

Latin American Snack Foods ApS

**Holbergsgade 14, 2. tv.
1057 København K**

CVR no. 25 60 05 09

Annual report 2015

**The annual report was presented and
adopted at the annual general meeting of
the Company on 31 May 2016**

A handwritten signature in blue ink, consisting of several loops and a long horizontal stroke, positioned above a horizontal line.

Chairman

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Statement by the Board of Directors and the Executive Board

The Board of Directors and the Executive Board have today discussed and approved the annual report of Latin American Snack Foods ApS for the financial year 1 January - 31 December 2015.

The annual report has been prepared in accordance with the Danish Financial Statements Act.

It is our opinion that the financial statements give a true and fair view of the Company's assets, liabilities and financial position at 31 December 2015 and of the results of the Company's operations for the financial year 1 January - 31 December 2015.

In our opinion, the Management's review gives a fair review of the development in the Company's operations and financial matters, of the results for the year and of the Company's financial position.


We recommend that the annual report be approved at the annual general meeting.

Copenhagen, 31 May 2016

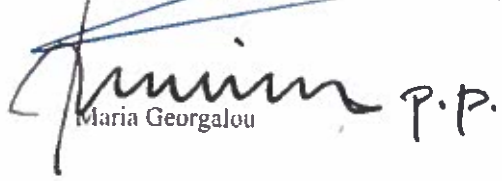
Executive Board


Carl Edgar Sørge Vøgg

Board of Directors


Dennis Schilder
Chairman


Robert Manza


Maria Georgalou


Torben C. Skarphild


Ole Meier Sørensen


Ioannis Voukakis


Carl Edgar Sørge Vøgg



KPMG
Statsautoriseret Revisionspartnerselskab
Dampfærgevej 28
2100 København Ø
Denmark

Telephone 70707760
www.kpmg.dk
CVR no. 25578198

Independent auditor's report

To the shareholders of Latin American Snack Foods ApS

Independent auditor's report on the financial statements

We have audited the financial statements of Latin American Snack Foods ApS for the financial year 1 January - 31 December 2015. The financial statements comprise accounting policies, income statement, balance sheet and notes. The financial statements are prepared in accordance with the Danish Financial Statements Act.

Management's responsibility for the financial statements

Management is responsible for the preparation of financial statements that give a true and fair view in accordance with the Danish Financial Statements Act and for such internal control that Management determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

Auditor's responsibility

Our responsibility is to express an opinion on the financial statements based on our audit. We conducted our audit in accordance with International Standards on Auditing and additional requirements under Danish audit regulation. This requires that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance as to whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgement, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the Company's preparation of financial statements that give a true and fair view in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Company's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by Management, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Our audit has not resulted in any qualification.



Independent auditor's report

Opinion

In our opinion, the financial statements give a true and fair view of the Company's assets, liabilities and financial position at 31 December 2015 and of the results of the Company's operations for the financial year 1 January - 31 December 2015 in accordance with the Danish Financial Statements Act.

Statement on the Management's review

Pursuant to the Danish Financial Statements Act, we have read the Management's review. We have not performed any further procedures in addition to the audit of the financial statements. On this basis, it is our opinion that the information provided in the Management's review is consistent with the financial statements.

København, 31 May 2016

KPMG

Statsautoriseret Revisionspartnerselskab



David Olafsson
statsaut. revisor

Operating review

Company details

Company	Latin American Snack Foods ApS Holbergsgade 14, 2. tv. 1057 København K Denmark
Telephone:	+45 33 37 79 79
CVR no.:	25 60 05 09
Financial year:	1 January - 31 December
Incorporated:	1 September 2000
Registered office:	Copenhagen

Board of Directors	Dennis Schilder, Chairman Torben C. Skaanild Ioannis Voukakis Robert Manza Ole Meier Sørensen Carl Edgar Serge Vøgg Maria Georgalou
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Executive Board	Carl Edgar Serge Vøgg
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Auditor	KPMG Statsautoriseret Revisionspartnerselskab Dampfærgevej 28 2100 København Ø Denmark
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General meeting	The annual general meeting will be held on 31 May 2016 at the Company's address.
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Financial statements 1 January - 31 December

Operating review

Core activity

The purpose of the Company is to own shares in Chipiga S. DE R.L. DE C.V., a Mexican manufacturing Company.

