

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

August 10, 2001

Date of Report (Date of earliest event reported)

PepsiCo, Inc.

(Exact name of registrant as specified in its charter)

North Carolina

(State or other jurisdiction of incorporation)

1-1183
(Commission File Number)

13-1584302
(IRS Employer Identification No.)

700 Anderson Hill Road, Purchase, New York 10577

(Address of Principal Executive Offices)

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

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

(c) Exhibits

99.1 Graphic presentation materials.

Item 9. Regulation FD Disclosure

On August 10, 2001, a presentation regarding the merger of PepsiCo and The Quaker Oats Company is being webcast. Certain graphic materials relating to the presentation are attached to this report as Exhibit 99.1.

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: August 10, 2001

PepsiCo, Inc.

By: /S/ LAWRENCE F. DICKIE

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

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Peter Bridgman

August 10, 2001

Agenda

- o Welcome and Introductions

- o Meeting Objective
- o Rules of the Day
- o New Operating Businesses
- o Corporate Costs and Assumptions
- o Accounting Assumptions
- o Financials: Pro Forma
- o Financials: Reported
- o Q & A

Safe Harbor Statement

This material contains certain "forward looking" statements. These statements are based on management's current expectations and are naturally subject to uncertainty and changes in circumstances. Actual results may vary materially from the expectations contained herein. The forward-looking statements include statements about future benefits of the merger between PepsiCo, Inc. ("PepsiCo") and The Quaker Oats Company ("Quaker Oats") Factors that could cause actual results to differ materially from those described herein include: the inability to successfully integrate the businesses of PepsiCo and Quaker Oats; the inability to achieve cost-cutting synergies resulting from the merger; changing consumer or marketplace trends; and the general economic environment. For a review of other risk factors, please refer to our statements filed at the Securities and Exchange Commission. PepsiCo is not under any obligation to update or alter its forward-looking statements, whether as a result of new information, future events, or otherwise.

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Meeting Objective

To provide an understanding of the financial statements of the New PepsiCo so that

- o you have an historical basis for the New PepsiCo and
- o you have the appropriate base upon which to build your outlook for the New PepsiCo.

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Rules of the Day

o What we will cover

- HISTORY (1998 - Q2 2001)
- Operating Segment Definitions
- Accounting Assumptions
- Financial Statements

Rules of the Day

o What we will not cover

- The FUTURE
- Growth algorithm
- Operating Synergies and Restructuring Estimates

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Six Reporting Segments

Pepsi-Cola North America (PCNA)

Gatorade/Tropicana North America (GTNA)

Frito-Lay North America (FLNA)

PepsiCo Beverages International (PBI)

Frito-Lay International (FLI)

Quaker Foods North America (QFNA)

Our New Operating Businesses

Pepsi-Cola = PCNA
North America

[Image of Pepsi-Cola North America's products omitted]

Our New Operating Businesses

Gatorade/ Tropicana North America	=	Gatorade U.S. and Canada	+	Tropicana's North American Business
---	---	-----------------------------	---	---

[Image of Gatorade's U.S. and Canada products and Tropicana's
North American products omitted]

Our New Operating Businesses

Frito-Lay
North America = FLNA + Quaker's
North American
Snack Business
(Bars & Rice Cakes)

[Image of Quaker's North American snack products and Frito-Lay
North America's products omitted]

Our New Operating Businesses

PepsiCo
Beverages
International = Pepsi-Cola
International + Tropicana's
International
Business + Gatorade's
International
Business

[Image of Pepsi-Cola International's products, Tropicana's international products and Gatorade's international products omitted]

Our New Operating Businesses

Frito-Lay International = FLI + Quaker's International Rice Cakes, Bars and Foods Businesses

[Image of Frito-Lay International's products and Quaker's international rice cakes, bars and food products omitted]

Our New Operating Businesses

Quaker Foods North America	=	Quaker's North American Cereals, Rice and Prepared Foods Businesses
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[Image of Quaker's international cereals, rice cakes and prepared food products omitted]

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Our Corporate Costs

- o Corporate unallocated costs include
 - Corporate overhead expenses, primarily in Purchase and Chicago
 - Centralized cross divisional initiatives
 - Transactional forex gains and losses

