

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 August, 2013

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

X

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

X

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

INCORPORATION BY REFERENCE

Sappi Limited's report for the conformed third quarter results ended June 2013, furnished by the Registrant under this Form 6-K, is incorporated by reference into (i) the Registration Statements on Form S-8 of the Registrant filed December 23, 1999, December 15, 2004 and February 2, 2010 in connection with The Sappi Limited Share Incentive Scheme, (ii) the Section 10(a) Prospectus relating to the offer and sale of the Registrant's shares to Participants under The Sappi Limited Share Incentive Scheme, (iii) the Registration Statements on Form S-8 of the Registrant filed December 15, 2004 and December 21, 2005 in connection with The Sappi Limited 2004 Performance Share Incentive Plan and (iv) the Section 10(a) Prospectus relating to the offer and sale of the Registrant's shares to Participants under The Sappi Limited 2004 Performance Share Incentive Plan. This Form 6-K includes a conformed version of the earnings announcement sent by the Registrant to its shareholders. This conformed version was prepared solely for purposes of supplementing the documents referred to in clauses (i) - (iv) above.

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 (and the factors that contribute to such cyclicity, such as levels of demand, production capacity, production, input costs including rawmaterial, energy and employee costs, and pricing);
- the impact on the business of the global economic downturn;
- unanticipated production disruptions (including as a result of planned or unexpected power outages);
- changes in environmental, tax and other laws and regulations;
- adverse changes in the markets for the Group's products;
- the emergence of new technologies and changes in consumer trends including increased preferences for digital media;
- consequences of the Group's leverage, including as a result of adverse changes in credit markets that affect the Group's ability to raise capital when needed;
- adverse changes in the political situation and economy in the countries in which the Group operates or the effect of governmental efforts to address present or future economic or social problems;
- the impact of restructurings, investments, acquisitions, dispositions and other strategic initiatives (including related financing), any delays, unexpected costs or other problems experienced in connection with dispositions or with integrating acquisitions or implementing restructuring or strategic initiatives (including dissolving wood pulp conversion projects), and achieving expected savings and synergies; and
- currency fluctuations.

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.

A woman with dark hair pulled back is walking on a light-colored runway. She is wearing a long, flowing, light green dress with a high, asymmetrical neckline and a wide black belt. The dress has a draped, wrap-like design. She is looking directly at the camera with a neutral expression. The background is a simple, light-colored studio setting with soft lighting.

sappi

Third Quarter
results for the
period ended
June 2013

Form S-8 Version

sappi

Inspired by life

3rd quarter results

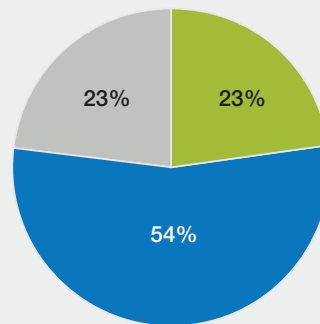
Sappi works closely with customers, both direct and indirect, in over 100 countries to provide them with relevant and sustainable paper, paper-pulp and dissolving wood pulp products and related services and innovations.

Our market-leading range of paper products includes: coated fine papers used by printers, publishers and corporate end-users in the production of books, brochures, magazines, catalogues, direct mail and many other print applications; casting release papers used by suppliers to the fashion, textiles, automobile and household industries; and in our Southern African region, newsprint, uncoated graphic and business papers, premium-quality packaging papers, paper-grade pulp and dissolving wood pulp.

Our dissolving wood pulp products are used worldwide by converters to create viscose fibre, acetate tow, pharmaceutical products as well as a wide range of consumer products.

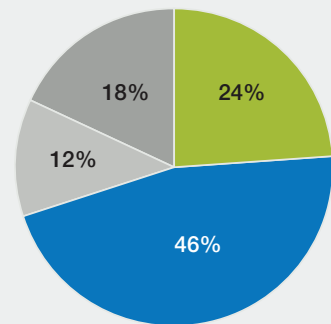
The pulp needed for our products is either produced within Sappi or bought from accredited suppliers. Across the group, Sappi is close to 'pulp neutral', meaning that we sell almost as much pulp as we buy.

