

**Reconciliation of GAAP and Non-GAAP Information**  
(in millions, except per share amounts, and unaudited)

**Net Revenue Reconciliation**

	Quarter Ended <u>12/31/05</u>	Quarter Ended <u>12/25/04</u>	Growth
Reported Net Revenue .....	\$10,096	\$8,803	15%
53 <sup>rd</sup> Week .....	(418)	–	
Net Revenue Excluding 53 <sup>rd</sup> week .....	<u>\$ 9,678</u>	<u>\$8,803</u>	10%

	Year Ended <u>12/31/05</u>	Year Ended <u>12/25/04</u>	Growth
Reported Net Revenue .....	\$32,562	\$29,261	11%
53 <sup>rd</sup> Week .....	(418)	–	
Net Revenue Excluding 53 <sup>rd</sup> week .....	<u>\$32,144</u>	<u>\$29,261</u>	10%

**Division Operating Profit Reconciliation**

	Quarter Ended <u>12/31/05</u>	Quarter Ended <u>12/25/04</u>	Growth
Reported Division Operating Profit .....	\$1,723	\$1,632	5.5%
53 <sup>rd</sup> Week .....	(89)	–	
Restructuring Charges .....	69	–	
Division Operating Profit Excluding 53 <sup>rd</sup> Week and Restructuring Charges .....	<u>\$1,703</u>	<u>\$1,632</u>	4%

	Year Ended <u>12/31/05</u>	Year Ended <u>12/25/04</u>	Growth
Reported Division Operating Profit .....	\$6,710	\$6,098	10%
53 <sup>rd</sup> Week .....	(89)	–	
Restructuring Charges .....	69	–	
Division Operating Profit Excluding 53 <sup>rd</sup> Week and Restructuring Charges .....	<u>\$6,690</u>	<u>\$6,098</u>	10%

**Revenue Reconciliation By Division**

	Year ended 12/31/05		Year ended 12/25/04	
	<u>As reported</u>	<u>Ex-impact of extra week</u>	<u>As reported</u>	Growth (52-week basis)
Frito-Lay North America .....	\$10,322	\$10,137	\$ 9,560	6%
PepsiCo Beverages North America .....	9,146	9,037	8,313	9%
PepsiCo International .....	11,376	11,284	9,862	14%
Quaker Foods North America .....	1,718	1,686	1,526	10%
Total Net Revenue .....	<u>\$32,562</u>	<u>\$32,144</u>	<u>\$29,261</u>	10%

**Reconciliation of GAAP and Non-GAAP Information (cont.)**  
(in millions, except per share amounts, and unaudited)

**Effective Tax Rate Reconciliation (Quarter Ended 12/31/05)**  
(\$ in millions)

	Pre-tax Income	Income Taxes	Effective Tax Rate
Reported Effective Tax Rate .....	\$1,542	\$434	28.1%
Impact of AJCA Tax Charge .....	—	8	
53 <sup>rd</sup> Week .....	(82)	(23)	
Restructuring Charges .....	83	26	
Effective Tax Rate Excluding AJCA Tax Charge, 53 <sup>rd</sup> Week and Restructuring Charges.....	<u>\$1,543</u>	<u>\$445</u>	28.8%

**Effective Tax Rate Reconciliation (Year Ended 12/31/05)**  
(\$ in millions)

	Pre-tax Income	Income Taxes	Effective Tax Rate
Reported Effective Tax Rate .....	\$6,382	\$2,304	36.1%
Impact of AJCA Tax Charge .....	—	(460)	
53 <sup>rd</sup> Week .....	(82)	(23)	
Restructuring Charges .....	83	26	
Effective Tax Rate Excluding AJCA Tax Charge, 53 <sup>rd</sup> Week and Restructuring Charges.....	<u>\$6,383</u>	<u>\$1,847</u>	28.9%

