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Wimm-Bill-Dann Acquisition

December 2, 2010

Safe Harbor Statement



Statements in this communication that are “forward-looking statements”, including any statements regarding the business outlook of PepsiCo and its divisions, 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: PepsiCo’s ability to consummate the acquisition of Wimm-Bill-Dann and to achieve the synergies and value creation contemplated by the proposed acquisition; loss of key employees or customers or other business disruption as a result of the proposed acquisition; PepsiCo’s ability to promptly and effectively integrate the businesses of Wimm-Bill-Dann and PepsiCo; the timing to consummate the proposed acquisition and any necessary actions to obtain required regulatory approvals; the diversion of management time on issues related to the proposed acquisition of Wimm-Bill-Dann; 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. and PepsiAmericas, Inc.; 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.



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Indra Nooyi

Chairman and CEO,
PepsiCo

Acquisition Has Clear and Compelling Strategic and Financial Rationale



- Wimm-Bill-Dann provides a platform in Dairy, one of the most attractive global food & beverage categories and significantly advances PepsiCo's Global Nutrition strategy
- Adds a premier operating company with leading brands, high growth, attractive margins, and deep management capability
- Cements PepsiCo's position as the Food & Beverage leader in Russia, one of the world's fastest growing markets
- Leverages Power of One and is highly synergistic with our existing business in Russia, one of PepsiCo's strongest and most successful for many decades
- Accretive to core EPS in first year and enhances overall corporate revenue and profit growth with attractive cost and revenue synergies

Dairy is an Attractive Category and Obvious Next Step for PepsiCo



- Dairy's fundamental health and nutrition benefits strongly aligned with global wellness trends
- Shift towards branded and packaged dairy accelerating in developing markets
- Dairy has potential to bridge gap between snacks and beverages with convergence products
 - Convergence increasingly occurring across categories where PepsiCo is a leader (e.g., juice-and-dairy)
- Highly complementary to existing PepsiCo Go-to-Market systems
 - Chilled juice distribution
 - Extensive cooler network



