

SAPPI LTD

Form 6-K

November 12, 2008

FORM 6-K

SECURITIES AND EXCHANGE COMMISSION

Washington, D.C. 20549

Report of Foreign Private Issuer

Pursuant to Rule 13a-16 or 15d-16

under the Securities Exchange Act of 1934

For the month of

November, 2008

Commission file number: 1-14872

SAPPI LIMITED

(Translation of registrant's name into English)

48 Ameshoff Street

Braamfontein

Johannesburg 2001

REPUBLIC OF SOUTH AFRICA

(Address of principal executive offices)

Indicate by check mark whether the registrant files or will file annual reports under cover of Form 20-F or Form 40-F.

Form 20-F

Form 40-F

Indicate by check mark if the registrant is submitting the Form 6-K in paper as permitted by Regulation S-T Rule 101(b) (1):

Indicate by check mark if the registrant is submitting the Form 6-K in paper as permitted by Regulation S-T Rule 101(b) (7):

Indicate by check mark whether by furnishing the information contained in this Form, the registrant is also thereby furnishing the information to the Commission pursuant to Rule 12g3-2(b) under the Securities Exchange Act of 1934.

Yes

No

If "Yes" is marked, indicate below the file number assigned to the registrant in connection with Rule 12g3-2(b): 82-

FORWARD-LOOKING STATEMENTS

In order to utilize the “Safe Harbor” provisions of the United States Private Securities Litigation Reform Act of 1995 (the “Reform Act”), Sappi Limited (the “Company”) is providing the following cautionary statement. Except for historical information contained herein, statements contained in this Report on Form 6-K may constitute “forward-looking statements” within the meaning of the Reform Act. The words “believe”, “anticipate”, “expect”, “intend”, “estimate”, “plan”, “assume”, “positioned”, “will”, “may”, “should”, “risk” and other similar expressions which are predictions of or indicate future events and future trends which do not relate to historical matters identify forward-looking statements. In addition, this Report on Form 6-K may include forward-looking statements relating to the Company’s potential exposure to various types of market risks, such as interest rate risk, foreign exchange rate risk and commodity price risk. Reliance should not be placed on forward-looking statements because they involve known and unknown risks, uncertainties and other factors which are in some cases beyond the control of the Company, together with its subsidiaries (the “Group”), and may cause the actual results, performance or achievements of the Group to differ materially from anticipated future results, performance or achievements expressed or implied by such forward-looking statements (and from past results, performance or achievements). Certain factors that may cause such differences include but are not limited to: the highly cyclical nature of the pulp and paper industry; pulp and paper production, production capacity, input costs including raw material, energy and employee costs, and pricing levels in North America, Europe, Asia and southern Africa; any major disruption in production at the Group’s key facilities; changes in environmental, tax and other laws and regulations; adverse changes in the markets for the Group’s products; any delays, unexpected costs or other problems experienced with any business acquired or to be acquired; consequences of the Group’s leverage; adverse changes in the South African political situation and economy or the effect of governmental efforts to address present or future economic or social problems; and the impact of future investments, acquisitions and dispositions (including the financing of investments and acquisitions) and any delays, unexpected costs or other problems experienced in connection with dispositions. These and other risks, uncertainties and factors are discussed in the Company’s Annual Report on Form 20-F and other filings with and submissions to the Securities and Exchange Commission, including this Report on Form 6-K. Shareholders and prospective investors are cautioned not to place undue reliance on these forward-looking statements. These forward-looking statements are made as of the date of the submission of this Report on Form 6-K and are not intended to give any assurance as to future results. The Company undertakes no obligation to publicly update or revise any of these forward-looking statements, whether to reflect new information or future events or circumstances or otherwise.

We have included in this announcement an estimate of total synergies from the proposed acquisition of M-real’s coated graphic paper business and the integration of the acquired business into our existing business. The estimate of synergies that we expect to achieve following the completion of the proposed acquisition is based on assumptions which in the view of our management were prepared on a reasonable basis, reflect the best currently available estimates and judgments, and present, to the best of our management’s knowledge and belief, the expected course of action and the expected future financial impact on our performance due to the proposed acquisition. However, the assumptions about these expected synergies are inherently uncertain and, though considered reasonable by management as of the date of preparation, are subject to a wide variety of significant business, economic and competitive risks and uncertainties that could cause actual results to differ materially from those contained in this estimate of synergies. There can be no assurance that we will be able

to successfully implement the strategic or operational initiatives that are intended, or realise the estimated synergies. This synergy estimate is not a profit forecast or a profit estimate and should not be treated as such or relied on by shareholders or prospective investors to calculate the likely level of profits or losses for Sappi for the fiscal 2008 or beyond.

sappi
4th quarter
and year ended
September 2008
results

** for the year ended September 2008*

*** as at September 2008*

† *Rest of World*

Sales by product group *

Sales by source *

Sales by destination *

Geographic ownership **

Coated fine paper

64%

Uncoated fine paper

4%

Coated specialities

9%

Commodity paper

8%

Pulp

14%

Other

1%

North America

29%

Europe

40%

Southern Africa

15%

Asia and other

16%

South African

69%

North America

17%

Europe and ROW †

14%

North America

28%

Europe

46%

Southern Africa

26%

sappi

Flo

sappi limited
1
fourth quarter

Operating profit excluding special items US\$89 million
(Q3 2008: US\$88 million; Q4 2007: US\$96 million)

Special items a net pre-tax charge of US\$64 million

Basic EPS a loss of 14 US cents (unfavourably impacted by
special items of 35 US cents)

Quarter benefited from higher prices in Europe and North America

Input costs remained high, including wood, energy and
chemical costs

Major strategic achievements:

- Strong shareholder support and approval for announced
acquisition of M-real's coated graphic paper business
for m750 million
- Saiccor expansion commissioned

Financial summary

Quarter ended

Year ended

Restated *****

Sept 2008

June 2008

Sept 2007

Sept 2008

Sept 2007

Key figures: (US\$ million)

Sales

1,519

1,494

1,422

5,863

5,304

Operating profit (loss)

25

(23)

87

314

383

Special items – losses (gains) *

64

111

9

52

(70)

Operating profit excluding

special items

89

88

96

366

313

EBITDA excluding special items ***

180

182

187

740

688

Basic EPS (US cents)