**2006 Guidance Reconciliation**

	2006 Guidance	Year Ended 12/31/05	Growth
Reported Diluted EPS .....	\$2.93+	\$2.39	22%+
AJCA Tax Charge .....	—	0.27	
53 <sup>rd</sup> Week .....	—	(0.03)	
Restructuring Charges .....	—	0.03	
Diluted EPS Excluding AJCA Tax Charge, 53 <sup>rd</sup> Week and Restructuring Charges .....	<u>\$2.93+</u>	<u>\$2.66</u>	10%+

**Diluted EPS Reconciliation**

	Quarter Ended 12/31/05	Quarter Ended 12/25/04	Growth
Reported Diluted EPS .....	\$0.65	\$0.58	13%
Prior Year Tax Benefits .....	—	(0.05)	
AJCA Tax Charge .....	—	—	
53 <sup>rd</sup> Week .....	(0.03)	—	
Restructuring and Impairment Charges .....	0.03	0.06	
Diluted EPS Excluding Prior Year Tax Benefits, AJCA Tax Charge, 53 <sup>rd</sup> Week, and Restructuring and Impairment Charges.....	<u>\$0.65</u>	<u>\$0.58*</u>	11%

\* Based on unrounded amounts.

**Reconciliation of GAAP and Non-GAAP Information (cont.)**  
(in millions, except per share amounts, and unaudited)

**Diluted EPS Reconciliation (cont.)**

	Year Ended <u>12/31/05</u>	Year Ended <u>12/25/04</u>	Growth
Reported Diluted EPS .....	\$2.39	\$2.44	(2)%
Prior Year Tax Benefits .....	—	(0.18)	
AJCA Tax Charge .....	0.27	—	
53 <sup>rd</sup> Week .....	(0.03)	—	
Restructuring and Impairment Charges .....	0.03	0.06	
Diluted EPS Excluding Prior Year Tax Benefits, AJCA Tax Charge, 53 <sup>rd</sup> Week, and Restructuring and Impairment Charges .....	<u>\$2.66</u>	<u>\$2.32</u>	15%

**Cash Flow Reconciliation**

	Year Ended <u>12/31/05</u>	Year Ended <u>12/25/04</u>	Growth
Net Cash Provided by Operating Activities .....	\$5,852	\$5,054	16%
Capital spending .....	(1,736)	(1,387)	
Sales of property, plant and equipment .....	88	38	
Management Operating Cash Flow .....	<u>\$4,204</u>	<u>\$3,705</u>	13%

We recognized a tax charge in the third quarter of 2005 related to the Company's intention to repatriate \$7.5 billion of international earnings under the provisions of the American Jobs Creation Act (AJCA). This tax charge was adjusted slightly in the fourth quarter of 2005. In addition, we recorded restructuring charges in the fourth quarter of 2005 to reduce costs in our operations, principally through headcount reductions, as well as restructuring and impairment charges in the fourth quarter of 2004 related to Frito Lay's manufacturing consolidation. We also recognized certain tax benefits in the third and fourth quarters of 2004. In 2005, we have an additional week of results (53<sup>rd</sup> 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.

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. Specifically, investors should consider the following with respect to our quarterly and full year results:

- Our 2005 net revenue and net revenue growth without the impact of the 53<sup>rd</sup> week;
- Our 2005 division operating profit and division operating profit growth without the impact of the 53<sup>rd</sup> week and the restructuring charges;
- Our 2005 effective tax rate, without the impact of the AJCA tax charge, the 53<sup>rd</sup> week and the restructuring charges;
- Our 2006 diluted EPS growth without the impact of the AJCA tax charge, the restructuring charges and the 53<sup>rd</sup> week; and
- Our 2005 diluted EPS and diluted EPS growth amounts without the impact of the AJCA tax charge, the restructuring charges and the 53<sup>rd</sup> week, and our 2004 diluted EPS amounts without the impact of prior year tax benefits and restructuring and impairment charges.

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 and growth in cash from operating activities.

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

