

Starbucks Corp Conference Call to Discuss the New Leadership Structure

Company Participants

- Corey duBrowa, SVP, Global Communications & International Public Affairs
- Howard Schultz, Chairman & CEO
- Kevin Johnson, President & COO

Other Participants

- Jason West, Analyst, Credit Suisse
- Joe Buckley, Analyst, BofA Merrill Lynch
- Karen Holthouse, Analyst, Goldman Sachs
- Matthew DiFrisco, Analyst, Guggenheim Securities
- RJ Hottovy, Analyst, Morningstar
- Sara Senatore, Analyst, Bernstein
- Sharon Zackfia, Analyst, William Blair & Company
- Will Slabaugh, Analyst, Stephens Inc.

Presentation

Operator

Good afternoon. My name is Julie and I will be your conference operator today.

At this time, I would like to welcome everyone to the Starbucks conference call. All lines have been placed on mute to prevent any background noise. After the speaker's remarks there will be a question and answer session.

(Operator Instructions)

Mr. Corey duBrowa, you may begin your conference.

Corey duBrowa {BIO 3809157 <GO>}

Thank you, operator. Good afternoon everyone and thank you for joining us today. This is Corey duBrowa. I am the Senior Vice President of Global Communications for Starbucks Coffee Company.

The purpose of today's call is to discuss the news we announced today regarding Starbucks leadership appointments. We will have opening remarks from both

Howard Schultz and Kevin Johnson followed by a Q&A session until a little after 2 PM Pacific.

Before I turn the call over to Howard I would like to remind you that this conference call may include forward-looking statements which are subject to various risks and uncertainties that could cause our actual results to differ materially from these statements. Any such statements should be considered in conjunction with cautionary statements and risk factor discussions in our filings with the SEC including our last annual report on Form 10-K. Starbucks assumes no obligation to update any of these forward-looking statements or information.

This conference call is being webcast. And an archive of that webcast will be available on our website at investor.Starbucks.com until January 3, 2017.

Finally, a quick housekeeping note on Q&A. We would ask that you limit your questions to today's news as the extended management team will be providing a detailed review of our strategic plan at our Investor Day next Wednesday in New York.

With that I would like to turn the call over to Howard. Howard?

Howard Schultz {BIO 1432255 <GO>}

Thank you, Corey. Welcome to everyone joining us on today's call. Kevin and I are very excited to have this opportunity to provide additional context around this afternoon's announcement and to answer any questions you might have.

You may recall that it was three years ago that I shared with you what I sensed were the early signs of a seismic shift in consumer behavior away from bricks and mortar and towards mobile and online retailing. Today that shift has taken firm hold around the world, both disrupting and redefining retailing and significantly reducing the consumer foot traffic that traditional retailers have relied on for decades.

Despite the shift, Starbucks has been able to consistently outperform the retail industry. We have able to do so because our stores, our offerings and the experiences our partners create make us a destination and because we invested way ahead of the curve to create world-class mobile, loyalty and digital capabilities that are enabling us to deliver an increasingly elevated Starbucks experience to our customers.

Evidence of the correctness and the success of the core strategy that is driving our business are the facts that we continue to deliver quarter after quarter of record industry-leading revenue, comps sales and profit growth and that each successive new class of Starbucks stores is delivering record-breaking revenues, AUVs, ROI, both in the US and around the world. This trend was repeated most recently in the 2016 fiscal year that just ended.

I also shared with you that the US was over-retailed. To survive let alone succeed traditional bricks and mortar retailers have to evolve their physical spaces into relevant customer destinations as Starbucks stores have been for the last 40 years through the environments and sense of community that we create.

That view is what inspired the development of the Starbucks Roastery and the Starbucks Reserve brand. Since its opening two years ago the almost 20,000 square foot Seattle Roastery has become widely recognized as most immersive coffee-forward retail experience perhaps in the world. Executives from premier global retailers like Apple, Nike and Zara have shared with me their view that the Roastery delivers the best retail experience in or out of coffee that they have ever encountered.

Our Roastery is attracting customers and visitors to Seattle alike and casting a bright halo across the entire Starbucks global brand and ecosystem. With the Roastery we introduced into the coffee category a previously unattained level of premium amortization. Its success is unparalleled, last year achieving a comp sales increase of 24% and delivering a ticket that is four times the ticket of a typical Starbucks store.

The Roastery has become a learning laboratory for breakthrough innovation and experiential design and a beacon for the next wave of Starbucks global growth and evolution. Going forward we will open at least 20 Roasteries around the world, six by the end of calendar 2019 alone.

