

# Starbucks Drives Single Tea Brand Strategy with Teavana; Sells Tazo Brand to Unilever

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Starbucks to sharpen its focus on its up-leveled tea strategy with Teavana, furthering its growth and innovation in the super premium tea category

Seattle, Nov. 2, 2017 –Starbucks (NASDAQ: SBUX) today announced entry into a definitive agreement for Unilever to acquire the assets of the Tazo brand including its signature recipes, intellectual property and inventory for \$384 million. In turn, Starbucks will drive a single tea brand strategy and focus with its super premium tea brand, Teavana.

Founded in 1994, and purchased by Starbucks in 1999 for \$8.1 million, Tazo is an iconic tea brand sold primarily in grocery, mass and convenience channels, offered in formats including packaged teas, K-Cup® pods, and bottled ready-to-drink teas.

Starbucks will continue to invest in the growth, innovation and development of the Teavana brand of teas in its stores and in channels outside its stores. The tea category in Starbucks stores continues to grow double-digits globally, with Starbucks well on its way to building the Teavana business to over \$3B over the next five years. In the past 12 months alone, Starbucks has sold more than \$1.6B of Teavana beverages in Starbucks stores, launched ready-to-drink premium Teavana® Craft Iced Teas through its partnership with Anheuser-Busch InBev and plans to enter the packaged tea category in 2018.

“Over the past five years, we have established Teavana as our primary global brand focused on the premium tea segment. With our growth strategy for premium tea exclusively focused on Teavana, we are pleased to transition our Tazo business to Unilever,” said Kevin Johnson, president and chief executive officer, Starbucks. “We continue to see significant growth in our tea business through our Teavana brand, and this transition supports our strategy to elevate the premium tea experience for our customers.”

The transaction is expected to close during the fourth calendar quarter of 2017, with complete transition between the two companies by the end of calendar year 2018, subject to regulatory approval.

## About Starbucks

Since 1971, Starbucks Coffee Company has been committed to ethically sourcing and roasting high-quality arabica coffee. Today, with more than 25,000 stores around the globe, Starbucks is the premier roaster and retailer of specialty coffee in the world. Through our unwavering commitment to excellence and our guiding principles, we bring the unique Starbucks Experience to life for every customer through every cup. To share in the experience, please visit our stores or online at [news.starbucks.com](https://news.starbucks.com) and [Starbucks.com](https://starbucks.com).

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