

Sappi's US\$32m profit in tough times

Pulp and fine paper products group Sappi reported a US\$32m profit for its second quarter ended March, up from just US\$2m a year ago



Ralph Boöttger, Chief Executive of Sappi says that the group has improved its performance in all three of its operating regions. Image: [PrintWeek](#)

Chief Executive Ralph Boöttger said the group achieved an improvement in the operating performance of all three of its operating regions, despite tough market conditions overall.

Earnings before interest, taxes, depreciation, and amortisation, excluding special items, were US\$171m, while operating profit excluding special items was US\$95m. There were no major special items for the quarter.

Boöttger said Sappi's emphasis on lowering costs and optimising sales in both its coated paper and dissolving wood pulp markets "have enabled us to compete effectively".

"Looking forward, we will continue to take actions in North America, Europe and southern Africa to improve our competitiveness and enable us to reduce debt," he said.

Boöttger said the group's outlook for the year remains one of significantly improved performance compared with last year.

Sappi's net debt position, which has concerned some analysts, improved in the period. Net debt was US\$2.25bn, slightly down from US\$2.38bn at the end of the first quarter.

Sales in the quarter amounted to US\$1.57bn, marginally higher than the US\$1.50bn a year earlier.

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