AS FILED WITH THE SECURITIES AND EXCHANGE COMMISSION ON DECEMBER 20, 2002

REGISTRATION NOS. 333-

333-

SECURITIES AND EXCHANGE COMMISSION
WASHINGTON, D.C. 20549

FORM S-4
REGISTRATION STATEMENT UNDER THE SECURITIES ACT OF 1933

BOTTLING GROUP, LLC	PEPSICO, INC.
(Exact name of Registrant as specified in its charter)	
DELAWARE	NORTH CAROLINA
(State or other jurisdiction of incorporation or organization)	
2086	2080
(Primary Standard Industrial Classification Code Number)	
13-4042452	13-1584302
(I.R.S. Employer Identification Number)	

BOTTLING GROUP, LLC	PEPSICO, INC.
ONE PEPSI WAY	700 ANDERSON HILL ROAD
SOMERS, NEW YORK 10589	PURCHASE, NEW YORK 10577
(914) 767-6000	(914) 253-2000

(Address, including zip code, and telephone number,
including area code, of registrant's principal executive offices)

COPIES TO:

STEVEN M. RAPP	THOMAS H. TAMONEY, JR.
MANAGING DIRECTOR -- DELEGATEE	VICE PRESIDENT, ASSOCIATE GENERAL COUNSEL
BOTTLING GROUP, LLC	AND ASSISTANT SECRETARY
ONE PEPSI WAY	PEPSICO, INC.
SOMERS, NEW YORK 10589	700 ANDERSON HILL ROAD
(914) 767-6000	PURCHASE, NEW YORK 10577
	(914) 253-3623

(Name, address, including zip code, and telephone number,
including area code, of agent for service)

WITH COPIES TO:

ALLAN R. WILLIAMS	WINTHROP B. CONRAD, JR.
PROSKAUER ROSE LLP	DAVIS POLK & WARDWELL
1585 BROADWAY	450 LEXINGTON AVENUE
NEW YORK, NEW YORK 10036	NEW YORK, NEW YORK 10017
(212) 969-3000	(212) 450-4000

APPROXIMATE DATE OF COMMENCEMENT OF PROPOSED SALE TO THE PUBLIC: As soon as practicable after the effective date of this Registration Statement.

If the securities being registered on this Form are being offered in connection with the formation of a holding company and there is compliance with General Instruction G, check the following box. [ ]

If this Form is filed to register additional securities for an offering pursuant to Rule 462(b) under the Securities Act, check the following box and list the Securities Act registration statement number of the earlier effective registration statement for the same offering. [ ]

If this Form is a post-effective amendment filed pursuant to Rule 462(d) under the Securities Act, check the following box and list the Securities Act registration statement number of the earlier effective registration statement for the same offering. [ ]

CALCULATION OF REGISTRATION FEE

TITLE OF EACH CLASS OF SECURITIES TO BE REGISTERED	AMOUNT TO BE REGISTERED	PROPOSED MAXIMUM OFFERING PRICE PER NOTE	PROPOSED MAXIMUM AGGREGATE OFFERING PRICE(1)	AMOUNT OF REGISTRATION FEE
4 5/8% Series B Senior Notes due November 15, 2012.....	$1,000,000,000	100%	$1,000,000,000	$92,000
Senior unsecured guarantee.....	--	(2)	(2)	(3)

(1) Determined solely for the purpose of calculating the registration fee pursuant to Rule 457(f)(2) under the Securities Act.

(2) No separate consideration will be received for the senior unsecured guarantee.

(3) Pursuant to Rule 457(n) under the Securities Act, no registration fee is payable with respect to the senior unsecured guarantee.

THE REGISTRANTS HEREBY AMEND THIS REGISTRATION STATEMENT ON SUCH DATE OR DATES AS MAY BE NECESSARY TO DELAY ITS EFFECTIVE DATE UNTIL THE REGISTRANTS SHALL FILE A FURTHER AMENDMENT WHICH SPECIFICALLY STATES THAT THIS REGISTRATION STATEMENT SHALL THEREAFTER BECOME EFFECTIVE IN ACCORDANCE WITH SECTION 8(a) OF

THE SECURITIES ACT OR UNTIL THE REGISTRATION STATEMENT SHALL BECOME EFFECTIVE ON SUCH DATE AS THE SECURITIES AND EXCHANGE COMMISSION, OR SEC, ACTING PURSUANT TO SECTION 8(a), MAY DETERMINE.

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THE INFORMATION IN THIS PROSPECTUS IS NOT COMPLETE AND MAY BE CHANGED. THIS PROSPECTUS IS NOT AN OFFER TO SELL THESE SECURITIES AND IT IS NOT SOLICITING AN OFFER TO BUY THESE SECURITIES IN ANY STATE WHERE THE OFFER OR SALE IS NOT PERMITTED.

SUBJECT TO COMPLETION, DATED DECEMBER 20, 2002

PRELIMINARY PROSPECTUS

$1,000,000,000

BOTTLING GROUP, LLC
OFFER TO EXCHANGE
4 5/8% SERIES B SENIOR NOTES DUE NOVEMBER 15, 2012
FOR
ANY AND ALL OUTSTANDING
4 5/8% SENIOR NOTES DUE NOVEMBER 15, 2012

This is an offer to exchange any and all outstanding, unregistered 4 5/8% Senior Notes you now hold for new, substantially identical 4 5/8% Series B Senior Notes that have been registered under the Securities Act of 1933, as amended. The transfer restrictions and registration rights relating to the old notes do not apply to the new notes. Like the old notes, payment of principal and interest on the new notes will be unconditionally and irrevocably guaranteed on a senior unsecured basis by PepsiCo, Inc. subject to the limitations described herein. We have applied to list the new notes on the Luxembourg Stock Exchange. We refer you to "Summary."

This offer will expire at 5:00 p.m., New York City time, on , 2003, unless we extend it. You must tender your old, unregistered notes by the deadline to obtain new, registered notes. Tenders of old notes may be withdrawn at any time prior to the expiration of the exchange offer. The exchange of old notes for new notes will not be a taxable exchange for U.S. federal income tax purposes. Neither we nor PepsiCo will receive any proceeds from the exchange offer.

We and PepsiCo agreed with the initial purchasers of the old notes to make this offer and to register the new notes. This offer applies to any and all old notes tendered by the deadline.

The new notes have the same financial terms and covenants as the old notes, and are subject to the same business and financial risks.

WE REFER YOU TO "RISK FACTORS" ON PAGE 14 OF THIS PROSPECTUS FOR A DISCUSSION OF RISKS TO BE CONSIDERED IN CONNECTION WITH YOUR INVESTMENT DECISION.

Neither the Securities and Exchange Commission nor any state securities commission has approved or disapproved of these notes or determined if this prospectus is truthful or complete. Any representation to the contrary is a criminal offense.

, 2003.

Each broker-dealer that receives new notes for its own account pursuant to the exchange offer must acknowledge that it will deliver a prospectus in connection with any resale of such new notes. Each letter of transmittal states that by so acknowledging and by delivering a prospectus, a broker-dealer will not be deemed to admit that it is an "underwriter" within the meaning of the Securities Act of 1933, as amended, or the Securities Act. This prospectus, as it may be amended or supplemented from time to time, may be used by a broker-dealer in connection with resales of new notes received in exchange for old notes acquired by such broker-dealer as a result of market-making activities or other trading activities. We and PepsiCo have agreed that, for a period of 180 days after the expiration date (as defined herein) of this exchange offer, Bottling LLC will make this prospectus available to any broker-dealer for use in connection with any such resale. We refer you to "Plan of Distribution."

YOU SHOULD RELY ONLY ON THE INFORMATION CONTAINED IN THIS DOCUMENT OR TO WHICH WE OR PEPSICO, AS THE CASE MAY BE, HAVE REFERRED YOU. NEITHER WE NOR PEPSICO HAS AUTHORIZED ANYONE TO PROVIDE YOU WITH INFORMATION THAT IS DIFFERENT. THIS DOCUMENT MAY ONLY BE USED WHERE IT IS LEGAL TO SELL THESE SECURITIES. THE INFORMATION IN THIS DOCUMENT IS ONLY ACCURATE ON THE DATE OF THIS DOCUMENT OR ON SUCH OTHER DATE STATED HEREIN.

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WHERE YOU CAN FIND MORE INFORMATION

We and PepsiCo each file reports and other information with the SEC under the Securities Exchange Act of 1934, as amended, or the Exchange Act. You may read and copy this information at the following location of the SEC:

Public Reference Room
450 Fifth Street, N.W., Rm. 1024
Washington, D.C. 20549

You may obtain information on the operation of the Public Reference Room by calling the SEC at 1-800-SEC-0330. You may also obtain copies of this information by mail from the Public Reference Section of the SEC, 450 Fifth Street, N.W., Room 1024, Washington, D.C. 20549, at prescribed rates. The SEC also maintains an Internet World Wide Web site that contains reports, and other information about issuers, like us and PepsiCo, which file information electronically with the SEC. The address of that site is http://www.sec.gov.

You can also inspect reports, proxy statements and other information about PepsiCo at the offices of the New York Stock Exchange, 20 Broad Street, New York, New York 10005. For as long as the notes are listed on the Luxembourg Stock Exchange and the rules of such exchange so requires, copies of these documents will also be made available, free of charge, at the office of our and PepsiCo's Luxembourg listing agent, The Bank of New York (Luxembourg) S.A., currently located at Aerogolf Centre, 1A, Hoehenhof, L-1736 Senningerberg, Luxembourg.

TO OBTAIN TIMELY DELIVERY IN CONNECTION WITH THE EXCHANGE OFFER, YOU MUST REQUEST THE INFORMATION NO LATER THAN , 2003, OR FIVE BUSINESS DAYS PRIOR TO THE EXPIRATION DATE OF THE EXCHANGE OFFER IF THE EXCHANGE OFFER IS EXTENDED.

In this prospectus, unless indicated otherwise, "Bottling LLC," "we," "us" and "our" refer to Bottling Group, LLC, the issuer of the notes, and its subsidiaries and "PepsiCo" refers to PepsiCo, Inc., which will guarantee the notes on and after the guarantee commencement date (subject to the limitations described herein), and its divisions and subsidiaries.

This prospectus includes information provided in order to comply with the rules governing the listing of securities on the Luxembourg Stock Exchange. We believe that this prospectus contains or incorporates by reference all information with respect to us that is material in the context of the offer and issuance of the new notes together with PepsiCo's guarantee and that this information is true and accurate and is not misleading in any material respect. We represent that our opinions and intentions expressed in this prospectus are honestly held, are based on reasonable assumptions and have been reached after considering all relevant circumstances. We represent that there are no other facts, the omission of which would make any part of this prospectus misleading in any material respect, and all reasonable inquiries have been made to verify the accuracy of the information contained herein. PepsiCo believes that this prospectus contains or incorporates by reference all information with respect to PepsiCo that is material in the context of the issuance by PepsiCo of its guarantee and that this information is true and accurate and is not misleading in any material respect. PepsiCo represents that its opinions and intentions expressed in this prospectus are honestly held, are based on reasonable assumptions and have been reached after considering all relevant circumstances. PepsiCo represents that there are no other facts with respect to PepsiCo, the omission of which would make any part of this prospectus misleading in any material respect, and all reasonable inquiries have been made to verify the accuracy of such information contained herein. We accept responsibility for the information contained in this prospectus other than information about PepsiCo. PepsiCo accepts responsibility for the information about PepsiCo contained in this prospectus. The Luxembourg Stock Exchange takes no responsibility for the contents of this document, makes no representation as to its accuracy or completeness and expressly disclaims any liability whatsoever for any loss howsoever arising from or in reliance upon the whole or any part of the contents of this prospectus.

Inquiries regarding our and PepsiCo's listing status on the Luxembourg Stock Exchange should be directed to our and PepsiCo's Luxembourg listing agent, The Bank of New York (Luxembourg) S.A., currently located at Aerogolf Centre, 1A, Hoehenhof, L-1736 Senningerberg, Luxembourg.

PRINCIPAL EXECUTIVE OFFICES

Bottling LLC's principal executives offices are located at One Pepsi Way, Somers, New York 10589 and its telephone number is (914) 767-6000. PepsiCo's principal executive offices are located at 700 Anderson Hill Road, Purchase, New York 10577 and its telephone number is (914) 253-2000.

MARKET AND INDUSTRY DATA

Some of the market and industry data contained or incorporated by reference in this prospectus are based on internal surveys, market research, independent industry publications or other publicly available information. Although we and PepsiCo believe that the independent sources used by us and PepsiCo, respectively, are reliable, neither we nor PepsiCo has independently verified and cannot assure you as to the accuracy or completeness of this information. Similarly, we believe our internal research is reliable, and PepsiCo believes its internal research is reliable, but such research has not been verified by any independent sources.

PRESENTATION OF CERTAIN FINANCIAL INFORMATION

On November 5, 2002, our simultaneous tender offers in Mexico and the United States for all of the outstanding capital stock of Pepsi-Gemex, S.A. de C.V., or Gemex, a Mexican bottler, expired. Approximately 99.8% of Gemex's capital stock was accepted for payment and purchased. Following the offers, we purchased additional Gemex capital stock, funded a trust for the acquisition of the balance of the outstanding capital stock and caused Gemex to carry out a reverse stock split that eliminated for cash the outstanding capital stock held by any remaining security holders other than us. This document contains certain financial information derived from the financial statements of Gemex. The financial statements of

Gemex are prepared in accordance with generally accepted accounting principles in Mexico, or Mexican GAAP, which differ in certain respects from generally accepted accounting principles in the United States, or U.S. GAAP. In accordance with applicable Mexican accounting standards, Gemex presents its financial statements in Mexican pesos, adjusted for changes in the Mexican National Consumer Price Index through the date of the most recent balance sheet presented. Translations of Mexican peso amounts into U.S. dollar amounts are included solely for the convenience of readers and have been made at the interbank exchange rate reported to Gemex by Centro de Analisis y Proyecciones Economicas para Mexico as of the dates specified in this prospectus. Such translation should not be construed as a representation that any Mexican peso amounts herein could be converted into U.S. dollars at such rate or any other rate.

DISCLOSURE REGARDING FORWARD-LOOKING STATEMENTS

All statements other than statements of historical facts included or incorporated by reference in this prospectus, including, without limitation, statements regarding our or PepsiCo's future financial position, business strategy, budgets, projected costs and plans and objectives of management for future operations, are forward-looking statements. Forward-looking statements generally can be identified by the use of forward-looking terminology such as "may," "will," "expect," "intend," "estimate," "anticipate," "believe" or "continue" or the negative thereof or variations thereon or similar terminology. Although we believe that the expectations reflected in our forward-looking statements are reasonable and PepsiCo believes that the expectations reflected in its forward-looking statements are reasonable, neither we nor PepsiCo can give any assurance that our or PepsiCo's expectations will prove to have been correct. Important factors that could cause actual results to differ materially from our or PepsiCo's expectations are disclosed under "Risk Factors" and elsewhere in, or are incorporated by reference in, this prospectus. All subsequent written and oral forward-looking statements attributable to us or PepsiCo, or persons acting on our or PepsiCo's behalf, are expressly qualified in their entirety by these cautionary statements. We and PepsiCo do not undertake to update our or PepsiCo's respective forward-looking statements or risk factors to reflect future events or circumstances, except as may be required by applicable law.

SUMMARY

This summary highlights information that we believe is especially important concerning our business and this exchange offer and information that PepsiCo believes is especially important concerning its business and its guarantee. It does not contain all of the information that may be important to you and to your investment decision. The following summary is qualified in its entirety by the more detailed information included or incorporated by reference in this prospectus and our and PepsiCo's respective financial statements and notes thereto incorporated by reference in this prospectus. You should carefully read this entire prospectus and should consider, among other things, the matters set forth under "Risk Factors" before deciding to exchange your old notes. In this prospectus, where the context requires, we and PepsiCo sometimes refer to the notes and the guarantee, subject to the limitations described herein, that were issued in a private placement on November 15, 2002 as the "old notes," the notes and the guarantee, subject to the limitations described herein, that we and PepsiCo are offering to exchange for the old notes as the "new notes" and the old notes and the new notes collectively as the "notes."

BOTTLING GROUP, LLC

OVERVIEW

We are the principal operating subsidiary of The Pepsi Bottling Group, Inc., or PBG, and conduct substantially all of the operations, and own or lease, directly or indirectly, substantially all of the assets of PBG. We are the world's largest manufacturer, seller and distributor of carbonated and non-carbonated Pepsi-Cola beverages. We have the exclusive right to manufacture, sell and distribute Pepsi-Cola beverages in all or a portion of 41 states and the District of Columbia in the United States, nine Canadian provinces, Spain, Greece, Russia, Turkey and since our acquisition of Gemex described below, Mexico. In 2001, approximately 79% of our volume was sold in the United States and the remaining 21% was sold in Canada, Spain, Greece and Russia.

The brands we sell are some of the best recognized trademarks in the world and include Pepsi-Cola, Diet Pepsi, PepsiOne, Pepsi Twist, Mountain Dew, Mountain Dew Code Red, AMP, Lipton Brisk, Lipton's Iced Tea, Slice, Mug, Aquafina, Starbucks Frappuccino, Fruitworks, Sierra Mist, Dole and SoBe and, outside of the United States, 7UP, Pepsi Max, Mirinda and KAS, which we bottle under licenses from PepsiCo or PepsiCo joint ventures. In some of our territories, we also have the right to manufacture, sell and distribute soft drink products of other companies, including Dr. Pepper and All Sport in the United States.

We and PBG were formed by PepsiCo to effect the separation in 1999 of most of PepsiCo's company-owned bottling business from its brand ownership. PBG became a publicly traded company on March 31, 1999. As of November 30, 2002, PepsiCo owned approximately 37.8% of PBG's outstanding common stock and 100% of PBG's outstanding class B common stock, together representing approximately 42.9% of the voting power of all classes of PBG's voting stock (with the balance owned by the public). PepsiCo and PBG contributed bottling businesses and assets used in the bottling business to us in connection with our formation. As of November 30, 2002, PBG owned approximately 93% of our membership interests and PepsiCo indirectly owned the remainder of our membership interests. Set forth below is a diagram showing this relationship.

[GRAPH]

RECENT DEVELOPMENTS

On September 30, 2002, PBG announced that it had signed a letter of intent to acquire a Pepsi-Cola bottler based in Buffalo, New York. The transaction is expected to close in the first quarter of 2003.

On November 5, 2002, our simultaneous tender offers in Mexico and the United States for all of the outstanding capital stock of Gemex expired. Approximately 99.8% of Gemex's capital stock was accepted for payment and purchased. Following the offers, we purchased additional Gemex capital stock, funded a trust for the acquisition of the balance of the outstanding capital stock and caused Gemex to carry out a reverse stock split that eliminated for cash the outstanding capital stock held by any remaining security holders other than us. The total purchase price for all of Gemex's capital stock was approximately 8,967 million pesos in cash, or approximately $882 million (using the peso/dollar exchange rate of 10.1667 pesos to U.S. $1.00, which is the exchange rate used in connection with the purchase of the outstanding capital stock of Gemex.)

According to publicly available information filed by Gemex with the SEC, Gemex is the largest bottler in Mexico and the largest bottler outside the United States of Pepsi-Cola soft drink products based on sales volume. Gemex is a Mexican holding company that, through its bottling and distribution subsidiaries, produces, sells and distributes a variety of soft drink products under the Pepsi-Cola, Pepsi Light, Pepsi Max, Pepsi Limon, Mirinda, 7UP, Diet 7UP, KAS, Mountain Dew, Power Punch and Manzanita Sol trademarks under exclusive franchise and bottling arrangements with PepsiCo and certain affiliates of PepsiCo. Gemex also has rights to produce, sell and distribute in Mexico soft drink products of other companies and it produces, sells and distributes purified and mineral water in Mexico under the trademarks Electropura and Garci Crespo.

Gemex's consolidated financial statements have been prepared in accordance with Mexican GAAP, which differs in certain respects from U.S. GAAP. Gemex reported that, in fiscal 2001, its total revenues were 11.1 billion pesos ($1.2 billion) and its consolidated net income was 595.2 million pesos ($65.0 million) (using the peso/dollar exchange rate of 9.16 pesos to U.S. $1.00 as of December 31, 2001). Gemex reported that, for the nine months ended September 30, 2002, its total revenues were 9.2 billion pesos ($897.6 million) and its consolidated net income was 162 million pesos ($15.9 million) (using the peso/dollar exchange rate of 10.214 pesos to U.S. $1.00 as of September 30, 2002). For purposes of the foregoing, the results for fiscal year 2001 have not been restated to constant September 30, 2002 pesos to reflect inflation in the first nine months of 2002, which was approximately 3.94%, based on the National Consumer Price Index published by Banco de Mexico. We refer you to "Presentation of Certain Financial Information."

PepsiCo manufactures, markets and sells throughout the world a wide variety of beverages, snacks and other foods and many of its brands are among the best recognized in the world.

In its worldwide beverage business, PepsiCo manufactures Pepsi, Diet Pepsi, Wild Cherry Pepsi, Pepsi One, Pepsi Twist, Mountain Dew, Mountain Dew Code Red, Mug, Sierra Mist, Dole single serve juices and juice drinks, SoBe juice drinks and teas and AMP energy drinks. PepsiCo sells these beverages to licensed bottlers and, in certain countries, PepsiCo-owned bottlers. PepsiCo also licenses its bottlers to process Aquafina bottled water. PepsiCo also produces, markets, sells and distributes Gatorade sports drinks, Tropicana Pure Premium, Tropicana Season's Best, Tropicana Twister, Dole, and Tropicana Pure Tropics juices and juice beverages and Propel fitness water. In its worldwide snack food business, PepsiCo manufactures, markets, sells and distributes a varied line of salty, sweet and grain-based snack foods, including Lay's potato chips, Doritos and Tostitos tortilla chips, Cheetos cheese-flavored snacks, Ruffles potato chips and Fritos corn chips.

Through its Quaker Foods North America division, PepsiCo manufactures, markets and sells Quaker oatmeal, Cap'n Crunch and Life ready-to-eat cereals, Rice-A-Roni, Aunt Jemima mixes and syrups and Quaker grits in the United States and Canada.

THE EXCHANGE OFFER

General.....	We are offering to exchange up to $1,000,000,000 aggregate principal amount of our 4 5/8% series B senior notes due November 15, 2012 that have been registered under the Securities Act for up to $1,000,000,000 aggregate principal amount of 4 5/8% senior notes due November 15, 2012 that were issued on November 15, 2002 in a private offering. Old notes may be exchanged in denominations of $1,000 and multiples thereof. We will issue the new notes promptly after the expiration of the exchange offer. The new notes are substantially identical to the old notes but will be free of the transfer restrictions that apply to the old notes and will not contain terms with respect to a potential increase in the interest rate. We refer you to "The Exchange Offer."
Expiration Date.....	The exchange offer will expire at 5:00 p.m., New York City time, on , 2003, unless we extend it. We do not currently intend to extend the exchange offer, although we reserve the right to do so, at our discretion after consulting with PepsiCo. We and PepsiCo have each agreed to use our best efforts to commence and complete the exchange offer promptly but no later than , 2003. If the exchange offer is extended, the term expiration date will mean the latest date and time to which the exchange offer is extended.
Registration Rights Agreement.....	We sold the old notes on November 15, 2002 to Credit Suisse First Boston Corporation, Deutsche Bank Securities Inc., Salomon Smith Barney Inc., Banc of America Securities LLC, J.P. Morgan Securities Inc. and Lehman Brothers Inc., collectively, the initial purchasers. The initial purchasers then sold the old notes within the United States to qualified institutional buyers and outside the United States to buyers who were not U.S. persons. Prior to the initial sale of the old notes, we and PepsiCo entered into a registration rights agreement with the initial purchasers, in which we and PepsiCo agreed to file with the Securities and Exchange Commission, or SEC, a registration statement within 135 days after the date of original issuance of the old notes, with respect to a registered exchange offer to exchange new notes for your old notes. The exchange offer satisfies your rights under the registration rights agreement. After the exchange offer is over, you will not be entitled to any exchange or registration rights with respect to your old notes. Therefore, if you do not exchange your old notes, you will not be able to reoffer, resell or otherwise dispose of your old notes unless (1) you comply with the registration and prospectus delivery requirements of the Securities Act or (2) you qualify for an exemption from such Securities Act requirements.
Resale of New Notes.....	Based on interpretive letters written by the staff of the SEC to companies other than us, we believe that you, subject to certain exceptions, can offer for resale, resell or otherwise transfer the

	new notes without compliance with the registration and prospectus delivery requirements of the Securities Act if: - you are not our or PepsiCo's affiliate (as that term is defined under rule 405 of the Securities Act); - you acquire the new notes in the ordinary course of your business; and - you are not engaged in, do not intend to engage in, and have no arrangement or understanding with any person to participate in, a distribution of the new notes. If any of these conditions is not satisfied and you offer, resell or otherwise transfer any new notes without delivering a proper prospectus or without qualifying for a registration exemption you may incur liability under the Securities Act. Neither we nor PepsiCo will assume or indemnify you against such liability. Each participating broker-dealer that receives new notes for its own account pursuant to the exchange offer in exchange for old notes that were acquired as a result of market-making or other trading activity must acknowledge that it will deliver a prospectus in connection with any resale of the new notes. We refer you to "Plan of Distribution."
Conditions to the Exchange Offer.....	The exchange offer is subject to customary conditions and to the terms of the registration rights agreement. We may terminate the exchange offer before the expiration date if we, after consulting with PepsiCo, determine that our ability to proceed with the exchange offer could be materially impaired due to: - any legal or governmental action; - any new law, statute, rule or regulation; or - any interpretation by the staff of the SEC of any existing law, statute, rule or regulation. We refer you to "The Exchange Offer -- Conditions to the Exchange Offer."
Tender Procedures -- Beneficial Owners.....	If you wish to tender old notes that are registered in the name of a broker, dealer, commercial bank, trust company or other nominee, you should contact the registered holder promptly and instruct the registered holder to tender on your behalf. IF YOU ARE A BENEFICIAL HOLDER, YOU SHOULD FOLLOW THE INSTRUCTIONS RECEIVED FROM YOUR BROKER OR NOMINEE WITH RESPECT TO TENDERING PROCEDURES AND CONTACT YOUR BROKER OR NOMINEE DIRECTLY.
Tender Procedures -- Registered Holders and DTC Participants.....	If you are a registered holder of old notes and you wish to participate in the exchange offer, you must complete, sign and date the letter of transmittal delivered with this prospectus, or a facsimile thereof. If you are a participant in The Depository Trust Company, or DTC, and you wish to participate in the exchange offer, you must instruct DTC to transmit to the exchange agent a message (an agent's message) indicating that you agree to be bound by the

terms of the letter of transmittal.

	You should mail or otherwise transmit the letter of transmittal or facsimile (or agent's message in lieu thereof), together with your old notes (in book-entry form if you are a participant in DTC) and any other required documentation to JPMorgan Chase Bank, as exchange agent.
Guaranteed Delivery Procedures.....	If you are a registered holder of old notes and you wish to tender them, but they are not immediately available or you cannot deliver them or the letter of transmittal or the agent's message in lieu thereof to the exchange agent prior to the expiration date, you must tender your old notes according to special guaranteed delivery procedures. We refer you to "The Exchange Offer -- Guaranteed Delivery Procedures."
Withdrawal Rights.....	You may withdraw tenders of old notes at any time before 5:00 p.m., New York City time, on the expiration date as provided in "The Exchange Offer -- Withdrawal of Tenders." Any old notes not accepted for exchange for any reason will be returned without expense to the tendering holder promptly after the expiration or termination of the exchange offer.
Effect on Holders of Old Notes.....	If you are a holder of old notes and do not tender your old notes in the exchange offer, you will continue to hold the old notes and you will be entitled to all the rights and subject to the provisions applicable to the old notes in the indenture, except for any rights under the registration rights agreement that by their terms terminate upon the consummation of the exchange offer. PepsiCo will continue to be obligated to unconditionally and irrevocably guarantee the payment of principal of and interest and premium, if any, on the old notes on and after the guarantee commencement date, except that, under the circumstances described in "Description of the Notes and the Guarantee -- Guarantee," PepsiCo's guarantee may not become effective or may become effective as to less than all of the principal of and interest and premium, if any, on the outstanding old notes. We refer you to "Description of the Notes and the Guarantee -- Guarantee."
Consequences of Failure to Exchange.....	All unexchanged old notes will continue to be subject to the restrictions on transfer provided for in the old notes. In general, the old notes may not be offered or sold unless registered under the Securities Act, except pursuant to an exemption from, or in a transaction not subject to, the Securities Act and applicable state securities laws. Other than the new notes being registered in connection with the exchange offer, we do not currently anticipate that we will register the old notes under the Securities Act. We refer you to "Risk Factors -- Risks Relating to Our Indebtedness and This Exchange Offer -- If you do not tender your old notes, or do so improperly, you will continue to hold unregistered old notes and your ability to transfer such notes will be adversely affected."
Certain U.S. Federal Income Tax Consequences.....	An exchange of old notes for new notes pursuant to the exchange offer will not constitute a taxable event for U.S. federal

	income tax purposes. We refer you to "Certain United States Federal Income Tax Consequences."
Use of Proceeds.....	Neither we nor PepsiCo will receive any proceeds from the issuance of the new notes in the exchange offer.
Exchange Agent.....	JPMorgan Chase Bank is the exchange agent for the exchange offer. The address and telephone number of the exchange agent are set forth in this prospectus under "The Exchange Offer -- Exchange Agent."

SUMMARY OF TERMS OF THE NEW NOTES

The summary below describes the principal terms of the new notes and the guarantee. Certain of the terms and conditions described below are subject to important limitations and exceptions. The "Description of the Notes and the Guarantee" section of this prospectus contains a more detailed description of the terms and conditions of the new notes and the guarantee, including the circumstances in which the guarantee may not become effective or may become effective as to less than all of the principal of and interest and premium, if any, on the new notes.

Issuer.....	Bottling Group, LLC
Securities Offered.....	$1,000,000,000 principal amount of 4 5/8% series B senior notes due November 15, 2012.
Maturity Date.....	November 15, 2012.
Interest Payment Dates.....	Interest will accrue on the new notes from the date of original issuance of the new notes and will be payable on May 15 and November 15 of each year, beginning on May 15, 2003. Interest will be computed on the basis of a 360-day year comprised of twelve 30-day months. Holders of new notes will receive interest on May 15, 2003 from the date of original issuance of the new notes, plus an amount equal to the accrued, but unpaid, interest on the old notes through the date of exchange.
Optional Redemption.....	We may redeem the new notes at our option at any time prior to maturity, in whole but not in part, at a redemption price equal to the greater of: - 100% of the principal amount of the new notes; and - the sum of the present values of the remaining scheduled payments of principal and interest on the new notes from the redemption date to the maturity date at a discount rate equal to the Treasury rate (as defined under "Description of the Notes and the Guarantee -- Optional Redemption"), plus 15 basis points plus, in either of the above cases, accrued and unpaid interest on the new notes to the redemption date.
Ranking of the New Notes.....	The new notes will be our general unsecured obligations and will rank on an equal basis with all of our other existing and future senior unsecured indebtedness, including the old notes, and senior to all of our existing and future subordinated indebtedness.
Certain Covenants.....	Both the new notes and the old notes are governed by the same indenture. The indenture limits, among other things, our ability and the ability of our restricted subsidiaries to: - create or assume liens; - enter into sale and lease-back transactions; and - engage in mergers or consolidations and transfer or lease all or substantially all of our assets. The Indenture also limits PepsiCo's ability to engage in mergers or consolidations and transfer or lease all or substantially all of PepsiCo's assets. In addition, on and after the guarantee commencement date (in the event such date occurs), the indenture will limit PepsiCo's and its restricted subsidiaries' ability to create or assume liens. We refer you to "Description

	of the Notes and the Guarantee -- Certain Covenants" for additional information, including information as to various exceptions to these covenants.
Guarantor.....	PepsiCo, Inc.
Guarantee of the New Notes....	PepsiCo will continue to be obligated to unconditionally and irrevocably guarantee the payment of principal of and interest and premium, if any, on the new notes on and after the guarantee commencement date, except that, under the circumstances described in "Description of the Notes and the Guarantee -- Guarantee," PepsiCo's guarantee may not become effective or may become effective as to less than all of the principal of and interest and premium, if any, on the outstanding new notes. We refer you to "Description of the Notes and the Guarantee -- Guarantee." The terms of PepsiCo's guarantee of the new notes, including the scheduled guarantee commencement date, are intended to preserve the structure of our and PBG's separation from PepsiCo in March 1999. In connection with the separation, PepsiCo guaranteed some of our indebtedness, including $1.0 billion of our 5 3/8% senior notes due 2004, which will mature on February 17, 2004.
Ranking of the Guarantee.....	The guarantee, if and when it becomes effective, will be PepsiCo's general unsecured obligation and will rank on an equal basis with all of PepsiCo's other existing and future senior unsecured obligations and senior to all of PepsiCo's existing and future subordinated obligations.
Listing.....	We and PepsiCo have applied to list the new notes on the Luxembourg Stock Exchange in accordance with the rules of the Luxembourg Stock Exchange.
Governing Law.....	State of New York
Trustee.....	JPMorgan Chase Bank

RISK FACTORS

Before exchanging your old notes for new notes, you should consider carefully the information included in the "Risk Factors" section, as well as all other information included or incorporated by reference in this prospectus.

SUMMARY HISTORICAL FINANCIAL DATA

BOTTLING LLC

The following table sets forth our summary historical financial data: (a) as of and for each of the five fiscal years ended December 29, 2001 and (b) as of September 8, 2001 and September 7, 2002 and for each of the 36-week periods then ended. The summary historical financial data as of and for each of the five fiscal years ended December 29, 2001 have been derived from our audited consolidated financial statements. The summary historical financial data as of and for the 36-week periods ended September 8, 2001 and September 7, 2002 have been derived from our unaudited condensed consolidated financial statements and include all adjustments, consisting only of normal recurring adjustments, which are, in our opinion, necessary for a fair presentation of our financial position at such dates and results of operations for such periods. The results of operations for the 36-week period ended September 7, 2002 are not necessarily indicative of the results for the full year, especially in view of the seasonality of our business. You should read the following financial information with our historical consolidated financial statements and notes thereto incorporated by reference in this prospectus.

FISCAL YEAR ENDED					36 WEEKS ENDED	
DEC. 27, 1997(1)	DEC. 26, 1998(1)	DEC. 25, 1999(1)	DEC. 30, 2000(2)	DEC. 29, 2001	SEPT. 8, 2001	SEPT. 7, 2002
(IN MILLIONS, EXCEPT FOR RATIO OF EARNINGS TO FIXED CHARGES) STATEMENT OF OPERATIONS DATA:						
Net revenues	$6,592	$ 7,041	$7,505	$7,982	$ 8,443	$5,981	$6,436
Cost of sales	3,832	4,181	4,296	4,405	4,580	3,212	3,464
Gross profit	2,760	2,860	3,209	3,577	3,863	2,769	2,972
Selling, delivery and administrative expenses	2,425	2,583	2,813	2,986	3,185	2,176	2,227
Unusual impairment and other charges and credits(3)	--	222	(16)	--	--	--	--
Operating income	335	55	412	591	678	593	745
Interest expense	165	166	140	136	132	91	92
Interest income	5	9	11	47	54	33	20
Foreign currency loss (gain)	(2)	26	1	1	--	--	3
Minority interest	4	4	5	8	14	13	8
Income (loss) before income taxes	173	(132)	277	493	586	522	662
Income tax expense (benefit)(4)	1	(1)	4	22	(1)	(6)	28
Net income (loss)	$ 172	$ (131)	$ 273	$ 471	$ 587	$ 528	$ 634
OTHER FINANCIAL DATA:							
Net cash provided by operations	$ 627	$ 732	$ 907	$1,026	$ 1,196	$ 669	$ 794
Net cash used for investments	(578)	(1,027)	(992)	(852)	(1,072)	(775)	(754)
Net cash provided by (used for) financing	(2)	244	244	(42)	(173)	15	(41)
Capital expenditures	(472)	(507)	(560)	(515)	(593)	(397)	(437)
Ratio of earnings to fixed charges(5)	2.06	--(6)	2.76	4.31			

5.09 6.23 7.36 BALANCE SHEET DATA (AT PERIOD END): Total assets..... $7,095 $ 7,227 $7,799 $8,228 $ 8,677 $8,861 $9,583 Total long-term debt..... 2,396 2,361 2,284 2,286 2,299 2,295 2,356 Owners' equity..... 3,336 3,283 3,928 4,321 4,596 4,882 5,289

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(1) Financial information for the periods prior to PBG's initial public offering in March 1999 has been carved out from PepsiCo's financial statements for the same periods based on the historical results of operations and the assets and liabilities of our business. Our financial information for these periods reflects some costs that may not necessarily be indicative of the costs that we would have incurred if we had operated as an independent, stand-alone entity during such periods.

(2) The 2000 fiscal year consisted of 53 weeks compared to 52 weeks in our normal fiscal year. The fifty-third week increased fiscal 2000 net revenues by an estimated $113 million and net income by an estimated $12 million.

(3) Unusual impairment and other charges and credits were comprised of the following:

- a $45 million non-cash compensation charge in the second quarter of 1999,
- a $53 million vacation accrual reversal in the fourth quarter of 1999,
- an $8 million restructuring reserve reversal in the fourth quarter of 1999, and
- a $222 million charge related to the restructuring of our Russian bottling operations and the separation of Pepsi-Cola North America's concentrate and bottling organizations in the fourth quarter of 1998.

(4) Results for the 36-week period ended September 8, 2001 and the fiscal year ended December 29, 2001 included Canadian tax law change benefits of $25 million.

(5) We have calculated our ratio of earnings to fixed charges by dividing earnings by fixed charges. For this purpose, earnings are before taxes and minority interest, plus fixed charges (excluding capitalized interest) and losses recognized from equity investments, reduced by undistributed income from equity investments. Fixed charges include interest expense, capitalized interest and one-third of net rent expense, which is the portion of rent deemed representative of the interest factor. Since our formation in 1999, we have distributed, and in the future we intend to distribute, pro rata to our members sufficient cash so that the aggregate amount of cash distributed to PBG will enable it to pay its taxes and make interest payments on its $1 billion principal amount of 7% senior notes due 2029. Such distributions are not included in the calculation of fixed charges. Total distributions to our members in 2000, 2001 and 2002 were $45 million, $223 million and $156 million, respectively.

(6) As a result of the losses incurred in the fiscal year ended December 26, 1998, we were unable to fully cover fixed charges. Earnings did not cover fixed charges by $124 million in fiscal 1998.

SUPPLEMENTAL PRO FORMA INFORMATION

During 2001, the Financial Accounting Standards Board issued Statement of Financial Accounting Standards 142, or SFAS 142, "Goodwill and Other Intangible Assets," which requires that goodwill and intangible assets with indefinite useful lives no longer be amortized, but instead tested for impairment. Effective the first day of fiscal year 2002, we no longer amortize goodwill and certain franchise rights, but evaluate them for impairment annually. We have completed the initial impairment review upon adoption of SFAS 142 and have determined that our intangible assets were not impaired. Had we adopted SFAS 142 on the first day of 1999, amortization expense would have been lowered by approximately $129 million in each of 1999, 2000 and 2001 and $89 million for the 36-week period ended September 8, 2001; net income would have increased $126 million in each of 1999, 2000 and 2001 and $87 million for the 36-week period ended September 8, 2001; and the ratio of earnings to fixed charges would have increased 0.79 to 3.55 in 1999, 0.83 to 5.14 in 2000, 0.86 to 5.95 in 2001 and 0.85 to 7.08 for the 36-week period ended September 8, 2001.

PEPSICO

The following table sets forth PepsiCo's summary historical financial data: (a) as of and for each of the five fiscal years ended December 29, 2001 and (b) as of September 8, 2001 and September 7, 2002 and for each of the 36-week periods then ended. The summary historical financial data as of and for each of the four fiscal years ended December 29, 2001 have been derived from PepsiCo's audited consolidated financial statements, except for net sales, which have been restated to reflect the adoption of EITF 01-9 as described in Note (7) below, and long-term debt as of December 26, 1998, which has been derived from PepsiCo's unaudited consolidated financial information. The summary historical financial data for the fiscal year ended December 27, 1997 has been derived from PepsiCo's unaudited consolidated financial information. The summary historical financial data as of and for the 36-week periods ended September 8, 2001 and September 7, 2002 have been derived from PepsiCo's unaudited condensed consolidated financial statements and include all adjustments, consisting only of normal recurring adjustments, which are, in PepsiCo's opinion, necessary for a fair presentation of PepsiCo's financial position at such dates and results of operations for such periods. The results of operations for the 36-week period ended September 7, 2002 are not necessarily indicative of the results for the full year, especially in view of the seasonality of PepsiCo's business. In 2001, PepsiCo merged with The Quaker Oats Company, or Quaker, in a transaction accounted for as a pooling-of-interests. Prior year results have been restated to reflect the transaction, except for cash dividends per common share, which reflect those of pre-merger PepsiCo prior to the effective date of the merger. As a result of the bottling deconsolidation in 1999 and PepsiCo's acquisition of Tropicana Products, or Tropicana, late in 1998, PepsiCo's financial statements that include these periods may not be fully comparable with prior periods. In addition, in 1997, PepsiCo disposed of its restaurants segment and accounted for the disposal as discontinued operations. Accordingly, all information for 1997 has been restated. You should read the following financial information with PepsiCo's historical consolidated financial statements and notes thereto incorporated by reference in this prospectus.

FISCAL YEAR ENDED					36 WEEKS ENDED	
DEC. 27, 1997(1)	DEC. 26, 1998(1)(3)	DEC. 25, 1999(1)(4)	DEC. 30, 2000(1)(5)	DEC. 29, 2001(1)(6)	SEPT. 8, 2001(1)(6)	SEPT. 7, 2002(6)
(IN MILLIONS, EXCEPT PER SHARE AMOUNTS AND RATIO OF EARNINGS TO FIXED CHARGES)						
Net sales(7)	$25,933	$24,605	$22,183	$22,337	$23,512	$16,546
Income from continuing operations	$17,655	561	2,278	2,505	2,543	2,662
	1,995	2,508				
Income per common share -- continuing operations -- basic	0.30	1.27	1.41	1.45	1.51	1.13
	1.42					
Income per common share -- continuing operations -- diluted	0.30	1.23	1.38	1.42	1.47	
	1.10	1.39				
Cash dividends declared per common share(8)	0.49	0.515	0.535	0.555	0.575	
	0.43	0.445				
Total assets (at period end)	22,798	25,170	19,948	20,757	21,695	23,036
	23,793					
Long-term debt (at period end)	5,834	4,823	3,527	3,009	2,651	2,559
	2,271					
Ratio of earnings to fixed charges(9)	2.96	6.03	9.82	11.91	15.21	
	15.77	22.80				

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(1) Includes other impairment and restructuring charges of $331 million ($265 million after-tax or $0.14 per share) in 1997, $482 million ($379 million after-tax or $0.21 per share) in 1998, $73 million ($45 million after-tax or $0.02 per share) in 1999, $184 million ($111 million after-tax or $0.06 per share) in 2000, $31 million ($19 million after-tax or $0.01 per share) in 2001 and $21 million ($13 million after-tax or $0.01 per share) for the 36-week period ended September 8, 2001.

(2) Includes a loss on a Quaker business divestiture of $1.4 billion ($1.1 billion after-tax or $0.61 per share).

(3) Includes a tax benefit of $494 million (or $0.27 per share) related to final agreement with the Internal Revenue Service to settle a case related to concentrate operations in Puerto Rico.

(4) Includes a net gain on bottling transactions of $1.0 billion ($270 million after-tax or $0.15 per share), a tax provision related to the PepCom transaction, as described in PepsiCo's Annual Report on

Form 10-K for the year ended December 29, 2001, of $25 million (or $0.01 per share) and a Quaker favorable tax adjustment of $59 million (or $0.03 per share).

(5) The 2000 fiscal year consisted of 53 weeks compared to 52 weeks in PepsiCo's normal fiscal year. The fifty-third week increased 2000 net sales by an estimated $294 million and net income by an estimated $44 million (or $0.02 per share).

(6) Includes Quaker merger-related costs of $356 million ($322 million after-tax or $0.18 per share) in 2001, $235 million ($231 million after-tax or $0.13 per share) for the 36-week period ended September 8, 2001 and $134 million ($109 million after-tax or $0.06 per share) for the 36-week period ended September 7, 2002.

(7) PepsiCo adopted the Emerging Issues Task Force Issue No. (EITF) 01-9, "Accounting for Consideration Given by a Vendor to a Customer or Reseller of the Vendor's Products," on January 1, 2002. As a result of adopting EITF 01-9 in 2002, PepsiCo has reduced net sales and selling, general and administrative expenses by $2.6 billion in 1998, $2.9 billion in 1999, $3.1 billion in 2000, $3.4 billion in 2001 and $2.4 billion for the 36-week period ended September 8, 2001. Accordingly, these amounts differ from PepsiCo's Annual Report on Form 10-K for the year ended December 29, 2001, which is incorporated herein by reference. Net sales and selling, general and administrative expenses for fiscal year 1997 have not been restated in the above table to reflect the adoption of EITF 01-9 as this information is not readily available.

(8) Prior to the effective date of PepsiCo's merger with Quaker on August 1, 2001, cash dividends per common share are those of pre-merger PepsiCo.

(9) The ratio of earnings to fixed charges is calculated by dividing earnings by fixed charges. For this purpose, earnings principally reflect income before taxes excluding the results of minority-owned equity investments, minority interest income, interest expense and an estimate of the interest portion of rent expense. In addition, earnings are adjusted to include 100% of the losses of majority-owned equity investments and dividends from minority-owned equity investments. Fixed charges principally include interest expense and an estimate of the interest portion of rent expense.

SUPPLEMENTAL PRO FORMA INFORMATION

PepsiCo adopted SFAS 142 in 2002. As a result of this adoption, amortization ceased for nonamortizable intangibles and the remaining useful lives of certain amortizable intangibles were reduced.

The following reflects the impact that SFAS 142 would have had on the results of the prior periods indicated below if SFAS 142 had been in effect for such periods.

FISCAL YEAR ENDED ---------- -------- 36 WEEKS ENDED DEC. 30, 2000 DEC. 29, 2001 SEPT. 8, 2001 ---------- -- ---------- ---------- Reported net income..... $2,543 $2,662 $1,995 Cease goodwill amortization..... 112 112 78 Adjust brands amortization..... (22) (67) (46) Cease equity investee goodwill amortization..... 61 57 40 ------ ------ ------ Adjusted net income..... $2,694 $2,764 $2,067 ====== ====== ====== Reported earnings per common share -- diluted..... $ 1.42 $ 1.47 $ 1.10 Cease goodwill amortization..... 0.06 0.06 0.04 Adjust brands amortization..... (0.01) (0.03) (0.03) Cease equity investee goodwill amortization..... 0.03 0.03 0.03 ------ ------ ------ Adjusted earnings per common share -- diluted..... $ 1.50 $ 1.53 $ 1.14 ====== ====== ======

The impact on basic earnings per common share is the same as the diluted earnings per common share amounts reported above. It is not practicable to

provide the pro forma impact of SFAS 142 for years prior to 2000 as this information is not readily available.

RISK FACTORS

An investment in the new notes and the guarantee, like the old notes and the guarantee, involves risks. Before exchanging your old notes for new notes in this exchange offer, you should carefully consider the following risk factors in addition to the other information included or incorporated by reference in this prospectus.

RISKS RELATING TO OUR BUSINESS

Because we depend upon PepsiCo to provide us with concentrate, certain funding and various services, changes in our relationship with PepsiCo could adversely affect our business and financial results.

We conduct our business primarily under PBG's beverage agreements with PepsiCo, including a master bottling agreement, non-cola bottling agreements and a master syrup agreement. Although we are not a direct party to these agreements, as the principal operating subsidiary of PBG, we enjoy rights and are subject to obligations under these agreements.

PBG is party to a master bottling agreement with PepsiCo for cola products in the United States as well as other agreements with PepsiCo relating to non-cola products and fountain syrup in the United States and similar agreements relating to Pepsi-Cola beverages in foreign countries where we sell our products. These agreements provide that PBG must purchase all of the concentrate for such beverages at prices and on other terms that are set by PepsiCo in its sole discretion. Any concentrate price increases could materially affect our business and financial results. Prices under PBG's beverage agreements with PepsiCo may increase materially, and we may not be able to pass on any increased costs to our customers.

PepsiCo has also traditionally provided marketing support and funding to its bottling operations. PepsiCo does not have to continue to provide support under PBG's beverage agreements with PepsiCo and any support provided to us by PepsiCo will be at PepsiCo's sole discretion. Decreases in marketing support and funding levels could materially affect our business and financial results.

PBG also has to submit annual marketing, advertising, management and financial plans each year to PepsiCo for its review and approval. If PBG fails to submit these plans, or if PBG fails to carry them out in all material respects, PepsiCo can terminate PBG's beverage agreements with PepsiCo. If PBG's beverage agreements with PepsiCo are terminated for this or for any other reason, it would have a material adverse effect on our business and financial results.

Under a shared services agreement, we obtain various services from PepsiCo. These services include obtaining raw materials, various tax and treasury services and certain information technology services. In the absence of the shared services agreement, we would have to obtain such services on our own. We might not be able to obtain these services on terms, including cost, that are as favorable as those we receive from PepsiCo.

Our agreements with PepsiCo restrict our sources of supply for some raw materials, which could increase our costs.

With respect to the soft drink products of PepsiCo, concentrates and all authorized containers, closures, cases, cartons and other packages and labels may be purchased only from PepsiCo or manufacturers approved by PepsiCo. This may restrict our ability to obtain raw materials from other suppliers.

The supply or cost of specific materials could be adversely affected by price changes, strikes, weather conditions, governmental controls or other factors. Any sustained interruption in the supply of these raw materials or any significant increase in their prices could have a material adverse effect on our business and financial results.

PepsiCo's equity ownership of PBG could affect matters concerning us.

As of November 30, 2002, PepsiCo owned approximately 42.9% of the combined voting power of PBG's voting stock (with the balance owned by the public). As of November 30, 2002, PBG owned approximately 93% of our membership interests and PepsiCo indirectly owned the remainder of our membership interests. PepsiCo will be able to significantly affect the outcome of PBG's stockholder votes, thereby affecting matters concerning us.

We may have potential conflicts of interest with PepsiCo because of our past and ongoing relationships with PepsiCo, which could result in PepsiCo's objectives being favored over our objectives.

These conflicts could arise over:

- the nature, quality and pricing of services or products provided to us by PepsiCo or by us to PepsiCo;

- potential acquisitions of bottling territories and/or assets from PepsiCo or other independent PepsiCo bottlers;

- the divestment of parts of our bottling operations;

- the payment of distributions by us; or

- balancing the objectives of increasing sales volume of Pepsi-Cola beverages and maintaining or increasing our profitability.

One of our managing directors may have a conflict of interest because he is also a PepsiCo officer.

One of our managing directors is also the Senior Vice President of Finance of PepsiCo, a situation which may create conflicts of interest.

Our acquisition strategy may be limited by geographical restrictions on acquisitions in our agreements with PepsiCo, by our ability to successfully integrate acquired businesses into ours and by the requirement that we obtain PepsiCo's approval of any acquisition of an independent PepsiCo bottler.

We intend to acquire bottling assets and territories from PepsiCo's independent bottlers, such as our recent acquisition of Gemex and our proposed acquisition of the Pepsi-Cola bottler in Buffalo, New York. This strategy will involve reviewing and potentially reorganizing acquired business operations, corporate infrastructure and systems and financial controls. The success of our acquisition strategy may be limited because of unforeseen expenses, difficulties, complications and delays encountered in connection with the expansion of our operations through acquisitions. We may not be able to acquire or manage profitably additional businesses or to integrate successfully any acquired businesses into our business without substantial costs, delays or other operational or financial difficulties. In addition, we may be required to incur additional debt or issue equity to pay for future acquisitions. Any of the foregoing could adversely affect our business and financial results and, therefore, our ability to service or pay our indebtedness, including the new notes.

We must obtain PepsiCo's approval to acquire any independent PepsiCo bottler. Under the master bottling agreement, PepsiCo has agreed not to withhold approval for any acquisition within agreed upon U.S. territories, currently representing approximately 13% of PepsiCo's U.S. bottling system in terms of volume, if we have successfully negotiated the acquisition and, in PepsiCo's reasonable judgment, satisfactorily performed our obligations under the master bottling agreement. We have agreed not to acquire or attempt to acquire any independent PepsiCo bottler outside of those agreed-upon territories without PepsiCo's prior written approval.

If we are unable to fund our substantial capital requirements, it could cause us to reduce our planned capital expenditures and could result in a material adverse effect on our business and financial results.

We will require substantial capital expenditures to implement our business plans. If we do not have sufficient funds or if we are unable to obtain financing in the amounts desired or on acceptable terms, we may have to reduce our planned capital expenditures, which could have a material adverse effect on our business and financial results and, therefore, our ability to service and pay our indebtedness, including the new notes.

Our success depends on key members of our management, the loss of whom could disrupt our business operations.

Our success depends largely on the efforts and abilities of key management employees. The loss of the services of key personnel or the inability to attract qualified employees could have a material adverse effect on our business and financial results. Key management employees are not parties to employment agreements with us.

RISKS RELATING TO OUR AND PEPSICO'S RESPECTIVE BUSINESSES

We or PepsiCo may be unable to compete successfully in the highly competitive carbonated and non-carbonated beverage markets, and PepsiCo may be unable to compete in its other businesses, certain of which are also highly competitive.

The carbonated and non-carbonated beverage markets are both highly competitive. In addition, the markets for certain of PepsiCo's food products are highly competitive. Competition in our and PepsiCo's various markets could cause us or PepsiCo to reduce prices, increase capital and other expenditures or lose market share, which could have a material adverse effect on our or PepsiCo's business and financial results.

Our and PepsiCo's foreign operations are subject to social, political and economic risks and may be adversely affected by foreign currency fluctuations.

In 2001, approximately 21% of our volume came from Canada, Spain, Greece and Russia. In addition, on March 13, 2002, we acquired the operations and exclusive right to manufacture, sell and distribute Pepsi-Cola international beverages in Turkey and we manufacture, sell and distribute Pepsi-Cola international beverages in Mexico as a result of our recent acquisition of Gemex. For 2001, international operations constituted about one-fifth of PepsiCo's annual business segment operating profit. Social, economic and political conditions in these international markets may adversely affect our or PepsiCo's business and financial results. The overall risks to our and PepsiCo's respective international businesses include changes in foreign governmental policies and other political or economic developments. These developments may lead to new product pricing, tax or other policies and monetary fluctuations which may adversely impact our and PepsiCo's respective businesses and financial results. In addition, our and PepsiCo's respective results of operations and the value of our and PepsiCo's respective foreign assets are affected by fluctuations in foreign currency exchange rates.

We or PepsiCo may incur material losses and costs as a result of product liability claims that may be brought against us or PepsiCo or any product recalls we or PepsiCo have to make.

We or PepsiCo may be liable if the consumption of any of our or PepsiCo's products causes injury, illness or death. We or PepsiCo also may be required to recall products if they become contaminated or are damaged or mislabeled. A significant product liability judgment against us or PepsiCo or a widespread recall of our or PepsiCo's products could have a material adverse effect on our or PepsiCo's business and financial results.

Newly adopted governmental regulations could increase our or PepsiCo's costs or liabilities.

Our and PepsiCo's respective operations and properties are subject to regulation by various federal, state and local government entities and agencies as well as foreign governmental entities. Neither we nor PepsiCo can assure you that we or PepsiCo, as the case may be, have been or will at all times be in compliance with all regulatory requirements or that we or PepsiCo, as the case may be, will not incur material costs or liabilities in connection with existing or new regulatory requirements.

RISKS RELATING TO OUR INDEBTEDNESS AND THIS EXCHANGE OFFER

If you do not tender your old notes, or do so improperly, you will continue to hold unregistered old notes and your ability to transfer such notes will be adversely affected.

We will only issue new notes in exchange for old notes that are timely received by the exchange agent together with all required documents, including a properly completed and signed letter of transmittal, as described in this prospectus. Therefore, you should allow sufficient time to ensure timely delivery of your old notes and you should carefully follow the instructions on how to tender your old notes. Neither we nor the exchange agent are required to tell you of any defects or irregularities with respect to your tender of your old notes. If you do not tender your old notes or if we do not accept your old notes because you did not tender your old notes properly, then, after we complete the exchange offer, you will continue to hold old notes that are subject to the existing transfer restrictions and you will no longer have any registration rights with respect to the old notes. In addition:

- if you tender your old notes for the purpose of participating in a distribution of the new notes, you will be required to comply with the registration and prospectus delivery requirements of the Securities Act in connection with any resale of the new notes; and

- if you are a broker-dealer that receives new notes for your own account in exchange for old notes that you acquired as a result of market-making activities or any other trading activities, you will be required to acknowledge that you will deliver a prospectus in connection with any resale of those new notes.

We and PepsiCo have agreed that, for a period of 180 days after the expiration date of this exchange offer, Bottling LLC will make this prospectus available to any broker-dealer for use in connection with any such resale. We refer you to "Plan of Distribution."

After the exchange offer is consummated, if you continue to hold any old notes you may have difficulty selling them because there will be fewer old notes outstanding. In addition, if a large principal amount of old notes is not tendered or is tendered improperly, the limited principal amount of new notes that would be issued and outstanding after we consummate the exchange offer could adversely affect the liquidity and the market price of the new notes.

Our substantial indebtedness could adversely affect our financial health and prevent us from making payments on the notes.

We have a substantial amount of indebtedness. As of November 30, 2002, we had approximately $3.4 billion of indebtedness. In addition, we guaranteed an additional $1.0 billion of PBG's indebtedness.

Our substantial debt could have important consequences to you. For example, it could:

- make it more difficult for us, or make us unable, to satisfy our obligations with respect to the notes;

- make us vulnerable to general adverse economic and industry conditions;

- limit our ability to obtain additional financing for future working capital expenditures, strategic acquisitions and other general corporate requirements;

- expose us to interest rate fluctuations because the interest on some of our indebtedness is at variable rates;

- require us to dedicate a substantial portion of our cash flow from operations to payments on our debt, thereby reducing the availability of our cash flow for operations and other purposes;

- limit our flexibility in planning for, or reacting to, changes in our business and the industry in which we operate; and

- place us at a competitive disadvantage compared with any competitors that have less debt.

Our ability to service our debt will require a significant amount of cash.

To service our debt, we will require a significant amount of cash. Our ability to generate cash, make scheduled payments or to refinance our obligations depends on our successful financial and operating performance. Our financial and operating performance, cash flow and capital resources depend upon prevailing economic conditions and certain financial, business and other factors, many of which are beyond our control. These factors include among others:

- economic and competitive conditions;

- operating difficulties, increased operating costs or pricing pressures we may experience; and

- delays in implementing any strategic projects.

If our cash flow and capital resources are insufficient to fund our debt service obligations, we may be forced to reduce or delay capital expenditures, sell material assets or operations, obtain additional capital or restructure our debt.

We may incur additional debt.

We and our subsidiaries may incur substantial additional indebtedness in the future. The terms of the indenture permit us to incur additional debt and our credit facilities permit additional borrowings under certain circumstances. Accordingly, this additional indebtedness could further exacerbate all the risks described above.

The notes are unsecured and effectively subordinated to our secured indebtedness.

The old notes are not, and the new notes will not be, secured by any of our assets. Accordingly, the old notes are, and the new notes will be, effectively subordinated to any of our secured obligations to the extent of the value of the assets securing such obligations. As of the date hereof, we do not have any material secured long-term debt obligations.

Under certain circumstances, PepsiCo's guarantee may not become effective or may become effective for less than all of the principal of and interest and premium, if any, on the notes.

PepsiCo will unconditionally and irrevocably guarantee the payment of principal of and interest and premium, if any, on the notes on or after the guarantee commencement date, except that, under the circumstances described in "Description of the Notes and the Guarantee -- Guarantee," PepsiCo's guarantee may not become effective or may become effective as to less than all of the principal of and interest and premium, if any, on the outstanding notes. For the convenience of readers, we have included six illustrative examples in "Description of the Notes and the Guarantee -- Guarantee" to describe some hypothetical situations involving PepsiCo's guarantee. Those examples are for illustrative purposes only and do not describe all of the situations that could occur involving PepsiCo's guarantee. You should carefully review the terms of PepsiCo's guarantee described in "Description of the Notes and the Guarantee -- Guarantee," including as to whether PepsiCo's guarantee, if and when it becomes effective, will be for all, or less than all, of the principal of and interest and premium, if any, on the outstanding notes.

The guarantee may not be enforceable because of fraudulent conveyance laws.

The incurrence of the guarantee by PepsiCo may be subject to review under U.S. federal bankruptcy law or relevant state fraudulent conveyance laws if a bankruptcy case or lawsuit is commenced by or on behalf of PepsiCo's unpaid creditors. Under these laws, if in such a case or lawsuit a court were to find that, at the time PepsiCo guaranteed the notes, PepsiCo:

- incurred the guarantee of the notes with the intent of hindering, delaying or defrauding current or future creditors; or

- received less than reasonably equivalent value or fair consideration for incurring the guarantee of the notes and PepsiCo:

  -- was insolvent or was rendered insolvent;

  -- was engaged, or was about to engage, in a business or transaction for which its remaining assets constituted unreasonably small capital to carry on its business; or

  -- intended to incur, or believed that it would incur, debts beyond its ability to pay as such debts matured (as all of the foregoing terms are defined in or interpreted under the relevant fraudulent transfer or conveyance statutes);

then such court could void the guarantee of PepsiCo or subordinate the amounts owing under such guarantee to PepsiCo's presently existing or future debt or take other actions detrimental to you.

The measure of insolvency for purposes of the foregoing considerations will vary depending upon the law of the jurisdiction that is being applied in any such proceeding. Generally, a company would be considered insolvent if, at the time it incurred the debt or issued the guarantee:

- the sum of its debts (including contingent liabilities) is greater than its assets, at fair valuation; or

- the present fair saleable value of its assets is less than the amount required to pay the probable liability on its total existing debts and liabilities (including contingent liabilities) as they become absolute and matured; or

- it could not pay its debts as they became due.

If PepsiCo's guarantee is voided as a fraudulent conveyance or found to be unenforceable for any reason, you will not have a claim against PepsiCo under its guarantee and will only have a claim against us.

An active trading market may not develop for the new notes.

The new notes are a new issue of securities for which there currently is no market. We have not and do not intend to list the notes on any U.S. national securities exchange or quotation system. Application has been made to list the new notes on the Luxembourg Stock Exchange. However, we cannot assure you that an active trading market in the new notes will develop and continue after this exchange offer. Certain of the initial purchasers of the old notes have advised us that they intend to make a market in the new notes as permitted by applicable law. They are not obligated, however, to make a market in the new notes and any market-making may be discontinued at any time at their sole discretion. In addition, any such market-making activity will be subject to the limits imposed by the Securities Act and the Securities Exchange Act of 1934, as amended, or the Exchange Act. Accordingly, no assurance can be given as to the development or liquidity of any market for the new notes.

The liquidity of, and trading market for, the new notes may also be adversely affected by, among other things:

- changes in the overall market for debt securities;

- changes in our or PepsiCo's financial performance or prospects;

- the prospects for companies in our industry generally;

- the number of holders of the new notes;

- the interest of securities dealers in making a market for the new notes; and

- prevailing interest rates.

USE OF PROCEEDS

Neither we nor PepsiCo will receive any proceeds from the issuance of the new notes. In consideration for issuing the new notes as contemplated in this prospectus, we will receive old notes in like principal amount, which will be cancelled and, as such, will not result in any increase in our indebtedness. We have agreed to bear the expenses of the exchange offer. No underwriter is being used in connection with the exchange offer.

The net proceeds of the old notes, after deducting expenses and the initial purchasers' discount, were approximately $994 million. We used these net proceeds, together with approximately $184 million of available cash on hand, for our acquisition of Gemex and the covenant defeasance and repayment of Gemex's debt.

BOTTLING LLC

We are a limited liability company organized under the law of the state of Delaware. As of November 30, 2002, PBG owned approximately 93% of our membership interests and PepsiCo indirectly owned the remainder of our membership interests. In connection with our formation, PepsiCo and PBG contributed bottling businesses and assets used in the bottling business to us. No further capital contributions are required to be made by our members. Additional or substitute members may be admitted, additional capital contributions may be made and membership interests may be adjusted from time to time to reflect such changes, each in accordance with the provisions of our limited liability company agreement.

The following table sets forth our cash and cash equivalents and capitalization as of September 7, 2002 and as adjusted to reflect the sale of the old notes. The following table does not reflect adjustments resulting from our recent acquisition of Gemex, including the use of approximately $184 million of available cash in connection therewith. Following the acquisition, we utilized approximately $181 million of our $184 million in available cash to defease the covenants of all of Gemex's outstanding bonds. The amount of such defeased debt will be reflected on our consolidated balance sheet as a liability and the amount of cash deposited with the trustee under those bonds in order to effect the defeasance will be reflected on our consolidated balance sheet as a restricted asset. The following table also does not reflect adjustments made in connection with PBG's contribution to us of its ownership interest in our Canadian operations on October 14, 2002. PBG's and PepsiCo's ownership of our membership interests remained at approximately 93% and 7%, respectively, after the contribution. As a result of this capital contribution, our minority interest will be reduced from $161 million to zero and our total owners' equity will be increased accordingly. In addition, the following table does not reflect a cash distribution to our members for $156 million paid on November 20, 2002. Except as otherwise noted above or in the "As Adjusted" column, there has been no material change in our cash and cash equivalents or capitalization since September 7, 2002. This presentation should be read in conjunction with our historical financial statements and the related notes thereto incorporated by reference into this prospectus.

AS OF SEPTEMBER 7, 2002	ACTUAL	AS ADJUSTED
	(IN MILLIONS)	
Cash and cash equivalents	$ 262	$ 262
Short-term debt	$ 53	$ 53
Long-term debt(1)	2,356	3,356
Minority interest	161	161
Owners' equity: Owners' net investment	5,672	5,672
Accumulated other comprehensive loss	(383)	(383)
Total owners' equity	5,289	5,289
Total capitalization	$7,859	$8,859

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(1) Does not include our guarantee of $1.0 billion of PBG's indebtedness.

On November 5, 2002, our simultaneous tender offers in Mexico and the United States for all of the outstanding capital stock of Gemex expired. Approximately 99.8% of Gemex's capital stock was accepted for payment and purchased. Following the offers, we purchased additional Gemex capital stock, funded a trust for the acquisition of the balance of the outstanding capital stock and caused Gemex to carry out a reverse stock split that eliminated for cash the outstanding capital stock held by any remaining security holders other than us. We refer you to "Business -- Recent Developments."

As of September 30, 2002, Gemex had short-term debt of 29 million pesos ($2.8 million), long-term debt of 2.9 billion pesos ($285.5 million) and stockholders' equity of 4.4 billion pesos ($431.8 million), in each case using the peso/dollar exchange rate of 10.214 pesos to U.S.$1.00 as of September 30, 2002. Gemex's financial statements are prepared in accordance with Mexican GAAP, which differs in certain respects from U.S. GAAP. We refer you to "Presentation of Certain Financial Information."

Our capitalization data set forth in the above table are as of September 7, 2002, whereas Gemex's capitalization data described in the preceding paragraph are as of September 30, 2002, the latest date for which such data are available. The classification of our short-term debt, long-term debt, minority interest, owners' net investment, accumulated other comprehensive loss and total owners' equity do not correspond to the classification of Gemex's short-term debt, long-term debt and stockholders' equity. Accordingly, our capitalization data are not comparable to Gemex's capitalization data. From and after the date of our acquisition of Gemex, Gemex's results of operations will be consolidated into our financial statements.

PEPSICO

The following table sets forth PepsiCo's cash and cash equivalents and capitalization as of September 7, 2002. There has been no material change in PepsiCo's cash and cash equivalents or capitalization since September 7, 2002. This presentation should be read in conjunction with the historical financial statements and the related notes thereto of PepsiCo incorporated by reference into this prospectus. As of September 7, 2002, the authorized capital stock of PepsiCo consisted of 3.6 billion shares of common stock, 1.7 billion of which were issued and outstanding, and 3 million shares of preferred stock, 0.6 million of which were issued and outstanding. All of PepsiCo's issued and outstanding shares of capital stock are fully paid and non-assessable.

AS OF SEPTEMBER 7, 2002 ---------- (IN MILLIONS) Cash and cash equivalents..... $ 1,817 ======= Short-term borrowings..... $ 760 Long-term debt(1)..... 2,271 Preferred stock, no par value..... 41 Repurchased preferred stock..... (41) Common shareholders' equity Common stock, par value 1 2/3 cents per share: Authorized 3,600 million shares, issued 1,782 million shares..... 30 Retained earnings..... 12,943 Accumulated other comprehensive loss..... (1,729) Less: repurchased shares, at cost..... (1,723) ---- --- Total common shareholders' equity..... 9,521 ------- Total capitalization..... $12,552 =======

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(1) Does not include certain guarantees or commercial commitments in the ordinary course of business. As discussed in PepsiCo's Annual Report on Form 10-K for the year ended December 29, 2001, the most significant of these guarantees or commitments is PepsiCo's unconditional guarantee of $2.3 billion of our long-term debt.

THE EXCHANGE OFFER

PURPOSE OF THE EXCHANGE OFFER

In connection with the issuance of the old notes, we and PepsiCo entered into a registration rights agreement with the initial purchasers of the old notes for the benefit of the initial purchasers and the holders of the old notes and the guarantee. The following summary of selected provisions of the registration rights agreement does not purport to be complete and is subject to, and is qualified in its entirety by reference to the registration rights agreement, a copy of which has been filed as an exhibit to the registration statement filed by us and PepsiCo with the SEC, of which this prospectus is a part. Copies of the registration rights agreement are available from us or PepsiCo upon request or, for so long as the notes are registered on the Luxembourg Stock Exchange, from our and PepsiCo's listing agent in Luxembourg as described under "Where You Can Find More Information."

Pursuant to the registration rights agreement, we and PepsiCo agreed, at our and PepsiCo's expense:

- by the 135th day after the date of original issuance of the old notes, which we refer to as the issue date, to file a registration statement, which we refer to as the exchange offer registration statement, with the SEC with respect to a registered exchange offer to exchange the old notes for the new notes, which will have terms substantially identical in all material respects except that the new notes will not contain terms with respect to transfer restrictions and payment of additional interest; and

- by the 195th day after the issue date, to use our and PepsiCo's best efforts to cause the exchange offer registration statement to be declared effective under the Securities Act.

Upon the effectiveness of the exchange offer registration statement, pursuant to the registered exchange offer, we and PepsiCo agreed to offer to the holders of the old notes the opportunity to exchange their old notes for the new notes. We and PepsiCo agreed to use our and PepsiCo's best efforts to keep the registered exchange offer effective for not less than 30 days (or longer if required by applicable law) after the date notice of the registered exchange offer is mailed to the holders of the old notes. We and PepsiCo agreed to consummate the registered exchange offer not later than 40 days from the date the exchange offer registration statement is declared effective. For each old note surrendered to us pursuant to the registered exchange offer, the holder of that old note will receive a new note having a principal amount equal to that of the surrendered old note.

EFFECT OF THE EXCHANGE OFFER

Based on existing interpretations of the Securities Act by the staff of the SEC set forth in several no-action letters to third parties, we believe that the new notes will in general be freely transferable after the completion of the registered exchange offer without further compliance with the registration and prospectus delivery requirements of the Securities Act. However, any holder of the old notes who is an affiliate of us or PepsiCo or who intends to participate in the exchange offer for the purpose of distributing the new notes or who is an initial purchaser holding an unsold allotment from the original sale of the old notes:

- will not be able to rely on these interpretations of the staff of the SEC; and

- must comply with the registration and prospectus delivery requirements of the Securities Act in connection with any sale or transfer of the new notes unless such sale or transfer is made pursuant to an exemption from such requirements.

We and PepsiCo have not sought, and do not intend to seek, our own no-action letter, and we cannot assure you that the staff of the SEC would make a similar determination with respect to the new notes as it has in its no action letters to other third parties.

Each holder of old notes that wishes to exchange its old notes for new notes in the exchange offer will be required to make certain representations, including representations that:

- any new notes to be acquired by it in exchange for the old notes will be acquired in the ordinary course of business;

- it has no arrangement or understanding with any person to participate in a distribution (within the meaning of the Securities Act) of the new notes;

- it is not an "affiliate," as defined in Rule 405 under the Securities Act, of us or PepsiCo, or if it is an affiliate, it will comply with the registration and prospectus delivery requirements of the Securities Act to the extent applicable.

- if such holder is not a broker-dealer, it will not engage in, and does not intend to engage in, a distribution of new notes; and

- if such holder is a broker-dealer, it will receive new notes for its own account in exchange for old notes that were acquired as a result of market-making activities or other trading activities (we refer below to such broker-dealers as exchanging broker-dealers) and that it will deliver a prospectus meeting the requirements of the Securities Act in connection with any resale of such new notes; however, by so acknowledging and by delivering a prospectus, it will not be deemed to admit that it is an "underwriter" within the meaning of the Securities Act. We refer you to "Plan of Distribution."

The SEC has taken the position that exchanging broker-dealers may fulfill their prospectus delivery requirements with respect to the new notes with this prospectus contained in the exchange offer registration statement. Under the registration rights agreement, we are required to allow exchanging broker-dealers and other persons, if any, subject to similar prospectus delivery requirements, to use this prospectus in connection with the resale of the new notes.

The information set forth above concerning certain interpretations and positions taken is not intended to constitute legal advice, and you should consult your own legal advisors with respect to these matters.

Neither we nor PepsiCo has entered into any arrangement or understanding with any person to distribute the new notes to be received in the exchange offer.

The exchange offer is not being made to, nor will we accept tenders for, or exchange from, holders of old notes in any jurisdiction in which the exchange offer or the acceptance thereof would not be in compliance with the securities or blue sky laws of such jurisdiction. We refer you to "Plan of Distribution."

TERMS OF THE EXCHANGE OFFER

Upon the terms and subject to the conditions set forth in this prospectus and in the letter of transmittal, we will accept for exchange any old notes properly tendered and not properly withdrawn prior to 5:00 p.m., New York City time, on the expiration date. Old notes may be tendered only in denominations of $1,000 and multiples thereof. We will issue $1,000 principal amount of new notes in exchange for each $1,000 principal amount of old notes surrendered in the exchange offer.

The form and terms of the new notes will be the same as the form and terms of the old notes, except that the new notes will be registered under the Securities Act while the old notes were not and the new notes will not contain transfer restrictions or terms with respect to a potential increase in the interest rate. The new notes will evidence the same debt as the old notes. The new notes will be issued under and entitled to the benefits of the same indenture that authorized the issuance of the old notes. Consequently, both the old notes and the new notes will be treated as a single class of debt securities under that indenture.

As of the date of this prospectus, $1,000,000,000 in aggregate principal amount of the old notes is outstanding. This prospectus, together with the letter of transmittal, is being sent to all holders of old

notes. There will be no fixed record date for determining registered holders of old notes entitled to participate in the exchange offer.

We intend to conduct the exchange offer in accordance with the provisions of the registration rights agreement, the applicable requirements of the Securities Act and the Exchange Act and the rules and regulations of the SEC. Old notes that are not tendered for exchange in the exchange offer will remain outstanding, will continue to accrue interest and will be entitled to the rights and benefits they currently have under the indenture with the exception of registration rights and a potential increase in the interest rate. If any tendered old notes are not accepted for exchange because of an invalid tender, the occurrence of certain other events set forth herein or otherwise, certificates for any such unaccepted old notes will be returned, without expense, to the tendering holder thereof as promptly as practicable after the expiration date of the exchange offer (as described below).

We will be deemed to have accepted for exchange properly tendered old notes when we have given oral (promptly confirmed in writing) or written notice of the acceptance to the exchange agent. The exchange agent will act as agent for the tendering holders for the purposes of receiving the new notes from us and delivering new notes to those holders.

Holders who tender old notes in the exchange offer will not be required to pay brokerage commissions or fees, or, subject to the instructions in the letter of transmittal, transfer taxes with respect to the exchange of old notes. We will pay all charges and expenses, other than certain applicable taxes described below, in connection with the exchange offer. It is important that you read the "-- Fees and Expenses" section below for more details regarding fees and expenses incurred in the exchange offer.

EXPIRATION DATE; EXTENSIONS; AMENDMENTS

The term "expiration date" means 5:00 p.m., New York City time on , 2003, unless we, at our discretion, after consulting with PepsiCo, extend the exchange offer, in which case the term "expiration date" will mean the latest date and time to which the exchange offer is extended.