Sales by source*



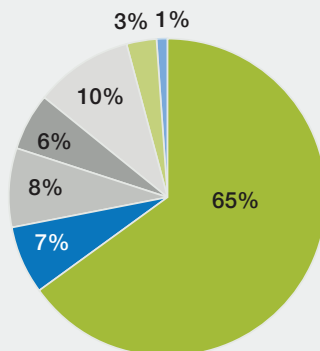
■ North America
■ Europe
■ Southern Africa

Sales by destination*



■ North America
■ Europe
■ Southern Africa
■ Asia and other

Sales by product*



■ Coated paper
■ Uncoated paper
■ Speciality paper
■ Commodity paper
■ Dissolving wood pulp
■ Paper pulp
■ Other

* for the period ended June 2013

Cover picture – Shutterstock

The picture depicts viscose clothing. Viscose clothing is made from one of our specialised cellulose products. Viscose staple fibre is a biodegradable product, with breathability and moisture absorbency properties, ideal for use in clothing.

sappi
Inspired by life

Financial summary for the quarter

- Successful start-up of both dissolving wood pulp projects
- Operating loss US\$11 million (Q3 2012 US\$34 million profit)
- Operating profit excluding special items US\$8 million (Q3 2012 US\$60 million)
- Loss for the period US\$42 million (Q3 2012 US\$106 million loss)
- Loss per share 8 US cents (Q3 2012 loss of 20 US cents)
- Net finance costs of US\$42 million (Q3 2012 US\$141 million)
- Interest-bearing borrowings (including bank overdrafts) less cash and cash equivalents ('net debt') US\$2,297 million (Q3 2012 US\$2,213 million)

	Quarter ended			Nine months ended	
	Jun 2013	Jun 2012	Mar 2013	Jun 2013	Jun 2012
Key figures: (US\$ million)					
Sales	1,417	1,544	1,503	4,395	4,762
Operating (loss) profit	(11)	34	78	137	261
Special items – losses (gains) ⁽¹⁾	19	26	(38)	(16)	24
Operating profit excluding special items ⁽²⁾	8	60	40	121	285
EBITDA excluding special items ⁽²⁾	91	150	128	381	561
(Loss) profit for the period	(42)	(106)	7	(18)	(3)
Basic (loss) earnings per share (US cents)	(8)	(20)	1	(3)	(1)
Key ratios: (%)					
Operating (loss) profit to sales	(0.8)	2.2	5.2	3.1	5.5
Operating profit excluding special items to sales	0.6	3.9	2.7	2.8	6.0
EBITDA excluding special items to sales	6.4	9.7	8.5	8.7	11.8
Net asset value per share (US cents)	257	299	277	257	299

(1) Refer to note 8 to the group results for details on special items.

(2) Refer to note 8 to the group results for the reconciliation of EBITDA excluding special items and operating profit excluding special items to segment operating (loss) profit, and loss for the period.

Commentary on the quarter

Market conditions, particularly in our European paper business, deteriorated further during the quarter. This, coupled with our conversion projects and planned annual maintenance shuts, impacted the group's operating results which consequently resulted in an operating loss of US\$11 million.

The third financial quarter is seasonally our weakest with typically lower demand in Europe and North America and with planned annual maintenance shuts at most of our major pulp mills. In this transitional year, the quarter was also impacted by the extended shuts at both the Cloquet and Ngodwana mills as they completed the capital projects to convert existing paper pulp lines to produce dissolving wood pulp.

The third quarter results were also impacted by special items including a charge of US\$11 million related to a plantation price fair value adjustment and a charge of US\$4 million due to plantation fire damage in South Africa.

Net finance costs for the quarter of US\$42 million were in line with those of the prior quarter. The comparative Q3 2012 net finance costs of US\$141 million included the once-off charges of US\$89 million related to the bond refinancing during that quarter.

Both the dissolving wood pulp projects at the Ngodwana and Cloquet pulp mills have now started production. The Cloquet mill produced the first bales of dissolving wood pulp in early June, and the ramp-up has progressed according to schedule with production and quality targets having been met. The Ngodwana mill started up in late July, a few weeks later than scheduled, and we expect this mill to ramp-up to full production over the coming months.

Cash flow and debt

Net cash utilised in operating and investing activities for the quarter was US\$157 million, compared to net cash utilisation of US\$56 million in the equivalent quarter last year. This increase in cash utilisation was mainly as a result of capital expenditure of US\$174 million which related primarily to strategic investments in expanding our dissolving wood pulp capacity and lower profits from operations. We expect that capital expenditure for the full year will not exceed US\$600 million.

The expected marginal increase in net debt to US\$2,297 million compared to both the equivalent quarter last year (US\$2,213 million) and the prior quarter (US\$2,152 million), was largely as a result of the capital expenditure incurred during the quarter.

At quarter-end, liquidity remained strong with cash on hand of US\$236 million and US\$561 million available from the undrawn committed revolving credit facilities in Europe and South Africa and we have sufficient liquidity to complete the spending on the various capital projects. During the quarter, the €330 million international securitisation programme was renewed and the facility maturity date extended to 2016.

