FORM 10-Q
UNITED STATES SECURITIES AND EXCHANGE COMMISSION
WASHINGTON, D.C. 20549

(Mark One)
X QUARTERLY REPORT PURSUANT TO SECTION 13 OR 15(d) OF THE SECURITIES EXCHANGE ACT OF 1934
For the quarterly period ended March 21, 1998 (12 weeks)

OR

TRANSITION REPORT PURSUANT TO SECTION 13 OR 15(d) OF THE SECURITIES EXCHANGE ACT OF 1934
For the transition period from to

Commission file number 1-1183

[GRAPHIC OMITTED]

PEPSICO, INC.
(Exact name of registrant as specified in its charter)

North Carolina	13-1584302
(State or other jurisdiction of Employer incorporate or organization)	(I.R.S. Identification No.)
700 Anderson Hill Road, Purchase, New York	10577
(Address of principal executive offices)	(Zip Code)

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

N/A
(Former name, former address and former fiscal year, if changed since last report.)

Indicate by check mark whether the registrant (1) has filed all reports required to be filed by Section 13 or 15(d) of the Securities Exchange Act of 1934 during the preceding 12 months (or for such shorter period that the registrant was required to file such reports), and (2) has been subject to such filing requirements for the past 90 days.

YES X NO

Number of shares of Capital Stock outstanding as of April 17, 1998: 1,491,032,028

PEPSICO, INC. AND SUBSIDIARIES

INDEX

PART I - FINANCIAL INFORMATION

PEPSICO, INC. AND SUBSIDIARIES

CONDENSED CONSOLIDATED STATEMENT OF INCOME
(in millions except per share amounts, unaudited)

	12 Weeks Ended 3/21/98	12 Weeks Ended 3/22/97
Net Sales	$ 4,353	$ 4,213
Costs and Expenses, net		
Cost of sales	1,750	1,721
Selling, general and administrative expenses	1,969	1,867
Amortization of intangible assets	44	44
Operating Profit	590	581
Interest expense	(76)	(115)
Interest income	32	12
Income from Continuing Operations Before Income Taxes	546	478
Provision for Income Taxes	169	160
Income from Continuing Operations	377	318
Income from Discontinued Operations, net of tax	-	109
Net Income	$ 377	$ 427
Income Per Share - Basic		
Continuing Operations	$ 0.25	$ 0.21
Discontinued Operations	-	0.07
Net Income	$ 0.25	$ 0.28
Average shares outstanding	1,496	1,544
Income Per Share - Assuming Dilution		
Continuing Operations	$ 0.24	$ 0.20
Discontinued Operations	-	0.07
Net Income	$ 0.24	$ 0.27
Average shares outstanding	1,539	1,583
Cash Dividends Declared Per Share	$ 0.125	$ 0.115

See accompanying notes.

PEPSICO, INC. AND SUBSIDIARIES

CONDENSED CONSOLIDATED STATEMENT
OF COMPREHENSIVE INCOME
(in millions, unaudited)

	12 Weeks Ended 3/21/98	12 Weeks Ended 3/22/97
Net Income	$ 377	$ 427
Other Comprehensive Income/(Loss)		
Currency translation adjustment (net of tax expense of $1 - 3/97)	(19)	(143)
Less: Reclassification adjustment for items realized in net income	-	29
	(19)	(114)
Comprehensive Income	$ 358	$ 313

See accompanying notes.

PEPSICO, INC. AND SUBSIDIARIES

CONDENSED CONSOLIDATED STATEMENT OF CASH FLOWS
(in millions, unaudited)