In order to extend the exchange offer, we will notify the exchange agent of any extension orally (promptly confirmed in writing) or in writing and we will notify the registered holders of old notes of the extension not later than 9:00 a.m., New York City time, on the first business day after the previously scheduled expiration date.

We reserve the right, at our discretion, after consulting with PepsiCo:

- to delay acceptance of, or refuse to accept, any old notes not previously accepted, to extend the exchange offer or to terminate the exchange offer if any of the conditions set forth under "-- Conditions to the Exchange Offer" below have not been satisfied, by giving oral (promptly confirmed in writing) or written notice of the delay, extension or termination to the exchange agent; or

- subject to the terms of the registration rights agreement, to amend the terms of the exchange offer in any manner.

Any delay in acceptance, extension, termination or amendment will be followed as promptly as practicable by oral or written notice to the registered holders of old notes. If we amend the exchange offer in a manner that we or PepsiCo determine to constitute a material change, we and PepsiCo will promptly disclose such amendment in a manner reasonably calculated to inform you of the amendment and we will extend the exchange offer to the extent required by law. During any of these extensions, all old notes previously tendered will remain subject to the exchange offer and we may accept them for exchange unless they have been previously withdrawn. We will return any old notes that we do not accept for exchange for any reason without expense to their tendering holder as promptly as practicable after the expiration or termination of the exchange offer.

Without limiting the manner in which we may choose to make public announcements of any delay in acceptance, extension, termination or amendment of the exchange offer, we will not have any obligation to

publish, advertise or otherwise communicate any such public announcement, other than by making a timely release to a financial news service.

Upon satisfaction or waiver of all of the conditions to the exchange offer, we will accept, promptly after the expiration date, all old notes properly tendered and will issue the new notes promptly after acceptance of the old notes. We refer you to "-- Conditions to the Exchange Offer."

In all cases, issuance of new notes for old notes that are accepted for exchange in the exchange offer will be made only after timely receipt by the exchange agent of a properly completed and duly executed letter of transmittal (or facsimile thereof or an agent's message, as hereinafter defined, in lieu thereof) and all other required documents; provided, however, that we, after consulting with PepsiCo, reserve the absolute right to waive any defects or irregularities in the tender or conditions of the exchange offer. If any tendered old notes are not accepted for any reason set forth in the terms and conditions of the exchange offer or if old notes are submitted for a greater principal amount than the holder desires to exchange, then such unaccepted or not-exchanged old notes evidencing the unaccepted or not-exchanged portion will be returned without expense to the tendering holder thereof as promptly as practicable after the expiration or termination of the exchange offer.

CONDITIONS TO THE EXCHANGE OFFER

We will determine all questions as to the validity, form, eligibility (including time of receipt), acceptance and withdrawal of the tendered old notes at our discretion. Our determination will be final and binding. We may reject any and all old notes which are not properly tendered or any old notes of which our acceptance would, in the opinion of our counsel, be unlawful. We also may waive any irregularities or conditions of tender as to particular old notes. Our interpretation of the terms and conditions of the exchange offer (including the instructions in the letter of transmittal) will be final and binding on all parties. Unless waived, you must cure any defects or irregularities in connection with tenders of old notes within such time as we shall determine.

Although we intend to notify tendering holders of defects or irregularities with respect to tenders of old notes, neither we nor anyone else has any duty to do so. Neither we nor anyone else shall incur any liability for failure to give such notification. Your old notes will not be deemed tendered until you have cured or we have waived any irregularities. As soon as practicable following the expiration date the exchange agent will return any old notes that we reject due to improper tender or otherwise unless you cured all defects or irregularities or we waive them.

We reserve the right in our discretion, after consulting with PepsiCo:

- to purchase or make offers for any old notes that remain outstanding subsequent to the expiration date;

- to terminate the exchange offer, as set forth below; and

- to the extent permitted by applicable law, to purchase old notes in the open market, in privately negotiated transactions or otherwise.

The terms of any such purchases or offers may differ from the terms of the exchange offer.

We will not be required to accept for exchange, or to issue new notes for, any old notes, and we may terminate or amend the exchange offer before the acceptance of old notes if, in our judgment, after consulting with PepsiCo, any of the following conditions has occurred or exists or has not been satisfied:

- the exchange offer, or the making of any exchange by a holder of old notes, violates applicable interpretations of the staff of the SEC;

- any person shall have initiated or threatened an action or proceeding in any court or by or before any governmental agency or body with respect to the exchange offer; or

- any legislative or regulatory body shall have adopted or enacted any law, statute, rule or regulation that can reasonably be expected to impair our ability to proceed with the exchange offer.

If we determine, after consulting with PepsiCo, that we may terminate the exchange offer for any of these reasons, we may:

- refuse to accept any old notes and return any old notes that have been tendered to the tendering holders;

- extend the exchange offer and retain all old notes tendered prior to the expiration date of the exchange offer, subject to the rights of the holders of the tendered old notes to withdraw such old notes; or

- waive such termination event with respect to the exchange offer and accept the properly tendered old notes that have not been withdrawn.

If we, after consulting with PepsiCo, determine that such waiver constitutes a material change in the exchange offer, we will promptly disclose such change in a manner reasonably calculated to inform the holders of such change and we will extend the exchange offer to the extent required by law.

We may assert or waive any of these conditions in our discretion, after consulting with PepsiCo.

PROCEDURES FOR TENDERING

Registered holders of old notes, as well as beneficial owners who are direct participants in DTC, who desire to participate in the exchange offer should follow the directions set forth below and in the letter of transmittal. All other beneficial owners should follow the instructions received from their broker or nominee and should contact their broker or nominee directly, if the instructions set forth below and in the letter of transmittal do not apply to such beneficial owners.

Registered Holders

To tender in the exchange offer, a registered holder must complete, sign and date the letter of transmittal, or facsimile thereof, have the signatures thereon guaranteed if required by the letter of transmittal, and mail or otherwise deliver such letter of transmittal or such facsimile to the exchange agent prior to the expiration date. In addition, either

- certificates for such holder's old notes must be received by the exchange agent along with the letter of transmittal; or

- the holder must comply with the guaranteed delivery procedures described in "-- Guaranteed Delivery Procedures."

To be tendered effectively, the letter of transmittal and other required documents must be received by the exchange agent at the address set forth below under "-- Exchange Agent" prior to the expiration date.

The tender by a holder which is not withdrawn prior to the expiration date will constitute an agreement between such holder and us in accordance with the terms and subject to the conditions set forth herein and in the letter of transmittal.

The method of delivery of old notes, the letter of transmittal and all other required documents to the exchange agent is at the election and risk of the registered holder, but the delivery will be deemed made only when actually received or confirmed by the exchange agent. Instead of delivery by mail, it is recommended that registered holders use an overnight or hand delivery service. In all cases, sufficient time should be allowed to assure delivery to the exchange agent before the expiration date. No letter of transmittal or old notes should be sent to us. Registered holders may request their respective brokers, dealers, commercial banks, trust companies or nominees to effect the above transactions for them.

Signatures on a letter of transmittal or a notice of withdrawal, as the case may be, must be guaranteed by an eligible institution (as defined below) unless the old notes tendered pursuant thereto are tendered:

- by a registered holder who has not completed the box entitled, "Special Issuance Instructions" or "Special Delivery Instructions" on the letter of transmittal; or

- for the account of an eligible institution.

If signatures on a letter of transmittal or a notice of withdrawal, as the case may be, are required to be guaranteed, such guarantor, which we refer to as an eligible institution, must be a member firm of a registered national securities exchange or of the National Association of Securities Dealers, Inc., a commercial bank or trust company having an office or correspondent in the United States or an "eligible guarantor institution" within the meaning of Rule 17Ad-15 under the Exchange Act.

If the letter of transmittal is signed by a person other than the registered holder of any old notes listed therein, such old notes must be endorsed or accompanied by a properly completed bond power signed by such registered holder as such registered holder's name appears on such old notes.

If the letter of transmittal or any old notes or bond powers are signed by trustees, executors, administrators, guardians, attorneys-in-fact, officers of corporations or others acting in a fiduciary or representative capacity, such persons should so indicate when signing, and unless waived by us, evidence satisfactory to us of their authority so to act must be submitted with the letter of transmittal.

DTC Participants

Any financial institution that is a participant in DTC's systems may make book-entry delivery of old notes by causing DTC to transfer such old notes into the exchange agent's account at DTC in accordance with DTC's procedures for transfer. Such delivery must be accompanied by either:

- the letter of transmittal or facsimile thereof, with any required signature guarantees; or

- an agent's message (as hereinafter defined),

and any other required documents, and must, in any case, be transmitted to and received by the exchange agent at the address set forth below under "-- Exchange Agent" prior to the expiration date or the guaranteed delivery procedures described below must be complied with. Unless already established, the exchange agent will make a request to establish an account with respect to the old notes at DTC for purposes of the exchange offer within two business days after the date of this prospectus.

Subject to the establishment of the account, any financial institution that is a participant in DTC's system may make book-entry delivery of old notes by causing DTC to transfer them into the exchange agent's account with respect to old notes. Each institution must do this in accordance with DTC's Automated Tender Offer Program procedures for such transfer. However, the exchange agent will only exchange the old notes so tendered after a timely confirmation of their book-entry transfer into the exchange agent's account, and timely receipt of an agent's message and any other documents required by the letter of transmittal.

The term "agent's message" means a message, transmitted by DTC, and received by, the exchange agent and forming part of the confirmation of a book-entry transfer, which states that:

- DTC has received an express acknowledgment from a participant tendering old notes stating the aggregate principal amount of old notes which have been tendered by such participant and that participant has received the letter of transmittal and agrees to be bound by its terms; and

- we may enforce such agreement against the participant.

Although you may effect delivery of old notes through DTC into the exchange agent's account at DTC, you must provide the exchange agent a completed and executed letter of transmittal with any required signature guarantee (or an agent's message in lieu thereof) and all other required documents prior

to the expiration date. If you comply with the guaranteed delivery procedures described below, you must provide the letter of transmittal (or an agent's message in lieu thereof) to the exchange agent within the time period provided. Delivery of documents to DTC does not constitute delivery to the exchange agent.

GUARANTEED DELIVERY PROCEDURES

If you wish to tender your old notes and:

(a) your old notes are not immediately available;

(b) you cannot deliver your old notes, the letter of transmittal or any other required documents to the exchange agent prior to the expiration date; or

(c) you cannot complete the procedures for book-entry tender on a timely basis, you may instead effect a tender if:

(1) you make the tender through an eligible institution;

(2) prior to the expiration date, the exchange agent receives from such eligible institution a properly completed and duly executed notice of guaranteed delivery (by facsimile transmittal, mail or hand delivery), setting forth the name and address of the holder, certificate number(s) of such old notes (unless tender is to be made by book-entry transfer) and the principal amount of old notes tendered, stating that the tender is being made thereby and guaranteeing that, within three New York Stock Exchange trading days after the date of execution of the notice of guaranteed delivery, the certificates for all physically tendered old notes, in proper form for transmittal, together with a properly completed and duly executed letter of transmittal, or a confirmation of a book-entry transfer into the exchange agent's account at DTC together with a properly completed and duly executed letter of transmittal (or facsimile hereof or an agent's message in lieu thereof), and any other documents required by the letter of transmittal will be deposited by the eligible institution with the exchange agent; and

(3) the certificates for all physically tendered old notes (or book-entry transfer confirmation) and/or all other documents referred to in clause (2) above must be received by the exchange agent within the time specified above.

Upon request to the exchange agent, a notice of guaranteed delivery will be sent to holders who wish to tender their old notes according to the guaranteed delivery procedures set forth above.

WITHDRAWAL OF TENDERS

Except as otherwise provided in this prospectus, holders of old notes may withdraw their tenders at any time prior to 5:00 p.m., New York City time, on the expiration date.

To withdraw a tender of old notes in the exchange offer, a written or facsimile transmission notice of withdrawal must be received by the exchange agent at its address or its facsimile number set forth herein prior to 5:00 p.m., New York City time, on the expiration date. Any such notice of withdrawal must:

- specify the name of the person having deposited the old notes to be withdrawn;

- identify the old notes to be withdrawn (including the certificate number, unless tendered by book-entry transfer);

- be signed by the holder in the same manner as the original signature on the letter of transmittal by which such old notes were tendered (including any required signature guarantees); and

- if old notes have been tendered pursuant to book-entry transfer, any notice of withdrawal must specify the name and number of the account at DTC to be credited with the withdrawn old notes and otherwise comply with the procedures of such facility, in which case a notice of withdrawal will be effective if delivered to the exchange agent by any method of delivery described in this paragraph.

All questions as to the validity, form and eligibility (including time of receipt) of such notice will be determined by us, after consulting with PepsiCo, and our determination shall be final and binding on all parties. Any old notes so withdrawn will be deemed not to have been validly tendered for purposes of the exchange offer and will be returned to the holder thereof without cost to such holder as soon as practicable after withdrawal. Properly withdrawn old notes will not be deemed validly tendered for purposes of the exchange offer but may be retendered by following one of the procedures described above under "-- Procedures for Tendering" at any time prior to the expiration date.

EXCHANGE AGENT

JPMorgan Chase Bank has been appointed as exchange agent for the exchange offer. Delivery of the certificates evidencing the old notes, book-entry confirmations, agent's messages, letters of transmittal, notices of guaranteed delivery and any other required documents, questions and requests for assistance, requests for additional copies of this prospectus or the letter of transmittal and requests for the notice of guaranteed delivery should be directed to the exchange agent addressed as follows:

By Facsimile Transmission	Overnight Courier or by Hand	By Registered or Certified Mail
(214) 468-6494	JPMorgan Chase Bank	JPMorgan Chase Bank
(For Eligible Institutions Only)	ITS Bond Events	ITS Bond Events
Confirm by Telephone	2001 Bryan Street, 9th Floor	PO Box 2320
(214) 468-6464	Dallas, Texas 75201	Dallas, Texas 75221
Attention: Frank Ivins		

FEES AND EXPENSES

We will bear the expenses of soliciting tenders. The principal solicitation is being made by mail; however, we may make additional solicitations by telecopier, telephone or in person by our officers and regular employees and those of our affiliates.

We have not retained any dealer-manager in connection with the exchange offer and will not make any payments to broker-dealers or others soliciting acceptances of the exchange offer. We will, however, pay the exchange agent reasonable and customary fees for its services and reimburse it for its related reasonable out-of-pocket expenses in connection therewith and will indemnify the exchange agent for certain losses and claims incurred by it as a result of the exchange offer. We may also pay brokerage houses and other custodians, nominees and fiduciaries the reasonable out of pocket expenses incurred by them in forwarding copies of this prospectus, letters of transmittal and related documents to the beneficial owners of the old notes and in handling or forwarding tenders for exchanges.

Our expenses in connection with the exchange offer are estimated in the aggregate to be approximately $285,000 and include, among other things:

- SEC registration fees;
- fees and expenses of the exchange agent and the trustee;
- accounting and legal fees and printing costs; and
- related fees and expenses.

TRANSFER TAXES

We will pay all transfer taxes, if any, applicable to the exchange of old notes in the exchange offer. The tendering holder, however, will be required to pay any transfer taxes (whether imposed on the registered holder or any other person) if:

- tendered old notes are registered in the name of any person other than the person signing the letter of transmittal; or
- any transfer tax is imposed for any reason other than the exchange of old notes in the exchange offer.

If you do not submit satisfactory evidence of payment of taxes for which you are liable or exemption from them with your letter of transmittal, we will bill you for the amount of these transfer taxes directly.

CONSEQUENCES OF FAILURE TO EXCHANGE

Holders of old notes who do not exchange their old notes for new notes in the exchange offer will remain subject to the restrictions on transfer applicable to the old notes as set forth in the offering circular distributed in connection with the private offering of the old notes and certain rights under the registration rights agreement will terminate.

In general, you may not offer or sell the old notes unless they are registered under the Securities Act, or if the offer or sale is exempt from registration under, or is not subject to, the securities act and applicable state securities laws. Except as required by the registration rights agreement, we do not intend to register resales of the old notes under the Securities Act. Based on interpretations of the staff of the SEC, new notes issued in the exchange offer may be offered for resale, resold or otherwise transferred by their holders (other than any such holder that is an "affiliate" of ours or PepsiCo's within the meaning of Rule 405 under the Securities Act) without compliance with the registration and prospectus delivery provisions of the Securities Act, provided that such holders acquired the new notes in the ordinary course of the holders' business and the holders have no arrangement or understanding with respect to the distribution of the new notes to be acquired in the exchange offer. Any holder who tenders in the exchange offer for the purpose of participating in a distribution of the new notes:

- will not be able to rely on the applicable interpretations of the SEC; and

- must comply with the registration and prospectus delivery requirements of the Securities Act in connection with any secondary resale transaction of the new notes.

After the exchange offer is consummated, if you continue to hold any old notes, you may have difficulty selling them because there will be fewer old notes outstanding. In addition, if a large amount of old notes is not tendered or is tendered improperly, the limited amount of new notes that would be issued and outstanding after we consummate the exchange offer could adversely affect the liquidity and the market price of the new notes.

ACCOUNTING TREATMENT

We will record the new notes in our accounting records at the same carrying value as the old notes, as reflected in our accounting records on the date of exchange. Accordingly, we will not recognize any gain or loss for accounting purposes in connection with the exchange offer. We will capitalize the expenses of the exchange offer for accounting purposes. We will classify these expenses as deferred financing costs and include them in other assets on our balance sheet. We will amortize these expenses on the interest yield method over the life of the new notes.

OTHER

Participation in the exchange offer is voluntary and you should carefully consider whether or not to participate. You are urged to consult your financial and tax advisors in making your own decision on what action to take.

We may in the future seek to acquire untendered old notes in open market or privately negotiated transactions, through subsequent exchange offers or otherwise. We have no present plans to acquire any old notes that are not tendered in the exchange offer or to file a registration statement to permit resales of any untendered old notes.

All notices regarding the new notes, the beginning of the exchange offer and the result of the exchange offer will be published in an authorized newspaper in Luxembourg, which is expected to be the Luxemburger Wort.

SELECTED HISTORICAL FINANCIAL DATA

BOTTLING LLC

The following table sets forth our selected historical financial data: (a) as of and for each of the five fiscal years ended December 29, 2001 and (b) as of September 8, 2001 and September 7, 2002 and for each of the 36-week periods then ended. The selected historical financial data as of and for each of the five fiscal years ended December 29, 2001 have been derived from our audited consolidated financial statements. The selected historical financial data as of and for the 36-week periods ended September 8, 2001 and September 7, 2002 have been derived from our unaudited condensed consolidated financial statements and include all adjustments, consisting only of normal recurring adjustments, which are, in our opinion, necessary for a fair presentation of our financial position at such dates and results of operations for such periods. The results of operations for the 36-week period ended September 7, 2002 are not necessarily indicative of the results for the full year, especially in view of the seasonality of our business. You should read the following financial information with our historical consolidated financial statements and notes thereto incorporated by reference in this prospectus.

FISCAL YEAR ENDED					36 WEEKS ENDED	
DEC. 27, 1998(1)	DEC. 26, 1999(1)	DEC. 25, 2000(2)	DEC. 30, 2001	DEC. 29, 2001	SEPT. 8, 2001	SEPT. 7, 2002
(IN MILLIONS, EXCEPT FOR RATIO OF EARNINGS TO FIXED CHARGES) STATEMENT OF OPERATIONS DATA:						
Net revenues	$6,592	$ 7,041	$7,505	$7,982	$ 8,443	$5,981	$6,436
Cost of sales	3,832	4,181	4,296	4,405	4,580	3,212	3,464
Gross profit	2,760	2,860	3,209	3,577	3,863	2,769	2,972
Selling, delivery and administrative expenses	2,425	2,583	2,813	2,986	3,185	2,176	2,227
Unusual impairment and other charges and credits(3)	--	222	(16)	--	--	--	--
Operating income	335	55	412	591	678	593	745
Interest expense	165	166	140	136	132	91	92
Interest income	5	9	11	47	54	33	20
Foreign currency loss (gain)	(2)	26	1	1	--	--	3
Minority interest	4	4	5	8	14	13	8
Income (loss) before income taxes	173	(132)	277	493	586	522	662
Income tax expense (benefit)(4)	1	(1)	4	22	(1)	(6)	28
Net income (loss)	$ 172	$ (131)	$ 273	$ 471	$ 587	$ 528	$ 634
OTHER FINANCIAL DATA:							
Net cash provided by operations	$ 627	$ 732	$ 907	$1,026	$ 1,196	$ 669	$ 794
Net cash used for investments	(578)	(1,027)	(992)	(852)	(1,072)	(775)	(754)
Net cash provided by (used for) financing	(2)	244	244	(42)	(173)	15	(41)
Capital expenditures	(472)	(507)	(560)	(515)	(593)	(397)	

(437) Ratio of earnings to fixed charges(5)..... 2.06 --(6) 2.76 4.31 5.09 6.23 7.36 BALANCE SHEET DATA (AT PERIOD END): Total assets..... $7,095 $ 7,227 $7,799 $8,228 $ 8,677 $8,861 $9,583 Long-term debt Allocation of PepsiCo long-term debt(7)..... 2,300 2,300 -- -- -- -- -- Due to third parties..... 96 61 2,284 2,286 2,299 2,295 2,356 ------ ------- ------ ------ ------- ------ ------ Total long-term debt..... 2,396 2,361 2,284 2,286 2,299 2,295 2,356 Minority interest..... 93 112 141 147 154 154 161 Accumulated other comprehensive loss... (184) (238) (222) (253) (416) (293) (383) Owners' equity..... 3,336 3,283 3,928 4,321 4,596 4,882 5,289

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(1) Financial information for the periods prior to PBG's initial public offering in March 1999 has been carved out from PepsiCo's financial statements for the same periods based on the historical results of

operations and the assets and liabilities of our business. Our financial information for these periods reflects some costs that may not necessarily be indicative of the costs that we would have incurred if we had operated as an independent, stand-alone entity during such periods.

(2) The 2000 fiscal year consisted of 53 weeks compared to 52 weeks in our normal fiscal year. The fifty-third week increased fiscal 2000 net revenues by an estimated $113 million and net income by an estimated $12 million.

(3) Unusual impairment and other charges and credits were comprised of the following:

- a $45 million non-cash compensation charge in the second quarter of 1999;
- a $53 million vacation accrual reversal in the fourth quarter of 1999;
- an $8 million restructuring reserve reversal in the fourth quarter of 1999; and
- a $222 million charge related to the restructuring of our Russian bottling operations and the separation of Pepsi-Cola North America's concentrate and bottling organizations in the fourth quarter of 1998.

(4) Results for the 36-week period ended September 8, 2001 and the fiscal year ended December 29, 2001 included Canadian tax law change benefits of $25 million.

(5) We have calculated our ratio of earnings to fixed charges by dividing earnings by fixed charges. For this purpose, earnings are before taxes and minority interest, plus fixed charges (excluding capitalized interest) and losses recognized from equity investments, reduced by undistributed income from equity investments. Fixed charges include interest expense, capitalized interest and one-third of net rent expense, which is the portion of rent deemed representative of the interest factor. Since our formation in 1999, we have distributed, and in the future we intend to distribute, pro rata to our members sufficient cash so that the aggregate amount of cash distributed to PBG will enable it to pay its taxes and make interest payments on its $1 billion principal amount of 7% senior notes due 2029. Such distributions are not included in the calculation of fixed charges. Total distributions to our members in 2000, 2001 and 2002 were $45 million, $223 million and $156 million, respectively.

(6) As a result of the losses incurred in the fiscal year ended December 26, 1998, we were unable to fully cover fixed charges. Earnings did not cover fixed charges by $124 million in fiscal 1998.

(7) For the periods prior to the initial public offering of PBG and prior to our issuance of $1.3 billion of 5 5/8% senior notes and $1.0 billion of 5 3/8% senior notes on February 9, 1999, $2.3 billion of our long-term debt was allocated to us from PepsiCo.

SUPPLEMENTAL PRO FORMA INFORMATION

Effective the first day of fiscal year 2002, in accordance with SFAS 142, we no longer amortize goodwill and certain franchise rights, but evaluate them for impairment annually. We have completed the initial impairment review upon adoption of SFAS 142 and have determined that our intangible assets were not impaired. Had we adopted SFAS 142 on the first day of 1999, amortization expense would have been lowered by approximately $129 million in each of 1999, 2000 and 2001 and $89 million for the 36-week period ended September 8, 2001; net income would have increased $126 million in each of 1999, 2000 and 2001 and $87 million for the 36-week period ended September 8, 2001; and the ratio of earnings to fixed charges would have increased 0.79 to 3.55 in 1999, 0.83 to 5.14 in 2000, 0.86 to 5.95 in 2001 and 0.85 to 7.08 for the 36-week period ended September 8, 2001.

PEPSICO

The following table sets forth PepsiCo's selected historical financial data: (a) as of and for each of the five fiscal years ended December 29, 2001 and (b) as of September 8, 2001 and September 7, 2002 and for each of the 36-week periods then ended. The selected historical financial data as of and for each of the four fiscal years ended December 29, 2001 have been derived from PepsiCo's audited consolidated financial statements, except for net sales, which have been restated to reflect the adoption of EITF 01-9 as described in Note (7) below, and long-term debt as of December 26, 1998, which has been derived from PepsiCo's unaudited consolidated financial information. The selected historical financial data for the fiscal

year ended December 27, 1997 have been derived from PepsiCo's unaudited consolidated financial information. The selected historical financial data as of and for the 36-week periods ended September 8, 2001 and September 7, 2002 have been derived from PepsiCo's unaudited condensed consolidated financial statements and include all adjustments, consisting only of normal recurring adjustments, which are, in PepsiCo's opinion, necessary for a fair presentation of PepsiCo's financial position at such dates and results of operations for such periods. The results of operations for the 36-week period ended September 7, 2002 are not necessarily indicative of the results for the full year, especially in view of the seasonality of PepsiCo's business. In 2001, PepsiCo merged with Quaker in a transaction accounted for as a pooling of interests. Prior year results have been restated to reflect the transaction, except for cash dividends per common share, which reflect those of pre-merger PepsiCo prior to the effective date of the merger. As a result of the bottling deconsolidation in 1999 and the Tropicana acquisition late in 1998, PepsiCo's financial statements that include these periods may not be fully comparable with prior periods. In addition, in 1997, PepsiCo disposed of its restaurants segment and accounted for the disposal as discontinued operations. Accordingly, all information for 1997 has been restated. You should read the following financial information with PepsiCo's historical consolidated financial statements and notes thereto incorporated by reference in this prospectus.

FISCAL YEAR ENDED	36 WEEKS ENDED								
---	DEC. 27, 1997(1)(2)	DEC. 26, 1998(1)(3)	DEC. 25, 1999(1)(4)	DEC. 30, 2000(1)(5)	DEC. 29, 2001(1)(6)	SEPT. 8, 2001(1)(6)	SEPT. 7, 2002(6)		
(IN MILLIONS, EXCEPT PER SHARE AMOUNTS AND RATIO OF EARNINGS TO FIXED CHARGES)									
Net sales(7)	$25,933	$24,605	$22,183	$22,337	$23,512	$16,546	$17,655		
Income from continuing operations	561	2,278	2,505	2,543	2,662	1,995	2,508		
Income per common share -- continuing operations -- basic	0.30	1.27	1.41	1.45	1.51	1.13	1.42		
Income per common share -- continuing operations -- diluted	0.30	1.23	1.38	1.42	1.47	1.10	1.39		
Cash dividends declared per common share(8)	0.49	0.515	0.535	0.555	0.575	0.43	0.445		
Total assets (at period end)	22,798	25,170	19,948	20,757	21,695	23,036	23,793		
Long-term debt (at period end)	5,834	4,823	3,527	3,009	2,651	2,559	2,271		
Ratio of earnings to fixed charges(9)	2.96	6.03	9.82	11.91	15.21	15.77	22.80		

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(1) Includes other impairment and restructuring charges of $331 million ($265 million after-tax or $0.14 per share) in 1997, $482 million ($379 million after-tax or $0.21 per share) in 1998, $73 million ($45 million after-tax or $0.02 per share) in 1999, $184 million ($111 million after-tax or $0.06 per share) in 2000, $31 million ($19 million after-tax or $0.01 per share) in 2001 and $21 million ($13 million after-tax or $0.01 per share) for the 36-week period ended September 8, 2001.

(2) Includes a loss on a Quaker business divestiture of $1.4 billion ($1.1 billion after-tax or $0.61 per share).

(3) Includes a tax benefit of $494 million (or $0.27 per share) related to final

agreement with the Internal Revenue Service to settle a case related to concentrate operations in Puerto Rico.

(4) Includes a net gain on bottling transactions of $1.0 billion ($270 million after-tax or $0.15 per share), a tax provision related to the PepCom transaction, as described in PepsiCo's Annual Report on Form 10-K for the year ended December 29, 2001, of $25 million (or $0.01 per share), and a Quaker favorable tax adjustment of $59 million (or $0.03 per share).

(5) The 2000 fiscal year consisted of 53 weeks compared to 52 weeks in PepsiCo's normal fiscal year. The fifty-third week increased 2000 net sales by an estimated $294 million and net income by an estimated $44 million (or $0.02 per share).

(6) Includes Quaker merger-related costs of $356 million ($322 million after-tax or $0.18 per share) in 2001, $235 million ($231 million after-tax or $0.13 per share) for the 36-week period ended September 8, 2001 and $134 million ($109 million after-tax or $0.06 per share) for the 36-week period ended September 7, 2002.

(7) PepsiCo adopted EITF 01-9, on January 1, 2002. As a result of adopting EITF 01-9 in 2002, PepsiCo has reduced net sales and selling, general and administrative expenses by $2.6 billion in 1998, $2.9 billion in 1999, $3.1 billion in 2000, $3.4 billion in 2001 and $2.4 billion for the 36-week period ended September 8, 2001. Accordingly, these amounts differ from PepsiCo's Annual Report on Form 10-K for the year ended December 29, 2001, which is incorporated herein by reference. Net sales and selling, general and administrative expenses for fiscal year 1997 have not been restated in the above table to reflect the adoption of EITF 01-9 as this information is not readily available.

(8) Prior to the effective date of PepsiCo's merger with Quaker on August 1, 2001, cash dividends per common share are those of pre-merger PepsiCo.

(9) The ratio of earnings to fixed charges is calculated by dividing earnings by fixed charges. For this purpose, earnings principally reflect income before taxes excluding the results of minority-owned equity investments, minority interest income, interest expense and an estimate of the interest portion of rent expense. In addition, earnings are adjusted to include 100% of the losses of majority-owned equity investments and dividends from minority-owned equity investments. Fixed charges principally include interest expense and an estimate of the interest portion of rent expense.

SUPPLEMENTAL PRO FORMA INFORMATION

PepsiCo adopted SFAS 142 in 2002. As a result of this adoption, amortization ceased for nonamortizable intangibles and the remaining useful lives of certain amortizable intangibles were reduced.

The following reflects the impact that SFAS 142 would have had on the results of the prior periods indicated below if SFAS 142 had been in effect for such periods.

36 WEEKS FISCAL YEAR ENDED ENDED -					
-------- DEC. 30, 2000 DEC. 29,					
2001 SEPT. 8, 2001 ------------- -					
------------ -------------					
Reported net income.....					
$2,543 $2,662 $1,995 Cease goodwill					
amortization.....					
112 112 78 Adjust brands					
amortization.....					
(22) (67) (46) Cease equity					
investee goodwill amortization...					
61 57 40 ------ ------ ------					
Adjusted net income.....					
$2,694 $2,764 $2,067 ====== ======					
====== Reported earnings per					
common share -- diluted... $ 1.42					
$ 1.47 $ 1.10 Cease goodwill					
amortization.....					
0.06 0.06 0.04 Adjust brands					
amortization.....					
(0.01) (0.03) (0.03) Cease equity					
investee goodwill amortization...					
0.03 0.03 0.03 ------ ------ -----					
- Adjusted earnings per common					
share -- diluted... $ 1.50 $ 1.53					
$ 1.14 ====== ====== ======					

The impact on basic earnings per common share is the same as the diluted earnings per common share amounts reported above. It is not practicable to provide the pro forma impact of SFAS 142 for years prior to 2000 as this information is not readily available.

BUSINESS

BOTTLING GROUP, LLC

INTRODUCTION

We are the principal operating subsidiary of PBG and conduct substantially all of the operations, and own or lease, directly or indirectly, substantially all of the assets of PBG. We are the world's largest manufacturer, seller and distributor of carbonated and non-carbonated Pepsi-Cola beverages. The Pepsi-Cola beverages we sell are some of the best recognized trademarks in the world and include Pepsi-Cola, Diet Pepsi, Pepsi One, Pepsi Twist, Mountain Dew, Mountain Dew Code Red, AMP, Lipton Brisk, Lipton's Iced Tea, Slice, Mug, Aquafina, Starbucks Frappuccino, Fruitworks, Sierra Mist, Dole and SoBe and, outside the United States, 7UP, Pepsi Max, Mirinda and KAS. We have the exclusive right to manufacture, sell and distribute Pepsi-Cola beverages in all or a portion of 41 states and the District of Columbia in the United States, nine Canadian provinces, Spain, Greece, Russia, Turkey and, after our recent acquisition of Gemex, Mexico. In some of our territories, we also have the right to manufacture, sell and distribute soft drink products of other companies, including Dr. Pepper and All Sport in the United States. In 2001, approximately 79% of our volume was sold in the United States and the remaining 21% was sold in Canada, Spain, Greece and Russia. We have an extensive distribution system in the United States, Mexico and Canada. In Russia, Spain, Greece and Turkey, we use a combination of direct store distribution and distribution through wholesalers, depending on local marketplace considerations.

We and PBG were formed by PepsiCo to effect the separation in 1999 of most of PepsiCo's company-owned bottling business from its brand ownership. PBG became a publicly traded company on March 31, 1999. As of November 30, 2002, PepsiCo owned approximately 37.8% of PBG's outstanding common stock and 100% of PBG's outstanding class B common stock, together representing approximately 42.9% of the voting power of all classes of PBG's voting stock (with the balance owned by the public). PepsiCo and PBG contributed bottling businesses and assets used in the bottling business to us in connection with our formation. As of November 30, 2002, PBG owned approximately 93% of our membership interests and PepsiCo indirectly owned the remainder of our membership interests.

RECENT DEVELOPMENTS

On September 30, 2002, PBG announced that it had signed a letter of intent to acquire a Pepsi-Cola bottler based in Buffalo, New York. The transaction is expected to close in the first quarter of 2003.

On November 5, 2002, our simultaneous tender offers in Mexico and the United States for all of the outstanding capital stock of Gemex expired. Approximately 99.8% of Gemex's capital stock was accepted for payment and purchased. Following the offers, we purchased additional Gemex capital stock, funded a trust for the acquisition of the balance of the outstanding capital stock and caused Gemex to carry out a reverse-stock split that eliminated for cash the outstanding capital stock held by any remaining security holders other than us. The total purchase price for all of Gemex's capital stock was 8,967 million pesos in cash, or approximately $882 million (using the peso/dollar exchange rate of 10.1667 pesos to U.S. $1.00, which is the exchange rate used in connection with the purchase of the outstanding capital stock of Gemex).

According to publicly available information filed by Gemex with the SEC, Gemex is the largest bottler in Mexico and the largest bottler outside the United States of Pepsi-Cola soft drink products based on sales volume. Gemex is a Mexican holding company that, through its bottling and distribution subsidiaries, produces, sells and distributes a variety of soft drink products under the Pepsi-Cola, Pepsi Light, Pepsi Max, Pepsi Limon, Mirinda, 7UP, Diet 7UP, KAS, Mountain Dew, Power Punch and Manzanita Sol trademarks under exclusive franchise and bottling arrangements with PepsiCo and certain affiliates of PepsiCo.

Gemex also has rights to produce, sell and distribute in Mexico soft drink products of other companies, including tonic water, club soda and ginger ale under the Seagram trademark. Gemex also produces, sells and distributes purified and mineral water in Mexico under the trademarks Electropura and Garci Crespo. Gemex's consolidated financial statements have been prepared in accordance with Mexican GAAP, which differs in certain respects from U.S. GAAP. Gemex reported that, in fiscal 2001, its total

revenues were 11.1 billion pesos ($1.2 billion) and its consolidated net income was 595.2 million pesos ($65.0 million) (using the peso/dollar exchange rate of 9.16 pesos to U.S. $1.00 as of December 31, 2001). Gemex reported that, for the nine months ended September 30, 2002, its total revenues were 9.2 billion pesos ($897.6 million) and its consolidated net income was 162 million pesos ($15.9 million) (using the peso/dollar exchange rate of 10.214 pesos to U.S. $1.00 as of September 30, 2002). For purposes of the foregoing, the results for fiscal year 2001 have not been restated to constant September 30, 2002 pesos to reflect inflation in the first nine months of 2002, which was approximately 3.94%, based on the National Consumer Price Index published by Banco de Mexico. We refer you to "Presentation of Certain Financial Information."

PATENTS, TRADEMARKS, LICENSES AND FRANCHISES

Our portfolio of beverage products includes some of the best recognized trademarks in the world. The majority of our volume is derived from brands licensed from PepsiCo or PepsiCo joint ventures.

We conduct our business primarily under PBG's beverage agreements with PepsiCo. Although we are not a direct party to these agreements, as the principal operating subsidiary of PBG, we enjoy rights and are subject to obligations under these agreements as described below. These agreements give us the exclusive right to market, distribute and produce beverage products of PepsiCo in authorized containers in specified territories.

Set forth below is a description of PBG's beverage agreements with PepsiCo and other bottling agreements from which we benefit and under which we are obligated as the principal operating subsidiary of PBG.

Master Bottling Agreement. The master bottling agreement under which we manufacture, package, sell and distribute the cola beverages bearing the Pepsi-Cola and Pepsi trademarks was entered into in March 1999. The master bottling agreement gives us the exclusive and perpetual right to distribute cola beverages for sale in specified territories in authorized containers of the nature currently used by us. The master bottling agreement provides that we will purchase our entire requirements of concentrates for the cola beverages from PepsiCo at prices, and on terms and conditions, determined from time to time by PepsiCo. PepsiCo may determine from time to time what types of containers to authorize for use by us. PepsiCo has no rights under the master bottling agreement with respect to the prices at which we sell our products.

Under the master bottling agreement, we are obligated to:

- maintain such plant and equipment, staff, and distribution and vending facilities that are capable of manufacturing, packaging and distributing for these beverages in our territories;

- undertake adequate quality control measures prescribed by PepsiCo;

- push vigorously the sale of the cola beverages in our territories;

- increase and fully meet the demand for the cola beverages in our territories;

- use all approved means and spend such funds on advertising and other forms of marketing beverages as may be reasonably required to meet the objective; and

- maintain such financial capacity as may be reasonably necessary to assure performance under the master bottling agreement by us.

The master bottling agreement requires us to meet annually with PepsiCo to discuss plans for the ensuing year and the following two years. At such meetings, we are obligated to present plans that set out in reasonable detail our marketing plan, our management plan and advertising plan with respect to the cola beverages for the year. We must also present a financial plan showing that we have the financial capacity to perform our duties and obligations under the master bottling agreement for that year, as well as sales, marketing, advertising and capital expenditure plans for the two years following such year. PepsiCo has the right to approve such plans, which approval shall not be unreasonably withheld.

If we carry out our annual plan in all material respects, we will be deemed to have satisfied our obligations to push vigorously the sale of the cola beverages, increase and fully meet the demand for the

cola beverages in our territories and maintain the financial capacity required under the master bottling agreement. Failure to present a plan or carry out approved plans in all material respects would constitute an event of default that, if not cured within 120 days of notice of the failure, would give PepsiCo the right to terminate the master bottling agreement.

The master bottling agreement provides that if we present a plan that PepsiCo does not approve, such failure constitutes a primary consideration for determining whether we have satisfied our obligations to maintain our financial capacity, push vigorously the sale of the cola beverages and increase and fully meet the demand for the cola beverages in our territories.

If we fail to carry out our annual plan in all material respects in any segment of our territory, whether defined geographically or by type of market or outlet, and if that failure is not cured within six months after notice of the failure, PepsiCo may reduce the territory covered by the master bottling agreement by eliminating the territory, market or outlet with respect to which that failure has occurred.

PepsiCo has no obligation to participate with us in advertising and marketing spending, but it may contribute to these expenditures and undertake independent advertising and marketing activities, as well as cooperative advertising and sales promotion programs that would require our cooperation and support. Although PepsiCo has advised us that it intends to continue to provide cooperative advertising funds, it is not obligated to do so under the master bottling agreement.

The master bottling agreement provides that PepsiCo may in its sole discretion reformulate any of the cola beverages or discontinue them, with some limitations, so long as all cola beverages are not discontinued. PepsiCo may also introduce new beverages under the Pepsi-Cola trademarks or any modification thereof. If that occurs, we will be obligated to manufacture, package, distribute and sell such new beverages with the same obligations as then exist with respect to other cola beverages. We are prohibited from producing or handling cola products, other than those of PepsiCo, or products or packages that imitate, infringe or cause confusion with the products, containers or trademarks of PepsiCo. The master bottling agreement also imposes requirements with respect to the use of PepsiCo's trademarks, authorized containers, packaging and labeling.

If we acquire control, directly or indirectly, of any bottler of cola beverages, we must cause the acquired bottler to amend its bottling appointments for the cola beverages to conform to the terms of the master bottling agreement.

Under the master bottling agreement, PepsiCo has agreed not to withhold approval for any acquisition of rights to manufacture and sell Pepsi trademarked cola beverages within agreed-upon territories, currently representing approximately 13% of PepsiCo's U.S. bottling system in terms of volume, if we have successfully negotiated the acquisition and, in PepsiCo's reasonable judgment, satisfactorily performed our obligation under the master bottling agreement. We have agreed not to acquire any rights to manufacture and sell Pepsi trademarked cola beverages outside of those agreed-upon territories without PepsiCo's prior written approval.

The master bottling agreement is perpetual, but may be terminated by PepsiCo in the event of PBG's default. Events of default include:

- PBG's insolvency, bankruptcy, dissolution, receivership or the like;

- any disposition of any voting securities of one of our bottling subsidiaries or substantially all of our bottling assets without the consent of PepsiCo;

- PBG's entry into any business other than the business of manufacturing, selling or distributing non-alcoholic beverages or any business which is directly related and incidental to such beverage business; and

- any material breach under the master bottling agreement that remains uncured for 120 days after notice by PepsiCo.

An event of default will also occur if any person or affiliated group acquires any contract, option, conversion privilege, or other right to acquire, directly or indirectly, beneficial ownership of more than 15% of any class or series of PBG's voting securities without the consent of PepsiCo. As of November 30, 2002,

to our knowledge, no stockholder of PBG, other than PepsiCo, held more than 7.0% of PBG's common stock.

PBG is prohibited from assigning, transferring or pledging the master bottling agreement or any interest therein, whether voluntarily, or by operation of law, including by merger or liquidation, without the prior consent of PepsiCo.

The master bottling agreement was entered into by PBG in the context of its and our separation from PepsiCo and, therefore, its provisions were not the result of arm's-length negotiations. Consequently, the agreement contains provisions that are less favorable to us than the exclusive bottling agreements for cola beverages currently in effect for independent bottlers in the United States.

Non-Cola Bottling Agreements. The beverage products covered by the non-cola bottling agreements are beverages licensed to PBG by PepsiCo and include Mountain Dew, Diet Mountain Dew, Mountain Dew Code Red, Slice, Sierra Mist, Aquafina, Fruitworks and Mug root beer and cream soda. The non-cola bottling agreements contain provisions that are similar to those contained in the master bottling agreement with respect to pricing, territorial restrictions, authorized containers, planning, quality control, transfer restrictions, term, and related matters. PBG's non-cola bottling agreements will terminate if PepsiCo terminates the master bottling agreement. The exclusivity provisions contained in the non-cola bottling agreement would prevent us from manufacturing, selling or distributing beverage products that imitate, infringe upon, or cause confusion with, the beverage products covered by the non-cola bottling agreements. PepsiCo may also elect to discontinue the manufacture, sale or distribution of a non-cola beverage and terminate the applicable non-cola bottling agreement upon six months notice to PBG.

PBG also has agreements with PepsiCo granting PBG exclusive rights to distribute AMP and Dole in all of PBG's territories and SoBe in certain specified territories. The distribution agreements contain provisions generally similar to those in the master bottling agreement as to use of trademarks, trade names, approved containers and labels and events of default. Some of these beverage agreements have limited terms and, in most instances, prohibit us from dealing in similar beverage products.

Master Syrup Agreement. The master syrup agreement grants PBG the exclusive right to manufacture, sell and distribute fountain syrup to local customers in PBG's territories. The master syrup agreement also grants PBG the right to act as a manufacturing and delivery agent for national accounts within our territories that specifically request direct-to-store delivery without using a middleman. In addition, PepsiCo may appoint PBG to manufacture and deliver fountain syrup to national accounts that elect delivery through independent distributors. Under the master syrup agreement, PBG has the exclusive right to service fountain equipment for all of the national account customers within PBG's territories. The master syrup agreement provides that the determination of whether an account is local or national is at the sole discretion of PepsiCo.

The master syrup agreement contains provisions that are similar to those contained in the master bottling agreement with respect to pricing, territorial restrictions with respect to local customers and national customers electing direct-to-store delivery only, planning, quality control, transfer restrictions and related matters. The master syrup agreement has an initial term of five years and is automatically renewable for additional five-year periods unless PepsiCo terminates it for cause. PepsiCo has the right to terminate the master syrup agreement without cause at the conclusion of the initial five-year period or at any time during a renewal term upon 24 months' notice. If PepsiCo terminates the master syrup agreement without cause, PepsiCo is required to pay PBG the fair market value of PBG's rights thereunder.

The master syrup agreement will terminate if PepsiCo terminates the master bottling agreement.

Country Specific Bottling Agreements. The country specific bottling agreements between PBG and PepsiCo contain provisions similar to those contained in the master bottling agreement and the non-cola bottling agreements and, in Canada, the master syrup agreement with respect to authorized containers, planning, quality control, transfer restrictions, causes for termination and related matters. These bottling agreements differ from the master bottling agreement because, except for Canada, they include both fountain syrup and non-fountain beverages. These bottling agreements also differ from the master bottling

agreement with respect to term and contain certain provisions that have been modified to reflect the laws and regulations of the applicable country. For example, the bottling agreements in Spain do not contain a restriction on the sale and shipment of Pepsi-Cola beverages into our territory by others in response to unsolicited orders.

Other U.S. Bottling Agreements. PBG has also entered into bottling agreements with other licensors of beverage products, including:

- Cadbury Schweppes plc for Dr. Pepper, Schweppes and Canada Dry products;
- The Pepsi/Lipton Tea Partnership for Lipton Brisk and Lipton's Iced Tea products;
- The North American Coffee Partnership for Starbucks Frappuccino products; and
- Monarch Company for All Sport products.

These bottling agreements contain provisions generally similar to those in PBG's master bottling agreement with PepsiCo as to use of trademarks, trade names, approved containers and labels, sales of imitations, and causes for termination. Some of these beverage agreements have limited terms and, in most instances, prohibit us from dealing in similar beverage products.

EMPLOYEES

As of December 29, 2001, we employed approximately 37,000 full-time workers, of whom approximately 30,000 were employed in the United States. Approximately 8,800 of our full-time workers in the United States are union members. We consider relations with our employees to be good and have not experienced significant interruptions of operations due to labor disagreements with the exception of a labor dispute at certain of our New Jersey facilities, which was successfully resolved on July 22, 2001. We believe that Gemex's relations with its employees are good, and, as of December 31, 2001, it employed 25,349 full-time workers (55% of whom were union members). Under Mexican law, collective bargaining agreements are negotiated on a yearly basis with respect to wages and every two years with respect to benefits.

PROPERTIES

As of December 29, 2001, we operated 70 soft drink production facilities worldwide, of which 62 were owned and eight were leased. Of our 328 distribution facilities, as of December 29, 2001, 264 were owned and 64 were leased. We believe that our bottling, canning and syrup filling lines and our distribution facilities are sufficient to meet present needs. We also lease headquarters office space in Somers, New York.

We own or lease and operate approximately 28,000 vehicles, including delivery trucks, delivery and transport tractors and trailers and other trucks and vans used in the sale and distribution of our products. We also own more than 1.2 million soft drink dispensing and vending machines.

With a few exceptions, leases of plants in the United States and Canada are on a long-term basis, expiring at various times, with options to renew for additional periods. Most international plants are leased for various and usually shorter periods, with or without renewal options. We believe that our properties are in good operating condition and are adequate to serve our current operational needs.

At March 31, 2002, Gemex operated 22 soft drink and mineral water bottling facilities (two of which were leased), 17 purified water bottling facilities (all of which were owned), 147 soft drink warehouse distribution centers (97 of which were leased), two plastic production facilities and 5,234 distribution vehicles (1,226 of which were leased).

LEGAL PROCEEDINGS

From time to time we are a party to various litigation matters incidental to the conduct of our business. There is no pending or, to our best knowledge, threatened legal proceeding to which we are a party that, in the opinion of management, is likely to have a material adverse effect on our business or future financial results.

INTRODUCTION

PepsiCo manufactures, markets and sells throughout the world a wide variety of beverages, snacks and other foods and many of its brands are among the best recognized in the world. PepsiCo's businesses can be divided into three operations: worldwide beverages, worldwide snacks and Quaker Foods North America, all of which are described below. PepsiCo was incorporated in Delaware in 1919 and was reincorporated in North Carolina in 1986.

WORLDWIDE BEVERAGES

PepsiCo's worldwide beverage business is comprised of three business units: Pepsi-Cola North America, Gatorade/Tropicana North America and PepsiCo Beverages International. Beginning in 2003, PepsiCo will combine its North American beverage operations to form a new business unit, PepsiCo Beverages North America.

Pepsi-Cola North America. Pepsi-Cola North America, or PCNA, manufactures concentrates for Pepsi, Diet Pepsi, Wild Cherry Pepsi, Pepsi One, Pepsi Twist, Mountain Dew, Mountain Dew Code Red, Mug, Sierra Mist, Slice and FruitWorks. PCNA also manufactures and sells Dole single serve juices and juice drinks, SoBe juice drinks and teas and AMP energy drinks. These concentrates and beverages are sold to bottlers in the United States and Canada. PCNA's bottlers are licensed, within defined territories, to manufacture, market, sell and distribute Pepsi beverages and syrups. PCNA also licenses its bottlers to process and distribute Aquafina bottled water. PepsiCo has a minority interest in six of these bottlers, including PepsiCo's three major, or "anchor," bottlers: PBG, which owns approximately 93% of our membership interests, PepsiAmericas and Pepsi Bottling Ventures, which distribute in the aggregate approximately three quarters of PepsiCo's North American volume.

The Pepsi/Lipton Tea Partnership, a joint venture between PepsiCo and Unilever N.V., sells tea concentrate to Pepsi bottlers and develops and markets ready-to-drink tea products under the Lipton trademark, including Lipton Brisk and Lipton's Iced Tea. The North American Coffee Partnership, a joint venture between PepsiCo and Starbucks Corporation, develops ready-to-drink coffee products, which are sold under the Starbucks Frappuccino trademark and are distributed by PCNA's bottlers.

PCNA also develops the national marketing, promotion and advertising programs that support the PCNA brands and related brand images; oversees the quality of the PCNA beverages; develops new products and packaging; approves packaging suppliers; and leads and coordinates selling efforts for national fountain, supermarket and mass merchandising accounts.

Gatorade/Tropicana North America. Gatorade/Tropicana North American, or GTNA, produces, markets, sells and distributes Gatorade sports drinks, Tropicana Pure Premium, Tropicana Season's Best, Tropicana Twister, Dole, and Tropicana Pure Tropics juices and juice beverages and Propel fitness water.

GTNA manages production and co-packing for Gatorade and Tropicana shelf stable beverages. GTNA utilizes both its own and broker sales forces that sell these products to a wide variety of wholesale and retail accounts.

GTNA's manufacturing operations in Bradenton, Florida produce approximately 80% of the worldwide supply of Tropicana Pure Premium products. Refrigerated rail cars and trucks are used to transport these products quickly and efficiently from the Bradenton manufacturing plant to the principal distribution centers. A high priority is placed on inventory management techniques that ensure product quality and fresh taste.

GTNA also develops the national marketing, promotion and advertising programs that support the Gatorade and Tropicana brands and related brand images; oversees the quality of the sports drinks, juices and juice beverages; develops new products and packaging; and leads and coordinates selling and distribution efforts for national supermarket, convenience and mass merchandising accounts.

PepsiCo Beverages International. PepsiCo Beverages International, or PBI, manufactures concentrates for Pepsi, Pepsi Light, Pepsi Max, Wild Cherry Pepsi, 7UP, Diet 7UP, Mirinda, KAS, Mountain

Dew and other brands for sale to bottlers outside the United States and Canada. PBI's bottlers are licensed, within defined territories, to manufacture, market, sell and distribute Pepsi beverages and syrups. PepsiCo has a minority interest in approximately 40 of these bottlers. In certain countries PBI owns and operates the bottling businesses which manufacture, sell and distribute Pepsi beverages. PBI also produces and sells Gatorade sports drinks and Tropicana juices and juice beverages outside the United States and Canada through PepsiCo-owned and independently-owned bottlers and distributors. PBI beverages are sold in approximately 170 countries. Principal international markets include Mexico, China, Saudi Arabia, India, Argentina, Brazil, Thailand, the United Kingdom, Spain and the Philippines.

PBI, with its bottlers, develops the international marketing, promotion and advertising programs that support the PBI brands and related brand images; oversees the quality of the PBI beverages; provides technical support to the bottlers; develops new products and packages; approves packaging suppliers; and leads and coordinates selling efforts for certain international fountain, supermarket and mass merchandising accounts.

WORLDWIDE SNACKS

PepsiCo's snack food business is comprised of two business units: Frito-Lay North America and Frito-Lay International.

Frito-Lay North America. Frito-Lay North America, or FLNA, manufactures, markets, sells and distributes a varied line of salty, sweet and grain-based snack foods throughout the United States and Canada, including Lay's potato chips, Doritos and Tostitos tortilla chips, Cheetos cheese-flavored snacks, Ruffles potato chips, Fritos corn chips, a variety of dips and salsas, Quaker Chewy granola bars, Rold Gold pretzels, Sunchips multigrain snacks, WOW! brand low fat and no fat versions of potato and tortilla chips, Funyons onion-flavored rings, Grandma's cookies, Quaker Fruit and Oatmeal bars, Cracker Jack candy-coated popcorn and Quaker Quakes rice cakes. FLNA also sells and distributes Oh Boy! Oberto brand meat snacks under an agreement with the Oberto Sausage Company.

FLNA's products are transported from manufacturing plants to PepsiCo's major distribution centers, principally by PepsiCo-owned trucks. FLNA primarily utilizes a direct store delivery system, whereby its sales force delivers the snacks directly from distribution centers to the store shelf.

FLNA also develops the national marketing, promotion and advertising programs that support the FLNA brands and related brand images; oversees the quality of the FLNA products; develops new products and packaging; approves packaging suppliers; and leads and coordinates selling efforts.

Frito-Lay International. The products of Frito-Lay International, or FLI, are available in approximately 120 countries outside the United States and Canada through PepsiCo-owned businesses and affiliated companies. On most of the European continent, FLI's snack food business is conducted through Snack Ventures Europe, a joint venture between PepsiCo and General Mills, Inc., in which PepsiCo owns a 60% interest. In 10 Latin America countries, FLI's snack food business is conducted through joint ventures between PepsiCo and Libracor, Ltd., a part of the Empresas Polar Group, which is headquartered in Venezuela. PepsiCo has a 50% interest in these ventures, except in one country where PepsiCo owns a 70% interest.

FLI sells a variety of salty and sweet snack food products which appeal to local tastes, including Sabritas snack foods, Alegro and Gamesa sweet snacks in Mexico, Walkers snack foods in the United Kingdom and Smith's snack foods in Australia. In addition, many of PepsiCo's U.S. brands, such as Lay's, Doritos, Tostitos, Cheetos, Ruffles and Fritos brand salty snack foods, have been introduced internationally. FLI's products also include various Quaker food and snack products. Principal international markets include Mexico, the United Kingdom, Brazil, Spain, the Netherlands, Australia and South Africa.

FLI develops the marketing, promotion and advertising programs that support the local and FLI brands and related brand images; oversees the quality of the FLI products; develops new products and packaging; approves packaging suppliers; and leads and coordinates selling efforts.

QUAKER FOODS NORTH AMERICA

Quaker Foods North America, or QFNA, manufactures, markets and sells hot and ready-to-eat cereals, flavored rice and pasta products, mixes and syrups, hominy grits and cornmeal in the United States and Canada. QFNA products include Quaker oatmeal, Cap'n Crunch and Life ready-to-eat cereals, Rice-A-Roni rice, Aunt Jemima mixes and syrups, Quaker grits, Pasta Roni pasta and Near East rice. QFNA utilizes both its own and broker sales forces that sells to a variety of wholesale and retail accounts.

QFNA also develops the national marketing, promotion and advertising programs that support the QFNA brands and brand images; oversees the quality of the products; develops new products and packaging; approves packaging suppliers; and leads and coordinates selling efforts for supermarket and mass merchandising accounts.

PATENTS, TRADEMARKS AND LICENSES

As of December 29, 2001, PepsiCo owned numerous valuable trademarks which it believes are essential to its worldwide businesses, including Frito-Lay, Lay's, Doritos, Tostitos, Cheetos, Ruffles, Fritos, Rold Gold, Quaker Chewy, Sunchips, Grandma's, Quaker Quakes, Cracker Jack, Sabritas, Alegro, Gamesa, Walkers, Smith's, Pepsi-Cola, Pepsi, Diet Pepsi, Pepsi Max, Wild Cherry Pepsi, Pepsi One, Pepsi Twist, Mountain Dew, Mountain Dew Code Red, Aquafina, Slice, Mug, AMP, 7UP and Diet 7UP (outside the United States), Mirinda, KAS, Sierra Mist, FruitWorks, Gatorade, Propel, Tropicana, Tropicana Pure Premium, Tropicana Season's Best, Tropicana Twister, Tropicana Pure Tropics, SoBe, Quaker, Cap'n Crunch, Life, Rice-A-Roni, Near East, Pasta Roni, Golden Grain and Aunt Jemima. PepsiCo has authorized (through licensing arrangements) the use of many of its trademarks in such contexts as snack food joint ventures and beverage bottling appointments. In addition, PepsiCo licenses the use of its trademarks on collateral products for the primary purpose of enhancing brand awareness.

PepsiCo either owns or has licenses to use a number of patents which relate to some of its products and the processes for their production and the design and operation of various equipment used in its businesses. Some of these patents are licensed to others.

EMPLOYEES

As of December 29, 2001, PepsiCo employed, subject to seasonal variations, approximately 143,000 people worldwide, including approximately 81,000 people employed within the United States. PepsiCo believes that relations with its employees are generally good.

PROPERTIES

The following description of PepsiCo's properties is as of December 29, 2001.

Worldwide Beverages. PCNA operates two concentrate plants and seven warehouses in the United States and Canada. Licensed bottlers in which PepsiCo has an ownership interest operate 75 bottling plants. GTNA operates 11 manufacturing plants, 14 distribution centers and 16 offices, including Tropicana's corporate office space in Bradenton, Florida. PBI operates approximately 60 manufacturing and bottling plants and approximately 250 warehouses and offices outside of the United States and Canada.

Worldwide Snacks. FLNA operates 45 food manufacturing and processing plants in the United States and Canada, of which 42 are owned and three are leased. In addition, FLNA owns or leases approximately 1,900 warehouses and distribution centers for storage of food products in the United States and Canada. FLNA leases or owns 29 sales/regional offices throughout the United States, including its headquarters building and a research facility in Plano, Texas. FLI operates approximately 90 plants and approximately 1,100 distribution centers, warehouses and offices outside of the United States and Canada.

Quaker Foods North America. QFNA owns four manufacturing plants in the United States.

Shared Properties. FLNA and QFNA share one plant that manufactures oat-based foods and snacks. FLNA, GTNA and QFNA share 21 distribution centers and warehouses and 18 offices in the United States and Canada, including a research and development laboratory in Barrington, Illinois, and

corporate office space in downtown Chicago, Illinois. In March 2000, QFNA signed a 10-year lease for a new building in Chicago.

LEGAL PROCEEDINGS

PepsiCo is subject to various claims and contingencies related to lawsuits, taxes, environmental and other matters arising out of the normal course of business. PepsiCo's management believes that the ultimate liability, if any, in excess of amounts already recognized by PepsiCo for such claims or contingencies is not likely to have a material adverse effect on PepsiCo's results of operations, financial condition or liquidity.

OUR EXECUTIVE OFFICERS AND MANAGING DIRECTORS

Set forth below is information, as of November 30, 2002, with respect to our executive officers and managing directors:

NAME	AGE	POSITION
John T. Cahill	45	Principal Executive Officer and Managing Director
Alfred H. Drewes	47	Principal Financial Officer
Andrea L. Forster	42	Principal Accounting Officer
Pamela C. McGuire	55	Managing Director
Matthew M. McKenna	52	Managing Director

John T. Cahill is our Managing Director and Principal Executive Officer. Mr. Cahill has been a member of PBG's board of directors since January 1999 and is also the Chairman-Elect and Chief Executive Officer of PBG. Previously, Mr. Cahill served as PBG's President and Chief Operating Officer. Mr. Cahill served as PBG's Executive Vice President and Chief Financial Officer prior to becoming PBG's President and Chief Operating Officer in August 2000. He was Executive Vice President and Chief Financial Officer of the Pepsi-Cola Company from April 1998 to November 1998. Prior to that, Mr. Cahill was Senior Vice President and Treasurer of PepsiCo, having been appointed to that position in April 1997. In 1996, he became Senior Vice President and Chief Financial Officer of PCNA. Mr. Cahill joined PepsiCo in 1989 and held several other senior financial positions through 1996.

Alfred H. Drewes is our Principal Financial Officer. Mr. Drewes is also the Senior Vice President and Chief Financial Officer of PBG. Appointed to this position in June 2001, Mr. Drewes previously served as Senior Vice President and Chief Financial Officer of PBI. Mr. Drewes joined PepsiCo in 1982 as a financial analyst in New Jersey. During the next nine years, he rose through increasingly responsible finance positions within PCNA in field operations and headquarters. In 1991, Mr. Drewes joined PBI as Vice President of Manufacturing Operations, with responsibility for the global concentrate supply organization.

Andrea L. Forster is our Principal Accounting Officer. Ms. Forster is also Vice President and Controller of PBG. In September 2000, Ms. Forster was also named Corporate Compliance Officer for PBG. Following several years with Deloitte Haskins and Sells, Ms. Forster joined PepsiCo in 1987 as a Senior Analyst in External Reporting. She progressed through a number of positions in the accounting and reporting functions and, in 1998, was appointed Assistant Controller of the Pepsi-Cola Company. She was named Assistant Controller of PBG in 1999.

Pamela C. McGuire is our Managing Director. Ms. McGuire is also the Senior Vice President, General Counsel and Secretary of PBG. Ms. McGuire joined PepsiCo in 1977 and served as Vice President and Division Counsel of Pepsi-Cola Company from 1989 to March 1998, when she was named Vice President and Associate General Counsel of the Pepsi-Cola Company.

Matthew M. McKenna is our Managing Director. Mr. McKenna is also the Senior Vice President of Finance of PepsiCo. Previously he was Senior Vice President and Treasurer of PepsiCo and before that, Senior Vice President, Taxes of PepsiCo. Prior to joining PepsiCo in 1993, he was a partner with the law firm of Winthrop, Stimson, Putnam & Roberts in New York.

PEPSICO'S EXECUTIVE OFFICERS AND DIRECTORS

Set forth below is information, as of November 30, 2002, with respect to the executive officers and directors of PepsiCo:

NAME	AGE	POSITION
John F. Akers	67	Director
Robert E. Allen	67	Director
David R. Andrews	60	Senior Vice President, Government Affairs, General Counsel and Secretary
Peter A. Bridgman	50	Senior Vice President and Controller
Abelardo E. Bru	53	President and Chief Executive Officer, Frito-Lay North America
Roger A. Enrico	58	Director
Peter Foy	62	Director
Ray L. Hunt	59	Director
Arthur C. Martinez	63	Director
Matthew M. McKenna	52	Senior Vice President of Finance
Margaret D. Moore	54	Senior Vice President of Human Resources
Robert S. Morrison	60	Vice Chairman and Chairman, PepsiCo Beverages and Foods North America
Indra K. Nooyi	47	President, Chief Financial Officer and Director
Lionel L. Nowell, III	47	Senior Vice President and Treasurer
Franklin D. Raines	53	Director
Rogelio Rebolledo	58	President and Chief Executive Officer, Frito-Lay International
Steven S Reinemund	54	Chairman and Chief Executive Officer
Sharon Percy Rockefeller	57	Director
Gary M. Rodkin	50	President and Chief Executive Officer, PepsiCo Beverages and Foods North America
Franklin A. Thomas	68	Director
Peter M. Thompson	56	President and Chief Executive Officer, PepsiCo Beverages International
Cynthia M. Trudell	49	Director
Solomon D. Trujillo	51	Director
Daniel Vasella	49	Director

John F. Akers is the former Chairman of the Board and Chief Executive Officer of International Business Machines Corporation and has been a member of PepsiCo's Board since 1991. Mr. Akers joined IBM in 1960 and was Chairman and Chief Executive Officer from 1986 until 1993. He is also a director of Hallmark Cards, Inc., Lehman Brothers Holdings, Inc., The New York Times Company and W.R. Grace & Co.

Robert E. Allen is the former Chairman of the Board and Chief Executive Officer of AT&T Corp., has been a member of PepsiCo's Board since 1990 and is Chairman of its Nominating Committee. He began his career at AT&T in 1957 when

he joined Indiana Bell. He was elected President and Chief Operating Officer of AT&T in 1986, and was Chairman and Chief Executive Officer from 1988 until 1997.

He is also a director of Bristol-Myers Squibb Company and WhisperWire.com and a Trustee of The Mayo Foundation and Wabash College.

David R. Andrews became PepsiCo's Senior Vice President, Government Affairs, General Counsel and Secretary in February 2002. Before joining PepsiCo, Mr. Andrews was a partner in the law firm of McCutchen, Doyle, Brown & Enersen, LLP, a position he held from 2000 to 2002 and from 1981 to 1997. From 1997 to 2000, he served as the legal advisor to the U.S. Department of State and former Secretary of State Madeleine Albright.

Peter A. Bridgman has been Senior Vice President and Controller of PepsiCo since August 2000. Mr. Bridgman began his career with PepsiCo at Pepsi-Cola International in 1985 and became Chief Financial Officer for Central Europe in 1990. He became Senior Vice President and Controller for PCNA in 1992 and Senior Vice President and Controller for PBG in 1999.

Abelardo E. Bru is President and Chief Executive Officer of FLNA. Mr. Bru was appointed to his current position in 1999 after serving as President and General Manager of PepsiCo's Sabritas snack unit since 1992. Mr. Bru has served in various senior international positions with PepsiCo Foods International, or PFI, since joining PepsiCo in 1976.

Roger A. Enrico has been a member of PepsiCo's Board since 1987. Mr. Enrico served as Chief Executive Officer and Chairman of the Board of PepsiCo from 1996 to 2001. He was Vice Chairman from 1993 to 1996 and from May 2001 until his retirement from PepsiCo in March 2002. He joined PepsiCo in 1971, and became President and Chief Executive Officer of Pepsi-Cola USA in 1983, President and Chief Executive Officer of PepsiCo Worldwide Beverages in 1986, Chairman and Chief Executive Officer of Frito-Lay, Inc. in 1991 and Chairman and Chief Executive Officer of PepsiCo Worldwide Foods in 1992. In addition, he was Chairman and Chief Executive Officer, PepsiCo Worldwide Restaurants, from 1994 until the spin-off of PepsiCo's restaurant businesses in 1997. Mr. Enrico is a member of the Board of Directors of the A. H. Belo Corporation, Electronic Data Systems Corporation, Target Corporation and The National Geographic Society.

Peter Foy is the Chairman of Whitehead Mann Group, an executive search firm based in London, a position he has held since January 1, 2001. He was elected to PepsiCo's Board in 1997. He is the former Chairman of Baring Brothers International Ltd., the corporate finance section of ING Group's investment bank. Mr. Foy joined McKinsey & Co., Inc. in 1968, became a director and head of its U.K. Consumer Goods Practice in 1980, the managing director of McKinsey U.K. in 1983, and was Senior Partner from 1990 until 1996. In 1996, he became Chairman of Baring Brothers, a position he held until he retired in December 1998. Mr. Foy is also a director of Omnicom Group Inc., P&O Princess Cruises plc and Safeway PLC.

Ray L. Hunt is the Chairman and Chief Executive Officer of Hunt Oil Company and Chairman, Chief Executive Officer and President of Hunt Consolidated, Inc. and was elected to PepsiCo's Board in 1996. Mr. Hunt began his association with Hunt Oil Company in 1958 and has held his current position since 1976. He is also a director of Halliburton Company, Security Capital Group, Electronic Data Systems Corporation and a Class C Director of the Federal Reserve Bank of Dallas.

Arthur C. Martinez is the former Chairman of the Board, President and Chief Executive Officer of Sears, Roebuck and Co., and was elected to PepsiCo's Board in May 1999. Mr. Martinez was Chairman and Chief Executive Officer of the former Sears Merchandise Group from 1992 to 1995 and served as Chairman of the Board, President and Chief Executive Officer of Sears, Roebuck and Co. from 1995 until 2000. He served as Vice Chairman and a director of Saks Fifth Avenue from 1990 to 1992. Mr. Martinez is Chairman of The Federal Reserve Bank of Chicago. He is also a director of Liz Claiborne, Inc., International Flavors and Fragrances, Inc. and Martha Stewart Living Omnimedia, Inc.

Matthew M. McKenna has been Senior Vice President of Finance of PepsiCo since August 2001. Mr. McKenna began his career at PepsiCo as Vice President, Taxes in 1993. In 1998, he became Senior Vice President, Taxes and served as Senior Vice President and Treasurer from 1998 until 2001. Prior to

joining PepsiCo, he was a partner with the law firm of Winthrop, Stimson, Putnam & Roberts in New York.

Margaret D. Moore is Senior Vice President, Human Resources of PepsiCo, a position she assumed at the end of 1999. From November 1998 to December 1999, she was Senior Vice President and Treasurer of PBG. Prior to joining PBG, Ms. Moore spent 25 years with PepsiCo in a number of senior financial and human resources positions. She has been a director of PBG since January 2001.

Robert S. Morrison was elected to PepsiCo's Board and became Vice Chairman in August 2001. Since June 2002, Mr. Morrison has been Chairman, PepsiCo Beverages and Foods North America. From 1997 until 2002, Mr. Morrison served as Chairman of the Board, President and Chief Executive Officer of The Quaker Oats Company, which merged with PepsiCo in August 2001. From 1994 until 1997, Mr. Morrison served as Chairman and Chief Executive Officer of Kraft Foods, Inc., a division of Philip Morris Companies, Inc. Mr. Morrison had joined Kraft in 1983 and while there also held the positions of President of Kraft Refrigerated Products Group, President of Kraft General Foods Canada and President of General Foods U.S.A. prior to becoming Chairman and Chief Executive Officer. He is also a director of Aon Corporation, The Tribune Company and 3M Company.

Indra K. Nooyi was elected to PepsiCo's Board and became President and Chief Financial Officer in May 2001, after serving as Senior Vice President and Chief Financial Officer since February 2000. Ms. Nooyi also served as Senior Vice President, Strategic Planning and Senior Vice President, Corporate Strategy and Development from 1994 until 2000. Prior to joining PepsiCo, Ms. Nooyi spent four years as Senior Vice President of Strategy, Planning and Strategic Marketing for Asea Brown Boveri, Inc. She was also Vice President and Director of Corporate Strategy and Planning at Motorola, Inc.

Lionel L. Nowell, III has been Senior Vice President and Treasurer of PepsiCo since August 2001. Mr. Nowell joined PepsiCo as Senior Vice President and Controller in 1999 and then became Senior Vice President and Chief Financial Officer of PBG. Prior to joining PepsiCo, he was Senior Vice President, Strategy and Business Development for RJR Nabisco, Inc. From 1991 to 1998, he served as Chief Financial Officer of Pillsbury North America, and its Pillsbury Foodservice and Haagen Dazs units, serving as Vice President and Controller of the Pillsbury Company, Vice President of Food and International Retailing Audit and Director of Internal Audit.

Franklin D. Raines was elected to PepsiCo's Board in May 1999 and is Chairman of its Audit Committee. Mr. Raines has been Chairman of the Board and Chief Executive Officer of Fannie Mae since January 1999. He was Director of the U.S. Office of Management and Budget from 1996 to 1998. From 1991 to 1996, he was Vice Chairman of Fannie Mae and in 1998, he became Chairman and CEO-Designate. Prior to joining Fannie Mae, Mr. Raines was a general partner at Lazard Freres & Co., an investment banking firm. Mr. Raines is also a director of AOL Time Warner Inc. and Pfizer Inc.

Rogelio Rebolledo is President and Chief Executive Officer of Frito-Lay International, a position he assumed in August 2001. From 2000 to 2001, he served as President and Chief Executive Officer of Frito-Lay Latin America, Asia Pacific and Australia Regions. Mr. Rebolledo began his career at PepsiCo in 1976 as a marketing manager at PFI, where he held several senior level positions, including President of PFI Mexico, Regional President of PFI Latin America and, from 1996 to 2000, Chief Operating Officer of PFI.

Steven S Reinemund has been PepsiCo's Chairman and Chief Executive Officer since May 2001. He was elected a director of PepsiCo in 1996 and, before assuming his current position, served as President and Chief Operating Officer of PepsiCo from September 1999 until May 2001. Mr. Reinemund began his career with PepsiCo in 1984 as a senior operating officer of Pizza Hut, Inc. He became President and Chief Executive Officer of Pizza Hut in 1986, and President and Chief Executive Officer of Pizza Hut Worldwide in 1991. In 1992, Mr. Reinemund became President and Chief Executive of Frito-Lay, Inc., and Chairman and Chief Executive Officer of the Frito-Lay Company in 1996.

Sharon Percy Rockefeller was elected a director of PepsiCo in 1986. She is President and Chief Executive Officer of WETA public stations in Washington, D.C., a position she has held since 1989, and

was a member of the Board of Directors of WETA from 1985 to 1989. She is a member of the Board of Directors of Public Broadcasting Service, Washington, D.C. and was a member of the Board of Directors of the Corporation for Public Broadcasting until 1992. Mrs. Rockefeller is also a director of Sotheby's Holdings, Inc.

Gary M. Rodkin became President and Chief Executive Officer of PepsiCo Beverages and Foods North America in 2002, after serving as Chief Executive Officer of Pepsi-Cola North America since 1999. From 1995 to 1998, Mr. Rodkin was President of Tropicana North America where he became President and Chief Executive Officer in 1998. PepsiCo acquired Tropicana in 1998.

Franklin A. Thomas was elected to PepsiCo's Board in 1994. From 1967 to 1977, he was President and Chief Executive Officer of the Bedford-Stuyvesant Restoration Corporation. From 1977 to 1979, Mr. Thomas had a private law practice in New York City. Mr. Thomas was President of the Ford Foundation from 1979 to April 1996 and is currently a consultant to the TFF Study Group, a non-profit organization assisting development in southern Africa. He is also a director of ALCOA Inc., Avaya Inc., Citicorp, Cummins, Inc. and Lucent Technologies.

Peter M. Thompson is President and Chief Executive Officer of PBI, a position he assumed in August 2001. Mr. Thompson was President and Chief Executive Officer of Pepsi-Cola International from 1998 to 2001 and its President and Chief Operating Officer from 1997 to 1998. Mr. Thompson worked at PepsiCo from 1980 to 1983, and returned in 1994, serving in several positions, including President of Snack Ventures Europe, PepsiCo's joint venture with General Mills, and President of U.K. based Walkers Snack Foods.

Cynthia M. Trudell has been the President of Sea-Ray Group since 2001 and was elected to PepsiCo's Board in January 2000. From 1999 until 2001, Ms. Trudell served as General Motors' Vice President and Chairman and President of Saturn Corporation, a wholly owned subsidiary of GM. Ms. Trudell began her career with the Ford Motor Co. as a chemical process engineer. In 1981, she joined GM and held various engineering and manufacturing supervisory positions. In 1995, she became plant manager at GM's Wilmington Assembly Center in Delaware. In 1996, she became President of IBC Vehicles in Luton, England, a joint venture between General Motors and Isuzu.