Operating Review for the Quarter

Europe

	Quarter ended Jun 2013 US\$ million	Quarter ended Mar 2013 US\$ million	Quarter ended Dec 2012 US\$ million	Quarter ended Sept 2012 US\$ million	Quarter ended Jun 2012 US\$ million
Sales	749	824	799	826	795
Operating (loss) profit	(19)	(3)	18	87	4
Operating (loss) profit to sales (%)	(2.5)	(0.4)	2.3	10.5	0.5
Special items – losses (gains)	3	1	3	(42)	6
Operating (loss) profit excluding special items	(16)	2	21	45	10
Operating (loss) profit excluding special items to sales (%)	(2.1)	(0.2)	2.6	5.4	1.3

This seasonally slow quarter saw a significant decline in demand for our major paper grades, with total European industry deliveries of coated woodfree and coated mechanical paper down 8% year-on-year for the quarter. Our total sales volumes were 6% below that of the equivalent quarter last year despite good growth in specialities volumes.

Average prices realised were slightly higher than in the previous quarter, as a result of marginal price increases for coated woodfree paper, but remain on average below those of the equivalent quarter in the prior year. We continue to focus on tightly managing our costs, both fixed and variable costs per ton were lower than those of the equivalent quarter last year, although hardwood pulp prices continue to put pressure on margins.

The coated woodfree paper machine conversion project at the Alfeld mill, which will increase our speciality paper production, remains on track for start-up during the first financial quarter of 2014.

North America

	Quarter ended Jun 2013 US\$ million	Quarter ended Mar 2013 US\$ million	Quarter ended Dec 2012 US\$ million	Quarter ended Sept 2012 US\$ million	Quarter ended Jun 2012 US\$ million
Sales	324	341	346	377	360
Operating profit	3	26	16	40	13
Operating profit to sales (%)	0.9	7.6	4.6	10.6	3.6
Special items – (gains) losses	(1)	(5)	2	2	5
Operating profit excluding special items	2	21	18	42	18
Operating profit excluding special items to sales (%)	0.6	6.2	5.2	11.1	5.0

The North American business successfully completed the conversion of the Cloquet pulp mill to produce dissolving wood pulp during the quarter and started production of dissolving wood pulp at the beginning of June. The start-up has proceeded according to plan with the first deliveries of dissolving wood pulp leaving the mill during the quarter with good quality levels being achieved. Operating profit for the current quarter was negatively impacted by an estimated US\$12 million due to 22 days of incremental downtime taken for the Cloquet pulp mill conversion project and related ramp-up of operations.

Pulp sales volumes were heavily impacted by downtime related to the conversion and the building of stock to service the dissolving wood pulp business in the quarter. Dissolving wood pulp sales will increase over the next quarter as the business continues the ramp-up to full capacity.

Coated paper sales volumes were essentially flat year-on-year; however the average net sales price per ton was 4% lower than in the prior year due to a competitive local market and increased import pressure. Prices appeared to have stabilised during the quarter and we expect to realise some price increases on economy sheets and web products over the coming months.

The release business continues to perform well and sales volumes were up 11% compared to last year driven by improved demand and the success of our key new patterns.

Sappi Southern Africa

	Quarter ended Jun 2013 US\$ million	Quarter ended Mar 2013 US\$ million	Quarter ended Dec 2012 US\$ million	Quarter ended Sept 2012 US\$ million	Quarter ended Jun 2012 US\$ million
Sales	344	338	330	382	389
Operating profit	5	62	33	30	16
Operating profit to sales (%)	1.5	18.3	10.0	7.9	4.1
Special items – losses (gains)	14	(42)	(2)	3	15
Operating profit excluding special items	19	20	31	33	31
Operating profit excluding special items to sales (%)	5.5	5.9	9.4	8.6	8.0

The Southern African Specialised Cellulose business' sales volumes for the quarter were 183,000 tons, similar to the prior quarter and 8% lower than the equivalent quarter last year due to the timing of shipments. During the quarter, the planned annual maintenance shut of one of the pulp lines at Saiccor took place.

The estimated adverse operating profit impact of the conversion to produce dissolving wood pulp at the Ngodwana mill and the extended pulp mill downtime was approximately US\$9 million during the quarter.

NBSK dollar pulp prices to which our dissolving pulp prices are linked, were higher than both the equivalent quarter last year as well as the prior quarter, with the weaker Rand/Dollar exchange rate also contributing to higher price levels. However, the dissolving pulp spot market remains competitive, with new dissolving wood pulp capacity and an oversupplied viscose staple fibre market increasing the pressure on sales prices.

The domestic paper packaging and office paper markets were weak during the quarter; although, towards the end of the quarter and to date, there have been encouraging indications in the containerboard segment of a possible improvement in volumes.

Variable costs, particularly purchased timber and pulp, remain a challenge, with the imported components especially problematic due to the weaker Rand exchange rate. Fixed costs were flat compared to the prior quarter and the equivalent quarter last year and we are pleased that we were able to reach an agreement with labour on wage increases for the forthcoming year.

