

# EXHIBIT 22

**From:** Lalli, Marigrace  
**Sent:** Wednesday, December 06, 2006 6:03 PM  
**To:** Bates, Helene C; Mortati, Robert; delCastillo, Al  
**Cc:** LeBoutillier, John; Penner, Joan M; Goers, Steve  
**Subject:** RE: Follow-ups from Starbucks Meeting

Great, Helene. Just one point...I believe we should field with our actual subline name vs. Smart Blend, which means we'll need to figure in the consumer assessment as well as legal TM clearance.

Also, if we also field Power Choffee, which I would, we should better understand the approach to using the word "Choffee". I know that Legal first said yes and then said "maybe". We should try to settle before fielding or else we'll likely need to repeat test.

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**From:** Bates, Helene C  
**Sent:** Wednesday, December 06, 2006 4:03 PM  
**To:** Mortati, Robert; Lalli, Marigrace; Bates, Helene C; delCastillo, Al  
**Cc:** LeBoutillier, John; Penner, Joan M; Goers, Steve  
**Subject:** Follow-ups from Starbucks Meeting

We had a great meeting with Starbucks today and I wanted to capture the follow-ups coming out of it while they are still fresh in my mind.

Please feel free to add or make corrections if you feel I misunderstood something.

| Steps  | Lead                      | Timing                  |
|--|---------------------------|-------------------------|
| 1- Provide Folgers purchase intent data  | Helene                    | asap                    |
| 2- Start developing Starbucks concept for January test   | Helene/Robert/Starbucks   | immediate               |
| <ul style="list-style-type: none"> <li>-- Confirm scope of concept test (Smart Blend only, Power Choffee and Smart Blend?)</li> <li>-- Starbucks to provide perspective from their own H&amp;W group to confirm interest (current plans, potential learnings...)</li> <li>-- Agree to testing methodology (propose Pre-Bases)</li> </ul> |                           |                         |
| 3- Put in place more comprehensive legal agreement asap  | Team w.                   |                         |
| Marty  | Target approval early Jan | -- Leverage Tassimo CDA |
| 4- Provide perspective on leadtime for launch (assuming Smart Blend resources?)  | Team (with engineering)   |                         |
| <ul style="list-style-type: none"> <li>-- Assess rough timing of product development work required</li> <li>-- Understand Starbucks current manufacturing capabilities and impact on launch timing</li> <li>-- Understand Starbucks commercialization process/timing (for both retail and grocery)</li> </ul>                            |                           |                         |
| 5- Starbucks to provide perspective on exclusivity period requirement  |                           |                         |
| Starbucks  | by year end?              |                         |

Let me know if you have any comments. Robert, I'll set up a f/u discussion to understand how to best initiate 2), 3) and 4).  
 Thanks.

# **EXHIBIT 23**

## Acker, Lori B

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**From:** Burnett, Susmita B  
**Sent:** Thursday, May 21, 2009 10:39 AM  
**To:** Lalli, Marigrace E; Michaels, Tina T; Acker, Lori B; Hernandez, Yunaima; Bates, Helene; Maloy, Sarah M; Shames, Steve A; Davis, Sivonne M; Lynn Carr; Ellen Bryce; mwaits@starbucks.com  
**Cc:** Stevens, Keith C; Del Castillo, Al F  
**Subject:** Summary of flavored coffee focus groups  
**Attachments:** Concepts from group feedback.ppt

Hello team,

Thanks to everyone who attended the groups in person yesterday, or participated via focusvision.

I wanted to send a very quick email summarizing what I thought were a few of the key takeaways, but would love anyone else who was there to chime in as well. We will also obviously get a full report from the moderator.

As a reminder, 4 groups were conducted as follows:

2 Groups among SBUX users who currently use other flavored coffees at home (one of these groups actually ended up being people who are flavoring their coffees with creamers/spices more so than using flavored coffees, but learnings were good).

1 Group among SBUX users who are not using flavored coffees at home but are using flavored creamers, flavoring their coffee in other ways, or are drinking flavored coffees out of home.