Solomon D. Trujillo has been the Chairman, Chief Executive Officer and President of Graviton, Inc. since November 2000 and was elected to PepsiCo's Board in January 2000. Previously, Mr. Trujillo was Chairman of US WEST from May 1999, and served as its President and Chief Executive Officer beginning in 1998. He served as President and Chief Executive Officer of US WEST Communications Group and Executive Vice President of US WEST from 1995 until 1998 and President and Chief Executive Officer of US WEST Dex, Inc. from 1992 to 1995. Mr. Trujillo is also a director of Comstellar Technologies, Gannett Company, Inc., Orange SA and Target Corporation.

Daniel Vasella was elected to PepsiCo's Board in February 2002. Dr. Vasella became Chairman of the Board and Chief Executive Officer of Novartis AG, a pharmaceutical company, in 1999, after serving as President of that company since 1996. From 1992 to 1996, Dr. Vasella held the positions of Chief Executive Officer, Chief Operating Officer, Senior Vice President and Head of Worldwide Development and Head of Corporate Marketing at Sandoz Pharma Ltd. He also served at Sandoz Pharmaceuticals Corporation from 1988 to 1992. Dr. Vasella is a director of Credit Suisse Group and a member of the Supervisory Board of Siemens AG.

DESCRIPTION OF THE NOTES AND THE GUARANTEE

GENERAL

We issued the old notes and will issue the new notes under an indenture among us, as issuer, PepsiCo, as guarantor, and JPMorgan Chase Bank, as trustee. The terms of the notes include those stated in the indenture and those made part of the indenture by reference to the Trust Indenture Act of 1939, as amended, or the Trust Indenture Act. The following summary of select provisions of the indenture does not purport to be complete and is qualified in its entirety by reference to the indenture, including the definitions in the indenture and the Trust Indenture Act of some of the terms used below. A copy of the indenture is filed as an exhibit to the registration statement filed by us and PepsiCo with the SEC, of which this prospectus is a part. A copy of the indenture may, as long as the notes are listed on the Luxembourg Stock Exchange, also be obtained from our and PepsiCo's listing agent in Luxembourg.

The notes are our general unsecured obligations and will rank on an equal basis with all of our other existing and future senior unsecured indebtedness and senior to all of our existing and future subordinated indebtedness.

We may redeem the notes at our option at any time, in whole but not in part, at the redemption price, as more fully described in "-- Optional Redemption" below. There is no sinking fund for the notes.

The indenture contains restrictive covenants with respect to us and our restricted subsidiaries (as defined in "Certain Covenants -- Limitation on Liens -- Definitions" below), including restrictions on creating or assuming liens, restrictions on sale and lease-back transactions and restrictions on consolidation, merger or transfer or lease of all or substantially all of our assets, subject to the exceptions described below. These restrictive covenants do not apply to PBG, and the indenture does not contain any provision that would restrict PBG from creating or assuming liens, entering into sale and lease-back transactions or engaging in a consolidation, merger or transfer or lease of all or substantially all of PBG's assets.

The indenture contains restrictive covenants with respect to PepsiCo's ability to engage in mergers, consolidations or transfers of all or substantially all of PepsiCo's assets, subject to the exceptions described below. In addition, the indenture contains restrictive covenants with respect to PepsiCo's and its restricted subsidiaries' ability to create or assume liens on and after the guarantee commencement date (in the event such date occurs), subject to the exceptions described below. The indenture does not contain any provision that would restrict PepsiCo or any of its restricted subsidiaries from entering into sale and lease-back transactions. The indenture does not contain a cross-default provision with respect to any indebtedness of PepsiCo other than PepsiCo's guarantee of the notes.

The indenture does not contain any financial ratios or specified levels of net worth or liquidity to which we or PepsiCo must adhere or any restrictions on the amount of debt we or PepsiCo may issue or guarantee. The indenture does not contain any provision that would require that we or PepsiCo repurchase, redeem or otherwise modify the terms of any of the notes or the guarantee upon a change in control or other event involving us, PBG or PepsiCo that may adversely affect our or PepsiCo's creditworthiness or the value of the notes.

The old notes have been listed, and application has been made to list the new notes, on the Luxembourg Stock Exchange in accordance with the rules of the Luxembourg Stock Exchange.

Payment of principal of and interest and premium, if any, on the notes will be unconditionally and irrevocably guaranteed on a senior unsecured basis by PepsiCo, with such guarantee becoming effective on the guarantee commencement date as described in "-- Guarantee," except that, under the circumstances described in "-- Guarantee," PepsiCo's guarantee may not become effective or may become effective as to less than all of the principal of and interest and premium, if any, on the outstanding notes.

The terms of PepsiCo's guarantee of the notes, including the scheduled guarantee commencement date, are intended to preserve the structure of our and PBG's separation from PepsiCo in March 1999. In connection with the separation, PepsiCo guaranteed some of our indebtedness, including the 2004 notes.

PRINCIPAL, MATURITY AND INTEREST

The old notes were issued in the aggregate principal amount of $1,000,000,000 and the new notes will be issued in exchange for the old notes in an aggregate principal amount of up to $1,000,000,000 and each will mature on November 15, 2012. Each note will bear interest at the rate of 4 5/8% per annum. We will pay interest on the notes semi-annually in arrears on each May 15 and November 15, beginning May 15, 2003. Holders of new notes will receive interest on May 15, 2003 from the date of initial issuance of the new notes, plus an amount equal to the accrued, but unpaid, interest on the old notes through the date of exchange.

As a result of the making of, and upon acceptance for exchange of all validly tendered old notes under the terms of, the exchange offer, we will have fulfilled a covenant contained in the registration rights agreement and, accordingly, we will not be obligated to pay an increased interest rate on the old notes as described in the registration rights agreement. If you are a holder of old notes and do not tender your old notes in the exchange offer, you will continue to hold the old notes and you will be entitled to all the rights and limitations applicable to the old notes in the indenture, except for any rights under the registration rights agreement that by their terms terminate upon the consummation of the exchange offer.

Interest will be computed on the basis of a 360-day year comprised of twelve 30-day months. If a payment date is not a business day, payment may be made on the next succeeding day that is a business day, and interest will accrue for the intervening period (and will be included in the next payment, if any). Principal of and interest and premium, if any, on the notes will be payable at our office or agency maintained for this purpose within New York City or, at our option, payment of interest on the notes may be made by check mailed to the holders of the notes at their respective addresses set forth in the register of holders of notes. A holder of $10,000,000 or more in aggregate principal amount of notes will be entitled to receive payments of interest, other than interest due at maturity or the redemption date, if any, by wire transfer of immediately available funds, provided that the trustee receives from that holder a written request with appropriate wire transfer instructions no later than 15 calendar days prior to the applicable interest payment date. Until we otherwise designate, our office or agency in New York City will be the office of the trustee maintained for this purpose. The old notes were, and the new notes will be, issued in minimum denominations of $1,000 and integral multiples of $1,000 in excess thereof. The trustee initially will be a paying agent and registrar under the indenture and J.P. Morgan Bank Luxembourg S.A. will be an additional paying agent. We may act as paying agent or registrar under the indenture.

Notwithstanding the foregoing paragraph, payments of principal of and interest and premium, if any, with respect to notes represented by one or more global notes will be made to DTC or the nominee of DTC, as the case may be, as the registered owner thereof. Neither we, the trustee nor any paying agent for the notes will have any responsibility or liability for any aspect of the records relating to, or for payments made on account of, beneficial ownership interests in a global note, or for maintaining, supervising or reviewing any records relating to such beneficial ownership interests. We expect that, immediately upon receipt of any payment of principal of and interest or premium, if any, on the notes represented by a global note, DTC will credit each participant's account with the amount of such payment that is proportionate to its respective ownership interest in the principal amount of such global note (as shown on the records of DTC). Payments by participants to persons who hold beneficial interests in such global note through such participants will be the responsibility of such participants. We refer you to "-- Depository Procedures" below.

OPTIONAL REDEMPTION

We will not be required to make mandatory redemption or sinking fund payments prior to the maturity of the notes.

We may redeem the notes at our option and in accordance with the provisions of the indenture, at any time, in whole but not in part, on giving not less than 30 nor more than 60 days' notice prior to the maturity date at a redemption price equal to the greater of:

- 100% of the principal amount of the notes; and

- as determined by one of the reference Treasury dealers appointed by the trustee after consultation with us, the sum of the present values of the remaining scheduled payments of principal of and interest on the notes from the redemption date to the maturity date discounted to the redemption date on a semi-annual basis (assuming a 360-day year consisting of twelve 30-day months) at a discount rate equal to the Treasury rate, as defined in the indenture, plus 15 basis points;

plus, in either of the above cases, accrued and unpaid interest on the notes to, but not including, the redemption date.

In the event that:

- the redemption date is after the guarantee commencement date (in the event such date occurs);

- PepsiCo's guarantee is for less than all of principal of and interest and premium, if any, on the notes; and

- we default in the payment of the redemption price on the redemption date; then

the amount of payment of the redemption price each holder of the notes is entitled to receive from PepsiCo under PepsiCo's guarantee will be limited to the partial guarantee percentage of the redemption price payable on such holder's notes as more fully described under "-- Guarantee -- Partial Guarantee" below. A replacement note in the principal amount equal to the portion of the principal of the note that was not redeemed because PepsiCo's guarantee was a partial guarantee and because we defaulted in the payment of the redemption price on the redemption date would be issued in the name of the holder of the notes upon cancellation of the original note. Any such replacement notes would not be guaranteed by PepsiCo and would be solely our obligation.

The following are definitions of some terms used in the above description. We refer you to the indenture for a full description of all of these terms, as well as any other terms used herein for which no definition is provided.

"Treasury rate" means, with respect to any redemption date for the notes:

- the yield, under the heading which represents the average for the immediately preceding week, appearing in the most recently published statistical release designated "H.15(519)" or any successor publication which is published weekly by the Board of Governors of the Federal Reserve System and which establishes yields on actively traded United States Treasury securities adjusted to constant maturity under the caption "Treasury Constant Maturities," for the maturity corresponding to the comparable Treasury issue. If no maturity is within three months before or after the remaining term of the notes to be redeemed, yields for the two published maturities most closely corresponding to the comparable Treasury issue will be calculated, and the Treasury rate will be interpolated or extrapolated from such yields on a straight line basis, rounding to the nearest month; or

- if the foregoing statistical release (or any successor statistical release) is not published during the week preceding the date of calculation of the redemption price or does not contain such yields, the rate per annum equal to the semi-annual equivalent yield to maturity of the comparable Treasury issue, calculated using a price for the comparable Treasury issue (expressed as a percentage of its principal amount) equal to the comparable Treasury price for such redemption date.

The Treasury rate will be calculated on the third business day preceding the redemption date.

"Comparable Treasury issue" means the United States Treasury security selected by one of the reference Treasury dealers appointed by the trustee after consultation with us as having a maturity

comparable to the remaining term of the notes that would be utilized, at the time of selection and in accordance with customary financial practice, in pricing new issues of corporate debt securities of comparable maturity to the remaining term of the notes.

"Comparable Treasury price" means, with respect to the redemption date for the notes:

- the average of four reference Treasury dealer quotations for the redemption date, after excluding the highest and lowest such reference Treasury dealer quotations; or

- if the trustee obtains fewer than four such reference Treasury dealer quotations, the average of all such quotations.

"Reference Treasury dealer" means Credit Suisse First Boston Corporation, Deutsche Bank Securities Inc., Salomon Smith Barney Inc. and one other primary U.S. Government securities dealer in New York City (each of which we refer to as a primary Treasury dealer) appointed by the trustee in consultation with us; provided, however, that if any of the foregoing ceases to be a primary Treasury dealer, we will substitute therefor another primary Treasury dealer.

"Reference Treasury dealer quotations" means, with respect to each reference Treasury dealer and the redemption date, the average, as determined by the trustee, of the bid and asked prices for the comparable Treasury issue (expressed in each case as a percentage of its principal amount) quoted in writing to the trustee by such reference Treasury dealer at 5:00 p.m. on the third business day preceding the redemption date.

EVENTS OF DEFAULT AND REMEDIES

Events of Default in Respect of Us. The indenture provides that the occurrence of any of the following events with respect to us from the date of issuance of the notes constitutes an event of default under the indenture and the notes:

- our failure to make any payment, when due, of principal of or premium, if any, on the notes;

- our failure to make any payment, when due, of interest (including in the case of the old notes additional interest pursuant to the registration rights agreement) on the notes for 30 days;

- our failure to observe or perform any of our other covenants or warranties under the indenture for the benefit of the holders of the notes that continues for 90 days after written notice is given to us;

- certain events of bankruptcy, insolvency or reorganization with respect to PBG or any of PBG's restricted subsidiaries (including us); and

- the acceleration of maturity of any debt of PBG or the debt of any of PBG's restricted subsidiaries (including us), other than the notes, having a then outstanding principal amount in excess of $50 million by any holder or holders thereof or any trustee or agent acting on behalf of such holder or holders, in accordance with the provisions of any contract evidencing such debt or the failure to pay at the stated maturity (and the expiration of any grace period) any debt of PBG or the debt of any of PBG's restricted subsidiaries (including us) having a then outstanding principal amount in excess of $50 million.

Events of Default in Respect of PepsiCo. The indenture provides that the occurrence of any of the following events with respect to PepsiCo after the guarantee commencement date (in the event such date occurs) constitutes an event of default under the indenture and the notes:

- PepsiCo's failure to observe or perform any of its covenants or warranties under the indenture for the benefit of the holders of the notes that continues for 90 days after written notice is given to PepsiCo;

- certain events of bankruptcy, insolvency or reorganization with respect to PepsiCo; and

- the guarantee of the notes ceasing to be in full force and effect or PepsiCo (or any successor guarantor) denying or disaffirming its obligations under the guarantee of the notes.

A default under any indebtedness of PepsiCo other than the guarantee of the notes will not constitute an event of default under the indenture.

If any event of default (other than an event of default relating to certain events of bankruptcy, insolvency or reorganization with respect to PBG or any of PBG's restricted subsidiaries (including us)) occurs and is continuing, then either the trustee or the holders of a majority in aggregate principal amount of the outstanding notes may declare the principal of and interest on the outstanding notes to be immediately due and payable. If an event of default relating to certain events of bankruptcy, insolvency or reorganization with respect to PBG or any of PBG's restricted subsidiaries (including us) occurs, the principal of and interest on all the notes as of the date of such event of default will become immediately due and payable without any declaration or other act on the part of the trustee or the holders of the notes. However, at any time before a judgment or decree for payment of the money due has been obtained by the trustee as provided in the indenture, declarations of acceleration may be rescinded and past defaults may be waived by the holders of a majority in aggregate principal amount of the outstanding notes, with certain exceptions, as described below.

The indenture requires the trustee to give to the holders of the notes notice of all uncured defaults known to the trustee within 90 days after the occurrence of such default (the term "default" used here includes the events of default summarized above, exclusive of any grace period or requirement that notice of default be given); provided, however, that except in the case of a default in the payment of principal of or interest or premium, if any, on the outstanding notes, the trustee will be protected in withholding such notice if it in good faith determines that the withholding of such notice is in the interest of the holders of the outstanding notes.

No holder of any notes may institute any action under the indenture unless and until:

- such holder has given the trustee written notice of a continuing event of default;

- the holders of a majority in aggregate principal amount of the outstanding notes have requested the trustee to institute proceedings in respect of such event of default;

- such holder or holders has or have offered the trustee such reasonable indemnity as the trustee may require;

- the trustee has failed to institute an action for 60 days thereafter; and

- no inconsistent direction has been given to the trustee during such 60-day period by the holders of a majority in aggregate principal amount of the outstanding notes.

The holders of a majority in aggregate principal amount of the outstanding notes will have the right, subject to certain limitations, to direct the time, method and place of conducting any proceeding for any remedy available to the trustee or of exercising any trust or power conferred on the trustee with respect to the notes. The indenture provides that if an event of default has occurred and is continuing, the trustee, in exercising its rights and powers under the indenture, will be required to use the degree of care of a prudent person in the conduct of his or her own affairs. The indenture further provides that the trustee will not be required to expend or risk its own funds, or otherwise incur any financial liability in the performance of any of its duties under the indenture, if the trustee has reasonable grounds for believing that repayment of such funds or adequate indemnity against such risk or liability is not reasonably assured.

The holders of a majority in aggregate principal amount of the outstanding notes may, on behalf of the holders of all notes, waive any past default with respect to the notes, except a default not already cured in the payment of any principal of or interest or premium, if any, on any notes, or in respect of a covenant or provision in the indenture that cannot be modified without the consent of the holder of each outstanding note. We refer you to "-- Modification of the Indenture" below.

We are required to deliver to the trustee, within 120 days after the end of each fiscal year, a certificate signed by certain of our officers stating whether such officers have obtained knowledge of any event of default with respect to us. PepsiCo is required to deliver to the trustee, within 120 days after the end of each fiscal year, a certificate signed by certain of its officers stating whether such officers have obtained knowledge of any event of default with respect to PepsiCo.

CERTAIN COVENANTS

The indenture contains covenants including, among others, the following:

Limitation on Liens.

Limitations on Liens Applicable to Us. The indenture provides that we will not, and will not permit any of our restricted subsidiaries to, incur, suffer to exist or guarantee any debt secured by a mortgage, pledge or lien, which we refer to collectively as liens, on any principal property or on any shares of stock of (or other interests in) any of our restricted subsidiaries unless we or such restricted subsidiary secures or causes such restricted subsidiary to secure all the outstanding notes (and any of our or such restricted subsidiary's other debt, at our option or such restricted subsidiary's option, as the case may be, not subordinate to the notes), equally and ratably with (or prior to) such secured debt, for as long as such secured debt will be so secured.

These restrictions will not, however, apply to debt secured by:

(1) any lien existing prior to the issuance of the old notes;

(2) any lien on property of or shares of stock of (or other interests in) any entity existing at the time such entity becomes our restricted subsidiary;

(3) any liens on property or shares of stock of (or other interests in) any entity existing at the time of acquisition of such shares (or other interests) or property (including acquisition through merger or consolidation);

(4) any lien securing indebtedness incurred to finance all or any part of the purchase price of property or the cost of construction on such property (or additions, substantial repairs, alterations or substantial improvements thereto), provided that such lien and the indebtedness secured thereby are incurred within 365 days after the later of (a) acquisition of such property or the completion of construction (or addition, repair, alteration or improvement) thereon and (b) the commencement of full operation thereof;

(5) any lien in favor of us or any of our restricted subsidiaries;

(6) any liens in favor of, or required by contracts with, governmental entities; or

(7) any extension, renewal, or refunding of liens referred to in any of the preceding clauses (1) through (6), provided that in the case of a lien permitted under clause (1), (2), (3), (4) or (5), the debt secured is not increased nor the lien extended to any additional assets.

Notwithstanding the foregoing, we or any of our restricted subsidiaries may incur, suffer to exist or guarantee any debt secured by a lien on any principal property or on any shares of stock of (or other interests in) any of our restricted subsidiaries if, after giving effect thereto, the aggregate amount of exempted debt does not exceed 15% of our consolidated net tangible assets.

These restrictions on secured debt do not apply to PBG. The indenture does not restrict PBG from incurring secured debt (including debt secured by our membership interests), and upon such incurrence, PBG is not required to secure the notes equally and ratably with such secured debt.

Limitation on Liens Applicable to PepsiCo. The indenture also provides that, from the guarantee commencement date (in the event such date occurs), PepsiCo will not, and will not permit any of its restricted subsidiaries to, incur, suffer to exist or guarantee any debt secured by a lien on any principal

property or on any shares of stock of (or other interests in) any of its restricted subsidiaries unless PepsiCo or such restricted subsidiary secures or causes such restricted subsidiary to secure the guarantee of the notes (and any of its or such restricted subsidiary's other debt, at its option or such restricted subsidiary's option, as the case may be, not subordinate to the guarantee of the notes), equally and ratably with (or prior to) such secured debt, for as long as such secured debt will be so secured.

These restrictions will not, however, apply to debt secured by:

(1) any lien existing prior to the guarantee commencement date;

(2) any lien on property of or shares of stock of (or other interests in) any entity existing at the time such entity becomes PepsiCo's restricted subsidiary;

(3) any liens on property or shares of stock of (or other interests in) any entity (a) existing at the time of acquisition of such property or shares (or other interests) (including acquisition through merger or consolidation), (b) to secure the payment of all or any part of the purchase price of such property or shares (or other interests) or construction or improvement of such property or (c) to secure any debt incurred prior to, at the time of, or within 365 days after the later of the acquisition, the completion of construction or the commencement of full operation of such property or within 365 days after the acquisition of such shares (or other interests) for the purpose of financing all or any part of the purchase price of such shares (or other interests);

(4) any liens in favor of PepsiCo or any of its restricted subsidiaries;

(5) any liens in favor of, or required by contracts with, governmental entities; or

(6) any extension, renewal, or refunding of liens referred to in any of the preceding clauses (1) through (5).

Notwithstanding the foregoing, PepsiCo or any of its restricted subsidiaries may incur, suffer to exist or guarantee any debt secured by a lien on any principal property or on any shares of stock of (or other interests in) any of its restricted subsidiaries if, after giving effect thereto, the aggregate amount of such debt does not exceed 15% of PepsiCo's consolidated net tangible assets.

The indenture does not restrict the transfer by PepsiCo of a principal property to an unrestricted subsidiary of PepsiCo or the ability of PepsiCo to change the designation of a subsidiary owning principal property from a restricted subsidiary to an unrestricted subsidiary and, if PepsiCo were to do so, any such unrestricted subsidiary would not be restricted from incurring secured debt nor would PepsiCo be required, upon such incurrence, to secure the guarantee of the notes equally and ratably with such secured debt.

Definitions. The following are definitions of some terms used in the above description. We refer you to the indenture for a full description of all of these terms, as well as any other terms used herein for which no definition is provided.

"Consolidated net tangible assets" means, with respect to us or PepsiCo, the total amount of our assets and our subsidiaries' assets, or PepsiCo's assets and its subsidiaries' assets, as the case may be, minus:

- all applicable depreciation, amortization and other valuation reserves;

- the amount of assets resulting from write-ups of capital assets of us and our subsidiaries or of PepsiCo and its subsidiaries, as the case may be (except write-ups in connection with accounting for acquisitions in accordance with U.S. GAAP);

- all current liabilities of ours and our subsidiaries (excluding any intercompany liabilities) or of PepsiCo and its subsidiaries (excluding any intercompany liabilities), as the case may be; and

- all goodwill, trade names, trademarks, patents, unamortized debt discount and expense and other like intangibles, all as set forth on our and our subsidiaries', or PepsiCo's and its subsidiaries', as

the case may be, latest quarterly or annual consolidated balance sheets prepared in accordance with U.S. GAAP.

"Debt" means, with respect to us, any indebtedness of ours for borrowed money, capitalized lease obligations and purchase money obligations, or any guarantee of such debt, in any such case which would appear on our consolidated balance sheet as a liability.

"Debt" means, with respect to PepsiCo, any indebtedness of PepsiCo for borrowed money.

"Exempted debt" means, with respect to us, the sum, without duplication, of the following items outstanding as of the date exempted debt is being determined:

- debt incurred after the date of the indenture and secured by liens created or assumed or permitted to exist on any principal property or on any shares of stock of any of our restricted subsidiaries, other than debt secured by liens described in clauses (1) through (7) under "Limitation on Liens -- Limitation on Liens Applicable to Us;" and

- our and our restricted subsidiaries' attributable debt in respect of all sale and lease-back transactions with regard to any principal property, other than sale and lease-back transactions permitted under the second paragraph under "Limitation on Sale and Leaseback Transactions."

"Principal property" means, with respect to us, any single manufacturing or processing plant, office building or warehouse owned or leased by us or any of our subsidiaries located in the 50 states of the United States of America, the District of Columbia or Puerto Rico other than a plant, warehouse, office building, or portion thereof which, in the opinion of our managing directors evidenced by a resolution, is not of material importance to the business conducted by us and our subsidiaries taken as an entirety.

"Principal property" means, with respect to PepsiCo, any single manufacturing or processing plant, office building or warehouse owned or leased by PepsiCo or any of its restricted subsidiaries located in the 50 states of the United States of America, the District of Columbia or Puerto Rico other than a plant, warehouse, office building or portion thereof which, in the opinion of PepsiCo's board of directors evidenced by a resolution, is not of material importance to the business conducted by PepsiCo and its restricted subsidiaries taken as an entirety.

"Restricted subsidiary" of us or PBG means any current or future subsidiary (1) substantially all of the property of which is located, or substantially all of the business of which is carried on, within the 50 states of the United States of America, the District of Columbia or Puerto Rico and which is not a foreign corporation and (2) which owns or leases any principal property.

"Restricted subsidiary" of PepsiCo means, at any time, any subsidiary which at the time is not an unrestricted subsidiary of PepsiCo.

"Subsidiary" of a specified person means any entity, at least a majority of the outstanding voting stock of which shall at the time be owned, directly or indirectly, by the specified person or by one or more of its subsidiaries, or both.

"Unrestricted subsidiary" of PepsiCo means any subsidiary of PepsiCo (not at the time designated as PepsiCo's restricted subsidiary) (1) the major part of whose business consists of finance, banking, credit, leasing, insurance, financial services or other similar operations, or any combination thereof, (2) substantially all the assets of which consist of the capital stock of one or more subsidiaries engaged in the operations referred to in the preceding clause (1), (3) substantially all of the property of which is located, or substantially all of the business of which is carried on, outside of the 50 states of the United States of America, the District of Columbia and Puerto Rico or (4) designated as an unrestricted subsidiary by PepsiCo's board of directors.

Limitation on Sale and Lease-back Transactions. The indenture provides that we will not, and will not permit any of our restricted subsidiaries to, sell or transfer, directly or indirectly, except to us or any of our restricted subsidiaries, any principal property as an entirety, or any substantial portion thereof, with the

intention of taking back a lease of all or part of such property, except a lease for a period of three years or less at the end of which it is intended that the use of such property by the lessee will be discontinued.

These restrictions will not, however, apply and we or any of our restricted subsidiaries may sell a principal property and lease it back for a longer period:

- if we or such restricted subsidiary would be entitled, pursuant to the covenant applicable to us or such restricted subsidiary, as the case may be, described under "-- Limitations on Liens -- Limitation on Liens Applicable to Us" above to create a lien on the property to be leased securing debt in an amount equal to the attributable debt with respect to the sale and lease-back transaction without equally and ratably securing the outstanding notes; or

- if:

  (1) we promptly inform the trustee of such transactions;

  (2) the net proceeds of such transactions are at least equal to the fair value (as determined by a resolution of our managing directors) of such property; and

  (3) we cause an amount equal to the net proceeds of the sale to be applied

    (a) to the retirement (whether by redemption, cancellation after open-market purchases, or otherwise), within 365 days after receipt of such proceeds, of funded debt (which need not include the notes) having an outstanding principal amount equal to such net proceeds; or

    (b) to the purchase or acquisition (or in the case of property, the construction) of property or assets used in our or any of our restricted subsidiaries' businesses within 365 days after receipt of such proceeds.

Notwithstanding the foregoing paragraph, we or any of our restricted subsidiaries may enter into sale and lease-back transactions in addition to those permitted by this limitation, and without any obligation to retire any outstanding funded debt or to purchase property or assets, provided that at the time of entering into such sale and lease-back transactions and after giving effect thereto, the aggregate amount of exempted debt does not exceed 15% of our consolidated net tangible assets.

These restrictions on sale and lease-back transactions do not apply to PBG or PepsiCo.

As used in the above description, "attributable debt" for a lease means the aggregate of present values (discounted at a rate per annum equal to the interest rate borne by the notes and compounded semi-annually) of our or any of our restricted subsidiaries' obligations for net rental payments during the remaining term of such lease (including any period for which such lease has been extended or may, at the option of the lessor, be extended). The term "net rental payments" under any lease of any period shall mean the sum of the rental and other payments required to be paid in such period by the lessee thereunder, not including, however, any amounts required to be paid by such lessee on account of maintenance and repairs, reconstruction, insurance, taxes, assessments, water rates or similar charges required to be paid by such lessee thereunder or any amounts required to be paid by such lessee thereunder contingent upon the amount of sales, maintenance and repairs, reconstruction, insurance, taxes, assessments, water rates or similar charges. Attributable debt may be reduced by the present value of the rental obligations, calculated on the same basis, that any sublessee has for all or part of the leased property.

"Funded debt" means all debt having a maturity of more than one year from the date of its creation or having a maturity of less than one year but by its terms being renewable or extendible, at our option, in respect thereof, beyond one year from its creation.

Consolidation, Merger, Conveyance or Transfer.

Consolidation, Merger, Conveyance or Transfer Applicable to Us. The indenture provides that we may consolidate or merge with or into, or transfer or lease all or substantially all of our assets to, any entity (including, without limitation, a limited partnership or a limited liability company) that is organized and validly existing under the laws of any state of the United States of America or the District of Columbia, and may permit any such entity to consolidate with or merge into us or convey, transfer or lease all or substantially all of its assets to us; provided that:

- we will be the surviving entity or, if not, that the successor will expressly assume by a supplemental indenture the due and punctual payment of principal of and interest and premium, if any, on the notes and the performance of every covenant of the indenture to be performed or observed by us;

- immediately after giving effect to such transaction, no event of default, and no default or other event which, after notice or lapse of time, or both, would become an event of default, will have happened and be continuing; and

- we will have delivered to the trustee an officers' certificate and an opinion of counsel, each stating that such consolidation, merger, conveyance, transfer or lease complies with the indenture. In the event of any such consolidation, merger, conveyance, transfer or lease, any such successor will succeed to and be substituted for us as issuer on the notes with the same effect as if it had been named in the indenture as the issuer.

Consolidation, Merger, Conveyance or Transfer Applicable to PepsiCo. The indenture provides that PepsiCo may consolidate or merge with or into, or transfer or lease all or substantially all of its assets to, any entity (including, without limitation, a limited partnership or a limited liability company); provided that:

- PepsiCo will be the surviving entity or, if not, that the successor will be an entity that is organized and validly existing under the laws of any state of the United States of America or the District of Columbia and will expressly assume by a supplemental indenture the obligations of PepsiCo under the indenture and the guarantee and the performance of every covenant of the indenture to be performed or observed by PepsiCo;

- immediately after giving effect to such transaction, no event of default, and no default or other event which, after notice or lapse of time, or both, would become an event of default, will have happened and be continuing; and

- PepsiCo will have delivered to the trustee an officers' certificate and an opinion of counsel, each stating that such consolidation, merger, transfer or lease complies with the indenture. In the event of any such consolidation, merger, conveyance, transfer or lease, any such successor will succeed to and be substituted for PepsiCo as guarantor on the notes with the same effect as if it had been named in the indenture as guarantor.

The above provision will cease to apply to PepsiCo if PepsiCo's guarantee does not become effective and the guarantee commencement date does not occur as described in the "Description of the Notes and the Guarantee -- Guarantee -- No Guarantee."

Reports to Holders. We and PepsiCo will comply with the provisions of Section 314(a) and 314(c) of the Trust Indenture Act.

We and PepsiCo have each agreed that so long as it is not subject to Section 13 or 15(d) of the Exchange Act, upon the request of a holder of the old notes, it will promptly furnish or cause the trustee to furnish to such holder or to a prospective purchaser of a note designated by such holder, as the case may be, the information required to be delivered by it pursuant to Rule 144A(d)(4) under the Securities Act to permit compliance with Rule 144A in connection with resales of the old notes.

SATISFACTION AND DISCHARGE; DEFEASANCE OF COVENANTS

The indenture will be discharged with respect to the notes and will cease to be of further effect as to all notes when:

- either:

(1) all notes authenticated and delivered (except lost, stolen or destroyed notes which have been replaced or paid and notes for whose payment money has been deposited in trust or segregated and held in trust by us and thereafter repaid to us or discharged from such trust) have been delivered to the trustee cancelled or for cancellation; or

(2) all notes not delivered to the trustee cancelled or for cancellation (a) have become due and payable, (b) will become due and payable within one year or (c) are to be called for redemption under arrangements satisfactory to the trustee for the giving of notice of redemption by the trustee in the name, and at the expense, of us;

and in any of the cases described in (a), (b) or (c) above, we have deposited irrevocably with the trustee sufficient cash or U.S. governmental securities to pay and discharge the principal of and interest and premium, if any, and any other sums due on the notes to the date of such deposit (in the case of notes that have become due and payable), or to maturity or redemption, as the case may be;

- we have paid or caused to be paid all sums payable by us with respect to the notes under the indenture;

- no event of default or event which with notice or lapse of time would become an event of default with respect to the notes has occurred and is continuing with respect to such notes on the date of such deposit;

- we have delivered to the trustee an officers' certificate and an opinion of counsel, each stating that all conditions precedent to satisfaction and discharge of the indenture with respect to the notes have been complied with, and, in the case of the opinion of counsel, stating:

(1) such deposit and defeasance will not cause the holders of such notes to recognize income, gain or loss for federal income tax purposes and such holders will be subject to federal income tax on the same amount and in the same manner and at the same times as would have been the case if such option had not been exercised, and

(2) either that no requirement to register under the Investment Company Act of 1940, as amended, will arise as a result of the satisfaction and discharge of the indenture or that any such registration requirement has been complied with; and

- such deposit and defeasance will not result in a material breach or violation of, or constitute a default under any material agreement or instrument to which we are a party.

The indenture also provides that, at our option, we will be discharged from any and all obligations with respect to the notes on the 123rd day after our satisfaction of the conditions described below (except for certain obligations to replace any such notes that have been stolen, lost or mutilated, and to maintain paying agencies and hold moneys for payment in trust in respect of such notes) and PepsiCo will be discharged from any and all obligations with respect to its guarantee, which we refer to as legal defeasance, or we and PepsiCo need not comply with certain covenants of the indenture applicable to us or PepsiCo, as the case may be, with respect to the notes (including those described in "-- Certain Covenants" above), which we refer to as covenant defeasance, in each case:

- if we have deposited irrevocably with the trustee sufficient cash or U.S. government securities to pay and discharge the principal of and interest and premium, if any, and any other sums due on the notes to the date of such deposit (in the case of notes that have become due and payable), or to maturity or redemption, as the case may be;

- no event of default or event which with notice or lapse of time would become an event of default with respect to the notes has occurred and is continuing with respect to the notes on the date of such deposit;

- we have delivered to the trustee an officers' certificate and an opinion of counsel, each stating that all conditions precedent to legal or covenant defeasance, as the case may be, have been complied with, and, in the case of the opinion of counsel stating that:

  (1) such deposit and defeasance will not cause the holders of such notes to recognize income, gain or loss for federal income tax purposes as a result of our exercise of such option and such holders will be subject to federal income tax on the same amount and in the same manner and at the same times as would have been the case if such option had not been exercised (and, in the case of legal defeasance only, such opinion of counsel must be based upon a ruling of the Internal Revenue Service to the same effect or a change in applicable federal income tax law or related Treasury regulations after the date of the indenture); and

  (2) either that no requirement to register under the Investment Company Act of 1940, as amended, will arise as a result of the satisfaction and discharge of the indenture or that any such registration requirement has been complied with; and

- with respect to legal defeasance only, 123 days will have passed during which no event of default relating to certain events of bankruptcy, insolvency or reorganization with respect to us, PepsiCo or any of our restricted subsidiaries has occurred.

MODIFICATION OF THE INDENTURE

In general, our rights and obligations and the rights of the holders of the notes under the indenture may be modified if the holders of a majority in aggregate principal amount of the outstanding notes affected by the modification consent to it. However, the indenture provides that, unless each affected holder of the notes agrees, the amendment cannot:

- make any adverse change to any payment term of the notes or the guarantee, such as changing the maturity date, reducing the principal amount or any amount of interest we or PepsiCo have to pay, changing the method of computing the interest, changing any place of payment, changing the currency in which we or PepsiCo have to make any payment of principal of or interest or premium, if any or impairing any right of a holder of the notes to bring suit for payment;

- reduce the percentage of the principal amount of notes whose holders must consent to an amendment or waiver; or

- make any change to the provisions of the indenture concerning modification contained in this paragraph or waivers of defaults or event of defaults by holders of the notes.

We, PepsiCo and the trustee may amend the indenture without the consent of any of the holders of the notes to:

  (1) evidence the succession of another corporation to us or PepsiCo in accordance with the provisions of the indenture;

  (2) add to our or PepsiCo's covenants;

  (3) surrender any of our or PepsiCo's rights or powers;

  (4) cure any ambiguity or defect, correct or supplement any provision of the indenture which may be inconsistent with any other provisions of the indenture;

  (5) add any provisions expressly permitted by the Trust Indenture Act;

  (6) evidence and provide for the acceptance of a successor trustee;

  (7) add to the rights of the holders of the notes;

(8) establish additional events of default; or

(9) provide for the issuance of the private exchange securities (as defined in the registration rights agreement);

provided that no modification may be made with respect to the matters described in clause (2), (3), (4), (7) or (8) above, if to do so would adversely affect the interests of the holders of any outstanding notes.

GUARANTEE

Definitions. The following are definitions of some terms used in this description of PepsiCo's unconditional and irrevocable guarantee of the notes and the circumstances under which the guarantee may not become effective or may become effective as to less than all of the principal of and interest and premium, if any, on the outstanding notes. We refer you to the indenture for a full description of all of these terms, as well as any other terms used herein for which no definition is provided.

"Guarantee commencement date" means, in the event PepsiCo's guarantee becomes effective, one business day prior to the 2004 notes payment date.

"Partial guarantee percentage" means a fraction, the numerator of which is the aggregate principal amount of the notes outstanding on the 2004 notes payment date minus the principal amount of the 2004 notes that PepsiCo has determined in good faith that it is likely to have to pay on the 2004 notes payment date under the 2004 notes guarantee and that is specified in PepsiCo's notice given to us and the trustee by 5:00 p.m., New York City time, on the 2004 notes payment deposit date, and the denominator of which is the aggregate principal amount of the notes outstanding on the 2004 notes payment date.

"2004 notes" means our outstanding $1.0 billion 5 3/8% senior notes due 2004 guaranteed by PepsiCo.

"2004 notes guarantee" means PepsiCo's unconditional and irrevocable guarantee of the 2004 notes.

"2004 notes payment date" means February 17, 2004 or, if earlier, the date scheduled for payment of (1) the redemption price of the 2004 notes (in the event of a redemption in whole) or (2) the principal of and interest and premium, if any, on the 2004 notes (in the event of acceleration).

"2004 notes payment deposit date" means two business days prior to the 2004 notes payment date.

"2004 notes trustee" means JPMorgan Chase Bank, in its capacity as the trustee under the indenture relating to the 2004 notes or its successor under that indenture.

When we use the term "business day," we mean any day that is not a Saturday, Sunday or any other day that is not a legal holiday or on which banking institutions in New York City or Luxembourg are authorized or required by law, regulation or executive order to close.

Full Guarantee. In the event that:

- we have deposited irrevocably with the 2004 notes trustee, prior to the 2004 notes payment deposit date, sufficient cash in immediately available funds to pay in full the principal of and interest and premium, if any, that will become due and payable on the 2004 notes on the 2004 notes payment date; or

- (1) we have not deposited irrevocably with the 2004 notes trustee, prior to the 2004 notes payment deposit date, sufficient cash in immediately available funds to pay in full the principal of and interest and premium, if any, that will become due and payable on the 2004 notes on the 2004 notes payment date; and (2) PepsiCo has not delivered to us and the trustee a written notice by 5:00 p.m., New York City time, on the 2004 notes payment deposit date, stating that PepsiCo has determined in good faith that it is likely to have to pay some or all of the principal of the 2004 notes on the 2004 notes payment date under the 2004 notes guarantee; then

beginning on the guarantee commencement date, PepsiCo will unconditionally and irrevocably guarantee, on a senior unsecured basis, the payment of principal of and interest and premium, if any, on the notes

when due and payable, whether at maturity, by acceleration, redemption or otherwise (and in the case of any extension of time of payment or renewal of any notes under the indenture or the notes, the payment of the same when due and payable in accordance with the terms of such extension or renewal).

Partial Guarantee. In the event that:

- we have not deposited irrevocably with the 2004 notes trustee prior to the 2004 notes payment deposit date, sufficient cash in immediately available funds to pay in full the principal of and interest and premium, if any, that will become due and payable on the 2004 notes on the 2004 notes payment date; and

- PepsiCo has delivered to us and the trustee a written notice by 5:00 p.m., New York City time, on the 2004 notes payment deposit date, stating that PepsiCo has determined in good faith that it is likely to have to pay some but not all of the principal of the 2004 notes on the 2004 notes payment date under the 2004 notes guarantee; then

beginning on the guarantee commencement date, PepsiCo will unconditionally and irrevocably guarantee, on a senior unsecured basis, the payment of the partial guarantee percentage of each of the principal of and interest and premium, if any, on the notes when due and payable, whether at maturity, by acceleration, redemption or otherwise (and in the case of any extension of time of payment or renewal of any notes under the indenture or the notes, the payment of such amount when due and payable in accordance with the terms of such extension or renewal).

Payment upon Maturity, Redemption or Acceleration. If we default in the payment of principal of and interest and premium, if any, on the outstanding notes upon maturity, redemption, acceleration or otherwise, in each case, on or after the guarantee commencement date, then the amount of payment each holder of the notes is entitled to receive from PepsiCo under PepsiCo's guarantee will be the product of (1) the partial guarantee percentage and (2) the amount of principal of and interest and premium, if any, due and payable on such holder's notes.

A replacement note in the principal amount equal to the portion of the principal of the note that was not paid or redeemed because PepsiCo's guarantee was a partial guarantee and because we defaulted in the payment of principal of and interest and premium, if any, on the note upon maturity, redemption, acceleration or otherwise will be issued in the name of the holder of the notes upon cancellation of the original note. Any such replacement notes would not be guaranteed by PepsiCo and would solely be our obligation.

Interest Payment without Acceleration. In the event that:

- we fail to make an interest payment on any scheduled interest payment date occurring on or after the guarantee commencement date (in the event that such date occurs); but

- holders of a majority in aggregate principal amount of the outstanding notes do not accelerate the principal of and interest on all the notes; then

holders of the notes will have the benefit of PepsiCo's guarantee with respect to the payment of such interest payment. The amount of payment each holder of the notes will be entitled to receive from PepsiCo under PepsiCo's guarantee will be the product of (1) the partial guarantee percentage and (2) the amount of such interest payment. PepsiCo will continue unconditionally and irrevocably to guarantee, on a senior unsecured basis, the payment of the partial guarantee percentage of each of the principal of and remaining interest (excluding the portion of the interest payment that we failed to make and that was not paid by PepsiCo under PepsiCo's guarantee) and premium, if any, on the notes when due and payable, whether at maturity, by acceleration, redemption or otherwise (and in the case of any extension of time of payment or renewal of any notes under the indenture or the notes, the payment of such amount when due in accordance with the terms of such extension or renewal).

No Guarantee. PEPSICO'S OBLIGATIONS UNDER THE GUARANTEE WILL ONLY BECOME EFFECTIVE IF AND WHEN A GUARANTEE COMMENCEMENT DATE OCCURS. ACCORDINGLY, IN THE EVENT THAT:

- prior to any scheduled guarantee commencement date, we fail to pay principal of, interest (including any additional interest pursuant to the registration rights agreement) or premium, if any, on the notes or any of our other monetary obligations under the indenture or the notes whether upon acceleration, redemption or otherwise;

- prior to any scheduled guarantee commencement date, any other event of default with respect to the indenture and the notes occurs or any default or other event which, with the giving of notice or passage of time, would constitute an event of default with respect to the indenture or the notes occurs; or

- (1) we have not deposited irrevocably with the 2004 notes trustee, prior to the 2004 notes payment deposit date, sufficient cash in immediately available funds to pay in full the principal of and interest and premium, if any, that will become due and payable on the 2004 notes on the 2004 notes payment date; and (2) PepsiCo has delivered to us and the trustee a written notice by 5:00 p.m., New York City time, on the 2004 notes payment deposit date, stating that PepsiCo has determined in good faith that it is likely to have to pay the full principal of the 2004 notes on the 2004 notes payment date under the 2004 notes guarantee; then

PEPSICO'S GUARANTEE WILL NOT BECOME EFFECTIVE, AND NO GUARANTEE COMMENCEMENT DATE WILL OCCUR. Accordingly, the holders of the notes or the trustee will not have the benefit of PepsiCo's guarantee or have any rights against PepsiCo under the indenture, the notes or the guarantee. Instead, holders of the notes or the trustee will only be able to exercise any of their respective rights under the indenture and the notes against us.

For illustrative purposes, we are providing you with the following six hypothetical examples.

EXAMPLE 1 (FULL GUARANTEE): On February 12, 2004, we deposit with the 2004 notes trustee sufficient cash in immediately available funds to pay in full the principal of and interest and premium, if any, that will become due and payable on the 2004 notes on February 17, 2004, the scheduled maturity date of the 2004 notes. PepsiCo's guarantee of the notes becomes effective in full on February 16, 2004. We elect to redeem all of the outstanding notes and provide a notice of such redemption to the holders of the notes on January 30, 2004. The redemption date is scheduled for March 15, 2004. We fail to make the redemption payment on March 15, 2004. Since the redemption date and the redemption payment default occur after the guarantee commencement date, holders of the notes would have the benefit of PepsiCo's full guarantee with respect to the redemption price.

EXAMPLE 2 (FULL GUARANTEE): We fail to deposit with the 2004 notes trustee prior to February 13, 2004 sufficient cash in immediately available funds to pay in full the principal of and interest and premium, if any, that will become due and payable on the 2004 notes on February 17, 2004. PepsiCo does not provide us and the trustee with a written notice prior to 5:00 p.m., New York City time, on February 13, 2004, setting forth the amount that PepsiCo had determined in good faith that it is likely to have to pay on the 2004 notes on February 17, 2004 under the 2004 notes guarantee. PepsiCo's guarantee of the notes becomes effective in full on February 16, 2004. We fail to make the principal and interest payment on the 2004 notes on February 17, 2004, which triggers an event of default under the notes. Holders of a majority in aggregate principal amount of the outstanding notes accelerate the payment of the principal of and interest on the notes to March 1, 2004. We fail to make the accelerated payment of principal of and interest on the notes on March 1, 2004. Since the accelerated payment default occurs after the guarantee commencement date, holders of the notes would have the benefit of PepsiCo's full guarantee with respect to the accelerated payment of the principal of and interest on the notes.

EXAMPLE 3 (PARTIAL GUARANTEE): We fail to deposit with the 2004 notes trustee prior to February 13, 2004 sufficient cash in immediately available funds to pay in full the principal of and interest and premium, if any, that will become due and payable on the 2004 notes on February 17, 2004. PepsiCo provides us and the trustee with a written notice on February 13, 2004, stating that PepsiCo has

determined in good faith that it is likely to have to pay on February 17, 2004 $700 million of the principal amount of the 2004 notes then outstanding (assumed to be $1.0 billion for the purposes of this Example 3) under the 2004 notes guarantee. PepsiCo's guarantee of the notes becomes effective on February 16, but only to the extent of the partial guarantee percentage (which is 30% for the purpose of this Example 3) of each of the principal of and interest and premium, if any, on the notes.

- Thereafter, we fail to make the payment of principal of and interest on the notes on the maturity date. For purposes of this Example 3, it is assumed that an aggregate of $1.0 billion of principal of and an aggregate of $25 million of interest on the notes are due and payable on the maturity date. Since our payment default occurs after the guarantee commencement date, holders of the notes would have the benefit of PepsiCo's partial guarantee, but only to the extent of $307,500,000 (which amount is the partial guarantee percentage, or 30%, of $1,025,000,000, the aggregate amount of principal of and interest on the notes due and payable on the maturity date). The amount of payment each holder of the notes holding $1,000,000 in principal amount of the notes would be entitled to receive from PepsiCo under PepsiCo's partial guarantee would be $307,500 (which amount is the partial guarantee percentage, or 30%, of $1,025,000, the aggregate amount of principal of and interest on such holder's notes due and payable on the maturity date).

- We fail to make our $25 million semi-annual interest payment that became due and payable on November 15, 2004 (assuming for the purposes of this Example 3 an interest rate of 5.0% per annum), but the holders of a majority in aggregate principal amount of the outstanding notes do not accelerate the principal of and interest and premium, if any, on the notes. Holders of the notes would have the benefit of PepsiCo's partial guarantee with respect to the payment of such interest.

  (1) A hypothetical holder of $1,000,000 of principal amount of the notes would be entitled, under PepsiCo's partial guarantee, to receive from PepsiCo $7,500 (which amount is the partial guarantee percentage, or 30%, of $25,000, the interest due and payable on such holder's notes on November 15, 2004).

  (2) Each holder of the notes would continue to have the benefit of PepsiCo's partial guarantee of the partial guarantee percentage of the principal of and interest and premium, if any, on such holder's notes (other than $17,500, which amount is the interest amount that we failed to make and that was not paid by PepsiCo under PepsiCo's guarantee, as described in the preceding paragraph (1)).

EXAMPLE 4 (NO GUARANTEE): We fail to make our interest payment on the notes that became due on November 15, 2003, and the holders of a majority in aggregate principal amount of the outstanding notes accelerate the principal of and interest on all the notes to February 25, 2004. Since our interest payment default occurs prior to the scheduled guarantee commencement date (which is assumed to be February 16, 2004 for the purpose of this example 4), although the entire principal of and interest on the notes becomes due and payable after the scheduled guarantee commencement date, PepsiCo's guarantee of the notes would not become effective, and no guarantee commencement date would occur. Holders of the notes would not have the benefit of PepsiCo's guarantee or have any rights under the indenture, the notes or the guarantee against PepsiCo. Instead, holders of the notes would only be able to exercise their rights under the indenture and the notes against us.

EXAMPLE 5 (NO GUARANTEE): We file for bankruptcy proceedings on February 1, 2004. Since an event of default under the indenture and the notes occurs prior to the scheduled guarantee commencement date (which is assumed to be February 16, 2004 for the purpose of this Example 5), PepsiCo's guarantee of the notes would not become effective, and no guarantee commencement date would occur. Neither holders of the notes nor a bankruptcy trustee would have the benefit of PepsiCo's guarantee or have any rights under the indenture, the notes or the guarantee against PepsiCo, despite the continuation of the bankruptcy proceedings on and after the scheduled guarantee commencement date.

EXAMPLE 6 (NO GUARANTEE): We fail to deposit with the 2004 notes trustee prior to February 13, 2004 sufficient cash in immediately available funds to pay in full the principal of and interest and

premium, if any, that will become due and payable on the 2004 notes on February 17, 2004. PepsiCo provides us and the trustee with a written notice on February 13, 2004, stating that PepsiCo has made a good faith determination that it is likely to have to pay the full principal of the 2004 notes on February 17, 2004 under the 2004 notes guarantee. We fail to make the payment of principal of and interest on the 2004 notes on February 17, 2004, which triggers an event of default. As a result, holders of a majority in aggregate principal amount of the outstanding notes accelerate the principal of and interest on all the notes on March 1, 2004. Since PepsiCo's guarantee of the notes would not become effective and no guarantee commencement date would occur, holders of the notes would not have the benefit of PepsiCo's guarantee or have any rights under the indenture, the notes or the guarantee against PepsiCo. Instead, holders of the notes would only be able to exercise their rights under the indenture and the notes against us.

On and after the guarantee commencement date (if such date occurs), the guarantee will rank on an equal basis with all of PepsiCo's other existing and future senior unsecured obligations and senior to all of PepsiCo's existing and future subordinated indebtedness. As of September 7, 2002, PepsiCo had approximately $3.0 billion of indebtedness and had certain guarantees and commercial commitments in the ordinary course of business. As discussed in PepsiCo's Annual Report on Form 10-K for the year ended December 29, 2001, the most significant of these guarantees or commitments is PepsiCo's unconditional guarantee of $2.3 billion of our long-term debt. Except for the limitation on secured indebtedness (including secured guarantees) by PepsiCo and its restricted subsidiaries described in "-- Certain Covenants" above, there are no covenants in the indenture limiting or restricting PepsiCo or its subsidiaries from incurring or issuing additional indebtedness (including guarantees).

PepsiCo will give notice to the holders of the notes and the trustee as to whether the guarantee commencement date has occurred, and if such date has occurred, whether the guarantee is full or partial, and if partial, the partial guarantee percentage, in accordance with the provisions of the indenture.

CONCERNING THE TRUSTEE

JPMorgan Chase Bank, the trustee under the indenture, is also the trustee under other indentures under which unsecured debt of ours and of our subsidiaries and of PepsiCo and of its subsidiaries is outstanding (including the 2004 notes), has from time to time made loans to us and our subsidiaries or to PepsiCo and its subsidiaries and has performed other services for us and our subsidiaries and for PepsiCo and its subsidiaries in the normal course of its business, including investment banking, commercial banking and other financial services, for which it has received and will receive compensation. JPMorgan Chase Bank is also acting as exchange agent in connection with the exchange offer.

NOTICES

Notices to holders of the notes will be made by first class mail, postage prepaid, to the registered holders. So long as the old notes or the new notes are listed on the Luxembourg Stock Exchange, notices will also be made by publication in an authorized newspaper in Luxembourg, which is expected to be the Luxemburger Wort. Any notice will be deemed to have been given on the date of publication or, if published more than once, on the date of the first publication.

GOVERNING LAW

The indenture, the notes and the guarantee will be governed by, and construed in accordance with, the laws of the State of New York.

BOOK-ENTRY DELIVERY AND FORM

The old notes were offered and sold within the United States to qualified institutional buyers in reliance on Rule 144A or in offshore transactions in reliance on Regulation S. The old notes were issued in registered, global form in minimum denominations of $1,000 and integral multiples of $1,000 in excess thereof.

Restricted global notes representing the old notes were deposited upon issuance with the trustee as custodian for DTC, in New York, New York, and registered in the name of DTC or its nominee, in each case, for credit to an account of a direct or indirect participant in DTC. Restricted global notes issued in reliance on Rule 144A, which we refer to as the Rule 144A global notes (and any notes issued in exchange therefor), and the restricted global notes issued in reliance on Regulation S, which we refer to as the Regulation S global notes (and any notes issued in exchange therefor), including beneficial interests in these restricted global notes, bear a legend regarding certain restrictions on transfer set forth therein and in the indenture. The new notes will be issued in fully registered form without interest coupons and will be represented by one or more permanent global notes in definitive fully registered form without interest coupons, which we refer to as a global exchange note, and will be deposited with the trustee as custodian for DTC and registered in the name of DTC or its nominee.

Except as set forth below, the global notes may be transferred, in whole and not in part, only to DTC or another nominee of DTC or to a successor of DTC or its nominee. Beneficial interests in the global notes may not be exchanged for notes in certificated form except in the limited circumstances described below. We refer you to "-- Exchange of Global Notes for Certificated Notes." Except in the limited circumstances described below, owners of beneficial interests in the global notes will not be entitled to receive physical delivery of notes in certificated form.

DEPOSITORY PROCEDURES

The following description of the operations and procedures of DTC, Euroclear and Clearstream, Luxembourg are provided solely as a matter of convenience. These operations and procedures are solely within the control of the respective settlement systems and are subject to changes by them. We take no responsibility for these operations and procedures and urge investors to contact the system or their participants directly to discuss these matters.

We have been advised by DTC, Clearstream, Luxembourg and Euroclear, respectively, as follows:

- As to DTC: DTC has advised us that it is a limited-purpose trust company organized under the New York Banking Law, a "banking organization" within the meaning of the New York Banking Law, a member of the Federal Reserve System, a "clearing corporation" within the meaning of the New York Uniform Commercial Code, and a "clearing agency" registered pursuant to the provisions of Section 17A of the Exchange Act. DTC was created to hold securities deposited with it by its participants and to facilitate clearance and the settlement of securities transactions among its participants in such securities through electronic computerized book-entry changes in accounts of the participants, thereby eliminating the need for physical movement of securities certificates. DTC's participants include securities brokers and dealers, banks, trust companies, clearing corporations and certain other organizations, some of which (and/or their representatives) own DTC. Access to DTC's book-entry system is also available to others, such as banks, brokers, dealers and trust companies that clear through or maintain a custodial relationship with a participant, either directly or indirectly.

  According to DTC, the foregoing information with respect to DTC has been provided to the financial community for informational purposes only and is not intended to serve as a representation, warranty or contract modification of any kind.

- As to Euroclear: Euroclear has advised us that it was created in 1968 to hold securities for participants of Euroclear and to clear and settle transactions between Euroclear participants through simultaneous electronic book-entry delivery against payment, thus eliminating the need for physical movement of certificates and risk from lack of simultaneous transfers of securities and cash. Transactions may now be settled in many currencies, including United States dollars. Euroclear provides various other services, including securities lending and borrowing and interfaces with domestic markets in several countries generally similar to the arrangements for cross-market transfers with DTC described below.

Euroclear is operated by the Euroclear operator, under contract with Euroclear plc, a United Kingdom corporation. The Euroclear operator conducts all operations, and all Euroclear securities clearance accounts and Euroclear cash accounts are accounts with the Euroclear operator, not Euroclear plc. Euroclear plc establishes policy for Euroclear on behalf of Euroclear participants. Euroclear participants include banks (including central banks), securities brokers and dealers and other professional financial intermediaries and may include the initial purchasers of the notes. Indirect access to Euroclear is also available to other firms that clear through or maintain a custodial relationship with a Euroclear participant, either directly or indirectly. Euroclear is an indirect participant in DTC.

The Euroclear operator is a Belgian bank. The Belgian Banking Commission and the National Bank of Belgium regulate and examine the Euroclear operator.

The Terms and Conditions Governing Use of Euroclear and the related Operating Procedures of the Euroclear System, or the Euroclear Terms and Conditions, and applicable Belgian law govern securities clearance accounts and cash accounts with the Euroclear operator. Specifically, these terms and conditions govern:

- transfers of securities and cash within Euroclear;

- withdrawal of securities and cash from Euroclear; and

- receipt of payments with respect to securities in Euroclear.

All securities in Euroclear are held on a fungible basis without attribution of specific certificates to specific securities clearance accounts. The Euroclear operator acts under the terms and conditions only on behalf of Euroclear participants and has no record of or relationship with persons holding securities through Euroclear participants.

Distributions with respect to notes held beneficially through Euroclear will be credited to the cash accounts of Euroclear participants in accordance with the Euroclear Terms and Conditions, to the extent received by the Euroclear operator.

- As to Clearstream, Luxembourg: Clearstream, Luxembourg has advised us that it was incorporated as a limited liability company under Luxembourg law. Clearstream, Luxembourg is owned by Cedel International, societe anonyme, and Deutsche Borse AG. The shareholders of these two entities are banks, securities dealers and financial institutions.

Clearstream, Luxembourg holds securities for its customers and facilitates the clearance and settlement of securities transactions between Clearstream, Luxembourg customers through electronic book-entry changes in accounts of Clearstream, Luxembourg customers, thus eliminating the need for physical movement of certificates. Transactions may be settled by Clearstream, Luxembourg in many currencies, including United States dollars. Clearstream, Luxembourg provides to its customers, among other things, services for safekeeping, administration, clearance and settlement of internationally traded securities, securities lending and borrowing. Clearstream, Luxembourg also deals with domestic securities markets in over 30 countries through established depository and custodial relationships. Clearstream, Luxembourg interfaces with domestic markets in a number of countries. Clearstream, Luxembourg has established an electronic bridge with Euroclear Bank S.A./N.V., the operator of Euroclear, or the Euroclear operator, to facilitate settlement of trades between Clearstream, Luxembourg and Euroclear.

As a registered bank in Luxembourg, Clearstream, Luxembourg is subject to regulation by the Luxembourg Commission for the Supervision of the Financial Sector. Clearstream, Luxembourg customers are recognized financial institutions around the world, including underwriters, securities brokers and dealers, banks, trust companies and clearing corporations. In the United States, Clearstream, Luxembourg customers are limited to securities brokers and dealers and banks, and include the initial purchasers of the notes. Other institutions that maintain a custodial relationship

with a Clearstream, Luxembourg customer may obtain indirect access to Clearstream, Luxembourg. Clearstream, Luxembourg is an indirect participant in DTC.

Distributions with respect to the notes held beneficially through Clearstream, Luxembourg will be credited to cash accounts of Clearstream, Luxembourg customers in accordance with its rules and procedures, to the extent received by Clearstream, Luxembourg.

Investors in the global notes that are participants in DTC's system may hold their interests therein directly through DTC. Investors in the global notes that are not participants may hold their interests therein indirectly through organizations (including Euroclear and Clearstream, Luxembourg) which are participants in this system. All interests in a global note, including those held through Euroclear or Clearstream, Luxembourg, may be subject to the procedures and requirements of DTC. Those interests held through Euroclear or Clearstream, Luxembourg may also be subject to the procedures and requirements of these systems. The laws of some states require that certain persons take physical delivery in definitive form of securities that they own. Consequently, the ability to transfer beneficial interests in a global note to these persons will be limited to that extent. Because DTC can act only on behalf of participants, which in turn act on behalf of indirect participants, the ability of a person having beneficial interests in a global note to pledge interests to persons that do not participate in the DTC system, or otherwise take actions in respect of these interests, may be affected by the lack of a physical certificate evidencing these interests.

EXCEPT AS DESCRIBED BELOW, OWNERS OF INTERESTS IN THE GLOBAL NOTES WILL NOT HAVE NOTES REGISTERED IN THEIR NAMES, WILL NOT RECEIVE PHYSICAL DELIVERY OF NOTES IN CERTIFICATED FORM AND WILL NOT BE CONSIDERED THE REGISTERED OWNERS OR HOLDERS THEREOF UNDER THE INDENTURE FOR ANY PURPOSE.

Payments in respect of the principal of and interest and premium, if any, on a global note registered in the name of DTC or its nominee will be payable to DTC in its capacity as the registered holder under the indenture. Under the terms of the indenture, we, PepsiCo and the trustee will treat the persons in whose names the notes, including the global notes, are registered as the owners thereof for the purpose of receiving payments and for all other purposes. Consequently, none of us, PepsiCo, the trustee or any of our or their respective agents has or will have any responsibility or liability for:

- any aspect of DTC's records or any participant's or indirect participant's records relating to or payments made on account of the beneficial ownership interests in the global notes;

- maintaining, supervising or reviewing any of DTC's records or any participant's or indirect participant's records relating to the beneficial ownership interests in the global notes; or

- any other matter relating to the actions and practices of DTC or any of its participants or indirect participants.

DTC has advised us that its current practice, upon receipt of any payment in respect of securities such as the notes (including principal and interest), is to credit the accounts of the relevant participants with the payment on the payment date unless DTC has reason to believe it will not receive payment on the payment date. Each relevant participant is credited with an amount proportionate to its beneficial ownership of an interest in the principal amount of the relevant security as shown on the records of DTC. Payments by the participants and the indirect participants to the beneficial owners of notes will be governed by standing instructions and customary practices and will be the responsibility of the participants or the indirect participants and will not be the responsibility of DTC, the trustee, us or PepsiCo. None of us, PepsiCo or the trustee will be liable for any delay by DTC or any of its participants in identifying the beneficial owners of the notes, and we, PepsiCo and the trustee may conclusively rely on and will be protected in relying on instructions from DTC or its nominee for all purposes.

Transfers between participants in DTC will be effected in accordance with DTC's procedures, and will be settled in same-day funds, and transfers between Euroclear participants and Clearstream, Luxembourg customers will be effected in accordance with their respective rules and operating procedures.

Cross-market transfers between the participants in DTC, on the one hand, and Euroclear participants or Clearstream, Luxembourg customers, on the other hand, will be effected through DTC in accordance with DTC's rules on behalf of Euroclear or Clearstream, Luxembourg, as the case may be, by its respective U.S. depositary; however, these cross-market transactions will require delivery of instructions to Euroclear or Clearstream, Luxembourg, as the case may be, by the counterparty in the system in accordance with the rules and procedures and within its established deadlines (based on European time). Euroclear or Clearstream, Luxembourg, as the case may be, will, if the transaction meets its settlement requirements, deliver instructions to its respective U.S. depositary to take action to effect final settlement on its behalf by delivering or receiving interests in the relevant global note in DTC, and making or receiving payment in accordance with normal procedures for same-day funds settlement applicable to DTC. Euroclear participants and Clearstream, Luxembourg customers may not deliver instructions directly to their respective U.S. depositaries.

Because of time-zone differences, credits of notes received in Euroclear or Clearstream, Luxembourg as a result of a transaction with a DTC participant will be made during subsequent securities settlement processing and dated the business day following the DTC settlement date. Such credits or any transactions in such notes settled during such processing will be reported to the relevant Euroclear participants or Clearstream, Luxembourg customers on such business day. Cash received in Euroclear or Clearstream, Luxembourg as a result of sales of notes by or through a Euroclear participant or a Clearstream, Luxembourg customer to a DTC participant will be received with value on the DTC settlement date but will be available in the relevant Euroclear or Clearstream, Luxembourg cash account only as of the business day following settlement in DTC.

DTC has advised us and PepsiCo that it will take any action permitted to be taken by a holder of notes only at the direction of one or more participants to whose account DTC has credited the interests in the global notes and only in respect of such portion of the aggregate principal amount of the notes as to which the participant or participants has or have given such direction. However, if there is an event of default under the notes, DTC reserves the right to exchange the global notes for legended notes in certificated form, and to distribute these notes to its participants.

Although DTC, Euroclear and Clearstream, Luxembourg have agreed to the foregoing procedures to facilitate transfers of interests in the Rule 144A global notes, the Regulation S global notes and the global exchange notes among participants in DTC, Euroclear and Clearstream, Luxembourg, they are under no obligation to perform or to continue to perform those procedures, and may discontinue those procedures at any time. None of we, PepsiCo or the trustee nor any of our or its respective agents will have any responsibility for the performance by DTC, Euroclear or Clearstream, Luxembourg or their respective participants or indirect participants of their respective obligations under the rules and procedures governing their operations. We, PepsiCo or the trustee may conclusively rely on, and shall be protected in relying on, instructions from DTC, Euroclear or Clearstream, Luxembourg, for all purposes.

EXCHANGE OF GLOBAL NOTES FOR CERTIFICATED NOTES

A global note is exchangeable for definitive notes in registered certificated form, which we refer to as certificated notes, if:

- DTC notifies us that it is unwilling or unable to continue as depositary for the global notes and we fail to appoint a successor depositary or DTC has ceased to be a clearing agency registered under the Exchange Act;

- we, at our option, notify the trustee in writing that we elect to cause the issuance of the certificated notes; or

- there has occurred and is continuing an event of default with respect to the notes.

In addition, beneficial interests in a global note may be exchanged for certificated notes upon prior written notice given to the trustee by or on behalf of DTC in accordance with the indenture. In all cases, certificated notes delivered in exchange for any global note or beneficial interests in global notes will be registered in the names, and issued in any approved denominations, requested by or on behalf of DTC (in accordance with its customary procedures) and, in the case of old notes, will bear the applicable restrictive legend set forth in the indenture, unless that legend is not required by applicable law.

CERTAIN UNITED STATES FEDERAL INCOME TAX CONSEQUENCES

GENERAL

The following discussion is a summary of the material United States federal income and estate tax consequences resulting from the exchange of old notes for new notes by a holder and the ownership and disposition of the new notes by a Non-U.S. Holder (as defined below). This discussion only applies to a holder of a new note who acquired an old note in the initial offering at the note's issue price and who receives the new note in the exchange offer. The information provided below is based on laws, regulations, rulings and decisions now in effect. These authorities may change, possibly with retroactive effect, or the Internal Revenue Service might interpret the existing authorities differently. In either case, the tax consequences of purchasing, owning or disposing of notes could differ from those described below.

The summary generally applies only to holders that hold the notes as "capital assets" (generally, for investment). The summary generally does not address tax considerations that may be relevant to particular investors because of their specific circumstances, or because they are subject to special rules. For example, this summary does not address tax considerations applicable to investors to whom special tax rules may apply, including:

- banks or other financial institutions;
- tax-exempt entities;
- insurance companies;
- regulated investment companies;
- common trust funds;
- brokers/dealers in securities or currencies;
- persons that hold the notes as a hedge or hedged against currency risk or as part of an integrated investment, including a "straddle" or "conversion transaction," comprised of a note or one or more other positions; or
- persons subject to the alternative minimum tax.

Finally, the summary does not describe the effect of the federal gift tax laws or the effects of any applicable foreign, state or local laws.

THIS DISCUSSION IS FOR GENERAL INFORMATION ONLY AND IS NOT INTENDED AS LEGAL OR TAX ADVICE TO ANY PARTICULAR INVESTOR. THIS SUMMARY DOES NOT PROVIDE A COMPLETE ANALYSIS OR LISTING OF ALL POTENTIAL TAX CONSIDERATIONS. INVESTORS SHOULD CONSULT THEIR OWN TAX ADVISORS REGARDING THE APPLICATION OF THE U.S. FEDERAL INCOME AND ESTATE TAX LAWS TO THEIR PARTICULAR SITUATIONS AND THE CONSEQUENCES OF FEDERAL GIFT TAX LAWS, FOREIGN, STATE OR LOCAL LAWS AND TAX TREATIES, INCLUDING THE CONSEQUENCES OF ANY PROPOSED CHANGE IN APPLICABLE LAWS.

For purposes of this discussion, the term "Non-U.S. Holder" means a beneficial owner of a note that is, for United States federal income tax purposes, an individual who is classified as a nonresident for U.S. federal income tax purposes, a foreign corporation, or a nonresident alien fiduciary of a foreign estate or trust.

If a partnership or other entity treated as a pass-through for United States federal income tax purposes owns notes, the tax treatment of an owner of such entity will depend upon the status of the partner or the owner of such entity and the activities of the entity. If a holder of notes is a partner in a partnership or an owner of another entity that is treated as a pass-through for United States federal income tax purposes, such holder is urged to consult its tax advisors.

TAX CONSEQUENCES OF EXCHANGE OF OLD NOTES FOR NEW NOTES

A holder of old notes will not recognize any taxable gain or loss on the exchange of the old notes for the new notes pursuant to the exchange offer, and the holder will have the same adjusted tax basis and holding period in the new notes as such holder had in the old notes immediately before the exchange.

TAX CONSEQUENCES TO NON-U.S. HOLDERS OF THE OWNERSHIP AND DISPOSITION OF NEW NOTES

The following is a general summary of the other material United States federal income tax considerations that may be relevant to a beneficial owner of new notes that is a Non-U.S. Holder:

- No United States federal income or withholding tax will apply to a payment of interest on a new note to a Non-U.S. Holder, provided (i) the holder does not actually or constructively own 10% or more of the total membership interests of Bottling LLC and is not a controlled foreign corporation related, directly or indirectly, to Bottling LLC through equity ownership, (ii) the interest is not effectively connected with the conduct of a trade or business by the Non-U.S. Holder in the United States, and (iii) the beneficial owner certifies on IRS Form W-8BEN under penalties of perjury that it is a Non-U.S. Holder in compliance with applicable requirements.

- A Non-U.S. Holder generally will not be subject to United States federal income or withholding tax on gain realized on the sale, exchange, retirement or other taxable disposition of a new note, unless (i) such gain is effectively connected with the conduct by such Non-U.S. Holder of a trade or business within the United States, or (ii) in the case of an individual Non-U.S. Holder, such individual is present in the United States for 183 days or more in the taxable year of the sale, retirement or other disposition and certain other conditions are met.

- If a Non-U.S. Holder is engaged in a trade or business in the United States, and if interest on the note is effectively connected with the conduct of this trade or business, the Non-U.S. Holder, although exempt from the withholding tax discussed in the preceding paragraph, generally will be taxable under the same rules that govern the taxation of a United States person receiving or accruing interest on a note or realizing or recognizing gain or loss on the sale, exchange, retirement or other taxable disposition of a note, except that the holder will be required to provide to us a properly executed IRS Form W-8ECI in order to claim an exemption from withholding tax. These holders should consult their own tax advisors with respect to other U.S. tax consequences of the ownership and disposition of notes including the possible imposition of a 30% branch profits tax. Special rules might also apply to a Non-U.S. Holder that is a qualified resident of a country with which the United States has an income tax treaty.

Federal Estate Taxes. If interest on a new note is exempt from withholding of U.S. federal income tax under the rules described above, the new note held by an individual who at the time of death is a Non-U.S. Holder generally will not be subject to United States federal estate tax upon such individual's death.

Information Reporting and Backup Withholding. In general, payments of interest and the proceeds of the sale, exchange, redemption, retirement or other disposition of the new notes payable by a United States paying agent or other United States intermediary to a Non-U.S. Holder will be subject to information reporting. In addition, backup withholding (currently at a rate of 30%) will generally apply to these payments to a Non-U.S. Holder if the holder fails to provide the certification on IRS Form W-8BEN (or IRS Form W-8ECI, if applicable) or otherwise does not provide evidence of exempt status. Any amount paid as backup withholding will be creditable against the holder's United States federal income tax liability provided that the required information is timely furnished to the IRS. Holders of notes should consult their tax advisors as to their qualification for exemption from backup withholding and the procedure for obtaining such an exemption.

PLAN OF DISTRIBUTION

As discussed under the section entitled "The Exchange Offer," based on an interpretation of the staff of the SEC, new notes issued in the exchange offer may be offered for resale and resold or otherwise transferred by any holder of such new notes (other than any such holder which is an "affiliate" of ours or PepsiCo's within the meaning of Rule 405 under the Securities Act and except as otherwise discussed below with respect to holders that are broker-dealers) without compliance with the registration and prospectus delivery requirements of the Securities Act so long as such new notes are acquired in the ordinary course of such holder's business and such holder has no arrangement or understanding with any person to participate in the distribution (within the meaning of the Securities Act) of such new notes.

Each broker-dealer that receives new notes for its own account in the exchange offer must acknowledge that it will deliver a prospectus in connection with any resale of those new notes. This prospectus, as it may be amended or supplemented from time to time, may be used by a broker in connection with resales of new notes received in exchange for old notes only where those old notes were acquired as a result of market-making activities or other trading activities. This is in addition to the obligation of dealers to deliver a prospectus when acting as underwriters and with respect to their unsold allotments or subscriptions. We and PepsiCo have agreed that, for a period of 180 days after the expiration date of this exchange offer, Bottling LLC will make this prospectus available to any broker-dealer for use in connection with any such resale. In addition, until , 2003, all dealers effecting transactions in connection with the new notes may be required to deliver a prospectus.

Neither we nor PepsiCo will receive any proceeds from any sale of new notes by broker-dealers. New notes received by broker-dealers for their own account in the exchange offer may be sold from time to time through:

- one or more transactions in the over-the-counter market;

- in negotiated transactions;

- the writing of options on the new notes; or

- a combination of such methods of resale.

Such broker-dealer may sell at:

- market prices prevailing at the time of resale;

- prices related to such prevailing market prices; or

- negotiated prices.

Any such resale may be made directly to purchasers or to or through brokers or dealers who may receive compensation in the form of commissions or concessions from any such broker-dealer or the purchasers of any new notes. Any broker-dealer that resells new notes that were received by it for its own account pursuant to the exchange offer and any broker or dealer that participates in a distribution of those new notes may be deemed to be an "underwriter" within the meaning of the Securities Act and any profit on any such resale of new notes and any commissions or concessions received by such persons may be deemed to be underwriting compensation under the Securities Act. The letter of transmittal states that by acknowledging that it will deliver and by delivering a prospectus, a broker-dealer will not be deemed to admit that it is an "underwriter" within the meaning of the Securities Act.

For a period of 180 days after the expiration date of the exchange offer, we will promptly send additional copies of this prospectus and any amendment or supplement to this prospectus to any broker-dealer that requests those documents in the letter of transmittal. We have agreed to pay all expenses incident to the exchange offer (including the expenses of one counsel for holders of the notes but not including certain transfer taxes) other than commissions or concessions of any broker-dealers and we and PepsiCo have each agreed to indemnify the holders of the notes (including any broker-dealers) against certain liabilities, including liabilities under the Securities Act.

LEGAL MATTERS

Certain matters with respect to the validity of the new notes will be passed upon for us by Proskauer Rose LLP, New York, New York. Certain matters with respect to the validity of the guarantee will be passed upon for PepsiCo by Davis Polk & Wardwell, New York, New York and certain matters relating to North Carolina law will be passed upon for PepsiCo by Womble Carlyle Sandridge & Rice, PLLC, Durham, North Carolina.

INDEPENDENT ACCOUNTANTS

Our consolidated financial statements and schedule as of December 29, 2001 and December 30, 2000, and for each of the years in the three fiscal year period ended December 29, 2001, have been incorporated by reference herein and in the registration statement in reliance upon the reports of KPMG LLP, independent accountants, incorporated by reference herein, and upon the authority of said firm as experts in accounting and auditing.