Outlook

The past quarter saw a further deterioration in European paper industry conditions, exacerbating an already weak market, and demand is expected to remain subdued. Input costs, particularly pulp, remain high and we do not expect to see any price increases in our major paper grades in the coming quarter. Plans are being finalised that will result in significant capacity closure, lower costs and improved operating margins in Europe. We envisage these actions will occur over a three-year period and that any cash costs will be self-funded. The benefits of these actions will begin to flow in the 2014 financial year.

The South African paper business expects to see growth in containerboard volumes, although demand continues to be weak in other grades. Cost pressures and weak demand have resulted in further actions to improve the profitability being implemented.

The North American paper business is positioned to perform well in an increasingly competitive market and we expect to realise some price increases on economy sheets and web products over the coming months.

Our expanded global Specialised Cellulose business is focussed on selling the increasing dissolving wood pulp volumes, as the mills continue on their start-up curves, and cementing our position as the leading producer in this market. Dissolving wood pulp prices are under pressure in this competitive market and could have an impact on margins going forward.

Debt remains within the levels previously indicated despite the weaker operating performance. We expect debt levels to peak during the fourth quarter, as the final outlays for the dissolving wood pulp projects occur, and to end the quarter slightly lower than that reported for the third quarter.

We expect our European business to make an operating loss in the fourth financial quarter which will result in the group making a small net loss for the financial year. Our full year results may be impacted by the aforementioned strategic initiatives and, any asset impairments and restructuring costs that may arise.

On behalf of the board

R J Boëttger
Director

S R Binnie
Director

02 August 2013

Condensed group income statement

	Note	Quarter ended Jun 2013 US\$ million	Quarter ended Jun 2012 US\$ million	Nine months ended Jun 2013 US\$ million	Nine months ended Jun 2012 US\$ million
Sales		1,417	1,544	4,395	4,762
Cost of sales		1,327	1,404	3,900	4,189
Gross profit		90	140	495	573
Selling, general and administrative expenses		95	103	290	315
Other operating expenses (income)		8	3	73	(3)
Share of profit from associates and joint ventures		(2)	–	(5)	–
Operating (loss) profit	2	(11)	34	137	261
Net finance costs		42	141	124	246
Net interest expense		42	140	124	249
Net foreign exchange loss (gain)		1	1	1	(1)
Net fair value gain on financial instruments		(1)	–	(1)	(2)
(Loss) profit before taxation		(53)	(107)	13	15
Taxation		(11)	(1)	31	18
Current		(9)	7	(6)	12
Deferred		(2)	(8)	37	6
Loss for the period		(42)	(106)	(18)	(3)
Basic loss per share (US cents)		(8)	(20)	(3)	(1)
Weighted average number of shares in issue (millions)		521.5	520.8	521.3	520.7
Diluted loss per share (US cents)		(8)	(20)	(3)	(1)
Weighted average number of shares on fully diluted basis (millions)		521.5	520.8	521.3	520.7

Condensed group statement of comprehensive income

	Quarter ended Jun 2013 US\$ million	Quarter ended Jun 2012 US\$ million	Nine months ended Jun 2013 US\$ million	Nine months ended Jun 2012 US\$ million
Loss for the period	(42)	(106)	(18)	(3)
Other comprehensive (loss) income, net of tax	(64)	18	(176)	71
Exchange differences on translation of foreign operations	(76)	(70)	(184)	(10)
Actuarial gains on post-employment benefit funds	20	–	20	–
Movements in hedging reserves	1	(14)	(4)	(23)
Deferred tax effect of above items	(9)	1	(8)	3
Recognition of previously unrecognised deferred tax asset	–	101	–	101
Total comprehensive (loss) income for the period	(106)	(88)	(194)	68

Condensed group balance sheet

	Jun 2013 US\$ million	Sept 2012 US\$ million
ASSETS		
Non-current assets	3,839	3,990
Property, plant and equipment	3,110	3,157
Plantations	481	555
Deferred taxation	120	154
Other non-current assets	128	124
Current assets	1,746	2,178
Inventories	754	726
Trade and other receivables	756	807
Cash and cash equivalents	236	645
Assets held for sale	87	–
Total assets	5,672	6,168
EQUITY AND LIABILITIES		
Shareholders' equity		
Ordinary shareholders' interest	1,340	1,525
Non-current liabilities	3,332	3,328
Interest-bearing borrowings	2,434	2,358
Deferred taxation	285	319
Other non-current liabilities	613	651
Current liabilities	995	1,315
Interest-bearing borrowings	98	261
Bank overdraft	1	5
Other current liabilities	883	1,023
Taxation payable	13	26
Liabilities associated with assets held for sale	5	–
Total equity and liabilities	5,672	6,168
Number of shares in issue at balance sheet date (millions)	521.5	520.8