1 Groups among SBUX NON user/non-rejecters who are using flavored coffees at home.

### Key Takeaways/Next Steps:

Overall, the SVC for a flavored SBUX coffee is clear and would be current SBUX users who are either using other brands of flavored coffees regularly, or are regularly flavoring their coffees at home either with creamers or other ingredients.

An AVC could be SBUX users who are using flavored coffees out of home, but don't drink them regularly enough to buy them frequently for at home use.

SBUX users are SO PASSIONATE about the brand that even though they may be perfectly satisfied with their current offerings, they would be willing to try/use a flavored offering from SBUX just out of loyalty to the brand and an expectation that it would be better than anything else out there.

An all natural positioning that suggests a good balance of coffee taste and added flavor (as opposed to the somewhat overpowering flavors that are on the market today) was very appealing to consumers

The challenge will be getting to a product that delivers against their expectations. While they don't need a flavor profile that delivers as strong as a Dunkin Donuts (which they tasted blind as part of the groups), they do want something with a stronger flavor/aroma delivery than the current SBUX prototypes that they were exposed to.

Next Steps will focus on possible re-testing the concept given new learnings, and most importantly determining flavors to move forward with and determining the correct product testing protocol.

### Details on flavored coffee usage/attitudes mirror what we've learned through communispace:

Among lighter flavored coffee users/people who flavor their coffee in other ways, their morning cup usually tends to be regular, unflavored coffee. Their flavored coffee occasions are at other times of the day, and are often viewed as more indulgent occasions.

Among heavier flavored coffee users, they are drinking flavored coffee all day.

In general, consumers are fairly satisfied with their current solutions (either other flavored coffee brands or other ways of flavoring their coffees) BUT many consumers mention the artificial taste/flavor of many current flavored coffee brands or creamers as being a dissatisfier.

### **Expectations of Flavored Coffee from Starbucks**

Given the SBUX heritage, overwhelming expectation is that a flavored coffee from Starbucks would be 'bold'. When probed in more detail, it appears that consumers are looking for a fairly bold coffee balanced with fairly bold added flavor. Unlike current flavored coffees on the market, consumers are expecting that a SBUX flavored coffee would have a stronger coffee flavor and that they'd be able to taste the coffee and not just the flavor.

For non-users of Starbucks, who are often avoiding SBUX because of the stronger taste profile, the 'bold' expectation was not necessarily a positive as their expectation was that the coffee would taste bitter and potentially be overpowering.

For current SBUX users, the boldness was a definitely a positive.

SBUX users also mentioned that they would expect a flavored coffee from SBUX to be higher quality/more premium than what's on the market today.

Consumers did not spontaneously mention that they thought a SBUX flavored coffee would be all natural/naturally flavored but they were positive to the idea when it was directly probed.

SBUX users mentioned that they would expect nothing less than Natural, and it seemed appropriate for the brand. All consumers were positive to the idea that there might be a flavored coffee option with a more natural taste.

### **Winning Concepts/Positionings (Concepts attached)**

All concepts were positioned as 100% natural. Additional benefits/positionings layered on top of that. The winning concepts were the more basic concepts that suggested a good balance of coffee taste and flavor.

Concepts that were 'loved' the most by all groups were (in descending order):

Concept U-perfect balance of coffee taste and flavor where the flavor doesn't overpower the coffee

Concept Y-a line of flavored coffees that re-create the flavored beverages you love in SBUX cafes.

Concept P-Basic concept of 100% natural flavored coffee-coffee accented with natural flavors

While concept Y was well liked, it seems unlikely that it will be able to be executed from a product development standpoint.

Concept that were most disliked:

Concept T-Artisan Coffee. Consumers felt that this concept was too descriptive of the process, and seemed like overkill. While they expect a level of expertise from SBUX suggested in this concept, they did not feel the need to hear about all the details.

Concept W-Coffee paired with all natural flavors that best compliment it so you would think they were grown with the coffee bean itself.

Overall consumers attitude was 'less is more'. They didn't need an over-sell on the idea of all natural/100% natural. Reference to added ingredients like botanicals or spices were a negative. The concept of 'world flavors' was polarizing. Some loved it, but others thought it was too foreign and unrelatable.

