PepsiCo

Barclays Back-to-School Consumer Conference
September 9, 2015

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Vice Chairman and Chief Financial Officer

Tom Greco
CEO, Frito-Lay North America

Ramon Laguarta
CEO, Europe Sub-Saharan Africa
Safe Harbor Statement of Terms & Non-GAAP Information

Note: This presentation should be viewed in conjunction with PepsiCo’s webcast presentation at the Barclays Back-to-School Consumer Conference on September 9, 2015 and PepsiCo’s Form 8-K filed with the Securities and Exchange Commission on September 8, 2015.

Safe Harbor Statement

• Statements in this communication that are “forward-looking statements,” including PepsiCo’s 2015 guidance, are based on currently available information, operating plans and projections about future events and trends. Terminology such as “aim,” “anticipate,” “believe,” “drive,” “estimate,” “expect,” “expressed confidence,” “forecast,” “future,” “goals,” “guidance,” “intend,” “may,” “objectives,” “outlook,” “plan,” “position,” “potential,” “project,” “seek,” “should,” “strategy,” “target,” “will” or similar statements or variations of such terms are intended to identify forward-looking statements, although not all forward-looking statements contain such terms. Forward-looking statements 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 or otherwise; changes in the legal and regulatory environment; imposition of new taxes, disagreements with tax authorities or additional tax liabilities; PepsiCo’s ability to compete effectively; PepsiCo’s ability to grow its business in developing and emerging markets or unstable political conditions, civil unrest or other developments and risks in the countries in which PepsiCo operates; increased costs, disruption of supply or shortages of raw materials and other supplies; failure to realize anticipated benefits from PepsiCo’s productivity initiatives or global operating model; disruption of PepsiCo’s supply chain; product contamination or tampering or issues or concerns with respect to product quality, safety and integrity; damage to PepsiCo’s reputation or brand image; failure to successfully complete or integrate acquisitions and joint ventures into PepsiCo’s existing operations or to complete or manage divestitures or refranchisings; PepsiCo’s ability to hire or retain key employees or a highly skilled and diverse workforce; loss of any key customer or changes to the retail landscape; any downgrade or potential downgrade of PepsiCo’s credit ratings; the ability to protect information systems against or effectively respond to a cybersecurity incident or other disruption; PepsiCo’s ability to implement shared services or utilize information technology systems and networks effectively; fluctuations or other changes in exchange rates, including changes in currency exchange mechanisms or additional governmental actions in Venezuela; climate change, or legal, regulatory or market measures to address climate change; failure to successfully negotiate collective bargaining agreements or strikes or work stoppages; any infringement of or challenge to PepsiCo’s intellectual property rights; potential liabilities and costs from litigation or legal proceedings; and other factors that may adversely affect the price of PepsiCo’s common stock and financial performance.

• 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 Securities and Exchange Commission, 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.

Non-GAAP Information

• Please refer to the “Investors” section of PepsiCo’s web site at www.pepsico.com under the heading “Events and Presentations” to find disclosure and a reconciliation of any non-GAAP financial measures contained herein.

Glossary

• Please refer to the Glossary and attachments to PepsiCo’s Form 8-K filed with the Securities and Exchange Commission on September 8, 2015 available at www.pepsico.com for the definitions of non-GAAP financial measures including organic, core, constant currency, and free cash flow excluding certain items.
Agenda

• Company Overview

• Europe Sub-Saharan Africa (ESSA)

• Frito-Lay North America (FLNA)
### PepsiCo Today

<table>
<thead>
<tr>
<th>Metric</th>
<th>Value</th>
</tr>
</thead>
<tbody>
<tr>
<td>Net Revenue</td>
<td>&gt;$66B</td>
</tr>
<tr>
<td>Organic Revenue Growth</td>
<td>~4%</td>
</tr>
<tr>
<td>Core Operating Margin</td>
<td>15.5%</td>
</tr>
<tr>
<td>Core Net ROIC</td>
<td>17.5%</td>
</tr>
<tr>
<td>Dividend Yield</td>
<td>~3%</td>
</tr>
<tr>
<td>3-Year FCF Productivity*</td>
<td>~120%</td>
</tr>
</tbody>
</table>

Note: All figures are for the year 2014, except dividend yield which is as of 09/01/15. Certain of the above items represent Non-GAAP financial measures that exclude certain items. Please refer to the “Reconciliation of GAAP and Non-GAAP Information” attachment posted on September 9, 2015 under the “Investors – Events and Presentations” section on PepsiCo’s website at www.pepsico.com to find disclosure and a reconciliation of the above non-GAAP financial measures.

