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Tata Global Beverages | Rs.110

Global aspirations in a futuristic business!

Market Capitalization of Tata Global Beverages (TGFL) is Rs.6800 Cr, which is almost equal to current year revenue, while good FMCG companies are quoting at 3 to 5 times sales. With over 200 years of history and heritage, Tata Global Beverages (Tata Tea) has evolved from a predominantly Indian tea farming company to become a marketing and brand focused global organisation with a portfolio of strong brands:

Tata Tea: Tata Tea is a 'superbrand' in India, with regional brands – Tata Tea Premium, Kannan Devan, Chakra Gold, Agni, Gemini, Life and Tata Tea Gold.

Tetley: Enjoyed in 70 countries worldwide with market leadership in the UK and Canada.

Good Earth: One of the first American herbal tea companies and leader in specialty teas.

Tata Coffee: The well-known brands include Mr Bean, Mysore Gold, Coorg Pure, Tata Cafe and Tata Kaapi. The coffees are grown on 19 estates mostly in Coorg.

Eight O'clock Coffee: This is the best-selling whole-bean coffee in the United States.

Himalayan Water: The water is sourced directly from an underground aquifer located about 120 metres below the earth's surface in the Shivalik range of the Himalayas, and is bottled at the source. Water has potential to become a Billion Dollar business!

T!on: A new 'good for you' cold beverage launched in India recently.

Other Valuable Brands: **SUKK** - a jelly drink, **T4KIDZ** - caffeine-free kids beverage, **Jemca** - leading tea brand in the Czech Republic, **Grand** - one of Russia's leading beverage brands and **Vitax** - a fruit and herbal tea brand in Poland.

Ratan Tata's vision is to transform TGBL into a large global beverages company focusing on health and nutritious products. Management aspire to boost revenue by 3 times to over Rs.20,000 Cr in 5 years by introducing new products and by acquiring brands and companies.

TGBL's balance sheet is strong and healthy after the divestment of Glaceau stake to Coca-Cola for \$1.2 billion, pocketing a neat profit of about \$523 million in 2007. A merger with Tata Coffee and Mount Everest Mineral Water is expected any time as part of consolidating all the brands, which would be a positive trigger. Honest management, ambitious growth plans and the futuristic business will drive wealth creation in TGBL, rewarding shareholders.