Nestlé and Starbucks close deal for the perpetual global license of Starbucks Consumer Packaged Goods and Foodservice products



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Nestlé and Starbucks Corporation today announced the closing of the deal granting Nestlé the perpetual rights to market Starbucks Consumer Packaged Goods and Foodservice products globally, outside of the company's coffee shops.

Through the alliance, the two companies will work closely together on the existing Starbucks range of roast and ground coffee, whole beans as well as instant and portioned coffee. The alliance will also capitalize on the experience and capabilities of both companies to work on innovation with the goal of enhancing its product offerings for coffee lovers globally.

> This partnership demonstrates our growth agenda in action, giving Nestlé an unparalleled position in the coffee business with a full suite of innovative brands. With Starbucks, Nescafé and Nespresso we bring together the world's most iconic coffee brands,

said Mark Schneider, Nestlé CEO.

> The outstanding collaboration between the two teams resulted in a swift completion of this agreement, which will pave the way to capture further growth opportunities,

The agreement significantly strengthens Nestlé's coffee portfolio in the North American premium roast and ground and portioned coffee business. It also unlocks global expansion in grocery and foodservice for the Starbucks brand, utilizing the global reach of Nestlé.

> This global coffee alliance with Nestlé is a significant strategic milestone for the growth of Starbucks,

said Kevin Johnson, president and ceo of Starbucks.

> Bringing together the world's leading coffee retailer, the world's largest food and beverage company, and the world's largest and fast-growing installed base of at-home and single-serve coffee machines helps us amplify the Starbucks brand around the world while delivering long-term value creation for our shareholders.

Approximately 500 Starbucks employees in the United States and Europe will join the Nestlé family, with the majority based in Seattle and London. The international expansion of the business will be led from Nestlé's global headquarters in Vevey, Switzerland.

The agreement covers Starbucks packaged coffee and tea brands, such as Starbucks®, Seattle's Best Coffee®, TeavanaTM/MC, Starbucks VIA® Instant, Torrefazione Italia® coffee and Starbucks-branded K-Cup® pods. It excludes Ready-to- Drink products and all sales of any products within Starbucks® coffee shops.

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