

\$25,000,000

PepsiCo, Inc.

7.30% Callable Fixed Rate Debt Securities Due June 15, 2011
Interest Payable Monthly

Underwriter: Merrill Lynch, Pierce, Fenner & Smith
Incorporated

Initial Offering Price: The 7.30% Callable Fixed Rate
Debt Securities Due June 15, 2011 ("Notes") are
being purchased by the Underwriter at 97.90% of
their principal amount and will be sold at
varying prices to be determined based on
prevailing market prices at the time of sale.

Underwriter's Discount: 2.10%

Currency: U. S. Dollars

Date of Issue: June 5, 1996

Issuance form: Book entry

Scheduled Maturity Date: June 15, 2011

Interest Rate: 7.30% per annum

Day count basis: 30/360

Interest Accrual Date: June 5, 1996 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: Monthly on the 15th of each month,
commencing July 15, 1996, and ending on the
Scheduled Maturity Date or an earlier Optional
Redemption Date.

Principal Payment Date: Scheduled Maturity Date, or an earlier
Optional Redemption Date.

Business Days: New York

Calculation Agent: PepsiCo, Inc.

Optional Redemption Dates: The Notes may be redeemed, in whole
but not in part, at the option of PepsiCo, at
100% of the principal amount thereof, plus
accrued interest to the date of such
redemption, on June 15, 2000, and semiannually
thereafter on each June 15th and December
15th, upon 30 days' written notice by PepsiCo
to the Trustee under the Indenture dated as of
December 14, 1994 for the benefit of the
holders of such Notes.

Option to elect prepayment: None

Sinking fund: Not applicable

Settlement Date: June 5, 1996

The Notes will be purchased by the Underwriter at 97.90% 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.

Merrill Lynch & Co.

May 28, 1996