

Starbucks Acquires Assets and Development Rights for its Quebec and Atlantic Canada Operations

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Starbucks Coffee Canada, Inc., a wholly-owned subsidiary of Starbucks Coffee Company (NASDAQ:SBUX) today announced it has reached an agreement to acquire substantially all of the assets, including development and operating rights from Coffee Vision, Inc. ('CVI') and Coffee Vision Atlantic, Inc. ('CVAI'), its licensee in Quebec and Atlantic Canada.

Upon closing this transaction on August 25, 2008, Starbucks will transition approximately 40 licensed locations to company-operated locations. In addition, Starbucks will also acquire full development and operation rights for retail stores in these provinces. As part of the agreement, more than 740 CVI and CVAI employees are expected to become partners (employees) of Starbucks Coffee Canada.

'CVI and CVAI have been great partners for us, and their employees have done a tremendous job creating an environment that truly delivers the Starbucks Experience,' said Colin Moore, president of Starbucks Coffee Canada. 'Specifically, the 'Café Starbucks Coffee' brand and the unique offerings in Quebec have demonstrated our respect for the local culture and tradition.'

According to CVI's president Michael Aronovici, the agreement has a positive outcome for all concerned. 'I am proud of what we've created in Quebec and Atlantic Canada and so grateful to our employees for their dedication and commitment,' he said. 'This is a great time for Starbucks Canada to step in and continue growing the business. This is also an exciting time for me and my team. Over the last 18 years, we've been tremendously successful at growing great restaurant brands, including Starbucks, and we're thrilled with our future prospects.'

To ensure a seamless transition for customers, employees and other stakeholders, upon closing this transaction, members of the current CVI and CVAI operations and development team are expected to join Starbucks in regional management roles.

'We're very grateful to Michael Aronovici and his team for all they have done to build our brand in Quebec and Atlantic Canada,' added Moore. 'The future for Starbucks in these provinces is very bright, and we look forward to continuing the Starbucks tradition of community involvement in these markets.'

Starbucks has been a part of the communities in Quebec and Atlantic Canada since the first Starbucks location opened its doors to customers in 1997. As of the end of the second quarter, March 30, 2008, there were 900 company-operated and licensed stores throughout Canada.

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