

April 1, 2011

Dear MARS Drinks Distributor,

A rise in demand and pricing of the Arabica coffee bean will continue to be a concern in our industry through 2011-12. As growth in coffee consumption increases, the upward trend in the market will result in unprecedented price increases for green coffee.

On March 8, 2011 the Wall Street Journal reported that Arabica coffee futures hit a nearly **14-year high** on pricing for green coffee beans[†].

The chart on the right, illustrates the prices for "March delivery ending up 3% at \$2.8095 per pound of green beans. The outlook for May is expected to continue trending upwards, with delivery up 3.1% settling at \$2.8115 per pound of green beans on the Intercontinental Exchange".[†]

Many coffee manufacturers have already passed double-digit % price increases to manage rising cost in sourcing commodities.

Coffee Futures

Daily settlement price on the continuous front-month contract

Monday: \$2.8095 a pound,
up 8.05 cents or 3%



Source: ICE Futures U.S. via Thomson Reuters

As a result of these conditions, MARS Drinks North America is announcing a 10% **price increase for our line of ALTERRA COFFEE ROASTERS™/MC coffees. This price increase will NOT be applied to THE BRIGHT TEA CO.™/MC teas, DOVE® hot chocolate, Cappuccino Latte Swirl, or MILKY WAY®/MARS® Swirl.** For questions regarding this communication please contact your MARS sales representative or MARS Drinks Customer Care at 1-877-273-5812 or flavia.cs@effem.com.

Sincerely,

Brian Miller
Sales and Marketing Director
Mars Drinks North America

Sources Quoted in this Announcement:

- [†]*Arabica Coffee Futures Near 14-Year High*. The Wall Street Journal Online, March 9, 2011. <http://online.wsj.com/article/SB10001424052748703386704576186832349696752.html>
- ICE Coffee Futures, <https://www.theice.com/productguide/ProductDetails.shtml?specId=15>

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