* FCF Productivity = Free Cash Flow (excluding certain items) as a percentage of core net income
Portfolio of Iconic Brands

Portfolio of 22 $1B Brands

Over 40 $250M-$1B Brands

Note: Based on 2014 estimated annual retail sales
Well Positioned in Attractive Categories

- Highly complementary product portfolio
- PepsiCo #1 globally in salty snacks
- PepsiCo strong #2 globally in beverages with leadership in many important markets

Note: Snacks/Beverages/Nutrition data is based on 2014 net revenue
Global positions based on Euromonitor 2014 annual retail sales
Balanced Geographic Footprint...

<table>
<thead>
<tr>
<th>Market</th>
<th>% of Net Revenue</th>
</tr>
</thead>
<tbody>
<tr>
<td>Russia</td>
<td>7</td>
</tr>
<tr>
<td>Mexico</td>
<td>6</td>
</tr>
<tr>
<td>Brazil</td>
<td>3</td>
</tr>
<tr>
<td>All Other</td>
<td>19</td>
</tr>
</tbody>
</table>

- **D&E** 35%
- Developed 65%

*Note: Data is based on 2014 net revenue*
### Key Markets

<table>
<thead>
<tr>
<th>FLNA</th>
<th>QFNA</th>
<th>NAB</th>
<th>LA</th>
<th>ESSA</th>
<th>AMENA</th>
</tr>
</thead>
<tbody>
<tr>
<td>U.S., Canada</td>
<td></td>
<td></td>
<td>Mexico, Brazil</td>
<td></td>
<td>India, China</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>% of Net Revenue</th>
<th>22</th>
<th>4</th>
<th>30</th>
<th>14</th>
<th>20</th>
<th>10</th>
</tr>
</thead>
</table>

<table>
<thead>
<tr>
<th>% of Core Operating Profit*</th>
<th>36</th>
<th>6</th>
<th>23</th>
<th>14</th>
<th>13</th>
<th>9</th>
</tr>
</thead>
</table>

<table>
<thead>
<tr>
<th>Operating Margin %</th>
<th>28</th>
<th>24</th>
<th>12</th>
<th>17</th>
<th>10</th>
<th>15</th>
</tr>
</thead>
</table>

<table>
<thead>
<tr>
<th>% of Net Revenue in D&amp;E Markets</th>
<th>--</th>
<th>--</th>
<th>--</th>
<th>100</th>
<th>59</th>
<th>86</th>
</tr>
</thead>
</table>

<table>
<thead>
<tr>
<th>Predominant Beverage Model</th>
<th>--</th>
<th>--</th>
<th>COBO</th>
<th>FOBO</th>
<th>COBO</th>
<th>FOBO</th>
</tr>
</thead>
</table>

*Calculated using total PEP division core operating profit

Note: Figures may not sum due to rounding

Data is based on 2014 information

COBO = Company Owned Bottling Operation; FOBO = Franchise Owned Bottling Operation

Certain of the above items represent Non-GAAP financial measures that exclude certain items. Please refer to the “Reconciliation of GAAP and Non-GAAP Information” attachment posted on September 9, 2015 under the “Investors – Events and Presentations” section on PepsiCo’s website at [www.pepsico.com](http://www.pepsico.com) to find disclosure and a reconciliation of the above non-GAAP financial measures.
### With Diversified Segment Mix

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<th></th>
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</tr>
</thead>
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<tr>
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<td>Mexico, Brazil</td>
<td>Russia, U.K.</td>
<td>India, China</td>
<td></td>
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Focusing On Our Priorities

Five Key Priorities

1. Brand Building - Maintain or grow A&M as % of sales
2. Innovation - Grow innovation as % of sales
3. Execution - Hold or grow market share
4. Productivity - ~$1 Billion expected savings per year through 2019
5. Driving Cash Returns - Dividends and Share Repurchases
### Driving Strong Results in a Volatile Environment

<table>
<thead>
<tr>
<th></th>
<th>2013</th>
<th>2014</th>
<th>2015 Guidance</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Organic Revenue Growth</strong></td>
<td>+4%</td>
<td>+4%</td>
<td>+MSD</td>
</tr>
<tr>
<td><strong>Core Constant Currency EPS Growth</strong></td>
<td>+9%</td>
<td>+9%</td>
<td>+8%*</td>
</tr>
<tr>
<td><strong>Free Cash Flow (ex certain items)</strong></td>
<td>$8.2 billion</td>
<td>$8.3 billion</td>
<td>&gt;$7 billion</td>
</tr>
<tr>
<td><strong>Strong Cash Returns to Shareholders</strong></td>
<td>$6.4 billion</td>
<td>$8.7 billion</td>
<td>$8.5-9 billion</td>
</tr>
</tbody>
</table>

\*From PepsiCo’s fiscal 2014 core EPS of $4.63.

