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

(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 14, 1997 (12 and 24 Weeks Ended)

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

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 July 11, 1997: 1,530,535,858

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		24 Weeks Ended	
	6/14/97	6/15/96	6/14/97	6/15/96
Net Sales	$7,707	$7,691	$14,409	$14,245
Costs and Expenses, net				
Cost of sales	3,641	3,696	6,898	6,902
Selling, general and administrative expenses	2,940	2,939	5,579	5,488
Amortization of intangible assets	67	70	129	137
Unusual items	(135)	-	(157)	26
Operating Profit	1,194	986	1,960	1,692
Interest expense	(129)	(141)	(252)	(282)
Interest income	14	25	27	48
Income Before Income Taxes	1,079	870	1,735	1,458
Provision for Income Taxes	423	287	652	481
Net Income	$ 656	$ 583	$ 1,083	$ 977
Net Income Per Share	$ 0.42	$ 0.36	$ 0.69	$ 0.60
Cash Dividends Declared Per Share	$0.125	$0.115	$ 0.240	$ 0.215
Average Shares Outstanding Used To Calculate Net Income Per Share	1,575	1,613	1,579	1,616

See accompanying notes.

PEPSICO, INC. AND SUBSIDIARIES
CONDENSED CONSOLIDATED STATEMENT OF CASH FLOWS
(in millions, unaudited)

	24 Weeks Ended	
	6/14/97	6/15/96
Cash Flows - Operating Activities		
Net income	$1,083	$ 977
Adjustments to reconcile net income to net cash provided by operating activities		
Depreciation and amortization	748	767
Noncash portion of unusual charges	259	26
PFS gain	(500)	-
Deferred income taxes	137	12
Other noncash charges and credits, net	32	166
Changes in operating working capital, excluding effects of acquisitions and dispositions		
Accounts and notes receivable	(324)	(421)
Inventories	(60)	(135)
Prepaid expenses, deferred income taxes and other current assets	(184)	(132)
Accounts payable and other current liabilities	(288)	(204)
Income taxes payable	198	17
Net change in operating working capital	(658)	(875)
Net Cash Provided by Operating Activities	1,101	1,073
Cash Flows - Investing Activities		
Capital spending	(796)	(960)
Acquisitions and investments in unconsolidated affiliates	(18)	(28)
Refranchising of restaurants	384	200
Sales of businesses	176	3
Sales of property, plant and equipment	56	32
Short-term investments, by original maturity		
More than three months - purchases	(86)	(87)
More than three months - maturities	89	110
Three months or less, net	(26)	65
Other, net	(36)	(82)
Net Cash Used for Investing Activities	(257)	(747)
Cash Flows - Financing Activities		
Proceeds from issuances of long-term debt	-	1,286
Payments of long-term debt	(1,469)	(454)
Short-term borrowings, by original maturity		
More than three months - proceeds	57	412
More than three months - payments	(130)	(1,218)
Three months or less, net	1,747	518
Proceeds from formation of REIT	296	-
Cash dividends paid	(342)	(315)
Share repurchases	(890)	(725)
Proceeds from exercises of stock options	160	162
Other, net	8	(22)
Net Cash Used for Financing Activities	(563)	(356)
Effect of Exchange Rate Changes on Cash and Cash Equivalents	4	(2)
Net Increase (Decrease) in Cash and Cash Equivalents	285	(32)
Cash and Cash Equivalents - Beginning of year	447	382
Cash and Cash Equivalents - End of period	$ 732	$ 350

See accompanying notes.

PEPSICO, INC. AND SUBSIDIARIES

CONDENSED CONSOLIDATED BALANCE SHEET
(in millions)

ASSETS

	Unaudited 6/14/97	12/28/96
Current Assets		
Cash and cash equivalents	$ 732	$ 447
Short-term investments, at cost............	379	339
	1,111	786
Accounts and notes receivable, less allowance: 6/97 - $150, 12/96 - $183	3,275	2,516
Inventories		
Raw materials and supplies	531	571
Finished goods	411	467
	942	1,038
Prepaid expenses, deferred income taxes and other current assets	982	799
Total Current Assets	6,310	5,139
Property, Plant and Equipment	17,337	17,840
Accumulated Depreciation	(7,554)	(7,649)
	9,783	10,191
Intangible Assets, net	6,865	7,136
Investments in Unconsolidated Affiliates	1,334	1,375
Other Assets	612	671
Total Assets	$24,904	$24,512

Continued on next page.

PEPSICO, INC. AND SUBSIDIARIES

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

LIABILITIES AND SHAREHOLDERS' EQUITY

	Unaudited 6/14/97	12/28/96
Current Liabilities		
Accounts payable and other current liabilities	$ 4,783	$ 4,626
Income taxes payable	602	487
Short-term borrowings	1,004	26
Total Current Liabilities	6,389	5,139
Long-term Debt	7,519	8,439
Other Liabilities	2,594	2,533
Deferred Income Taxes	1,782	1,778
Shareholders' Equity		
Capital stock, par value 1 2/3 cents per share: authorized 3,600 shares, issued 6/97 and 12/96 - 1,726 shares	29	29
Capital in excess of par value	1,267	1,201

Retained earnings	9,899	9,184
Currency translation adjustment	(878)	(768)
	10,317	9,646
Less: Treasury Stock, at Cost:		
6/97 - 196 shares, 12/96 - 181 shares	(3,697)	(3,023)
Total Shareholders' Equity	6,620	6,623
Total Liabilities and Shareholders' Equity	$24,904	$24,512

See accompanying notes.

PEPSICO, INC. AND SUBSIDIARIES
(unaudited)

NOTES TO CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

(1) Our Condensed Consolidated Balance Sheet at June 14, 1997 and the Condensed Consolidated Statement of Income for the 12 and 24 weeks ended June 14, 1997 and June 15, 1996 and the Condensed Consolidated Statement of Cash Flows for the 24 weeks ended June 14, 1997 and June 15, 1996 have not been audited, but have been prepared in conformity with the accounting principles applied in our 1996 Annual Report on Form 10-K (Annual Report) for the year ended December 28, 1996. In our opinion, this information includes all material 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. Certain reclassifications were made to prior year amounts to conform with the current presentation.