At the same time, elements of the Roastery are forming the basis of the 1,000 or more Starbucks Reserve stores we will be opening around the world in the years ahead. Starbucks Reserve is a new premium retail coffee format that will showcase the newest coffee brewing methods and offer customers the finest assortment of exclusive micro-lot coffees sourced from around the world in and all a sensory experience emblematic of our Seattle Roastery fared with artisanal food offerings developed with our partners from Italian artisanal baker, Princi. We expect Starbucks Reserve stores to deliver twice the unit economics of the typical Starbucks store.

We will also add Reserve bars into thousands of existing Starbucks stores over time. Let me explain what a reserve bar is and what it is going to me to the Company. The Roastery has taught us and demonstrated that we can create customized, handcrafted, innovative beverages for our customers using cutting edge brewing methods and profitably delivering them at scale.

Over time you will see us introduce this unique capability into thousands of existing Starbucks stores around the world, further elevating the Starbucks experience we deliver to our customers and further extending the halo that the Roastery casts across the entire Starbucks brand. Like our current stores and the new classes of Starbucks stores, we will be opening globally in the years to come Roasteries, Reserve stores and Reserve bars that will be customer destination venues. They will broaden, deepen and elevate our customer experience and represent an unprecedented new global growth opportunity for the Company. I am personally as

passionate about developing the Reserve brand and opening more Roasteries as I was about opening our first espresso bar more than 30 years ago in Seattle.

Now as I shift my focus to the next wave of retail innovation I am sincerely pleased that Kevin Johnson, our current President, COO, a seven-year Board member and my partner in running every facet of Starbucks business day to day over the last two years will be assuming the duties of Starbucks Chief Executive Officer in April 2017. This move ideally positions Starbucks to continue to profitably grow our core business around the world.

Let me tell you why I personally asked Kevin to take on the CEO role and why the Board and I believe that he is the ideal CEO for Starbucks at this moment in our journey. Many of you are familiar with the breadth of global management experience in a deep consumer and technology experience and expertise that Kevin brought to Starbucks when he joined our Board in 2009. Since then Kevin has been a wise and supportive resource for me personally, both during and following our Company's transformation.

For years he has provided invaluable insights into how we scale the Company around the world and how to best integrate industry-leading, customer facing technology into our customer experience and operations. I'll simply note that Kevin has been immersed with us on management and operational issues and opportunities well before he officially took over the COO role two years ago and that the two fiscal years following his engagement have been the best years in the history of Starbucks Coffee Company with the most recent year producing record shattering financial results and operating metrics across the board.

Let me just say personally Kevin deserves a tremendous amount of credit for those results. Along the way, Kevin and I have formed a trusting partnership and Kevin's collaborative leadership style has won the loyalty and respect of our people while driving the team to deliver record financial performance. Kevin brings to the CEO role an unparalleled understanding of the market dynamics and strategic choices that have driven Starbucks to become one of the world's most recognized and respected companies and brands.

We share a passion for customer focused innovation and a commitment to preserving Starbucks culture and guiding principles. Our complementary backgrounds, my entrepreneurial journey building Starbucks and Kevin's decades spent scaling global businesses will continue to help Starbucks navigate this new period of worldwide growth and innovation.

Kevin is in every respect a true servant leader and a person whose courage, compassion and empathy model the very characteristics we want for all our partners and all our leaders. His approach to solving complex problems and his ability to bring out the best in people will continue to make all of us at Starbucks better in the same context as he has made me better.

I will remain Starbucks Executive Chairman focusing full-time on the incredible growth opportunities we have in expanding Roasteries and building out our portfolio of Reserve stores and on Starbucks social impact agenda which will be a significant part of the focus going forward. The truth is in all my years at Starbucks I have never been more energized or exhilarated about the opportunities that lie ahead.

Please join me in congratulating Kevin. These are exciting times for all of us and exciting times for our partnership and the future leadership of Starbucks Coffee Company as Kevin Johnson as our new CEO. Kevin?

Kevin Johnson {BIO 3773960 <GO>}

Howard, thank you. Good afternoon, everyone.

Howard summarized our strategic imperative very well. Given the seismic shifts in consumer retail behavior we have seamlessly extended our bricks and mortar experience to the digital world and we are now focused on a multiyear strategy to elevate the entire brand, extend our differentiation around the customer experience and build on the strength of Starbucks as a destination.

