



## Edgar Filing: SAPPI LTD - Form 6-K

sale of the Registrant's shares to Participants under The Sappi Limited Share Incentive Scheme. 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 Registrant's Registration Statement on Form S-8 (File No. 333-11304) and the Section 10(a) Prospectus dated April 3, 2001.

### 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 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.

SAPPI

The word for fine paper

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FORM S-8 VERSION

conformed results for the quarter and half-year ended  
March 2004

[GRAPHIC OMITTED]

second quarter 2004

Sappi is the world's leading  
producer of coated fine paper

## Sales by product group\*

[pie chart omitted]	-----Coated fine paper	64%	[GRAPHIC OMITTED]
	-----Uncoated fine paper	5%	
	-----Coated specialities	9%	
	-----Pulp	12%	[GRAPHIC OMITTED]
	-----Commodity paper	9%	
	-----Other	1%	[GRAPHIC OMITTED]

## Sales: where the product is manufactured\*

[pie chart omitted]	-----North America	28%	[GRAPHIC OMITTED]
	-----Europe	47%	
	-----Southern Africa	25%	[GRAPHIC OMITTED]

## Sales: where the product is sold\*

[pie chart omitted]	-----North America	30%	[GRAPHIC OMITTED]
	-----Europe	43%	
	-----Asia and other	13%	
	-----Southern Africa	14%	[GRAPHIC OMITTED]

## Geographic ownership\*\*

[pie chart omitted]	-----Europe and ROW+	14%	
	-----Southern Africa	48%	[GRAPHIC OMITTED]
	-----North America	38%	

\* for the half-year ended March 2004

\*\* as at 31 March 2004

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+ Rest of the world

- o EPS 10 US cents
- o Coated paper prices low; increases announced in Europe and North America
- o Strong demand in Europe
- o US shipments increasing
- o Forest Products performance strong despite continued Rand strength

### SUMMARY

	Quarter ended March 2004	Quarter ended Dec 2003	Quarter ended March** 2003	Half year ended March 2004	Half year ended March** 2003
Sales (US\$ million)	1,185	1,120	1,095	2,305	2,114
Operating profit (US\$ million)	56	-	108	56	203
Operating profit to sales (%)	4.7	-	9.9	2.4	9.6
EBITDA (US\$ million)*	173	114	194	287	383
EPS (US cents)	10	(9)	25	1	47
Headline EPS (US cents)	10	(9)	25	1	47

\* Refer to notes 1 and 2 of the Supplemental Information for reconciliations of these numbers and definitions of these terms.

\*\*Restated for South African Generally Accepted Accounting Practice Standard AC137

2004 second quarter 1

### COMMENT

The underlying performance for the quarter improved compared to the prior quarter as a result of a better performance from our European fine paper and South African forest products businesses and a reduction in the losses from our North American business.

In North America, commercial printers are starting to show clear signs of a turnaround in demand for paper, reflecting improvements in the US economy. This pick-up in consumption was only evident towards the end of the quarter and did not have a major impact on demand statistics. Shipments of coated fine paper from US producers were up 3% on the same quarter last year while net imports fell sharply. Magazine advertising pages were 2% below the equivalent

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quarter last year. Demand for coated fine paper in Western Europe continued to show healthy improvement with apparent consumption for the quarter 6% above the equivalent quarter last year and total shipments by European manufacturers were up 8% on the prior year.

Prices in both major markets remained at cyclical lows in the quarter. Tightening supply conditions only presented the opportunity to announce price increases for implementation after the end of the reporting period.

Against this background, Sappi's earnings and headline earnings per share were 10 US cents compared to 25 US cents a year earlier and a loss in the December quarter, after charges related to a machine closure and additional maintenance shut costs.

We maintain our focus on costs, which were generally well managed in local currency terms in the quarter. Costs of wood and energy remain high in North America. Selling, General and Administrative costs fell from the prior quarter but were US\$24 million higher than last year primarily due to currency (US\$10 million) and the US\$10 million credit relating to retirement costs reported last year. The favourable impact of applying the Agriculture Accounting Standard - AC137 (IAS41) in the quarter compared to applying our previous accounting policy was US\$7 million after tax.

