



PEPSICO



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PepsiCo to Share Outlook and Growth Strategies at Two-Day Investor Meeting

***Confirms Guidance of 11-13% Core Constant Currency EPS Growth for 2010 and
Low Double-Digit Core Constant Currency EPS Growth for 2011 and 2012;
Outlines goals to support long-term financial performance***

BRONX, N.Y. – March 22, 2010 – PepsiCo (NYSE: PEP) senior executives will offer perspective on the company's strategies to achieve sustainable, long-term growth across its expanding global portfolio of foods and beverages at a two-day investor meeting starting here at 8 a.m. (EDT) today at the Legends Suite Club in Yankee Stadium.

In advance of the meeting, PepsiCo, the world's second-largest food and beverage company, confirmed its guidance of 11-13% core constant currency EPS growth for 2010 and low-double-digit core constant currency EPS growth for 2011 and 2012. (Please refer to the glossary for definitions of core and constant currency. Core results and core constant currency results are non-GAAP financial measures that exclude certain items. Please refer to "Reconciliation of GAAP and Non-GAAP Information" for a description of these items). It also outlined several broad goals intended to support its long-term financial performance.

"There are many exciting growth opportunities available to PepsiCo around the world, and we look forward to sharing with investors the strategies we have in place to capture those opportunities," said Chairman and CEO Indra Nooyi. "Today we have a diversified portfolio of muscular food and beverage brands, broad distribution reach and a variety of operational advantages which we believe we can leverage to build an even stronger, more successful company over the next several years.

"Equally important, we are refreshing and growing our company to adapt to a changing environment and to evolving consumer needs. We are stepping up our science-based innovation to serve increasingly health-conscious consumers and develop products tailored to key cohort groups, like women and boomers."

Confirms Guidance, Sets Performance Goals

“Our business fundamentals remain strong,” said Chief Financial Officer Richard Goodman. “We are reconfirming our expectation that we will return to historic levels of performance – including 11-13% core constant currency EPS growth in 2010 as well as low-double-digit core constant currency EPS growth in 2011 and 2012. We are well equipped to deliver on growth opportunities in both developed and developing markets, thanks to our proven operating culture, our brand-building expertise and our ability to share best practices, products and platforms across our many markets.”

PepsiCo announced several performance goals it has set to drive top-line and bottom-line growth:

- Grow international revenues at two times real global GDP growth rate
- Grow savory snacks and liquid refreshment beverage market share in the top 20 markets
- Sustain or improve brand equity scores for PepsiCo’s 19 billion-dollar brands in the top 10 markets
- Continue to expand division operating margins
- Increase cash flow in proportion to net income growth over three year windows
- Deliver total shareholder returns in the top quartile of its industry group

Competitive Advantages, Investment Potential

With the completion last month of transformative mergers with its two largest bottlers, PepsiCo is well positioned to drive growth by capitalizing on a range of competitive advantages:

- 19 food and beverage brands with retail sales over \$1 billion
- Advantaged position as a key driver of cash flow for retail customers
- Leading share positions across about 35 savory snack markets around the world
- Flexible distribution networks that include direct-store-delivery (DSD) as well as warehouse systems
- An international footprint aligned to capitalize on GDP and population growth trends, and on low per-capita consumption in developing markets
- Proven ability to tailor snack and beverage brands to meet local tastes around the world and to tap into growing consumer interest in health and wellness

Yankee Stadium Event

The meeting will open with Chairman and CEO Indra Nooyi sharing her long-term vision for PepsiCo, and over the two days senior leaders will offer perspective on key strategic priorities, including:

- Building PepsiCo’s global macrosnack portfolio
- Responsibly and profitably growing the beverage business
- Building its nutrition business, in dairy, grains, fruits and vegetables
- Leveraging the power of “Power of One” efforts across its various businesses, its customers and third-party partners.
- Delivering on environmental sustainability commitments to use water and energy more efficiently and reduce packaging weight
- Strengthening and refreshing the organization to prosper in a changing environment. And
- Ensuring prudent, responsible financial management.

Meeting participants also will have access to interactive “experience stations,” country-focused environments and brand demonstrations.

Webcast Information

The event will be webcast live beginning at approximately 8 a.m. (EDT) on both days. PepsiCo invites investors and the media to view the live webcast and slides from the event at <http://www.pepsico.com/Investors.html>. The webcast also will be available for replay and the slides will be archived. An audio replay in downloadable MP3 format will also be available within 24 hours after the event on the company’s Web site.

About PepsiCo

PepsiCo offers the world's largest portfolio of billion-dollar food and beverage brands, including 19 different product lines that each generates more than \$1 billion in annual retail sales. Our main businesses - Frito-Lay, Quaker, Pepsi-Cola, Tropicana and Gatorade - also make hundreds of other nourishing, tasty foods and drinks that bring joy to our consumers in more than 200 countries. With annualized revenues of nearly \$60 billion, PepsiCo’s people are united by our unique commitment to sustainable growth, called Performance with Purpose. By dedicating ourselves to offering a broad array of choices for healthy, convenient and fun nourishment, reducing our environmental impact, and fostering a diverse and inclusive workplace culture, PepsiCo balances strong financial returns with giving back to our communities worldwide. In recognition of its continued sustainability efforts, PepsiCo was named for the third time to the Dow Jones Sustainability World Index (DJSI World) and for the fourth time to the Dow Jones Sustainability North America Index (DJSI North America) in 2009. For more information, please visit www.pepsico.com.