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Zein Abdalla

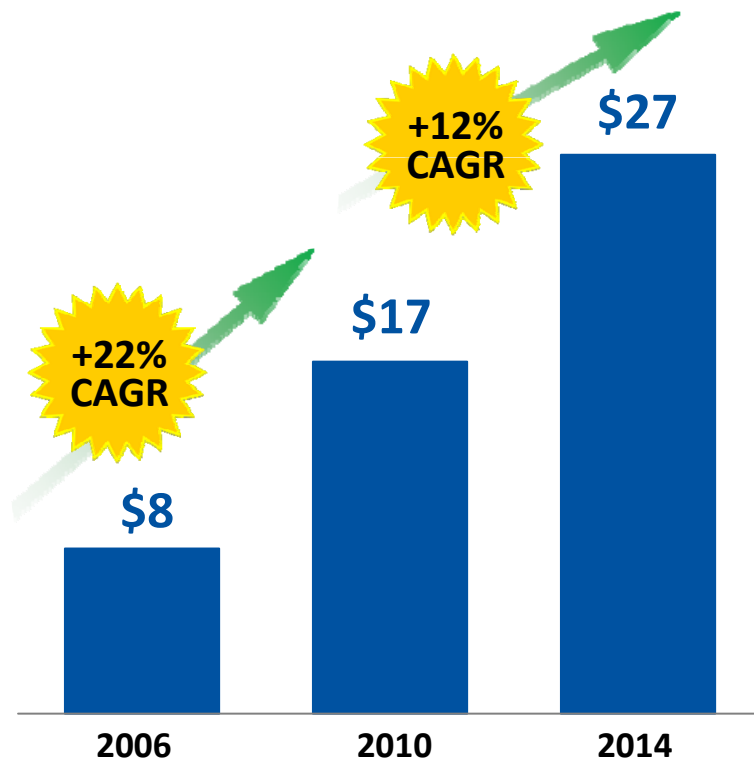
CEO, PepsiCo Europe

Russian Dairy Industry Is Attractive, Growing and Profitable



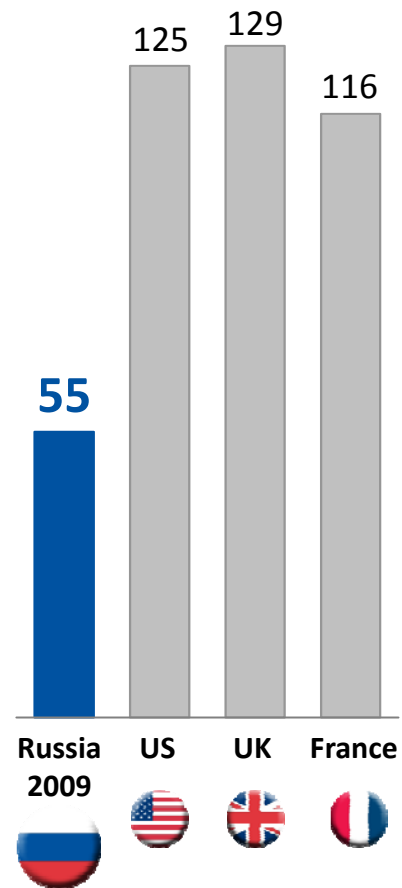
Large and Growing

Russian Dairy Market (\$B)

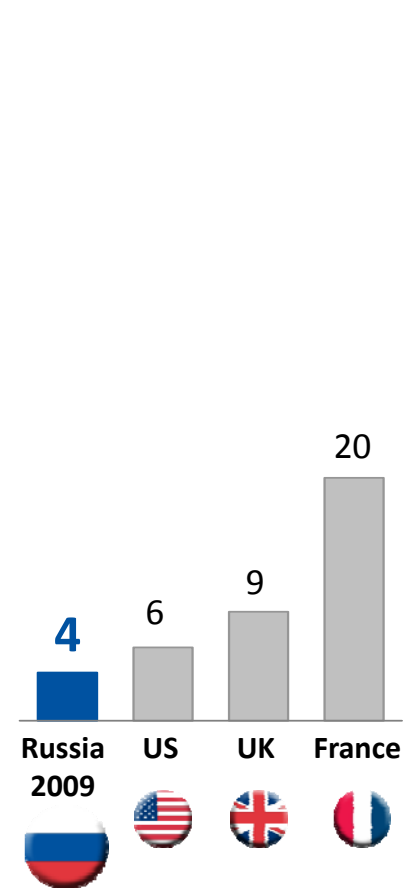


Room for Long-Term Growth

Dairy Per Cap (Kg)



Yogurt per Cap (Kg)



Russia Is a Highly Attractive Geography for Investment

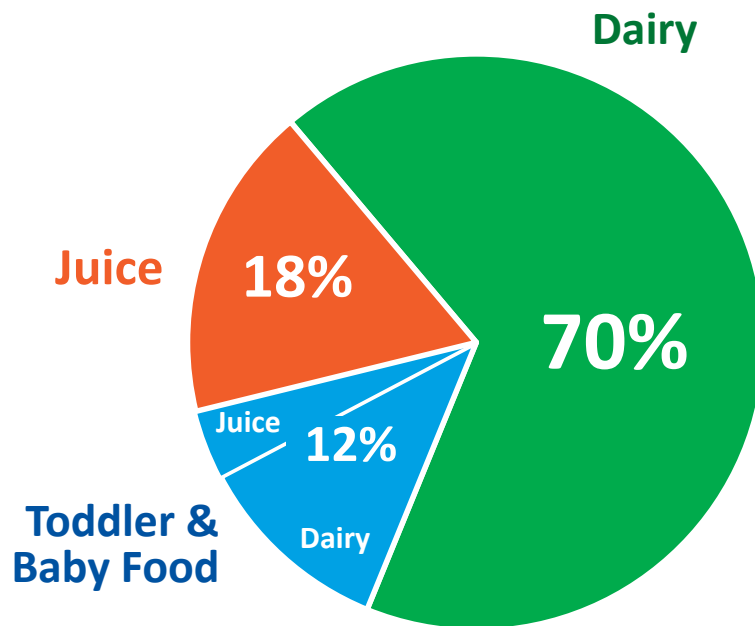


- Attractive macroeconomic environment
 - 7th largest global economy on a purchasing power parity basis
 - Strong underlying GDP growth (averaging 7% annually since 1998)
 - Expected to be 2nd largest economy in Europe by 2013
- Consumer purchasing power is increasing with an expanding middle class and greater income equality
- Access to large consumer base in both Russia and surrounding markets
- PepsiCo has a long history of success in Russia