	12 Weeks Ended 3/21/98	12 Weeks Ended 3/22/97
Cash Flows - Operating Activities		
Income from Continuing Operations	$ 377	$ 318
Adjustments to reconcile income from continuing operations to net cash provided by operating activities		
Depreciation and amortization.....................	246	231
Deferred income taxes............................	16	5
Other noncash charges and credits, net............	73	29
Changes in operating working capital, excluding effects of acquisitions and dispositions		
Accounts and notes receivable..................	2	73
Inventories....................................	(69)	20
Prepaid expenses, deferred income taxes and other current assets..........................	(70)	(97)
Accounts payable and other current liabilities.	(503)	(581)
Income taxes payable...........................	202	99
Net change in operating working capital...........	(438)	(486)
Net Cash Provided by Operating Activities.................	274	97
Cash Flows - Investing Activities		
Capital spending......................................	(228)	(291)
Acquisitions and investments in unconsolidated affiliates	(192)	(2)
Sales of businesses..................................	-	62
Sales of property, plant and equipment................	13	15
Short-term investments, by original maturity		
More than three months - purchases..............	(170)	(16)
More than three months - maturities................	217	67
Three months or less, net..........................	736	5
Other, net..	(63)	48
Net Cash Provided by (Used for) Investing Activities......	313	(112)

Continued on next page.

PEPSICO, INC. AND SUBSIDIARIES

CONDENSED CONSOLIDATED STATEMENT OF CASH FLOWS (Continued)
(in millions, unaudited)

	12 Weeks Ended	
	3/21/98	3/22/97
Cash Flows - Financing Activities		
Proceeds from issuances of long-term debt................	544	-
Payments of long-term debt............................	(785)	(927)
Short-term borrowings, by original maturity		
More than three months - proceeds...................	49	33
More than three months - payments...................	(22)	(127)
Three months or less, net..........................	(29)	1,076
Proceeds from formation of REIT........................	-	296
Cash dividends paid...................................	(188)	(172)
Share repurchases.....................................	(877)	(378)
Proceeds from exercises of stock options...............	192	72
Net Cash Used for Financing Activities...................	(1,116)	(127)
Net Cash Provided by Discontinued Operations..............	-	158
Effect of Exchange Rate Changes on Cash and Cash Equivalents	(1)	(1)
Net (Decrease) Increase in Cash and Cash Equivalents......	(530)	15
Cash and Cash Equivalents - Beginning of year	1,928	307
Cash and Cash Equivalents - End of period	$ 1,398	$ 322

See accompanying notes.

PEPSICO, INC. AND SUBSIDIARIES

CONDENSED CONSOLIDATED BALANCE SHEET
(in millions)

ASSETS

	(Unaudited) 3/21/98	12/27/97
Current Assets		
Cash and cash equivalents	$ 1,398	$ 1,928
Short-term investments, at cost	172	955
	1,570	2,883
Accounts and notes receivable, less allowance: 3/98 - $123, 12/97 - $125	2,132	2,150
Inventories		
Raw materials and supplies	426	400
Finished goods	379	332
	805	732
Prepaid expenses, deferred income taxes and other current assets	556	486
Total Current Assets	5,063	6,251
Property, Plant and Equipment	11,493	11,294
Accumulated Depreciation	(5,189)	(5,033)
	6,304	6,261
Intangible Assets, net	5,889	5,855
Investments in Unconsolidated Affiliates	1,183	1,201
Other Assets	746	533
Total Assets	$ 19,185	$ 20,101

Continued on next page.

PEPSICO, INC. AND SUBSIDIARIES

CONDENSED CONSOLIDATED BALANCE SHEET (continued)
(in millions except per share amount)

LIABILITIES AND SHAREHOLDERS' EQUITY

	(Unaudited) 3/21/98	12/27/97
Current Liabilities		
Accounts payable and other current liabilities	$ 3,065	$ 3,617
Income taxes payable..................................	756	640
Total Current Liabilities.......................	3,821	4,257
Long-term Debt..	4,715	4,946
Other Liabilities...	2,406	2,265
Deferred Income Taxes....................................	1,724	1,697
Shareholders' Equity		
Capital stock, par value 1 2/3 cents per share: authorized 3,600 shares, issued 3/98 and 12/97 - 1,726 shares...........................	29	29
Capital in excess of par value........................	1,290	1,314
Retained earnings	11,758	11,567
Currency translation adjustment........................	(1,007)	(988)
	12,070	11,922
Less: Treasury Stock, at Cost: 3/98 - 235 shares, 12/97 - 224 shares..............	(5,551)	(4,986)
Total Shareholders' Equity.....................	6,519	6,936
Total Liabilities and Shareholders' Equity .	$ 19,185	$ 20,101

See accompanying notes.

