

my Starbucks



We all have a Starbucks we call our own.

For customers, it may be based on a cherished coffeehouse experience. A smiling barista who remembers how they prefer their morning latte. Or the welcoming vibe they feel each time they enter their neighborhood store.

For coffee farmers, this sense of shared ownership may evolve as we work together to make their farms more productive and their communities more prosperous.

And for our employees, whom we call “partners,” it may represent something altogether different—a company with an enduring commitment to be caring, upfront and fair.

But no matter how you define *your* Starbucks, each unique meaning stems from the commitment that we’ve made to do business in a different way. A way that truly values individuals and their contributions. A way that balances good business practices with a passion to improve this world we share.

A better way.



At my Starbucks, they all know me by name, drink, reading material—they even know that certain drinks correspond to certain moods. On my last birthday, I got up early and drove past two towns to spend the morning at my Starbucks, my sliver of home on 38th Street, reading, one ear listening to the baristas as they greeted each other, their customers, the day.

Harumi, *customer*



My grandfather Joe’s 90th birthday was approaching. We contacted his favorite Starbucks and asked if we could send over some photos and a Happy Birthday poster to put up in the store. The manager was more than happy to oblige. On Grandpa’s big day, we all went over with him to get a coffee. His Starbucks was adorned with the pictures and the big birthday poster. Your staff was so warm and accommodating, they made Joe feel right at home.

