AS FILED WITH THE SECURITIES AND EXCHANGE COMMISSION ON MAY 29, 2003

REGISTRATION NOS. 333-102035

333-102035-01

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SECURITIES AND EXCHANGE COMMISSION
WASHINGTON, D.C. 20549

AMENDMENT NO. 1

TO

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. [ ]

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 MAY 29, 2003

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 15 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.

May , 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.

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 Pepsi-Gemex, S.A. de C.V., or Gemex, all or a portion of 21 states in Mexico. In the fiscal year ended December 28, 2002 and the 12-week period ended March 22, 2003, approximately 82% and 80%, respectively, of our net revenues were generated in the United States with the remaining 18% and 20%, respectively, generated outside of the United States.

The brands we sell are some of the best recognized trademarks in the world and include Pepsi-Cola, Mountain Dew, Diet Pepsi, Aquafina, Lipton Brisk, Mountain Dew Code Red, Sierra Mist, SoBe, Dole, Mug, Diet Mountain Dew, Pepsi Twist, Starbucks Frappuccino and, outside the United States, Pepsi-Cola, Mirinda, 7 UP, KAS, Electropura, Aqua Minerale, Manzanita Sol, Squirt, Garci Crespo, Fiesta, Pepsi Light, IVI, Yedigun, and Fruko. In some of our U.S. territories, we also have the right to manufacture, sell and distribute soft drink products of other companies, including Dr Pepper and All Sport.

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 April 19, 2003, PepsiCo owned approximately 38.6% of PBG's outstanding common stock and 100% of PBG's outstanding class B common stock, together representing approximately 43.8% of the voting power of all classes of PBG's voting stock (with the balance owned by the public). In conjunction with PBG's initial public offering and other subsequent transactions, PBG and PepsiCo contributed bottling businesses and assets used in the bottling business to us. As of April 19, 2003, PBG owned approximately 93.2% 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 February 1, 2003, we completed an acquisition of a Pepsi-Cola bottler based in Buffalo, New York for a purchase price of approximately $75 million.

On November 5, 2002, we acquired approximately 99.8% of all of the outstanding capital stock of Gemex, which was the largest bottler in Mexico and the largest bottler outside the United States of Pepsi-Cola soft drink products based on sales volume, through simultaneous tender offers in Mexico and the United States. Following the offers, we 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. Our total cost for the purchase of Gemex was a net cash payment of $871 million and assumed debt of approximately $305 million.

Gemex was a Mexican holding company that, through its bottling and distribution subsidiaries, produced, sold and distributed 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 had rights to produce, sell and distribute in Mexico soft drink products of other companies and it produced, sold and distributed purified and mineral water in Mexico under the trademarks Electropura and Garci Crespo.

PepsiCo is a leading, global snack and beverage company. PepsiCo manufactures, markets and sells a variety of salty, convenient, sweet and grain-based snacks, carbonated and noncarbonated beverages and foods throughout the world.

Frito-Lay North America, or FLNA, PepsiCo's snack division, manufactures, markets, sells and distributes branded snacks including Lay's potato chips, Doritos flavored tortilla chips, Cheetos cheese flavored snacks, Fritos corn chips, Tostitos tortilla chips, Ruffles potato chips, Rold Gold pretzels, branded dips, Quaker Chewy granola bars, Sunchips multigrain snacks, Grandma's cookies, Quaker Fruit & Oatmeal bars, Quaker Quakes corn and rice snacks, Quaker rice cakes, Cracker Jack treats and Go Snacks.

PepsiCo Beverages North America, or PBNA, PepsiCo's beverage division, manufactures, markets and sells beverage concentrates, and sells fountain syrups and finished goods, under the brands Pepsi, Mountain Dew, Sierra Mist, Mug, Slice, FruitWorks, SoBe and Dole. PBNA manufactures, markets and sells ready-to-drink tea and coffee products through joint ventures with Lipton and Starbucks. PBNA sells concentrate and finished goods for these brands and licenses the Aquafina water brand to its bottlers. PBNA also manufactures, markets and sells Gatorade sports drinks, Tropicana Pure Premium, Dole, Tropicana Season's Best and Tropicana Twister juices and juice drinks and Propel fitness water.

Quaker Foods North America, or QFNA, PepsiCo's food division, manufactures, markets and sells cereals, rice, pasta and other branded products, including Quaker oatmeal, Cap'n Crunch and Life ready-to-eat cereals, Rice-A-Roni, Pasta Roni and Near East side dishes, Aunt Jemima mixes and syrups and Quaker grits.

PepsiCo International, or PI, PepsiCo's international division, manufactures, markets and sells beverage concentrates, fountain syrups and finished goods under the brands Pepsi, 7UP, Mirinda, Mountain Dew, Gatorade and Tropicana. PI also manufactures and sells many of the Frito-Lay and Quaker branded snacks sold in North America as well as a number of leading snack brands including Sabritas, Gamesa and Alegro brands in Mexico, Walkers and Wotsits brands in the United Kingdom and Smith's brands in Australia.

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 November 15, 2003. Interest will be computed on the basis of a 360-day year comprising twelve 30-day months. Holders of new notes will receive interest on November 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; or - 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 28, 2002 and (b) as of March 23, 2002 and March 22, 2003 and for each of the 12-week periods then ended. The summary historical financial data as of and for each of the five fiscal years ended December 28, 2002 have been derived from our audited consolidated financial statements. The summary historical financial data as of and for the 12-week periods ended March 23, 2002 and March 22, 2003 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 the results of operations for such periods. The results of operations for the 12-week period ended March 22, 2003 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					12-WEEKS ENDED	
	DEC. 26, 1998(1)	DEC. 25, 1999(1)	DEC. 30, 2000(2)	DEC. 29, 2001	DEC. 28, 2002	MARCH 23, 2002	MARCH 22, 2003
	(IN MILLIONS, EXCEPT FOR RATIO OF EARNINGS TO FIXED CHARGES)						
STATEMENT OF OPERATIONS DATA:							
Net revenues(3)	$ 7,041	$7,505	$7,982	$8,443	$ 9,216	$1,772	$ 1,874
Cost of sales(3)	4,181	4,296	4,405	4,580	5,001	942	927
Gross profit(3)	2,860	3,209	3,577	3,863	4,215	830	947
Selling, delivery and administrative expenses(3)	2,583	2,813	2,986	3,185	3,318	695	828
Unusual impairment and other charges and credits(4)	222	(16)	--	--	--	--	--
Operating income(3)	55	412	591	678	897	135	119
Interest expense	166	140	136	132	131	30	38
Interest income	9	11	47	54	33	7	6
Other non-operating expenses, net	26	1	1	--	7	--	3
Minority interest	4	5	8	14	9	1	--
Income (loss) before income taxes	(132)	277	493	586	783	111	84
Income tax expense (benefit)(5)	(1)	4	22	(1)	49	4	8
Income (loss) before cumulative effect of change in accounting principle	(131)	273	471	587	734	107	76
Cumulative effect of change in accounting principle, net of tax(3)	--	--	--	--	--	6	--
Net income (loss)(3)	$ (131)	$ 273	$ 471	$ 587	$ 734	$ 107	$ 70
OTHER FINANCIAL DATA:							
Net cash provided by operations	$ 727	$ 888	$ 974	$1,073	$ 1,107	$ 176	$ 104
Net cash used for							

investments..... (1,022) (973) (800) (949) (1,836) (219) (245) Net cash provided by (used for) financing..... 244 244 (42) (173) 677 (20) 33 Capital expenditures..... (507) (560) (515) (593) (623) (110) (112) Ratio of earnings to fixed charges(6)..... --(7) 2.76 4.31 5.09 6.21 4.30 2.95 BALANCE SHEET DATA (AT PERIOD END): Total assets..... $ 7,227 $7,799 $8,228 $8,677 $10,907 $8,845 $10,860 Total long-term debt..... 2,361 2,284 2,286 2,299 3,535 2,342 2,532 Owners' equity..... 3,283 3,928 4,321 4,596 5,186 4,738 5,245

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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) We adopted the Emerging Issues Task Force Issue No. (EITF) 02-16, or EITF Issue No. 02-16, "Accounting by a Customer (Including a Reseller) for Certain Consideration Received from a Vendor" beginning in our fiscal year 2003. In prior periods, we classified worldwide bottler incentives received from PepsiCo and other brand owners as adjustments to net revenues and selling, delivery and administrative expenses depending on the objective of the program. In accordance with EITF Issue No. 02-16, we have classified certain bottler incentives as a reduction of cost of sales beginning in 2003 and we also recorded a transition adjustment of $6 million, net of taxes, for the cumulative effect on prior years. This adjustment reflects the amount of bottler incentives that can be attributed to our 2003 beginning inventory balances. In accordance with EITF Issue No. 02-16, each of the five fiscal years ended December 28, 2002 and the 12-week period ended March 23, 2002 have not been restated to reflect the adoption of EITF Issue No. 02-16. However, the pro-forma disclosures of the effects on prior periods are presented in the Supplemental Pro Forma Information section.

(4) 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.

(5) Results for the fiscal year ended December 29, 2001 included Canadian tax law change benefits of $25 million.

(6) 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.

(7) 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

SFAS 142

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 our annual impairment review and have determined that our intangible assets were not impaired.

The following table provides pro forma disclosure of the elimination of goodwill and certain franchise rights amortization in 2000 and 2001, as if SFAS 142 had been adopted in 2000:

FISCAL YEAR ENDED	DEC. 30,
DEC. 29, 2000	2001
(IN MILLIONS)	
Reported net income	$471
$587	
Add back: Goodwill amortization, net of tax	37
35	
Add back: Franchise rights amortization, net of tax	86
88	
Adjusted net income	$594
$710	

EITF Issue No. 02-16

In January 2003, the EITF reached a consensus on Issue No. 02-16, addressing the recognition and income statement classification of various cash consideration given by a vendor to a customer. The consensus requires that certain cash consideration received by a customer from a vendor are presumed to be a reduction of the price of the vendor's products, and therefore should be characterized as a reduction of cost of sales when recognized in the customer's income statement, unless certain criteria are met. EITF Issue No. 02-16 became effective beginning in our fiscal year 2003. In prior periods we classified worldwide bottler incentives received from PepsiCo and other brand owners as adjustments to net revenues and selling, delivery and administrative expenses depending on the objective of the program. In accordance with EITF Issue No. 02-16, we have classified certain bottler incentives as a reduction of cost of sales beginning in 2003. We have recorded a transition adjustment of $6 million, net of taxes, for the cumulative effect on prior years. This adjustment reflects the amount of bottler incentives that can be attributed to our 2003 beginning inventory balances. This accounting change did not have a material effect on our income before cumulative effect of change in accounting principle in the first 12-week period of 2003 and is not expected to have a material effect on such amounts for the balance of fiscal 2003.

The following pro forma information summarizes our consolidated statements of operations to reflect the adoption of EITF Issue No. 02-16 as if it had been in effect for all periods presented:

FISCAL YEAR ENDED 12-WEEKS ENDED							
DEC. 26, 1998	DEC. 25, 1999	DEC. 30, 2000	DEC. 29, 2001	MARCH 23, 2002	MARCH 22, 2002	DEC. 28, 2002	
(IN MILLIONS)							
Net revenues	$6,793	$7,242	$7,706	$8,165	$8,926	$1,713	$1,874
Cost of sales	3,736	3,830	3,934	4,112	4,510	847	927
Selling, delivery and administrative expenses	2,780	3,016	3,181	3,375	3,519	732	828
Operating income	55	412	591	678	897	134	119
Net income	$ (131)	$ 273	$ 471	$ 587	$ 734	$ 106	$ 76

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 28, 2002 and (b) as of March 23, 2002 and March 22, 2003 and for each of the 12-week periods then ended. The summary historical financial data as of and for each of the five fiscal years ended December 28, 2002 have been derived from PepsiCo's audited consolidated financial statements, except for net sales for 1998 and 1999, which have been restated to reflect the adoption of EITF 01-9, 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 as of and for the 12-week periods ended March 23, 2002 and March 22, 2003 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 the results of operations for such periods. The results of operations for the 12-week period ended March 22, 2003 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, PepsiCo's acquisition of Tropicana Products, or Tropicana, late in 1998, the consolidation of Snack Ventures Europe in 2002, and the items discussed below, PepsiCo's financial statements that include these periods may not be fully comparable with prior periods. 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						12-WEEKS ENDED	
DEC. 26, 1998(1)(2)	DEC. 25, 1999(1)(3)	DEC. 30, 2000(1)(4)	DEC. 29, 2001(1)(5)	DEC. 28, 2002(5)	MARCH 23, 2002(5)	MARCH 22, 2003(5)	
(IN MILLIONS, EXCEPT PER SHARE AMOUNTS AND RATIO OF EARNINGS TO FIXED CHARGES)							
Net sales	$24,605	$22,183	$22,337	$23,512	$25,112	$ 5,311	$ 5,530
Net income	2,278	2,505	2,543	2,662	3,313	689	777
Income per common share -- basic	1.27	1.41	1.45	1.51	1.89	0.39	0.45
Income per common share -- diluted	1.23	1.38	1.42	1.47	1.85	0.38	0.45
Cash dividends declared per common share(6)	0.515	0.535	0.555	0.575	0.595	0.145	0.15
Total assets (at period end)	25,170	19,948	20,757	21,695	23,474	22,611	23,238
Long-term debt (at period end)	4,823	3,527	3,009	2,651	2,187	2,276	2,202
Ratio of earnings to fixed							

charges(7)... 6.03
9.82 11.91 15.21
19.92 22.67 21.20

- ---------------

(1) Includes other impairment and restructuring charges of $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 and $31 million ($19 million after-tax or $0.01 per share) in 2001.

