CPI gives Finnish company power to expand

New company to be world's largest paper and board producer

Stora Enso Oyj, Helsinki, Finland, today said it has reached an agreement to acquire Consolidated Papers Inc. for $4.8 billion, including assumed net debt of $0.9 billion.

Tim Laatsch, vice president of communications for CPI, said a press conference is scheduled in Wisconsin Rapids no earlier than 9 p.m. tonight, when George W. Mead, chairman of the board, returns from Helsinki.

The transaction has been unanimously approved by the boards of directors of both companies but is subject to the approval of the shareholders of both as well as a regulatory approval, Stora Enso said in a press release.

The combined enterprise will be the largest producer of paper and board by capacity worldwide, with total 1999 sales of about $1.2 billion and total paper capacity of about 16.7 million tons.

According to a press release issued at about 5 a.m. today, Stora Enso's strategic rationale for the acquisition includes the opportunity to expand into the world's largest paper market, by acquiring the prime coated and supercalendered paper producer with leading margin positions in Stora Enso's core paper grades, and creating a powerful North American platform for further growth.

In Europe, Stora Enso is one of the two leading producers of lightweight coated and supercalendered paper used in the production of high-quality fine papers used in higher quality publications, such as newspapers and marketing brochures.

Please see next page for CPI story.

Community leaders hopeful European company will maintain social conscience of CPI

By MELISSA A. LAKE
Tribune Staff Writer

Rumours swirled for weeks, like wood chips blowing off a truck.

Today, it became reality.

Stora Enso of Helsinki, Finland, has purchased Consolidated Papers Inc., the area's largest employer. Area officials, on hearing the news early today, expressed concern.

"Oh my God," said state Rep. Martin Schneider, D-Wisconsin Rapids. Schneider was awakened by a Daily Tribune reporter at his Madison residence.

"My first thought was that it's frightening for the people who work there, and for us, because of the uncertainty that comes with change," he said. "Hopefully, this company (Stora Enso) will not be anti-union or want to make significant reductions in the work force."

Mayor Vern Ors "Bud" Verjusky said the latest rumor he had heard named Mead Corp., Dayton, Ohio, as the likely CPI suitor. "CPI has been here for such a long time," he said. "It has provided a lot of employment for the community, and it has done a lot of good for the community."

It's the uncertainty that's unsettling, Verjusky and Schneider said.

"I know a lot of people out there are a little uneasy right now," Verjusky said. "I can only hope everything will continue on as it has in the past."

Ruth Ventreurre, executive director of River Cities Development Corp., said corporate change can be challenging.

"I think the community has been trying to prepare itself for the changes that have been happening and are happening in the paper industry, and it will get worse."

She said the news was "disappointing" but not surprising.

"We've always wanted what CPI did in the community, and the Meads have always been interested in the community," she said. "You could always count on the Meads to help out in a pinch."
Shares converted at $44 value

Stockholders will have 3 options under settlement

According to a press release issued today, the deal, which involves the terms of the agreement between Consolidated Paper Co. and the U.S. Government, will enable shareholders of the company to choose one of the following:

1. **A repurchase of the common stock at the $44 per share price.** Each share of common stock will be repurchased at the $44 per share price, and the company will use its cash reserves for this purpose.

2. **A subscription agreement with a syndicate of major investors in the paper industry.** Each share of common stock will be sold to major investors at the $44 per share price. The company will use its cash reserves to facilitate the sale of the common stock.

3. **A subscription agreement with a syndicate of major investors in the paper industry.** Each share of common stock will be sold to major investors at the $44 per share price. The company will use its cash reserves to facilitate the sale of the common stock.

It is expected that the settlement agreement will be presented to the shareholders for approval at the company's annual meeting scheduled for next month.

Local ownership defined company's 96-year history

By MARK SCARBOROUGH

Consolidated Papers Inc. traces its history to 1850 and has been a major player in the Wisconsin-River valley division of the pulp and paper industry. The company, which was founded as Wisconsin Rapids Paper Co., has been a significant contributor to the local economy for over a century. Today, the company is a leading producer of pulp and paper products, including newsprint, offset paper, and pulp. The company has been a leader in the development and production of sustainable forestry practices, and it is a strong advocate for the local and regional economies. The company's history is a testament to the importance of local ownership in the development and growth of the pulp and paper industry in Wisconsin.