Condensed group statement of cash flows

	Quarter ended Jun 2013 US\$ million	Quarter ended Jun 2012 US\$ million	Nine months ended Jun 2013 US\$ million	Nine months ended Jun 2012 US\$ million
Loss for the period	(42)	(106)	(18)	(3)
<i>Adjustment for:</i>				
Depreciation, fellings and amortisation	100	108	310	333
Taxation	(11)	(1)	31	18
Net finance costs	42	141	124	246
Defined post-employment benefits paid	(22)	(16)	(54)	(39)
Plantation fair value adjustments	(10)	(1)	(151)	(40)
Asset (impairment reversals) impairments	(1)	(3)	46	(3)
Net restructuring provisions	2	–	16	1
Other non-cash items	3	15	22	33
Cash generated from operations	61	137	326	546
Movement in working capital	8	(27)	(128)	(217)
Net finance costs paid	(57)	(56)	(144)	(157)
Taxation paid	(2)	(2)	(15)	(12)
Cash generated from operating activities	10	52	39	160
Cash utilised in investing activities	(167)	(108)	(397)	(236)
Capital expenditure	(174)	(112)	(449)	(246)
Proceeds on disposal of non-current assets	7	4	50	11
Other movements	–	–	2	(1)
Net cash utilised in operating and investing activities	(157)	(56)	(358)	(76)
Cash effects of financing activities	(7)	32	(42)	(142)
Net movement in cash and cash equivalents	(164)	(24)	(400)	(218)

Condensed group statement of changes in equity

	Nine months ended Jun 2013 US\$ million	Nine months ended Jun 2012 US\$ million
Balance – beginning of period	1,525	1,478
Total comprehensive (loss) income for the period	(194)	68
Transfers from the share purchase trust	3	2
Transfers of vested share options	(3)	(2)
Share-based payment reserve	9	11
Balance – end of period	1,340	1,557

Notes to the condensed group results

1. Basis of preparation

The condensed consolidated interim financial statements are prepared in accordance with International Accounting Standard 34 *Interim Financial Reporting* (IAS 34), the SAICA Financial Reporting Guides as issued by the Accounting Practices Committee and the requirements of the Companies Act of South Africa. The accounting policies applied in the preparation of these interim financial statements are consistent with those applied in the previous annual financial statements.

The preparation of this condensed consolidated interim financial information was supervised by the Chief Financial Officer, S R Binnie CA(SA).

The results are unaudited.

	Quarter ended Jun 2013 US\$ million	Quarter ended Jun 2012 US\$ million	Nine months ended Jun 2013 US\$ million	Nine months ended Jun 2012 US\$ million
2. Operating (loss) profit				
Included in operating (loss) profit are the following non-cash items:				
Depreciation and amortisation	83	90	260	276
Fair value adjustment on plantations (included in cost of sales)				
Changes in volume				
Fellings	17	18	50	57
Growth	(21)	(21)	(58)	(64)
	(4)	(3)	(8)	(7)
Plantation price fair value adjustment	11	20	(93)	24
	7	17	(101)	17
Included in other operating expenses (income) are the following:				
Asset (impairment reversals) impairments	(1)	(3)	46	(3)
Loss (profit) on disposal of property, plant and equipment	–	2	(1)	(7)
Net restructuring provisions	2	–	16	1
Black Economic Empowerment charge	1	1	3	3

	Quarter ended Jun 2013 US\$ million	Quarter ended Jun 2012 US\$ million	Nine months ended Jun 2013 US\$ million	Nine months ended Jun 2012 US\$ million
3. Headline (loss) earnings per share				
Headline (loss) earnings per share (US cents)	(8)	(20)	2	(2)
Weighted average number of shares in issue (millions)	521.5	520.8	521.3	520.7
Diluted headline (loss) earnings per share (US cents)	(8)	(20)	2	(2)
Weighted average number of shares on fully diluted basis (millions)	521.5	520.8	523.5	520.7
Calculation of headline (loss) earnings				
Loss for the period	(42)	(106)	(18)	(3)
Asset (impairment reversals) impairments	(1)	(3)	46	(3)
Loss (profit) on disposal of property, plant and equipment	–	2	(1)	(7)
Tax effect of above items	1	1	(15)	1
Headline (loss) earnings	(42)	(106)	12	(12)

	Jun 2013 US\$ million	Sept 2012 US\$ million
4. Capital commitments		
Contracted	121	267
Approved but not contracted	169	244
	290	511
5. Contingent liabilities		
Guarantees and suretyships	24	31
Other contingent liabilities	15	10
	39	41

6. Material balance sheet movements

Since the 2012 financial year-end, the period end ZAR rate has weakened by approximately 19% to the US Dollar, the group's presentation currency, resulting in a similar decrease on translation of the group's ZAR functional currency assets and liabilities to US Dollar.