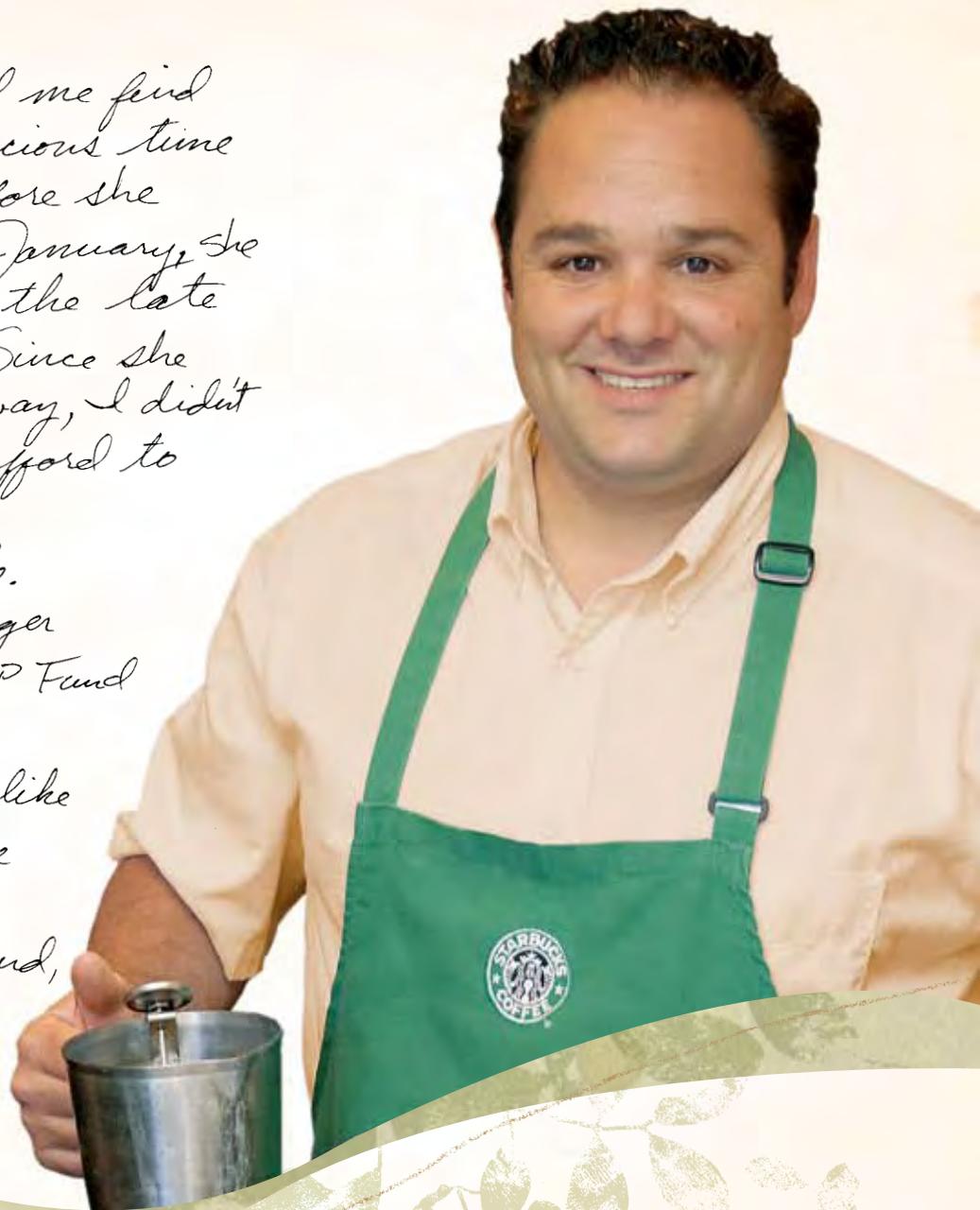
Nicole, *customer*

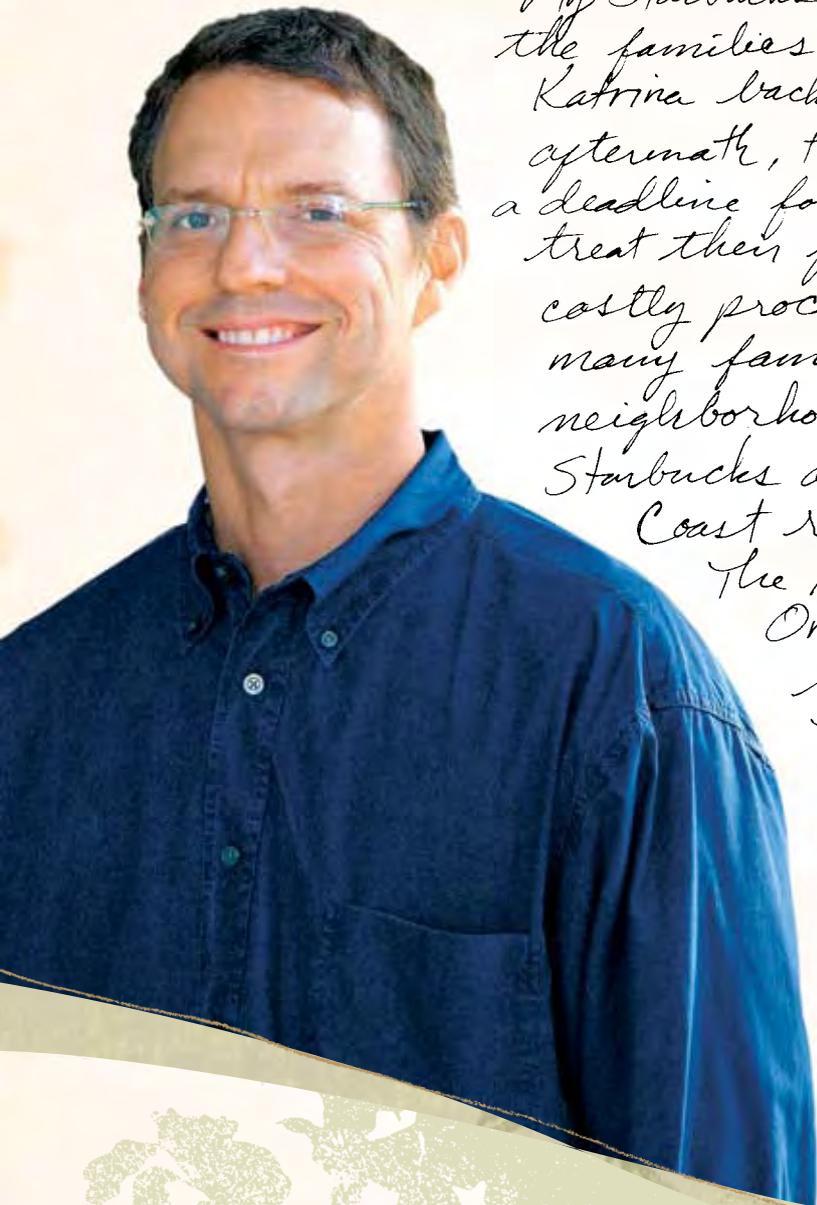
On the Cover: A fresh-brewed cup of Starbucks® Anniversary Blend, our smooth, full-bodied mix of fine Asia/Pacific coffees accented with rare aged Indonesian beans.

My Starbucks helped me find a way to spend precious time with my mother before she passed away. In January, she was diagnosed in the late stages of cancer. Since she lived 2,800 miles away, I didn't know how I could afford to take time off work to be by her side. My assistant manager told me that the CVP Fund was created to help partners in situations like mine. I wrote to the CVP Fund the very next day. By week's end, I was awarded enough money to move my two boys and me to California.

I'm very grateful that I was able to spend two and a half weeks with my mother, reminiscing and sharing some wonderful conversations. She will be deeply missed, but will live on in our hearts.

Daniel Del Pino, barista
Novato, California
Starbucks partner since November 2004





My Starbucks has been helping get several of the families hit hardest by Hurricane Katrina back on their feet. In the storm's aftermath, the city of New Orleans placed a deadline for homeowners to salvage and treat their flood-damaged homes. It's a costly process, far too expensive for many families in the city's lower-income neighborhoods. So the partners at my Starbucks and others throughout the Gulf Coast region teamed up with ACORN, The Association of Community Organizations for Reform Now, to help recover these homes through volunteer labor. So far, we've been able to help restore eleven homes and provide additional assistance through our Starbucks Make Your Mark donations.

Jerry Moran, store manager
Metairie, Louisiana
Starbucks partner since
May 2003



My Starbucks worked day and night with the China Soong Ching Ling Foundation and Give2Asia for more than half a year to organize a teacher-training seminar. It was held in Chengdu on the hottest day in the last 35 years. However, when I saw the smiles on the faces of the rural teachers, nothing else mattered. The rewards were boundless. What is more precious than this?

Kimberly Ye, Corporate Social Responsibility manager
Shanghai, China
Starbucks partner since March 2006



Thanks to Starbucks, life has changed a lot for us. Why? It's obvious. Before, some members of our cooperative couldn't afford to send their kids to school. Now, with the help of Starbucks, we've been able to build the first school for secondary education in this area. It's a public school for everyone so we can all see our children get an education. To give them this is our greatest source of pride, the greatest hope that we all share.

Roberto, *president*
Comon Yaj Nop Tic Cooperative
Chiapas, Mexico

For those who question whether the *Starbucks Experience* can travel internationally, I recommend they visit Starbucks in Shanghai, in August, midweek, at 10:30 p.m. You will find 90-degree heat, 100 percent humidity and, surprisingly, a store absolutely packed with people placing orders and waiting for coffee; every table full of 20-somethings having conversations, laughing, running around, playing on computers, living. The place is truly amazing.

Hampton, *investor*



To Our Shareholders,

**Wherever we are, we both have an important ritual for starting most days.
We stop in to a Starbucks store for a cup of coffee.**

Many mornings it's a visit to our local stores in Starbucks hometown of Seattle. But sometimes it's a quick stop at an airport kiosk in London. Or a conversation over a latte in Beijing. Or perhaps a trip back to our very first store in Seattle's Pike Place Market. It's a wonderful way for each of us to connect with the people in our stores, and a critical reminder of the responsibility we have in serving our customers more than 40 million times each week and the commitments we've made to more than 145,000 partners (employees). To us, this is what My Starbucks is all about. It's the relationships we build and the Starbucks culture that lives every day around the world.



