Reconciliation of GAAP and Non-GAAP Information (unaudited)

In discussing financial results and guidance, the company may refer to certain measures that are not in accordance with Generally Accepted Accounting Principles (GAAP). Our non-GAAP measures exclude from reported results those items that management believes are not indicative of our ongoing performance and reflect how management evaluates our operating results and trends. Core results, core constant currency results and organic results are non-GAAP financial measures as they exclude certain items noted below. These measures are not, and should not be viewed as, substitutes for GAAP reporting measures.

Commodity mark-to-market net impact

In the 12 weeks ended March 21, 2015, we recognized $1 million of mark-to-market net losses on commodity hedges in corporate unallocated expenses. In the 12 weeks ended March 22, 2014, we recognized $34 million of mark-to-market net gains on commodity hedges in corporate unallocated expenses. In the years ended December 27, 2014 and December 28, 2013, we recognized mark-to-market net losses of $68 million and $72 million, respectively, on commodity hedges in corporate unallocated expenses. In the years ended December 29, 2012 and December 31, 2011, we recognized $65 million of mark-to-market net gains and $102 million of mark-to-market net losses, respectively, on commodity hedges in corporate unallocated expenses. We centrally manage commodity derivatives on behalf of our divisions. These commodity derivatives include agricultural products, energy and metals. Commodity derivatives that do not qualify for hedge accounting treatment are marked to market each period with the resulting gains and losses recorded in corporate unallocated expenses as either cost of sales or selling, general and administrative expenses, depending on the underlying commodity. These gains and losses are subsequently reflected in division results when the divisions recognize the cost of the underlying commodity in operating profit.

Restructuring and impairment charges

2014 Multi-Year Productivity Plan

In the 12 weeks ended March 21, 2015, we incurred restructuring charges of $30 million in conjunction with the multi-year productivity plan we publicly announced on February 13, 2014 (2014 Productivity Plan). In the 12 weeks ended March 22, 2014, we recognized $96 million in conjunction with our 2014 Productivity Plan. In the years ended December 27, 2014 and December 28, 2013, we incurred restructuring charges of $357 million and $53 million, respectively, in conjunction with our 2014 Productivity Plan. The 2014 Productivity Plan includes the next generation of productivity initiatives that we believe will strengthen our food, snack and beverage businesses by: accelerating our investment in manufacturing automation; further optimizing our global manufacturing footprint, including closing certain manufacturing facilities; re-engineering our go-to-market systems in developed markets; expanding shared services; and implementing simplified organization structures to drive efficiency.

2012 Multi-Year Productivity Plan

In the 12 weeks ended March 21, 2015, we incurred restructuring charges of $6 million in conjunction with the multi-year productivity plan we publicly announced on February 9, 2012 (2012 Productivity Plan). In the 12 weeks ended March 22, 2014, we recognized $2 million in conjunction with our 2012 Productivity Plan. In the years ended December 27, 2014, December 28, 2013, December 29, 2012 and December 31, 2011, we incurred restructuring charges of $61 million, $110 million, $279 million and $383 million, respectively, in conjunction with our 2012 Productivity Plan. The 2012 Productivity Plan includes actions in every aspect of our business that we believe will strengthen our complementary food, snack and beverage businesses by: leveraging new technologies and processes across PepsiCo's operations, go-to-market and information systems; heightening the focus on best practice sharing across the globe; consolidating manufacturing, warehouse and sales facilities; and implementing simplified organization structures, with wider spans of control and fewer layers of management.

Pension lump sum settlement charges

In the year ended December 27, 2014, we recorded a pension lump sum settlement charge of $141 million related to payments for pension liabilities to certain former employees who had vested benefits. In the year ended December 29, 2012, we recorded a pension lump sum settlement charge of $195 million related to payments for pension liabilities to certain former employees who had vested benefits.

Venezuela remeasurement charges

In the year ended December 27, 2014, we recorded a $105 million net charge related to our remeasurement of the bolivar for certain net monetary assets of our Venezuela businesses. $126 million of this charge was recorded in corporate unallocated expenses, with the balance (equity income of $21 million) recorded in our PepsiCo Americas Beverages (PAB) segment.

In the year ended December 28, 2013, we recorded a $111 million net charge related to the devaluation of the bolivar for our Venezuela businesses. $124 million of this charge was recorded in corporate unallocated expenses, with the balance (equity income of $13 million) recorded in our PAB segment.

Merger and integration charges

In the years ended December 28, 2013 and December 29, 2012, we incurred merger and integration charges of $10 million and $16 million, respectively, related to our acquisition of Wimm-Bill-Dann Foods OJSC (WBD). In the year ended December 31, 2011, we incurred merger and integration charges of $329 million related to our acquisitions of The Pepsi Bottling Group, Inc., PepsiAmericas, Inc. and WBD.

Tax benefit

In the year ended December 28, 2013, we recognized a non-cash tax benefit of $209 million associated with our agreement with the IRS resolving all open matters related to the audits for the taxable years 2003 through 2009, which reduced our reserve for uncertain tax positions for the tax years 2003 through 2012. In the year ended December 29, 2012, we recognized a non-cash tax benefit of $217 million associated with a favorable tax court decision related to the classification of financial instruments.