Property, plant and equipment

As a result of continuing difficult market conditions, Sappi Southern Africa ('SSA') impaired plant and equipment at its Tugela and Stanger mills to the value of US\$51 million (ZAR462 million). In addition, there was a recovery in Sappi Fine Paper Europe of US\$9 million (€7 million) through the sale of certain assets that had previously been impaired as well as further asset impairments of US\$4 million (€3 million).

Deferred taxation assets

Deferred tax assets of US\$24 million (€18 million) were reversed within the Sappi Fine Paper Europe region as they were no longer deemed recoverable.

Plantations

Due to the Ngodwana mill dissolving wood pulp conversion project and the closure of the Kraft Continuous Digester at Tugela mill, a certain portion of SSA's softwood plantations that were previously utilised in the paper pulp production will now be sold to the local saw log markets. Consequently, SSA's plantations were revalued resulting in a once-off favourable price fair value adjustment of US\$96 million (ZAR863 million).

Inventories, trade and other receivables and other current liabilities

The group increased its inventory levels in anticipation of the dissolving wood pulp conversion projects. The decrease in trade and other payables is due to seasonality together with a decline in operating volumes and the decrease in trade and other receivables is primarily due to the receipt of US\$42 million on the sale of the previously equity accounted 34% shareholding in Jiangxi Chenming Paper Company.

Cash and cash equivalents and interest-bearing borrowings

Cash and cash equivalents decreased largely due to the capital expenditure outflows of US\$449 million which relates mostly to the dissolving wood pulp conversion projects. In addition, the remaining stub of the group's senior secured notes due 2014 of US\$41 million (€31 million), the US\$111 million (ZAR1.0 billion) public bond maturing in June 2013 as well as the group's private placement bonds in South Africa amounting to US\$42 million (ZAR382 million) were repaid. These outflows were partially offset by the placement of a public bond offering of US\$166 million (ZAR1.5 billion) and a seven-year bullet loan from GroCapital of US\$44 million (ZAR400 million).

7. Assets held for sale

During the quarter, Sappi entered into an agreement to sell its shares in Usutu Forest Products Company Limited ('Usutu') as well as the shareholder loan claim against Usutu, to Montigny Investments Limited subject to the fulfilment of certain conditions precedent. The disposal group, consisting mainly of plantations, has been reclassified as held for sale.

8. Segment information

	Quarter ended Jun 2013 Metric tons (000's)	Quarter ended Jun 2012 Metric tons (000's)	Nine months ended Jun 2013 Metric tons (000's)	Nine months ended Jun 2012 Metric tons (000's)
Sales volume				
Sappi Fine Paper North America	297	351	963	1,031
Sappi Fine Paper Europe	796	843	2,527	2,611
Sappi Southern Africa – Pulp and paper	405	435	1,172	1,253
Forestry	309	294	888	830
Total	1,807	1,923	5,550	5,725

	Quarter ended Jun 2013 US\$ million	Quarter ended Jun 2012 US\$ million	Nine months ended Jun 2013 US\$ million	Nine months ended Jun 2012 US\$ million
Sales				
Sappi Fine Paper North America	324	360	1,011	1,061
Sappi Fine Paper Europe	749	795	2,372	2,524
Sappi Southern Africa – Pulp and paper	324	367	953	1,114
Forestry	20	22	59	63
Total	1,417	1,544	4,395	4,762
Operating profit (loss) excluding special items				
Sappi Fine Paper North America	2	18	41	52
Sappi Fine Paper Europe	(16)	10	3	88
Sappi Southern Africa	19	31	70	145
Unallocated and eliminations ⁽¹⁾	3	1	7	–
Total	8	60	121	285
Special items – loss (gain)				
Sappi Fine Paper North America	(1)	5	(4)	5
Sappi Fine Paper Europe	3	6	7	(3)
Sappi Southern Africa	14	15	(30)	22
Unallocated and eliminations ⁽¹⁾	3	–	11	–
Total	19	26	(16)	24
Segment operating (loss) profit				
Sappi Fine Paper North America	3	13	45	47
Sappi Fine Paper Europe	(19)	4	(4)	91
Sappi Southern Africa	5	16	100	123
Unallocated and eliminations ⁽¹⁾	–	1	(4)	–
Total	(11)	34	137	261
EBITDA excluding special items				
Sappi Fine Paper North America	20	38	99	110
Sappi Fine Paper Europe	31	60	146	237
Sappi Southern Africa	37	52	129	214
Unallocated and eliminations ⁽¹⁾	3	–	7	–
Total	91	150	381	561
Segment assets				
Sappi Fine Paper North America	1,027	926	1,027	926
Sappi Fine Paper Europe	1,793	1,852	1,793	1,852
Sappi Southern Africa	1,607	1,653	1,607	1,653
Unallocated and eliminations ⁽¹⁾	(12)	66	(12)	66
Total	4,415	4,497	4,415	4,497

(1) Includes the group's treasury operations and the self-insurance captive.