Our five-year strategic plan, which we will review again at next week's Investor Conference in New York, outlines seven core strategies for growth that will enable us to capture the global growth opportunities before us. I firmly believe in this strategy and we are already in execution mode.

As a leadership team we have prioritized initiatives, allocated resources and aligned talent to enable us to execute against this strategic plan. It was the key driver of the organizational alignment decisions we made in July when we created a global Starbucks retail organization and a Siren retail organization.

Today's announcement is another evolutionary step in our journey. This formalizes the leadership roles and responsibilities that Howard and I have taken on as we focus on the strategic plan.

This plan requires us as a leadership team to execute several things in parallel and do them well. We are doing this by leveraging Howard's unique capability to establish an ultra-premium consumer experience through the Roasteries and Reserve stores while we continue to leverage my experience in large global businesses and technology to accelerate the pace of customer relevant innovation across the entire brand, all at scale.

I value the partnership that Howard and I have developed over the past decade. My experience working with him on the Board since 2009 combined with the past two years on the management team has evolved into a very special relationship. We share common values, a love for the Company and a commitment to always do the

right thing for our partners, our shareholders, the customers and the communities we serve.

I do want to acknowledge the obvious. Howard is among the world's most iconic leaders and entrepreneurs. I know Howard doesn't personally think of himself in that way. But as his business partner and friend I know this to be true. It is a privilege to work side-by-side with Howard.

I have great confidence in our strategy, the partnership that we have developed and the world-class talent we have assembled. The women and men of Starbucks leadership team have become my trusted partners. They support this transition and I appreciate the passion, creativity and commitment that each person brings to this team.

We work well together and have built a foundation of trust, transparency and teamwork. I believe we will elevate our collective contribution as we pursue our mission and achieve the Company's ambitious goals.

A few final thoughts. Having Starbucks in my life has been a gift. I know I am not alone.

So many Starbucks partners have shared their personal life stories with me and what Starbucks means to them. I have so much respect and admiration for the more than 300,000 partners who proudly wear the green apron in service with others. And I am proud to serve them.

I want to thank Howard for his faith in me, his ongoing partnership and the immeasurable gifts he has given so many for so long. I am honored to serve as the Chief Executive of a Company that has a role and responsibility and a deep opportunity to create value for so many.

Thank you. Corey, can we open it up for questions?

Corey duBrowa {BIO 3809157 <GO>}

Indeed. Operator?

Questions And Answers

Operator

(Operator Instructions) Sara Senatore, Bernstein.

Q - Sara Senatore {BIO 16508078 <GO>}

Thank you very much. I guess I just wanted to step back a little bit.

From a historical perspective it wasn't too long ago that Howard stepped away from the CEO role and then the business struggled. And I guess maybe if you could just talk in contrast maybe to what went on then versus now in terms of Howard's strategic role now sort of ensuring that he continues to be engaged maybe in a way that was different from a decade ago or so.

Then I guess the second question is you mentioned the idea of a social impact agenda. Does that mean we should expect, Howard, to see you take more of a heightened role in the public sphere or maybe just a comment on that?

A - Howard Schultz {BIO 1432255 <GO>}

That is a lot of questions you have got there.

Q - Sara Senatore {BIO 16508078 <GO>}

I tried to fit it all in.

A - Howard Schultz {BIO 1432255 <GO>}

All right. Let's try to go back in history a little bit. And I think that is a very important question because the differences between then and now couldn't be greater.

In 2007, 2008 the country was going through a cataclysmic financial crisis that affected all companies, especially consumer brands. And Starbucks was not immune. The management team at that time, all very good people, just did not have the capability or the experience to really navigate through that difficult period.

Over the last few years we have built, attracted and retained what I would say is the strongest leadership team in our history and I would say I would put the team against any other consumer brand or bricks and mortar retailer in the world today. The fact that Kevin and I have had a 10-year relationship with him on the Board and two years inside the Company where he has seen every aspect of the Company's both tactical, operational, strategic issues, challenges and opportunities and he and I have had the opportunity over the last two years to specifically co-author the strategy that we believe is going to position the Company so well for the future.

I would say on a personal level I don't think I was as prepared then as I am now primarily because of my confidence in the strategy, my confidence in the team and my deep, deep respect for Kevin Johnson as a servant leader who will be a wonderful CEO for Starbucks Coffee Company. And I said this earlier and I really believe this, I think Kevin is better prepared to be the Chief Executive Officer on a go-forward basis than I am in terms of his skill base, capabilities, his understanding of technology and how that is going to be integrated into the customer experience and put Starbucks once again reaffirming our leadership position in all things retail.

