

The logo for Seeking Alpha, with the text 'Seeking Alpha' in white and a gold Greek letter alpha symbol to the right, all on a dark red background.

PepsiAmericas Q4 2008 Earnings Call Transcript

Question-and-Answer Session

Operator

Thank you sir. The question-and-answer session will be conducted electronically. (Operator Instructions). We'll take our first question from Lauren Torres with HSBC.

Lauren Torres - HSBC

Good morning.

Alexander Ware

Good morning.

Robert Pohlad

Good morning, Lauren.

Lauren Torres - HSBC

I have a question on the pricing front, I know you mentioned that you already passed through pricing good acceptance, and I was just curious though as the year progresses and I know its hard to tell how things will progress, but from an affordability issue how are you thinking about consumers looking at the price increases you are taking what the potential push back could be, would there be roll back in prices, just curious as the consumer now is obviously well all aware have been pulling back on spend, I was just wondering if from a pricing perspective there was concern?

Kenneth Keiser

Lauren this is Ken. So clearly we -- as we just mentioned we have pricing kind of guided in the U.S. in a mid single-digit range and as you suggested that pricing is in the marketplace where we are consistent with what we've seen in the marketplace. Clearly as this pricing particular not only in 09' but over the past couple of year has put us in the top end of our consumer value ranges and obviously that's the reason why we are so interested in all the price pack.

Architectural price pack value or pricing that are all to in a marketplace; as we see the year unfolding, as we exit Q4, where our pricing was really at the very high end, where we think it will be in 2009, I would suspect as the year goes on we'll see a little bit more emphasis on the holidays and promotional value types of opportunities to help kind of create those big stock applications. So, as we sit here today I think we're comfortable with the pricing that's in the marketplace, but as you know

these underlying commodity costs, our pressures are not unique to beverages, there we're seeing as across the broader CPG a category.

Lauren Torres - HSBC

And you mentioned that you took it both in the United States and in Europe these increases already?

Kenneth Keiser

That's correct.

Lauren Torres - HSBC

Okay. And Alex for you, I know you talked a little bit about costs here. I think I just missed your comments with respect to your exposure for this year, can you just repeat that please?

Copyright © 2008 CNET Networks, Inc. All Rights Reserved.