

PEPSICO INC
Form 8-K
February 13, 2014

UNITED STATES
SECURITIES AND EXCHANGE COMMISSION

WASHINGTON, D.C. 20549

FORM 8-K
CURRENT REPORT

Pursuant To Section 13 or 15(d) of the
Securities Exchange Act of 1934

Date of report (Date of earliest event reported): February 7, 2014

PepsiCo, Inc.

(Exact Name of Registrant as Specified in Charter)

North Carolina
(State or other Jurisdiction

of Incorporation)

1-1183
(Commission

File Number)
700 Anderson Hill Road

Purchase, New York 10577

(Address of Principal Executive Offices)

13-1584302
(IRS Employer

Identification No.)

Registrant's telephone number, including area code: (914) 253-2000

N/A

(Former Name or Former Address, if Changed Since Last Report)

Edgar Filing: PEPSICO INC - Form 8-K

Check the appropriate box below if the Form 8-K filing is intended to simultaneously satisfy the filing obligation of the registrant under any of the following provisions:

- .. Written communications pursuant to Rule 425 under the Securities Act (17 CFR 230.425)
- .. Soliciting material pursuant to Rule 14a-12 under the Exchange Act (17 CFR 240.14a-12)
- .. Pre-commencement communications pursuant to Rule 14d-2(b) under the Exchange Act (17 CFR 240.14d-2(b))
- .. Pre-commencement communications pursuant to Rule 13e-4(c) under the Exchange Act (17 CFR 240.13e-4(c))

Item 2.02. Results of Operations and Financial Condition.

The information in this Item 2.02, including Exhibit 99.1 attached hereto, is being furnished and shall not be deemed filed for the purposes of Section 18 of the Securities Exchange Act of 1934, as amended, or otherwise subject to the liabilities of that Section and shall not be incorporated by reference into any registration statement or other document pursuant to the Securities Act of 1933, except as otherwise expressly stated in such filing.

Attached as Exhibit 99.1 and incorporated by reference into this Item 2.02 is a copy of the press release issued by PepsiCo, Inc. (PepsiCo or the Company), dated February 13, 2014, reporting PepsiCo's financial results for the 16 and 52 weeks ended December 28, 2013.

Item 2.05. Costs Associated with Exit or Disposal Activities.

PepsiCo today announced that on February 7, 2014 it committed to a multi-year productivity plan (the 2014 Productivity Plan), that includes the next generation of productivity initiatives that we believe will strengthen our food, snack and beverage businesses by accelerating our investment in manufacturing automation; further optimizing our global manufacturing footprint, including closing certain manufacturing facilities; re-engineering our go-to-market systems in developed markets; expanding shared services; and implementing simplified organization structures to drive efficiency. The 2014 Productivity Plan is in addition to the productivity plan the Company began implementing in 2012 and is expected to continue the benefits of that plan. In connection with the 2014 Productivity Plan, PepsiCo expects to incur pre-tax charges of approximately \$990 million, \$53 million of which was reflected in its fourth quarter 2013 results, approximately \$440 million of which PepsiCo expects will be reflected in its 2014 results and the balance of which PepsiCo expects will be reflected in its 2015 through 2018 results. These charges totaling approximately \$990 million will consist of approximately \$565 million of severance and other employee-related costs; approximately \$210 million for other costs, including consulting-related costs and the termination of leases and other contracts; and approximately \$215 million for asset impairments (all non-cash) resulting from plant closures and related actions. PepsiCo anticipates that these charges will result in cash expenditures of approximately \$320 million during 2014, with the balance of approximately \$355 million of related cash expenditures in 2015 through 2018.

The information in this Item 2.05 contains certain forward-looking statements based on currently available information, operating plans and projections about future events and trends. Terminology such as aim, anticipate, believe, drive, estimate, expect, expressed confidence, future, goals, guidance, intend, may, plan, position, potential, project, seek, should, strategy, target, will or similar such terms are intended to identify forward-looking statements, although not all forward-looking statements contain such terms. Forward-looking statements inherently involve risks and uncertainties that could cause actual results to differ materially from those predicted in such forward-looking statements. Such risks and uncertainties include, but are not limited to: changes in demand for PepsiCo's products, as a result of changes in consumer preferences or otherwise; changes in the legal and regulatory environment; imposition of new taxes, disagreements with tax authorities or additional tax liabilities; PepsiCo's ability to compete effectively; PepsiCo's ability to grow its business in developing and emerging markets or unstable political conditions, civil unrest or other developments and risks in the markets where PepsiCo's products are sold; unfavorable economic conditions in the countries in which PepsiCo operates; increased costs, disruption of supply or shortages of raw materials and other supplies; failure to realize anticipated benefits from PepsiCo's productivity initiatives or global operating model; disruption of PepsiCo's supply chain; damage to PepsiCo's reputation; failure to successfully complete or integrate acquisitions and joint ventures into PepsiCo's existing operations or to complete or manage divestitures or refranchisings; PepsiCo's ability to hire or retain key employees or a highly skilled and diverse workforce; trade consolidation or the loss of any key customer; any downgrade or potential downgrade of PepsiCo's credit ratings; PepsiCo's ability to protect its information systems against a cybersecurity incident; PepsiCo's ability to build and sustain proper information technology infrastructure, successfully implement its ongoing business transformation initiative or share services for certain functions effectively; fluctuations in exchange rates; climate change, or legal, regulatory or market measures to address climate change; failure to successfully negotiate collective bargaining agreements or strikes or work stoppages; any infringement of or challenge to PepsiCo's intellectual property rights; potential liabilities and costs from litigation or legal proceedings; and other factors that may adversely affect the price of PepsiCo's common stock and financial performance.