Our Corporate Costs

- o Provision for Income Taxes
 - As previously reported by PepsiCo and Quaker
 - No adjustments for potential strategies had we been combined in earlier years
- o Average Shares Outstanding
 - Added Quaker's weighted average shares outstanding, multiplied by the 2.3 exchange ratio
- o Net Interest Expense
 - As previously reported by PepsiCo and Quaker on a proforma basis, adjusted for reclassifications

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Accounting Assumptions:
Policies

- o Quaker Accounting Policies very similar to PepsiCo
- o We have made minor adjustments to ensure ongoing comparability
 - No impact on full year Net Income
 - Quaker's quarterly advertising and marketing expense
 - Quarterly tax accruals
 - Reclassifications between financial statement lines
 - Quarterly reporting calendar

Accounting Assumptions:
Reporting Calendar

- o We will keep PepsiCo's existing reporting calendar
 - Year-end is the last Saturday in December
 - 52 week year; 53 weeks every 5 or 6 years - next 2005
 - Quarters 1, 2 & 3 are 12 weeks; Quarter 4 is 16 weeks

Accounting Assumptions:
Reporting Calendar

- o Quaker had a December 31 year-end and 3 month reporting cycle
 - Quaker calendar year is consolidated with PepsiCo's 52/53 week year
 - For example, for 2001:

Quaker		PepsiCo		New PepsiCo
-----		-----		-----
February 28	+	March 24	=	March 24
May 31	+	June 16	=	June 16
August 31	+	September 8	=	September 8
December 31	+	December 29	=	December 29
o Similar methodology for all years presented				

- Methodology consistent with PCI
- Quaker operating businesses will ultimately change to 52/53 week cycle
 - o Implementation dependent on overall systems integration
 - o Probably not before 2003

Accounting Assumptions:

Future Changes

- o New accounting guidance has recently been issued regarding goodwill and classification of customer support
- o We are currently evaluating the impact of these statements
 - Non amortization of goodwill
 - o Raises EPS
 - o Estimated to lower EPS growth rate slightly
 - Reclassification of customer promotional incentives from selling, general and administrative expenses to net sales
 - o Non-cash and no impact on Operating Profit or EPS
 - Improves margins

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Financials: Pro Forma

- o Pro Forma Financials provide a basis of comparison for historical results
 - Excludes impact of 53rd week in 2000
 - Excludes various one-time gains and losses
 - Excludes significant impairment and restructuring charges
 - Restates all years for any accounting changes
 - Reflects PepsiCo's 1999 bottling transactions as though they occurred as of January 1998
 - Reflects PepsiCo's August 1998 Tropicana acquisition as if it occurred in January 1998
 - Excludes Quaker divested businesses
- o However pro forma financials are not consistent with financial results reported in SEC filings

Financials: Pro Forma

Volume (MM)	Unit of Measure	2000	% vs.		% vs.	
			1999	1999	1998	1998
Frito-Lay North America	Pounds	3,245	5%	3,103	4%	2,987
Frito-Lay International	Kilos	1,531	10%	1,397	4%	1,340
Pepsi-Cola North America	8oz. equivalent Bottler Case Sales	3,552	1%	3,523	2%	3,475
Gatorade/Tropicana North America	Gallons	1,064	10%	970	8%	900
PepsiCo Beverages International	8oz. equivalent Bottler Case Sales	3,154	6%	2,956	--	2,967
Quaker Foods North America	Pounds	1,251	(1%)	1,269	1%	1,255

Volume

- o "Servings" - a new volume measure for total PepsiCo
 - Clearly defined conversion factors
 - Will also continue to give segment volume guidance

Serving Sizes		Traditional	=	Servings
----- -----				
Beverage	8 oz	1 Lb		15.1 Salty
				11.3 Sweet
Salty Snack	30 g			10.1 Other Foods
Sweet Snack	40 g	1 Kilo		33.3 Salty
				25.0 Sweet
Other Food	45 g			22.2 Other Foods
		1 BCS		24
		1 Gallon		16

Volume

Total Servings		% vs.		% vs.	
- - - - -		- - - - -		- - - - -	
	2000	1999	1999	1998	1998
	- - - -	- - - -	- - - -	- - - -	- - - -
Worldwide Snacks	93,312	7%	87,053	4%	83,327
Worldwide Beverages	177,966	4%	171,492	1%	169,016
Quaker Foods N.A.	12,613	(1%)	12,793	1%	12,649
Total PepsiCo	283,891	5%	271,338	2%	264,992

