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

January 10, 1996	(January 9, 1996)
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	13-1584302
(Commission File Number)	(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 5. Other Events

The information contained in Exhibit 20 hereto is incorporated herein by reference.

Item 7. Financial Statements and Exhibits

(c) Exhibits

20 Press release dated January 9, 1996 from PepsiCo, Inc.

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: January 10, 1996 PepsiCo, Inc.

By: /s/ LAWRENCE F. DICKIE

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

Purchase, N.Y. (January 9, 1996)--PepsiCo, Inc. today announced that it has adopted Statement of Financial Accounting Standards No. 121, "Accounting for the Impairment of Long-Lived Assets and for Long-Lived Assets to Be Disposed Of" (SFAS 121), as of the beginning of the fourth quarter of 1995. SFAS 121 was issued in March of 1995 and is required to be adopted in 1996.

SFAS 121 has nocash impact at all. It is simply a required accounting change in the method of determining and measuring impairment for long-lived assets used in the business. It resulted in a charge to fourth quarter earnings of approximately $384 million after-tax or $0.48 per share. The cause of the charge was the new standard's requirement to evaluate impairment of long-lived assets in smaller groups, particularly in the restaurant segment. This charge resulted in a noncash benefit to ongoing earnings in the fourth quarter and will provide a noncash benefit in future years from reduced depreciation and amortization.

Wayne Calloway, Chairman and Chief Executive Officer said: "It's important to understand that while the impairment charge is primarily related to our restaurant business, its noncash nature means that it has had nothing to do with one of PepsiCo's big stories in 1995, the dramatic improvement in the cash flow from our restaurant business. Compared to 1994, the restaurant segment generated about a $500 million increase in cash after taxes. We achieved that by reducing the number of new company-owned stores built this year, selling some existing stores to franchisees and reducing the amount spent on acquisitions. In addition, if we look at ongoing profits by excluding the initial impact of adopting SFAS 121, we expect to meet investor expectations for consolidated profit growth in 1995.

"For 1996, we remain optimistic about the prospects for earnings growth from ongoing operations for all our segments. As a result, we expect earnings per share from ongoing operations to approximate our historical growth rate of 15% per year."