(2) 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.

(3) 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 bottling transaction of $25 million (or $0.01 per share) and a Quaker favorable tax adjustment of $59 million (or $0.03 per share).

(4) 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).

(5) Includes Quaker merger-related costs of $356 million ($322 million after-tax or $0.18 per share) in 2001, $224 million ($190 million after-tax or $0.11 per share) in 2002, $36 million ($30 million after-tax or $0.02 per share) for the 12-week period ended March 23, 2002 and $11 million ($10 million after-tax) for the 12-week period ended March 22, 2003.

(6) 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.

(7) 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		
- DEC. 30, 2000	DEC. 29, 2001	-------- --
----------	(IN MILLIONS, EXCEPT PER SHARE AMOUNTS)	
Reported net income		
	$2,543	$2,662
Cease goodwill amortization		
	112	112
Adjust brands amortization		
	(22)	(67)
Cease equity investee goodwill amortization		
	61	57
------ ----- - Adjusted net income		
	$2,694	$2,764
====== ====== Reported earnings per common share -- diluted		
	$ 1.42	$ 1.47
Cease goodwill amortization		
	0.06	0.06
Adjust brands amortization		
	(0.01)	(0.03)
Cease equity investee goodwill amortization		
	0.03	0.03
------ - ----- Adjusted earnings per common share -- diluted		
	$ 1.50	$ 1.53
======		

The impact on basic earnings per common share is the same as the diluted earnings per common share amounts reported above.

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 bottler incentives and funding to its bottling operations. PepsiCo does not have to continue to provide bottler incentives under PBG's beverage agreements with PepsiCo and any support provided to us by PepsiCo will be at PepsiCo's sole discretion. Decreases in bottler incentives 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 our shared services agreement, we obtain various services from PepsiCo, which includes procurement of raw materials and certain information technology and administrative 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 April 19, 2003, PepsiCo owned approximately 43.8% of the combined voting power of PBG's voting stock (with the balance owned by the public). As of April 19, 2003, PBG owned approximately 93.2% 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 acquisition of Gemex and a 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 12.6% 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 the fiscal year ended December 28, 2002 and the 12-week period ended March 22, 2003, approximately 18% and 20%, respectively, of our net revenues were generated in Canada, Spain, Greece, Russia, Turkey and, as a result of our acquisition in November, 2002 of Gemex, Mexico. For 2002, international operations constituted about one-fifth of PepsiCo's annual division 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 March 22, 2003, we had approximately $3.6 billion of indebtedness. In addition, we guarantee 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. On December 20, 2002, we applied 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.

CAPITALIZATION

BOTTLING LLC

We are a limited liability company organized under the law of the state of Delaware. As of April 19, 2003, PBG owned approximately 93.2% 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 March 22, 2003. There has been no material change in our cash and cash equivalents or capitalization since March 22, 2003. 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 MARCH 22, 2003 ---------- (IN MILLIONS) Cash and cash equivalents..... $ 93 ====== Short-term borrowings..... $ 82 Current maturities of long-term debt..... 1,014 Long-term debt(1)..... 2,532 Owners' equity: Owners' net investment..... 5,859 Deferred compensation..... (5) Accumulated other comprehensive loss..... (609) ------ Total owners' equity..... 5,245 ------ Total capitalization..... $8,873 ======

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

The following table sets forth PepsiCo's cash and cash equivalents and capitalization as of March 22, 2003. There has been no material change in PepsiCo's cash and cash equivalents or capitalization since March 22, 2003. 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 March 22, 2003, 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 convertible 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 MARCH 22, 2003	(IN MILLIONS)
Cash and cash equivalents	$ 926
Short-term borrowings	$ 241
Long-term debt(1)	2,202
Preferred stock, no par value	41
Repurchased preferred stock	(51)
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	13,933
Accumulated other comprehensive loss	(1,747)
Less: repurchased shares, at cost	(2,680)
Total common shareholders' equity	9,536
Total capitalization	$11,969

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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 28, 2002, 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 $395,000 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.

In addition, PepsiCo estimates that it will incur approximately $75,000 of accounting and legal fees in connection with the exchange offer.

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 28, 2002 and (b) as of March 23, 2002 and March 22, 2003 and for each of the 12-week periods then ended. The selected historical financial data as of and for each of the five fiscal years ended December 28, 2002 have been derived from our audited consolidated financial statements. The selected historical financial data as of and for the 12-week periods ended March 23, 2002 and March 22, 2003 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 the results of operations for such periods. The results of operations for the 12-week period ended March 22, 2003 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 DEC. 26, 1998(1)	DEC. 25, 1999(1)	DEC. 30, 2000(2)	DEC. 29, 2001	DEC. 28, 2002	12-WEEKS ENDED MARCH 23, 2002	MARCH 22, 2003
	(IN MILLIONS, EXCEPT FOR RATIO OF EARNINGS TO FIXED CHARGES)						
STATEMENT OF OPERATIONS DATA:							
Net revenues(3)	$ 7,041	$7,505	$7,982	$ 8,443	$ 9,216	$1,772	$ 1,874
Cost of sales(3)	4,181	4,296	4,405	4,580	5,001	942	927
Gross profit(3)	2,860	3,209	3,577	3,863	4,215	830	947
Selling, delivery and administrative expenses(3)	2,583	2,813	2,986	3,185	3,318	695	828
Unusual impairment and other charges and credits(4)	222	(16)	--	--	--	--	--
Operating income(3)	55	412	591	678	897	135	119
Interest expense	166	140	136	132	131	30	38
Interest income	9	11	47	54	33	7	6
Other non-operating expenses, net	26	1	1	--	7	--	3
Minority interest	4	5	8	14	9	1	--
Income (loss) before income taxes	(132)	277	493	586	783	111	84
Income tax expense (benefit) (5)	(1)	4	22	(1)	49	4	8
Income (loss) before cumulative effect of change in accounting principle							

(131) 273 471 587 734 107 76 Cumulative effect of change in accounting principle, net of tax(3)..... -- -- -- -- -- -- 6 --- ---- ------ ------ ---- --- ------- ------ ---- --- Net income (loss) (3)..... $ (131) $ 273 $ 471 $ 587 $ 734 $ 107 $ 70 ======= ====== ====== ======= ======= ====== =======

FISCAL YEAR ENDED 12-WEEKS ENDED	DEC. 26, 1998(1)	DEC. 25, 1999(1)	DEC. 30, 2000(2)	DEC. 29, 2001	DEC. 28, 2002	MARCH 23, 2002	MARCH 22, 2003
	(IN MILLIONS, EXCEPT FOR RATIO OF EARNINGS TO FIXED CHARGES)						
OTHER FINANCIAL DATA:							
Net cash provided by operations	$ 727	$ 888	$ 974	$ 1,073	$ 1,107	$ 176	$ 104
Net cash used for investments	(1,022)	(973)	(800)	(949)	(1,836)	(219)	(245)
Net cash provided by (used for) financing	244	244	(42)	(173)	677	(20)	33
Capital expenditures	(507)	(560)	(515)	(593)	(623)	(110)	(112)
Ratio of earnings to fixed charges(6)	--(7)	2.76	4.31	5.09	6.21	4.30	2.95
BALANCE SHEET DATA (AT PERIOD END):							
Total assets	$ 7,227	$7,799	$8,228	$ 8,677	$10,907	$8,845	$10,860
Long-term debt							
Allocation of PepsiCo long-term debt(8)	2,300	--	--	--	--	--	--
Due to third parties	61	2,284	2,286	2,299	3,535	2,342	2,532
Total long-term debt	2,361	2,284	2,286	2,299	3,535	2,342	2,532
Minority interest	112	141	147	154	--	152	--
Accumulated other comprehensive loss	(238)	(222)	(253)	(416)	(596)	(400)	(609)
Owners' equity	3,283	3,928	4,321	4,596	5,186	4,738	5,245

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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) We adopted EITF Issue No. 02-16 beginning in our fiscal year 2003. In prior periods, we classified worldwide bottler incentives received from PepsiCo and other brand owners as adjustments to net revenues and selling, delivery and administrative expenses depending on the objective of the program. In accordance with EITF Issue No. 02-16, we have classified certain bottler incentives as a reduction of cost of sales beginning in 2003 and we also recorded a transition adjustment of $6 million, net of taxes, for the cumulative effect on prior years. This adjustment reflects the amount of bottler incentives that can be attributed to our 2003 beginning inventory

balances. In accordance with EITF Issue No. 02-16, each of the five fiscal years ended December 28, 2002 and the 12-week period ended March 23, 2002 have not been restated to reflect the adoption of EITF Issue No. 02-16. However, the pro-forma disclosures of the effects on prior periods are presented in the Supplemental Pro Forma Information section.

(4) 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.

(5) Results for the fiscal year ended December 29, 2001 included Canadian tax law change benefits of $25 million.

(6) 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.

(7) 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.

(8) 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

SFAS 142

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 our annual impairment review and have determined that our intangible assets were not impaired.

The following table provides pro forma disclosure of the elimination of goodwill and certain franchise rights amortization in 2000 and 2001, as if SFAS 142 had been adopted in 2000:

FISCAL YEAR ENDED	DEC. 30,	DEC. 29,
	2000	2001
(IN MILLIONS)		
Reported net income	$471	$587
Add back: Goodwill amortization, net of tax	37	35
Add back: Franchise rights amortization, net of tax	86	88
Adjusted net income	$594	$710

EITF Issue No. 02-16

In January 2003, the EITF reached a consensus on Issue No. 02-16 addressing the recognition and income statement classification of various cash consideration given by a vendor to a customer. The consensus requires that certain cash consideration received by a customer from a vendor are presumed to be a reduction of the price of the vendor's products, and therefore should be characterized as a reduction of cost of sales when recognized in the customer's income statement, unless certain criteria are met. EITF Issue No. 02-16 became effective beginning in our fiscal year 2003. In prior periods we classified worldwide bottler incentives received from PepsiCo and other brand owners as adjustments to net revenues and selling, delivery and administrative expenses depending on the objective of the program. In accordance with EITF Issue No. 02-16, we have classified certain bottler incentives as a reduction of cost of sales beginning in 2003. We have recorded a transition adjustment of $6 million, net of taxes, for the cumulative effect on prior years. This adjustment reflects the amount of bottler incentives that can be attributed to our 2003 beginning inventory balances. This accounting change did not have a material effect on our income

before cumulative effect of change in accounting principle in the first 12-week period of 2003 and is not expected to have a material effect on such amounts for the balance of fiscal 2003.

The following pro forma information summarizes our consolidated statements of operations to reflect the adoption of EITF Issue No. 02-16 as if it had been in effect for all periods presented:

FISCAL YEAR ENDED 12-WEEKS ENDED									
DEC. 26, 1998	DEC. 25, 1999	DEC. 30, 2000	DEC. 29, 2001	DEC. 28, 2002	MARCH 23, 2002	MARCH 22, 2003			
(IN MILLIONS)									
Net revenues	$6,793	$7,242	$7,706	$8,165	$8,926	$1,713	$1,874		
Cost of sales	3,736	3,830	3,934	4,112	4,510	847	927		
Selling, delivery and administrative expenses	2,780	3,016	3,181	3,375	3,519	732	828		
Operating income	55	412	591	678	897	134	119		
Net income	$ (131)	$ 273	$ 471	$ 587	$ 734	$ 106	$ 76		

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 28, 2002 and (b) as of March 23, 2002 and March 22, 2003 and for each of the 12-week periods then ended. The selected historical financial data as of and for each of the five fiscal years ended December 28, 2002 have been derived from PepsiCo's audited consolidated financial statements, except for net sales for 1998 and 1999, which have been restated to reflect the adoption of EITF 01-9, 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 as of and for the 12-week periods ended March 23, 2002 and March 22, 2003 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 operation for such periods. The results of operations for the 12-week period ended March 22, 2003 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, the Tropicana acquisition late in 1998, the consolidation of Snack Ventures Europe in 2002, and the items discussed below, PepsiCo's financial statements that include these periods may not be fully comparable with prior periods. 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 12-WEEKS ENDED									
- DEC. 26, 1998(1)(2)	DEC. 25, 1999(1)(3)	DEC. 30, 2000(1)(4)	DEC. 29, 2001(1)(5)	DEC. 28, 2002(5)	MARCH 23, 2002(5)	MARCH 22, 2003(5)			
--- (IN MILLIONS, EXCEPT PER SHARE AMOUNTS AND RATIO OF EARNINGS TO FIXED CHARGES)									
Net sales	$24,605	$22,183	$22,337	$23,512	$25,112	$ 5,311	$ 5,530		
Net income	2,278	2,505	2,543	2,662	3,313	689	777		
Income per common share -- basic	1.27	1.41	1.45	1.51	1.89	0.39	0.45		
Income per common share -- diluted	1.23	1.38	1.42	1.47	1.85	0.38	0.45		
Cash dividends declared per common share(6)	0.515	0.535	0.555	0.575	0.595	0.145	0.15		
Total assets (at period end)	25,170	19,948	20,757	21,695	23,474	22,611	23,238		
Long-term debt (at period end)	4,823	3,527	3,009	2,651	2,187	2,276	2,202		
Ratio of earnings to fixed charges(7)	6.03	9.82	11.91	15.21	19.92	22.67	21.20		

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(1) Includes other impairment and restructuring charges of $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 and $31 million ($19 million after-tax or $0.01 per share) in 2001.

(2) 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.