Wimm-Bill-Dann Is a High-Growth Business in On-Trend Categories

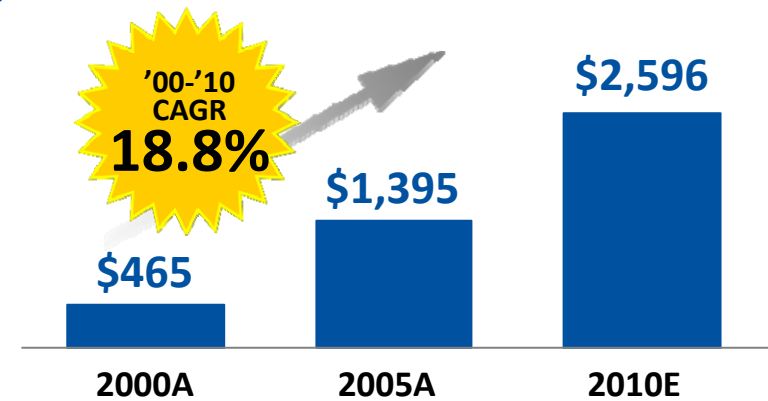


Revenue Breakdown, 2010E

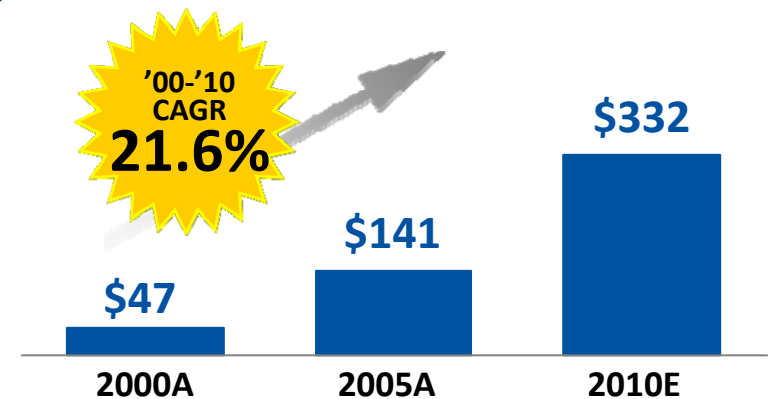


Total: \$2.6B
~13% EBITDA Margin

Net Revenue (\$mm)



EBITDA (\$mm)