Net finance costs at US\$26 million were US\$2 million below the December quarter.

Taxation for the quarter was at an effective rate of 23%, which is higher than the expected rate for the full year.

2 2004 second quarter

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### CASH FLOW

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Cash generated by operations increased strongly compared to the December quarter to US\$184 million, a similar level to last year.

Working capital increased by US\$31 million mainly as a result of higher inventories.

Capital expenditure for the quarter was US\$84 million, similar to the first quarter and approximately 82% of depreciation.

The annual dividend payment of US\$66 million was paid in January 2004 and a pension funding payment of US\$19 million was also made in the quarter.

2004 second quarter 3

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### OPERATING REVIEW FOR THE QUARTER

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SAPPI FINE PAPER

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	Quarter ended March 2004 US\$ million	Quarter ended March 2003 US\$ million	ch
Sales	967	904	
Operating profit	10	72	(
Operating profit to sales (%)	1.0	8.0	

Sappi Fine Paper volumes and average prices in Dollar terms both increased; however, low prices in local currencies and increases in pulp, wood and energy costs continue to squeeze our margins.

Demand in Europe and South Africa remains good and we are seeing signs of a pick up, in domestic volumes, in North America.

EUROPE

	Quarter ended March 2004 US\$ million	Quarter ended March 2003 US\$ million	% change (US\$)	% cha (Eu
Sales	556	503	10.5	(
Operating profit	27	42	(35.7)	(4
Operating profit to sales (%)	4.9	8.3	-	

Our sales volume has continued to grow and was 3% higher than the equivalent quarter last year and 4% above the December quarter. Domestic European sales volumes increased 6% on the prior quarter but export volumes to the US which are included in Sappi Fine Paper Europe's total volumes have declined.

Prices in European and overseas markets fell early in the quarter but stabilised in March. Average prices realised in Euros were 9% below a year earlier and slightly down on the December quarter.

During the quarter, we announced a price increase of 5% to 7% for coated fine paper which should become effective in the June quarter.

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### NORTH AMERICA

	Quarter ended March 2004 US\$ million	Quarter ended March 2003 US\$ million	% change
Sales	339	338	0.3
Operating profit	(20)	20	-
Operating profit to Sales (%)	(5.9)	5.9	-

Although our North American business improved on the prior quarter, it still reported an operating loss in the quarter under review.

Volumes sold were higher than the equivalent quarter last year representing some gain in share. Volumes were up 7% from the December quarter.

Prices remained at approximately the same low level as in the December quarter. As a result of improving operating rates and order backlogs, we have announced a price increase of US\$50 per ton on certain coated fine paper sheets and an increase of US\$60 per ton on coated fine paper web products which becomes effective in June.

Costs of wood and energy continue to impact profitability and remain at high levels. These costs were US\$9 million above the same quarter last year and US\$3 million higher than the prior quarter.

### SOUTH AFRICA

	Quarter ended March 2004 US\$ million	Quarter ended March 2003 US\$ million	% change (US\$)	% change (Rand)
Sales	72	63	14.3	(6.
Operating profit	3	10	(70.0)	(75.
Operating profit to Sales (%)	4.2	15.9	-	

2004 second quarter 5

The performance of our South African fine paper business was affected by low prices resulting from increased competition and the strong Rand. There are some signs that growing demand in Asia will absorb greater volumes and therefore reduce import pressure.

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### SAPPI FOREST PRODUCTS

	Quarter ended March 2004 US\$ million	Quarter ended March 2003 US\$ million	% change (US\$)	% change (Rands)
Sales	218	191	14.1	(7.0)
Operating profit	48	33	45.5	18.5
Operating profit to Sales (%)	22.0	17.3	-	-

Demand for our pulp and packaging paper was firm during the quarter. Our paper exports were lower as a result of the strong Rand and newsprint sales were lower as customers adjusted inventories.

