

**The Merriam Report** **GMCR** 12/25/10 **GREEN MOUNTAIN COFFEE ROASTERS INC**

All amounts in millions except for earnings per share

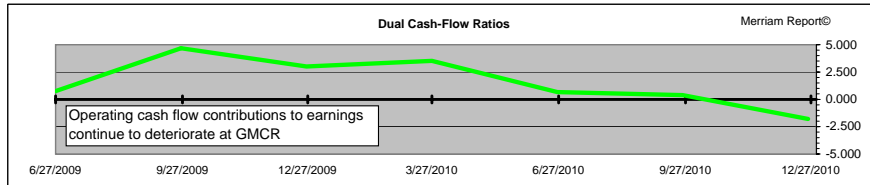
Quarterly period ending:	3	4	1	2	3	4	1	Averages	
	6/27/2009	9/26/2009	12/26/2009	3/27/2010	6/26/2010	9/25/2010	12/25/2010		
Earnings Per Share (Incl. Ext. Items)	\$ 0.120	\$ 0.100	\$ 0.070	\$ 0.540	\$ 0.13000	\$ 0.180	\$ 0.020	\$ 0.166	
% Change in E.P.S. (from prev. qtr.)		-16.7%	-30.0%	671.4%	-75.9%	38.5%	-88.9%	83.1%	
Total Revenues	19050.9	20529.4	34515.2	32491.5	31151.4	37098.3	57502.7	33191.3	
% Change in Revenues (from prev. qtr.)		7.8%	68.1%	-5.9%	-4.1%	19.1%	55.0%	23.3%	
Cost of Revenues	12642.8	139316.0	249575.0	216263.0	201783.0	265433.0	430613.0	216518.0	
Accounts Receivable:	6874.3	9155.9	14595.4	13444.1	13045.8	17755.0	23806.8	14096.8	
% Change in Receivables (from prev. qtr.)		33.2%	59.4%	-7.9%	-3.0%	36.1%	34.1%	25.3%	-1.25%
DSO's (# of days it took customers to pay)	32.8	40.6	38.5	37.7	38.1	43.6	37.7	38.4	0.27%
Inventories:	10323.8	13218.2	12408.3	10992.9	18626.2	26247.8	26913.2	16961.5	
% Change in Inventory (from prev. qtr.)		28.0%	-6.1%	-11.4%	69.4%	40.9%	2.5%	20.6%	2.58%
Inventory as a % of Sales	54.2%	64.4%	36.0%	33.8%	59.8%	70.8%	46.8%	52.24%	
Prepaid Expenses:	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.0	
Other Current Assets:	472.5	1138.4	1666.3	2377.9	1661.1	2348.8	2421.1	1726.6	
Property, Plant & Equip. (net):	11705.4	13598.1	15731.8	18004.3	21882.1	25892.3	38960.8	20825.0	
% Change in P, P & E (from prev. qtr.)		16.2%	15.7%	14.4%	21.5%	18.3%	50.5%	22.8%	
Accounts Payable:	6149.1	7977.2	8431.6	8953.2	11204.4	13922.0	14803.4	10205.8	
% Change in Payables (from prev. qtr.)		29.7%	5.7%	6.2%	25.1%	24.3%	6.3%	16.2%	0.0141
Quarterly period ending:	6/27/2009	9/26/2009	12/26/2009	3/27/2010	6/26/2010	9/25/2010	12/25/2010		0.0871
Total Liabilities:	25002.4	22605.5	27703.9	27207.3	53488.6	67132.9	158113.8	54464.9	
Shareholder equity:	19957.1	58735.0	60645.4	63972.7	66213.3	69924.5	95811.5	62179.9	
Retained Earnings (Accum. Deficit)	12278.7	13433.8	14965.6	17435.8	19291.2	21384.4	21607.3	17199.5	
Operating Cash Flow (OCF)	22277.8	62206.1	58665.1	64515.9	46858.8	52662.1	40472.1	49665.4	
OCF as % of Revenues	116.9%	303.0%	170.0%	198.6%	150.4%	142.0%	70.4%	164.46%	0.0817
Balance Sheet Cash Flow (BSCF)	25001.1	22603.7	27701.4	27204.8	53486.0	67129.5	158109.7	54462.3	
BSCF as % of Revenues	131.2%	110.1%	80.3%	83.7%	171.7%	181.0%	275.0%	147.56%	-0.8634
Spread between OCF & BSCF	-2723.3	39602.4	30963.7	37311.1	-6627.2	-4467.4	-11763.6	-4796.9	-6 -0.1233
Ratios									
Spread to Revenues	-14.29%	192.91%	89.71%	114.83%	-21.27%	-39.00%	-204.58%	0.169	
Spread to OCF	0.891	2.752	2.118	2.371	0.876	0.784	0.256	1.436	
MR Dual Cash-Flow Figure	0.748	4.681	3.015	3.520	0.663	0.395	-1.790	1.605	

