



GREEN MOUNTAIN COFFEE ROASTERS



Our Values and Beliefs



A Passion for Coffee

We love great coffee, we make great coffees, and we work hard to ensure people have an outstanding coffee experience anytime and anywhere they buy Green Mountain coffee.

Performance

We manage the business to create value for our customers and our stockholders, and to build financial strength.

A Destination Workplace

We strive to create an atmosphere that fosters teamwork, personal growth and a healthy work-life balance.

Ethics

We act with honesty and integrity in all our actions and relationships.

Commitment to Social Responsibility

We share a commitment to improve the environment and to make our local and global communities better.

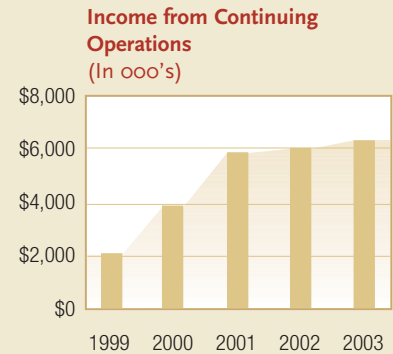
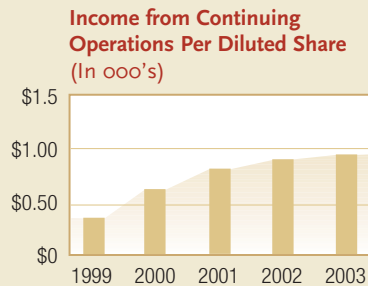
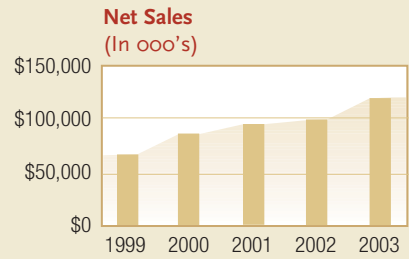
Photos courtesy of the Green Mountain Coffee Foundation; Bill Kinzie, 2muchMedia; Lori Landau, Lori Landau Photography.

Certain statements contained herein are not based on historical fact and are "forward-looking statements" within the meaning of the applicable securities laws and regulations. Owing to the uncertainties inherent in forward-looking statements, actual results could differ materially from those set forth in forward-looking statements. Please see page 16 of the Form 10-K, included herein.



Summary Financial Data

(In thousands except per share data)	52 wks. ended		52 wks. ended		52 wks. ended
	Sept. 27, 2003	Year-over-year	Sept. 28, 2002	Year-over-year	Sept. 29, 2001
Selected Statement of Operations Data:					
Coffee pounds shipped	15,570	+15%	13,504	+9%	12,408
Net Sales	\$116,727	+17%	\$100,000	+5%	\$95,576
Gross profit	\$49,011	+14%	\$42,866	+6%	40,283
Income before equity in net earnings of Keurig Incorporated	7,393	+19%	6,232	+8%	5,782
Equity in net earnings of Keurig, Incorporated	(\$1,127)	-330%	(\$262)	-	-
Net Income*	\$6,266	+5%	\$5,970	+3%	\$5,782
Net Income* per diluted share	\$0.86	+5%	\$0.82	+3%	\$0.80
Weighted average shares outstanding	7,260	0%	7,264	+1%	7,197
Selected Balance Sheet Data: (at end of period)					
Working capital	\$9,258	+57%	\$5,905	-31%	\$8,545
Total assets	\$59,990	+10%	\$54,687	+59%	\$34,496
Long-term debt	\$12,031	-35%	\$18,402	+185%	\$6,451
Stockholders' equity	\$35,148	+30%	\$27,065	+46%	\$18,600
Long-term debt/equity	34.2%	-50%	68.0%	+96%	34.7%
Return on equity*	20.1%	-23%	26.1%	-35%	40.4%
(*from continuing operations)					



“I recently saw a PBS show concerning the plight of coffee growers in Guatemala. After seeing this show and the efforts of your company to provide a “fair trade” price, I wanted to let you know that, in the future, I will be purchasing Green Mountain coffee exclusively.”

Martin Taylor
Houston, TX



Green Mountain Coffee Roasters joined forces with Ben & Jerry’s Homemade, Inc. to create a co-branded store which features Fair Trade and organic coffees.



Pico de Orizaba volcano in Huatusco, Mexico—home of Rain Forest Nut® coffee.



Coffee farmed at La Voz Cooperative in Guatemala is used for our La Esperanza blend.

President's Letter

Dear Fellow Stockholders,

Every day, I am reminded of how we are connected through coffee—from our supply partners, through our wholesale customers, and ultimately, to consumers. Our efforts are supported by our loyal stockholders and I want to thank you for your continued belief in our organization. Thank you, too, for recommending us to others and for giving us your feedback and suggestions. We feel a strong sense of community with, and responsibility to, all our stakeholders, and I am pleased to share with you some of the ways we are working and connecting with our various business and community partners.

