



News from

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PepsiCo Announces Initiatives With the Earth Institute and H2O Africa To Drive Sustainable Water Practices

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Efforts To Improve Rural Water in Africa, China, India and Brazil

Purchase, NY (January 22, 2008) – PepsiCo announced today a major new grant made by the PepsiCo Foundation to the Earth Institute at Columbia University, one of the world’s premier institutions dedicated to global sustainable development. In addition, the company announced a partnership with H2O Africa, a foundation focused on clean water initiatives in Africa. Both initiatives are targeted to drive sustainable water practices as part of PepsiCo’s ongoing commitment to achieve the Millennium Development Goals (MDGs).

The initiative led by the Earth Institute and supported by the PepsiCo Foundation involves identifying a series of high-impact, community-based activities and practical solutions across water, agriculture and climate. The effort is focused on improving water access, increasing water productivity and recommending innovative methods to deliver “more crop per drop,” among other goals. The Earth Institute, directed by Professor Jeffrey Sachs, will receive \$6 million during a three-year period directed at projects in India, Brazil, China and Africa based on annual progress in these markets.

The PepsiCo partnership with H2O Africa, the charitable organization founded by Matt Damon, involves on-the-ground clean water projects in Niger, Mali, Senegal and other countries in Africa. H2O Africa will receive \$2.5 million over the next 12 months.

“For PepsiCo and the PepsiCo Foundation, these commitments begin with a desire to address the worldwide water crisis. Water sits at the nexus of so many challenges -- global health through disease transmission, increasing hunger through poor agricultural practices, and even education as children in water-scarce economies are often charged with walking miles to collect water from a distant well instead of attending school. Without clean water, none of the other fundamentals leading to a healthy and prosperous life are possible,” said Indra Nooyi, PepsiCo chairman and chief executive officer and PepsiCo Foundation chairman.

“As part of our long-standing commitment to address this crisis, we’ve entered into a strategic partnership with Jeffrey Sachs’ Earth Institute and Matt Damon’s H2O Africa Foundation to find and implement truly sustainable solutions in India, Brazil, China – the fastest growing developing markets – and in communities in Africa, where the need is greatest,” said Nooyi. “As leading players in their respective fields, Jeffrey and Matt are uniquely positioned to leverage their influence to make these initiatives bigger, potentially transformational. This is the essence of innovative collaboration, where different parts of society can mesh to take an idea to scale.”

Research reports that more than one billion people do not have access to safe drinking water and every year approximately two million children die unnecessarily from water-related diseases in the developing world. As part of the Millennium Development Goals, which were established in 2000 and endorsed by 192 nations, the world has

pledged to reduce by half the proportion of people without sustainable access to safe drinking water and basic sanitation.

“Water is at the core of economic development and human well being,” said Sachs. “With water, there can be productive agriculture, good nutrition, sanitation, and health. Without water, there is only poverty and disease. Yet water is under unprecedented stress, from inadequate farm practices, climate change, population pressures, and pollution. New technologies, new business strategies, and new public policies can overcome the growing water crisis. Our new project and partnership will help to develop and demonstrate the best options for future years in the Americas, Africa, and Asia.”

The H2O Africa Foundation is focused specifically on clean water initiatives in Africa, with a strategy of promoting a "best-of-class, open model approach" to implementation in the field.

“On my trips to Africa I saw firsthand the life-changing impact that access to safe water can have, especially for children,” said Matt Damon. “Along with other factors like sanitation, medical care and education, safe water enables entire communities to pull themselves out of the cycle of poverty. At H2O Africa, we are working with established NGOs already ‘on the ground’ to bring assistance to communities in need.”

PepsiCo and the PepsiCo Foundation’s support of these two step-changing initiatives is part of its ongoing support of the Millennium Development Goals. In July, PepsiCo was among several businesses to support a Declaration announced by UK Prime Minister Gordon Brown at the United Nations calling for the achievement of the Goals by 2015.

“The world’s governments have identified access to clean water as one of the key building blocks to ending global poverty. Without it, none of the Millennium Development Goals will be met,” added Nooyi. “We believe that the world water crisis is one of the most pressing challenges of our age. As a global food and beverage company, our success depends on being responsible stewards of this limited resource.”

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PepsiCo Foundation: PepsiCo Foundation is the charitable anchor of the company’s broader Performance with Purpose strategy for sustainable development and corporate citizenship. Given rapidly escalating changes in the environment, such as water scarcity and insecurity, and climate changes, the Foundation seeks to help people find ways to better manage resources within their communities. The Foundation strives to positively impact local economic vitality by encouraging community insights and actions that better manage water and environmental resources at the community level, specifically those that increase water security through active harvesting and watershed resource management. In several of the most drought stricken regions in the world, the Foundation has pledged to bring one million people safe drinking water by 2010. PepsiCo Foundation, along with PepsiCo’s operating divisions, give grants to more than 1,000 community organizations.

PepsiCo (NYSE: PEP) is one of the world's largest food and beverage companies, with 2006 annual revenues of more than \$35 billion. The company employs approximately 168,000 people worldwide, and its products are sold in approximately 200 countries. Its principal businesses include: Frito-Lay snacks, Pepsi-Cola beverages, Gatorade sports drinks, Tropicana juices and Quaker foods. The PepsiCo portfolio includes 17 brands that generate \$1 billion or more each in annual retail sales. PepsiCo's commitment to sustainable growth, defined as “Performance with Purpose,” is focused on generating healthy financial returns while giving back to communities the company serves. This includes meeting consumer needs for a spectrum of convenient foods and beverages, reducing the company's impact on the environment through water, energy and packaging initiatives, and supporting its employees through a diverse and inclusive culture that recruits and retains world-class talent. PepsiCo is listed on the Dow Jones North America Sustainability Index and Dow Jones World Sustainability Index. For more information, please visit www.pepsico.com.

H2O Africa Foundation: The H2O Africa Foundation has a mission to create widespread public awareness of the water crisis in Africa and gather support and funding for integrated sustainable clean water programs in critical areas. Oversight of the H2O Africa programs and initiatives will be through partnerships with major non-governmental organizations as well as progress-based grant agreements. Donors can be part of groups that are adopting specific communities to ensure that they have safe water there. Every dollar contributed by donors goes to the work in the field. Funds raised go to partner NGO's that include: Millennium Promise, ONE X ONE, A Glimmer of Hope, Ryan's Well Foundation, UNDP, and Living Water International.

The Earth Institute at Columbia University is an interdisciplinary research institute that brings together talent from throughout the university to address complex issues facing the planet and its inhabitants, with particular focus on sustainable development and the needs of the worlds' poor. Under the direction of Professor Jeffrey Sachs, the Earth Institute supports pioneering projects in the biological, engineering, social, and health sciences, while actively encouraging interdisciplinary projects, often combining natural and social sciences, in pursuit of solutions to real world problems.

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