

Johnston Hugh F
Form 4
October 26, 2006

FORM 4

**UNITED STATES SECURITIES AND EXCHANGE COMMISSION
Washington, D.C. 20549**

OMB APPROVAL

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STATEMENT OF CHANGES IN BENEFICIAL OWNERSHIP OF SECURITIES

Filed pursuant to Section 16(a) of the Securities Exchange Act of 1934, Section 17(a) of the Public Utility Holding Company Act of 1935 or Section 30(h) of the Investment Company Act of 1940

(Print or Type Responses)

1. Name and Address of Reporting Person *
Johnston Hugh F

(Last) (First) (Middle)
PEPSICO, INC., 700 ANDERSON HILL ROAD
(Street)

PURCHASE, NY 10577

(City) (State) (Zip)

2. Issuer Name and Ticker or Trading Symbol
PEPSICO INC [PEP]

3. Date of Earliest Transaction (Month/Day/Year)
10/24/2006

4. If Amendment, Date Original Filed(Month/Day/Year)

5. Relationship of Reporting Person(s) to Issuer

(Check all applicable)

____ Director _____ 10% Owner
 Officer (give title below) _____ Other (specify below)
EVP, Operations

6. Individual or Joint/Group Filing(Check Applicable Line)
 Form filed by One Reporting Person
____ Form filed by More than One Reporting Person

Table I - Non-Derivative Securities Acquired, Disposed of, or Beneficially Owned

1. Title of Security (Instr. 3)	2. Transaction Date (Month/Day/Year)	2A. Deemed Execution Date, if any (Month/Day/Year)	3. Transaction Code (Instr. 8)	4. Securities Acquired (A) or Disposed of (D) (Instr. 3, 4 and 5)	5. Amount of Securities Beneficially Owned Following Reported Transaction(s) (Instr. 3 and 4)	6. Ownership Form: Direct (D) or Indirect (I) (Instr. 4)	7. Nature of Indirect Beneficial Ownership (Instr. 4)
			Code	V	Amount	(A) or (D)	Price
PepsiCo, Inc. Common Stock	10/24/2006		M		22,000	A	\$ 39.75
PepsiCo, Inc. Common Stock	10/24/2006		S		10,100	D	\$ 62.85
PepsiCo, Inc. Common Stock	10/24/2006		S		200	D	\$ 62.93

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PepsiCo, Inc. Common Stock	10/24/2006	S	100	D	\$ 62.94	88,709	D	
PepsiCo, Inc. Common Stock	10/24/2006	S	11,600	D	\$ 62.7	77,109	D	
PepsiCo, Inc. Common Stock						265.4 ⁽¹⁾	I	by 401(k)

Reminder: Report on a separate line for each class of securities beneficially owned directly or indirectly.

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(9-02)

Table II - Derivative Securities Acquired, Disposed of, or Beneficially Owned
(e.g., puts, calls, warrants, options, convertible securities)

1. Title of Derivative Security (Instr. 3)	2. Conversion or Exercise Price of Derivative Security	3. Transaction Date (Month/Day/Year)	3A. Deemed Execution Date, if any (Month/Day/Year)	4. Transaction Code (Instr. 8)	5. Number of Derivative Securities Acquired (A) or Disposed of (D) (Instr. 3, 4, and 5)	6. Date Exercisable and Expiration Date (Month/Day/Year)	7. Title and Amount of Underlying Securities (Instr. 3 and 4)		
				Code	V (A) (D)	Date Exercisable	Expiration Date	Title	Amount or Number of Shares
Employee Stock Option (right to buy)	\$ 39.75	10/24/2006		M	17,597	02/01/2006 01/31/2013	PepsiCo, Inc. Common Stock	17,597	
Employee Stock Option (right to buy)	\$ 39.75	10/24/2006		M	4,403	02/01/2005 01/31/2012	PepsiCo, Inc. Common Stock	4,403	

Reporting Owners

Reporting Owner Name / Address

Relationships

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Director 10% Owner Officer Other

Johnston Hugh F
PEPSICO, INC.
700 ANDERSON HILL ROAD
PURCHASE, NY 10577

EVP, Operations

Signatures

/s/ Hugh F.
Johnston

10/26/2006

 Signature of
Reporting Person

Date

Explanation of Responses:

- * If the form is filed by more than one reporting person, *see* Instruction 4(b)(v).
- ** Intentional misstatements or omissions of facts constitute Federal Criminal Violations. *See* 18 U.S.C. 1001 and 15 U.S.C. 78ff(a).
- (1) Reflects number of shares held under the reporting person's account in the PepsiCo 401(k) Plan as of October 24, 2006.
- (2) There is no price for this derivative security.

Note: File three copies of this Form, one of which must be manually signed. If space is insufficient, *see* Instruction 6 for procedure.
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