Strong financial performance and financial accountability are among our foremost responsibilities to you, so I am happy to report that in fiscal 2003 our net sales increased 16.7% to \$116.7 million and coffee pounds shipped increased 15.3% as compared to fiscal 2002. Our operating margin increased to 11.2% of sales as compared to 10.7% of sales in fiscal 2002. In fiscal 2003, the impact of our equity investment in Keurig, Incorporated, was a loss of \$1.1 million or \$.16 per share. The Keurig loss is primarily due to marketing expenditures by Keurig related to the launch of their Keurig® Single-Cup Brewer for the home. I also would emphasize that the associated accounting losses that we report are non-cash losses for Green Mountain. Net income after the impact of Keurig increased 5% to \$6.3 million or \$.86 per share.

As you will see in the following section, we won a number of new customers this past year and continued to expand sales with valued, existing customers. Significantly, we are growing sales fastest in areas outside New England, with the majority of our coffee pounds sales growth, about 75%, coming from other regions of the country. In fact, just over half of our total business now comes from outside of New England. This is an important shift for us and underscores the effectiveness of our multi-channel marketing strategy as a pathway to continued growth throughout the U.S.

It is our relationship with our more than 7,000 wholesale customers (many of whom have hundreds of coffee locations) that enables us to connect with consumers—in convenience stores, supermarkets, offices, restaurants, hotels, on college campuses, airlines and other venues. Of course, consumers can also reach us through our website and catalog, but the vast majority of our coffee sales, about 94%, comes through our wholesale customers who are serving consumers Green Mountain coffee and making our coffee available to coffee drinkers.

Our connection with consumers is powerful for several reasons. Once someone first experiences our coffee they often are so pleased with the taste that they seek to buy more. Research shows, too, that consumers really have begun seeing the connection between the products they choose to buy and their impact in the world. We're seeing this growing trend reflected in the increased sales of our double-certified organic and Fair Trade Certified® coffees.

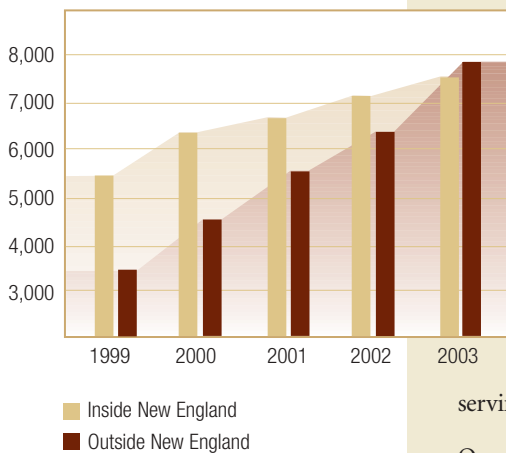
With the support of wholesale customers and consumers who appreciate the excellent quality of our Fair Trade and organic coffees and the positive difference they are making in the world, our Fair Trade organic coffee sales have grown from almost 7% in 2001 to over 12% of our total sales in 2003. That's good news for our wholesale customers, for consumers, for our business, and for coffee farming families around the world.

Over the past year, many of our customers have also identified this consumer trend and started offering their consumers double-certified Fair Trade and organic coffees from Green Mountain Coffee Roasters®



CEO Bob Stiller visited farmers and families at La Voz Que Clama en el Desierto cooperative, Guatemala.

Coffee Pounds Shipped Inside vs. Outside New England
(In 000's)





CEO Bob Stiller with a farmer at La Trinidad cooperative, Oaxaca, Mexico.



A young member of La Voz cooperative, Guatemala.



Mike Pelcher was one of several Green Mountain Coffee Roasters' employees who spent a week with cancer survivors at Camp Ta-Kum-Ta.

Ultimately, consumers can make a great difference in the world with their purchasing choices, helping to eliminate some of the economic, social, and even political imbalances. We have heard first-hand from Indonesian farmers from the GAYO cooperative in Sumatra, for example, through their relationship with us and our mutual partner, ForesTrade, they have been able to create a strong cooperative that includes coffee farmers from several different ethnic and religious backgrounds. The farmers tell us that this cooperative is an oasis of peace in the midst of a war-torn country.

In fiscal 2003 we continued developing our relationships with stakeholders in coffee farming regions. In February 2003 I visited a number of coffee farms in Mexico and Guatemala. Several television journalists from *FRONTLINE/World* accompanied me on parts of my trip and Green Mountain Coffee subsequently was featured on the PBS *FRONTLINE/World* television show, in May 2003. Traveling with me and the *FRONTLINE/World* television journalists were several Green Mountain employees and some of our customers and partners from Wild Oats Markets and Newman's Own® Organics. I can tell you that we were all deeply moved by the warm hospitality we received, and after seeing the effects of the coffee crisis first-hand, I am committed, more than ever, to Fair Trade coffee and to finding other long-term solutions that help coffee farmers become more self-sufficient.