I think secondarily I think I have an opportunity with the Roastery and the Starbucks Reserve brand to really on a global basis create premiumization within an opportunity for a new source of revenue and profit that would be integrated and

threaded back into Starbucks stores that could be beneficial as a standalone business within Starbucks and beneficial to our core business. So on a net-net basis I think we are in a much better position just on every level.

With regard to the Social Impact question, I wouldn't overplay what I said in my prepared remarks because if you look at the last three, four years we have believed and executed a strategy where we feel that the role and responsibility of a public company today is very different than it was in the years past. We want to use our scale for good. And if you look at the things that we have been engaged in of late, Opportunity Youth where we have convened 40 other companies and hired over 100,000 people, 6 million young people in America who were unemployed and not in work, 16 to 24 mostly African-American, Latino, we have gone after that successfully and we have had real impact.

The benefit that we have tried to create for the 1 million-plus veterans that are coming home, that have come home from Iraq and Afghanistan opening up community stores adjacent to bases, hiring almost 10,000 veterans and/or their spouse, this is another area of great interest for us. Most recently we have taken on the effort of homelessness in Seattle and believe that is a crisis across the country. One out of six people in America are food insecure every night.

These are all issues that we feel as a Company is deeply related to the fact that our business model for 40-plus years has been to try and achieve the fragile balance between profit and conscience in social impact. I think that has added to the equity of our brand, the pride that our people have in working for the Company and I think we can all agree Republican or Democrat that there's a lot of people in this country being left behind and we think companies need to do more for the communities they serve and the people they employ.

Operator

Jason West, Credit Suisse.

Q - Jason West {BIO 4139501 <GO>}

Thanks. Just two questions.

One, I guess, can you guys share how long this has kind of been known internally and how long you guys have been preparing for this change? And should we expect to see any other leadership changes that result from this, as well? Thanks.

A - Kevin Johnson {BIO 3773960 <GO>}

Jason, this is Kevin. Thanks for the question. This has emerged organically as a result of our strategy and the work we have been doing.

As Howard mentioned, I have been involved on the Board since 2009 and in the last two years much more intimately on the leadership team. I think as we came out of

our annual strategic planning process in May we sat down, Howard and I both. And had the conversation around what roles can we each play to have the most impact on us achieving that strategy. That led to a number of things that we did.

The initiatives we prioritized, the way we align the organization in July. And we sort of framed the responsibilities that we felt were important to achieve that strategy and emerging from that was how we set up for me to then take on the CEO role and Howard to step into an Executive Chairman role. But then the two of us will be certainly as active as we have been in executing against that strategy. So this has unfolded over the last several months.

A - Howard Schultz {BIO 1432255 <GO>}

There are no other leadership changes planned, anything significant.

Operator

Sharon Zackfia, William Blair.

Q - Sharon Zackfia {BIO 4804954 <GO>}

Good afternoon. A question for Howard.

Howard, when you handed over the reins the first time, I think it was in the middle of 2000 if I am not mistaken, I think at that time you were really, really excited about international and the prospects for Starbucks and certainly went on to spearhead a lot of that expansion in your global strategist role. I'm just curious as you think about premiumization at this point are you as excited about that today as you were about global in 2000?

A - Howard Schultz {BIO 1432255 <GO>}

The answer is a definitive yes. In 2000 I spent those years helping to create the international partnerships that have endured and really created the ability for us to actually now have stores in 75 countries around the world.

Interesting enough our partner, Mohammed Alshaya, from the Middle East is here this week and celebrating our partnership with him where we have almost 900 stores in the Middle East, the Gulf, Turkey and in Russia. But I would say that as I look at the Starbucks Roastery and the Starbucks brand and what I think is possible, I am clearly as excited about that in terms of the creativity, the innovation and how that will have a spill-in effect on the Starbucks core business domestically and around the world.

Anyone who has had the opportunity to go into the Roastery I think understands that this is a world-class retail experience that can play in many, many places. And I think we have now developed a 3,500 to 4,000 square foot model that is a mini version of the Roastery in terms of its design, materiality, the coffee equipment. And with the addition of the artisanal food from Princi the level of the bells and whistles of a

Roastery without roasting. And we think we can create a significant opportunity in that business domestically and around the world. So I am absolutely excited and equally as excited about the management team and Kevin's ability to lead the Company.

Operator

(Operator Instructions) Matthew DiFrisco, Guggenheim Securities.