Howard Schultz

As we reflect on Starbucks 35th anniversary, we are extremely grateful for the way we have been embraced by customers worldwide. We understand that with success comes increased scrutiny, be it from the media, activists or from concerned customers who want to know that the company is fair and principled. We've always believed that leadership companies must set a higher standard for how business is done. And we want to assure you that we remain committed to our core values and our vision to do business in a different way—a way that creates long-term value for our shareholders while honoring the contributions of the farmers and our people who make our success possible.

Continued growth in the business has demonstrated that our vision is working in a variety of ways. Our exceptionally strong and enduring growth and performance were evident again this year as we opened 2,199 new stores globally (ahead of our originally stated target of 1,800) at an average pace of six new stores per day, bringing our total to 12,440 stores in 37 countries. Revenues increased 22 percent to \$7.8 billion, resulting in net earnings of

\$564 million or \$0.71 earnings per share. Starbucks has now posted a phenomenal 15 consecutive years of five percent or greater comparable store sales growth.

Customers in new and existing markets continue to enthusiastically embrace Starbucks. Starbucks Coffee International saw solid growth in every region of the world and earned record operating profits of \$108 million. During late calendar 2006, we opened stores in Brazil and Egypt, and plan to open our first locations in Russia and India during calendar 2007. Customer acceptance of the Starbucks brand has been outstanding. In China, in just a short period of time, Starbucks is emerging as the “third place”—that welcoming space between home and work where people gather to engage and connect.

In fiscal 2006 we made a significant strategic decision to acquire 100 percent equity in our Hawaii and Puerto Rico businesses to better leverage resources and ensure consistency of our brand. We also increased our investment and equity stake in our Beijing market early in fiscal 2007 to help pave the way for accelerated expansion in China.

Partners are at the heart of the *Starbucks Experience*. One of the reasons Starbucks has been so successful is because of the human connection customers and partners share every day in our stores around the world. We remain steadfastly committed to creating a great work environment, and to offering health benefits for eligible full- and part-time partners despite the significant rise in health care costs. In turn we are gratified to see partners provide a great experience for our customers.

Coffee expertise distinguishes Starbucks in the world of fine coffee purveyors. And just as people are the heart of Starbucks, coffee is our soul. Starbucks is dedicated to purchasing the highest quality coffee and paying premium prices to reflect our ongoing commitment to coffee-farming communities. We're keenly focused on ensuring a long-term supply of our high-quality coffee by engaging in sustainable buying practices and strengthening relationships with farmers we know and trust. We're proud of the progress we've made with Coffee and Farmer Equity (C.A.F.E.) Practices, an unprecedented program in which we have created a set of industry-leading, comprehensive coffee-buying guidelines addressing coffee quality, financial transparency, and social and environmental responsibility.

A passion to try to improve the world drives our vision to be a company with not only a heart and soul but a conscience. Our approach to corporate social responsibility (CSR) includes developing ethical sourcing practices for products such as coffee and cocoa, strengthening our involvement in education programs focused on cultural diversity globally, funding water projects in developing countries, and reducing our environmental footprint. To learn more, please see *Starbucks Fiscal Year 2006 CSR Annual Report*, available at www.starbucks.com/csr in late March 2007.

Innovation is central to the way we do business. It helps drive our growth and long-term success. In fiscal 2006 we continued to innovate and extend the *Starbucks Experience* beyond our stores with imaginative new ready-to-drink beverages and expanded packaged coffee offerings. We extended the equity of the Starbucks brand with our first venture into a film partnership, the rollout of our music strategy beyond the U.S. and the initiation of our book strategy. We have established a curatorial voice that our customers have come to trust. And as a result, they have given us permission to go beyond coffee and our traditional music offerings to enhance the coffeehouse experience.

We also continued to deliver the unexpected with imaginative new beverages and food offerings. We expanded lunch programs to a total of 4,150 stores and introduced the ability to warm pastries and provide hot breakfast sandwiches to stores across the U.S. This is an exciting way for us to extend the brand and create a destination for more than coffee beverages. We also continue to innovate and evolve a wide range of food and beverage options, from indulgent treats to lower-fat and reduced-calorie choices for all consumers' tastes.



Jim Donald

Looking ahead, we continue to be extremely confident about our future growth and success.

We plan to open 2,400 stores internationally in fiscal 2007, and we have set financial growth targets for total revenue growth of approximately 20 percent and annual earnings-per-share growth of approximately 20 to 25 percent for the next three to five years. We have also raised our long-term store count target to 40,000 worldwide (20,000 U.S. and 20,000 International).

From our journey to stores in neighborhoods all around the world, we can tell you, My Starbucks is a unique and exceptional place. We are proud of our accomplishments and grateful to our shareholders, partners, customers, suppliers and coffee farmers.

We hope to see you in our stores soon.

A handwritten signature in black ink that reads "Howard Schultz".

Howard Schultz
chairman

A handwritten signature in black ink that reads "Jim Donald".

Jim Donald
president & chief executive officer

STARBUCKS



my Starbucks
meets me where I live.



During fiscal year 2006, Starbucks continued to succeed in achieving something few retailers have been able to accomplish: extending our unique brand experience well beyond our retail stores in new and imaginative ways that resonate with customers all over the world.

An innovative selection of ready-to-drink beverages from our Global Consumer Products Group. New specialty coffees blended and roasted to appeal to the grocery shopper. An unprecedented Starbucks® Entertainment lineup that included our first movie and book offerings. These were just a few of the highlights in a year that saw continued growth, as an ever-broadening base of customers experienced *their* Starbucks in surprising ways and unexpected places.

Growing Strong

With the opening of 2,199 new locations worldwide, we reinforced our role as the preferred coffeehouse, serving our customers more than 40 million times per week. Expansion continued in China as we increased overall store ownership and operations, built critical infrastructure and hired experienced, world-class leadership with local expertise to meet the demands of rapid growth. Customers in South Korea welcomed Frappuccino® bottled beverages into their local market. Meanwhile, a solidly profitable Starbucks Coffee Japan celebrated its 10th anniversary with 14 consecutive months of comparable store sales increases and a new line of Starbucks Discoveries™ ready-to-drink coffee that sold 45 million units in just its first year.

