

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.

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 projected full year results:

- Our 2008 division operating profit growth;
- Our 2008 Latin America Foods (LAF), United Kingdom/Europe (UKEU), Middle East/Africa/Asia (MEAA) and PepsiCo International (PI) revenue and operating profit growth without the impact of M&A activity and foreign currency;
- Our 2008 PI and UKEU operating profit margin without the impact of M&A activity and foreign currency; and
- Our 2008 diluted EPS projected growth without the impact of the non-cash tax benefits and restructuring and impairment charges in 2007.

Reconciliation of GAAP and Non-GAAP Information (cont.)
(unaudited)

Operating Profit Growth Reconciliation

	12 Weeks Ended 3/22/08
Division operating profit growth.....	10%
Impact of corporate unallocated.....	—
Total operating profit growth	9%*

*Does not sum due to rounding.

Division Revenue Growth and Operating Profit Growth Reconciliation

	12 Weeks Ended 3/22/08			
	LAF	UKEU	MEAA	PI
Revenue growth	37%	23%	30%	27%
Impact of M&A activity.....	(20)	(6)	(6)	(6)
Impact of foreign currency	(5.5)	(9)	(8)	(8)
Revenue growth excluding the impact of M&A activity and foreign currency	11%	8%	16%	12%
Operating profit growth	27%	18%	32%	26%
Impact of M&A activity.....	(7)	3	(8)	(3)
Impact of foreign currency	(4)	(10)	(7)	(8)
Operating profit growth excluding the impact of M&A activity and foreign currency	15%	11%	17%	14%

Note: Amounts may not sum due to rounding.

PI Operating Profit Margin Growth Reconciliation

	12 Weeks Ended 3/22/08	12 Weeks Ended 3/24/07	Margin Change (basis points)*
PI reported operating profit margin	13.5%	13.6%	(10)
Impact of M&A activity and foreign currency	0.4		
PI operating profit margin excluding the impact of M&A activity and foreign currency	13.9%	13.6%	30

*Amounts rounded to nearest 10 basis points.

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UKEU Operating Profit Margin Growth Reconciliation

	12 Weeks Ended <u>3/22/08</u>	12 Weeks Ended <u>3/24/07</u>	Margin Change (basis points)* <u>(50)</u>
UKEU reported operating profit margin	11.2%	11.7%	
Impact of M&A activity and foreign currency	0.8		
UKEU operating profit margin excluding the impact of M&A activity and foreign currency	<u>12.0%</u>	11.7%	30

**Amounts rounded to nearest 10 basis points.*

Diluted EPS Projected Growth Reconciliation

	2008 Guidance <u>\$3.72+</u>	Year Ended <u>12/29/07</u>	Growth <u>9%</u>
Reported diluted EPS.....	\$3.72+	\$ 3.41	
Tax benefits.....	—	(0.08)	
Restructuring and impairment charges	—	0.04	
Diluted EPS excluding above items	<u>\$3.72+</u>	<u>\$ 3.38*</u>	10%

** Does not sum due to rounding.*