Demand for dissolving pulp produced by our Saiccor mill remains strong. Saiccor has a world-class cost position and is taking a number of steps to increase capacity through de-bottlenecking projects. The first step, which is already underway, will increase output by 20,000 tons based on the current product mix. Further plans are being investigated to add an additional 30,000 tons of capacity.

Pulp prices have continued to increase with average NBSK prices for the quarter up US\$ 35 per ton on the previous quarter and have partly offset the impact of the strong Rand on our pricing.

6 2004 second quarter

#### OUTLOOK

We are seeing signs of a turnaround in profitability for coated fine paper.

Advertising spending in Europe is growing, as is apparent consumption of coated fine paper, which bodes well for the price increases currently being introduced.

Imports of coated fine paper to the US from Asia and Europe have declined partly as a result of improved demand in those regions and partly as a result of less attractive price realisations. US domestic shipments have strengthened and order backlogs are increasing. The combination of these factors and signs of improved printer activity will support the announced price increases. However, these coated paper price increases in North America are not expected to have a major impact on our results until the fourth fiscal quarter.

Pulp prices continue to strengthen, which will support the performance of our Forest Products business.

We will have to absorb the costs of two major maintenance shuts next quarter at our Cloquet and Ngodwana mills. In addition to this, we face continued



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pressure from rising energy costs globally and high wood costs in North America.

Overall, market developments are encouraging and with rising price trends, we expect to see further improvement in our earnings in our third quarter compared to the second quarter.

On behalf of the Board

J C A LESLIE  
Director

D G WILSON  
Director

10 May 2004

SAPPI LIMITED  
(Registration number 1936/008963/06)

NYSE CODE: SPP  
JSE CODE: SAP  
ISIN CODE: ZAE 000006284

2004 second quarter 7

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### FORWARD-LOOKING STATEMENTS

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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 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 and pricing), adverse changes in the markets for the group's products, consequences of substantial leverage, changing regulatory requirements, unanticipated production disruptions, 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.

8 2004 second quarter

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Conformed financial results for the quarter and

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half-year ended March 2004

FORM S-8 VERSION

[GRAPHIC OMITTED]

2004 second quarter 9

GROUP INCOME STATEMENT

	REVIEWED QUARTER ENDED MARCH 2004 US\$ MILLION	Reviewed Quarter ended March 2003 US\$ million	% change	REVIEWED HALF-YEAR ENDED MARCH 2004 US\$ MILLION
SALES	1,185	1,095	8.2	2,185
Cost of sales	1,030	913		2,043
Gross profit	155	182	(14.8)	142
Selling, general & administrative expenses	99	75		241
Other income	-	1		1
OPERATING PROFIT	56	108	(48.1)	103
Net finance costs	26	32		61
Net paid Capitalised	26	29		55
Net foreign exchange (gains) losses	(4)	3		(1)
Change in fair value of financial instruments	4	-		4
PROFIT BEFORE TAX	30	76	(60.5)	60
Taxation - current	10	17		27
- deferred	(3)	1		(2)
NET PROFIT	23	58	(60.3)	31

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EARNINGS PER SHARE (US CENTS)	10	25	
Weighted average number of shares in issue (millions)	226.1	229.4	22
Diluted earnings per share (US cents)	10	25	
Weighted average number of shares on fully diluted basis (millions)	228.3	232.1	22

10 2004 second quarter

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GROUP BALANCE SHEET  
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	REVIEWED MARCH 2004 US\$ MILLION	Audited Sept 2003 US\$ million
-----		
ASSETS		
NON-CURRENT ASSETS	4,501	4,242
Property, plant and equipment	3,679	3,554
Plantations	491	432
Deferred taxation	51	41
Other non-current assets	280	215
	-----	-----
CURRENT ASSETS	1,373	1,575
Cash and cash equivalents	332	584
Trade and other receivables	265	290
Inventories	776	701
	-----	-----
TOTAL ASSETS	5,874	5,817
	-----	-----