(2) Unusual items were composed of the following:

($ in millions)	6/14/97 12 Weeks Ended	6/14/97 24 Weeks Ended	6/15/96 24 Weeks Ended
Gain on sale of PepsiCo Food Systems (PFS)	$ (500)	$ (500)	
Net charges for decisions to:			
Dispose of assets	247	225	$ 26
Improve worldwide Snack Foods productivity	82	82	
Strengthen International bottler structure	36	36	
Net (gain)/loss	$ (135)	$ (157)	$ 26
After-tax	$ (32)	$ (30)	$ 17
Per share	$(0.02)	$(0.02)	$(0.01)

We sold PFS, our restaurant supply distribution business, to AmeriServe Food Distribution, Inc. (a subsidiary of Holberg Industries), for approximately $830 million, subject to certain future adjustments. Consideration was received in the form of a note, payable early in the third quarter of 1997. The sale resulted in a second quarter gain of $500 million ($307 million after-tax or $0.19 per share). The note plus interest was paid in the third quarter.

(3) During the quarter we recorded the following impairment charges:

($ in millions)	Disposal	Recurring	Total
Beverages			
North America	$ 52	$ -	$ 52
International	119	-	119
Snack Foods			
North America	8	-	8
International	41	-	41
Restaurants			
United States	39	39	78
	$259(a)	$39(b)	$298

(a) Included in Unusual items in the Condensed Consolidated Statement of Income.
(b) Included in Selling, general and administrative expenses in the Condensed Consolidated Statement of Income.

Disposals

The impairment charges reflected adjustments to reduce the carrying amounts of International Beverages and non-core U.S. restaurant businesses and other assets to fair market value, less estimated costs of disposal.

The adjustments to the carrying amounts were primarily based on internal estimates. However, the U.S. restaurants charge of $39 million, which related to the five non-core U.S. restaurant businesses, considered the actual selling prices of three businesses. Considerable management judgment is necessary to estimate fair market value. Accordingly, actual results could vary significantly from such estimates.

As of June 14, 1997, the remaining carrying amount of the net assets held for disposal was $274 million. We anticipate that the balance of the non-core U.S. restaurant businesses will be sold by the end of 1997 and the International Beverage businesses and other assets will be disposed of in 1998.

Year-to-date, we sold three of our non-core U.S. restaurant businesses (Chevys, East Side Mario's (ESM) and Hot'n Now (HNN)). These disposals generated cash proceeds of $91 million. The non-core U.S. restaurant businesses sold or held for disposal contributed the following:

	12 Weeks Ended		24 Weeks Ended_	
($ in millions)	6/14/97	6/15/96	6/14/97	6/15/96
Net Sales	$88	$74	$191	$141
Net Income/(Loss)	$ 4	$(2)	$ 6	$ (7)

Recurring

Recurring impairment charges of $39 million were recorded to reduce the carrying amounts of certain restaurants to be held and used. These charges resulted from the semi-annual impairment evaluations of all restaurants that either initially met the "two-year history of operating losses" impairment indicator that we use to identify potentially impaired restaurants or were previously evaluated for impairment and, due to changes in circumstances, a current forecast of future cash flows would be expected to be significantly lower than the forecast used in the prior evaluation.

(4) Significant debt repayments (exclusive of commercial paper) during the quarter, including the related effects of any interest rate and/or foreign currency swaps entered into concurrently with the debt, were:

	Principal	Interest

(in millions)	Rate
$263	*
250	6.9%
15	14.0%
$528	

*   Variable rate debt indexed to either LIBOR or commercial paper rates.

(5) At June 14, 1997, $3.5 billion of short-term borrowings were included in the Condensed Consolidated Balance Sheet under the caption "Long-term Debt", reflecting our intent and ability, through the existence of unused revolving credit facilities, to refinance these borrowings on a long-term basis.

(6) Through the 24 weeks ended June 14, 1997, we repurchased 26.7 million shares of our capital stock at a cost of $890 million. From June 15, 1997 through July 18, 1997, we repurchased 9.2 million shares at a cost of $352 million.

(7) Supplemental Cash Flow Information

($ in millions)	24 Weeks Ended	
	6/14/97	6/15/96
Interest paid	$260	$315
Income taxes paid	$219	$409

MANAGEMENT'S ANALYSIS OF OPERATIONS, CASH FLOWS AND FINANCIAL CONDITION

In the following discussion, 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, pound or kilo sales of salty and sweet snacks in Snack Foods and customer transaction counts (i.e., same store sales excluding the impact of effective net pricing) in Restaurants. Effective net pricing includes price increases/decreases and the effect of product, package and country mix.

Our Beverages and Snack Foods segments are reported on a North American basis (U.S. and Canada combined) and an International basis (all other international) while the Restaurants segment is reported on a U.S. and international basis.

Analysis of Consolidated Operations

Net sales rose $16 million in the quarter and $164 million or 1% year-to-date. The increases reflected net volume gains and higher effective net pricing partially offset by the effect of fewer company-operated U.S. restaurants and an unfavorable currency translation impact. The sales growth rate for both the quarter and year-to-date was reduced by one point as a result of our initiative to reduce our ownership of the restaurant system through selling company-operated restaurants to franchisees (refranchising) and closing underperforming restaurants.

Cost of sales as a percent of net sales decreased .9% to 47.2% for the quarter and .6% to 47.9% year-to-date. The declines were primarily due to the impact of lower packaging and commodity costs in worldwide Beverages and the higher effective net pricing.