### **Reactions to product tasting**

Consumers tried 3 vanillas blind:

Sample L: SBUX prototype (Espresso base with natural vanilla made in Seattle)

Sample M: Mocked up sample made with Breakfast Blend soaked in vanilla extract with added pure vanilla powder

Sample T: DUnkin Donuts Vanilla

They also tried 2 additional SBUX flavors blind (both made with an Espresso Base):

Irish Mint

Cinnamon Spice


Out of the three vanillas, the 'ideal' is somewhere between samples M and T. They liked the coffee flavors strength of M, but wanted a stronger vanilla flavor and aroma, closer to sample T.

Out of all the samples, the Cinnamon Spice was one of the favorites. It provided a good aroma and good balance of flavor to coffee.

The ideal products will be a medium coffee base with good coffee flavor balanced by a flavor that is not overpowering, but that comes through well. A good aroma will also be key.

*Susmita Burnett*

Senior Market Research Manager  
New Product Development  
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sburnett@kraft.com

 Please don't print this e-mail unless you really need to!

# **EXHIBIT 24**

## Acker, Lori B

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**From:** Hernandez, Yunaima  
**Sent:** Tuesday, June 23, 2009 10:03 AM  
**To:** Sabella, Frank J; Gibson, Tom A; Acker, Lori B; Davis, Sivonne M  
**Cc:** Del Castillo, Al F; Lalli, Marigrace E; Clisura, George L; Burnett, Susmita B  
**Subject:** SBUX Flavored Coffee Technical Summit Deck

**Importance:** High

Sorry - Here's the Attachment



Starbucks & Kraft  
Flavored Cof...

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Hi All,

Attached please find the deck R&D and marketing have compiled for the SBUX flavored coffee technical summit this Thursday in Seattle. It incorporates the marketplace and consumer learnings we have obtained to date, along with the technical document R&D compiled and a list of critical milestones for March trade release.

Please let me know if you have any questions or feedback by COB Tuesday.

Thanks  
Yunaima

Yunaima Hernandez  
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***"Nothing Great Could be Accomplished without Enthusiasm"*** - Ralph Waldo Emerson



# **EXHIBIT 25**

## Acker, Lori B

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**From:** Gibson, Tom A  
**Sent:** Thursday, July 23, 2009 3:42 AM  
**To:** Tom Jones; 'cmiller@starbucks.com'; 'esusman@starbucks.com'; Urano Robinson; Dave Wickberg  
**Cc:** Sabella, Frank J; Wiseman, Greg A; Del Castillo, Al F; Clisura, George L; Acker, Lori B; Lalli, Marigrace E; Bates, Helene; Hernandez, Yunaima  
**Subject:** SBUX- KFT Projects status

A quick summary of the time spent with the Seattle R&D team this week follows. Tom/Chris/Emily/Uri/Dave/George - please comment if I misrepresented something.

### Tassimo Milk Beverages:

- There was a tasting session with several senior-management team members this morning using product from our Lehigh Valley trial. We have approval to go forward with this launch in CPG (up to Michelle G). No sessions with Howard are planned or are thought to be necessary
- The focus of last week's run in Lehigh Valley was to confirm we could grind to target, achieve adequate disk fill, deliver degassing/brew performance, and - of course - deliver the right flavor target. Although we were successful on all dimensions, SBUX are aware that we had some t-Disk sealing problems with the run. We will need to send additional samples from next week's second LV trial for their review.
- Once the name is finalized (hopefully as early as this week), all graphics will be locked-in, including the barcodes that determine product delivery.

