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 June 10, 2000 (24 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 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 July 7, 2000:

1,443,072,907

PEPSICO, INC. AND SUBSIDIARIES

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PART I - FINANCIAL INFORMATION

PEPSICO, INC. AND SUBSIDIARIES

CONDENSED CONSOLIDATED STATEMENT OF INCOME

(in millions except per share amounts, unaudited)

	12 Weeks Ended		24 Weeks Ended	
	6/10/00	6/12/99	6/10/00	6/12/99
Net Sales				
New PepsiCo	$4,928	$4,440	$9,119	$ 7,985
Bottling operations	-	542	-	2,111
Total Net Sales	4,928	4,982	9,119	10,096
Costs and Expenses				
Cost of sales	1,891	2,012	3,568	4,152
Selling, general and administrative expenses	2,196	2,208	4,023	4,458
Amortization of intangible assets	32	41	64	105
Impairment and restructuring charge	-	-	-	65
Total Costs and Expenses	4,119	4,261	7,655	8,780
Operating Profit				
New PepsiCo	809	698	1,464	1,264
Bottling operations and equity investments	-	23	-	52
Total Operating Profit	809	721	1,464	1,316
Bottling equity income, net	54	25	59	25
Gain on bottling transactions	-	1,000	-	1,000
Interest expense	(56)	(104)	(103)	(228)
Interest income	21	50	28	70
Income Before Income Taxes	828	1,692	1,448	2,183
Provision for Income Taxes	265	949	463	1,107
Net Income	$ 563	$ 743	$ 985	$ 1,076
Income Per Share - Basic	$ 0.39	$ 0.50	$ 0.68	$ 0.73
Average Shares Outstanding - Basic	1,443	1,474	1,446	1,474
Income Per Share - Assuming Dilution	$ 0.38	$ 0.49	$ 0.67	$ 0.71
Average Shares Outstanding - Assuming Dilution	1,468	1,505	1,470	1,507
Cash Dividends Declared Per Share	$ 0.14	$0.135	$0.275	$ 0.265

See accompanying notes.

PEPSICO, INC. AND SUBSIDIARIES

CONDENSED CONSOLIDATED STATEMENT OF CASH FLOWS

(in millions, unaudited)

	24 Weeks Ended	
	6/10/00	6/12/99
Cash Flows - Operating Activities		
Net income	$ 985	$ 1,076
Adjustments to reconcile net income to net cash provided by operating activities		
Gain on bottling transactions	-	(1,000)
Bottling equity income, net	(59)	(25)
Depreciation and amortization	418	532
Deferred income taxes	79	518
Other noncash charges and credits, net	118	372
Net change in operating working capital	(445)	(481)
Net Cash Provided by Operating Activities	1,096	992
Cash Flows - Investing Activities		
Capital spending	(376)	(469)
Acquisitions and investments in unconsolidated affiliates	(12)	(347)
Short-term investments, by original maturity		
More than three months - purchases	(377)	(1,524)
More than three months - maturities	385	331
Three months or less, net	5	14
Other, net	(157)	99
Net Cash Used for Investing Activities	(532)	(1,896)
Cash Flows - Financing Activities		
Proceeds from issuances of long-term debt	100	3,259
Payments of long-term debt	(702)	(378)
Short-term borrowings, by original maturity		
More than three months - proceeds	98	3,331
More than three months - payments	(61)	(210)
Three months or less, net	522	(2,933)
Cash dividends paid	(391)	(383)
Share repurchases	(814)	(506)
Proceeds from exercises of stock options	251	158
Net Cash (Used for)/Provided by Financing Activities	(997)	2,338
Effect of Exchange Rate Changes on Cash and Cash Equivalents	(3)	2
Net (Decrease)/Increase in Cash and Cash Equivalents	(436)	1,436
Cash and Cash Equivalents - Beginning of year	964	311
Cash and Cash Equivalents - End of period	$ 528	$ 1,747

See accompanying notes.

PEPSICO, INC. AND SUBSIDIARIES

CONDENSED CONSOLIDATED BALANCE SHEET

(in millions except per share amounts)

ASSETS

	(Unaudited) 6/10/00	12/25/99
Current Assets		
Cash and cash equivalents	$ 528	$ 964
Short-term investments, at cost	79	92
	607	1,056
Accounts and notes receivable, less allowance: 6/00 - $104, 12/99 - $85	1,878	1,704
Inventories		
Raw materials	475	464
Work-in-process	248	89

Finished goods	328	346
	1,051	899
Prepaid expenses and other current assets	615	514
Total Current Assets	4,151	4,173
Property, Plant and Equipment	9,015	8,816
Accumulated Depreciation	(3,782)	(3,550)
	5,233	5,266
Intangible Assets, net		
Goodwill	3,704	3,808
Reacquired franchise rights	69	78
Trademarks and other identifiable intangibles	799	849
	4,572	4,735
Investments in Unconsolidated Affiliates	2,894	2,846
Other Assets	642	531
Total Assets	$17,492	$17,551

Continued on next page.