Selling, general and administrative expenses (SG&A) increased at about the same rate as sales. SG&A includes 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. G&A grew significantly faster than sales for the quarter and year-to-date, driven by a higher level of spending to support international business growth, including inflation-driven costs, and increased compensation costs and information systems-related spending. A&M and S&D each increased at approximately the same rate as sales for both the quarter and year-to-date.

Other income and expense included increased net gains from facility actions as summarized below and increased foreign exchange losses of $8 million and $10 million for the quarter and year-to-date, respectively.

Net Facility Actions

	12 Weeks Ended			24 Weeks Ended		
($ in millions)	6/14/97	6/15/96	Change	6/14/97	6/15/96	Change
Refranchising gains	$137	$ 42	$ 95	$153	$ 88	$ 65
Store closure costs	(25)	(4)	(21)	(29)	(4)	(25)
Recurring impairment charges	(39)	(18)	(21)	(39)	(18)	(21)
Net gains from facility actions	$ 73	$ 20	$ 53	$ 85	$ 66	$ 19

Equity income from our investments in unconsolidated affiliates, compared to losses a year ago, primarily reflected the absence of losses from our Latin American bottler, Buenos Aires Embotelladora S.A. (BAESA).

Amortization of intangible assets declined 4% and 6% to $67 million and $129 million in the quarter and year-to-date, respectively. The decline was primarily due to the actual or planned disposal of our non-core U.S. restaurant businesses. The impact of restaurant facility actions also reduced the 1997 amortization expense.

Unusual items produced a net gain of $135 million ($32 million after-tax or $0.02 per share) and $157 million ($30 million after-tax or $0.02 per share) in the quarter and year-to-date, respectively, compared to a $26 million ($17 million after-tax or $0.01 per share) charge in the first quarter of 1996. The 1997 net gain reflected a $500 million gain from the sale of PepsiCo Food Systems (PFS), our restaurant distribution company, partially offset by $365 million and $343 million of net charges in the quarter and year-to-date, respectively. See Notes 2 and 3. The 1996 charge was associated with the decision to dispose of the operating assets of Hot'n Now (HNN).

Operating Profit
($ in millions)

	12 Weeks Ended			24 Weeks Ended		
	6/14/97	6/15/96	% Change	6/14/97	6/15/96	% Change
Reported	$1,194	$986	21	$1,960	$1,692	16
Ongoing*	$1,059	$986	7	$1,803	$1,718	5

* Excluded the 1997 unusual items as described in Notes 2 and 3, and the 1996 decision to dispose of the operating assets of HNN.

Reported operating profit increased $208 million and $268 million for the quarter and year-to-date, respectively. Ongoing operating profit increased $73 million for the quarter and $85 million year-to-date. The increase

reflected the increased net gains from facility actions, favorable recurring actuarial adjustments to prior years casualty claims liabilities and special restaurant franchise renewal fees. Ongoing operating profit growth also benefited from income from our non-core U.S. restaurant businesses in 1997 compared to losses in 1996, primarily due to stopping depreciation and amortization as these businesses are being held for disposal.

Interest Expense, net declined $1 million or 1% in the quarter and $9 million or 4% year-to-date. The net impact of lower average debt levels was partially offset by lower interest rates on our investments and lower interest-bearing investment levels. The lower investment and debt levels are primarily due to a 1996 change in the tax law which eliminated a tax exemption on investment income in Puerto Rico effective for us December 1, 1996. Accordingly, as our investments matured in Puerto Rico, the proceeds were repatriated and used to reduce debt.

Provision for Income Taxes
($ in millions)

	12 Weeks Ended		24 Weeks Ended	
	6/14/97	6/15/96	6/14/97	6/15/96
Provision for Income Taxes	$423	$287	$652	$481
Effective tax rate				
Reported	39.2%	33.0%	37.6%	33.0%
Ongoing*	33.1%	33.0%	34.0%	33.0%

* Excluded the effect of the unusual items as described in Note 2.

The 1997 reported effective tax rate increased 6.2% in the quarter and 4.6% year-to-date, primarily reflecting the high effective tax rate in the quarter associated with the 1997 unusual items.

Net Income
($ in millions except per share amounts)

	12 Weeks Ended			24 Weeks Ended		
	6/14/97	6/15/96	% Change	6/14/97	6/15/96	% Change
Net Income						
Reported	$ 656	$ 583	13	$1,083	$ 977	11
Ongoing**	$ 624	$ 583	7	$1,053	$ 994	6
Net Income Per Share						
Reported	$0.42	$0.36	15*	$0.69	$0.60	13*
Ongoing**	$0.40	$0.36	10*	$0.67	$0.61	8*
Average Shares Outstanding Used to Calculate Net Income Per Share	1,575	1,613	(2)	1,579	1,616	(2)

* Net Income Per Share was calculated to four decimal places to eliminate the effects of rounding.
**Excluded the unusual items as described in Notes 2 and 3.

PEPSICO, INC. AND SUBSIDIARIES

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

	Net Sales			Operating Profit			
	12 Weeks Ended		% Change	12 Weeks Ended		% Change B/(W)	
	6/14/97	6/15/96	B/(W)	6/14/97 (b)	6/15/96	Rept'd	As On-going (c)
Beverages (d)							
- -N.A.	$1,872	$1,903	(2)	$ 340	$ 392	(13)	-
- -Int'l	737	836	(12)	(169)	45	NM	(76)
	2,609	2,739	(5)	171	437	(61)	(8)
Snack Foods							
- -N.A.	1,663	1,596	4	318	296	7	11
- -Int'l	784	709	11	7	81	(91)	12
	2,447	2,305	6	325	377	(14)	11
Restaurants (e)							
- -U.S.	2,093	2,118	(1)	667	190	NM	8
- -Int'l	558	529	5	99	28	NM	NM
	2,651	2,647	-	766	218	NM	40

Combined

Segments	$7,707	$7,691	-	1,262	1,032	22	9
Unallocated Expenses (f)				(68)	(46)	(48)	(48)
Operating Profit				$1,194	$ 986	21	7

NM - Not Meaningful

(Continued on following page)

Notes to the 12 weeks ended 6/14/97 and 6/15/96:

(a) This schedule should be read in conjunction with Management's Analysis beginning on page 16.