(14)

(28)

33

45

89

Net debt **

2,405

2,667

2,257

2,405

2,257

Key ratios: (%)

Operating profit (loss) to sales

1.6

(1.5)

6.1

5.4

7.2

Operating profit excluding
special items to sales

5.9

5.9

6.8

6.2

5.9

EBITDA excluding special items
to sales

11.8

12.2

13.2

12.6

13.0

Operating profit excluding
special items to average

net assets **

8.3

8.1

9.0

8.5
7.6
Return on average equity (ROE) **
(7.8)
(15.1)
17.4
6.0
12.6
Net debt to total capitalisation **
47.8
50.2
43.2
47.8
43.2

** Refer to page 10 for details on special items.*

*** Refer to page 19, Supplemental Information for the definition of the term.*

**** Refer to page 20, Supplemental Information for the reconciliation of EBITDA excluding special items to (loss) profit for the period.*

***** Refer to note 2 page 16.*

The table above has not been audited or reviewed.

sappi limited

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fourth quarter

Comment

Although economic conditions in our major markets became increasingly uncertain through the quarter, our order books remained strong. Sales volumes were at similar levels to the equivalent quarter last year and the prior quarter. Prices realised improved in all regions which, together with the effect of currency translation, in particular of Euros to US Dollars, resulted in a 7% increase in net sales for the quarter compared to a year ago. Prices for coated fine paper in Europe improved towards the end of the quarter, helping to offset high input costs.

High input costs including wood, energy and chemical costs continued to have an unfavourable impact on our margins in all regions. The impact of price increases on input costs of wood, energy and chemicals for the quarter was US\$78 million compared to a year ago. We were able to mitigate part of the increase through reduced usage and efficiency programmes. Fixed costs were tightly managed across the group despite inflationary pressure in all regions.

Operating profit for the quarter was US\$25 million. Operating profit excluding special items was US\$89 million compared to US\$96 million a year ago and US\$88 million in the third quarter.

Special items of US\$64 million comprised charges of US\$124 million for the planned closures of Blackburn Mill and Maastricht Mill's Paper Machine No 5 announced in August 2008, US\$37 million in respect of the impairment of Usutu Mill, US\$11 million in respect of fire damage to plantations partly offset by a favourable adjustment for the fair value of plantations of US\$108 million.

Net finance costs for the quarter were US\$26 million compared to US\$27 million a year ago.

The effective tax rate for the quarter was unusually high, mainly as a result of tax relief not being available on the asset impairments and the restructuring provisions raised.

Basic loss per share for the quarter was 14 US cents after the impact of unfavourable special items of approximately 35 US cents, compared to earnings of 33 US cents a year ago, which included a favourable impact of special items of approximately 3 US cents.

Year ended September 2008 compared to year ended September 2007

Sales for the year increased 11% to US\$5.9 billion as a result of higher prices and the effect of translation of Euro sales to US Dollars at a higher Euro/US Dollar exchange rate. Sales volumes were at similar levels.

Operating profit for the year was US\$314 million compared to US\$383 million last year. Operating profit excluding special items increased 17% to US\$366 million. Special items for the year were an unfavourable US\$52 million comprising charges relating to the shutting of Blackburn Mill and Paper Machine No. 5 at Maastricht Mill, and asset impairments partly offset by the favourable adjustment of fair value of plantations net of fire damage. In 2007, special items was a favourable US\$70 million.

Net finance costs for the year were US\$126 million compared to US\$134 million last year.

The effective tax rate for the year was 46% which was higher than 19% last year as a result of no tax relief on closures being recorded, on the asset impairments and the restructuring provisions raised.

Basic earnings per share for the year was 45 US cents after an approximate 30 US cents unfavourable impact of special items compared to 89 US cents last year which included an approximate 22 US cents favourable impact of special items.

sappi limited

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fourth quarter

Cash flow and debt

Cash generated by operations was US\$136 million for the quarter compared to US\$161 million a year ago.

On a cash flow basis, net finance costs for the quarter were an inflow of US\$24 million, compared to a payment of US\$52 million a year ago, partly as a result of a Euro 25 million (US\$37 million) cash inflow arising from rolling forward cover contracts which hedge the income statement impact of a currency exposure in a subsidiary.

The cash effect of investing activities was US\$143 million in the quarter, well above a year ago, mainly as a result of expenditure to complete the Saiccor expansion project.

Net debt at September 2008 was US\$2.4 billion compared to US\$2.7 billion at the end of June.

The reduction was a result of good cash generation in the quarter and a US\$124 million favourable currency translation effect.

There are no long term debt repayments scheduled for the remainder of 2008 or 2009. The securitisation programme (US\$360 million utilised at September 2008) has functioned effectively throughout the period, despite the financial turmoil over recent months. We believe that our committed facilities and cash holdings provide liquidity assurance in respect of our short term debt.

Operating review for the quarter

Sappi Fine Paper

Quarter

Quarter

Quarter

ended

ended

ended

Sept 2008

Sept 2007

%

June 2008

US\$ million

US\$ million

change

US\$ million

Sales

1,222

1,118

9.3

1,224

Operating (loss) profit

(80)

29

– 36

Operating (loss) profit to sales (%)

(6.5)

2.6

–

2.9

Special items

124

–

–

–

Operating profit excluding special items

44

29

51.7

36

Operating profit excluding special

items to sales (%)

3.6

2.6

–

2.9

EBITDA excluding special items

118

102

15.7

113

EBITDA excluding special items

to sales (%)

9.7

9.1

–

9.2

RONOA pa (%)

5.6

3.7

–

4.4

The performance of our Fine Paper business was enhanced by the improvements in the North American business, which achieved a 11.5% return on net operating assets for the quarter.