PEPSICO, INC. AND SUBSIDIARIES

CONDENSED CONSOLIDATED BALANCE SHEET (continued)

(in millions except per share amounts)

LIABILITIES AND SHAREHOLDERS' EQUITY

	(Unaudited) 6/10/00	12/25/99
Current Liabilities		
Short-term borrowings	$ 242	$ 233
Accounts payable and other current liabilities	3,287	3,399
Income taxes payable	225	156
Total Current Liabilities	3,754	3,788
Long-term Debt	2,742	2,812
Other Liabilities	2,943	2,861
Deferred Income Taxes	1,306	1,209
Shareholders' Equity		
Capital Stock, par value 1 2/3 cents per share: authorized 3,600 shares, issued 6/00 and 12/99 -1,726 shares	29	29
Capital in excess of par value	993	1,081
Retained earnings	14,655	14,066
Accumulated other comprehensive loss	(1,205)	(989)
	14,472	14,187
Less: Repurchased shares, at cost: 6/00 - 281 shares, 12/99 - 271 shares	(7,725)	(7,306)
Total Shareholders' Equity	6,747	6,881
Total Liabilities and Shareholders' Equity	$17,492	$17,551

See accompanying notes.

PEPSICO, INC. AND SUBSIDIARIES

CONDENSED CONSOLIDATED STATEMENT

OF COMPREHENSIVE INCOME

(in millions, unaudited)

	12 Weeks Ended		24 Weeks Ended	
	6/10/00	6/12/99	6/10/00	6/12/99
Net Income	$563	$743	$985	$1,076
Other Comprehensive (Loss)/Income				
Currency translation adjustment, net of related taxes	(158)	8	(220)	(100)
Reclassification adjustment for items realized in net income	-	168	-	174
Other	-	-	4	-
	(158)	176	(216)	74
Minimum pension liability adjustment, net of tax benefit of $11	-	20	-	20
	(158)	196	(216)	94
Comprehensive Income	$405	$939	$769	$1,170

See accompanying notes.

PEPSICO, INC. AND SUBSIDIARIES

(unaudited)

NOTES TO CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

(tabular dollars in millions; pershare amounts assume dilution)

(1) The Condensed Consolidated Balance Sheet at June 10, 2000 and the Condensed Consolidated Statements of Income and Comprehensive Income for the 12 and 24 weeks ended June 10, 2000 and June 12, 1999 and the Condensed Consolidated Statement of Cash Flows for the 24 weeks ended June 10, 2000 and June 12, 1999 have not been audited and have been prepared substantially consistent with the accounting principles applied in our 1999 Annual Report on Form 10-K for the year ended December 25, 1999. In our opinion, this information includes all normal and recurring adjustments necessary for a fair presentation. The results for the 12 and 24 weeks are not necessarily indicative of the results expected for the year.

(2) We repurchased 23.8 million shares at a cost of $814 million during the 24 weeks ended June 10, 2000. Through July 20, 2000, we repurchased 29.9 million shares at a cost of $1.07 billion during the fiscal year.

(3) Reconciliation of shares outstanding at the beginning of the year to average shares outstanding:

	12 Weeks Ended		24 Weeks Ended	
	6/10/00	6/12/99	6/10/00	6/12/99
Shares outstanding at beginning of period	1,441	1,476	1,455	1,471
Weighted average number of shares issued during the period for exercise of stock options	4	3	6	5
Weighted average shares repurchased	(2)	(5)	(15)	(2)
Average shares outstanding - Basic	1,443	1,474	1,446	1,474
Effect of dilutive securities				
Dilutive shares issuable upon the exercise of stock options	148	134	140	147
Shares assumed to have been repurchased with assumed proceeds from the exercise of stock options	(123)	(103)	(116)	(114)
Average shares outstanding - Assuming Dilution	1,468	1,505	1,470	1,507
Net Income	$ 563	$ 743	$ 985	$1,076

Income Per Share - Basic	$ 0.39	$ 0.50	$ 0.68	$ 0.73
Income Per Share - Assuming Dilution	$ 0.38	$ 0.49	$ 0.67	$ 0.71

(4) Business Segments

Pepsi-Cola North America results include the North American concentrate and fountain businesses. Pepsi-Cola International results for the 12 weeks include the international concentrate business and other consolidated international bottling operations for March, April and May. The 1999 results of previously consolidated bottling operations in which we now own an equity interest through their respective closing dates and the first quarter 1999 equity income or loss of unconsolidated bottling affiliates are presented as Bottling Operations/Investments. The bottling transactions are described in Note 2 of the Financial Statements included in Form 10-K for the year ended December 25, 1999.