(b) Included a gain of $500 in 1997 from the sale of PFS and the following unusual net charges:

	Disposal of Assets	Productivity Initiatives	Strengthen Bottling Structure	Total
Beverages				
- N.A.	$ 52			$ 52
- Int'l	144		$36	180
Snack Foods				
- N.A.		$10		10
- Int'l	12	72		84
Restaurants				
- U.S.	39			39
	$247	$82	$36	$365

(c) Adjusted to exclude unusual items as described in note (b) above.

(d) Certain reclassifications were made to prior year amounts to conform with the current year presentation.

(e) Restaurants operating profit included the following:

	1997	1996
Refranchising gains	$137	$ 42
Store closure costs	(25)	(4)
Recurring impairment charges	(39)	(18)
Net facility actions	$ 73	$ 20
U.S.	$ 7	$ 22
Int'l	66	(2)
Net facility actions	$ 73	$ 20

(f) Increase due to foreign exchange losses and costs incurred in connection with the planned dissolution of a real estate investment trust established in the first quarter of 1997 and the pending spin-off of our restaurant businesses.

PEPSICO, INC. AND SUBSIDIARIES

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

	Net Sales			Operating Profit			
	24 Weeks Ended		% Change	24 Weeks Ended		% Change B/(W)	
	6/14/97	6/15/96	B/(W)	6/14/97 (b)	6/15/96 (c)	As Rept'd	On-going (d)
Beverages (e)							
- -N.A.	$ 3,463	$3,440	1	$ 604	$ 649	(7)	1
- -Int'l	1,104	1,262	(13)	(196)	35	NM	NM
	4,567	4,702	(3)	408	684	(40)	(6)
Snack Foods							
- -N.A.	3,184	3,024	5	607	548	11	13
- -Int'l	1,493	1,337	12	106	154	(31)	9
	4,677	4,361	7	713	702	2	12
Restaurants (f)							
- -U.S.	4,090	4,152	(1)	816	334	NM	(1)
- -Int'l	1,075	1,030	4	143	64	NM	NM
	5,165	5,182	-	959	398	NM	17
Combined Segments	$14,409	$14,245	1	2,080	1,784	17	6
Unallocated Expenses (g)				(120)	(92)	(30)	(30)
Operating Profit				$1,960	$1,692	16	5

NM - Not Meaningful

(Continued on following page)

Notes to the 24 weeks ended 6/14/97 and 6/15/96:

(a) This schedule should be read in conjunction with Management's Analysis beginning on page 16.

(b) Included a gain of $500 from the sale of PFS and the following unusual net charges:

	Disposal of Assets	Productivity Initiatives	Strengthen Bottling Structure	Total
Beverages				
- N.A.	$ 52			$ 52
- Int'l	144		$36	180
Snack Foods				
- N.A.		$10		10
- Int'l	(10)	72		62

Restaurants				
- U.S.	39			39
	$225	$82	$36	$343

(c) U.S. restaurants included a charge of $26 related to the decision to dispose of the operating assets of HNN.
(d) Adjusted to exclude unusual items as described in notes (b) and (c)above.
(e) Certain reclassifications were made to prior year amounts to conform with the current year presentation.
(f) Restaurants operating profit included the following:

	1997	1996
Refranchising gains	$153	$ 88
Store closure costs	(29)	(4)
Recurring impairment charges	(39)	(18)
Net facility actions	$ 85	$ 66
U.S.	$ 20	$ 64
Int'l	65	2
Net facility actions	$ 85	$ 66

(g) Increase due to foreign exchange losses and costs incurred in connection with the planned dissolution of a real estate investment trust established in the first quarter of 1997 and the pending spin-off of our restaurant businesses.

Segments of The Business

Beverages
($ in millions)

	12 Weeks Ended			24 Weeks Ended		
	6/14/97	6/15/96	% Change	6/14/97	6/15/96	% Change
Net Sales						
N.A.	$1,872	$1,903	(2)	$3,463	$3,440	1
Int'l	737	836	(12)	1,104	1,262	(13)
	$2,609	$2,739	(5)	$4,567	$4,702	(3)
Operating Profit						
Reported						
N.A.	$ 340	$ 392	(13)	$ 604	$ 649	(7)
Int'l	(169)	45	NM	(196)	35	NM
	$ 171	$ 437	(61)	$ 408	$ 684	(40)
Ongoing*						
N.A.	$ 392	$ 392	-	$ 656	$ 649	1
Int'l	11	45	(76)	(16)	35	NM
	$ 403	$ 437	(8)	$ 640	$ 684	(6)

NM - Not Meaningful

* Excluded unusual net charges in 1997 of $232 ($52-North America, $180-Int'l) for the disposal of assets and to strengthen the International bottler structure. See Notes 2 and 3.

System bottler case sales (BCS) is our standard volume measure. It represents Pepsi Corporate brands as well as brands we have the right to produce, distribute and market nationally. Second quarter BCS included the months of April and May, consistent with prior years.

North America

Sales for the quarter fell $31 million, while rising $23 million year-to-date. The decline for the quarter reflected lower effective net pricing partially offset by volume growth, led by packaged goods; the year-to-date increase reflected volume growth, partially offset by lower effective net pricing. The decrease in effective net pricing, primarily in take-home packaged products, reflected an intensely competitive environment.

BCS increased 2% for the quarter and 4% year-to-date, reflecting double-digit growth by Mountain Dew. Alternative beverages (non-carbonated soft drink products), led by Aquafina bottled water and Lipton Brisk, grew at a strong double-digit rate for both the quarter and year-to-date. Franchisees achieved positive BCS growth, while our concentrate shipments to them declined in the quarter and were flat year-to-date.

