



GLOBAL STRATEGY & FOCUS

At-a-Glance FY17 Q3 Earnings

“As always, the work you do each and every day in your stores drives customer connections, influences local communities and helps our business thrive. We should all be proud of the results we have worked hard to achieve year after year.”



Kevin Johnson, president & ceo

Today during our earnings call, we made several announcements that will enable us to grow our business quickly and efficiently. Our strategy is sound; we are focusing attention in a way that accelerates progress toward our goals.

DEFINE REGIONAL STRATEGIES FOR GROWTH

When we look at our overall store portfolio, we decide whether each market is best served as a company-operated, licensed or joint-venture business model.

- In 2016 we transitioned our business in Germany to become licensed in our relationship with AmRest.
- Today we announced we will be acquiring the remaining half of our share in the Starbucks East China business.

This means we will be bringing 1,300 East China stores into our company-operated portfolio.



WHY IS THIS IMPORTANT?

China is our fastest growing market and it is important that we continue to support our 40,000+ Chinese partners with initiatives like premium healthcare, housing assistance, and career development opportunities.

ENABLE OUR PARTNERS TO FOCUS ON THE MOST IMPORTANT PRIORITIES

Teavana

As mall traffic continues to decline, we have seen many of our Teavana specialty stores struggle. **We will soon close our approximately 350 Teavana stores.**

Since our acquisition in 2012, Teavana has performed exceptionally well in Starbucks stores. We are excited to deliver on our customers' preferences as we continue to innovate on tea and grow this important business.

TEAVANA: OUR RECENT MILESTONES



WHAT'S NEXT?

We are committed to supporting our 3,300 Teavana store partners and already have teams working to find them opportunities in Starbucks stores.

Simplify our Business

One of our highest priorities is elevating our digital and mobile customer experience. **We have decided to transition our eCommerce platforms to third-party external sites.** By ceasing direct product sales on our own sites, we can develop relationships with other at home coffee and tea sites to offer our products.



HOW DOES THIS HELP?

This allows us to invest further in mobile app development and increase Starbucks Rewards™ loyalty.

Leadership is always listening and continues to ask for your feedback. Please reach out for support and connect with us at the Partner Open Forum.