



SunChips Introduces the World's First 100% Compostable Chip Bag

The New "Sound of Green" on Store Shelves in Canada Starting in March

February 3, 2010 – Toronto, ON - Today the SunChips® brand, Frito Lay Canada's (a division of PepsiCo) popular line of multigrain snacks, is introducing the world's first 100% compostable chip bag. This green innovation, a first-of-its kind initiative, will change the way Canadians hear, see and think about product packaging in the future.

Starting in March 2010, SunChips packaging will be made from more than 90% renewable, plant-based materials. This new package will completely break down into compost in a hot, active compost pile in approximately 14 weeks. On store shelves, it has a unique sound, the new sound of green. You can hear this new sound by visiting www.sunchips.ca/newsoundofgreen.

"In order to continue to reduce our environmental impact as a company, finding sustainable packaging solutions was a must," says Marc Guay, President, Frito Lay Canada. "We know that environmentally-friendly packaging is a priority for Canadians. Using plant-based renewable materials to make packaging that will interact differently with the environment, represents the next small step in Frito Lay Canada's environmental sustainability journey."

For over a decade Frito Lay Canada has been working to reduce the company's environmental impact. In addition to the SunChips 100% compostable chip bag, Frito Lay Canada has:

- Reduced its manufacturing fuel consumption by more than 20% since 1999 per kilogram of snacks produced.
- Reduced its water consumption by 30% since 1999, saving 5.4 billion litres of water through changes in the manufacturing plants.
- Diverted more than 92% of manufacturing waste from landfills into re-use streams in 2009.
- Reused approximately 30 million shipping cartons annually and 200 million since 1999, which is equivalent to more than 300,000 trees saved annually and more than 2 million trees saved since 1999.

The renewable material used to produce the SunChips 100% compostable bag is made from a plant-based PLA material. PLA, polylactic acid, is a versatile and compostable polymer made from starch. After four years of research and testing, Frito-Lay North America's Research and Development team identified PLA as the key material that meets the company's performance expectations. PLA ensures the product in the bag maintains the quality and freshness Canadian consumers expect. The compostable packaging has a different sound than traditional bags because the plant-based materials are not as soft at room temperature.

The SunChips' compostable packaging has been certified through the Biodegradable Products Institute (BPI), the only internationally recognized labeling program. As such it presents the opportunity for incorporation into waste management programs destined for composting, provided the local infrastructure is both available and capable of including this packaging material within their system. In the months ahead, SunChips will be working with local composting initiatives to enable the new packaging to be included in green bin programs as much as possible.

"Having designed packaging with the environment in mind, SunChips' certified compostable packaging will help raise awareness of the environmental importance of composting," said Susan Antler, Executive Director of the Compost Council of Canada. "We hope the introduction of initiatives such as the compostable SunChips bag will encourage and make it easier for Canadians to participate in composting such that over time, we will see an increase in the number of Canadian households that compost. This will hopefully also spur the industry to continue to develop and enhance the technology needed to create packaging from renewable resources such that it can be easily incorporated into waste management systems."

The SunChips 100% compostable chip bag will start appearing on shelves in Canada this March in the 225g & 425g size bags, with the balance of SunChips packages transitioning into the compostable packaging in August 2010.

"As we embark on a new decade, environmental initiatives are more important than ever," says Tony Matta, Vice President of Marketing, Frito Lay Canada. "Every step counts as we strive to shrink our footprint on the planet and the SunChips 100% compostable chip bag is one small step towards a greener future."

About SunChips and Frito Lay Canada

Frito Lay Canada is a member of the PepsiCo, Inc. family of companies and is Canada's largest snack food company. SunChips is Canada's leading line of multigrain snacks and one of PepsiCo Inc.'s flagship brands. For more information, please visit www.sunchips.ca.

PepsiCo's businesses in Canada are organized into two business units. PepsiCo Foods Canada includes Frito Lay Canada and the Quaker Foods & Snacks business. PepsiCo Beverages Canada includes Pepsi-Cola Canada, Gatorade and Tropicana. For more information, please visit www.pepsico.ca.

PepsiCo offers the world's largest portfolio of billion-dollar food and beverage brands, including 18 different product lines that each generate more than \$1 billion in annual retail sales. The main businesses – Frito-Lay, Quaker, Pepsi-Cola, Tropicana and Gatorade – also make hundreds of other nourishing, tasty foods and drinks that bring joy to consumers in over 200 countries, including Canada. With more than \$43 billion in worldwide 2008 revenues, PepsiCo employs 198,000 worldwide who are united by our unique commitment to sustainable growth, called Performance with Purpose. By dedicating ourselves to offering a broad array of choices for healthy, convenient and fun nourishment, reducing our environmental impact, and fostering a diverse and inclusive workplace culture, PepsiCo balances strong financial returns with giving back to our communities worldwide. For more information, please visit www.pepsico.com.

Media materials and visuals available on www.sunchips.ca or upon request.

For more information:

Megan Johnson

Fleishman-Hillard for Frito Lay Canada

416-645-3643

megan.johnson@fleishman.ca