Reported operating profit declined $52 million for the quarter and $45 million year-to-date. Ongoing operating profit was even with last year in the quarter and increased $7 million year-to-date, on top of prior year increases of 13% and 15%, respectively. Both periods reflected the lower effective net pricing, higher S&D and increased A&M. These unfavorable items were partially offset in the quarter and fully offset year-to-date by lower packaging and commodity costs, volume gains and reduced G&A expenses. The lower G&A expenses primarily reflected savings from centralizing certain accounting functions. The quarter and year-to-date also benefited from a $10 million adjustment of a 1992 liability established for an organizational restructuring to improve customer focus. This liability adjustment was partially offset year-to-date by lapping a first quarter 1996 litigation settlement with a supplier for purchases made in prior years.

International

Sales declined $99 million for the quarter and $158 million year-to-date due to unfavorable currency translation effects and lower volume. The volume decline primarily reflected lower concentrate shipments to franchisees.

BCS decreased 2% for the quarter and 3% for the year-to-date. Excluding the impact of the loss of our Venezuelan bottler in August 1996, BCS remained relatively unchanged for both periods. Double-digit growth by our China and India Business Units and, in the quarter, by our Asia Business Unit, was substantially offset by declines in our South America, Russia and Central Europe Business Units. Our concentrate shipments to franchisees declined at a significantly greater rate than the decline in their BCS.

Reported operating results declined $214 million for the quarter and $231 million year-to-date. Ongoing operating results declined $34 million in the quarter and $51 million year-to-date. The decline in ongoing operating results reflected the lower volume, increased A&M, and, particularly in the quarter, lower effective net pricing for packaged products. These declines were partially offset by lower manufacturing costs, G&A savings, and reduced equity losses from our investments in unconsolidated affiliates, primarily due to the absence of losses from BAESA. The lower manufacturing costs were the result of lower packaging and commodity costs. Our fourth quarter 1996 restructuring generated G&A savings of about $17 million in the quarter and $21 million year-to-date of the $50 million of savings expected this year. See Cautionary Statements on page 25.

Snack Foods
($ in millions)

12 Weeks Ended	%	24 Weeks Ended	%

	6/14/97	6/15/96	Change	6/14/97	6/15/96	Change
Net Sales						
N.A.	$1,663	$1,596	4	$3,184	$3,024	5
Int'l	784	709	11	1,493	1,337	12
	$2,447	$2,305	6	$4,677	$4,361	7
Operating Profit						
Reported						
N.A.	$ 318	$ 296	7	$ 607	$ 548	11
Int'l	7	81	(91)	106	154	(31)
	$ 325	$ 377	(14)	$ 713	$ 702	2
Ongoing*						
N.A.	$ 328	$ 296	11	$ 617	$ 548	13
Int'l	91	81	12	168	154	9
	$ 419	$ 377	11	$ 785	$ 702	12

* Excluded unusual net charges in 1997 of $94 (N.A.-$10, Int'l-$84) in the quarter and $72 (N.A.-$10, Int'l-$62) year-to-date for worldwide productivity initiatives and the disposal of assets. See Notes 2 and 3.

North America

Sales grew $67 million for the quarter and $160 million year-to-date. The sales increases reflected higher pricing taken in the latter half of 1996 across all major brands and volume growth. Sales increased in most core brands; low-fat and no-fat snacks declined slightly in the quarter, while accounting for approximately 15% of total sales growth year-to-date.

Pound volume advanced 2% and 3% for the quarter and year-to-date, respectively. Although low-fat and no-fat snacks decreased the growth rate by 1% for the quarter, they contributed over 15% of the total pound growth year-to-date, reflecting strong double-digit growth in Baked Lay's and exceptional growth in Reduced Fat Doritos for both the quarter and year-to-date. Excluding their low-fat and no-fat versions, core brand growth for both the quarter and year-to-date was led by double-digit growth in Lay's brand potato chips and Tostitos brand tortilla chips and, for the quarter, strong single-digit growth by Doritos brand tortilla chips.

Reported operating profit grew $22 million for the quarter and $59 million year-to-date. Ongoing operating profit rose $32 million and $69 million for the quarter and year-to-date, respectively. The ongoing profit increase reflected the higher pricing and volume growth, partially offset by increased manufacturing costs and G&A expenses. Ongoing operating profit growth was also aided by favorable recurring actuarial adjustments to prior years casualty claim liabilities.

International

Sales increased $75 million for the quarter and $156 million year-to-date. The sales increase reflected higher effective net pricing and volume growth.

Kilo growth is reported on a systemwide basis, which includes both consolidated businesses and unconsolidated affiliates operating for at least one year. Salty snack kilos rose 12% and 11% for the quarter and year-to-date, respectively, led by Sabritas and Brazil, while sweet snack kilos declined 13% and 12%, respectively.

Reported operating profit decreased $74 million for the quarter and $48 million year-to-date. Ongoing operating profit for the same periods increased $10 million and $14 million, respectively. These increases reflected inflation-driven higher effective net pricing and volume gains, partially offset by cost increases, primarily in Mexico.

Restaurants

Ownership Initiatives

As a result of our initiative to refranchise units and close underperforming units, coupled with net new points of distribution by our franchisees and licensees, our overall ownership percentage (which includes joint venture units) of total system units since year-end 1996 declined 3% to 42% at June 14, 1997, driven by declines in the U.S. We refranchised and licensed 264 and 357 company-operated units in the quarter and year-to-date, respectively. Total system units declined less than half a point from the end of 1996. At June 14, 1997, March 23, 1997 and December 28, 1996 we had 166, 284 and 296 company-operated non-core U.S. restaurants, respectively.

Operating Results

The operating results presented below include both the U.S. and international operations of Pizza Hut, Taco Bell and KFC. In addition, the U.S. information includes our non-core restaurant businesses consisting of Chevys, East Side Mario's (ESM), and Hot'n Now (HNN) through their respective dates of disposal, and California Pizza Kitchen (CPK), and D'Angelo Sandwich Shops (D'Angelo), which are held for disposal. PepsiCo Food Systems (PFS) is included in our U.S. operating results through its disposal date (see Note 2).