PEPSICO, INC. AND SUBSIDIARIES
(unaudited)

NOTES TO CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

(1) Our Condensed Consolidated Balance Sheet at March 21, 1998 and the Condensed Consolidated Statements of Income, Comprehensive Income and Cash Flows for the 12 weeks ended March 21, 1998 and March 22, 1997 have not been audited, and all but the Condensed Consolidated Statement of Comprehensive Income (Note 2) have been prepared in conformity with the accounting principles applied in our 1997 Annual Report on Form 10-K (Annual Report) for the year ended December 27, 1997. In our opinion, this information includes all material adjustments, which are of a normal and recurring nature, necessary for a fair presentation. The results for the 12 weeks are not necessarily indicative of the results expected for the year.

(2) As of December 28, 1997, PepsiCo adopted Statement of Position 98-1 (SOP), "Accounting for the Costs of Computer Software Developed or Obtained for Internal Use," issued by The American Institute of Certified Public Accountants in March, 1998. The SOP requires capitalization of certain costs related to computer software developed or obtained for internal use which PepsiCo had previously expensed in selling, general and administrative expenses. The amount capitalized under the SOP in the first quarter of 1998 was immaterial. PepsiCo does not expect the full-year impact of adopting the SOP to be material to its consolidated results.

As of December 28, 1997, PepsiCo adopted Statement of Financial Accounting Standards No. 130 (SFAS 130), "Reporting Comprehensive Income," issued in June 1997. SFAS 130 requires the reporting and display of comprehensive income, which is composed of net income and other comprehensive income items, in a full set of general purpose financial statements. Other comprehensive income items are revenues, expenses, gains and losses that under generally accepted accounting principles are excluded from net income and reflected as a component of equity; such as currency translation and minimum pension liability adjustments.

(3) Through the 12 weeks ended March 21, 1998, PepsiCo repurchased 24.4 million shares of its capital stock at a cost of $877 million. From March 22, 1998 through May 4, 1998, PepsiCo repurchased 4.0 million shares at a cost of $169 million.

(4) Supplemental Cash Flow Information

	12 Weeks Ended 3/21/98	12 Weeks Ended 3/22/97
Cash Flow Data		
Interest paid	$ 64	$121
Income taxes paid	$ 51	$ 63

MANAGEMENT'S DISCUSSION AND ANALYSIS OF OPERATIONS, CASH FLOWS AND LIQUIDITY AND CAPITAL RESOURCES

Cautionary Statements

From time to time, in written reports and oral statements, we discuss our expectations regarding PepsiCo's future performance. These "forward-looking statements" are based on currently available competitive, financial and economic data and our operating plans. They are also inherently uncertain, and investors must recognize that events could turn out to be significantly different from what we expect.

General

All per share information is computed using average shares outstanding, assuming dilution.

Volume is the estimated dollar effect of the year-over-year change in case sales by company-owned bottling operations and concentrate unit sales to franchisees in Beverages, and pound or kilo sales of salty and sweet snacks in Snack Foods.

Effective net pricing includes price changes and the effect of product, package and country mix.

Analysis of Consolidated Operations

Net sales rose $140 million or 3% reflecting volume gains in all businesses and higher effective net pricing by Worldwide Snack Foods, partially offset by an unfavorable foreign currency translation impact and the absence of sales resulting from the refranchising of our Japanese bottler late in 1997.

Cost of sales as a percent of net sales decreased 0.6 points to 40.2% primarily due to lower product costs in Worldwide Beverages and higher effective net pricing in International Snack Foods, partially offset by lower potato yields in Europe.

