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SAPPI SOUTHERN AFRICA (PROPRIETARY) LIMITED

(Incorporated in the Republic of South Africa with limited liability under registration number 1951/003180/07)

Issue of ZAR500,000,000 9.6300% Senior Unsecured Fixed Rate Note due 28 June 2016

under its ZAR5,000,000,000 Domestic Medium Term Note Programme

This Applicable Pricing Supplement must be read in conjunction with the Programme Memorandum, dated 22 June 2011, prepared by Sappi Southern Africa (Proprietary) Limited in connection with the Sappi Southern Africa (Proprietary) Limited ZAR5,000,000,000 Domestic Medium Term Note Programme, as amended and/or supplemented from time to time (the "**Programme Memorandum**").

Any capitalised terms not defined in this Applicable Pricing Supplement shall have the meanings ascribed to them in the section of the Programme Memorandum headed "*Terms and Conditions of the Notes*".

This document constitutes the Applicable Pricing Supplement relating to the issue of Notes described herein. The Notes described herein are issued on and subject to the Terms and Conditions as amended and/or supplemented by the Terms and Conditions contained in this Applicable Pricing Supplement. To the extent that there is any conflict or inconsistency between the contents of this Applicable Pricing Supplement and the Programme Memorandum, the provisions of this Applicable Pricing Supplement shall prevail.

PARTIES

1.	Issuer	Sappi Southern Africa (Proprietary) Limited
2.	Dealer(s)	Nedbank Capital, a division of Nedbank Limited
3.	Debt Sponsor	Nedbank Capital, a division of Nedbank Limited
4.	Managers	Nedbank Capital, a division of Nedbank Limited
5.	Paying Agent	Nedbank Investor Services, a division of Nedbank Limited
	Specified Address	2nd Floor, Forum IV Braampark, 33 Hoofd Street, Braamfontein, 2000, South Africa
6.	Calculation Agent	Nedbank Capital, a division of Nedbank Limited
	Specified Address	135 Rivonia Road, Sandown, Sandton, 2196, South Africa
7.	Transfer Agent	Nedbank Capital, a division of Nedbank Limited
	(a) Address	135 Rivonia Road, Sandown, Sandton, 2196, South Africa
	(b) Telefax Number	086 505 7855

PROVISIONS RELATING TO THE NOTES

8.	Status of Notes	Senior Unsecured
9.	Series Number	1
10.	Tranche Number	1
11.	Aggregate Nominal Amount:	
	(a) Series	ZAR500,000,000

(b) Tranche	ZAR500,000,000
12. Interest	Interest-bearing
13. Interest Payment Basis	Fixed Rate Notes
14. Automatic/Optional Conversion from one Interest/Redemption/Payment Basis to another	N/A
15. Form of Notes	Registered Notes: The Notes in this Tranche are issued in certificated form and lodged in the CSD under a single Global Certificate
16. Issue Date/First Settlement Date	28 June 2011
17. Business Centre	Johannesburg
18. Additional Business Centre	N/A
19. Nominal Amount per Note	ZAR1,000,000
20. Specified Denomination	ZAR1,000,000
21. Specified Currency	ZAR
22. Issue Price	100 per cent
23. Interest Commencement Date	28 June 2011
24. Maturity Date	28 June 2016
25. Applicable Business Day Convention	Modified Following Business Day
26. Final Redemption Amount	100 per cent of Nominal Amount
27. Last Day to Register	by 17h00 on 17 December and 17 June of each year until the Redemption Date
28. Books Closed Period(s)	The Register will be closed from 18 December to 27 December and from 18 June to 27 June (all dates inclusive) in each year until the Redemption Date
29. Default Rate	N/A
FIXED RATE NOTES	
30. (a) Fixed Rate of Interest	9.6300 per cent per annum payable semi-annually in arrear
(b) Fixed Interest Payment Date(s)	28 June and 28 December in each year up to and including the Redemption Date
(c) Fixed Coupon Amount(s)	N/A
(d) Initial Broken Amount	N/A
(e) Final Broken Amount	N/A
(f) Determination Date(s)	N/A
(g) Day Count Fraction	Annual/365
(h) Any other terms relating to the particular method of calculating interest	N/A
FLOATING RATE NOTES	N/A
ZERO COUPON NOTES	N/A
PARTLY PAID NOTES	N/A

INSTALMENT NOTES	N/A
MIXED RATE NOTES	N/A
INDEX-LINKED NOTES	N/A
DUAL CURRENCY NOTES	N/A
EXCHANGEABLE NOTES	N/A
OTHER NOTES	N/A
PROVISIONS REGARDING REDEMPTION/MATURITY	
31. Redemption at the Option of the Issuer:	No
If yes:	
(a) Optional Redemption Date(s)	N/A
(b) Optional Redemption Amount(s) and method, if any, of calculation of such amount(s)	N/A
(c) Minimum period of notice (if different from Condition 10.3 (<i>Redemption at the Option of the Issuer</i>))	N/A
(d) If redeemable in part:	N/A
Minimum Redemption Amount(s)	N/A
Higher Redemption Amount(s)	N/A
(e) Other terms applicable on Redemption	
32. Redemption at the Option of the Senior Noteholders:	No
if yes:	
(a) Optional Redemption Date(s)	N/A
(b) Optional Redemption Amount(s)	N/A
(c) Minimum period of notice (if different from Condition 10.4 (<i>Redemption at the Option of the Senior Noteholders</i>))	N/A
(d) If redeemable in part:	
Minimum Redemption Amount(s)	N/A
Higher Redemption Amount(s)	N/A
(e) Other terms applicable on Redemption	N/A
(f) Attach <i>pro forma</i> put notice(s)	
33. Redemption in the event of a Change of Control at the Option of Noteholders pursuant to Condition 10.5 (<i>Redemption in the event of a Change of Control</i>)	Yes
34. Early Redemption Amount(s) payable on redemption for taxation reasons or	Yes