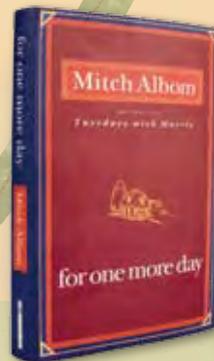
A Menu of New Favorites

The unveiling of our highly popular Cinnamon Dolce Latte, the introduction of four rare Black Apron Exclusives™ coffees and the launch of assorted tropical Banana Frappuccino® blended beverages and Frappuccino® fruit juice blends

exemplified our decades-long commitment to coffee expertise and product innovation. By proactively addressing our customers' desires for a broad range of options, including reduced-calorie and lower-fat menu selections, and by expanding our fresh lunch and warm breakfast sandwich offerings, we continued to make Starbucks an increasingly frequent occasion in each customer's day.

Beyond the Coffeehouse

Africa Kitamu™ and Costa Rica Tarrazú, two new ground coffees blended and roasted to meet the taste profiles preferred by grocery customers, were key contributors in a year that saw sales for Starbucks and Seattle's Best Coffee increase by double digits in the grocery, club and mass merchant channels. The introduction of Starbucks® Iced Coffee, Starbucks® Iced Coffee Light, Starbucks® DoubleShot Light espresso drink and Strawberries & Crème Frappuccino® crème beverage to our ready-to-drink portfolio generated an additional 550 million brand experiences outside our retail stores, allowing our customers to enjoy *their* Starbucks whenever and wherever they prefer.



ENTERTAINMENT THAT STIRS THE SOUL

Starbucks continued to establish itself as a destination for inspired and inspiring entertainment with the launch of a second Hear Music™ Debut artist, Sonya Kitchell, new forays into film (*Akeelah and the Bee*) and books (Mitch Albom's New York Times bestseller *For One More Day*), and the rollout of our highly successful music platform to markets outside the U.S.

As a follow-up to these successes, in early fiscal 2007, we announced the opening of a dedicated Starbucks® Entertainment area in the iTunes® music store. By cultivating artists and creative expression that enhance the coffeehouse experience and partnering with iTunes® to extend our Hear Music™ offerings beyond the walls of our stores, Starbucks® Entertainment continues to transform the way our customers discover entertainment.

my Starbucks

helps me deliver my best.



When we set out to become the world's leading purveyor of fine coffee, we didn't put all of our focus on how large we'd become or just how much profit we intended to make. Intuition told us that our ultimate success would depend less on clever advertising gimmicks than it would on the special individuals we'd bring onboard, one by one, as we worked to make our dream a reality.

And so we began to surround ourselves with partners who shared our passion for legendary service. Who understood that one amazing cup of coffee, served in a place where people always feel welcome, could elevate someone's day. Maybe even change that person's life. And we made a commitment to treat these exceptional partners with respect and dignity. We wrote that down—and it became the first of six Guiding Principles that would determine how we'd run our business back then, today and always.

Living Our Values

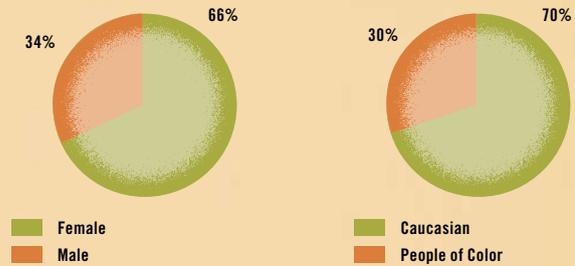
Thirty-five years later, we remain true to this commitment. We continue to offer comprehensive health care to all eligible full- and part-time U.S. partners. We constantly assess and update our Total Pay package to make sure it remains competitive. We provide broad-based *Bean Stock* options to all eligible global partners. And we strive to create a workforce in each store that reflects the overall diversity of its community.

It's a philosophy that continues to pay dividends. In a recent global Partner View Survey, Starbucks partners weighed in with an exceptionally high rate of participation (84 percent) and lofty marks for overall satisfaction (86 percent). Our inclusion in the *DiversityInc* "Top 50 Companies for Diversity" and "Top 10 Companies for Latinos" acknowledges our commitment to creating a diverse, inclusive global workforce.

Some Things Never Change

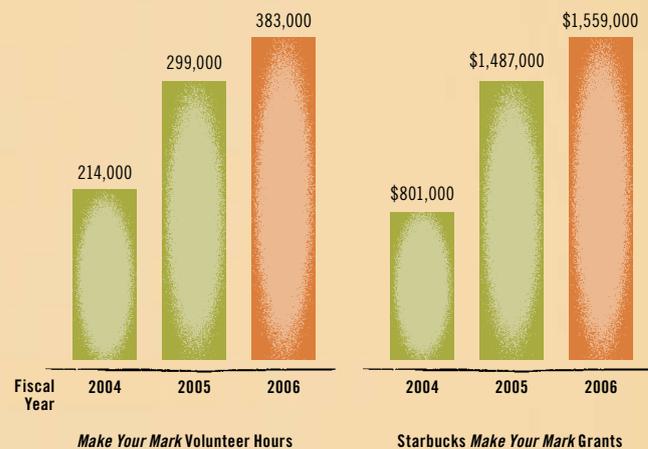
As we gear up for tomorrow, attracting and training new partners and leaders from many different backgrounds, we'll continue to sustain the values of personal dignity, mutual respect and shared success we held as precious when we first started. We'll continue to do everything we can to foster a compelling, creative and welcoming environment for all partners. And we'll continue to sustain a thriving, diverse workplace culture that each partner can be proud to call "My Starbucks."