Restructuring and other charges related to the transaction with Tingyi (Cayman Islands) Holding Corp. (Tingyi)

In the year ended December 29, 2012, we recorded restructuring and other charges of $150 million in the PepsiCo Asia, Middle East and Africa segment related to the transaction with Tingyi.

Free cash flow, excluding certain items

Free cash flow (excluding the items noted in the Net Cash Provided by Operating Activities Reconciliation table) is the primary measure management uses to monitor cash flow performance. This is not a measure defined by 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. Additionally, we consider certain other items (included in the Net Cash Provided by Operating Activities Reconciliation table) in evaluating free cash flow that we believe investors should consider in evaluating our free cash flow results.

2015 guidance and long-term targets

Our 2015 core tax rate guidance, our 2015 core and core constant currency EPS growth guidance and our long-term core constant currency EPS growth target exclude the commodity mark-to-market net impact included in corporate unallocated expenses and restructuring and impairment charges. Our 2015 organic revenue growth guidance and our long-term organic revenue growth target exclude the impact of acquisitions, divestitures and other structural changes. In addition, our 2015 organic revenue growth guidance, our 2015 core and core constant currency EPS growth guidance, our long-term organic revenue growth target and our long-term core constant currency EPS growth target exclude the impact of foreign exchange. We are not able to reconcile our full year projected 2015 core tax rate to our full year projected 2015 reported tax rate, our full year projected 2015 core and core constant currency EPS growth to our full year projected 2015 reported EPS growth or our long-term projected core constant currency EPS growth to our long-term projected reported EPS growth because we are unable to predict the 2015 and long-term impacts of foreign exchange or the mark-to-market net impact on commodity hedges due to the unpredictability of future changes in foreign exchange rates and commodity prices. We are also unable to reconcile our full year projected 2015 organic revenue growth to our full year projected 2015 reported net revenue growth or our long-term projected organic revenue growth to our long-term projected reported net revenue growth because we are unable to predict the 2015 and long-term impacts of foreign exchange due to the unpredictability of future changes in foreign exchange rates. Therefore, we are unable to provide a reconciliation of these measures.

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PepsiCo, Inc. and Subsidiaries
Reconciliation of GAAP and Non-GAAP Informatior
(unaudited)

Net Revenue Growth Reconciliation

	12 Weeks Ended 3/21/2015
Reported Net Revenue Growth	(3) %
Impact of Acquisitions and Divestitures	-
Impact of Foreign Exchange Translation	8
Organic Revenue Growth	4 %

Global Snacks Net Revenue Growth Reconciliation

	12 Weeks Ended 3/21/2015
Reported Net Revenue Growth	(1.5) %
Impact of Acquisitions and Divestitures	-
Impact of Foreign Exchange Translation	8
Global Snacks Organic Revenue Growth	7 %

Global Beverages Net Revenue Growth Reconciliation

	12 Weeks Ended 3/21/2015
Reported Net Revenue Growth	(5) %
Impact of Acquisitions and Divestitures	-
Impact of Foreign Exchange Translation	7
Global Beverages Organic Revenue Growth	1.5 %

Gross Margin Growth Reconciliation

	12 Weeks Ended 3/21/2015
Reported Gross Margin Growth	98 bps
Commodity Mark-to-Market Net Impact	51
Core Gross Margin Growth	149 bps

Operating Margin Growth Reconciliation

	12 Weeks Ended 3/21/2015
Reported Operating Margin Growth	39 bps
Commodity Mark-to-Market Net Impact	27
Restructuring and Impairment Charges	(48)
Core Operating Margin Growth	18
Impairment Charge Associated with Our Dairy Joint Venture	53
Prior Year Gain on Sale of Agricultural Assets	24
India Beverage Refranchising Gain	(32)
Core Operating Margin Growth Excluding Impairment Charge Associated with Our Dairy Joint Venture, Prior Year Gain on Sale of Agricultural Assets and India Beverage Refranchising Gain	64 bps

Operating Profit Growth Reconciliation

	12 Weeks Ended 3/21/2015
Reported Operating Profit Growth	(1) %
Commodity Mark-to-Market Net Impact	2
Restructuring and Impairment Charges	(3)
Core Operating Profit Growth	(2)
Impact of Foreign Exchange Translation	10
Core Constant Currency Operating Profit Growth	8
Impairment Charge Associated with Our Dairy Joint Venture	3.5
Prior Year Gain on Sale of Agricultural Assets	2
India Beverage Refranchising Gain	(2)
Core Constant Currency Operating Profit Growth Excluding Impairment Charge Associated with Our Dairy Joint Venture, Prior Year Gain on Sale of Agricultural Assets and India Beverage Refranchising Gain	11 %

