



Starbucks Coffee Company is one of the leading retailers, roasters and brands of specialty coffee in the world. It is committed to offering customers the highest quality coffee and the finest coffee experience, while operating in ways that produce social, environmental and economic benefits for the communities in which it does business. Starbucks entered the UK market in 1998 and now employs more than 9,000 'partners' (employees) in over 700 coffeehouses.

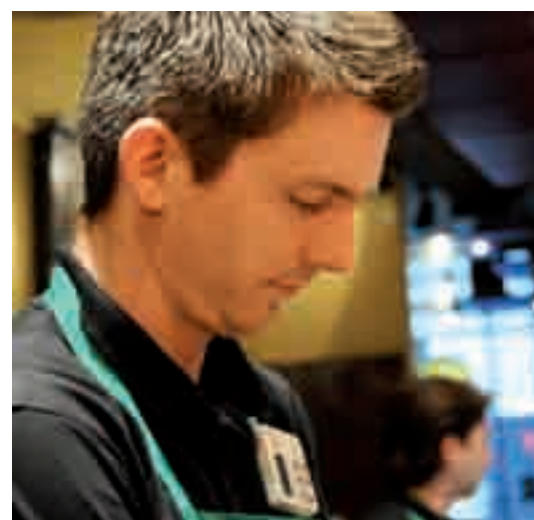


Market

Throughout 2008 the branded coffee chain market continued to expand rapidly in the UK, with more than 3,700 outlets and an estimated £1.53 billion turnover. Despite the recent economic slowdown, the market is expected to almost double in the next decade to an estimated 6,000 outlets and £2.5 billion turnover. Starbucks remains the UK's leading branded coffeehouse, with 31 per cent of UK coffee shop visitors rating Starbucks as their favourite coffee shop brand (Source: Allegra Strategies).

Product

The Starbucks coffeehouse offering comprises high-quality whole bean coffees, fresh, rich-brewed, Italian-style espresso beverages, a variety of pastries and confections, and coffee-related accessories and equipment. In addition, Starbucks retails whole bean and ground coffees through selected UK supermarkets and has a well established business in the UK foodservice sector. Starbucks also retails Starbucks VIA™ Ready Brew, an instant coffee, at selected outlets in London, Illinois and Seattle. There are plans



for Starbucks VIA™ Ready Brew to be available in other markets around the globe, online and in stores, in late 2009 or early 2010.

Achievements

Since the company opened its very first store, Starbucks has been committed to doing business responsibly. Building on years of expertise, in 2008 it launched Starbucks™ Shared Planet™, setting out a series of global goals in the areas of ethical sourcing, environmental stewardship and community involvement.

In the UK, Fairtrade™ Certified coffee and chocolate have been available in all Starbucks stores since 2002. In November 2008, Starbucks UK announced that by the end of 2009, 100 per cent of the espresso coffee sold in its stores in the UK and Ireland will be both Starbucks™ Shared Planet™ verified and Fairtrade™ Certified. This forms part of

a broader global commitment with Fairtrade™ Labelling Organizations International (FLO) that builds on the organisations' shared history of support for small-scale coffee farmers. Starbucks is now the largest purchaser of Fairtrade™ Certified coffee in the world.

2008 marked the seventh anniversary of Starbucks UK's partnership with the National Literacy Trust (NLT) and saw the fifth Starbucks Book Drive take place. More than 200,000 books, collected from local customers, partners and businesses were donated to local primary schools. Since the partnership began, more than 460,000 books have been distributed to communities throughout the UK.



Additionally, Starbucks continues its longstanding relationships with Conservation International (CI) and humanitarian and development organisation, CARE International.

In a five-year partnership, Starbucks is working with CI to address climate change, contributing to the search for global climate solutions while also aiming to help coffee farmers ensure their coffee is responsibly grown and ethically traded.