Starbucks Total U.S. Workforce Diversity



The overall makeup of our U.S. workforce underscores a commitment to our Guiding Principle of embracing diversity as an essential component in the way we do business. Similarly, Starbucks executive leadership reflects a comparable dedication to diversity, with a roster of Senior Officers (senior vice presidents and above) that includes 28% women and 22% people of color.

Partner Volunteerism

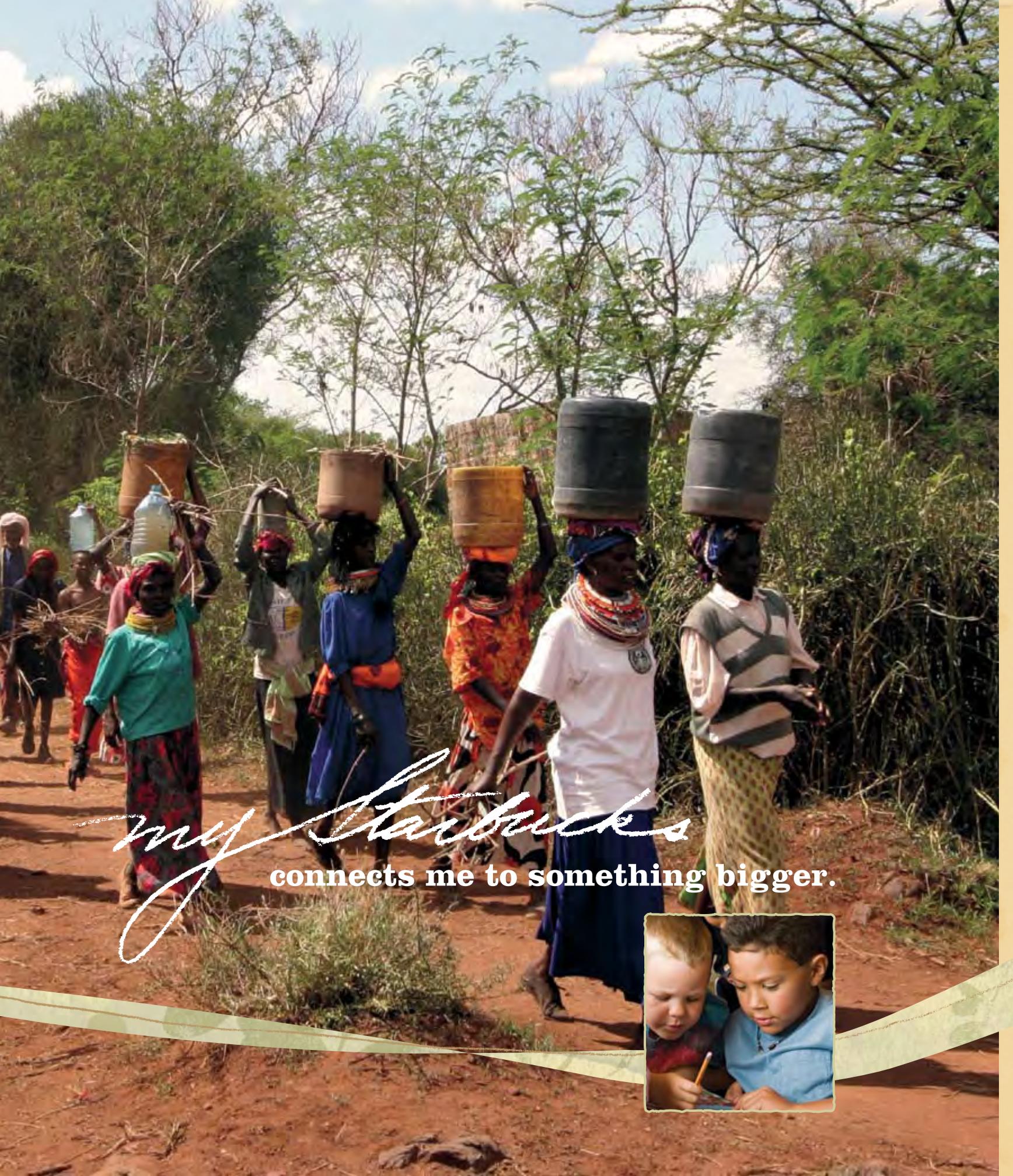


Six years ago Starbucks introduced our *Make Your Mark* volunteer program as a way to support our partners' desires to connect with and contribute to the communities they serve. Through *Make Your Mark*, we match partners' volunteer endeavors with a donation of \$10 to their designated nonprofit organization for every hour of volunteer work completed, up to \$1,000 per project. If our partners enlist the help of other community members, we match those hours as well.

During fiscal 2006 Starbucks partners and customers in the U.S. and Canada volunteered 383,000 hours in support of thousands of local community organizations. That's equivalent to 184 people working full-time for the whole year.

Shown Opposite: Tanisha Jones, barista, Seattle, Washington, Starbucks partner since May 2002

Inset Photo: Sarah Matsumoto, research and development lab assistant, Seattle, Washington, Starbucks partner since August 2000



my Starbucks

connects me to something bigger.



During fiscal 2006, we continued to demonstrate that doing good makes good business sense with a threefold approach that focuses on:

- Implementing progressive ways to reduce our environmental footprint
- Sourcing our products in an ethical manner
- Investing in the quality of life in our communities

Environmental Stewardship

Exceptional coffee is our core business. Since the quality of the world's annual coffee harvest is strongly influenced by climate conditions and other ecological factors, we are dedicated to reducing our environmental impact. This past year our U.S. and Canada stores introduced the first-ever hot-beverage cup containing 10 percent post-consumer recycled material, which will eliminate the use of more than 5 million pounds of virgin tree fiber. We also decreased the environmental impact of our coffeehouses by purchasing renewable energy certificates to offset 20 percent of the energy used in our U.S. and Canada company-operated stores.

Ethical Sourcing: Cocoa

As part of our ongoing commitment to ethical sourcing, we began implementing a cocoa-purchasing program geared toward ensuring that the cocoa used in Starbucks products is cultivated, harvested and processed in a socially, economically and environmentally responsible manner. Based on our industry-benchmark C.A.F.E. Practices model for coffee, its highlights include affordable loans for farmers, sustainable farm management practices, the prohibition of forced child labor, and economic transparency all along the value chain, from farmer to exporter.