Sales volumes were at similar levels to the equivalent period last year. Prices in US Dollar terms were 6% higher than a year earlier.

sappi limited	
4	
fourth quarter	
<i>Europe</i>	
Quarter	
Quarter	Quarter
ended	
ended	
%	
%	
ended	
Sept 2008	
Sept 2007	
change	
change	
June 2008	
US\$ million	
US\$ million	
(US\$)	
(Euro)	
US\$ million	
Sales	
680	
619	
9.9	
(0.4)	
705	
Operating (loss) profit	
(111)	
17	
–	
–	
10	
Operating (loss) profit to sales (%)	
(16.3)	
2.7	
–	
–	
1.4	
Special items	
123	
–	
–	
–	
–	
Operating profit excluding	
special items	
12	
17	
(29.4)	
(33.3)	

10
Operating profit excluding special items to sales (%)
1.8
2.7
–
–
1.4
EBITDA excluding special items
57
60
(5)
(15.9)
55
EBITDA excluding special items to sales (%)
8.4
9.7
–
–
7.8
RONOA pa (%)
2.5
3.5
–
–
1.9

Prices realised by our European business improved towards the end of the quarter as a result of the price increases implemented in September, the last month of the quarter, which helped offset the pressure of continued high input costs.

Sales volumes were, however, slightly lower than a year ago partly as a result of the implementation of price increases in September. Input costs continued to increase in the quarter but were partly offset by reduced consumption of raw materials and operating efficiencies.

Negotiations on the future of Blackburn Mill and Maastricht Paper Machine No.5 continued through the quarter, and it was decided to stop production at Blackburn Mill on 17 October 2008. Production at Maastricht Paper Machine No. 5 is expected to close before the end of 2008. Charges related to the planned closures were taken in this quarter amounting to US\$124 million, of which US\$78 million were non-cash impairment charges. We expect future annual benefits to operating profit of US\$30 million as a result of the closures.

sappi limited	
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fourth quarter	
<i>North America</i>	
Quarter	
Quarter	Quarter
ended	
ended	
ended	
Sept 2008	
Sept 2007	
%	
June 2008	
US\$ million	
US\$ million	
change	
US\$ million	
Sales	
433	
404	
7.2	
424	
Operating profit	
30	
9	
233.3	
25	
Operating profit to sales (%)	
6.9	
2.2	
–	
5.9	
Special items	
1	
–	
–	
–	
Operating profit excluding special items	
31	
9	
244.4	
25	
Operating profit excluding special items to sales (%)	
7.2	
2.2	
–	
5.9	
EBITDA excluding special items	
57	

35

62.9

53

EBITDA excluding special
items to sales (%)

13.2

8.7

–

12.5

RONOA pa (%)

11.5

3.4

–

9.2

Average prices realised for the quarter were 10% above the equivalent quarter last year; however, volumes were about 2% lower largely in line with a decline in industry shipments.

Raw material prices remained high in the quarter but with tight management of costs and efficiencies and a strong operating performance across all mills, together with the improved price realisation, we achieved the best quarterly performance for several years. The business exceeded its target return on net operating assets for the quarter.

sappi limited	
6	
fourth quarter	
<i>South Africa</i>	
Quarter	
Quarter	Quarter
ended	
ended	
%	
%	
ended	
Sept 2008	
Sept 2007	
change	
change	
June 2008	
US\$ million	
US\$ million	
(US\$)	
(Rand)	
US\$ million	
Sales	
109	
95	
14.7	
27.4	
95	
Operating profit	
1	
3	
(66.7)	
(61.9)	
1	
Operating profit to sales (%)	
0.9	
3.2	
-	
-	
1.1	
Special items	
-	
-	
-	
-	
-	
Operating profit excluding special items	
1	
3	
(66.7)	
(61.9)	

1

Operating profit excluding
special items to sales (%)

0.9

3.2

–

–

1.1

EBITDA excluding special items

4

7

(42.9)

(36.7)

5

EBITDA excluding special
items to sales (%)

3.7

7.4

–

–

5.3

RONOA pa (%)

3.4

7.9

–

–

3.2

The business improved its sales volumes and pricing in Rand terms compared to a year ago. High input costs, particularly fibre, chemicals and energy, however, had a severe impact on margins.

sappi limited

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fourth quarter

Forest Products

Quarter

Quarter

Quarter

ended

ended

%

%

ended

Sept 2008

Sept 2007

change

change

June 2008

US\$ million

US\$ million

(US\$)

(Rand)

US\$ million

Sales

297

304

(2.3)

8.4

270

Operating profit

106

52

103.8

126.0

(60)

Operating profit to sales (%)

35.7

17.1

–

–

(22.2)

Special items

(60)

9

–

–

111

Operating profit excluding

special items

46

61

(24.6)

(16.5)

51
Operating profit excluding special items to sales (%)
15.5
20.1
–
–
18.9
EBITDA excluding special items
63
79
(20.3)
(11.6)
68
EBITDA excluding special items to sales (%)
21.2
26.0
–
–
25.2
RONOA pa (%)
10.7
15.1
–
–
12.0

Sales volumes for the quarter were below a year ago mainly as a result of output constraints at Saiccor Mill as the major expansion was completed and a refurbishment shut at Usutu Mill. International prices for pulp softened during the quarter which was offset by the weaker Rand to the US Dollar. Demand for chemical cellulose was strong. In the South African market, demand for our packaging paper and newsprint was firm.

During the quarter the Saiccor expansion project was commissioned. The start up went well and we expect a rapid ramp up of production. The expected increase in sales volumes was, however, impacted by the approximate 3-month delay in the start up. At full capacity, which we expect to reach during the first calendar quarter of 2009, the expansion will increase output by 225,000 tons of chemical cellulose to an annual capacity of 800,000 tons. Our plantations in South Africa and Swaziland were severely damaged by fires during August (following severe fires during 2007) resulting in damage to approximately 26,000 hectares of planted trees. The damage to plantations resulted in a charge of US\$11 million in the quarter. The volume of trees lost in Swaziland reduced the value of Usutu Mill which has therefore been impaired. During the quarter a charge of US\$37 million was recorded in respect of this impairment. The plantation fair value (price) adjustment for the quarter was a gain of US\$108 million.

sappi limited

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fourth quarter

Dividend

Taking into account factors including the macro economic and global financial market conditions, the board has decided to rebase the dividend. Accordingly the board has approved a dividend, number 85, of 16 US cents per share for the year ended September 2008. The dividend will be payable on all shares in issue on 28 November 2008, which is prior to completion of the proposed rights offer. A dividend of 32 US cents per share was paid for the previous year.

Acquisition

On 29 September 2008, we announced the proposed acquisition of M-real's coated graphic paper business for Euro 750 million. On 03 November 2008, Sappi shareholders approved the resolutions authorising the transaction and placing newly created shares under the control of directors for the purposes of a rights offer to finance the transaction. On 31 October 2008, we announced that Sappi intends to raise the Rand equivalent of Euro 450 million through a fully underwritten renounceable rights offer. Further details of the rights offer are expected to be announced on 07 November 2008.