Development in the year

The result for the year is a profit of DKK 15,849 thousand (2014: a loss of DKK 324 thousand).

Chipiga is in the process of being wound up and is expected to be liquidated during 2017. Management is of the opinion that the proceeds from liquidation will exceed the carrying value of the shares as at 31 December 2015.

Management is assessing its options in relation to how it will invest the resulting proceeds.

Subsequent events

No events materially affecting the assessment of the Annual Report have occurred after the balance sheet date.

Financial statements 1 January - 31 December

Accounting policies

The annual report of Latin American Snack Foods ApS for 2015 has been prepared in accordance with the provisions applying to reporting class B entities under the Danish Financial Statements Act.

Pursuant to section 112 of the Danish Financial Statements Act, no consolidated financial statements have been prepared.

The company is included in the consolidated financial statements of PepsiCo Inc., 700 Anderson Hill Road, Purchase NY 10577, USA.

Foreign currency translation

Transactions denominated in foreign currencies are translated at the exchange rates at the transaction date. Exchange rate differences arising between the exchange rates at the transaction date and at the balance sheet date are recognised in the income statement as financial income and financial expenses. If amounts in foreign currencies are considered hedging of future cash flows, value adjustments are recognised directly in the equity.

Receivables, payables and other monetary items denominated in foreign currencies are translated at the exchange rates at balance sheet date. Differences between the exchange rates at the balance sheet date and at the date when the receivable or payable arose are recognised in the income statement under interest income and expense and similar items.

Non-current assets purchased in foreign currencies are measured at the exchange rates at the transaction date.

Income statement

Other external costs

Other external costs comprise costs regarding distribution, sale, marketing, administration and office premises.

Interest income and expense and similar items

Interest income and expense and similar items are recognised in the income statement at the amounts relating to the financial year. The item comprises interest income and expense, realised and unrealised exchange rate gains and losses regarding securities, debt and transactions denominated in foreign currencies as well as surcharges and refunds under the on-account tax scheme, etc.

Dividend from investments in subsidiaries is recognised as income in the financial year where the dividend is declared.

Financial statements 1 January - 31 December

Accounting policies

Tax on profit/loss for the year

The tax for the year comprising corporation tax and changes in deferred tax and joint taxation contribution is recognised in the income statement, and the tax expense relating to changes in equity is recognised directly in equity.

Balance sheet

Investments

Investments in subsidiaries are measured at cost. When the cost exceeds the net realisable value, write-down is made to this lower value.

Receivables

Receivables are measured at amortised cost. Write-down is made to cover anticipated losses.

Equity - Dividend

Proposed dividends are recognised as a liability at the date on which they are declared at the annual general meeting. The expected dividend payment for the year is disclosed as a separate item under equity.

Corporation tax and deferred tax

Current tax payable and receivable is recognised in the balance sheet as computed tax on the taxable income for the year, adjusted for tax on the taxable income of prior years and for tax paid on account.

Deferred tax is measured using the balance sheet liability method on all temporary differences between the carrying amount and the tax value of assets and liabilities.

Deferred tax assets, including the tax value of tax loss carryforwards, are recognised at expected realisable value, either by payment of tax on future earnings or by set-off against deferred tax liabilities within the same legal tax entity and jurisdiction. Deferred net tax assets, if any, are measured at net realisable value.

Deferred tax is measured in accordance with the tax rules and tax rates applicable at balance sheet date when the deferred tax is expected to crystallise as current tax. Changes in deferred tax as a result of changes in tax rates are recognised in the income statement. The current tax rate is 23.5 %.

Liabilities other than provisions

Liabilities other than provisions are measured at the time of borrowing at the proceeds received less transaction costs paid. In subsequent periods, liabilities other than provisions are measured at amortised cost, corresponding to the nominal value.