**The Merriam Report**

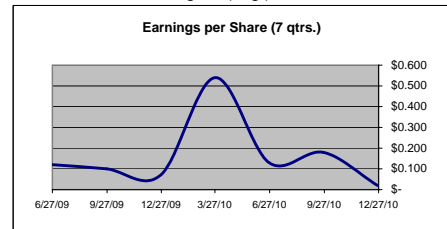
Quarterly period ending:	6/27/09	9/26/09	12/26/09	3/27/10	6/26/10	9/25/10	12/25/10	
MR Dual Cash-Flow Figure	0.748	4.681	3.015	3.520	0.663	0.395	-1.790	-1 -1

**Merriam Report Signals:**

- Recent Bearish
- Confirmed Bearish
- Recent Bullish
- Confirmed Bullish



MR Dual Cash-Flow Figure (avg.) 1.605

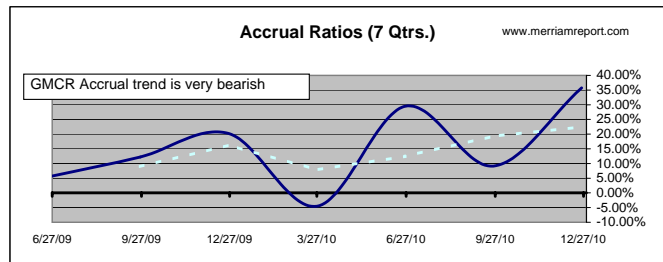


P/E	124.62	47.87	142.51	157.85	51.34	60.37	60.19	92.107
P/S	3.14	3.52	3.57	4	3.15	3.68	3.01	3.4386
P/FCF	-1084.6884	-282.2159	-92.4026	-163.6985	-69.7035	-38.8277	-39.5943	-253.02
PEG	-2.0048	0.3498	-2.1622	42.6188	0.1997	2.0896	0.2376	5.9041
Earnings Yield	0.008	0.0209	0.007	0.0063	0.0195	0.0166	0.0166	0.0136
Cash to Total Asse	0.0095	0.3591	0.1399	0.1582	0.0083	0.0035	0.0248	0.1005
Debt-to-Assets	0.2804	0.0959	0.0871	0.0797	0.2268	0.2587	0.4273	0.208

Accrual Ratios	6/27/09	9/26/09	12/26/09	3/27/10	6/26/10	9/25/10	12/25/10
Average Accruals	5.72%	12.23%	20.25%	-4.56%	29.47%	9.12%	35.75%

**Revenue Metrics (as % of Sales)**

	Recent Qtr.	Combined Avg.
Research & Development	0.00%	0.00%
Cost of Sales	74.89%	70.13%
S/G/A	21.10%	21.11%
Payables	25.74%	30.75%
<b>Capital Productivity</b>		
Inventory / Revenues	\$ 0.468	\$ 0.511
Receivables / Revenues	\$ 0.414	\$ 0.425
Inventory & Receivables / Revenues	\$ 0.882	\$ 0.936
P,P&E / Revenues	\$ 0.678	\$ 0.627



Accrual Ratios: According to the MR model, a ratio of -5 or less is very bullish and a ratio of +5 or more is very bearish.