The acquisition was cleared by the European Commission on 31 October 2008. The acquisition is subject to the implementation of our planned rights offer and certain adverse change conditions.

We plan to fund the transaction with Euro 500 million of equity with the balance in long term debt, which will therefore strengthen our balance sheet ratios.

Outlook

Given the turmoil in world financial markets and predictions of lower global economic growth following from this, we expect demand in our major markets to be lower in the near term. Developments in the supply and demand balance for coated fine paper remain favourable. A number of producers, including ourselves, have announced capacity reductions in Europe amounting to approximately one million tons of coated woodfree paper (around 10% of capacity) over the next few months.

We also believe that circumstances are right for the reduction of many of our input costs including wood, chemicals and energy, and we will work with our suppliers to achieve this. We expect reduced input costs to help offset the unfavourable impact on our margins if demand slows.

The decline in the value of both the Rand and the Euro against the US Dollar will have a net positive effect on margins in South Africa, and to a lesser extent in Europe, respectively. The strong US Dollar does, however, make the North American market more susceptible to imports. We expect the net effect of recent currency movements to be positive for our business in terms of both margin and debt.

We expect the quarter ahead to be weak as it is typically a seasonally slower quarter and we plan a number of major mill maintenance shuts during the quarter.

Our strategic initiatives, including the acquisition of M-real's coated graphic paper business, are progressing well. We expect the acquisition to be completed on 31 December 2008, resulting in a stronger European business with excellent brands and strong customer relations. We estimate total annual synergies of approximately Euro 120 million from the acquisition and the integration of the acquired business into our existing business. We expect to achieve these synergies within three years and without material capital investments.

Production at our expanded Saiccor Mill is ramping up well and although NBSK pulp prices have softened over the last few months, prospects for this business are excellent – the business has exciting markets and price realisation in Rand terms has increased compared to the previous quarter.

sappi limited

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fourth quarter

Following the completion of the Saiccor expansion, we plan to reduce the level of capital expenditure and expect to reduce debt levels during financial year 2009 with internally generated cash flow. Given the uncertain conditions in global financial markets, refinancing existing or raising additional debt and the associated terms are likely to be more challenging.

We believe that successful implementation of our strategic initiatives, coupled with capacity closures in Europe and input cost reductions across all our businesses, will place the group in a good position to face the year ahead.

On behalf of the board

R J Boëttger

M R Thompson

Director

Director

06 November 2008

sappi limited

(Registration number 1936/008963/06)

Issuer Code: SAVVI

JSE Code: SAP

ISIN: ZAE000006284

Dividend Announcement

The directors have declared a dividend (number 85) of 16 US cents per share for the year ended September 2008:

In compliance with the requirements of STRATE, the JSE electronic settlement system which is applicable to Sappi, the salient dates in respect of the dividend will be as follows :

Last day to trade to qualify for dividend:

Friday 21 November 2008

Date on which shares commence trading *ex*-dividend:

Monday 24 November 2008

Record date:

Friday 28 November 2008

Payment date:

Tuesday 02 December 2008

Dividends payable from the Johannesburg transfer office will be paid in South African Rands except that dividends payable to nominee shareholders in respect of shares which they hold on behalf of non-residents of the Republic of South Africa will without exception be paid in United States Dollars. There will not be any currency election.

Dividends payable from the London transfer office will be paid in British Pounds Sterling or in the case of shareholders with registered addresses in the USA, in United States Dollars.

Dividends payable other than in United States Dollars will be calculated at the respective rates of exchange ruling at 21h15 Central European Time as per Reuters on Thursday 13 November 2008 and announced on Friday 14 November 2008.

There will not be any de-materialisation nor re-materialisation of Sappi Limited share certificates from Friday 21 November 2008 to Friday 28 November 2008 both days inclusive.

Sappi Management Services (Pty) Limited

Secretaries

Per D J O'Connor

06 November 2008

sappi limited

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fourth quarter

Other information *(This information has not been reviewed)*

special items

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

require separate disclosure. Such items would generally include profit and loss on disposal of property, investments and

businesses, asset impairments, restructuring charges, financial impacts of natural disasters and non-cash gains or losses

on the price fair value adjustment of plantations.

Special items, excluding interest and tax effects, for the relevant periods are:

Quarter

Quarter

Year

Year

ended

ended

ended

ended

Sept 2008

Sept 2007

Sept 2008

Sept 2007

US\$ million

US\$ million

US\$ million

US\$ million

Plantation price fair value adjustment

(108)

2

(120)

(54)

Restructuring provisions raised (released)

44

–

41

(7)

Profit on sale of assets

–

(1)

(5)

(26)

Asset impairments

116

–

119

–

Fire, flood, storm and related events

(1)

12

8

17

17

64

9

52

(70)

(1)

The year ended September 2008 includes the US\$6 million business interruption impact of the flood at Saiccor mill in South Africa.

key regional figures

Quarter

Quarter

Year

Year

ended

ended

ended

ended

Sept 2008

Sept 2007

Sept 2008

Sept 2007

Metric tons

Metric tons

Metric tons

Metric tons

(000's)

(000's)

(000's)

(000's)

Sales volume

Fine Paper –

North America

389

398

1,553

1,506

Europe

628

633

2,546

2,493

Southern Africa

93

90

339

350

Total

1,110

1,121
4,438
4,349
Forest Products –
Pulp and paper operations
380
417
1,419
1,484
Forestry operations
268
242
994
1,030
Total
1,758
1,780
6,851
6,863
US\$ million
US\$ million
US\$ million
US\$ million
Sales
Fine Paper –
North America
433
404
1,664
1,511
Europe
680
619
2,720
2,387
Southern Africa
109
95
380
358
Total
1,222
1,118
4,764
4,256
Forest Products –
Pulp and paper operations
276
285
1,023
979