Diluted EPS Growth Reconciliation

	12 Weeks Ended 3/21/2015	12 Weeks Ended 3/22/2014	Growth
Reported Diluted EPS	$ 0.81	$ 0.79	3 %
Commodity Mark-to-Market Net Impact	-	(0.01)	
Restructuring and Impairment Charges	0.02	0.05	
Core Diluted EPS	$ 0.83	$ 0.83	1 %
Impact of Foreign Exchange Translation			11
Core Constant Currency Diluted EPS Growth			12
Impairment Charge Associated with Our Dairy Joint Venture			4
Prior Year Gain on Sale of Agricultural Assets			3
India Beverage Refranchising Gain			(2)
Core Constant Currency Diluted EPS Growth Excluding Impairment Charge Associated with Our Dairy Joint Venture, Prior Year Gain on Sale of Agricultural Assets and India Beverage Refranchising Gain			16 %

PAB Net Revenue Growth Reconciliation

	12 Weeks Ended 3/21/2015
Reported Net Revenue Growth	- %
Impact of Foreign Exchange Translation	1.5
Organic Revenue Growth	2 %

PAB Operating Profit Growth Reconciliation

	12 Weeks Ended 3/21/2015
Reported Operating Profit Growth	9 %
Restructuring and Impairment Charges	(17)
Core Operating Profit Growth	(8)
Impact of Foreign Exchange Translation	11
Core Constant Currency Operating Profit Growth	4 %

Note - Certain amounts above may not sum due to rounding.

PepsiCo, Inc. and Subsidiaries
Reconciliation of GAAP and Non-GAAP Informatior
(unaudited)

Frito-Lay North America Net Revenue Growth Reconciliation

	12 Weeks Ended 3/21/2015
Reported Net Revenue Growth	3 %
Impact of Foreign Exchange Translation	1
Organic Revenue Growth	4 %

Frito-Lay North America Operating Profit Growth Reconciliation

	12 Weeks Ended 3/21/2015
Reported Operating Profit Growth	7 %
Restructuring and Impairment Charges	(1)
Core Operating Profit Growth	6
Impact of Foreign Exchange Translation	1
Core Constant Currency Operating Profit Growth	7 %

Developing and Emerging Markets Net Revenue Growth Reconciliation

	12 Weeks Ended 3/21/2015
Reported Developing and Emerging Markets Net Revenue Growth	(12) %
Impact of Acquisitions and Divestitures	-
Impact of Foreign Exchange Translation	22
Developing and Emerging Markets Organic Revenue Growth	10 %

Net Revenue Year-over-Year Growth Reconciliations

	Reported Net Revenue Growth 12 Weeks Ended 3/21/2015	Percent Impact of Foreign Exchange Translation	Organic Revenue Growth 12 Weeks Ended 3/21/2015
China	DD %	LSD %	DD %
Turkey	MSD %	HSD %	DD %
Mexico	(HSD) %	DD %	MSD %
Egypt	(LSD) %	HSD %	MSD %
India	MSD %	- %	MSD %

Fiscal 2014 Diluted EPS Growth Reconciliation

	Year Ended 12/27/2014
Reported Diluted EPS	$ 4.27
Commodity Mark-to-Market Net Impact	0.03
Restructuring and Impairment Charges	0.21
Pension Lump Sum Settlement Charge	0.06
Venezuela Remeasurement Charge	0.07
Core Diluted EPS	$ 4.63

Net Cash Provided by Operating Activities Reconciliation (in billions)

	2015 Guidance
Net Cash Provided by Operating Activities	$ ~10
Net Capital Spending	~(3)
Free Cash Flow	~7
Certain Other Items [(a)]	~ -
Free Cash Flow Excluding Certain Other Items	$ ~7

(a) Certain other items include discretionary pension and retiree medical contributions and payments related to restructuring charges and the tax impact associated with these items, as applicable.

2012 - 2014 Return on Invested Capital (ROIC) Growth Reconciliation

	12/27/2014
Reported ROIC Growth	(42) bps
Impact of:	
Cash, Cash Equivalents and Short-Term Investments	191
Tax Benefits	52
Restructuring and Impairment Charges	16
Commodity Mark-to-Market Net Impact	16
Venezuela Remeasurement Charges	17
Merger and Integration Charges	13
Restructuring and Other Charges Related to the Transaction with Tingyi	(34)
Pension Lump Sum Settlement Charges	(12)
Core Net ROIC Growth[(b)]	218 bps

ROIC Reconciliation

	12/27/2014
Reported ROIC	13.2 %
Impact of:	
Cash, Cash Equivalents and Short-Term Investments	3.4
Tax Benefits	0.1
Restructuring and Impairment Charges	0.5
Commodity Mark-to-Market Net Impact	0.1
Venezuela Remeasurement Charges	0.2
Pension Lump Sum Settlement Charges	0.1
Interest Income After Tax	(0.1)
Core Net ROIC[(b)]	17.5 %

(b) Core Net ROIC represents core net income attributable to PepsiCo plus after-tax core net interest expense, divided by a quarterly average of invested capital less cash, cash equivalents and short-term investments adjusted for non-core items.

Note - Certain amounts above may not sum due to rounding.