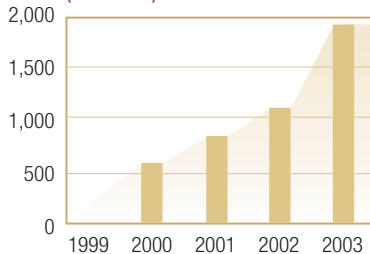
We are fortunate to be partnering with Newman's Own Organics particularly because we share many of the same values like supporting our local communities, contributing to non-profit causes and helping our source communities become more self-sustaining. Our co-branded Newman's Own® Organics and Green Mountain Coffee Roasters double-certified Fair Trade and organic coffees have helped us introduce Green Mountain into several supermarket chains in recent months. This is a wonderful example of partnering to leverage the good we can do in furthering social and environmental causes while also achieving business objectives.

We were pleased to receive a number of recognitions this year that affirm some of our beliefs and strategies, such as Rainforest Alliance's "Sustainable Standard-Setter" award and a ranking of #8 on *Business Ethics* list of "100 Best Corporate Citizens." Closer to home, we received the inaugural Community Service Award from a local non-profit, Revitalizing Waterbury. *Global Finance* also included us on their list of "The World's Most Socially Responsible Companies" in October 2003.

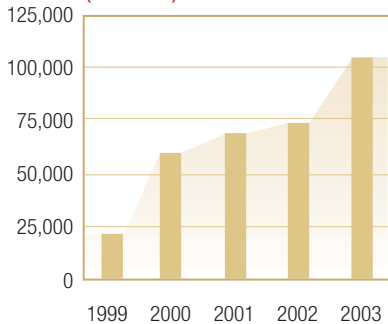
I am especially proud of Green Mountain Coffee Roasters' employees. I continue to be inspired by their passion not only for roasting and delivering great coffees but, for the way we work with each other, our many partner organizations and members of our communities. Over the past eleven years, we have sent about 20% of our employees to visit coffee regions throughout the world. We have provided training about our Employee Stock Ownership Program to every employee, and we have involved about 30% of our workforce in an ongoing Appreciative Inquiry initiative. More than 1,200 paid employee-volunteer hours were dedicated to causes in local communities in fiscal 2003. Spirit and a sense of community are very much alive within Green Mountain Coffee Roasters.

In fiscal 2004 we will continue to pursue our multi-channel approach to sales growth, and teams of employees will be very focused on achieving and supporting our growth. This will include continued placement of our coffees in supermarket, convenience store and food service channels, as well as increasing catalog and website coffee sales. We also have set a specific goal of increasing our Fair Trade coffee sales to at least 25%-30% of total sales within 5 years.

Fair Trade Coffee Pounds Shipped
(In 000's)



K-Cup Units Shipped
(In 000's)



We recognize this will depend upon our ability to generate increased support from consumers through educational efforts that promote the benefits of Fair Trade and the impact consumers can make in the world with their purchases.

Another continued area of focus is on the Keurig® Single-Cup Brewer as a way to reach consumers in the office and at home. The appeal of the Keurig K-Cup®—perfectly brewing just one cup of coffee from a wide variety of coffee selections—already has contributed meaningfully to our success in the Office Coffee Service, or OCS, channel. In fiscal 2003 we introduced Celestial Seasonings® tea in K-Cups®, contributing further to sales growth. We expect to deliver strong growth in our OCS channel next year as well, in large part because of the success of the K-Cup.

Both Keurig and Green Mountain are now undertaking similar endeavors to sell K-Cups to the home consumer. The official launch of our marketing and sales program for the “Keurig at home” brewer, combined with a Green Mountain K-Cup continuity program, began this 2003 holiday season. We have just started marketing our “at home” offer by leveraging our relationships with OCS distributors and other wholesale customers. As we continually refine our marketing efforts, I believe that the launch of the “Keurig at home” brewer, tied into a Green Mountain K-Cup continuity program, can be a real growth engine for us over the next few years. In fact, over time, we believe the opportunity for Keurig in the home is even bigger than for Keurig in the office.

In fiscal 2002, Green Mountain acquired a 42% ownership interest in Keurig, Incorporated. Based on our experience selling K-Cups, we believe Keurig is an excellent long-term investment for our stockholders, even though it is a small private company and there have been significant quarterly operating income fluctuations that have negatively impacted our reported earnings. I would like to acknowledge that there is uncertainty concerning the magnitude of Keurig's spending in connection with its own launch of the Keurig Single-Cup Brewer for the home, as well as the timeframe for Keurig's return to profitability. When I weigh the risks and the longer-term potential rewards, I am as excited as ever about our compelling prospects both as a roaster selling our coffee in K-Cups and as an equity investor in Keurig.