(3) 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 bottling transaction of $25 million (or $0.01 per share), and a Quaker favorable tax adjustment of $59 million (or $0.03 per share).

(4) 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).

(5) Includes Quaker merger-related costs of $356 million ($322 million after-tax or $0.18 per share) in 2001, $224 million ($190 million after-tax or $0.11 per share) in 2002, $36 million ($30 million after-tax or $0.02 per share) for the 12-week period ended March 23, 2002 and $11 million ($10 million after-tax) for the 12-week period ended March 22, 2003.

(6) 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.

(7) 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		
	DEC. 30, 2000	DEC. 29, 2001
	(IN MILLIONS, EXCEPT PER SHARE AMOUNTS)	
Reported net income	$2,543	$2,662
Cease goodwill amortization	112	112
Adjust brands amortization	(22)	(67)
Cease equity investee goodwill amortization	61	57
Adjusted net income	$2,694	$2,764
Reported earnings per common share -- diluted	$ 1.42	$ 1.47
Cease goodwill amortization	0.06	0.06
Adjust brands amortization	(0.01)	(0.03)
Cease equity investee goodwill amortization	0.03	0.03
Adjusted earnings per common share -- diluted	$ 1.50	$ 1.53

The impact on basic earnings per common share is the same as the diluted earnings per common share amounts reported above.

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 brands we sell are some of the best recognized trademarks in the world and include Pepsi-Cola, Mountain Dew, Diet Pepsi, Aquafina, Lipton Brisk, Mountain Dew Code Red, Sierra Mist, SoBe, Dole, Mug, Diet Mountain Dew, Pepsi Twist, Starbucks Frappuccino and, outside the United States, Pepsi-Cola, Mirinda, 7 UP, KAS, Electropura, Aqua Minerale, Manzanita Sol, Squirt, Garci Crespo, Fiesta, Pepsi Light, IVI, Yedigun, and Fruko. In some of our United States territories, we also have the right to manufacture, sell and distribute soft drink products of other companies, including Dr Pepper and All Sport. 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, Mexico. In the fiscal year ended December 28, 2002 and the 12-week period ended March 22, 2003, approximately 82% and 80%, respectively, of our net revenues were generated in the United States with the remaining 18% and 20%, respectively, generated outside the United States. We have an extensive direct store 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 April 19, 2003, PepsiCo owned approximately 38.6% of PBG's outstanding common stock and 100% of PBG's outstanding class B common stock, together representing approximately 43.8% of the voting power of all classes of PBG's voting stock (with the balance owned by the public). In conjunction with PBG's initial public offering and other subsequent transactions, PepsiCo and PBG contributed bottling businesses and assets used in the bottling business to us. As of April 19, 2003, PBG owned approximately 93.2% of our membership interests and PepsiCo indirectly owned the remainder of our membership interests.

RECENT DEVELOPMENTS

On February 1, 2003, we completed an acquisition of a Pepsi-Cola bottler based in Buffalo, New York for a purchase price of approximately $75 million.

On November 5, 2002, we acquired approximately 99.8% of all of the outstanding capital stock of Gemex, which was the largest bottler in Mexico and the largest bottler outside the United States of Pepsi-Cola soft drink products based on sales volume, through simultaneous tender offers in Mexico and the United States. Following the offers, we 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. Our total cost for the purchase of Gemex was a net cash payment of $871 million and assumed debt of approximately $305 million.

Gemex was the largest bottler in Mexico and the largest bottler outside the United States of Pepsi-Cola soft drink products based on sales volume. Gemex was a Mexican holding company that, through its bottling and distribution subsidiaries, produced, sold and distributed 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 had 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 produced, sold and distributed purified and mineral water in Mexico under the trademarks Electropura and Garci Crespo.

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 pursuant to 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 in the U.S. 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 cola beverages in sufficient quantities to fully meet the demand 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. PepsiCo approved our 2003 annual plan.

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 a specific area, currently representing approximately 12.6% 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 rights to manufacture and sell Pepsi trademarked cola beverages outside of that specific area 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 PBG's bottling subsidiaries or substantially all of PBG's 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 February 21, 2003, to our knowledge, no shareholder of PBG, other than PepsiCo, held more than 6.0% 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 PBG than the exclusive bottling appointments 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, Fruitworks, 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 Aquafina, AMP and Dole in all of PBG's territories and SoBe in certain specified territories. PBG has the right to manufacture Aquafina in certain locations depending on the availability of appropriate equipment. 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 causes for termination. PBG recently obtained the rights to sell and distribute Gatorade in Spain, Greece and Russia and in certain limited channels of distribution in the U.S. Some of these beverage agreements have limited terms and, in most instances, prohibit PBG 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 PBG's territories that specifically request direct 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. In the event 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 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, term, 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. Certain of these bottling agreements 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 PBG's 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, Canada Dry and Hawaiian Punch 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 Beverage Company, Inc. 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 28, 2002, we employed approximately 65,000 full-time workers, of whom approximately 29,500 were employed in the United States and approximately 25,900 were employed in Mexico. Approximately 8,700 of our full-time workers in the United States are union members and approximately 18,800 of our workers outside 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.

PROPERTIES

As of December 28, 2002, we operated 95 soft drink production facilities worldwide, of which 89 were owned and six were leased. In addition, one facility used for the manufacture of soft drink packaging materials was operated by a PBG joint venture in Turkey. Of our 532 distribution facilities, 360 were owned and 172 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 39,900 vehicles, including delivery trucks, delivery and transport tractors and trailers and other trucks and vans used in the sale and distribution of our soft drink products. We also own more than 1.5 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.

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.

PEPSICO DIVISIONS

PepsiCo is a leading, global snack and beverage company. PepsiCo manufactures, markets and sells a variety of salty, convenient, sweet and grain-based snacks, carbonated and noncarbonated beverages and foods. Beginning in 2003, PepsiCo combined the results of its North American beverage businesses as PepsiCo Beverages North America, and its international food and beverage businesses as PepsiCo International, to reflect operating and management changes. PepsiCo is now organized in four divisions:

- Frito-Lay North America,
- PepsiCo Beverages North America,
- Quaker Foods North America, and
- PepsiCo International.

PepsiCo's North American divisions operate in the United States and Canada. PepsiCo's international divisions operate in over 175 countries, with its largest operations in Mexico and the United Kingdom.

Frito-Lay North America

FLNA manufactures, markets, sells and distributes branded snacks. These snacks include Lay's potato chips, Doritos flavored tortilla chips, Cheetos cheese flavored snacks, Fritos corn chips, Tostitos tortilla chips, Ruffles potato chips, Rold Gold pretzels, branded dips, Quaker Chewy granola bars, Sunchips multigrain snacks, Grandma's cookies, Quaker Fruit & Oatmeal bars, Quaker Quakes corn and rice cakes, Quaker rice cakes, Cracker Jack treats, and Go Snacks. These branded products are sold to independent distributors and retailers. FLNA's net sales were $8.6 billion in 2002 and $8.2 billion in 2001 and accounted for 34% of PepsiCo's total division net sales in each of those years.

PepsiCo Beverages North America

PBNA manufactures, markets, and sells beverage concentrates, and sells fountain syrups and finished goods, under the brands Pepsi, Mountain Dew, Sierra Mist, Mug, Slice, FruitWorks, SoBe and Dole. PBNA manufactures, markets and sells ready-to-drink tea and coffee products through joint ventures with Lipton and Starbucks. PBNA sells concentrate and finished goods for these brands and licenses the Aquafina water brand to its bottlers. The franchise bottlers sell PepsiCo's brands as finished goods to independent distributors and retailers. PBNA also manufactures, markets and sells Gatorade sports drinks, Tropicana Pure Premium, Dole, Tropicana Season's Best and Tropicana Twister juices and juice drinks and Propel fitness water. These branded products are sold to independent distributors and retailers. PBNA's net sales were $7.2 billion in 2002 and $6.9 billion in 2001 and accounted for 29% of PepsiCo's total division net sales in each of those years.

Quaker Foods North America

QFNA manufacturers, markets and sells cereals, rice, pasta and other branded products. QFNA's products include Quaker oatmeal, Cap'n Crunch and Life ready-to-eat cereals, Rice-A-Roni, Pasta Roni and Near East side dishes, Aunt Jemima mixes and syrups and Quaker grits. These branded products are sold to independent distributors and retailers. QFNA's net sales were $1.5 billion in 2002 and $1.4 billion in 2001 and accounted for 6% of PepsiCo's total division net sales in each of those years.

PepsiCo International

PI manufactures, markets and sells beverage concentrates, fountain syrups and finished goods under the brands Pepsi, 7UP, Mirinda, Mountain Dew, Gatorade and Tropicana. Generally, PI's brands are sold to franchise bottlers. However, in certain markets, PI operates bottling plants and distribution facilities. PI also licenses Aquafina water brand to certain of its franchise bottlers. PI also manufactures and sells many of the Frito-Lay and Quaker branded snacks sold in North America as well as a number of leading snack brands including Sabritas, Gamesa and Alegro brands in Mexico, Walkers and Wotsits brands in the

United Kingdom and Smith's brands in Australia. PI's net sales were $7.7 billion in 2002 and $7.5 billion in 2001 and accounted for 31% of PepsiCo's total division net sales in each of those years.

PEPSICO'S DISTRIBUTION NETWORK

PepsiCo's products are brought to market through direct-store-delivery, broker-warehouse and food service and vending distribution networks. The distribution system used depends on customer needs, product characteristics, and local trade practices.

Direct-Store-Delivery

PepsiCo and its bottlers operate direct-store-delivery systems that deliver snacks and beverages directly to retail stores where the products are merchandised by PepsiCo's employees or bottlers. Direct-store-delivery enables PepsiCo to merchandise with maximum visibility and appeal. Direct-store-delivery is especially well-suited for products that have high retail turnover and respond to in-store promotion and merchandising.

Broker-Warehouse Systems

Some of PepsiCo's products are delivered from its warehouses to customer warehouses and retail stores. These less costly systems generally work best for products that are less fragile and perishable, have lower turnover, and are less likely to be impulse purchases.

Foodservice and Vending

PepsiCo's foodservice and vending sales force distributes snacks, foods and beverages to third-party foodservice and vending distributors and operators, and through its bottlers. This distribution system supplies PepsiCo's products to schools, businesses, stadiums, restaurants and similar locations.

PEPSICO'S BRANDS

PepsiCo owns numerous valuable trademarks which are essential to its worldwide businesses, including Alegro, AMP, Aquafina, Aunt Jemima, Cap'n Crunch, Cheetos, Cracker Jack, Diet Pepsi, Doritos, Frito-Lay, Fritos, Fruitworks, Gamesa, Gatorade, Golden Grain, Grandma's, Lay's, Life, Mirinda, Mountain Dew, Mountain Dew Code Red, Mr. Green, Mug, Near East, Pasta Roni, Pepsi, Pepsi Blue, Pepsi Max, Pepsi One, Pepsi Twist, Pepsi-Cola, Propel, Quaker, Quaker Chewy, Quaker Quakes, Rice-A-Roni, Rold Gold, Ruffles, Sabritas, 7UP and Diet 7UP (outside the United States), Sierra Mist, Slice, Smith's, SoBe, Sunchips, Tostitos, Tropicana, Tropicana Pure Premium, Tropicana Pure Tropics, Tropicana Season's Best, Tropicana Twister, Walkers, Wild Cherry Pepsi and Wotsits. Trademarks remain valid so long as they are used properly for identification purposes, and PepsiCo emphasizes correct use of its trademarks. 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 promotional items 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, production processes and the design and operation of various equipment used in its businesses. Some of these patents are licensed to others.

EMPLOYEES

As of December 28, 2002, PepsiCo employed, subject to seasonal variations, approximately 142,000 people worldwide, including approximately 61,000 people employed within the United States. PepsiCo believes that relations with its employees are generally good.

PEPSICO'S PROPERTIES

PepsiCo owns its corporate headquarters building in Purchase, New York. Leases of plants in North America generally are on a long-term basis, expiring at various times, with options to renew for additional periods. Most international plants are leased for varying and usually shorter periods, with or without

renewal options. PepsiCo's believes that its properties are in good operating condition and are suitable for the purposes for which they are being used.

Frito-Lay North America

FLNA owns or leases approximately 50 food manufacturing and processing plants and approximately 2,000 warehouses, distribution centers and offices, including its headquarters building and a research facility in Plano, Texas.

PepsiCo Beverages North America

PBNA owns or leases approximately 10 manufacturing and processing plants and approximately 30 distribution centers, warehouses and offices, including Tropicana's corporate office space in Bradenton, Florida. Licensed bottlers in which PepsiCo has an ownership interest own or lease approximately 70 bottling plants.

Quaker Foods North America

QFNA owns or leases approximately 10 manufacturing plants and distribution centers in North America.

PepsiCo International

PI owns or leases approximately 150 manufacturing and bottling plants and approximately 1,300 warehouses, distribution centers and offices outside of North America.

SHARED PROPERTIES

FLNA and QFNA share 2 plants that manufacture oat-based foods and snacks. FLNA, QFNA and PBNA share approximately 20 distribution centers, warehouses and offices in North America including a research and development laboratory in Barrington, Illinois, and corporate office space in downtown Chicago, Illinois.

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 for such claims or contingencies is not likely to have a material adverse effect on its results of operations, financial condition or liquidity.