The Starbucks Foundation has contributed to CARE International since 1992. Most recently it has committed US\$500,000 for a three-year social development project with the coffee-growing community of Gewgew Dingete in West Hararghe, Ethiopia. The project aims to improve economic and educational prospects for more than 6,000 people, providing farmers and their families with better food, safe drinking water and a greater income, as well as enabling communities to work together to invest in their businesses and plan for the future.

Starbucks UK & Ireland committed a further US\$350,000 to support initiatives for improved water resources, sustainable farming and life-long learning, with Starbucks partners helping to generate additional funds for the project through fundraising events.

Starbucks believes its policy of enabling its partners to get involved in community

projects has contributed to its reputation as an admired employer. In 2008 the company was recognised by the Great Place to Work® Institute for the third consecutive year and in 2009, was included in the Fortune 100 Best Companies to Work For ranking.

Recent Developments

Starbucks continually strives to improve the 'Starbucks Experience' for its customers. In 2008 it launched mystarbucksidea.com, an online community that enables customers to play a role in shaping the company's future.

In 2009, Starbucks UK & Ireland introduced Starbucks Card Rewards. The new programme offers Starbucks Card holders extra value and benefits whenever they use their registered Starbucks Card, such as free everyday extras and exclusive offers throughout the year. The Starbucks Card is accepted in participating Starbucks coffeehouses in many countries around the world (from the UK to Australia and Thailand), offering increased convenience for customers.

2009 also saw the launch of Starbucks VIA™ Ready Brew, a rich, flavourful instant coffee. Starbucks VIA™ Ready Brew is available in selected stores in the UK and the US and has been named Most Innovative Product this Year by Allegra Strategies. The coffee is made with the highest quality, ethically sourced 100 per cent arabica beans and is produced by a natural process that includes micro-grinding the coffee in a way that preserves its essential oils and flavour.

Promotion

Storytelling is part of the Starbucks culture and, as part of a non-traditional marketing model, the success of the company's communication strategy is rooted in its partners' passion for and involvement in its innovative product and experience.

The company has established seasonal favourites in the UK and Ireland, promotes individual beverage customisation and has been at the forefront of innovating the coffeehouse experience in the UK over the last 10 years. Starbucks coined the phrase



the 'third place' – a restful environment between home and work in which to relax, take time for yourself and enjoy a freshly brewed cup of high quality coffee. Partnerships with BT OpenZone and the Guardian newspaper further enhance the 'Starbucks Experience'.

Brand Values

The Starbucks mission is to 'inspire and nurture the human spirit – one person, one cup, and one neighbourhood at a time', which is supported by a passionately held set of principles that guide how partners in the company live every day.

starbucks.co.uk

Things you didn't know about Starbucks

Starbucks is the largest purchaser, roaster and distributor of Fairtrade™ Certified coffee in the world, offering it in 28 countries.

Starbucks offers more than 87,000 possible beverage combinations.

Starbucks buys only the finest arabica coffee beans, and selects only the top 10 per cent of these, which are grown at an altitude of between 900 and 1,500 metres.

1971	1982	1991	1998	2000	2003
Starbucks is founded in Seattle by three friends who met at the University of San Francisco in the 1960s.	The first store is a success and catches the attention of Howard Schultz, who joins the company. With the backing of local investors he purchases Starbucks in 1987.	'Bean Stock' is introduced – a stock option scheme for all employees to make them 'partners'.	Starbucks enters the UK market through the acquisition of 60 stores from Seattle Coffee Company.	The Starbucks Christmas Bookdrive is first launched with the National Literacy Trust. In the same year, Starbucks begins to sell Fairtrade™ Certified coffees in-store.	The Starbucks Coffee Master Programme is launched.

2006	2007	2008	2009
Starbucks is awarded a Business in the Community Big Tick for excellence in CSR – for the second consecutive year.	Starbucks is named as one of the top 10 Best Workplaces in the UK by the Great Place to Work® Institute.	Starbucks reaches its 10th year of operation in the UK and Starbucks™ Shared Planet™ launches.	The Starbucks Card Rewards programme and Starbucks VIA™ Ready Brew are introduced. Starbucks is ranked as one of the 100 Best Companies to Work For by Fortune.