To summarize, in fiscal 2004 we plan to increase our overall sales by 13-18%, fueling that growth with Keurig, Fair Trade coffee sales and continued success in new customer acquisition in our traditional channels. As always, we will continue to develop our relationships with partners throughout the coffee chain with respect and in a mutually beneficial manner.

We seek to leave everyone better off for interacting with Green Mountain Coffee Roasters. We want our wholesale customers to be successful as well as our supply partners, employees, local community members, and you, our stockholders. We are all connected—through coffee—and I hope and believe that by working together in harmony and with a shared sense of community we really can make the world a better place.

Thank you for your continued support.

Sincerely,

Bob Stiller
President and CEO
January 9, 2004

Our Brand and Our Products

Coffee Is Our Passion

Our continued success in 2003 can be traced back to the very essence of our business: providing an exceptional coffee experience.

Sourcing

We source, roast and supply some of the world's finest specialty coffees. As a part of this effort, we have developed deep and meaningful relationships with the communities that grow our special coffee. We are committed to long-term relationships with a number of coffee estates and cooperatives so that we can ensure a sustainable supply of high-quality beans despite fluctuating market conditions. Over the years, we have embarked upon many different types of projects designed not only to improve the quality of coffee produced, but also to enhance the quality of life in growing communities. Each year, we have increased our percentage of Farm Identified (coffee farms and co-ops with whom we have relationships) coffees, to 45% of our total coffee purchases in fiscal 2003. Farm Identified coffee purchases help farmers invest in sustainable growing practices. Both our continued focus on collaborating with coffee partners and developing Fair Trade certified organic coffees have served us well. We will continue to develop more and stronger source relationships, increasing the percentage of Farm Identified coffees in order to assure a secure, long-term supply of the highest quality coffee beans.



Crafted with Care

We continue to differentiate ourselves from our competitors by sourcing only high-quality Arabica coffee beans and roasting each bean type before blending to optimize individual flavor profiles. Once roasted, we flush the beans with nitrogen and use one-way valve technology to maximize shelf-life and freshness. Our leading edge approach has allowed us to expand distribution while maintaining high standards for quality. Whenever possible, our own drivers deliver freshly-roasted coffee directly to customers and our sales teams go straight to where our coffee is consumed. We are proud of the care and attention we give our coffee at every stop, all the way from “tree to cup.”

Our Products

We strive to satisfy a broad range of specialty coffee drinkers, whether it's by the cup or by the pound, by providing conveniently available, exceptional coffee. We take pride in our ability to meet and create consumer demand for Fair Trade and organic coffee. Consumers are increasingly expressing their desire to improve conditions for farmers and the environment through their support of these lines—our Fair Trade and organic coffee pounds sold grew by 57% in 2003 and now represents over 12% of our total coffee business.



But that's just the beginning of the choices available to our customers and consumers. In addition to one of the largest selections of double-certified Fair Trade and organic coffees, we offer over 40 proprietary blends in our Signature Coffee Collection, 12 Exotic Origin coffees, 13 flavored coffees, 14 types of decaf, and more than 21 co-branded and seasonal coffees for a total of over 100 different coffee selections.

A growing number of those selections can now be enjoyed one cup at a time through the Keurig® Single-Cup Brewer, North America's leading single-cup brewing system. Consumers can enjoy an outstanding Green Mountain coffee experience at home or at the office with the touch of a button.



Distinctive packaging differentiates our wide variety of coffee selections.

The Keurig Single-Cup Brewer for the home.
www.GreenMountainCoffee.com/kah/

Our Partners

Our experience, and our research, shows us consumers are increasingly choosing to make a difference in the world through the products they buy. This resonates strongly with our philosophy that doing good and doing well go hand in hand. Our partnerships with customers, farmers, non-profits and suppliers all help contribute to our growth.



Nell Newman (Newman's Own Organics) and Lindsey Bolger (our Director of Coffee Relations) traveled to Guatemala to meet with members of La Voz cooperative.

Thanks in part to new customers, including Wild Oats, our Fair Trade business has been growing even faster than our overall business. Our partnership with Newman's Own® Organics provides an opportunity to acquire supermarket accounts in new parts of the U.S. where our Green Mountain brand is not as well known, as well as incremental placement in our more mature markets. Our commitment to social responsibility and Fair Trade sourcing helped us acquire new food service accounts with Sodexo, the leading food and facilities management service company in North America. Our partnership with Sodexo is an effective way to create

brand loyalty on college campuses with the next generation of specialty coffee drinkers.

Our commitment to donate at least 5% of our pre-tax earnings to social and environmental initiatives, as well as our support of non-profits such as Heifer International, Grounds for Health, Coffee Kids and the National Wildlife Federation, isn't just the right thing to do; it's good business.

We are gratified that consumer response reinforces our belief that our commitment to local and global communities is a business "best practice" and a main driver of our overall growth.



COFFEE KIDS™
GROUNDS FOR HOPE

Grounds
FOR
health
We bring healthcare to
coffee growing communities.