	12 Weeks Ended		24 Weeks Ended	
Net Sales	6/10/00	6/12/99	6/10/00	6/12/99
Frito-Lay				
- -North America	$2,011	$1,875	$3,854	$ 3,617
- -International	1,025	867	1,943	1,654
	3,036	2,742	5,797	5,271
Pepsi-Cola				
- -North America	798	751	1,437	1,364
- -International	541	497	800	740
	1,339	1,248	2,237	2,104
Intercompany elimination	-	(83)	-	(422)
	1,339	1,165	2,237	1,682
Tropicana	553	533	1,085	1,032
Combined Segments	4,928	4,440	9,119	7,985
Bottling Operations	-	542	-	2,111
Total Net Sales	$4,928	$4,982	$9,119	$10,096
Operating Profit				
Frito-Lay				
- -North America (a)	$ 433	$ 393	$ 812	$ 673
- -International	115	91	214	169
	548	484	1,026	842
Pepsi-Cola				
- -North America	224	205	382	377
- -International	61	44	82	60
	285	249	464	437
Tropicana	51	44	111	79
Combined Segments	884	777	1,601	1,358
Corporate Unallocated	(75)	(79)	(137)	(94)
New PepsiCo Operating Profit	809	698	1,464	1,264
Bottling Operations/Investments	-	23	-	52
Total Operating Profit	$ 809	$ 721	$1,464	$ 1,316

(a) For the 24 weeks in 1999, includes an asset impairment and restructuring charge of $65 million.

Total Assets

	6/10/00	12/25/99
Frito-Lay		
- - North America	$ 4,125	$ 4,013
- - International	3,922	4,170
Pepsi-Cola		
- - North America	897	729
- - International	1,512	1,454
Tropicana	3,819	3,708
Combined segments	14,275	14,074
Corporate	698	1,008
Bottling Operations/Investments	2,519	2,469
Total Assets	$17,492	$17,551

(5) Supplemental Cash Flow Information

	24 Weeks Ended	
	6/10/00	6/12/99
Interest paid	$ 85	$ 199
Income taxes paid	$210	$ 236
Supplemental Schedule of Noncash Investing and Financing Activities		
Fair value of assets acquired	$ 15	$ 440
Cash paid	(12)	(347)
Liabilities assumed	$ 3	$ 93

(6) Accounting Standards

In June 1998, the Financial Accounting Standards Board issued Statement of Financial Accounting Standards No. 133, *Accounting for Derivative Instruments and Hedging Activities*. SFAS 133, as amended by SFAS 137 and SFAS 138, is effective for our fiscal year beginning 2001. SFAS 133 establishes accounting and reporting standards for derivative instruments, including certain derivative instruments embedded in other contracts, and for hedging activities. It requires that we recognize all derivative instruments as either assets or liabilities in the Condensed Consolidated Balance Sheet and measure those instruments at fair value. We are currently assessing the effects of adopting SFAS 133, as amended, and have not yet made a determination of the impact adoption will have on our consolidated financial statements.

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

General

Tabular dollars are presented in millions. All per share amounts assume dilution, are computed using average shares outstanding and are based on unrounded amounts. Percentage changes are based on unrounded amounts.

In the discussions below, the year-over-year dollar change:

- in concentrate shipments to franchisees, including bottling operations in which we now own an equity interest, for Pepsi-Cola,
- in bottler case sales by company-owned bottling operations for Pepsi-Cola International,
- in pound or kilo sales of salty and sweet snacks for Frito-Lay and
- in four gallon equivalent cases for Tropicana

is referred to as *volume*. Price changes over the prior year and the impact of product, package and country sales mix changes are referred to as *effective net pricing*.

<u>Cautionary Statements</u>

From time to time, in written reports and in oral statements, we discuss expectations regarding our future performance, the impact of the Euro conversion and the impact of global macro-economic issues. These “forward-looking statements” are based on currently available competitive, financial and economic data and our operating plans. They are inherently uncertain, and investors must recognize that events could turn out to be significantly different from expectations.