Selling, general and administrative expenses (SG&A) comprises selling and distribution expenses (S&D), advertising and marketing expenses (A&M), general and administrative expenses (G&A), other income and expense and equity income or loss from investments in unconsolidated affiliates. SG&A grew 5%, a faster rate than sales. This primarily reflects A&M growing at a significantly faster rate than sales driven by Worldwide Beverages and North American Snack Foods, as well as an increase in G&A. The increased G&A reflects higher executive compensation expense resulting from our deferred compensation liability, which is indexed to various investment options, including PepsiCo capital stock. S&D grew slightly slower than sales.

Amortization of intangible assets remained even with the prior year as the effect of reducing intangible assets, as part of the unusual charges recorded during the second quarter of 1997, was offset by an increase in intangible assets resulting from our recent Snack Foods acquisitions.

Operating Profit increased $9 million or 2% to $590 million reflecting segment operating profit growth of $11 million or 2%, partially offset by a $2 million or 6% increase in unallocated expenses. The segment operating profit growth reflects the increased volume and higher effective net pricing, which was substantially offset by increased operating costs. Segment operating profit growth also benefited from non-operating gains in North American Beverages and North American Snack Foods, which were mostly offset by lapping a 1997 gain from the sale of an investment in a non-core international snack food business. Unallocated expenses include the increased executive compensation partially offset by credits related to centrally managed insurance programs.

Interest expense, net of interest income, declined $59 million or 57%, primarily due to lower average U.S. debt levels and higher average worldwide investment levels reflecting the significant cash flows received from discontinued operations in the latter half of 1997.

Provision for Income Taxes increased by $9 million or 6%. The effective tax rate decreased 2.5 points to 31.0% primarily reflecting reserve reversals related to settlement of prior years' audit issues and lapping the high effective tax rate associated with the 1997 gain arising from the sale of the non-core investment partially offset by an increase in foreign tax expense.

Income from Continuing Operations increased $59 million or 19% while Income Per Share from Continuing Operations increased $0.04 or 20% to $0.24. The increases were due to the lower net interest expense, the non-operating gains and the lower effective tax rate. In addition, income per share benefited from a 3% reduction in average shares outstanding.

Comprehensive Income increased $45 million or 14% due to a decline in other comprehensive losses, driven by lapping unfavorable 1997 currency translation effects of rate devaluations in the UK and Spain, partially offset by lower net income, reflecting the absence of income from discontinued operations.

PEPSICO, INC. AND SUBSIDIARIES

SUPPLEMENTAL SCHEDULE OF NET SALES AND OPERATING PROFIT (a)
($ in millions, unaudited)

	Net Sales			Operating Profit (b)		
	12 Weeks Ended		% Change	12 Weeks Ended		% Change
	3/21/98	3/22/97	B/(W)	3/21/98	3/22/97	B/(W)
Beverages						
- - North America	$1,653	$1,609	3	$ 258	$ 258	-
- - International	311	361	(14)	(18)	(27)	33
	1,964	1,970	-	240	231	4
Snack Foods						
- - North America	$1,631	1,523	7	308	283	9
- - International	758	720	5	76	99	(23)
	2,389	2,243	7	384	382	1
Combined Segments	$4,353	$4,213	3	624	613	2
Unallocated Expenses				(34)	(32)	(6)
Operating Profit				$ 590	$ 581	2

Notes:

(a) This schedule should be read in conjunction with Management's Analysis beginning on page 13. Certain reclassifications were made to prior year amounts to conform with the 1998 presentation.

(b) Non-operating gains are included in North American Beverages and North American Snack Foods in 1998 and in International Snack Foods in 1997. The percent change in combined segments operating profit was not materially affected by these non-operating gains.

Segments of The Business

Beverages
($ in millions)

	12 Weeks Ended 3/21/98	12 Weeks Ended 3/22/97	% Change
Net Sales			
North America	$1,653	$1,609	3
International	311	361	(14)
	$1,964	$1,970	-
Operating Profit			
North America	$ 258	$ 258	-
International	(18)	(27)	33
	$ 240	$ 231	4

System bottler case sales (BCS) is our standard volume measure. It represents PepsiCo-owned brands as well as brands we have been granted the right to produce, distribute and market nationally. First quarter BCS includes the months of January, February and March.

North America

Net sales increased $44 million primarily reflecting packaged products volume growth.

