







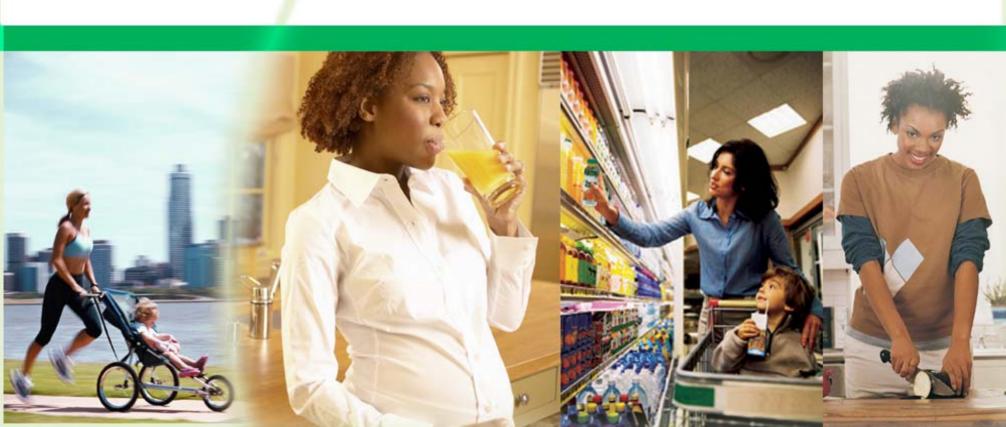




PepsiCo Health & Wellness Capturing Growth at the Intersection

Ellen Taaffe

NIEHS – Environmental Solutions to Obesity Conference June 2, 2005

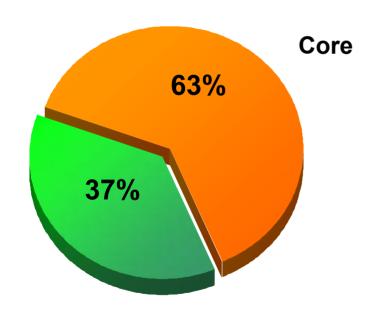


Wellness Is Driving Our North American Growth

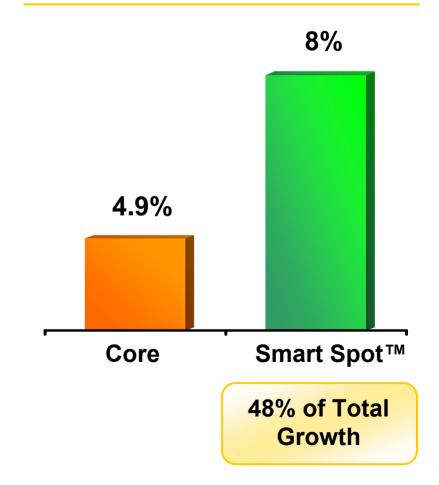


2004 Revenue — PepsiCo North America "Smart Spot™" Standards

2004 Net Sales By Wellness Type 2004 Net Sales Growth vs. YAG



Smart Spot™: Better-for-You (reduced) and Good-for You (nourish and replenish)



We're Starting From A Very Strong **Position**

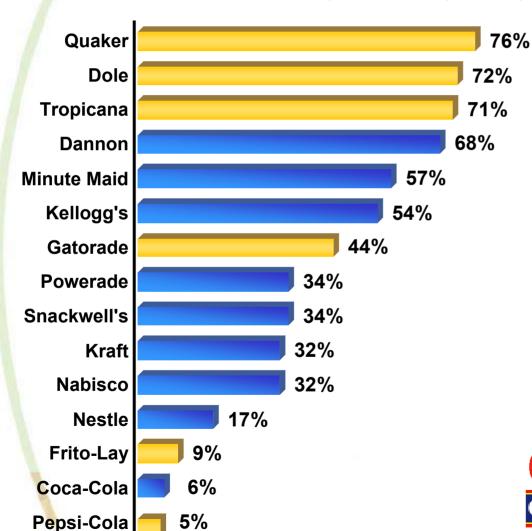




% Consumers Consider Brand Very or Extremely Healthy



The Leading Brands in many Healthy Categories



















PepsiCo Strategy: Real Action



Focus Our Efforts at the Intersection of Business Interest and Public Interest . . .

Healthier **Product Business Interest: Public Interest:** Choices **Capture Growth Promote Real Opportunity Solutions** Healthier Lifestyle **Habits**

Making it Easier and More Enjoyable for Mainstream Consumers

Marketing Can Play A Critical Role In Motivating Behavior Towards Wellness



Proposed Solutions

Creating an Appropriate Environment

Motivating Individual Action

Restricting, Taxing Food Implementing
Better
Marketing
Practices

Providing Healthier Product Choices

Promoting
Healthier
Lifestyle
Habits

WELLNESS

Marketing can motivate better choices and habits



Kids/Families Strategy



Create the Environment

- Continue to Implement Positive Marketing Practices
- Shift product offerings and marketing toward Smart Spot[™] selections
- Leverage marketing programs to drive healthy lifestyle choices

Motivate the Behavior

- Provide Energy Balance educational materials
- Partner with America on the Move[™] to develop Integrated School Tools and Family Lifestyle Programming

Collaborate for Solutions

- Partner with Research and Media Partners, School Nutrition Association
- Engage with industry, government and public sector to create solutions