EQUITY AND LIABILITIES

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SHAREHOLDERS' EQUITY		
Ordinary shareholders' interest	1,991	1,945
NON-CURRENT LIABILITIES	2,506	2,541
	-----	-----
Interest-bearing borrowings	1,652	1,742
Deferred taxation	537	517
Other non-current liabilities	317	282
	-----	-----
CURRENT LIABILITIES	1,377	1,331
	-----	-----
Interest-bearing borrowings and bank overdraft	433	333
Taxation payable	85	82
Other current liabilities	859	916
	-----	-----
TOTAL EQUITY AND LIABILITIES	5,874	5,817
	-----	-----
Number of shares in issue at balance sheet date (millions)	226.2	226.9

2004 second quarter 11

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GROUP CASH FLOW STATEMENT  
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	REVIEWED QUARTER ENDED MARCH 2004 US\$ MILLION	Reviewed Quarter ended March 2003 US\$ million	REV HALF-YEAR MARCH US\$ MI
CASH GENERATED BY OPERATIONS	184	195	
Movement in working capital	(31)	(23)	
Net finance costs	(26)	(31)	
Taxation (paid) recovered	(4)	30	
Dividends paid	(66)	(65)	
	-----	-----	
CASH RETAINED FROM OPERATING ACTIVITIES	57	106	

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Cash effects of investing activities	(96)	(58)
	(39)	48
Cash effects of financing activities	(25)	(36)
NET MOVEMENT IN CASH AND CASH EQUIVALENTS	(64)	12

GROUP STATEMENT OF CHANGES IN SHAREHOLDERS' EQUITY

	REVIEWED HALF-YEAR ENDED MARCH 2004 US\$ MILLION	R Half-yea Mar US\$
Balance - beginning of year	1,958	
Change in accounting policy	(13)	
Balance - beginning of year restated	1,945	
Net profit	2	
Foreign currency translation reserve	128	
Revaluation of derivative instruments	(7)	
Dividends declared - US\$ 0.29 (2003: US\$ 0.28) per share	(66)	
Share buybacks net of transfers to participants of the share purchase trust	(11)	
Balance - end of period	1,991	

12 2004 second quarter

NOTES TO THE GROUP RESULTS

1. BASIS OF PREPARATION

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The annual financial statements are prepared in conformity with South African Statements of Generally Accepted Accounting Practice (SA GAAP). These quarterly results have been prepared in compliance with AC 127 (Interim financial reporting) and are based on accounting policies which are consistent with those used in the annual financial statements. The same accounting policies have been followed as in the annual financial statements for September 2003, except for the new agriculture accounting standard - Agriculture - AC 137 (IAS 41) which became effective from the beginning of the current financial year.

The effect on equity for the above change is reflected in the Group statement of changes in shareholders' equity. The effect on net profit for the current quarter is an increase of US\$7 million, net of US\$3 million tax (December 2003 quarter: increase of US\$7 million, net of US\$3 million tax; March 2003 quarter: minimal impact) and an increase of US\$14 million, net of US\$6 million tax for the half-year end (March 2003: a decrease of US\$1 million, net of US\$1 million tax). Where appropriate, comparative figures have been restated.

The preliminary results for the quarter have been reviewed by the group's auditors, Deloitte & Touche. Their unqualified review report is available for inspection at the company's registered offices.

### 2. COMPARATIVE FIGURES

Comparative figures have been restated to take into account the effects of the new agriculture accounting standard which became effective from the beginning of the current financial year. The effect on operating profit is the inclusion of the fair value changes in the value of plantations and the expensing of the costs incurred to establish and maintain plantations (silviculture costs) and the amortisation of interest which had been previously capitalised. Net finance costs have increased. In terms of the new accounting standard, interest is no longer capitalised to the carrying value of plantations.

The effect on the cash flow statement is a reclassification of investments in plantations from cash utilised in investing activities to cash generated by operations. Net cash flows remain the same.