BCS increased 2.5%, led by mid-single-digit growth by our Mountain Dew brand. Non-carbonated soft drink products, led by Aquafina bottled water and Frappuccino coffee drink grew at a strong double-digit rate. Our concentrate shipments to franchisees grew at a faster rate than their BCS growth.

Operating profit was even with the prior year reflecting the volume growth, non-operating gains and lower product costs, offset by increased A&M and S&D costs. S&D grew faster than sales and volume reflecting higher depreciation expense associated with an aggressive cooler and vendor placement program which commenced in the second half of 1997. A&M and G&A expenses grew significantly faster than sales and volume. The G&A growth includes the increased executive compensation and higher spending on information systems.

International

Net sales declined $50 million. The decline was primarily driven by the absence of sales resulting from the refranchising of our Japanese bottler late in 1997. Volume gains were substantially offset by unfavorable currency translation effects, led by Spain and Thailand.

BCS increased 6% as volume more than doubled in the Philippines, while Mexico grew at a double-digit rate. In addition, BCS more than doubled in Venezuela reflecting the momentum of our joint venture. These advances were partially offset by the absence of sales volume in South Africa, due to the cessation of our joint venture operation and, significantly lower volumes in Japan. The decline in Japan reflects the elimination of certain beverages previously sold, partially offset by double-digit growth in our remaining brands. Total concentrate shipments to franchisees increased at a faster rate than their BCS.

Operating losses declined $9 million. The improved operating results reflect higher volumes, lower product costs and reduced G&A, partially offset by increases in A&M. The favorable product costs were driven by reductions in certain duty rates and lower packaging costs, while efficiencies from our 1996 restructuring continue to benefit G&A.

Snack Foods
($ in millions)

	12 Weeks Ended 3/21/98	3/22/97	% Change
Net Sales			
North America	$1,631	$1,523	7
International	758	720	5
	$2,389	$2,243	7
Operating Profit			
North America	$ 308	$ 283	9
International	76	99	(23)
	$ 384	$ 382	1

Pound and kilo sales are our standard volume measures. Pound and kilo growth are reported on a systemwide basis, which includes currently consolidated businesses and unconsolidated affiliates reported for at least one year.

North America

Net sales grew $108 million reflecting increased volume and favorable mix shifts, including the effect of our new "WOW" product introduction.

Pound volume advanced 6%. Growth of our core brands, excluding their low-fat and no-fat versions, was led by high double-digit growth in Lay's brand potato chips and single-digit growth in Doritos brand tortilla chips. These gains were partially offset by declines in our "Baked" products and the elimination of Doritos Reduced Fat.

Operating profit grew $25 million, reflecting volume growth and a non-operating gain, partially offset by higher A&M and S&D expenses. A&M grew at twice the rate of sales and volume due to increased promotional allowances. G&A grew slightly faster than sales due to the increased executive compensation.

International

Net sales increased $38 million reflecting volume gains, primarily driven by Sabritas. Higher effective net pricing was fully offset by the impact of the stronger U.S. dollar.

Salty snack kilos rose 10%, led by strong double-digit growth at Sabritas and our Snack Ventures Europe joint venture, while sweet snack kilos declined 5%, due to continued market softness at Gamesa.

Operating profit decreased $23 million, primarily reflecting higher operating costs and the effect of lapping the 1997 gain on the sale of a non-core investment, partially offset by the higher effective net pricing and the volume gains. Higher operating costs primarily reflect increased raw material costs resulting from lower potato yields in Europe.

Cash Flows

Please refer to our 1997 Annual Report on Form 10-K for information regarding our Liquidity and Capital Resources.

PepsiCo's 1998 consolidated cash and cash equivalents decreased $530 million compared to a $15 million increase in 1997. The unfavorable swing primarily reflects increased share repurchases, net debt repayments in 1998 compared to net proceeds in 1997 and the absence of proceeds from the 1997 formation of a Real Estate Investment Trust (REIT). These were partially offset by increased proceeds from our investment portfolios.

