PepsiCo, Inc. and Subsidiaries
Condensed Consolidated Statement of Income
(in millions except per share amounts, unaudited)

	12 Weeks Ended		24 Weeks Ended	
	6/11/05	6/12/04	6/11/05	6/12/04
Net Revenue	$7,697	$7,070	$14,282	$13,201
Cost and Expenses				
Cost of sales	3,504	3,213	6,522	6,024
Selling, general and administrative expenses	2,600	2,403	4,891	4,564
Amortization of intangible assets	37	33	66	65
Operating Profit	1,556	1,421	2,803	2,548
Bottling Equity Income	156	106	221	145
Interest Expense	(53)	(37)	(103)	(72)
Interest Income	28	12	51	22
Income before Income Taxes	1,687	1,502	2,972	2,643
Provision for Income Taxes	493	443	866	780
Net Income	$1,194	$1,059	$ 2,106	$ 1,863
Diluted				
Net Income Per Common Share	$0.70	$0.61	$1.23	$1.07
Average Shares Outstanding	1,712	1,743	1,712	1,740

PepsiCo, Inc. and Subsidiaries
Supplemental Financial Information
(in millions, unaudited)

	12 Weeks Ended		24 Weeks Ended	
	6/11/05	6/12/04	6/11/05	6/12/04
Net Revenue				
Frito-Lay North America	$2,373	$2,235	$ 4,636	$ 4,379
PepsiCo Beverages North America	2,218	2,134	4,002	3,852
PepsiCo International	2,756	2,398	4,877	4,289
Quaker Foods North America	350	303	767	681
Total Net Revenue	$7,697	$7,070	$14,282	$13,201
Operating Profit				
Frito-Lay North America	$ 594	$ 560	$1,133	$1,070
PepsiCo Beverages North America	555	534	970	918
PepsiCo International	452	368	759	625
Quaker Foods North America	113	91	258	214
Division Operating Profit	1,714	1,553	3,120	2,827
Corporate unallocated	(158)	(132)	(317)	(279)
Total Operating Profit	$1,556	$1,421	$2,803	$2,548

PepsiCo, Inc. and Subsidiaries
Condensed Consolidated Statement of Cash Flows
(in millions, unaudited)

	24 Weeks Ended	
	6/11/05	6/12/04
Operating Activities		
Net income	$ 2,106	$ 1,863
Adjustments		
Depreciation and amortization	588	568
Stock-based compensation expense	147	175
Cash payments for merger-related costs and other restructuring Charges	(19)	(43)
Bottling equity income, net of dividends	(159)	(117)
Deferred income taxes	(48)	(40)
Net change in operating working capital[(a)]	(537)	(1,134)
Other, net	285	258
Net Cash Provided by Operating Activities	2,363	1,530
Investing Activities		
Snack Ventures Europe (SVE) minority interest acquisition	(750)	–
Capital spending	(478)	(452)
Sales of property, plant and equipment	42	13
Other acquisitions and investments in noncontrolled affiliates	(214)	(27)
Cash proceeds from sale of The Pepsi Bottling Group (PBG) stock	107	–
Divestitures	3	–
Short-term investments, net	(1,162)	(52)
Net Cash Used for Investing Activities	(2,452)	(518)
Financing Activities		
Proceeds from issuances of long-term debt	13	499
Payments of long-term debt	(85)	(137)
Short-term borrowings, net	936	211
Cash dividends paid	(774)	(549)
Share repurchases – common	(1,240)	(1,713)
Share repurchases – preferred	(11)	(17)
Proceeds from exercises of stock options	590	725
Net Cash Used for Financing Activities	(571)	(981)
Effect of Exchange Rate Changes on Cash and Cash Equivalents	(25)	(11)
Net (Decrease)/Increase in Cash and Cash Equivalents	(685)	20
Cash and Cash Equivalents – Beginning of year	1,280	820
Cash and Cash Equivalents – End of period	$ 595	$ 840

[(a)] 2004 includes a tax payment of $760 million as a result of our 2003 settlement with the Internal Revenue Service.

PepsiCo, Inc. and Subsidiaries
Condensed Consolidated Balance Sheet
(in millions)

	6/11/05 (unaudited)	12/25/04
Assets		
Current Assets		
Cash and cash equivalents	$ 595	$ 1,280
Short-term investments	3,328	2,165
	3,923	3,445
Accounts and notes receivable, net	3,504	2,999
Inventories		
Raw materials	749	665
Work-in-process	239	156
Finished goods	834	720
	1,822	1,541
Prepaid expenses and other current assets	661	654
Total Current Assets	9,910	8,639
Property, plant and equipment, net	8,056	8,149
Amortizable intangible assets, net	555	598
Goodwill	3,875	3,909
Other nonamortizable intangible assets	894	933
	4,769	4,842
Investments in noncontrolled affiliates	3,305	3,284
Other assets	3,089	2,475
Total Assets	$29,684	$27,987
Liabilities and Shareholders' Equity		
Current Liabilities		
Short-term borrowings obligations	$ 2,000	$ 1,054
Accounts payable and other current liabilities	5,422	5,599
Income taxes payable	546	99
Total Current Liabilities	7,968	6,752
Long-term debt obligations	2,331	2,397
Other liabilities	4,024	4,099
Deferred income taxes	1,171	1,216
Total Liabilities	15,494	14,464
Preferred stock, no par value	41	41
Repurchased preferred stock	(101)	(90)
Common Shareholders' Equity		
Common stock	30	30
Capital in excess of par value	609	618
Retained earnings	20,011	18,730
Accumulated other comprehensive loss	(1,030)	(886)
	19,620	18,492
Less: Repurchased shares	(5,370)	(4,920)
Total Common Shareholders' Equity	14,250	13,572
Total Liabilities and Shareholders' Equity	$29,684	$27,987

Supplemental Share and Option Data
(in millions of shares, except average share and exercise prices)

	12 Weeks Ended		24 Weeks Ended	
	6/11/05	6/12/04	6/11/05	6/12/04
Beginning Net Shares Outstanding	1,677	1,708	1,679	1,705
Options Exercised	10	10	17	25
Shares Repurchased	(14)	(21)	(23)	(33)
Ending Net Shares Outstanding	1,673	1,697	1,673	1,697
Weighted Average Basic	1,676	1,704	1,677	1,706
Dilutive Securities:				
Options	32	35	31	30
Restricted Stock Units	2	1	2	1
ESOP Convertible Preferred Stock/Other	2	3	2	3
Weighted Average Diluted	1,712	1,743	1,712	1,740
Average Share Price for the Period	$55.04	$53.89	$54.25	$51.56
Growth Versus Prior Year	2%		5%	
Options Outstanding	166	184	172	190
Options in the Money	166	184	166	175
Dilutive Options	32	35	31	30
Dilutive Options as % of Options in the Money	19%	19%	19%	17%
Average Exercise Price of Options in the Money	$41.56	$39.83	$40.94	$38.80