

Reconciliation of GAAP and Non-GAAP Information (unaudited)

Net revenue excluding the impact of WBD, division operating profit and core results are non-GAAP financial measures as they exclude certain items noted below. However, we believe investors should consider these measures as they are more indicative of our ongoing performance and with how management evaluates our operational results and trends.

Commodity mark-to-market net impact

In the quarter ended September 3, 2011, we recognized \$53 million of mark-to-market net losses on commodity hedges in corporate unallocated expenses. In the quarter ended September 4, 2010, we recognized \$16 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.

Merger and integration charges

In the quarter ended September 3, 2011, we incurred merger and integration charges of \$61 million related to our acquisitions of PBG, PAS and WBD, including \$24 million recorded in the PAB segment, \$11 million recorded in the Europe segment, \$10 million recorded in corporate unallocated expenses and \$16 million recorded in interest expense. In the quarter ended September 4, 2010, we incurred merger and integration charges of \$69 million related to our acquisitions of PBG and PAS, including \$38 million recorded in the PAB segment, \$15 million recorded in the Europe segment and \$16 million recorded in corporate unallocated expenses.

Inventory fair value adjustments

In the quarter ended September 3, 2011, we recorded \$3 million of incremental costs in cost of sales related to fair value adjustments to hedging contracts included in PBG's and PAS's balance sheets at the acquisition date. In the quarter ended September 4, 2010, we recorded \$17 million of incremental costs in cost of sales related to fair value adjustments to the acquired inventory and other related hedging contracts included in PBG's and PAS's balance sheets at the acquisition date.

Russia snacks, global snacks and global beverage net revenue excluding the impact of WBD

We have not yet finalized the allocation of net revenue between WBD's snacks and beverage businesses. Therefore, we are unable to provide reconciliations of reported Russia snacks, global snacks and global beverage net revenue to Russia snacks, global snacks and global beverage net revenue excluding the impact of WBD.

2011 guidance

Our 2011 core EPS guidance excludes the commodity mark-to-market net impact included in corporate unallocated expenses; merger and integration charges related to PBG, PAS and WBD; and the impact of the 53rd week in 2011. We are not able to reconcile our full-year projected 2011 core EPS to our full-year projected 2011 reported EPS because we are unable to predict the mark-to-market net gains or losses on commodity hedges due to the unpredictability of future changes in commodity prices. Therefore, we are unable to provide a reconciliation of this measure.

Reconciliation of GAAP and Non-GAAP Information (cont.)
(\$ in millions, except per share amounts, unaudited)

Division Operating Profit Growth Reconciliation

	12 Weeks Ended <u>9/3/11</u>
Core Division Operating Profit Growth.....	6%
Merger and Integration Charges	1
Inventory Fair Value Adjustments	-
Reported Division Operating Profit Growth.....	<u>7</u>
Impact of Corporate Unallocated.....	<u>(3)</u>
Reported Total Operating Profit Growth	<u><u>4%</u></u>

Diluted EPS Reconciliation

	12 Weeks Ended		Growth
	<u>9/3/11</u>	<u>9/4/10</u>	
Reported Diluted EPS	\$1.25	\$1.19	5%
Mark-to-Market Net Losses/(Gains)	0.02	(0.01)	
Merger and Integration Charges	0.03	0.03	
Inventory Fair Value Adjustments.....	-	0.01	
Core Diluted EPS	<u>\$1.31*</u>	<u>\$1.22</u>	7%

**Does not sum due to rounding.*

Growth in Total Net Revenue Reconciliation

	12 Weeks Ended <u>9/3/11</u>
Growth in Total Net Revenue	13%
Impact of WBD	<u>(5)</u>
Growth in Total Net Revenue Excluding WBD.....	<u><u>9%*</u></u>

**Does not sum due to rounding*

Growth in Global Nutrition Group Net Revenue Reconciliation

	12 Weeks Ended <u>9/3/11</u>
Growth in Global Nutrition Group Net Revenue	36%
Impact of WBD	<u>(28)</u>
Growth in Global Nutrition Group Net Revenue Excluding WBD.....	<u><u>8%</u></u>