Net cash provided by operating activities nearly tripled to $274 million, reflecting an increase in income before all noncash charges and credits and lower operating working capital growth, driven by a first quarter tax refund that was used to offset payments.

Net cash provided by (used for) investing activities reflects a favorable swing of $425 million resulting in cash provided of $313 million in 1998. The swing is due to $727 million of increased proceeds from our short-term investment portfolios, partially offset by a $190 million increase in acquisitions and investments in unconsolidated affiliates and an increase in various other investing activities, which was due to a number of individually immaterial items. In the first quarter of 1998, we purchased the Cracker Jack brand and the remaining ownership interest in a previously unconsolidated affiliate.

Net cash used for financing activities increased $989 million to $1.1 billion. The increase primarily reflects increased share repurchases of $499 million and a $298 million swing in debt related cash flows, as well as the absence of the 1997 REIT proceeds of $296 million.

Our share repurchase activity was as follows:

	12 Weeks Ended	
($ and shares in millions)	3/21/98	3/22/97
Cost	$ 877	$ 378
Number of shares repurchased	24.4	11.7
% of shares outstanding at beginning of year	1.6%	.8%

Free cash flow is a measure we use internally to evaluate our cash flow performance and should be considered in addition to, but not as a substitute for, other measures of financial performance in accordance with generally accepted accounting principles. These funds provide us with flexibility to reduce our debt outstanding, repurchase shares or make strategic investments and acquisitions.

($ in millions)	12 Weeks Ended 3/21/98	3/22/97
Earnings before interest, taxes, depreciation and amortization	$ 836	$ 812
Interest expense, net	(44)	(103)
Provision for income taxes	(169)	(160)
Other noncash items and working capital	(349)	(452)
Net cash provided by operating activities	274	97
Investing activities		
Capital spending	(228)	(291)
Sales of businesses	-	62
Sales of property, plant and equipment	13	15
Other, net	(63)	48
Free cash flow before cash dividends paid	(4)	(69)
Cash dividends paid	(188)	(172)
Free cash flow		
Continuing operations	(192)	(241)
Discontinued operations	-	158
	$(192)	$ (83)

The $109 million increase in our negative free cash flow primarily reflects the absence of the cash flows from discontinued operations. The $49 million decline in our negative free cash flow from continuing operations primarily reflects the increase in net cash provided by operating activities partially offset by the unfavorable swing in other investing activities. The negative free cash flow reflects the seasonality of our business.

Independent Accountants' Review Report

The Board of Directors
PepsiCo, Inc.

We have reviewed the accompanying condensed consolidated balance sheet of PepsiCo, Inc. and Subsidiaries as of March 21, 1998 and the related condensed consolidated statements of income, comprehensive income and cash flows for the twelve weeks ended March 21, 1998 and March 22, 1997. These financial statements are the responsibility of PepsiCo, Inc.'s management.

We conducted our review in accordance with standards established by the American Institute of Certified Public Accountants. A review of interim financial information consists principally of applying analytical review procedures to financial data and making inquiries of persons responsible for financial and accounting matters. It is substantially less in scope than an audit conducted in accordance with generally accepted auditing standards, the objective of which is the expression of an opinion regarding the financial statements taken as a whole. Accordingly, we do not express such an opinion.

Based on our review, we are not aware of any material modifications that should be made to the condensed consolidated financial statements referred to above for them to be in conformity with generally accepted accounting principles.

We have previously audited, in accordance with generally accepted auditing standards, the consolidated balance sheet of PepsiCo, Inc. and Subsidiaries as of December 27, 1997, and the related consolidated statements of income, shareholders' equity and cash flows for the year then ended not presented herein; and in our report dated February 3, 1998, we expressed an unqualified opinion on those consolidated financial statements. In our opinion, the information set forth in the accompanying condensed consolidated balance sheet as of December 27, 1997, is fairly presented, in all material respects, in relation to the consolidated balance sheet from which it has been derived.

Our report, referred to above, contains an explanatory paragraph that states that PepsiCo, Inc. in 1995 adopted the provisions of the Financial Accounting Standards Board's Statement of Financial Accounting Standards No. 121, "Accounting for the Impairment of Long-Lived Assets and for Long-Lived Assets to Be Disposed Of."

