

General Session I

Monday - May 23, 2011

AFRICA

Matt Spence



SAPPI – South Africa
General Manager Marketing

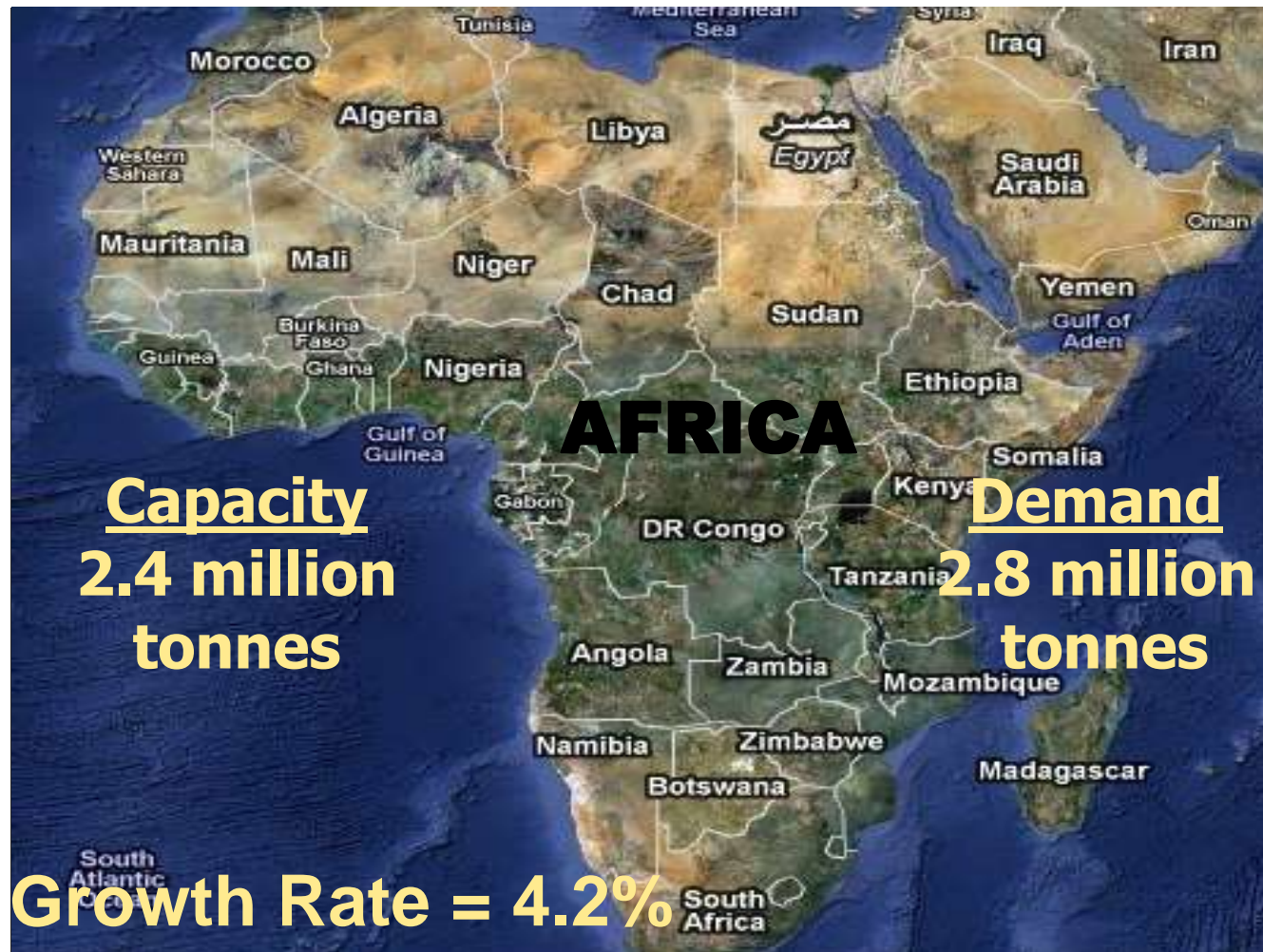