With respect to the unaudited interim financial information for the periods ended September 7, 2002 and September 8, 2001, June 15, 2002 and June 16, 2001, and March 23, 2002 and March 24, 2001, incorporated by reference herein, the independent accountants have reported that they applied limited procedures in accordance with professional standards for a review of such information. However, their separate reports included in the Company's quarterly reports on Form 10-Q for the quarters ended September 7, 2002, June 15, 2002 and March 23, 2002, and incorporated by reference herein, state that they did not audit and they do not express an opinion on that interim financial information. Accordingly, the degree of reliance on their reports on such information should be restricted in light of the limited nature of the review procedures applied. The accountants are not subject to the liability provisions of Section 11 of the Securities Act for their reports on the unaudited interim financial information because those reports are not "reports" or "parts" of the registration statement prepared or certified by the accountants within the meaning of Sections 7 and 11 of the Securities Act.

Pepsico's consolidated financial statements as of December 29, 2001 and December 30, 2000, and for each of the years in the three-year period ended December 29, 2001, have been incorporated by reference herein and in the registration statement in reliance upon the reports of KPMG LLP, independent accountants, incorporated by reference herein, and upon the authority of said firm as experts in accounting and auditing.

With respect to the unaudited interim financial information for the periods ended September 7, 2002 and September 8, 2001, June 15, 2002 and June 16, 2001, and March 23, 2002 and March 24, 2001, incorporated by reference herein, the independent accountants have reported that they applied limited procedures in accordance with professional standards for a review of such information. However, their separate reports included in the Company's quarterly reports on Form 10-Q for the quarters ended September 7, 2002, June 15, 2002 and March 23, 2002, and incorporated by reference herein, state that they did not audit and they do not express an opinion on that interim financial information. Accordingly, the degree of reliance on their reports on such information should be restricted in light of the limited nature of the review procedures applied. The accountants are not subject to the liability provisions of Section 11 of the Securities Act for their reports on the unaudited interim financial information because those reports are not "reports" or "parts" of the registration statement prepared or certified by the accountants within the meaning of Sections 7 and 11 of the Securities Act.

INCORPORATION OF CERTAIN INFORMATION BY REFERENCE

The information incorporated by reference in this prospectus as described below is considered to be a part of this prospectus, except for any information that is superseded by information that is included directly in this prospectus or by a document subsequently filed with the SEC.

This prospectus incorporates by reference the documents listed below that we or PepsiCo have previously filed with the SEC. They contain important information about us and PepsiCo and our and PepsiCo's respective financial condition.

BOTTLING LLC SEC FILINGS	PERIOD
Annual Report on Form 10-K	Year ended December 29, 2001, as filed on March 28, 2002
Quarterly Report on Form 10-Q	Quarterly period ended March 23, 2002, as filed on May 7, 2002
Quarterly Report on Form 10-Q	Quarterly period ended June 15, 2002, as filed on July 26, 2002
Quarterly Report on Form 10-Q	Quarterly period ended September 7, 2002, as filed on October 17, 2002
Current Report on Form 8-K	Filed on November 6, 2002

PEPSICO SEC FILINGS	PERIOD
Annual Report on Form 10-K	Year ended December 29, 2001, as filed on March 20, 2002
Quarterly Report on Form 10-Q	Quarterly period ended March 23, 2002, as filed on May 1, 2002
Quarterly Report on Form 10-Q	Quarterly period ended June 15, 2002, as filed on July 23, 2002
Quarterly Report on Form 10-Q	Quarterly period ended September 7, 2002, as filed on October 15, 2002
Items 10-13 of PepsiCo's Definitive Proxy Statement to PepsiCo's stockholders for the 2002 Annual Meeting	Filed on March 21,

2002 Current Reports on Form 8-K or 8-K/A..... Filed on: - February 6, 2002 - February 11, 2002 - February 12, 2002 - April 23, 2002 - July 19, 2002 - July 19, 2002 - July 31, 2002 - September 4, 2002 - October 8, 2002 - December 3, 2002

We and PepsiCo each also incorporate by reference additional documents that we or PepsiCo, as the case may be, may file with the SEC after the date of this prospectus. These documents include periodic reports, such as Annual Reports on Form 10-K, Quarterly Reports on Form 10-Q, Current Reports on Form 8-K, and, in the case of PepsiCo, proxy statements.

We have supplied all information contained or incorporated by reference in this prospectus relating to us, and PepsiCo has supplied all information contained or incorporated by reference in this prospectus relating to PepsiCo.

You can obtain any of the documents incorporated by reference in this document through us or PepsiCo, as the case may be, or from the SEC through the SEC's Internet world wide web site at the

address described above. Documents incorporated by reference are available from us or PepsiCo, as the case may be, without charge, excluding any exhibits to those documents, at the following addresses:

Bottling Group, LLC One Pepsi Way Somers, New York 10589 Attention: Shareholder Relations Telephone: (914) 767-7216 Internet address: Shareholder.Relations@Pepsi.com	PepsiCo, Inc. 700 Anderson Hill Road Purchase, New York 10577 Attention: Shareholder Relations Telephone: (914) 253-3055

GENERAL INFORMATION

We and PepsiCo have engaged The Bank of New York (Luxembourg) S.A. as the Luxembourg listing agent in connection with the exchange offer. In Luxembourg, you should contact the Luxembourg listing agent for services in connection with the exchange offer, including to obtain copies of this prospectus and the letter of transmittal or answers to questions about the terms and procedures of the exchange offer, or to have a letter of transmittal submitted on your behalf. The address and telephone number of the Luxembourg listing agent are as follows: The Bank of New York (Luxembourg) S.A., Aerogolf Centre, 1A, Hoehenhof, L-1736 Senningerberg, Luxembourg, Telephone: 352-263-4771, Facsimile: 352-2634-0571.

The old notes are listed, and application has been made to list the new notes, on the Luxembourg Stock Exchange. In connection with the listing application, our Articles of Formation and Amended and Restated Limited Liability Company Agreement, PepsiCo's Restated Articles of Incorporation and a legal notice relating to the issuance of the new notes have been deposited prior to listing with Greffier en Chef du Tribunal d'Arrondissement de et a Luxembourg, where copies thereof may be obtained upon request, for as long as the notes are listed on the Luxembourg Stock Exchange. You may request copies of these documents, together with this prospectus, the purchase agreement, the registration rights agreement, the indenture and our and PepsiCo's respective annual, quarterly and current reports, as well as all other documents incorporated by reference in this prospectus, including all such future reports, so long as any of the notes are outstanding, by following the directions under "Where You Can Find More Information." These documents will also be made available, free of charge, for as long as the notes are listed on the Luxembourg Stock Exchange, at the main office of our and PepsiCo's Luxembourg listing agent set forth above. Our and PepsiCo's Luxembourg listing agent will act as intermediary between the Luxembourg Stock Exchange and us, PepsiCo and the holders of the notes.

Other than as disclosed or contemplated herein or in the documents incorporated herein by reference, neither we nor any of our subsidiaries is involved in litigation, arbitration or administrative proceedings relating to claims or amounts that are material in the context of the issue of the notes. We are not aware that any such litigation, arbitration or administrative proceedings are pending or threatened.

Other than as disclosed or contemplated herein or in the documents incorporated herein by reference, neither PepsiCo nor any of its subsidiaries is involved in litigation, arbitration or administrative proceedings related to claims or amounts that are material in the context of the issue of the guarantee. PepsiCo is not aware that any such litigation, arbitration or administrative proceedings are pending or threatened.

We have obtained all material consents, approvals and authorizations in connection with the issuance of the notes. Resolutions relating to the issuance and sale of the notes were adopted by our Managing Directors on September 5, 2002.

PepsiCo has obtained all material consents, approvals and authorizations in connection with the issuance of the guarantee. Resolutions relating to the issuance of the guarantee were adopted by PepsiCo's Board of Directors on July 18, 2002 and November 13, 2002.

We accept the responsibility for the information contained in this prospectus other than information about PepsiCo.

PepsiCo accepts the responsibility for the information with respect to PepsiCo contained in this prospectus.

The notes, the related guarantee, the indenture, the registration rights agreement and the purchase agreement are governed by and will be construed in accordance with the laws of the State of New York.

The notes have been accepted for clearance through Clearstream, Luxembourg and Euroclear. Relevant trading information is as follows:

INTERNATIONAL SECURITY COMMON CODE IDENTIFICATION NUMBER (ISIN) CUSIP -------	---- --------	-------------	------- -----
------ 4 5/8% Series B Senior Notes due November 15, 2012	016041793	US10138MAB19	10138M AB 1

According to Chapter VI, Article 3, point A/II/2 of the Rules and Regulations of the Luxembourg Stock Exchange the notes shall be freely transferable and therefore no transaction made on the Luxembourg Stock Exchange shall be cancelled.

We and PepsiCo only publish consolidated financial statements.

Our and PepsiCo's respective independent accountants are KPMG LLP.

PART II

INFORMATION NOT REQUIRED IN PROSPECTUS

ITEM 20. INDEMNIFICATION OF DIRECTORS AND OFFICERS

Section 18-108 of the Delaware Limited Liability Company Act provides that a limited liability company may indemnify and hold harmless any member or manager or other person from and against any and all claims and demands whatsoever, subject to any standards and restrictions that may be set forth in its limited liability company agreement. Section 12.1 of the amended and restated limited liability company agreement of Bottling LLC, a Delaware limited liability company, or Bottling LLC, provides that none of the managing directors or members, or any officers, directors, stockholders, partners, employees, representatives, consultants or agents of either of the foregoing, nor any officer, employee, representative, consultant or agent of Bottling LLC or any of its affiliates (referred to individually, as a Covered Person and, collectively, as the Covered Persons) shall be liable to Bottling LLC or any other person for any act or omission (in relation to Bottling LLC and the conduct of its business, the limited liability company agreement, any related document or any transaction contemplated by any such documents) taken or omitted in good faith by a Covered Person and in the reasonable belief that such act or omission was in, or was not contrary to, the best interests of Bottling LLC. Section 12.2 of the amended and restated limited liability company agreement of Bottling LLC provides that Bottling LLC shall indemnify and hold harmless each managing director, member and officer of Bottling LLC and each officer or director of any member (referred to individually, as an Indemnified Person and, collectively, as the Indemnified Persons) from and against any and all losses, claims, demands, liabilities, expenses, judgments, fines, settlements and other amounts arising from any and all actions, suits or proceedings, whether civil, criminal, administrative or investigative, in which such Indemnified Person may be involved, or threatened to be involved, as a party or otherwise, by reason of its management of the affairs of Bottling LLC or which relates to or arises out of Bottling LLC or its property, business or affairs. Bottling LLC shall pay in advance any legal or other expenses incurred in investigating or defending against any loss, claim, damage or liability which may be subject to indemnification, upon receipt of an undertaking from the Indemnified Person on whose behalf such expenses are paid to repay such amount if it shall ultimately be determined that such Indemnified Person is not entitled to be indemnified by Bottling LLC. Bottling LLC has purchased insurance, to the extent available at reasonable cost, to cover losses, claims, damages or liabilities subject to indemnification. Upon a determination by the managing directors, Bottling LLC may provide indemnification to any employees, representatives, agents or consultants of Bottling LLC to the same extent provided to Indemnified Persons.

PepsiCo, Inc., a North Carolina corporation, or PepsiCo, does not have any provisions for indemnification of directors or officers in its amended and restated articles of incorporation. Article 3.7 of the bylaws of PepsiCo provides that unless the board of directors determines otherwise, PepsiCo shall indemnify, to the full extent permitted by law, any person who was or is, or who is threatened to be made, a party to an action, suit or proceeding, whether civil, criminal, administrative or investigative, by reason of the fact that such person, such person's testator or intestate, is or was a director, officer or employee of PepsiCo, or is or was serving at the request of PepsiCo as a director, officer or employee of another enterprise, against expenses (including attorneys' fees), judgments, fines and amounts paid in settlement actually and reasonably incurred by such person in connection with such action, suit or proceeding. Such indemnification may, in the discretion of the board of directors, include advances of a director's, officer's or employee's expenses prior to final disposition of such action, suit or proceeding. The right of indemnification provided for by Section 3.7 shall not exclude any rights to which such persons may otherwise be entitled by contract or as a matter of law. Section 55-2-02 of the North Carolina Business Corporation Act, or the North Carolina Act, enables a corporation in its articles of incorporation to eliminate or limit, with certain exceptions, the personal liability of directors for monetary damages for breach of their duties as directors. No such provision is effective to eliminate or limit a director's liability for: (i) acts or omissions that the director at the time of the breach knew or believed to be clearly in conflict with the best interests of the corporation, (ii) improper distributions as described in

Section 55-8-33 of the North Carolina Act, (iii) any transaction from which the director derived an improper personal benefit, or (iv) acts or omissions occurring prior to the date the exculpatory provision became effective.

Sections 55-8-50 through 55-8-58 of the North Carolina Act permit a corporation to indemnify its directors, officers, employees or agents under either or both a statutory or nonstatutory scheme of indemnification. Under the statutory scheme, a corporation may, with certain exceptions, indemnify a director, officer, employee or agent of the corporation who was, is, or is threatened to be made, a party to any threatened, pending or completed legal action, suit or proceeding, whether civil, criminal, administrative, or investigative because of the fact that such person was or is a director, officer, agent or employee of the corporation, or is or was serving at the request of such corporation as a director, officer, employee or agent of another corporation or enterprise. This indemnity may include the obligation to pay any judgment, settlement, penalty, fine (including an excise tax assessed with respect to an employee benefit plan) or reasonable expenses incurred in connection with a proceeding (including counsel fees), but no such indemnification may be granted unless such director, officer, employee or agent (i) conducted himself in good faith, (ii) reasonably believed (A) that any action taken in his official capacity with the corporation was in the best interests of the corporation or (B) that in all other cases his conduct was not opposed to the corporation's best interests, and (iii) in the case of any criminal proceeding, had no reasonable cause to believe his conduct was unlawful. Whether a director has met the requisite standard of conduct for the type of indemnification set forth above is determined by the board of directors, a committee of directors, special legal counsel or the shareholders in accordance with Section 55-8-55 of the North Carolina Act. A corporation may not indemnify a director under the statutory scheme in connection with a proceeding by or in the right of the corporation in which a director was adjudged liable to the corporation or in connection with any other proceeding in which a director was adjudged liable on the basis of having received an improper personal benefit.

In addition to, and notwithstanding the conditions of and limitations on, the indemnification described above under the statutory scheme, Section 55-8-57 of the North Carolina Act permits a corporation to indemnify, or agree to indemnify, any of its directors, officers, employees or agents against liability and expenses (including attorneys' fees) in any proceeding (including proceedings brought by or on behalf of the corporation) arising out of their status as such or their activities in such capacities, except for any liabilities or expenses incurred on account of activities that were, at the time taken, known or believed by the person to be clearly in conflict with the best interests of the corporation. Sections 55-8-52 and 55-8-56 of the North Carolina Act require a corporation, unless its articles of incorporation provide otherwise, to indemnify a director or officer who has been wholly successful, on the merits or otherwise, in the defense of any proceeding to which such director or officer was, or was threatened to be, made a party because he is or was a director or officer of the corporation. Unless prohibited by the articles of incorporation, a director or officer also may make application and obtain court-ordered indemnification if the court determines that such director or officer is fairly and reasonably entitled to such indemnification as provided in Sections 55-8-54 and 55-8-56 of the North Carolina Act.

Additionally, Section 55-8-57 of the North Carolina Act authorizes a corporation to purchase and maintain insurance on behalf of an individual who is or was a director, officer, employee or agent of the corporation against certain liabilities incurred by such a person, whether or not the corporation is otherwise authorized by the North Carolina Act to indemnify that person. PepsiCo has purchased and maintains such insurance.

ITEM 21. EXHIBITS AND FINANCIAL STATEMENT SCHEDULES

(a) The exhibits listed below in the "Index to Exhibits" are part of this registration statement and are numbered in accordance with Item 601 of Regulation S-K.

(b) The following financial statement schedules are filed as part of this registration statement:

None

ITEM 22. UNDERTAKINGS

Each of the undersigned registrants hereby severally undertakes that, for purposes of determining any liability under the Securities Act of 1933, each filing of such registrant's annual report pursuant to Section 13(a) or 15(d) of the Securities Exchange Act of 1934 (and, where applicable, each filing of an employee benefit plan's annual report pursuant to Section 15(d) of the Securities Exchange Act of 1934) that is incorporated by reference in the registration statement shall be deemed to be a new registration statement relating to the securities offered therein, and the offering of such securities at that time shall be deemed to be the initial bona fide offering thereof.

Each of the undersigned registrants hereby severally undertakes to respond to requests for information that is incorporated by reference into the prospectus pursuant to Item 4, 10(b), 11, or 13 of this form, within one business day of receipt of such request, and to send the incorporated documents by first class mail or other equally prompt means. This includes information contained in documents filed subsequent to the effective date of the registration statement through the date of responding to the request.

Insofar as indemnification for liabilities arising under the Securities Act of 1933 may be permitted to directors, officers and controlling persons of each registrant pursuant to the foregoing provisions, or otherwise, such registrant has been advised that in the opinion of the Securities and Exchange Commission such indemnification is against public policy as expressed in the Act and is, therefore, unenforceable. In the event that a claim for indemnification against such liabilities (other than the payment by the registrant of expenses incurred or paid by a director, officer or controlling person of such registrant in the successful defense of any action, suit or proceeding) is asserted by such director, officer or controlling person in connection with the securities being registered, such registrant will, unless in the opinion of its counsel the matter has been settled by controlling precedent, submit to a court of appropriate jurisdiction the question whether such indemnification by it is against public policy as expressed in the Act and will be governed by the final adjudication of such issue.

Each of the undersigned registrants severally hereby undertakes to supply by means of a post-effective amendment all information concerning a transaction, and the company being acquired involved therein, that was not the subject of and included in the registration statement when it became effective.

SIGNATURES

Pursuant to the requirements of the Securities Act of 1933, as amended, Bottling Group, LLC has duly caused this registration statement to be signed on its behalf by the undersigned, thereunto duly authorized, in the city of Somers, state of New York, on December 20, 2002.

BOTTLING GROUP, LLC

By /s/ JOHN T. CAHILL

John T. Cahill
Principal Executive Officer and
Managing Director

POWER OF ATTORNEY

Each of the undersigned officers and managing directors of Bottling Group, LLC hereby constitutes and appoints Pamela C. McGuire and Steven M. Rapp, his true and lawful attorneys-in-fact and agents, each with full power of substitution and resubstitution, for him and in his name, place and stead, in any and all capacities, to sign this registration statement of Bottling Group, LLC on Form S-4, and any other registration statement relating to the same offering, and any and all amendments thereto (including post-effective amendments), and to file the same, with all exhibits thereto, and other documents in connection therewith, with the Securities and Exchange Commission, granting unto said attorneys-in-fact and agents, and each of them, full power and authority to do and perform each and every act and thing requisite or necessary to be done in connection therewith, as fully to all intents and purposes as he might or could do in person, hereby ratifying and confirming all that each of said attorneys-in-fact and agents, or his substitute or substitutes, may lawfully do or cause to be done by virtue hereof.

Pursuant to the requirements of the Securities Act of 1933, as amended, this registration statement has been signed by the following persons in the capacities set forth opposite their names and on the date indicated above.

SIGNATURE	TITLE
- By /s/ JOHN T. CAHILL	Principal Executive Officer and Managing -
-	Director
John T. Cahill By /s/ ALFRED H. DREWES	Principal Financial Officer --
- Alfred H. Drewes By /s/ ANDREA L. FORSTER	Principal Accounting Officer --
- Andrea L. Forster By /s/ PAMELA C. MCGUIRE	Managing

Director -

-- Pamela
C. McGuire
By /s/
MATTHEW M.
MCKENNA
Managing
Director -

-- Matthew
M. McKenna

SIGNATURES

Pursuant to the requirements of the Securities Act of 1933, as amended, PepsiCo, Inc. has duly caused this registration statement to be signed on its behalf by the undersigned, thereunto duly authorized, in the city of Purchase, state of New York, on December 20, 2002.

PEPSICO, INC.

By /s/ THOMAS H. TAMONEY, JR.

Thomas H. Tamoney, Jr.
Vice President, Associate General Counsel and Assistant Secretary

Pursuant to the requirements of the Securities Act of 1933, as amended, this registration statement has been signed by the following persons in the capacities set forth opposite their names and on the date indicated above.

SIGNATURE	TITLE
- /s/ *	Chairman of the Board and Chief Executive
-- Officer	
Steven S Reinemund /s/ *	Vice Chairman of the Board
- --	
Robert S. Morrison /s/ *	President, Chief Financial Officer and
- ----	
Director	
Indra K. Nooyi /s/ *	Senior Vice President and Controller (Chief
- -	
Accounting Officer)	
Peter A. Bridgman /s/ *	Director
-	

John F. Akers /s/ * Director

-- Robert E. Allen /s/ * Director

Roger A. Enrico /s/ * Director

-- Peter Foy /s/ * Director

Ray L. Hunt /s/ * Director

Arthur C. Martinez /s/ * Director

Franklin D. Raines /s/ * Director

Sharon Percy Rockefeller

SIGNATURE	TITLE
- /s/ *	Director
Franklin A. Thomas /s/ *	Director
Cynthia M. Trudell /s/ *	Director
Solomon D. Trujillo /s/ *	Director
Daniel Vasella By: /s/ THOMAS H. TAMONEY, JR.	*Attorney-in-Fact

INDEX TO EXHIBITS

EXHIBIT NO.	DESCRIPTION
3.1	Certificate of Formation of Bottling Group, LLC, which is incorporated herein by reference to Exhibit 3.4 to Bottling Group, LLC's registration statement on Form S-4/A (Registration No. 333-80361-01)
3.2	Amended and Restated Limited Liability Company Agreement of Bottling Group, LLC, which is incorporated herein by reference to Exhibit 3.5 to Bottling Group, LLC's registration statement on Form S-4/A (Registration No. 333-80361-01)
3.3	Amendment No. 1 to the Amended and Restated Limited Liability Company Agreement of Bottling Group, LLC, dated as of January 1, 2002, by and among Pepsi Bottling Holdings, Inc., Bottling Group Holdings, Inc. and The Pepsi Bottling Group, Inc.
3.4	Restated Articles of Incorporation of PepsiCo, Inc., which are incorporated herein by reference to Exhibit 4.1 to PepsiCo's registration statement on Form S-8 (Registration

No. 333-66632) 3.5 By-laws of PepsiCo, Inc., as amended to August 2, 2001, which are incorporated herein by reference to Exhibit 4.1 to Pepsico's registration statement on Form S-8 (Registration No. 333-66632) 4.1 Indenture, dated as of November 15, 2002, by and among Bottling Group, LLC, as Obligor, and PepsiCo, Inc., as Guarantor, and JPMorgan Chase Bank, as Trustee, relating to $1,000,000,000 4 5/8% Senior Notes due November 15, 2012 4.2 Form of 4 5/8% Senior Notes due November 15, 2012 (included as Exhibits A and B to Exhibit 4.1) 4.3 Registration Rights Agreement, dated November 7, 2002, by and among Bottling Group, LLC, PepsiCo, Inc., Credit Suisse First Boston Corporation, Deutsche Bank Securities Inc., Salomon Smith Barney Inc., Banc of America Securities LLC, J.P. Morgan Securities Inc. and Lehman Brothers Inc. 4.4 Indenture, dated as of February 8, 1999, among Pepsi Bottling Holdings, Inc., PepsiCo, Inc.

and The Chase Manhattan Bank, as trustee, relating to $1,000,000,000 5 3/8% Senior Notes due 2004 and $1,300,000,000 5 5/8% Senior Notes due 2009, which is incorporated herein by reference to Exhibit 10.9 to The Pepsi Bottling Group, Inc.'s registration statement on Form S-1/A (Registration No. 333-70291) 4.5 First Supplemental Indenture, dated as of February 8, 1999, among Pepsi Bottling Holdings, Inc., Bottling LLC, PepsiCo, Inc. and The Chase Manhattan Bank, as trustee, supplementing the Indenture, dated as of February 8, 1999, among Pepsi Bottling Holdings, Inc., PepsiCo, Inc. and The Chase Manhattan Bank, as trustee, which is incorporated herein by reference to Exhibit 10.10 to The Pepsi Bottling Group, Inc.'s registration statement on Form S-1/A (Registration No. 333-70291) 4.6 Indenture, dated as of March 8, 1999, by and among The Pepsi Bottling Group, Inc., as obligor, Bottling Group, LLC, as guarantor, and The Chase Manhattan

Bank, as trustee, relating to $1,000,000,000 7% Series B Senior Notes due 2029, which is incorporated herein by reference to Exhibit 10.14 to The Pepsi Bottling Group, Inc.'s registration statement on Form S-1/A (Registration No. 333-70291) 4.7 U.S. $250,000,000 364 Day Credit Agreement, dated as of April 22, 1999, among The Pepsi Bottling Group, Inc., Bottling Group, LLC, The Chase Manhattan Bank, Bank of America National Trust and Savings Association, Citibank, N.A., Credit Suisse First Boston, UBS AG, Lehman Commercial Paper Inc., Royal Bank of Canada, Banco Bilbao Vizcaya, Deutsche Bank AG New York Branch and/or Cayman Islands Branch, Fleet National Bank, Hong Kong & Shanghai Banking Corp., The Bank of New York, The Northern Trust Company, The Chase Manhattan Bank, as Agent, Chase Securities Inc. as Arranger and Nationsbanc Montgomery Securities LLC and Salomon Smith Barney Inc. as Co-Syndication Agents, which

is incorporated herein by reference to Exhibit 4.5 to The Pepsi Bottling Group, Inc.'s Annual Report on Form 10-K for the fiscal year ended December 25, 1999

EXHIBIT NO.	DESCRIPTION
4.8	U.S. $250,000,000 5 Year Credit Agreement, dated as of April 22, 1999, among The Pepsi Bottling Group, Inc., Bottling Group, LLC, The Chase Manhattan Bank, Bank of America National Trust and Savings Association, Citibank, N.A., Credit Suisse First Boston, UBS AG, Lehman Commercial Paper Inc., Royal Bank of Canada, Banco Bilbao Vizcaya, Deutsche Bank AG New York Branch and/or Cayman Islands Branch, Fleet National Bank, Hong Kong & Shanghai Banking Corp., The Bank of New York, The Northern Trust Company, The Chase Manhattan Bank, as Agent, Chase Securities Inc. as Arranger and Nationsbanc Montgomery Securities LLC and Salomon Smith Barney Inc. as Co-Syndication Agents, which is incorporated herein by reference to Exhibit 4.6 to The Pepsi Bottling Group, Inc.'s Annual Report on Form 10-K for the fiscal year ended December 25, 1999
4.9	U.S.

$250,000,000 364 Day Credit Agreement, dated as of May 3, 2000, among The Pepsi Bottling Group, Inc., Bottling Group, LLC, The Chase Manhattan Bank, Bank of America, N.A., Citibank, N.A., Credit Suisse First Boston, UBS AG, Lehman Commercial Paper Inc., The Northern Trust Company, Deutsche Bank AG New York Branch and/or Cayman Islands Branch, Royal Bank of Canada, Banco Bilbao Vizcaya, Fleet National Bank, The Bank of New York, The Chase Manhattan Bank, as Agent, Salomon Smith Barney Inc. and Banc of America Securities LLC as Co-Lead Arrangers and Book Managers and Citibank, N.A. and Bank of America, N.A. as Co-Syndication Agents, which is incorporated herein by reference to Exhibit 4.7 to The Pepsi Bottling Group, Inc.'s Annual Report on Form 10-K for the fiscal year ended December 30, 2000 4.10 U.S. $250,000,000 Amended and Restated 364 Day Credit Agreement, dated as of May 2, 2001, among The Pepsi

Bottling Inc., Bottling Group, LLC, The Chase Manhattan Bank, Bank of America, N.A., Citibank, N.A., Credit Suisse First Boston, Lehman Commercial Paper Inc., The Northern Trust Company, Deutsche Bank AG New York Branch and/or Cayman Islands Branch, Royal Bank of Canada, Banco Bilbao Vizcaya, Fleet National Bank, The Bank of New York, State Street Bank and Trust Company, The Chase Manhattan Bank, as Agent, Salomon Smith Barney Inc. and JP Morgan as Co-Lead Arrangers and Book Managers and Citibank, N.A. and Bank of America, N.A., as Co-Syndication Agents, which is incorporated herein by reference to Exhibit 4.8 to Bottling Group's Annual Report on Form 10-K for the fiscal year ended December 29, 2001 4.11 U.S. $250,000,000 Amended and Restated 364 Day Credit Agreement, dated as of May 1, 2002 among The Pepsi Bottling Group, Inc., Bottling Group, LLC, JPMorgan Chase Bank, Bank of America, N.A.,

Citibank, N.A., Credit Suisse First Boston, Lehman Commercial Paper Inc., The Northern Trust Company, Deutsche Bank AG, New York Branch and/or Cayman Islands Branch, Banco Bilbao Vizcaya Argentaria, Fleet National Bank, The Bank of New York, State Street Bank and Trust Company, JP Morgan Chase Bank, as Agent, Banc of America Securities LLC and J.P. Morgan Securities Inc. as Co-Lead Arrangers and Joint Book Managers and Bank of America, N.A. and Citibank, N.A., as Co-Syndication Agents 4.12 PepsiCo, Inc. agrees to furnish to the Securities and Exchange Commission, upon request, a copy of any instrument defining the rights of holders of long-term debt of PepsiCo, Inc. and all of its subsidiaries for which consolidated or unconsolidated financial statements are required to be filed with the Securities and Exchange Commission 5.1 Opinion of Proskauer Rose LLP as to the legality of the securities being registered

5.2 Opinion of Davis Polk & Wardwell as to the legality of the securities being registered

5.3 Opinion of Womble Carlyle Sandridge & Rice, PLLC as to the legality of the securities being registered

10.1 Form of Master Bottling Agreement, which is incorporated herein by reference to Exhibit 10.1 to The Pepsi Bottling Group, Inc.'s registration statement on Form S-1 (Registration No. 333-70291)

10.2 Form of Master Fountain Syrup Agreement, which is incorporated herein by reference to Exhibit 10.2 to The Pepsi Bottling Group, Inc.'s registration statement on Form S-1 (Registration No. 333-70291)

10.3 Form of Non-Cola Bottling Agreement, which is incorporated herein by reference to Exhibit 10.3 to The Pepsi Bottling Group, Inc.'s registration statement on Form S-1 (Registration No. 333-70291)

EXHIBIT NO.	DESCRIPTION
10.4	Form of Shared Services Agreement, which is incorporated herein by reference to Exhibit 10.5 to The Pepsi Bottling Group, Inc.'s registration statement on Form S-1 (Registration No. 333-70291)
10.5	Description of PepsiCo, Inc. Director Stock Plan, which is incorporated herein by reference to Post-Effective Amendment No. 6 to PepsiCo's registration statement on Form S-8 (Registration No. 33-22970)
10.6	PepsiCo, Inc. 1987 Incentive Plan, or the 1987 Plan, as amended and restated, effective as of October 1, 1999, which is incorporated herein by reference to Exhibit 10.2 to PepsiCo's Annual Report on Form 10-K for the fiscal year ended December 25, 1999
10.7	Operating Guideline No. 1 under the 1987 Plan, as amended through July 25, 1991, which is incorporated herein by reference to Exhibit 10(d) to PepsiCo's

Annual Report on Form 10-K for the fiscal year ended December 28, 1991 10.8 Operating Guideline No. 2 under the 1987 Plan and the Plan, as amended through January 22, 1987, which is incorporated herein by reference to Exhibit 28(b) to PepsiCo's registration statement on Form S-8 (Registration No. 33-19539) 10.9 PepsiCo, Inc. 1994 Long-Term Incentive Plan, as amended and restated, effective as of October 1, 1999, which is incorporated herein by reference to Exhibit 10.6 to PepsiCo's Annual Report on Form 10-K for the fiscal year ended December 25, 1999 10.10 PepsiCo, Inc. Executive Incentive Compensation Plan, which is incorporated herein by reference to Exhibit B to PepsiCo's Proxy Statement for its 1994 Annual Meeting of Shareholders 10.11 Amended and Restated PepsiCo Executive Income Deferral Program, which is incorporated herein by reference to Exhibit 10.8

to PepsiCo's Annual Report on Form 10-K for the fiscal year ended December 27, 1997 10.12 Restated PepsiCo Pension Equalization Plan, which is incorporated herein by reference to Exhibit 10.1 to PepsiCo's Annual Report on Form 10-K for the fiscal year ended December 27, 1997 10.13 Agreement and Plan of Merger, dated as of December 2, 2000, among PepsiCo, Inc., BeverageCo, Inc., a wholly owned subsidiary of PepsiCo, and The Quaker Oats Company (Schedules and Exhibits omitted), which is incorporated herein by reference to Exhibit 2.1 to PepsiCo's Current Report on Form 8-K filed with the Securities and Exchange Commission on December 7, 2000 10.14 Stock Option Agreement, dated as of December 2, 2000, between PepsiCo, Inc. and The Quaker Oats Company, which is incorporated herein by reference to Exhibit 2.2 to PepsiCo's Current Report on Form 8-K filed with the Securities

and Exchange Commission on December 7, 2000 10.15 Employment Agreement, dated as of December 2, 2000, between The Quaker Oats Company, PepsiCo, Inc. and Robert S. Morrison, which is incorporated herein by reference to Exhibit 10.12 to PepsiCo's Annual Report on Form 10-K for the fiscal year ended December 29, 2001 12.1 Statement re: Bottling Group, LLC Computation of Ratio of Earnings to Fixed Charges 12.2 Statement re: PepsiCo, Inc. Computation of Ratio of Earnings to Fixed Charges, which is incorporated by reference herein to PepsiCo's Annual Report on Form 10-K for the fiscal year ended December 29, 2001 and Quarterly Report on Form 10-Q for the quarter ended September 7, 2002 15.1 Letter from KPMG LLP re: Unaudited Interim Financial Information for Bottling Group, LLC 15.2 Letter from KPMG LLP re: Unaudited Interim Financial Information for PepsiCo, Inc. 21.1

Subsidiaries of Bottling Group, LLC, which is incorporated herein by reference to Exhibit 21 to Bottling Group, LLC's Annual Report on Form 10-K for the fiscal year ended December 29, 2001 21.2 Subsidiaries of PepsiCo, Inc. which is incorporated herein by reference to Exhibit 21 to PepsiCo's Annual Report on Form 10-K for the fiscal year ended December 29, 2001 23.1 Consent of Proskauer Rose LLP (contained in Exhibit 5.1) 23.2 Consent of Davis Polk & Wardwell (contained in Exhibit 5.2) 23.3 Consent of Womble Carlyle Sandridge & Rice, PLLC (contained in Exhibit 5.3) 23.4 Consent of KPMG LLP for Bottling Group, LLC 23.5 Consent of KPMG LLP for PepsiCo, Inc.

EXHIBIT NO.	DESCRIPTION
24.1	Power of Attorney -- Bottling Group, LLC (contained on signature pages)
24.2	Power of Attorney -- PepsiCo, Inc.
25.1	Statement of Eligibility of JPMorgan Chase Bank, as Trustee, on Form T-1
99.1	Form of Letter of Transmittal
99.2	Form of Notice of Guaranteed Delivery
99.3	Form of Instruction to Registered Holder and/or Book-Entry Transfer Participant from Beneficial Owner
99.4	Form of Letter to Clients
99.5	Form of Letter to Registered Holder(s) and to the Depositary Trust Company Participants
99.6	Guidelines for Certification of Taxpayer Identification Number on Substitute Form W-9

EXHIBIT 3.3

AMENDMENT NO. 1 TO
AMENDED AND RESTATED LIMITED LIABILITY COMPANY AGREEMENT OF
BOTTLING GROUP, LLC
BY AND AMONG
PEPSI BOTTLING HOLDINGS, INC.,
BOTTLING GROUP HOLDINGS, INC. AND
THE PEPSI BOTTLING GROUP, INC.

AMENDMENT NO. 1 TO LIMITED LIABILITY COMPANY AGREEMENT

This Amendment No. 1 is entered into as of the 1st day of January, 2002 by and among Pepsi Bottling Holdings, Inc. ("Pepsi Holdings"), a Delaware corporation, Bottling Group Holdings, Inc. ("PBG Holdings"), a Delaware corporation, and The Pepsi Bottling Group, Inc. ("PBG"), a Delaware corporation.

W I T N E S S E T H:

WHEREAS, the parties have previously entered into that certain Amended and Restated Limited Liability Company Agreement dated as of March 30, 1999 (the "LLC Agreement"); and

WHEREAS, Pepsi Holdings, PBG Holdings and PBG desire to amend the provisions of the LLC Agreement in the manner set forth in this Amendment;

NOW, THEREFORE, in consideration of the mutual covenants and agreements hereinafter set forth, the parties agree as follows:

1. DEFINITIONS. Terms used herein and not otherwise defined herein shall have the meanings set forth in the LLC Agreement.

2. CERTAIN SPECIAL PROVISIONS REGARDING CERTAIN OPTIONS. The following provision is hereby added to the LLC Agreement as Section 6.8:

"Section 6.8. Special Provisions Regarding Certain Options.

(a) Upon the exercise of any option to purchase stock of PepsiCo, Inc. ("PepsiCo") granted to any employee or former employee of the Company (other than Company employees currently employed by PepsiCo, PepsiAmericas, Inc., Pepsi Bottling Ventures, LLC or, upon notice to PBG, any other entity that PepsiCo designates as an anchor bottler) and which are exercised on or after January 1, 2002, (i) in accordance with Treasury Regulations Section 1.1032-3, Pepsi Holdings will be treated as making a Capital Contribution to the Company in an amount equal to the deduction described in clause (ii) below and, accordingly, Pepsi Holding's Capital Account will be

increased by such amount; and (ii) the deduction attributable to such exercise will be claimed by the Company and allocated to Pepsi Holdings and, accordingly, Pepsi Holding's Capital Account will be decreased by the amount of such deduction.

(b) Upon the exercise of any option to purchase stock of PepsiCo granted to any employee or former employee of New Bern Transport Corporation, a wholly owned subsidiary of the Company ("New Bern") (other than former New Bern employees currently employed by PepsiCo, PepsiAmericas, Inc., Pepsi Bottling Ventures, LLC or, upon notice to PBG, any other entity that PepsiCo designates as an anchor bottler) and which are exercised on or after January 1, 2002, (i) in accordance with Treasury Regulations Section 1.1032-3, Pepsi Holdings will be treated as making a Capital Contribution to the Company in an amount equal to the amount described in clause (ii) below and, accordingly, Pepsi Holding's Capital Account will be increased by such amount (and the Company, in turn, will be treated as making a capital contribution to New Bern in the same amount); and (ii) an amount of items of loss or deduction of the Company equal to the New Bern Deduction will be allocated to Pepsi Holdings and, accordingly, Pepsi Holding's Capital Account will be decreased by the amount of such items of loss or deduction. "New Bern Deduction" means, with respect to the exercise of any option described in the preceding sentence, the deduction claimed by New Bern that is attributable to such exercise.

(c) If, as a result of a Final Determination (as defined below), the adjustments to Pepsi Holdings' Capital Account pursuant to Section 6.8(a) or (b) are not respected, then, beginning in the Fiscal Year in which such Final Determination occurs (i) if the net adjustment results in a decrease to Pepsi Holdings' Capital Account, items of income or gain of the Company equal in amount to such decrease will be allocated to Pepsi Holdings and (ii) if the net adjustment results in an increase to Pepsi Holdings' Capital Account, then items of loss or deduction of the Company equal in amount to such increase will be allocated to Pepsi Holdings. "Final Determination" means (A) a "determination" as defined in Section 1313 (a) of the Code, (B) the date of acceptance by or on behalf of the IRS of Form 870-AD (or any successor form thereto), as a final resolution of Tax liability for any Taxable period, except that a Form 870-AD (or successor form thereto) that reserves the right of the taxpayer to file a claim for refund or the right of the IRS to assert a further deficiency shall not constitute a Final Determination with respect to the item or items so reserved; or (C) the payment of Tax, or the filing of an amended Tax return, by the Company or any party to this Agreement, whichever is responsible for payment of such Tax or filing of such return, with respect to any item disallowed or adjusted by a Taxing authority, provided that the party paying such Tax or filing such return has notified the other parties to this Agreement that it has determined that no action should be taken to recoup such disallowed or adjusted item."

3. DISTRIBUTIONS. Section 6.6 of the LLC Agreement is hereby amended by adding the following after subsection (b);

"(c) The aggregate cash distributions referred to in the first proviso of Section 6.6(a) shall be determined and made on an annual basis and the Company shall distribute to Pepsi Holdings its pro rata share of such annual distributions no later than 30 days after the date on which the members are furnished with tax information, as provided in Section 7.2(b), for the taxable year with respect to which such distributions were determined."

4. MISCELLANEOUS. (a) The provisions of Articles XIII and XIV of the LLC Agreement shall be incorporated by reference herein and each reference therein to the LLC Agreement shall apply to this Amendment as if this Amendment were referred to therein.

(b) Except to the extent amended or supplemented as set forth in this Amendment, all provisions of the LLC Agreement are and shall remain in full force and effect and are hereby ratified and confirmed in all respects, and the execution, delivery and effectiveness of this Amendment shall not operate as a waiver or amendment of any provision of the LLC Agreement not specifically amended or supplemented by this Amendment.

IN WITNESS WHEREOF, the parties have executed and delivered this Amendment as of the day and year first written above.

Pepsi Bottling Holdings, Inc.

By: /s/ Matthew M. McKenna

Its: President

Bottling Group Holdings, Inc.

By: /s/ Geoffrey Kupferschmid

Its: Vice President

Pepsi Bottling Group, Inc.

By: /s/ Steven M. Rapp

Its: Vice President

EXHIBIT 4.1

EXECUTION COPY

BOTTLING GROUP, LLC
(as Obligor)

and

PEPSICO, INC.
(as Guarantor)

and

JPMORGAN CHASE BANK
(as Trustee)

$1,000,000,000 4-5/8% Senior Notes due November 15, 2012

$1,000,000,000 4-5/8% Series B Senior Notes due November 15, 2012

Indenture

Dated as of November 15, 2002

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THIS INDENTURE, among Bottling Group, LLC, a Delaware limited liability company (the "Obligor"), having its principal office at One Pepsi Way, Somers, NY 10589, PepsiCo, Inc., a North Carolina corporation, as guarantor (the "Guarantor"), having its principal office at 700 Anderson Hill Road, Purchase, NY 10577, and JPMorgan Chase Bank, a banking corporation incorporated and existing under the laws of the State of New York, as trustee (the "Trustee"), is made and entered into as of this 15th day of November, 2002.

AGREEMENTS OF THE PARTIES

To set forth or to provide for the establishment of the terms and conditions upon which the Notes (as hereinafter defined) are to be authenticated, issued, and delivered, and in consideration of the premises thereof, and the purchase of the Notes by the Holders (as hereinafter defined) thereof, it is mutually covenanted and agreed, for the equal and proportionate benefit of all Holders from time to time of the Obligor's 4-5/8% Senior Notes due November 15, 2012 (the "Initial Notes") and the Guarantee (as hereinafter defined) (the Initial Notes and the Guarantee together, the "Initial Securities") and, if and when issued in exchange for Initial Securities, the Obligor's 4-5/8% Series B Senior Notes due November 15, 2012 (the "Series B Notes," and together with the Guarantee, the "Exchange Securities," the Initial Notes and the Series B Notes hereinafter referred to as the "Notes"), as follows:

RECITALS OF THE OBLIGOR AND THE GUARANTOR

WHEREAS, the Obligor has duly authorized the execution and delivery of this Indenture to provide for the issuance of the Notes, to be issued in fully registered form;

WHEREAS, this Indenture provides for the issuance of a Guarantee of the Notes to be endorsed on the Notes as provided herein;

WHEREAS, the Guarantor wishes to guarantee the Notes as provided herein;

WHEREAS, the Guarantee shall become effective on the Guarantee Commencement Date (as hereinafter defined), except that under certain circumstances described below the Guarantee may not become effective or may only be a partial guarantee of the principal of and interest and premium, if any, on the Notes;

WHEREAS, all things necessary to make this Indenture a valid agreement of the Obligor and the Guarantor, in accordance with its terms, have been done.

Article I

DEFINITIONS AND OTHER PROVISIONS OF GENERAL APPLICATION

Section 1.01. Definitions. For all purposes of this Indenture, and of any indenture supplemental hereto, except as otherwise expressly provided or unless the context otherwise requires:

(1) the terms defined in this Article have the meanings assigned to them in this Article, and include the plural as well as the singular;

(2) all other terms used herein which are defined in the Trust Indenture Act (as hereinafter defined), either directly or by reference therein, have the meanings assigned to them therein;

(3) all accounting terms not otherwise defined herein have the meanings assigned to them in accordance with U.S. GAAP; and

(4) all references in this instrument to designated "Articles," "Sections" and other subdivisions are to the designated Articles, Sections and other subdivisions of this instrument as originally executed. The words "herein," "hereof," and "hereunder" and other words of similar import refer to this Indenture as a whole and not to any particular Article, Section, or other subdivision.

"Act," when used with respect to any Holder, has the meaning specified in Section 1.04.

"Additional Interest" means all additional interest owing pursuant to Section 6 of the Registration Rights Agreement.

"Affiliate" of any specified Person means any other Person directly or indirectly controlling or controlled by or under direct or indirect common control with such specified Person. For the purposes of this definition, "control" when used with respect to any specified Person means the power to direct the management and policies of such Person, directly or indirectly, whether through the ownership of voting securities, by contract, or otherwise; and the terms "controlling" and "controlled" have meanings correlative to the foregoing.

"Attributable Debt" for a lease means the aggregate of present values (discounted at a rate per annum equal to the interest rate borne by the Notes and compounded semi-annually) of the obligations of the Obligor or any Restricted Subsidiary of the Obligor for net rental payments during the remaining term of such lease (including any period for which such lease has been extended or may, at the option of the lessor, be extended). The term "net rental payments" under any lease of any period shall mean the sum of the rental and other payments required to be paid in such period by the lessee thereunder, not including, however, any amounts required to be paid by such lessee on account of maintenance and repairs, reconstruction, insurance, taxes, assessments, water rates or similar charges required to be paid by such lessee thereunder or any amounts required to be paid by such lessee thereunder contingent upon the amount of sales, maintenance and repairs, reconstruction, insurance, taxes, assessments, water rates or similar charges. Attributable Debt may be reduced by the present value of the rental obligations, calculated on the same basis, that any sublessee has for all or part of the leased property.

"Authenticating Agent" means any Person authorized by the Trustee to authenticate Notes under Section 5.14.

"Authentication Order" has the meaning specified in Section 2.02.

"Bankruptcy Code" means title 11, U.S. Code, as amended, or any similar state or federal law for the relief of debtors.

"Benefitted Party" has the meaning specified in Section 11.01.

"Board of Directors" means, with respect to the Guarantor, (a) the board of directors of the Guarantor or (b) any duly authorized committee of that board.

"Board Resolution" means, with respect to the Guarantor, a copy of a resolution of the Board of Directors certified by the Secretary or an Assistant Secretary of the Guarantor to have been duly adopted by the Board of Directors and to be in full force and effect on the date of such certification, and delivered to the Trustee.

"Business Day" means any day, other than a Saturday or Sunday, that is neither a legal holiday nor a day on which banking institutions in New York or Luxembourg are authorized or required by law, regulation or executive order to be closed.

"Clearstream, Luxembourg" means Clearstream Banking, societe anonyme, or the successor to its securities clearance and settlement operations.

"Commission" means the Securities and Exchange Commission, as from time to time constituted, created under the Exchange Act, or, if at any time after the execution of this instrument such Commission is not existing and performing the duties now assigned to it under the Trust Indenture Act, then the body performing such duties on such date.

"Comparable Treasury Issue" means the United States Treasury security selected by an Independent Investment Banker as having a maturity comparable to the remaining term of the Notes that would be utilized, at the time of selection and in accordance with customary financial practice, in pricing new issues of corporate debt securities of comparable maturity to the remaining term of the Notes.

"Comparable Treasury Price" means, with respect to the Redemption Date for the Notes, (a) the average of four Reference Treasury Dealer Quotations for the Redemption Date, after excluding the highest and lowest such Reference Treasury Dealer Quotations, or (b) if the Trustee obtains fewer than four such Reference Treasury Dealer Quotations, the average of all such quotations.

"Company Request" or "Company Order" means, (a) with respect to the Obligor, a written request or order, respectively, signed in the name of the Obligor by any Officer thereof and delivered to the Trustee or (b) with respect to the Guarantor, a written request or order, respectively, signed in the name of the Guarantor by any Officer thereof and delivered to the Trustee.

"Consolidated Net Tangible Assets" means, with respect to any Person, the total amount of assets of such Person and its Subsidiaries minus (a) all applicable depreciation, amortization, and other valuation reserves, (b) the amount of assets resulting from write-ups of capital assets of such Person and its Subsidiaries (except write-ups in connection with accounting for acquisitions in accordance with U.S. GAAP), (c) all current liabilities of such Person and its Subsidiaries (excluding any intercompany liabilities) and (d) all goodwill, trade names, trademarks, patents, unamortized debt discount and expense and other like intangibles, all as set

forth on the latest quarterly or annual consolidated balance sheet of such Person and its Subsidiaries prepared in accordance with U.S. GAAP.

"Corporate Trust Office" means the office of the Trustee in the City of New York at which at any particular time its corporate trust business shall be principally administered, which office at the date hereof is located at 4 New York Plaza, New York, New York 10004, except that with respect to the presentation of Notes for payment or registration of transfer or exchange and with respect to the location of the Security Register, such term shall mean the office or the agency of the Trustee in said city at which at any particular time its corporate agency business shall be conducted, which office at the date hereof is located at 4 New York Plaza, New York, New York 10004.

"Covenant Defeasance" has the meaning specified in Section 3.02.

"Custodian" means the Person appointed by the Obligor to act as custodian for the Depositary, which Person shall be the Trustee unless and until a successor Person is appointed by the Obligor.

"Debt" means, (a) with respect to the Obligor, any indebtedness of the Obligor for borrowed money, capitalized lease obligations and purchase money obligations, or any guarantee of such debt, in any such case which would appear on the consolidated balance sheet of the Obligor as a liability, and (b) with respect to the Guarantor, any indebtedness of the Guarantor for borrowed money.

"Defaulted Interest" has the meaning specified in Section 2.06.

"Definitive Note" means a certificated Note registered in the name of the Holder thereof and issued in accordance with this Indenture in the form of Exhibit A or B hereto, as applicable, except that such Note shall not bear the Global Note Legend (or the "Schedule of Exchanges of Interests in the Global Note" attached thereto), but may bear the Private Placement Legend, if required by this Indenture.

"Depositary" means with respect to the Notes issuable or issued in whole or in part in global form, the Person designated as Depositary by the Obligor pursuant to Section 2.04, unless and until a successor Depositary shall have become such pursuant to the applicable provisions of this Indenture, and thereafter "Depositary" shall mean or include each Person who is then a Depositary hereunder.

"Discharged" has the meaning specified in Section 3.02.

"Distribution Compliance Period" means, with respect to any Initial Notes offered and sold outside the United States in reliance on Regulation S, the 40 consecutive days beginning on and including the later of (a) the day on which such Initial Notes are offered to Persons other than distributors (as defined in Regulation S) and (b) the Issue Date.

"DTC" has the meaning specified in Section 2.04(2).

"Entity" means any corporation, limited liability company, partnership, joint venture, association, joint-stock company, trust or unincorporated organization.

"Euroclear" means Euroclear Bank S.A./N.V., as operator of the Euroclear System, or its successor in such capacity.

"Event of Default" has the meaning specified in Section 4.01.

"Exchange Act" means the U.S. Securities Exchange Act of 1934, as amended, and the rules and regulations of the Commission promulgated thereunder.

"Exchange Offer Registration Statement" has the meaning assigned to such term in the Registration Rights Agreement.

"Exchange Securities" has the meaning specified in the Agreements of the Parties on the first page of this Indenture.

"Exempted Debt" means the sum, without duplication, of the following items outstanding as of the date Exempted Debt is being determined: (a) Debt incurred after the date of this Indenture and secured by Liens created or assumed or permitted to exist on any Principal Property (as such term is defined with respect to the Obligor) or on any shares of stock of any Restricted Subsidiary of the Obligor, other than Debt secured by Liens described in clauses (i) through (vii) of Section 9.06(1) and (b) Attributable Debt of the Obligor and its Restricted Subsidiaries in respect of all sale and lease-back transactions with regard to any Principal Property (as such term is defined with respect to the Obligor) entered into pursuant to Section 9.07(1).

"Funded Debt" means all Debt having a maturity of more than one year from the date of its creation or having a maturity of less than one year but by its terms being renewable or extendible, at the option of the obligor in respect thereof, beyond one year from its creation.

"Global Note" means each note in global form issued in accordance with this Indenture and bearing the Global Note Legend.

"Global Note Legend" means the legend set forth in Section 2.01, which is required to be placed on all Global Notes issued pursuant to this Indenture.

"Guarantee" means the guarantee of the Obligor's obligations under this Indenture and the Notes by the Guarantor pursuant to Article XI.

"Guarantee Commencement Date" means, if the Guarantee becomes effective pursuant to Article XI hereof, one Business Day prior to the 2004 Notes Payment Date.

"Guarantor" means PepsiCo, Inc., a North Carolina corporation, unless and until a successor Entity or assign shall have assumed the obligations of the Guarantor under this Indenture and the Guarantee and thereafter "Guarantor" shall mean such successor Entity or assign.

"Holder" and "Holder of Notes" means a Person in whose name a Note is registered in the Security Register.

"Indenture" or "this Indenture" means this Indenture, as amended or supplemented from time to time, including the Exhibits hereto.

"Independent Investment Banker" means one of the Reference Treasury Dealers appointed by the Trustee after consultation with the Obligor.

"Initial Notes" has the meaning specified in the Agreements of the Parties on the first page of this Indenture, including any replacement Notes issued therefor in accordance with this Indenture.

"Initial Securities" has the meaning specified in the Agreements of the Parties on the first page of this Indenture.

"Interest Payment Date," when used with respect to any Note, means the date specified in such Note on which an installment of interest on such Note is scheduled to be paid.

"Issue Date" means November 15, 2002.

"Legal Defeasance" has the meaning specified in Section 3.02.

"Lien" has the meaning specified in Section 9.06.

"Managing Directors" means, with respect to the Obligor, (a) the Managing Directors of the Obligor or (b) any duly authorized committee of the Managing Directors of the Obligor.

"Managing Directors Resolution" means, with respect to the Obligor, a copy of a resolution of the Managing Directors certified by a Managing Director or a Managing Director-Delegatee of the Obligor to have been duly adopted by the Managing Directors and to be in full force and effect on the date of such certification, and delivered to the Trustee.

"Maturity," when used with respect to any Note, means the date on which all or a portion of the principal amount outstanding under such Note becomes due and payable, whether on the Maturity Date, by declaration of acceleration, call for redemption, or otherwise.

"Maturity Date" means November 15, 2012.

"Non-U.S. Person" means a Person who is not a "U.S. person," as defined in Regulation S.

"Note" has the meaning specified in the Agreements of the Parties on the first page of this Indenture.

"Obligor" means Bottling Group, LLC, a Delaware limited liability company, unless and until a successor Entity or assign shall have assumed the obligations of the Obligor

under this Indenture and the Notes and thereafter "Obligor" shall mean such successor Entity or assign.

"Officer" means, (a) with respect to the Obligor, a Managing Director, a Managing Director-Delegatee, the Principal Financial Officer or any other officer or officers of the Obligor designated pursuant to an applicable Managing Directors Resolution or (b) with respect to the Guarantor, the Chairman of the Board, the Chief Executive Officer, the Chief Financial Officer, the Executive Vice President, any Vice President, the Treasurer, the Assistant Treasurer or any other officer or officers of the Guarantor designated pursuant to an applicable Board Resolution.

"Officers' Certificate" means, with respect to any Person, a certificate signed on behalf of such Person by any two Officers of such Person that meets the applicable requirements of this Indenture.

"Opinion of Counsel" means, with respect to the Obligor, the Guarantor or the Trustee, a written opinion of counsel to the Obligor, the Guarantor or the Trustee, as the case may be, which counsel may be an employee of the Obligor, the Guarantor or the Trustee, as the case may be.

"Outstanding," when used with respect to the Notes means, as of the date of determination, all such Notes theretofore authenticated and delivered under this Indenture, except:

(a) such Notes theretofore cancelled by the Trustee or delivered to the Trustee for cancellation;

(b) such Notes, or portions thereof, for whose payment or redemption money in the necessary amount has been theretofore deposited in trust with the Trustee or with any Paying Agent other than the Obligor, or, if the Obligor shall act as its own Paying Agent, has been set aside and segregated in trust by the Obligor; provided, in any case, that if such Notes are to be redeemed prior to their Maturity Date, notice of such redemption has been duly given pursuant to this Indenture or provision therefor satisfactory to the Trustee has been made;

(c) such Notes in exchange for or in lieu of which other Notes have been authenticated and delivered pursuant to this Indenture, or which shall have been paid, in each case, pursuant to the terms of Section 2.05 (except with respect to any such Note as to which proof satisfactory to the Trustee is presented that such Note is held by a person in whose hands such Note is a legal, valid, and binding obligation of the Obligor); and

(d) solely to the extent provided in Article III, Notes which are subject to Legal Defeasance or Covenant Defeasance as provided in Section 3.02.

In determining whether the Holders of the requisite principal amount of such Notes Outstanding have given a direction concerning the time, method, and place of conducting any proceeding for any remedy available to the Trustee, or concerning the exercise of any trust or power conferred upon the Trustee under this Indenture, or concerning a consent on behalf of

the Holders of the Notes to the waiver of any past default and its consequences, Notes owned by the Obligor, any other obligor upon the Notes, or any Affiliate of the Obligor or such other obligor shall be disregarded and deemed not to be Outstanding. In determining whether the Trustee shall be protected in relying upon any request, demand, authorization, direction, notice, consent, or waiver hereunder, only Notes which a Responsible Officer assigned to the corporate trust department of the Trustee knows to be owned by the Obligor or any other obligor upon the Notes or any Affiliate of the Obligor or such other obligor shall be so disregarded. Notes so owned which have been pledged in good faith may be regarded as Outstanding if the pledgee establishes to the satisfaction of the Trustee the pledgee's right to act as owner with respect to such Notes and that the pledgee is not the Obligor or any other obligor upon the Notes or any Affiliate of the Obligor or such other obligor.

"Partial Guarantee Percentage" means a fraction, (a) the numerator of which is (i) the aggregate principal amount of the Notes Outstanding on the 2004 Notes Payment Date minus (ii) the principal of the 2004 Notes that the Guarantor has determined in good faith that the Guarantor is likely to have to pay on the 2004 Notes on the 2004 Notes Payment Date under the 2004 Notes Guarantee and that is specified in the Partial Payment Notice and (b) the denominator of which is the aggregate principal amount of the Notes Outstanding on the 2004 Notes Payment Date.

"Partial Payment Notice" has the meaning specified in Section 11.01.

"Paying Agent" means any Person appointed by the Obligor to distribute amounts payable by the Obligor on the Notes. As of the date of this Indenture, the Obligor has appointed JPMorgan Chase Bank as Paying Agent with respect to all Notes issuable hereunder.

"PBG" means The Pepsi Bottling Group, Inc., a Delaware corporation.

"Person" means any individual, corporation, partnership, limited liability company, joint venture, association, joint-stock company, trust, unincorporated organization, or government, or any agency or political subdivision thereof.

"Place of Payment" means the place specified pursuant to Section 9.02.

"Predecessor Notes" of any particular Note means every previous Note evidencing all or a portion of the same debt as that evidenced by such particular Note; and, for the purposes of this definition, any Note authenticated and delivered under Section 2.05 in lieu of a lost, destroyed, mutilated, or stolen Note shall be deemed to evidence the same debt as the lost, destroyed, mutilated, or stolen Note.

"Principal Property" means, (a) with respect to the Obligor, any single manufacturing or processing plant, office building, or warehouse owned or leased by the Obligor or a Subsidiary of the Obligor, in each case, located in the 50 states of the United States, the District of Columbia or Puerto Rico, other than a plant, warehouse, office building, or portion thereof which, in the opinion of the Managing Directors evidenced by a Managing Directors Resolution, is not of material importance to the business conducted by the Obligor and its Subsidiaries as an entirety and (b) with respect to the Guarantor, any single manufacturing or processing plant, office building, or warehouse owned or leased by the Guarantor or a Restricted

Subsidiary of the Guarantor, in each case, located in the 50 states of the United States, the District of Columbia or Puerto Rico, other than a plant, warehouse, office building, or portion thereof which, in the opinion of the Guarantor's Board of Directors evidenced by a Board Resolution, is not of material importance to the business conducted by the Guarantor and its Restricted Subsidiaries as an entirety.

"Private Exchange Securities" has the meaning assigned to such term in the Registration Rights Agreement.

"Private Placement Legend" means the legend set forth in Section 2.04 to be placed on all Initial Notes initially issued pursuant to this Indenture.

"QIB" means a "qualified institutional buyer" as defined in Rule 144A under the Securities Act.

"Record Date" means any date as of which the Holder of a Note will be determined for any purpose described herein, such determination to be made as of the close of business on such date by reference to the Security Register, and in relation to a determination of a payment of an installment of interest on the Notes, shall have the meaning specified in the forms of Notes attached as Exhibits A and B hereto.

"Redemption Date" means the date fixed for the redemption of the Notes in any notice of redemption issued pursuant to this Indenture.

"Redemption Price" means the price specified in Section 10.05.

"Reference Treasury Dealer" means Credit Suisse First Boston Corporation, Deutsche Bank Securities Inc., Salomon Smith Barney Inc. and one other primary U.S. Government securities dealer in New York City (each, a "Primary Treasury Dealer") appointed by the Trustee in consultation with the Obligor; provided, however, that if any of the foregoing shall cease to be a Primary Treasury Dealer, the Obligor shall substitute therefor another Primary Treasury Dealer.

"Reference Treasury Dealer Quotations" means, with respect to each Reference Treasury Dealer and the Redemption Date, the average, as determined by the Trustee, of the bid and asked prices for the Comparable Treasury Issue (expressed in each case as a percentage of its principal amount) quoted in writing to the Trustee by such Reference Treasury Dealer at 5:00 p.m. on the third Business Day preceding the Redemption Date.

"Registered Exchange Offer" means an exchange offer that may be made by the Obligor and the Guarantor registered under the Securities Act pursuant to the Registration Rights Agreement to exchange the Initial Securities for Exchange Securities.

"Registrar" means the Person who maintains the Security Register, which Person shall be the Trustee unless and until a successor Registrar is appointed by the Obligor.

"Registration Rights Agreement" means the Registration Rights Agreement, dated as of November 7, 2002, among the Obligor, the Guarantor and the several initial purchasers named therein.

"Registration Statement" means an effective Exchange Offer Registration Statement or Shelf Registration Statement.

"Regulation S" means Regulation S promulgated under the Securities Act or any successor regulation.

"Regulation S Global Note" shall have the meaning specified in Section 2.01.

"Resale Restriction Termination Date" means for any Restricted Note (or beneficial interest therein), two years (or such other period specified in Rule 144(k)) from the Issue Date.

"Responsible Officer," when used with respect to the Trustee, means the chairman of the board of directors, the chairman of the executive committee of the board of directors, the president, any vice president, the secretary, any assistant secretary, the treasurer, any assistant treasurer, the cashier, any assistant cashier, any senior trust officer or trust officer, the controller and any assistant controller or any other officer of the Trustee customarily performing functions similar to those performed by any of the above designated officers and also means, with respect to a particular corporate trust matter, any other officer to whom such matter is referred because of his or her knowledge of and familiarity with the particular subject.

"Restricted Definitive Note" means a Definitive Note bearing the Private Placement Legend.

"Restricted Global Note" means a Global Note bearing the Private Placement Legend.

"Restricted Note" means any Initial Note (or beneficial interest therein) until such time as:

(a) such Initial Note (or beneficial interest therein) has been exchanged for a corresponding Series B Note pursuant to an Exchange Offer Registration Statement or transferred pursuant to a Shelf Registration Statement;

(b) the Resale Restriction Termination Date therefor has passed;

(c) such Note is a Regulation S Global Note and the Distribution Compliance Period therefor has terminated; or

(d) the Private Placement Legend thereon has otherwise been removed pursuant to Section 2.04(3) or, in the case of a beneficial interest in a Global Note, such beneficial interest has been exchanged for an interest in a Global Note not bearing a Private Placement Legend.

"Restricted Subsidiary" means, (a) with respect to the Obligor or PBG, any current or future Subsidiary of the Obligor or PBG, as the case may be, (i) substantially all of the property of which is located, or substantially all of the business of which is carried on, within the 50 states of the United States of America, the District of Columbia or Puerto Rico and (ii) which owns or leases any Principal Property or (b) with respect to the Guarantor, at any time, any Subsidiary of the Guarantor which is at the time not an Unrestricted Subsidiary.

"Rule 144" means Rule 144 promulgated under the Securities Act (or any successor rule).

"Rule 144A" means Rule 144A promulgated under the Securities Act (or any successor rule).

"Rule 144A Global Note" has the meaning specified in Section 2.01.

"Scheduled Guarantee Commencement Date" means one Business Day prior to the 2004 Notes Payment Date.

"Securities Act" means the U.S. Securities Act of 1933, as amended (or any successor Act), and the rules and regulations of the Commission promulgated thereunder (or respective successor thereto).

"Security Register" has the meaning specified in Section 2.04.

"Series B Notes" has the meaning set forth in the Agreements of the Parties on the first page of this Indenture, including any replacement Notes issued therefor in accordance with this Indenture.

"Shelf Registration Statement" has the meaning assigned to such term in the Registration Rights Agreement.

"Special Record Date" for the payment of any Defaulted Interest means a date fixed by the Trustee pursuant to Section 2.06.

"Subsidiary" of any specified Person means any Person at least a majority of whose outstanding Voting Stock shall at the time be owned, directly or indirectly, by the specified Person or by one or more of its Subsidiaries, or both.

"Treasury Rate" means, with respect to any Redemption Date for the Notes (i) the yield, under the heading which represents the average for the immediately preceding week, appearing in the most recently published statistical release designated "H.15(519)" or any successor publication which is published weekly by the Board of Governors of the Federal Reserve System and which establishes yields on actively traded United States Treasury securities adjusted to constant maturity under the caption "Treasury Constant Maturities," for the maturity corresponding to the Comparable Treasury Issue (if no maturity is within three months before or after the Maturity Date, yields for the two published maturities most closely corresponding to the Comparable Treasury Issue shall be determined and the Treasury Rate shall be interpolated or extrapolated from such yields on a straight line basis, rounding to the nearest month) or (ii) if

such statistical release (or any successor statistical release) is not published during the week preceding the calculation date or does not contain such yields, the rate per annum equal to the semi-annual equivalent yield to maturity of the Comparable Treasury Issue, calculated using a price for the Comparable Treasury Issue (expressed as a percentage of its principal amount) equal to the Comparable Treasury Price for such Redemption Date. The Treasury Rate shall be calculated on the third Business Day preceding the Redemption Date.

"Trust Indenture Act" or "TIA" means the Trust Indenture Act of 1939, as amended, as in force as of the date hereof; provided that, with respect to every supplemental indenture executed pursuant to this Indenture, "Trust Indenture Act" or "TIA" shall mean the Trust Indenture Act of 1939, as then in effect.

"Trustee" means JPMorgan Chase Bank, unless and until a successor Trustee shall have become such pursuant to the applicable provisions of this Indenture, and thereafter "Trustee" shall mean and include each Person who is then a Trustee hereunder.

"2004 Notes" means the Obligor's outstanding $1,000,000,000 5 -3/8% Senior Notes due 2004 guaranteed by the Guarantor.

"2004 Notes Guarantee" means the Guarantor's unconditional and irrevocable guarantee of the 2004 Notes.

"2004 Notes Payment Date" means February 17, 2004 or, if earlier, the date scheduled for payment of (a) the redemption price (in the event of a redemption in whole) or (b) the principal of and interest and premium, if any (in the event of acceleration), in each case, on the 2004 Notes.

"2004 Notes Payment Deposit Date" means two Business Days prior to the 2004 Notes Payment Date.

"2004 Notes Trustee" means JPMorgan Chase Bank in its capacity as the trustee under the indenture relating to the 2004 Notes, or its successor thereunder.

"Unrestricted Subsidiary" means, with respect to the Guarantor, any Subsidiary of the Guarantor (not at the time designated a Restricted Subsidiary of the Guarantor) (a) the major part of whose business consists of finance, banking, credit, leasing, insurance, financial services, or other similar operations, or any combination thereof, (b) substantially all the assets of which consist of the capital stock of one or more Subsidiaries engaged in the operations referenced in the preceding clause (a), (c) substantially all of the property of which is located, or substantially all of the business of which is carried on, outside the 50 states of the United States of America, the District of Columbia and Puerto Rico or (d) designated as such by the Guarantor's Board of Directors. Any Subsidiary of the Guarantor designated as a Restricted Subsidiary may be designated as an Unrestricted Subsidiary.

"U.S. GAAP" means accounting principles as are generally accepted in the United States of America at the date of any computation required or permitted under this Indenture.

"U.S. Government Obligations" means (a) securities that are direct obligations of the United States of America, the payment of which is unconditionally guaranteed by the full faith and credit of the United States of America and (b) securities that are obligations of a Person controlled or supervised by and acting as an agency or instrumentality of the United States of America, the payment of which is unconditionally guaranteed by the full faith and credit of the United States of America, and also includes depository receipts issued by a bank or trust company as custodian with respect to any of the securities described in the preceding clauses (a) and (b), and any payment of interest or principal payable under any of the securities described in the preceding clauses (a) and (b) that is held by such custodian for the account of the holder of a depository receipt, provided that (except as required by law) such custodian is not authorized to make any deduction from the amount payable to the holder of such depository receipt, or from any amount received by the custodian in respect of such securities, or from any specific payment of interest or principal payable under the securities evidenced by such depository receipt.

"Vice President" means, with respect to any Person, any vice president of that Person, whether or not designated by a number or a word or words added before or after the title "vice president."

"Voting Stock" means, as applied to any Person, capital stock (or other interests, including partnership or membership interests) of any class or classes (however designated), the outstanding shares (or other interests) of which have, by the terms thereof, ordinary voting power to elect a majority of the members of the board of directors (or other governing body) of such Person, other than stock (or other interests) having such power only by reason of the happening of a contingency.

Section 1.02. Officers' Certificates and Opinions. Every Officers' Certificate, Opinion of Counsel and other certificate or opinion to be delivered to the Trustee under this Indenture with respect to any action to be taken by the Trustee shall include the following:

(1) a statement that each individual signing such certificate or opinion has read all covenants and conditions of this Indenture relating to such proposed action, including the definitions of all applicable capitalized terms;

(2) a brief statement as to the nature and scope of the examination or investigation upon which the statements or opinions contained in such certificate or opinion are based;

(3) a statement that, in the opinion of each such individual, he or she has made such examination or investigation as is necessary to enable him or her to express an informed opinion as to whether or not such covenant or condition has been complied with; and

(4) a statement as to whether, in the opinion of each such individual, such condition or covenant has been complied with.

Section 1.03. Form of Documents Delivered to Trustee.

(1) In any case where several matters are required to be certified by, or covered by an opinion of, any specified Person, it is not necessary that all such matters be certified by, or covered by the opinion of, only one such Person, or that they be so certified or covered by only

one document, but one such Person may certify or give an opinion with respect to some matters and one or more other such Persons as to the other matters, and any such Person may certify or give an opinion as to such matters in one or several documents.

(2) Any certificate or opinion of an officer of the Obligor may be based, insofar as it relates to legal matters, upon a certificate or opinion of, or representations by, legal counsel, unless such officer knows that any such certificate, opinion, or representation is erroneous. Any opinion of counsel for the Obligor may be based, insofar as it relates to factual matters, upon a certificate or opinion of, or representations by, an officer or officers of the Obligor, unless such counsel knows that any such certificate, opinion, or representation is erroneous.

(3) Where any Person is required to make, give, or execute two or more applications, requests, consents, certificates, statements, opinions, or other instruments under this Indenture, such instruments may, but need not, be consolidated and form a single instrument.

Section 1.04. Acts of Holders.

(1) Any request, demand, authorization, direction, notice, consent, waiver, or other action provided by this Indenture to be given or taken by Holders may be embodied in and evidenced by one or more instruments of substantially similar tenor signed by such Holders in person or by an agent duly appointed in writing; and, except as herein otherwise expressly provided, such action shall become effective when such instrument or instruments are delivered to the Trustee and (if expressly required by the applicable terms of this Indenture) to the Obligor. Such instrument or instruments (and the action embodied therein and evidenced thereby) are herein sometimes referred to as the "Act" of the Holders signing such instrument or instruments. Proof of execution of any such instrument or of a writing appointing any such agent shall be sufficient for any purpose of this Indenture and (subject to Section 5.01) conclusive in favor of the Trustee and the Obligor, if made in the manner provided in this Section.

(2) The fact and date of the execution by any Person of any such instrument or writing may be proved by the affidavit of a witness to such execution or by the certificate of any notary public or other officer authorized by law to take acknowledgments of deeds, certifying that the individual signing such instrument or writing acknowledged to him the execution thereof. Where such execution is by an officer of a corporation or a member of a partnership, on behalf of such corporation or partnership, such certificate or affidavit shall also constitute sufficient proof of his authority. The fact and date of the execution of any such instrument or writing, or the authority of the person executing the same, may also be proved in any other manner which the Trustee deems sufficient.

(3) The ownership of Notes shall for all purposes be determined by reference to the Security Register, as such register shall exist as of the applicable Record Date.

(4) If the Obligor shall solicit from the Holders any request, demand, authorization, direction, notice, consent, waiver or other action, the Obligor may, at its option, by Managing Directors Resolution, fix in advance a Record Date for the determination of Holders entitled to give such request, demand, authorization, direction, notice, consent, waiver or other action, but the Obligor shall have no obligation to do so. If such Record Date is fixed, such

request, demand, authorization, direction, notice, consent, waiver or other action may be given before or after such Record Date, but only the Holders of record at the close of business on such Record Date shall be deemed to be Holders for the purpose of determining whether Holders of the requisite proportion of Notes Outstanding have authorized or agreed or consented to such request, demand, authorization, direction, notice, consent, waiver or other action, and for that purpose the Notes Outstanding shall be computed as of such Record Date; provided that no such authorization, agreement or consent by the Holders on such Record Date shall be deemed effective unless it shall become effective pursuant to the provisions of this Indenture not later than six months after such Record Date.

(5) Any request, demand, authorization, direction, notice, consent, waiver or other action by the Holder of any Note shall bind each subsequent Holder of such Note, and each Holder of any Note issued upon the transfer thereof or in exchange therefor or in lieu thereof, with respect to anything done or suffered to be done by the Trustee or the Obligor in reliance upon such action, whether or not notation of such action is made upon such Note.

Section 1.05. Notices, Etc., to Trustee, Obligor and Guarantor. Any request, order, authorization, direction, consent, waiver or other action to be taken by the Trustee, the Obligor, the Guarantor or the Holders hereunder (including any Authentication Order), and any notice to be given to the Trustee, the Obligor or the Guarantor with respect to any action taken or to be taken by the Trustee, the Obligor, the Guarantor or the Holders hereunder, shall be sufficient if made in writing and

(1) if to be furnished or delivered to or filed with the Trustee by the Obligor, the Guarantor or any Holder, delivered to the Trustee at its Corporate Trust Office, Attention: Institutional Trust Services, or

(2) if to be furnished or delivered to the Obligor by the Trustee or any Holder, and except as otherwise provided in Section 4.01(1)(iii), mailed to the Obligor, first-class postage prepaid, at the following address: c/o The Pepsi Bottling Group, Inc., One Pepsi Way, Somers, NY 10589, Attention: Treasurer, or at any other address hereafter furnished in writing by the Obligor to the Trustee, or

(3) if to be furnished or delivered to the Guarantor by the Trustee or any Holder and except as otherwise provided in Section 4.01(2)(i), mailed to the Guarantor, first-class postage prepaid at its principal office (as specified in the first paragraph of this instrument), Attention: Treasurer, or at any other address hereafter furnished in writing by the Guarantor to the Trustee.

