



October 30, 2015

PEET'S COFFEE & TEA TO ACQUIRE A MAJORITY STAKE IN INTELLIGENTSIA COFFEE INTELLIGENTSIA TO CONTINUE OPERATING INDEPENDENTLY, LED BY ORIGINAL CO-FOUNDERS

Emeryville, CA and Chicago, IL (October 30, 2015) - Peet's Coffee & Tea and Intelligentsia Coffee today announced an agreement in which Peet's will acquire a majority stake in Intelligentsia, the pioneer of the third wave coffee movement. Intelligentsia will continue to operate independently and have full access to Peet's resources and scale. Intelligentsia co-founders Doug Zell and Emily Mange as well as co-owner Geoff Watts will retain a significant stake in the business and stay actively involved in the company's operations. Peet's will continue to pursue its growth strategy across its retail cafes, wholesale and grocery. Terms of the transaction were not disclosed.

"We're excited to welcome Intelligentsia to the Peet's family as the growth of the super-premium coffee market continues to explode in the U.S.," said Dave Burwick, president and CEO of Peet's Coffee & Tea. "It's driven by 18-34 year-olds who are more affluent, purchase premium brands from other categories like craft beer and pressed juice, and seek variety and new experiences. To capture more than our fair share of this market, it's important that we offer differentiated craft coffee brands with unique propositions and appeal. Peet's and Intelligentsia, along with Stumptown, which we recently signed an agreement to acquire, are highly complementary brands and businesses that collectively satisfy the desires of the new coffee connoisseur."

Intelligentsia, founded in 1995 by Doug Zell and Emily Mange, is a super-premium coffee roaster and innovative retailer based in Chicago with roasting operations in Chicago, Los Angeles and San Francisco. With 10 coffee bars across Chicago, Los Angeles and New York, Intelligentsia is known for its Direct Trade coffees, culinary coffee experiences and education.

"Intelligentsia is built on the vision of creating a remarkable coffee experience," said Doug Zell, founder of Intelligentsia Coffee. "Each step of the process is considered and is as important as the step that preceded it. It begins at the source, working alongside the best producers in the world, moves through our thoughtful coffee roasting and quality assurance, and lands in the hands of the most well trained and skilled baristas that deliver our carefully crafted coffee to our customers. Also, Peet's respects our vision and shares our same values. Emily and I both spent many years in the Bay Area and watched first-hand as Peet's scaled their business while staying committed to their quality and craft. Peet's is where I started my career in coffee and I'm delighted to be working with them again."

Peet's, Intelligentsia, and Stumptown have a number of the world's most renowned coffee experts and pioneers in Doug Welsh (Peet's), Doug Zell (Intelligentsia), Geoff Watts (Intelligentsia) and Duane Sorenson (Stumptown). "There are no individuals in the world who know more about coffee sourcing, roasting, trends or the coffee consumer than our team, and we are thrilled to have them help guide our growth in the years ahead," added Burwick.

Skadden, Arps, Slate, Meagher & Flom LLP served as legal counsel to Peet's while Piper Jaffray served as financial advisor and Kirkland & Ellis LLP acted as legal counsel to Intelligentsia.

ABOUT PEET'S COFFEE & TEA

Peet's Coffee & Tea is a U.S. specialty coffee company founded by Alfred Peet in 1966 in Berkeley, California. Mr. Peet grew up in the coffee trade and moved to America from Holland after World War II. His coffee style was unlike anything Americans had ever tasted before - small batches, fresh beans and a superior quality roast that is rich and complex. Mr. Peet's influence of the artisan coffee movement inspired a new generation of coffee entrepreneurs, including the founders of Starbucks. Today, Peet's Coffee upholds its commitment to high quality and freshness by sourcing the world's best beans, roasting in small batches, and maintaining a strict standard of freshness through its unique direct store delivery network. Peet's continues to grow its business through its retail, grocery and e-commerce channels while maintaining the premium quality of its coffee. Peet's is a private business owned by JAB Holding Co. For more information visit www.peets.com. To access Peet's full store list, go [here](#).

ABOUT INTELLIGENTSIA COFFEE

Founded in 1995 by Doug Zell and Emily Mange, Intelligentsia Coffee is a specialty coffee roaster and retailer with coffee bars in Chicago, Los Angeles, and New York, and roasting facilities in Chicago, San Francisco and New York. With direct relationships spanning the globe for over a decade, Intelligentsia sources and develops naturally sweet coffees from some of the best producers in the world. The company is recognized as an industry pioneer for its creation of the Direct Trade purchasing model, groundbreaking coffee bars, and award winning baristas. For more information visit

<http://www.intelligentsiacoffee.com>.

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