NATIONAL
WILDLIFE
FEDERATION™
www.nwf.org

Our Employees

One of our core values is a commitment to employee development and continuous learning. We believe an inclusive culture brings out the best in our employees. We offer frequent onsite trainings and host trainings on topics ranging from meditation to organizational skills. We encourage employees to seek out professional and personal growth opportunities and ask them to identify ways they can build on their positive contributions to the organization through access to new knowledge or the attainment of new skills.

We use programs like Situational Leadership and Myers-Briggs Type Inventory to tailor management styles to bring out the best in our employees. We encourage employees to use paid volunteer hours to pursue socially responsible activities that are meaningful to them and allow them to express their individual values.

One way the Company continues to develop a positive workplace is through “Appreciative Inquiry,” an approach to change that invites people at all levels in the organization to find meaningful ways to build on the best of what already exists and who we are. In the summer of 2003, we held a Summit to examine long-term goals for the organization and to increase the number of employees involved in cross-functional activities. This 3-day event, with over 170 employees and 30 external stakeholders, gave individuals the chance to identify projects they were passionate about and use their leadership skills in new ways.



Randy Lewey



Evelyn Rolfe

Employee Focus: Randy Lewey and Evelyn Rolfe

Randy Lewey was one of the individuals who spoke up at the Summit. Randy joined Green Mountain Coffee Roasters in 2001 as a Forklift Operator in our Distribution Center. Last spring, he joined the 2003 Appreciative Inquiry Steering team. This team provided Randy with opportunities to participate in special projects with employees from all levels, speak at company meetings, and spearhead a project to reexamine job levels in our Distribution Center. Randy is now an Area Leader in the Distribution Center and is mentoring others on the 2004 Appreciative Inquiry team.

Evelyn Rolfe is a leader in our ESOP Training program. Evelyn started in our Customer Care Center in 2000 and has moved into a leadership role in Finance. As an employee trainer for our ESOP program, Evelyn gained the confidence to speak in public. With help from our tuition reimbursement program, she is pursuing an Associate's Degree in Accounting.

Employees like Randy and Evelyn have benefited from our belief that continuous learning is a cornerstone to the success of our employees and our organization. Fundamentally, we believe that our dedication to employee development is vital to attracting and retaining high-performing, qualified, and motivated employees while building on our business success.

Our Growth Strategy

In recent years, the primary growth in the coffee industry has come from the specialty coffee category, driven by the wider availability of high quality coffee, the emergence of upscale coffee shops throughout the country, and greater consumer appreciation of quality coffee. Green Mountain has profited from this market trend with our multi-channel marketing strategy.

The growth of our business depends almost entirely on introducing consumers to that first cup of coffee. We've found that once they've tried it—in an ExxonMobil convenience store, at the office, in a restaurant, or at a friend's house—they often come back for more. In fact, our multi-channel approach is designed to let the consumer discover us in any of several ways. After trial “by the cup,” consumers then have the opportunity to purchase Green Mountain Coffee “by the pound”—typically from packaged food retailers.

Coffee is more than a drink; it's an experience. It's an important part of an overall lifestyle. Many of our biggest fans first discovered Green Mountain on a ski trip to Vermont, or at a friend's home. Research tells us “word of mouth” is one of the most frequent introductions to our company—someone has told the consumer “you have to taste this!”

Our job is to make that initial discovery as wonderful and easy as possible. That's why we surround the consumer with opportunities to try our coffee, whenever and wherever great coffee is appreciated. Unlike other coffee companies which focus on one or two channels, we pursue five distinct distribution channels: supermarkets, convenience stores, offices, food service, and consumer-direct. This approach to market development, enables us to mobilize different channels at varying speeds and geographic reach, which helps us be more responsive to emerging market opportunities. Leveraging this variety of coffee venues, as well as our brand positioning, has served us well in growing profitably over the years.