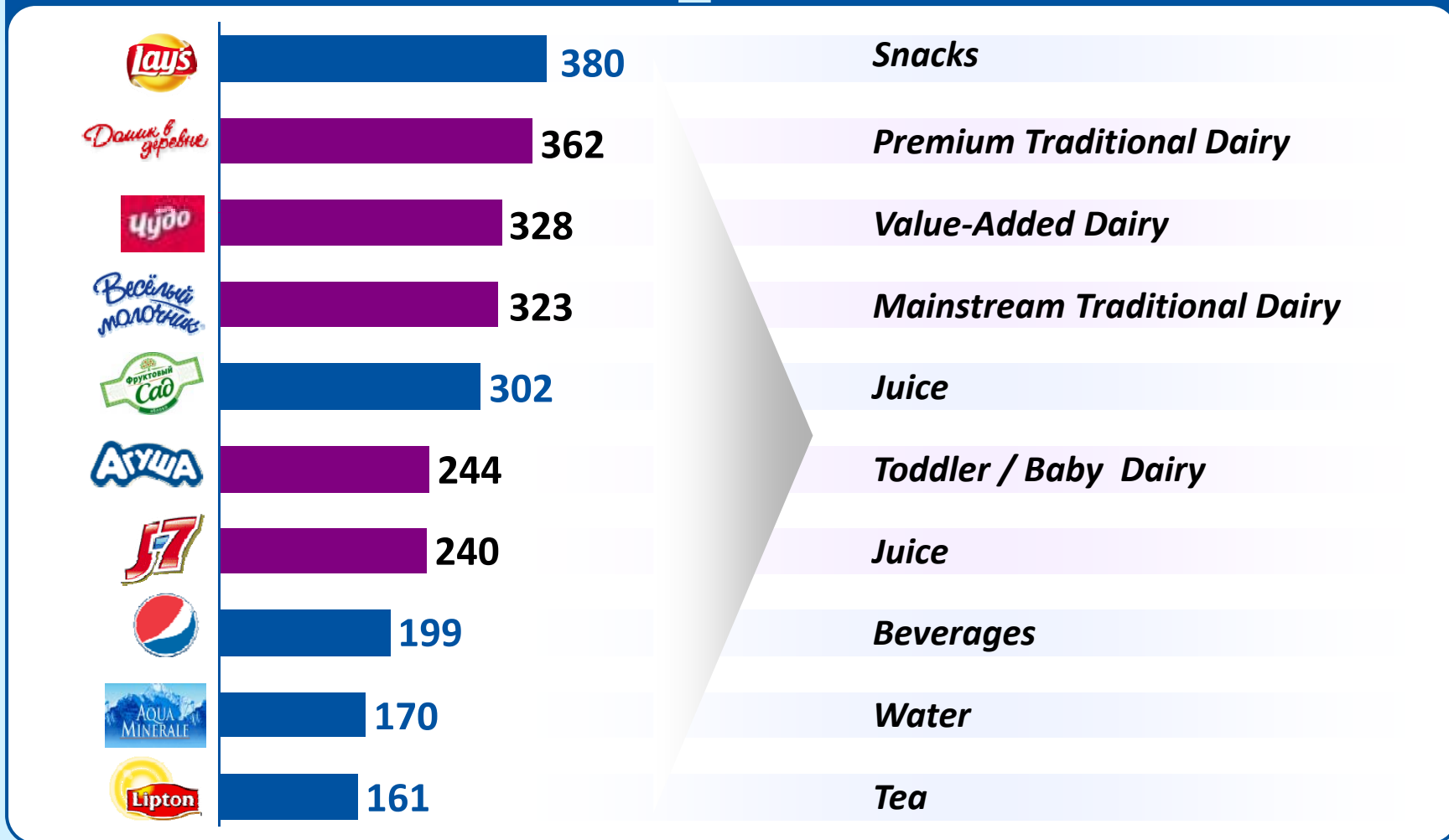


Combined Portfolio of Ten \$100-Million Brands Across Categories



Powerful Brands

Spanning Attractive Segments



Note: 2010E Revenue in USD MM

● PepsiCo

● Wimm-Bill-Dann

Combines Two of Russia's Most Successful Food and Beverage Businesses



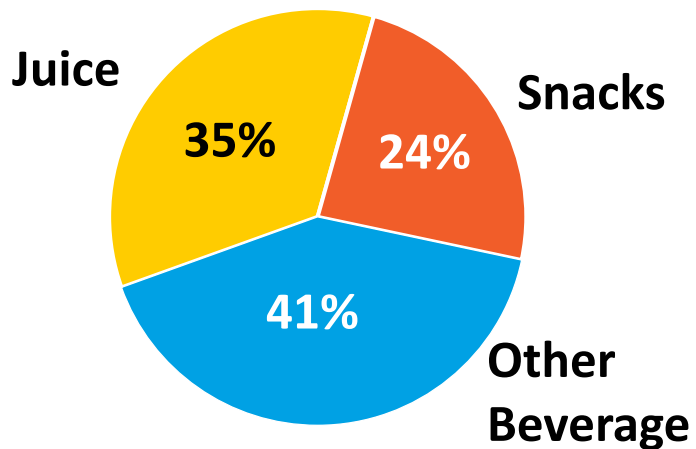
- PepsiCo has a rich history in Russia with leadership positions in Non-carbonated beverages, Juices and Savory Snacks
- Combination creates strong, balanced portfolio with nearly \$5 billion in revenues – approximately 2x next largest food and beverage competitor
- Unmatched line-up of powerhouse brands
 - Six of the top 20 Russian food and beverage brands including five with \$300 MM+ in sales
- Creates powerful platform based on combined capabilities
 - Advanced dairy, fruit processing and packaging technology
 - Industry leading manufacturing and chilled supply chain
- Potential to extend our platform across Eastern and Central Europe

