



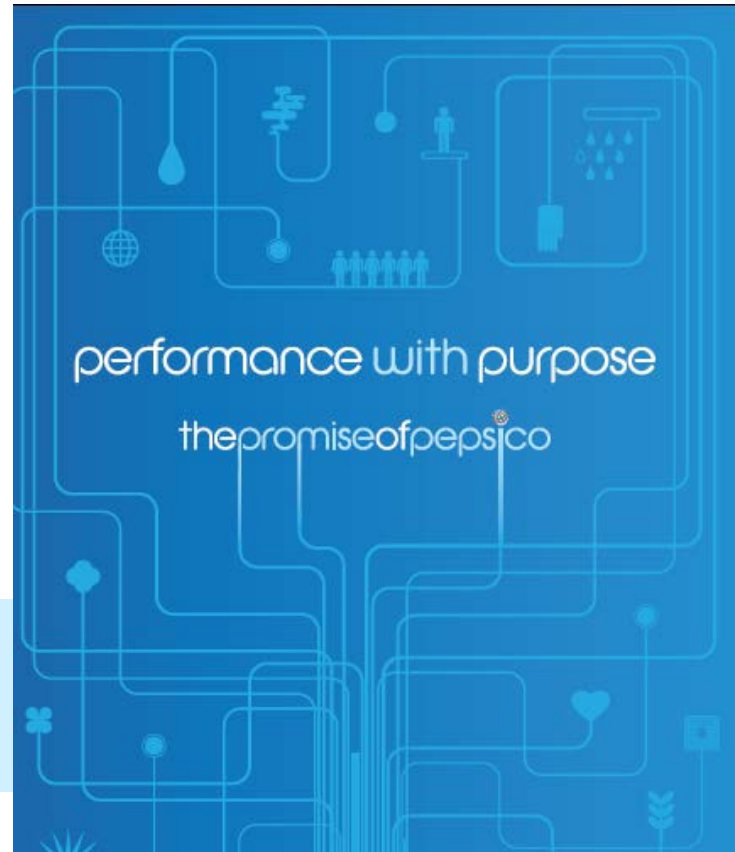
GasMart 2011

Gas Purchasers Speak Out

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PEPSICO

PERFORMANCE
WITH PURPOSE
Human • Environment • Talent

What
comes to
mind when
you think
about
PepsiCo?





We're More Than Just Pepsi Cola

PepsiCo's Billion Dollar Brands



Global Presence

19 - Billion Dollar Brands
 \$58 Billion in Revenue
 300,000 Employees

Global Distribution

+100,000 Sales Routes
 +Businesses in Virtually Every Country in the World

+Largest Markets:
 USA,
 Russia,
 Mexico



We Also Have Incredible Reach

Operate Over
100K Routes



Over 10 Million
Outlets Served



~\$300MM Retail
Sales Each Day



PepsiCo's Use of Natural Gas



Natural Gas is a critical fuel source for PepsiCo in North America

- +Frying & Baking Snack Foods
- +Pasteurizing Orange Juice & Noncarbonated Beverages
- +Retorting Dips and Salsas
- +Drying Orange Peel, Potato Starch
- +Cooking Oats
- +Generating Electricity & Steam

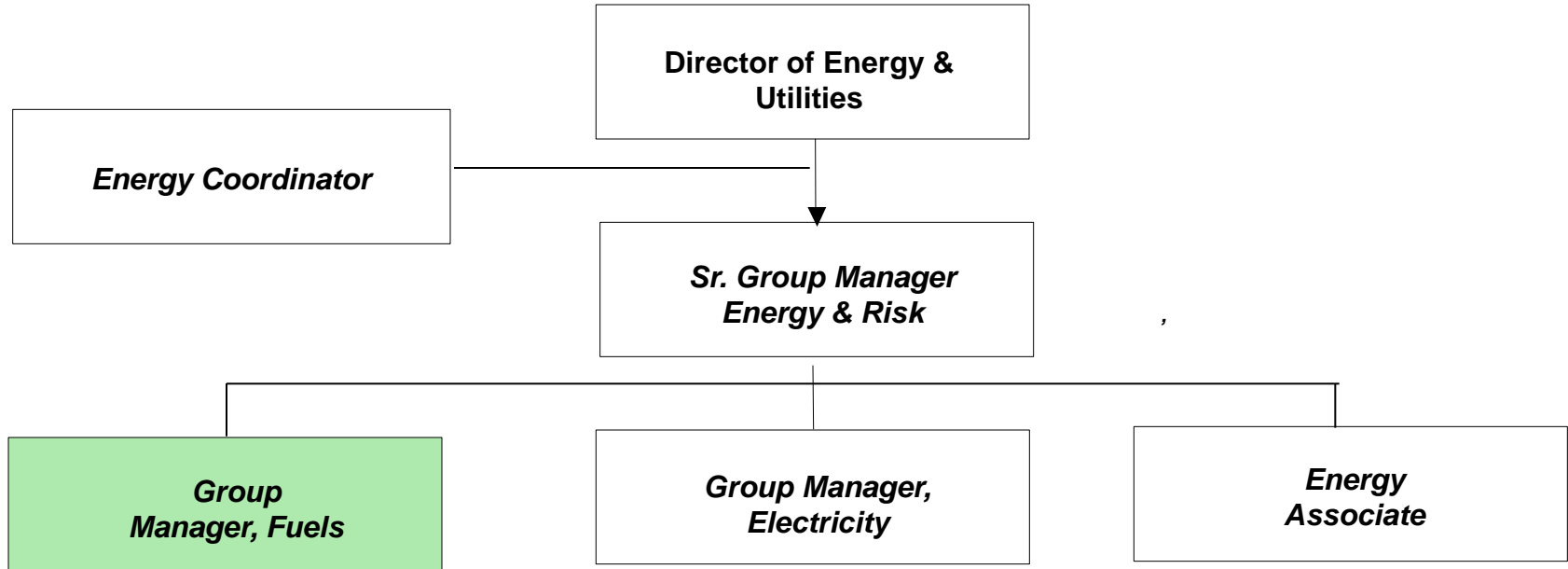
Productivity and Sustainability Initiatives Driving Gas Use Down

- +Frito-Lay - reduced gas use per lb. by more than 33% in last 10 yrs.
- +PepsiCo - Committed to reduce fuel use per unit by 25%.

CNG may be new category of gas use.

- + Testing CNG in over the road fleet

PepsiCo Energy Team



Responsibilities – Natural Gas, Coal & Biofuels

150 Manufacturing Plants – U.S. & Canada

650 Warehouse & Distribution Sites

15 to 20 BCF / Year

What's On This Gas Buyer's Mind?



Three Thoughts To Share.....

1. Have tightening accounting rules effectively eliminated a gas buyer's ability to obtain hedge accounting treatment?
2. Will power deregulation & shifts to natural gas in power industry increase risks of gas curtailments despite being flush with new natural gas supply?
3. CNG looks different this time around. High oil prices, relatively low & stable natural gas prices and OEM equipment all make CNG more interesting in over-the-road applications.