Supermarkets



Convenience Stores



Office



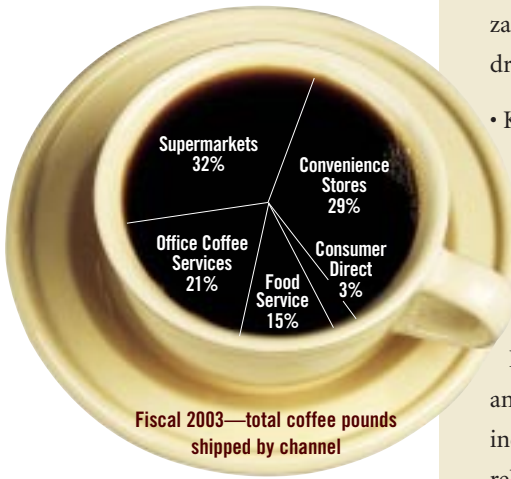
Food Service



Consumer Direct



Enjoying the Green Mountain Coffee experience

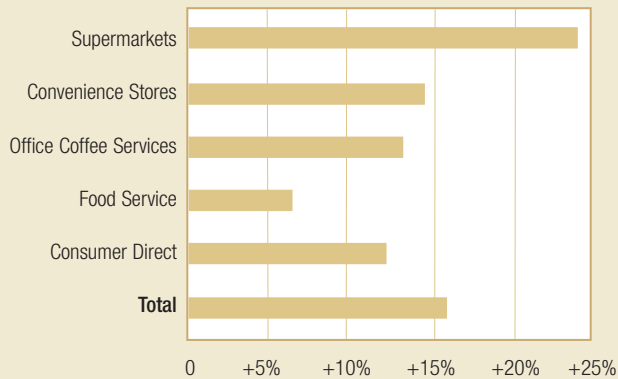


We believe we distinguish ourselves from the competition with superior products, nimble execution, our commitment to social responsibility, and overall customer care. We believe we are in the right place at the right time with our positioning, product selection and organizational strengths to increase our sales in 2004 by 13-18%. We expect three primary growth drivers in fiscal 2004 will be:

- Keurig—both in the new “at home” market and in the already successful office coffee channel
- Fair Trade and organic opportunities arising from compelling growth trends in conscientious consumerism
- Continued success in new customer acquisition and added value for our established customers.

In order to accommodate this projected growth trend, we are building a new distribution and warehousing facility attached to the Company’s current plant. This new building will incorporate material-handling automation to improve the Company’s distribution costs relative to sales over the long-term, as well as allow for increased packaging capacity in the current plant.

Channel Growth in Coffee Pounds Shipped vs. 2002



“Green Mountain coffee has been our true luxury for over ten years. We drink it on vacations, ship it home, drink it at the optical store, and even at the gas station. Now it is coming to our Wegman’s grocers. Life is good.”

Bette Stankewich
Fairport, NY

Our Customers

Supermarkets (includes conventional supermarkets, club stores, mass merchandisers and specialty retail)

Over two-thirds of all coffee bought in the U.S. is sold through supermarkets. We are pleased that our supermarket coffee pounds were up 22% in 2003. This channel was our fastest growing one in 2003.



Green Mountain coffee is available ground or as whole bean in supermarkets.

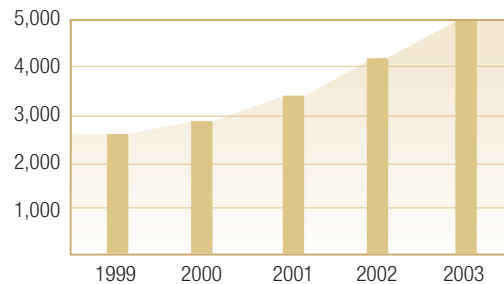
New customers (including Wild Oats, Costco, D'Agostinos, Harris Teeter and Wegman's) were largely responsible for our increased sales in supermarkets, they've also helped us expand into geographic markets outside New England. In November 2003, Green Mountain Coffee Roasters significantly increased its presence in the southeast when Publix supermarkets started carrying Newman's Own® Organics. The introduction of Newman's Own® Organics and Fair Trade/organic coffees has been a key contributor in gaining supermarket distribution. We are very optimistic about our growth prospects for 2004, largely due to our leadership position in the Fair Trade coffee arena.

"I just discovered your coffee at my local...[supermarket]. I love it. In my efforts to run a frugal household balanced with ecological awareness, you are one of the few organic products I have found that doesn't triple the price because of the word "organic." Thank you for that. I plan on being a longtime customer."

Robyn McGrew
Buford, GA



**Historical Coffee Pounds Shipped—
Supermarkets**
(in 000's)



Convenience Stores

Convenience stores fall perfectly in line with our desire to make it easy to discover our coffee. According to the National Coffee Association's 2003 Trend Report, the average American coffee drinker consumes three cups a day—typically, one of these is consumed on the way to work in the morning. Convenience store pounds shipped increased more than 14% in 2003. While the total number of locations serving our coffee rose by 5% to 3,300, the majority of growth

in this channel was driven by improved business with current customers, such as ExxonMobil.

In recent years, our convenience store customers have experienced increased sales by offering greater product variety, particularly with our seasonal promotional coffees. Taste of Autumn, Holiday, Winter, Spring, and Summer each feature a regular and a flavored coffee for a limited time, which creates excitement and brand loyalty with consumers and customers alike. These 10 incremental and unique product offerings such as our Wild Mountain Blueberry have been tremendously popular and continue to be a core component of our growth strategy in this channel.

“Some months ago an *On the Run* station opened near me and I stopped in to get gas. To my surprise, I found an elaborate coffee bar inside. I have been a coffee lover for years and I'm always trying new and “exciting” coffees from around the world.

I have joined the Coffee Club, bought a mug at the Exxon station, and get your wonderful coffee each morning on the way to work. Thank you for bringing a great cup of coffee into my neighborhood.”