Cautionary Statement

Statements in this communication that are "forward-looking statements" are based on currently available information, operating plans and projections about future events and trends. They inherently involve risks and uncertainties that could cause actual results to differ materially from those predicted in such forward-looking statements. Such risks and uncertainties include, but are not limited to: changes in demand for PepsiCo's products, as a result of changes in consumer preferences and tastes or otherwise; damage to PepsiCo's reputation; trade consolidation, the loss of any key customer, or failure to maintain good relationships with PepsiCo's bottling partners; PepsiCo's ability to hire or retain key employees or a highly skilled and diverse workforce; unstable political conditions, civil unrest or other developments and risks in the countries where PepsiCo operates; changes in the legal and regulatory environment; PepsiCo's ability to build and sustain proper information technology infrastructure, successfully implement its ongoing business process transformation initiative or outsource certain functions effectively; unfavorable economic conditions and increased volatility in foreign exchange rates; PepsiCo's ability to compete effectively; increased costs, disruption of supply or shortages of raw materials and other supplies; disruption of PepsiCo's supply chain; climate change or changes in legal, regulatory or market measures to address climate change; PepsiCo's ability to realize the anticipated cost savings and other benefits expected from the mergers with The Pepsi Bottling Group, Inc. (PBG) and PepsiAmericas, Inc. (PAS); failure to renew collective bargaining agreements or strikes or work stoppages; and any downgrade of PepsiCo's credit rating resulting in an increase of its future borrowing costs.

For additional information on these and other factors that could cause PepsiCo's actual results to materially differ from those set forth herein, please see PepsiCo's filings with the SEC, including its most recent annual report on Form 10-K and subsequent reports on Forms 10-Q and 8-K. Investors are cautioned not to place undue reliance on any such forward-looking statements, which speak only as of the date they are made. PepsiCo undertakes no obligation to update any forward-looking statements, whether as a result of new information, future events or otherwise.

Glossary

Core: Core results are non-GAAP financial measures. PepsiCo's fiscal 2009 core EPS was \$3.71. 2009 core results exclude the commodity mark-to-market net impact included in corporate unallocated expenses, certain restructuring actions, costs associated with our mergers with PBG and PAS, as well as our share of PBG's and PAS's respective merger costs included in bottling equity income. Core EPS guidance for the full-years 2010-2012 excludes the commodity mark-to-market net impact included in corporate unallocated expenses, estimated one-time costs to achieve synergies and any additional restructuring or integration costs related to the mergers with PBG and PAS. Core EPS guidance for 2010 also excludes the gain or loss on previously held equity interests in PBG and PAS, the post-merger one-time impact to earnings of fair value adjustments to acquired inventory, the one-time charge related to the change to hyperinflationary accounting and devaluation in Venezuela, a contribution to the PepsiCo Foundation, Inc., any additional restructuring or impairment costs and transaction costs related to the mergers with PBG and PAS. For more details and reconciliations of our 2009 core results and 2010-2012 core constant currency EPS guidance, see "Reconciliation of GAAP and Non-GAAP Information."

Constant currency: Financial results (historical and projected) assuming constant foreign currency exchange rates used for translation based on the rates in effect for the comparable prior-year period. In addition, the impact on EPS growth is computed by adjusting core EPS growth by the after-tax foreign currency translation impact on core operating profit growth using PepsiCo's core effective tax rate.

Reconciliation of GAAP and Non-GAAP Information (unaudited)

Core constant currency EPS growth is a non-GAAP financial measure as it excludes certain items noted below. However, we believe investors should consider this measure as it is more indicative of our ongoing performance and with how management evaluates our operational results and trends.

In the year ended December 26, 2009, we recognized \$274 million of mark-to-market net gains on commodity hedges in corporate unallocated expenses. We centrally manage commodity derivatives on behalf of our divisions. Certain of these commodity derivatives do not qualify for hedge accounting treatment and are marked to market with the resulting gains and losses recognized in corporate unallocated expenses. These gains and losses are subsequently reflected in division results when the divisions take delivery of the underlying commodity.

In the year ended December 26, 2009, we incurred \$50 million of costs associated with our mergers with PBG and PAS, as well as an additional \$11 million of costs representing our share of the respective merger costs of PBG and PAS, recorded in bottling equity income.

As a result of our previously initiated Productivity for Growth program, we recorded restructuring and impairment charges of \$36 million in the year ended December 26, 2009. The program includes actions in all segments of the business, including the closure of six plants that we believe will increase cost competitiveness across the supply chain, upgrade and streamline our product portfolio and simplify the organization for more effective and timely decision-making.

We believe investors should consider our 2009 diluted EPS excluding the impact of restructuring and impairment charges, costs associated with our mergers with PBG and PAS and the mark-to-market net gains on commodity hedges.

We are not able to reconcile our full-year projected 2010-2012 core constant currency EPS to our full-year projected 2010-2012 reported results because we are unable to predict the 2010-2012 full-year impact of foreign exchange or the mark-to-market net gains or losses on commodity hedges due to the unpredictability of future changes in foreign exchange rates and commodity prices. Additionally, with respect to our mergers with PBG and PAS, we are unable to predict the amounts or timing of any additional restructuring or integration costs. Therefore, we are unable to provide a reconciliation of this measure.

Diluted EPS Reconciliation

	<u>FY 2009</u>
Reported Diluted EPS	\$ 3.77
Mark-to-Market Net Gains	(0.11)
Restructuring and Impairment Charges	0.02
PBG/PAS Merger Costs	0.03
Diluted EPS Excluding above Items	<u>\$ 3.71</u>

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