Klaus Spielmann



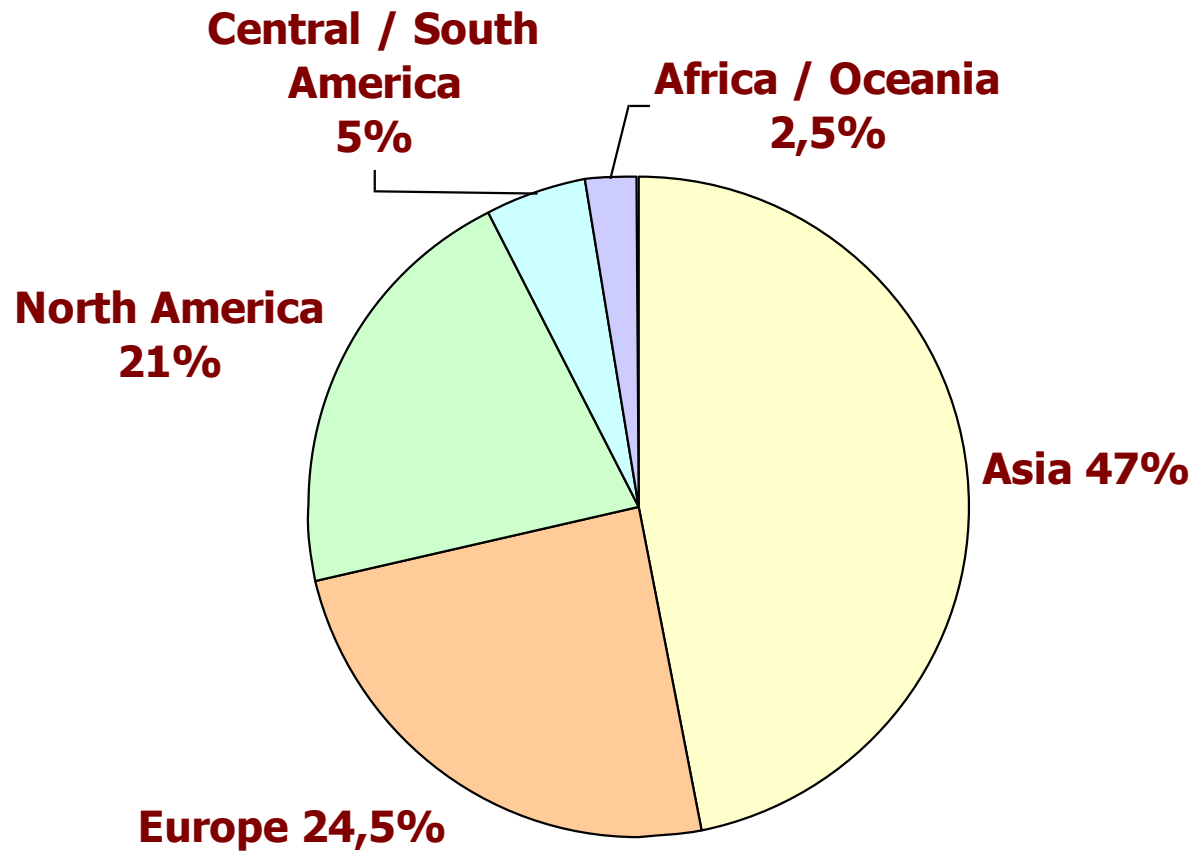
World Containerboard Organisation
Managing Director