For additional information on these and other factors that could cause PepsiCo's actual results to materially differ from those set forth herein, 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.

Item 2.06. Material Impairments.

The information set forth above in Item 2.05 of this Current Report on Form 8-K is hereby incorporated by reference into this Item 2.06.

Item 8.01. Other Events.

PepsiCo announced today that it will raise the annualized dividend payable on its common stock, effective with the dividend expected to be paid in June 2014, by 15 percent to \$2.62 per share.

Investors and others should note that we currently announce material information to our investors using filings with the Securities and Exchange Commission, press releases, public conference calls or webcasts. In the future, we plan to use these channels or our corporate website (www.pepsico.com) to communicate important information about PepsiCo, key personnel, our brands and our business strategy. Information that we post on our corporate website could be deemed material; therefore, we encourage investors, the media, our customers, consumers and business partners and others interested in PepsiCo to review the information we post on www.pepsico.com. We may from time to time update the list of channels we will use to communicate information that could be deemed material and will post information about such changes on www.pepsico.com/investors.

The information in this Item 8.01 contains certain forward-looking statements based on currently available information, operating plans and projections about future events and trends. Terminology such as aim, anticipate, believe, drive, estimate, expect, expressed confidence, future, goals, guidance, intend, may, plan, position, potential, project, seek, should, strategy, target, will or similar such terms are intended to identify forward-looking statements, although not all forward-looking statements contain such terms. Forward-looking statements inherently involve risks and uncertainties that could cause actual results to differ materially from those predicted in such forward-looking statements. Such risks and uncertainties include, but are not limited to: changes in demand for PepsiCo's products, as a result of changes in consumer preferences or otherwise; changes in the legal and regulatory environment; imposition of new taxes, disagreements with tax authorities or additional tax liabilities; PepsiCo's ability to compete effectively; PepsiCo's ability to grow its business in developing and emerging markets or unstable political conditions, civil unrest or other developments and risks in the markets where PepsiCo's products are sold; unfavorable economic conditions in the countries in which PepsiCo operates; increased costs, disruption of supply or shortages of raw materials and other supplies; failure to realize anticipated benefits from PepsiCo's productivity initiatives or global operating model; disruption of PepsiCo's supply chain; damage to PepsiCo's reputation; failure to successfully complete or integrate acquisitions and joint ventures into PepsiCo's existing operations or to complete or manage divestitures or refranchisings; PepsiCo's ability to hire or retain key employees or a highly skilled and diverse workforce; trade consolidation or the loss of any key customer; any downgrade or potential downgrade of PepsiCo's credit ratings; PepsiCo's ability to protect its information systems against a cybersecurity incident; PepsiCo's ability to build and sustain proper information technology infrastructure, successfully implement its ongoing business transformation initiative or share services for certain functions effectively; fluctuations in exchange rates; climate change, or legal, regulatory or market measures to address climate change; failure to successfully negotiate collective bargaining agreements or strikes or work stoppages; any infringement of or challenge to PepsiCo's intellectual property rights; potential liabilities and costs from litigation or legal proceedings; and other factors that may adversely affect the price of PepsiCo's common stock and financial performance.

For additional information on these and other factors that could cause PepsiCo's actual results to materially differ from those set forth herein, 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.

Item 9.01. Financial Statements and Exhibits.

(d) Exhibits

- 99.1 Press Release issued by PepsiCo, Inc., dated February 13, 2014, reporting PepsiCo's financial results for the 16 and 52 weeks ended December 28, 2013.

SIGNATURES

Pursuant to the requirements of the Securities Exchange Act of 1934, the registrant has duly caused this report to be signed on its behalf by the undersigned hereunto duly authorized.

PEPSICO, INC.

Date: February 13, 2014

By: /s/ Kelly Mahon Tullier
Name: Kelly Mahon Tullier
Title: Senior Vice President, Deputy General Counsel

INDEX TO EXHIBITS

- 99.1 Press Release issued by PepsiCo, Inc., dated February 13, 2014, reporting PepsiCo's financial results for the 16 and 52 weeks ended December 28, 2013.