OUR BUSINESS IS DOING GOOD

For 35 years it has remained our goal to show that running a profitable business and being a good neighbor aren't mutually exclusive; that, with focused attention, a little extra effort and an overriding desire to do the right thing, a company can enjoy financial success while being a socially responsible corporate citizen. Our recognition as one of "100 Best Corporate Citizens" by *Business Ethics Magazine* for the seventh consecutive year is a testament to our conviction that, by choosing to run our business a little differently, we help create a better world for us all.

Investing in Our Communities

Trust is a fragile thing in this world. Loyalty is priceless. How do we gain trust and increase loyalty among customers and partners alike? Through initiatives that magnify our promise to contribute positively in the communities where we do business.



ETHOS WATER

Helping children get clean water: it's the mission we share with our customers each time someone purchases a bottle of Ethos™ water. For each bottle we sell, we donate \$0.05 to the Ethos Water Fund—monies that are applied toward our goal of contributing at least \$10 million by 2010 to help alleviate the world water crisis.

In 2006 The Starbucks Foundation announced Ethos Water Fund grants totaling \$2.3 million for the development of humanitarian water programs in the Benishangul Gumuz region of Ethiopia and in Sumatra, Indonesia. These initiatives will focus on improving local water sources and providing sanitation and hygiene education to their respective beneficiary communities. In an important, related development, a new distribution agreement with PepsiCo has paved the way for expanded Ethos™ water distribution, allowing us to extend the mission of Ethos Water beyond the Starbucks retail store environment.

CHINA EDUCATION PROJECT

In 2005 we demonstrated our commitment to China by pledging \$5 million through The Starbucks Foundation to establish the Starbucks China Education Project at Give2Asia, an organization dedicated to promoting philanthropy in Asia. As a part of that continuing initiative, during 2006 the China Education Project entered into an agreement with the China Soong Ching Ling Foundation to provide \$1.5 million for a rural teacher-training program and scholarships for students with financial need.

THE LITTLE READING PROGRAM THAT DID

During the month of August 2006, Starbucks supported Jumpstart's Read for the Record campaign, selling nearly 53,000 copies of the children's classic *The Little Engine That Could* and generating more than \$500,000 in donations to assist Jumpstart in its goal of making sure each child in America enters school prepared to succeed. On August 24, Starbucks hosted more than 330 reading events across the U.S., engaging thousands of partners and customers in Jumpstart's mission. Readers around the country simultaneously shared the story of *The Little Engine That Could* with more than 150,000 children to set an official Guinness world record.



my Starbucks

understands what makes coffee good.



The world's finest coffee. It sustains our growth and energizes our expansion into new markets, new channels and new categories. When you combine the ongoing requirements of our core business with our ambitious plans for international growth, our need for an increasing supply of exceptional coffee becomes readily apparent.

Starbucks C.A.F.E. Practices

During fiscal 2006, we continued to demonstrate our unwavering commitment to helping farmers produce high-quality coffee through our Coffee and Farmer Equity (C.A.F.E.) Practices, an unprecedented program in which we have created a comprehensive set of guidelines to ensure that the coffee we purchase is grown and processed in a sustainable manner.

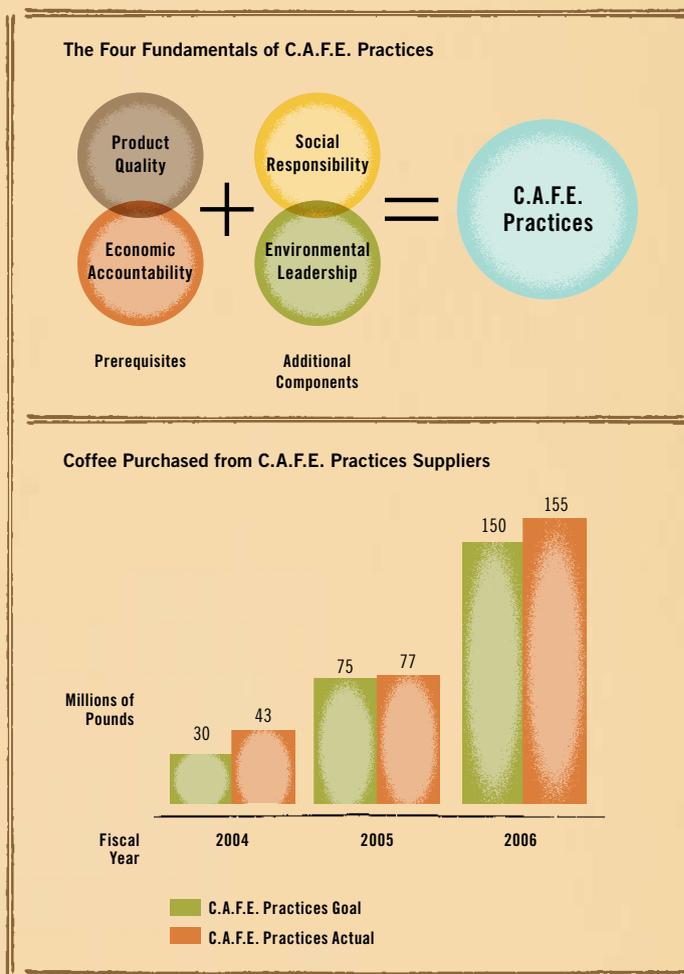
C.A.F.E. Practices addresses important issues relating to individual farmers, cooperatives, processors, exporters and importers—all invaluable partners in our goal of creating a long-term supply of fine coffee for our customers. By requiring safe and humane working conditions, mandatory economic transparency that shows price paid all the way back to the farmer and other verifiable measures across our supply chain, C.A.F.E. Practices provides an all-encompassing solution to help establish sustainable methods of coffee production that result in quality harvests year after year.