Section 1.06. Notice to Holders; Waiver. Where this Indenture or any Note provides for notice to Holders of any event, such notice shall be sufficiently given (unless otherwise expressly provided herein or in such Note) if in writing and mailed, first-class postage prepaid, to each Holder affected by such event, at his or her address as it appears in the Security Register as of the applicable Record Date, if any, not later than the latest date or earlier than the earliest date prescribed by this Indenture or such Note for the giving of such notice. In any case where notice to Holders is given by mail, neither the failure to mail such notice nor any defect in any notice so mailed to any particular Holder shall affect the sufficiency of such notice with

respect to other Holders. Where this Indenture or any Note provides for notice in any manner, such notice may be waived in writing by the Person entitled to receive such notice, either before or after the event, and such waiver shall be the equivalent of such notice. Waivers of notice by Holders shall be filed with the Trustee, but such filing shall not be a condition precedent to the validity of any action taken in reliance upon such waiver.

In case, by reason of the suspension of regular mail service as a result of a strike, work stoppage or otherwise, it shall be impractical to mail notice of any event to any Holder when such notice is required to be given pursuant to any provision of this Indenture or the applicable Note, then any method of notification as shall be satisfactory to the Trustee and the Obligor shall be deemed to be sufficient for the giving of such notice.

Section 1.07. Conflict with Trust Indenture Act. If any provision hereof limits, qualifies or conflicts with another provision hereof which is required to be included in this Indenture by any of the provisions of the TIA, if this Indenture is hereafter qualified under the TIA, such required provision shall control.

Section 1.08. Effect of Headings and Table of Contents. The Article and Section headings herein and the Table of Contents hereof are for convenience only and shall not affect the construction of any provision of this Indenture.

Section 1.09. Successors and Assigns. All covenants and agreements in this Indenture by the Obligor and the Guarantor shall bind their respective successors and assigns, whether so expressed or not.

Section 1.10. Separability Clause. In case any provision in this Indenture or in the Notes shall be invalid, illegal or unenforceable, the validity, legality and enforceability of the remaining provisions shall not in any way be affected or impaired thereby.

Section 1.11. Benefits of Indenture. Nothing in this Indenture or in any Notes, express or implied, shall give to any Person, other than the parties hereto, their successors hereunder, the Authenticating Agent, the Registrar, any Paying Agent, and the Holders of Notes (or such of them as may be affected thereby), any benefit or any legal or equitable right, remedy or claim under this Indenture.

Section 1.12. Governing Law. This Indenture shall be governed by and construed in accordance with the laws of the State of New York, without giving effect to rules governing the conflict of laws.

Section 1.13. Counterparts. This instrument may be executed in any number of counterparts, each of which when so executed shall be deemed to be an original, but all of which shall together constitute but one and the same instrument.

Section 1.14. Legal Holidays. In any case where any Interest Payment Date or the Redemption Date or the Maturity Date shall not be a Business Day, then (notwithstanding any other provisions of this Indenture or of the Notes) payment of interest or principal (and premium, if any) need not be made on such date, but may be made on the next succeeding Business Day with the same force and effect as if made on the Interest Payment Date, the

Redemption Date or Maturity Date, provided that no interest shall accrue for the period from and after such Interest Payment Date, Redemption Date or Maturity Date, as the case may be.

ARTICLE II

THE NOTES

Section 2.01. Form and Dating.

(1) General.

(i) The Initial Notes and the Trustee's certificate of authentication thereon shall be substantially in the form of Exhibit A hereto. The Series B Notes and the Trustee's certificate of authentication thereon shall be substantially in the form of Exhibit B hereto. The Notes may have notations, legends or endorsements placed thereon, as may be required to comply with law, stock exchange rule or DTC rule or usage, or as may, consistently herewith, be determined by the Officers executing such Notes, as evidenced by their execution of the Notes. Any portion of the text of any Note may be set forth on the reverse thereof, with an appropriate reference thereto on the face of the Note. Each Note shall be dated the date of its authentication. Except as otherwise provided in Section 11.01(2) and in the immediately following proviso, each Note shall have an executed Guarantee from the Guarantor substantially in the form of Exhibit D hereto endorsed thereon; provided, however, that any Note issued under this Indenture on and after the date which the Guarantor provides a notice to the Trustee pursuant to Section 11.01(3) that the Guarantee shall not become effective and the Guarantee Commencement Date shall not occur shall not have an executed Guarantee from the Guarantor endorsed thereon; and provided, further, that any such Note, when issued, authenticated and delivered in accordance with this Indenture, shall be treated as a single class of securities with other Outstanding Notes which have the Guarantee endorsed thereon.

(ii) The Definitive Notes, if any, shall be printed, lithographed or engraved or produced by any combination of those methods on steel engraved borders or may be produced in any other manner permitted by the rules of any securities exchange, all as determined by the Officers executing such Notes, as evidenced by their execution of such Notes.

(iii) The terms and provisions contained in the Notes shall constitute, and are hereby expressly made, a part of this Indenture and the Obligor, the Guarantor and the Trustee, by their execution and delivery of this Indenture expressly agree to such terms and provisions and to be bound thereby. However, to the extent any provision of any Note conflicts with the express provisions of this Indenture, the provisions of this Indenture shall govern and be controlling. Except as otherwise expressly permitted in this Indenture, all Notes shall be identical in all respects. Notwithstanding any differences among them, all Notes issued under this Indenture shall vote and consent together on all matters as one class.

(iv) No Note shall be entitled to any benefit under this Indenture or be valid or obligatory for any purpose unless there appears on such Note a certificate of authentication substantially in the form provided for therein executed by the Trustee by manual signature of an authorized officer, and such certificate upon any Note shall be conclusive evidence, and the only evidence, that such Note has been duly authenticated and delivered hereunder.

(v) All Notes issued under this Indenture shall in all respects be equally and ratably entitled to the benefits hereof, without preference, priority, or distinction.

(2) Global Notes.

(i) Initial Notes offered and sold to QIBs in the United States of America in reliance on Rule 144A shall be issued initially in the form of one or more permanent Global Notes, substantially in the form of Exhibit A attached hereto (including the Global Note Legend and the Private Placement Legend thereon and the "Schedule of Exchanges of Interests in the Global Note" attached thereto, each, a "Rule 144A Global Note"). Initial Notes offered and sold outside the United States of America in reliance on Regulation S shall be issued initially in the form of one or more permanent Global Notes, substantially in the form set forth in Exhibit A (including the Global Note Legend and the Private Placement Legend thereon and the "Schedule of Exchanges of Interests in the Global Note" attached thereto, each, a "Regulation S Global Note").

(ii) Upon consummation of the Registered Exchange Offer, the Series B Notes may be issued in the form of one or more Global Notes with the Global Note Legend but not the Private Placement Legend. All or part of any Rule 144A Global Note or Regulation S Global Note exchanged in the Registered Exchange Offer will be exchanged for one or more Global Notes with the Global Note Legend but not the Private Placement Legend. Each Global Note shall represent such of the aggregate principal amount of the Outstanding Notes as shall be specified therein and each shall provide that it shall represent the aggregate principal amount of Outstanding Notes from time to time endorsed thereon and that the aggregate principal amount of Outstanding Notes represented thereby may from time to time be reduced or increased, as appropriate, to reflect exchanges and redemptions. Any endorsement of a Global Note to reflect the amount of any increase or decrease in the aggregate principal amount of Outstanding Notes represented thereby shall be made by the Trustee in accordance with instructions given by the Holder thereof as required by Section 2.04.

(iii) Each Global Note (a) shall be registered, in the name of the Depositary designated for such Global Note pursuant to Section 2.04, or in the name of a nominee of such Depositary, (b) shall be deposited with the Trustee, as Custodian for the Depositary, and (c) shall bear a legend substantially as follows ("Global Note Legend"):

THIS NOTE IS A GLOBAL NOTE WITHIN THE MEANING OF THE INDENTURE HEREINAFTER REFERRED TO AND IS REGISTERED IN THE NAME OF A DEPOSITARY OR A NOMINEE OF A DEPOSITARY. THIS NOTE IS NOT EXCHANGEABLE FOR SECURITIES REGISTERED IN THE NAME OF A

PERSON OTHER THAN THE DEPOSITARY OR ITS NOMINEE EXCEPT IN THE LIMITED CIRCUMSTANCES DESCRIBED IN THE INDENTURE, AND NO TRANSFER OF THIS SECURITY (OTHER THAN A TRANSFER OF THIS SECURITY AS A WHOLE BY THE DEPOSITARY TO A NOMINEE OF THE DEPOSITARY OR BY A NOMINEE OF THE DEPOSITARY TO THE DEPOSITARY OR ANOTHER NOMINEE OF THE DEPOSITARY) MAY BE REGISTERED EXCEPT IN THE LIMITED CIRCUMSTANCES DESCRIBED IN THE INDENTURE.

UNLESS THIS CERTIFICATE IS PRESENTED BY AN AUTHORIZED REPRESENTATIVE OF THE DEPOSITORY TRUST COMPANY (A NEW YORK CORPORATION) ("DTC") TO THE OBLIGOR OR ITS AGENT FOR REGISTRATION OF TRANSFER, EXCHANGE OR PAYMENT, AND ANY CERTIFICATE ISSUED IS REGISTERED IN THE NAME OF CEDE & CO. OR IN SUCH OTHER NAME AS IS REQUESTED BY AN AUTHORIZED REPRESENTATIVE OF DTC (AND ANY PAYMENT IS MADE TO CEDE & CO., OR SUCH OTHER ENTITY AS IS REQUESTED BY AN AUTHORIZED REPRESENTATIVE OF DTC), ANY TRANSFER, PLEDGE OR OTHER USE HEREOF FOR VALUE OR OTHERWISE BY OR TO ANY PERSON IS WRONGFUL INASMUCH AS THE REGISTERED OWNER HEREOF, CEDE & CO., HAS AN INTEREST HEREIN.

(iv) Each Depositary designated pursuant to Section 2.04 for a Global Note must, at the time of its designation and at all times while it serves as Depositary, be a clearing agency registered under the Exchange Act and any other applicable statute or regulation, provided that the Depositary is required to be so registered in order to act as depositary.

(v) Any Global Note may be represented by more than one certificate. The aggregate principal amount of each Global Note may from time to time be increased or decreased by adjustments made on the records of the Registrar, as provided in this Indenture.

Section 2.02. Execution and Authentication; Aggregate Principal Amount.

(1) The Notes shall be executed on behalf of the Obligor by any two Officers of the Obligor. The signature of any of these officers on the Notes may be manual or facsimile. Typographical and other minor errors or defects in any such signature shall not affect the validity or enforceability of any Note that has been duly authenticated and delivered by the Trustee.

(2) Notes bearing the manual or facsimile signatures of individuals who were at any time on or after the date hereof the proper officers of the Obligor shall bind the Obligor, notwithstanding that such individuals or any of them have ceased to hold such offices prior to the authentication and delivery of such Notes or did not hold such offices at the date of such Notes.

(3) The Trustee shall, upon receipt of a written order of the Obligor signed by an Officer thereof (an "Authentication Order"), in accordance with procedures acceptable to the Trustee set forth in the Authentication Order, and subject to the provisions hereof, authenticate

and deliver (1) the Initial Notes in aggregate principal amount not to exceed $1,000,000,000, (2) Series B Notes for issue only in a Registered Exchange Offer, pursuant to the Registration Rights Agreement, in exchange for Initial Notes for a like principal amount and (3) Private Exchange Securities for issue pursuant to the Registration Rights Agreement, in exchange for Initial Notes for a like principal amount.

(4) The aggregate principal amount of Notes Outstanding at any time may not exceed the sum of (i) $1,000,000,000, and (ii) the principal amount of lost, destroyed or stolen Notes for which replacement Notes are issued pursuant to Section 2.05.

(5) The Notes shall be in fully registered form, without coupons, in minimum denominations of $1,000 and integral multiples of $1,000 in excess thereof.

Section 2.03. Temporary Notes. Until certificates representing Notes are ready for delivery, the Obligor may prepare and the Trustee, upon receipt of an Authentication Order, shall authenticate and deliver temporary Notes. Temporary Notes shall be substantially in the form of certificated Notes but may have variations that the Obligor considers appropriate for temporary Notes and as shall be reasonably acceptable to the Trustee. Without unreasonable delay, the Obligor shall prepare and the Trustee shall authenticate definitive Notes in exchange for temporary Notes.

Holders of temporary Notes shall be entitled to all of the benefits of this Indenture.

Section 2.04. Registration, Transfer and Exchange.

(1) Securities Register. The Trustee shall keep a register of the Notes (the "Security Register") which shall provide for the registration of such Notes, and for transfers of such Notes in accordance with information, if any, to be provided to the Trustee by the Obligor, subject to such reasonable regulations as the Trustee may prescribe. Such register shall be in written form or in any other form capable of being converted into written form within a reasonable time. At all reasonable times the information contained in such register or registers shall be available for inspection at the Corporate Trust Office of the Trustee or at such other office or agency to be maintained by the Obligor pursuant to Section 9.02.

Upon due presentation for registration of transfer of any Note at the Corporate Trust Office of the Trustee or at any other office or agency maintained by the Obligor pursuant to Section 9.02, the Obligor shall execute, and the Trustee shall authenticate and deliver, in the name of the designated transferee or transferees, one or more new Notes of authorized denominations, of a like aggregate principal amount and Maturity Date.

(2) Transfer of Global Notes. Any other provision of this Section 2.04 notwithstanding, unless and until it is exchanged in whole or in part for Definitive Notes, a Global Note representing all or a portion of the Notes may not be transferred except as a whole by the Depositary to a nominee of such Depositary, or by a nominee of such Depositary to such Depositary or another nominee of such Depositary, or by such Depositary or any such nominee to a successor Depositary or a nominee of such successor Depositary.

The Obligor initially appoints The Depository Trust Company ("DTC") to act as Depositary with respect to the Global Notes. The Trustee is authorized to enter into a letter of representations with DTC in the form provided to the Trustee by the Obligor and to act in accordance with such letter.

(i) Transfer and Exchange of Beneficial Interest in Rule 144A Global Note to Regulation S Global Note. If the holder of a beneficial interest in a Rule 144A Global Note that is a Restricted Note wishes to transfer such interest (or any portion thereof) to a Non-U.S. Person pursuant to Regulation S and such Non-U.S. Person wishes to hold its interest in the Notes through a beneficial interest in the Regulation S Global Note, then (1) upon receipt by the Registrar of (i) instructions from the Holder of the Rule 144A Global Note directing the Registrar to credit or cause to be credited a beneficial interest in the Regulation S Global Note equal to the principal amount of the beneficial interest in the Rule 144A Global Note to be transferred, specifying the participant accounts with the Depository to be credited and debited; and (ii) a certificate in the form of Exhibit C from the transferor; and (2) in accordance with the rules and procedures of the Depository, the Registrar shall (i) increase the Regulation S Global Note and credit or caused to be credited the specified participant account at the Depositary for such amount in accordance with the foregoing, and (ii) decrease the Rule 144A Global Note for such amount and debit or cause to be debited the specified participant account at the Depositary for such amount in accordance with the foregoing.

(ii) Transfer and Exchange of Beneficial Interest in Regulation S Global Note to Rule 144A Global Note. If the holder of a beneficial interest in a Regulation S Global Note wishes to transfer such interest (or any portion thereof) to a QIB pursuant to Rule 144A, then (1) upon receipt by the Registrar of (i) instructions from the Holder of the Regulation S Global Note directing the Registrar to credit or cause to be credited a beneficial interest in the Rule 144A Global Note equal to the principal amount of the beneficial interest in the Regulation S Global Note to be transferred, specifying the participant accounts at the Depositary to be credited and debited, and (ii) a certificate in the form of Exhibit C duly executed by the transferor; and (2) in accordance with the rules and procedures of the Depository, the Registrar shall (i) increase the Rule 144A Global Note and credit or caused to be credited the specified participant account at the Depositary for such amount in accordance with the foregoing, and (ii) decrease the Regulation S Global Note amount and debit or cause to be debited the specified participant account at the Depositary for such amount in accordance with the foregoing.

During the Distribution Compliance Period, all beneficial interests in the Regulation S Global Note shall be transferred only through Euroclear or Clearstream, Luxembourg, either directly if the transferor and transferee are participants in such systems, or indirectly through organizations that are participants. The Obligor covenants to give the Trustee notice of the date on which the Distribution Compliance Period terminates.

(iii) Other Transfers. Any transfer of Restricted Notes not described above (other than a transfer of a beneficial interest in a Global Note that does not involve an exchange of such interest for a Definitive Note or a beneficial interest in another Global

Note, which must be effected in accordance with applicable law and the rules and procedures of the Depositary, but is not subject to any procedure required by this Indenture) shall be made only upon receipt by the Registrar of such opinions of counsel, certificates and/or other information reasonably required by and satisfactory to the Obligor in order to ensure compliance with the Securities Act or in accordance with this Section 2.04.

(3) Legends.

(i) Each Global Note shall bear the legend specified therefor in clause (iii) of Section 2.01(2) on the face thereof.

(ii) Each Restricted Note, if any, (and all Notes issued in exchange therefor or substitution thereof) shall bear a legend on the face thereof in substantially the following form ("Private Placement Legend"):

"THIS NOTE [, AND THE GUARANTEE ENDORSED HEREON,] HAS [HAVE] NOT BEEN REGISTERED UNDER THE U.S. SECURITIES ACT OF 1933, AS AMENDED (THE "SECURITIES ACT"), AND ACCORDINGLY, MAY NOT BE OFFERED OR SOLD EXCEPT AS SET FORTH IN THE FOLLOWING SENTENCE.

BY ITS ACQUISITION HEREOF, THE HOLDER (1) REPRESENTS THAT (A) IT IS A "QUALIFIED INSTITUTIONAL BUYER" (AS DEFINED IN RULE 144A ADOPTED UNDER THE SECURITIES ACT), OR (B) IT IS NOT A U.S. PERSON AND IS OUTSIDE THE UNITED STATES WITHIN THE MEANING OF (OR AN ACCOUNT SATISFYING THE REQUIREMENTS OF PARAGRAPH (k)(2) OF RULE 902 UNDER) REGULATION S UNDER THE SECURITIES ACT; AND (2) AGREES THAT IT WILL NOT WITHIN TWO YEARS AFTER THE ORIGINAL ISSUANCE OF THIS NOTE RESELL OR OTHERWISE TRANSFER THIS NOTE EXCEPT (A) TO THE OBLIGOR OR ANY AFFILIATE THEREOF, (B) TO A QUALIFIED INSTITUTIONAL BUYER IN COMPLIANCE WITH RULE 144A ADOPTED UNDER THE SECURITIES ACT, (C) IN AN OFFSHORE TRANSACTION IN ACCORDANCE WITH REGULATION S UNDER THE SECURITIES ACT, (D) PURSUANT TO THE EXEMPTION FROM REGISTRATION PROVIDED BY RULE 144 ADOPTED UNDER THE SECURITIES ACT OR ANOTHER AVAILABLE EXEMPTION UNDER THE SECURITIES ACT (IF AVAILABLE), OR (E) PURSUANT TO AN EFFECTIVE REGISTRATION STATEMENT UNDER THE SECURITIES ACT; AND (3) AGREES THAT IT WILL GIVE TO EACH PERSON TO WHOM THIS NOTE IS TRANSFERRED A NOTICE SUBSTANTIALLY TO THE EFFECT OF THIS LEGEND.

IN CONNECTION WITH ANY TRANSFER OF THIS NOTE WITHIN TWO YEARS AFTER THE ORIGINAL ISSUANCE OF THIS NOTE, THE HOLDER MUST, PRIOR TO SUCH TRANSFER, FURNISH TO THE TRUSTEE AND THE OBLIGOR SUCH CERTIFICATIONS, LEGAL OPINIONS OR OTHER INFORMATION AS MAY BE REQUIRED PURSUANT TO THE INDENTURE TO CONFIRM THAT SUCH TRANSFER IS BEING MADE PURSUANT TO AN EXEMPTION FROM, OR IN A

TRANSACTION NOT SUBJECT TO, THE REGISTRATION REQUIREMENTS OF THE SECURITIES ACT."

By its acceptance of any Note bearing the Private Placement Legend, each Holder of such Note acknowledges the restrictions on transfer set forth in this Indenture and in the Private Placement Legend and agrees that it will transfer such Note only as provided in this Indenture and in the Private Placement Legend.

(iii) Notwithstanding any other provision of this Indenture, upon any request for sale or other transfer of a Restricted Note (including any Restricted Global Notes) made subsequent to the Resale Restriction Termination Date, (A) any such Restricted Global Notes shall not be subject to any restriction on transfer set forth above and (B) in the case of any Restricted Definitive Note, the Trustee shall permit the Holder thereof to exchange such Restricted Definitive Note for Definitive Notes that do not bear the Private Placement Legend and such request shall be effective to rescind any restriction on the further transfer of such Note; and in each such case, such Notes (whether in definitive or global form) shall no longer constitute "Restricted Notes" for purposes of this Indenture. The Trustee and the Obligor shall be entitled (but not obligated) to require such additional certificates and information as it may reasonably deem necessary to demonstrate that any sale or other transfer of a Restricted Note is made in compliance with the applicable restrictions set forth above and with applicable securities laws.

(iv) Notwithstanding any other provision of this Indenture, after a transfer of any Initial Notes during the period of the effectiveness of a Shelf Registration Statement with respect to the Initial Notes and pursuant thereto, all requirements for a Private Placement Legend on such Initial Notes will cease to apply, and Initial Notes in the form of one or more Global Notes without a Private Placement Legend will be available to the Holder of such Initial Notes. Upon the consummation of a Registered Exchange Offer with respect to the Initial Notes pursuant to which Holders of Initial Notes are offered Series B Notes in exchange for their Initial Notes, Initial Notes in the form of one or more Global Notes with the Private Placement Legend will be available to Holders of such Initial Notes that do not exchange their Initial Notes, and Series B Notes in the form of one or more Global Notes without the Private Placement Legend will be available to Holders that exchange such Initial Notes in such Registered Exchange Offer.

(4) Definitive Notes.

(i) Notwithstanding any other provisions of this Indenture or the Notes, a Global Note may be exchanged for Notes registered in the names of any Person designated by the Depositary in the event that (a) the Depositary has notified the Obligor that it is unwilling or unable to continue as Depositary for such Global Note or such Depositary has ceased to be a "clearing agency" registered under the Exchange Act, at a time when the Depositary is required to be so registered in order to act as depositary, and the Obligor has not appointed a successor Depositary within 60 days of receiving such notice or of becoming aware of such cessation, (b) an Event of Default has occurred and is continuing with respect to the applicable Notes, or (c) the Obligor, in its sole discretion, determines that the Notes issued in the form of Global Notes shall no longer

be represented by such Global Notes as evidenced by a Company Order delivered to the Trustee. Any Global Note exchanged pursuant to clause (a) or (c) above shall be so exchanged in whole and not in part and any Global Note exchanged pursuant to clause (b) above may be exchanged in whole or from time to time in part as directed by the Depositary. Any Note issued in exchange for a Global Note or any portion thereof shall be a Global Note, provided that any such Note so issued that is registered in the name of a Person other than the Depositary or a nominee thereof shall not be a Global Note.

(ii) If at any time the Depositary for the Notes notifies the Obligor that it is unwilling or unable to continue as Depositary for the Notes or if the Depositary has ceased to be a "clearing agency" registered under the Exchange Act at a time when the Depositary is required to be so registered in order to act as depositary, the Obligor may within 60 days of receiving such notice or of becoming aware of such cessation appoint a successor Depositary with respect to the Notes.

(iii) If, in accordance with this Section 2.04(4), Notes in global form will no longer be represented by Global Notes, the Obligor will execute, and the Trustee, upon receipt of an Authentication Order, will authenticate and make available for delivery, Definitive Notes in an aggregate principal amount equal to the principal amount of the Global Notes, in exchange for such Global Notes.

(iv) If a Definitive Note is issued in exchange for any portion of a Global Note after the close of business at the office or agency where such exchange occurs on any Record Date for the payment of interest and before the opening of business at such office or agency on the next succeeding Interest Payment Date, interest shall not be payable on such Interest Payment Date in respect of such Definitive Notes, but shall be payable on such Interest Payment Date only to the Person to whom interest in respect of such portion of such Global Note is payable in accordance with the provisions of this Indenture.

(v) Definitive Notes issued in exchange for a Global Note pursuant to this Section shall be registered in such names and in such authorized denominations as the Depositary, pursuant to instructions from its direct or indirect participants or otherwise, shall instruct the Trustee. Upon execution and authentication, the Trustee shall deliver such Definitive Notes to the Persons in whose names such Notes are so registered. To permit registrations of transfers and exchanges, the Obligor shall execute and the Trustee (or an Authenticating Agent appointed pursuant to this Indenture) shall authenticate and make available for delivery Definitive Notes at the Registrar's request, and upon direction of the Obligor. No service charge shall be made for any registration of transfer or exchange, but the Obligor may require payment of a sum sufficient to cover any transfer tax or other governmental charge payable in connection with any registration of transfer or exchange.

(vi) When Definitive Notes are presented to the Trustee with a request to register the transfer of such Definitive Notes or to exchange such Definitive Notes for an equal principal amount of Definitive Notes of other authorized denominations, the Trustee shall register the transfer or make the exchange as requested if its requirements for such transaction are met; provided, however, that the Definitive Notes surrendered for

transfer or exchange (a) shall be duly endorsed or accompanied by a written instrument of transfer in form reasonably satisfactory to the Obligor and the Trustee, duly executed by the Holder thereof or his attorney, duly authorized in writing and (b) in the case of Restricted Definitive Notes only, shall be accompanied by the following additional information and documents, as applicable:

(a) if such Restricted Definitive Note is being exchanged, without transfer, a certification from such Holder to that effect (in substantially the form of Exhibit C hereto);

(b) if such Restricted Definitive Note is being transferred to a QIB in accordance with Rule 144A or pursuant to an exemption from registration in accordance with Rule 144(k) under the Securities Act or Regulation S, a certification from the transferor to that effect (in substantially the form of Exhibit C hereto);

(c) if such Restricted Definitive Note is being transferred to the Obligor or any of its Affiliates, a certification from the transferor to that effect (in substantially the form of Exhibit C hereto).

(vii) At such time as all interests in Global Notes have either been exchanged for Definitive Notes or cancelled, such Global Notes shall be cancelled by the Trustee in accordance with the standing procedures and instructions existing between the Depositary and the Custodian. At any time prior to such cancellation, if any interest in a Global Note is exchanged for Definitive Notes or cancelled, the principal amount of Global Notes shall, in accordance with the standing procedures and instructions existing between the Depositary and the Custodian, be reduced and an endorsement shall be made on such Global Note, by the Trustee or the Custodian, at the direction of the Trustee, to reflect such reduction.

(5) Notwithstanding anything in this Indenture to the contrary, (i) all Notes issued upon any registration of transfer or exchange of Notes shall be the valid obligations of the Obligor, evidencing the same debt, and entitled to the same benefits under this Indenture, as the Notes surrendered upon such registration of transfer or exchange, (ii) all transfers and exchanges of the Notes may be made only in accordance with the procedures set forth in this Indenture (including the restrictions on transfer); and (iii) the transfer and exchange of a beneficial interest in a Global Note may only be effected through the Depositary in accordance with the procedures promulgated by the Depositary.

(6) The Obligor shall not be required to (i) issue, register the transfer of, or exchange any Note during a period beginning at the opening of business 15 days before the day of the mailing of a notice of redemption of Notes under Section 10.02 and ending at the close of business on the date of such mailing or (ii) register the transfer of or exchange any Note so called for redemption.

Section 2.05. Mutilated, Destroyed, Lost and Stolen Notes.

(1) If (i) any mutilated Note is surrendered to the Trustee, or the Obligor and the Trustee receive evidence to their satisfaction of the destruction, loss or theft of any Note and (ii)

there is delivered to the Obligor and the Trustee such security or indemnity as may be required by them to save each of them harmless, then, in the absence of notice to the Obligor or the Trustee that such Note has been acquired by a bona fide purchaser, the Obligor may in its discretion execute and, upon request of the Obligor, the Trustee shall authenticate and deliver, in exchange for or in lieu of any such mutilated, destroyed, lost or stolen Note, a new Note of like tenor, Maturity Date, and principal amount, bearing a number not contemporaneously outstanding.

(2) In case any such mutilated, destroyed, lost or stolen Note has become or is about to become due and payable, the Obligor in its discretion may, instead of issuing a new Note, pay such Note.

(3) Upon the issuance of any new Note under this Section, the Obligor may require the payment by the Holder thereof of a sum sufficient to cover any tax or other governmental charge that may be imposed in relation thereto and any other expenses (including the fees and expenses of the Trustee) connected therewith.

(4) Every new Note issued pursuant to this Section in lieu of any destroyed, lost or stolen Note shall constitute an original contractual obligation of the Obligor, whether or not the destroyed, lost or stolen Note shall be at any time enforceable by anyone, and shall be entitled to all the benefits of this Indenture equally and proportionately with any and all other Notes duly issued hereunder.

(5) The provisions of this Section 2.05 are exclusive and shall preclude (to the extent lawful) all other rights and remedies with respect to the replacement or payment of mutilated, destroyed, lost or stolen Notes.

Section 2.06. Payment of Interest; Interest Rights Preserved.

(1) Interest on any Note which is payable and is punctually paid or duly provided for on any Interest Payment Date shall, if so provided in such Note, be paid to the Person in whose name that Note (or one or more Predecessor Notes) is registered at the close of business on the applicable Record Date, notwithstanding any transfer or exchange of such Note subsequent to such Record Date and prior to such Interest Payment Date (unless such Interest Payment Date is also the Maturity Date, in which case such interest shall be payable to the Person to whom principal is payable).

(2) Any interest on any Note which is payable, but is not punctually paid or duly provided for, on any Interest Payment Date (herein called "Defaulted Interest") shall forthwith cease to be payable to the registered Holder on the applicable Record Date by virtue of his having been such Holder; and, except as hereinafter provided, such Defaulted Interest may be paid by the Obligor, at its election in each case, as provided in clause (i) or (ii) below:

(i) The Obligor may elect to make payment of any Defaulted Interest to the Persons in whose names any such Notes (or their respective Predecessor Notes) are registered at the close of business on a Special Record Date for the payment of such Defaulted Interest, which shall be fixed in the following manner. The Obligor shall notify the Trustee in writing of the amount of Defaulted Interest proposed to be paid on

each such Note and the date of the proposed payment, and at the same time the Obligor shall deposit with the Trustee an amount of money equal to the aggregate amount proposed to be paid in respect of such Defaulted Interest or shall make arrangements satisfactory to the Trustee for such deposit prior to the date of the proposed payment, such money when deposited to be held in trust for the benefit of the Persons entitled to such Defaulted Interest as in this clause provided. Thereupon the Trustee shall fix a Special Record Date for the payment of such Defaulted Interest which shall be not more than 15 nor less than 10 days prior to the date of the proposed payment and not less than 10 days after the receipt by the Trustee of the notice of the proposed payment. The Trustee shall promptly notify the Obligor of such Special Record Date and, in the name and at the expense of the Obligor, shall cause notice of the proposed payment of such Defaulted Interest and the Special Record Date therefor to be mailed, first-class postage prepaid, to the Holder of each such Note at his address as it appears in the Security Register, not less than 10 days prior to such Special Record Date. Notice of the proposed payment of such Defaulted Interest and the Special Record Date therefor having been mailed as aforesaid, such Defaulted Interest shall be paid to the Persons in whose names such Notes (or their respective Predecessor Notes) are registered on such Special Record Date and shall no longer be payable pursuant to the following clause (ii).

(ii) The Obligor may make payment of any Defaulted Interest in any other lawful manner if, after notice given by the Obligor to the Trustee of the proposed payment pursuant to this clause (ii), such manner of payment shall be deemed practicable by the Trustee.

(3) If any installment of interest on any Note called for redemption pursuant to Article X is due and payable on or prior to the Redemption Date and is not paid or duly provided for on or prior to the Redemption Date in accordance with the foregoing provisions of this Section 2.06, such interest shall be payable as part of the Redemption Price of such Notes.

(4) Interest on Notes may be paid by mailing a check to the address of the Person entitled thereto at such address as shall appear in the Security Register or by such other means as may be specified in the form of such Note.

(5) Subject to the foregoing provisions of this Section 2.06 and the provisions of Section 2.04, each Note delivered under this Indenture upon registration of transfer of or in exchange for or in lieu of any other Note shall carry the rights to interest accrued and unpaid, and to accrue, which were carried by such other Note.

Section 2.07. Persons Deemed Owners.

(1) Prior to due presentment of a Note for registration of transfer, the Obligor, the Guarantor, the Trustee, and any agent of the Obligor, the Guarantor or the Trustee may treat the Person in whose name any Note is registered on the Security Register as the owner of such Note for the purpose of receiving payment of principal, premium, if any, and (subject to Section 2.06) interest, and for all other purposes whatsoever, whether or not such Note is overdue, and neither the Obligor, the Guarantor, the Trustee, nor any agent of the Obligor, the Guarantor or the Trustee shall be affected by notice to the contrary.

(2) None of the Obligor, the Guarantor, the Trustee, any Authenticating Agent, any Paying Agent, the Registrar or any Co-Registrar will have any responsibility or liability for any aspect of the records relating to or payments made on account of beneficial ownership interests of a Global Note or for maintaining, supervising or reviewing any records relating to such beneficial ownership interests and each of them may act or refrain from acting without liability on any information relating to such records provided by the Depositary.

Section 2.08. Cancellation. All Notes surrendered for payment, redemption, registration of transfer or exchange shall, if surrendered to any Person other than the Trustee, be delivered to the Trustee and, if not already cancelled, shall be promptly cancelled by it. The Obligor may at any time deliver to the Trustee for cancellation any Notes previously authenticated and delivered hereunder which the Obligor may have acquired in any manner whatsoever, and all Notes so delivered shall be promptly cancelled by the Trustee. Acquisition of such Notes by the Obligor shall not operate as a redemption or satisfaction of the indebtedness represented by such Notes unless and until the same are delivered to the Trustee for cancellation. No Note shall be authenticated in lieu of or in exchange for any Notes cancelled as provided in this Section, except as expressly permitted by this Indenture. The Trustee shall dispose of all cancelled Notes in accordance with its customary procedures and deliver a certificate of such disposition to the Obligor.

Section 2.09. Computation of Interest. Interest on the Notes shall be calculated on the basis of a 360-day year of twelve 30-day months.

Section 2.10. CUSIP Numbers. The Obligor in issuing the Notes may use "CUSIP" and "ISIN" numbers (if then generally in use), and, if so, the Trustee shall use the CUSIP or ISIN numbers, as the case may be, in notices of redemption as a convenience to Holders; provided that any such notice may state that no representation is made as to the correctness or accuracy of the CUSIP or ISIN number, as the case may be, either as printed on the Notes or as contained in any notice of a redemption and that reliance may be placed only on the other identification numbers printed on the Notes. The Obligor will promptly notify the Trustee of any change in the CUSIP or ISIN number of any type.

Section 2.11. Additional Interest under Registration Rights Agreement. Under certain circumstances, the Obligor may be obligated to pay Additional Interest to Holders, all as and to the extent set forth in the Registration Rights Agreement. The terms thereof, insofar as they relate to the payment of Additional Interest, are hereby incorporated herein by reference and such Additional Interest, if required to be paid, is deemed to be interest for all purposes of this Indenture.

ARTICLE III

SATISFACTION AND DISCHARGE

Section 3.01. Satisfaction and Discharge of Indenture. This Indenture will be discharged with respect to the Notes and will cease to be of further effect as to all Notes (except as to any surviving rights of transfer or exchange of Notes expressly provided for herein), and

the Trustee, on demand of and at the expense of the Obligor, shall execute proper instruments acknowledging the satisfaction and discharge of this Indenture, when

(1) either

(i) all Notes theretofore authenticated and delivered (except (a) lost, stolen or destroyed Notes which have been replaced or paid, as provided in Section 2.05, and (b) Notes for whose payment money has theretofore been deposited in trust or segregated and held in trust by the Obligor and thereafter repaid to the Obligor or discharged from such trust, as provided in Section 3.05) have been delivered to the Trustee cancelled or for cancellation; or

(ii) all such Notes not theretofore delivered to the Trustee cancelled or for cancellation

(a) have become due and payable, or

(b) will, in accordance with their Maturity Date, become due and payable within one year, or

(c) are to be called for redemption within one year under arrangements satisfactory to the Trustee for the giving of notice of redemption by the Trustee in the name, and at the expense, of the Obligor,

and, in any of the cases described in (a), (b) or (c), above, the Obligor has deposited or caused to be deposited with the Trustee, as trust funds in trust for the purpose, an amount of money in U.S. dollars sufficient, non-callable U.S. Government Obligations, the principal of and interest on which when due, will be sufficient, or a combination thereof, sufficient to pay and discharge the entire indebtedness on such Notes not theretofore delivered to the Trustee cancelled or for cancellation, for principal of and interest and premium, if any, on such Notes to the date of such deposit (in the case of Notes that have become due and payable), or to the Maturity Date or the Redemption Date, as the case may be;

(2) the Obligor has paid or caused to be paid all other sums payable by it with respect to the Notes under this Indenture;

(3) no Event of Default or event which with notice or lapse of time would become an Event of Default with respect to the Notes has occurred and is continuing with respect to such Notes on the date of such deposit; and

(4) the Obligor has delivered to the Trustee an Officers' Certificate and an Opinion of Counsel each stating that all conditions precedent to satisfaction and discharge of this Indenture with respect to the Notes have been complied with, and, in the case of the Opinion of Counsel, stating:

(i) such deposit and defeasance will not cause the holders of such Notes to recognize income, gain or loss for Federal income tax purposes and such holders will be

subject to Federal income tax on the same amount and in the same manner and at the same time as would have been the case if such option had not been exercised;

(ii) either that no requirement to register under the Investment Company Act of 1940, as amended, will arise as a result of the Obligor's exercise of its option under this Section 3.01 or that any such registration requirement has been complied with; and

(iii) such deposit and defeasance will not result in a material breach or violation of, or constitute a default under, any material agreement or instrument to which the Obligor is a party.

Notwithstanding the satisfaction and discharge of this Indenture, the obligations of the Obligor under Section 3.01(1) and the obligations of the Obligor to the Trustee under Section 5.07 shall survive, and the obligations of the Trustee under Sections 3.03 and 3.05 shall survive.

Section 3.02. Defeasance and Discharge of Covenants upon Deposit of Moneys, U.S. Government Obligations. At the Obligor's option, either (a) the Obligor shall be deemed to have been Discharged (as defined below) from its obligations with respect to the Notes on the 123rd day after the applicable conditions set forth below have been satisfied ("Legal Defeasance") and/or (b) the Obligor and the Guarantor shall cease to be under any obligation to comply with any term, provision or condition set forth in Section 7.01, 7.02, 9.06 or 9.07 with respect to the Notes at any time after the applicable conditions set forth below have been satisfied ("Covenant Defeasance"):

(1) The Obligor or the Guarantor shall have deposited or caused to be deposited irrevocably with the Trustee, as trust funds, in trust, specifically pledged as security for, and dedicated solely to, the benefit of the Holders of the Notes, an amount of money, in cash in U.S. dollars sufficient, non-callable U.S. Government Obligations, the principal of and interest on which when due, will be sufficient, or a combination thereof, sufficient, in the opinion of a nationally recognized firm of independent public accountants expressed in a written certification thereof delivered to the Trustee, to pay and discharge the entire indebtedness on the Notes with respect to principal, premium, if any, and accrued and unpaid interest to the date of such deposit (in the case of Notes that have become due and payable), or to the Maturity Date or Redemption Date, as the case may be;

(2) No Event of Default, or event which with notice or lapse of time would become an Event of Default with respect to the Notes, shall have occurred and be continuing on the date of such deposit;

(3) The Obligor shall have delivered to the Trustee an Officers' Certificate and an Opinion of Counsel each stating that all conditions precedent to the defeasance and discharge contemplated by this Section 3.02 have been complied with, and, in the case of the Opinion of Counsel stating that:

(i) the deposit and defeasance contemplated by this Section will not cause the Holders of the Notes to recognize income, gain or loss for Federal income tax purposes as a result of the Obligor's exercise of its option under this Section 3.02 and such Holders will be subject to Federal income tax on the same amount and in the same manner and at

the same times as would have been the case if such option had not been exercised, which Opinion of Counsel (in the case of a Legal Defeasance) must be based upon a ruling of the Internal Revenue Service to the same effect or a change in applicable Federal income tax law or related treasury regulations after the date of this Indenture; and

(ii) either no requirement to register under the Investment Company Act of 1940, as amended, will arise as a result of the Obligor's exercise of its option under this Section 3.02 or any such registration requirement has been complied with; and

(4) with respect to a Legal Defeasance, 123 days shall have passed during which no Event of Default under clauses (iv) and (v) of Section 4.01(1) or under clauses (ii) and (iii) of Section 4.01(2) has occurred.

If in connection with the exercise by the Obligor of any option under this Section 3.02, the Notes are to be redeemed, either notice of such redemption shall have been duly given pursuant to this Indenture or provision therefor satisfactory to the Trustee shall have been made.

Notwithstanding the exercise by the Obligor of its option under Section 3.02(b) with respect to Section 7.01 or 7.02, the obligation of any successor Entity to assume the obligations to the Trustee under Section 5.07 shall not be discharged.

"Discharged" means that the Obligor shall be deemed to have paid and discharged the entire indebtedness represented by, and obligations under, the Notes and to have satisfied all the obligations under this Indenture relating to such Notes (and the Trustee, at the expense of the Obligor, shall execute proper instruments acknowledging the same), except (A) the rights of Holders of Notes to receive, from the trust fund described in clause (1) above, payment of the principal of, premium, if any, and the interest, if any, on such Notes when such payments are due; (B) the Obligor's obligations with respect to such Notes under Sections 2.04, 2.05, 3.02(1), 3.03, and 9.02 and its obligations under Section 5.07; and (C) the rights, powers, trusts, duties and immunities of the Trustee hereunder.

Section 3.03. Application of Trust Money. All money deposited with the Trustee pursuant to Section 3.01 or Section 3.02 shall be held in trust and applied by it, in accordance with the provisions of this Indenture, to the payment, either directly or through any Paying Agent (including the Obligor acting as its own Paying Agent), as the Trustee may determine, to the Persons entitled thereto, of the principal, premium, if any, and interest, for whose payment such money has been deposited with the Trustee; but such money need not be segregated from other funds except to the extent required by law.

Section 3.04. Paying Agent to Repay Moneys Held. Upon the satisfaction and discharge of this Indenture, all moneys then held by any Paying Agent of the Notes (other than the Trustee) shall, upon demand of the Obligor, be repaid to it or paid to the Trustee, and thereupon such Paying Agent shall be released from all further liability with respect to such moneys.

Section 3.05. Return of Unclaimed Amounts. Any amounts deposited with or paid to the Trustee or any Paying Agent for payment of the principal of, premium, if any, or interest on the Notes or then held by the Obligor, in trust for the payment of the principal of,

premium, if any, or interest on the Notes and not applied but remaining unclaimed by the Holders of such Notes for two years after the date upon which the principal of, premium, if any, or interest on such Notes, as the case may be, shall have become due and payable, shall be repaid to the Obligor by the Trustee on demand or (if then held by the Obligor) shall be discharged from such Trust; and the Holder of any of such Notes shall thereafter, as an unsecured general creditor, look only to the Obligor for any payment which such Holder may be entitled to collect (until such time as such unclaimed amounts shall escheat, if at all, to any applicable jurisdiction) and all liability of the Trustee or such Paying Agent with respect to such trust money, and all liability of the Obligor as trustee thereof, shall thereupon cease. Notwithstanding the foregoing, the Trustee or Paying Agent, before being required to make any such repayment, may at the expense of the Obligor cause to be published once a week for two successive weeks (in each case on any day of the week) in a newspaper printed in the English language and customarily published at least once a day at least five days in each calendar week and of general circulation in the Borough of Manhattan, in the City and State of New York, a notice that said amounts have not been so applied and that after a date named therein any unclaimed balance of said amounts then remaining will be promptly returned to the Obligor.

ARTICLE IV

REMEDIES

Section 4.01. Events of Default. "Event of Default," wherever used herein, means with respect to the Notes any of the following events (whatever the reason for such Event of Default and whether it shall be voluntary or involuntary or be effected by operation of law or pursuant to any judgment, decree or order of any court or any order, rule or regulation of any administrative or governmental body):

(1) on and after the date hereof:

(i) default in the payment of any principal of or premium, if any, on the Notes when due (whether at maturity, upon redemption or otherwise);

(ii) default in the payment of any interest (including Additional Interest, if any) on any Note, when it becomes due and payable, and continuance of such default for a period of 30 days;

(iii) default in the performance or breach of any covenant or warranty of the Obligor under this Indenture, and continuance of such default or breach for a period of 90 days after there has been given, by registered or certified mail, to the Obligor by the Trustee or to the Obligor and the Trustee by the Holders of at least a majority in aggregate principal amount of the Outstanding Notes, a written notice specifying such default or breach and requiring it to be remedied and stating that such notice is a "Notice of Default" hereunder;

(iv) the entry of an order for relief against the Obligor, PBG or any Restricted Subsidiary of PBG under the Bankruptcy Code by a court having jurisdiction in the premises or a decree or order by a court having jurisdiction in the premises adjudging the

Obligor, PBG or any Restricted Subsidiary of PBG as bankrupt or insolvent under any other applicable Federal or state law, or the entry of a decree or order approving as properly filed a petition seeking reorganization, arrangement, adjustment or composition of or in respect of the Obligor, PBG or any Restricted Subsidiary of PBG under the Bankruptcy Code or any other applicable Federal or state law, or appointing a receiver, liquidator, assignee, trustee, sequestrator (or other similar official) of the Obligor, PBG or any Restricted Subsidiary of PBG or of any substantial part of their respective properties, or ordering the winding up or liquidation of their respective affairs, and the continuance of any such decree or order unstayed and in effect for a period of 90 consecutive days;

(v) the consent by the Obligor, PBG or any Restricted Subsidiary of PBG to the institution of bankruptcy or insolvency proceedings against any of them, or the filing by the Obligor, PBG or any Restricted Subsidiary of PBG of a petition or answer or consent seeking reorganization or relief under the Bankruptcy Code or any other applicable Federal or state law, or the consent by the Obligor, PBG or any Restricted Subsidiary of PBG to the filing of any such petition or to the appointment of a receiver, liquidator, assignee, trustee, sequestrator (or other similar official) of the Obligor, PBG or any Restricted Subsidiary of PBG or of any substantial part of their respective properties, or the making by the Obligor, PBG or any Restricted Subsidiary of PBG of an assignment for the benefit of creditors, or the admission by the Obligor, PBG or any Restricted Subsidiary of PBG in writing of the Obligor's, PBG's or any Restricted Subsidiary of PBG's inability to pay debts generally as they become due, or the taking of corporate action by the Obligor, PBG or any Restricted Subsidiary of PBG in furtherance of any such action;

(vi) the maturity of any Debt of the Obligor, PBG or any Restricted Subsidiary of PBG having a then outstanding principal amount in excess of $50 million shall have been accelerated by any holder or holders thereof or any trustee or agent acting on behalf of such holder or holders, in accordance with the provisions of any contract evidencing, providing for the creation of or concerning such Debt or failure to pay at the stated maturity (and the expiration of any grace period) any Debt of the Obligor, PBG or any Restricted Subsidiary of PBG having a then outstanding principal amount in excess of $50 million; and

(2) on and after the Guarantee Commencement Date (in the event that the Guarantee Commencement Date shall occur):

(i) default in the performance or breach of any covenant or warranty of the Guarantor under this Indenture, and continuance of such default or breach for a period of 90 days after there has been given, by registered or certified mail, to the Guarantor by the Trustee or to the Guarantor and the Trustee by the Holders of at least a majority in aggregate principal amount of the Outstanding Notes, a written notice specifying such default or breach and requiring it to be remedied and stating that such notice is a "Notice of Default" hereunder;

(ii) the entry of an order for relief against the Guarantor under the Bankruptcy Code by a court having jurisdiction in the premises or a decree or order by a court having

jurisdiction in the premises adjudging the Guarantor as bankrupt or insolvent under any other applicable Federal or state law, or the entry of a decree or order approving as properly filed a petition seeking reorganization, arrangement, adjustment or composition of or in respect of the Guarantor under the Bankruptcy Code or any other applicable Federal or state law, or appointing a receiver, liquidator, assignee, trustee, sequestrator (or other similar official) of the Guarantor or of any substantial part of its property, or ordering the winding up or liquidation of its affairs, and the continuance of any such decree or order unstayed and in effect for a period of 90 consecutive days;

(iii) the consent by the Guarantor to the institution of bankruptcy or insolvency proceedings against the Guarantor, or the filing by the Guarantor of a petition or answer or consent seeking reorganization or relief under the Bankruptcy Code or any other applicable Federal or state law, or the consent by the Guarantor to the filing of any such petition or to the appointment of a receiver, liquidator, assignee, trustee, sequestrator (or other similar official) of the Guarantor or of any substantial part of its property, or the making by the Guarantor of an assignment for the benefit of creditors, or the admission by the Guarantor in writing of the Guarantor's inability to pay debts generally as they become due, or the taking of corporate action by the Guarantor in furtherance of any such action; and

(iv) the Guarantee ceases to be in full force and effect, or the Guarantor denies or disaffirms its obligations under the Guarantee, in each case, in accordance with Article XI.

Section 4.02. Acceleration of Maturity; Rescission and Annulment.

(1) If any Event of Default (other than an Event of Default specified in clause (iv) or (v) of Section 4.01(1)) occurs and is continuing, then either the Trustee or the Holders of a majority in aggregate principal amount of the Outstanding Notes may declare the principal of all Outstanding Notes, and the interest, if any, accrued thereon, to be immediately due and payable by notice in writing to the Obligor (and to the Trustee if given by Holders). If an Event of Default described in clause (iv) or (v) of Section 4.01(1) occurs, the principal amount and accrued interest, if any, on all the Notes as of the date of such Event of Default will become and be immediately due and payable without any declaration or other act on the part of the Trustee or the Holders of the Notes.

(2) At any time after such a declaration of acceleration has been made with respect to the Notes and before a judgment or decree for payment of the money due has been obtained by the Trustee as hereinafter in this Article IV provided, the Holders of a majority in aggregate principal amount of the Outstanding Notes, by written notice to the Obligor and the Trustee, may rescind and annul such declaration or waive past defaults and its consequences if:

(i) the Obligor or the Guarantor has paid or deposited with the Trustee a sum sufficient to pay:

(a) all overdue installments of interest, if any, on such Notes,

(b) the principal of (and premium, if any, on) any such Notes which have become due otherwise than by such declaration of acceleration, and interest thereon at the rate borne by the Notes, to the extent that payment of such interest is lawful,

(c) interest on overdue installments of interest at the rate borne by the Notes to the extent that payment of such interest is lawful, and

(d) the reasonable compensation, expenses, disbursements and advances of the Trustee and its agents and counsel, and all other amounts due the Trustee under Section 5.07; and

(ii) all Events of Default, other than the nonpayment of the principal of the Notes which have become due solely by such acceleration, have been cured or waived as provided in Section 4.13.

(3) No such rescission shall affect any subsequent default or impair any right consequent thereon.

Section 4.03. Collection of Indebtedness and Suits for Enforcement.

(1) The Obligor covenants that if:

(i) default is made in the payment of any installment of interest (including Additional Interest, if any) on any Note when such interest becomes due and payable, or

(ii) default is made in the payment of (or premium, if any, on) the principal of any Note at the Maturity thereof, and

(iii) any such default continues for any period of grace provided in relation to such default pursuant to Section 4.01,

then, with respect to such Notes, the Obligor will, upon demand of the Trustee, pay to it, for the benefit of the Holder of any such Note, the whole amount then due and payable on any such Note for principal (and premium, if any) and interest with interest (to the extent that payment of such interest shall be legally enforceable) upon the overdue principal (and premium, if any) and upon overdue installments of interest at the rate of interest borne by the Notes; and, in addition thereto, such further amount as shall be sufficient to cover the costs and expenses of collection, including the reasonable compensation, expenses, disbursements and advances of the Trustee, its agents and counsel and all other amounts due the Trustee under Section 5.07.

(2) If the Obligor fails to pay such amounts forthwith upon such demand, the Trustee, in its own name and as trustee of an express trust, may institute a judicial proceeding for the collection of the sums so due and unpaid, and may prosecute such proceeding to judgment or final decree, and may enforce the same against the Obligor or any other obligor upon the Notes and collect the money adjudged or decreed to be payable in the manner provided by law out of the property of the Obligor or any other obligor upon such Notes, wherever situated.

(3) If an Event of Default with respect to the Notes occurs and is continuing, the Trustee may in its discretion proceed to protect and enforce its rights and the rights of the Holders of Notes by such appropriate judicial proceedings as the Trustee shall deem most effectual to protect and enforce any such rights, whether for the specific enforcement of any covenant or agreement in this Indenture or in aid of the exercise of any power granted herein, or to enforce any other proper remedy.

Section 4.04. Trustee May File Proofs of Claim.

(1) In case of the pendency of any receivership, insolvency, liquidation, bankruptcy, reorganization, arrangement, adjustment, composition, or other judicial proceeding relative to the Obligor or any obligor upon the Notes or the property of the Obligor or of such other obligor or their creditors, the Trustee (irrespective of whether the principal of the Notes shall then be due and payable as therein expressed or by declaration or otherwise and irrespective of whether the Trustee shall have made any demand on the Obligor for the payment of overdue principal or interest) shall be entitled and empowered, by intervention in such proceedings or otherwise,

(i) to file and prove a claim for the whole amount of principal, premium, if any, and interest owing and unpaid in respect of the Notes, and to file such other papers or documents as may be necessary and advisable in order to have the claims of the Trustee (including any claim for the reasonable compensation, expenses, disbursements, and advances of the Trustee, its agents and counsel, and all other amounts due the Trustee under Section 5.07) and of the Holders allowed in such judicial proceedings, and

(ii) to collect and receive any moneys or other property payable or deliverable on any such claims and to distribute the same; and any receiver, assignee, trustee, liquidator, sequestrator (or other similar official) in any such judicial proceeding is hereby authorized by each Holder to make such payments to the Trustee, and in the event that the Trustee shall consent to the making of such payments directly to the Holders, to pay to the Trustee any amount due to it for the reasonable compensation, expenses, disbursements and advances of the Trustee and its agent and counsel, and any other amounts due the Trustee under Section 5.07.

(2) Nothing herein contained shall be deemed to authorize the Trustee to authorize or consent to or accept or adopt on behalf of any Holder any plan of reorganization, arrangement, adjustment or composition affecting the Notes or the rights of any Holder thereof, or to authorize the Trustee to vote in respect of the claim of any Holder in any such proceeding.

Section 4.05. Trustee May Enforce Claims Without Possession of Notes. All rights of action and claims under this Indenture or the Notes may be prosecuted and enforced by the Trustee without the possession of any of the Notes or the production thereof in any proceeding relating thereto, and any such proceeding instituted by the Trustee shall be brought in its own name as trustee of an express trust, and any recovery of judgment shall, after provision for the payment of the reasonable compensation, expenses, disbursements and advances of the Trustee and its agents and counsel, be for the ratable benefit of the Holders of the Notes.

Section 4.06. Application of Money Collected.

(1) Any money collected by the Trustee from the Obligor with respect to Notes pursuant to this Article IV shall be applied in the following order, at the date or dates fixed by the Trustee and, in case of the distribution of such money on account of principal, premium, if any, or interest, if any, upon presentation of the Notes and the notation thereon of the payment, if only partially paid, and upon surrender thereof, if fully paid:

First: To the payment of all amounts due the Trustee under Section 5.07.

Second: To the payment of the amounts then due and unpaid upon the Notes for principal, premium, if any, and interest, in respect of which or for the benefit of which such money has been collected, ratably, without preference or priority of any kind.

(2) Any money collected by the Trustee from the Guarantor with respect to the Guarantee pursuant to this Article IV shall only be applied to the payment of the amount then due and unpaid upon the Notes for principal, premium, if any, and interest, in respect of which or for the payment of which such money has been collected, ratably, without preference or priority of any kind, upon presentation of the Notes and the notation thereon of the payment, if only partially paid, and upon surrender thereof, if fully paid, at the date or dates fixed by the Trustee.

Section 4.07. Limitation on Suits. No Holder of any Note may institute any action under this Indenture, unless and until:

(1) such Holder has given the Trustee written notice of a continuing Event of Default;

(2) the Holders of a majority in aggregate principal amount of the Outstanding Notes have requested the Trustee to institute proceedings in respect of such Event of Default in its own name as Trustee hereunder;

(3) such Holder or Holders has or have offered the Trustee such reasonable indemnity against the costs, expenses and liabilities to be incurred in compliance with such request as the Trustee may require;

(4) the Trustee has failed to institute any such proceeding for 60 days after its receipt of such notice, request and offer of indemnity; and

(5) no inconsistent direction has been given to the Trustee during such 60-day period by the Holders of a majority in aggregate principal amount of the Outstanding Notes;

it being understood and intended that no one or more Holders of Notes shall have any right in any manner whatever by virtue of, or by availing of, any provision of this Indenture to affect, disturb or prejudice the rights of any other Holders of Notes, or to obtain or to seek to obtain priority or preference over any other such Holders or to enforce any right under this Indenture, except in the manner herein provided and for the equal and proportionate benefit of all the Holders of all Notes.

Section 4.08. Unconditional Right of Holders to Receive Payment of Principal, Premium and Interest. Notwithstanding any other provision in this Indenture, the Holder of any Note shall have the right, which is absolute and unconditional, to receive payment of the principal, premium, if any, and (subject to Section 2.06) interest on such Note on or after the Maturity Date (or, in the case of redemption, on or after the Redemption Date) and to institute suit for the enforcement of any such payment on or after such respective date, and such right shall not be impaired or affected without the consent of such Holder.

Section 4.09. Restoration of Rights and Remedies. If the Trustee or any Holder has instituted any proceeding to enforce any right or remedy under this Indenture and such proceeding has been discontinued or abandoned for any reason, then and in every such case the Obligor, the Trustee and the Holders shall, subject to any determination in such proceeding, be restored severally and respectively to their former positions hereunder, and thereafter all rights and remedies of the Trustee and the Holders shall continue as though no such proceeding had been instituted.

Section 4.10. Rights and Remedies Cumulative. No right or remedy herein conferred upon or reserved to the Trustee or to the Holders is intended to be exclusive of any other right or remedy, and every right or remedy shall, to the extent permitted by law, be cumulative and in addition to every other right and remedy given hereunder or now or hereafter existing at law or in equity or otherwise. The assertion or employment of any right or remedy hereunder, or otherwise, shall not prevent the concurrent assertion or employment of any other appropriate right or remedy.

Section 4.11. Delay or Omission Not Waiver. No delay or omission of the Trustee or of any Holder of any Note to exercise any right or remedy accruing upon any Event of Default shall impair any such right or remedy or constitute a waiver of any such Event of Default or an acquiescence therein. Every right and remedy given by this Article IV or by law to the Trustee or to the Holders may be exercised from time to time, and as often as may be deemed expedient, by the Trustee or by the Holders, as the case may be.

Section 4.12. Control by Holders. The Holders of a majority in aggregate principal amount of the Outstanding Notes shall have the right, to direct the time, method, and place of conducting any proceeding for any remedy available to the Trustee or of exercising any trust or power conferred on the Trustee with respect to the Notes provided that:

(1) the Trustee shall have the right to decline to follow any such direction if the Trustee, being advised by counsel, determines that the action so directed may not lawfully be taken or would conflict with this Indenture or if the Trustee in good faith shall, by a Responsible Officer, determine that the proceedings so directed would involve it in personal liability or be unjustly prejudicial to the Holders not taking part is in such direction, and

(2) the Trustee may take any other action deemed proper by the Trustee which is not inconsistent with such direction.

Section 4.13. Waiver of Past Defaults. The Holders of not less than a majority in aggregate principal amount of the Outstanding Notes may, on behalf of the Holders of all Notes,

waive any past default hereunder with respect to the Notes, except a default not theretofore cured:

(1) in the payment of principal, premium, if any, or interest on any Notes, or

(2) in respect of a covenant or provision in this Indenture which, under Article VIII cannot be modified without the consent of the Holder of each Outstanding Note.

Upon any such waiver, such default shall cease to exist, and any Event of Default arising therefrom shall be deemed to have been cured, for every purpose of this Indenture; but no such waiver shall extend to any subsequent or other default or impair any right consequent thereon.

Section 4.14. Undertaking for Costs. All parties to this Indenture agree, and each Holder of any Note by his acceptance thereof shall be deemed to have agreed, that any court may in its discretion require, in any suit for the enforcement of any right or remedy under this Indenture, or in any suit against the Trustee for any action taken or omitted by it as Trustee, the filing by any party litigant in such suit of an undertaking to pay the costs of such suit, and that such court may in its discretion assess reasonable costs, including reasonable attorneys' fees, against any party litigant in such suit, having due regard to the merits and good faith of the claims or defenses made by such party litigant; but the provisions of this Section shall not apply to any suit instituted by the Trustee, to any suit instituted by any Holder or group of Holders holding in the aggregate more than 10% in principal amount of the Outstanding Notes to which the suit relates, or to any suit instituted by any Holder for the enforcement of the payment of principal, premium, if any, or interest on any Note on or after the respective payment dates expressed in such Note (or, in the case of redemption, on or after the Redemption Date).

Section 4.15. Waiver of Stay or Extension Laws. Each of the Obligor and the Guarantor covenants (to the extent that each may lawfully do so) that it will not at any time insist upon, or plead, or in any manner whatsoever claim or take the benefit or advantage of, any stay or extension law (other than any bankruptcy law) wherever enacted, now or at any time hereafter in force, which may affect the covenants or the performance of this Indenture; and each of the Obligor and the Guarantor (to the extent that each may lawfully do so) hereby expressly waives all benefit or advantage of any such law, and covenants that it will not hinder, delay or impede the execution of any power herein granted to the Trustee, but will suffer and permit the execution of every such power as though no such law had been enacted.

ARTICLE V

THE TRUSTEE

Section 5.01. Certain Duties and Responsibilities of Trustee.

(1) Except during the continuance of an Event of Default:

(i) the Trustee undertakes to perform such duties and only such duties as are specifically set forth in this Indenture, and no implied covenants or obligations shall be read into this Indenture against the Trustee; and

(ii) in the absence of bad faith on its part, the Trustee may conclusively rely, as to the truth of the statements and the correctness of the opinions expressed therein, upon certificates or opinions furnished to the Trustee and conforming to the requirements of this Indenture; but in the case of any such certificates or opinions which by any provision hereof are specifically required to be furnished to the Trustee, the Trustee shall be under a duty to examine the same to determine whether or not they conform to the requirements of this Indenture.

(2) In case an Event of Default has occurred and is continuing, the Trustee shall exercise such of the rights and powers vested in it by this Indenture, and use the same degree of care and skill in their exercise, as a prudent person would exercise or use under the circumstances in the conduct of his or her own affairs.

(3) No provision of this Indenture shall be construed to relieve the Trustee from liability for its own negligent action, its own negligent failure to act, or its own willful misconduct, except that:

(i) this Subsection shall not be construed to limit the effect of Section 5.01(1);

(ii) the Trustee shall not be liable for any error of judgment made in good faith by a Responsible Officer, unless it shall be proved that the Trustee was negligent in ascertaining the pertinent facts;

(iii) the Trustee shall not be liable with respect to any action taken or omitted to be taken by it in good faith in accordance with the direction of the Holders of not less than a majority in aggregate principal amount of the Outstanding Notes relating to the time, method, and place of conducting any proceeding for any remedy available to the Trustee with respect to such Notes, or exercising any trust or power conferred upon the Trustee, under this Indenture with respect to such Notes; and

(iv) no provision of this Indenture shall require the Trustee to expend or risk its own funds or otherwise incur any financial liability in the performance of any of its duties hereunder, or in the exercise of any of its rights or powers, if it shall have reasonable grounds for believing that repayment of such funds or adequate indemnity against such risk or liability is not reasonably assured to it.

(4) Whether or not therein expressly so provided, every provision of this Indenture relating to the conduct or affecting the liability of or affording protection to the Trustee shall be subject to the provisions of this Section.

Section 5.02. Notice of Defaults. Within 90 days after the occurrence of any default hereunder with respect to Notes, the Trustee shall transmit by mail to all Holders of such Notes, as their names and addresses appear in the Security Register, notice of such default hereunder known to the Trustee, unless such default shall have been cured or waived; provided, however, that, except in the case of a default in the payment of the principal of or interest or premium, if any, on any Note, the Trustee shall be protected in withholding such notice if and so long as the board of directors, the executive committee or a trust committee of directors, and/or

Responsible Officers of the Trustee determine in good faith that the withholding of such notice is in the interests of the Holders of the Outstanding Notes and; provided, further, that, in the case of any default of the character specified in clause (iii) of Section 4.01(1) or in clause (i) of Section 4.01(2), no such notice to Holders shall be given until at least 60 days after the occurrence thereof. For the purpose of this Section, the term "default" means any event which is, or after notice or lapse of time or both would become, an Event of Default.

Section 5.03. Certain Rights of Trustee. Except as otherwise provided in Section 5.01:

(1) the Trustee may rely and shall be protected in acting or refraining from acting upon any resolution, certificate, statement, instrument, opinion, report, notice, request, direction, consent, order, bond, debenture or other paper or document believed by it to be genuine and to have been signed or presented by the proper party or parties;

(2) any request or direction of the Obligor described herein shall be sufficiently evidenced by a Company Request or Company Order and any resolution of the Managing Directors may be sufficiently evidenced by a Managing Directors Resolution;

(3) any request or direction of the Guarantor described herein shall be sufficiently evidenced by a Company Request or Company Order and any resolution of the Board of Directors may be sufficiently evidenced by a Board Resolution;

(4) whenever in the administration of this Indenture the Trustee shall deem it desirable that a matter be proved or established prior to taking, suffering or omitting any action hereunder, the Trustee (unless other evidence be herein specifically prescribed) may, in the absence of bad faith on its part, rely upon an Officers' Certificate;

(5) the Trustee may consult with counsel and any Opinion of Counsel shall be full and complete authorization and protection in respect of any action taken, suffered or omitted by it hereunder in good faith and in reliance thereon;

(6) the Trustee shall be under no obligation to exercise any of the rights or powers vested in it by this Indenture at the request or direction of any of the Holders pursuant to this Indenture, unless such Holders shall have offered to the Trustee reasonable security or indemnity against the costs, expenses and liabilities which might be incurred by it in compliance with such request or direction;

(7) the Trustee shall not be bound to make any investigation into the facts or matters stated in any resolution, certificate, statement, instrument, opinion, report, notice, request, direction, consent, order, bond, debenture or other paper or document, but the Trustee, in its discretion, may make such further inquiry or investigation into such facts or matters as it may see fit, and, if the Trustee shall determine to make such further inquiry or investigation, it shall be entitled to examine the books, records and premises of the Obligor, personally or by agent or attorney; and

(8) the Trustee may execute any of the trusts or powers hereunder or perform any duties hereunder either directly or by or through agents or attorneys and the Trustee shall not be

responsible for any misconduct or negligence on the part of any agent or attorney appointed with due care by it hereunder.

Section 5.04. Not Responsible for Recitals or Issuance of Notes. The recitals contained herein and in the Notes, except the certificates of authentication, shall be taken as the statements of the Obligor, and the Trustee assumes no responsibility for their correctness. The Trustee makes no representations as to the validity or sufficiency of this Indenture or of the Notes. The Trustee shall not be accountable for the use or application by the Obligor of Notes or the proceeds thereof. The Trustee shall not be charged with notice or knowledge of any Event of Default under clause (vi) of Section 4.01(1) or clause (iv) of Section 4.01(2) or of the identity of a Restricted Subsidiary of the Obligor or of the Guarantor or of any event giving rise to the obligation to pay Additional Interest unless either (i) a Responsible Officer of the Trustee assigned to and working in its Corporate Trust Office shall have actual knowledge thereof or (ii) notice thereof shall have been given to the Trustee in accordance with Section 1.05 from the Obligor, the Guarantor or any Holder.

Section 5.05. May Hold Notes. The Trustee or any Paying Agent, Registrar, or other agent of the Obligor or the Guarantor, in its individual or any other capacity, may become the owner or pledgee of Notes and, subject to Sections 5.08 and 5.12, may otherwise deal with the Obligor or the Guarantor with the same rights it would have if it were not Trustee, Paying Agent, Registrar, or such other agent.

Section 5.06. Money Held in Trust. Money held by the Trustee in trust hereunder need not be segregated from other funds except to the extent required by law. The Trustee shall be under no liability for interest on any money received by it hereunder except as otherwise agreed with the Obligor.

Section 5.07. Compensation and Reimbursement. The Obligor covenants and agrees:

(1) to pay the Trustee from time to time, and the Trustee shall be entitled to, reasonable compensation for all services rendered by it hereunder (which compensation shall not be limited by any provision of law in regard to the compensation of a trustee of an express trust);

(2) except as otherwise expressly provided herein, to reimburse the Trustee upon its request for all reasonable expenses, disbursements and advances incurred or made by the Trustee in accordance with any provision of this Indenture (including the reasonable compensation and the reasonable expenses and disbursements of its agents and counsel), except any such expense, disbursement or advance as may be attributable to its negligence or bad faith; and

(3) to indemnify the Trustee for, and to hold it harmless against, any loss, liability or expense incurred without negligence or bad faith on its part, arising out of or in connection with the acceptance or administration of this trust, including the reasonable costs and expenses of defending itself against any claim or liability in connection with the exercise or performance of any of its powers or duties hereunder.

Without prejudice to any other rights available to the Trustee under applicable law, when the Trustee incurs expenses or renders services in connection with an Event of Default specified in clause (iv) or (v) of Section 4.01(1) and clause (ii) or (iii) of Section 4.01(2), such expenses (including the reasonable charges and expenses of its counsel) and compensation for such services are intended to constitute expenses of administration under any applicable Federal or State bankruptcy, insolvency, reorganization, or other similar law.

Section 5.08. Disqualification; Conflicting Interests. If the Trustee has or shall acquire any conflicting interest within the meaning of the Trust Indenture Act, it shall either eliminate such interest or resign as Trustee, to the extent and in the manner provided by, and subject to the provisions of, the Trust Indenture Act and this Indenture. To the extent permitted by such Act, the Trustee shall not be deemed to have a conflicting interest by virtue of being a trustee under:

(i) the Indenture, dated as of February 8, 1999, among Pepsi Bottling Holdings, Inc., the Guarantor, as guarantor, and the Trustee, as supplemented by the Supplemental Indenture dated as of February 9, 1999, among Pepsi Bottling Holdings, Inc., the Guarantor and the Obligor relating to the 2004 Notes and the Obligor's Senior Notes due 2009 and (ii) the Indenture, dated as of March 8, 1999, among PBG, the Obligor, as guarantor, and the Trustee relating to the Senior Notes due 2029 of PBG and the Series B Senior Notes due 2029 of PBG.

Section 5.09. Corporate Trustee Required; Eligibility. There shall at all times be a Trustee hereunder that shall be a corporation organized and doing business under the laws of the United States of America or of any State or Territory thereof or of the District of Columbia, authorized under such laws to exercise corporate trust powers, having a combined capital and surplus of at least $50,000,000, and subject to supervision or examination by Federal or State authority and having its principal office and place of business in the City of New York, if there be such a corporation having its principal office and place of business in said City. If such corporation publishes reports of condition at least annually, pursuant to law or to the requirements of the aforesaid supervising or examining authority, then for the purposes of this Section, the combined capital and surplus of such corporation shall be deemed to be its combined capital and surplus as set forth in its most recent report of condition so published. If at any time the Trustee shall cease to be eligible in accordance with the provisions of this Section, it shall resign immediately in the manner and with the effect hereinafter specified in this Article V.

Section 5.10. Resignation and Removal; Appointment of Successor.

(1) No resignation or removal of the Trustee and no appointment of a successor Trustee pursuant to this Article V shall become effective until the acceptance of appointment by the successor Trustee under Section 5.11.

(2) The Trustee may resign at any time by giving 60 days' written notice thereof to the Obligor. If an instrument of acceptance by a successor Trustee shall not have been delivered to the Trustee within 30 days after the giving of such notice of resignation, the resigning Trustee may petition any court of competent jurisdiction for the appointment of a successor Trustee.

(3) The Trustee may be removed at any time by Act of the Holders of 66 2/3% in aggregate principal amount of the Outstanding Notes, delivered to the Trustee and to the Obligor.

(4) If at any time:

(i) the Trustee shall fail to comply with Section 5.08 after written request therefor by the Obligor or by any Holder who has been a bona fide Holder of a Note for at least six months; or

(ii) the Trustee shall cease to be eligible under Section 5.09 and shall fail to resign after written request therefor by the Obligor or by any such Holder; or

(iii) the Trustee shall become incapable of acting with respect to the Notes; or

(iv) the Trustee shall be adjudged a bankrupt or insolvent or a receiver of the Trustee or of its property shall be appointed or any public officer shall take charge or control of the Trustee or of its property or affairs for the purpose of rehabilitation, conservation or liquidation, then, in any such case (a) the Obligor may remove the Trustee, or (b) subject to Section 4.14, any Holder who has been a bona fide Holder of a Note for at least six months may, on behalf of himself and all others similarly situated, petition any court of competent jurisdiction for the removal of the Trustee and the appointment of a successor Trustee.

(5) If the Trustee shall resign, be removed or become incapable of acting, or if a vacancy shall occur in the office of Trustee for any cause, the Obligor shall promptly appoint a successor Trustee. If, within one year after such resignation, removal or incapacity, or the occurrence of such vacancy, a successor Trustee shall be appointed by Act of the Holders of 66 2/3% in aggregate principal amount of the Outstanding Notes delivered to the Obligor and the retiring Trustee, the successor Trustee so appointed shall, forthwith upon its acceptance of such appointment, become the successor Trustee and supersede the successor Trustee appointed by the Obligor. If no successor Trustee shall have been so appointed by the Obligor or the Holders and accepted appointment in the manner hereinafter provided, any Holder who has been bona fide Holder of a Note for at least 6 months may, on behalf of himself and all others similarly situated, petition any court of competent jurisdiction for the appointment of a successor Trustee.

(f) The Obligor shall give notice of each resignation and each removal of the Trustee and each appointment of a successor Trustee by mailing written notice of such event by first-class mail, postage prepaid, to the Holders of Notes as their names and addresses appear in the Security Register. Each notice shall include the name of the successor Trustee and the address of its principal Corporate Trust Office.

Section 5.11. Acceptance of Appointment by Successor. Every successor Trustee appointed hereunder shall execute, acknowledge and deliver to the Obligor and to the predecessor Trustee an instrument accepting such appointment, and thereupon the resignation or removal of the predecessor Trustee shall become effective, and such successor Trustee, without any further act, deed or conveyance, shall become vested with all the rights, powers, trusts and duties of the predecessor Trustee; but, on request of the Obligor or the successor Trustee, such predecessor Trustee shall, upon payment of its reasonable charges, if any, execute and deliver an

instrument transferring to such successor Trustee all the rights, powers and trusts of the predecessor Trustee, and shall duly assign, transfer and deliver to such successor Trustee all property and money held by such predecessor Trustee hereunder. Upon reasonable request of any such successor Trustee, the Obligor shall execute any and all instruments for more fully and certainly vesting in and confirming to such successor Trustee all such rights, powers and trusts.

No successor Trustee shall accept its appointment unless at the time of such acceptance such successor Trustee shall be qualified and eligible under this Article V.

Section 5.12. Merger, Conversion, Consolidation or Succession to Business. Any corporation into which the Trustee may be merged or converted or with which it may be consolidated, or any corporation resulting from any merger, conversion or consolidation to which the Trustee shall be a party, or any corporation succeeding to all or substantially all of the corporate trust business of the Trustee, shall be the successor of the Trustee hereunder, provided that such corporation shall be otherwise qualified and eligible under this Article V, without the execution or filing of any paper or any further act on the part of any of the parties hereto. In case any Notes shall have been authenticated, but not delivered, by the Trustee then in office, any successor Trustee by merger, conversion or consolidation to such authenticating Trustee may adopt such authentication and deliver the Notes so authenticated with the same effect as if such successor Trustee had itself authenticated such Notes.

Section 5.13. Preferential Collection of Claims Against Obligor. If and when the Trustee shall be or shall become a creditor, of the Obligor (or of any other Obligor upon the Notes), the Trustee shall be subject to the provisions of the Trust Indenture Act regarding the collection of claims against the Obligor (or against any such other obligor, as the case may be).

Section 5.14. Appointment of Authenticating Agent.

