TRIAN PARTNERS

TRIAN PARTNERS RELEASES "WHITE PAPER" OUTLINING STRATEGIC ALTERNATIVES TO ENHANCE SHAREHOLDER VALUE AT PEPSICO

Believes PepsiCo is at Strategic Crossroads

Should Consider Separating Snacks and Beverages

New York, July 17, 2013 – Trian Fund Management, L.P., whose investment funds managed by it currently beneficially own in excess of $1.3 billion of shares of common stock of PepsiCo, Inc. (NYSE: PEP), today released a detailed "White Paper" outlining strategic alternatives Trian believes would drive substantial value creation for all PepsiCo shareholders. Trian believes PepsiCo is a world-class company which has a history of making bold and strategic value-enhancing moves, such as the acquisition of Frito-Lay and the separation of YUM! Brands. Trian respects PepsiCo's management team and has had a constructive relationship with them since 2008.

Trian believes PepsiCo is at a strategic crossroads as secular forces ranging from changing consumer tastes to the increased importance of emerging markets have changed the outlook for its key businesses. Trian believes PepsiCo's current structure is increasingly unmanageable. While it has a leading portfolio of 22 billion-dollar brands, PepsiCo has underperformed its peers as it grapples with the differing needs of its fast-growth (snacks) and slow-growth (beverages) businesses and the resulting inherent conflict in allocating its resources.

Trian sees the status quo as unsustainable and believes PepsiCo must resolve these structural issues. Today, in the spirit of open and constructive dialogue with all shareholders, Trian is making public its PepsiCo "White Paper." In our on-going discussions with PepsiCo, Trian has urged the company to consider the following strategic alternatives to enhance shareholder value:

- **Alternative A:** Trian believes the way to maximize value at PepsiCo would be to merge PepsiCo with Mondelez International, Inc. (NASDAQ: MDLZ), creating a leading global snacks company with one of the most valuable brand portfolios in the world. PepsiCo could then use this merger as a catalyst to spin off its beverages business. This approach would create substantial cost and revenue synergies and the opportunity for margin and capital structure efficiencies. With substantial overlap between PepsiCo's and Mondelez's largest shareholders, both companies' shareholders would benefit, with Trian estimating this combination could lead to approximately $175 of implied value per PepsiCo share and approximately $72 of implied value per Mondelez share, by the end of 2015.

  While Trian believes this strategic alternative creates the most value for shareholders, PepsiCo has indicated that it is not inclined to pursue a Mondelez transaction, although we disagree with their rationale. As a "constructivist" investor, we also understand a company cannot be compelled to complete a transformational merger but we hope they will reconsider their position.

- **Alternative B:** If PepsiCo does not pursue a transaction with Mondelez, we believe it must separate snacks and beverages. We believe a separation will create a focused snacks leader positioned to have its trading multiple re-rated as it delivers attractive growth and productivity initiatives that hit the bottom line. We believe it will also create a beverages leader whose trading multiple will be re-rated as it combines an efficient capital structure, high dividend and operational improvements to unlock value. Trian believes this strategic alternative could lead to approximately $136 to $144 of implied value per share by the end of 2015, while preserving the possibility of a strategic transaction in the future, which could create additional value.

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About Trian Fund Management, L.P.
Founded in 2005 by Nelson Peltz, Peter May and Ed Garden, Trian seeks to invest in high quality but undervalued and under-performing public companies and to work constructively with the management and boards of those companies to significantly enhance shareholder value for all shareholders through a combination of improved operational execution, strategic re-direction, more efficient capital allocation and increased focus.

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This press release is provided merely as information and is not intended to be, nor should it be construed as, an offer to sell or a solicitation of an offer to buy any security. This press release *does not recommend the purchase or sale of any security. Funds managed by Trian currently beneficially own, and/or have an economic interest in, shares of the Issuer and Mondelez International, Inc. ("Mondelez"). These funds are in the business of trading – buying and selling – securities. It is possible that there will be developments in the future that cause one or more of such funds from time to time to sell all or a portion of their holdings of the Issuer and/or Mondelez in open market transactions or otherwise (including via short sales), buy additional shares (in open market or privately negotiated transactions or otherwise), or trade in options, puts, calls or other derivative instruments relating to such shares.*

This press release contains forward-looking statements. All statements contained in this press release that are not clearly historical in nature or that necessarily depend on future events are forward-looking, and the words "anticipate," "believe," "expect," "potential," "opportunity," "estimate," "plan," and similar expressions are generally intended to identify forward-looking statements. The projected results and statements contained in this press release that are not historical facts are based on current expectations, speak only as of the date of this press release and involve risks, uncertainties and other factors that may cause actual results, performance or achievements to be materially different from any future results, performance or achievements expressed or implied by such projected results and statements. Assumptions relating to the foregoing involve judgments with respect to, among other things, future economic, competitive and market conditions and future business decisions, all of which are difficult or impossible to predict accurately and many of which are beyond the control of Trian Partners. Although Trian Partners believes that the assumptions underlying the projected results or forward-looking statements are reasonable as of the date of this press release, any of the assumptions could be inaccurate and, therefore, there can be no assurance that the projected results or forward-looking statements included in this press release will prove to be accurate. In light of the significant uncertainties inherent in the projected results and forward-looking statements included in this press release, the inclusion of such information should not be regarded as a representation as to future results or that the objectives and plans expressed or implied by such projected results and forward-looking statements will be achieved. Trian Partners will not undertake and specifically declines any obligation to disclose the results of any revisions that may be made to any projected results or forward-looking statements in this press release to reflect events or circumstances after the date of such projected results or statements or to reflect the occurrence of anticipated or unanticipated events.