

Starbucks Unveils Accelerated Global Growth Plans

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Innovation, operating leverage and global brand relevancy drive growth across retail and CPG channels

- Opening 3,000+ net new stores in Americas region by 2017
- Channel Development (CPG) to double its international footprint by 2015
- China on track to become second-largest market in 2014
- Starbucks VIA® Ready Brew, K-Cup® packs and now the Verismo System combine to create the strongest and most complete line-up of premium single-serve options in the global coffee industry
- Social and digital media, loyalty and mobile payment platforms transforming customer experience and deepening connection to customers around the world
- Reiterated commitment to leadership position in \$40 billion global tea market and reaffirmed intent to acquire Teavana this year
- Reiterated commitment to profitability in Western Europe

NEW YORK--(BUSINESS WIRE)--Dec. 5, 2012-- Starbucks (NASDAQ:SBUX) today reaffirmed its leadership position and growth agenda across its global retail, emerging brands and CPG channels at its biennial Investor Conference.

“Starbucks business and brand have never been healthier, and as a company we have never been better positioned to execute against our global, multi-channel growth agenda,” Starbucks chairman, president and chief executive officer Howard Schultz said at the company’s 2012 Investor Conference. “Starbucks will have more than 20,000 retail stores on six continents by 2014 and more than 200,000 points of global CPG distribution by 2015. I am personally committed to seeing Starbucks deliver the innovation, execution and elevated customer experience necessary to achieve both these goals and remain one of the world’s most trusted and admired consumer brands.”

U.S. and China Powering Global Retail Store Expansion

Starbucks regional presidents joined Schultz in outlining the tremendous opportunity that lies ahead as the Company pursues disciplined, profitable growth across its global retail platform.

- Cliff Burrows, president, Starbucks Americas and U.S., announced that his region planned to add more than 3,000 net new stores, and renovate thousands more stores, over the next five years. At least half of the new

stores are expected to be in the strong, rapidly growing U.S. market where revenue grew by 9 percent in fiscal 2012. Burrows also announced plans to leverage the recently completed Evolution Fresh and La Boulange acquisitions – and to increase sales and drive customer frequency throughout the day – by making La Boulange® products available in more than 2,500 U.S. company-operated Starbucks stores and making Evolution Fresh™ juices available in more than 5,000 U.S. company-operated stores by the end of 2013.

- John Culver, president, Starbucks China and Asia-Pacific, said his region – the company's fastest growing retail store market – will approach 4,000 stores by the end of 2013, including 1,000 in Mainland China, 1,000 in Japan, 500 in Korea and its first store in Vietnam. Culver highlighted China as Starbucks most successful new market entry to date, and announced that China is expected to become Starbucks largest market outside of the U.S. in 2014 and is on plan to have 1,500 stores in 70 cities in 2015. At the conference, Culver noted the positive results achieved so far this quarter. Culver also provided an overview of the hugely successful opening of the company's first three stores in Mumbai, India – opened since October – and reaffirmed plans to open the company's first store in Delhi in early 2013.
- Michelle Gass, president, Starbucks Europe, Middle East and Africa, said Starbucks is focused on building brand relevancy, unlocking opportunities in its company-operated stores and accelerating licensing agreements in her region. Gass reaffirmed the company's confidence that the region will achieve meaningful revenue and profit growth over the next five years, and deliver against its goal of mid-teen margins over time. Gass said, "Our past performance is not indicative of the sizable and profitable opportunity across EMEA. We have a comprehensive set of initiatives that will build on our investments over the past decade to ensure sustained and healthy profitability for the region."

Channel Development to Double International Footprint by 2015

In the two years since Starbucks outlined plans to leverage innovation, its global retail store footprint and its social and digital media expertise to drive accelerated growth in the company's consumer packaged goods (CPG) business, Starbucks Channel Development has become the company's second largest operating segment, growing 50 percent to \$1.3 billion in revenue in fiscal 2012. Jeff Hansberry, president, Starbucks Channel Development and Emerging Brands, announced that he expected his business to double its international Channel Development footprint by 2015, building on its more than 100,000 points of distribution in 20 countries, and to eventually rival Starbucks retail store portfolio in terms of size and profitability. Hansberry also announced exciting plans to expand the company's My Starbucks Rewards customer loyalty program to enable customers to earn Starbucks stars – redeemable for free beverages and food at Starbucks retail stores – when they purchase Starbucks-branded products in CPG channels. When the expanded program launches in 2013 it will be the first, and most innovative, cross-channel (retail/CPG) customer loyalty program in the world.

Teavana Acquisition to Globally Transform Tea Industry

Starbucks reiterated plans to vault itself into a leadership position of the \$40 billion global tea market with its intended acquisition of Teavana, which the company previously announced on November 14, 2012. The company shared for the first time that it plans over time to offer handcrafted Teavana® tea beverages at Teavana mall and neighborhood stores and eventually at Starbucks stores. Once the acquisition is complete, Starbucks and Teavana will together jumpstart the next wave of growth in the tea category, leveraging Starbucks core competencies in handcrafted beverage, real estate and design and integrating these with Teavana's world-class tea authority, merchandising and best-in-class retail store unit economics. Powered by Starbucks existing infrastructure, Starbucks plans to continue to grow and extend Teavana's already-successful 300 mall-based stores as well as add a high-profile neighborhood store concept that will accelerate Teavana's domestic and global footprint.

Digital and Loyalty Platforms Transforming Customer Connections Beyond Retail

Beyond retail store and CPG channel developments, Starbucks described how its digital and loyalty platforms and initiatives are transforming the way it connects with customers, strengthening brand relevance, delivering greater value and convenience to consumers - and producing greater profits for shareholders. Chief digital officer Adam Brotman described how the company's social, web, mobile, loyalty and card assets differentiate Starbucks from any other retailer and combine to directly drive growth across the company's business and around the world. Brotman announced that Starbucks cards are now used in approximately 25 percent of the company's U.S. transactions and that the amount of dollars loaded on Starbucks cards increased by more than 20 percent last year. He also expects the company's mobile payment platform to account for 10 percent of payments in Starbucks U.S. stores by the end of fiscal 2013.

About Starbucks Corporation

Since 1971, Starbucks Coffee Company has been committed to ethically sourcing and roasting the highest-quality arabica coffee in the world. Today, with stores around the globe, the company 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 us in our stores or online at www.starbucks.com.

Forward-Looking Statements

This release contains forward-looking statements, including statements relating to certain company initiatives and plans, as well as trends in or expectations regarding, growth in Starbucks global retail, emerging brands and CPG channels, including number of stores, store openings and renovations, CPG distribution points, availability of products in Starbucks stores, the size of the China market, revenues, profit and operating margins, expansion of My Starbucks Rewards loyalty program in the CPG channel, expectations regarding tea and the intended acquisition of

Teavana, and Starbucks digital and loyalty platforms. These forward-looking statements are based on currently available operating, financial and competitive information and are subject to a number of significant risks and uncertainties. Actual future results may differ materially depending on a variety of factors including, but not limited to, coffee, dairy and other raw material prices and availability, costs associated with, and the successful execution of, the company's initiatives and plans, the performance by third parties of their agreements with us, the acceptance of the company's products by our customers, fluctuations in U.S. and international economies and currencies, the impact of competition, the effect of legal proceedings, and other risks detailed in the company filings with the Securities and Exchange Commission, including the "Risk Factors" section of Starbucks Annual Report on Form 10-K for the fiscal year ended September 30, 2012. The company assumes no obligation to update any of these forward-looking statements.

Source: Starbucks Corporation

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