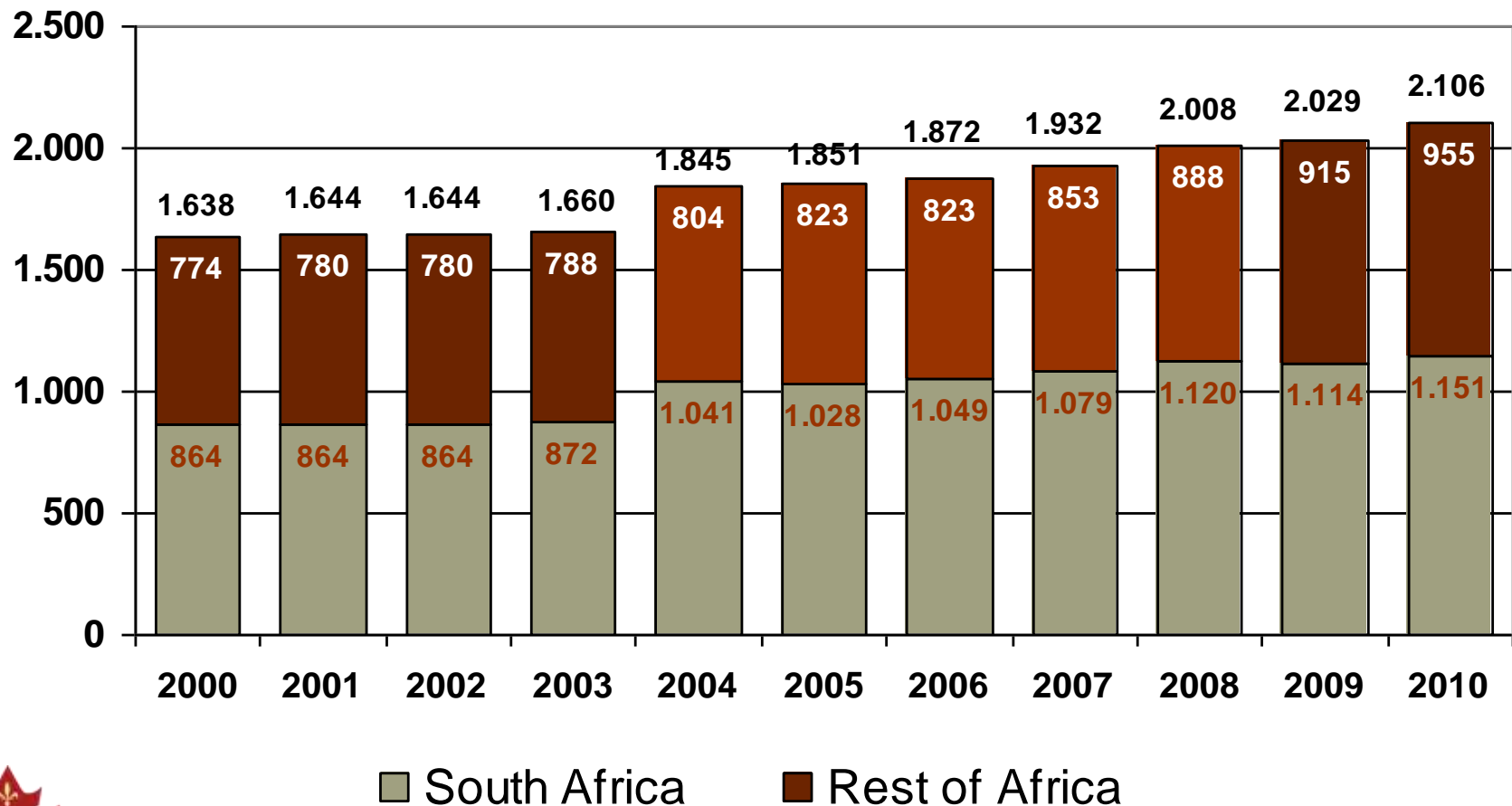
Africa - Containerboard Supply and Demand