KPMG Peat Marwick LLP

New York, New York
April 28, 1998

PART II - OTHER INFORMATION AND SIGNATAURES

Item 6. Exhibits and Reports on Form 8-K

(a) Exhibits

See Index to Exhibits on page 22.

(b) Reports on Form 8-K

None

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

PEPSICO, INC.
(Registrant)

Date: May 4, 1998

Sean F. Orr

Senior Vice President and Controller

Date: May 4, 1998

Lawrence F. Dickie
Vice President, Associate General Counsel and Assistant Secretary

INDEX TO EXHIBITS
ITEM 6 (a)

EXHIBITS

Exhibit 11	Computation of Net Income Per Share of Capital Stock - Basic and Assuming Dilution
Exhibit 12	Computation of Ratio of Earnings to Fixed Charges
Exhibit 15	Letter from KPMG Peat Marwick LLP regarding Unaudited Interim Financial Information (Accountants' Acknowledgment)
Exhibit 27.1	Financial Data Schedule 12 weeks ended March 21, 1998
Exhibit 27.2	Financial Data Schedule 12 weeks ended March 22, 1997

EXHIBIT 11

PEPSICO, INC. AND SUBSIDIARIES

Computation of Net Income Per Share of Capital Stock

(in millions except per share amounts, unaudited)

	12 Weeks Ended 3/21/98	12 Weeks Ended 3/22/97
Shares outstanding at beginning of period	1,502	1,545
Weighted average of shares issued during the period for exercise of stock options..........	6	3
Weighted average shares repurchased..................	(12)	(4)
Average shares outstanding - Basic...................	1,496	1,544
Effect of dilutive securities		
Dilutive shares contingently issuable upon the exercise of stock options...............	162	153
Shares assumed to have been purchased for treasury with assumed proceeds from the exercise of stock options..............	(119)	(114)
Average shares outstanding - Assuming dilution	1,539	1,583
Income from Continuing Operations	$ 377	$ 318
Income from Discontinued Operations..................	-	109
Net Income	$ 377	$ 427
Income per share - Basic		
Continuing Operations	$ 0.25	$ 0.21
Discontinued Operations...........................	-	0.07
Net Income	$ 0.25	$ 0.28
Income per share - Assuming dilution		
Continuing Operations	$ 0.24	$ 0.20
Discontinued Operations...........................	-	0.07
Net Income	$ 0.24	$ 0.27

EXHIBIT 12

PEPSICO, INC. AND SUBSIDIARIES
Computation of Ratio of Earnings to Fixed Charges (page 1 of 2)
(in millions except ratio amounts, unaudited)

	12 Weeks Ended 3/21/98	12 Weeks Ended 3/22/97 (b)
Earnings:		
Income from continuing operations before income taxes	$ 546	$ 478
Joint ventures and minority interests, net	3	(6)
Amortization of capitalized interest	1	-
Interest expense	76	115
Interest portion of rent expense (a)	11	10
Earnings available for fixed charges	$ 637	$ 597
Fixed Charges:		
Interest expense	$ 76	$ 115
Capitalized interest	4	2
Interest portion of rent expense (a)	11	10
Total fixed charges	$ 91	$ 127
Ratio of Earnings to Fixed Charges	7.00	4.70

(a) One-third of net rent expense is the portion deemed representative of the interest factor.
(b) Included the impact of an unusual gain of $22. Excluding the gain, the ratio of earnings to fixed charges would have been 4.53.

