

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

In 2003, we sold our Quaker Foods North America Mission pasta business (2003 divested business). In 2005, we had an additional week of results (53rd week) as our fiscal year ends on the last Saturday of each December, resulting in an additional week of results every five or six years. In the third quarter of 2006, we recorded a gain of approximately \$20 million from the sale of PepsiCo International's Sugar Puffs brand (Sugar Puffs).

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 consistent with how management evaluates our operational results and trends. Specifically, investors should consider the following with respect to our quarterly, full year and projected results:

- Our 2005 net revenue growth excluding the impact of the 53rd week;
- Our north american net revenue and operating profit two-year (2003-2005) compounded annual growth rates (CAGR);
- Our third quarter year-to-date 2006 north american net revenue and operating profit growth;
- Our 2005 north american operating profit as a percentage of total division operating profit;
- Our 2001 and 2005 PepsiCo International operating profit and operating profit growth as percentages of total division operating profit and total division operating profit growth;
- Our third quarter year-to-date 2006 PepsiCo International operating profit growth excluding the impact of the gain on sale of Sugar Puffs;
- Our third quarter year-to-date 2006 PepsiCo International operating profit margin and operating profit margin growth excluding the impact of the gain on sale of Sugar Puffs;
- Our 2005 capital spending as a percentage of net revenue excluding the impact of the 53rd week; and
- Our long-term projected north american and total division operating profit growth.

Additionally, management operating cash flow is the primary measure management uses to monitor cash flow performance. It is not a measure defined under GAAP. Since net capital spending is essential to our product innovation initiatives and maintaining our operational capabilities, we believe that it is a recurring and necessary use of cash. As such, we believe investors should also consider net capital spending when evaluating our cash from operating activities.

Please refer to our consolidated financial statements for presentation of results in accordance with GAAP.

PepsiCo Net Revenue Growth Reconciliation

	Year Ended <u>12/31/05</u>	Year Ended <u>12/25/04</u>	Growth
PepsiCo reported net revenue performance.....	\$32,562	\$29,261	11.3%
Impact of 53 rd week.....	(418)	—	
PepsiCo net revenue performance excluding 53 rd week	<u>\$32,144</u>	<u>\$29,261</u>	9.9%

PepsiCo North American Net Revenue 2-Year CAGR Reconciliation

	Year Ended <u>12/31/05</u>	Year Ended <u>12/27/03</u>	2-yr CAGR
PepsiCo north american net revenue performance.....	\$21,186	\$18,291	8%
PepsiCo International net revenue.....	11,376	8,678	
2003 divested business	—	2	
Total PepsiCo reported net revenue performance	<u>\$32,562</u>	<u>\$26,971</u>	10%

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

PepsiCo North American Operating Profit 2-Year CAGR Reconciliation

	Year Ended <u>12/31/05</u>	Year Ended <u>12/27/03</u>	2-yr CAGR
PepsiCo north american operating profit performance.....	\$5,103	\$4,402	8%
PepsiCo International operating profit	1,607	1,061	
Impact of corporate-related items	(788)	(682)	
Total PepsiCo reported operating profit performance	<u>\$5,922</u>	<u>\$4,781</u>	11%

PepsiCo North American Net Revenue Growth Reconciliation

	36 Weeks Ended <u>9/9/06</u>	36 Weeks Ended <u>9/3/05</u>	Growth
PepsiCo north american net revenue performance.....	\$15,924	\$14,750	8%
PepsiCo International net revenue.....	8,830	7,716	
Total PepsiCo reported net revenue performance	<u>\$24,754</u>	<u>\$22,466</u>	10%

PepsiCo North American Operating Profit Growth Reconciliation

	36 Weeks Ended <u>9/9/06</u>	36 Weeks Ended <u>9/3/05</u>	Growth
PepsiCo north american operating profit performance.....	\$3,943	\$3,755	5%
PepsiCo International operating profit	1,471	1,232	
Impact of corporate unallocated.....	(488)	(504)	
Total PepsiCo reported operating profit performance	<u>\$4,926</u>	<u>\$4,483</u>	10%

PepsiCo North American and International Operating Profit as Percentages of Total Operating Profit Reconciliation

