

UNITED STATES
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

Date of Report (Date of Earliest Event Reported): July 22, 2005

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

(I.R.S. Employer
Identification No.)

700 Anderson Hill Road, Purchase, New York

(Address of principal executive offices)

10577

(Zip Code)

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

Not Applicable

Former name or former address, if changed since last report

Check the appropriate box below if the Form 8-K filing is intended to simultaneously satisfy the filing obligation of the registrant under any of the following provisions:

- ☐ Written communications pursuant to Rule 425 under the Securities Act (17 CFR 230.425)
- ☐ Soliciting material pursuant to Rule 14a-12 under the Exchange Act (17 CFR 240.14a-12)
- ☐ Pre-commencement communications pursuant to Rule 14d-2(b) under the Exchange Act (17 CFR 240.14d-2(b))
- ☐ Pre-commencement communications pursuant to Rule 13e-4(c) under the Exchange Act (17 CFR 240.13e-4(c))

Item 7.01 Regulation FD Disclosure.

The information, including the exhibit attached hereto, in this Current Report is being furnished pursuant to Item 7.01 of Form 8-K and shall not be deemed "filed" for the purposes of Section 18 of the Securities Exchange Act of 1934, as amended, or otherwise subject to the liabilities of that Section. The information in this Current Report shall not be incorporated by reference into any registration statement or other document pursuant to the Securities Act of 1933, except as otherwise expressly stated in such filing.

Attached and incorporated herein by reference as Exhibit 99.1 is a copy of a press release issued by PepsiCo, Inc. dated July 22, 2005 announcing that its Board of Directors has approved a plan to repatriate earnings under the American Jobs Creation Act and declared a regular dividend.

Item 9.01 Financial Statements and Exhibits.

(c) Exhibits

99.1 Press Release issued by PepsiCo, Inc., dated July 22, 2005.

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.

PepsiCo, Inc.

July 22, 2005

By: /s/ Robert E. Cox

*Name: Robert E. Cox
Title: Vice President, Deputy General Counsel and Assistant
Secretary*

Exhibit Index

Exhibit No.	Description
99.1	Press Release issued by PepsiCo, Inc., dated July 22, 2005.

PepsiCo Board Approves Repatriation Plan and Declares Regular Dividend

PURCHASE, N.Y., July 22, 2005 – PepsiCo announced that its Board of Directors approved the following actions today:

- The repatriation of up to \$7.5 billion of undistributed international earnings under the provisions of the American Jobs Creation Act (AJCA). Tax expense associated with the repatriation, currently estimated at \$475 million, will be recorded in the third quarter of 2005.
- Pension plan cash contributions of up to \$800 million, to be made in the fourth quarter.
- A regular quarterly dividend of 26 cents per share on PepsiCo common stock. The dividend is payable September 30, 2005 to shareholders of record on September 9, 2005.

PepsiCo expects 2005 reported earnings per share of \$2.32 – \$2.35, which includes the impact of the tax expense associated with the approved repatriation and the 53rd week. PepsiCo reaffirmed its 2005 52-week earnings guidance, excluding the impact of the tax expense associated with the approved repatriation, of \$2.56 — \$2.59 per share.

PepsiCo reaffirmed its expectation of 2005 cash from operating activities in excess of \$5.7 billion and net capital spending of approximately \$1.6 billion. This guidance includes the impact of the pension plan cash contributions of up to \$800 million and does not take into account any tax payment related to the repatriated earnings because the timing of such payment has not been determined. The expected amount of the pension plan contributions is an increase from the previously communicated estimate. The increase is driven by an expected reduction in the discount rate used to calculate pension plan obligations. The Company also reaffirmed its expectation to repurchase \$2.5 billion to \$3.0 billion of its common stock in 2005.

The repatriation provision of the AJCA requires that funds be invested in qualified investments in the United States. These U.S. – only investments include: compensation and benefits for employees, hiring and training, capital and infrastructure investments, research and development, and advertising and marketing expenditures.

PepsiCo is one of the world's largest food and beverage companies with annual revenues of more than \$29 billion. Its principal businesses include: Frito-Lay snacks, Pepsi-Cola beverages, Gatorade sports drinks, Tropicana juices and Quaker foods. Its portfolio includes 16 brands that each generates \$1 billion or more in annual retail sales.

Cautionary Statement

This release contains statements concerning PepsiCo's expectations for future performance. Any such forward-looking statements are inherently speculative and are based on currently available information, including current interpretations of the AJCA, operating plans and projections about future events and trends. As such, they are subject to numerous risks and uncertainties. Actual results and performance may be significantly different from expectations. Please see PepsiCo's filings with the Securities and Exchange Commission, including its Annual Report on Form 10-K, for a discussion of specific risks that may affect performance.

Miscellaneous Disclosures

53rd Week in 2005. PepsiCo's fiscal year ends on the last Saturday in December. As a result, most fiscal years contain 52 weeks, and a 53rd week is added every five or six years.

For purposes of comparability, PepsiCo provides guidance that excludes the 53rd week and the impact of the AJCA tax expense. PepsiCo provides guidance that excludes the estimated impact of the 53rd week and the impact of the AJCA tax expense as management believes it is more indicative of PepsiCo's ongoing performance.

Reconciliation of GAAP and Non-GAAP Information

Diluted EPS Reconciliation

	Estimated Full Year 2005
Estimated Reported Diluted EPS	\$2.32-\$2.35
53 rd Week	(0.04)
AJCA Tax Expense	0.28
Estimated Diluted EPS Excluding the 53 rd Week and the AJCA Tax Expense	<u>\$2.56-\$2.59</u>

2005 Cash Flow Guidance Reconciliation

	Estimated 52 Weeks	Impact of 53 rd Week	Estimated 53 Weeks
Operating Cash Flow	\$5.7B	~\$0.05B	\$5.7B+
Less: Net Capital Spending	<u>1.6B</u>	<u>Minimal</u>	<u>1.6B</u>

Management OCF	\$4.1B	~\$0.05B	\$4.1B+
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