EXHIBIT 12

PEPSICO, INC. AND SUBSIDIARIES
Computation of Ratio of Earnings to Fixed Charges (page 2 of 2)
(in millions except ratio amounts)

	52 Weeks Ended			53 Weeks Ended	52 Weeks Ended
Earnings:	12/27/97	12/28/96	12/30/95	12/31/94	12/25/93
Income from continuing operations before income taxes and cumulative effect of accounting changes	$2,309	$1,566	$2,091	$1,991	$1,694
Unconsolidated affiliates interests, net	17	273	26	(12)	4
Amortization of capitalized interest	6	4	6	5	4
Interest expense	478	565	629	596	527

Interest portion of net rent expense (a)......................	43	48	41	38	43
Earnings available for fixed charges.........................	$2,853	$2,456	$2,793	$2,618	$2,272
Fixed Charges:					
Interest expense................	$ 478	$ 565	$ 629	$ 596	$ 527
Capitalized interest............	18	8	10	5	7
Interest portion of net rent expense (a)	43	48	41	38	43
Total fixed charges..........	$ 539	$ 621	$ 680	$ 639	$ 577
Ratio of Earnings to Fixed Charges (b)	5.29	3.95	4.11	4.10	3.94

(a) One-third of net rent expense is the portion deemed representative of the interest factor.

(b) Included the impact of unusual items of $290, $576 and $66 in 1997, 1996 and 1995, respectively. Excluding those charges, the ratio of earnings to fixed charges for 1997, 1996 and 1995 would have been 5.83, 4.88 and 4.20, respectively.

EXHIBIT 15

Accountants' Acknowledgment

The Board of Directors
PepsiCo, Inc.

We hereby acknowledge our awareness of the use of our report dated April 28, 1998 included within the Quarterly Report on Form 10-Q of PepsiCo, Inc. for the twelve weeks ended March 21, 1998, and incorporated by reference in the following Registration Statements and in the related Prospectuses:

Description	Registration Statement Number
Form S-3	
PepsiCo SharePower Stock Option Plan for PCDC Employees	33-42121
$32,500,000 Puerto Rico Industrial, Medical and Environmental Pollution Control Facilities Financing Authority Adjustable Rate Industrial Revenue Bonds	33-53232
Extension of the PepsiCo SharePower Stock Option Plan to Employees of Snack Ventures Europe, a joint venture between PepsiCo Foods International and General Mills, Inc.	33-50685
$4,587,000,000 Debt Securities and Warrants	33-64243
Form S-8	
PepsiCo SharePower Stock Option Plan	33-35602, 33-29037, 33-42058, 33-51496, 33-54731 & 33-66150
1988 Director Stock Plan	33-22970
1979 Incentive Plan and the 1987 Incentive Plan	33-19539
1994 Long-Term Incentive Plan	33-54733
1995 Stock Option Incentive Plan	33-61731 & 333-09363
1979 Incentive Plan	2-65410
PepsiCo, Inc. Long Term Savings Program	2-82645, 33-51514 & 33-60965

Pursuant to Rule 436(c) of the Securities Act of 1933, such report is not considered a part of a registration statement prepared or certified by an accountant or a report prepared or certified by an accountant within the meaning of Sections 7 and 11 of the Act.

KPMG Peat Marwick LLP
New York, New York
May 4, 1998

5

This Schedule Contains Summary Financial Information Extracted from PepsiCo, Inc. and Subsidiaries Condensed Consolidated Financial Statements for the 12 Weeks Ended March 21, 1998 and is Qualified in its Entirety by Reference to such Financial Statements.

0000077476

PepsiCo, Inc.

1,000,000

Dec-26-1998

Mar-21-1998

3-MOS

1,398

172

2,255

123

805

5,063

11,493

5,189

19,185

3,821

4,715

29

0

0

6,490

19,185

4,353

4,353

1,750
1,750
0
13
76
546
169
377
0
0
0
377
0.25
0.24

5
This Schedule Contains Summary Financial Information Extracted from PepsiCo, Inc. and Subsidiaries Condensed Consolidated Financial Statements for the 12 Weeks Ended March 22, 1997 and is Qualified in its Entirety by Reference to such Financial Statements.

0000077476
PepsiCo, Inc.
1,000,000

Dec-27-1997
Mar-22-1997
3-MOS
322
250
2,252
154
826
3,816
11,019
4,909
21,818
4,028
7,696
29
0
0
6,463
21,818
4,213
4,213
1,721

1,721
0
10
115
478
160
318
109
0
0
427
0.28
0.27