OUR EXECUTIVE OFFICERS AND MANAGING DIRECTORS

Set forth below is information, as of March 25, 2003, 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	43	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 is also PBG's Chairman of the Board and Chief Executive Officer. He has been PBG's Chief Executive Officer since September 2001. Previously, Mr. Cahill served as PBG's President and Chief Operating Officer from August 2000 to September 2001. Mr. Cahill has been a member of PBG's Board of Directors since January 1999 and served as PBG's Executive Vice President and Chief Financial Officer prior to becoming 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 until 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 Pepsi-Cola North America. Mr. Cahill joined PepsiCo in 1989 where he 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 PepsiCo Beverages International. 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 Pepsi-Cola North America in field operations and headquarters. In 1991, Mr. Drewes joined PepsiCo Beverages International 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 March 25, 2003, with respect to the executive officers and directors of PepsiCo:

NAME	AGE	POSITION
John F. Akers	68	Director
Robert E. Allen	68	Director
David R. Andrews	61	Senior Vice President, Government Affairs, General Counsel and Secretary
Peter A. Bridgman	50	Senior Vice President and Controller
Abelardo E. Bru	54	President and Chief Executive Officer, Frito-Lay North America
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	55	Senior Vice President of Human Resources
Indra K. Nooyi	48	President, Chief Financial Officer and Director
Lionel L. Nowell III	48	Senior Vice President and Treasurer
Franklin D. Raines	54	Director
Steven S Reinemund	54	Chairman and Chief Executive Officer
Sharon Percy Rockefeller	58	Director
Gary M. Rodkin	50	President and Chief Executive Officer, PepsiCo Beverages and Foods North America
James J. Schiro	57	Director
Franklin A. Thomas	68	Director
Cynthia M. Trudell	49	Director
Solomon D. Trujillo	51	Director
Daniel Vasella	49	Director
Michael D. White	51	Chairman and Chief Executive Officer, PepsiCo International

John F. Akers is the former Chairman of the Board and Chief Executive Officer of International Business Machines Corporation, has been a member of PepsiCo's Board since 1991 and is Chairman of its Compensation Committee. 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 and Corporate Governance 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 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 Pepsi-Cola North America in 1992 and Senior Vice President and Controller for PBG in 1999.

Abelardo E. Bru was appointed Chairman and Chief Executive Officer of Frito-Lay North America in February 2003. Mr. Bru served as President and Chief Executive Officer of Frito-Lay North America from 1999 to 2003 and as President and General Manager of PepsiCo's Sabritas snack unit from 1992 to 1999. Mr. Bru has served in various senior international positions with PepsiCo Foods International since joining PepsiCo in 1976.

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 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, Electronic Data Systems Corporation, King Ranch, Inc. and Chairman of the Board of Directors 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 also a director of Liz Claiborne, Inc., International Flavors and Fragrances, Inc. and Martha Stewart Living Omnimedia, Inc. Mr. Martinez is a member of the Supervisory Board of ABN AMRO Holding, N.V.

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.

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. Ms. Nooyi is also a director of 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.

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 Officer 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 was appointed Chairman and Chief Executive Officer of PepsiCo Beverages and Foods North America in February 2003. Mr. Rodkin became President and Chief Executive Officer of PepsiCo Beverages and Foods North America in 2002. He served as Chief Executive Officer of Pepsi-Cola North America from 1999 to 2002. From 1995 to 1998, Mr. Rodkin was President of Tropicana North America from 1995 to 1998 and became President and Chief Executive Officer when PepsiCo acquired Tropicana in 1998.

James J. Schiro was elected to PepsiCo's Board in January 2003. Mr. Schiro became Chief Executive Officer of Zurich Financial Services in May 2002, after serving as Chief Operating Officer -- Group Finance since March 2002. He joined Price Waterhouse in 1967, where he held various management positions. In 1994 he was elected Chairman and senior partner of Price Waterhouse, and in 1998 became Chief Executive Officer of PricewaterhouseCoopers, after the merger of Price Waterhouse and Coopers & Lybrand.

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., Citigroup, Inc., Cummins, Inc. and Lucent Technologies.

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 Chief Executive Officer of Orange SA since March 2003 and was elected to PepsiCo's Board in January 2000. Previously, Mr. Trujillo was Chairman, Chief Executive Officer and President of Graviton, Inc. from November 2000, Chairman of US WEST from May 1999, and President and Chief Executive Officer of US West 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 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 in 1999, after serving as President 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 also a director of Credit Suisse Group.

Michael D. White was appointed Chairman and Chief Executive Officer of PepsiCo International in February 2003, after serving as President and Chief Executive Officer of Frito-Lay's Europe/Africa/ Middle East division since 2000. From 1998 to 2000, Mr. White was Senior Vice President and Chief Financial Officer of PepsiCo. Mr. White has also served as Executive Vice President and Chief Financial Officer of PepsiCo Foods International and Chief Financial Officer of Frito-Lay North America. He joined Frito-Lay in 1990 as Vice President of Planning.

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 on December 20, 2002 we applied 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 new notes semi-annually in arrears on each May 15 and November 15, beginning November 15, 2003. Holders of new notes will receive interest on November 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 comprising 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; or

- 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 that represents the average for the immediately preceding week, appearing in the most recently published statistical release designated "H.15(519)" or any successor publication that is published weekly by the Board of Governors of the Federal Reserve System and that 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 March 22, 2003, PepsiCo had approximately $2.4 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 28, 2002, 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.

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 28, 2002, and December 29, 2001 and for each of the years in the three fiscal year period ended December 28, 2002, 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. The audit report covering the December 28, 2002, financial statements refers to the adoption of FASB 142, "Goodwill and Other Intangible Assets," as of December 30, 2001.

With respect to our unaudited interim financial information for the period ended March 23, 2002 and March 22, 2003 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 report included in our quarterly report on Form 10-Q for the quarter ended March 22, 2003, and incorporated by reference herein, states that they did not audit and they do not express an opinion on that interim financial information. Accordingly, the degree of reliance on their report on such information should be restricted in light of the limited nature of 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 28, 2002 and December 29, 2001, and for each of the years in the three-year period ended December 28, 2002, as reflected in PepsiCo's 2002 Form 10-K, 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. The audit report covering the December 28, 2002, financial statements refers to the adoption of FASB 142, "Goodwill and Other Intangible Assets," as of December 30, 2001.

With respect to PepsiCo's unaudited interim financial information for the periods ended March 23, 2002 and March 22, 2003 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 report included in PepsiCo's quarterly report on Form 10-Q for the quarter ended March 22, 2003, and incorporated by reference herein, states that they did not audit and they do not express an opinion on that interim financial information. Accordingly, the degree of reliance on their report 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 28, 2002, as filed on March 28, 2003
Annual Report on Form 10-K/A..... Year ended December 28, 2002, as filed on May 23, 2003
Quarterly Report on Form 10-Q..... Quarterly period ended March 22, 2003, as filed on May 6, 2003
Quarterly Report on Form 10-Q/A..... Quarterly period ended March 22, 2003, as filed on May 23, 2003

PEPSICO SEC FILINGS PERIOD - ------ ------
Annual Report on Form 10-K..... Year ended December 28, 2002, as filed on March 7, 2003
Annual Report on Form 10-K/A..... Year ended December 28, 2002, as filed on May 29, 2003
Quarterly Report on Form 10-Q..... Quarterly period ended March 22, 2003, as filed on April 25, 2003
Quarterly Report on Form 10-Q/A..... Quarterly period ended March 22, 2003, as filed on May 29, 2003
Current Reports on Form 8-K or 8-K/A..... Filed on: - January 30, 2003 - February 6, 2003 - March 4, 2003

We and PepsiCo each also incorporate by reference additional documents that we or PepsiCo, as the case may be, may file with the SEC pursuant to Section

13(a), 13(c), 14 or 15(d) of the Exchange Act from the date of this prospectus and prior to the termination of this exchange offer. These documents include periodic reports, such as Annual Reports on Form 10-K, Quarterly Reports on Form 10-Q and Current Reports on Form 8-K. Any statement contained in a previously filed document incorporated by reference into this document is deemed to be modified or superseded for purpose of this document to the extent that a statement contained in this document (or in a subsequently filed document that also is incorporated by reference herein) modifies or supersedes that statement.

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 -------
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------ 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 May 29, 2003.

BOTTLING GROUP, LLC

By: /s/ JOHN T. CAHILL

John T. Cahill
Principal Executive Officer and
Managing Director

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/ *	Principal Executive Officer and Managing
Director	
John T. Cahill /s/ *	Principal Financial Officer
Alfred H. Drewes /s/ *	Principal Accounting Officer
Andrea L. Forster /s/ *	Managing Director
Matthew M. McKenna	
By: /s/ PAMELA C. MCGUIRE	Managing Director

*Attorney-in-Fact

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 May 29, 2003.

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/ *	President, Chief Financial Officer and
-	Director
Indra K. Nooyi /s/ *	Senior Vice President and Controller (Chief
-	Director
Accounting Officer) Peter A. Bridgman /s/ *	Director
-	Director
John F. Akers /s/ *	Director
-	Director
-- Robert E. Allen /s/ *	Director
-	Director

Peter Foy
/s/ *
Director -

Ray L.
Hunt /s/ *
Director -

Arthur C.
Martinez
/s/ *
Director -

Franklin
D. Raines
/s/ *
Director -

Sharon
Percy
Rockefeller
/s/ *
Director -

Franklin
A. Thomas
/s/ *
Director -

Cynthia M.
Trudell

SIGNATURE	TITLE
- /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 May 7, 2003
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 5-Year Credit Agreement, dated as of April 30, 2003 among The Pepsi Bottling Group, Inc., Bottling Group, LLC, Citibank, N.A., Bank of America, N.A., Credit Suisse First Boston, Cayman Islands Branch, Deutsche Bank

AG New York Branch, JPMorgan Chase Bank, The Northern Trust Company, Lehman Brothers Bank, FSB, Banco Bilbao Vizcaya Argentaria, HSBC Bank USA, Fleet National Bank, The Bank of New York, State Street Bank and Trust Company, Comerica Bank, Wells Fargo Bank, N.A., JPMorgan Chase Bank, as Agent, Citigroup Global Markets Inc. and Banc of America Securities LLC, as Joint Lead Arrangers and Book Managers and Citibank, N.A., Bank of America, N.A., Credit Suisse First Boston, and Deutsche Bank Securities Inc. as Syndication Agents

EXHIBIT NO.	DESCRIPTION
4.8	U.S. $250,000,000 364-Day Credit Agreement, dated as of April 30, 2003 among The Pepsi Bottling Group, Inc., Bottling Group, LLC, Citibank, N.A., Bank of America, N.A., Credit Suisse First Boston, Cayman Islands Branch, Deutsche Bank AG New York Branch, JPMorgan Chase Bank, The Northern Trust Company, Lehman Brothers Bank, FSB, Banco Bilbao Vizcaya Argentaria, HSBC Bank USA, Fleet National Bank, The Bank of New York, State Street Bank and Trust Company, Comerica Bank, Wells Fargo Bank, N.A., JPMorgan Chase Bank, as Agent, Citigroup Global Markets Inc. and Banc of America Securities LLC, as Joint Lead Arrangers and Book Managers and Citibank, N.A., Bank of America, N.A., Credit Suisse First Boston, and Deutsche Bank Securities Inc. as Syndication Agents
4.9	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 4.10 Agreement to Tender, dated as of October 4, 2002, among PBG Grupo Embotellador Hispano-Mexicano S.L., Bottling Group, LLC and PepsiCo, Inc., which is incorporated herein by reference to Exhibit (d) (1) to Schedule TO as filed by The Pepsi Bottling Group, Inc. with the Securities and Exchange Commission on October 7, 2002 4.11 Agreement to Tender, dated as of October 4, 2002, among PBG Grupo Embotellador Hispano-Mexicano S.L., Bottling Group, LLC and Enrique C. Molina Sobrino, which is incorporated herein by reference to Exhibit (d) (2) to Schedule TO as filed by The Pepsi Bottling Group, Inc. with the Securities and Exchange Commission on October 7, 2002 4.12 Escrow Agreement, dated as of October 4, 2002, among PBG Grupo Embotellador Hispano-Mexicano S.L., Bottling Group, LLC and Enrique C. Molina Sobrino and The Bank of New York, which is

incorporated herein by reference to Exhibit (d) (3) to Schedule TO as filed by The Pepsi Bottling Group, Inc. with the Securities and Exchange Commission on October 7, 2002 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) 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)

EXHIBIT NO.	DESCRIPTION
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 10.16 PepsiCo SharePower Stock Option Plan (as amended and restated, effective August 3, 2001), which is incorporated herein by

reference to Exhibit 10.11 to PepsiCo's Annual Report on Form 10-K for the fiscal year ended December 28, 2002 10.17 PepsiCo, Inc. 1995 Stock Option Incentive Plan (as amended and restated, effective August 2, 2001), 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 28, 2002 10.18 The PepsiCo Share Award Plan (effective May 1, 2002) which is incorporated herein by reference to PepsiCo's Form S-8 (Registration No. 333-87526) filed with the Securities and Exchange Commission on May 3, 2002 10.19 The Quaker Long Term Incentive of 1990, which is incorporated herein by reference to Exhibit 10.14 to PepsiCo's Annual Report on Form 10-K for the fiscal year ended December 28, 2002 10.20 The Quaker Long Term Incentive of 1999, which is incorporated herein by reference to Exhibit 10.15 to PepsiCo's Annual Report on Form 10-K for the fiscal year ended December 28, 2002 10.21 PepsiCo, Inc. 2003

Long-Term Incentive Plan, which is incorporated herein by reference to Exhibit C to PepsiCo's Proxy Statement on Schedule 14A filed with the Securities and Exchange Commission on March 24, 2003 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 28, 2002 and Quarterly Report on Form 10-Q for the quarter ended March 22, 2003 12.3 Statement re: Bottling Group, LLC Computation of Ratio of Earnings to Fixed Charges for the fiscal year ended December 28, 2002 and for the quarter ended March 22, 2003 14 Worldwide Code of Conduct, which is incorporated herein by reference to PepsiCo's Annual Report on Form 10-K for the fiscal year ended December 28, 2002 15.1 Letter from KPMG LLP re: Unaudited Interim Financial Information for The Pepsi Bottling

Group, Inc. and Bottling Group, LLC 15.2 Letter from KPMG LLP re: Unaudited Interim Financial Information for PepsiCo, Inc.