Forestry operations

21

19

76

69

Total

1,519

1,422

5,863

5,304

sappi limited
11
fourth quarter
Quarter
Quarter
Year
Year
ended
ended
ended
ended
Sept 2008
Sept 2007
Sept 2008
Sept 2007
US\$ million
US\$ million
US\$ million
US\$ million
Operating profit
Fine Paper –
North America
30
9
92
22
Europe
(111)
17
(64)
88
Southern Africa
1
3
6
9
Total
(80)
29
34
119
Forest Products
106
52
273
264
Corporate and other
(1)
6
7
–

Total

25

87

314

383

Special items – losses (gains)

Fine Paper –

North America

1

–

3

–

Europe

123

–

119

(32)

Southern Africa

–

–

–

–

Total

124

–

122

(32)

Forest Products

(60)

9

(70)

(40)

Corporate and other

–

–

–

2

Total

64

9

52

(70)

Operating profit excluding special items

Fine Paper –

North America

31

9

95

22

Europe

12

17
55
56
Southern Africa
1
3
6
9
<i>Total</i>
44
29
156
87
Forest Products
46
61
203
224
Corporate and other
(1)
6
7
2
<i>Total</i>
89
96
366
313
EBITDA excluding special items
Fine Paper –
North America
57
35
201
128
Europe
57
60
235
234
Southern Africa
4
7
21
24
<i>Total</i>
118
102
457
386
Forest Products

63

79

275

299

Corporate and other

(1)

6

8

3

Total

180

187

740

688

Other information *(This information has not been reviewed)*

sappi limited

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fourth quarter

forward-looking statements

Certain statements in this release that are neither reported financial results nor other historical information, are forward-looking statements, including but not limited to statements that are predictions of or indicate future earnings, savings, synergies, events, trends, plans or objectives. Undue reliance should not be placed on such statements because, by their nature, they are subject to known and unknown risks and uncertainties and can be affected by other factors, that could cause actual results and company plans and objectives to differ materially from those expressed or implied in the forward-looking statements (or from past results). Such risks, uncertainties and factors include, but are not limited to, the risk that the Acquired Business will not be integrated successfully or such integration may be more difficult, time-consuming or costly than expected, expected revenue synergies and cost savings from the acquisition may not be fully realized or realized within the expected time frame, revenues following the acquisition may be lower than expected, any anticipated benefits from the consolidation of the European paper business may not be achieved or the related financings, the highly cyclical nature of the pulp and paper industry (and the factors that contribute to such cyclicity, such as levels of demand, production capacity, production, input costs including raw material, energy and employee costs, and pricing), adverse changes in the markets for the group's products, consequences of substantial leverage, including as a result of adverse changes in credit markets that affect our ability to raise capital when needed, changing regulatory requirements, unanticipated production disruptions (including as a result of planned or unexpected power outages), economic and political conditions in international markets, the impact of investments, acquisitions and dispositions (including related financing), any delays, unexpected costs or other problems experienced with integrating acquisitions and achieving expected savings and synergies and currency fluctuations. The company undertakes no obligation to publicly update or revise any of these forward-looking statements, whether to reflect new information or future events or circumstances or otherwise.

We have included in this announcement an estimate of total synergies from the proposed acquisition of M-real's coated graphic paper business and the integration of the acquired business into our existing business. The estimate of synergies that we expect to achieve following the completion of the proposed acquisition is based on assumptions which in the view of our management were prepared on a reasonable basis, reflect the best currently available estimates and judgments, and present, to the best of our management's knowledge and belief, the expected course of action and the expected future financial impact on our performance due to the proposed acquisition. However, the assumptions about these expected synergies are inherently uncertain and, though considered reasonable by management as of the date of preparation, are subject to a wide variety of significant business, economic and competitive risks and uncertainties that could cause actual results to differ materially from those contained in this estimate of synergies. There can be no assurance that we will be able to successfully implement the strategic or operational initiatives that are intended, or realise the estimated synergies. This synergy estimate is not a profit forecast or a profit estimate and should not be treated as such or relied on by shareholders or prospective investors to calculate the likely level of profits or losses for Sappi for the fiscal 2008 or beyond.

sappi limited
 13
 fourth quarter
 Group income statement
 Restated
 Reviewed
 Reviewed
 Reviewed
 Reviewed
 Quarter
 Quarter
 Year
 Year
 ended
 ended
 ended
 ended
 Sept 2008
 Sept 2007
 Sept 2008
 Sept 2007
 Note
 US\$ million
 US\$ million % change
 US\$ million
 US\$ million % change
 Sales
 1,519
 1,422
 6.8
 5,863
 5,304
 10.5
 Cost of sales
 1,234
 1,242
 5,016
 4,591
 Gross profit
 285
 180
 58.3
 847
 713
 18.8
 Selling, general &
 administrative expenses
 91
 94
 385
 362

Other operating expenses
 (income)
 171
 3
 165
 (22)
 Share of profit from
 associates and joint
 ventures
 (2)
 (4)
 (17)
 (10)
 Operating profit
 4
 25
 87
 (71.3)
 314
 383
 (18.0)
 Net finance costs
 26
 27
 126
 134
 Net interest
 37
 40
 143
 152
 Finance cost capitalised
 –
 (6)
 (16)
 (14)
 Net foreign exchange
 gains
 (5)
 (4)
 (8)
 (13)
 Net fair value (gain) loss
 on financial instruments
 (6)
 (3)
 7
 9
 (Loss) profit before taxation
 (1)
 60

–
 188
 249
 (24.5)
 Taxation
 31
 (15)
 86
 47
 Current
 (5)
 6
 6
 38
 Deferred
 36
 (21)
 80
 9
 (Loss) profit for the period
 (32)
 75
 –
 102
 202
 (49.5)
 Basic (loss) earnings per
 share (US cents)
 (14)
 33
 45
 89
 Weighted average number
 of shares in issue (millions)
 228.8
 228.4
 228.8
 227.8
 Diluted basic (loss) earnings
 per share (US cents)
 (14)
 32
 44
 88
 Weighted average number
 of shares on fully
 diluted basis (millions)
 230.7
 231.2
 231.1
 230.5

sappi limited
14
fourth quarter
Group balance sheet
Reviewed
Reviewed
Sept 2008
Sept 2007
US\$ million
US\$ million
ASSETS
Non-current assets
4,408
4,608
Property, plant and equipment
3,361
3,491
Plantations
631
636
Deferred taxation
41
60
Other non-current assets
375
421
Current assets
1,701
1,736
Inventories
725
712
Trade and other receivables
702
660
Cash and cash equivalents
274
364
Total assets
6,109
6,344
EQUITY AND LIABILITIES
Shareholders' equity
Ordinary shareholders' interest
1,605
1,816
Non-current liabilities
2,578
2,612
Interest-bearing borrowings
1,832

