

Starbucks Opens State-of-the-Art Premium Reserve Roastery Experience in Shanghai with the First Fully Immersive Coffee Wonderland in China

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New multi-sensory retail experience offers customers an immersive:

- manufacturing and cafe environment including roasting, packaging and brewing;
- integrated offline and online augmented reality (AR) digital experience; and
- debut of food freshly baked onsite by Italian food purveyor, Rocco Princi for the first time ever in China

China is Starbucks fastest growing market with a store opening every 15 hours, marking immense opportunity across the country which is unparalleled for any other global consumer brand

The Starbucks Foundation and Starbucks China reaffirms commitment to the China market announcing a social impact commitment of \$20 million USD (RMB 132 million) over the next five years

SHANGHAI--(BUSINESS WIRE)-- Starbucks Reserve Roastery in Shanghai, the first fully immersive coffee experience in Asia, will celebrate its historic opening tomorrow, Dec. 6, culminating in Starbucks Coffee Company's (NASDAQ: SBUX) most ambitious project ever. When the doors open to the world's second Starbucks Roastery, created three years after the inaugural Seattle Roastery, customers will be greeted by a multi-sensory coffee experience in an interactive coffee and retail destination like no other.

This press release features multimedia. View the full release here:

<http://www.businesswire.com/news/home/20171204006204/en/>

New Starbucks Reserve Roastery in Shanghai, China, is the first fully immersive coffee and retail experience in Asia. (Photo: Business Wire)

The Roastery is the epitome of coffee and retail innovation for Starbucks in China, the

company's fastest growing market with more than 3,000 stores across 136 cities, unprecedented for any global consumer brand and with immense growth opportunity. Starbucks already has over 600 stores in Shanghai – the largest number of stores in any city where Starbucks has a presence.

As customers enter the Roastery and step through the front doors of the 2,700 square-meter (30,000 square-foot) building, they'll be greeted by the stunning sight of a two-story, copper cask, adorned with more than 1,000 traditional Chinese chops, or stamps, hand-engraved to narrate the story of Starbucks and coffee. As part of their experience, customers can visit many attractions including one of three coffee bars offering multiple brewing methods, explore specially-crafted teas at the 3-D printed tea bar, enjoy freshly baked Italian artisanal food by Princi, and marvel at the ceiling made of 10,000 handmade wooden hexagon-shaped tiles, inspired by the locking of an espresso shot on an espresso machine.

And, all along the way, customers can point their mobile devices around the Roastery for even more moments of discovery as they immerse themselves in the augmented reality (AR) experience. Integrating this technology into the store, located at 789 Nanjing Road W., in one of the world's busiest shopping destinations, makes it one of the most advanced digital locations for Starbucks in the world.

"The affinity we have built with our partners (employees) and customers over the past 18 years in China is special and we knew we must bring the Reserve Roastery, our boldest, most premium store ever, to Shanghai, China's bustling metropolitan hub and one of the world's most dynamic retail destinations, as well as a gateway to customers from across Asia and the world," said Howard Schultz, executive chairman of Starbucks Coffee Company. "We've created a space that both recognizes and celebrates our 46-year history of coffee leadership and retail innovation with China's rich, diverse culture."

A Theater of Coffee with a Chinese Focus

For the first time ever, unique, small-lot Reserve coffee which Starbucks sources from more than 30 countries around the world, including coffee from China's Yunnan Province, will be roasted in China by eight highly trained Chinese coffee roasters – passing on 46 years of Starbucks roasting expertise to the first batch of Chinese roasters. Customers can watch the green beans as they are roasted, then sent through copper "symphony" pipes (named because of the musical sound the beans make as they travel through them) directly to silos at the coffee bars, where customers can enjoy a fresh cup of Reserve coffee, or to the in-house pack line to be packaged for distribution across Starbucks Reserve® stores in China.

The three wooden coffee bars, including one that is 27 meters (88 feet long) – the longest at any Starbucks, are handcrafted by premiere Chinese artisans and reference the unique roasting curve of individual coffee beans, executing the Roastery's design vision of Liz Muller, senior vice president of creative global design for Starbucks. The bars serve as the stage where hundreds of baristas will handcraft some of the rarest, small-lot coffees in the world using one of six brewing methods: ModBar® Pour Over, Chemex, Coffee Press, Siphon, Espresso and, the proprietary, Clover-brewed coffee.

The Yunnan Reserve coffee, grown in Pu'er in Yunnan Province, is roasted and available exclusively at the Roastery in Shanghai. It's the culmination of Starbucks ongoing, deep commitment to Chinese growers. Since 2012, agronomists at the China Starbucks Farmer Support Center have worked closely with farmers and the government to provide resources and expertise to improve quality and promote sustainable coffee-growing practices. Like the Shanghai Roastery, the Yunnan Reserve coffee truly is made "In China, For China." The introduction of Yunnan Reserve coffee also signifies an important step in completing the Starbucks China supply-chain, delivering premium coffee from bean-to-cup, and now introducing a rare, exquisite yellow honey processed cup of Yunnan coffee to a global audience.