Q - Matthew DiFrisco {BIO 3948570 <GO>}

Thank you. Howard, I guess last time though also there were some changes going on, obviously you are entering into food and everything when you were leaving and there does seem to be a lot of changes going on now.

I guess are you leaving it up then to Kevin or you do play a big role in the business and in the decision-making and the implementation of things and the positioning of the brand. Those are some roles that probably need to be filled, I would think. Would we expect over the next year either Kevin or Howard to see perhaps a little bit of strengthening towards the operational and the consumer-oriented management, the strength of the bench being added to it or is that already done and you have got that behind the scenes you think already?

A - Howard Schultz {BIO 1432255 <GO>}

That is completely done. I mean the quality of the management team, the tenure of the team, the alignment, the trust and coordination of this team under Kevin's leadership is prepared and ready to assume full responsibility of the things that you have outlined.

And let me be clear, Kevin Johnson is going to be the CEO of Starbucks Coffee Company and be fully responsible for all aspects of the operations. When or if I am asked to contribute on the creative side I will be a willing participant. But Kevin and the team are in charge.

A - Kevin Johnson {BIO 3773960 <GO>}

Let me just add to that, I think it is important to punctuate the relationship that Howard and I have developed over the last two years as we have worked much more closely together. Our offices are connected, we talk several times a day, we brainstorm, we discuss ideas.

We are in many ways a team that really, two people in my opinion that value the diverse perspective or the diverse set of experiences that each one of us brings together and cherishes what we share in common, the values and the love for what we are trying to achieve at Starbucks. So I don't see that, I see that relationship as a huge asset. And certainly I think that relationship is going to continue to flourish and continue to blossom even with this change.

Operator

Joe Buckley, Bank of America Merrill Lynch.

Q - Joe Buckley {BIO 1491816 <GO>}

Thank you. Howard, just a couple of questions along the same lines.

I guess, first, you are a man of many talents and I wouldn't try to pigeonhole you in a one; or two-word description. But I was think of you as a master merchant and someone who has always been able to figure out what the Starbucks customer wanted and needed and ways to stimulate some of those wants and needs even I would say have been part of your success. Kevin, I appreciate your background in technology. But is that merchant gene and level of entrepreneurial spirit still within that senior management team, Howard, do you think?

A - Howard Schultz {BIO 1432255 <GO>}

This is a team that I have worked very closely with for a number of years and certainly over the last two years with Kevin. I think the pipeline for innovation both in terms of food and beverage, the fact that the Roastery is an innovation machine unto itself, if you look at cold brew and Nitro and the things that are coming out of the Roastery that will find themselves in Starbucks stores.

The opportunity to integrate Princi into the Reserve brand. Then, obviously, what Kevin and Matt and Jerry have been able to do in terms of the development and the evolution of the mobile ecosystem we are in the early, early stages of what that growth and that innovation is going to produce as you see in the better part of calendar 2017.

I don't think there has ever been a time in the Company's history where the pipeline of product innovation and customer facing technology innovation has ever been more robust. In addition to that, the opportunity that we have to thread all of that into a global enterprise. And this is where I think Kevin is going to add so much value.

We operate in 75 countries. But when I am really tested are we really taking advantage of all of the best practices in China, in Japan, in Europe, in Mexico, all of the places we operate, are we sharing those best practices and are we leveraging it to the highest possible benefit to the Company, I think Kevin is going to bring a level of symmetry and agility that will create a significant opportunity for us to benefit from the global enterprise that exists today. And so I have no doubt in my mind that the merchant mentality, the creativity and the innovation in the Company is going to remain.

And I'm not leaving the Company. I am here every single day and I am going to contribute on what I think is a significant growth opportunity to build a new franchise

within Starbucks and help the team whenever Kevin and others think it is necessary. But Kevin and the team are in charge.

A - Kevin Johnson {BIO 3773960 <GO>}

Let me just add to that. I think the point, innovation is alive and well on every dimension throughout the Company.

Our opportunity is how to take that innovation and accelerate our ability to get it to market faster and do it in a way that creates a more seamless end-to-end experience for our customers. So both are important: our ability to keep that innovation engine going and our ability to then get that innovation deployed in the simple, elegant, experiences for our customers and do it at scale.

Operator

Karen Holthouse, Goldman Sachs.