Reconciliation of EBITDA excluding special items and operating profit excluding special items to segment operating (loss) profit and loss for the period ⁽¹⁾

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

	Quarter ended Jun 2013 US\$ million	Quarter ended Jun 2012 US\$ million	Nine months ended Jun 2013 US\$ million	Nine months ended Jun 2012 US\$ million
EBITDA excluding special items	91	150	381	561
Depreciation and amortisation	(83)	(90)	(260)	(276)
Operating profit excluding special items	8	60	121	285
Special items – (losses) gains	(19)	(26)	16	(24)
Plantation price fair value adjustment	(11)	(20)	93	(24)
Net restructuring provisions	(2)	–	(16)	(1)
(Loss) profit on disposal of property, plant and equipment	–	(2)	1	7
Asset impairment reversals (impairments)	1	3	(46)	3
Black Economic Empowerment charge	(1)	(1)	(3)	(3)
Fire, flood, storm and related events	(6)	(6)	(13)	(6)
Segment operating (loss) profit	(11)	34	137	261
Net finance costs	(42)	(141)	(124)	(246)
(Loss) profit before taxation	(53)	(107)	13	15
Taxation	11	1	(31)	(18)
Loss for the period	(42)	(106)	(18)	(3)
Reconciliation of segment assets to total assets				
Segment assets	4,415	4,497	4,415	4,497
Deferred taxation	120	144	120	144
Cash and cash equivalents	236	403	236	403
Other current liabilities	883	950	883	950
Taxation payable	13	19	13	19
Liabilities associated with assets held for sale	5	–	5	–
Total assets	5,672	6,013	5,672	6,013

(1) In compliance with the U.S. Securities Exchange Commission (“SEC”) rules relating to “Conditions for Use of Non-GAAP Financial Measures”, we have reconciled both operating profit excluding special items and EBITDA excluding special items to loss for the period, rather than operating (loss) profit.

We use 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 used as measures 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 operating profit excluding special items and EBITDA excluding special items are useful measures of financial performance in addition to profit (loss) for the period, operating profit (loss) and other profitability measures under IFRS because it facilitates operating performance comparisons from period to period and company to company. For these reasons, we believe operating profit excluding special items, EBITDA excluding special items and other 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 profit for the period as an indicator of the company’s operations in accordance with IFRS.

Supplemental information

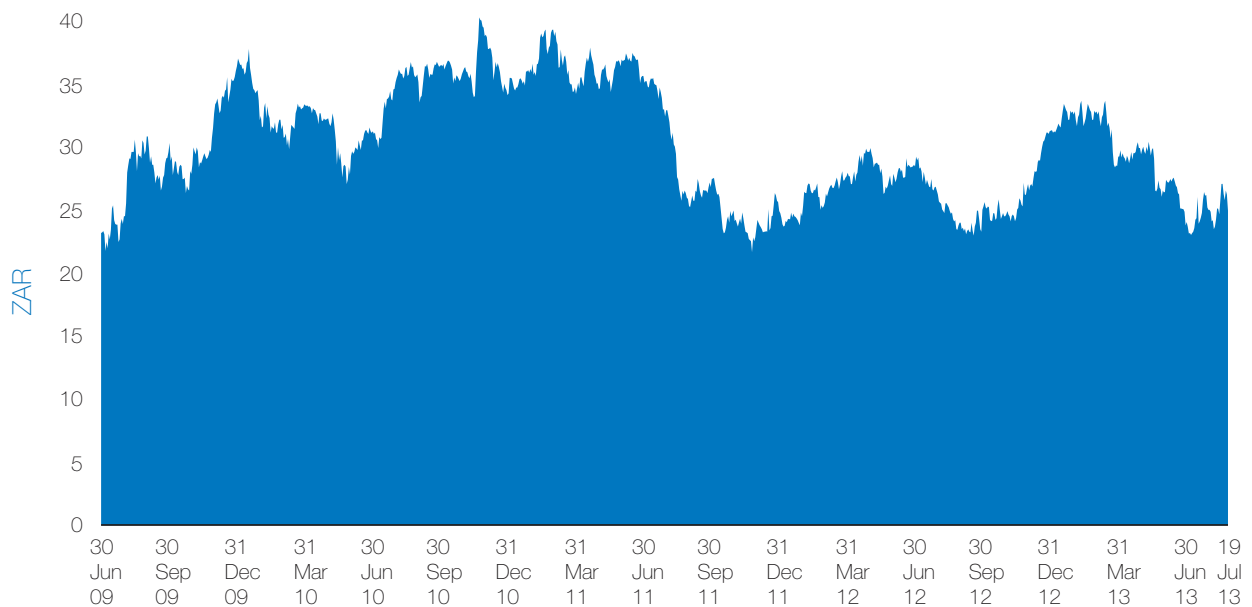
Reconciliation of net debt to interest-bearing borrowings