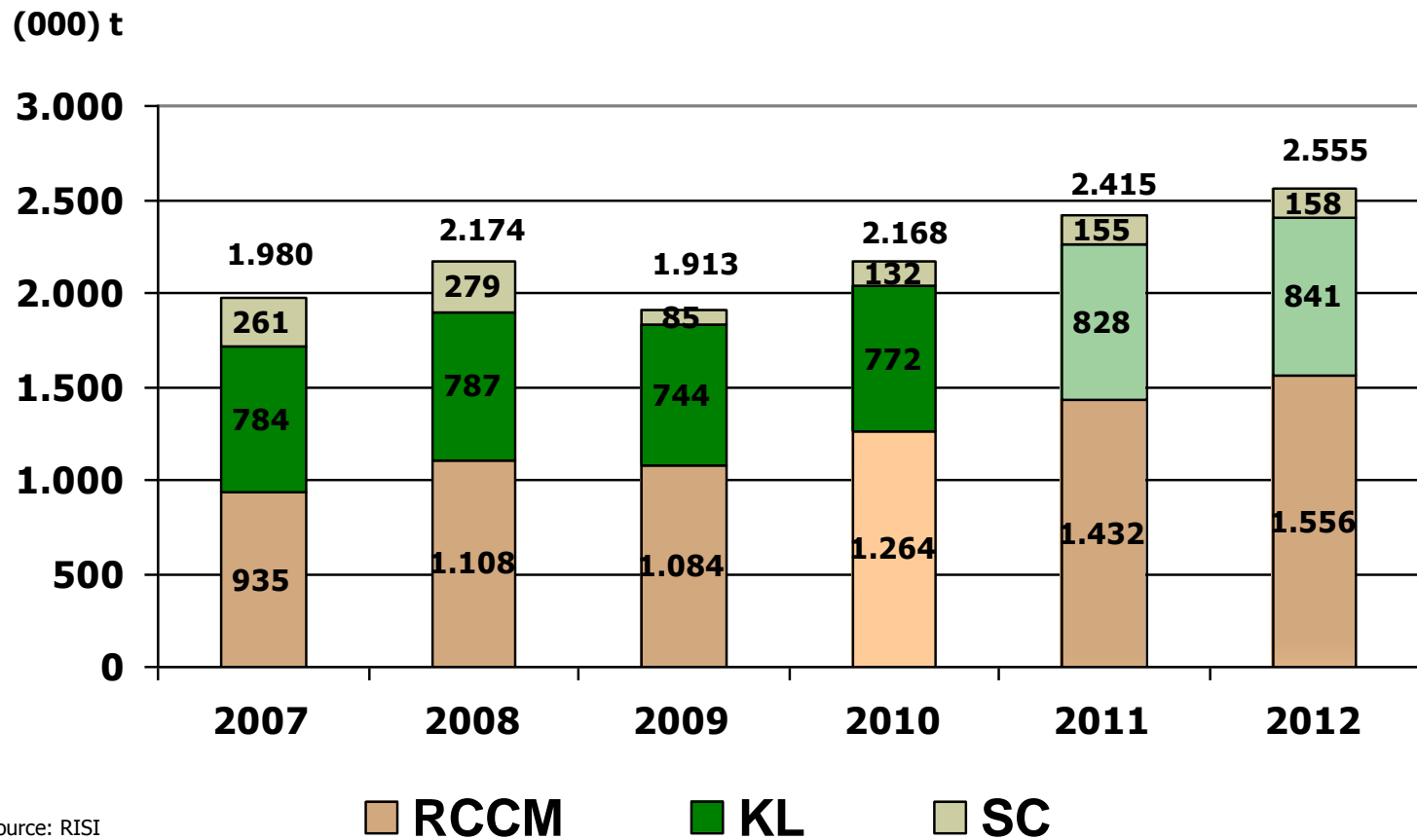
Regional Share of Corrugated Board 2010 Production / Shipments



Africa – Corrugated Board Development Production in Million m² (ICCA)



