

# Mondi to buy US Graphic Packaging International for \$105m

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London- and JSE-listed paper and packaging company Mondi said that it would buy the US industrial bag and kraft paper business of Graphic Packaging International.



Workers inside Graphic Packaging International's Arkansas plant have revised a way to reduce 'make-ready' waste. Image: [Pack Print World](#)

The company said the deal would cost \$105m and would be paid through a combination of debt and cash.

Mondi has shifted away from traditional paper in favour of packaging in recent years. It has production operations in 30 countries with the group's key operations in central Europe, Russia and South Africa. The company employs more than 25,000 people.

Mondi said Graphic Packaging International was a leading company in the production and distribution of kraft paper and bags in the US.

"The production base comprises an integrated kraft paper mill located in Pine Bluff, Arkansas, with production capacity of 135,000 tons a year, and nine bag plants across the US.

"The business generated unaudited pro forma sales of \$437m in the 12 months ended March," Mondi said.

Mondi reported a record financial performance in the year to December last year. Underlying operating profit rose 22% and underlying earnings rose 37% in the period.

Mondi has benefited from currency weakness in some of the emerging markets in which it operates, most significantly South Africa.

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