Analysis of Consolidated Operations

Net Sales

	12 Weeks Ended 6/10/00	12 Weeks Ended 6/12/99	% Change B/(W)	24 Weeks Ended 6/10/00	24 Weeks Ended 6/12/99	% Change B/(W)
Reported	$4,928	$4,982	(1)	$9,119	$10,096	(10)
New PepsiCo	$4,928	$4,440	11	$9,119	$ 7,985	14
Intercompany elimination*	-	83	NM	-	422	NM
New PepsiCo before elimination	$4,928	$4,523	9	$9,119	$ 8,407	8

* Reflects intercompany concentrate sales between Pepsi-Cola North America and Pepsi-Cola International, and those previously consolidated bottling operations in which we now own an equity interest.
NM - Not meaningful

For the quarter, reported net sales declined $54 million. New PepsiCo net sales, before the intercompany elimination, increased $405 million. This increase primarily reflects volume gains across all segments and higher effective net pricing at Frito-Lay and Pepsi-Cola. These advances were partially offset by an unfavorable foreign currency impact.

Year-to date reported net sales declined $977 million. New PepsiCo net sales, before the intercompany elimination, increased $712 million. This increase primarily reflects volume gains at Frito-Lay, Tropicana and Pepsi-Cola International and higher effective net pricing at Frito-Lay and Pepsi-Cola.

Operating Profit and Margin

	12 Weeks Ended 6/10/00	12 Weeks Ended 6/12/99	Change B/(W)	24 Weeks Ended 6/10/00	24 Weeks Ended 6/12/99	Change B/(W)
Reported						
Total Operating Profit	$809	$721	12%	$1,464	$1,316	11%
Total Operating Profit Margin	16.4%	14.5%	1.9	16.0%	13.0%	3.0
Ongoing						
New PepsiCo Operating Profit	$809	$698	16%	$1,464	$1,329	10%
New PepsiCo Operating Profit Margin*	16.4%	15.4%	1.0	16.0%	15.8%	0.2

Ongoing new PepsiCo excludes the effect of an impairment and restructuring charge of $65 for the 24 weeks in 1999.
* Based on new PepsiCo net sales before intercompany elimination.

For the quarter, reported operating profit margin increased 1.9 percentage points. Ongoing operating profit margin increased 1 percentage point primarily reflecting the favorable margin impact of the higher effective net pricing and increased volume and reduced commodity costs at Frito-Lay and Tropicana. These were partially offset by the unfavorable margin impact of increased A&M at Pepsi-Cola and increased S&D at Frito-Lay International.

Year-to-date reported operating profit margin increased 3.0 percentage points. Ongoing operating profit margin improved slightly primarily reflecting the favorable margin impact of the higher effective net pricing and increased volume and reduced commodity costs at Frito-Lay North America and Tropicana. These were primarily offset by the margin impact of increases in A&M, G&A and S&D across all segments and the absence of the 1999 gain on the sale of a chocolate business in Poland.

Interest Expense, net

For the quarter, interest expense, net of interest income, declined $19 million or 35%. Interest expense declined $48 million or 46% primarily reflecting significantly lower average debt levels slightly offset by higher average interest rates. Higher average debt levels in 1999 resulted from the financing in 1998 of the Tropicana acquisition and the financings in 1999 in preparation for the initial public offering by The Pepsi Bottling Group. Interest income decreased $29 million or 58% primarily due to lower average investment balances partially offset by favorable changes in the fair value of equity derivative contracts.

Year-to-date interest expense, net of interest income, declined $83 million or 53%. Interest expense declined $125 million or 55% primarily reflecting significantly lower average debt levels slightly offset by higher average interest rates. Higher average debt levels in 1999 resulted from the financing in 1998 of the Tropicana acquisition and the financings in 1999 in preparation for the initial public offering by The Pepsi Bottling Group. Interest income decreased $42 million or 60% primarily due to lower average investment balances partially offset by favorable changes in the fair value of equity derivative contracts.

Provision for Income Taxes

	12 Weeks Ended		24 Weeks Ended	
	6/10/00	6/12/99	6/10/00	6/12/99
Reported				
Provision for Income Taxes	$265	$949	$463	$1,107
Effective tax rate	32.0%	56.1%	32.0%	50.7%
Ongoing				
Provision for Income Taxes	$265	$219	$463	$ 402
Effective tax rate	32.0%	31.6%	32.0%	32.2%

Ongoing excludes the tax effect of $25 on the impairment and restructuring charge for the 24 weeks in 1999 and the tax effect of $730 on the gain on bottling transactions for the 12 and 24 weeks in 1999.

For the quarter, the reported effective tax rate decreased 24.1 percentage points. The ongoing effective tax rate remained relatively flat.

Year-to-date the reported effective tax rate decreased 18.7 percentage points. The ongoing effective tax rate remained relatively flat.