Africa - Production of RCCM, KL and SC

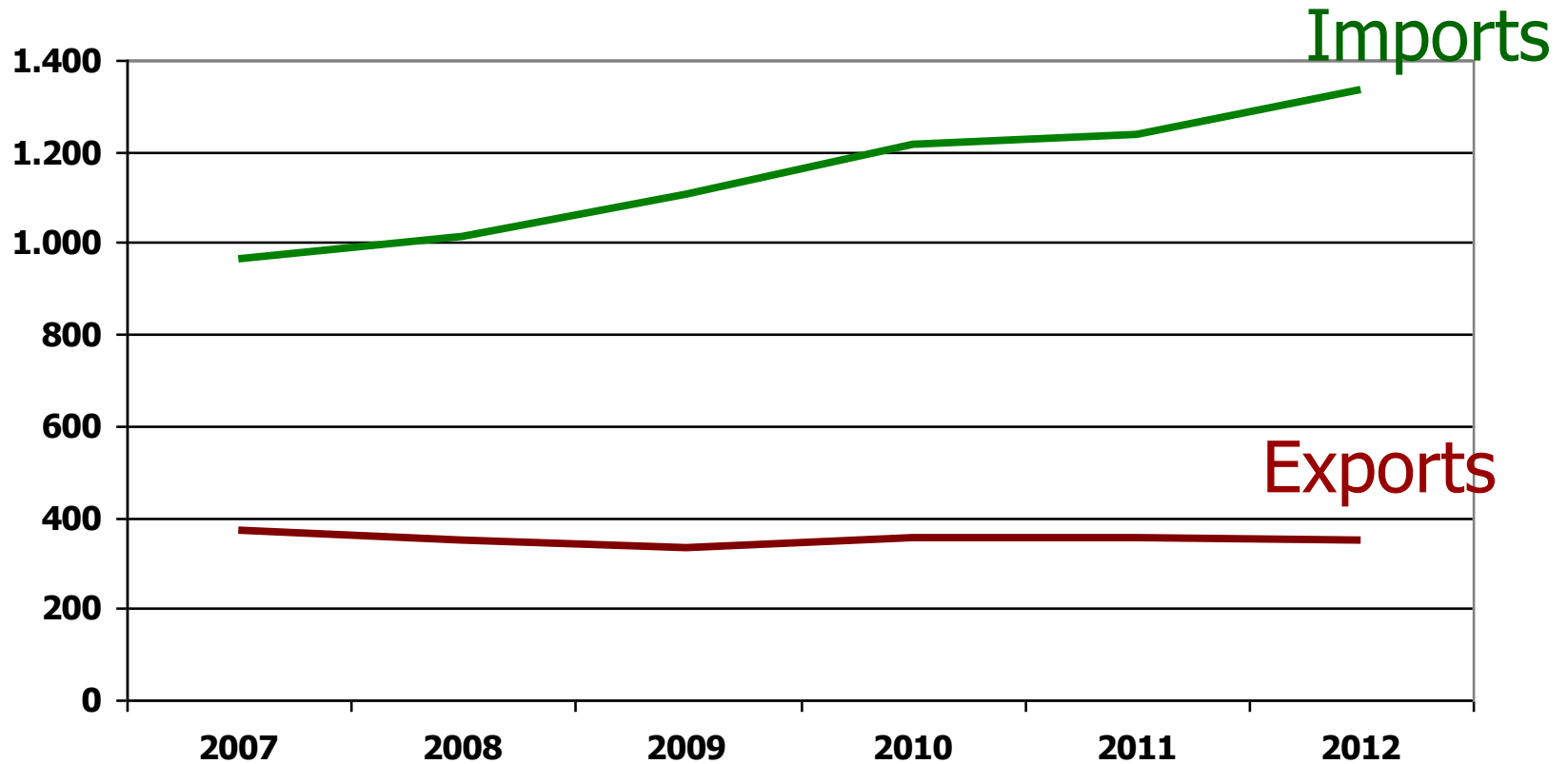


Source: RISI



Africa - Containerboard Imports - Exports