on Event of Default (if required).

If no:

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|---|-----|
| (a) Amount payable; or | N/A |
| (b) Method of calculation of amount payable | N/A |

GENERAL

- | | |
|---|---|
| 35. Financial Exchange | JSE (Interest Rate Market) |
| 36. Additional selling restrictions | N/A |
| 37. ISIN No. | ZAG0000086836 |
| 38. Stock Code | SSA01 |
| 39. Stabilising manager | N/A |
| 40. Provisions relating to stabilisation | N/A |
| 41. The notice period required for exchanging uncertificated Notes for Certificates | N/A |
| 42. Method of distribution | Bookbuild |
| 43. Rating assigned to the Issuer | A(zaf), assigned on 5 May 2011 |
| 44. Applicable Rating Agency | Fitch Southern Africa Proprietary (Limited) |
| 45. Governing law (if the laws of South Africa are not applicable) | N/A |
| 46. Other provisions | N/A |

DISCLOSURE REQUIREMENTS IN TERMS OF PARAGRAPH 3(5) OF THE COMMERCIAL PAPER REGULATIONS

47. Paragraph 3(5)(a)

The "*ultimate borrower*" (as defined in the Commercial Paper Regulations) is the Issuer.

48. Paragraph 3(5)(b)

The Issuer is a going concern and can in all circumstances be reasonably expected to meet its commitments under the Notes.

49. Paragraph 3(5)(c)

The auditor of the Issuer is Deloitte & Touche.

50. Paragraph 3(5)(d)

As at the date of this issue:

- (i) the Issuer has issued ZAR2,500,000,000 Commercial Paper (as defined in the Commercial Paper Regulations) (which amount includes Notes issued under the Previous Programme Memorandum); and
- (ii) the Issuer estimates that it may issue ZAR500,000,000 of Commercial Paper during the current financial year, ending 30 September 2011.

51. Paragraph 3(5)(e)

All information that may reasonably be necessary to enable the investor to ascertain the nature of the financial and commercial risk of its investment in the Notes is contained in the Programme Memorandum and the Applicable Pricing Supplement.

52. Paragraph 3(5)(f)

There has been no material adverse change in the Issuer's financial position since the date of its last audited financial statements.

53. Paragraph 3(5)(g)

The Notes issued will be listed.

54. Paragraph 3(5)(h)

The funds to be raised through the issue of the Notes are to be used by the Issuer for its general corporate purposes.

55. Paragraph 3(5)(i)

The obligations of the Issuer in respect of the Notes are unsecured.

56. Paragraph 3(5)(j)

Deloitte & Touche, the statutory auditors of the Issuer, have confirmed that nothing has come to their attention to indicate that this issue of Notes issued under the Programme will not comply in all respects with the relevant provisions of the Commercial Paper Regulations.

Responsibility:


The Issuer accepts full responsibility for the information contained in this Applicable Pricing Supplement. To the best of the knowledge and belief of the Issuer (who has taken all reasonable care to ensure that such is the case) the information contained in this Applicable Pricing Supplement is in accordance with the facts and does not omit anything which would make any statement false or misleading. This Applicable Pricing Supplement contains all information required by law and the debt listings requirements of the JSE.

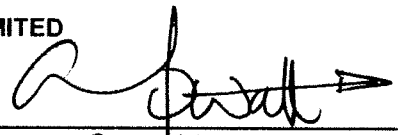
The JSE takes no responsibility for the contents of the Programme Memorandum, this Applicable Pricing Supplement, or the annual report (as amended or restated from time to time), makes no representation as to the accuracy or completeness of any of the foregoing documents and expressly disclaims any liability for any loss arising from or in reliance upon the whole or any part of the Programme Memorandum, this Applicable Pricing Supplement, or the annual report (as amended or restated from time to time). The Issuer accepts full responsibility for the accuracy of the information contained in the Programme Memorandum, this Applicable Pricing Supplement, and the annual report (as amended or restated from time to time), except as otherwise stated herein.

Application is hereby made to list this issue of Notes on 28 June 2011.

SIGNED at JOHANNESBURG on this 27th day of June 2011

For and on behalf of
SAPPI SOUTHERN AFRICA (PROPRIETARY) LIMITED


Name: _____
Capacity: Director
Who warrants his/her authority hereto


Name: EM MAMET
Capacity: Director
Who warrants his/her authority hereto