### Flavored R&G CLT:

- Overall process:
  - The Seattle R&D group is progressing nicely with bringing their Coffee Team through development of cinnamon and vanilla prototypes, building a broad base of organizational support for the prototypes as the CLT approaches. The benefits of achieving this kind of consensus within the SBUX organization cannot be underestimated. Once the time is on us for a final decision on product designs (post CLT), having the SBUX organization already on-board with respect to roast coffee impression, the approach taken to the incorporate natural flavors, and the specific botanicals/ inclusions will be essential before gaining commitments to move forward.
  - A similar journey has begun on chocolate but since development of this prototype is lagging the others, the organizational buy-in is not as far along. When we speak of samples worth inserting into the CLT, we need to measure "worth" in terms of having both a favorable flavor profile and having a likelihood of gaining support from the SBUX Coffee Team
- A comment on Botanicals/ Inclusions in Flavored R&G: These are an essential part of "the story" for how SBUX will do flavored coffee differently than other coffee companies (and, therefore, gaining support from the Coffee Team). All of the inclusions mentioned in the next few sessions are already sourced by SBUX for their current TAZO and/or Cafe businesses and are easily available for these products. So far, the botanicals/inclusions are being sourced in very small particle sizes. They are not easily visible to consumers in the package.
- Cinnamon samples: The R&D group has good Coffee Team support to field 3 samples that include varying proportions of cinnamon, nutmeg, sassafras, and orange peel on a dark roast coffee base. The samples have been shared with the Kraft business team in Tarrytown.
- Vanilla samples: The R&D group has good Coffee Team support to field 2 samples built on a light roast base. Both samples include an IFF natural flavor (liquid form) that was brought to the SBUX group by the Kraft team when we first got together about a month ago. It has remained the best base candidate to use as a base since then. Both CLT samples will contain spent vanilla beans, one has sassafras, and the other has 2 additional flavors the SBUX team has identified to add on top of the IFF flavor. Some fine-tuning of these samples is continuing this week using other samples from IFF that are intended to optimize the original flavor base (one is a more concentrated liquid, the other is a powdered version)
- Chocolate: In the team meeting earlier today, we were in a position where we could identify only 1 sample for the CLT. By the end of today, that view was changing. I believe that during the next 2 days still in front of us before the week closes, there is a good likelihood that we could have 4 samples to field. My view:

- The single sample already identified for CLT is built on a Robertet chocolate flavor that was identified by the SBUX team. In my opinion, it is far better than anything the KFT team found using Kraft Creative Flavors or Symrise. The sample identified for CLT also contains cocoa powder, cocoa butter, cocoa liquor, and 2 additional natural vanilla flavors.
- Interestingly, replacing the 2 vanilla flavors in the chocolate product design already identified for the CLT with the powdered IFF vanilla flavor we brought with us this week is modifying the flavor and texture enough that we believe it's worth adding to the test as a different consumer experience.
- With the intentions of identifying more samples to field in the test, Emily will review the work to-date to reconsider flavors that were previously rejected but my guess is that the Robertet flavor will remain the core of the product system with modifiers added to it to achieve a range of different consumer experience
- Chocolate samples brew more slowly than the cinnamon or vanilla samples. Kraft's experience is that cocoa powder causes this to happen and it should be avoided when designing the product. That said, the presence of cocoa powder on the ingredient line is a positive for Coffee Team to accept "the story" of how SBUX is doing a fusion of coffee and chocolate. We believe 2 next steps are appropriate:
  - The SBUX and KFT R&D teams have agreed to include at least one sample in the CLT that does not contain cocoa powder to see how consumer perception changes (or doesn't) relative to samples with cocoa powder. We believe that it will be important to understand this for 2 reasons: to address the "brew-ability" improvements that can be achieved by removing cocoa powder, potentially bringing us closer to a more viable product design and, second, to see how differently the consumers rate the products (to address importance of having cocoa powder in the product). It's important that we acknowledge that samples without cocoa powder will be different from those with cocoa powder - the question to be answered is how far apart those products are in the flavor space.
  - We've forwarded a model of our preferred chocolate system to Symrise to see if they can mimic the overall flavor in a system that is free of cocoa powder. This option has a low probability of success but is worth pursuing at this point to address the "brew-ability" concerns.
- So, the additional samples we will have for CLT will include:
  - IFF flavor as a different complement to the Robertet flavor, creating a different taste
  - at least one sample - and perhaps two - without cocoa powder. Likely products are the current CLT candidate as well as the modified system using the IFF flavor
  - perhaps one using a new attempt from Symrise to replace cocoa powder with something else (low likelihood)
  - or Emily going back to reconsider a previously rejected flavor
- CLT production: At this point, we are planning to make the CLT product in Seattle. Options to source new ingredients to achieve variations for the chocolate samples may be limited on that timeline (TBD)

