

## Reconciliation of GAAP and Non-GAAP Information (unaudited)

In 2007, we recognized \$129 million of non-cash tax benefits related to the favorable resolution of certain foreign tax matters. Additionally, in 2007, we recorded restructuring and impairment charges in connection with previously announced plant closings and production line rationalizations, as well as costs associated with the recent divisional reorganization.

In 2006, we recorded non-cash tax benefits of \$602 million, substantially all of which related to the Internal Revenue Service's (IRS) examination of our consolidated income tax returns for the years 1998 through 2002. In 2006, The Pepsi Bottling Group (PBG) also recorded non-cash tax benefits in connection with the IRS's examination of certain of their consolidated income tax returns. We recorded our share of these tax benefits in bottling equity income in 2006. In addition, in 2006, we recorded restructuring and impairment charges in conjunction with consolidating the manufacturing network at Frito Lay by closing two plants in the U.S., and rationalizing other assets, to increase manufacturing productivity and supply chain efficiencies.

The financial measures listed below are not measures defined by generally accepted accounting principles (GAAP). However, we believe investors should consider these measures as they are more indicative of our ongoing performance and how management evaluates our operational results and trends. Specifically, investors should consider the following with respect to our quarterly and annual results:

- Our 2007 division operating profit growth without the impact of restructuring and impairment charges;
- Our first quarter 2008 division operating profit growth; and
- Our 2007 diluted EPS without the impact of the tax benefits and restructuring and impairment charges; our 2006 diluted EPS without the impact of the tax benefits, our share of PBG's tax benefits and restructuring and impairment charges; and our 2007 diluted EPS growth without the impact of the aforementioned items.

### Operating Profit Growth Reconciliation

	Year Ended <u>12/29/07</u>
Total Operating Profit Growth .....	10%
Impact of Corporate Unallocated .....	(1)
Division Operating Profit Growth .....	9
Impact of Restructuring and Impairment Charges .....	—
Division Operating Profit Growth Excluding above Items .....	<u>10%*</u>

*\*Does not sum due to rounding.*

	12 Weeks Ended <u>3/22/08</u>
Total Operating Profit Growth .....	9%
Impact of Corporate Unallocated .....	—
Division Operating Profit Growth .....	<u>10%*</u>

*\*Does not sum due to rounding.*

### Diluted EPS Reconciliation

	Year Ended <u>12/29/07</u>	Year Ended <u>12/30/06</u>	Growth
Reported Diluted EPS .....	\$ 3.41	\$ 3.34	2%
Tax Benefits .....	(0.08)	(0.37)	
Restructuring and Impairment Charges .....	0.04	0.03	
Diluted EPS Excluding above Items .....	<u>\$ 3.38*</u>	<u>\$ 3.00</u>	13%

*\* Does not sum due to rounding.*