

News monitored for: Pepsi - Corporate

# Business Standard



## INDIA STORY INTACT FOR PEPSICO

*Emerging markets, with India being prominent, ensured 40% growth in top line*

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**C**ountries such as India and China continue to play a significant role in US-based PepsiCo's quarterly numbers.

Despite posting a three per cent decline in net profit for the quarter ending June 30, PepsiCo Inc reported a healthy 40 per cent growth in net revenue on the back of growth it saw in emerging markets, grouped as the Africa, Middle East and Asian (AMEA) region within PepsiCo.

The global food and beverage major said, while declaring the results today, that sales of both soft drinks and

snacks were good in these markets, as opposed to North America, where consumers continue to spurn these products for healthier options.

**Both snack and beverage volume growth were in double digits in India**

Both snack and beverage volume growth were in double digits in India, the company said, which helped register 16 per cent growth in snacks in the AMEA region, the highest, while overall soft drink sales in the region rose eight per cent.

By contrast, volumes fell one per cent in North America

in foods. Beverage sales in that region rose 13 per cent, largely due to new distribution agreements. However, soft drink sales fell. Beverage volumes were up by 10 per cent in Europe, again due to bottler deals. Snack volumes rose only by two per cent.

Because emerging markets are key to its growth, PepsiCo continues to invest heavily in these markets, analysts noted. The company in May this year, for instance, announced plans to invest an additional \$2.5 billion in China over the next three years, on the back of the \$1 billion it had already pumped in since 2008. In India, the company has invested around \$1 billion (Rs 4,670 crore) so far, company officials said.