

## Unilever Heads Back to the Drawing Board after Takeover Bid is Withdrawn

By Olivia Poppens, J.D. Candidate 2019 | March 7, 2017

[Unilever](#), a British consumer goods company, is exploring alternative methods for expansion after Kraft Heinz withdrew their [\\$143 billion](#) takeover bid in February. The takeover would have created an industry stalwart and giant within the packaged food and consumer goods realm. The original offer intended to pay shareholders [\\$50 a share](#) in a cash-stock combination.

A [Kraft Heinz-Unilever](#) merger would combine the fifth- and third-largest consumer food firms, combining industry giants like Ben & Jerry's with Heinz ketchup and the classic Kraft Macaroni & Cheese.

However, the board of Kraft Heinz (a board that includes some of the world's most prominent billionaires like Warren Buffett) decided to rescind its offer 48 hours after Unilever [rejected the billion-dollar offer](#). Unilever said that the offer, which was a roughly 18% premium on the company's stock price at the time, was too low and declined to negotiate. Ultimately, Kraft Heinz was wary to engage in a lengthy fight for Unilever despite the potential benefits of the mega-merger.

After the withdrawal, Unilever sent out a press release regarding its hope to conduct a comprehensive review of options [“available to accelerate delivery of value for the benefit”](#) of their shareholders. Additionally, stocks for both companies shot up the Friday of the announcement with Unilever stock rising [3% in London and Amsterdam](#). Unfortunately, that next Monday stocks for Unilever [dropped sharply](#).

Had the merger been completed, it would have been the largest since Vodaphone's \$183B merger with Mannesmann in 2000.