Financials: Pro Forma

Net Sales		% vs.		% vs.	
- - - - -		- - - - -		- - - - -	
	2000	1999	1999	1998	1998
	- - - -	- - - -	- - - -	- - - -	- - - -
Frito-Lay N. A.	\$8,807	7%	\$8,232	5%	\$7,821
Frito-Lay Intl.	4,814	13%	4,274	5%	4,077
	- - - - -		- - - - -		- - - - -
Worldwide Snacks	13,621	9%	12,506	5%	11,898
	- - - - -		- - - - -		- - - - -
Pepsi-Cola N. A.	3,253	8%	3,005	3%	2,912
Gatorade/Tropicana N. A.	3,808	10%	3,452	12%	3,079
PepsiCo Beverages Intl.	2,531	4%	2,429	3%	2,368
	- - - - -		- - - - -		- - - - -
Worldwide Beverages	9,592	8%	8,886	6%	8,359
	- - - - -		- - - - -		- - - - -
Quaker Foods N. A.	1,972	(1%)	1,993	3%	1,928
Total Net Sales	\$25,185	8%	\$23,385	5%	\$22,185
	=====		=====		=====

Financials: Pro Forma

Segment Operating Profit		% vs.		% vs.	
-----	2000	-----	1999	-----	1998
	-----	-----	-----	-----	-----
Frito-Lay N.A.	\$1,875	12%	\$1,679	11%	\$1,515
Frito-Lay Intl.	536	17%	455	15%	397
	-----		-----		-----
Worldwide Snacks	2,411	13%	2,134	12%	1,912
	-----		-----		-----
Pepsi-Cola N. A.	820	9%	751	2%	738
Gatorade/Tropicana N. A.	495	15%	433	30%	333
PepsiCo Beverages Intl.	169	56%	108	(7%)	116
	-----		-----		-----
Worldwide Beverages	1,484	15%	1,292	9%	1,187
	-----		-----		-----
Quaker Foods N. A.	392	8%	363	10%	331
Segment Operating Profit	\$4,287	13%	\$3,789	10%	\$3,430
	=====		=====		=====

Financials: Pro Forma

	2000		1999	
	New Pep	Old Pep	New Pep	Old Pep
Cost of sales (as a %of sales)	40.6%	38.9%	38.9%	37.3%
Selling, general and administrative expenses (as a % of sales)	43.1%	44.7%	45.5%	46.8%

Financials: Pro Forma

	2000	1999	1998
	----	----	----
Segment Operating Profit	\$4,287	\$3,789	\$3,430
Corporate Unallocated Expenses	(330)	(330)	(276)
Bottling Equity Income - Net	125	82	46
Interest Expense - Net	(202)	(203)	(223)
	-----	-----	-----
Income Before Income Taxes	3,880	3,338	2,977
Provision for Income Taxes	1,270	1,093	974
	-----	-----	-----
Net Income	\$2,610	\$2,245	\$2,003

Financials: Pro Forma

	2000	1999	1998
	----	----	----
Net Income	\$2,610	\$2,245	\$2,003
Preferred Dividends	4	4	5
	-----	-----	-----
Net Income Available for Common	\$2,606	\$2,241	\$1,998
Average Shares Outstanding - Diluted	1,791	1,817	1,848
EPS			
Basic	\$1.490	\$1.263	\$1.113
Diluted	\$1.456	\$1.234	\$1.083

Financials: Pro Forma

The seasonality of our 2000 results is not significantly impacted by the addition of Quaker

		Volume				
		Q1	Q2	Q3	Q4	
		--	--	--	--	
"Old"	PepsiCo	21%	25%	26%	28%	100%
"New"	PepsiCo	20%	26%	28%	26%	100%

		Net Sales				
		Q1	Q2	Q3	Q4	
		--	--	--	--	
"Old"	PepsiCo	21%	25%	24%	30%	100%
"New"	PepsiCo	20%	25%	25%	30%	100%