Larry Strawn
Matthews, NC

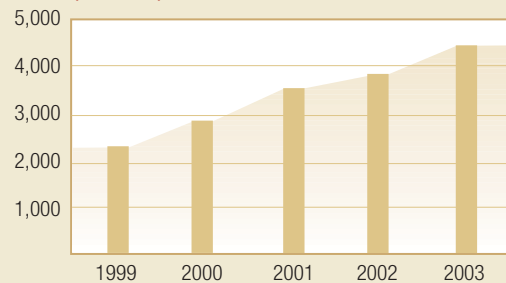


Effective merchandising and point-of-purchase displays catch the eye of coffee drinkers at convenience stores.



Seasonal varieties increase sales and generate excitement for our brand.

**Historical Coffee Pounds Shipped—
Convenience Stores**
(in 000's)



Office Coffee Service

After the home, the office is the most common place to enjoy a good cup of coffee. Sales in our Office Coffee Service (OCS) channel grew 13% in 2003, with K-Cups® representing the majority of those sales. The launch of Celestial Seasonings® tea in K-Cups has also been successful in generating incremental sales within the OCS channel. We have a significant



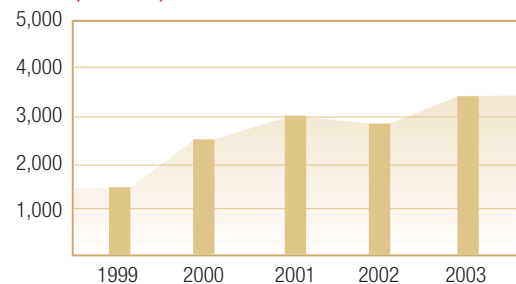
Office workers enjoy an extensive selection of coffee by the cup with the Keurig Single-Cup Brewer.



competitive advantage over other OCS coffee roasters by being able to offer a wide array of specialty coffees and teas in K-Cups to our OCS distributors and partners. Our K-Cups offer unparalleled taste, variety and convenience when compared with the conventional coffee experience at work.

Our experience and leadership in K-Cups have helped us cultivate effective relationships with large customers like ARAMARK, which has helped us expand our geographic reach. In addition, we successfully gained distribution at Standard Coffee (a large OCS distributor in the southern U.S.) in the summer of 2003, as we replaced a competitor in K-Cups. Green Mountain continues to sell more K-Cups globally than all other coffee roasters combined, and we continue to see a bright future with this business.

Historical Coffee Pounds Shipped—OCS
(in 000's)



“My company switched to the single-serving Green Mountain coffee using the Keurig machine. The response has been overwhelming. People like the coffee so much, they are drinking it in record amounts. Do you have any sales material that supports my theory that Green Mountain coffee improves productivity?”

Randy Shangraw
McLean, VA

Food Service

Food service venues provide excellent opportunities for consumers to discover Green Mountain coffee. Our food service customers build brand awareness in hotels, restaurants, college dining halls, bakeries, delis, and coffee shops. With Amtrak and Jet Blue as our partners, consumers can now enjoy our coffee while traveling on the ground and in the air.



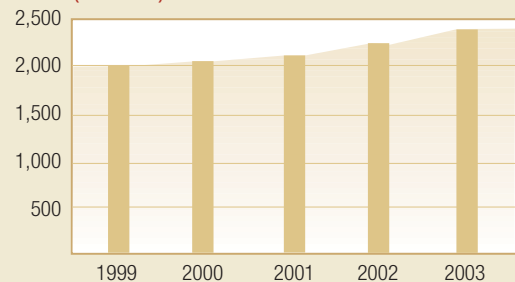
The food service channel grew 7% in 2003, fueled primarily by our deeper relationship with Sodexo. Through Sodexo, Green Mountain's Fair Trade and organic coffees are being served at dozens of hospitals, colleges and business locations, with more sites expected in 2004. Similarly, Fair Trade and organic coffee is now offered to thousands of visitors to Yellowstone, the Grand Canyon, and 16 other national parks serviced by Xanterra.

Our branded cup program helps Food Service accounts satisfy the growing demand for a quality cup of coffee.



Our extensive Fair Trade organic line appeals to Food Service accounts serving the growing segment of socially-conscious consumers.