Net Income and Net Income Per Share

	12 Weeks Ended		% Change	24 Weeks Ended		% Change
	6/10/00	6/12/99	B/(W)	6/10/00	6/12/99	B/(W)
Net Income						
Reported	$ 563	$ 743	(24)	$ 985	$1,076	(9)
Ongoing	$ 563	$ 473	19	$ 985	$ 846	16
Net Income Per Share						
Reported	$0.38	$0.49	(22)	$0.67	$ 0.71	(6)
Ongoing	$0.38	$0.31	23	$0.67	$ 0.56	19

Ongoing excludes the effects of an impairment and restructuring charge of $65 ($40 after-tax) for the 24 weeks in 1999 and a gain of $1 billion ($270 after-tax) for the 12 and 24 weeks in 1999.

For the quarter, reported net income decreased $180 million and the related net income per share decreased $0.11. Ongoing net income increased $90 million and the related net income per share increased $0.07. The ongoing increases primarily reflect increased new PepsiCo operating profit and lower net interest expense. The increase in ongoing net income per share also reflects the benefit of a 2.4% reduction in average shares outstanding assuming dilution.

Year-to-date reported net income decreased $91 million and the related net income per share decreased $0.04. Ongoing net income increased $139 million and the related net income per share increased $0.11. The ongoing increases primarily reflect increased new PepsiCo operating profit and lower net interest expense, partially offset by the impact of the deconsolidation of certain bottling operations. The increase in ongoing net income per share also reflects the benefit of a 2.4% reduction in average shares outstanding assuming dilution.

Segments of the Business

Additional information concerning our operating segments is presented in Note 4 to the Condensed Consolidated Financial Statements.

Frito-Lay

The standard volume measure is pounds for North America and kilos for International. Pound and kilo growth are reported on a systemwide basis.

Frito-Lay North America

	12 Weeks Ended		% Change	24 Weeks Ended		% Change
	6/10/00	6/12/99	B/(W)	6/10/00	6/12/99	B/(W)
Net Sales	$2,011	$1,875	7	$3,854	$3,617	7
Operating Profit						
Reported	$ 433	$ 393	10	$ 812	$ 673	21
Ongoing	$ 433	$ 393	10	$ 812	$ 738	10

Ongoing excludes an impairment and restructuring charge of $65 for the 24 weeks in 1999.

12 Weeks

Net sales grew $136 million due to increased volume and higher effective net pricing. Sales of our new Oberto’s natural beef jerky snacks and Snack Kit products accounted for approximately one-third of this growth.

Pound volume advanced 5% primarily driven by growth in most of our core brands, excluding the low-fat and no-fat versions, and by our new Snack Kit products. The growth in core brands was led by double-digit growth in Cheetos brand cheese puffs, Ruffles brand potato chips and Tostitos brand tortilla chips. These gains were partially offset by declines in “WOW!” and “Baked” brand products.

Operating profit increased $40 million primarily reflecting the higher volume and reduced commodity costs. The margin impact of these favorable factors contributed to the operating profit margin improvement.

24 Weeks

Net sales grew $237 million due to increased volume and higher effective net pricing. Sales of our new Snack Kit products and Oberto’s natural beef jerky snacks accounted for approximately one-third of this growth.

Pound volume advanced 4% primarily driven by growth in most of our core brands, excluding the low-fat and no-fat versions, and by our new Snack Kit products. The growth in core brands was led by double-digit growth in Cheetos brand cheese puffs and Ruffles brand potato chips. These gains were partially offset by declines in “WOW!” and “Baked” brand products.

Reported operating profit increased $139 million. Ongoing operating profit increased $74 million primarily reflecting the higher volume and reduced commodity costs. The margin impact of these favorable factors contributed to the ongoing operating profit margin improvement.

Frito-Lay International

	12 Weeks Ended		% Change	24 Weeks Ended		% Change
	6/10/00	6/12/99	B/(W)	6/10/00	6/12/99	B/(W)
Net Sales	$1,025	$867	18	$1,943	$1,654	17
Operating Profit	$ 115	$ 91	27	$ 214	$ 169	27

12 Weeks

Net sales increased $158 million. The increase was primarily driven by volume growth led by Sabritas in Mexico and Walkers in the U.K., largely due to promotional programs, and effective net pricing at Gamesa in Mexico. The impact from an acquisition contributed 3 percentage points of growth. The net impact of weaker foreign currencies, primarily in the U.K. and Australia, decreased net sales by 2 percentage points.

Salty snack kilos increased 18%, led by double-digit growth at Sabritas, at Walkers and at our Latin American joint ventures. Sweet snack kilos increased 9% driven by our businesses in Mexico.

Reported operating profit increased $24 million. Strong operating performances at Sabritas and Gamesa drove the growth. This increase was partially offset by a charge related to a shared services program. The net impact of weaker foreign currencies, primarily in the U.K., decreased operating profit by 2 percentage points.