1,828
Deferred taxation
399
385
Other non-current liabilities
347
399
Current liabilities
1,926
1,916
Interest-bearing borrowings
821
771
Bank overdraft
26
22
Other current liabilities
1,025
998
Taxation payable
54
125
Total equity and liabilities
6,109
6,344
Number of shares in issue at balance sheet date (millions)
229.2
228.5

sappi limited
15
fourth quarter
Group cash flow statement
Restated
Reviewed
Reviewed
Reviewed
Reviewed
Quarter
Quarter
Year
Year
ended
ended
ended
ended
Sept 2008
Sept 2007
Sept 2008
Sept 2007
US\$ million
US\$ million
US\$ million
US\$ million
(Loss) profit for the period
(32)
75
102
202
Adjustment for:
Depreciation, fellings and amortisation
110
109
454
445
Taxation
31
(15)
86
47
Net finance costs
26
27
126
134
Post employment benefits **
(23)
(21)
(88)
(101)

Other non-cash items	
24	
(14)	
(57)	
(142)	
Cash generated from operations **	
136	
161	
623	
585	
Movement in working capital	
135	
140	
1	
60	
Net finance costs	
24	
(52)	
(126)	
(162)	
Taxation paid	
(14)	
(9)	
(70)	
(27)	
Dividends paid *	
–	
–	
(73)	
(68)	
Cash retained from operating activities	
281	
240	
355	
388	
Cash utilised in investing activities **	
(143)	
(99)	
(494)	
(364)	
138	
141	
(139)	
24	
Cash effects of financing activities	
(112)	
24	
49	
98	
Net movement in cash and cash equivalents	
26	

165

(90)

122

* Dividend number 84: 32 US cents per share (2007: 30 US cents per share).

** Reclassification – Refer note 1.

Group statement of recognised income and expense

Restated

Reviewed

Reviewed

Reviewed

Reviewed

Quarter

Quarter

Year

Year

ended

ended

ended

ended

Sept 2008

Sept 2007

Sept 2008

Sept 2007

US\$ million

US\$ million

US\$ million

US\$ million

Exchange differences on translation of

foreign operations

(40)

28

(262)

151

Actuarial gains on pension funds

8

101

7

101

Pension fund assets recognised

–

1

–

45

Sundry other movements in equity

–

1

–

1

Deferred tax effect of above

(3)

(12)

(1)	
(21)	
Net (expense) income recorded directly	
in equity	
(35)	
119	
(256)	
277	
(Loss) profit for the period	
(32)	
75	
102	
202	
Total recognised (expense) income for	
the period	
(67)	
194	
(154)	
479	

sappi limited

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fourth quarter

Notes to the group results

1.

Basis of preparation

The condensed financial statements have been prepared in accordance with International Accounting Standard 34, Interim Financial Reporting. The accounting policies and methods of computation used in the preparation of the results are consistent, in all material respects, with those used in the annual financial statements for September 2007 which are compliant with International Financial Reporting Standards (IFRS) as issued by the International Accounting Standards Board.

Standards Board.

The preliminary results for the year ended September 2008 as set out on pages 13 to 18 have been reviewed in terms of the International Standard on Review Engagements 2410 by the group's auditors, Deloitte & Touche. Their unmodified review report is available for inspection at the company's registered offices. The results for the quarters ended March 2008 and December 2007 have not been audited or reviewed on a stand-alone basis by the auditors. Reclassification of comparative figures – Cash outflows relating to contributions to post-employment benefit funds previously reflected in cash utilised in investing activities, have been included in cash generated from operations.

2.

Restatement

During third quarter 2007, the group recognised a taxation credit of US\$14 million related to a tax rate change in Germany. The recognition was based on the group's judgment that the change in the German tax rate from 38% to 30% had been substantively enacted during the quarter ended June 2007. The group has subsequently concluded that the tax law change was substantively enacted on 6 July 2007, and accordingly, the impact of the tax rate change should have been reflected in its fourth quarter results. The change has no impact on the group's results for the year ended September 2007, however it does impact the deferred taxation and profit for the period for the quarters ended June and September 2007 and for the nine months ended June 2007 as follows:

Reviewed

Reviewed

Reviewed

Reviewed

Quarter

Quarter

Nine months

Year

ended

ended

ended

ended

June 2007

Sept 2007

June 2007

Sept 2007

US\$ million

US\$ million

US\$ million

US\$ million

Deferred taxation as reported

(20)

(7)

16

9	
Change in timing of taxation credit	
14	
(14)	
14	
–	
Deferred taxation as restated	
(6)	
(21)	
30	
9	
Profit for the period as reported	
53	
61	
141	
202	
Taxation credit	
(14)	
14	
(14)	
Profit for the period as restated	
39	
75	
127	
202	
Basic earnings per share (US cents) as reported	
23	
27	
62	
89	
Basic earnings per share (US cents) as restated	
17	
33	
56	
89	
Diluted basic (loss) earnings per share (US cents)	
as reported	
23	
26	
61	
88	
Diluted basic (loss) earnings per share (US cents)	
as restated	
17	
32	
55	
88	
3.	
Reconciliation of movement in shareholders' equity	
Reviewed	
Reviewed	

Year	
Year	
ended	
ended	
Sept 2008	
Sept 2007	
US\$ million	
US\$ million	
Balance – beginning of year	
1,816	
1,386	
Total recognised (expense) income for the period	
(154)	
479	
Dividends paid	
(73)	
(68)	
Transfers to participants of the share purchase trust	
6	
14	
Share based payment reserve	
10	
5	
Balance – end of year	
1,605	
1,816	

sappi limited

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fourth quarter

Restated

Reviewed

Reviewed

Reviewed

Reviewed

Quarter

Quarter

Year

Year

ended

ended

ended

ended

Sept 2008

Sept 2007

Sept 2008

Sept 2007

US\$ million

US\$ million

US\$ million

US\$ million

4.