(1) At any time when any of the Notes remain Outstanding the Trustee, with the approval of the Obligor, may appoint an Authenticating Agent or Agents which shall be authorized to act on behalf of the Trustee to authenticate Notes issued upon exchange, registration of transfer or partial redemption thereof or pursuant to Section 2.05, and Notes so authenticated shall be entitled to the benefits of this Indenture and shall be valid and obligatory for all purposes as if authenticated by the Trustee hereunder. Wherever reference is made in this Indenture to the authentication and delivery of Notes by the Trustee or the Trustee's certificate of authentication, such reference shall be deemed to include authentication and delivery on behalf of the Trustee by an Authenticating Agent and a certificate of authentication executed on behalf of the Trustee by an Authenticating Agent. Each Authenticating Agent shall be acceptable to the Obligor and shall at all times be a corporation organized and doing business under the laws of the United States of America, any state thereof or the District of Columbia, authorized under such laws to act as an Authenticating Agent, having a combined capital and surplus of not less than $50,000,000 and, if other than the Obligor itself, subject to supervision or examination by Federal or State authority. If such Authenticating Agent publishes reports of condition at least annually, pursuant to law or to the requirements of said supervising or examining authority, then for the purposes of this Section 5.14, the combined capital and surplus of such Authenticating Agent shall be deemed to be its combined capital and surplus as set forth in its most recent report of condition so published. If at any time an Authenticating Agent shall cease to be eligible in

accordance with the provisions of this Section 5.14, such Authenticating Agent shall resign immediately in the manner and with the effect specified in this Section 5.14.

(2) Any corporation into which an Authenticating Agent may be merged or converted or with which it may be consolidated, or any corporation resulting from any merger, conversion or consolidation to which such Authenticating Agent shall be a party, or any corporation succeeding to the corporate agency or corporate trust business of an Authenticating Agent, shall continue to be an Authenticating Agent, provided such corporation shall be otherwise eligible under this Section, without the execution or filing of any paper or any further act on the part of the Trustee or the Authenticating Agent.

(3) An Authenticating Agent may resign at any time by giving written notice thereof to the Trustee and, if other than the Obligor, to the Obligor. The Trustee may at any time terminate the agency of an Authenticating Agent by giving written notice thereof to such Authenticating Agent and, if other than the Obligor, to the Obligor. Upon receiving such a notice of resignation or upon such a termination, or in case at any time such Authenticating Agent shall cease to be eligible in accordance with the provisions of this Section, the Trustee, with the approval of the Obligor, may appoint a successor Authenticating Agent which shall be acceptable to the Obligor and shall mail written notice of such appointment by first-class mail, postage prepaid, to all Holders of Notes, as their names and addresses appear in the Security Register. Any successor Authenticating Agent upon acceptance of its appointment hereunder shall become vested with all the rights, powers and duties of its predecessor hereunder, with like effect as if originally named as an Authenticating Agent. No successor Authenticating Agent shall be appointed unless eligible under the provisions of this Section.

(4) The Trustee agrees to pay to each Authenticating Agent from time to time reasonable compensation for its services under this Section, and the Trustee shall be entitled to be reimbursed for such payments, subject to the provisions of Section 5.07.

(5) If an appointment is made pursuant to this Section, the Notes may have endorsed thereon, in addition to the Trustee's certificate of authentication, an alternate certificate of authentication in the following form:

This is one of the Notes referred to in the within-mentioned Indenture.

JPMorgan Chase Bank,
as Trustee

By_____

As Authenticating Agent

By_____
Authorized Officer

Article VI

HOLDERS' LISTS AND REPORTS BY TRUSTEE AND OBLIGOR

Section 6.01. Obligor to Furnish Trustee Names and Addresses of Holders. The Obligor will furnish or cause to be furnished to the Trustee:

(1) semi-annually, not more than 15 days after the Record Date for the payment of interest in respect of the Notes, in such form as the Trustee may reasonably require, a list of the names and addresses of the Holders of such Notes as of such date, and

(2) at such other times as the Trustee may request in writing, within 30 days after the receipt by the Obligor of any such request, a list of similar form and content as of a date not more than 15 days prior to the time such list is furnished, provided that if the Trustee shall be the Registrar, such list shall not be required to be furnished.

Section 6.02. Preservation of Information; Communications to Holders.

(1) The Trustee shall preserve, in as current a form as is reasonably practicable, the names and addresses of Holders of Notes contained in the most recent list furnished to the Trustee as provided in Section 6.01 and the names and addresses of Holders of Notes received by the Trustee in its capacity as Registrar. The Trustee may destroy any list furnished to it as provided in Section 6.01 upon receipt of a new list so furnished.

(2) If three or more Holders of Notes (hereinafter referred to as "applicants") apply in writing to the Trustee, and furnish to the Trustee reasonable proof that each such applicant has owned a Note for a period of at least six months preceding the date of such application, and such application states that the applicants desire to communicate with other Holders of Notes with respect to their rights under this Indenture or under the Notes and is accompanied by a copy of the form of proxy or other communication which such applicants propose to transmit, then the Trustee shall, within five Business Days after the receipt of such application, at its election, either:

(i) afford such applicants access to the information preserved at the time by the Trustee in accordance with Section 6.02(1), or

(ii) inform such applicants as to the approximate number of Holders of Notes, whose names and addresses appear in the information preserved at the time by the Trustee in accordance with Section 6.02(2), and as to the approximate cost of mailing to such Holders the form of proxy or other communication, if any, specified in such application.

If the Trustee shall elect not to afford such applicants access to such information, the Trustee shall, upon the written request of such applicants, mail to each Holder of a Note, whose names and addresses appear in the information preserved at the time by the Trustee in accordance with Section 6.02(1), a copy of the form of proxy or other communication which is specified in such request, with reasonable promptness after a tender to the Trustee of the material

to be mailed and of payment, or provision for the payment, of the reasonable expenses of mailing.

(3) Every Holder of Notes, by receiving and holding the same, agrees with the Obligor and the Trustee that neither the Obligor nor the Trustee shall be held accountable by reason of the disclosure of any such information as to the names and addresses of the Holders of Notes in accordance with Section 6.02(2), regardless of the source from which such information was derived, and that the Trustee shall not be held accountable by reason of mailing any material pursuant to a request made under Section 6.02(2).

Section 6.03. Reports by Trustee.

(1) The term "reporting date" as used in this Section, means May 15. Within 60 days after the reporting date in each year, beginning in 2003, the Trustee shall transmit by mail to all Holders, as their names and addresses appear in the Security Register, a brief report dated as of such reporting date with respect to (but if no such event has occurred within such period no report need be transmitted):

(i) any change to its eligibility under Section 5.09 and its qualifications under Section 5.08;

(ii) the character and amount of any advances (and if the Trustee elects so to state, the circumstances surrounding the making thereof) made by the Trustee (as such) which remain unpaid on the date of such report, and for the reimbursement of which it claims or may claim a lien or charge, prior to that of Notes, on any property or funds held or collected by it as Trustee, except that the Trustee shall not be required (but may elect) to report such advances if such advances so remaining unpaid aggregate not more than 1/2 of 1% of the principal amount of the Notes Outstanding on the date of such report;

(iii) any change to the amount, interest rate and maturity date of all other indebtedness owing by the Obligor (or by any other obligor on the Notes) to the Trustee in its individual capacity, on the date of such report, with a brief description of any property held as collateral security therefor, except an indebtedness based upon a creditor relationship arising in any manner described in Section 311(b)(2), (3), (4) or (6) of the TIA;

(iv) any change to the property and funds, if any, physically in the possession of the Trustee as such on the date of such report; and

(v) any action taken by the Trustee in the performance of its duties hereunder which it has not previously reported and which in its opinion materially affects the Notes, except action in respect of a default, notice of which has been or is to be withheld by the Trustee in accordance with Section 5.02.

(2) The Trustee shall transmit by mail to all Holders, as their names and addresses appear in the Security Register, a brief report with respect to the character and amount of any advances (and if the Trustee elects so to state, the circumstances surrounding the making thereof) made by the Trustee (as such) since the date of the last report transmitted pursuant to Section

6.03(1) (or if no such report has yet been transmitted, since the date of execution of this instrument) for the reimbursement of which it claims or may claim a lien or charge, prior to that of the Notes, on property or funds held or collected by it as Trustee, and which it has not previously reported pursuant to this Subsection, except that the Trustee shall not be required (but may elect) to report such advances if such advances remaining unpaid at any time aggregate 10% or less of the principal amount of the Notes Outstanding at such time, such report to be transmitted within 90 days after such time.

(3) The Trustee shall also transmit by mail the foregoing reports as required by Section 313(c) of the TIA.

Section 6.04. Reports by Obligor and Guarantor.

(1) The Obligor and the Guarantor shall comply with the provisions of Section 314(a) and 314(c) of the TIA (provided that unless this Indenture is hereafter qualified under the TIA, the Obligor and the Guarantor shall not be required to file with the Commission any information, documents or other reports that are otherwise filed with the Trustee or transmitted to Holders pursuant to this Section 6.04(1)).

(2) For so long as the Obligor or the Guarantor is not subject to Section 13 or Section 15(d) of the Exchange Act, upon the request of a Holder of the Notes, the Obligor and/or the Guarantor, as the case maybe, will promptly furnish or cause the Trustee to furnish to such Holder or to a prospective purchaser of a Note designated by such Holder, as the case may be, the information required to be delivered by it pursuant to Rule 144A(d)(4) under the Securities Act to permit compliance with Rule 144A in connection with resales of the Notes.

Article VII

CONSOLIDATION, MERGER, CONVEYANCE OR TRANSFER

Section 7.01. Obligor May Consolidate, Etc., Only on Certain Terms. The Obligor may consolidate or merge with or into, or transfer or lease all or substantially all of its assets to, any Entity that is organized and validly existing under the laws of any state of the United States of America or the District of Columbia, and may permit any such Entity to consolidate with or merge into the Obligor or transfer or lease all or substantially all of its assets to the Obligor, provided that:

(1) the Obligor will be the surviving Entity or, if not, that the successor Entity will expressly assume by a supplemental indenture, executed and delivered to the Trustee, in form satisfactory to the Trustee the due and punctual payment of the principal of and premium, if any, and interest on the Notes and the performance of every covenant of the Indenture to be performed or observed by the Obligor;

(2) immediately after giving effect to such transaction, no Event of Default, and no event which, after notice or lapse of time, or both, would become an Event of Default, will have happened and be continuing; and

(3) the Obligor shall have delivered to the Trustee an Officers' Certificate and an Opinion of Counsel, each stating that such consolidation, merger, transfer or lease and any such assumption involving the Obligor complies with the provisions of this Article VII.

Section 7.02. Guarantor May Consolidate, Etc., Only on Certain Terms. The Guarantor may consolidate or merge with or into, or transfer or lease all or substantially all of its assets to, any Entity, provided that:

(1) either the Guarantor will be the surviving Entity or, if not, that the successor Entity formed by such consolidation or into which the Guarantor is merged or the Entity which acquires by transfer or lease all or substantially all of the properties and assets of the Guarantor will be an Entity organized and existing under the laws of any state of the United States of America or the District of Columbia, and will expressly assume, by a supplemental indenture hereto, executed and delivered to the Trustee, in form satisfactory to the Trustee, all of the obligations of the Guarantor under this Indenture and the Guarantee;

(2) immediately after giving effect to such transaction, no Event of Default, and no event which, after notice or lapse of time, or both, would become an Event of Default, will have happened and be continuing; and

(3) the Guarantor shall have delivered to the Trustee an Officers' Certificate and an Opinion of Counsel, each stating that such consolidation, merger, transfer or lease and any such assumption involving the Guarantor complies with the provisions of this Article VII.

In the event that the Guarantee shall not become effective and the Guarantee Commencement Date shall not occur in accordance with the provisions of Section 11.01(3), the provisions of this Section 7.02 shall not be applicable to the Guarantor.

Section 7.03. Successor Entity Substituted. Upon any consolidation or merger, or any transfer or lease of all or substantially all of the properties and assets of the Obligor or the Guarantor in accordance with Section 7.01 or Section 7.02, as the case may be, the successor Entity will succeed to and be substituted for the Obligor or the Guarantor, as the case may be, as Obligor or Guarantor, as the case may be, on the Notes or on the Guarantee, as the case may be, with the same effect as if it had been named in this Indenture as the Obligor or as Guarantor, as the case may be, and the Obligor or the Guarantor, as the case may be, shall thereupon, except in the case of a lease, be released from all obligations hereunder and under the Notes and the Guarantee, as applicable.

Article VIII

SUPPLEMENTAL INDENTURES

Section 8.01. Supplemental Indentures Without Consent of Holders. Without the consent of the Holders of any Notes, the Obligor, the Guarantor and the Trustee, at any time and from time to time, may enter into one or more indentures supplemental hereto (which shall conform to the provisions of the TIA as in force at the date of execution thereof), in form satisfactory to the Trustee, for any of the following purposes:

(1) to evidence the succession of another Entity to the Obligor or the Guarantor, or successive successions, and the assumption by any such successor of the covenants, agreements and obligations of the Obligor or the Guarantor pursuant to Article VII; or

(2) to add to the covenants of the Obligor or the Guarantor such further covenants, restrictions or conditions for the protection of the Holders of the Notes as the Obligor, the Guarantor and the Trustee shall consider to be for the protection of the Holders of the Notes or to surrender any right or power herein conferred upon the Obligor or the Guarantor; or

(3) to evidence the surrender of any right or power of the Obligor or the Guarantor;

(4) to cure any defect or ambiguity, to correct or supplement any provision herein which may be inconsistent with any other provision herein or in any supplemental indenture, or to make any other provisions with respect to matters or questions arising under this Indenture; or

(5) to add to this Indenture such provisions as may be expressly permitted by the TIA as in effect at the date as of which this instrument is executed or any corresponding provision in any similar federal statute hereafter enacted; or

(6) to evidence and provide for the acceptance of appointment by another corporation as a successor Trustee hereunder;

(7) to add to the rights of the Holders of the Notes;

(8) to add any additional Events of Default in respect of the Notes; or

(9) to provide for the issuance of the Private Exchange Securities, which will have terms substantially identical to the Initial Notes except for the requirement of a Private Placement Legend and related transfer restrictions under the Securities Act and this Indenture and as to the applicability of additional interest payable as provided in Section 2.11, and which will be treated, together with any other Outstanding Notes, as a single class of securities.

No supplemental indenture for the purposes identified in clause (2), (3), (4) (7) or (8) above may be entered into if to do so would adversely affect the interest of the Holders of Notes.

Section 8.02. Supplemental Indentures with Consent of Holders. With the consent of the Holders of not less than a majority in aggregate principal amount of the Outstanding Notes affected thereby, by Act of said Holders delivered to the Obligor, the Guarantor and the Trustee, the Obligor, the Guarantor and the Trustee may from time to time and at any time enter into an indenture or indentures supplemental hereto for the purpose of adding any provisions to or changing in any manner or eliminating any of the provisions of this Indenture or of any supplemental indenture or of modifying in any manner the rights of the Holders of the Notes under this Indenture; provided, however, that no such supplemental indenture shall, without the consent of the Holder of each Outstanding Note affected thereby:

(1) change the Maturity Date or the stated payment date of any payment of premium or interest payable on any Note, or reduce the principal amount thereof, or any amount of interest payable thereon, or change the method of computing the amount of interest payable thereon on any date, or change any Place of Payment where, or the coin or currency in which, any Note or any payment of principal, premium or interest thereon is payable, or impair the right to institute suit for the enforcement of any such payment on or after the same shall become due and payable, whether at Maturity or, in the case of redemption on or after the Redemption Date; or

(2) reduce the percentage in principal amount of the Outstanding Notes, the consent of whose Holders is required for any such supplemental indenture, or the consent of whose Holders is required for any waiver of compliance with certain provisions of this Indenture or certain defaults hereunder and their consequences, provided for in this Indenture; or

(3) modify any of the provisions of this Section 8.02 or Section 4.13, except to increase any such percentage set forth in this Section 8.02 or Section 4.13 or to provide that certain other provisions of this Indenture cannot be modified or waived without the consent of the Holder of each Outstanding Note affected thereby.

It shall not be necessary for any Act of Holders under this Section 8.02 to approve the particular form of any proposed supplemental indenture, but it shall be sufficient if such Act shall approve the substance thereof.

Section 8.03. Execution of Supplemental Indentures. In executing, or accepting the additional trusts created by, any supplemental indenture permitted by this Article VIII or the modifications thereby of the trusts created by this Indenture, the Trustee shall be entitled to receive, and (subject to Section 5.01) shall be fully protected in relying upon, an Opinion of Counsel stating that the execution of such supplemental indenture is authorized or permitted by this Indenture. Upon request of the Obligor and, in the case of Section 8.02, upon filing with the Trustee of evidence of an Act of Holders as aforementioned, the Trustee and the Guarantor shall join with the Obligor in the execution of such supplemental indenture unless such supplemental indenture affects the Trustee's own rights, powers, trusts, duties or immunities under this Indenture or otherwise, in which case the Trustee may in its discretion, but shall not be obligated to, enter into such supplemental indenture.

Section 8.04. Effect of Supplemental Indentures. Upon the execution of any supplemental indenture under this Article VIII, this Indenture shall be and be deemed to be modified and amended in accordance therewith, and such supplemental indenture shall form a part of this Indenture for all purposes; and the respective rights, limitation of rights, duties, powers, trusts and immunities under this Indenture of the Trustee, the Obligor, the Guarantor and every Holder of Notes theretofore or thereafter authenticated and delivered hereunder shall be determined, exercised and enforced thereunder to the extent provided therein.

Section 8.05. Conformity with Trust Indenture Act. Every supplemental indenture executed pursuant to this Article VIII shall conform to the requirements of the TIA as then in effect.

ARTICLE IX

COVENANTS

Section 9.01. Payment of Principal, Premium and Interest. The Obligor will duly and punctually pay or cause to be paid the principal, premium, if any, and interest on the Notes on the dates and in the manner provided in the Notes, and will duly comply with all the other terms, agreements and conditions contained in this Indenture for the benefit of the Notes.

The Obligor shall pay interest (including post-petition interest in any proceeding under any Federal or state bankruptcy, insolvency, reorganization, or other similar law) on overdue principal and premium, if any, from time to time on demand at the applicable rate of interest determined from time to time in the manner provided for in the Notes; it shall pay interest (including post-petition interest in any proceeding under any Federal or State bankruptcy, insolvency, reorganization, or other similar law) on overdue installments of interest and (without regard to any applicable grace periods) from time to time on demand at the same rates to the extent lawful.

Section 9.02. Maintenance of Office or Agency. So long as any of the Notes remain outstanding, the Obligor will maintain an office or agency in the City of New York where Notes may be presented or surrendered for payment, where Notes may be surrendered for transfer or exchange, and where notices and demands to or upon the Obligor in respect of the Notes and this Indenture may be served. The Obligor will give prompt written notice to the Trustee of the location, and of any change in the location, of such office or agency. If at any time the Obligor shall fail to maintain such office or agency or shall fail to furnish the Trustee with the address thereof, such presentations, surrenders, notices and demands may be made or served at the principal Corporate Trust Office of the Trustee, and the Obligor hereby appoints the Trustee its agent to receive all such presentations, surrenders, notices and demands.

The Obligor may also from time to time designate one or more other offices or agencies where the Notes may be presented or surrendered for any or all such purposes and may from time to time rescind such designations; provided, however, that no such designation or rescission shall in any manner relieve the Obligor of its obligation to maintain an office or agency in the City of New York for such purposes. The Obligor shall give prompt written notice to the Trustee of any such designation or rescission and of any change in the location of any such other office or agency.

Section 9.03. Money for Note Payments to be Held in Trust. If the Obligor shall at any time act as its own Paying Agent, it will, on or before each due date of the principal, premium, if any, or interest on any of the Notes, segregate and hold in trust for the benefit of the Holders of the Notes a sum sufficient to pay such principal, premium or interest so becoming due until such sums shall be paid to such Holders of the Notes or otherwise disposed of as herein provided, and will promptly notify the Trustee of its action or failure so to act.

Whenever the Obligor shall have one or more Paying Agents, it will, on or prior to each due date of the principal, premium, if any, or interest, on any Notes, deposit with a Paying Agent a sum sufficient to pay such principal, premium, or interest so becoming due, such

sum to be held in trust for the benefit of the Holders of the Notes entitled to the same and (unless such Paying Agent is the Trustee) the Obligor will promptly notify the Trustee of its action or failure so to act.

The Obligor will cause each Paying Agent other than the Trustee to execute and deliver to the Trustee an instrument in which such Paying Agent shall agree with the Trustee, subject to the provisions of this Section, that such Paying Agent will:

(1) hold all sums held by it for the payment of principal, premium, if any, or interest, on Notes in trust for the benefit of the Holders of the Notes entitled thereto until such sums shall be paid to such Holders of the Notes or otherwise disposed of as herein provided;

(2) give the Trustee notice of any default by the Obligor (or any other obligor upon the Notes) in the making of any such payment of principal, premium, if any, or interest, on the Notes; and

(3) at any time during the continuance of any such default, upon the written request of the Trustee, forthwith pay to the Trustee all sums so held in trust by such Paying Agent.

The Obligor may, at any time, for the purpose of obtaining the satisfaction and discharge of this Indenture or for any other purpose, pay, or by Company Order direct any Paying Agent to pay, to the Trustee all sums held in trust by the Obligor or such Paying Agent or, if for any other purpose, all sums so held in trust by the Obligor in respect of all Notes, such sums to be held by the Trustee upon the same trusts as those upon which such sums were held by the Obligor or such Paying Agent; and, upon such payment by any Paying Agent to the Trustee, such Paying Agent shall be released from all further liability with respect to such money.

Section 9.04. Certificate to Trustee.

(1) The Obligor will deliver to the Trustee, within 120 days after the end of each fiscal year of the Obligor (beginning in 2003), an Officers' Certificate that complies with TIA Section 314(a)(4) stating that in thE course of the performance by the signers of their duties as officers of the Obligor, they would normally have knowledge of any default by the Obligor in the performance of any of its covenants or agreements contained herein, stating whether or not they have knowledge of any such default and, if so, specifying each such default of which the signers have knowledge and the nature thereof.

(2) The Guarantor will deliver to the Trustee, within 120 days after the end of each fiscal year of the Guarantor (beginning in 2003), an Officers' Certificate that complies with TIA Section 314(a)(4) stating that in THE course of the performance by the signers of their duties as officers of the Guarantor, they would normally have knowledge of any default by the Guarantor in the performance of any of its covenants or agreements contained herein, stating whether or not they have knowledge of any such default and, if so, specifying each such default of which the signers have knowledge and the nature thereof.

Section 9.05. Existence. Subject to Article VII, (1) the Obligor will do or cause to be done all things necessary to preserve and keep in full force and effect its limited liability

company existence and (2) the Guarantor will do or cause to be done all things necessary to preserve and keep in full force and effect its corporate existence.

Section 9.06. Limitation on Liens.

(1) Limitation on Liens with Respect to the Obligor: So long as any of the Notes shall be Outstanding, neither the Obligor nor any Restricted Subsidiary of the Obligor will incur, suffer to exist or guarantee any Debt, secured by a mortgage, pledge or lien (a "Lien") on any Principal Property (as such term is defined with respect to the Obligor) or on any shares of stock of (or other interests in) any Restricted Subsidiary of the Obligor unless the Obligor or such first mentioned Restricted Subsidiary secures or the Obligor causes such Restricted Subsidiary to secure the Notes (and any other Debt of the Obligor or such Restricted Subsidiary, at the option of the Obligor or such Restricted Subsidiary, as the case may be, not subordinate to the Notes), equally and ratably with (or prior to) such secured Debt, for so long as such secured Debt shall be so secured. This restriction will not, however, apply to Debt secured by:

(i) Liens existing prior to the issuance of the Notes;

(ii) Liens on property of or shares of stock of (or other interests in) any Entity existing at the time such Entity becomes a Restricted Subsidiary of the Obligor;

(iii) Liens on property or shares of stock of (or other interests in) any Entity existing at the time of acquisition thereof (including acquisition through merger or consolidation);

(iv) any Lien securing indebtedness incurred to finance all or any part of the purchase price of property or the cost of construction of such property (or additions, substantial repairs, alterations or substantial improvements thereto), provided that such Lien and the indebtedness secured thereby are incurred within 365 days after the later of acquisition of such property or the completion of construction (or addition, repair, alteration or improvement) thereon and the commencement of full operation thereof;

(v) Liens in favor of the Obligor or any of its Restricted Subsidiaries;

(vi) Liens in favor of, or required by contracts with, governmental entities; or

(vii) any extension, renewal, or refunding referred to in any of the preceding clauses (i) through (vi), provided that in the case of a Lien permitted under clause (i), (ii), (iii), (iv) or (v), the Debt secured is not increased nor the Lien extended to any additional assets.

Notwithstanding the foregoing, the Obligor or any of its Restricted Subsidiaries may incur, suffer to exist or guarantee any Debt secured by a Lien on any Principal Property (as such term is defined with respect to the Obligor) or on any shares of stock of (or other interests in) any Restricted Subsidiary of the Obligor if, after giving effect thereto, the aggregate amount of Exempted Debt does not exceed 15% of Consolidated Net Tangible Assets of the Obligor.

(2) Limitation on Liens with Respect to the Guarantor. On and after the Guarantee Commencement Date (in the event that the Guarantee Commencement Date shall occur) and so long as any of the Notes shall be Outstanding, neither the Guarantor nor any Restricted Subsidiary of the Guarantor will incur, suffer to exist or guarantee any Debt, secured by a Lien on any Principal Property (as such term is defined with respect to the Guarantor) or on any shares of stock of (or other interests in) any Restricted Subsidiary of the Guarantor unless the Guarantor or such first mentioned Restricted Subsidiary secures or the Guarantor causes such Restricted Subsidiary to secure the Guarantee (and any other Debt of the Guarantor or such Restricted Subsidiary, at the option of the Guarantor or such Restricted Subsidiary, as the case may be, not subordinate to the Guarantee), equally and ratably with (or prior to) such secured Debt, for so long as such secured Debt shall be so secured. This restriction will not, however, apply to Debt secured by:

(i) Liens existing prior to the Guarantee Commencement Date;

(ii) Liens on property of or shares of stock of (of other interests in) any Entity existing at the time such Entity becomes a Restricted Subsidiary of the Guarantor;

(iii) Liens on property or shares of stock of (of other interests in) any Entity existing at the time of acquisition thereof (including acquisition through merger or consolidation) or to secure the payment of all or part of the purchase price thereof or construction or improvements on such property or to secure any Debt incurred prior to, at the time of, or within 365 days after the later of the acquisition, the completion of construction, or the commencement of full operation of such property, or within 365 days after the acquisition of such shares (or other interests) for the purpose of financing all or any part of the purchase price of such shares (or other interests);

(iv) Liens in favor of the Guarantor or any of its Restricted Subsidiaries;

(v) Liens in favor of, or required by contracts with, governmental entities; and

(vi) any extension, renewal, or refunding referred to in any of the preceding clauses (i) through (v).

Notwithstanding the foregoing, the Guarantor or any of its Restricted Subsidiaries may incur, suffer to exist or guarantee any Debt secured by a Lien on any Principal Property (as such term is defined with respect to the Guarantor) or on any shares of stock of (or other interests in) any Restricted Subsidiary of the Guarantor if, after giving effect thereto, the aggregate amount of such Debt does not exceed 15% of Consolidated Net Tangible Assets of the Guarantor.

The transfer of a Principal Property by the Guarantor to an Unrestricted Subsidiary of the Guarantor or the change in designation by the Guarantor of a Subsidiary which owns a Principal Property from Restricted Subsidiary to Unrestricted Subsidiary shall not be restricted.

Section 9.07. Limitation on Sale-Leaseback Transactions.

(1) The Obligor will not, and will not permit, any of its Restricted Subsidiaries to, sell or transfer, directly or indirectly, except to the Obligor or a Restricted Subsidiary of the Obligor, any Principal Property (as such term is defined with respect to the Obligor) as an entirety, or any substantial portion thereof, with the intention of taking back a lease of all or part of such property, except a lease for a period of three years or less at the end of which it is intended that the use of such property by the lessee will be discontinued; provided that, notwithstanding the foregoing, the Obligor or any of its Restricted Subsidiaries may sell a Principal Property (as such term is defined with respect to the Obligor) and lease it back for a longer period (i) if the Obligor or such Restricted Subsidiary would be entitled, pursuant to Section 9.06(1), to create a Lien on the property to be leased securing Debt in an amount equal to the Attributable Debt with respect to the sale and lease-back transaction without equally and ratably securing the Outstanding Notes or (ii) if (A) the Obligor promptly informs the Trustee of such transactions, (B) the net proceeds of such transactions are at least equal to the fair value (as determined by a Managing Directors Resolution) of such property and (C) the Obligor causes an amount equal to the net proceeds of the sale to be applied either (x) to the retirement (whether by redemption, cancellation after open-market purchases, or otherwise), within 365 days after receipt of such proceeds, of Funded Debt having an outstanding principal amount equal to such net proceeds or (y) to the purchase or acquisition (or in the case of property, the construction) of property or assets used in the business of the Obligor or any Restricted Subsidiary, within 365 days after receipt of such proceeds.

(2) Notwithstanding Section 9.07(1), the Obligor or any Restricted Subsidiary of the Obligor may enter into sale and lease-back transactions in addition to those permitted by Section 9.07(1), and without any obligation to retire any outstanding Funded Debt or to purchase property or assets, provided that at the time of entering into such sale and lease-back transactions and after giving effect thereto, Exempted Debt does not exceed 15% of Consolidated Net Tangible Assets of the Obligor.

ARTICLE X

REDEMPTION OF NOTES

Section 10.01. Election to Redeem; Notice to Trustee. If the Obligor elects to redeem Notes pursuant to the optional redemption provisions of Section 10.05, it shall furnish to the Trustee, at least 45 days but not more than 60 days before the Redemption Date, an Officers' Certificate setting forth (1) the Redemption Date, and (2) the CUSIP or ISIN numbers of the Notes to be redeemed.

Section 10.02. Notice of Redemption.

(1) Notice of redemption shall be given by first-class mail, postage prepaid, mailed not fewer than 30 nor more than 60 days prior to the Redemption Date, to each Holder of the Notes, at his or her address appearing in the Security Register.

(2) All notices of redemption shall state:

(i) the Redemption Date;

(ii) the manner of calculating the Redemption Price;

(iii) that on the Redemption Date the Redemption Price will become due and payable upon each Note, and that interest, if any, thereon shall cease to accrue from and after said date;

(iv) the place where the Notes are to be surrendered for payment of the Redemption Price, which shall be the office or agency maintained by the Obligor pursuant to Section 9.02;

(v) the name and address of the Paying Agent;

(vi) that the Notes must be surrendered to the Paying Agent to collect the Redemption Price; and

(vii) the CUSIP and/or ISIN number, and that no representation is made as to the correctness or accuracy of the CUSIP and/or ISIN number, if any, listed in such notice or printed on the Notes.

(3) Notice of redemption of the Notes shall be given by the Obligor or, at the Obligor's request, by the Trustee in the name and at the expense of the Obligor.

Section 10.03. Deposit of Redemption Price. On or prior to 10 a.m. on any Redemption Date, the Obligor shall deposit with the Trustee or with a Paying Agent (or, if the Obligor is acting as its own Paying Agent, segregate and hold in trust as provided in Section 9.03) an amount of money sufficient to pay the Redemption Price of all the Notes.

Section 10.04. Notes Payable on Redemption Date.

(1) Notice of redemption having been given as aforesaid, the Notes shall, on the Redemption Date, become due and payable at the Redemption Price therein specified and from and after such date (unless the Obligor shall default in the payment of the Redemption Price) the Notes shall cease to bear interest. Upon surrender of the Notes for redemption in accordance with the notice, the Notes shall be paid by the Obligor at the Redemption Price. Any installment of interest due and payable on or prior to the Redemption Date shall be payable to the Holders of the Notes registered as such on the relevant Record Date according to the terms and the provisions of Section 2.06.

(2) If any Note called for redemption shall not be so paid upon surrender thereof for redemption, the principal shall, until paid, bear interest from the Redemption Date at the rate borne by the Note.

Section 10.05. Optional Redemption. The Notes will be redeemable in whole but not in part at any time at the option of the Obligor, at the Redemption Price equal to the greater of:

(1) 100% of the principal amount of the Outstanding Notes, or

(2) as determined by an Independent Investment Banker, the sum of the present values of the remaining scheduled payments of principal and interest on the Outstanding Notes from the Redemption Date to the Maturity Date discounted to the date of redemption on a semi-annual basis (assuming a 360-day year consisting of twelve 30-day months) at a discount rate equal to the Treasury Rate plus 15 basis points;

plus, for (1) or (2) above, whichever is applicable, accrued and unpaid interest on the Notes to the Redemption Date. The Treasury Rate shall be calculated on the third Business Day preceding the Redemption Date and notice thereof shall promptly be given by the Obligor to the Trustee.

Any redemption pursuant to this Section 10.05 shall be made pursuant to the provisions of Section 10.01 through 10.04.

Section 10.06. Mandatory Redemption. The Obligor shall not be required to make mandatory redemption or sinking fund payments with respect to the Notes.

ARTICLE XI

GUARANTEE

Section 11.01. Guarantee.

(1) Provisions Relating to a Full Guarantee.

(i) Subject to the provisions of this Article XI, in the event that:

(a) the Obligor has deposited irrevocably with the 2004 Notes Trustee, prior to the 2004 Notes Payment Deposit Date, sufficient cash in immediately available funds to pay in full the principal of and interest and premium, if any, that will become due and payable on the 2004 Notes on the 2004 Notes Payment Date; or

(b) (x) the Obligor has not deposited irrevocably with the 2004 Notes Trustee, prior to the 2004 Notes Payment Deposit Date, sufficient cash in immediately available funds to pay in full the principal of and interest and premium, if any, that will become due and payable on the 2004 Notes on the 2004 Notes Payment Date and (y) the Guarantor has not delivered to the Obligor and the Trustee an Officers' Certificate by 5:00 p.m., New York City time, on the 2004 Notes Payment Deposit Date, stating that the Guarantor has determined in good faith that the Guarantor is likely to have to pay some or all of the principal amount of the 2004 Notes (and the interest and premium, if any, with respect thereto) due and payable on the 2004 Notes Payment Date under the 2004 Notes Guarantee; then,

beginning on the Guarantee Commencement Date, the Guarantor unconditionally and irrevocably guarantees to each Holder of a Note authenticated and delivered by the Trustee and to the Trustee and its successors and assigns, that: (a) the principal of,

premium, if any, and interest on the Notes will be duly and punctually paid in full when due, whether at stated maturity, by acceleration, redemption or otherwise, together with interest on overdue principal, and premium, if any, and (to the extent permitted by law) interest on any interest, if any, on the Notes and all other monetary obligations of the Obligor to the Holders hereunder or under the Notes will be promptly paid in full, all in accordance with the terms hereof; and (b) in case of any extension of time of payment or renewal of any of the Notes or any of such other monetary obligations, the same will be promptly paid in full when due or performed in accordance with the terms of the extension or renewal, whether at stated maturity, by acceleration, redemption or otherwise.

(ii) In the event of the foregoing, on or promptly after the 2004 Notes Payment Deposit Date, the Guarantor shall notify the Trustee of the Guarantee Commencement Date and of the Guarantor's full Guarantee.

(2) Provisions Relating to a Partial Guarantee.

(i) Subject to the provisions of this Article XI, in the event that:

(a) the Obligor has not deposited irrevocably with the 2004 Notes Trustee, prior to the 2004 Notes Payment Deposit Date, sufficient cash in immediately available funds to pay in full the principal of and interest and premium, if any, that will become due and payable on the 2004 Notes on the 2004 Notes Payment Date; and

(b) the Guarantor has delivered to the Obligor and the Trustee an Officers' Certificate by 5:00 p.m., New York City time, on the 2004 Notes Payment Deposit Date, stating that the Guarantor has determined in good faith that the Guarantor is likely to have to pay some but not all of the principal amount of the 2004 Notes (and the interest and premium, if any, with respect thereto) due and payable on the 2004 Notes Payment Date under the 2004 Notes Guarantee (the "Partial Payment Notice"); then,

beginning on the Guarantee Commencement Date, the Guarantor unconditionally and irrevocably guarantees to each Holder of a Note authenticated and delivered by the Trustee and to the Trustee and its successors and assigns, that (x) the Partial Guarantee Percentage of each of the principal of, premium, if any, and interest on the Notes will be duly and punctually paid in full when due, whether at stated maturity, by acceleration, redemption or otherwise, together with interest on the Partial Guarantee Percentage of such overdue principal, and premium, if any, and (to the extent permitted by law) interest, if any, on the Notes and the Partial Guarantee Percentage of all other monetary obligations of the Obligor to the Holders hereunder or under the Notes, all in accordance with the terms hereof; and (y) in case of any extension of time of payment or renewal of any of the Notes or any of such other monetary obligations, the amount set forth in clause (x) above will be promptly paid in full when due or performed in accordance with the terms of the extension or renewal, whether at stated maturity, by acceleration, redemption or otherwise.

(ii) In the event of the foregoing, on or promptly after the 2004 Notes Payment Deposit Date, the Guarantor shall notify the Trustee as to the Guarantee Commencement Date, of the Guarantor's partial Guarantee and of the Partial Guarantee Percentage.

(iii) In the event that (a) the Obligor defaults in the payment of principal of and interest and premium, if any, on the Outstanding Notes upon the Maturity Date, the Redemption Date or by acceleration or otherwise, in each case, on and after the Guarantee Commencement Date (in the event that the Guarantee Commencement Date shall occur), and (b) the Guarantor makes the payment of the Partial Guarantee Percentage of each of the principal of and interest and premium, if any, on the Outstanding Notes under the Guarantor's partial Guarantee, a replacement Note in the principal amount equal to the principal of the Note that was not paid or redeemed will be issued in the name of the Holder of the Note upon cancellation of the original Note, and upon request of the Obligor, the Trustee shall authenticate and deliver such replacement Note. Any such replacement Note shall not have an executed Guarantee endorsed thereon and shall accrue interest from the most recent date to which interest has been paid or duly provided for or, if no interest has been paid, from the Issue Date. The issuance of such replacement Note shall be deemed to be a replacement of the cancelled Note and not the incurrence of new or additional indebtedness under this Indenture.

(3) Provisions Relating to the Absence of a Guarantee:

(i) In the event that:

(a) prior to the Scheduled Guarantee Commencement Date, there occurs an Event of Default or any default or other event which, with the giving of notice or passage of time, would constitute an Event of Default under this Indenture or the Notes; or

(b) (x) the Obligor has not deposited irrevocably with the 2004 Notes Trustee, prior to the 2004 Notes Payment Deposit Date, sufficient cash in immediately available funds to pay in full the principal of and interest and premium, if any, that will become due and payable on the 2004 Notes on the 2004 Notes Payment Date and (y) the Guarantor has delivered to the Obligor and the Trustee an Officers' Certificate by 5:00 p.m., New York City time, on the 2004 Notes Payment Deposit Date, stating that the Guarantor has determined in good faith that the Guarantor is likely to have to pay all of the principal amount of the 2004 Notes (and the interest and premium, if any, with respect thereto) due and payable on the 2004 Notes Payment Date under the 2004 Notes Guarantee; then

the Guarantee shall not become effective, the Guarantee Commencement Date shall not occur, and the Guarantor shall not have any obligations under the Guarantee or the Indenture.

(ii) Promptly upon the occurrence of any event described in clause (a) or (b) of Section 11.03(1), the Guarantor shall notify the Trustee that the Guarantee shall not become effective and that the Guarantee Commencement Date shall not occur.

(4) In accordance with the terms of this Article XI and the Guarantee, failing payment when due of any amount so guaranteed, or failing performance of any other monetary obligation of the Obligor to the Holders, for whatever reason, the Guarantor will be obligated to pay, or to perform or to cause the performance of, such amount so guaranteed immediately. An Event of Default under this Indenture or the Notes shall constitute an event of default under the Guarantee, and shall entitle the Holders of the Notes to accelerate the obligations of the Guarantor under the Guarantee in the same manner and to the same extent as the obligations of the Obligor.

(5) In accordance with the terms of this Article XI and the Guarantee, the Guarantor hereby agrees that its obligations under the Guarantee shall be unconditional, irrespective of the validity, regularity or enforceability of the Notes or this Indenture, the absence of any action to enforce the same, any waiver or consent by any Holder of the Notes with respect to any thereof, the entry of any judgment against the Obligor, any action to enforce the same or any other circumstance which might otherwise constitute a legal or equitable discharge or defense of the Guarantor. The Guarantor hereby waives and relinquishes: (i) any right to require the Trustee, the Holders or the Obligor (each, a "Benefitted Party") to proceed against the Obligor or any other Person or to proceed against or exhaust any security held by a Benefitted Party at any time or to pursue any other remedy in any secured party's power before proceeding against the Guarantor; (ii) any defense that may arise by reason of the incapacity, lack of authority, death or disability of any other Person or Persons or the failure of a Benefitted Party to file or enforce a claim against the estate (in administration, bankruptcy or any other proceeding) of any other Person or Persons; (iii) demand, protest and notice of any kind (except as expressly required by this Indenture), including but not limited to notice of any action or non-action on the part of the Guarantor, the Obligor, any Benefitted Party, any creditor of the Guarantor, the Obligor or on the part of any other Person whomsoever in connection with any obligations the performance of which are guaranteed under the Guarantee; (iv) any defense based upon an election of remedies by a Benefitted Party, including but not limited to an election to proceed against the Guarantor for reimbursement; (v) any defense based upon any statute or rule of law which provides that the obligation of a surety must be neither larger in amount nor in other respects more burdensome than that of the principal; and (vi) any defense based on any borrowing or grant of a security interest under Section 364 of the Bankruptcy Code. The Guarantor hereby covenants that the Guarantee will not be discharged except (a) in the event the Guarantee Commencement Date shall occur, (x) by payment in full of all principal, premium, if any, and interest on the Notes and all other monetary obligations to the Holders to the extent provided for under this Indenture by the Obligor or (y) by payment in full of all of or the Partial Guarantee Percentage of (as the case may be) the principal, premium, if any, and interest on the Notes and all other monetary obligations to the Holders to the extent provided for under this Indenture by the Guarantor, (b) before any Scheduled Guarantee Commencement Date, by the payment in full of all of the principal, premium, if any, and interest on the Notes and all other monetary obligations to the Holders to the extent provided for under this Indenture, (c) upon the occurrence of any event described in clause (i) of Section 11.01(3), (d) upon satisfaction and discharge of this Indenture in accordance with Section 3.01 or (e) upon the occurrence of Legal Defeasance in accordance with Section 3.02(a). This is a Guarantee of payment and not of collectibility.

(6) If any Holder or the Trustee is required by any court or otherwise to return to either the Obligor or the Guarantor, or any trustee or similar official acting in relation to either the Obligor or the Guarantor, any amount paid by the Obligor or the Guarantor to the Trustee or such Holder, the Guarantee, to the extent theretofore discharged, shall be reinstated in full force and effect. The Guarantor agrees that it will not be entitled to any right of subrogation in relation to the Holders in respect of any obligations guaranteed under the Guarantee until payment in full of all obligations guaranteed hereby. The Guarantor agrees that, as between it, on the one hand, and the Holders of the Notes and the Trustee, on the other hand, (i) the maturity of the obligations guaranteed under the Guarantee may be accelerated as provided in Article V for the purposes hereof, notwithstanding any stay, injunction or other prohibition preventing such acceleration in respect of the obligations guaranteed hereby, and (ii) in the event of any acceleration of such obligations as provided in Article V, such obligations so guaranteed under the Guarantee (whether or not due and payable) shall forthwith become due and payable by such Guarantor for the purpose of the Guarantee.

Section 11.02. Execution and Delivery of the Guarantee.

(1) To evidence the Guarantee set forth in Section 11.01, the Guarantor agrees that a notation of the Guarantee substantially in the form included in Exhibit D hereto shall be endorsed on each Note authenticated and delivered by the Trustee (except as otherwise provided in Sections 2.01(1) and 11.01(2)(iii)) and executed on behalf of the Guarantor by one of the Officers of the Guarantor by manual or facsimile signature. The Guarantor agrees that the Guarantee set forth in this Article XI will remain in full force and effect and apply to all the Notes, notwithstanding any failure to endorse on each Note a notation of the Guarantee (except as otherwise provided in Section 11.01(2)(iii)).

(2) If an Officer of the Guarantor whose manual or facsimile signature is on a Guarantee no longer holds that office at the time the Trustee authenticates the Note on which the Guarantee is endorsed, the Guarantee shall be valid nevertheless.

(3) The delivery of any Note by the Trustee, after the authentication thereof hereunder, shall constitute due delivery of the Guarantee endorsed on such Note on behalf of the Guarantor.

Section 11.03. Limitation of the Guarantor's Liability.

The Guarantor, and by its acceptance hereof, each Holder, hereby confirms that it is the intention of both parties that the Guarantee not constitute a fraudulent transfer or conveyance for purposes of the Bankruptcy Law, the Uniform Fraudulent Conveyance Act, the Uniform Fraudulent Transfer Act or any similar Federal or State law. To effectuate the foregoing intention, the Holders and the Guarantor hereby irrevocably agree that the obligations of the Guarantor under this Article XI shall be limited to the maximum amount as will, after giving effect to all other contingent and fixed liabilities of the Guarantor, result in the obligations of the Guarantor under the Guarantee not constituting a fraudulent transfer or conveyance under federal or state law.

IN WITNESS WHEREOF, the parties hereto have caused this Indenture to be duly executed as of the day and year first above written.

Bottling Group, LLC

By: /s/ Steven M. Rapp

Name: Steven M. Rapp
Title: Managing Director-Delegatee

PepsiCo, Inc.

By: /s/ Lionel L. Nowell III

Name: Lionel L. Nowell III
Title: Senior Vice President and Treasurer

JPMorgan Chase Bank

By: /s/ James P. Freeman

Name: James P. Freeman
Title: Vice President

EXHIBIT A

FORM OF INITIAL NOTE

[FORM OF FACE OF INITIAL NOTE]

[Insert Global Note Legend, if applicable, pursuant to the provisions of the Indenture]
[Insert Private Placement Legend, if applicable, pursuant to the provisions of the Indenture]

CUSIP No._____
[Include if the Note is a Regulation S Global Note:][ISIN No._____]

BOTTLING GROUP, LLC

4 5/8% Senior Note due November 15, 2012

No. R-_____ $_____
[If the Note is a Global Note, include the following:] as revised by the Schedule of Exchanges of Interests in the Global Note attached hereto

BOTTLING GROUP, LLC, a Delaware limited liability company (herein called the "Obligor"), for value received, hereby promises to pay to [insert if a Global Note: Cede & Co. as nominee for The Depository Trust Company] [insert if a Definitive Note: _____] (the "Holder") or to its registered assigns, the principal sum of U.S.$_____ [Insert if a Global Note: or such other principal amount as shall be set forth on the Schedule of Exchanges of Interests in the Global Note attached hereto] on November 15, 2012 (the "Maturity Date"), and to pay interest on said principal sum semi-annually on May 15 and November 15 of each year (each, an "Interest Payment Date"), commencing May 15, 2003, at the rate of 4 5/8% per annum of the principal amount then outstanding from the original issuance date of the Notes, until payment of the principal sum has been made or duly provided for, and Additional Interest, if any, payable pursuant to Section 6 of the Registration Rights Agreement.

The interest so payable and punctually paid or duly provided for on any Interest Payment Date will, as provided in the Indenture, be paid to the person in whose name this Note (or one or more Predecessor Notes) is registered at the close of business on the Record Date for such Interest Payment Date, which shall be the 15th day (whether or not a Business Day) next preceding such Interest Payment Date, provided that interest payable on an Interest Payment Date that is a Redemption Date or the Maturity Date shall be payable to the Person to whom principal is payable. Any such interest that is payable but is not so punctually paid or duly provided for shall forthwith cease to be payable to the registered Holder on such Record Date and may be paid to the Person in whose name this Note (or one or more Predecessor Notes) is registered at the close of business on a Special Record Date for the payment of such Defaulted Interest to be fixed by the Trustee, notice whereof shall be given to Holders of Notes not earlier than 10 days prior to such Special Record Date.

Payment of the principal and interest on this Note will be made at the Place of Payment in such coin or currency of the United States of America as at the time of payment is legal tender for payment of public and private debts.

Reference is made to the further provisions of this Note and to certain definitions set forth on the reverse hereof, which shall have the same effect as though fully set forth at this place. Unless the certificate of authentication hereon has been executed by or on behalf of the Trustee by manual signature, this Note shall not be entitled to any benefit under the Indenture or be valid or obligatory for any purpose.

IN WITNESS WHEREOF, the Obligor has caused this instrument to be duly executed by manual or facsimile signature.

Dated:

BOTTLING GROUP, LLC

By:

Authorized Officer

By:

Authorized Officer

[FORM OF TRUSTEE'S CERTIFICATE OF AUTHENTICATION]

This is one of the Notes referred to in the within-mentioned Indenture.

JPMORGAN CHASE BANK, as Trustee

By:

Authorized Officer

[FORM OF REVERSE OF INITIAL NOTE]

BOTTLING GROUP, LLC

4 5/8% Senior Note due November 15, 2012

Capitalized terms used herein shall have the meanings assigned to them in the Indenture referred to below unless otherwise indicated.

1. INTEREST. Bottling Group, LLC, a Delaware limited liability company (the "Obligor"), promises to pay interest on the principal amount of this Note at the rate of 4 5/8% per annum from November 15, 2002 until payment of the principal amount hereof has been made or duly provided for. The Obligor shall pay interest on each Interest Payment Date (or if such day is not a Business Day, on the next succeeding Business Day and no interest on the amount payable on such Interest Payment Date shall accrue for the intervening period). Interest on the Notes shall accrue from the most recent date to which interest has been paid or duly provided for or, if no interest has been paid, from the Issue Date; provided that if there is no existing default or Event of Default relating to the payment of interest, and if this Note is authenticated between a Record Date referred to on the face hereof and the next succeeding Interest Payment Date, interest shall accrue from such next succeeding Interest Payment Date; provided, further, that the first Interest Payment Date shall be May 15, 2003. The Obligor shall pay interest (including post-petition interest in any proceeding under any Federal or State bankruptcy, insolvency, reorganization, or other similar law) on overdue principal and premium, if any, from time to time on demand at the rate borne by this Note. The Obligor shall pay interest (including post-petition interest in any proceeding under any Federal or State bankruptcy, insolvency, reorganization, or other similar law) on overdue installments of interest (without regard to any applicable grace periods) from time to time on demand at the same rate to the extent lawful. Interest shall be computed on the basis of a 360-day year of twelve 30-day months.

2. ADDITIONAL INTEREST. The Holder of this Note is entitled to the benefits of the Registration Rights Agreement relating to the Notes, dated as of November 7, 2002, among the Obligor, the Guarantor and the several initial purchasers named therein (the "Registration Rights Agreement"), including the right to receive, in the circumstances described therein, additional interest ("Additional Interest").

All accrued Additional Interest shall be paid by the Obligor and the Guarantor to the Holders entitled thereto in the same manner as interest payments on the Notes on the regular interest payment dates with respect to the Notes.

3. METHOD OF PAYMENT. The Obligor shall pay interest on the Notes (except Defaulted Interest) to the Persons who are registered Holders of Notes on the Record Date therefor, even if such Notes are cancelled after such Record Date and on or before such Interest Payment Date, except as provided in Section 2.06 of the Indenture, provided that interest payable on an Interest Payment Date that is a Redemption Date or the Maturity Date shall be payable to the Person to whom principal is payable. The Notes shall be payable as to principal, premium, if any, and interest at the office or agency of the Obligor maintained for such purpose as set forth in Section 9.02 of the Indenture, or, at the option of the Obligor, payment of interest

may be made by check mailed to the Holders at their addresses set forth in the Security Register, and provided that payment by wire transfer of immediately available funds shall be required with respect to principal of, premium, if any, and interest on Global Notes and a Holder of $10,000,000 or more in aggregate principal amount of Notes will be entitled to receive payments of interest, other than interest due at maturity or any date of redemption, by wire transfer of immediately available funds if appropriate wire transfer instructions have been received by the Trustee in writing not less than 15 calendar days prior to the applicable Interest Payment Date. Payment of principal of, premium, if any, and interest on the Notes shall be in such coin or currency of the United States of America as at the time of payment is legal tender for payment of public and private debts.

4. PAYING AGENT AND REGISTRAR. Initially, JPMorgan Chase Bank, the Trustee under the Indenture, shall act as Paying Agent and Registrar. The Obligor may appoint and change any Paying Agent or Registrar without notice to any Holder. The Obligor or any of its Subsidiaries may act in any such capacity.

5. INDENTURE. The Obligor issued the Notes under an Indenture dated as of November 15, 2002 (as it may be amended or supplemented from time to time in accordance with the terms thereof, the "Indenture") among the Obligor, the Guarantor and the Trustee. The terms of the Notes include those stated in the Indenture and those made part of the Indenture by reference to the Trust Indenture Act. The Notes are subject to all such terms, and Holders are referred to the Indenture and the Trust Indenture Act for a statement of such terms. To the extent any provision of this Note conflicts with the express provisions of the Indenture, the provisions of the Indenture shall govern and be controlling.

6. OPTIONAL REDEMPTION. The Notes will be redeemable, in whole but not in part, upon not less than 30 nor more than 60 days' notice, at any time at the option of the Obligor, at the Redemption Price equal to the greater of: (1) 100% of the principal amount of the Outstanding Notes or (2) as determined by an Independent Investment Banker, the sum of the present value of the remaining scheduled payments of principal and interest on the Notes from the Redemption Date to the Maturity Date discounted to the Redemption Date on a semi-annual basis (assuming a 360-day year consisting of twelve 30-day months) at a discount rate equal to the Treasury Rate plus 15 basis points; plus, for (1) or (2) above, whichever is applicable, accrued and unpaid interest on the Notes to the Redemption Date.

7. MANDATORY REDEMPTION. The Obligor shall not be required to make mandatory redemption or sinking fund payments with respect to the Notes.

8. NOTICE OF REDEMPTION. Notice of redemption shall be mailed at least 30 days but not more than 60 days before the Redemption Date to each Holder whose Notes are to be redeemed at its registered address.

9. DENOMINATIONS, TRANSFER, EXCHANGE. The Notes are in registered form without coupons in minimum denominations of $1,000 and integral multiples of $1,000 in excess thereof. The transfer of Notes may be registered and Notes may be exchanged as provided in the Indenture. The Registrar and the Trustee may require

a Holder, among other things, to furnish appropriate endorsements and transfer documents and the Obligor may require a Holder to pay any taxes and fees required by law or permitted by the Indenture. The Obligor need not exchange or register the transfer of any Note called for redemption. Also, the Obligor need not exchange or register the transfer of any Notes for a period of 15 days before the mailing of a notice of redemption.

10. PERSONS DEEMED OWNERS. Except as provided in the Indenture, the registered Holder of a Note on the Registrar's books may be treated as its owner for all purposes under the Indenture.

11. AMENDMENT, SUPPLEMENT AND WAIVER. The Indenture permits, with certain exceptions as therein provided, the amendment thereof and the modification of the rights and obligations of the Obligor and the Guarantor and the rights of the Holders of the Notes under the Indenture at any time by the Obligor, the Guarantor and the Trustee with the consent of the Holders of a majority in aggregate principal amount of the Outstanding Notes affected thereby. The Indenture also contains provisions permitting the Holders of a majority in aggregate principal amount of the Notes at the time Outstanding, on behalf of the Holders of all Notes, to waive certain past defaults under the Indenture and their consequences. Any such consent or waiver by the Holder of this Note shall be conclusive and binding upon such Holder and upon all future Holders of this Note and of any Note issued upon the registration of transfer hereof or in exchange herefor or in lieu hereof, whether or not notation of such consent or waiver is made upon this Note.

12. DEFAULTS AND REMEDIES. The Indenture provides that each of the following events constitutes an Event of Default with respect to this Note: (i) on and after the Issue Date: (A) failure to make any payment of principal when due (whether at maturity, upon redemption or otherwise) on the Notes; (B) failure to make any payment of interest when due on the Notes, which failure is not cured within 30 days; (C) failure of the Obligor to observe or perform any of its other covenants or warranties under the Indenture for the benefit of the holders of the Notes, which failure is not cured within 90 days after notice is given as specified in the Indenture; (D) certain events of bankruptcy, insolvency, or reorganization of the Obligor, PBG or any Restricted Subsidiary of PBG; (E) the maturity of any Debt of the Obligor, PBG or any Restricted Subsidiary of PBG having a then outstanding principal amount in excess of $50 million shall have been accelerated by any holder or holders thereof or any trustee or agent acting on behalf of such holder or holders, in accordance with the provisions of any contract evidencing, providing for the creation of or concerning such Debt or failure to pay at the stated maturity (and the expiration of any grace period) any Debt of the Obligor, PBG or any Restricted Subsidiary of PBG having a then outstanding principal amount in excess of $50 million; and (ii) on and after the Guarantee Commencement Date (in the event that the Guarantee Commencement Date shall occur): (A) failure of the Guarantor to observe or perform any of its covenants or warranties under the Indenture for the benefit of the holders of the Notes, which failure is not cured within 90 days after notice is given as specified in the Indenture; (B) certain events of bankruptcy, insolvency, or reorganization of the Guarantor; and (C) the Guarantee of the Notes ceases to be in full force or effect or the Guarantor denies or disaffirms its obligations under the Guarantee.

If an Event of Default with respect to the Notes shall occur and be continuing, the principal amount hereof may be declared due and payable in the manner and with the effect provided in the Indenture.

13. AUTHENTICATION. This Note shall not be valid until authenticated by the manual signature of the Trustee or an authenticating agent.

14. ABBREVIATIONS. Customary abbreviations may be used in the name of a Holder or an assignee, such as: TEN COM (= tenants in common), TEN ENT (= tenants by the entirety), JT TEN (= joint tenants with right of survivorship and not as tenants in common), CUST (= Custodian), and U/G/M/A (= Uniform Gifts to Minors Act).

15. CUSIP NUMBERS. Pursuant to a recommendation promulgated by the Committee on Uniform Security Identification Procedures, the Obligor has caused CUSIP numbers to be printed on the Notes and the Trustee may use CUSIP numbers in notices of redemption as a convenience to Holders. No representation is made as to the accuracy of such numbers either as printed on the Notes or as contained in any notice of redemption and reliance may be placed only on the other identification numbers placed thereon.

16. GOVERNING LAW. This Note shall be governed by, and construed in accordance with, the laws of the State of New York, without giving effect to rules governing the conflict of laws.

[Include if this Note is a Regulation S Global Note]

17. ISIN NUMBERS. The Obligor has caused ISIN numbers to be printed on the Notes. No representation is made as to the accuracy of such numbers either as printed on the Notes or as contained in any notice of redemption and reliance may be placed only on the other identification numbers placed thereon.

ASSIGNMENT FORM

To assign this Note, fill in the form below: (I) or (we) assign and transfer this Note to

- ---

(Insert assignee's social security or tax identification number)

- ---

- ---

- ---

(Print or type assignee's name, address and zip code)

and irrevocably appoint

---

to transfer this Note on the books of the Obligor. The agent may substitute another to act for him.

- ---

Date: ---

Your Signature: ---

(Sign exactly as your name appears on the face of this Note)

Tax Identification No: ---

SIGNATURE GUARANTEE:

Signatures must be guaranteed by an "eligible guarantor institution" meeting the requirements of the Registrar, which requirements include membership or participation in the Security Transfer Agent Medallion Program ("STAMP") or such other "signature guarantee program" as may be determined by the Registrar in addition to, or in substitution for, STAMP, all in accordance with the Securities Exchange Act of 1934, as amended.

SCHEDULE OF EXCHANGES OF INTERESTS IN THE GLOBAL NOTE(1)

The following exchanges of a part of this Global Note for a Global Note or a Definitive Note, or exchanges of a Definitive Note for an interest in this Global Note, have been made:

Date of Exchange	Amount of decrease in Principal Amount of this Global Note	Amount of increase in Principal Amount of this Global Note	Principal Amount of this Global Note following such decrease (or increase)	Signature of authorized officer of Trustee or Custodian

(1) THIS SHOULD BE INCLUDED ONLY IF THE NOTE IS ISSUED IN GLOBAL FORM.

EXHIBIT B

FORM OF SERIES B NOTE

[FORM OF FACE OF SERIES B NOTE]

[Insert Global Note Legend, if applicable, pursuant to the provisions of the Indenture]

BOTTLING GROUP, LLC

4 5/8% Series B Senior Note due November 15, 2012

No. R-_____ $_____

[If the Note is a Global Note, include the following:] as revised by the Schedule of Exchanges of Interests in the Global Note attached hereto

BOTTLING GROUP, LLC, a Delaware limited liability company (herein called the "Obligor"), for value received, hereby promises to pay to [insert if a Global Note: Cede & Co. as nominee for The Depository Trust Company] [insert if a Definitive Note: _____] (the "Holder") or to its registered assigns, the principal sum of U.S.$_____ [Insert if a Global Note: or such other principal amount as shall be set forth on the Schedule of Exchanges of Interests in the Global Note attached hereto] on November 15, 2012 (the "Maturity Date"), and to pay interest on said principal sum semi-annually on May 15 and November 15 of each year (each, an "Interest Payment Date"), commencing May 15, 2003, at the rate of 4 5/8% per annum of the principal amount then outstanding from the original issuance date of the Notes, until payment of the principal sum has been made or duly provided for.

The interest so payable and punctually paid or duly provided for on any Interest Payment Date will, as provided in the Indenture, be paid to the person in whose name this Note (or one or more Predecessor Notes) is registered at the close of business on the Record Date for such Interest Payment Date, which shall be the 15th day (whether or not a Business Day) next preceding such Interest Payment Date, provided that interest payable on an Interest Payment Date that is a Redemption Date or the Maturity Date shall be payable to the Person to whom principal is payable. Any such interest that is payable but is not so punctually paid or duly provided for shall forthwith cease to be payable to the registered Holder on such Record Date and may be paid to the Person in whose name this Note (or one or more Predecessor Notes) is registered at the close of business on a Special Record Date for the payment of such Defaulted Interest to be fixed by the Trustee, notice whereof shall be given to Holders of Notes not earlier than 10 days prior to such Special Record Date.

Payment of the principal and interest on this Note will be made at the Place of Payment in such coin or currency of the United States of America as at the time of payment is legal tender for payment of public and private debts.

Reference is made to the further provisions of this Note and to certain definitions set forth on the reverse hereof, which shall have the same effect as though fully set forth at this

place. Unless the certificate of authentication hereon has been executed by or on behalf of the Trustee by manual signature, this Note shall not be entitled to any benefit under the Indenture or be valid or obligatory for any purpose.

IN WITNESS WHEREOF, the Obligor has caused this instrument to be duly executed by manual or facsimile signature.

Dated:

BOTTLING GROUP, LLC

By:

Authorized Officer

By:

Authorized Officer

[FORM OF TRUSTEE'S CERTIFICATE OF AUTHENTICATION]

This is one of the Notes referred to in the within-mentioned Indenture.

JPMORGAN CHASE BANK, as Trustee

By:

Authorized Officer

[FORM OF REVERSE OF SERIES B NOTE]

BOTTLING GROUP, LLC

4-5/8% Series B Senior Note due November 15, 2012

Capitalized terms used herein shall have the meanings assigned to them in the Indenture referred to below unless otherwise indicated.

1. INTEREST. Bottling Group, LLC, a Delaware limited liability company (the "Obligor"), promises to pay interest on the principal amount of this Note at the rate of 4-5/8% per annum from November 15, 2002 until payment of the principal amount hereof has been made or duly provided for. The Obligor shall pay interest on each Interest Payment Date (or if such day is not a Business Day, on the next succeeding Business Day and no interest on the amount payable on such Interest Payment Date shall accrue for the intervening period). Interest on the Notes shall accrue from the most recent date to which interest has been paid or duly provided for or, if no interest has been paid, from the Issue Date; provided that if there is no existing default or Event of Default relating to the payment of interest, and if this Note is authenticated between a Record Date referred to on the face hereof and the next succeeding Interest Payment Date, interest shall accrue from such next succeeding Interest Payment Date; provided, further, that the first Interest Payment Date shall be May 15, 2003. The Obligor shall pay interest (including post-petition interest in any proceeding under any Federal or State bankruptcy, insolvency, reorganization, or other similar law) on overdue principal and premium, if any, from time to time on demand at the rate borne by this Note. The Obligor shall pay interest (including post-petition interest in any proceeding under any Federal or State bankruptcy, insolvency, reorganization, or other similar law) on overdue installments of interest (without regard to any applicable grace periods) from time to time on demand at the same rate to the extent lawful. Interest shall be computed on the basis of a 360-day year of twelve 30-day months.

2. METHOD OF PAYMENT. The Obligor shall pay interest on the Notes (except Defaulted Interest) to the Persons who are registered Holders of Notes on the Record Date therefor, even if such Notes are cancelled after such Record Date and on or before such Interest Payment Date, except as provided in Section 2.06 of the Indenture, provided that interest payable on an Interest Payment Date that is a Redemption Date or the Maturity Date shall be payable to the Person to whom principal is payable. The Notes shall be payable as to principal, premium, if any, and interest at the office or agency of the Obligor maintained for such purpose as set forth in Section 9.02 of the Indenture, or, at the option of the Obligor, payment of interest may be made by check mailed to the Holders at their addresses set forth in the Security Register, and provided that payment by wire transfer of immediately available funds shall be required with respect to principal of, premium, if any, and interest on Global Notes and a Holder of $10,000,000 or more in aggregate principal amount of Notes will be entitled to receive payments of interest, other than interest due at maturity or any date of redemption, by wire transfer of immediately available funds if appropriate wire transfer instructions have been received by the Trustee in writing not less than 15 calendar days prior to the applicable Interest Payment Date. Payment of principal of, premium, if any, and interest on the Notes shall be in such coin or currency of the United States of America as at the time of payment is legal tender for payment of public and private debts.

3. PAYING AGENT AND REGISTRAR. Initially, JPMorgan Chase Bank, the Trustee under the Indenture, shall act as Paying Agent and Registrar. The Obligor may appoint and change any Paying Agent or Registrar without notice to any Holder. The Obligor or any of its Subsidiaries may act in any such capacity.

4. INDENTURE. The Obligor issued the Notes under an Indenture dated as of November 15, 2002 (as it may be amended or supplemented from time to time in accordance with the terms thereof, the "Indenture") among the Obligor, the Guarantor and the Trustee. The terms of the Notes include those stated in the Indenture and those made part of the Indenture by reference to the Trust Indenture Act. The Notes are subject to all such terms, and Holders are referred to the Indenture and the Trust Indenture Act for a statement of such terms. To the extent any provision of this Note conflicts with the express provisions of the Indenture, the provisions of the Indenture shall govern and be controlling.

5. OPTIONAL REDEMPTION. The Notes will be redeemable, in whole but not in part, upon not less than 30 nor more than 60 days' notice, at any time at the option of the Obligor, at the Redemption Price equal to the greater of: (1) 100% of the principal amount of the Outstanding Notes or (2) as determined by an Independent Investment Banker, the sum of the present value of the remaining scheduled payments of principal and interest on the Notes from the Redemption Date to the Maturity Date discounted to the Redemption Date on a semi-annual basis (assuming a 360-day year consisting of twelve 30-day months) at a discount rate equal to the Treasury Rate plus 15 basis points; plus, for (1) or (2) above, whichever is applicable, accrued and unpaid interest on the Notes to the Redemption Date.

6. MANDATORY REDEMPTION. The Obligor shall not be required to make mandatory redemption or sinking fund payments with respect to the Notes.

7. NOTICE OF REDEMPTION. Notice of redemption shall be mailed at least 30 days but not more than 60 days before the Redemption Date to each Holder whose Notes are to be redeemed at its registered address.

8. DENOMINATIONS, TRANSFER, EXCHANGE. The Notes are in registered form without coupons in minimum denominations of $1,000 and integral multiples of $1,000 in excess thereof. The transfer of Notes may be registered and Notes may be exchanged as provided in the Indenture. The Registrar and the Trustee may require a Holder, among other things, to furnish appropriate endorsements and transfer documents and the Obligor may require a Holder to pay any taxes and fees required by law or permitted by the Indenture. The Obligor need not exchange or register the transfer of any Note called for redemption. Also, the Obligor need not exchange or register the transfer of any Notes for a period of 15 days before the mailing of a notice of redemption.

9. PERSONS DEEMED OWNERS. Except as provided in the Indenture, the registered Holder of a Note on the Registrar's books may be treated as its owner for all purposes under the Indenture.

10. AMENDMENT, SUPPLEMENT AND WAIVER. The Indenture permits, with certain exceptions as therein provided, the amendment thereof and the modification of the

rights and obligations of the Obligor and the Guarantor and the rights of the Holders of the Notes under the Indenture at any time by the Obligor, the Guarantor and the Trustee with the consent of the Holders of a majority in aggregate principal amount of the Outstanding Notes affected thereby. The Indenture also contains provisions permitting the Holders of a majority in aggregate principal amount of the Notes at the time Outstanding, on behalf of the Holders of all Notes, to waive certain past defaults under the Indenture and their consequences. Any such consent or waiver by the Holder of this Note shall be conclusive and binding upon such Holder and upon all future Holders of this Note and of any Note issued upon the registration of transfer hereof or in exchange herefor or in lieu hereof, whether or not notation of such consent or waiver is made upon this Note.

11. DEFAULTS AND REMEDIES. The Indenture provides that each of the following events constitutes an Event of Default with respect to this Note: (i) on and after the Issue Date (A) failure to make any payment of principal when due (whether at maturity, upon redemption or otherwise) on the Notes; (B) failure to make any payment of interest when due on the Notes, which failure is not cured within 30 days; (C) failure of the Obligor to observe or perform any of its other covenants or warranties under the Indenture for the benefit of the holders of the Notes, which failure is not cured within 90 days after notice is given as specified in the Indenture; (D) certain events of bankruptcy, insolvency, or reorganization of the Obligor, PBG or any Restricted Subsidiary of PBG; (E) the maturity of any Debt of the Obligor, PBG or any Restricted Subsidiary of PBG having a then outstanding principal amount in excess of $50 million shall have been accelerated by any holder or holders thereof or any trustee or agent acting on behalf of such holder or holders, in accordance with the provisions of any contract evidencing, providing for the creation of or concerning such Debt or failure to pay at the stated maturity (and the expiration of any grace period) any Debt of the Obligor, PBG or any Restricted Subsidiary of PBG having a then outstanding principal amount in excess of $50 million; and (ii) on and after the Guarantee Commencement Date (in the event that the Guarantee Commencement Date shall occur) (A) failure of the Guarantor to observe or perform any of its covenants or warranties under the Indenture for the benefit of the holders of the Notes, which failure is not cured within 90 days after notice is given as specified in the Indenture; (B) certain events of bankruptcy, insolvency, or reorganization of the Guarantor; and (C) the Guarantee of the Notes ceases to be in full force or effect or the Guarantor denies or disaffirms its obligations under the Guarantee.

If an Event of Default with respect to the Notes shall occur and be continuing, the principal amount hereof may be declared due and payable in the manner and with the effect provided in the Indenture.

12. AUTHENTICATION. This Note shall not be valid until authenticated by the manual signature of the Trustee or an authenticating agent.

13. ABBREVIATIONS. Customary abbreviations may be used in the name of a Holder or an assignee, such as: TEN COM (= tenants in common), TEN ENT (= tenants by the entirety), JT TEN (= joint tenants with right of survivorship and not as tenants in common), CUST (= Custodian), and U/G/M/A (= Uniform Gifts to Minors Act).

14. CUSIP NUMBERS. Pursuant to a recommendation promulgated by the Committee on Uniform Security Identification Procedures, the Obligor has caused CUSIP numbers to be printed on the Notes and the Trustee may use CUSIP numbers in notices of redemption as a convenience to Holders. No representation is made as to the accuracy of such numbers either as printed on the Notes or as contained in any notice of redemption and reliance may be placed only on the other identification numbers placed thereon.

15. GOVERNING LAW. This Note shall be governed by, and construed in accordance with, the laws of the State of New York, without giving effect to rules governing the conflict of laws.

ASSIGNMENT FORM

To assign this Note, fill in the form below: (I) or (we) assign and transfer this Note to

- ---

(Insert assignee's social security or tax identification number)

- ---

- ---

- ---

(Print or type assignee's name, address and zip code)

and irrevocably appoint

---

to transfer this Note on the books of the Obligor. The agent may substitute another to act for him.

Date: ---

Your Signature: ---

(Sign exactly as your name appears on the face of this Note)

Tax Identification No: ---

SIGNATURE GUARANTEE:

Signatures must be guaranteed by an "eligible guarantor institution" meeting the requirements of the Registrar, which requirements include membership or participation in the Security Transfer Agent Medallion Program ("STAMP") or such other "signature guarantee program" as may be determined by the Registrar in addition to, or in substitution for, STAMP, all in accordance with the Securities Exchange Act of 1934, as amended.

SCHEDULE OF EXCHANGES OF INTERESTS IN THE GLOBAL NOTE(2)

The following exchanges of a part of this Global Note for a Global Note or a Definitive Note, or exchanges of a Definitive Note for an interest in this Global Note, have been made:

Date of Exchange	Amount of decrease in Principal Amount of this Global Note	Amount of increase in Principal Amount of this Global Note	Principal Amount of this Global Note following such decrease (or increase)	Signature of authorized officer of Trustee or Custodian

(2) THIS SHOULD BE INCLUDED ONLY IF THE NOTE IS ISSUED IN GLOBAL FORM.

EXHIBIT C

CERTIFICATE TO BE DELIVERED UPON
EXCHANGE OR REGISTRATION OF TRANSFER OF NOTES

Re: 4-5/8% Senior Notes due November 15, 2012
of Bottling Group, LLC

Reference is hereby made to the Indenture, dated as of November 15, 2002 (as amended and supplemented from time to time, the "Indenture"), among Bottling Group, LLC, PepsiCo, Inc. and JPMorgan Chase Bank, as Trustee. Capitalized terms used but not defined herein shall have the meanings given them in the Indenture.

This Certificate relates to $_____ principal amount of Notes [in the case of an interest in a Rule 144A Global Note or a Regulation S Global Note: which represents an interest in a [Rule 144A Global Note] [Regulation S Global Note] beneficially owned by] [in the case of a Definitive Note: which are held in the name of] the undersigned (the "Transferor").

The Transferor has requested the Trustee by written order to exchange or register the transfer of a Note or Notes.

In connection with such request and in respect of each such Note, the Transferor does hereby certify to the Obligor and the Trustee as follows:*

[ ] Such Note is owned by the Transferor and is being exchanged without transfer; or

[ ] Such Note is being transferred to a qualified institutional buyer (as defined in Rule 144A under the Securities Act of 1933, as amended (the "Securities Act")), in a transaction meeting the requirements of Rule 144A under the Securities Act; or

[ ] Such Note is being transferred in accordance with Rule 144(k) under the Securities Act; or

[ ] Such Note is being transferred to a person located outside the United States and is not a "U.S. person" as defined in Regulation S under the Securities Act in a transaction meeting the requirements of Rule 903 or 904 under the Securities Act; or

[ ] Such Note is being transferred to the Obligor or one of its Affiliates.

- --------------------

* Check the applicable box.

[INSERT NAME OF TRANSFEROR]

By:

Date:

GUARANTEE

PepsiCo, Inc., a North Carolina corporation (hereinafter referred to as the "Guarantor"), which term includes any successor or assign under the Indenture, dated as of November 15, 2002, among Bottling Group, LLC, a Delaware limited liability company or any successor thereto (the "Obligor"), the Guarantor and JPMorgan Chase Bank, as trustee, (the "Indenture"), hereby irrevocably and unconditionally guarantees to the Holders of the Notes and the Trustee that: (i) (A) in the event of a full guarantee as described in Section 11.01(1) of the Indenture, the principal of, premium, if any, and interest on the Notes will be duly and punctually paid in full when due, whether at stated maturity, by acceleration, redemption or otherwise, together with interest on overdue principal, and premium, if any, and (to the extent permitted by law) interest on any interest, if any, on the Notes and all other monetary obligations of the Obligor to the Holders under the Indenture or the Notes will be promptly paid in full, all in accordance with the terms hereof or (B) in the event of a partial guarantee as described in Section 11.01(2) of the Indenture, the Partial Guarantee Percentage of the principal of, premium, if any, and interest on the Notes will be duly and punctually paid in full when due, whether at stated maturity, by acceleration, redemption or otherwise, together with interest on the Partial Guarantee Percentage of such overdue principal, and premium, if any, and (to the extent permitted by law) interest, if any, on the Notes and the Partial Guarantee Percentage of all other monetary obligations of the Obligor to the Holders under the Indenture or the Notes, all in accordance with the terms hereof; and (ii) in case of any extension of time of payment or renewal of any of the Notes or any of such other monetary obligations, the amount set forth in clause (A) or (B) above, whichever is applicable, will be promptly paid in full when due or performed in accordance with the terms of the extension or renewal, whether at stated maturity, by acceleration, redemption or otherwise.