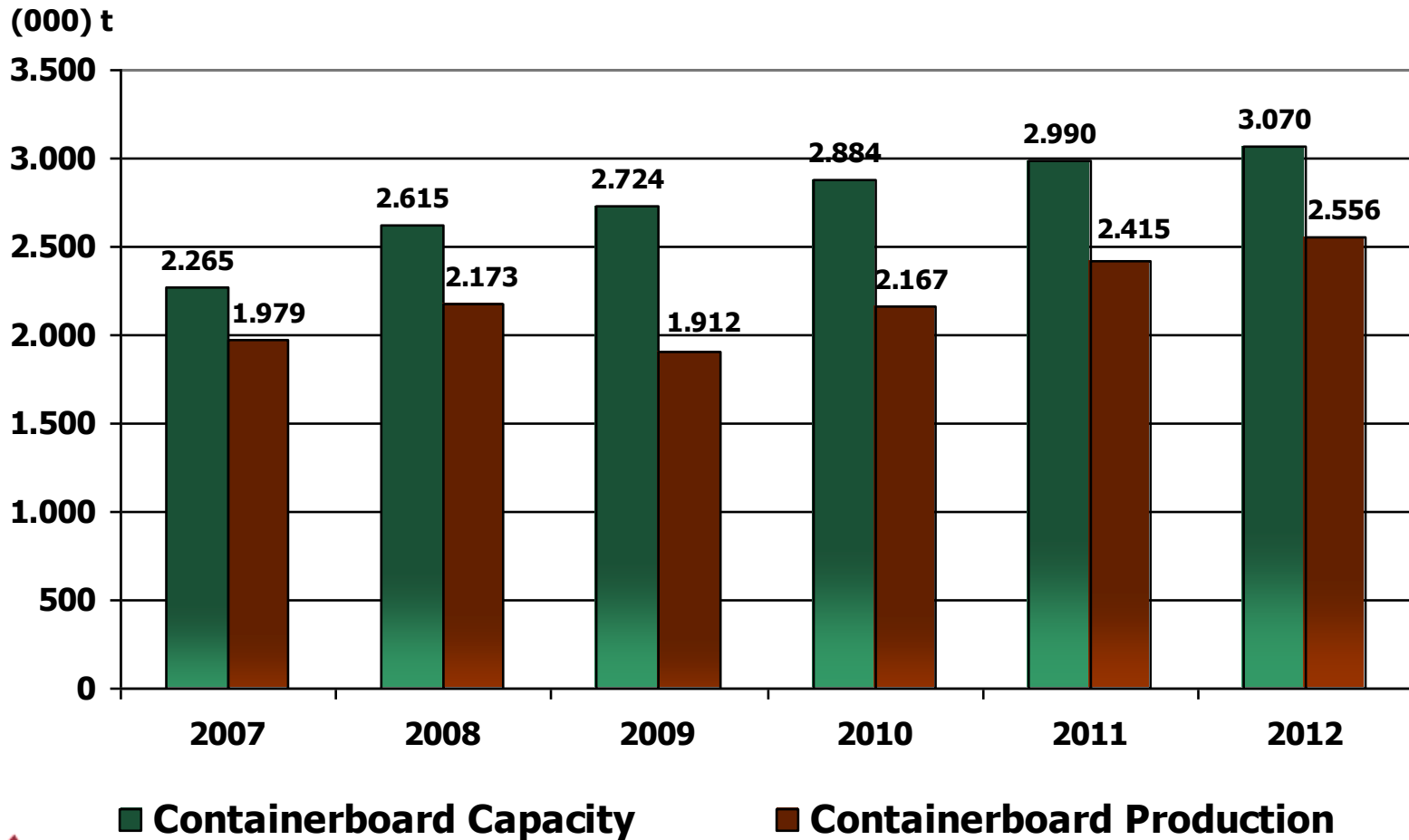
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Source: RISI



