



**PEPSICO**



Tropicana.



# PepsiCo Health & Wellness

## Capturing Growth at the Intersection

**FTC-HHS Workshop**

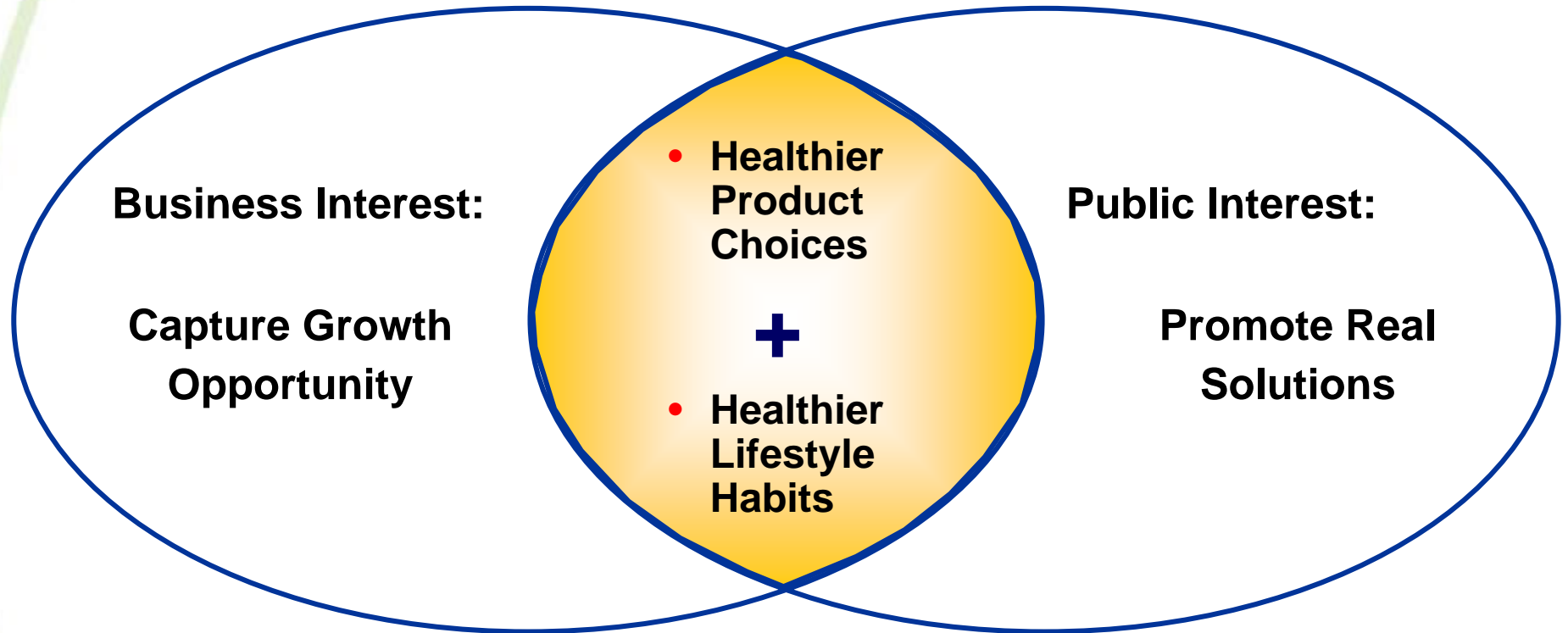
July 14, 2005



# PepsiCo Strategy: Real Action



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



**Making it Easier and More Enjoyable for Mainstream Consumers**

# Helping Families Get Started: Smart Spot™



# Our Consumer Learning Has Been Clear and Consistent



## Keep it . . .

**Simple:**

- The green dot symbol.
- “Smart choices made easy” language.

**Optimistic:**

- Encouraging, “positive choices” message.

**Real:**

- **Mandatory product benefit linkage on-package:**  
e.g. “Tropicana Light & Healthy is a smart choice because it has half the sugar of regular orange juice.”
- **Line-breadth:** One of over 100 smart choices from PepsiCo.

**Transparent:**

- **Referral to SmartSpot.com for:**
  - more nutrition information
  - healthy lifestyle programs I can use
  - more information about PepsiCo and the SmartSpot™ Program.



