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An Open Letter to the Board of Directors of Caribou Coffee Company

Accretive Capital Partners' Founder & Managing Partner, Richard Fearon, Calls for Open Auction Sale Process

NEW HAVEN, CT--(Marketwire - Dec 20, 2012) - The following is a statement from Accretive Capital Partners' Founder & Managing Partner, Richard Fearon.

December 20, 2012

Board of Directors
Caribou Coffee Company, Inc.
Attn: Mr. Gary Graves, Chairman
3900 Lakebreeze Avenue North
Minneapolis, MN 55429

Dear Ladies and Gentleman of the Caribou Board:

As significant and supportive shareholders of Caribou Coffee Company for over five years, we at Accretive Capital Partners find ourselves utterly dismayed by the price you have accepted from Joh. A. Benckiser to sell our company.

Accretive Capital Partners, LLC and its affiliates are beneficial owners of more than 850,000 shares of Caribou Coffee stock and have stood by the company for more than five years while waiting patiently for a turn-around to materialize and for strategies for improving average unit volume and accelerating unit growth to evolve. And now, here we are with newly installed TurboChef ovens, a strategy to introduce new and exciting beverages and hot food products, and a plan to grow the store count by 10-12% annually, only to have the company handed to a new owner at a fraction of its intrinsic value.

At \$16 per share, the price you have accepted from Benckiser on our behalf is only 0.9 times annual sales and less than 11 times trailing earnings before interest, taxes, depreciation and amortization (EBITDA). Compare these metrics to the price just paid by Benckiser for Peet's Coffee less than two months ago: Peet's shareholders received 2.4 times sales and 21 times EBITDA. Moreover, Starbucks' shareholders receive 3 times sales and 16 times EBITDA for their shares in a highly efficient public market. As measured by these real-time metrics, **Caribou Coffee is worth \$30-\$35 per share**, especially considering the control premium a strategic buyer must pay to enjoy operational synergies.

Combine these facts with the growth potential at Caribou Coffee: Average unit volume (AUV) runs around \$600,000 per store and new-store openings were an anemic eight stores last year. The company's goal is to increase AUV to \$1 million, an amount achieved by Starbucks and others, and to accelerate unit growth to 20 stores this year and by 10-12% thereafter. The substantial benefits of these two significant financial drivers of growth are imminent, and yet the board has elected to sell the business off at a multiple of *historical* sales less than half of what Benckiser just paid for Peet's Coffee.

We are baffled by the board's and management's decision to sell the company now and to do so without the benefit of engaging a qualified investment banker, who would market the company and manage an efficient auction process. Surely it would be in shareholders' best interests to determine if other major strategic buyers -- such as Starbucks, Green Mountain, Dunkin' Brands, Krispy Kreme -- had any interest in acquiring Caribou Coffee. One can only guess what kind of incentives Benckiser offered to our management team to consummate this deal.

We believe we are not alone among other significant shareholders in deeming our company, Caribou Coffee, to be worth substantially more than the price you have accepted on our behalf. We encourage you to pursue available alternatives to consummating this transaction with Benckiser and remind you of your fiduciary duties to shareholders: As custodians of our investment, you are charged with a duty to place

shareholder interests above personal gain or other motives. And, with our proposal for a fair and open auction process, we demand only that you do the right and honorable thing on behalf of all Caribou Coffee Company shareholders.

Sincerely,
Richard E. Fearon, Jr.
Managing Partner

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