

EXHIBIT 5

Recent activity shows growing interest in US coffee pod market

Euromonitor International

06 December 2010

Single serve pod coffee systems are a relatively new development in the US, working without the same kind of consumer recognition as they enjoy in Western Europe. After a flurry of brand launches in the middle of the decade, by the late 2000s the Keurig K-Cup system from Green Mountain Coffee Roasters Inc (GMCR) emerged as the clear US leader. The company has spent much of 2009 and 2010 buying out its licensees, in an effort to consolidate distribution and move brands into new territories. But the recent success of GMCR is beginning to attract attention and with it, new competitors looking to find their own piece of coffee pods sales.

According to upcoming Euromonitor International data, off-trade value sales of coffee pods in the US will surpass US\$500 million in 2010, nearly double what was seen in 2009. This figure also excludes office sales, where pods are also beginning to take a substantial share, so the total market in the US is somewhat larger. Off-trade coffee pod sales are predicted to double once again by 2013, and in total the market is predicted to grow by an additional US\$700 million through 2015.

These figures still represent less than 10% of the more than US\$8 billion off trade market for coffee in the US, showing that coffee pods are still a niche, albeit one that appears to finally be gaining traction. Competing systems like Senseo from Sara Lee Corp, Tassimo from Kraft Foods Inc and Nespresso from Nestlé SA already exist in the US, and Nestlé also launched its Dolce Gusto pod system into Wal-Mart in late 2010. Euromonitor International examines further potential moves by a newer group of pod manufacturers.

PEET'S LOOKS TO REBOUND AFTER MISSED OPPORTUNITY

In late 2009, Peet's Coffee, a specialty coffee manufacturer with outlets located mainly in the Western US, offered more than US\$260 million to purchase Diedrich Coffee, the primary Western US licensee of Keurig K-Cups. After a series of bids, Peet's eventually lost to GMCR, who purchased Diedrich for more than US\$300 million.

Since then, Peet's has stated their desire to enter the pod coffee business through a different acquisition. However, the options remain limited, unless Kraft Foods were willing to part with its Tassimo T-Discs. A more likely route would be to use a system from a smaller manufacturer, such as Mars Inc or Lavazza, and create pods leveraging the Peet's premium coffee brand. Peet's is sold at nearly 200 of the company's coffee specialist locations, but also in several regional grocery locations, and the company intends to focus more on this CPG business moving forward.

This stated desire to shift to at-home consumption also aligns with the ongoing shift in focus to CPG sales at Starbucks, and opens up the possibility that Peet's itself could become an acquisition target. Speculation over such a deal between the two players has picked up in recent months following comments from Starbucks that they are looking towards more growth through acquisition. Peet's and Starbucks are both nationally recognized brands that could bring visibility to whichever pod system they decide to use, and help convince consumers to try single serve brewing.

STARBUCKS TAKES AGGRESSIVE STEP BACK FROM KRAFT

Starbucks surprised many in November 2010 when it announced publicly that it was ending its twelve year distribution relationship with Kraft Foods. Starbucks to this point has handled product launches and sales through its branded retail outlets, but has relied the distribution strength of licensing partners for its grocery business, including Kraft for Starbucks and Seattle's Best coffees and Tazo teas, and others for licensed products like ice cream and chocolate. Starbucks now seeks to control more of that process, with an eye towards expanding the pipeline of products offered for at-home consumption.

However, the split with Kraft is proving to be somewhat less than amicable. After an initial offer to buy out the business was rejected as too low by Kraft, Starbucks changed course and alleged mismanagement on the part of Kraft as grounds for terminating the deal in 2011. As of early December, Kraft had responded by seeking arbitration and going to court to seek a temporary injunction against Starbucks for violating the agreement.

Kraft currently makes Starbucks branded coffee pods for its Tassimo T-Disc system, but given the hostile nature of these recent events, it is unlikely that this licensing relationship can be salvaged once the two companies split. A story in November 2010 linked Starbucks to a new pod system launch based on its Via Ready Brew instant coffee brand. This was quickly denied by the company, and such a development would take quite a bit of new investment and time. A far more likely option would be for Starbucks to work with GMCR, the clear market leader, to release K-Cup versions of its Starbucks and Tazo tea brands, or perhaps even purchase GMCR outright. This way Starbucks would be able to utilize both the leading premium coffee brand and the leading single serve pod system in the US.

DUNKIN DONUTS MOVES AHEAD ON ITS OWN

In October 2010, leading bakery fast food operator Dunkin Brands Inc began to test market a single serve pod based on its popular Dunkin Donuts coffee. Dunkin' One Cup is a soft pod design, offering greater versatility than proprietary systems like K-Cup and T-Disc. Dunkin' One Cup pods launched in five flavours and can be used in Senseo machines, but also systems from Cuisinart, Home Café, Black and Decker, Melitta, and Hamilton Beach.

Though the brand is being test marketed on a trial basis, Dunkin does have a network of more than 6000 retail outlets in the US where it could roll out Dunkin One Cup coffee, as well as an existing relationship with The JM Smucker Co for grocery distribution. Dunkin, therefore, represents one of the few players alongside Starbucks who could have an immediate visibility in the marketplace and a strong impact on the coffee pod category if it decided on a national launch.

Pod coffee systems to this point have also been viewed in the US as universally premium, higher priced products when compared to normal fresh and instant coffees prepared at home. Dunkin Donuts has long positioned itself as a more medium priced coffee appealing to price conscious consumers in comparison to its chief competitor Starbucks. Along with Nestlé's recent Dolce Gusto launch, a second price tier of coffee pods could be one of the primary drivers of growth in 2011 and beyond. Whatever the format and price point, US manufacturers certainly appear to have taken notice of this new consumer interest in single serve coffee systems. New partnerships and market entries will likely reshape the offerings on supermarket shelves in the months ahead, either cementing GMCR's position atop the list of players or offering some big name competition that might be able to gain traction where Sara Lee and Kraft could not.

For further insight, please contact Brian Morgan, Beverages Analyst: brian.morgan@euromonitorintl.com