

STARBUCKS CORP
Form 8-K
April 24, 2003

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**UNITED STATES
SECURITIES AND EXCHANGE COMMISSION
Washington, DC 20549**

FORM 8-K

CURRENT REPORT

**Pursuant to Section 13 or 15(d) of the
Securities and Exchange Act of 1934**

Date of Report (Date of earliest event reported): April 24, 2003

STARBUCKS CORPORATION

(Exact Name of Registrant as Specified in its Charter)

Washington
(State or Other Jurisdiction of
Incorporation or Organization)

0-20322
(Commission File Number)

91-1325671
(IRS Employer
Identification No.)

2401 Utah Avenue South, Seattle, Washington 98134
(Address of principal executive offices)

(206) 447-1575
(Registrant's Telephone Number, including Area Code)

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EXHIBIT 99.1

Table of Contents**Item 7. Financial Statements, Pro Forma Financial Information and Exhibits.**

(c) Exhibits.

| Exhibit Number | Description |
|----------------|--|
| 99.1 | Starbucks Corporation Quarterly Earnings Release for the 13 and 26 weeks ended March 30, 2003. |

Item 9. Information Furnished Under Item 12 (Results of Operations and Financial Condition).

The information contained in this Item 9 of this Current Report is being furnished pursuant to Item 12. Results of Operations and Financial Condition of Form 8-K in accordance with SEC Release Nos. 33-8216; 34-47583 (March 27, 2003).

The information in this Current Report is being furnished and shall not be deemed filed for the purposes of Section 18 of the Securities Exchange Act of 1934, as amended, or otherwise subject to the liabilities of that Section. The information in this Current Report shall not be incorporated by reference into any registration statement or other document pursuant to the Securities Act of 1933, as amended.

On April 24, 2003, Starbucks Corporation issued an earnings release announcing its financial results for the 13 and 26 weeks ended March 30, 2003. A copy of the earnings release is attached as Exhibit 99.1.

Exhibit 99.1 to the report contains a non-GAAP financial measure as defined in Item 10 of Regulation S-K of the Securities Exchange Act of 1934, as amended. The non-GAAP financial measure covers systemwide retail store sales. This non-GAAP financial measure is discussed below, including the most directly comparable financial measure calculated and presented in accordance with Generally Accepted Accounting Principles in the United States (GAAP), a reconciliation of the non-GAAP financial measure to the most directly comparable GAAP financial measure, and the reasons why the Company believes the presentation of the non-GAAP financial measure provides useful information to management and to investors. The non-GAAP financial measure should be viewed in addition to, and not as an alternative for, the Company's reported results prepared in accordance with GAAP.

On page 9 of the earnings release included in Exhibit 99.1, the Company indicated that systemwide retail store sales were \$1.1 billion and \$0.9 billion for the 13 weeks ended March 30, 2003, and March 31, 2002, respectively. Systemwide retail store sales were \$2.3 billion and \$1.8 billion for the 26 weeks ended March 30, 2003, and March 31, 2002, respectively. Management has indicated that the growth of these sales was primarily driven by the opening of 1,090 retail stores in the last 12 months and strong comparable store sales growth in North America. The most directly comparable financial measure calculated and presented in accordance with GAAP to the systemwide retail store sales measure is

Retail revenues on the consolidated statements of earnings. The systemwide retail store sales measure also includes the net retail revenues generated by licensed stores, as reported by domestic and international licensees or estimated due to timing of periodic reporting by licensees.

The following table reconciles the Company's total Retail revenues, prepared on the basis of GAAP, to total systemwide retail store sales for the periods presented:

| | 13 Weeks Ended | | 26 Weeks Ended | |
|---|-------------------|-------------------|-------------------|-------------------|
| | March 30, 2003 | March 31, 2002 | March 30, 2003 | March 31, 2002 |
| Retail revenues for Company-operated retail stores sales prepared in accordance with GAAP | \$ 809 | \$ 664 | \$ 1,659 | \$ 1,347 |
| Licensed retail stores sales | 306 | 231 | 600 | 458 |
| Total systemwide retail store sales | \$ 1,115 | \$ 895 | \$ 2,259 | \$ 1,805 |

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The systemwide retail store sales measure is useful to management and investors because it provides an indication of consumer spending in Starbucks retail stores, a growing portion of which are licensed and not consolidated into the financial results of Starbucks Corporation. The systemwide retail store sales measure is primarily used by the restaurant industry.

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EXHIBIT INDEX

| Exhibit Number | Description |
|---------------------------|--|
| 99.1 | Earnings Release dated April 24, 2003. |