Q - Karen Holthouse {BIO 17433865 <GO>}

Thank you for taking the question. Given moving the CEO role to somebody with more of a background in a broader technology services industry and even the comment from earlier on the call about a leadership position in all of retail, is there anything to read into this around setting the stage for opportunities to monetize some of the intellectual property around mobile payment, loyalty, one-to-one marketing and making that more sort of central to the growth story at Starbucks?

A - Kevin Johnson {BIO 3773960 <GO>}

First, I would reinforce the importance that the digital flywheel plays in our growth agenda as a Company. But I would also amplify the way that gets monetized or translates to shareholder value is by helping us attract and deepen the relationship with the customer that brings them into our stores and helps enable a great experience for them in our stores.

It is not about taking the software or those assets that we have built and creating some new business model to license that intellectual property. It is all about how that applies to the overall experience that Starbucks creates for our customers, both in our stores and on the mobile device.

Operator

RJ Hottovy, Morningstar.

Q - RJ Hottovy {BIO 7448110 <GO>}

Thanks for taking my question. Just had a quick question, Howard, with respect to the Roastery.

It seemed like a pretty ambitious goal to have two times the AUV of a normal store. Maybe just walk us through the blueprint of when that happens.

And I suspect that we will probably get more detail at the Investor Day next week. But just curious to hear your thoughts on how you might achieve that benchmark with the Roastery stores even taking into a factor the innovation that you will have with those type of locations.

A - Howard Schultz {BIO 1432255 <GO>}

You are talking not about a Roastery store. I think you are talking about a Reserve store. Am I right?

Q - RJ Hottovy {BIO 7448110 <GO>}

Yes, correct.

A - Howard Schultz {BIO 1432255 <GO>}

We are going to get into this in great detail at the Analyst Conference and we've prepared, as you have seen from us before, a very detailed understanding of the value engineering and what we have done to date. I don't want to get into it too specifically. Let me say it this way, inside the building of Starbucks in our offices we have built a life-size mockup of the exact replica of the store that we are going to open as a reserve store.

The typical size of that store will be probably 3,500 to 4,000 square feet. And we know from studying what our new Italian food partner, the artisanal baker Princi, has been able to accomplish in Italy what we are going to be able to do in terms of revenue in multiple dayparts and multiple need states on food alone. But we have another product category that we are going to introduce into the Reserve stores that we will share with you at the analyst conference next week.

This is not new for us. We build 2,000 new stores a year, we have created more segmentation in one category than probably any other consumer brand that is in the retail business today. The Roastery has given us an opportunity, we think, to do something that has not been done before and we are very confident and we have the real estate already and we will be sharing all of that with you in a week and you will see it firsthand.

Operator

(Operator Instructions) Will Slabaugh, Stephens.

Q - Will Slabaugh {BIO 17028221 <GO>}

Just a quick question on a comment that you made. This formalizes the leadership role that were somewhat already in place. So I am curious on a day-to-day basis if you could talk about what changes the most? Are there people that now shift who they were answering to, are there things day-to-day that will shift dramatically or is

this really just more of a something that changes in title mostly and it has been shifting in role for awhile?

A - Kevin Johnson {BIO 3773960 <GO>}

I will start, Will. I think I would describe it is says this has been an evolutionary process that has been shifting over time. I can't point to things that I would articulate would be big changes. Howard?

A - Howard Schultz {BIO 1432255 <GO>}

I think the best way to answer that question is I think most people at Starbucks probably are not that surprised today because this is the organizational formation that we have had for a number of months and we have been operating this way. I also want to make it clear that our Board has been intimately involved in these discussions and in these decisions for months. And the thoughtfulness, the discipline and the respect for how we have gone about this is we wanted to ensure the fact that everyone engaged in Starbucks inside and outside of our Company had a full comprehensive understanding of how we are doing this, why we are doing it and, obviously, the respect and the admiration we have for Kevin's capabilities and expertise going forward.

I think with that the best thing we can do is leave it until next week. We are, obviously, very enthused and excited to present in a comprehensive way our strategic plan for you and show you and share with you things that you have not seen before that I think undoubtedly will provide you the comfort that you have always had in our ability to at a minimum meet your expectations but hopefully exceed them. Thank you very much.

Operator

At this time there are no further questions. Mr. duBrowa, I turn the call back over to you for closing remarks.

A - Corey duBrowa {BIO 3809157 <GO>}

Thank you, operator. That concludes today's conference call.

I would like to thank all of you for your attendance. And as Howard said we hope to see many of you at our Investor Conference in New York next week. Thank you.

Operator

This concludes Starbucks conference call. You may now disconnect.

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