

# Media Question & Answer

## What is PBC?

PBC is Pepsi Beverages Company, the newly formed operating unit of PepsiCo. PepsiCo's merger agreements with Pepsi Bottling Group (PBG) and PepsiAmericas (PAS) have met all regulatory and shareholder approvals to form PBC.

## What does this mean for PepsiCo?

- These acquisitions create a more flexible, competitive enterprise with revenues of nearly \$60 billion and approximately 285,000 employees.
- With the completion of the mergers, PepsiCo today is the largest food and beverage business in North America and the second largest in the world. We are also the global leader in savory snacks.
- Bringing together these three great companies enables us to create the industry's fastest, most flexible and most efficient food-and-beverage system. It will leverage the capabilities of our entire enterprise – what we call The Power of One – to achieve many years of healthy, profitable growth.

## What is the rationale for these transactions?

We now have a unique set of strategic advantages. These will provide the greatest benefits in North America and Europe, where the bottlers have operations:

- We can pair our snacks with our beverages in the marketplace to provide unique offerings to retail and foodservice customers
- 80% of our North American beverage manufacturing, sales and distribution system is now under one roof, enabling greater operating efficiencies and speed-to-market
- We can leverage the vast scale and operating experience associated with our Frito-Lay, Quaker, Tropicana and Gatorade operations across our bottling operations
- We are well positioned to leverage our total scale and breadth – through joint promotions, shared display space, product bundling, shopper insights and programs that address consumers' strong desire for greater value

## Who is in charge of PBC?

Eric Foss will serve as CEO of PBC. He brings to this role a breadth of experience – 27 years with PepsiCo and PBG, spanning the United States and Europe. Eric is widely known as a gifted operator. He is responsible for all of the current PBG and PAS business interests in the United States, Canada and Mexico, including plants, distribution systems, route sales and interface with customers.