Advantaged Platform With Balanced Business

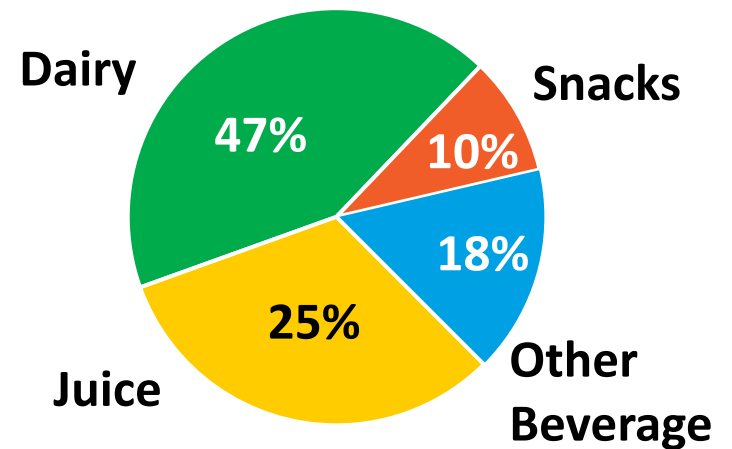


	 PepsiCo Russia	 Wimm-Bill-Dann	Pro Forma
Net Revenue*	\$2.0B	\$2.6B	\$4.6B

PepsiCo Russia Revenue Mix



Pro Forma Revenue Mix



* 2010 Estimated Reported

Wimm-Bill-Dann Builds on the Success of Power of One in Russia



- Serve consumers across all day parts with a diverse and balanced portfolio of dairy, beverage and snack products
- Leverages low cost supply chain to reach every city in Russia – with direct distribution
- Largest and most capable agro team working with farmers and leading research institutes
- Integration of complementary R&D capabilities
- Highly talented local leadership team



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Mehmood Khan

Chief Executive Officer,
Global Nutrition Group and
Chief Scientific Officer,
PepsiCo

GNG Focused on Delivering Superior Growth Through Good Nutrition



- Global Nutrition Group vision to build a \$30 billion business by 2020
 - Objective is to position PepsiCo globally as a leader in wholesome and convenient nutrition
- Focused on four platforms where PepsiCo has the right to win: Fruits & Vegetables, Grains, Dairy and Functional Nutrition
 - Broadly consumed globally
 - Offers key nutrition benefits
 - Ability to leverage consumer expertise
 - Attractive margin and return potential
 - “Convergence” opportunities

Wimm-Bill-Dann Is a Powerful Step In Execution of PepsiCo's Global Nutrition Dairy Initiative



- PepsiCo established initial Dairy position through joint venture with Almarai
- Wimm-Bill-Dann marks a watershed event for GNG Dairy and adds approximately \$2B in Dairy revenue
 - Successful standalone business of scale which leverages existing capabilities in Russia
 - Important building block for technology and innovation in Dairy and adjacencies
- Going forward, PepsiCo's Dairy strategy will be guided by three principles:
 - Focused on value-added Dairy categories where PepsiCo has clear vision for growth
 - Disciplined and tailored approach to organic growth vs. use of M&A
 - Any new businesses must have clear link to existing capabilities



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Hugh Johnston

Chief Financial Officer,
PepsiCo



Terms of the Transaction

- PepsiCo to acquire 66% of Wimm-Bill-Dann's issued shares for \$33.00 per ADR share
 - Agreement with group of shareholders and subsidiaries of Wimm-Bill-Dann
- Total consideration to be paid for these shares is \$3.8 billion, implying Wimm-Bill-Dann enterprise value of \$5.4 billion
 - Represents a 32% premium to the 30-day average trading price of the ADR shares
 - Expect to fund with cash on hand and short-term debt financing
- Transaction subject to customary regulatory approvals
 - Expect to receive by June 2011

Strategic and Sustainable Growth Opportunity with Attractive Synergy Potential



- Targeting total pre-tax annual run-rate synergies of approximately \$100 million by 2014
 - Top-line synergies
 - Leveraging combined cooler and chilled distribution infrastructure
 - Cost synergies
 - Procurement
 - Supply chain
 - Go-To-Market leverage
 - Back-office and corporate overhead
 - We expect to re-invest some synergies behind the business to fund new growth opportunities

Financial Impact to PepsiCo



- Combination will be accretive to core earnings from Year 1 with attractive cost and revenue synergies
- Enhances PepsiCo's overall net revenue and core earnings growth rates
- Maintains PepsiCo's balance sheet flexibility
- Integration risks and costs are manageable as PepsiCo has substantial prior integration experience in Russia



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Indra Nooyi

Chairman and CEO,
PepsiCo

Wimm-Bill-Dann Complements Key Strategic PepsiCo Priorities with Ideal Portfolio Fit



- Expand our leadership in macrosnacks
- Grow beverages worldwide
- Unleash the Power of One
- Expand our Good-for-You portfolio
- Deliver on our environmental commitments
- Build our leadership team
- Ensure prudent, responsible financial management



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**Wimm.
Bill.
Dann**