In fiscal year 2006, C.A.F.E. Practices once again proved its value to both Starbucks and the participating farming communities. We purchased more than 150 million pounds of coffee from independently verified C.A.F.E. Practices suppliers, an increase of more than 100 percent from the previous year, and began verifying the first farms in Africa. We also continued to work directly with farmers through our Farmer Support Center, an agronomy field office located in Costa Rica that allows us to work side by side with coffee farmers and suppliers on their sustainability measures and coffee quality.

Fair Trade Certified™ Coffee

In addition to C.A.F.E. Practices, we recognize the value that other third-party certifications, particularly Fair Trade and organic, have for some of our customers. During fiscal 2006, we continued to support the Fair Trade movement, which shares common goals with C.A.F.E. Practices but which works specifically with smallholder farmers who are organized into participating cooperatives. We reinforced our position as **the largest buyer, roaster and distributor of Fair Trade Certified™ coffee in North America** with

global purchases of more than 18 million pounds. We also continued to work with Fairtrade Labelling Organizations International (FLO) to distribute Fair Trade Certified™ products globally through several different channels.



MEET YOUR COFFEE MASTERS

They wear the black apron. They number more than 24,000 strong. They've studied the mysteries of fine *arabica* coffee, contemplated the rich intricacies of aroma, flavor and body, and mastered the precise artistry of grinding and brewing the bean to release the incomparable flavors within.



With our Coffee Master advanced training program and several other coffee education initiatives, Starbucks continues to establish itself as the category leader in coffee expertise.

Martin Torres, *project specialist*
Seattle, Washington
Starbucks partner since September 2000

Board of Directors



Board of Directors shown from left to right:

Olden Lee *PepsiCo, Inc., retired executive*
 Howard Schultz *Starbucks Corporation, chairman*
 Barbara Bass *Gerson Bakar Foundation, president*
 William W. (Bill) Bradley *Allen & Company LLC, managing director*
 Howard Behar *Starbucks Corporation, director*
 Myron E. Ullman, III *J.C. Penney Company, Inc., chairman and chief executive officer*
 James L. Donald *Starbucks Corporation, president and chief executive officer*
 James G. Shennan, Jr. *Trinity Ventures, general partner emeritus*
 Craig E. Weatherup *Pepsi-Cola Company, retired chief executive officer*
 Mellody Hobson *Ariel Capital Management, LLC/Ariel Mutual Funds, president*
 Javier G. Teruel *Colgate-Palmolive Company, vice chairman*

Market Information

The Company's common stock is traded on the NASDAQ Global Select Market under the symbol SBUX. The following table shows the quarterly high and low closing stock prices of the common stock as reported by the NASDAQ Global Select Market for each quarter during the last two fiscal years.

October 1, 2006	High	Low
Fourth Quarter	\$ 38.02	29.55
Third Quarter	39.63	34.93
Second Quarter	37.63	30.24
First Quarter	31.96	24.91
October 2, 2005	High	Low
Fourth Quarter	\$ 26.35	23.08
Third Quarter	28.13	22.78
Second Quarter	30.80	24.79
First Quarter	31.94	23.53

The Company's Securities and Exchange Commission filings may be obtained without charge by accessing the Investor Relations section of the Company's website at <http://investor.starbucks.com>, at www.sec.gov or by making a request to Investor Relations via the address, phone number or website listed below.

Investor Relations

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INDEPENDENT AUDITORS

Deloitte and Touche LLP

TRANSFER AGENT

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www.melloninvestor.com/isd

ANNUAL MEETING OF SHAREHOLDERS

March 21, 2007, 10:00 a.m. PST
 Marion Oliver McCaw Hall, Seattle, WA
 Live webcast at:
<http://investor.starbucks.com>

NOTE: To help address capacity constraints, each Proxy Statement contains two admission tickets for the Annual Meeting. Each attendee must present an admission ticket to be admitted to this meeting. Registration opens at 8 a.m.

Senior Officers



Senior Officers James L. Donald and his direct reports, from left to right:

James C. Alling *president, Starbucks Coffee U.S.*
Anne Saunders *senior vice president, Global Brand Strategy and Communications*
Dorothy J. Kim *executive vice president, Supply Chain Operations*
David A. Pace *executive vice president, Partner Resources*
Kenneth T. Lombard *senior vice president; president, Starbucks Entertainment*
Gerardo I. Lopez *senior vice president; president, Global Consumer Products*
Sandra E. Taylor *senior vice president, Corporate Social Responsibility*
James L. Donald *president and chief executive officer*
Paula E. Boggs *executive vice president, general counsel and secretary*
Michael Casey *executive vice president, chief financial officer and chief administrative officer*
Martin Coles *president, Starbucks Coffee International*

Corporate Social Responsibility

Our commitment to conduct our business in ways that produce social, environmental and economic benefits to the communities where we operate is integral to our overall strategy. In an effort to remain open, transparent and accountable, we publish a Corporate Social Responsibility annual report. *Starbucks Fiscal 2006 CSR Annual Report* will be available online at www.starbucks.com/csr beginning March 21, 2007.

Tell Us About Your Starbucks

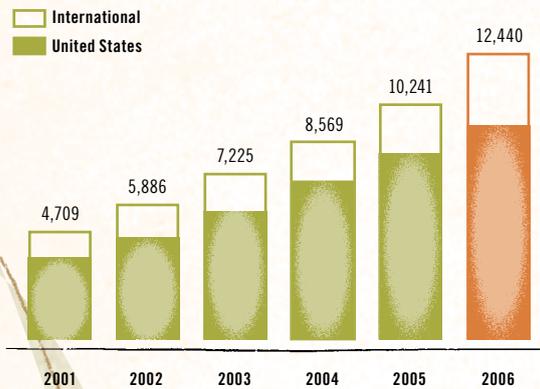
Each of us has our own unique Starbucks story to share. Of a morning brightened by the perfect latte. A meaningful connection made over a white cup. Or a community forever changed by a coffeehouse. We invite you to share *your* Starbucks story with us at www.mystarbucksstory.com.

