

\$76,000,000

PepsiCo, Inc.

15% DEBT SECURITIES DUE AUGUST 6, 1999
Interest Payable Semiannually

Underwriter: Lehman Brothers Inc.
Initial Offering Price: 109.200%
Underwriter's Discount: 0.00%
Currency: U. S. Dollars
Date of Issue: August 7, 1998
Issuance form: Book entry
Scheduled Maturity Date: August 6, 1999
Interest Rate: 15.00% per annum
Day count basis: 30/360
Interest Accrual Date: August 7, 1998 or the most recent date
for which interest has been paid or
provided for, as the case may be.
Interest will accrue from each
Interest Accrual Date to but excluding
the next succeeding Interest
Payment Date.

Interest Payment Dates: February 6, 1999 and the Scheduled
Maturity Date
Principal Payment Date: Scheduled Maturity Date
Business Days: New York
Calculation Agent: PepsiCo, Inc.
Optional Redemption Dates: Not applicable
Option to elect prepayment: None
Sinking fund: Not applicable
Settlement Date: August 7, 1998

The 15% Debt Securities Due August 6, 1999 (the "Notes") will be purchased by the Underwriter at 109.200% of their principal amount, and will be offered to the public at varying prices to be determined by the Underwriter based on prevailing market prices at the time of sale.

For U.S. federal income tax purposes, the Notes will be treated as Fixed Rate Debt Securities, issued without OID. This treatment is consistent with the applicable provisions of the Internal Revenue Code of 1986, as amended, and the final OID regulations, which are generally effective for debt instruments issued on or after April 4, 1994.

August 4, 1998