EXHIBIT NO.	DESCRIPTION
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 28, 2002
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 28, 2002
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 The Pepsi Bottling Group, Inc.
23.6	Consent of KPMG LLP for PepsiCo, Inc.
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*

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* Previously filed with the Securities and Exchange Commission on December 20, 2002.

EXHIBIT 3.5

PEPSICO, INC.

BY-LAWS

AS AMENDED TO MAY 7, 2003

EXHIBIT 3.5

ARTICLE I

Offices

Section 1.1 Principal Office. The principal office of PepsiCo, Inc. (hereinafter called the "Corporation") in the State of North Carolina shall be in the City of New Bern, County of Craven.

Section 1.2 Other Offices. The Corporation may also have an office or offices at such other place or places, either within or without the State of North Carolina, as the Board of Directors of the Corporation (hereinafter called the "Board") may from time to time by resolution determine or as may be appropriate to the business of the Corporation.

ARTICLE II

Meetings of Stockholders

Section 2.1 Place of Meetings. All meetings of the stockholders of the Corporation shall be held at the principal office of the Corporation in the State of North Carolina, or at such other place within or without the State of North Carolina as may from time to time be fixed by resolution of the Board.

Section 2.2 Annual Meetings. The annual meeting of the stockholders of the Corporation for the election of directors and for the transaction of such other business as may properly come before the meeting shall be held on the first Wednesday of May in each year (or, if that day shall be a legal holiday under the laws of the State where such meeting is to be held, then on the next succeeding business day). For nominations or other proper business to be brought before an annual meeting by a stockholder, the stockholder must give written notice thereof to the Secretary of the Corporation, with such notice to be received at the principal office of the Corporation no less that 90 days prior to the first anniversary of the preceding year's annual meeting. Such stockholder notice shall set forth: (A) as to each person whom the stockholder proposes to nominate for election or reelection as a director all information relating to such person that is required to be disclosed in solicitations of proxies for election of directors in an election contest, or is otherwise required, in each case pursuant to Regulation 14A under the Securities Exchange Act of 1934, as amended, including such person's written consent to being named in the proxy statement as a nominee and to serving as a director if elected; (B) as to any other business that the stockholder proposes to bring before the meeting, the reasons for conducting such business at the meeting and any material interest in such business of such stockholder; and (C) the name and address of such stockholder as it appears on the Corporation's books, and the number of shares of the Corporation's stock which are owned by such stockholder.

Section 2.3 Special Meetings. A special meeting of the stockholders of the Corporation may be called at any time by the Chairman or Vice Chairman of the Board or

the Board, and shall be called by the Secretary upon the written request of stockholders owning a majority of shares of the capital stock of the Corporation outstanding and entitled to vote at such meeting. Such special meeting shall be held at such time and at such place within or without the State of North Carolina as may be fixed by the Chairman or Vice Chairman of the Board, in the case of meetings called by the Chairman or Vice Chairman of the Board, or by resolution of the Board, in the case of meetings called by the Board; and any meeting called at the request of stockholders pursuant hereto shall be held at the principal office of the Corporation within ninety (90) days from the receipt by the Secretary of such request. Any request for a special meeting of the stockholders shall set forth: (A) a statement of the specific proposal to be brought before the meeting, the reasons for conducting such business at the meeting, and any material interest in such business of the stockholders requesting the meeting; (B) the name and address of each such stockholder as it appears on the Corporation's books; and (C) the number of shares of the Corporation's stock which are owned by each such stockholder.

Section 2.4 Notice of Meetings. Except as otherwise prescribed by statute, the Articles of Incorporation or these By-Laws, notice of each meeting of the stockholders of the Corporation, whether annual or special, shall be given at least ten (10) days before the day on which the meeting is to be held to each stockholder entitled to vote thereat, by mailing a written or printed notice thereof, postage prepaid, addressed to him at his address as it appears on the stock ledger of the Corporation or, in the absence of knowledge on the part of the Corporation of any such address, then at the principal office of the Corporation in the State of North Carolina. Except as otherwise prescribed by statute, notice of any adjourned meeting of stockholders need not be given.

Section 2.5 Quorum, Presiding Officer. Except as otherwise prescribed by statute, the Articles of Incorporation or these By-Laws, at any meeting of the stockholders of the Corporation, the presence in person or by proxy of the holders of record of a majority of the issued and outstanding shares of capital stock of the Corporation entitled to vote thereat shall constitute a quorum for the transaction of business. In the absence of a quorum at such meeting or any adjournment or adjournments thereof, the holders of record of a majority of such shares so present in person or by proxy and entitled to vote thereat or, in the absence of all the stockholders, any officer entitled to preside at or act as Secretary of the meeting, may adjourn the meeting from time to time until a quorum shall be present. At any such adjourned meeting at which a quorum is present, any business may be transacted which might have been transacted at the meeting as originally called. Meetings of the stockholders shall be presided over by the Chairman or Vice Chairman of the Board, or, if neither is present, by another officer or director who shall be designated to serve in such event by the Board. The Secretary of the Corporation, or an Assistant Secretary designated by the officer presiding at the meeting, shall act as Secretary of the meeting.

Section 2.6 Voting, Inspectors of Election. Except as otherwise prescribed by statute, the Articles of Incorporation or these By-Laws, at any meeting of the stockholders of the Corporation, each stockholder shall be entitled to one vote in person or by proxy

for each share of the capital stock of the Corporation registered in the name of such stockholder on the books of the Corporation on the date fixed pursuant to Section 8.3 of these By-Laws as the record date for the determination of stockholders entitled to vote at such meeting. No proxy shall be voted after eleven (11) months from its date unless said proxy provides for a longer period. Shares of its own capital stock belonging to the Corporation shall not be voted either directly or indirectly. At all meetings of the stockholders of the Corporation, a quorum being present, all matters (except as otherwise expressly prescribed by statute, the Articles of Incorporation or these By-Laws) shall be decided by the vote of the holders of a majority of the stock of the Corporation, present in person or by proxy, and entitled to vote thereat. The vote for the election of directors, other matters expressly prescribed by statute, and, upon the direction of the presiding officer of the meeting, the vote on any other question before the meeting, shall be by ballot. At all meetings of stockholders, the polls shall be opened and closed, the proxies and ballots shall be received, taken in charge and examined, and all questions concerning the qualifications of voters, the validity of proxies and the acceptance or rejection of proxies and of votes shall be decided by three (3) inspectors of election. Such inspectors of election, together with one alternate, to serve in the event of death, inability or refusal by any of said inspectors of election to serve at the meeting, none of whom need be a stockholder of the Corporation, shall be appointed by the Board, or, if no such appointment or appointments shall have been made, then by the presiding officer at the meeting. If, for any reason, any inspector of election so appointed shall fail to attend, or refuse or be unable to serve, a substitute shall be appointed to serve as inspector of election, in his place or stead, by the presiding officer at the meeting. No director or candidate for the office of director shall be appointed as an inspector. Each inspector shall take and subscribe an oath or affirmation to execute faithfully the duties of inspector at such meeting with strict impartiality and according to the best of his ability. After the balloting, the inspectors shall make a certificate of the result of the vote taken.

Section 2.7 Lists of Stockholders. It shall be the duty of the officer of the Corporation who shall have charge of the stock ledger of the Corporation, either directly or through another officer designated by him or through a transfer agent or transfer clerk appointed by the Board, to prepare and make, at least ten (10) days before every election of directors, a complete list of stockholders entitled to vote at said election, arranged in alphabetical order. Such list shall be open to the examination of any stockholder at the place where said election is to be held for said ten (10) days, and shall be produced and kept at the time and place of election, during the whole time thereof, subject to the inspection of any stockholder who may be present.

ARTICLE III

Board of Directors

Section 3.1 Powers, Number, Term, Election. The property, business and affairs of the Corporation shall be managed by the Board. The Board shall consist of fourteen (14) directors, but the number of directors may be increased, and may be

decreased to any number not less than three (3), by resolution adopted by three-fourths of the whole Board; provided, however, that the number of directors which shall constitute the whole Board shall not be reduced to a number less than the number of directors then in office, unless such reduction shall become effective only at and after the next ensuing meeting of stockholders for the election of directors, or upon the resignation of an incumbent director. At all meetings of the stockholders of the Corporation for the election of directors at which a quorum shall be present, a majority of the votes cast shall elect. Each director shall hold office from the time of his election and qualification until the annual meeting of stockholders next succeeding his election and until his successor shall have been duly elected and shall have qualified, or until his death, resignation or removal. No director need be a stockholder.

Section 3.2 Place of Meetings. The Board may hold its meetings at such place or places within or without the State of North Carolina as it may from time to time by resolution determine, or as shall be specified or fixed in the respective notices or waivers of notice thereof. Any regular or special meeting may be held by conference telephone or similar communications equipment so long as all persons participating in such meeting can hear one another, and participation in such a telephonic meeting shall constitute presence in person.

Section 3.3 First Meeting. After each annual election of directors, on the same day and at the place where such election is held, the newly elected Board shall meet for the purpose of organization, the election of officers and the transaction of other business. Notice of such meeting need not be given. Such meeting may be held at any other time or place which shall be specified in a notice given as hereinafter provided for special meetings of the Board, or in a waiver of notice thereof signed by all the directors.

Section 3.4 Regular Meetings. Regular meetings of the Board may be held at such time and place and in such manner as the Board may from time to time by resolution determine. Except as otherwise expressly prescribed by statute, the Articles of Incorporation or these By-Laws, notice of regular meetings need not be given.

Section 3.5 Special Meetings. Special meetings of the Board shall be held whenever called by the Chairman or Vice Chairman of the Board, or by the Secretary upon the written request filed with the Secretary by any four (4) directors. Notice of the time, place and manner of each such special meeting shall be mailed to each director, at his residence or usual place of business, not later than the second day before the day on which such meeting is to be held, or shall be sent addressed to him at such place by telegraph or other electronic transmission, or shall be delivered personally or by telephone, not later than six o'clock in the afternoon of the day before the day on which such meeting is to be held. Except as otherwise prescribed by statute, the Articles of Incorporation or these By-Laws, and except in the case of a special meeting of the Board called for the purpose of removing an officer or officers of the Corporation or the filling of a vacancy or vacancies in the Board or of amending the By-Laws, notice or waivers of

notice of any meeting of the Board need not set forth the purpose or purposes of the meeting.

Section 3.6 Quorum. Except as otherwise prescribed by statute or by these By-Laws, the presence of a majority of the full Board shall constitute a quorum for the transaction of business at any meeting, and the act of a majority of the directors present at a meeting at which a quorum shall be present shall be the act of the Board. Any meeting of the Board may be adjourned by a majority vote of the directors present at such meeting. In the absence of a quorum, the Chairman or Vice Chairman of the Board or a majority of the directors present may adjourn such meeting until a quorum shall be present. Notice of any adjourned meeting need not be given. The directors shall act only as a board and the individual directors shall have no power as such.

Section 3.7 Indemnification. Unless the Board of Directors shall determine otherwise, the Corporation 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 he, his testator or intestate, is or was a director, officer or employee of the Corporation, or is or was serving at the request of the Corporation 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 him in connection with such action, suit or proceeding. Such indemnification may, in the discretion of the Board, 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 in this 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 3.8 Written Consents. Any action required or permitted to be taken at any meeting of the Board or of any committee thereof may be taken without a meeting, if, prior to such action, a written consent thereto is signed by all members of the Board or of such committee, as the case may be, and such written consent is filed with the minutes of proceedings of the Board or committee.

ARTICLE IV

Committees

Section 4.1 Designation, Vacancies, etc. The Board may from time to time by resolution create committees of directors, officers, employees, or other persons, with such functions, duties and powers as the Board shall by resolution prescribe. A majority of all the members of any such committee may determine its actions and rules or procedure, and fix the time, place and manner of its meetings, unless the Board shall otherwise provide. The Board shall have power to change the members of any such committee at any time, to fill vacancies, and to discharge any such committee, either with or without cause, at any time.

ARTICLE V

Officers

Section 5.1 Principal Officers. The principal officers of the Corporation shall be a Chairman of the Board of Directors, a Vice Chairman of the Board of Directors, both of whom shall be chosen from among the directors, a President, one or more Vice Presidents, a Secretary, a Treasurer, and a Controller. One person may hold any two offices. The Board may require any such officer to give security for the faithful performance of his duties.

Section 5.2 Election, Term of Office, Qualification. The principal officers of the Corporation shall be elected annually by the Board and each shall hold office until his successor shall have been duly elected and shall have qualified, or until his death, or until he shall resign, or until he shall have been removed in the manner hereinafter provided.