Note: The above items, other than cash returns to shareholders, represent Non-GAAP financial measures that exclude certain items. Please refer to the “Reconciliation of GAAP and Non-GAAP Information” attachment posted on September 9, 2015 under the “Investors – Events and Presentations” section on PepsiCo’s website at [www.pepsico.com](http://www.pepsico.com) to find disclosure and a reconciliation of the above non-GAAP financial measures.
Our Presenters Represent Experiences Across Our Different Markets

<table>
<thead>
<tr>
<th>Ramon Laguarta</th>
<th>Tom Greco</th>
</tr>
</thead>
<tbody>
<tr>
<td>19 years at PepsiCo</td>
<td>29 years at PepsiCo</td>
</tr>
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<table>
<thead>
<tr>
<th>Current</th>
<th>CEO, Europe Sub-Saharan Africa</th>
<th>Current</th>
<th>CEO, Frito-Lay North America</th>
</tr>
</thead>
</table>
Agenda

- Company Overview

- Europe Sub-Saharan Africa (ESSA)

- Frito-Lay North America (FLNA)
ESSA is a Leading F&B Business

A Scale, Balanced Portfolio

- Snacks 46%
- Beverages 54%
- Nutrition

2014 Net Revenue: $13.4B
Organic Revenue Growth: +5.0%

Portfolio of Leading Global Brands

6 $1B brands

#1 or #2 in ESSA

Source: Brand positions based on Euromonitor 2014 annual retail sales
Note: Organic revenue represents a Non-GAAP financial measure that excludes certain items. Please refer to the “Reconciliation of GAAP and Non-GAAP Information” attachment posted on September 9, 2015 under the “Investors — Events and Presentations” section on PepsiCo’s website at [www.pepsico.com](http://www.pepsico.com) to find disclosure and a reconciliation of the above non-GAAP financial measure.
Our East and West Businesses are Structurally Different

**Geographic Diversification**

- **West Europe**
  - Developed = 41%
  - East Europe & SSA Developed & Emerging = 59%
  - Russia = 56%
  - UK = 40%

**West Europe**

- Mature markets → Lower growth
- High mix of Snacks
- Asset light GTM systems
- Franchised bottler model
- Margin higher than total PEP

**East Europe**

- D&E markets → Higher growth
- Company owned bottlers
- Direct to store delivery
- Near-term macro trends
- Margin lower than total PEP

Note: Data is based on 2014 net revenue
We have a Stronghold in the UK and Will Invest in Our Core Brands as the Landscape Evolves

UK is a Strong PEP Market…

- Strong right to succeed with scale, winning brands
- Inception ground for F&B innovation
- Strong bottling partner driving CSD share gains

...Facing Challenging Retail Environment

- Highly competitive, and consolidating retail market
- Increasing value orientation

Key Priorities for PEP UK

Bolster Core Brands

- Lays
- Pepsi
- Quaker

Innovate around macro trends

- Healthy Breakfast
- Better for You Snacking
- Premium Juice

Improve Capabilities

- Revenue Management
- Category Management
- Insights
- Digital
- Field Execution

Source: Brand positions based on Euromonitor 2014 annual retail sales
PepsiCo is the #1 F&B Business in Russia and Well Positioned to Benefit from Long-Term Potential

Russia Provides Long-Term Potential…

- Middle class evolution
- High per capita growth potential
- Leverage to expand into CIS markets

…but with Short-Term Challenges

- FX devaluations
- Volatile economic trends
- Transformation of retail environment

Key Priorities for PEP Russia

Continue Building Leading Brands

Drive Productivity

Improve Sales Execution and Customer Service

* Not a complete list of PepsiCo Russia products and strategic brands
Presented for illustration purposes only

Source: Brand position based on Euromonitor 2014 annual retail sales
Continue Building Leading Brands: Lay’s Summer Activation in Russia

Build a Megabrand stature…

SUMMER TASTES BETTER WITH LAY’S

...supported by market activations…

- 360 Communication
- Digital Engagement
- POS activation
- Cross-brand promotions

...to gain share

Value Share of Market

+4 pp

65%

61%

Jul 2014

Jul 2015

Rolled out across key East Europe markets

Source: AC Nielsen
Drive Productivity: Productivity is the Key Enabler of Growth and Competitive Advantage in Russia

**Robust productivity and cost management to fund growth**

- Minimize Fixed Assets
  - Supply chain transformation
  - Optimization and rationalization
  - -24% Reduction in production facilities 2011 - 2015*

- Optimize OPEX structure
- Reduce working capital
- Implement key enablers
  - Lean Six Sigma
  - Shared service center
  - SAP

**Competitive advantage via integrated business model**

- Integrated Supply Chain
- Integrated GTM Mosaic
- Scale Leverage in Procurement
- Optimized G&A and Back office

*Based on production facilities as of August 2015
Improve Sales Execution and Customer Service in Russia

Create competitive advantage in execution

Customized GTM solutions

- Company-owned integrated business model
- Where appropriate, 3rd party to optimize cost structure and margins

