



Peet's Coffee & Tea Introduces New Medium-Roast Specialty Coffee Line

Leverages Expertise, Premier Brand, and Unique Direct Store Delivery (DSD) System to Enter Largest Specialty Coffee Segment

EMERYVILLE, Calif.--(BUSINESS WIRE)-- Peet's Coffee & Tea, Inc. (NASDAQ:PEET) announced today its entry into the largest product segment of the specialty coffee category in grocery stores with the debut of two new medium-roast coffees in ground and whole bean form: **Peet's Café Solano™** and **Peet's Café Domingo™**. Consistent with consumers' expectations for a superior medium roast, these coffees are smooth and balanced, but with more pure coffee flavor.



Peet's unveils new medium-roast specialty coffees that are smooth and balanced, with an abundance of pure, sweet coffee taste. (Photo: Business Wire)

Peet's stated strategy is to have the leading premium-quality, premium-priced product in every meaningful segment of specialty coffee. Famous for its signature deep-roast style, the Peet's brand is already the quality and price leader in the dark-roast segment. In 2009, Peet's entered the flavored-coffee segment with its launch of Godiva® brand coffees. Now, Peet's is entering the medium-roast segment, which accounts for well over a third of specialty coffee sales in grocery stores nationally and more than 40% of sales in the eastern U.S.

"We are very excited about the national introduction of our new medium-roast Peet's coffee lineup," said Patrick O'Dea, president and CEO of Peet's Coffee & Tea. "Medium roast is the largest product segment within specialty coffee, and our research clearly indicates it's a big opportunity for us with both existing consumers and in attracting new consumers to the Peet's brand. Leveraging the superior selling and merchandising power of our unique DSD system, we expect this new line to be in the majority of grocery stores we service by year's end."

The new medium-roast blends represent the culmination of extensive exploration and collaboration among Peet's coffee buyers, artisan roasters, and expert tasters. "We brought every bit of our 45 years of coffee craft to the creation of these two blends," said Doug Welsh, Peet's roastmaster and vice president of coffee. "The style is smooth and balanced, with an abundance of pure, sweet coffee flavor. In Café Domingo, a select blend of Latin American coffees, this is expressed in cacao and toffee tones and a clean, crisp finish. Café Solano bespeaks the wider influence of a world blend, with lively and aromatic notes contributed by African and Indo-Pacific coffees."

Peet's will be roasting the new medium-roast line in its Gold LEED®-certified roasting facility in Alameda, Calif.

About Peet's Coffee & Tea, Inc.

Peet's Coffee & Tea, Inc. (NASDAQ: PEET) is the premier specialty coffee and tea company in the United States. The company was founded in 1966 in Berkeley, Calif. by Alfred Peet. Peet was an early tea authority who later became widely recognized as the grandfather of specialty coffee in the U.S. Today, Peet's Coffee & Tea offers superior quality coffees and teas in multiple forms, by sourcing the best quality coffee beans and tea leaves in the world, adhering to strict, high-quality and taste standards, and controlling product quality through its unique direct store delivery selling and merchandising system. Peet's is committed to strategically growing its business through many channels while maintaining the extraordinary quality of its coffees and teas. For more information about Peet's Coffee & Tea, Inc., visit www.peets.com.

This press release contains statements that are not based on historical fact and are "forward-looking statements" within the meaning of the Private Securities Litigation Reform Act of 1995. These forward-looking statements include statements relating to the sales and distribution opportunity of Peet's new medium-roast coffees. Forward-looking statements are based on management's beliefs, as well as assumptions made by and information currently available to management, including financial and operational information, the company's stock price volatility, and current competitive conditions. As a result, these statements are subject to various risks and uncertainties. The company's actual results could differ materially from those set forth in forward-looking statements depending on a variety of factors including, but not limited to, general economic conditions, including the recent recession and its ongoing negative impact on consumer spending; the company's ability to implement its

business strategy, attract and retain customers, and obtain and expand its market presence in new geographic regions; the availability and cost of high-quality Arabica coffee beans; consumers' tastes and preferences; complaints or claims by current, former or prospective employees or government agencies or other litigation; and competition in its market as well as other risk factors as described more fully in the company's filings with the Securities and Exchange Commission, including its Annual Report on Form 10-K for the year ended January 2, 2011. These factors may not be exhaustive. The company operates in a continually changing business environment, and new risks emerge from time to time. Any forward-looking statements speak only as of the date of this press release.

Photos/Multimedia Gallery Available: <http://www.businesswire.com/cgi-bin/mmg.cgi?eid=6815123&lang=en>

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