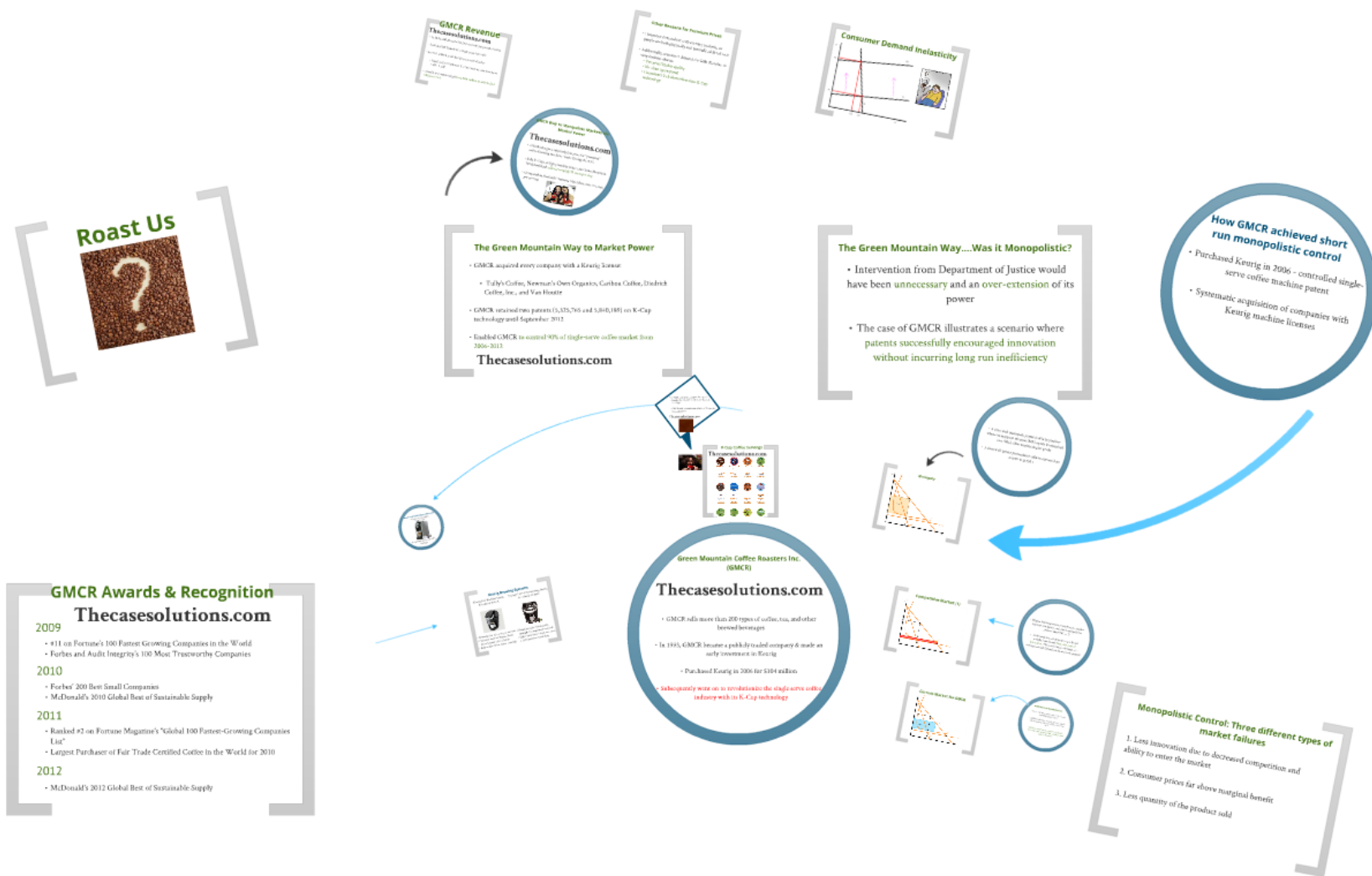


Selling Short: Green Mountain Coffee Roasters

Thecasesolutions.com



Selling Short: Green Mountain Coffee Roasters

Thecasesolutions.com

K-Cup Coffee Servings

Thecasesolutions.com



100% Colombian K-Cup® Pack
\$14.49



Quick View



Pacific Island Blend™ K-Cup® Coffee
\$16.49



Quick View



Donut Shop Decaf K-Cup® Pack
\$16.49



Quick View



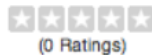
Dark Magic® Extra Bold K-Cup® Coffee
\$16.49



Quick View



Hawaiian Blend K-Cup® Pack
\$16.49



Quick View



Swiss Miss® Hot Cocoa K-Cup®
\$17.49



Quick View



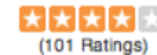
Hazelnut K-Cup® Pack
\$14.49



Quick View



Sweet & Creamy Nutty Hazelnut Iced Coffee K-Cup® Pack
\$16.49



Quick View



**Green Mountain Coffee Roasters Inc.
(GMCR)**

Thecasesolutions.com

- GMCR sells more than 200 types of coffee, tea, and other brewed beverages
- In 1993, GMCR became a publicly traded company & made an early investment in Keurig
- Purchased Keurig in 2006 for \$104 million
- Subsequently went on to revolutionize the single serve coffee industry with its K-Cup technology

GMCR Awards & Recognition

Thecasesolutions.com

2009

- #11 on Fortune's 100 Fastest Growing Companies in the World
- Forbes and Audit Integrity's 100 Most Trustworthy Companies

2010

- Forbes' 200 Best Small Companies
- McDonald's 2010 Global Best of Sustainable Supply

2011

- Ranked #2 on Fortune Magazine's "Global 100 Fastest-Growing Companies List"
- Largest Purchaser of Fair Trade Certified Coffee in the World for 2010

2012

- McDonald's 2012 Global Best of Sustainable Supply

The Green Mountain Way to Market Power

- GMCR acquired every company with a Keurig license:
 - Tully's Coffee, Newman's Own Organics, Caribou Coffee, Diedrich Coffee, Inc., and Van Houtte
- GMCR retained two patents (5,325,765 and 5,840,189) on K-Cup technology until September 2012
- Enabled GMCR to control 90% of single-serve coffee market from 2006-2012

Thecasesolutions.com

- Distributed licenses for K-Cup technology to:
 - Dunkin Donuts, J.M. Smucker, Starbucks, & ConAgra
- GMCR made deal with Starbucks to sell K-cups in Starbucks stores

Thecasesolutions.com



GMCR Way to Manipulate Markets via Market Power

Thecasesolutions.com

- GMCR charges a relatively low price for "premium" coffee-brewing machine - basic Keurig: \$119.95
- Sells K-Cups at high premium price: one Green Mountain breakfast blend **sells for roughly 70 cents per cup**
- Compared to Starbucks' Sumatra blend that costs 33 cents per serving



GMCR Revenue

Thecasesolutions.com

- In 2009, GMCR made \$10.26 in revenue per pound of coffee
- In 2010, GMCR made \$11.92 per pound of coffee
- In 2011, GMCR made \$12.52 per pound of coffee
 - Based on \$1.70 billion in K-Cups revenue over volume of coffee it sold
- Overall, its revenue surged from \$500 million in 2008 to \$2.6 billion in 2011