

# PepsiCo Americas Beverages

“ Rejuvenating, replenishing, restoring, refreshing consumers’ thirst all over the Americas 440 million times a day is what we do in PepsiCo Americas Beverages (PAB).

Across the United States, Canada and Latin America, PAB is shaped around great people, great brands and great consumer insights. We enjoy the number-one or -two share position in virtually every market in which we compete, and we continue to push the innovation envelope into emerging growth categories. Our powerful go-to-market systems allow fast and flexible service across multiple trade channels.



Here are some examples of how we performed in 2007:

- PAB already has North America’s foremost non-carbonated beverage lineup. Growing our leadership positions in water, enhanced waters and isotonics, we’re focused on building on our hydration advantage. Including restaged SoBe Life Water, reformulated Aquafina Alive, the full Propel line, Gatorade Thirst Quencher and low-calorie G2 — the single-biggest new product innovation in Gatorade’s history — we now have the industry’s biggest, most comprehensive hydration portfolio, outselling our nearest competitor by a factor of nearly two to one.
- What’s more, we’ve signed legendary golfer Tiger Woods to develop a signature line of sports performance beverages. Representing the first-ever licensing deal for the Gatorade brand and Tiger Woods’ first-ever endorsed sports beverage, Gatorade Tiger, the first product in the new line, hit store shelves in March 2008.
- Leveraging consumers’ inherent love of bubbles, we also have been working to reinvent carbonated soft drinks and provide greater variety in North America. Diet Pepsi Max, for example, is a great-tasting, zero-calorie cola with ginseng and extra caffeine to provide a kick of energy — a real point of difference. Launched in January 2008, Tava is another unique carbonated soft



drink proposition. It’s a zero-calorie, zero-caffeine sparkling beverage in three exotic flavor blends. Light, crisp-tasting Tava is fortified with essential vitamins, minerals, and antioxidants, including Vitamins B6, E, Niacin and Chromium.

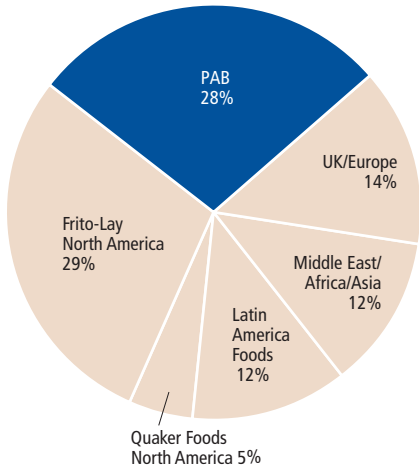
- Answering the call for better-for-you innovation at the breakfast table (and beyond), we successfully launched Tropicana Pure Premium Healthy Heart — the United States’ first national orange juice fortified with Omega-3 fatty acids.
- In Argentina and Brazil, 7UP H2OH! — a lightly carbonated, distinctively flavored water — is a sensational new product that could easily become a global success.



## PERFORMANCE

## PepsiCo Net Revenue: \$39,474

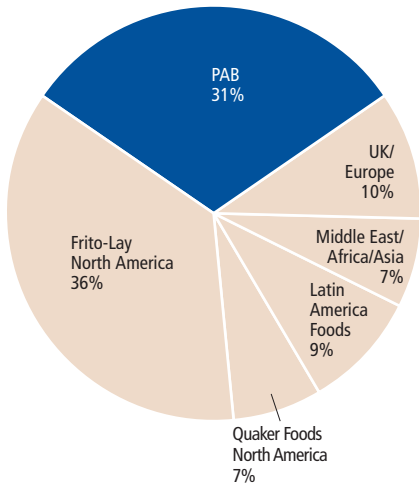
PepsiCo, Inc. and Subsidiaries  
\$ in millions



PAB comprises 28% of PepsiCo Net Revenue

## PepsiCo Division Operating Profit: \$7,923

PepsiCo, Inc. and Subsidiaries  
\$ in millions



PAB comprises 31% of PepsiCo Division Operating Profit

There are countless other examples of what we're doing north and south of the border — initiatives that will allow us to selectively seize multicultural marketing opportunities in the United States and elsewhere.

**Breakthrough marketing is putting our brands where they belong — at the core of pop culture.**

We are leveraging the world's most interactive communications environment to get there, creating unprecedented consumer "buzz" via internet blogs, online video views and interactive promotions.

Wherever we operate, we're offering an increasingly diverse portfolio of product choices to more and more variety-conscious consumers. Prevailing trends such as health and wellness will continue to drive our portfolio transformation and lead to growth opportunities like our acquisition of Naked Juice in 2007. Our R&D and marketing teams understand we have to move quickly to invest in better-for-you and good-for-you products, which is now reflected in our innovation pipeline.

Going forward, we will continue to invest in marketing and insights to build our competitive advantage and accelerate future growth. We have only begun

to show the power of our brands, the acuity of our strategic vision and the innovative thinking of our people. Be it new products, packages or programs, we are committed to promoting faster and more efficient transfer of ideas and best practices throughout the Americas.

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Ciao,

**Massimo d'Amore**  
CEO, PepsiCo Americas Beverages