	Jun 2013 US\$ million	Sept 2012 US\$ million
Interest-bearing borrowings	2,533	2,624
Non-current interest-bearing borrowings	2,434	2,358
Current interest-bearing borrowings	98	261
Bank overdraft	1	5
Cash and cash equivalents	(236)	(645)
Net debt	2,297	1,979

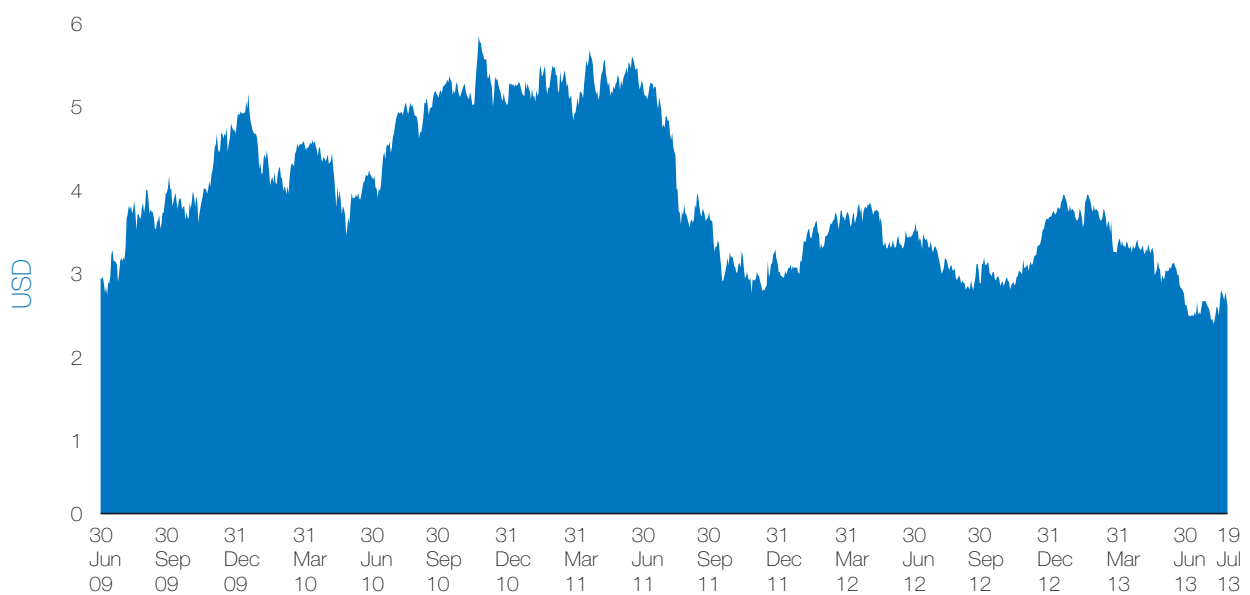
Exchange rates

	Jun 2013	Mar 2013	Dec 2012	Sept 2012	Jun 2012
Exchange rates:					
Period end rate: US\$1 = ZAR	9.8800	9.2363	8.4851	8.3096	8.1650
Average rate for the Quarter: US\$1 = ZAR	9.4756	8.9349	8.6975	8.2567	8.1229
Average rate for the YTD: US\$1 = ZAR	9.0364	8.8173	8.6975	8.0531	7.9885
Period end rate: €1 = US\$	1.3010	1.2821	1.3217	1.2859	1.2660
Average rate for the Quarter: €1 = US\$	1.3060	1.3206	1.2970	1.2514	1.2838
Average rate for the YTD: €1 = US\$	1.3078	1.3088	1.2970	1.2988	1.3145

Sappi ordinary shares (JSE:SAP)



US Dollar share price conversion



(Registration number 1936/008963/06)

Issuer Code: SAWVI

JSE Code: SAP

NYSE Code: SPP

ISIN: ZAE000006284

Sappi has a primary listing on the JSE Limited and a secondary listing on the New York Stock Exchange

South Africa:

Computershare Investor
Services (Proprietary) Limited
70 Marshall Street
Johannesburg 2001
PO Box 61051
Marshalltown 2107
Tel +27 (0)11 370 5000

United States:

ADR Depositary:

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

www.sappi.com

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: August 02, 2013

SAPPI LIMITED,

By: /s/ S.R. Binnie

Name: S.R. Binnie

Title: Chief Financial Officer