitions or disposals by Sappi or any of its Subsidiaries, of securities in or of the business undertaking of any other company in respect of each of the preceding three years other than the subject of the Circular to which these revised listing particulars form part.

Sappi and its Subsidiaries have not had any change of controlling shareholders at its Subsidiary level over the last five years.

15. MATERIAL VENDORS

There have not been any material acquisitions in the last three years.
There have not been any cash or securities paid, or benefit given to any promoter, not being a director of Sappi, over the last three years.

16. PRINCIPAL IMMOVABLE PROPERTIES OWNED AND LEASED BY SAPPI

Details of the principal immovable properties owned and leased by Sappi are set out in Annexure B to these revised listing particulars.

17. MATERIAL CHANGES RELATING TO SAPPI

There have not been any material changes in the financial position of Sappi and its Subsidiaries since the end of the last financial period, other than as set out in the Circular.

18. GOVERNMENT PROTECTION AND ENCOURAGEMENT LAW

There is no government protection or investment encouragement laws affecting Sappi and its Subsidiaries nor has there been for the preceding financial year.

19. LITIGATION STATEMENT RELATING TO SAPPI

As at the date of this Circular, Sappi does not have, and has not in the previous 12 months had, any legal proceedings against it that would have a material effect on the Sappi Group. Also, refer to Section 18 of the Circular, to which these revised listing particulars are attached.

20. CORPORATE GOVERNANCE OF SAPPI

Sappi is committed to the highest standards of corporate governance and continues to seek areas of improvement by measuring itself against international best practice, primarily in South Africa and the United States. Sappi endorses the Code of Corporate Practices and Conduct as contained in the South African King II Report issued in 2002, and continues to apply the principles incorporated therein. The group maintains its primary listing on the JSE as well as secondary listings on the New York and London Stock Exchanges. The Sappi Group complies in all material respects with the regulations and codes of these exchanges as they apply to Sappi.

Refer to Annexure D to these revised listing particulars for further information on Corporate Governance.

21. WORKING CAPITAL STATEMENT

Refer to Section 20 of the Circular, to which these revised listing particulars are attached.

22. DIRECTORS’ RESPONSIBILITY STATEMENT

Refer to Section 21 of the Circular, to which these revised listing particulars are attached.

23. CONSENTS

Refer to Section 23 of the Circular, to which these revised listing particulars are attached.

24. COSTS

Refer to Section 26 of the Circular, to which these revised listing particulars are attached.

25. DOCUMENTS AVAILABLE FOR INSPECTION

Section 27 of the Circular provides details on the documents available for inspection.

ANNEXURE A

TRADING HISTORY OF SAPPI SHARES ON THE JSE

The trading history of Sappi shares on the JSE is set out below:

			High	Low	Volume
			(SA cents per share)		(million)
Calendar Quarters					
	2005	Fourth quarter	7,990	6,610	48.1
		Third quarter	7,750	5,780	63.6
		Second quarter	8,600	7,255	67.3
		First quarter	9,550	7,450	85.7
	2006	Fourth quarter	10,100	8,530	51.5
		Third quarter	9,250	6,850	56.1
		Second quarter	9,700	6,958	90.8
		First quarter	8,050	6,105	54.2
	2007	Fourth quarter	13,265	9,470	64.3
		Third quarter	14,150	11,250	55.4
		Second quarter	11,900	9,425	66.6
		First quarter	12,000	9,601	60.6
Monthly					
	2007	August	11,400	9,947	25.7
		September	11,825	10,200	20.0
		October	10,903	9,605	18.6
		November	10,161	8,732	16.5
		December	10,096	9,000	16.7
	2008	January	9,889	7,556	24.4
		February	10,600	7,500	26.0
		March	10,401	8,750	24.4
		April	10,442	9,192	17.4
		May	11,500	10,110	17.3
		June	12,100	9,311	22.6
		July	9,649	7,201	20.8
		August	9,380	7,165	18.7
		September	9,179	7,555	18.6

Daily – Last One Month	High	Low	Volume	Daily – Last One Month	High	Low	Volume
	(SA cents per share)		(Millions)		(SA cents per share)		(Millions)
2008-08-11	9,150	8,902	1.6	2008-09-04	8,198	7,833	0.5
2008-08-12	9,238	8,800	1.3	2008-09-05	8,000	7,555	0.8
2008-08-13	9,197	8,500	0.9	2008-09-08	8,400	7,950	0.4
2008-08-14	9,290	9,000	0.8	2008-09-09	8,750	8,143	1.5
2008-08-15	9,193	8,713	0.6	2008-09-10	8,709	8,303	0.5
2008-08-18	9,000	8,475	0.4	2008-09-11	8,899	8,305	0.7
2008-08-19	8,450	8,011	1.2	2008-09-12	9,179	8,520	0.8
2008-08-20	8,455	8,037	0.3	2008-09-15	8,600	8,165	0.5
2008-08-21	8,405	7,865	0.8	2008-09-16	8,445	7,950	0.7
2008-08-22	8,740	8,207	0.4	2008-09-17	8,831	7,821	1.3
2008-08-25	8,580	8,352	0.2				