Will be in-transit back home tomorrow

Tom

# **EXHIBIT 26**

**Acker, Lori B**

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**From:** Mani Pandher [mpandher@starbucks.com]  
**Sent:** Wednesday, August 19, 2009 7:06 PM  
**To:** Aaron Hatch; Chris Miller; Dave Wickberg; Ellen Bryce; Emily Susman; Ian Woolley; Tim Hanken; Del Castillo, Al F; Clisura, George L; Bates, Helene; Stevens, Keith C; Susmita Burnett; Lori Wagner Aziz; Eric Benton  
**Cc:** Greg Price; Michele Waits; Acker, Lori B; Davis, Sivonne M  
**Subject:** Howard Meeting - Project Walden  
**Importance:** High

Team,

Wanted to share some good news with you. The Howard Fusions meeting was a huge success! He tasted and loved the product and we're a go! So, a few specifics:

1. He is in favor of launching with CPG, feels like we should move as fast as we can
2. He has some concerns about degassing in retail stores and the release of flavored aromas – retail team to follow up
3. He really liked the Cinnamon and Vanilla flavors but feels like Chocolate needs some more work (we only had him taste 1 variant on each of the three flavors)
4. He would like to regroup once we have name and packaging, but agrees that packaging needs to look very different from our core line (Colleen – in line with our discussions)
5. He has approved the use of Cascade for roasting, manufacturing, and packaging the product – we have the green light to move forward and get the plant qualifications under way and release roast curves. (Tim/Aaron, ball in your court on this one.)
6. He emphasized the need for extreme confidentiality on this project, so moving forward, please limit discussion of this project to the working team ONLY and to others on an as needed basis. Also, moving forward, this project will be know as PROJECT WALDEN, Fusions should be deleted from all internal documents floating around. (Aaron can you please make sure that NPP folks are aware of this). He is concerned about PR so we will be following up further on that front. Please treat this project with the highest level of confidentiality.

A great big thank you to the whole team and for working so hard to make this happen. This was a huge win! Please let me know if you have any questions.

Thanks,  
Mani

**MANI PANDHER**

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Discover your perfect Starbucks coffee at [www.starbucks.com/coffeeathome](http://www.starbucks.com/coffeeathome)

# **EXHIBIT 27**

**From:** Acker, Lori B  
**Sent:** Wednesday, March 03, 2010 2:32 PM  
**To:** Levi, Bob M; Hansen, Lorraine C; Sukacheva, Elena; Jenkins, Jennifer; Lalli, Marigrace E; Bates, Helene; Davis, Sivonne M; Robinson, Luisa I; Gibson, Tom A; Hall, Karyn D; Kilraine Tobin, Lynn; Pritchard, Doug R; Watlington, Shenika N; Kroo, Joshua A; Nanos, Christine M; Brooks, Cheryl W; Flaherty, Colleen F; Del Pino, Carlos; Kettenring, Linda; Grant, Sue A; Zhang, Felix; Bowles, Jennifer A; Glancy, Kristine A; Simon, Jared C; Gaddis, Marie L; Clisura, George L; Del Castillo, Al F; Forcina, Juliann; Brill, John C; Bealle, Kim W  
**Cc:** Coleman, Abby R; Yu, Yating; Hayes, Rachel F  
**Subject:** Fusions is a GO! (Sales communication still 3/15)

Hi All,  
Great news!

Since Helene is out today, I wanted to pass on that the meeting with Howard yesterday went very well and he blessed the Starbucks Natural Fusions launch so we are a go! He still wants to hold off on sales communication until 3/15 and also wants to be involved with the creative and marketing plans but we got through the toughest hurdle.

