



PepsiAmericas Reports Second Quarter 2009 Results

- **Reported EPS was \$0.50; Adjusted EPS up 3 percent to \$0.74**
- **Strong U.S. performance drives second quarter results with U.S. revenue up 5 percent**
- **Company raises full year 2009 adjusted EPS outlook to a range of \$1.87 to \$1.94**

MINNEAPOLIS, July 28, 2009 -- PepsiAmericas, Inc. (NYSE: PAS) today reported second quarter 2009 net income of \$61.4 million, or diluted earnings per share (EPS) of \$0.50. These results compare to second quarter reported net income in 2008 of \$90.8 million, or \$0.72 per share. Net income in the second quarter of 2009 included various non-comparable items which in total decreased net income by \$29.6 million, or EPS by \$0.24, resulting in adjusted EPS of \$0.74. Results were also negatively impacted by foreign currency movements, which reduced net income by \$34.4 million and EPS by \$0.28.

The non-comparable results reflect a \$0.19 EPS impact from the accelerated recognition of cumulative currency translation and pension adjustments per SFAS No.160. This non-cash charge resulted from the deconsolidation of the Caribbean operation related to the formation of a strategic joint venture that combines the company's Caribbean bottling operations, excluding the Bahamas, with The Central America Beverage Corporation (CABCORP).

Chairman and Chief Executive Officer Robert C. Pohlad said, "We are pleased with our second quarter results, which build on a solid first quarter performance. The strength of our brands combined with our continued strategic investments and consistent improvement in productivity have provided us with the flexibility to manage through today's economic reality."

"As a result of our strong first half performance, we are raising our adjusted full year 2009 earnings outlook to \$1.87 to \$1.94. Across all geographies, we continue to execute on our global pricing plans to protect margins, increase distribution gains, expand our brand portfolio and drive costs out of our systems. Specifically in the U.S., we grew revenue by 5 percent and operating profits by 24 percent in the quarter. In Central and Eastern Europe, the combination of pricing and productivity helped to manage through significant foreign currency headwinds, although still having an impact on our worldwide operating results, as reflected in the highlights section below.

"As we begin the second half of the year, we believe we are well positioned to continue to capitalize on the capabilities of our organization and the market opportunities ahead," Pohlad continued.

Second Quarter 2009 Worldwide Financial Highlights

While operating income decreased 4 percent to \$158.8 million, including non-comparable items of \$7.7 million and \$43.7 million of foreign currency headwinds, strong pricing and cost management drove comparable operating income up 27 percent on a currency neutral basis. The impact of foreign currency continues to have a significant impact on results, and in the second quarter, decreased revenue 8 percentage points and decreased cost of goods sold and SD&A by 5 percentage points each.

- Revenue of \$1.3 billion decreased 6 percent, with currency neutral revenue up 1.8 percent, led by strong pricing across all markets.
- Volume declined 5 percent, reflecting Central and Eastern Europe (CEE) volume declines of 13 percent as the difficult economic environment continued, along with adverse weather conditions. U.S. volume increased 0.2 percent and benefited from the calendar shift of the holidays.
- Cost of goods sold per unit was favorable to prior year by 1.4 percent, driven by the impact of foreign currency. On a currency neutral basis, cost of goods sold per unit increased 4 percent, reflecting raw material cost increases offset partly by system efficiencies. Cost of goods sold per unit excludes the impact of mark-to-market gains.
- Selling, delivery and administrative expenses (SD&A) were favorable to prior year quarter by 8 percent. Comparable SD&A on a currency neutral basis decreased 4 percent reflecting lower volume and the company's productivity and cost initiatives.

Second Quarter U.S. Operations Highlights

Net sales in the U.S. increased 5 percent to \$963.1 million in the second quarter reflecting strong pricing. Volume increased 0.2 percent and benefited approximately 4.5 percentage points from the quarterly shift in the Easter and Fourth of July holidays. Carbonated soft drink volume increased 3 percent compared to the prior year period, led by increases in Pepsi, Mountain Dew and the addition of Crush. Non-carbonated soft drinks decreased approximately 12 percent, which reflected the continued decline in the low margin Aquafina take-home package and Trademark Lipton. Single serve volume continued to grow in the retail channel while softness in the foodservice channels, particularly third party operators, drove overall single serve declines

in the quarter. Net pricing grew 4.8 percent, primarily reflecting rate increases to cover higher raw material costs which drove cost of goods sold per unit up by 4.1 percent. The holiday shift also resulted in a 1.7 percent decrease in net pricing. Gross profit increased 7 percent in the quarter to \$411.7 million.

SD&A increased by \$1 million to \$270.5 million which included \$4.6 million of non-comparable items. Comparable SD&A expenses decreased due to lower fuel costs and the timing of productivity initiatives and costs. Operating income was \$141.3 million, compared to \$114.3 million in the prior year quarter, which included non-comparable adjustments of \$(0.5) million and \$0.1 million, respectively.