Section 5.3 Chairman and Vice Chairman of the Board. The Chairman or the Vice Chairman of the Board of Directors as shall be determined by the Board of Directors, shall be chief executive officer of the Corporation and, as such, shall have supervision of its policies, business, and affairs, and such other powers and duties as are commonly incident to the office of chief executive officer. The Chairman of the Board of Directors shall preside at the meetings of the Board and may call meetings of the Board and of any committee thereof, whenever he deems it necessary, and he shall call to order and preside at all meetings of the stockholders of the Corporation. In addition, he shall have such other powers and duties as the Board shall designate from time to time. The Chairman of the Board of Directors shall have power to sign all certificates of stock, bonds, deeds and contracts of the Corporation. The Vice Chairman of the Board shall, in the absence of the Chairman of the Board, perform all duties of the Chairman of the Board and any other duties assigned to him or for which he is designated by the Chairman of the Board. In addition, the Vice Chairman of the Board shall have such other powers and duties as the Board shall designate from time to time.

Section 5.4 Chief Executive Officer. The Chief Executive Officer of the Corporation shall have supervision of its policies, business, and affairs, and such other powers and duties as are commonly incident to the office of chief executive officer.

Section 5.5 President. The President shall have such powers and duties as the Chairman of the Board shall designate from time to time. The President shall have power to sign all certificates of stock, bonds, deeds and contracts of the Corporation.

Section 5.6 Vice Presidents. Each Vice President shall have such powers and perform such duties as the Board or the Chairman of the Board may from time to time prescribe. The Board may elect or designate one or more of the Vice Presidents as

Executive Vice Presidents, Senior Vice Presidents or with such other title as the Board may deem appropriate.

Section 5.7 The Treasurer. The Treasurer shall keep, deposit, invest and disburse the funds and securities of the Corporation, shall keep full and accurate accounts of the receipts and disbursements of the Corporation, shall maintain insurance coverage on the Corporation's assets, and, in general, shall perform all the duties incident to the office of Treasurer and such other duties as may from time to time be assigned to him by the Chairman or Vice Chairman of the Board, the Chief Executive Officer or the Board.

Section 5.8 The Secretary. The Secretary shall act as secretary of, and keep the minutes of, all meetings of the Board and of the stockholders, shall be custodian of the seal of the Corporation and shall affix and attest the seal to all documents the execution of which on behalf of the Corporation under its seal shall have been specifically or generally authorized by the Board, and, in general, shall perform all the duties incident to the office of Secretary and such other duties as may from time to time be assigned by the Chairman or Vice Chairman of the Board, the Chief Executive Officer or the Board.

Section 5.9 The Controller. The Controller shall be the chief accounting officer of the Corporation, shall have charge of its accounting department and shall keep or cause to be kept full and accurate records of the assets, liabilities, business and transactions of the Corporation.

Section 5.10 Additional Officers. The Board may elect or appoint such additional officers as it may deem necessary or advisable, and may delegate the power to appoint such additional officers to any committee or principal officer. Such additional officers shall have such powers and duties and shall hold office for such terms as may be determined by the Board or such committee or officer.

Section 5.11 Salaries. The Salaries of the officers of the Corporation shall be fixed from time to time in the manner prescribed by the Board.

ARTICLE VI

Removal, Resignations, Vacancies and Salaries

Section 6.1 Removal of Directors. Any director may be removed at any time, either with or without cause, by the affirmative vote of the holders of record of a majority of the stock of the Corporation entitled to vote at a special meeting of the stockholders called for the purpose, and the vacancy in the Board caused by any such removal may be filled by the stockholders at such meeting and, if not filled thereat, the vacancy caused by such removal may be filled by the directors as provided in Section 6.4 hereof.

Section 6.2 Removal of Officers. Any officer of the Corporation elected or appointed by the Board, or appointed by any committee or principal officer of the

Corporation pursuant to authority delegated by the Board, may be removed at any time, either with or without cause, by resolution adopted by a majority of the whole Board at a regular meeting of the Board or at a special meeting thereof called for such purpose.

Section 6.3 Resignation. Any director or officer of the Corporation may at any time resign by giving written notice to the Board, the Chairman of the Board, the Vice Chairman of the Board, the Chief Executive Officer, or the Secretary. Any such resignation shall take effect at the time specified therein or, if no time shall be specified therein, at the time of the receipt thereof, and unless otherwise specified therein, the acceptance of such resignation shall not be necessary to make it effective.

Section 6.4 Vacancies. Any vacancy in the Board caused by death, resignation, disqualification, an increase in the number of directors, or any other cause, may be filled by the majority vote of the remaining directors, though less than a quorum, at any regular meeting of the Board or any special meeting thereof called for the purpose, or by the stockholders of the Corporation at the next annual meeting or at any special meeting called for the purpose, and the directors so chosen shall hold office, subject to the provisions of these By-Laws, until the next annual meeting of stockholders for the election of directors and until his successor shall be duly elected and shall qualify. Any vacancy in any office, caused by death, resignation, removal, disqualification or any other cause, shall be filled for the unexpired portion of the term in the manner prescribed in these By-Laws for regular election or appointment to such office.

Section 6.5 Compensation. Each director who shall not also be an executive officer of the Corporation or any of its subsidiary companies and receiving a regular salary for his services, in consideration of his serving as a director, shall be entitled to receive from the Corporation such fees for serving as a director as the Board shall from time to time determine, and each such director, who shall serve as a member of any committee of the Board, in consideration of his serving as a member of such committee, shall be entitled to such amount per annum or such fees for attendance at committee meetings as the Board shall from time to time determine. Nothing contained in this Section shall preclude any director from serving the Corporation or its subsidiaries in any other capacity and receiving compensation therefor.

ARTICLE VII

Contracts, Loans, Checks, Drafts, Deposits, Etc.

Section 7.1 Contracts and Loans. Except as authorized pursuant to a resolution of the Board or these By-Laws, no officer, agent or employee of the Corporation shall have any power or authority to bind the Corporation by any contract or engagement, to effect any loan on its behalf, to issue any negotiable paper in its name, to pledge its credit, to render it pecuniarily liable for any purpose or for any amount, or to pledge, hypothecate or transfer any securities or other property of the Corporation as security for any loans or advances.

Section 7.2 Checks, Drafts, etc. All checks, drafts, and other instruments or orders for the payment of monies out of the funds of the Corporation, and all notes or other evidences of indebtedness, bills of lading, warehouse receipts and insurance certificates of the Corporation shall be signed on behalf of the Corporation in such manner as shall from time to time be determined pursuant to a resolution of the Board. All checks, drafts and other instruments or orders for the payment of monies to or upon the order of the Corporation may be endorsed for deposit in such manner as shall be determined pursuant to a resolution of the Board.

Section 7.3 Proxies. Unless otherwise provided by resolution of the Chairman or Vice Chairman of the Board, the Chief Executive Officer, the President, or any Vice President or Secretary or Assistant Secretary designated by the Board, may from time to time appoint an attorney or attorneys or agent or agents of the Corporation to cast, in the name and on behalf of the Corporation, the votes which the Corporation may be entitled to cast as the holder of stock or other securities in any other corporation, any of whose stock or other securities may be held by the Corporation, at meetings of the holders of the stock or other securities of such other corporation or to consent in writing, in the name of the Corporation as such holder, to any action by such other corporation, and may instruct the person or persons so appointed as to the manner of casting such votes or giving such consent, and may execute or cause to be executed in the name and on behalf of the Corporation and under its corporate seal, or otherwise, all such written proxies or other instruments as he may deem necessary or proper in the premises.

ARTICLES VIII

Shares, Dividends, Etc.

Section 8.1 Certificates. Certificates for shares of the capital stock of the Corporation shall be in such form as shall be approved by the Board. Each such certificate shall be signed in the name of the Corporation by the Chairman of the Board, the Vice Chairman of the Board, the President, or a Vice President, and the Treasurer or an Assistant Treasurer or the Secretary or an Assistant Secretary of the Corporation; provided, however, that, where such certificate is signed (a) by a transfer agent or an assistant transfer agent or (b) by a transfer clerk acting on behalf of the Corporation, and a registrar, the signature of any such Chairman of the Board, Vice Chairman of the Board, Chief Executive Officer, President, Vice President, Treasurer, Assistant Treasurer, Secretary or Assistant Secretary may be a facsimile. In case any officer or officers who shall have signed, or whose facsimile signature or signatures shall have been used on, any such certificate or certificates shall cease to be such officer or officers, whether because of death, resignation or otherwise, before such certificate or certificates shall have been delivered by the Corporation, such certificate or certificates shall be deemed to have been adopted by the Corporation and to have been issued and delivered as though the person or persons who signed such certificate or certificates or whose facsimile signature or signatures were used thereon had not ceased to be such officer or officers of the

Corporation. Except as otherwise prescribed by statute, the Articles of Incorporation, or by these By-Laws, the person in whose name shares of stock shall be registered on the books of the Corporation shall be deemed to be the owner thereof for all purposes as regards the Corporation.

Section 8.2 Transfers. The Board may make such rules and regulations as it may deem expedient concerning the issue, registration and transfer of certificates representing shares of the capital stock of the Corporation and may appoint one or more transfer agents or clerks and registrars thereof.

Section 8.3 Closing of Transfer Books, Record Date. The Board may at any time by resolution direct the closing of the stock transfer books of the Corporation for a period of not exceeding fifty (50) days preceding the date of any meeting of stockholders, or the date for payment of any dividend, or the date for the allotment of rights or the date when any change or conversion or exchange of capital stock shall go into effect or for a period of not exceeding sixty (60) days in connection with obtaining the consent of stockholders for any purpose; provided, however, that in lieu of closing the stock transfer books as aforesaid, the Board may fix in advance a date, not exceeding sixty (60) days preceding the date of any meeting of stockholders, or the date for the payment of any dividend, or the date for the allotment of rights, or the date when any change or conversion or exchange of capital stock shall go into effect, or a date in connection with obtaining such consent, as a record date for the determination of the stockholders entitled to notice of, and to vote at, any such meeting and any adjournment thereof, or entitled to receive payment of any such dividend, or to any such allotment of rights, or to exercise the rights in respect of any such change, conversion or exchange of capital stock, or to give such consent, and in such case such stockholders and only such stockholders as shall be stockholders of record on the date so fixed shall be entitled to such notice of, and to vote at, such meeting and any adjournment thereof, or to receive payment of such dividend, or to receive such allotment or rights, or exercise such rights, or to give such consent, as the case may be, notwithstanding any transfer of any stock on the books of the Corporation after any such record date fixed as aforesaid. Except where the stock transfer books of the Corporation shall have been closed or a date shall have been fixed as a record date for the determination of the stockholders entitled to vote, as hereinabove provided, no share of stock shall be voted on at any election of directors which shall have been transferred on the books of the Corporation within twenty (20) days next preceding such election of directors.

Section 8.4 Lost or Destroyed Certificates. In case of loss, theft, mutilation or destruction of any certificate evidencing shares of the capital stock of the Corporation, another may be issued in its place upon proof of such loss, theft, mutilation or destruction and upon the giving of an indemnity or other undertaking to the Corporation in such form and in such sum as the Board may direct.

ARTICLE IX

Seal, Fiscal Year, Waivers of Notice, Amendments

Section 9.1 Corporate Seal. The seal of the Corporation shall be circular in form and shall bear the name of the Corporation and the inscription "Corporate Seal, North Carolina". Said seal may be used by causing it or a facsimile thereof to be impressed or reproduced or otherwise.

Section 9.2 Fiscal Year. Each fiscal year of the Corporation shall end on the last Saturday of December.

Section 9.3 Waivers of Notice. Anything in these By-Laws to the contrary notwithstanding, notice of any meeting of the stockholders, the Board, or any committee constituted by the Board need not be given to any person entitled thereto, if such notice shall be waived by such person in writing or by telegraph, cable or wireless before, at or after such meeting, or if such person shall be present in person, or in the case of a meeting of the stockholders, be present in person or represented by proxy, at such meeting and without objecting to such lack of notice.

Section 9.4 Amendments. These By-Laws may be altered, amended or repealed or new By-Laws may be made either:

(a) by the affirmative vote of the holders of record of a majority of the outstanding stock of the Corporation entitled to vote thereon, at any annual or special meeting of the stockholders, provided that notice of the proposed alteration, amendment or repeal or of the proposed new By-Law or By-Laws be included in the notice of such meeting or waiver thereof, or

(b) by the affirmative vote of a majority of the whole Board at any regular meeting of the Board, or any special meeting thereof, provided that notice of the proposed alteration, amendment or repeal or of the proposed new By-Law or By-Laws be included in the notice of such special meeting or waiver thereof or all of the directors at the time in office be present at such special meeting.

provided, however, that no change of the time or place for the election of directors shall be made within sixty (60) days next before the day on which such election is to be held, and that in case of any change of such time or place, notice thereof shall be given to each stockholder in accordance with Section 2.4 hereof at least twenty (20) days before the election is held.

By-Laws made or amended by the Board may be altered, amended or repealed by the stockholders.

EXHIBIT 4.7

EXECUTION COUNTERPART

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U.S. $250,000,000
5-YEAR CREDIT AGREEMENT

Dated as of April 30, 2003

among

THE PEPSI BOTTLING GROUP, INC.

BOTTLING GROUP, LLC

THE LENDERS NAMED HEREIN

JPMORGAN CHASE BANK,
as Agent,

CITIGROUP GLOBAL MARKETS INC. and
BANC OF AMERICA SECURITIES LLC,
as Joint Lead Arrangers and
Book Managers

and

CITIBANK, N.A.,
BANK OF AMERICA, N.A.,
CREDIT SUISSE FIRST BOSTON, and
DEUTSCHE BANK SECURITIES INC.
as Syndication Agents

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EXHIBIT 4.7

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CREDIT AGREEMENT

Dated as of April 30, 2003

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 ("JPMorgan"), as administrative agent (in such capacity, the "Agent") for the Lenders (as hereinafter defined), agree as follows:

ARTICLE I

DEFINITIONS AND ACCOUNTING

SECTION 1.01. Certain Defined Terms. As used in this Agreement, the following terms shall have the following meanings (such meanings to be equally applicable to both the singular and plural forms of the terms defined):

"Advance" means a Revolving Credit Advance or a Competitive Bid Advance.