The obligations of the Guarantor to the Holders and to the Trustee pursuant to this Guarantee and the Indenture are expressly set forth in Article XI of the Indenture and reference is hereby made to such Indenture for the precise terms of this Guarantee.

No stockholder, officer, director or incorporator, as such, past, present or future of the Guarantor shall have any liability under this Guarantee by reason of his, her or its status as such stockholder, officer, director or incorporator.

This is a continuing Guarantee and shall remain in full force and effect from and including the Guarantee Commencement Date (in the event that the Guarantee Commencement Date shall occur) and shall, in accordance with the terms of the Guarantee and the Indenture, be binding upon the Guarantor and its successors and assigns until (a) full and final payment and performance of all other monetary obligations of the Obligor to the Holders under the Indenture or the Notes or (b) full and final payment by the Guarantor of the same to the extent specified in clause (i)(A) or (i)(B) above, and shall inure to the benefit of the successors and assigns of the Trustee and the Holders, and, in the event of any transfer or assignment of rights by any Holder or the Trustee, the rights and privileges herein conferred upon that party shall automatically

extend to and be vested in such transferee or assignee, all subject to the terms and conditions hereof. This is a Guarantee of payment and not of collectibility.

This Guarantee shall not be valid or obligatory for any purpose until the certificate of authentication on the Note upon which this Guarantee is endorsed shall have been executed by the Trustee under the Indenture by the manual signature of one of its authorized officers.

IF THE GUARANTEE COMMENCEMENT DATE SHALL NOT OCCUR, THIS GUARANTEE SHALL NOT BECOME EFFECTIVE, AND THE GUARANTOR SHALL NOT HAVE ANY OBLIGATIONS UNDER THIS GUARANTEE OR THE INDENTURE.

THE TERMS OF ARTICLE XI OF THE INDENTURE ARE INCORPORATED HEREIN BY REFERENCE.

Capitalized terms used herein have the same meanings given in the Indenture unless otherwise indicated.

Dated:

PEPSICO, INC.

By:

Name:
Title:

EXHIBIT 4.3

$1,000,000,000

BOTTLING GROUP, LLC

4-5/8% SENIOR NOTES DUE NOVEMBER 15, 2012

REGISTRATION RIGHTS AGREEMENT

November 7, 2002

Credit Suisse First Boston Corporation
Deutsche Bank Securities Inc.
Salomon Smith Barney Inc.
Banc of America Securities LLC
J.P. Morgan Securities Inc.
Lehman Brothers Inc.
c/o Credit Suisse First Boston Corporation
Eleven Madison Avenue
New York, New York 10010-3629

Ladies and Gentlemen:

Bottling Group, LLC, a Delaware limited liability company (the "Issuer"), proposes to issue and sell to Credit Suisse First Boston Corporation, Deutsche Bank Securities Inc., Salomon Smith Barney Inc., Banc of America Securities LLC, J.P. Morgan Securities Inc. and Lehman Brothers Inc. (collectively, the "INITIAL PURCHASERS"), upon the terms set forth in a purchase agreement of even date herewith (the "PURCHASE AGREEMENT"), $1,000,000,000 aggregate principal amount of its 4-5/8% Senior Notes due November 15, 2012 (the "NOTES"), which will be issued pursuant to an Indenture (the "INDENTURE") to be entered into among the Issuer, the Guarantor and JPMorgan Chase Bank, as trustee (the "TRUSTEE"). Payment of principal of and interest and premium, if any, on the Notes will be unconditionally and irrevocably guaranteed on a senior unsecured basis (the "GUARANTEE") by PepsiCo, Inc., a North Carolina corporation (the "GUARANTOR" and, together with the Issuer, the "OFFERORS"), with the Guarantee becoming effective on the Guarantee Commencement Date (as defined in the Indenture), except that, under certain circumstances described in the Indenture, the Guarantee may not become effective or may become effective as to less than all of the principal of and interest and premium, if any, on

the Notes, as described in the Indenture. The Notes and the Guarantee are together referred to as the "INITIAL SECURITIES." As an inducement to the Initial Purchasers to enter into the Purchase Agreement, each Offeror severally agrees with the Initial Purchasers, for the benefit of the Initial Purchasers and the holders of the Initial Securities (including, without limitation, the Initial Purchasers), the Exchange Securities (as defined below) and the Private Exchange Securities (as defined below) (collectively, the "HOLDERS"), as follows:

1. Registered Exchange Offer. The Offerors shall, at their own cost (subject to the provisions of Section 4), prepare and, not later than 135 days (or, if the 135th day is not a business day, the first business day thereafter, such day being a "FILING DEADLINE") after the date of original issuance of the Initial Securities (the "CLOSING DATE"), file with the Securities and Exchange Commission (the "COMMISSION") a registration statement (together with all amendments and supplements thereto, including post-effective amendments, in each case including the prospectus contained therein, all exhibits thereto and all documents incorporated by reference therein, the "EXCHANGE OFFER REGISTRATION STATEMENT") on an appropriate form under the United States Securities Act of 1933, as amended (the "SECURITIES ACT"), with respect to a proposed offer (the "REGISTERED EXCHANGE OFFER") to the Holders of Transfer Restricted Securities (as defined in Section 6), who are not prohibited by any law or policy of the Commission from participating in the Registered Exchange Offer, to issue and deliver to such Holders, in exchange for the Initial Securities, a like aggregate principal amount of debt securities of the Offerors issued under the Indenture, and identical in all material respects to the Initial Securities (except for the transfer restrictions relating to the Initial Securities and the provisions relating to the matters described in Section 6) that would be registered under the Securities Act (the "EXCHANGE SECURITIES"). The Exchange Securities will be issued under the Indenture. Each Offeror shall use its best efforts to (i) cause such Exchange Offer Registration Statement to become effective under the Securities Act within 195 days (or, if the 195th day is not a business day, the first business day thereafter, such day being an "EFFECTIVENESS DEADLINE") after the Closing Date and (ii) keep the Exchange Offer Registration Statement effective for not less than 30 days (or longer, if required by applicable law) after the date notice of the Registered Exchange Offer is mailed to the Holders (such period being called the "EXCHANGE OFFER REGISTRATION PERIOD").

If the Offerors commence the Registered Exchange Offer, the Offerors (i) will be entitled to consummate the Registered Exchange Offer 30 days after such commencement (provided that the Offerors have accepted all the Initial Securities theretofore validly tendered in accordance with the terms of the Registered Exchange Offer) and (ii) will be required to consummate the Registered Exchange Offer no later than 40 days after the date on which the Exchange Offer Registration Statement is declared effective (such 40th day being the "CONSUMMATION DEADLINE").

Following the declaration of the effectiveness of the Exchange Offer Registration Statement, the Offerors shall promptly commence the Registered Exchange Offer, it being the objective of such Registered Exchange Offer to enable each Holder of Transfer Restricted Securities electing to exchange the Initial Securities for Exchange Securities (assuming that such Holder is not an affiliate of either Offeror within the meaning of the Securities Act, acquires the Exchange Securities in the ordinary course of such Holder's business and has no arrangements or

understandings with any person to participate in the distribution of the Exchange Securities and is not prohibited by any law or policy of the Commission from participating in the Registered Exchange Offer) to trade such Exchange Securities from and after their receipt without any limitations or restrictions under the Securities Act and without material restrictions under the securities laws of the several states of the United States.

Each Offeror acknowledges that, pursuant to current interpretations by the Commission's staff of Section 5 of the Securities Act, in the absence of an applicable exemption therefrom, (i) each Holder which is a broker-dealer electing to exchange Initial Securities, acquired for its own account as a result of market making activities or other trading activities, for the Exchange Securities (an "EXCHANGING DEALER"), is required to deliver a prospectus containing the information substantially as set forth in (a) Annex A hereto on the cover, (b) Annex B hereto in the "Exchange Offer Procedures" section and the "Purpose of the Exchange Offer" section, and (c) Annex C hereto in the "Plan of Distribution" section of such prospectus in connection with a sale of any such Exchange Securities received by such Exchanging Dealer pursuant to the Registered Exchange Offer (except that the language of such information may be appropriately modified to comply with the "plain English" rules of the Commission) and (ii) an Initial Purchaser that elects to sell Securities (as defined below) acquired in exchange for Initial Securities constituting any portion of an unsold allotment, is required to deliver a prospectus containing the information required by Item 507 or 508 of Regulation S-K under the Securities Act, as applicable, in connection with such sale.

Each Offeror shall use its best efforts to keep the Exchange Offer Registration Statement effective and to amend and supplement the prospectus contained therein (insofar as the required information relates to it), in order to permit such prospectus to be lawfully delivered by all persons subject to the prospectus delivery requirements of the Securities Act for such period of time as such persons must comply with such requirements in order to resell the Exchange Securities; provided, however, that (i) in the case where such prospectus and any amendment or supplement thereto must be delivered by an Exchanging Dealer or an Initial Purchaser, such period shall end on the earlier of 180 days from the consummation of the Registered Exchange Offer and the date on which all Exchanging Dealers and the Initial Purchasers have sold all Exchange Securities held by them (unless such period is extended pursuant to Section 3(j)) and (ii) the Issuer shall make such prospectus and any amendment or supplement thereto available to any broker-dealer for use in connection with any resale of any Exchange Securities for a period of not less than 180 days after the consummation of the Registered Exchange Offer.

If, upon consummation of the Registered Exchange Offer, any Initial Purchaser holds Initial Securities acquired by it as part of its initial distribution, the Offerors, simultaneously with the delivery of the Exchange Securities pursuant to the Registered Exchange Offer, shall issue and deliver to such Initial Purchaser upon the written request of such Initial Purchaser, in exchange (the "PRIVATE EXCHANGE") for the Initial Securities held by such Initial Purchaser, a like principal amount of debt securities of the Offerors issued under the Indenture, and identical in all material respects to the Initial Securities (except for the existence of restrictions on transfer under the Securities Act and the securities laws of the several states of the United States and excluding provisions relating to the matters described in Section 6) (the "PRIVATE EXCHANGE

SECURITIES"). The Initial Securities, the Exchange Securities and the Private Exchange Securities are herein collectively called the "SECURITIES."

In connection with the Registered Exchange Offer, the Offerors shall:

(a) mail to each Holder a copy of the prospectus forming part of the Exchange Offer Registration Statement, together with an appropriate letter of transmittal and related documents;

(b) keep the Registered Exchange Offer open for not less than 30 days (or longer, if required by applicable law) after the date notice thereof is mailed to the Holders;

(c) utilize the services of a depositary for the Registered Exchange Offer with an address in the Borough of Manhattan, The City of New York, which may be the Trustee or an affiliate of the Trustee;

(d) permit Holders to withdraw tendered Securities at any time prior to the close of business, New York time, on the last business day on which the Registered Exchange Offer shall remain open; and

(e) each otherwise comply with all applicable laws.

As soon as practicable after the close of the Registered Exchange Offer or the Private Exchange, as the case may be, the Offerors shall:

(x) accept for exchange all the Initial Securities validly tendered and not withdrawn pursuant to the Registered Exchange Offer and the Private Exchange;

(y) deliver to the Trustee for cancellation all the Initial Securities so accepted for exchange; and

(z) cause the Trustee to authenticate and deliver promptly to each Holder, the Exchange Securities or Private Exchange Securities, as the case may be, equal in principal amount to the Initial Securities of such Holder so accepted for exchange.

The Indenture will provide that the Exchange Securities will not be subject to the transfer restrictions set forth in the Indenture and that all the Securities will vote and consent together on all matters as one class and that none of the Securities will have the right to vote or consent as a class separate from one another on any matter.

Interest on each Exchange Security and Private Exchange Security issued pursuant to the Registered Exchange Offer and in the Private Exchange will accrue from the last interest payment date on which interest was paid on the Initial Security surrendered in exchange therefor or, if no interest has been paid on the Initial Securities, from the date of original issue of the Initial Securities.

Each Holder participating in the Registered Exchange Offer shall be required to represent to each Offeror that at the time of the consummation of the Registered Exchange Offer (i) any Exchange Securities received by such Holder will be acquired in the ordinary course of business, (ii) such Holder will have no arrangements or understanding with any person to participate in the distribution of the Securities or the Exchange Securities within the meaning of the Securities Act, (iii) such Holder is not an "affiliate," as defined in Rule 405 of the Securities Act, of either Offeror or if it is an affiliate, such Holder will comply with the registration and prospectus delivery requirements of the Securities Act to the extent applicable, (iv) if such Holder is not a broker-dealer, that it is not engaged in, and does not intend to engage in, the distribution of the Exchange Securities and (v) if such Holder is a broker-dealer, that it will receive Exchange Securities for its own account in exchange for Initial Securities that were acquired as a result of market-making activities or other trading activities and that it will be required to acknowledge that it will deliver a prospectus in connection with any resale of such Exchange Securities.

Notwithstanding any other provisions hereof, the Issuer will ensure that (i) any Exchange Offer Registration Statement complies in all material respects with the Securities Act, the Securities Exchange Act of 1934, as amended (the "EXCHANGE ACT") and the respective rules and regulations thereunder, (ii) any Exchange Offer Registration Statement does not, when it becomes effective, contain an untrue statement of a material fact or omit to state a material fact required to be stated therein or necessary to make the statements therein not misleading, except for statements or omissions made in (x) the Guarantor's Information (as defined in the immediately following paragraph) or (y) in reliance upon, and in conformity with information furnished to each Offeror by or on behalf of the Holders ("HOLDERS' INFORMATION") and (iii) any prospectus forming part of any Exchange Offer Registration Statement, and any supplement to such prospectus, does not include an untrue statement of a material fact or omit to state a material fact required to be stated therein or necessary in order to make the statements therein, in the light of the circumstances under which they were made, not misleading, except for the Guarantor's Information and the Holders' Information.

Notwithstanding any other provisions hereof, the Guarantor will ensure that (i) the Guarantor's Information included in any Exchange Offer Registration Statement complies in all material respects with the Securities Act, the Securities Exchange Act of 1934, as amended (the "EXCHANGE ACT") and the respective rules and regulations thereunder, (ii) the Guarantor's Information contained in any Exchange Offer Registration Statement does not, when it becomes effective, contain an untrue statement of a material fact or omit to state a material fact required to be stated therein or necessary to make the statements therein not misleading and (iii) the Guarantor's Information contained in any prospectus forming part of any Exchange Offer Registration Statement, and any supplement to such prospectus, does not include an untrue statement of a material fact or omit to state a material fact required to be stated therein or necessary in order to make the statements therein, in the light of the circumstances under which they were made, not misleading. As used herein, the "GUARANTOR'S INFORMATION" shall mean any information contained in any Registration Statement (as defined below) that was set forth in the letter of even date herewith from the Guarantor to the Issuer and the Initial Purchasers and such other information as the Guarantor may furnish in writing specifically for inclusion or incorporation by reference in such Registration Statement.

2. Shelf Registration. If (i) because of any change in law or in applicable interpretations thereof by the staff of the Commission, the Offerors are not permitted to effect a Registered Exchange Offer, as contemplated by Section 1, (ii) the Exchange Offer Registration Statement is not declared effective by the 195th day after the Closing Date, (iii) any Initial Purchaser so requests with respect to the Initial Securities (or the Private Exchange Securities) not eligible to be exchanged for Exchange Securities in the Registered Exchange Offer and held by it following consummation of the Registered Exchange Offer, (iv) any Holder (other than an Exchanging Dealer) is not eligible to participate in the Registered Exchange Offer or, in the case of any Holder (other than an Exchanging Dealer) that participates in the Registered Exchange Offer, such Holder does not receive freely tradeable Exchange Securities on the date of the exchange or (v) both Offerors elect, then the Offerors shall take the following actions:

(a) The Offerors shall, at their cost (subject to Section 4), as promptly as practicable (but in no event more than 30 days after so required or requested pursuant to this Section 2) file with the Commission and thereafter each Offeror shall use its best efforts to cause to be declared effective a registration statement (together with all amendments and supplements thereto, including post-effective amendments, in each case including the prospectus contained therein, all exhibits thereto and all documents incorporated by reference therein, the "SHELF REGISTRATION STATEMENT" and, together with the Exchange Offer Registration Statement, a "REGISTRATION STATEMENT") on an appropriate form under the Securities Act relating to the offer and sale of the Transfer Restricted Securities by the Holders thereof from time to time in accordance with the methods of distribution set forth in the Shelf Registration Statement and Rule 415 under the Securities Act (the "SHELF REGISTRATION"); provided, however, that no Holder (other than an Initial Purchaser) shall be entitled to have the Securities held by it covered by such Shelf Registration Statement unless such Holder agrees in writing to be bound by all the provisions of this Agreement applicable to such Holder.

(b) Each Offeror shall use its best efforts to keep the Shelf Registration Statement continuously effective in order to permit the prospectus included therein to be lawfully delivered by the Holders of the relevant Securities, for a period of two years (or for such longer period if extended pursuant to Section 3(j)) from the date of its effectiveness or such shorter period that will terminate when all the Securities covered by the Shelf Registration Statement (i) have been sold pursuant thereto or (ii) are no longer restricted securities (as defined in Rule 144 under the Securities Act, or any successor rule thereof). An Offeror shall be deemed not to have used its best efforts to keep the Shelf Registration Statement effective during the requisite period if it voluntarily takes any action that would result in Holders of Securities covered thereby not being able to offer and sell such Securities during that period, unless such action is required by applicable law.

(c) Notwithstanding any other provisions of this Agreement to the contrary, the Issuer shall cause the Shelf Registration Statement and the related prospectus and any amendment or supplement thereto, as of the effective date of the Shelf Registration Statement or any amendment thereto or the date of any supplement, (i) to comply in all material respects with the applicable requirements of the Securities Act, the Exchange Act and the rules and regulations of the Commission and (ii) not to contain any untrue

statement of a material fact or omit to state a material fact required to be stated therein or necessary in order to make the statements therein, in light of the circumstances under which they were made, not misleading, other than with respect to the Guarantor's Information or the Holders' Information.

(d) Notwithstanding any other provisions of this Agreement to the contrary, the Guarantor shall cause (i) the Guarantor's Information included in the Shelf Registration Statement and the related prospectus and any amendment or supplement thereto, as of the effective date of the Shelf Registration Statement or any amendment thereto or the date of any supplement, to comply in all material respects with the applicable requirements of the Securities Act, the Exchange Act and the rules and regulations of the Commission and (ii) the Guarantor's Information contained in the Shelf Registration Statement and the related prospectus and any amendment or supplement thereto, as of the effective date of the Shelf Registration Statement or any amendment thereto or the date of any supplement, not to contain any untrue statement of a material fact or omit to state a material fact required to be stated therein or necessary in order to make the statements therein, in light of the circumstances under which they were made, not misleading.

3. Registration Procedures. In connection with any Shelf Registration contemplated by Section 2 and, to the extent applicable, any Registered Exchange Offer contemplated by Section 1, the following provisions shall apply:

(a) The Issuer shall use its reasonable best efforts to (i) furnish to each Initial Purchaser, prior to the filing thereof with the Commission, a copy of the Registration Statement and each amendment thereof and each supplement, if any, to the prospectus included therein and, in the event that an Initial Purchaser (with respect to any portion of an unsold allotment from the original offering) is participating in the Registered Exchange Offer or the Shelf Registration Statement, the Issuer shall use its reasonable best efforts to reflect in each such document, when so filed with the Commission, such comments as such Initial Purchaser reasonably may propose (provided that, if such comments relate to the Guarantor's Information, the Guarantor shall also use its reasonable best efforts to reflect such comments in each such document); (ii) include the information set forth in Annex A hereto on the cover, in Annex B hereto in the "Exchange Offer Procedures" section and the "Purpose of the Exchange Offer" section and in Annex C hereto in the "Plan of Distribution" section of the prospectus forming a part of the Exchange Offer Registration Statement (except that the language of such information may be appropriately modified to comply with the "plain English" rules of the Commission) and include the information set forth in Annex D hereto in the Letter of Transmittal delivered pursuant to the Registered Exchange Offer; (iii) if requested by an Initial Purchaser, include the information required by Item 507 or 508 of Regulation S-K under the Securities Act, as applicable, in the prospectus forming a part of the Exchange Offer Registration Statement; (iv) include within the prospectus contained in the Exchange Offer Registration Statement a section entitled "Plan of Distribution," reasonably acceptable to the Initial Purchasers, which shall contain a summary statement of the positions taken or policies made by the staff of the Commission with respect to the potential "underwriter" status of any broker-dealer that is the beneficial owner (as defined

in Rule 13d-3 under the Exchange Act) of Exchange Securities received by such broker-dealer in the Registered Exchange Offer (a "PARTICIPATING BROKER-DEALER"), whether such positions or policies have been publicly disseminated by the staff of the Commission or such positions or policies, in the reasonable judgment of the Initial Purchasers based upon advice of counsel (which may be in-house counsel), represent the prevailing views of the staff of the Commission; and (v) in the case of a Shelf Registration Statement, include the names of the Holders who propose to sell Securities pursuant to the Shelf Registration Statement as selling securityholders.

(b) Each Offeror shall advise each of the Initial Purchasers, the Holders of the Securities and any Participating Broker-Dealer from which either Offeror has received prior written notice that it will be a Participating Broker-Dealer in the Registered Exchange Offer (which notice pursuant to clauses (ii) to (v) below shall be accompanied by an instruction to suspend the use of the prospectus until the requisite changes have been made) and, if requested by such person, confirm such advice in writing:

(i) when any Registration Statement or any amendment thereto has been filed with the Commission and when such Registration Statement or any post-effective amendment thereto has become effective;

(ii) of any request by the Commission for amendments or supplements to any Registration Statement or the prospectus included therein or for additional information;

(iii) if known to such Offeror, of the issuance by the Commission of any stop order suspending the effectiveness of the Registration Statement or the initiation of any proceedings for that purpose;

(iv) of the receipt by such Offeror or its legal counsel of any notification with respect to the suspension of the qualification of the Securities for sale in any jurisdiction or the initiation or threatening of any proceeding for such purpose; and

(v) of the happening of any event that requires such Offeror to make changes in any Registration Statement or the prospectus included therein in order that such Registration Statement or the prospectus included therein do not contain an untrue statement of a material fact nor omit to state a material fact required to be stated therein or necessary to make the statements therein (in the case of the prospectus, in light of the circumstances under which they were made) not misleading.

Either Offeror may provide such advice or notice set forth in clauses (i) to (v) above on behalf of such Offeror or on behalf of both Offerors.

(c) The Issuer shall make every reasonable effort to obtain the withdrawal at the earliest possible time, of any order suspending the effectiveness of any Registration Statement. The Guarantor shall make every reasonable effort to obtain the withdrawal at

the earliest possible time, of any order suspending the effectiveness of any Registration Statement, to the extent that such order relates to (i) any action or failure to act on the part of the Guarantor or (ii) the Guarantor's Information.

(d) The Issuer shall furnish to each Holder of Securities included within the coverage of any Shelf Registration, without charge, at least one conformed copy of the Shelf Registration Statement and any post-effective amendment thereto, including financial statements and schedules, and, if any such Holder so requests in writing, all exhibits thereto (including those, if any, incorporated by reference).

(e) The Issuer shall deliver to each Exchanging Dealer and each Initial Purchaser, and to any other Holder who so requests, without charge, at least one conformed copy of the Exchange Offer Registration Statement and any post-effective amendment thereto, including financial statements and schedules, and, if any Initial Purchaser or any such Holder requests, all exhibits thereto (including those incorporated by reference).

(f) The Issuer shall, during the Shelf Registration Period, deliver to each Holder of Securities included within the coverage of the Shelf Registration, without charge, as many copies of the prospectus (including each preliminary prospectus) included in the Shelf Registration Statement and any amendment or supplement thereto as such person may reasonably request. Each Offeror consents, subject to the provisions of this Agreement, to the use of such prospectus or any amendment or supplement thereto by each of the selling Holders of the Securities in connection with the offering and sale of the Securities covered by such prospectus, or any amendment or supplement thereto, included in the Shelf Registration Statement.

(g) The Issuer shall deliver to each Initial Purchaser, any Exchanging Dealer, any Participating Broker-Dealer and such other persons required to deliver a prospectus following the Registered Exchange Offer, without charge, as many copies of the final prospectus included in the Exchange Offer Registration Statement and any amendment or supplement thereto as such persons may reasonably request. Each Offeror consents, subject to the provisions of this Agreement, to the use of such prospectus or any amendment or supplement thereto by any Initial Purchaser, if necessary, any Participating Broker-Dealer and such other persons required to deliver a prospectus following the Registered Exchange Offer in connection with the offering and sale of the Exchange Securities covered by such prospectus, or any amendment or supplement thereto, included in such Exchange Offer Registration Statement.

(h) Prior to any public offering of the Securities pursuant to any Registration Statement, each Offeror shall use its reasonable best efforts to register or qualify or cooperate with the Holders of the Securities included therein and their respective counsel in connection with the registration or qualification of the Securities for offer and sale under the securities or "blue sky" laws of such United States jurisdictions as any Holder of the Securities reasonably requests in writing and do any and all other acts or things necessary or advisable to enable the offer and sale in such jurisdictions of the Securities covered by such Registration Statement; provided, however, that neither Offeror shall be

required to (i) qualify generally to do business in any jurisdiction where it is not then so qualified or (ii) take any action which would subject it to general service of process or to taxation in any jurisdiction where it is not then so subject; and, provided, further that neither Offeror shall be required to pay any expenses in connection therewith after the effective date of any applicable Registration Statement.

(i) The Offerors shall cooperate with the Holders of the Securities to facilitate the timely preparation and delivery of certificates representing the Securities to be sold pursuant to any Registration Statement free of any restrictive legends and in such denominations and registered in such names as the Holders may request in writing a reasonable period of time prior to sales of the Securities pursuant to such Registration Statement.

(j) Upon the occurrence of any event contemplated by paragraphs (ii) through (v) of Section 3(b) during the period for which the Offerors are required to maintain an effective Registration Statement, the Offerors shall promptly prepare and file a post-effective amendment to the Registration Statement or a supplement to the related prospectus and any other required document so that, as thereafter delivered to Holders of the Securities or purchasers of Securities, such prospectus will not contain an untrue statement of a material fact or omit to state any material fact required to be stated therein or necessary to make the statements therein, in light of the circumstances under which they were made, not misleading; provided that, the Guarantor's obligations to prepare and file a post-effective amendment to the Registration Statement or a supplement to the related prospectus and any other required documents under this Section 3(j) will be limited to the Guarantor's Information. If the Offerors notify the Initial Purchasers, the Holders of the Securities and any known Participating Broker-Dealer in accordance with clauses (ii) to (v) of Section 3(b) to suspend the use of such prospectus until the requisite changes to the prospectus have been made, then the Initial Purchasers, the Holders of the Securities and any such Participating Broker-Dealers shall suspend use of such prospectus, and the period of effectiveness of the Shelf Registration Statement provided for in Section 2(b) above and the Exchange Offer Registration Statement provided for in Section 1 above shall each be extended by the number of days from and including the date of the giving of such notice to and including the date when the Initial Purchasers, the Holders of the Securities and any known Participating Broker-Dealer shall have received such amended or supplemented prospectus pursuant to this Section 3(j).

(k) Not later than the effective date of the applicable Registration Statement, the Issuer will provide CUSIP and ISIN numbers for the Initial Securities, the Exchange Securities or the Private Exchange Securities, as the case may be, and provide the applicable trustee with printed certificates for the Initial Securities, the Exchange Securities or the Private Exchange Securities, as the case may be, in a form eligible for deposit with The Depository Trust Company.

(l) Each Offeror will comply with all rules and regulations of the Commission to the extent and so long as they are applicable to the Registered Exchange Offer or the Shelf Registration and will make generally available to its members or security holders

(or otherwise provide in accordance with Section 11(a) of the Securities Act) an earnings statement satisfying the provisions of Section 11(a) of the Securities Act, no later than 45 days after the end of a 12-month period (or 90 days, if such period is a fiscal year) beginning with the first month of such Offeror's first fiscal quarter commencing after the effective date of the Registration Statement, which statement shall cover such 12-month period.

(m) The Offerors shall cause the Indenture to be qualified under the Trust Indenture Act of 1939, as amended, in a timely manner and containing such changes, if any, as shall be necessary for such qualification. In the event that such qualification would require the appointment of a new trustee under the Indenture, the Offerors shall appoint a new trustee thereunder pursuant to the applicable provisions of the Indenture.

(n) The Offerors may require each Holder of Securities to be sold pursuant to the Shelf Registration Statement to furnish to the Offerors such information regarding the Holder and the distribution of such Securities as the Offerors may from time to time reasonably require for inclusion in such Shelf Registration Statement, and the Offerors may exclude from such registration the Securities of any Holder that unreasonably fails to furnish such information within a reasonable time after receiving such request.

(o) Each Offeror shall enter into such customary agreements (including, if requested, an underwriting agreement in customary form) and take all such other action, if any, as Holders of a majority in aggregate principal amount of the Securities being sold or the managing underwriters, if any, shall reasonably request in order to facilitate the disposition of the Securities pursuant to any Shelf Registration.

(p) In the case of any Shelf Registration, each Offeror shall (i) make reasonably available for inspection by one or more representatives of, and Special Counsel (as defined below) acting for, Holders of a majority in aggregate principal amount of the Securities being sold and, any underwriter participating in any disposition pursuant to such Shelf Registration Statement all relevant financial and other records, pertinent corporate documents and properties of such Offeror and (ii) cause such Offeror's managing directors, officers, directors, in-house counsel, employees, accountants and auditors to supply all relevant information reasonably requested by such representatives, Special Counsel or any such underwriter (each, an "INSPECTOR") in connection with such Shelf Registration Statement, in each case, as shall be reasonably necessary to enable such Inspector, to conduct a reasonable investigation within the meaning of Section 11 of the Securities Act; provided, however, that the foregoing inspection and information gathering shall be coordinated on behalf of the Holders and on behalf of the other parties, by one counsel designated by and on behalf of such other parties as described in Section 4.

(q) In the case of any Shelf Registration, each Offeror, if requested by Holders of a majority in aggregate principal amount of Securities being sold or the managing underwriters, if any, shall use its reasonable best efforts to cause (i) its counsel (which may be in-house counsel) to deliver an opinion relating to the Securities in customary

form; (ii) its officers to execute and deliver all customary documents and certificates and updates thereof requested by the managing underwriters of the applicable Securities and (iii) its independent public accountants and the independent public accountants with respect to any other entity for which financial information is provided in the Registration Statement (as a result of such entity's relationship with such Offeror) to provide a comfort letter in customary form, subject to receipt of appropriate documentation as contemplated, and only if permitted, by Statement of Auditing Standards No. 72.

(r) In the case of the Registered Exchange Offer, if requested by any Initial Purchaser or any known Participating Broker-Dealer, each Offeror shall use its reasonable best efforts to cause (i) its counsel to deliver to such Initial Purchaser or such Participating Broker-Dealer a signed opinion in customary form and (ii) its independent public accountants and the independent public accountants with respect to any other entity for which financial information is provided in the Registration Statement (as a result of such entity's relationship with such Offeror) to deliver to such Initial Purchaser or such Participating Broker-Dealer a comfort letter, in customary form.

(s) If a Registered Exchange Offer or a Private Exchange is to be consummated, upon delivery of the Initial Securities by Holders to the Offerors (or to such other Person as directed by the Offerors) in exchange for the Exchange Securities or the Private Exchange Securities, as the case may be, the Offerors shall mark, or caused to be marked, on the Initial Securities so exchanged that such Initial Securities are being canceled in exchange for the Exchange Securities or the Private Exchange Securities, as the case may be; in no event shall the Initial Securities be marked as paid or otherwise satisfied.

(t) The Issuer will use its reasonable best efforts to (i) if the Initial Securities have been rated prior to the initial sale of such Initial Securities, confirm such ratings will apply to the Securities covered by a Registration Statement, or (ii) if the Initial Securities were not previously rated, cause the Securities covered by a Registration Statement to be rated with the appropriate rating agencies, if so requested by Holders of a majority in aggregate principal amount of Securities covered by such Registration Statement, or by the managing underwriters, if any.

(u) In the event that any broker-dealer registered under the Exchange Act shall underwrite any Securities or participate as a member of an underwriting syndicate or selling group or "assist in the distribution" (within the meaning of the Conduct Rules (the "RULES") of the National Association of Securities Dealers, Inc. ("NASD")) thereof, whether as a Holder of such Securities or as an underwriter, a placement or sales agent or a broker or dealer in respect thereof, or otherwise, the Offerors will assist such broker-dealer in complying with the requirements of such Rules, including, without limitation, by (i) if such Rules, including Rule 2720, shall so require, engaging a "qualified independent underwriter" (as defined in Rule 2720) to participate in the preparation of the Registration Statement relating to such Securities, to exercise usual standards of due diligence in respect thereto and, if any portion of the offering contemplated by such Registration Statement is an underwritten offering or is made through a placement or sales agent, to recommend the yield of such Securities, (ii) indemnifying any such

qualified independent underwriter to the extent of the indemnification of underwriters provided in Section 5 and (iii) providing such information to such broker-dealer as may be required in order for such broker-dealer to comply with the requirements of the Rules; provided that, the Guarantor will only be obligated to provide such information which relates to the Guarantor or the Guarantor's Information.

(v) Each Offeror shall use its reasonable best efforts to take all other steps necessary to effect the registration of the Securities covered by a Registration Statement contemplated hereby.

4. Registration Expenses. The Issuer shall bear all fees and expenses incurred in connection with the performance of the Offerors' obligations under Sections 1 through 3 (including the reasonable fees and expenses, if any, of Cleary, Gottlieb, Steen & Hamilton, counsel for the Holders, incurred in connection with the Registered Exchange Offer) and in the event of a Shelf Registration, the Issuer shall bear or reimburse the Holders of the Securities covered thereby for the reasonable fees and disbursements of one firm of counsel, which shall be counsel for the Initial Purchasers unless the Holders of a majority in principal amount of the Securities covered thereby otherwise so designate (the "SPECIAL COUNSEL") to act as counsel for the Holders of the Securities in connection therewith. The Guarantor shall bear all of its expenses incidental to the performance of its obligations under this Agreement, including the fees and expenses of its professional advisors.

5. Indemnification.

(a) The Issuer agrees to indemnify and hold harmless each Holder of the Securities, any Participating Broker-Dealer and each person, if any, who controls such Holder or such Participating Broker-Dealer within the meaning of the Securities Act or the Exchange Act (each Holder, any Participating Broker-Dealer and such controlling persons are referred to collectively as the "INDEMNIFIED PARTIES") from and against any losses, claims, damages or liabilities, joint or several, or any actions in respect thereof (including, but not limited to, any losses, claims, damages, liabilities or actions relating to purchases and sales of the Securities) to which each Indemnified Party may become subject under the Securities Act, the Exchange Act or otherwise, insofar as such losses, claims, damages, liabilities or actions arise out of or are based upon any untrue statement or alleged untrue statement of a material fact contained in a Registration Statement or prospectus or in any amendment or supplement thereto or in any preliminary prospectus relating to a Shelf Registration, or arise out of, or are based upon, the omission or alleged omission to state therein a material fact required to be stated therein or necessary in order to make the statements therein, in light of the circumstances under which they were made, not misleading, and shall reimburse, as incurred, the Indemnified Parties for any legal or other expenses reasonably incurred by them in connection with investigating or defending any such loss, claim, damage, liability or action in respect thereof; provided, however, that (i) the Issuer shall not be liable in any such case to the extent that such loss, claim, damage or liability arises out of or is based upon any untrue statement or alleged untrue statement or omission or alleged omission made in a Registration Statement or prospectus or in any amendment or supplement thereto or in any preliminary prospectus

relating to a Shelf Registration (x) with respect to the Guarantor's Information or (y) in reliance upon and in conformity with any Holders' Information and (ii) with respect to any untrue statement or omission or alleged untrue statement or omission made in any preliminary prospectus relating to a Shelf Registration Statement, the indemnity agreement contained in this subsection (a) shall not inure to the benefit of any Holder or Participating Broker-Dealer (or any person controlling such Holder or Participating Broker-Dealer) from whom the person asserting any such losses, claims, damages or liabilities purchased the Securities concerned, to the extent that a prospectus relating to such Securities was required to be delivered by such Holder or Participating Broker-Dealer under the Securities Act in connection with such purchase and any such loss, claim, damage or liability of such Holder or Participating Broker-Dealer results from the fact that there was not sent or given to such person, at or prior to the written confirmation of the sale of such Securities to such person, a copy of the final prospectus if the Issuer or Guarantor have previously furnished copies thereof to such Holder or Participating Broker-Dealer; provided further, however, that this indemnity agreement will be in addition to any liability which the Issuer may otherwise have to such Indemnified Party. The Issuer shall also indemnify underwriters, their officers and directors and each person who controls such underwriters within the meaning of the Securities Act or the Exchange Act to the same extent as provided above with respect to the indemnification of the Holders of the Securities if requested by such Holders.

(b) The Guarantor agrees to indemnify and hold harmless each Indemnified Party from and against any losses, claims, damages or liabilities, joint or several, or any actions in respect thereof (including, but not limited to, any losses, claims, damages, liabilities or actions relating to purchases and sales of the Securities) to which each Indemnified Party may become subject under the Securities Act, the Exchange Act or otherwise, insofar as such losses, claims, damages, liabilities or actions arise out of or are based upon any untrue statement or alleged untrue statement of a material fact contained in a Registration Statement or prospectus or in any amendment or supplement thereto or in any preliminary prospectus relating to a Shelf Registration, or arise out of, or are based upon, the omission or alleged omission to state therein a material fact required to be stated therein or necessary in order to make the statements therein, in light of the circumstances under which they were made, not misleading, in each case, to the extent, but only to the extent, that such untrue statement or alleged untrue statement or omission or alleged omission was made in the Guarantor's Information contained therein, and shall reimburse, as incurred, the Indemnified Parties for any legal or other expenses reasonably incurred by them in connection with investigating or defending any such loss, claim, damage, liability or action in respect thereof; provided, however, that with respect to any untrue statement or omission or alleged untrue statement or omission made in any preliminary prospectus relating to a Shelf Registration Statement, the indemnity agreement contained in this subsection (a) shall not inure to the benefit of any Holder or Participating Broker-Dealer (or any person controlling such Holder or Participating Broker-Dealer) from whom the person asserting any such losses, claims, damages or liabilities purchased the Securities concerned, to the extent that a prospectus relating to such Securities was required to be delivered by such Holder or Participating Broker-Dealer under the Securities Act in connection with such purchase and any such loss,

claim, damage or liability of such Holder or Participating Broker-Dealer results from the fact that there was not sent or given to such person, at or prior to the written confirmation of the sale of such Securities to such person, a copy of the final prospectus if the Issuer or Guarantor have previously furnished copies thereof to such Holder or Participating Broker-Dealer; provided further, however, that this indemnity agreement will be in addition to any liability which the Guarantor may otherwise have to such Indemnified Party. The Guarantor shall also indemnify underwriters, their officers and directors and each person who controls such underwriters within the meaning of the Securities Act or the Exchange Act to the same extent as provided above with respect to the indemnification of the Holders of the Securities if requested by such Holders.

(c) Each Holder of the Securities, severally and not jointly, will indemnify and hold harmless the Issuer and Guarantor, their directors and officers and each person, if any, who controls the Issuer and the Guarantor, as the case may be, within the meaning of the Securities Act or the Exchange Act from and against any losses, claims, damages or liabilities or any actions in respect thereof, to which the Issuer or Guarantor or any such controlling person may become subject under the Securities Act, the Exchange Act or otherwise, insofar as such losses, claims, damages, liabilities or actions arise out of or are based upon any untrue statement or alleged untrue statement of a material fact contained in a Registration Statement or prospectus or in any amendment or supplement thereto or in any preliminary prospectus relating to a Shelf Registration, or arise out of or are based upon the omission or alleged omission to state therein a material fact necessary to make the statements therein not misleading, but in each case only to the extent that the untrue statement or omission or alleged untrue statement or omission was made in reliance upon and in conformity with written information pertaining to such Holder and furnished to the Issuer or the Guarantor by or on behalf of such Holder specifically for inclusion therein; and, subject to the limitation set forth immediately preceding this clause, shall reimburse, as incurred, the Issuer or Guarantor, as the case may be, for any legal or other expenses reasonably incurred by the Issuer or Guarantor, as the case may be, or any such controlling person in connection with investigating or defending any loss, claim, damage, liability or action in respect thereof. This indemnity agreement will be in addition to any liability which such Holder may otherwise have to the Issuer or Guarantor, as the case may be, or any of their controlling persons.

(d) Promptly after receipt by an indemnified party under this Section 5 of notice of the commencement of any action, such indemnified party will, if a claim in respect thereof is to be made against the indemnifying party under subsection (a), (b) or (c) above, notify the indemnifying party of the commencement thereof; provided that, the failure to notify the indemnifying party shall not relieve it from any liability that it may have under subsection (a), (b) or (c) above, except to the extent that it has been materially prejudiced (through the forfeiture of substantive rights or defenses) by such failure; and provided, further, that the failure to notify the indemnifying party shall not relieve it from any liability that it may have to an indemnified party otherwise than under subsection (a), (b) or (c) above. In case any such action is brought against any indemnified party and it notifies the indemnifying party of the commencement thereof, the indemnifying party will be entitled to participate therein and, to the extent that it may wish, jointly with any

other indemnifying party similarly notified, to assume the defense thereof, with counsel satisfactory to such indemnified party (who shall not, except with the consent of the indemnified party, be counsel to the indemnifying party), and after notice from the indemnifying party to such indemnified party of its election so to assume the defense thereof, the indemnifying party will not be liable to such indemnified party under this Section for any legal or other expenses subsequently incurred by such indemnified party in connection with the defense thereof other than reasonable costs of investigation. No indemnifying party shall, without the prior written consent of the indemnified party, effect any settlement of any pending or threatened action in respect of which any indemnified party is or could have been a party and indemnity could have been sought hereunder by such indemnified party unless such settlement includes an unconditional release of such indemnified party from all liability on any claims that are the subject matter of such action and does not include a statement as to and an admission of fault, culpability or failure to act by or on behalf of any indemnified party.

(e) If the indemnification provided for in this Section 5 is unavailable or insufficient to hold harmless an indemnified party under subsections (a), (b) or (c) above, then each indemnifying party shall contribute to the amount paid or payable by such indemnified party as a result of the losses, claims, damages or liabilities (or actions in respect thereof) referred to in subsection (a), (b) or (c) above (i) in such proportion as is appropriate to reflect the relative benefits received by the Offerors on one hand and the Holders on the other from the exchange of the Securities or (ii) if the allocation provided by the foregoing clause (i) is not permitted by applicable law, in such proportion as is appropriate to reflect not only the relative benefits referred to in clause (i) above but also the relative fault of the Offerors on the one hand and the Holders on the other in connection with the statements or omissions that resulted in such losses, claims, damages or liabilities (or actions in respect thereof) as well as any other relevant equitable considerations. The relative fault as between the Offerors on the one hand and the Holders on the other shall be determined by reference to, among other things, whether the untrue or alleged untrue statement of a material fact or the omission or alleged omission to state a material fact relates to information supplied by the Issuer or Guarantor, as the case may be, on the one hand and the Holders on the other, and the parties' relative intent, knowledge, access to information and opportunity to correct or prevent such statement or omission. The amount paid by an indemnified party as a result of the losses, claims, damages or liabilities referred to in the first sentence of this subsection (e) shall be deemed to include any legal or other expenses reasonably incurred by such indemnified party in connection with investigating or defending any action or claim which is the subject of this subsection (e). Notwithstanding any other provision of this subsection (e), the Holders of the Securities shall not be required to contribute any amount in excess of the amount by which the net proceeds received by such Holders from the sale of the Securities pursuant to a Registration Statement exceeds the amount of damages which such Holders have otherwise been required to pay by reason of such untrue or alleged untrue statement or omission or alleged omission. No person guilty of fraudulent misrepresentation (within the meaning of Section 11(f) of the Securities Act) shall be entitled to contribution from any person who was not guilty of such fraudulent misrepresentation. For purposes of this subsection (e), each person, if any, who controls

such indemnified party within the meaning of the Securities Act or the Exchange Act shall have the same rights to contribution as such indemnified party and each person, if any, who controls the Issuer or Guarantor, as the case may be, within the meaning of the Securities Act or the Exchange Act shall have the same rights to contribution as the Issuer or Guarantor, as the case may be.

(f) The agreements contained in this Section 5 shall survive the sale of the Securities pursuant to a Registration Statement and shall remain in full force and effect, regardless of any termination or cancellation of this Agreement or any investigation made by or on behalf of any indemnified party.

6. Additional Interest Under Certain Circumstances.

(a) Additional interest (the "ADDITIONAL INTEREST") with respect to the Initial Securities and the Private Exchange Securities shall be assessed as follows if any of the following events occur (each such event in clauses (1) through (3) below being herein called a "REGISTRATION DEFAULT"):

(1) if by the Filing Deadline, the Exchange Offer Registration Statement has not been filed with the Commission with respect to the Registered Exchange Offer,

(2) if by the Effectiveness Deadline, the Exchange Offer Registration Statement has not been declared effective or if by the Consummation Deadline, the Shelf Registration Statement has not been declared effective or the Registered Exchange Offer has not been consummated,

(3) if by the Effectiveness Deadline, the Exchange Offer Registration Statement has been declared effective, or if by the Consummation Deadline, the Shelf Registration Statement has been declared effective but:

(a) such registration statements cease to be effective, prior to expiration of the time periods described in Sections 1 and 2, if so required, or

(b) such registration statements cease to be useable in connection with resales of Securities prior to expiration of the time periods described in Sections 1 and 2, if so required,

Additional Interest shall accrue on the Initial Securities and the Private Exchange Securities over and above the interest set forth in the title of the Securities from and including the date on which any such Registration Default shall occur to but excluding the date on which all such Registration Defaults have been cured, at a rate of 0.25% per annum (the "ADDITIONAL INTEREST RATE") for the first 90-day period immediately following the occurrence of such Registration Default. The Additional Interest Rate shall increase by an additional 0.25% per annum with respect to each subsequent 90-day

period until all Registration Defaults have been cured, up to a maximum Additional Interest Rate of 0.5% per annum.

(b) A Registration Default referred to in Section 6(a)(3) shall be deemed not to have occurred and be continuing in relation to a Shelf Registration Statement or the related prospectus if (i) such Registration Default has occurred solely as a result of (x) the filing of a post-effective amendment to such Shelf Registration Statement to incorporate annual audited financial information with respect to the Offerors where such post-effective amendment is not yet effective and needs to be declared effective to permit Holders to use the related prospectus or (y) other material events, with respect to the Offerors that would need to be described in such Shelf Registration Statement or the related prospectus and (ii) in the case of clause (y), the Offerors are proceeding promptly and in good faith to amend or supplement such Shelf Registration Statement and related prospectus to describe such events; provided, however, that in any case if such Registration Default occurs for a continuous period in excess of 30 days, Additional Interest shall be payable in accordance with the above paragraph from the day such Registration Default occurs (without regard to the foregoing clauses in this paragraph) until such Registration Default is cured.

(c) Any amounts of Additional Interest due pursuant to Section 6(a) above will be payable in the same manner as specified in the Indenture for the payment of interest on the Securities on the regular interest payment dates with respect to the Securities. The amount of Additional Interest will be determined by multiplying the applicable Additional Interest rate by the principal amount of the Initial Securities or Private Exchange Securities, as the case may be, and further multiplied by a fraction, the numerator of which is the number of days such Additional Interest rate was applicable during such period (determined on the basis of a 360-day year comprised of twelve 30-day months), and the denominator of which is 360.

(d) "TRANSFER RESTRICTED SECURITIES" means each Security until (i) the date on which such Security has been exchanged by a person other than a broker-dealer for a freely transferable Exchange Security in the Registered Exchange Offer, (ii) following the exchange by a broker-dealer in the Registered Exchange Offer of an Initial Security for an Exchange Security, the date on which such Exchange Security is sold to a purchaser who receives from such broker-dealer on or prior to the date of such sale a copy of the prospectus contained in the Exchange Offer Registration Statement, (iii) the date on which such Security has been effectively registered under the Securities Act and disposed of in accordance with the Shelf Registration Statement or (iv) the date on which such Security is distributed to the public pursuant to Rule 144 under the Securities Act or is saleable pursuant to Rule 144(k) under the Securities Act.

7. Rules 144 and 144A. So long as Transfer Restricted Securities remain outstanding, each Offeror shall each use its best efforts to file the reports required to be filed by it under the Securities Act and the Exchange Act in a timely manner and, if at any time such Offeror is not required to file such reports, it will, upon the request of any Holder of Securities, make publicly available such information necessary to permit sales of their securities pursuant to Rules 144 and

144A. So long as Transfer Restricted Securities remain outstanding, each Offeror covenants that it will take such further action as any Holder of Securities may reasonably request, all to the extent required from time to time to enable such Holder to sell Securities without registration under the Securities Act within the limitation of the exemptions provided by Rules 144 and 144A (including the requirements of Rule 144A(d)(4)). So long as Transfer Restricted Securities remain outstanding, the Issuer will provide a copy of this Agreement to prospective purchasers of Initial Securities identified to the Issuer by the Initial Purchasers upon written request. So long as Transfer Restricted Securities remain outstanding, upon the written request of any Holder of Initial Securities, each Offeror shall deliver to such Holder a written statement as to whether it has complied with such requirements. Notwithstanding the foregoing, nothing in this Section 7 shall be deemed to require each Offeror to register any of its securities pursuant to the Exchange Act.

8. Underwritten Registrations. If any of the Transfer Restricted Securities covered by any Shelf Registration are to be sold in an underwritten offering, the investment banker or investment bankers and manager or managers that will administer the offering ("MANAGING Underwriters") will be selected by the Holders of a majority in aggregate principal amount of such Transfer Restricted Securities to be included in such offering, subject to the consent of both Offerors (which shall not be unreasonably withheld or delayed), and such Holders shall be responsible for all underwriting commissions and discounts in connection therewith.

No person may participate in any underwritten registration hereunder unless such person (i) agrees to sell such person's Transfer Restricted Securities on the basis reasonably provided in any underwriting arrangements approved by the persons entitled hereunder to approve such arrangements and (ii) completes and executes all questionnaires, powers of attorney, indemnities, underwriting agreements and other documents reasonably required under the terms of such underwriting arrangements.

9. Miscellaneous.

(a) Remedies. Each Offeror acknowledges and agrees that any failure by such Offeror to comply with its obligations under Section 1 or 2 may result in material irreparable injury to the Initial Purchasers or the Holders for which there is no adequate remedy at law, that it will not be possible to measure damages for such injuries precisely and that, in the event of any such failure, the Initial Purchasers or any Holder may obtain such relief as may be required to specifically enforce such Offeror's obligations under Sections 1 or 2. Each Offeror further agrees to waive the defense in any action for specific performance that a remedy at law would be adequate.

(b) Amendments and Waivers. The provisions of this Agreement may not be amended, modified or supplemented, and waivers or consents to departures from the provisions hereof may not be given, except by both Offerors and the written consent of the Holders of a majority in principal amount of the Securities affected by such amendment, modification, supplement, waiver or consents. Without the consent of the Holder of each Security, however, no modification may change the provisions relating to the payment of Additional Interest.

(c) Notices. All notices and other communications provided for or permitted hereunder shall be made in writing by hand delivery, first-class mail, facsimile transmission, or air courier which guarantees overnight delivery:

(1) if to a Holder of the Securities, at the most current address given by such Holder to the Offerors.

(2) if to the Initial Purchasers:

Credit Suisse First Boston Corporation
Deutsche Bank Securities Inc.
Salomon Smith Barney Inc.
Banc of America Securities LLC
J.P. Morgan Securities Inc.
Lehman Brothers Inc.
c/o Credit Suisse First Boston Corporation
Eleven Madison Avenue
New York, NY 10010-3629
Fax No.: (212) 325-8278
Attention: Transactions Advisory Group

with a copy to:

Cleary, Gottlieb, Steen & Hamilton
One Liberty Plaza

New York, NY 10006
Fax No.: (212) 225-3999
Attention: Craig B. Brod, Esq.

(3) if to the Offerors, at their address as follows:

Bottling Group, LLC
c/o The Pepsi Bottling Group, Inc.
One Pepsi Way
Somers, NY 10589
Fax No.: (914) 767-1820
Attention: Treasurer

with a copy to:

Proskauer Rose, LLP
1585 Broadway
New York, NY 10036-8299
Fax No.: (212) 969 2900
Attention: Henry O. Smith III, Esq.

PepsiCo, Inc.

700 Anderson Hill Road
Purchase, NY 10577-1444
Fax No.: (914) 249-8536
Attention: Treasurer

with a copy to:

Davis Polk & Wardwell
450 Lexington Avenue
New York, NY 10017
Fax No.: (212) 450-3800
Attention: Winthrop B. Conrad, Jr., Esq.

All such notices and communications shall be deemed to have been duly given: at the time delivered by hand, if personally delivered; three business days after being deposited in the mail, postage prepaid, if mailed; when receipt is acknowledged by recipient's facsimile machine operator, if sent by facsimile transmission; and on the day delivered, if sent by overnight air courier guaranteeing next day delivery.

(d) No Inconsistent Agreements. Neither Offeror has, as of the date hereof, entered into, nor shall it, on or after the date hereof, enter into, any agreement with respect to their securities that is inconsistent with the rights granted to the Holders herein or otherwise conflicts with the provisions hereof.

(e) Third Party Beneficiaries. The Holders shall be third party beneficiaries to the agreements made in this Agreement among the Offerors and the Initial Purchasers and shall have the right to enforce such agreements directly to the extent they may deem such enforcement necessary or advisable to protect their rights or the rights of Holders hereunder.

(f) Successors and Assigns. This Agreement shall be binding upon each Offeror and its successors and assigns.

(g) Termination of the Guarantor's Obligations. Notwithstanding any other provision of this Agreement, in the event that it is determined, prior to the consummation of the transactions contemplated in this Agreement, that the Guarantee shall never become effective and the Guarantee Commencement Date (as defined in the Indenture) shall not occur in accordance with the provisions of the Indenture, then at such time, the Guarantor's obligations hereunder (except the obligations contained in the second sentence of Section 4 and Sections 5(b), 5(d), 5(e) and 5(f), which shall remain in effect) shall cease.

(h) Counterparts. This Agreement may be executed in any number of counterparts and by the parties hereto in separate counterparts, each of which when so executed shall be deemed to be an original and all of which taken together shall constitute one and the same agreement.

(i) Headings. The headings in this Agreement are for convenience of reference only and shall not limit or otherwise affect the meaning hereof.

(j) Governing Law. THIS AGREEMENT SHALL BE GOVERNED BY, AND CONSTRUED IN ACCORDANCE WITH, THE LAWS OF THE STATE OF NEW YORK WITHOUT REGARD TO PRINCIPLES OF CONFLICTS OF LAWS.

The Issuer and the Guarantor hereby submit to the non-exclusive jurisdiction of the Federal and state courts in the Borough of Manhattan in The City of New York in any suit or proceeding arising out of or relating to this Agreement or the transactions contemplated hereby.

(k) Severability. If any one or more of the provisions contained herein, or the application thereof in any circumstance, is held invalid, illegal or unenforceable, the validity, legality and enforceability of any such provision in every other respect and of the remaining provisions contained herein shall not be affected or impaired thereby.

(l) Securities Held by the Offerors. Whenever the consent or approval of Holders of a specified percentage of principal amount of Securities is required hereunder, Securities held by the Offerors or their respective affiliates (other than subsequent Holders of Securities if such subsequent Holders are deemed to be affiliates solely by reason of their holdings of such Securities) shall not be counted in determining whether such consent or approval was given by the Holders of such required percentage.

If the foregoing is in accordance with your understanding of our agreement, please sign and return to each Offeror a counterpart hereof, whereupon this instrument, along with all counterparts, will become a binding agreement among the several Initial Purchasers, the Issuer and the Guarantor in accordance with its terms.

Very truly yours,

Bottling Group, LLC

By: /s/ Steven M. Rapp

Name: Steven M. Rapp
Title: Managing Director-Delegatee

PepsiCo, Inc.

By: /s/ Lionel L. Nowell III

Name: Lionel L. Nowell III
Title: Senior Vice President and Treasurer

The foregoing Registration Rights Agreement is hereby confirmed and accepted as of the date first above written.

CREDIT SUISSE FIRST BOSTON CORPORATION
DEUTSCHE BANK SECURITIES INC.
SALOMON SMITH BARNEY INC.
BANC OF AMERICA SECURITIES, LLC
J.P. MORGAN SECURITIES INC.
LEHMAN BROTHERS INC.

By: CREDIT SUISSE FIRST BOSTON CORPORATION

By: /s/ Peter Milhaupt

Name: Peter Milhaupt
Title: Managing Director

Each broker-dealer that receives Exchange Securities for its own account pursuant to the Exchange Offer must acknowledge that it will deliver a prospectus in connection with any resale of such Exchange Securities. The Letter of Transmittal states that by so acknowledging and by delivering a prospectus, a broker-dealer will not be deemed to admit that it is an "underwriter" within the meaning of the Securities Act. This Prospectus, as it may be amended or supplemented from time to time, may be used by a broker-dealer in connection with resales of Exchange Securities received in exchange for Initial Securities where such Initial Securities were acquired by such broker-dealer as a result of market-making activities or other trading activities. The Issuer and the Guarantor have agreed that, for a period of 180 days after the Expiration Date (as defined herein), it will make this Prospectus available to any broker-dealer for use in connection with any such resale. See "Plan of Distribution."

Each broker-dealer that receives Exchange Securities for its own account in exchange for Initial Securities, where such Initial Securities were acquired by such broker-dealer as a result of market-making activities or other trading activities, must acknowledge that it will deliver a prospectus in connection with any resale of such Exchange Securities. See "Plan of Distribution."

PLAN OF DISTRIBUTION

Each broker-dealer that receives Exchange Securities for its own account pursuant to the Exchange Offer must acknowledge that it will deliver a prospectus in connection with any resale of such Exchange Securities. This Prospectus, as it may be amended or supplemented from time to time, may be used by a broker-dealer in connection with resales of Exchange Securities received in exchange for Initial Securities where such Initial Securities were acquired as a result of market-making activities or other trading activities. The Issuer and the Guarantor agreed that, for a period of 180 days after the Expiration Date, the Issuer will make this prospectus, as amended or supplemented, available to any broker-dealer for use in connection with any such resale. In addition, until _____, 200__, all dealers effecting transactions in the Exchange Securities may be required to deliver a prospectus.

The Issuer will not receive any proceeds from any sale of Exchange Securities by broker-dealers. Exchange Securities received by broker-dealers for their own account pursuant to the Exchange Offer may be sold from time to time in one or more transactions in the over-the-counter market, in negotiated transactions, through the writing of options on the Exchange Securities or a combination of such methods of resale, at market prices prevailing at the time of resale, at prices related to such prevailing market prices or negotiated prices. Any such resale may be made directly to purchasers or to or through brokers or dealers who may receive compensation in the form of commissions or concessions from any such broker-dealer or the purchasers of any such Exchange Securities. Any broker-dealer that resells Exchange Securities that were received by it for its own account pursuant to the Exchange Offer and any broker or dealer that participates in a distribution of such Exchange Securities may be deemed to be an "underwriter" within the meaning of the Securities Act and any profit on any such resale of Exchange Securities and any commission or concessions received by any such persons may be deemed to be underwriting compensation under the Securities Act. The Letter of Transmittal states that, by acknowledging that it will deliver and by delivering a prospectus, a broker-dealer will not be deemed to admit that it is an "underwriter" within the meaning of the Securities Act.

For a period of 180 days after the Expiration Date, the Issuer will promptly send additional copies of this Prospectus and any amendment or supplement to this Prospectus to any broker-dealer that requests such documents in the Letter of Transmittal. The Issuer has agreed to pay all expenses incident to the Exchange Offer (including the expenses of one counsel for the Holders of the Securities) other than commissions or concessions of any brokers or dealers. The Issuer and the Guarantor will indemnify the Holders of the Securities (including any broker-dealers) against certain liabilities, including liabilities under the Securities Act, or will contribute to payments which they may be required to make in that respect.

[ ] CHECK HERE IF YOU ARE A BROKER-DEALER AND WISH TO RECEIVE 10 ADDITIONAL COPIES OF THE PROSPECTUS AND 10 COPIES OF ANY AMENDMENTS OR SUPPLEMENTS THERETO.

Name:

Address:

If the undersigned is not a broker-dealer, the undersigned represents that it is not engaged in, and does not intend to engage in, a distribution of Exchange Securities. If the undersigned is a broker-dealer that will receive Exchange Securities for its own account in exchange for Initial Securities that were acquired as a result of market-making activities or other trading activities, it acknowledges that it will deliver a prospectus in connection with any resale of such Exchange Securities; however, by so acknowledging and by delivering a prospectus, the undersigned will not be deemed to admit that it is an "underwriter" within the meaning of the Securities Act.

EXHIBIT 4.11

EXECUTION COPY

U.S. $250,000,000
364-DAY SECOND AMENDED AND RESTATED
CREDIT AGREEMENT

Dated as of May 1, 2002

among

THE PEPSI BOTTLING GROUP, INC.

BOTTLING GROUP, LLC

THE LENDERS NAMED HEREIN

JPMORGAN CHASE BANK,
as Agent,

BANC OF AMERICA SECURITIES LLC and
J.P. MORGAN SECURITIES INC.,
as Co-Lead Arrangers and
Joint Book Managers

and

BANK OF AMERICA, N.A. and
CITIBANK, N.A.,
as Co-Syndication Agents

SECOND AMENDED AND RESTATED CREDIT AGREEMENT dated as of May 1, 2002 (the "AGREEMENT") among THE PEPSI BOTTLING GROUP, INC., a Delaware corporation (the "COMPANY"), BOTTLING GROUP, LLC, a Delaware limited liability company (the "GUARANTOR"), the banks, financial institutions and other institutional lenders (the "INITIAL LENDERS") listed on the signature pages hereof, and JPMORGAN CHASE BANK, as Agent (in such capacity, the "AGENT") for the Lenders.

The Company, certain banks and the Agent are parties to a Credit Agreement dated as of May 3, 2000 (as amended and restated as of May 2, 2001, and as heretofore amended, modified and in effect on the date hereof, the "EXISTING CREDIT AGREEMENT") providing for the making of loans by such banks to the Company in an aggregate principal amount at any one time outstanding not exceeding $250,000,000 (or as increased pursuant to the terms of the Existing Credit Agreement).

The parties hereto wish to amend the Existing Credit Agreement to, among other things, extend the Termination Date by 364 days and to restate the Existing Credit Agreement to read in its entirety as set forth in the Existing Credit Agreement (which Existing Credit Agreement is incorporated herein by this reference) as so amended. The parties hereto agree as follows:

Section 1. DEFINITIONS. Capitalized terms used but not otherwise defined herein have the meanings given them in the Existing Credit Agreement.

Section 2. AMENDMENTS. The Existing Credit Agreement is hereby amended, effective as of the Restatement Date (as defined in Section 4 hereof), as follows, and as so amended is restated in its entirety effective on the Restatement Date:

(a) GENERAL. Each reference to this "Agreement" and words of similar import in the Existing Credit Agreement as amended and restated hereby shall be deemed to be a reference to the Existing Credit Agreement as amended and restated hereby and as the same may be further amended, supplemented and otherwise modified and in effect from time to time.

(b) TERMINATION DATE. The definition of "Termination Date" set forth in Section 1.01 of the Existing Credit Agreement is amended in its entirety to read as follows:

"TERMINATION DATE" means April 30, 2003 or, if earlier, the date of termination in whole of the Commitments pursuant to Section 2.05(a) or 6.01 or, in the case of any Lender whose Commitment is extended pursuant to Section 2.06(c), the date to which such Commitment is extended; PROVIDED in each case

that if any such date is not a Business Day, the relevant Termination Date of such Lender shall be the immediately preceding Business Day.

Section 3. REPRESENTATIONS AND WARRANTIES. Each of the Company and the Guarantor (each, a "LOAN PARTY") represents and warrants that (i) each of the representations and warranties of such Loan Party contained in Section 4.01 of the Existing Credit Agreement, after giving effect to the amendment and restatement contemplated hereby, is true and correct on and as of the Restatement Date with the same force and effect as if made on and as of the Restatement Date, and as if each reference in Section 4.01(e) to "December 25, 1999" referred to "December 29, 2001", and (ii) no Default or Event of Default has occurred and is continuing on and as of the Restatement Date. The Company agrees that if any representation and warranty contained in this Section 3 shall prove to have been incorrect in any material respect when made, it shall be deemed to be an Event of Default under Section 6.01(b) of the Existing Credit Agreement as amended and restated hereby.

Section 4. CONDITIONS TO EFFECTIVENESS. This Agreement shall become effective on the date (the "RESTATEMENT DATE") on which the Agent notifies the Company that the following conditions have been satisfied:

(i) EXECUTION BY ALL PARTIES. This Agreement shall have been executed and delivered by each of the Company, the Guarantor, the Agent and the Initial Lenders.

(ii) DOCUMENTS. The Agent shall have received the following documents, each of which shall be dated the Restatement Date and shall otherwise be satisfactory to the Agent in form and substance:

(a) Certified copies of the resolutions of the Board of Directors of the Company and of the Guarantor approving this Agreement and the Existing Credit Agreement as amended and restated hereby, and of all documents evidencing other necessary corporate action and governmental approvals, if any, with respect to this Agreement and the Existing Credit Agreement as amended and restated hereby.

(b) A certificate of the Secretary or an Assistant Secretary of the Company certifying the names and true signatures of the officers of the Company authorized to sign this Agreement and the other documents to be delivered hereunder.

(c) A certificate of the Secretary or an Assistant Secretary of the Guarantor certifying the names and true signatures of the officers of the Guarantor authorized to sign this Agreement and the other documents to be delivered hereunder.

(d) An opinion of Pamela McGuire, General Counsel of each of the Company and the Guarantor, substantially in the form of Exhibit C to the Existing Credit Agreement (with such necessary changes to reflect the amendment and

restatement contemplated hereby) and as to such other matters as any Initial Lender through the Agent may reasonably request.

(e) A favorable opinion of Milbank, Tweed, Hadley & McCloy LLP, special New York counsel for the Agent.

(f) The Agent shall have received such other approvals, opinions or documents as any Initial Lender through the Agent may reasonably request.

Section 5. COUNTERPARTS. This Agreement may be executed in any number of counterparts, and by different parties hereto in separate counterparts, each of which when so executed shall be deemed to be an original and all of which taken together shall constitute one and the same agreement.

Section 6. EXPENSES. Without limiting its obligations under Section 8.04 of the Existing Credit Agreement, the Company agrees to pay all reasonable out-of-pocket expenses incurred by the Agent, Bank of America, N.A. and each of their Affiliates, including the reasonable fees, charges and disbursements of counsel for the Agent, in connection with the preparation, execution and delivery of this Agreement.

Section 7. BINDING EFFECT. This Agreement shall be binding upon and inure to the benefit of the parties hereto and their respective successors and assigns.

Section 8. GOVERNING LAW. This Agreement shall be governed by, and construed in accordance with, the law of the State of New York.

IN WITNESS WHEREOF, the parties hereto have caused this Agreement to be duly executed and delivered as of the day and year first above written.

THE PEPSI BOTTLING GROUP, INC.,
as Borrower

By: /s/ Nicholas J. D'alessandro

Name: Nicholas J. D'Alessandro
Title: Vice President and Treasurer

BOTTLING GROUP, LLC,
as Guarantor

By: /s/ Nicholas J. D'alessandro

Name: Nicholas J. D'Alessandro
Title: Managing Director-Delegatee

JPMORGAN CHASE BANK,
as Agent

By: /s/ B.B. Wuthrich

Name: B.B. Wuthrich
Title: Vice President

COMMITMENT	INITIAL LENDERS
$30,000,000	JPMORGAN CHASE BANK By: /s/ B.B. Wuthrich Name: B.B. Wuthrich Title: Vice President
$30,000,000	CITIBANK, N.A. By: /s/ Sandy Salgado Name: Sandy Salgado Title: Vice President, Senior Banker
$30,000,000	BANK OF AMERICA, N.A. By: /s/ David L. Catherall Name: David L. Catherall Title: Vice President
$30,000,000	DEUTSCHE BANK AG, NEW YORK AND/OR CAYMAN ISLANDS BRANCH By: /s/ William W. Mcginty Name: William W. McGinty Title: Director By: /s/ Thomas A. Foley Name: Thomas A. Foley Title: Vice President

$25,000,000

CREDIT SUISSE FIRST BOSTON,
Cayman Island Branch

By: /s/ David W. Kratovil

Name: David W. Kratovil
Title: Director

By: /s/ James P. Moran

Name: James P. Moran
Title: Director

$20,000,000

THE NORTHERN TRUST COMPANY

By: /s/ Eric Strickland

Name: Eric Strickland
Title: Vice President

$20,000,000

LEHMAN COMMERCIAL PAPER INC.

By: /s/ Francis J. Chang

Name: Francis J. Chang
Title: Vice President

$15,000,000

ROYAL BANK OF CANADA

By: /s/ Ritta Y. Lee

Name: Ritta Y. Lee
Title: Senior Manager

$12,500,000

BANCO BILBAO VIZCAYA

By: /s/ John Martini
Name: John Martini
Title: Vice President

By: /s/ Erich Michel
Name: Erich Michel
Title: Vice President

$12,500,000

THE BANK OF NEW YORK

By: /s/ Joanna S. Bellocq
Name: Joanna S. Bellocq
Title: Vice President

$12,500,000

FLEET NATIONAL BANK

By: /s/ Renata Salgado
Name: Renata Salgado
Title: Vice President

$12,500,000

STATE STREET BANK AND TRUST COMPANY

By: /s/ Juan G. Sierra
Name: Juan G. Sierra
Title: Assistant Vice President

- ----------
$250,000,000 - Total of the Commitments

EXHIBIT 5.1

December 20, 2002

The Bottling Group, LLC
One Pepsi Way
Somers, New York 10589

Ladies and Gentlemen:

We have represented Bottling Group, LLC, a Delaware limited liability company (the "Company"), in connection with the Company's offer (the "Exchange Offer") to exchange its registered 4-5/8% Series B Senior Notes due November 15, 2012 (the "Exchange Notes") for any and all of its outstanding 4-5/8% Senior Notes due November 15, 2012 (the "Restricted Notes"). The Restricted Notes were, and the Exchange Notes will be, issued under an Indenture (the "Indenture") dated as of November 15, 2002 among the Company, PepsiCo, Inc., a North Carolina corporation, as guarantor, and JPMorgan Chase Bank, a New York banking corporation, as trustee.

You have requested our opinion, as counsel for the Company, in connection with the Registration Statement on Form S-4 (the "Registration Statement") under the Securities Act of 1933, as amended (the "Securities Act"), to be filed with the Securities and Exchange Commission (the "SEC").

In connection with rendering this opinion, we have examined originals or copies of such records, certificates of the Company and such other documents and have made such examinations of law, as we have deemed relevant.

Based upon the foregoing, and subject to the qualifications and limitations set forth below, it is our opinion that the Exchange Notes, when duly issued, executed, authenticated and delivered in exchange for the Restricted Notes in accordance with the Indenture and the Exchange Offer, will be valid and binding obligations of the Company, enforceable against the Company in accordance with their terms and will be entitled to the benefits of the Indenture, except as such enforceability may be limited by the laws of bankruptcy, insolvency, reorganization, fraudulent conveyance, moratorium or similar laws relating to creditors' rights generally, by general principles of equity (regardless of whether enforcement is sought in equity or law), including principles regarding good faith, fair dealing and commercial reasonableness or by the discretion of any court before which any proceeding therefor may be brought.

This opinion is limited in all respects to the federal law of the United States, the Delaware Limited Liability Company Act and the law of the State of New York, and we express no opinion as to the laws, statutes, rules or regulations of any other jurisdiction.

We hereby consent to the filing of this opinion as an exhibit to the Registration Statement relating to the Exchange Offer. We also consent to the reference to us under the caption "Legal Matters" in the prospectus contained in such Registration Statement. In giving such consent, we do not admit we are in the category of persons whose consent is required under Section 7 of the Securities Act or the rules and regulations of the SEC promulgated thereunder.

Very truly yours,

/s/ Proskauer Rose LLP

EXHIBIT 5.2

December 20, 2002

PepsiCo, Inc.
700 Anderson Hill Road
Purchase, New York 10577

Ladies and Gentlemen:

We have acted as counsel for PepsiCo, Inc., a North Carolina corporation (the "Guarantor"), in connection with the offer (the "Registered Exchange Offer") by Bottling Group, LLC ("Bottling LLC") and the Guarantor to exchange Bottling LLC's 4 5/8% Series B Senior Notes due November 15, 2012 (the "New Notes") for any and all of Bottling LLC's outstanding 4 5/8% Senior Notes due November 15, 2012 (the "Old Notes", and together with the New Notes, the "Notes"). The New Notes will be unsecured senior obligations of Bottling LLC and will be issued pursuant to an Indenture dated as of November 15, 2002 (the "Indenture"), among the Guarantor, Bottling LLC and JPMorgan Chase Bank, as Trustee. Payment of principal of and interest and premium, if any, on the Notes will be unconditionally and irrevocably guaranteed on a senior unsecured basis (the "Guarantee") by the Guarantor, with the Guarantee becoming effective on the Guarantee Commencement Date (as defined in the Indenture), except that, under certain circumstances described in the Indenture, the Guarantee may not become effective or may become effective as to less than all of the principal of and interest and premium, if any, on the Notes. We refer herein to the Guarantee to be endorsed on the New Notes as the "Exchange Guarantee".

We have examined originals or copies, certified or otherwise identified to our satisfaction, of such documents, corporate records, certificates of public

officials and other instruments as we have deemed necessary or advisable for the purpose of rendering this opinion.

The Guarantor is a North Carolina corporation, and Womble Carlyle Sandridge & Rice, PLLC, the Guarantor's special North Carolina counsel, has opined as to certain matters under the laws of the State of North Carolina, including the due authorization of the Exchange Guarantee. For purposes of this opinion, we have assumed the due authorization of the Exchange Guarantee.

Upon the basis of the foregoing, we are of the opinion that:

(i) Assuming the Exchange Guarantee has been duly authorized by the Guarantor, the Exchange Guarantee, when executed, issued and delivered by the Guarantor, and when the New Notes, with the Exchange Guarantee endorsed thereon, are issued, executed and authenticated in accordance with the provisions of the Indenture, and are delivered in the Registered Exchange Offer as contemplated by the Registration Rights Agreement dated November 7, 2002 among the Guarantor, Bottling LLC and the initial purchasers named therein, will constitute the valid and binding obligation of the Guarantor enforceable against the Guarantor in accordance with its terms, and will be entitled to the benefits of the Indenture, except as such enforceability may be limited by the laws of bankruptcy, insolvency, reorganization, fraudulent conveyance, moratorium, or similar laws relating to creditors' rights generally, by general principles of equity, or by the discretion of any court before which any proceeding therefor may be brought.

We are members of the Bar of the State of New York and the foregoing opinion is limited to the laws of the State of New York and the federal laws of the United States of America.

We hereby consent to the filing of this opinion as an exhibit to the registration statement on Form S-4 (the "Registration Statement") relating to the Registered Exchange Offer. We also consent to the reference to us under the caption "Legal Matters" in the prospectus contained in the Registration Statement.

