"We are off to a strong start to the year and that gives us added confidence in achieving our financial objectives for 2016."
- Indra Nooyi, Chairman & CEO of PepsiCo

Q1 2016 Performance

Solid Q1 Performance in North America

North America Beverages

+7% core constant currency operating profit

Frito-Lay North America

+10% core constant currency operating profit

Reaffirming 2016 Guidance

Expecting +8% core constant currency EPS growth

Expect to deliver ~$1 BN in productivity savings

Expect to deliver ~$7 BN shareholder cash returns through dividends and share repurchases

Solid Operating Results in Q1 2016

+3.5% Organic revenue

+7% Organic revenue in developing & emerging markets

+130 Core gross margin Basis points

+165 Core operating margin Basis points

+11% Core constant currency EPS

Reported net revenue declined 3%

Reported developing and emerging markets net revenue declined 14%

Reported gross margin expanded 160 bps, while reported operating margin contracted 105 bps

Reported EPS declined 21%

North America Beverages reported operating profit grew 7%

Frito-Lay North America reported operating profit grew 11%

Based on 2015 core EPS of $4.57 and excluding a (2)% impact of Venezuela deconsolidation. Expect (4)% foreign currency translation impact based on current market consensus rates.

Forward-looking statements, including 2016 guidance, involve risks/uncertainties that could cause actual results to differ materially from those predicted. These risks/uncertainties include: changes in demand; regulatory initiatives, including the imposition/proposed imposition of new or increased taxes; competition; economic, political and social conditions; or current, supply or business disruptions; product contamination/tampering; reputational damage; fluctuations in exchange rates; and other factors discussed in our most recent filings with the Securities and Exchange Commission. Investors are cautioned not to place undue reliance on forward-looking statements.

For full financial data and non-GAAP reconciliations, please refer to PepsiCo’s Q1 2016 earnings release and the “Reconciliation of GAAP and non-GAAP information” attachment posted on April 18, 2016, available at pepsi.com/investors.

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