



2010 Strategic Milestones

PepsiCo Completes \$7.8 Billion Transformative Bottling Acquisitions

The acquisition of its two largest bottlers, The Pepsi Bottling Group and PepsiAmericas, Inc., gives PepsiCo an unmatched set of strategic advantages – including operating efficiencies, cost savings, scale, and unique product pairings – that have already begun to deliver on the promise of an industry-leading food and beverage system.

PepsiCo Unveils Global, Industry-Leading Nutrition, Environment and Workplace Goals

PepsiCo issued nearly 50 specific, measurable commitments relating to business performance, environmental stewardship, promoting health and wellness and serving the interests of its employees. As part of these commitments, the company plans to increase the whole grains, fruits and vegetables, nuts, seeds and low-fat dairy in its portfolio as well as reduce the average sodium, saturated fat and added sugar per serving in its products in key markets around the world.

PepsiCo Raises China Investment by \$2.5 Billion

PepsiCo announced a \$2.5 billion investment in China over the next three years, adding to an existing \$1 billion investment the company announced in 2008. PepsiCo will build a world-class research and development center, open 10-12 LEED-certified plants in the next two years and open five new farms for the agricultural development of potatoes and oats.

PepsiCo Announces Global Nutrition Group to Drive Nutrition Innovation

PepsiCo formed a Global Nutrition Group to help grow its nutrition businesses to \$30 billion by 2020. The group, led by Dr. Mehmood Khan, a former Mayo Clinic endocrinologist, is focused on delivering breakthrough innovation in the areas of fruits and vegetables, grains, dairy and functional nutrition to deliver nutritious products to global markets.

Gatorade Grows, New Products Launched, Distribution Optimized

Following collaboration between some of the world's greatest athletes and scientists from the Gatorade Sports Science Institute, Gatorade introduced a new line of products – the G Series – optimized to meet the distinct performance needs of more athletes and continuing the brand's transformation from a sports drink to a sports performance innovation company. These new products, along with breakthrough marketing communications, contributed to outstanding sales growth and improved perceptions of Gatorade in 2010. Additionally, the brand will be delivered via direct-store-delivery beginning in 2011 in the U.S. and Canada, enabling a wider variety of products to reach the market more quickly and efficiently.

PepsiCo Buys 66% of Russia's Wimm-Bill-Dann Dairy and Juice Company for \$3.8 Billion

In a transaction valued at \$3.8 billion, PepsiCo announced plans to acquire 66 percent of Wimm-Bill-Dann, marking the company's largest-ever international acquisition and establishing PepsiCo as the largest food and beverage business in Russia. The deal raises PepsiCo's annual global revenues from nutritious and functional foods from approximately \$10 billion to nearly \$13 billion.

Quaker Oats Sets New Direction for Growth

With more than 130 years of experience as the nation's leading hot cereal company and breakfast authority, PepsiCo's Quaker brand recently announced a new direction for growth, focused on delivering on the company's commitment to encourage people live healthier with the introduction of an expanded lineup of whole grain breakfast products. In addition to broadening its adult portfolio, Quaker reformulated three of its signature instant oatmeal products to include larger oats, 25 percent less sugar than before and natural flavors.