

PEPSICO INC  
Form 4  
October 03, 2006

**FORM 4**

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

OMB APPROVAL

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Check this box if no longer subject to Section 16. Form 4 or Form 5 obligations may continue. See Instruction 1(b).

**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 \*  
VASELLA DANIEL

(Last) (First) (Middle)

NOVARTIS INTERNATIONAL  
AG, WSJ-200.108

(Street)

BASEL, V8 CH-4002

(City) (State) (Zip)

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

3. Date of Earliest Transaction  
(Month/Day/Year)  
10/01/2006

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)

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 Ownership (Instr. 4)
			Code	V	Amount (A) or (D) Price		
PepsiCo, Inc. Common Stock	10/01/2006		A		766 <sup>(1)</sup> \$ 0	D	
PepsiCo, Inc. Common Stock	10/01/2006		F		230 <sup>(2)</sup> \$ 65.25	D	

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

**Persons who respond to the collection of information contained in this form are not required to respond unless the form**

SEC 1474  
(9-02)

displays a currently valid OMB control number.

**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 Number Shares
Employee Stock Option (right to buy)	\$ 65.25	10/01/2006		A	3,064	10/01/2009 09/30/2016	PepsiCo, Inc. Common Stock 3,064
Phantom Stock Units	(4)	10/01/2006		A	1,554.48	(5) (5)	PepsiCo, Inc. Common Stock 1,554.48

## Reporting Owners

Reporting Owner Name / Address	Relationships			
	Director	10% Owner	Officer	Other
VASELLA DANIEL NOVARTIS INTERNATIONAL AG WSJ-200.108 BASEL, V8 CH-4002	X			

## Signatures

/s/ Thomas H. Tamoney, Jr.,  
Atty-in-Fact

10/03/2006

\*\*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).

- This number reflects shares of PepsiCo Common Stock granted to the reporting person as a portion of his compensation for serving as a
- (1) director of PepsiCo, Inc. These shares must be beneficially held by the reporting person until he leaves the Board, except for withholding of shares to pay taxes related to the grant.
  - (2) This number reflects shares of PepsiCo Common Stock withheld by PepsiCo, Inc. to pay withholding taxes related to the grant.
  - (3) There is no price for this derivative security.

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- (4) These phantom units are held under the issuer's deferred compensation plan and convert to shares of PepsiCo Common Stock on a one-for-one basis.
- (5) This security is payable upon the end of the reporting person's tenure on the Board of Directors.

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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