**Historical Coffee Pounds Shipped—
Food Service**
(in 000's)



Consumer Direct

Consumer Direct, which includes our catalog, website, e-store and e-communication, provides some of the best opportunities to position Green Mountain as a lifestyle brand. When we communicate directly with consumers, we deepen our one-on-one relationships and differentiate ourselves from our competitors. We also use these points of contact to educate

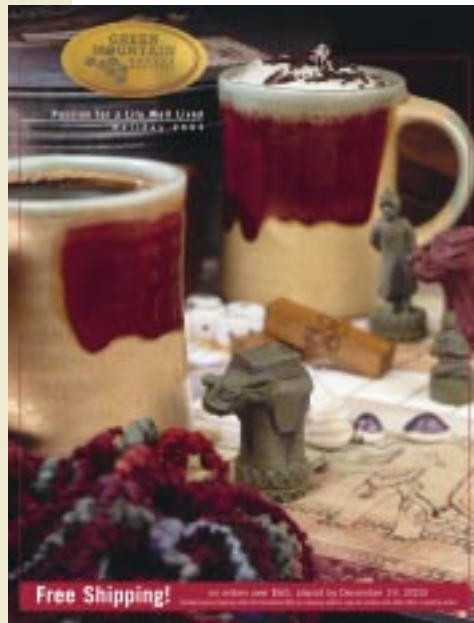
consumers further about Fair Trade, environmental issues, and their power to make a difference.

Our catalog and website promote over 75 coffees and accessories, gifts and gourmet food items. When consumers call to order, they reach an in-house Customer Care Representative who is trained to provide coffee consultation and background on the Company.

In the Consumer Direct channel, coffee pounds shipped grew 12% in 2003. Due to an improved product mix, which includes gifts, hard goods and now K-Cups, our dollar sales in Consumer Direct grew over twice as fast as our pound sales in 2003. With better penetration of K-Cups in this channel in 2004 and beyond, we expect our Consumer Direct business to continue to gain sales momentum and profitability.

“I got a copy of your latest catalog at the house today. You guys do a nice job with it. It’s cool that they provide so much info on the Fair Trade stuff and sell additional fair trade products (nuts, pottery, etc.) You make people feel good about buying your products—that is very smart. I think it is a great way to build loyalty.”

Kerry LaPointe
New Boston, NH

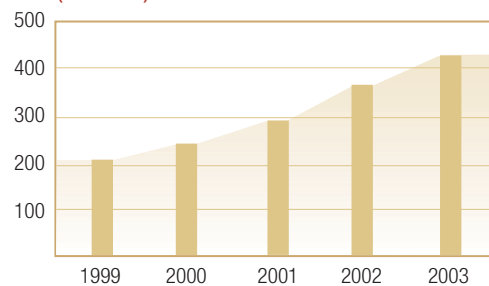


“I found the Keurig Single-Cup Brewer to be an incredibly convenient way to get a cup of great-tasting coffee, anytime of the day, without the effort and mess that usually comes from brewing an entire pot of coffee.”

Clay Adams
Norwich, VT



**Historical Coffee Pounds Shipped—
Consumer Direct**
(In 000's)



Our Consumer Direct catalog successfully introduced the Keurig At Home program and is responsible for the majority of our Exotic Origins coffee sales.

Board of Directors

Robert P. Stiller

Chairman, President and Chief Executive Officer, Green Mountain Coffee Roasters, Inc.

Kathryn S. Brooks

Vice President, Green Mountain Coffee Roasters, Inc.

Barbara D. Carlini

Chief Information Officer, Diageo

William D. Davis

Director, President and Chief Executive Officer, Childtime Learning Centers

Jules A. del Vecchio

Vice President, New York Life Insurance, Co.

Hinda Miller

President, Deforest Concepts

David E. Moran

President, Fusion5

Corporate Executives

Robert P. Stiller

Chairman, President and Chief Executive Officer

Kathryn S. Brooks

Vice President of Human Resources and Organizational Development

Paul Comey

Vice President of Facilities and Process Engineering

Daniel R. Martin

Vice President of Sales and Marketing

James K. Prevo

Vice President, Chief Information Officer

Frances G. Rathke

Chief Financial Officer, Vice President, Treasurer and Secretary

Stephen J. Sabol

Vice President of Development

Jonathan C. Wettstein

Vice President of Operations

General Information

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Waterbury, VT 05676
(802) 244-5621

Corporate Counsel:

Merritt & Merritt & Moulton
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Burlington, VT 05402

Transfer Agent:

Continental Stock Transfer & Trust Co.
17 Battery Place
New York, NY 10004

Independent Accountants:

PricewaterhouseCoopers LLP
One International Place
Boston, MA 02110

Tax Accountants:

Bilodeau Wells & Company, P.C.
20 Main Street, P.O. Box 687
Essex Junction, VT 05453

Supplemental Information

The Company's Form 10-K report for FY'03, including the financial statements and schedules, and an exhibit index, is included with this annual report. Other financial and general information is available from the Company. Contact our Investor Services Department at our corporate offices or email:

Investor.Services@GMCR.com.

Listing

NASDAQ: GMCR

Internet

Please visit our website at www.GreenMountainCoffee.com

Catalog

To obtain a copy of our mail order catalog, please call [800] TRY-GMCR, or visit us online.

Stockholders Discount

GMCR stockholders are entitled to a 10% discount.

To be set up for your 10% stockholder discount, place your first order by calling [800] 223-6768. After you are set up, future orders may be placed via phone or website. Reference code **H355 STCK** when placing an order. Discount applies to all non-sale merchandise.

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