Africa - Containerboard Capacity vs. Production



Source: RISI



South Africa

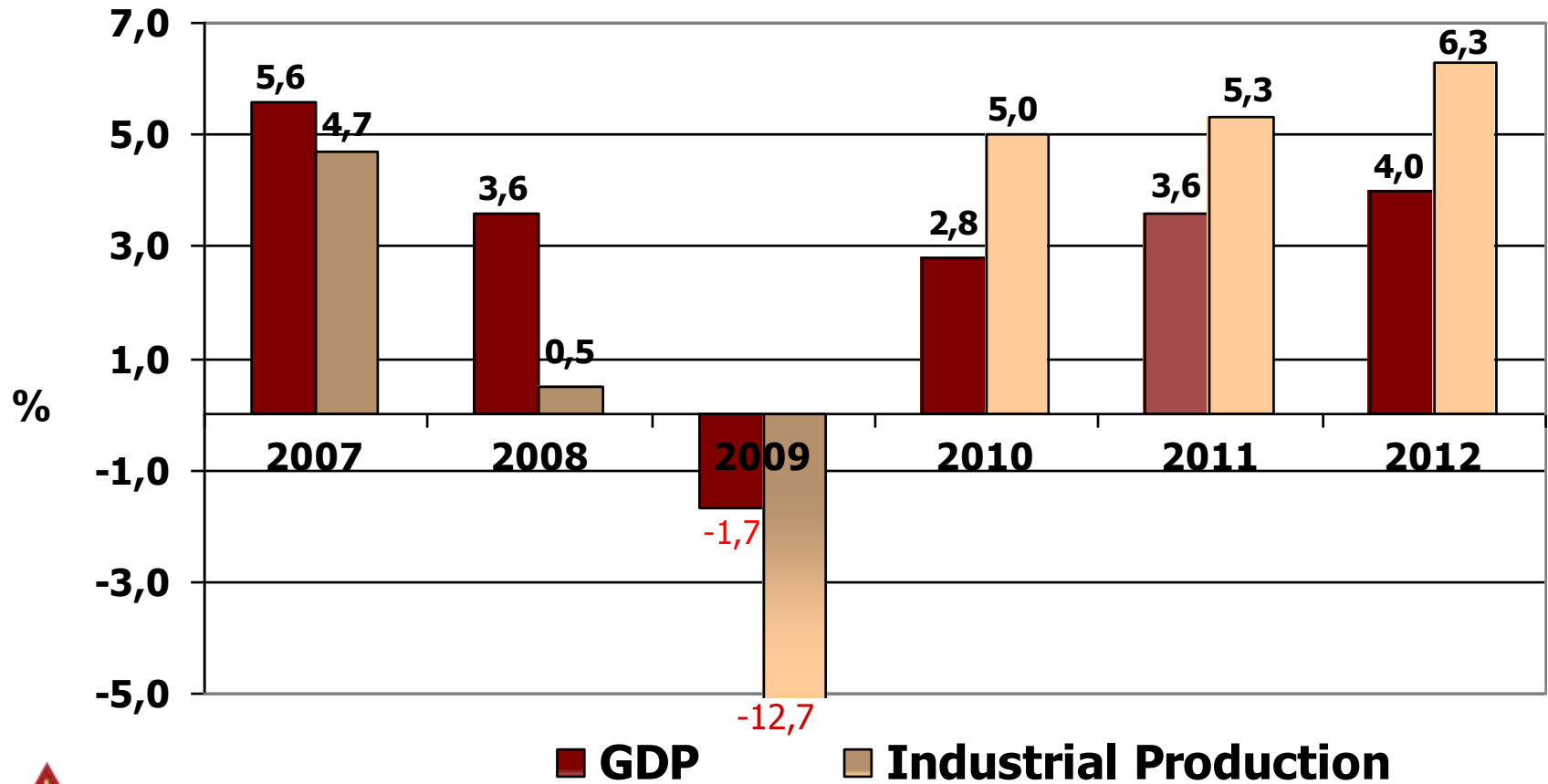
● Statistics

- **Population = 49m (Total Africa = 1 Billion)**
- **Forestry = 1,72 Hectares (3,69%)**
- **Pulp production = 2.700m tonnes pa**
- **Paper production = 3.000m tonnes pa**
- **33 pulp and paper mills**
- **Per capita consumption = 55kg (50% recovered)**



