

## Coca-Cola to acquire British chain Costa Coffee for \$5.1bn

**Owner of Costa Limited has agreed to sell Britain's biggest coffee chain to the Coca-Cola Company for \$5.1 billion.**

Costa operations include a leading global brand, nearly 4,000 retail outlets with highly trained baristas, a coffee vending operation, for-home coffee formats and Costa's state-of-the-art roastery. It will give Coca-Cola a strong coffee platform across parts of Europe, Asia Pacific, the Middle East and Africa.

Whitbread said that it intends to return a significant majority of net cash proceeds to shareholders.

"This transaction is great news for shareholders as it recognises the strategic value we have developed in the Costa brand and its international growth potential, and accelerates the realisation of value for shareholders in cash," said Alison Brittain, Chief Executive of Whitbread.

Costa has a solid presence with Costa Express, which offers barista-quality coffee in a variety of on-the-go locations, including gas stations, movie theaters and travel hubs.

With coffee a steadily growing segment in most markets, including the convenience store business, Coca-Cola is ensuring a strong expertise across the coffee supply chain, including sourcing, vending and distribution.

"Hot beverages is one of the few segments of the total beverage landscape where Coca-Cola does not have a global brand. Costa gives us access to this market with a strong coffee platform," said Coca-Cola President and CEO James Quincey. Read Quincey's [commentary on the announcement](#).

Worldwide, coffee remains a largely fragmented market, and no single company operates across all formats on a global basis. Coca-Cola will be pushing to change that.