Operating profit

Included in operating profit are the following

non-cash items:

Depreciation and amortisation

91

91

374

375

Fair value adjustment on plantations

(included in cost of sales)

Changes in volume

Fellings

19

18

80

70

Growth

(15)

(19)

(70)

(76)

4

(1)

10

(6)

Plantation price fair value adjustment

(108)	
2	
(120)	
(54)	
(104)	
1	
(110)	
(60)	
Included in other operating (income) expenses are the following:	
Asset impairments	
116	
1	
119	
2	
Profit on disposal of property, plant & equipment	
–	
–	
(5)	
(24)	
Restructuring provisions raised (released)	
44	
–	
41	
(11)	
5.	
Headline earnings per share	
Headline earnings per share (US cents) *	
36	
34	
94	
82	
Weighted average number of shares in issue (millions)	
228.8	
228.4	
228.8	
227.8	
Diluted headline earnings per share (US cents) *	
36	
33	
93	
81	
Weighted average number of shares on fully diluted basis (millions)	
230.7	
231.2	
231.1	
230.5	
Calculation of Headline earnings *	
(Loss) profit for the period	
(32)	

75
102
202
Asset impairments
116
1
119
2
Profit on disposal of property, plant & equipment
-
-
(5)
(24)
Tax effect of above items
(1)
1
-
6
Headline earnings
83
77
216
186
<i>* Headline earnings disclosure is required by the JSE Limited.</i>
6.
Capital expenditure
Property, plant and equipment
133
128
510
458
Sept 2008
Sept 2007
US\$ million
US\$ million
7.
Capital commitments
Contracted
76
188
Approved but not contracted
130
249
206
437
notes to the group results

sappi limited

18

fourth quarter

Sept 2008

Sept 2007

US\$ million

US\$ million

8.

Contingent liabilities

Guarantees and suretyships

38

43

Other contingent liabilities *

7

26

45

69

** The decrease in contingent liabilities reflects management's revised estimate of losses which could arise from taxation queries*

to which certain group companies are subject. These amounts have now been recognised as liabilities.

9.

Material balance sheet movements

Taxation payable

The movement is a result of certain tax liabilities which the group has settled in fiscal 2008.

10. Regional information

Reviewed

Reviewed

Reviewed

Reviewed

Quarter

Quarter

Year

Year

ended

ended

ended

ended

Sept 2008

Sept 2007

Sept 2008

Sept 2007

US\$ million

US\$ million % change

US\$ million

US\$ million % change

Sales

Fine Paper –

North America

433

404

7.2

1,664
1,511
10.1
Europe
680
619
9.9
2,720
2,387
14.0
Southern Africa
109
95
14.7
380
358
6.1
Total
1,222
1,118
9.3
4,764
4,256
11.9
Forest Products – Pulp and paper
operations
276
285
(3.2)
1,023
979
4.5
Forestry operations
21
19
10.5
76
69
10.1
Total
1,519
1,422
6.8
5,863
5,304
10.5
Operating profit
Fine Paper –
North America
30
9

233.3
 92
 22
 318.2
 Europe
 (111)
 17
 –
 (64)
 88
 –
 Southern Africa
 1
 3
 (66.7)
 6
 9
 (33.3)
Total
 (80)
 29
 –
 34
 119
 (71.4)
 Forest Products
 106
 52
 103.8
 273
 264
 3.4
 Corporate and other
 (1)
 6
 –
 7
 –
 100.0
Total
 25
 87
 (71.3)
 314
 383
 (18.0)
 Net operating assets
 Fine Paper –
 North America
 1,087
 1,031

5.4
1,087
1,031
5.4
Europe
1,758
1,941
(9.4)
1,758
1,941
(9.4)
Southern Africa
110
149
(26.2)
110
149
(26.2)
Total
2,955
3,121
(5.3)
2,955
3,121
(5.3)
Forest Products
1,721
1,655
4.0
1,721
1,655
4.0
Corporate and other
39
21
85.7
39
21
85.7
Total
4,715
4,797
(1.7)
4,715
4,797
(1.7)
notes to the group results

sappi limited

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fourth quarter

Supplemental information *(This information has not been reviewed)*

general definitions

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

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

NBSK – Northern Bleached Softwood Kraft pulp. One of the main varieties of market pulp, mainly produced from spruce trees in Scandinavia, Canada and north eastern USA. The NBSK is a benchmark widely used in the pulp and paper industry for comparative purposes

SG&A – selling, general and administrative expenses

Non-GAAP measures

The group believes that it is useful to report these non-GAAP measures for the following reasons:

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

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

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

Headline earnings – as defined in circular 8/2007 issued by the South African Institute of Chartered Accountants, separates from earnings all separately identifiable re-measurements. It is not necessarily a measure of sustainable earnings. It is a listing requirement of the JSE Limited to disclose headline earnings per share

Net debt – current and non-current interest-bearing borrowings, and bank overdrafts (net of cash, cash equivalents and short-term deposits)

Net debt to total capitalisation – Net debt divided by shareholders' equity plus minority interest, non-current liabilities, current interest-bearing borrowings and overdraft

Net operating assets – total assets (excluding deferred taxation and cash) less current liabilities (excluding interest-bearing borrowings and bank overdraft)

Net assets – total assets less current liabilities

Net asset value – shareholders' equity plus deferred tax liabilities minus deferred tax assets

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

ROE – return on average equity. Profit for the period divided by average shareholders' equity

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

Special items – special items cover those items which management believe are material by nature or amount to the operating results and require separate disclosure. Such items would generally include profit and loss on disposal of property, investments and businesses, asset impairments, restructuring charges, financial impacts of natural disasters and non-cash gains or losses on the price fair value adjustment of plantations.

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

sappi limited
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fourth quarter
Supplemental information *(This information has not been reviewed)*
EBITDA excluding special items
Restated
Quarter
Quarter
Year
Year
ended
ended
ended
ended
Sept 2008
Sept 2007
Sept 2008
Sept 2007
US\$ million
US\$ million
US\$ million
US\$ million
Reconciliation of (loss) profit for the period
to EBITDA excluding special items
(1)
(Loss) profit for the period
(32)
75
102
202
Net finance costs
26
27
126
134
Taxation
31
(15)
86
47
Special items – losses (gains)
64
9
52
(70)
Operating profit excluding special items
89
96
366
313
Depreciation and amortisation

91
 91
 374
 375
 EBITDA excluding special items
 (1)
 180
 187
 740
 688
 Sept 2008
 Sept 2007
 US\$ million
 US\$ million
 Net debt (US\$ million)

(2)
 2,405
 2,257
 Net debt to total capitalisation (%)
 (2)
 47.8
 43.2
 Net asset value per share (US\$)

(2)
 8.56
 9.37
 (1)
In connection with the U.S. Securities Exchange Commission (“SEC”) rules relating to “Conditions for Use of Non-GAAP Financial Measures”, we have reconciled EBITDA excluding special items to net profit rather than operating profit. As a result our definition retains minority interest as part of EBITDA excluding special items.