Cross-category events/promos

Leverage scale to be preferred supplier to our customers

- Joint business planning
- Innovations and growth forums
- Technology to support execution
- Customer-centric teams
Focusing On Our Priorities

Five Key Priorities

1. Brand Building
   - Deliberate prioritization of A&M, leveraging capabilities across categories & markets

2. Innovation
   - Focus innovation around macro trends

3. Execution
   - Invest in customer-centric capabilities

4. Productivity
   - Disciplined cost management and business model optimization

5. Driving Cash Returns
Agenda

• Company Overview

• Europe Sub-Saharan Africa (ESSA)

• Frito-Lay North America (FLNA)
Consistent Track Record of Performance

Note: Core is a Non-GAAP financial measure that excludes certain items. Please refer to the "Reconciliation of GAAP and Non-GAAP Information" attachment posted on September 9, 2015 under the "Investors – Events and Presentations" section on PepsiCo’s website at www.pepsico.com to find disclosure and a reconciliation of the above non-GAAP financial measure.
Room to Grow

Retail Channels

$687 Billion

Macro Snacks 13.3%

Other Packaged F&B

Macro Snacks – $125 B

46
Total Packaged Snack Occasions Per Month

8
FLNA Snacks

Foodservice Channels

$702 Billion

Restaurants

Other Away From Home

FLNA Macro Snack Share (%)

16.2
2012

16.6
2015 YTD

Source: Based upon research performed in conjunction with IRI and Technomic
Note: Data is 2014 unless otherwise noted. YTD data is last 32 weeks ending Aug 9, 2015
Five Key Priorities Focus

1. Brand Building
2. Innovation
3. Execution
4. Productivity
5. Driving Cash Returns
Building Brand Equity

Brand

Social Media

Advertising Age
One Dorito In This Handful Could Melt Your Face
Frito-Lay's 'Roulette' Bags Come to U.S. -- One Out of Six Is Super Spicy

Consumer
### Consumer

**Average Number of Households With 2 People or Less**

- 1970: 46%
- 2014: 61%

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### Customer

**U.S. Grocery Operating Margins**

- Q1 2013: 1.98%
- Q1 2014: 1.56%

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### Company

**14 skus – 9.5 - 10.0oz**

Source: US Census

Source: CSIMarket.com
PC Price Size Reinvention

**From**
- 9.5 – 10.0oz
- 13.0 – 13.5oz

**Objective**
- Drive Household Penetration
- Accelerate Market Share
- Improve Customer Margins
- Enable Pricing Runway

**To**
- 7.75 – 8.0oz
- 10.0 – 10.5oz
- 15.25 – 15.75oz
PC Price Size Reinvention

From

9.5 – 10.0oz

13.0 – 13.5oz

Objective

• Drive Household Penetration
• Accelerate Market Share

To

7.75 – 8.0oz

10.0 – 10.5oz

15.25 – 15.75oz

• Improve Customer Margins
• Enable Pricing Runway
Innovation Across Snacks

At Home

Away From Home

- Cheetos Sweetos Cinnamon Sugar Puffs
- Rold Gold Pretzel Cracker Sandwiches Sharp Cheddar
- Simply Tostitos Scoops Organic Tortilla Chips
- Smartfood Delight Sea Salt
- Fritos Chili Cheese Taco
- Fritos Flamin’ Hot Taco
- Sun Chips Snack Mix
- Lays Oven Baked Sour Cream & Onion
- Lays Oven Baked Sour Cream & Onion
- Tostitos Scoops!
World Class Execution
GES Productivity

Fewer Facilities
Lower Inventory
More SKUs
Growth Enabler

GES Growth

Automatisation

Packaging
Palletizing
Case Picking
Frito-Lay & PepsiCo Continue to be CPG Leaders

**Largest U.S. Foods Manufacturers**

2015 YTD Retail Growth Absolute Chg. (M)

<table>
<thead>
<tr>
<th>Co. 1</th>
<th>$305</th>
</tr>
</thead>
<tbody>
<tr>
<td>Co. 2</td>
<td>$242</td>
</tr>
<tr>
<td>Co. 3</td>
<td>$151</td>
</tr>
<tr>
<td>Co. 4</td>
<td>$89</td>
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</tbody>
</table>

Source: MULOC measured channel retail scanned growth for the last 32 weeks ending Aug 9, 2015

**Largest U.S. F&B Manufacturers**

2015 YTD Retail Growth Absolute Chg. (M)

<table>
<thead>
<tr>
<th>Co. 1</th>
<th>$1,015</th>
</tr>
</thead>
<tbody>
<tr>
<td>Co. 2</td>
<td>$463</td>
</tr>
<tr>
<td>Co. 3</td>
<td>$236</td>
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<tr>
<td>Co. 4</td>
<td>$145</td>
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