-4.76% 0.01%

## Summary of Merriam Report Signals

Dual Cash-Flow Figures

Recent Bearish

Confirmed Bearish

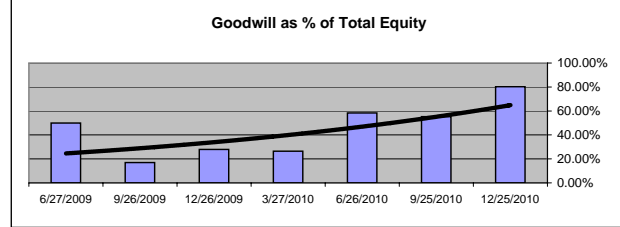
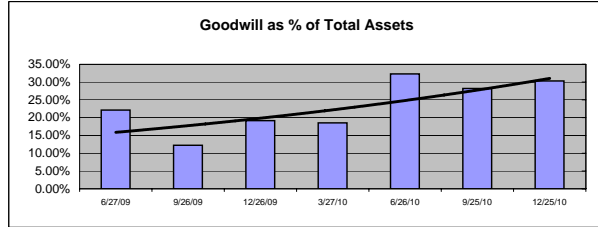
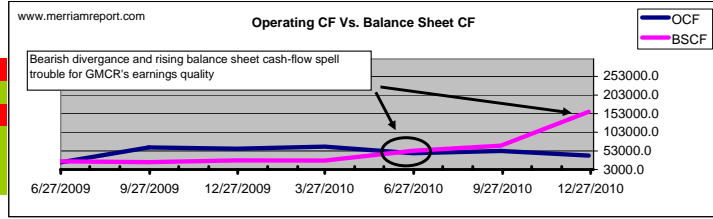
Operating Cash-Flow Trend  
Balance Sheet Cash-Flow Trend

Bearish  
Bullish

	6/27/09	9/26/09	12/26/09	3/27/10	6/26/10	9/25/10	12/25/10
OCF	22277.8	62206.1	58665.1	64515.9	46858.8	52662.1	40472.1
BSCF	25001.1	22603.7	27701.4	27204.8	53486.0	67129.5	158109.7

### Comparison of Recent Quarter Changes to Average

EPS	Bearish	
Revenues	Bullish	
Accounts Receivable	Bearish	
Days Sales Outstanding	Bullish	
Inventory	Bullish	
Accounts Payable	Bullish	
Accrual Ratios	Extreme Bearish	



	6/27/09	9/26/09	12/26/09	3/27/10	6/26/10	9/25/10	12/25/10	AVG.
Goodwill as % of Total Assets	22.14%	12.24%	19.18%	18.52%	32.28%	28.19%	30.30%	23.27%
Goodwill as % of Total Equity	49.89%	16.96%	27.94%	26.40%	58.36%	55.26%	80.30%	45.02%
	2.25	1.38	1.46	1.43	1.81	1.96	2.65	1.93

Dual Cash Flow Trend	-2
Financial Ratios (conventional)	-1
Balance Sheet and Income Statement	-6
Accrual Ratios	-7
Revenue Metrics and Capital Productivity	3
Goodwill Trends	-3
<b>Merriam Report Score</b>	<b>-16</b>

Adjustments (Payables)	\$ 0.39
Adjustments (Receivables)	\$ (0.34)
Adjustments (DSO)	\$ 0.08
Adjustments (OCF)	\$ 2.25
Adjustments (BSCF)	\$ (3.39)
Adjustments (Inventory)	\$ 0.71
<b>Total Adjustments</b>	<b>\$ (0.32)</b>

<b>GREEN MOUNTAIN COFFEE ROAS</b>	<b>12/25/2010</b>	<b>2/10/2011</b>	<b>SHORT CANDIDATE</b>	<input checked="" type="checkbox"/>
<b>Ending Period Share Price</b>	<b>32.5</b>	<b>\$ 43.44</b>	<b>AVOID</b>	<input checked="" type="checkbox"/>
<b>Estimated Fair Value</b>	<b>\$ 27.20</b>			
<b>End Price to Est. FV</b>	<b>18.12%</b>	<b>59.72%</b>		

OVERVALUED  
Earnings Quality

#### Food Processing

Consumer/Non-Cyclical  
Miscellaneous Food Preparations And Kindred

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