South Africa

GDP & Industrial Production Development

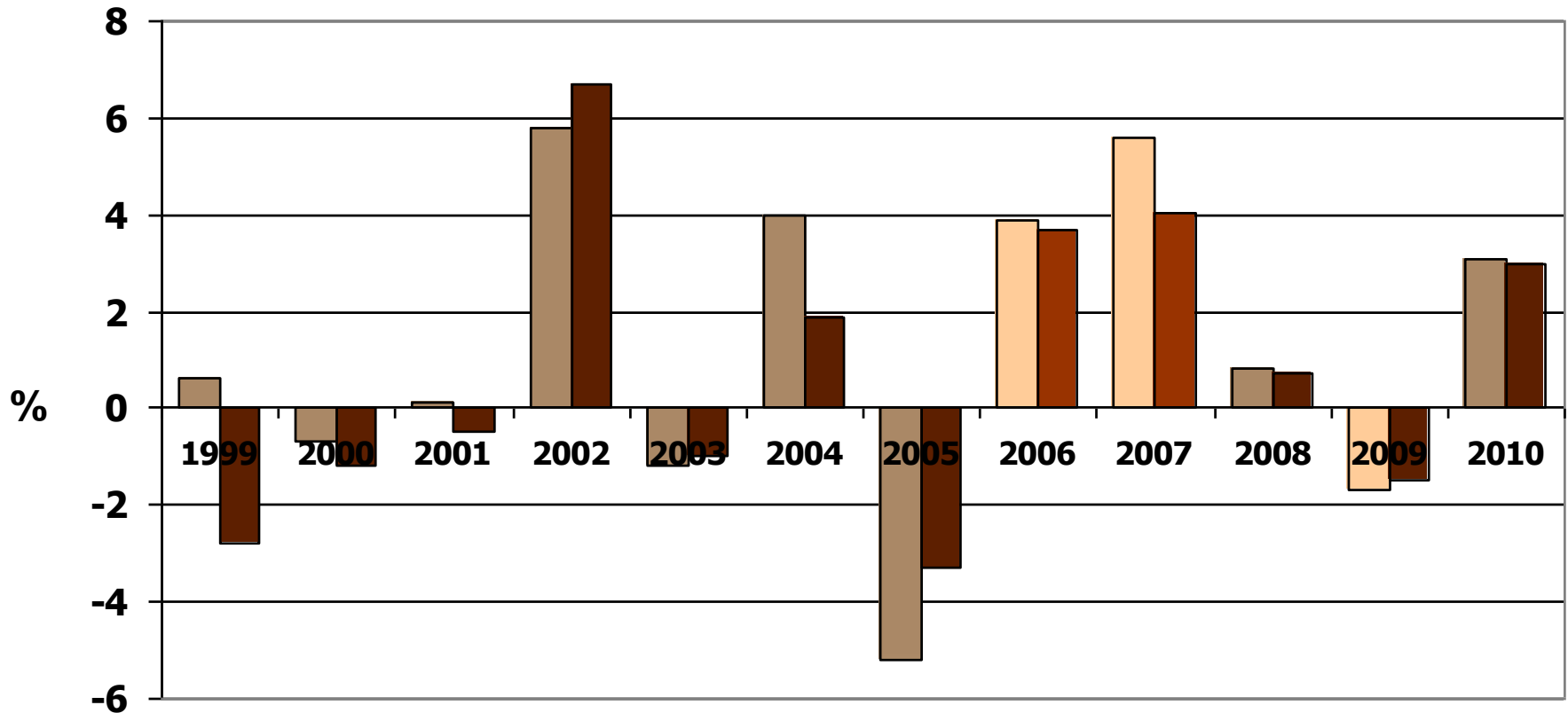


(Consensus)



South Africa

Corrugated Growth Statistics



■ Mass of corrugated

■ Board SQM



South Africa

● Main Containerboard Players

➤ Sappi	630 kt
➤ Mondi	465 kt
➤ Nampak	150 kt
➤ Other integrated	<u>131 kt</u>

Total 1.376 kt



CCM PRODUCTION IN SOUTH AFRICA

	2009 Capacities	Current Output	Long run Output	Notes
Waste Only	336	240	270	
Gayatri	70	40	50	
Nampak Rosslyn	100+50	100	100	Assume closure of old machine
Sappi Cape Kraft	60	60	60	
Sappi Adamas	5	5	5	
SA Paper Mills	15	15	15	
Lothlorien	36	10	20	
Source: Mondi Swazi	0	10	20	Machine relocated to Durban



CCM PRODUCTION IN SOUTH AFRICA

	2010 Capacities	Current Output	Long Run Output
Mixed	280	280	280
Mondi Piet Retief PM4	130	130	130
Mondi Felixton PM3	150	150	150
Virgin	760	700	760
Richards Bay PM42	240	240	240
Ngodwana	240	240	240
Tugela PM1	60	0	60
Sappi Tugela PM2	220	220	220
Total	1 376	1 220	1 310

Source: Mondi



CORRUGATED PAPER & BOARD CONSUMPTION

- BMI reports show mill sales of 700 ktons of CCM to corrugated converters in 2010.
Includes a yield of approximately 90% (i.e. 10% paper losses in corrugated converting)

CCM Sold to Corrugators Tons x 1 000	2010	%	Virgin Fibre	Waste Fibre
Liner	440	63%	300	140
Fluting	260	37%	100	160
Total CCM	700	100%	400	300
Source: BMI / Mondi			57%	43%



South Africa - CONVERTER PACKAGING PAPER & BOARD MARKET

Tons x 1000 *	2007	2008	2009	2010	% Split	2011
Corrugated	577	597	631	636	66.2%	645
Cartonboard	132	139	141	145	15.1%	
Sacks	75	74	75	75	7.8%	
Bags	16	17	19	20	2.1%	
Cores & Tubes	39	39	38	36	3.7%	
Moulded Paper	29	30	31	33	3.4%	
Wrapping	13	14	15	16	1.7%	
	881	909	950	961	100%	

Source: BMI / Mondi

* Total ex converter sales of paper & board in SA





**THANK YOU
FOR YOUR ATTENTION.....**