24 Weeks

Net sales increased $289 million. The increase was primarily driven by volume growth led by Sabritas in Mexico and Walkers in the U.K., largely due to promotional programs, and effective net pricing at Gamesa in Mexico.

Salty snack kilos increased 15%, led by double-digit growth at Sabritas and at our Latin American joint ventures. Excluding the impact of the sale of our chocolate business in Poland in 1999, sweet snack kilos increased 6% led by Sabritas. Including the chocolate business in Poland, sweet snack kilos increased 1%.

Reported operating profit increased $45 million. Strong operating performances at Sabritas and Gamesa drove the growth. This increase was partially offset by a charge related to a shared services program.

Pepsi-Cola

To facilitate comparisons, net sales are presented prior to the elimination in 1999 of intercompany concentrate sales between Pepsi-Cola North America and Pepsi-Cola International and those previously consolidated bottling operations in which we now own an equity interest.

System bottler case sales (BCS) represent PepsiCo-owned brands as well as brands that we have been granted the right to produce, distribute and market nationally and are sold by system bottlers. Second quarter BCS include the months of April and May. The second quarter net sales and operating profit of Pepsi-Cola International include the operating results for March, April and May.

Pepsi-Cola North America

	12 Weeks Ended		% Change	24 Weeks Ended		% Change
	6/10/00	6/12/99	B/(W)	6/10/00	6/12/99	B/(W)
Net Sales	$798	$751	6	$1,437	$1,364	5
Intercompany elimination	-	(72)	NM	-	(400)	NM
Reported	$798	$679	18	$1,437	$ 964	49
Operating Profit	$224	$205	9.5	$ 382	$ 377	1.5

NM - Not meaningful

12 Weeks

Reported net sales increased $119 million primarily due to the absence of the intercompany elimination in 2000. Before the 1999 elimination of intercompany concentrate sales, net sales increased $47 million due largely to higher concentrate pricing and Aquafina royalties as well as higher volume. The higher pricing was partially offset by increased fountain customer support.

BCS volume was flat versus prior year reflecting strong double-digit growth in Aquafina and the national launch of FruitWorks, as well as low single-digit growth in Diet Pepsi. These gains were offset by a low single-digit decline in brand Pepsi, a double-digit decline in Pepsi One and a low single-digit decline in Mountain Dew. Concentrate shipments increased 0.6%.

Operating profit increased $19 million primarily due to the higher concentrate pricing and Aquafina royalties and the increased volume. These increases were partially offset by the increased customer support and higher A&M and G&A expenses. A&M grew at a slower rate than sales, while G&A grew at a significantly faster rate. The higher G&A expense is a result of building the concentrate company infrastructure.

24 Weeks

Reported net sales increased $473 million primarily due to the absence of the intercompany elimination in 2000. Before the 1999 elimination of intercompany concentrate sales, net sales increased $73 million due largely to higher concentrate pricing and Aquafina royalties, as well as higher volume. The higher concentrate pricing was partially offset by increased fountain customer support.

BCS volume was flat versus prior year reflecting strong double-digit growth in Aquafina and the national launch of FruitWorks, as well as low single-digit growth in Diet Pepsi. These gains were offset by a low single-digit decline in brand Pepsi and a double-digit decline in Pepsi One. Concentrate shipments decreased 0.7%.

Operating profit increased $5 million primarily due to the higher concentrate pricing and Aquafina royalties. These increases were partially offset by the increased customer support, higher A&M and G&A expenses and a first quarter charge related to a customer bankruptcy. A&M grew at a slower rate than sales, while G&A grew at a significantly faster rate. The higher G&A expense is a result of building the concentrate company infrastructure.

Pepsi-Cola International

	12 Weeks Ended		% Change	24 Weeks Ended		% Change
	6/10/00	6/12/99	B/(W)	6/10/00	6/12/99	B/(W)
Net Sales	$541	$497	9	$800	$740	8
Intercompany elimination	-	(11)	NM	-	(22)	NM
Reported	$541	$486	11	$800	$718	11
Operating Profit	$ 61	$ 44	37	$ 82	$ 60	35

NM - Not meaningful

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12 Weeks

Reported net sales increased $55 million. Before the elimination of intercompany concentrate sales, net sales increased $44 million. This increase was primarily due to volume gains and higher effective net pricing, partially offset by a net unfavorable foreign currency impact. The net unfavorable foreign currency impact, primarily in Germany, reduced net sales by 3 percentage points.

BCS increased 9%, reflecting broad-based increases including strong volume recovery in Russia, solid growth in Mexico and strong double-digit growth in China, Thailand, India and Germany. For March through May, total concentrate shipments to franchisees, including those previously wholly-owned bottlers in which we now own an equity interest, grew 5% while their BCS grew at a higher rate.