	12 Weeks Ended			24 Weeks Ended		
($ in millions)	6/14/97	6/15/96	% Change	6/14/97	6/15/96	% Change
Net Sales						
U.S.	$2,093	$2,118	(1)	$4,090	$4,152	(1)
Int'l	558	529	5	1,075	1,030	4
	$2,651	$2,647	-	$5,165	$5,182	-
Operating Profit						
Reported						
U.S.	$ 667	$ 190	NM	$ 816	$ 334	NM
Int'l	99	28	NM	143	64	NM
	$ 766	$ 218	NM	$ 959	$ 398	NM
Ongoing*						
U.S.	$ 206	$ 190	8	$ 355	$ 360	(1)
Int'l	99	28	NM	143	64	NM
	$ 305	$ 218	40	$ 498	$ 424	17

NM - Not Meaningful

* Excluded a gain of $500 from the sale of PFS and unusual disposal charges related to the non-core U.S. businesses of $39 and $26 in the

second quarter of 1997 and first quarter of 1996, respectively. See Notes 2 and 3.

U.S.

Sales decreased $25 million and $62 million for the quarter and year-to-date, respectively. The declines primarily reflected fewer company-operated units as a result of our initiative to reduce our ownership of the restaurant system and lower transaction counts, primarily due to lapping the first quarter 1996 introduction of Triple Decker Pizza. These declines were partially offset by higher effective net pricing and increases in our non-core restaurant businesses of $14 million and $50 million for the quarter and year-to-date, respectively. The non-core increase was primarily as a result of the consolidation of CPK at the end of the second quarter of 1996. Sales also benefited from initial fees under a special KFC renewal program, which will continue into the third quarter. Including the initial franchise renewal fees expected to be received in the third quarter, 96% of KFC's franchisees will have elected to renew their franchise agreements during 1997, covering the next 20 years.

Same store sales at Pizza Hut decreased 5% for the quarter and 7% year-to-date reflecting fewer customer transactions and in the quarter, reduced pricing. At Taco Bell, same store sales increased 2% for the quarter and 3% year-to-date reflecting mix shifts into higher-priced products such as Border Select Combos, Grilled Steak Tacos and Fajita Wraps and higher pricing taken in late 1996. The year-to-date same store sales growth benefited from the very successful first quarter Star Wars promotion. Same store sales at KFC increased 3% for the quarter and 4% year-to-date, due to a higher average guest check, reflecting both pricing and new products, as well as increased transaction counts.

Reported operating profit increased $477 million and $482 million for the quarter and year-to-date, respectively. Ongoing operating profit increased $16 million for the quarter but decreased $5 million year-to-date, reflecting a decline in net gains from facility actions. Excluding the net gains from facility actions, ongoing operating profit increased in both the quarter and year-to-date reflecting the higher effective net pricing and the initial KFC franchise renewal fees. These gains were partially offset by lower transaction counts and increased store operating costs. The higher store operating costs were primarily driven by expenses incurred for the quality initiatives of Pizza Hut's Totally New Pizza campaign and higher labor costs, partially offset by favorable recurring actuarial adjustments to prior years casualty claim liabilities. The higher labor costs were primarily due to minimum wage increases.

Net gains from facility actions declined $15 million and $44 million in the quarter and year-to-date, respectively, as summarized below:

Net Facility Actions

	12 Weeks Ended			24 Weeks Ended		
($ in millions)	6/14/97	6/15/96	Change	6/14/97	6/15/96	Change
Refranchising gains	$ 48	$ 42	$ 6	$ 64	$ 86	$(22)
Store closure costs	(3)	(4)	1	(6)	(6)	-
Recurring impairment charges	(38)	(16)	(22)	(38)	(16)	(22)
Net gains from						

facility actions	$ 7	$ 22	$(15)	$ 20	$ 64	$(44)

Ongoing operating profit also benefited from income from our non-core U.S. restaurant businesses of $5 million and $10 million for the quarter and year-to-date, respectively, compared to losses of $2 million and $7 million for the comparable periods in 1996. The improvement was primarily due to stopping depreciation and amortization expense in 1997 because these businesses are being held for sale.

International

Sales increased $29 million for the quarter and $45 million year-to-date. The growth was driven by net additional company-operated units and higher effective net pricing. These gains were partially offset by the effects of unfavorable currency translation and year-to-date, one less accounting period for Canada and Korea in the first quarter of 1997 to facilitate the quarterly closing process.

Operating profit increased $71 million and $79 million for the quarter and year-to-date, respectively. The profit growth primarily reflected increased net gains from facility actions as summarized below, driven by the refranchising of our restaurants in New Zealand to a new independent publicly-traded company in which we have no residual interest.

The positive impact of the higher effective net pricing, the net additional company-operated units and higher franchise fees was partially offset by higher store operating costs, reflecting increased incentive-based compensation.

Net Facility Actions

	12 Weeks Ended			24 Weeks Ended		
($ in millions)	6/14/97	6/15/96	Change	6/14/97	6/15/96	Change
Refranchising gains	$ 89		$ 89	$ 89	$ 2	$ 87
Store closure costs	(22)		(22)	(23)	2	(25)
Recurring impairment charges	(1)	$(2)	1	(1)	(2)	1
Net gains/(losses) from facility actions	$ 66	$(2)	$ 68	$ 65	$ 2	$ 63

Cash Flows and Financial Condition

Please refer to our 1996 Annual Report on Form 10-K for information regarding our liquidity.