6

Shifting The Mix — New Product Highlights









Shifting The Mix — Introducing The Smart Spot™ Program







Shifting The Mix In Schools





Added 17,000 Aquafina/Gatorade Vending Machines to Schools



Testing Other Solutions for More Choices and Range of Options

Motivate The Behavior — SmartSpot.com













Stort Living Healthier



The Smart Spot™ Program

Healthy Lifestyles

Healthy Kids









Commitment to Health

Tools for Professionals

Energy Balance Tool

Product Page

Motivate The Behavior — Discovery Media Partnership



An Integrated Marketing and Media Partnership

Key Elements:

- Healthy Snack Reminders at 3:00pm
- Healthy Breakfast PSAs / Vignettes
- Sponsorship of . . .
 - The National Body Challenge
 - Discovery Health quarterly specials on "whole family health
 - Fit TV's Fit Family Week
 - Discovery Health Daily Rounds
 - Animal Planet Family showcase
- Middle School Energy Balance Curriculum with America On The Move™













Motivate The Behavior - Energy Balance Education For 3.0MM



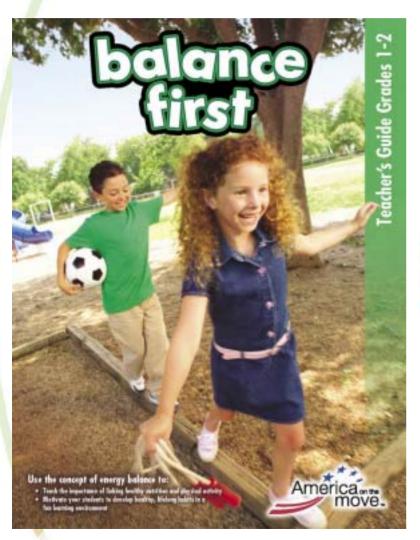




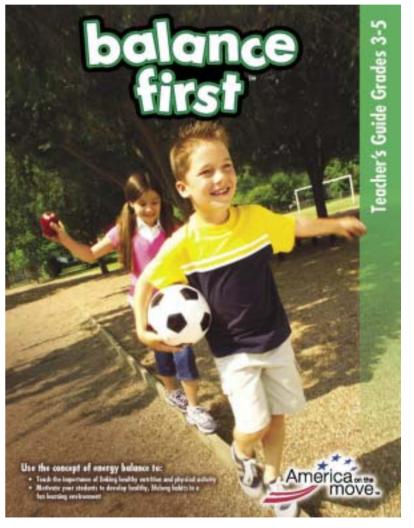




Lesson Plans







1-2 Grades

3-5 Grades

Motivate The Behavior – Energy Balance Education For 3.0MM



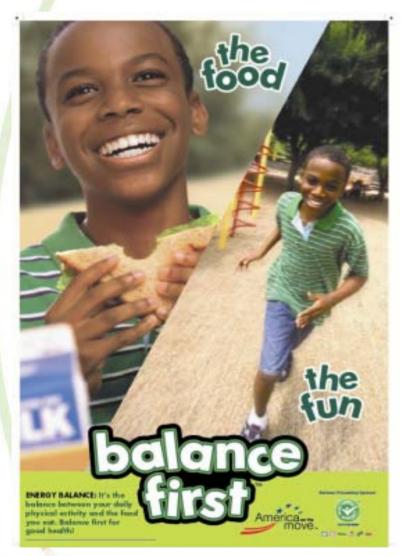




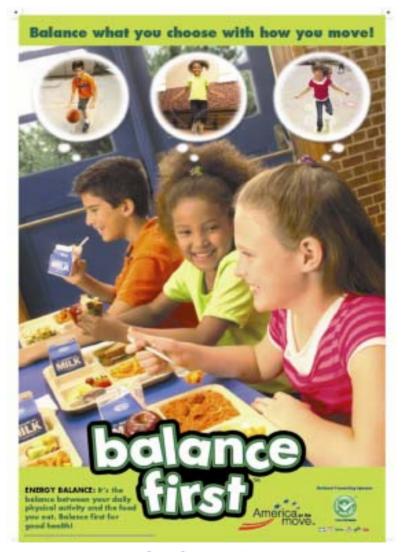












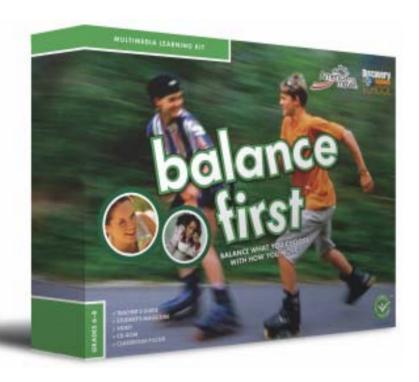
Classroom

Cafeteria

Motivate The Behavior – Energy Balance Education For Every Middle School



- 15,000 Kits One to EVERY Middle School
- In-School Date April, 2005



Contents:

- Letter to Principals
- Teacher's Guide with standardsbased lesson plans
- Classroom Poster
- Student Magazine
 - 750,000 take home magazines distributed to students
- Discovery School Health CD-ROM
- FREE downloads at www.discoveryschool.com/balancefirst







Collaborate For Solutions — UNC and Gatorade

















TM





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organised sports

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Research

Education

Outreach



More >

yourself.

Find out all the

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