Operating profit has been restated to take into account the requirements of circular 3/2004 issued by the South African Institute of Chartered Accountants. Previously non-trading (profit) loss items were excluded from operating profit. The impact of the inclusion is an increase in operating profit of US\$1 million for the quarter and half-year ended March 2003.

In September 2003, cash and overdraft were restated to gross up amounts previously set-off. The March 2003 cash flow statement has been restated to take the effects of this into account.

2004 second quarter 13

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NOTES TO GROUP RESULTS (CONTINUED)  
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	REVIEWED QUARTER ENDED MARCH 2004 US\$ MILLION	Reviewed Quarter ended March 2003 US\$ million	REV HALF-YEAR MARCH US\$ MI
-----			
3. OPERATING PROFIT			
Included in operating profit are the following non-cash items:			
Depreciation and amortisation			
Depreciation of property, plant and equipment	103	85	
Fellings*	13	1	
Other amortisation	1	-	
	-----	-----	
	117	86	
	-----	-----	
Fair value adjustment (gains) on plantations (included in cost of sales)			
Changes in volume	(13)	(10)	
Changes in fair value	(17)	(2)	
	-----	-----	
	(30)	(12)	
	-----	-----	
4. CAPITAL EXPENDITURE			
Property, plant and equipment	84	62	
-----			
-----			
5. CAPITAL COMMITMENTS			
Contracted but not provided			
Approved but not contracted			
-----			
-----			
6. CONTINGENT LIABILITIES			
Guarantees and suretyships			
Other contingent liabilities			
-----			

\* the amount charged against the income statement representing the standing value of the plantations harvested

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 SUPPLEMENTAL INFORMATION  
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ADDITIONAL INFORMATION

	REVIEWED QUARTER ENDED MARCH 2004 US\$ MILLION	Reviewed Quarter ended March 2003 US\$ million	RE HALF-YEAR MARC US\$ M
-----			
1. NET PROFIT TO EBITDA * RECONCILIATION			
Net profit	23	58	
Net finance costs	26	32	
Taxation - current	10	17	
- deferred	(3)	1	
Depreciation	103	85	
Amortisation (including fellings)	14	1	
-----			
EBITDA *	173	194	
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\* Earnings before interest (net finance costs), tax, depreciation and amortisation.

In connection with the US Securities Exchange Commission ("SEC") rules relating to "Conditionally Non-GAAP Financial Measures", we have reconciled EBITDA to net profit rather than operating profit. We have recalculated EBITDA to exclude interest (net finance costs), taxes, depreciation and amortisation (including fellings). As a result our definition has been amended to retain other income/expenses (previously excluded as non-trading profit/loss) as part of EBITDA. The comparative information has been restated to reflect this change in account. The effect on EBITDA for the amended definition is an increase of US\$1m for the quarter ended March 2004. There was no impact on the current quarter and half-year ended March 2003.

We use EBITDA as an internal measure of performance and believe it is a useful and commonly used measure of financial performance in addition to operating profit and other profitability measures under GAAP. EBITDA is not a measure of performance under SA GAAP. EBITDA should not be construed as an alternative to operating profit as an indicator of the company's operations in accordance with GAAP. EBITDA is also presented to assist our shareholders and the investment community in interpreting our financial results. This financial measure is regularly used as a means of comparison of companies in our industry by removing certain differences between companies such as depreciation methods, financing structures and taxation regimes. Different companies and analysts may calculate EBITDA differently and making comparisons among companies on this basis should be done very carefully.

15 2004 second quarter

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 SUPPLEMENTAL INFORMATION  
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ADDITIONAL INFORMATION (continued)

	REVIEWED QUARTER ENDED MARCH 2004 US\$ MILLION	Reviewed Quarter ended March 2003 US\$ million	REVIEWED HALF-YEAR END MARCH 2004 US\$ MILLION
<hr/>			
2. CALCULATION OF HEADLINE EARNINGS			
Net profit	23	58	
Profit on disposal of business and property, plant & equipment	-	(1)	
Mill closure costs	-	1	
Headline earnings*	23	58	
<hr/>			
Headline earnings per share (US cents)	10	25	
Weighted average number of shares in issue (millions)	226.1	229.4	228.3
Diluted headline earnings per share (US cents)	10	25	
Weighted average number of shares on fully diluted basis (millions)	228.3	232.1	228.3

\* Headline earnings disclosure required by the JSE Securities Exchange South Africa.