Cash Flow Items:
Capital Spending

Pro forma Capital Spending	2000	1999	1998
- - - - -	- - - -	- - - -	- - - -
PepsiCo	1,067	1,118	1,405
Quaker (ongoing business)	268 - - - - -	222 - - - - -	197 - - - - -
Total	1,353	1,340	1,602
Capex at Divested Bottling Operations	--	(95)	(543)
Tropicana Jan-Aug '98			59
- - - - -	- - - - -	- - - - -	- - - - -
Pro Forma	1,353	1,245	1,118
- - - - -	- - - - -	- - - - -	- - - - -

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Financials: Reported

- o Pro Formas that we have just reviewed include assumptions not permitted in SEC filings
- o We use "Reported" and "Comparable" results in SEC filings

Reported = Generally Accepted Accounting Principles (GAAP)

Comparable = Reported results excluding objectively
verifiable adjustments

Financials: Reported

- o Reported Income Statement
- o Comparable Income Statement
 - Exclude impact of 53rd week
 - Exclude impact of one-time gains and losses
 - Exclude significant impairment and restructuring charges
 - Restate all periods for any accounting changes
 - Exclude Quaker divested businesses
- o Pro Forma Income Statement
 - Reflect PepsiCo's 1999 bottling transactions as though they occurred January 1998
 - Reflect PepsiCo's August 1998 Tropicana acquisition as if it occurred in January 1998

Financials: Reported

Net Sales	2000	1999	1998
- - - - -	- - -	- - -	- - -
Frito-Lay N. A.	\$8,971	\$8,232	\$7,821
Frito-Lay Intl.	4,875	4,274	4,077
Worldwide Snacks	13,846	12,506	11,898
Pepsi-Cola N. A.	3,289	2,605	1,389
Gatorade/Tropicana N. A.	3,841	3,452	1,956
PepsiCo Beverages Intl.	2,531	2,407	2,074
Worldwide Beverages	9,661	8,464	5,419
Quaker Foods N. A.	1,972	1,993	1,928
Segment Net Sales	25,479	22,963	19,245
Quaker Divested Businesses	--	7	284
Bottling Operations	--	2,123	7,662
Total Net Sales	\$25,479	\$25,093	\$27,191

Financials: Reported

Segment Operating Profit	2000	1999	1998
- - - - -	- - - -	- - - -	- - - -
Frito-Lay N. A.	\$1,915	\$1,679	\$1,515
Frito-Lay Intl.	546	455	397
	- - - -	- - - -	- - - -
Worldwide Snacks	2,461	2,134	1,912
	- - - -	- - - -	- - - -
Pepsi-Cola N. A.	833	751	738
Gatorade/Tropicana N. A.	500	433	259
PepsiCo Beverages Intl.	169	108	120
	- - - -	- - - -	- - - -
Worldwide Beverages	1,502	1,292	1,117
	- - - -	- - - -	- - - -
Quaker Foods N. A.	392	363	331
	- - - -	- - - -	- - - -
Segment Operating Profit	\$4,355	\$3,789	\$3,360
	- - - -	- - - -	- - - -

Financials: Reported

	2000	1999	1998
Segment Operating Profit	\$4,355	\$3,789	\$3,360
Corporate Unallocated Expenses	(353)	(286)	(186)
Impairment and Restructuring Charges	(184)	(73)	(482)
Quaker Divested Businesses	--	--	(2)
Bottling Operations/Investments	--	53	346
Gain on Bottling Transactions	--	1,000	--
Bottling Equity Income - Net	130	83	--
Interest Expense - Net	(187)	(291)	(376)
	-----	-----	-----
Income Before Income Taxes	3,761	4,275	2,660
Provision for Income Taxes	1,218	1,770	382
	-----	-----	-----
Net Income	\$2,543	\$2,505	\$2,278
	-----	-----	-----
Average Shares Outstanding - Diluted	1,791	1,817	1,848
EPS			
Basic	\$1.452	\$1.409	\$1.266
Diluted	\$1.419	\$1.377	\$1.231

Financials: Reported

- o We anticipate filing our restated 10K later this month
 - Filing on Form 8K
 - Required within 60 days of announcing transaction
 - 1998 - 2000 full year financials, footnotes and Management Discussions and Analysis
 - o Q2 2001 financial statements and footnotes

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[PEPSICO LOGO]

Q&A

[operating division logos omitted]