

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

February 12, 2002

Date of Report (Date of earliest event reported)

PepsiCo, Inc.

(Exact name of registrant as specified in its charter)

North Carolina

(State or other jurisdiction of incorporation)

1-1183
(Commission File Number)

13-1584302
(IRS Employer Identification No.)

700 Anderson Hill Road, Purchase, New York 10577

(Address of Principal Executive Offices)

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

Item 7. Financial Statements, Pro Forma Financial Information and Exhibits.

(c) Exhibits.

99.1 Graphic presentation materials.

Item 9. Regulation FD Disclosure

On February 12, 2002, a presentation regarding adjustments for FAS 142, EITF 01-9 and other changes for the fiscal year ended December 29, 2001 is being webcast. These adjusted amounts will be used for comparative purposes when presenting 2002 results.

This material contains certain "forward looking" statements. These statements are based on management's current expectations and are naturally subject to uncertainty and changes in circumstances. Actual results may vary materially from the expectations contained herein. PepsiCo is not under any obligation to update or alter its forward-looking statements, whether as a result of new information, future events, or otherwise.

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.

Date: February 12, 2002

PepsiCo, Inc.

By: /s/ Thomas H. Tamoney, Jr.
Thomas H. Tamoney, Jr.
Vice President and
Associate General Counsel

INDEX TO EXHIBITS

Exhibit Number	Description
99.1	Graphic presentation materials.

Peter Bridgman
February 12, 2002

Safe Harbor Statement

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[PepsiCo Logo]

Peter Bridgman
February 12, 2002

Summary of Changes

- Accounting Changes
 - Trade Spending and A&M Classification (EITF 01-09)
 - Amortization of Goodwill and Intangibles (FAS 142)
- Other Changes
 - Snack Ventures Europe (SVE) Consolidation
 - Other

Trade Spending and A&M Classification (EITF 01-09)

- Reclassifies Customer Support Payments from Selling Expenses to Revenue Discounts
 - Franchise Bottler Funding
 - Customer Agreements
- Reduces PepsiCo 2001 Revenues by \$3.4B
 - Consistent with other Consumer Product Companies
 - No impact to Operating Profit

Amortization of Goodwill and Intangible Assets (FAS 142)

- Freezes amortization of all Goodwill and Perpetual Brands
- We applied rigorous criteria to identify Perpetual Brands

- Brands with long history, solid market share
- We evaluated lives of Other Intangible Assets
 - Brand history, market share, macro economic environment, etc.
 - 3–10 year life
 - Accelerated amortization in some cases
- Our Equity Investees have also estimated the impact of FAS 142
 - Goodwill and Acquired Franchise Rights
- Overall 2001 after-tax impact estimated at \$104 MM or 6¢ a share
 - \$23 MM Operating Profit increase
 - \$65 MM Bottler Equity Income increase
 - 0.8% reduction in tax rate; all non-cash

Snack Ventures Europe Consolidation

- We own 60% SVE but have not previously consolidated results
 - Recognize 60% of SVE Net Income in FLI operating profit
 - Accounting determined with SEC and auditors
- We have reevaluated accounting following changes in SVE operations
 - Appropriate to fully consolidate results
 - Reflect with effect from January 2002
- Consolidation has no impact on EPS or Net Income
 - 100% Revenue, Operating Profit, Interest & Taxes will be consolidated
 - 40% Minority Interest recorded as FLI Operating Expense
- No impact to volume

Other Changes

- Reallocation of certain costs or business between Operating Segments
 - Better align performance responsibilities
- No impact to total PepsiCo results
 - Revenue, Operating Profit, etc. unchanged

“Old Basis” Financial Results and “New Basis” Financial Results

"Old Basis" Financial Results = The 2001 results we reported last week

Exclude Quaker Transaction Costs
and Restructuring Costs

Equivalent to \$1.66 EPS

"New Basis" Financial Results = The \$1.66 EPS we reported last week, adjusted by the \$0.06 per share impact of Accounting and Other Changes

Equivalent to \$1.72 EPS

Financials: Revenues (\$MM)

	FLNA	FLI	PCNA	PBI	GTNA	QFNA	Total
	-----	-----	-----	-----	-----	-----	-----
2001 "Old Basis"	9,374	5,130	3,842	2,582	4,016	1,991	26,935
EITF(01-09)	(1,158)	(231)	(653)	(639)	(317)	(425)	(3,423)
SVE		706					706
Other		(69)		69			0
2001 "New Basis"	8,216	5,536	3,189	2,012	3,699	1,566	24,218

Financials: Segment Operating Profit (\$MM)

	FLNA	FLI	PCNA	PBI	GTNA	QFNA	Total
	-----	-----	-----	-----	-----	-----	-----
2001 "Old Basis"	2,056	627	927	221	530	415	4,776
FAS 142		18	(50)	(21)	69	7	23
SVE		14					14
Other		(2)	4	12	(14)		0
2001 "New Basis"	2,056	657	881	212	585	422	4,813

Financials: Bottling Equity Income

	<u>\$MM</u>
2001 "Old Basis"	160
FAS 142	65
2001 "New Basis"	225

Financials: Tax Rate

	2001 <u>"Old Basis"</u>	2001 <u>"New Basis"</u>
Pretax Income	4,414	4,513
Tax Provision	1,412	1,408
Tax Rate	32.0%	31.2%

Financials: Earnings per Share

	<u>\$</u>
2001 "Old Basis"	1.66
FAS 142	0.06
2001 "New Basis"	1.72

- You will need to recalibrate key measures

	2001 <u>"Old Basis"</u>	2001 <u>"New Basis"</u>
- Capex as % of Sales	4.9%	5.5%
- Corporate Unallocated as % of Sales	1.4%	1.5%
- Line of Business Operating Profit as % of Sales	17.7%	19.9%

Cash Flow and Balance Sheet

- Cash Flow
 - No Significant Changes
 - FAS 142 and other changes have no cash flow impact
 - Tax Rate change entirely non-cash
- Balance Sheet
 - No significant changes
 - » Equity investment replaced by increase to appropriate asset/liability offset by Minority Interest Liability
 - » No impact to ROIC

2001 P&L Restatements

	<u>Comparable</u>	<u>Reported</u>
FAS 142	X	
EITF 01-09	X	X
SVE	X	
Other	X	X

Q & A's