Congrats to the team!  
Lori

**Lori Acker**  
*Sr. Director of Marketing, Premium Coffee & Tea*  
Kraft Foods  
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# **EXHIBIT 28**



# Advertising Age®

## Starbucks Adds a Few Doses of Flavor to Perk Up Its Packaged-Coffee Sales

Armed With a Buzzy Campaign, Giant Taps Retail Market With Natural Fusions

By Natalie Zmuda

Published: September 20, 2010

NEW YORK (AdAge.com) -- Coffee purists might turn up their noses at flavored coffee beans, but Starbucks' packaged-coffee division expects the category will be its next avenue of growth.



**FEVER FOR THE FLAVOR:** The primary target for the Natural Fusions line will be Starbucks customers who are going elsewhere for flavored coffees.

The coffee giant, looking to grab back flavored-coffee fans forced to seek out other brands, is rolling out caramel, vanilla and cinnamon coffee beans to retailers and supporting it with one of the most extensive campaigns it's ever done for its packaged-coffee division. It's an interesting move for the company, which has shunned flavored coffee beans in its own retail stores.

The line, dubbed Natural Fusions, may be somewhat of a departure, but so was Via. "Flavored coffee isn't the first thing you think of when you think of Starbucks, but they've shown they're willing to explore other platforms," said R.J. Hottovy, an analyst with Morningstar. "We've seen Via exceed expectations in the last year. So, it's a measured gamble for the company at this point."

Michele Waits, director-packaged coffee at Starbucks, said that after three years in development, Natural Fusions, created in partnership with Kraft, does live up to Starbucks' standards. It is more "coffee forward" she said, when compared to other flavored coffees on the market. The \$377 million category is

dominated by players including Dunkin' Donuts, Millstone and Godiva.

The impetus for the launch was two-fold. The company discovered that 60% of its bagged coffee customers were buying flavored coffee, albeit from competitors, because Starbucks didn't have an offering. And it was looking for ways to grow, beyond just line extensions and additional distribution.

"Starbucks really invented the premium-coffee category within grocery. Over the past couple of years, we've been building more and more distribution. We've got close to 90% reach now," Ms. Waits explained. "We were forced to regroup in '08 and '09 and figure out how we were going to grow beyond just extensions and new distribution. It's analogous to the door growth at our retail stores."

Ms. Waits said the primary target for the new products will be those Starbucks customers who are going elsewhere for flavored coffees. The secondary target will be flavored-coffee users who are not purchasing Starbucks. "Originally, we thought the more fertile ground would be the Starbucks user who hasn't bought flavored before. But those people are hard to convert," she said.

Ms. Waits says that during consumer testing, 75% of consumers said they intended to buy the product, which is above the norm for new-product testing. In terms of demographics, the group interested in the products tends to skew female, with the sweet spot being women aged 45-plus. That was pretty much what Starbucks expected. What was unexpected was that the products were still viewed as a morning coffee, rather than an afternoon treat.

"It's a variety play for [consumers]," Ms. Waits said. "It's still primarily a morning coffee. It's just going to be an addition to the repertoire."

The products won't be available in Starbucks' own retail stores just yet, but executives don't rule that out as a possibility. The packaged-goods division will be targeting loyalists and consumers who visit Starbucks' stores, however, through the Starbucks Rewards program.

Mr. Hottovy says he believes Starbucks could move Natural Fusions into its own stores, depending on how it performs at grocery in the coming months. "It could develop into a nice revenue stream for the company," he said.

"They've learned their lessons over the last decade about not getting too far out of the coffee-purist space. We won't see another venture in entertainment. But [we will see] reasonable extensions of current products," he added.

No TV is planned as of yet.

In addition to direct marketing, the campaign, which is rolling out now, will include print, digital, newspaper inserts, in-store marketing and sampling. Ms. Waits declined to comment on spending behind the effort. Starbucks spent \$33 million on measured media last year, according to Ad Age's Leading National Advertisers report. Creative depicts a romance between the flavor -- a vanilla bean, cinnamon stick and cubes of caramel -- and the coffee bean. BBDO, New York is Starbucks' creative agency.