# We Launched at Retail in January

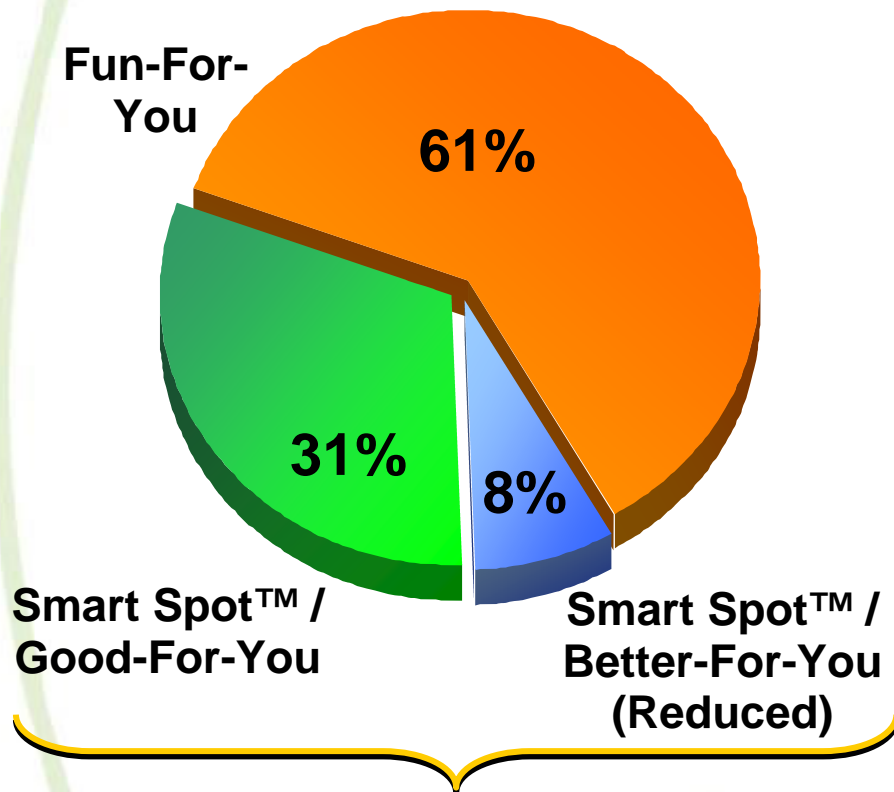


# 2005 Smart Spot™ Performance



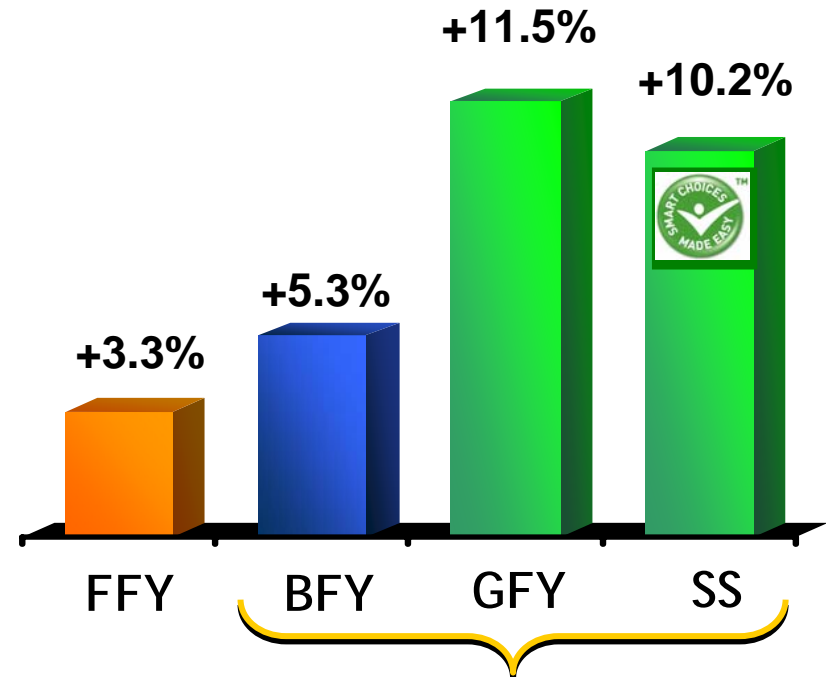
## 2005 Q2 YTD NA Revenue — Smart Spot™ Eligible<sup>1</sup> Products

### Net Sales



**39%**  
+2 Pts. vs. Q2 YTD 2004

### 2005 Growth vs. YA



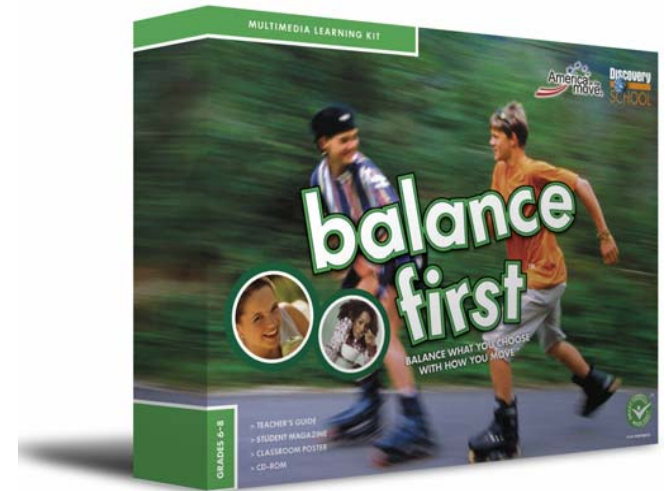
**65%**  
of Revenue Growth

<sup>1</sup> Smart Spot Eligible is defined as all products that meet the Smart Spot nutrition requirements, even if they do not bear the label.

# Smart Spot™ Centerpieces our Health & Wellness Effort



- **Nutrition Standards to Guide Product Development**
- **Company-Wide Management Objectives**
  - Smart Spot Growth
  - Product Innovation Pipeline
- **Focal Point in Schools and Kids Marketing**
  - Recommend 100% Smart Spot in Elementary; Majority (50%+) in Middle and High Schools.
  - Majority (50%+) of Kids-targeted Media.
- **Brand Sponsor for our Lifestyle Programming**
  - America on the Move, YMCA, Discovery
  - Balance First Energy Balance Curriculum





# Next: Helping Consumers Get Started



Start  
with a  
Healthy  
Breakfast



Move  
More



Add  
More Fruits,  
Vegetables,  
Whole  
Grains



Remember  
to  
Hydrate



Try  
Lower  
Calorie &  
Lower Fat  
Options

PepsiCo Smart Spot™ Products