



KMV and PepsiCo joint venture to acquire Serbian mineral water and soft drinks producer Knjaz Miloš

Prague, June 5th 2019

Karlovarské minerální vody (KMV), the largest distributor of non-alcoholic drinks in Central Europe, and PepsiCo, Inc., a global food and beverage company operating in more than 200 countries and territories around the world, have agreed to buy 100% percent of the shares of Serbian mineral water and soft drinks producer Knjaz Miloš, through a joint venture.

The transaction includes the sale of Knjaz Miloš manufacturing assets in Serbia and well established brands like Knjaz Miloš, Aqua Viva, Guarana, ReMix , Gusto and others.

The transaction is subject to antitrust authorities approval in Serbia, and Montenegro and is expected to be finalized in the 3rd quarter of 2019.

With a history of over 200 years, Knjaz Miloš, based in Aranđelovac, Serbia is among the largest producers of mineral water, soft and energy drinks on the Serbian Market.

PepsiCo and KVM have a well established business relationship in Central Europe. KVM is the producer and distributor of the PepsiCo beverages portfolio in the Czech Republic, Hungary, Slovakia and Bulgaria and the PepsiCo snacks portfolio distributor in the Czech Republic, Slovakia and Hungary.

"This new alliance confirms our common vision of building a sustainable long-term business in the region and will give considerable growth opportunities for the business, the customers as well as for the employees. The combined strengths of KVM and Knjaz Miloš's portfolios will provide best in class service for customers and consumers", said Alessandro Pasquale, KVM CEO.

"Collaboration between PepsiCo and KVM has been very successful and, with this transaction we see significant potential to grow and expand our footprint. We are delighted to partner with KVM on this new journey", said Christophe Guille, GM Vice President Central Europe-Greater Balkans&DACHPepsiCo.

Raiffeisen Bank International AG acted as exclusive financial adviser to KVM and PepsiCo, Clifford Chance, Jankovic Popovic Mitic as legal adviser

About KVM

The KVM Group is the largest distributor of non-alcoholic beverages in Central Europe. The Company originates from Karlovary Vary city in the Czech Republic, where it was founded in 1873. The current organization has been forged by the Pasquale family since the 1990's. The Group operates factories in the Czech Republic, Austria, Hungary and Bulgaria, while exporting into 20 more countries. KVM is distributor of PepsiCo products in several counties. The Group employes more than 2 400 people.

About PepsiCo

PepsiCo products are enjoyed by consumers more than one billion times a day in more than 200 countries and territories around the world. PepsiCo generated more than \$64 billion in net revenue in 2018, driven by a complementary food and beverage portfolio that includes Frito-Lay, Gatorade, Pepsi-Cola, Quaker and Tropicana. PepsiCo's product portfolio includes a wide range of enjoyable foods and beverages, including 22 brands that generate more than \$1 billion each in estimated annual retail sales.

Guiding PepsiCo is our vision to Be the Global Leader in Convenient Foods and Beverages by Winning with Purpose. "Winning with Purpose" reflects our ambition to win sustainably in the marketplace and embed purpose into all aspects of the business. For more information, visit www.pepsico.com

PepsiCo Cautionary Statement

Statements in this release that are "forward-looking statements" are based on currently available information, operating plans and projections about future events and trends. Forward-looking statements inherently involve risks and uncertainties. For information on certain factors that could cause actual events or results to differ materially from our expectations, please see PepsiCo's filings with the Securities and Exchange Commission, including its most recent annual report on Form 10-K and subsequent reports on Forms 10-Q and 8-K. Investors are cautioned not to place undue reliance on any such forward-looking statements, which speak only as of the date they are made. PepsiCo undertakes no obligation to update any forward-looking statements, whether as a result of new information, future events or otherwise.