	March 2004	Dec 2003	Sept 2003	Jun 2003
<hr/>				
3. EXCHANGE RATES				
Period end rate: US\$1 = ZAR	6.5738	6.7951	7.1288	7.4300
Average rate for the Quarter: US\$1 = ZAR	6.8054	6.8569	7.3866	7.6300
Average rate for the YTD: US\$1 = ZAR	6.8363	6.8569	8.3300	8.6100
Period end rate: EUR1 = US\$	1.2150	1.2410	1.1475	1.1400
Average rate for the Quarter: EUR1 = US\$	1.2497	1.1887	1.1328	1.1200
Average rate for the YTD: EUR1 = US\$	1.2161	1.1887	1.0804	1.0600

The financial results of entities with reporting currencies other than the US Dollar are translated

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- Assets and liabilities at rates of exchange ruling at period end; and
- Income, expenditure and cash flow items at average exchange rates.

16 2004 second quarter

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 SUPPLEMENTAL INFORMATION  
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REGIONAL INFORMATION

	REVIEWED QUARTER ENDED MARCH 2004 METRIC TONS (000'S)	Reviewed Quarter ended March 2003 Metric tons (000's)	% change	REVIEWED HALF-YEAR ENDED MARCH 2004 METRIC TONS (000'S)	REVIEWED Half-yea Mar Metri
SALES					
Fine Paper -North America	362	343	5.5	699	
Europe	611	592	3.2	1,199	
Southern Africa	74	69	7.2	146	
Total	1,047	1,004	4.3	2,044	
Forest Products-Pulp and paper operations	373	395	(5.6)	757	
Forestry operations	341	309	10.4	658	
Total	1,761	1,708	3.1	3,459	

	REVIEWED QUARTER ENDED MARCH 2004 US\$ MILLION	Reviewed Quarter ended March 2003 US\$ million	% change	REVIEWED HALF-YEAR ENDED MARCH 2004 US\$ MILLION	REVIEWED Half-yea Mar US\$
SALES					
Fine Paper -North America	339	338	0.3	655	
Europe	556	503	10.5	1,074	
Southern Africa	72	63	14.3	143	
Total	967	904	7.0	1,872	
Forest Products-Pulp and paper operations	203	178	14.0	404	
Forestry operations	15	13	15.4	29	
Total	1,185	1,095	8.2	2,305	

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OPERATING PROFIT

Fine Paper -North America	(20)	20	-	(74)
Europe	27	42	(35.7)	42
Southern Africa	3	10	(70.0)	8
-----				
Total	10	72	(86.1)	(24)
Forest Products	48	33	45.5	83
Corporate	(2)	3	-	(3)
-----				
Total	56	108	(48.1)	56
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2004 second quarter 17

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SAPPI ORDINARY SHARES  
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[GRAPHIC OMITTED]

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ADR PRICE (NYSE TICKER: SPP) NOTE: (1 ADR = 1 SAPPI SHARE)  
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[GRAPHIC OMITTED]

2004 second quarter 18

Transfer Secretaries:

South Aftica:  
Computershare Limited  
70 Marshall Street  
Johannesburg 2001  
PO Box 61051  
Marshalltown 2107  
Tel +27 (0)11 370-5000

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

United Kingdom:  
Capita Registrars  
The Registry  
34 Beckenham Road  
Beckenham, Kent  
BR3 4TU, DX 91750  
Beckenham West  
Tel +44 (0)208 639-2157

2004 second quarter 19

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: May 21, 2004

SAPPI LIMITED,

by /s/ D.G. Wilson

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Name: D.G. Wilson  
Title: Executive Director: Finance