	Year Ended <u>12/31/05</u>	Year Ended <u>12/29/01</u>
PepsiCo north american operating profit	\$5,103	\$3,911
PepsiCo International operating profit	1,607	863
PepsiCo total division operating profit.....	6,710	4,774
Impact of corporate-related items	(788)	(1,138)
Total PepsiCo reported operating profit.....	<u>\$5,922</u>	<u>\$3,636</u>
PepsiCo north american operating profit as a % of PepsiCo total division operating profit	76%	
PepsiCo north american operating profit as a % of total PepsiCo reported operating profit	86%	
PepsiCo International operating profit as a % of PepsiCo total division operating profit	24%	18%
PepsiCo International operating profit as a % of total PepsiCo reported operating profit	27%	24%

Reconciliation of GAAP and Non-GAAP Information (cont.)
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PepsiCo International Operating Profit Growth Reconciliation

	36 Weeks Ended 9/9/06	36 Weeks Ended 9/3/05	Growth
PepsiCo International reported operating profit	\$1,471	\$1,232	19.4%
Gain on sale of Sugar Puffs	(20)	—	
PepsiCo International operating profit excluding impact of gain on sale of Sugar Puffs	<u>\$1,451</u>	<u>\$1,232</u>	17.8%

	Year Ended 12/31/05	Year Ended 12/25/04	\$ Growth
Pepsico north american operating profit	\$5,103	\$4,775	
PepsiCo International operating profit	1,607	1,323	284 (a)
PepsiCo total division operating profit.....	6,710	6,098	612 (b)
Corporate-related items	(788)	(839)	
Total PepsiCo operating profit	<u>\$5,922</u>	<u>\$5,259</u>	663 (c)

PepsiCo International operating profit growth as a % of
PepsiCo total division operating profit..... 46% (a)/(b)

PepsiCo International operating profit growth as a % of total
PepsiCo operating profit

	Year Ended 12/29/01	Year Ended 12/30/00	\$ Growth
PepsiCo north american operating profit	\$3,911	\$3,618	
PepsiCo International operating profit	863	738	125 (a)
PepsiCo total division operating profit.....	4,774	4,356	418 (b)
Corporate-related items	(1,138)	(538)	
Total PepsiCo operating profit	<u>\$3,636</u>	<u>\$3,818</u>	(182)

PepsiCo International operating profit growth as a % of
PepsiCo total division operating profit..... 30% (a)/(b)

PepsiCo International operating profit growth as a % of total
PepsiCo operating profit Not meaningful

PepsiCo International Operating Profit Margin Reconciliation

	36 Weeks Ended 9/9/06	36 Weeks Ended 9/3/05	Change (% points)
PepsiCo International reported operating profit margin	16.7%	16.0%	0.7
Impact of gain on sale of Sugar Puffs	(0.2)	—	
PepsiCo International operating profit margin excluding gain on sale of Sugar Puffs	<u>16.4%*</u>	<u>16.0%</u>	0.5*

*Does not compute due to rounding.

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

Capital Spending as a Percentage of Net Revenue Reconciliation (\$ in millions)

	Year Ended <u>12/31/05</u>
Capital spending	<u>\$1,736</u>
PepsiCo total reported net revenue	\$32,562
Impact of 53 rd week	(418)
PepsiCo total net revenue excluding 53 rd week	<u><u>\$32,144</u></u>

Capital spending as a % of PepsiCo total reported net revenue . 5.3%

Capital spending as a % of PepsiCo total net revenue excluding
53rd week..... 5.4%

Long-Term Projected Operating Profit Growth Reconciliation

	Long-Term Projected % Growth
PepsiCo north american operating profit	~7%
PepsiCo International operating profit	mid-teens
PepsiCo total division operating profit.....	8%+
Corporate unallocated.....	0% -
PepsiCo total operating profit.....	<u><u>8%+</u></u>

Cash Flow Reconciliation (\$ in billions)

	2004-2006E	Projected 2007-2009
Net cash provided by operating activities	~\$17	~\$22-23
Net capital spending.....	~5	~7-8
Management operating cash flow	<u><u>~\$12</u></u>	<u><u>~\$15</u></u>