Senior Officers not shown:

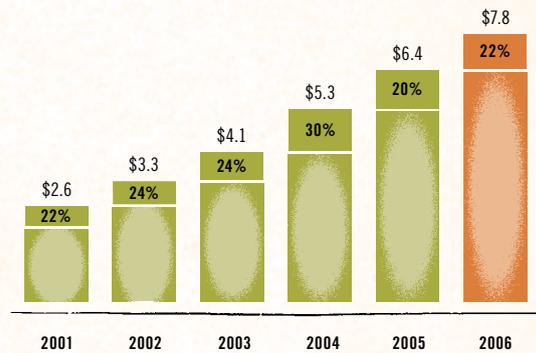
Howard Schultz *chairman*
Troy Alstead *senior vice president, Finance*
Cliff Burrows *senior vice president; president, Europe/Middle East/Africa*
Brian Crynes *senior vice president and chief information officer*
Christine Day *senior vice president; president, Asia Pacific Group*
Michelle Gass *senior vice president, Category Management*
Margaret Giuntini *senior vice president, Partner Resources, U.S. Business*
Juan Guerrero *senior vice president, Global Logistics and International Supply Chain Operations*
Julio Gutiérrez *senior vice president, New Markets, Starbucks Coffee International*
Willard (Dub) Hay *senior vice president, Coffee and Global Procurement*
Buck Hendrix *senior vice president; president, Latin America*
Gregg S. Johnson *senior vice president, Global Business Systems Solutions*
Chet Kuchinad *senior vice president, Total Pay*
David Landau *senior vice president, deputy general counsel and chief compliance officer*
Katharine Lindemann *senior vice president, Store Operations Services*
Mark Lindstrom *senior vice president, Western Division*
Colin Moore *senior vice president; president, Starbucks Coffee Canada*
Dave Olsen *senior vice president, Culture and Leadership Development*
Matt Sikes *senior vice president, U.S. Finance*
Launi Skinner *senior vice president, Store Development*
Sheri Southern *senior vice president, Partner Resources, Starbucks Coffee International*
Michael Stafford *senior vice president, Organization and Partner Development*
Marc D. Stolzman *senior vice president, Finance and Business Development, Starbucks Coffee International*
Paul Twohig *senior vice president, Eastern Division*
Jinlong Wang *senior vice president; president, Greater China*
Mark Wesley *senior vice president, Real Estate/Store Development, Starbucks Coffee International*

Financial Highlights

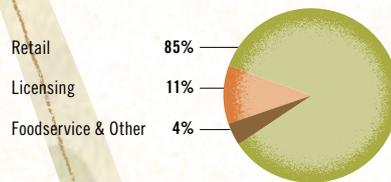
Stores Open at Fiscal Year End
(COMPANY-OPERATED AND LICENSED STORES)



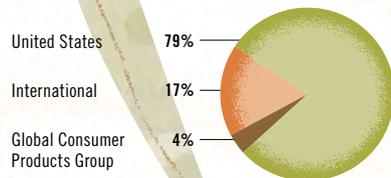
Net Revenues (IN BILLIONS)
& **Net Revenue Growth (PERCENTAGES) from Previous Year**



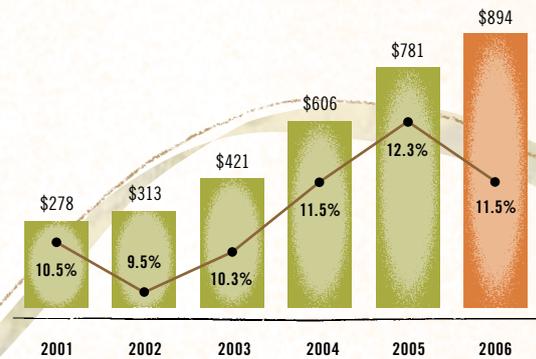
Components of 2006 Revenue



2006 Revenue Breakdown

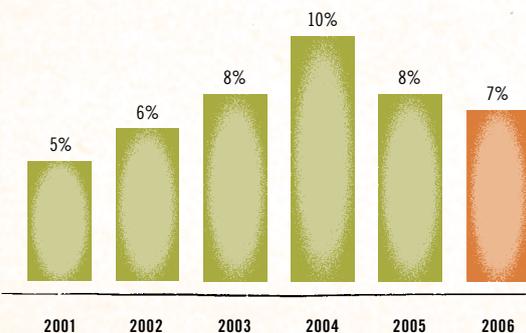


Operating Income (IN MILLIONS)
& **Operating Margin (PERCENTAGES)**

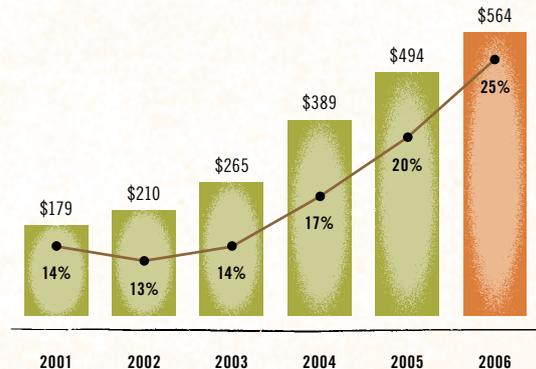


Comparable Store Sales
(COMPANY-OPERATED STORES OPEN 13 MONTHS OR LONGER)

Fiscal 2006 marked 15 consecutive years of comparable store sales growth of 5% or greater.



Net Earnings (IN MILLIONS)
& **Return on Equity (PERCENTAGES)**





◀ 10-K REPORT

It takes a lot of paper to print an annual report like this for our many shareholders.

To minimize our environmental impact, the narrative (not the 10-K) of the *Starbucks Corporation Fiscal 2006 Annual Report* was printed on paper manufactured from 100% post-consumer waste (PCW) fibers using Green-e certified renewable energy certificates.

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