Very truly yours,

/s/ Davis Polk & Wardwell

EXHIBIT 5.3

December 20, 2002

PepsiCo, Inc.
700 Anderson Hill Road
Purchase, NY 10577

Davis Polk & Wardwell
450 Lexington Avenue
New York, NY 10017

Ladies and Gentlemen:

We have acted as special North Carolina counsel for PepsiCo, Inc., a North Carolina corporation (the "Guarantor"), in connection with the offer (the "Registered Exchange Offer") by Bottling Group, LLC ("Bottling LLC") and the Guarantor to exchange Bottling LLC's 4 5/8% Series B Senior Notes due November 15, 2012 (the "New Notes") for any and all of Bottling LLC's outstanding 4 5/8% Senior Notes due November 15, 2012 (the "Old Notes," and together with the New Notes, the "Notes"). The New Notes will be unsecured senior obligations of Bottling LLC and will be issued pursuant to an Indenture dated as of November 15, 2002 (the "Indenture"), among the Guarantor, Bottling LLC and JPMorgan Chase Bank, as Trustee. Payment of principal of and interest and premium, if any, on the Notes will be unconditionally and irrevocably guaranteed on a senior unsecured basis (the "Guarantee") by the Guarantor, with the Guarantee becoming effective on the Guarantee Commencement Date (as defined in the Indenture), except that, under certain circumstances described in the Indenture, the Guarantee may not become effective or may become effective as to less than all of the principal of and interest and premium, if any, on the Notes. We refer herein to the Guarantee to be endorsed on the New Notes as the "Exchange Guarantee" and to the registration statement on Form S-4 to be filed with Securities and Exchange Commission (the "Commission") under the Securities Act of 1933, as amended (the "Act"), and relating to the Registered Exchange Offer as the "Registration Statement."

We have reviewed the Registration Statement, Guarantor's Restated Articles of Incorporation and By-laws, each as amended to date, the Registration Rights Agreement dated November 7, 2002 among the Guarantor, Bottling LLC and the initial purchasers named therein, the Indenture, the Guarantee and the Exchange Guarantee, and have examined the originals, or copies certified or otherwise identified to our satisfaction, of certificates of public officials and of representatives of the Guarantor, statutes and other instruments and documents, as a basis for the opinions hereinafter expressed. In rendering this opinion, we have relied upon certificates of

public officials and the officers of the Guarantor with respect to the accuracy of the factual matters contained in such certificates.

In connection with such review, we have assumed with your permission (a) that each of the Registration Rights Agreement and the Indenture and all other documents that are the subject of this opinion or on which this opinion is based have been properly authorized, executed and delivered by each of the respective parties thereto other than the Guarantor and have been properly executed and delivered by all parties by or through competent individuals having the legal capacity to do so; (b) the genuineness of all signatures; (c) the authenticity of all documents submitted to us as originals and the conformity to original documents of all documents submitted to us as certified or photostatic copies; and (d) the proper issuance and accuracy of certificates of public officials and officers and agents of the Guarantor.

This opinion is limited to the laws of the State of North Carolina, excluding local laws of the State of North Carolina (i.e., the statutes, ordinances, the administrative decisions and the rules and regulations of counties, towns, municipalities and special political subdivisions of, or authorities of quasi-governmental bodies constituted under the laws of, the State of North Carolina and judicial decisions to the extent they deal with any of the foregoing), that are, in our experience, normally applicable to transactions of the type contemplated in the Registered Exchange Offer, and we are expressing no opinion as to the effect of the laws of any other jurisdiction.

Based on and subject to the foregoing, and having regard for such legal considerations as we deem relevant, it is our opinion that the Guarantor has authorized the execution, delivery and performance of the Exchange Guarantee by all necessary corporate action.

Nothing contained in this letter shall be construed as an opinion as to the enforceability of the Exchange Guarantee.

We hereby consent to the filing of this opinion with the Commission as Exhibit 5.3 to the Registration Statement and to the use of our name in the Registration Statement under the caption "Legal Matters" in the prospectus included as a part thereof. In giving this consent, we do not admit that we are within the category of persons whose consent is required by Section 7 of the Act or other rules and regulations of the Commission thereunder.

Very truly yours,

/s/WOMBLE CARLYLE SANDRIDGE & RICE
A Professional Limited Liability Corporation

KNS
KGC

EXHIBIT 12.1

RATIO OF EARNINGS TO FIXED CHARGES We have calculated our ratio of earnings to fixed charges in the following table by dividing earnings by fixed charges. For this purpose, earnings are before tax and minority interest, plus fixed charges (excluding capitalize interest) and losses recognized from equity investments reduced by undistributed income from equity investments. Fixed charges include interest expense, capitalized interest and one-third of net rent expense, which is the portion of rent deemed representative of the interest factor.

Fiscal Year 36 Weeks Ended	Dec. 27, 1997	Dec. 26, 1998	Dec. 25, 1999	Dec. 30, 2000	Dec. 29, 2001	Sept. 8, 2001	Sept. 7, 2002
NET INCOME (LOSS) BEFORE TAXES AND MINORITY INTEREST	$177	$(128)	$282	$501	$600	$535	$670
Undistributed (income) loss from equity investments	12	5	-	-	-	-	-
Fixed charges excluding capitalize interest	176	181	158	150	145	102	105
EARNINGS AS ADJUSTED	$365	$ 58	$440	$651	$745	$637	$775
FIXED CHARGES:							
Interest expense	$164	$ 166	$140	$136	$132	$ 91	$ 92
Capital interest	1	1	1	1	-	-	
Interest portion of rental expense	12	15	18	14	13		

11 13 ---- -
---- ---- --
-- ---- ----
---- TOTAL
FIXED
CHARGES $177
$ 182 $159
$151 $146
$102 $105
==== =====
==== ====
==== ====
==== RATIO
OF EARNINGS
TO FIXED
CHARGES 2.06
(A) 2.76
4.31 5.09
6.23 7.36

(A) As a result of the losses incurred in the fiscal year ended December 26, 1998, we were unable to fully cover the indicated fixed charges. Earnings did not cover fixed charges by $124 million in 1998.

Exhibit 15.1

December 20, 2002

Bottling Group, LLC
One Pepsi Way
Somers, NY 10589

Re: Registration Statement on Form S-4 filed today with the Securities and Exchange Commission

With respect to the subject registration statement, we acknowledge our awareness of the incorporation by reference therein of our reports dated April 15, 2002, July 9, 2002 and October 1, 2002 related to our reviews of interim financial information.

Pursuant to Rule 436 under the Securities Act of 1933 (the Act) such reports are not considered part of a registration statement prepared or certified by an accountant, or a report prepared or certified by an accountant within the meaning of Sections 7 and 11 of the Act.

/s/ KPMG LLP

New York, New York

EXHIBIT 15.2

ACCOUNTANTS' ACKNOWLEDGMENT

December 20, 2002

PepsiCo, Inc.
Purchase, New York

Re: Registration Statement on Form S-4 filed today with the Securities and Exchange Commission

With respect to the subject registration statement, we acknowledge our awareness of the incorporation by reference therein of our reports dated April 23, 2002, July 19, 2002, and October 8, 2002 related to our reviews of interim financial information.

Pursuant to Rule 436 under the Securities Act of 1933 (the Act), such reports are not considered part of a registration statement prepared or certified by an accountant, or a report prepared or certified by an accountant within the meaning of Sections 7 and 11 of the Act.

Very truly yours,

/s/ KPMG LLP

New York, New York

Exhibit 23.4

Independent Auditors' Consent

The Owners of
Bottling Group, LLC:

We consent to the use of our reports dated January 24, 2002 with respect to the consolidated balance sheets of Bottling Group, LLC as of December 29, 2001 and December 30, 2000, and the related consolidated statements of operations, cash flows and changes in owners' equity for each of the fiscal years in the three-year period ended December 29, 2001, and with respect to the related financial statement schedule as of December 29, 2001 and December 30, 2000, and for each of the fiscal years in the three-year period ended December 29, 2001, incorporated herein by reference and to the reference to our firm under the heading "Independent Accountants" in the prospectus.

/s/ KPMG LLP

New York, New York
December 20, 2002

EXHIBIT 23.5

CONSENT OF KPMG LLP

We consent to the use of our audit report dated February 6, 2002, with respect to the Consolidated Balance Sheets of PepsiCo, Inc. and Subsidiaries as of December 29, 2001 and December 30, 2000, and the related Consolidated Statements of Income, Cash Flows and Common Shareholders' Equity for each of the years in the three-year period ended December 29, 2001, incorporated herein by reference and to the reference to our firm under the heading "Independent Accountants" in the prospectus.

/s/ KPMG LLP

New York, New York
December 20, 2002

EXHIBIT 24.2

POWER OF ATTORNEY

PepsiCo, Inc. ("PepsiCo") and each of the undersigned, an officer or director, or both, of PepsiCo, do hereby appoint David R. Andrews, Robert E. Cox and Thomas H. Tamoney, Jr. and each of them severally, its, his or her true and lawful attorney-in-fact to execute on behalf of PepsiCo and the undersigned the following documents and any and all amendments thereto (including post-effective amendments):

> Form S-4 Registration Statement required to be filed by PepsiCo relating to PepsiCo's guarantee of notes issued by Bottling Group, LLC to finance the acquisition of Pepsi-Gemex S.A. de C.V.

and to file the same, with all exhibits thereto and other documents in connection therewith, and each of such attorneys shall have the power to act hereunder with or without the other.

IN WITNESS WHEREOF, the undersigned has executed this instrument on December 20, 2002.

PepsiCo, Inc.

By: /s/ Steven S Reinemund
Steven S Reinemund
Chairman of the Board and
Chief Executive Officer

/s/ Steven S Reinemund
Steven S Reinemund
Chairman of the Board and
Chief Executive Officer

/s/ Arthur C. Martinez
Arthur C. Martinez
Director

/s/ Indra K. Nooyi
Indra K. Nooyi
Director, President,
and Chief Financial Officer

/s/ Robert S. Morrison
Robert S. Morrison
Vice Chairman of the Board

/s/ Peter A. Bridgman
Peter A. Bridgman
Senior Vice President and Controller
(Chief Accounting Officer)

/s/ Franklin D. Raines
Franklin D. Raines
Director

/s/ Peter F Akers
John F. Akers
Director

/s/ Sharon Percy Rockefeller
Sharon Percy Rockefeller
Director

/s/ Robert E. Allen
- -------------------------
Robert E. Allen
Director

/s/ Roger A. Enrico
- -------------------------
Roger A. Enrico
Director

/s/ Peter Foy
- -------------------------
Peter Foy
Director

/s/ Ray L. Hunt
- -------------------------
Ray L. Hunt
Director

/s/ Franklin A. Thomas

Franklin A. Thomas
Director

/s/ Cynthia M. Trudell

Cynthia M. Trudell
Director

/s/ Solomon D. Trujillo

Solomon D. Trujillo
Director

/s/ Daniel Vasella

Daniel Vasella
Director

EXHIBIT 25.1

SECURITIES AND EXCHANGE COMMISSION
Washington, D. C. 20549

FORM T-1

STATEMENT OF ELIGIBILITY
UNDER THE TRUST INDENTURE ACT OF 1939 OF
A CORPORATION DESIGNATED TO ACT AS TRUSTEE

CHECK IF AN APPLICATION TO DETERMINE ELIGIBILITY OF
A TRUSTEE PURSUANT TO SECTION 305(b)(2) _____

JPMORGAN CHASE BANK
(Exact name of trustee as specified in its charter)

NEW YORK	13-4994650
(State of incorporation if not a national bank)	(I.R.S. employer identification No.)
270 PARK AVENUE NEW YORK, NEW YORK	10017
(Address of principal executive offices)	(Zip Code)

William H. McDavid
General Counsel
270 Park Avenue
New York, New York 10017
Tel: (212) 270-2611
(Name, address and telephone number of agent for service)

BOTTLING GROUP, LLC
PEPSICO, INC.
(Exact name of obligor as specified in its charter)

DELAWARE	13-4042452
NORTH CAROLINA	13-1584302
(State or other jurisdiction of incorporation or organization)	(I.R.S. employer identification No.)
ONE PEPSI WAY SOMERS, NEW YORK	10589
700 ANDERSON HILL ROAD PURCHASE, NEW YORK	10577
(Address of principal executive offices)	(Zip Code)

4 5/8% SERIES B NOTES DUE NOVEMBER 15, 2012
(Title of the indenture securities)

GENERAL

Item 1. General Information.

Furnish the following information as to the trustee:

(a) Name and address of each examining or supervising authority to which it is subject.

New York State Banking Department, State House, Albany, New York 12110. Board of Governors of the Federal Reserve System, Washington, D.C., 20551 Federal Reserve Bank of New York, District No. 2, 33 Liberty Street, New York, N.Y.

Federal Deposit Insurance Corporation, Washington, D.C., 20429.

(b) Whether it is authorized to exercise corporate trust powers.

Yes.

Item 2. Affiliations with the Obligor and Guarantors.

If the obligor or any Guarantor is an affiliate of the trustee, describe each such affiliation.

None.

Item 16. List of Exhibits

List below all exhibits filed as a part of this Statement of Eligibility.

1. A copy of the Restated Organization Certificate of the Trustee dated March 25, 1997 and the Certificate of Amendment dated October 22, 2001 (see Exhibit 1 to Form T-1 filed in connections with Registration Statement No. 333768, which is incorporated by reference.)

2. A copy of the Certificate of Authority of the Trustee to Commence Business (see Exhibit 2 to Form T-1 filed in connection with Registration Statement No. 33-50010, which is incorporated by reference). On November 11, 2001, in connection with the merger of The Chase Manhattan Bank and Morgan Guaranty Trust Company of New York, the surviving corporation was renamed JPMorgan Chase Bank.

3. None, authorization to exercise corporate trust powers being contained in the documents identified above as Exhibits 1 and 2.

4. A copy of the existing By-Laws of the Trustee (see Exhibit 4 to Form T-1 filed in connection with Registration Statement 333-76894, which is incorporated by reference.)

5. Not applicable.

6. The consent of the trustee required by section 321(b) of the act (see exhibit 6 to form t-1 filed in connection with registration statement no. 33-50010, Which is incorporated by reference). On november 11, 2001, in connection with the merger of the chase manhattan bank and morgan guaranty trust company of new york, the surviving corporation was renamed jpmorgan chase bank.

7. A copy of the latest report of condition of the Trustee, published pursuant to law or the requirements of its supervising or examining authority (see Exhibit 7 to Form T-1 filed in connection with Registration Statement 333-76894, which is incorporated by reference.)

8. Not applicable.

9. Not applicable.

SIGNATURE

Pursuant to the requirements of the Trust Indenture Act of 1939 the Trustee, JPMorgan Chase Bank, a corporation organized and existing under the laws of the State of New York, has duly caused this statement of eligibility to be signed on its behalf by the undersigned, thereunto duly authorized, all in the City of New York and State of New York, on the 10th day of December, 2002.

JPMORGAN CHASE BANK

By /s/James P. Freeman

James P. Freeman
Vice President

Exhibit 7 to Form T-1

Bank Call Notice

RESERVE DISTRICT NO. 2
CONSOLIDATED REPORT OF CONDITION OF

JPMorgan Chase Bank
of 270 Park Avenue, New York, New York 10017
and Foreign and Domestic Subsidiaries,
a member of the Federal Reserve System,

at the close of business September 30, 2002,
in accordance with a call made by the Federal Reserve
Bank of this District pursuant to the provisions of
the Federal Reserve Act.

ASSETS		DOLLAR AMOUNTS IN MILLIONS
Cash and balances due from depository institutions:		
Noninterest-bearing balances and currency and coin		$ 17,141
Interest-bearing balances		13,564
Securities:		
Held to maturity securities		408
Available for sale securities		74,344
Federal funds sold and securities purchased under agreements to resell		
Federal funds sold in domestic offices		7,094
Securities purchased under agreements to resell		72,512
Loans and lease financing receivables:		
Loans and leases held for sale		17,153
Loans and leases, net of unearned income	$161,915	
Less: Allowance for loan and lease losses	3,458	
Loans and leases, net of unearned income and allowance		158,457
Trading Assets		186,290
Premises and fixed assets (including capitalized leases)		6,177
Other real estate owned		57
Investments in unconsolidated subsidiaries and associated companies		326
Customers' liability to this bank on acceptances outstanding		281
Intangible assets		
Goodwill		2,168
Other Intangible assets		3,696
Other assets		45,403
TOTAL ASSETS		$605,071

LIABILITIES

Deposits		
In domestic offices		$167,400
Noninterest-bearing	$ 66,691	
Interest-bearing	100,709	
In foreign offices, Edge and Agreement subsidiaries and IBF's		118,273
Noninterest-bearing	$ 8,445	
Interest-bearing	109,828	
Federal funds purchased and securities sold under agreements to repurchase:		
Federal funds purchased in domestic offices		6,317
Securities sold under agreements to repurchase		105,558
Trading liabilities		126,199
Other borrowed money (includes mortgage indebtedness and obligations under capitalized leases)		11,025
Bank's liability on acceptances executed and outstanding		304
Subordinated notes and debentures		7,895
Other liabilities		25,977
TOTAL LIABILITIES		568,948
Minority Interest in consolidated subsidiaries		91

EQUITY CAPITAL

Perpetual preferred stock and related surplus	0
Common stock	1,785
Surplus (exclude all surplus related to preferred stock)	16,304
Retained earnings	16,560
Accumulated other comprehensive income	1,383
Other equity capital components	0
TOTAL EQUITY CAPITAL	36,032
TOTAL LIABILITIES, MINORITY INTEREST, AND EQUITY CAPITAL	$605,071

I, Joseph L. Sclafani, E.V.P. & Controller of the above-named bank, do hereby declare that this Report of Condition has been prepared in conformance with the instructions issued by the appropriate Federal regulatory authority and is true to the best of my knowledge and belief.

JOSEPH L. SCLAFANI

We, the undersigned directors, attest to the correctness of this Report of Condition and declare that it has been examined by us, and to the best of our knowledge and belief has been prepared in conformance with the instructions issued by the appropriate Federal regulatory authority and is true and correct.

WILLIAM B. HARRISON, JR.)
HANS W. BECHERER) DIRECTORS
LAWRENCE A. BOSSIDY)

EXHIBIT 99.1

LETTER OF TRANSMITTAL

TO TENDER FOR EXCHANGE
4 5/8% SENIOR NOTES DUE 2012

OF

BOTTLING GROUP, LLC

PURSUANT TO THE PROSPECTUS
DATED , 2003

THE EXCHANGE OFFER WILL EXPIRE AT 5:00 P.M., NEW YORK CITY TIME, ON , 2003 (THE "EXPIRATION DATE"), UNLESS THE EXCHANGE OFFER IS EXTENDED, IN WHICH CASE THE TERM "EXPIRATION DATE" SHALL MEAN THE LATEST DATE AND TIME TO WHICH THE EXCHANGE OFFER IS EXTENDED. TENDERS MAY BE WITHDRAWN AT ANY TIME PRIOR TO 5:00 P.M., NEW YORK CITY TIME, ON THE EXPIRATION DATE.

DELIVERY TO:

JPMORGAN CHASE BANK
AS EXCHANGE AGENT

By Facsimile Transmission	Overnight Courier or by Hand	By Registered or Certified Mail
(214) 468-6494	JPMorgan Chase Bank	JPMorgan Chase Bank
(For Eligible Institutions Only)	ITS Bond Events	ITS Bond Events
	2001 Bryan Street, 9th Floor	PO Box 2320
Confirm by Telephone	Dallas, Texas 75201	Dallas, Texas 75221
(214) 468-6464		
Attention: Frank Ivins		

DELIVERY OF THIS LETTER OF TRANSMITTAL TO AN ADDRESS OTHER THAN AS SET FORTH ABOVE OR TRANSMISSION OF THIS LETTER OF TRANSMITTAL VIA FACSIMILE TO A NUMBER OTHER THAN THE ONE LISTED ABOVE WILL NOT CONSTITUTE A VALID DELIVERY.

THE INSTRUCTIONS SET FORTH IN THIS LETTER OF TRANSMITTAL SHOULD BE READ CAREFULLY BEFORE THIS LETTER OF TRANSMITTAL IS COMPLETED.

Capitalized terms used but not defined herein have the meaning given to them in the Prospectus.

This Letter of Transmittal is to be used by a holder of Old Notes (i) if certificates representing Old Notes are to be forwarded herewith, (ii) if delivery of Old Notes is to be made by book-entry transfer to the Exchange Agent's account at The Depository Trust Company ("DTC" or the "Book-Entry Transfer Facility"), pursuant to the procedures set forth in the section of the Prospectus entitled "The Exchange Offer -- Procedures for Tendering," unless an agent's message is transmitted in lieu hereof, or (iii) if a tender has previously been made pursuant to the guaranteed delivery procedures in the section of the Prospectus entitled "The Exchange Offer -- Guaranteed Delivery Procedures," unless an agent's message is transmitted in lieu hereof.

Any beneficial owner whose Old Notes are held in the name of a broker, dealer, commercial bank, trust company or other nominee and who wishes to tender should contact such holder of Old Notes promptly and instruct such holder of Old Notes to tender on behalf of the beneficial owner. If such beneficial owner wishes to tender on such owner's own behalf, such beneficial owner must, prior to completing and executing this Letter of Transmittal and delivering its Old Notes, either make appropriate arrangements to record ownership of the Old Notes in such beneficial owner's name or obtain a properly completed power of attorney from the holder of Old Notes. The transfer of record ownership may take considerable time.

In order to properly complete this Letter of Transmittal, a holder of Old Notes must (i) complete columns (1) through (3) in the box entitled "Description of Old Notes," (ii) if appropriate, check and complete the boxes relating to book-entry transfer, guaranteed delivery, "Special Issuance Instructions" and "Special Delivery Instructions," and (iii) sign the Letter of Transmittal by completing the box entitled "Holder(s) Sign Here." If only columns (1) through (3) of the box entitled "Description of Old Notes" are completed, such holder of Old Notes will have tendered for exchange all Old Notes listed in column (3) below. If the holder of Old Notes wishes to tender for exchange less than all of such Old Notes, column (4) must be completed in full. In such case, such holder of Old Notes should refer to Instruction 5. Each holder of Old Notes should carefully read the detailed instructions below prior to completing the Letter of Transmittal.

Holders of Old Notes who desire to tender their Old Notes for exchange and (i) whose Old Notes are not immediately available, (ii) who cannot deliver their Old Notes and all other documents required hereby to the Exchange Agent prior to the Expiration Date, or (iii) who cannot complete the procedures for book-entry transfer on a timely basis, may tender their Old Notes pursuant to the guaranteed delivery procedures set forth in the section of the Prospectus entitled "The Exchange Offer -- Guaranteed Delivery Procedures." We refer you to Instruction 2.

SIGNATURES MUST BE PROVIDED BELOW

PLEASE READ THE ACCOMPANYING INSTRUCTIONS CAREFULLY
ALL TENDERING HOLDERS OF 4 5/8% SENIOR NOTES DUE 2012 COMPLETE THE BOX:

- --------

DESCRIPTION
OF OLD
NOTES - --

---- (1)
(2) (3)
(4) - ----

--
PRINCIPAL
AMOUNT
NAME(S)
AND
ADDRESS(ES)
CERTIFICATE
NUMBER(S)
TENDERED
FOR
EXCHANGE
OF
REGISTERED
HOLDER(S)
OF OLD
NOTE(S)
(ATTACH
SIGNED
LIST
AGGREGATE
PRINCIPAL
(MUST BE
IN
INTEGRAL
(PLEASE
FILL IN,
IF BLANK)
IF
NECESSARY)
(A)
AMOUNT(S)
(B)
MULTIPLES
OF $1,000)
(C) - ----

aggregate principal amount represented by the column labeled "Aggregate Principal Amount(s)." (C) The minimum tender is $1,000 principal amount of Old Notes. All other tenders must be in integral multiples of $1,000.

- --------

[ ] CHECK HERE IF CERTIFICATES REPRESENTING TENDERED OLD NOTES ARE ENCLOSED HEREWITH

[ ] CHECK HERE IF TENDERED OLD NOTES ARE BEING DELIVERED BY BOOK-ENTRY TRANSFER MADE TO THE ACCOUNT MAINTAINED BY THE EXCHANGE AGENT WITH THE BOOK-ENTRY TRANSFER FACILITY AND COMPLETE THE FOLLOWING:

Name of Tendering Institution: ----------

DTC Account Number: ----------

Transaction Code Number: ----------

[ ] CHECK HERE IF TENDERED OLD NOTES ARE BEING DELIVERED PURSUANT TO A NOTICE OF GUARANTEED DELIVERY (A COPY OF WHICH IS ENCLOSED HEREWITH) PREVIOUSLY SENT TO THE EXCHANGE AGENT AND COMPLETE THE FOLLOWING (FOR USE BY ELIGIBLE INSTITUTIONS (AS HEREINAFTER DEFINED) ONLY):

Name(s) of Registered Holder(s): ----------

Date of Execution of Notice of Guaranteed Delivery: ----------

Window Ticket Number (if available): ----------

Name of Institution which Guaranteed Delivery: ----------

If Guaranteed Delivery is to be made by book-entry transfer: ----------

Name of Tendering Institution: ----------

DTC Account Number (if delivered by book-entry transfer): ----------

Transaction code Number: ----------

[ ] CHECK HERE IF TENDERED BY BOOK-ENTRY TRANSFER AND NON-EXCHANGED OLD NOTES ARE TO BE RETURNED BY CREDITING THE BOOK-ENTRY TRANSFER FACILITY ACCOUNT SET FORTH ABOVE.

[ ] CHECK HERE IF YOU ARE A BROKER-DEALER WHO WISHES TO RECEIVE 10 ADDITIONAL COPIES OF THE PROSPECTUS AND 10 COPIES OF ANY AMENDMENTS OR SUPPLEMENTS THERETO.

Name: ----------

Address: ----------

SPECIAL ISSUANCE INSTRUCTIONS
(SEE INSTRUCTIONS 1, 6, 7 AND 8)

To be completed ONLY if the New Notes issued in exchange for Old Notes are to be issued in the name of someone other than the registered holder of the Old Notes whose name(s) appear(s) above.

Issue to:

Name

(PLEASE PRINT)

Address

(ZIP CODE)

(TAXPAYER IDENTIFICATION NO.
OR SOCIAL SECURITY NO.)

SPECIAL DELIVERY INSTRUCTIONS
(SEE INSTRUCTIONS 1, 6, 7 AND 8)

To be completed ONLY if the New Notes issued in exchange for Old Notes are to be mailed or delivered to someone other than the registered holder of the Old Notes whose name(s) appear(s) above or to such registered holder at an address other than the address shown above.

Mail or delivered to:

Name

(PLEASE PRINT)

Address

(ZIP CODE)

(TAXPAYER IDENTIFICATION NO.
OR SOCIAL SECURITY NO.)

Ladies and Gentlemen:

Pursuant to the offer by Bottling Group, LLC, a Delaware limited liability company (the "Company"), and PepsiCo, Inc., a North Carolina corporation ("PepsiCo"), upon the terms and subject to the conditions set forth in the Prospectus dated , 2003 (as the same may be amended or supplemented from time to time, the "Prospectus"), receipt of which is hereby acknowledged, and this Letter of Transmittal (the "Letter of Transmittal"), which together with the Prospectus constitutes the Company's and PepsiCo's offer (the "Exchange Offer") to exchange up to $1,000,000,000 principal amount of the Company's 4 5/8% Series B Senior Notes due 2012 (the "New Notes") for a like principal amount of its outstanding 4 5/8% Senior Notes due 2012 (the "Old Notes"), the undersigned hereby tenders to the Company for exchange the Old Notes indicated above. The Exchange Offer has been registered under the Securities Act of 1933, as amended (the "Securities Act").

The undersigned is the holder (which term, for purposes of the Exchange Offer, includes any participant in the Book-Entry Transfer Facility whose name appears on a security position listing as a holder of a book-entry interest in the Global Notes representing Old Notes) of all such Old Notes and if the undersigned holds the Old Notes as a nominee for the beneficial owner(s), the undersigned represents that it has received from each beneficial owner of such Old Notes a duly completed and executed form of "Instruction to Registered Holder and/or Book-Entry Transfer Participant from Beneficial Owner" accompanying this Letter of Transmittal, instructing the undersigned to take the action described in this Letter of Transmittal.

By executing this Letter of Transmittal and subject to and effective upon acceptance for exchange of all or any portion of the Old Notes tendered for exchange herewith in accordance with the terms and conditions of the Exchange Offer (including, if the Exchange Offer is extended or amended, the terms and conditions of any such extension or amendment), the undersigned will have irrevocably sold, assigned, transferred and exchanged, to or upon the order of the Company, all right, title and interest in, to and under all of the Old Notes tendered for exchange hereby, and hereby will have irrevocably appointed the Exchange Agent as the true and lawful agent and attorney-in-fact (with full knowledge that the Exchange Agent also acts as agent of the Company in connection with the Exchange Offer) of such holder of Old Notes with respect to such Old Notes, with full power of substitution, subject only to the right of withdrawal described in the Prospectus, to (i) deliver certificates representing such Old Notes, or transfer ownership of such Old Notes on the account books maintained by DTC (together, in any such case, with all accompanying evidences of transfer and authenticity), to or upon the order of the Company, (ii) present and deliver such Old Notes for transfer on the books of the Company and (iii) receive all benefits and otherwise exercise all rights and incidents of beneficial ownership with respect to such Old Notes, all in accordance with the terms and conditions of the Exchange Offer. The power of attorney granted in this paragraph shall be deemed to be irrevocable and coupled with an interest.

The undersigned hereby represents and warrants that (i) the undersigned has full power and authority to tender, exchange, assign and transfer the Old Notes tendered hereby and (ii) that when such Old Notes are accepted for exchange by the Company, the Company will acquire good, marketable and unencumbered title thereto, free and clear of all liens, restrictions, charges and encumbrances and not subject to any adverse claims or proxies. The undersigned will, upon request, execute and deliver any additional documents deemed by the Exchange Agent or the Company to be necessary or desirable to complete the exchange, assignment and transfer of the Old Notes tendered for exchange hereby. The undersigned will comply with its obligations under the Registration Rights Agreement and agrees to all of the terms of the Exchange Offer.

By tendering old Notes in the Exchange Offer, the undersigned holder represents to the Company and PepsiCo that (i) the New Notes to be acquired by the undersigned in exchange for the Old Notes tendered hereby are being acquired in the ordinary course of business, (ii) the undersigned has no arrangement or understanding with any person to participate in the distribution (within the meaning of the Securities Act) of such New Notes, (iii) the undersigned is not an "affiliate," as defined in Rule 405 under the Securities Act, of the Company or PepsiCo or, if it is an affiliate, such holder of Old Notes will comply with the registration and prospectus delivery requirements of the Securities Act to the extent applicable, (iv) the undersigned who is not a broker-dealer, represents that it is not engaged in, and does not intend to engage in, a distribution of New Notes, and (v) the undersigned who is a broker-dealer that will receive New Notes for its own account in exchange for Old Notes that were acquired as a result of market-making activities or other trading activities, acknowledges that it will deliver a prospectus meeting the

requirements of the Securities Act in connection with any resale of such New Notes; however, by so acknowledging and by delivering a prospectus, the undersigned will not be deemed to admit that it is an "underwriter" within the meaning of the Securities Act. The Company and PepsiCo have agreed that, for a period of 180 days after the Expiration Date, the Company will make the Prospectus, as amended or supplemented, available to any broker-dealer for use in connection with any such resale.

For purposes of the Exchange Offer, the Company will be deemed to have accepted properly tendered Old Notes, when and if the Company gives oral (promptly confirmed in writing) or written notice of the acceptance to the Exchange Agent. Tenders of Old Notes for exchange may be withdrawn at any time prior to 5:00 p.m., New York City time, on the Expiration Date. We refer you to "The Exchange Offer -- Withdrawal of Tenders" in the Prospectus.

The undersigned acknowledges that the Company's acceptance of Old Notes validly tendered for exchange pursuant to any one of the procedures described in the section of the Prospectus entitled "The Exchange Offer -- Procedures for Tendering" and in the instructions hereto will constitute a binding agreement between the undersigned, the Company and PepsiCo upon the terms and subject to the conditions of the Exchange Offer.

Unless otherwise indicated herein in the box entitled "Special Issuance Instructions" above, the undersigned hereby directs that the New Notes be issued in the name(s) of the undersigned or, in the case of a book-entry transfer of Old Notes, that such New Notes be credited to the account indicated above maintained at the Book-Entry Transfer Facility. If applicable, substitute certificates representing Old Notes not exchanged or not accepted for exchange will be issued to the undersigned or, in the case of a book-entry transfer of Old Notes, will be credited to the account indicated above maintained at the Book-Entry Transfer Facility. Similarly, unless otherwise indicated under "Special Delivery Instructions," please deliver New Notes to the undersigned at the address shown above.

The undersigned recognizes that the Exchange Offer is subject to the terms of the Registration Rights Agreement among the Company, PepsiCo and the Initial Purchasers and customary conditions as set forth in the section of the Prospectus entitled "The Exchange Offer -- Conditions to the Exchange Offer."

All authority herein conferred or agreed to be conferred shall survive the death, incapacity, or dissolution of the undersigned, and any obligation of the undersigned hereunder shall be binding upon the heirs, personal representatives, successors and assigns of the undersigned. Except as otherwise stated in the Prospectus, this tender for exchange of Old Notes is irrevocable.

HOLDER(S) SIGN HERE

SIGNATURE(S)

Must be signed by the registered holder(s) of Old Notes exactly as name(s) appear(s) on certificate(s) for the Old Notes tendered hereby or on a security position listing or by person(s) authorized to become the registered holder(s) by endorsements and documents transmitted herewith. If signature is by trustees, executors, administrators, guardians, attorneys-in-fact, officers of corporations or others acting in a fiduciary or representative capacity, please set forth the signer's full title. (We refer you to Instruction 6.)

- ---

(SIGNATURE(S) OF HOLDER(S))

Date:
- ----------, 2003
Name(s): ----------

- ---

- ---

(PLEASE PRINT)
Capacity (Full Title): ----------

- ---
Address: ----------

- ---

(INCLUDE ZIP CODE)

Area Code and Telephone Number(s): ( )
- ---

Tax Identification or Social Security Number(s):
- ---

GUARANTEE OF SIGNATURE(S)
(SIGNATURE(S) MUST BE GUARANTEED IF REQUIRED BY INSTRUCTION 1)
Authorized Signature: ----------
Name and Title: ----------
Name of Firm: ----------

(PLEASE PRINT)
Address: ----------

(INCLUDE ZIP CODE)

Area Code and Telephone Numbers: ( )
- ---

Dated:
- ----------, 2003

INSTRUCTIONS

FORMING PART OF THE TERMS AND CONDITIONS OF THE EXCHANGE OFFER

1. Guarantee of Signatures. Except as otherwise provided below, all signatures on this Letter of Transmittal or a notice of withdrawal, as the case may be, must be guaranteed by an institution (an "Eligible Institution") which is (1) a member firm of a registered national securities exchange or of the National Association of Securities Dealers, Inc., (2) a commercial bank or trust company having an office or correspondent in the United States, or (3) an "eligible guarantor institution" within the meaning of Rule 17Ad-15 under the Securities Exchange Act of 1934, as amended, which is a member of one of the following Recognized Signature Guarantee Programs:

a. The Securities Transfer Agents Medallion Program (STAMP)

b. The New York Stock Exchange Medallion Signature Program (MSP)

c. The Stock Exchange Medallion Program (SEMP)

Signatures on this Letter of Transmittal need not be guaranteed (i) if this Letter of Transmittal is signed by the holder(s) of the Old Notes tendered herewith and such holder(s) have not completed the box entitled "Special Issuance Instructions" or the box entitled "Special Delivery Instructions" on this Letter of Transmittal or (ii) if such Old Notes are tendered for the account of an Eligible Institution. IN ALL OTHER CASES, ALL SIGNATURES MUST BE GUARANTEED BY AN ELIGIBLE INSTITUTION.

2. Delivery of this Letter of Transmittal and Old Notes; Guaranteed Delivery Procedures. This Letter of Transmittal is to be used by a holder of Old Notes (i) if certificates representing Old Notes are to be forwarded herewith, (ii) if delivery of Old Notes is to be made by book-entry transfer to the Exchange Agent's account at the Book-Entry Transfer Facility, pursuant to the procedures set forth in the section of the Prospectus entitled "The Exchange Offer -- Procedures for Tendering," unless an agent's message is transmitted in lieu hereof, or (iii) if a tender has previously been made pursuant to the guaranteed delivery procedures in the section of the Prospectus entitled "The Exchange Offer -- Guaranteed Delivery Procedures," unless an agent's message is transmitted in lieu hereof. If tenders are to be made pursuant to the procedures for tender by book-entry transfer set forth in "The Exchange Offer -- Procedures for Tendering -- DTC Participants" in the Prospectus and in accordance with the Automated Tender Offer Program ("ATOP") established by DTC, a tendering holder will become bound by the terms and conditions hereof in accordance with the procedures established under ATOP. Certificates for all physically tendered Old Notes or any timely confirmation of a book-entry transfer of such Old Notes into the Exchange Agent's account at DTC (a "Book-Entry Confirmation"), as well as a properly completed and duly executed copy of this Letter of Transmittal (or facsimile hereof or agent's message in lieu thereof), together with any other documents required by this Letter of Transmittal, must be received by the Exchange Agent at its address set forth on the cover of this Letter of Transmittal prior to 5:00 p.m., New York City time, on the Expiration Date.

Holders who wish to tender their Old Notes and (i) whose Old Notes are not immediately available; (ii) who cannot deliver their Old Notes, this Letter of Transmittal and all other documents required hereby to the Exchange Agent prior to the Expiration Date or (iii) who cannot complete the procedure for book-entry transfer on a timely basis, may tender their Old Notes according to the guaranteed delivery procedures set forth in "The Exchange Offer -- Guaranteed Delivery Procedures" in the Prospectus. Holders may have such tender effected if: (a) such tender is made through an Eligible Institution; (b) prior to the Expiration Date, the Exchange Agent has received from such Eligible Institution a properly completed and duly executed Notice of Guaranteed Delivery (by facsimile transmittal, mail or hand delivery), setting forth the name and address of the holder of such Old Notes, the certificate number(s) of such Old Notes (unless tender is to be made by book-entry transfer) and the principal amount of Old Notes tendered, stating that the tender is being made thereby and guaranteeing that, within three New York Stock Exchange trading days after the date of execution of the Notice of Guaranteed Delivery, the certificate(s) for all physically tendered Old Notes, in proper form for transmittal, together with a properly completed and duly executed Letter of Transmittal, or a Book-Entry Confirmation, together with a properly completed and duly executed Letter of Transmittal (or facsimile hereof or an agent's message in lieu thereof), and all other documents required by this Letter of Transmittal, will be deposited by such Eligible Institution with the Exchange Agent; and (c) the certificate(s) for all physically tendered Old Notes or a Book-Entry Confirmation and all other documents referred to

in clause (b) above are received by the Exchange Agent within three New York Stock Exchange trading days after the date of execution of the Notice of Guaranteed Delivery.

THE METHOD OF DELIVERY OF OLD NOTES, THIS LETTER OF TRANSMITTAL AND ALL OTHER REQUIRED DOCUMENTS TO THE EXCHANGE AGENT IS AT THE ELECTION AND RISK OF THE TENDERING HOLDER. IF SUCH DELIVERY IS BY MAIL, IT IS RECOMMENDED THAT REGISTERED MAIL, WITH RETURN RECEIPT REQUESTED, BE USED. INSTEAD OF DELIVERY BY MAIL, IT IS RECOMMENDED THAT THE ELIGIBLE HOLDER USE AN OVERNIGHT OR HAND DELIVERY SERVICE, PROPERLY INSURED. IN ALL CASES, SUFFICIENT TIME SHOULD BE ALLOWED TO ASSURE TIMELY DELIVERY TO THE EXCHANGE AGENT. NEITHER THIS LETTER OF TRANSMITTAL NOR ANY OLD NOTES SHOULD BE SENT TO THE COMPANY.

No alternative, conditional or contingent tenders will be accepted. All tendering holders of Old Notes, by execution of this Letter of Transmittal (or facsimile hereof, if applicable), or any agent's message in lieu thereof, waive any right to receive notice of the acceptance of their Old Notes for exchange.

3. Inadequate Space. If the space provided in the box entitled "Description of Old Notes" above is inadequate, the certificate number(s) and/or the aggregate principal amount(s) of the Old Notes being tendered and/or the principal amount tendered for exchange should be listed on a separate signed schedule affixed hereto.

4. Withdrawals. A tender of Old Notes may be withdrawn at any time prior to 5:00 p.m., New York City time, on the Expiration Date by delivery of a written or facsimile transmission notice of withdrawal to the Exchange Agent at the address or the facsimile number set forth on the cover of this Letter of Transmittal or by compliance with the appropriate procedures of DTC's ATOP system. To be effective, a notice of withdrawal of Old Notes must (i) specify the name of the person who tendered the Old Notes to be withdrawn; (ii) identify the Old Notes to be withdrawn (including the certificate number(s) unless tendered by book-entry transfer), (iii) be signed by the Holder in the same manner as the original signature on the Letter of Transmittal by which such Old Notes were tendered (including any required signature guarantees); and (iv) if Old Notes have been tendered pursuant to book-entry transfer, specify the name and number of the account at DTC to be credited with the withdrawn Old Notes and otherwise comply with the procedures of such facility, in which case a notice of withdrawal will be effective if delivered to the Exchange Agent by any method of delivery described in this section.

All questions as to the validity, form and eligibility (including time of receipt) of such notices will be determined by the Company in the Company's discretion, after consulting with PepsiCo, whose determination shall be final and binding on all parties. Any Old Notes so withdrawn will thereafter be deemed not validly tendered for purposes of the Exchange Offer and will be returned to the holder thereof without cost to such holder as soon as practicable after withdrawal. Properly withdrawn Old Notes will not be deemed validly tendered for purposes of the Exchange Offer, but may be retendered by following one of the procedures described in the section of the Prospectus entitled "The Exchange Offer -- Procedures for Tendering" at any time prior to 5:00 p.m., New York City time, on the Expiration Date.

5. Partial Tenders. Tenders of Old Notes will be accepted only in integral multiples of $1,000 principal amount. If a tender for exchange is to be made with respect to less than the entire principal amount of any Old Notes held by any holder, fill in the principal amount of Old Notes which are tendered for exchange in column (4) of the box entitled "Description of Old Notes," as more fully described in the footnotes thereto. In case of a partial tender for exchange of Old Notes represented by a certificate, a new certificate, for the remainder of the principal amount of the Old Notes, will be sent to such holder of Old Notes as promptly as practicable after the expiration or termination of the Exchange Offer. All Old Notes represented by a certificate delivered to the Exchange Agent will be deemed to have been tendered unless otherwise indicated.

6. Signatures on this Letter of Transmittal, Assignment and Endorsements.

(a) The signature(s) of the holder of Old Notes on this Letter of Transmittal must correspond with the name(s) of the holder written on the face of the certificate representing tendered Old Notes or as recorded in the records of the Book-Entry Transfer Facility, as the case may be, without alteration, enlargement or any change whatsoever.

(b) If tendered Old Notes are owned by two or more joint owners, all such owners must sign this Letter of Transmittal.

(c) If any tendered Old Notes are owned in different names on several certificates, it will be necessary to complete, sign and submit as many separate copies of this Letter of Transmittal and as many necessary or required documents as there are different registrations or certificates.

(d) When this Letter of Transmittal is signed by the holder(s) of the Old Notes listed and transmitted hereby, no endorsements of Old Notes or powers of attorney are required unless the New Notes are to be issued in the name of a person other than the holder(s). Signatures on such certificates representing such Old Notes or powers of attorney must be guaranteed by an Eligible Institution (unless signed by an Eligible Institution).

(e) If this Letter of Transmittal or powers of attorney are signed by trustees, executors, administrators, guardians, attorneys-in-fact, officers of corporations or others acting in a fiduciary or representative capacity, such persons should so indicate when signing, and unless waived by the Company, proper evidence satisfactory to the Company of such person's authority to so act must be submitted with this Letter of Transmittal.

(f) If this Letter of Transmittal is signed by a person or persons other than the holder of Old Notes listed herein, this Letter of Transmittal must be accompanied by appropriate powers of attorney, in either case signed exactly as the name or names of the holders that appear on the face of the certificate representing tendered Old Notes or on the security position listing maintained by DTC, as the case may be. Signatures on such powers of attorney must be guaranteed by an Eligible Institution (unless signed by an Eligible Institution).

7. Transfer Taxes. Holders who tender their Old Notes will not be obligated to pay transfer taxes, if any, in connection therewith unless tendered Old Notes are registered in the name of any person other than the person signing the Letter of Transmittal or any transfer tax is imposed for any reason other than the exchange of Old Notes in the Exchange Offer. If satisfactory evidence of payment of such taxes or exemptions therefrom is not submitted with this Letter of Transmittal, the amount of such transfer taxes will be billed directly to such tendering holder.

8. Special Issuance and Delivery Instructions. If the New Notes are to be issued to someone other than the registered holder of Old Notes or sent to someone other than the registered holder or to an address other than that shown above, the appropriate boxes on this Letter of Transmittal should be completed.

9. Irregularities. All questions as to the validity, form, eligibility (including time of receipt), acceptance and withdrawal of Old Notes tendered for exchange will be determined by the Company, at the Company's discretion, which determination shall be final and binding. The Company reserves the absolute right to reject any and all tenders of any particular Old Notes not properly tendered or to reject any particular Old Notes the acceptance of which might, in the judgment of the Company or its counsel, be unlawful. The Company also reserves the absolute right, in the Company's discretion, to waive any defects or irregularities or conditions of the Exchange Offer as to particular Old Notes either before or after the Expiration Date (including the right to waive the ineligibility of any holder who seeks to tender Old Notes in the Exchange Offer). The interpretation of the terms and conditions of the Exchange Offer as to any particular Old Notes either before or after the Expiration Date (including the Letter of Transmittal and instructions thereto) by the Company shall be final and binding on all parties. Unless waived, any defects or irregularities in connection with tenders of Old Notes for exchange must be cured within such reasonable period of time as the Company shall determine. Neither the Company, PepsiCo, the Exchange Agent nor any other person shall be under any duty to give notification of any defect or irregularity with respect to any tender of Old Notes for exchange, nor shall any of them incur any liability for failure to give such notification. Tenders of Old Notes will not be deemed to have been made until such defects or irregularities have been cured or waived.

10. Taxpayer Identification Number. The Company or its agent may be required to withhold (currently at a rate up to 30%) the amount of any reportable payment made with respect to the Old Notes or the New Notes following the Exchange Offer (the "Notes"). In order to avoid withholding, United States federal income tax law generally requires that a holder of the Notes must provide the Company or its agent with (i) such holder's correct taxpayer identification number ("TIN") on Substitute Form W-9, which is provided under "Important Tax Information" below, or (ii) in the case of certain exempt foreign persons, the appropriate Form W-8 as discussed below. If a holder does not provide the Company or its agent with its current TIN, such holder may be subject to a

$50 penalty imposed by the Internal Revenue Service (the "IRS"). If withholding results in an overpayment of taxes, a refund may be obtained.

Exempt holders of the Notes (including, among others, all corporations and certain foreign individuals) are not subject to these backup withholding and reporting requirements. Certain foreign persons can qualify for this exemption by submitting a properly completed Form W-8BEN Certificate of Foreign Status of Beneficial Owner for United States Tax Withholding, or Form W-8ECI, Certificate of Foreign Person's Claim for Exemption from Withholding on Income Effectively Connected with the Conduct of a Trade or Business in the United States. A Form W-8BEN or Form W-8ECI may be obtained from the Exchange Agent.

To prevent backup withholding on the amount of any reportable payment made with respect to the Notes, each holder of the Notes must provide its correct TIN by completing the Substitute Form W-9 set forth below, certifying, under penalties of perjury, that the TIN provided is correct (or that such holder is awaiting a TIN) and that (i) the holder is exempt from backup withholding, (ii) the holder has not been notified by the IRS that such holder is subject to backup withholding as a result of a failure to report all interest or dividends or (iii) the IRS has notified the holder that such holder is no longer subject to backup withholding. If the Notes are in more than one name or are not in the name of the actual owner, such holder should consult the W-9 Guidelines for instructions on applying for a TIN and write "applied for" in lieu of its TIN in Part 1 of the Substitute Form W-9. Note: writing "applied for" on the form means that such holder has already applied for a TIN or that such holder intends to apply for one in the near future. In such case, JPMorgan Chase Bank acting as the Paying Agent (the "Paying Agent") will retain 30% of any reportable payment made to a holder during the sixty (60) day period following the date of the Substitute Form W-9. If the holder furnishes the Paying Agent with its TIN within sixty (60) days of the Substitute Form W-9, the Paying Agent will remit any such amount retained during such sixty (60) day period to such holder and no further amounts will be retained or withheld from payments made to the holder thereafter. If, however, such holder does not provide its TIN to the Paying Agent within such sixty (60) day period, the Paying Agent will remit such previously withheld amounts to the IRS as backup withholding and will withhold a portion (not to exceed 30% or such reduced amount as is then applicable) of all reportable payments to the holder thereafter until such holder furnishes its TIN to the Paying Agent.

11. Waiver of Conditions. The Company reserves the absolute right to waive satisfaction of any or all conditions enumerated in the Prospectus at its discretion, after consulting with PepsiCo.

12. Mutilated, Lost, Stolen or Destroyed Old Notes. If any certificates representing Old Notes have been mutilated, lost, stolen or destroyed, the holder should promptly contact the Exchange Agent at the address listed below for further instructions:

JPMorgan Chase Bank
ITS Bond Events
2001 Bryan Street, 9th Floor
Dallas, Texas 75201

13. Requests for Information or Additional Copies. Requests for information or for additional copies of the Prospectus, this Letter of Transmittal and the Notice of Guaranteed Delivery may be directed to the Exchange Agent at the address or telephone number set forth on the cover of this Letter of Transmittal. Additional copies of the Prospectus, this Letter of Transmittal and the Notice of Guaranteed Delivery may also be obtained from your broker, dealer, commercial bank, trust company or other nominee.

14. Incorporation of Letter of Transmittal. This Letter of Transmittal shall be deemed to be incorporated in and acknowledged and accepted by any tender through DTC's ATOP system by any participant in DTC on behalf of itself and the beneficial owners of any Old Notes so tendered.

IMPORTANT: THIS LETTER OF TRANSMITTAL (OR A FACSIMILE THEREOF, IF APPLICABLE), OR AN AGENT'S MESSAGE IN LIEU THEREOF, TOGETHER WITH CERTIFICATES OR BOOK-ENTRY CONFIRMATION, OR THE NOTICE OF GUARANTEED DELIVERY, AND ALL OTHER REQUIRED DOCUMENTS MUST BE RECEIVED BY THE EXCHANGE AGENT PRIOR TO 5:00 P.M. NEW YORK CITY TIME, ON THE EXPIRATION DATE.

IMPORTANT TAX INFORMATION

To prevent backup withholding on the amount of any reportable payment made with respect to the Notes, the holder is required to give the Exchange Agent the social security number or employer identification number of the holder of the Notes. If the Notes are in more than one name or are not in the name of the actual owner, consult the enclosed Guidelines for Certification of Taxpayer Identification.

- ----------

- PAYER'S NAME: JPMORGAN CHASE BANK -

SUBSTITUTE PART 1: TAXPAYER IDENTIFICATION NUMBER TIN: -

FORM W-9 ("TIN") -- For all Accounts enter TIN in the box at (Social Security Number right. (For most individuals, this is your social or Employer DEPARTMENT OF THE security number. For sole proprietors or resident Identification Number) TREASURY INTERNAL aliens, see the W-9 Guidelines. For other entities, (If awaiting TIN, write REVENUE SERVICE enter your Employer Identification Number. If you "Applied For") do not have a number, see Obtaining a Number in the enclosed W-9 Guidelines). Certify by signing and

dating below. Note: If the account is in more than one name, see chart in the enclosed W-9 Guidelines to determine which number to give the payer. ---------- ---------- ---------- ---------- ---------- ---------- --- PART 2: For payees exempt from backup withholding, see the enclosed W-9 Guidelines and PAYOR'S REQUEST complete as instructed therein. FOR TAXPAYER IDENTIFICATION NUMBER Certification -- Under penalties of perjury, I certify that: (1) the number shown on this form is my correct TIN (or I am awaiting for a number to be issued to me), and (2) I am not subject to backup withholding either because (i) I am exempt from backup withholding, (ii) I have not been notified by the Internal Revenue Service (the "IRS") that I am subject to backup withholding as a result of a failure to report all interest or dividends, or (iii) the IRS has notified me that I am no longer subject to backup withholding, and (3) I am a U.S. person (including a U.S. resident alien). CERTIFICATION INSTRUCTIONS

-- You must cross out item (2) in Part 2 above if you have been notified by the IRS that you are subject to backup withholding because of underreporting of interest or dividends on your tax return. However, if after being notified by the IRS that you were subject to backup withholding you received another notification from the IRS that you are not subject to backup withholding, do not cross out item (2). The IRS does not require your consent to any provision of this document other than the certification required to avoid backup withholding.

PART 3: CERTIFICATION -- UNDER THE PENALTIES OF PERJURY, I CERTIFY THAT THE INFORMATION PROVIDED ON THIS FORM IS TRUE, CORRECT AND COMPLETE

SIGNATURE: --

DATE: -------

---- --------

------- NAME (PLEASE PRINT) - ----

NOTE: FAILURE TO COMPLETE AND RETURN THIS FORM MAY RESULT IN BACKUP WITHHOLDING OF UP TO 30% OF ANY AMOUNT PAID TO YOU IN CONNECTION WITH THE NOTES. PLEASE REVIEW ENCLOSED GUIDELINES FOR CERTIFICATION OF TAXPAYER IDENTIFICATION NUMBER ON SUBSTITUTE FORM W-9 FOR ADDITIONAL DETAILS.

YOU MUST COMPLETE THE FOLLOWING CERTIFICATE IF YOU ARE AWAITING (OR WILL SOON APPLY FOR) A TAXPAYER IDENTIFICATION NUMBER.

CERTIFICATE OF AWAITING TAXPAYER IDENTIFICATION NUMBER

I certify under penalties of perjury that a taxpayer identification number has not been issued to me, and either (a) I have mailed or delivered an application to receive a taxpayer identification number to the appropriate Internal Revenue Service Center or Social Security Administration Office or (b) I intend to mail or deliver an application in the near future. I understand that if I do not provide a taxpayer identification number by the time of the exchange, a portion (not to exceed 30%) of all reportable payments made to me on account of the Notes will be retained until I provide a taxpayer identification number to the Exchange Agent and that, if I do not provide my taxpayer identification number within 60 days, such retained amounts shall be remitted to the Internal Revenue Service as backup withholding and a portion (not to exceed 30%) of all reportable payments made to me thereafter will be withheld and remitted to the Internal Revenue Service until I provide a taxpayer identification number.

SIGNATURE

- ---------- DATE

- ----------

- ----------

NAME (PLEASE PRINT)

EXHIBIT 99.2

NOTICE OF GUARANTEED DELIVERY

WITH RESPECT TO

4 5/8% SENIOR NOTES DUE 2012

OF

BOTTLING GROUP, LLC.

PURSUANT TO THE PROSPECTUS DATED , 2003

This Notice of Guaranteed Delivery, or one substantially equivalent hereto, must be used by any holder of 4 5/8% Senior Notes due 2012 (the "Old Notes") of Bottling Group, LLC, a Delaware limited liability company (the "Company"), who wishes to tender Old Notes pursuant to the Exchange Offer, as such term is defined in the Prospectus dated , 2003 (as the same may be amended or supplemented from time to time, the "Prospectus") and (i) whose Old Notes are not immediately available, (ii) for whom time will not permit such Old Notes, Letter of Transmittal or other required documents to reach the Exchange Agent prior to 5:00 P.M., New York City time, on the Expiration Date (as defined in the Prospectus), or (iii) who cannot complete the procedures for book-entry transfer on a timely basis. This Notice of Guaranteed Delivery may be delivered by facsimile transmission, registered or certified mail, overnight courier or hand delivery to the Exchange Agent. See "The Exchange Offer -- Guaranteed Delivery Procedures" in the Prospectus. Capitalized terms used but not defined herein have the meaning ascribed to them in the Prospectus or the Letter of Transmittal.

DELIVERY TO:

JPMORGAN CHASE BANK,
AS EXCHANGE AGENT

By Facsimile Transmission,	Overnight Courier or by Hand	By Registered Mail or Certified Mail
(214) 468-6494	JPMorgan Chase Bank	JPMorgan Chase Bank
(For Eligible Institutions Only)	ITS Bond Events	ITS Bond Events
Confirm by Telephone	2001 Bryan Street, 9th Floor	PO Box 2320
(214) 468-6464	Dallas, Texas 75201	Dallas, Texas 75221
Attention: Frank Ivins		

DELIVERY OF THIS NOTICE OF GUARANTEED DELIVERY TO AN ADDRESS OTHER THAN AS SET FORTH ABOVE OR TRANSMISSION OF THIS NOTICE OF GUARANTEED DELIVERY VIA FACSIMILE TO A NUMBER OTHER THAN AS SET FORTH ABOVE WILL NOT CONSTITUTE A VALID DELIVERY.

Ladies and Gentlemen:

The undersigned hereby tenders to the Company upon the terms and subject to the conditions set forth in the Prospectus and the related Letter of Transmittal, receipt of which is hereby acknowledged, the principal amount of Old Notes specified below pursuant to the guaranteed delivery procedures set forth under the caption "The Exchange Offer -- Guaranteed Delivery Procedures" in the Prospectus. By so tendering, the undersigned hereby makes at and as of the date hereof, the representations and warranties of a tendering holder of Old Notes set forth in the Letter of Transmittal. The undersigned hereby tenders the Old Notes listed below:

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CERTIFICATE
  NUMBERS
    (IF
 AVAILABLE)
 PRINCIPAL
   AMOUNT
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All authority herein conferred or agreed to be conferred shall survive the death, incapacity, or dissolution of the undersigned and any obligation of the undersigned hereunder shall be binding upon the heirs, personal representatives, successors and assigns of the undersigned.

HOLDER(S) SIGN HERE

Must be signed by the registered holder(s) of Old Notes exactly as name(s) appear(s) on certificate(s) for the Old Notes tendered hereby or on a security position listing or by person(s) authorized to become the registered holder(s) by endorsements and documents transmitted herewith. If signature is by trustees, executors, administrators, guardians, attorneys-in-fact, officers of corporations or others acting in a fiduciary or representative capacity, please set forth the signer's full title.

- ----------

(SIGNATURE(S) OF HOLDER(S))

Date: ---------- , 2003

If Old Notes will be tendered by book-entry transfer:

Name of Tendering Institution: ----------

The Depository Trust Company Account Number: ----------

Name(s):----------

- ----------

- ----------

(PLEASE PRINT)

Capacity (Full Title): ----------

- ----------

Address: ----------

- ----------

- ----------

(INCLUDE ZIP CODE)

Area Code and Telephone Number(s):
( ) ----------

Tax Identification or Social Security Number(s): ----------

GUARANTEE
(NOT TO BE USED FOR SIGNATURE GUARANTEE)

The undersigned, an Eligible Institution, guarantees deposit with the Exchange Agent of the Letter of Transmittal (or facsimile thereof or Agent's Message in lieu thereof), together with the Old Notes tendered hereby in proper form for transfer, or confirmation of the book-entry transfer of such Old Notes into the Exchange Agent's account at The Depository Trust Company, pursuant to the procedure for book-entry transfer set forth in the Prospectus, and any other required documents, all by 5:00 p.m., New York City time, on the third New York Stock Exchange trading day following the date of execution of this Notice of Guaranteed Delivery.

The undersigned acknowledges that it must deliver the Old Notes tendered hereby and the documents and confirmations referred to in the preceding paragraph to the Exchange Agent within the time period set forth above and that failure to do so could result in a financial loss to the undersigned.

SIGN HERE

- ----------
NAME OF FIRM

- ----------
AUTHORIZED SIGNATURE

- ----------
TITLE

NAME (PLEASE PRINT)

ADDRESS

ZIP CODE

AREA CODE AND TELEPHONE NO.
Date: ----------, 2003

DO NOT SEND CERTIFICATE FOR OLD NOTES WITH THIS FORM. ACTUAL SURRENDER OF CERTIFICATES FOR OLD NOTES MUST BE MADE PURSUANT TO, AND BE ACCOMPANIED BY, A COPY OF THE EXECUTED LETTER OF TRANSMITTAL OR FACSIMILE THEREOF.

EXHIBIT 99.3

INSTRUCTION TO REGISTERED HOLDER AND/OR BOOK-ENTRY TRANSFER PARTICIPANT
FROM BENEFICIAL OWNER

WITH RESPECT TO
4 5/8% SENIOR NOTES DUE 2012
(THE "OLD NOTES")
OF

BOTTLING GROUP, LLC

TO REGISTERED HOLDER AND/OR PARTICIPANT OF THE BOOK-ENTRY TRANSFER FACILITY:

The undersigned hereby acknowledges receipt of the Prospectus dated , 2003 (as the same may be amended or supplemented from time to time, the "Prospectus") of Bottling Group, LLC, a Delaware limited liability company (the "Company"), and PepsiCo, Inc., a North Carolina corporation ("PepsiCo"), and the accompanying Letter of Transmittal (the "Letter of Transmittal"), that together constitute the Company's and PepsiCo's offer (the "Exchange Offer") to exchange the Company's 4 5/8% Series B Senior Notes due 2012 (the "New Notes") for its outstanding Old Notes pursuant to an offering registered under the Securities Act of 1933, as amended (the "Securities Act"). Capitalized terms used but not defined herein have the meanings ascribed to them in the Prospectus or the Letter of Transmittal.

This will instruct you, the registered holder and/or book-entry transfer facility participant, as to the action to be taken by you relating to the Exchange Offer with respect to the Old Notes held by you for the account of the undersigned.

With respect to the Exchange Offer, the undersigned hereby instructs you (check appropriate box):

[ ] TO TENDER the Old Notes held by you for the account of the undersigned (insert principal amount of Old Notes to be tendered, if any):

$ of the 4 5/8% Senior Notes due 2012.

[ ] NOT TO TENDER any Old Notes held by you for the account of the undersigned.

If the undersigned instructs you to tender the Old Notes held by you for the account of the undersigned, it is understood that you are authorized to make, on behalf of the undersigned (and the undersigned, by its signature below, hereby makes to you), the representations and warranties contained in the Letter of Transmittal that are to be made with respect to the undersigned as a beneficial owner, including but not limited to the representations, that (i) the New Notes to be received by the undersigned in exchange for the Old Notes are being acquired in the ordinary course of business, (ii) the undersigned has no arrangement or understanding with any person to participate in the distribution (within the meaning of the Securities Act) of such New Notes, (iii) the undersigned is not an "affiliate," as defined in Rule 405 under the Securities Act, of the Company or PepsiCo or, if it is an affiliate, the undersigned will comply with the registration and prospectus delivery requirements of the Securities Act to the extent applicable, (iv) if the undersigned is not a broker-dealer, it represents that it is not engaged in, and does not intend to engage in, a distribution of New Notes, and (v) if the undersigned is a broker-dealer that will receive New Notes for its own account in exchange for Old Notes that were acquired as a result of market-making activities or other trading activities, it acknowledges that it will deliver a prospectus meeting the requirements of the Securities Act in connection with any resale of such New Notes; however, by so acknowledging and by delivering a prospectus, the undersigned will not be deemed to admit that it is an "underwriter" within the meaning of the Securities Act.

SIGN HERE

Name of beneficial owner(s): ----------
Signature(s): ----------
Name(s) (please print): ----------
Address: ----------

- ----------
Telephone Number: ( ) ----------

Taxpayer Identification or Social Security Number:
- ----------
Date: ----------

EXHIBIT 99.4

OFFER TO EXCHANGE

4 5/8% SERIES B SENIOR NOTES DUE 2012
(REGISTERED UNDER THE SECURITIES ACT OF 1933)

FOR ANY AND ALL OUTSTANDING

4 5/8% SENIOR NOTES DUE 2012

OF

BOTTLING GROUP, LLC

To Our Clients:

Enclosed is a Prospectus, dated , 2003, of Bottling Group, LLC, a Delaware limited liability company (the "Company"), and PepsiCo, Inc., a North Carolina corporation ("PepsiCo"), and a related Letter of Transmittal (which together constitute the "Exchange Offer") relating to the offer by the Company and PepsiCo to exchange the Company's 4 5/8% Series B Senior Notes due 2012 (the "New Notes"), pursuant to an offering registered under the Securities Act of 1933, as amended (the "Securities Act"), for a like principal amount of its issued and outstanding 4 5/8% Senior Notes due 2012 (the "Old Notes") upon the terms and subject to the conditions set forth in the Exchange Offer.

PLEASE NOTE THAT THE EXCHANGE OFFER WILL EXPIRE AT 5:00 P.M., NEW YORK CITY TIME, ON , 2003 UNLESS EXTENDED.

The Exchange Offer is not conditioned upon any minimum number of Old Notes being tendered.

We are the holder of record and/or participant in the book-entry transfer facility of Old Notes held by us for your account. A tender of such Old Notes can be made only by us as the record holder and/or participant in the book-entry transfer facility and pursuant to your instructions. The Letter of Transmittal is furnished to you for your information only and cannot be used by you to tender Old Notes held by us for your account.

We request instructions as to whether you wish to tender any or all of the Old Notes held by us for your account pursuant to the terms and conditions of the Exchange Offer. We also request that you confirm that we may on your behalf make the representations contained in the Letter of Transmittal.

Pursuant to the Letter of Transmittal, each holder of Old Notes will represent to the Company and to PepsiCo that (i) the New Notes to be received by the holder in exchange for the Old Notes are being acquired in the ordinary course of business, (ii) such holder of Old Notes has no arrangement or understanding with any person to participate in the distribution (within the meaning of the Securities Act) of such New Notes, (iii) such holder is not an "affiliate," as defined in Rule 405 under the Securities Act, of the Company or PepsiCo or, if it is an affiliate, such holder of Old Notes will comply with the registration and prospectus delivery requirements of the Securities Act to the extent applicable, (iv) such holder who is not a broker-dealer, represents that it is not engaged in, and does not intend to engage in, a distribution of New Notes, and (v) such holder who is a broker-dealer that will receive New Notes for its own account in exchange for Old Notes that were acquired as a result of market-making activities or other trading activities, acknowledges that it will deliver a prospectus meeting the requirements of the Securities Act in connection with any resale of such New Notes; however, by so acknowledging and by delivering a prospectus, the undersigned will not be deemed to admit that it is an "underwriter" within the meaning of the Securities Act.

Very truly yours,

EXHIBIT 99.5

OFFER TO EXCHANGE

4 5/8% SERIES B SENIOR NOTES DUE 2012
(REGISTERED UNDER THE SECURITIES ACT OF 1933)

FOR ANY AND ALL OUTSTANDING

4 5/8% SENIOR NOTES DUE 2012

OF

BOTTLING GROUP, LLC

TO REGISTERED HOLDERS AND THE DEPOSITORY
TRUST COMPANY PARTICIPANTS:

Enclosed are the materials listed below relating to the offer by Bottling Group, LLC, a Delaware limited liability company (the "Company") and PepsiCo, Inc., a North Carolina corporation ("PepsiCo"), to exchange the Company's 4 5/8% Series B Senior Notes due 2012 (the "New Notes"), pursuant to an offering registered under the Securities Act of 1933, as amended (the "Securities Act"), for a like principal amount of its issued and outstanding 4 5/8% Senior Notes due 2012 (the "Old Notes") upon the terms and subject to the conditions set forth in the Company's and PepsiCo's Prospectus, dated , 2003, and the related Letter of Transmittal (which together constitute the "Exchange Offer").

Enclosed herewith are copies of the following documents:

1. Prospectus dated , 2003;

2. Letter of Transmittal;

3. Notice of Guaranteed Delivery;

4. Instruction to Registered Holder and/or Book-Entry Transfer Participant from Beneficial Owner; and

5. Letter which may be sent to your clients for whose account you hold Old Notes in your name or in the name of your nominee, to accompany the instruction form referred to above, for obtaining such client's instruction with regard to the Exchange Offer.

WE URGE YOU TO CONTACT YOUR CLIENTS PROMPTLY. PLEASE NOTE THAT THE EXCHANGE OFFER WILL EXPIRE AT 5:00 P.M., NEW YORK CITY TIME, ON , 2003, UNLESS EXTENDED.

The Exchange Offer is not conditioned upon any minimum number of Old Notes being tendered.

Pursuant to the Letter of Transmittal, each holder of Old Notes will represent to the Company and to PepsiCo that (i) the New Notes to be received by the holder in exchange for the Old Notes are being acquired in the ordinary course of business, (ii) such holder of Old Notes has no arrangement or understanding with any person to participate in the distribution (within the meaning of the Securities Act) of such New Notes, (iii) such holder is not an "affiliate," as defined in Rule 405 under the Securities Act, of the Company or PepsiCo or, if it is an affiliate, such holder of Old Notes will comply with the registration and prospectus delivery requirements of the Securities Act to the extent applicable, (iv) such holder who is not a broker-dealer, represents that it is not engaged in, and does not intend to engage in, a distribution of New Notes, and (v) such holder who is a broker-dealer that will receive New Notes for its own account in exchange for Old Notes that were acquired as a result of market-making activities or other trading activities, acknowledges that it will deliver a prospectus meeting the requirements of the Securities Act

in connection with any resale of such New Notes; however, by so acknowledging and by delivering a prospectus, the undersigned will not be deemed to admit that it is an "underwriter" within the meaning of the Securities Act.

The enclosed Instruction to Registered Holder and/or Book-Entry Transfer Participant from Beneficial Owner contains an authorization by the beneficial owners of the Old Securities for you to make the foregoing representations.

The Company will not pay any fee or commission to any broker or dealer or to any other persons (other than the Exchange Agent) in connection with the solicitation of tenders of Old Notes pursuant to the Exchange Offer. The Company will pay or cause to be paid any transfer taxes payable on the transfer of Old Notes to it, except as otherwise provided in Instruction 7 of the enclosed Letter of Transmittal.

Additional copies of the enclosed material may be obtained from the undersigned.

Very truly yours,

JPMORGAN CHASE BANK

NOTHING CONTAINED HEREIN OR IN THE ENCLOSED DOCUMENTS SHALL CONSTITUTE YOU THE AGENT OF BOTTLING GROUP, LLC, PEPSICO, INC. OR JPMORGAN CHASE BANK OR AUTHORIZE YOU TO USE ANY DOCUMENT OR MAKE ANY STATEMENT ON THEIR BEHALF IN CONNECTION WITH THE EXCHANGE OFFER OTHER THAN THE DOCUMENTS ENCLOSED HEREWITH AND THE STATEMENTS CONTAINED THEREIN.

EXHIBIT 99.6

GUIDELINES FOR CERTIFICATION OF TAXPAYER IDENTIFICATION NUMBER ON SUBSTITUTE FORM W-9

GUIDELINES FOR DETERMINING THE PROPER IDENTIFICATION NUMBER TO GIVE THE PAYER -- Social Security numbers have nine digits separated by two hyphens: i.e. 000-00-0000. Employer identification numbers have nine digits separated by only one hyphen: 00-0000000. The table below will help determine the number to give the payer. All "Section" references are to the Internal Revenue Code of 1986, as amended. "IRS" is the Internal Revenue Service.

GIVE THE SOCIAL SECURITY FOR THIS TYPE OF ACCOUNT:	NUMBER OF --
1. Individual	The individual
2. Two or more individuals (joint or,	The actual owner of account) the account if combined funds, the first individual on the account(1)
3. Custodian account of a minor	The Minor(2) (Uniform Gift to Minors Act)
4. a. The usual revocable savings	The grantor trust account (grantor is also trustee(1)
trustee) b. So-called trust account that is	The actual owner(1) not a legal or valid trust under state law
5. Sole proprietorship	

GIVE THE EMPLOYER

IDENTIFICATION FOR THIS TYPE OF ACCOUNT:	NUMBER OF --
6. A valid trust, estate, or pension trust	The legal entity(4)
7. Corporate	The corporation
8. Association, club, religious, charitable, educational, or other tax-exempt organization account	The organization
9. Partnership account	The partnership
10. A broker or registered nominee	The broker or nominee
11. Account with the Department of Agriculture in the name of a public entity (such as a state or local government, school district, or prison) that receives agricultural program payments	The public entity

(1) List first and circle the name of the person whose number you furnish. If only one person on a joint account has a social security number, that person's number must be furnished.
(2) Circle the minor's name and furnish the minor's social security number.
(3) You must show your individual name, but you may also enter your business or "doing business as" name. You may use either your social security number or your employer identification number (if you have one).
(4) List first and circle the name of the legal trust, estate, or pension trust. (Do not furnish the taxpayer identification number of the personal representative or trustee unless the legal entity itself is not designated in the account title.)

NOTE:

(i) If no name is circled when there is more than one name, the number will be considered to be that of the first name listed.

(ii) If you are an individual, you must generally provide the name shown on your social security card. However, if you have changed your last name, for instance, due to marriage, without informing the Social Security Administration of the name change, please enter your first name, the last name shown on your social security card, and your new

last name.

(iii) For a joint account, only the person whose taxpayer identification number is shown on the Substitute Form W-9 should sign the form.

OBTAINING A NUMBER

If you do not have a taxpayer identification number, obtain Form SS-5, Application for a Social Security Card, at your local Social Security Administration office, or Form SS-4, Application for Employer Identification Number (for business and all other entities), by calling 1 (800) TAX-FORM or from your local office of the Internal Revenue Service, and apply for a number.

PAYEES EXEMPT FROM BACKUP WITHHOLDING

Payees specifically exempted from withholding include:

- An organization exempted from tax under section 501(a), an individual retirement account (IRA), or a custodial account under Section 403(b)(2), if the account satisfies the requirements of Section 401(f)(7).
- The United States or a state thereof, the District of Columbia, a possession of the United States, or a political subdivision or wholly-owned agency or instrumentality of any one or more of the foregoing.
- An international organization or any agency or instrumentality thereof.
- A foreign government and any political subdivision, agency or instrumentality thereof.

Payees that may be exempt from backup withholding include:

- A corporation.
- A financial institution.
- A dealer in securities or commodities required to register in the United States, the District of Columbia, or a possession of the United States.
- A real estate investment trust.
- A common trust fund operated by a bank under section 584(a).
- An entity registered at all times during the tax year under the Investment Company Act of 1940.
- A middleman known in the investment community as a nominee or custodian.
- A futures commission merchant registered with the Commodity Futures Trading Commission.
- A foreign central bank of issue.

Payments of dividends and patronage dividends generally exempt from backup withholding include:

- Payments to nonresident aliens subject to withholding under Section 1441.
- Payments to partnerships not engaged in a trade or business in the United States and that have at least one nonresident alien partner.
- Payments of patronage dividends not paid in money.
- Payments made by certain foreign organizations.
- Section 404(k) payments made by an ESOP.

Payments of interest generally exempt from backup withholding include:

- Payments of interest on obligations issued by individuals. Note: You may be subject to backup withholding if this interest is $600 or more and you have not provided your correct taxpayer identification number to the payer.
- Payments of tax-exempt interest (including exempt-interest dividends under section 852).
- Payments described in section 6049(b)(5) to nonresident aliens.
- Payments on tax-free covenant bonds under section 1451.
- Payments made by certain foreign organizations.
- Mortgage interest paid to you.

Certain payments, other than payments of interest, dividends, and patronage dividends, that are exempt from information reporting are also exempt from backup withholding. For details, see sections 6041, 6041A, 6042, 6044, 6045, 6049, 6050A and 6050N.

EXEMPT PAYEES DESCRIBED SHOULD FILE FORM W-9 TO AVOID POSSIBLE ERRONEOUS BACKUP WITHHOLDING. FILE THIS FORM WITH THE PAYER. FURNISH YOUR TAXPAYER IDENTIFICATION NUMBER. CHECK THE BOX "EXEMPT" IN PART II OF THE FORM, SIGN AND DATE THE FORM AND RETURN IT TO THE PAYER.

PRIVACY ACT NOTICE -- Section 6109 requires you to provide your correct taxpayer identification number to payers, who must report the payments to the IRS. The IRS uses the number for identification purposes and may also provide this information to various government agencies for tax enforcement or litigation purposes. Payers must be given the numbers whether or not recipients are required to file tax returns. Payers must generally withhold 30% of taxable interest, dividend, and certain other payments to a payee who does not furnish a taxpayer identification number to a payer. Certain penalties may also apply.

PENALTIES

(1) FAILURE TO FURNISH TAXPAYER IDENTIFICATION NUMBER. -- If you fail to furnish your taxpayer identification number to a payer, you are subject to a penalty of $50 for each such failure unless your failure is due to reasonable cause and not

to willful neglect.
(2) CIVIL PENALTY FOR FALSE INFORMATION WITH RESPECT TO WITHHOLDING. -- If you make a false statement with no reasonable basis that results in no backup withholding, you are subject to a $500 penalty.
(3) CRIMINAL PENALTY FOR FALSIFYING INFORMATION. -- Willfully falsifying certifications or affirmations may subject you to criminal penalties including fines and/or imprisonment.

FOR ADDITIONAL INFORMATION CONTACT YOUR TAX CONSULTANT OR THE INTERNAL REVENUE SERVICE.