"Affiliate" means, as to any Person, any other Person that, directly or indirectly, controls, is controlled by or is under common control with such Person or is a director or officer of such Person. For purposes of this definition, the term "control" (including the terms "controlling", "controlled by" and "under common control with") of a Person means the possession, direct or indirect, of the power to vote 5% or more of the Voting Stock of such Person or to direct or cause the direction of the management and policies of such Person, whether through the ownership of Voting Stock, by contract or otherwise.

"Agent's Account " means the account of the Agent maintained by the Agent at JPMorgan with its office at 270 Park Avenue, New York, New York 10017.

"Alternate Covenant Date" means any day on which the Index Debt of Pepsi shall be rated less than A- by S&P or less than A3 by Moody's.

"Applicable Facility Fee Rate" means, for any Rating Level Period, the rate per annum set forth in Schedule 2 opposite the reference to such Rating Level Period under the heading "Applicable Facility Fee Rate". Each change in the Applicable Facility Fee Rate resulting from a Rating Level Change shall be effective on the date of such Rating Level Change.

"Applicable Lending Office" means, with respect to each Lender, such Lender's Domestic Lending Office in the case of the Base Rate Advance and such Lender's Eurodollar Lending Office in the case of a Eurodollar Rate Advance and, in the case of a Competitive Bid

Advance, the office of such Lender notified by such Lender to the Agent as Applicable Lending Office with respect to such Competitive Bid Advance.

"Applicable Margin" means, with respect to any Eurodollar Rate Advance, for any Rating Level Period, the rate per annum set forth in Schedule 2 opposite the reference to such Rating Level Period under the heading "Applicable Margin". Each change in the Applicable Margin resulting from a Rating Level Change shall be effective on the date of such Rating Level Change.

"Applicable Percentage" means, with respect to any Lender, the percentage of the total Commitments represented by such Lender's Commitment. If the Commitments have terminated or expired, the Applicable Percentages shall be determined based upon the Commitments most recently in effect, giving effect to any assignments.

"Applicable Utilization Fee Rate" means, for any Rating Level Period, the rate per annum set forth in Schedule 2 opposite the reference to such Rating Level Period under the heading "Applicable Utilization Fee Rate". Each change in the Applicable Utilization Fee Rate resulting from a Rating Level Change shall be effective on the date of such Rating Level Change.

"Assignment and Acceptance" means an assignment and acceptance entered into by a Lender and an Eligible Assignee, and accepted by the Agent, in substantially the form of Exhibit B hereto.

"Base Rate" means a fluctuating interest rate per annum in effect from time to time, which rate per annum shall at all times be equal to the higher of:

(a) the rate of interest announced publicly by JPMorgan in New York, New York, from time to time, as JPMorgan's prime rate; and

(b) 1/2 of one percent per annum above the Federal Funds Rate.

"Base Rate Advance" means a Revolving Credit Advance that bears interest as provided in Section 2.07(a).

"Borrowers" means, at any time, collectively, the Company unless the Substitution Date has occurred pursuant to Section 2.17, each Borrowing Subsidiary and, on and after the Substitution Date has occurred pursuant to Section 2.17, the Guarantor.

"Borrowing" means a Revolving Credit Borrowing or a Competitive Bid Borrowing.

"Borrowing Subsidiary" means any Subsidiary of the Company, as to which a Designation Letter has been delivered to the Agent and as to which a Termination Letter has not been delivered to the Agent in accordance with Section 2.17.

"Business Day" means a day of the year on which banks are not required or authorized by law to close in New York City and, if the applicable Business Day relates to any Eurodollar Rate Advances, on which dealings are carried on in the London interbank market.

"Change of Control" means (a) the acquisition of ownership, directly or indirectly, beneficially or of record, by any Person or group (within the meaning of the Securities Exchange Act of 1934, and the rules of the Securities and Exchange Commission thereunder as in effect on the date hereof) other than Pepsi, of shares representing more than 25% of the aggregate ordinary voting power represented by the issued and outstanding capital stock of the Company; (b) occupation of a majority of the seats (other than vacant seats) on the board of directors of the Company by Persons who were neither (i) nominated by the board of directors of the Company nor (ii) appointed by directors so nominated; or (c) the acquisition of direct or indirect Control of the Company by any Person or group other than Pepsi.

"Commitment" has the meaning specified in Section 2.01.

"Competitive Bid Advance" means an advance by a Lender to a Borrower as part of a Competitive Bid Borrowing resulting from the auction bidding procedure described in Section 2.03 and refers to a Fixed Rate Advance or a LIBO Rate Advance.

"Competitive Bid Borrowing" means a borrowing consisting of simultaneous Competitive Bid Advances from each of the Lenders whose offer to make one or more Competitive Bid Advances as part of such borrowing has been accepted under the auction bidding procedure described in Section 2.03.

"Competitive Bid Reduction" has the meaning specified in Section 2.01.

"Confidential Information" means information that the Company furnishes to the Agent or any Lender in a writing designated as confidential, but does not include any such information that is or becomes generally available to the public or that is or becomes rightfully available to the Agent or such Lender from a source other than the Company.

"Consolidated" refers to the consolidation of accounts in accordance with GAAP. The Company shall cause the Guarantor at all times to remain a Consolidated Subsidiary.

"Consolidated EBITDA" means, for any period, Consolidated Net Income for such period plus, without duplication and to the extent reflected as a charge in the statement of such Consolidated Net Income for such period, the sum of (a) income tax expense, (b) interest expense, amortization or writeoff of debt discount with respect to Debt (including the Advances), (c) depreciation and amortization expense, (d) amortization of intangibles (including, but not limited to, goodwill) and organization costs, (e) any extraordinary expenses or losses (including, whether or not otherwise includable as a separate item in the statement of such Consolidated Net Income for such period, losses on sales of assets outside of the ordinary course of business), and (f) any other non-cash charges, and minus, to the extent included in the statement of such Consolidated Net Income for such period, the sum of (a) any extraordinary income or gains (including, whether or not otherwise includable as a separate item in the statement of such Consolidated

Net Income for such period, gains on the sales of assets outside of the ordinary course of business) and (b) any other non-cash income, all as determined on a Consolidated basis; in each case exclusive of the cumulative effect of foreign currency gains or losses. For the purposes of calculating Consolidated EBITDA for any period pursuant to any determination of the Consolidated Leverage Ratio, if during such period the Company or any Subsidiary, including the Guarantor, shall have made an acquisition or incurred or assumed (without duplication of any Debt incurred to refinance such assumed Debt) any Debt, Consolidated EBITDA for such period shall be calculated after giving pro forma effect thereto as if such acquisition occurred and such Debt had been incurred or assumed or refinanced on the first day of such period.

"Consolidated Leverage Ratio" means, as at the last day of any Fiscal Quarter, the ratio of (a) Consolidated Total Debt on such day to (b) Consolidated EBITDA for the four consecutive fiscal quarters then ended (taken as one accounting period).

"Consolidated Net Income" means, for any period, the consolidated net income (or loss) of the Company, its Restricted Subsidiaries and the Guarantor, determined on a consolidated basis in accordance with GAAP, before deduction of any minority interests in the Guarantor and excluding the cumulative effect of any foreign currency gains or losses.

"Consolidated Net Tangible Assets" means the total assets of the Company, its Restricted Subsidiaries and the Guarantor (less applicable depreciation, amortization, and other valuation reserves), except to the extent resulting from write-ups of capital assets (other than writeups in connection with accounting for acquisitions, in accordance with GAAP), less all current liabilities (excluding intercompany liabilities) and all intangible assets of the Company, its Restricted Subsidiaries and the Guarantor, all as set forth on the then most recent Consolidated balance sheet of the Company, its Restricted Subsidiaries and the Guarantor, prepared in accordance with GAAP, but before deduction of any minority interests in the Guarantor and exclusive of any foreign currency translation adjustments.

"Consolidated Net Worth" means, as of any date of determination, all items which in conformity with GAAP would be included under shareholders' equity on a Consolidated balance sheet of the Company and its Subsidiaries, including the Guarantor, at such date plus amounts representing mandatorily redeemable preferred securities issued by Subsidiaries of the Company, including the Guarantor, but before deduction of any minority interests in the Guarantor and exclusive of any foreign currency translation adjustments.

"Consolidated Total Debt" means, at any date (i) the aggregate principal amount of all Debt of the Company and its Subsidiaries, including the Guarantor minus (ii) the aggregate amount (not in excess of $500,000,000) of all cash and cash equivalents of the Company and its Subsidiaries, in each case at such date and determined on a Consolidated basis in accordance with GAAP.

"Control" means the possession, directly or indirectly, of the power to direct or cause the direction of the management or policies of a Person, whether through the ability to exercise voting power, by contract or otherwise. "Controlling" and "Controlled" have meanings correlative thereto.

"Convert", "Conversion" and "Converted" each refers to a conversion of Revolving Credit Advances of one Type into Revolving Credit Advances of the other Type pursuant to Section 2.08 or 2.09.

"Debt" of any Person means, without duplication, (a) all indebtedness of such Person for borrowed money, (b) all obligations of such Person for the deferred purchase price of property or services (other than trade accounts payable arising in the ordinary course of business), (c) all obligations of such Person evidenced by notes, bonds, debentures or other similar instruments, (d) all obligations (other than trade accounts payable arising in the ordinary course of business) of such Person created or arising under any conditional sale or other title retention agreement with respect to property acquired by such Person (even though the rights and remedies of the seller or lender under such agreement in the event of default are limited to repossession or sale of such property), (e) all obligations of such Person as lessee under leases that have been or should be, in accordance with GAAP, recorded as capital leases, (f) all Debt of others referred to in clauses (a) through (c) above or clause (g) below guaranteed directly or indirectly in any manner by such Person, or in effect guaranteed directly or indirectly by such Person through (i) an agreement (1) to pay or purchase such Debt or to advance or supply funds for the payment or purchase of such Debt, (2) to purchase, sell or lease (as lessee or lessor) property, or to purchase or sell services, primarily for the purpose of enabling the debtor to make payment of such Debt or to assure the holder of such Debt against loss, (3) to supply funds to or in any other manner invest in the debtor (including any agreement to pay for property or services irrespective of whether such property is received or such services are rendered) or (4) otherwise to assure a creditor against loss, or (ii) a standby letter of credit and (g) all Debt referred to in clauses (a) through (f) above secured by (or for which the holder of such Debt has an existing right, contingent or otherwise, to be secured by) any Lien on property (including, without limitation, accounts and contract rights) owned by such Person, even though such Person has not assumed or become liable for the payment of such Debt.

"Debt to Capitalization Ratio" means at any time the ratio of (x) Consolidated Total Debt to (y) the sum of (i) Consolidated Total Debt plus (ii) Consolidated Net Worth.

"Declining Lender" has the meaning assigned to that term in Section 2.06(c).

"Default" means any Event of Default or any event that would constitute an Event of Default but for the requirement that notice be given or time elapse or both.

"Designation Letter" has the meaning specified in Section 2.17(a).

"Domestic Lending Office" means, with respect to any Lender, the office of such Lender specified as its "Domestic Lending Office" opposite its name on Schedule 1 hereto or in the Assignment and Acceptance pursuant to which it became a Lender, or such other office of such Lender as such Lender may from time to time specify to the Company and the Agent.

"Effective Date" has the meaning specified in Section 3.01.

"Eligible Assignee" means (i) a Lender; (ii) an Affiliate of a Lender; (iii) a commercial bank organized under the laws of the United States, or any State thereof, and having total assets in excess of $15,000,000,000 and a combined capital and surplus of at least $1,000,000,000; (iv) a savings and loan association or savings bank organized under the laws of the United States, or any State thereof, and having total assets in excess of $15,000,000,000 and a combined capital and surplus of at least $1,000,000,000; (v) a commercial bank organized under the laws of any other country that is a member of the Organization for Economic Cooperation and Development or has concluded special lending arrangements with the International Monetary Fund associated with its General Arrangements to Borrow or of the Cayman Islands, or a political subdivision of any such country, and having total assets in excess of $l5,000,000,000 and a combined capital and surplus of at least $1,000,000,000 so long as such bank is acting through a branch or agency located in the United States or in the country in which it is organized or another country that is described in this clause (v); (vi) the central bank of any country that is a member of the Organization for Economic Cooperation and Development; provided, however, that each Person described in clauses (ii) through (vi) shall have a short term public debt rating of not less than A by S&P or Moody's or shall be approved by the Company; and (vii) any other Person approved by the Company, such approval not to be unreasonably withheld or delayed; provided, however, that neither the Company nor an Affiliate of the Company shall qualify as an Eligible Assignee.

"Environmental Law" means any federal, state, local or foreign statute, law, ordinance, rule, regulation, code, order, judgment, decree or judicial or agency interpretation, policy or guidance relating to the environment, health, safety or Hazardous Materials.

"ERISA" means the Employee Retirement Income Security Act of 1974, as amended from time to time, and the regulations promulgated and rulings issued thereunder.