Operating profit excluding special items represents earnings before interest (net finance costs), taxation and special items. Net finance costs includes: gross interest paid; interest received; interest capitalised; net foreign exchange gains; and net fair value adjustments on interest rate financial instruments. See the group income statement for an explanation of the computation of net finance costs. Special items cover those items which management believe are material by nature or amount to the results and require separate disclosure. Such items would generally include profit and loss on disposal of property, investments and businesses, asset impairments, restructuring charges, financial impacts of natural disasters and non-cash gains or losses on the price fair value adjustment of plantations. EBITDA excluding special items represents operating profit before depreciation, amortisation and special items. We use both operating profit excluding special items and EBITDA excluding special items as internal measures of performance to benchmark and compare performance, both between our own operations and as against other companies. Operating profit excluding special items and EBITDA excluding special items are measures used by the group, together with measures of

performance under IFRS, to compare the relative performance of operations in planning, budgeting and reviewing the performances of various businesses. We believe they are useful and commonly used measures of financial performance in addition to net profit, operating profit and other profitability measures under IFRS because they facilitate operating performance comparisons from period to period and company to company. By eliminating potential differences in results of operations between periods or companies caused by factors such as depreciation and amortisation methods, historic cost and age of assets, financing and capital structures and taxation positions or regimes, we believe both operating profit excluding special items and EBITDA excluding special items can provide a useful additional basis for comparing the current performance of the operations being evaluated. For these reasons, we believe operating profit excluding special items and EBITDA excluding special items and similar measures are regularly used by the investment community as a means of comparison of companies in our industry. Different companies and analysts may calculate operating profit excluding special items and EBITDA excluding special items differently, so making comparisons among companies on this basis should be done very carefully. Operating profit excluding special items and EBITDA excluding special items are not measures of performance under IFRS and should not be considered in isolation or construed as a substitute for operating profit or net profit as indicators of the company's operations in accordance with IFRS.

(2)

Refer to page 19, Supplemental Information for the definition of the term.

sappi limited

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fourth quarter

Supplemental information *(This information has not been reviewed)*

summary Rand convenience translation

Restated

Quarter

Quarter

Year

Year

ended

ended

%

ended

ended

%

Sept 2008

Sept 2007

change

Sept 2008

Sept 2007 change

Key figures: (ZAR million)

Sales

11,871

10,018

18.5

43,559

38,051

14.5

Operating profit

195

613

(68.2)

2,333

2,748

(15.1)

Special items – losses (gains) *

500

63

693.7

386

(502)

–

Operating profit excluding

special items

696

676

3.0

2,719

2,245

21.1

EBITDA excluding special items *

1,407

1,317

6.8

5,498

4,936

11.4

(Loss) profit for the period

(250)

528

—

758

1,449

(47.7)

Basic EPS (SA cents)

(109)

232

—

334

638

(47.6)

Net debt *

19,421

15,509

25.2

19,421

15,509

25.2

Cash generated from operations

1,063

1,134

(6.3)

4,629

4,197

10.3

Cash retained from operating

activities

2,196

1,691

29.9

2,637

2,784

(5.3)

Net movement in cash and

cash equivalents

203

1,162

(82.5)

(669)

875

—

Key ratios: (%)

Operating profit to sales

1.6

6.1

5.4

7.2

Operating profit excluding special items to sales

5.9

6.7

6.2

5.9

EBITDA excluding special items to sales

11.8

13.2

12.6

13.0

Operating profit excluding special items to average net assets

8.2

9.0

8.5

7.4

Net debt to total capitalisation *

47.8

43.2

47.8

43.2

** Refer to page 19, Supplemental Information for the definition of the term.*

The above financial results have been translated into ZAR from US Dollars as follows:

—

Assets and liabilities at rates of exchange ruling at period end; and

—

Income, expenditure and cash flow items at average exchange rates.
exchange rates

Sept

June

March

Dec

Sept

2008

2008

2008

2007

2007

Exchange rates :

Period end rate: US\$1 = ZAR

8.0751

7.9145

8.1432

6.8068

6.8713

Average rate for the Quarter: US\$1 = ZAR

7.8150

7.8385

7.4593

6.7488

7.0453

Average rate for the YTD: US\$1 = ZAR

7.4294

7.3236

7.1465

6.7488

7.1741

Period end rate: EUR 1 = US\$

1.4615

1.5795

1.5802

1.4717

1.4272

Average rate for the Quarter: EUR 1 = US\$

1.5228

1.5747

1.5006

1.4556

1.3782

Average rate for the YTD: EUR 1 = US\$

1.5064

1.5071

1.4790

1.4556

1.3336

The financial results of entities with reporting currencies other than the US Dollar are translated into US Dollars as follows:

–

Assets and liabilities at rates of exchange ruling at period end; and

–

Income, expenditure and cash flow items at average exchange rates.

sappi limited

22

fourth quarter

Sappi ordinary shares

ADR price (NYSE TICKER: SPP)

160

140

120

100

80

60

20

40

0

Oct 04

Jan 05

Apr 06

Jul 06

Oct 06

Jan 07

Apr 07

Jul 07

Oct 07

Jan 08

Jul 08

Oct 08

Oct 08

Apr 08

ZAR

Apr 05

Jul 05

Oct 05

Jan 06

20

16

12

10

8

6

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Jul 05
Oct 05
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SIGNATURES

Pursuant to the requirements of the Securities Exchange Act of 1934, the registrant has duly caused this report to be signed on its behalf by the undersigned, thereunto duly authorized.

Date:

7 November, 2008

SAPPI LIMITED,

Name:

M. R. Thompson

Title:

Chief Financial Officer

M. R. Thompson

By:

/s/