Second Quarter International Operations Highlights

CEE net sales of \$246 million in the second quarter were down 32 percent from the prior year, primarily due to a 27 percentage point negative impact from foreign currency. Volume declined 13 percent reflecting continued category softness and adverse weather conditions. Net pricing on a currency neutral basis grew 9.6 percent to cover raw material costs and, in part, transactional currency headwinds.

Cost of goods sold per unit decreased 17.4 percent, due primarily to a 19 percentage point favorable impact from foreign currency offset partly by higher raw material costs. Gross profit declined 36 percent to \$93.7 million for the quarter. SD&A of \$69.4 million was down 28 percent due to foreign currency as well as lower compensation and advertising costs. CEE's operating income was \$17.4 million, which included \$6.9 million of non-comparable items and \$43.7 million in foreign currency headwinds. In the second quarter of 2009, we recorded \$6.9 million of special charges in CEE related to the restructuring of our Hungary operations, primarily for severance and fixed asset impairments. Operating income was \$50 million in the prior year quarter.

Caribbean net sales were \$52.8 million in the second quarter, down 18 percent from the prior year quarter due to a 17.6 percent volume decline and the impact of foreign currency. Currency neutral net pricing increased 8.2 percent to cover increased cost of goods sold per unit, which was up 8.3 percent on a currency neutral basis. Gross profit declined 14 percent to \$14.1 million. SD&A decreased 16 percent due to lower costs that resulted from the prior year's restructuring initiative as well as lower volume. The Caribbean reported a slight operating profit in the quarter, which included \$1.3 million of non-comparable items. Operating income was \$1.2 million in the prior year quarter.

2009 Outlook

The company is raising its full year 2009 adjusted EPS outlook to a range of \$1.87 to \$1.94, from its previous range of \$1.83 to \$1.90. This revised outlook reflects the strong first half results of its U.S. business.

The deconsolidation of the Caribbean related to the strategic joint venture with CABCORP is estimated to reduce full year revenue by 2.5 percentage points, reduce SD&A by approximately 2 percentage points and operating profits by approximately 1.5 percentage points. The company's share in the earnings of the joint venture will be recorded in "Equity in net earnings of nonconsolidated companies" on the income statement.

Including the impact of foreign currency, based on recent exchange rates, the company continues to expect adjusted operating profit declines at the low end of the previously guided 4 to 5 percent range, despite the 1.5 percentage point negative Caribbean impact. These 2009 forecasts are based on a 52 week comparable basis.

The company now expects to generate adjusted operating cash flow at the high end of its guided range of \$180 to \$200 million.

Conference Call

PepsiAmericas will hold its second quarter 2009 earnings conference call at 10:00 AM CDT today, Tuesday, July 28, 2009, through a live webcast over the Internet. The live webcast will be available at www.pepsiamericas.com. A replay of the webcast will be archived and available online through the Investor Relations section of our website.

About PepsiAmericas

PepsiAmericas is the world's second-largest manufacturer, seller and distributor of PepsiCo beverages. With annual sales of \$4.9 billion in 2008, PepsiAmericas serves territories with a population of more than 200 million in a significant portion of a 19-state region in the U.S.; Central and Eastern Europe, including Ukraine, Poland, Romania, Hungary, the Czech Republic and Slovakia; and through our new joint venture, the Caribbean and Central America. For more information, please visit www.pepsiamericas.com.

Cautionary Statement

This release contains certain forward-looking statements of expected future developments, as defined in the Private Securities Litigation Reform Act of 1995. The forward-looking statements in this release refer to our expectations regarding continuing

operating improvement and other matters. These forward-looking statements reflect our expectations and are based on currently available data; however, actual results are subject to future risks and uncertainties, which could materially affect actual performance. Risks and uncertainties that could affect such performance include, but are not limited to, the following: the outcome of, or developments concerning, PepsiCo's proposal to purchase all outstanding shares of our company that it does not already own; competition, including product and pricing pressures; changing trends in consumer tastes; changes in our relationship and/or support programs with PepsiCo and other brand owners; market acceptance of new product and package offerings; weather conditions; cost and availability of raw materials; changing legislation, including tax laws; cost and outcome of environmental claims; availability and cost of capital, including changes in our debt ratings; labor and employee benefit costs; unfavorable foreign currency rate fluctuations; cost and outcome of legal proceedings; integration of acquisitions; failure of information technology systems; and general economic, business, regulatory and political conditions in the countries and territories where we operate. For additional information on these and other risks and uncertainties that could cause our actual results to materially differ from those set forth herein, please see our SEC reports, including "Risk Factors" in our 2008 Annual Report on Form 10-K. We undertake no obligation to update any of the forward-looking statements set forth herein. Readers are cautioned not to place undue reliance on these forward-looking statements, which speak only as to the date hereof.

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