

Reconciliation of GAAP and Non-GAAP Information
(\$ in millions, unaudited)

In 2006, we recorded non-cash tax benefits of \$602 million ("2006 tax adjustments"), substantially all of which related to the Internal Revenue Service's (IRS's) examination of our consolidated income tax returns for the years 1998 through 2002. In 2006, 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 we believe they are more indicative of our ongoing performance and with how management evaluates our operational results and trends. Specifically, investors should consider the following with respect to our results:

- Our second quarter year-to-date 2007 and our second quarter 2006 division operating profit growth;
- Our second quarter 2007 north american net revenue and operating profit growth;
- Our second quarter 2007 division operating profit margin decline; and
- Our 2007 projected diluted EPS growth without the impact of the 2006 tax adjustments, our share of PBG's tax settlement and restructuring and impairment charges.

Operating Profit Growth Reconciliation

	24 Weeks Ended 6/16/07	12 Weeks Ended 6/17/06
Total operating profit growth	10%	13%
Impact of corporate unallocated.....	(1)	(1)
Division operating profit growth.....	9%	12%

PepsiCo North American Net Revenue Growth Reconciliation

	12 Weeks Ended 6/16/07	12 Weeks Ended 6/17/06	Growth
PepsiCo north american net revenue	\$5,740	\$5,445	5%
PepsiCo International net revenue.....	3,867	3,269	
Total PepsiCo reported net revenue	\$9,607	\$8,714	10%

PepsiCo North American Operating Profit Growth Reconciliation

	12 Weeks Ended 6/16/07	12 Weeks Ended 6/17/06	Growth
PepsiCo north american operating profit	\$1,449	\$1,375	5%
PepsiCo International operating profit	683	577	
Corporate unallocated.....	(173)	(152)	
Total PepsiCo reported operating profit.....	\$1,959	\$1,800	9%

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

Division Operating Profit Margin Reconciliation

	12 Weeks Ended <u>6/16/07</u>	12 Weeks Ended <u>6/17/06</u>	Margin Decline
Reported operating profit margin	20.4%	20.7%	0.3%
Impact of corporate unallocated.....	1.8	1.7	
Division operating profit margin	<u>22.2%</u>	<u>22.4%</u>	0.2%

Diluted EPS Projected Growth Reconciliation

	2007 Guidance <u> </u>	Year Ended <u>12/30/06</u>	Growth
Reported diluted EPS.....	\$3.35+	\$ 3.34	0%+
2006 tax adjustments	—	(0.36)	
PepsiCo share of PBG tax settlement	—	(0.01)	
Restructuring and impairment charges.....	—	0.03	
Diluted EPS excluding above items	<u>\$3.35+</u>	<u>\$ 3.00</u>	12%+