Net cash provided by operating activities increased $28 million or 3% to $1.1 billion. The increase reflected a decrease in operating working capital cash outflows of $217 million partially offset by a $189 million decrease in income before noncash charges and credits. The reduced cash use for operating working capital primarily reflected an increase in Income taxes payable and smaller increases in Accounts and notes receivable and Inventories, partially offset by a larger reduction in Accounts payable and other current liabilities. The benefit in Accounts and notes receivable was primarily due to timing of collections partially offset by lapping the effect of a 1996 sale of U.S. trade accounts receivable to take advantage of favorable effective financing rates. The change in Inventories was driven by reduced purchases. The unfavorable change in Accounts payable and other current liabilities was primarily due to reduced promotional accruals for U.S. beverage promotions.

Net cash used for investing activities decreased $490 million or 66% to $257 million. The decline primarily reflected increased proceeds of $184 million and $173 million from refranchising of restaurants and the sale of primarily non-core businesses, respectively, as well as reduced capital spending of $164 million. These were partially offset by a net use of cash for short-term investing activities in 1997 compared to proceeds from investing activities in 1996. Because we sold PFS in exchange for a note, payable early in the third quarter of 1997, the transaction had no cash impact year-to-date. However, cash proceeds of about $830 million (before tax) plus interest, received subsequent to the end of the second quarter will reduce our cash flows used for investing activities for the full year.

Net cash used for financing activities increased $207 million or 58% to $563 million. The increase was primarily due to $339 million of lower net debt proceeds and increased share repurchases of $165 million, partially offset by proceeds of $296 million from the sale of preferred stock in a real estate investment trust (REIT) we established in 1997. However, we dissolved the REIT in the third quarter of 1997 and redeemed the preferred stock.

Our share repurchase activity was as follows:

($ and shares in millions)	24 Weeks Ended 6/14/97	6/15/96
Cost	$ 890	$ 725
Number of shares repurchased	26.7	23.4
% of shares outstanding at beginning of year	1.7%	1.5%

Free cash flow is the primary measure we use internally to evaluate our cash flow performance.

($ in millions)	24 Weeks Ended 6/14/97	6/15/96
Net cash provided by operating activities	$1,101	$1,073
Cash dividends paid	(342)	(315)
Investing activities		
Capital spending	(796)	(960)
Refranchising of restaurants	384	200
Sales of businesses	176	3
Sales of property, plant and equipment	56	32
Other, net	(36)	(82)
Free cash flow	$ 543	$ (49)

Free cash flow had a favorable swing of $592 million, primarily reflecting the increased proceeds from refranchising of restaurants and sales of businesses and reduced capital spending.

Historically, our negative operating working capital position, which reflected the cash sales nature of our restaurant operations partially offset by our more working capital intensive packaged goods businesses, effectively provided additional capital for investment. Operating working capital, which excludes short-term investments and short-term borrowings, was a positive $546 million at the end of the second quarter of 1997, compared to a negative $313 million at year-end 1996. The $859 million swing was primarily due to the receipt of the short-term note receivable from the sale of PFS and cash proceeds from the New Zealand IPO, partially offset by the minority interest associated with the REIT. Working capital also increased due to seasonality in the base business and the effects of reclassifying the reduced carrying amount (which reflects estimated fair market value) of the International Beverages businesses held for disposal to prepaid expenses, deferred income taxes and other current assets. These increases were substantially offset by declines in working capital related to the sale of certain of our non-core U.S. restaurant businesses and the recognition of accounts payable by our core restaurant businesses to PFS which, prior to the PFS sale, had been an intercompany balance eliminated in consolidation.

The decline in Property, plant and equipment primarily reflected restaurant facility actions, the partial impairment and reclassification of the remaining balance of fixed assets to current assets by International Beverages related to businesses held for disposal and the disposal of PFS.

The decline in Intangible assets also included the effects of restaurant facility actions and impairment charges related to International Beverages businesses held for disposal.

Cautionary Statements

From time to time, in written reports and oral statements, we discuss our expectations regarding future performance of the Company. 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 had expected. In addition, as disclosed:

- The forecasted annual savings of $50 million in 1997, related to the 1996 International Beverages restructuring charge, assumes that facilities are vacated and employees are terminated within the time frames used to develop the estimate (page 17).

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 14, 1997 and the related condensed consolidated statement of income for the twelve and twenty-four weeks ended June 14, 1997 and June 15, 1996, and the condensed consolidated statement of cash flows for the twenty-four weeks ended June 14, 1997 and June 15 1996. 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 28, 1996, 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 4, 1997, 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 28, 1996, 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," and in 1994 adopted the provisions of the Financial Accounting Standards Board's Statement of Financial Accounting Standards No. 112, "Employers' Accounting for Postemployment Benefits" and changed its method for calculating the market-related value of pension plan assets used in the determination of pension expense.

KPMG Peat Marwick LLP

New York, New York
July 22, 1997

PART II. OTHER INFORMATION AND SIGNATURES

Item 4. Submission of Matters to a Vote of Security Holders

(a) PepsiCo's Annual Meeting of Shareholders was held on May 7, 1997.

(c) Certain proposals voted upon at the Annual Meeting, and the number of votes cast for, against and abstentions with respect to each, were as follows:

Description of Proposals	Number of Shares (in millions) For	Against	Abstain
Approval of the appointment of KPMG Peat Marwick LLP as independent auditors	1,293	3	5
Shareholders' proposal concerning the election of a President and CEO.	34	976	24
Shareholders' proposal concerning cumulative voting.	272	747	16
Shareholders' proposal concerning a cap on non-performance based executive compensation.	75	942	18

Item 6. Exhibits and Reports on Form 8-K

(a) Exhibits

See Index to Exhibits on page 29.

