EXHIBIT 14.16 Excerpts from Starbucks' Employee Stock Option Footnote

	Options Outstanding			Options Exercisable	
Range of Exercise Prices	Shares	Weighted Average Remaining Contractual Life (Years)	Weighted Average Exercise Price	Shares	Weighted Average Exercise Price
$ 0.75 – $ 9.41	3,046,798	4.04	$ 7.14	2,872,310	$ 7.01
9.69 – 18.41	6,942,673	6.54	16.92	4,007,553	16.15
19.42 – 22.69	5,530,507	8.17	21.52	2,681,621	21.48
23.25 – 35.31	5,197,385	8.93	25.60	603,886	27.49
36.06 – 40.75	227,500	9.75	38.13	—	—
$ 0.75 – $ 40.75	20,944,863	7.23	$ 19.10	10,165,370	$ 15.65

The Company accounts for its stock-based awards using the intrinsic value method in accordance with Accounting Principles Board Opinion No. 25, "Accounting for Stock Issued to Employees" and its related interpretations. Accordingly, no compensation expense has been recognized in the financial statements for employee stock arrangements.

SFAS No. 123, "Accounting for Stock-Based Compensation," requires the disclosure of pro forma net income and net income per share as if the Company adopted the fair-value method of accounting for stock-based awards as of the beginning of fiscal 1996. The fair value of stock-based awards to employees is calculated using the Black-Scholes option-pricing model with the following weighted average assumptions:

	Employee Stock Options		
	2000	1999	1998
Expected life (years)	2–6	1.5–6	1.5–6
Expected volatility	55%	50%	45%
Risk-free interest rate	5.65–6.87%	4.60–6.21%	5.28–6.05%
Expected dividend yield	0.00%	0.00%	0.00%

The Company's valuations are based upon a multiple option valuation approach and forfeitures are recognized as they occur. The Black-Scholes option valuation model was developed for use in estimating the fair value of traded options, which have no vesting restrictions and are fully transferable. In addition, option valuation models require the input of highly subjective assumptions, including the expected stock-price volatility. The Company's employee stock options have characteristics significantly different from those of traded options, and changes in the subjective input assumptions can materially affect the fair value estimate.

As required by SFAS No. 123, the Company has determined that the weighted-average estimated fair values of options granted during fiscal 2000, 1999, and 1998 were $10.74, $8.86, and $7.20 per share, respectively.