Operating profit increased $17 million primarily reflecting the volume gains and higher effective net pricing, partially offset by higher A&M.

24 Weeks

Reported net sales increased $82 million. Before the elimination of intercompany concentrate sales, net sales increased $60 million. This increase was primarily due to volume gains and higher effective net pricing, partially offset by a net unfavorable foreign currency impact. The net unfavorable foreign currency impact, primarily in Germany, reduced net sales by 3 percentage points.

BCS increased 7%, reflecting broad-based increases including solid growth in Mexico, strong volume recovery in Russia, strong double-digit growth in Germany and Thailand and growth in Peru due to refranchising activity. Through May, total concentrate shipments to franchisees, including those previously wholly-owned bottlers in which we now own an equity interest, grew 4% while their BCS grew at a higher rate.

Operating profit increased $22 million primarily reflecting the volume gains and higher effective net pricing, partially offset by higher A&M.

Tropicana

The standard measure of volume is four-gallon equivalent cases.

12 Weeks Ended	% Change	24 Weeks Ended	% Change

	6/10/00	6/12/99	B/(W)	6/10/00	6/12/99	B/(W)
Net Sales	$553	$533	4	$1,085	$1,032	5
Operating Profit	$ 51	$ 44	17	$ 111	$ 79	41

12 Weeks

Net sales increased $20 million primarily due to volume gains in the U.S. and in Europe, partially offset by a net unfavorable foreign currency impact. The net unfavorable foreign currency impact, primarily from the EURO, reduced net sales by 1 percentage point.

Equivalent case volume grew 5%, led by double-digit worldwide growth in Pure Premium reflecting strong double-digit growth in nutritionals and blends.

Operating profit increased $7 million primarily due to the volume gains and lower orange juice costs. These increases were partially offset by higher A&M due to increased media spending and consumer promotions.

24 Weeks

Net sales increased $53 million primarily due to volume gains in the U.S. and in Europe, partially offset by a net unfavorable foreign currency impact. The net unfavorable foreign currency impact, primarily from the EURO, reduced net sales by nearly 1 percentage point.

Equivalent case volume grew 5%, led by double-digit worldwide growth in Pure Premium reflecting strong double-digit growth in nutritionals and blends.

Operating profit increased $32 million primarily due to the volume gains and lower orange juice costs. These increases were partially offset by higher A&M due to increased media spending and consumer promotions.

Cash Flows

Our 2000 consolidated cash and cash equivalents decreased $436 million compared to a $1.4 billion increase in 1999. The change in cash flow primarily reflects the decrease resulting from the decline in net proceeds from the issuance of debt and from an increase in long-term debt repayments. This comparative decrease was partially offset by the increase resulting from the use in 1999 of debt proceeds to purchase short-term investments.

Liquidity and Capital Resources

As of year-end 1999, we maintained $1.5 billion of revolving credit facilities. Of the $1.5 billion, $600 million expired June 16, 2000 and was replaced with $600 million expiring June of 2001. The remaining $900 million was renewed for five years and expires in June of 2005. The credit facilities exist largely to support issuances of short-term debt. Annually, these facilities can be extended an additional year upon the mutual consent of PepsiCo and the lending institutions.

Our strong cash-generating capability and financial condition give us ready access to capital markets throughout the world.

EURO

During 1999, 11 of 15 member countries of the European Union fixed conversion rates between their existing currencies (legacy currencies) and one common currency-the EURO. The euro trades on currency exchanges and may be used in business transactions. Conversion to the euro eliminated currency exchange rate risk between the member countries. Beginning in January 2002, new EURO-denominated bills and coins will be issued, and legacy currencies will be withdrawn from circulation. Our operating subsidiaries affected by the euro conversion have established plans to address the issues raised by the euro currency conversion. These issues include, among others, the need to adapt computer and financial systems, business processes and equipment, such as vending machines, to accommodate EURO-denominated transactions and the impact of one common currency on pricing. Since financial systems and processes currently accommodate multiple currencies, the plans contemplate conversion by the middle of 2001 if not already addressed in conjunction with other system or process initiatives. We do not expect the system and equipment conversion costs to be material. Due to numerous uncertainties, we cannot reasonably estimate the long-term effects one common currency will have on pricing and the resulting impact, if any, on financial condition or results of operations.

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 June 10, 2000 and the related condensed consolidated statements of income and comprehensive income for the twelve and twenty-four weeks ended June 10, 2000 and June 12, 1999 and the condensed consolidated statement of cash flows for the twenty-four weeks ended June 10, 2000 and June 12, 1999. 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 25, 1999, 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 9, 2000, 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 25, 1999, is fairly presented, in all material respects, in relation to the consolidated balance sheet from which it has been derived.