(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 29, 1997

Robert L. Carleton
Senior Vice President and
Controller

Date: July 29, 1997 Lawrence F. Dickie
Vice President, Associate General
Counsel and Assistant Secretary

INDEX TO EXHIBITS
ITEM 6 (a)

EXHIBITS

EXHIBIT 11

PEPSICO, INC. AND SUBSIDIARIES
Computation of Net Income Per Share of Capital Stock - Primary
(page 1 of 2)
(in millions except per share amounts, unaudited)

	12 Weeks Ended		24 Weeks Ended	
	6/14/97	6/15/96	6/14/97	6/15/96
Shares outstanding at beginning of period	1,539	1,574	1,545	1,576
Weighted average of shares issued during the period for exercise of stock options, conversion of debentures and payment of compensation awards	3	2	6	7
Share repurchased (weighted)	(8)	2	6	7
Dilutive shares contingently issuable upon exercise of stock options, conversion of debentures and payment of compensation awards, net of shares assumed to have been purchased for treasury (at the average price) with assumed proceeds from exercise of stock options and compensation awards	41	45	40	45
Total shares - primary	1,575	1,613	1,579	1,616
Net income	$ 656	$ 583	$1,083	$ 977
Net income per share - primary	$ 0.42	$ 0.36	$ 0.69	$ 0.60

PEPSICO, INC. AND SUBSIDIARIES
Computation of Net Income Per Share of Capital Stock - Fully Diluted
(page 2 of 2)
(in millions except per share amounts, unaudited)

	12 Weeks Ended		24 Weeks Ended	
	6/14/97	6/15/96	6/14/97	6/15/96
Shares outstanding at beginning of period	1,539	1,574	1,545	1,576
Shares issued during the period for exercise of stock options, conversion of debentures and payment of compensation awards	7	4	12	12
Shares repurchased (weighted)	(8)	(8)	(12)	(12)
Dilutive shares contingently issuable upon exercise of stock options, conversion of debentures and payment of compensation awards, net of shares				

assumed to have been purchased for treasury (at the higher of average or quarter-end price) with assumed proceeds from exercise of stock options and compensation awards	45	46	41	44
Total shares - fully diluted	1,583	1,616	1,586	1,620
Net income	$ 656	$ 583	$1,083	$ 977
Net income per share - fully diluted	$ 0.41	$ 0.36	$ 0.68	$ 0.60

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

	24 Weeks Ended	
	6/14/97	6/15/96
Earnings:		
Income before income taxes.......	$1,735	$1,458
Joint ventures and minority interests, net.................	23	13
Amortization of capitalized interest.......................	2	2
Interest expense................	252	282
Interest portion of rent expense (a)....................	80	77
Earnings available for fixed charges........................	$2,092	$1,832
Fixed Charges:		
Interest expense................	$ 252	282
Capitalized interest............	4	7
Interest portion of rent expense (a)...................	80	77
Total fixed charges...........	$ 336	$ 366
Ratio of Earnings to Fixed Charges (b)...........	6.23	5.01

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

(b) Included $157 net gain and a $26 charge in the 24 weeks ended June 14, 1997 and June 15, 1996, respectively, (see Note 2) related to unusual items. Excluding these items, the ratio of earnings to fixed charges for the 24 weeks ended June 14,1997 and June 15, 1996 would have been 5.76 and 5.08, respectively.

Accountants' Acknowledgment

The Board of Directors
PepsiCo, Inc.

We hereby acknowledge our awareness of the use of our report dated July 22, 1997 included within the Quarterly Report on Form 10-Q of PepsiCo, Inc. for the twelve and twenty-four weeks ended June 14, 1997, and incorporated by reference in the following Registration Statements and in the related Prospectuses:

Description	Registration Statement Number
Form S-3	
Pizza Hut Cincinnati, Inc. and Tri-L Pizza Huts, Inc. acquisitions	33-37271
PepsiCo SharePower Stock Option Plan for Employees of Monsieur Henri Wines, Ltd.	33-35601, 33-42122, 33-56666 & 33-66146
PepsiCo SharePower Stock Option Plan for Opco Employees	33-30658 & 33-38014
PepsiCo SharePower Stock Option Plan for PCDC Employees	33-42121
PepsiCo SharePower Stock Option Plan for Employees of Chevys, Inc.	33-66144
PepsiCo SharePower Stock Option Plan for Employees of Southern Tier Pizza Hut, Inc. and STPH Delco, Inc.	33-66148
Pepsi-Cola Bottling Company Annapolis acquisition	33-30372
$500,000,000 Euro-Medium-Term Notes	33-8677
$2,500,000,000 Debt Securities and Warrants	33-39283
Semoran Management Corporation acquisition	33-47527
$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-4	
Erin Investment Corp. acquisition	33-31844
A&M Food Services, Inc. acquisition	33-4635
Pizza Hut Titusville, Inc. acquisition	33-21607
U.S. Kentucky Fried Chicken operations of Collins Foods International, Inc. acquisition	33-37978
Pizza Management, Inc. acquisition	33-47314

Form S-8	
PepsiCo SharePower Stock Option Plan	33-35602, 33-29037, 33-42058, 33-51496, 33-54731 & 33-66150
PepsiCo SharePower Stock Option Plan for Opco Employees	33-43189
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
Long Term Savings Programs of Taco Bell Corp., Pizza Hut, Inc. and Kentucky Fried Chicken Corporation, respectively	2-93163, 2-99532 & 33-10488
Restaurant Deferred Compensation Plan	333-01377

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
July 29, 1997

5
THIS SCHEDULE CONTAINS SUMMARY FINANCIAL INFORMATION
EXTRACTED FROM PEPSICO, INC. AND SUBSIDIARIES CONDENSED
CONSOLIDATED FINANCIAL STATEMENTS FOR THE 24 WEEKS
ENDED JUNE 14, 1997 AND IS QUALIFIED IN ITS ENTIRETY
BY REFERENCE TO SUCH FINANCIAL STATEMENTS.
0000077476
PepsiCo, Inc.
1,000,000

Dec-28-1996
Jun-14-1997
6-MOS
732
379
3,425
150
942
6,310
17,337
7,554
24,904
6,389
7,519
29
0
0
6,591
24,904
14,409
14,409
6,898
6,898
0
30
252
1,735
652
1,083
0
0
0
1,083
0.69
0.68