

News monitored for: Pepsi - Corporate

Business Standard

PepsiCo profit beats expectations

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PepsiCo Inc reported higher-than-expected quarterly earnings on Wednesday, despite weaker revenue caused by the stronger US dollar and the exit of certain businesses. The maker of Diet Pepsi, Frito-Lay snacks and Tropicana orange juice said third-quarter net income was \$1.90 billion, or \$1.21 per share, down from \$2.00 billion, or \$1.25 per share, a year earlier.

Excluding restructuring and other charges and a gain on commodity hedges, earnings were \$1.20 per share. On that basis, analysts on average were expecting \$1.16 per share, according to Thomson Reuters I/B/E/S. Revenue fell 5 per cent to \$16.65 billion, hurt by foreign exchange rates and the refranchising of its bottling businesses in China and Mexico.

The company also affirmed its full-year outlook, which calls for earnings per share to fall 5 per cent from the \$4.40 it earned in 2011 and revenue to increase by a low single-digit rate reflecting the changes in China and Mexico.