KPMG LLP

New York, New York
July 13, 2000

PART II - OTHER INFORMATION AND SIGNATAURES

Item 4. (a) PepsiCo's Annual Meeting of Shareholders was held on May 3, 2000.

Election of Directors

Nominee	For	Withheld	Abstentions*	Broker Non-Votes
John F. Akers	1,205,954,812	8,468,112	N/A	N/A
Robert E. Allen	1,205,990,493	8,432,431	N/A	N/A
Roger A. Enrico	1,206,159,954	8,262,970	N/A	N/A
Peter Foy	1,207,304,294	7,118,630	N/A	N/A
Ray L. Hunt	1,207,246,275	7,176,649	N/A	N/A
Arthur C. Martinez	1,207,307,160	7,115,764	N/A	N/A
John J. Murphy	1,206,473,345	7,949,579	N/A	N/A
Franklin D. Raines	1,207,108,427	7,314,497	N/A	N/A
Steven S Reinemund	1,207,385,764	7,037,160	N/A	N/A
Sharon Percy Rockefeller	1,206,722,583	7,700,341	N/A	N/A
Franklin A. Thomas	1,206,162,581	8,260,343	N/A	N/A
Cynthia M Trudell	1,200,899,462	13,523,462	N/A	N/A
Solomon D. Trujillo	1,200,828,275	13,594,649	N/A	N/A
Karl M. von der Heyden	1,207,248,439	7,174,485	N/A	N/A

* Pursuant to the terms of the Notice of Annual Meeting and Proxy Statement, if no choice is indicated, a proxy was voted in accordance with the Board of Directors' recommendation.

Description of Proposals	Number of Shares			
	For	Against	Abstain	Broker Non-votes*
Approval of the appointment of KPMG LLP as independent auditors	1,204,853,918	4,924,609	4,644,397	N/A
Qualifications for Board Membership	47,221,109	932,386,506	22,542,773	N/A
Genetically Engineered Foods	42,695,075	909,767,848	49,687,465	N/A

Item 5. <u>Other Information</u>

None

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: July 20, 2000

Lionel L. Nowell, III
Senior Vice President and Controller

Date: July 20, 2000

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

INDEX TO EXHIBITS

ITEM 6 (a)

EXHIBITS

Exhibit 12 Computation of Ratio of Earnings to Fixed Charges

Exhibit 15 Accountants' Acknowledgment

Exhibit 27.1 Financial Data Schedule

EXHIBIT 12

PEPSICO, INC. AND SUBSIDIARIES

Computation of Ratio of Earnings to Fixed Charges

(in millions except ratio amounts, unaudited)

	24 Weeks Ended 6/10/00	24 Weeks Ended 6/12/99 (a)
Earnings:		
Income before income taxes...........................	$1,448	$2,183
Joint ventures and minority interests, net...........	(48)	(13)
Amortization of capitalized interest.................	(3)	3
Interest expense.....................................	103	228
Interest portion of rent expense (b).................	14	23
Earnings available for fixed charges................	$1,514	$2,424
Fixed Charges:		
Interest expense.....................................	$ 103	$ 228
Capitalized interest.................................	2	4
Interest portion of rent expense (b).................	14	23
Total fixed charges................................	$ 119	$ 255
Ratio of Earnings to Fixed Charges (c)...............	12.72	9.51

(a) Includes the impact of an asset impairment and restructuring charge of $65 and gain on bottling transactions of $1 billion. Excluding the charge and the gain, the ratio of earnings to fixed charges for the 24 weeks ended June 12, 1999 would have been 5.84.

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

(c) Based on unrounded amounts.

Accountants' Acknowledgment

The Board of Directors
PepsiCo, Inc.

We hereby acknowledge our awareness of the use of our report dated July 13, 2000 included within the Quarterly Report on Form 10-Q of PepsiCo, Inc. for the twelve and twenty-four weeks ended June 10, 2000, 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
PepsiCo 401(K) Plan	333-89265

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 LLP

New York, New Yor
July 20, 2000

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This Schedule Contains Summary Financial Information Extracted from PepsiCo, Inc. and Subsidiaries Condensed Consolidated Financial Statements for the 24 Weeks Ended June 10, 2000 and is Qualified in its Entirety by Reference to such Financial Statements.

0000077476
PepsiCo, Inc.
1,000,000

Dec-30-2000
Jun-10-2000
6-MOS
528
79
1,982
104
1,051
4,151
9,015
3,782
17,492
3,754
2,742
29
0
0
6,718
17,492
9,119
9,119
3,568
3,568
0
0
103
1,448
463
985
0
0
0
985
0.68
0.67