

Sappi sells Cape Kraft recycled packaging mill to Golden Era Group

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Following on Sappi's recent announcement of the sale of its Enstra Mill and recycled packaging business, Sappi wishes to announce the sale of its Cape Kraft recycled packaging paper Mill to the Golden Era Group. In March 2015 Sappi initiated a closed tender process after receiving many expressions of interest to buy the mill. It is expected that the transaction will close in September 2015. The disposal is not categorisable in terms of section 9.5 of the JSE Listings Requirements. Sappi will receive just short of R600m from the two transactions.

Commenting on the transaction, Sappi Southern Africa CEO Alex Thiel said: "The sale of the Cape Kraft and Enstra mills and the recycled packaging paper business is in line with Sappi Southern Africa's strategy to unlock value from non-core assets and free up resources for investment in dissolving wood pulp, virgin containerboard and other new business opportunities. The sales also support the Sappi Limited strategy to strengthen the group's balance sheet and focus on high-growth opportunities."

Golden Era Group CEO Kishor Chhita remarked: "We are very pleased to be able to acquire this top quality asset from Sappi. It will strengthen our position in the market as a service-oriented company that offers packaging solutions and will further help us to achieve our goal of creating lasting team-based partnerships with our customers."

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