

STARBUCKS CORPORATION
CONSOLIDATED STATEMENTS OF EARNINGS
(In millions, except per share data)

Fiscal Year Ended	Oct 3,	Sep 27,	Sep 28,
	2010	2009	2008
Net revenues:			
Company-operated retail	\$ 8,963.5	\$ 8,180.1	\$ 8,771.9
Specialty:			
Licensing	1,340.9	1,222.3	1,171.6
Foodservice and other	403.0	372.2	439.5
Total specialty	1,743.9	1,594.5	1,611.1
Total net revenues	10,707.4	9,774.6	10,383.0
Cost of sales including occupancy costs	4,458.6	4,324.9	4,645.3
Store operating expenses	3,551.4	3,425.1	3,745.1
Other operating expenses	293.2	264.4	330.1
Depreciation and amortization expenses	510.4	534.7	549.3
General and administrative expenses	569.5	453.0	456.0
Restructuring charges	53.0	332.4	266.9
Total operating expenses	9,436.1	9,334.5	9,992.7
Income from equity investees	148.1	121.9	113.6
Operating income	1,419.4	562.0	503.9
Interest income and other, net	50.3	37.0	5.2
Interest expense	(32.7)	(39.1)	(53.4)
Earnings before income taxes	1,437.0	559.9	455.7
Income taxes	488.7	168.4	144.0
Net earnings including noncontrolling interests	948.3	391.5	311.7
Net earnings (loss) attributable to noncontrolling interests	2.7	0.7	(3.8)
Net earnings attributable to Starbucks	\$ 945.6	\$ 390.8	\$ 315.5

STARBUCKS CORPORATION
CONSOLIDATED BALANCE SHEETS
(In millions, except per share data)

	Oct 3, 2010	Sep 27, 2009
ASSETS		
Current assets:		
Cash and cash equivalents	\$1,164.0	\$ 599.8
Short-term investments — available-for-sale securities	236.5	21.5
Short-term investments — trading securities	49.2	44.8
Accounts receivable, net	302.7	271.0
Inventories	543.3	664.9
Prepaid expenses and other current assets	156.5	147.2
Deferred income taxes, net	304.2	286.6
Total current assets	2,756.4	2,035.8
Long-term investments — available-for-sale securities	191.8	71.2
Equity and cost investments	341.5	352.3
Property, plant and equipment, net	2,416.5	2,536.4
Other assets	346.5	253.8
Other intangible assets	70.8	68.2
Goodwill	262.4	259.1
TOTAL ASSETS	<u>\$6,385.9</u>	<u>\$5,576.8</u>
LIABILITIES AND EQUITY		
Current liabilities:		
Accounts payable	282.6	267.1
Accrued compensation and related costs	400.0	307.5
Accrued occupancy costs	173.2	188.1
Accrued taxes	100.2	127.8
Insurance reserves	146.2	154.3
Other accrued liabilities	262.8	147.5
Deferred revenue	414.1	388.7
Total current liabilities	1,779.1	1,581.0
Long-term debt	549.4	549.3
Other long-term liabilities	375.1	389.6
Total liabilities	2,703.6	2,519.9
Shareholders' equity:		
Common stock (\$0.001 par value) — authorized, 1,200.0 shares; issued and outstanding, 742.6 and 742.9 shares, respectively (includes 3.4 common stock units in both periods)	0.7	0.7
Additional paid-in capital	106.2	147.0
Other additional paid-in-capital	39.4	39.4
Retained earnings	3,471.2	2,793.2
Accumulated other comprehensive income	57.2	65.4
Total shareholders' equity	3,674.7	3,045.7
Noncontrolling interests	7.6	11.2
Total equity	3,682.3	3,056.9
TOTAL LIABILITIES AND EQUITY	<u>\$6,385.9</u>	<u>\$5,576.8</u>

STARBUCKS CORPORATION
CONSOLIDATED STATEMENTS OF CASH FLOWS
(In millions)

Fiscal Year Ended	Oct 3, 2010	Sep 27, 2009	Sep 28, 2008
OPERATING ACTIVITIES:			
Net earnings including noncontrolling interests	\$ 948.3	\$ 391.5	\$ 311.7
Adjustments to reconcile net earnings to net cash provided by operating activities:			
Depreciation and amortization	540.8	563.3	604.5
Provision for impairments and asset disposals	67.7	224.4	325.0
Deferred income taxes, net	(42.0)	(69.6)	(117.1)
Equity in income of investees	(108.6)	(78.4)	(61.3)
Distributions of income from equity investees	91.4	53.0	52.6
Stock-based compensation	113.6	83.2	75.0
Tax benefit from exercise of stock options	13.5	2.0	3.8
Excess tax benefit from exercise of stock options	(36.9)	(15.9)	(14.7)
Other	(15.3)	5.4	(0.1)
Cash provided/(used) by changes in operating assets and liabilities:			
Inventories	123.2	28.5	(0.6)
Accounts payable	(3.6)	(53.0)	(63.9)
Accrued taxes	(12.9)	57.2	7.3
Deferred revenue	24.2	16.3	72.4
Other operating assets	(16.1)	120.5	(11.2)
Other operating liabilities	17.6	60.6	75.3
Net cash provided by operating activities	1,704.9	1,389.0	1,258.7
INVESTING ACTIVITIES:			
Purchase of available-for-sale securities	(549.0)	(129.2)	(71.8)
Maturities and calls of available-for-sale securities	209.9	111.0	20.0
Sales of available-for-sale securities	1.1	5.0	75.9
Acquisitions, net of cash acquired	(12.0)	0.0	(74.2)
Net purchases of equity, other investments and other assets	1.2	(4.8)	(52.0)
Additions to property, plant and equipment	(440.7)	(445.6)	(984.5)
Proceeds from sale of property, plant and equipment	0.0	42.5	0.0
Net cash used by investing activities	(789.5)	(421.1)	(1,086.6)
FINANCING ACTIVITIES:			
Proceeds from issuance of commercial paper	0.0	20,965.4	65,770.8
Repayments of commercial paper	0.0	(21,378.5)	(66,068.0)
Proceeds from short-term borrowings	0.0	1,338.0	528.2
Repayments of short-term borrowings	0.0	(1,638.0)	(228.8)
Purchase of noncontrolling interest	(45.8)	0.0	0.0
Proceeds from issuance of common stock	127.9	57.3	112.3
Excess tax benefit from exercise of stock options	36.9	15.9	14.7
Principal payments on long-term debt	(6.6)	(0.7)	(0.6)
Cash dividends paid	(171.0)	0.0	0.0
Repurchase of common stock	(285.6)	0.0	(311.4)
Other	(1.8)	(1.6)	(1.7)
Net cash used by financing activities	(346.0)	(642.2)	(184.5)
Effect of exchange rate changes on cash and cash equivalents	(5.2)	4.3	0.9
Net increase/(decrease) in cash and cash equivalents	564.2	330.0	(11.5)
CASH AND CASH EQUIVALENTS:			
Beginning of period	599.8	269.8	281.3
End of period	<u>\$ 1,164.0</u>	<u>\$ 599.8</u>	<u>\$ 269.8</u>