A Groundbreaking Digital Experience

The Shanghai Roastery will become the first Starbucks location, and the first-of-its kind in China, to seamlessly integrate a real-time, in-store and online customer experience. Roastery customers are invited to immerse themselves in the first Starbucks augmented reality (AR) experience - accessible through the custom-designed Roastery digital web-app platform or on Alibaba's Taobao app - by simply pointing their mobile devices at key features around the Roastery to bring to life information about the Starbucks bean-to-cup story. To help customers create their personal Roastery discovery journey, the Roastery digital web-app platform also incorporates a digital menu and will intuitively, through AR technology, share details of the coffee bars, brewing methods, as well as other not-to-be-missed unique online and offline experiences. Each step of the way, customers unlock a virtual badge and once all badges are earned, they receive a custom Roastery filter to commemorate the moment and share on social media. The Shanghai Roastery digital experience is designed by Starbucks and powered by Alibaba Group's scene-recognition technology.

This experience also extends to Alibaba's online marketplace, Tmall, allowing customers to purchase Shanghai Roastery and Reserve branded merchandise and whole bean coffee for delivery directly to their homes, or to register for specially-curated coffee tasting experiences that can be enjoyed at the Starbucks Roastery in Shanghai.

Princi, Italian Artisan Bakery Comes to Asia

At the Shanghai Roastery, acclaimed baker Rocco Princi combines the craft of bread baking, exceptional ingredients and the "Spirito di Milano" to bring his artisanal offerings to Asia for the first time. Princi, famed for bakeries in Milan and London, joins the premium Starbucks Reserve® brand as the exclusive food pairing to its rare, small-lot coffees. Princi is the exclusive food offering in all Starbucks Roastery locations, including Seattle, Shanghai and upcoming locations.

"Rocco and his team's passion for handcrafted food and artisanal baked goods at Princi mirrors how I feel about our coffee," said Schultz. "His attention to detail, meticulous care in selecting the freshest, high-quality ingredients

and the artistry of preparation creates an Italian food experience that perfectly pairs with our most premium coffees. I look forward to seeing Princi's success in Seattle further extend to our Roastery in Shanghai."

In Shanghai, a team of more than 30 skilled Chinese bakers and chefs bring artisan baking to life using exceptional ingredients sourced specifically for each fresh food offering. Much like Rocco's European locations, the Shanghai site is centered around ovens, with more than 80 different menu items – from flaky cornetti to focaccia sandwiches filled with Parma ham and Italian mozzarella – for breakfast, lunch and dinner, baked fresh onsite. A Commessa (or culinary concierge) will guide customers through the breadth of offerings.

A tribute to China's tea culture

The new Shanghai Roastery features China's first Starbucks® Teavana Bar, an entirely modern tea experience specifically designed for Chinese customers. While demonstrating deep respect for the thousands of years of Chinese tea tradition, the Starbucks® Teavana Bar reimagines a modern tea experience for customers who increasingly seek new and different tastes and experiences. Customers to the tea experience bar can select a Teavana signature pure tea or blend, served either hot or iced. Using only the finest tea ingredients in the world, tea curators handcraft unexpected creations with tea mixology as well as nitrogen and tea. For those interested in experiencing a whole new brewing method, the Steampunk brings together science and theater. Watch tea leaves dance in the water, while steam extracts every nuanced flavor in one of tea's most dynamic moments.

Inspired by the traditional clay teapots in China, the tea experience bar is a light jade color with dark shadows to represent tea stains formed in a teapot over time. It is also the only tea bar created from recycled materials using a 3-D printer, measuring 7.5 meters (25 feet) in length.

Our responsibility and commitment to the country's future

Starbucks takes its responsibility to contribute and give back to communities seriously. Today, the company announced another milestone in its commitment to China: contributing meaningful and enduring social impact through poverty alleviation by creating opportunities for groups facing barriers, strengthening partner-driven and locally-relevant community engagement, and improving lives of Yunnan coffee farmers and their families.

The Starbucks Foundation and Starbucks China plan to make charitable donations totaling approximately \$20 million USD (RMB 132 million) over the next five years to drive social impact in communities across China.

"We firmly believe it is our role and responsibility to use our scale to give back to the communities as we continue to grow in China, and with the people of China," said Belinda Wong, chief executive officer of Starbucks China. "Our

commitment, together with our Roastery opening, epitomizes how Starbucks is doubling-down on the unprecedented opportunities we see in the future for Starbucks and China.”

The Starbucks Foundation’s charitable donation is part of its ongoing global commitment to giving back.

“The Starbucks Foundation was established 20 years ago to strengthen communities around the world. We are proud to have supported communities across China for many years and look forward to deepening our commitment in the years to come,” said Vivek Varma, president of The Starbucks Foundation.

Starbucks entered China in 1999 and these series of commitments reaffirm the strategic role of the China market and highlight Starbucks ongoing aspiration to elevate its partners, customers, suppliers and neighbors to create an environment where everyone can thrive. The Starbucks Roastery is another firm demonstration of Starbucks confidence and optimism in its long-term growth in China.

About Starbucks Coffee Company

Since 1971, Starbucks Coffee Company has been committed to ethically sourcing and roasting high-quality arabica coffee. Today, with more than 27,000 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** and **Starbucks.com**.

About The Starbucks Foundation

Established in 1997, The Starbucks Foundation has strengthened communities around the world by advancing youth leadership and community engagement. The Starbucks Foundation is a U.S. 501 (c)(3) charitable organization under U.S. law, and receives funding primarily from Starbucks Corporation and private donations.

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