

# Irish packaging firm snubs sweetened US bid

LONDON, England - Ireland's Smurfit Kappa, which makes cardboard and paper packaging, said on Monday that it has rejected an improved €8.9-billion (\$11-billion) bid from US peer International Paper.



Image credit: Smurfit Kappa

London-listed Smurfit, which had earlier this month snubbed an initial €8.6-billion bid, said in a statement that the latest offer also failed to reflect its value, track record and prospects.

The improved cash-and-stock bid - pitched at €37.54 per share - was therefore inadequate, it added. "The board has unanimously rejected the revised proposal," Smurfit said in its statement.

"The board is resolute in its belief that the best interests of the group's stakeholders are served by pursuing its future as an independent company, operating as the European and pan-American leader in paper-based packaging.

"The revised proposal also fundamentally undervalues the group."

International Paper responded with a statement detailing the revised proposal. The US giant added that the "combination of two highly complementary businesses has compelling strategic and financial rationale".

The group "remains willing to move quickly and cooperatively to engage with Smurfit Kappa with a view to achieving a

recommended transaction".

Dublin-based Smurfit employs about 46,000 staff in 35 countries dotted around the world. The company's annual sales stood at about €8.6 billion in 2017.

International Paper is headquartered in Memphis, Tennessee, in the southeastern United States. It has a global workforce of 56,000 and annual revenues of around \$21.7 billion.

*Source: AFP*

For more, visit: <https://www.bizcommunity.com>