Financial statements 1 January - 31 December

Income statement

	Note	2015 DKK'000	2014 DKK'000
Other external costs		-326	-340
Gross loss		-326	-340
Loss before financial income and expenses		-326	-340
Income from investments in subsidiaries	1	16,165	0
Interest expense and similar items	2	-69	16
Profit/loss before tax		15,770	-324
Tax on profit/loss for the year	3	79	0
Profit/loss for the year		15,849	-324
Proposed profit appropriation/distribution of loss			
Proposed dividend for the year		0	15,929
Retained earnings		15,849	-16,253
		15,849	-324

Financial statements 1 January - 31 December

Balance sheet

	Note	2015 DKK'000	2014 DKK'000
Assets			
Investments in subsidiaries	4	45,774	45,774
Investments		<u>45,774</u>	<u>45,774</u>
Total non-current assets		<u>45,774</u>	<u>45,774</u>
Corporation tax		79	0
Prepayments		<u>35</u>	<u>34</u>
Receivables		<u>114</u>	<u>34</u>
Cash at bank and in hand		<u>287</u>	<u>136</u>
Total current assets		<u>401</u>	<u>170</u>
Total assets		<u><u>46,175</u></u>	<u><u>45,944</u></u>

Financial statements 1 January - 31 December

Balance sheet

	Note	2015 DKK'000	2014 DKK'000
Equity and liabilities			
Share capital		315	315
Retained earnings		45,645	29,537
Proposed dividend for the year		0	15,929
Total equity	5	45,960	45,781
Other payables		215	163
Current liabilities		215	163
Total liabilities		215	163
Total equity and liabilities		46,175	45,944
Contingent liabilities	6		
Related parties	7		

Financial statements 1 January - 31 December

Notes

	2015 DKK'000	2014 DKK'000
1 Income from investments in subsidiaries		
Income from investments in subsidiaries	16,165	0
	<u>16,165</u>	<u>0</u>
2 Interest expense and similar items		
Other financial expenses	69	-16
	<u>69</u>	<u>-16</u>
3 Tax on profit/loss for the year		
Tax contribution	-79	0
	<u>-79</u>	<u>0</u>

Financial statements 1 January - 31 December

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	2015 DKK'000	2014 DKK'000
4 Investments in subsidiaries		
Cost at 1 January 2015	124,268	124,268
Cost at 31 December 2015	124,268	124,268
Adjustments at 1 January 2015	-78,494	-78,494
Adjustments at 31 December 2015	-78,494	-78,494
Carrying amount at 31 December 2015	45,774	45,774

Investments in subsidiaries are specified as follows:

Name	Place of registered office	Votes and ownership	Equity	Net profit/loss for the year
Chipiga, S. DE R.L. DE C.V.	Mexico	100%	75,308	-9,035
			75,308	-9,035

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5 Equity

	Share capital	Retained earnings	Proposed dividend for the year	Total
	DKK'000	DKK'000	DKK'000	DKK'000
Equity at 1 January 2015	315	29,537	15,929	45,781
Exchange adjustments	0	259	-259	0
Ordinary dividend paid	0	0	-15,670	-15,670
Net profit/loss for the year	0	15,849	0	15,849
Equity at 31 December 2015	315	45,645	0	45,960

The share capital consists of:

4,095 A-shares á DKK 50	204,750
2,205 B-shares á DKK 50	110,250
	315,000

There have been no changes in the share capital during the last 5 years.

6 Contingent liabilities

The Company is jointly taxed with other Danish company PepsiCo Nordic Denmark ApS, with PepsiCo Nordic Denmark ApS being the administrative company. The Company has, together with the administrative company, unlimited joint and several liability for Danish corporation taxes and withholding taxes on dividends, interest and royalties under the joint taxation scheme. Any subsequent corrections of the taxable jointly taxed income or withholding taxes, etc., may entail an increase in the Company's liability.

7 Related parties

Controlling interest

Bendler Investments S.a.r.l., 2, Rue Joseph Hackin, Luxembourg owns 65 % of the shares.

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Notes

7 Related parties (Continued)

Ownership

The following shareholders are registered as owning minimum 5 % of the votes or minimum 5 % of the share capital:

Bendler Investments S.a.r.l., 2, Rue Joseph Hackin, Luxembourg.

Chipita Participations Limited, 11 Boumbalinas Street, C.Y. 1060 Nicosia, Cyprus.

The ultimate holding company is PepsiCo Inc., 700 Anderson Hill Road, Purchase NY 10577, USA.
The financial statements hereof can be obtained at request at the company.