"Eurodollar Lending Office" means, with respect to any Lender, the office of such Lender specified as its "Eurodollar Lending Office" opposite its name on Schedule 1 hereto or in the Assignment and Acceptance pursuant to which it became a Lender (or, if no such office is specified, its Domestic Lending Office), or such other office of such Lender as such Lender may from time to time specify to the Company and the Agent.

"Eurodollar Rate" means, for any Interest Period for each Eurodollar Rate Advance comprising part of the same Revolving Credit Borrowing, an interest rate per annum appearing on Page 3750 of the Telerate Service (or on any successor or substitute page of such Service, or any successor to or substitute for such Service, providing rate quotations comparable to those currently provided on such page of such Service, as determined by the Agent from time to time for purposes of providing quotations of interest rates applicable to Dollar deposits in the London interbank market) as of 11:00 A.M. (London time) on the date two Business Days prior to the first day of such Interest Period as the rate for Dollar deposits having a term comparable to such Interest Period, or in the event such offered rate is not available from said Page 3750, the average (rounded to the nearer whole multiple of 1/16 of 1% per annum, if such average is not such a multiple) of the rate per annum at which deposits in U.S. dollars are offered by the principal office of each of the Reference Banks in London, England to prime banks in the London interbank market at 11:00 A.M. (London time) two Business Days before the first day of such

Interest Period in an amount substantially equal to such Reference Bank's Eurodollar Rate Advance comprising part of such Revolving Credit Borrowing to be outstanding during such Interest Period and for a period equal to such Interest Period. If the Eurodollar Rate does not appear on said Page 3750 (or any successor page), the Eurodollar Rate for any Interest Period for each Eurodollar Rate Advance comprising part of the same Revolving Credit Borrowing shall be determined by the Agent on the basis of applicable rates furnished to and received by the Agent from the Reference Banks two Business Days before the first day of such Interest Period, subject, however, to the provisions of Section 2.08.

"Eurodollar Rate Advance" means a Revolving Credit Advance that bears interest as provided in Section 2.07(b).

"Events of Default" has the meaning specified in Section 6.01.

"Extension Agreement" means an Extension Agreement substantially in the form contained in Exhibit A-3 hereto.

"Federal Funds Rate" means, for any period, a fluctuating interest rate per annum equal for each day during such period to the weighted average of the rates on overnight Federal funds transactions with members of the Federal Reserve System arranged by Federal funds brokers, as published for such day (or, if such day is not a Business Day, for the next preceding Business Day) by the Federal Reserve Bank of New York, or, if such rate is not so published for any day that is a Business Day, the average of the quotations for such day on such transactions received by the Agent from three Federal funds brokers of recognized standing selected by it.

"Fiscal Quarter" means a period of 13 or (or 14) weeks treated by the Company as a fiscal quarter.

"Fiscal Year" means the period of 52 (or 53) weeks ending on the last Saturday of any calendar year and treated by the Company as its fiscal year.

"Fixed Rate Advances" has the meaning specified in Section 2.03(b).

"GAAP" means generally accepted accounting principles as in effect from time to time, applied on a basis consistent (except for changes concurred in by the Company's independent public accountants) with the most recent audited Consolidated financial statements of the Company and its Subsidiaries delivered to the Lenders.

"Granting Lender" has the meaning specified in Section 8.07(e).

"Guaranteed Party" has the meaning specified in Section 9.01.

"Hazardous Materials" means petroleum and petroleum products, byproducts or breakdown products, radioactive materials, asbestos-containing materials, radon gas and any other chemicals, materials or substances designated, classified or regulated as being "hazardous" or "toxic", or words of similar import, under any federal, state, local or foreign statute, law, ordi-

nance, rule, regulation, code, order, judgment, decree or judicial or agency interpretation, policy or guidance.

"Index Debt" of any Person means senior, unsecured, long term indebtedness for borrowed money of such Person that is not guaranteed by any other Person (other than, in the case of the Company, the Guarantor) or subject to any other credit enhancement.

"Information Memorandum" means the information memorandum dated March 17, 2003 used by the Agent in connection with the syndication of the Commitments.

"Interest Period" means, for each Eurodollar Rate Advance comprising part of the same Revolving Credit Borrowing, the period commencing on the date of such Eurodollar Rate Advance or the date of the Conversion of any Base Rate Advance into such Eurodollar Rate Advance and ending on the last day of the period selected by the Company pursuant to the provisions below and, thereafter, each subsequent period commencing on the last day of the immediately preceding Interest Period and ending on the last day of the period selected by the Company pursuant to the provisions below. The duration of each such Interest Period shall be one, two, three, six or, to the extent available from all the Lenders, nine or twelve months, as the Company may, upon notice received by the Agent not later than 11:00 A.M. (New York City time) on the third Business Day prior to the first day of such Interest Period, select; provided, however, that:

(1) the Company may not select any Interest Period that ends after the Termination Date;

(2) Interest Periods commencing on the same date for Eurodollar Rate Advances comprising part of the same Revolving Credit Borrowing shall be of the same duration;

(3) whenever the last day of any Interest Period would otherwise occur on a day other than a Business Day, the last day of such Interest Period shall be extended to occur on the next succeeding Business Day, provided, however, that, if such extension would cause the last day of such Interest Period to occur in the next following calendar month, the last day of such Interest Period shall occur on the next preceding Business Day; and

(4) whenever the first day of any Interest Period occurs on a day of an initial calendar month for which there is no numerically corresponding day in the calendar month that succeeds such initial calendar month by the number of months equal to the number of months in such Interest Period, such Interest Period shall end on the last Business Day of such succeeding calendar month.

"Internal Revenue Code" means the Internal Revenue Code of 1986, as amended from time to time, and the regulations promulgated and rulings issued thereunder.

"Lenders" means the Initial Lenders and each Person that shall become a party hereto pursuant to Sections 2.05(c) or 8.07.

"LIBO Rate Advances" has the meaning specified in Section 2.03(b).

"Lien" means any lien, security interest or other charge or encumbrance of any kind, or any other type of preferential arrangement, including, without limitation, the lien or retained security title of a conditional vendor.

"Loan Documents" means, collectively, this Agreement, each promissory note issued thereunder, each Designation Letter and each Termination Letter.

"Loan Party" has the meaning specified in Section 4.01.

"Margin Stock" means margin stock within the meaning of Regulation U of the Board of Governors of the Federal Reserve System.

"Master Bottling Agreement" means the Master Bottling Agreement dated March 30, 1999, between the Company and Pepsi or any successor or replacement agreement that confers substantially the same benefits on the Company as the Master Bottling Agreement conferred on the date hereof.

"Material Adverse Change" means any material adverse change in the financial condition, operations or properties of the Company or the Company and its Subsidiaries (including the Guarantor) taken as a whole.

"Material Adverse Effect" means a material adverse effect on (a) the financial condition, operations or properties of the Company and its Subsidiaries (including the Guarantor) taken as a whole, (b) the rights and remedies of the Agent or any Lender under this Agreement or any promissory note or (c) the ability of the Company to perform its obligations under this Agreement or any promissory note.

"Material Subsidiary" means each Subsidiary of the Company which is a "significant subsidiary" as that term is defined in Rule 1-02(w) of the Regulation S-X under the Securities Act of 1933, as amended, as such rule is in effect as of the date hereof.

"Moody's" means Moody's Investors Service, Inc. and any successor thereto.

"Moody's Rating" means, at any time, the rating of the Company's Index Debt then most recently announced by Moody's.

"New Lender" means, for purposes of Section 2.05(c), an Eligible Assignee (which may be a Lender) selected by the Company with (in the case of a New Lender that is not already a Lender) prior consultation with the Agent.

"Notice of Competitive Bid Borrowing" has the meaning specified in Section 2.03(b).

"Notice of Revolving Credit Borrowing" has the meaning specified in Section 2.02(a).

"Pepsi" means PepsiCo, Inc., a North Carolina corporation.

"Person" means an individual, partnership, corporation (including a business trust), joint stock company, trust, unincorporated association, joint venture, limited liability company or other entity, or a government or any political subdivision or agency thereof.

"Principal Property" means any single manufacturing or processing plant, office building, or warehouse owned or leased by the Company, a Restricted Subsidiary or the Guarantor other than a plant, warehouse, office building, or portion thereof which, in the opinion of the Company's Board of Directors, is not of material importance to the business conducted by the Company, its Restricted Subsidiaries and the Guarantor as an entirety.

"Rating" means the Moody's Rating or the S&P Rating, as the case may be.

"Rating Level Change" means a change in the Moody's Rating or the S&P Rating that results in a change from one Rating Level Period to another, which Rating Level Change shall be deemed to take effect on the date on which the relevant change in rating is first announced by Moody's or S&P.

"Rating Level Period" means a Rating Level 1 Period, a Rating Level 2 Period, a Rating Level 3 Period, a Rating Level 4 Period or a Rating Level 5 Period; provided that:

(i) "Rating Level 1 Period" means a period during which the Moody's Rating is at or above A2 or the S&P Rating is at or above A;

(ii) "Rating Level 2 Period" means a period that is not a Rating Level 1 Period, during which the Moody's Rating is at or above A3 or the S&P Rating is at or above A-;

(iii) "Rating Level 3 Period" means a period that is not a Rating Level 1 Period or a Rating Level 2 Period, during which the Moody's Rating is at or above Baa1 or the S&P Rating is at or above BBB+;

(iv) "Rating Level 4 Period" means a period that is not a Rating Level 1 Period, a Rating Level 2 Period or a Rating Level 3 Period, during which the Moody's Rating is at or above Baa2 or the S&P Rating is at or above BBB; and

(v) "Rating Level 5 Period" means a period that is not a Rating Level 1 Period, a Rating Level 2 Period, a Rating Level 3 Period or a Rating Level 4 Period;

and provided, further, that if the Moody's rating and the S&P Rating differ by more than one Rating Level, then the applicable Rating Level Period shall be one Rating Level lower than the Rating Level resulting from the application of the higher of such ratings (for which purpose

Rating Level 1 is the highest and Rating Level 5 is the lowest); and provided, further, that any period during which there is no Moody's Rating or there is no S&P Rating shall be a Rating Level 5 Period.

"Reference Banks" means JPMorgan, Citibank, N.A. and Bank of America, N.A. (and any successors thereof).

"Related Parties" means, with respect to any specified Person, such Person's Affiliates and the respective directors, officers, employees, agents and advisors of such Person and such Person's Affiliates.

"Register" has the meaning specified in Section 8.07(d).

"Required Lenders" means at any time Lenders owed more than 50% of the then aggregate unpaid principal amount of the Revolving Credit Advances (excluding Competitive Bid Advances) owing to Lenders, or, if no such principal amount is then outstanding, Lenders having more than 50% of the aggregate amount of the Commitments.

"Restricted Subsidiary" means at any time any Subsidiary of the Company except a Subsidiary which is at the time an Unrestricted Subsidiary.

"Revolving Credit Advance" means an advance by a Lender to a Borrower as part of a Revolving Credit Borrowing and refers to a Base Rate Advance or a Eurodollar Rate Advance (each of which shall be a "Type" of Revolving Credit Advance).

"Revolving Credit Borrowing" means a borrowing consisting of simultaneous Revolving Credit Advances of the same Type made by each of the Lenders pursuant to Section 2.01.

"S&P" means Standard & Poors Rating Services or any successor thereto.

"S&P Rating" means, at any time, the rating of the Company's Index Debt then most recently announced by S&P.

"SPC" has the meaning specified in Section 8.07(e).

"Subsidiary" of any Person means any corporation, partnership, joint venture, limited liability company, trust or estate of which (or in which) more than 50% of (a) the issued and outstanding capital stock having ordinary voting power to elect a majority of the Board of Directors of such corporation (irrespective of whether at the time capital stock of any other class or classes of such corporation shall or might have voting power upon the occurrence of any contingency), (b) the interest in the capital or profits of such partnership or joint venture or (c) the beneficial interest in such trust or estate is at the time directly or indirectly owned or controlled by such Person, by such Person and one or more of its other Subsidiaries or by one or more of such Person's other Subsidiaries.

"Substitution Date" has the meaning specified in Section 2.17(c).

"Substitution Letter" has the meaning specified in Section 2.17(c).

"Termination Date" means April 30, 2008 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.

"Termination Letter" has the meaning specified in Section 2.17(b).

"364-Day Facility" means the 364-Day Credit Agreement dated as of April 30, 2003 among the Company, the Guarantor, certain banks, financial institutions and other institutional lenders, and JPMorgan, as agent, as from time to time amended.

"Type" has the meaning specified in the definition of "Revolving Credit Advance."

"Unrestricted Subsidiary" means (a) any Subsidiary of the Company (not at the time designated a Restricted Subsidiary) (i) the major part of whose business consists of finance, banking, credit, leasing, insurance, financial services, or other similar operations, or any continuation thereof, (ii) substantially all the assets of which consist of the capital stock of one or more such Subsidiaries, or (iii) designated as such by the Company's Board of Directors and (b) the Guarantor. Any Subsidiary designated as a Restricted Subsidiary may be designated as an Unrestricted Subsidiary.

"Voting Stock" means capital stock issued by a corporation, or equivalent interests in any other Person, the holders of which are ordinarily, in the absence of contingencies, entitled to vote for the election of directors (or persons performing similar actions) of such Person, even if the right so to vote has been suspended by the happening of such a contingency.

SECTION 1.02. Computation of Time Periods. In this Agreement in the computation of periods of time from a specified date to a later specified date, the word "from" means "from and including" and the words "to" and "until" each mean "to but excluding".

SECTION 1.03. Accounting Terms. Unless otherwise specified herein, all accounting terms used herein shall be interpreted, all accounting determinations hereunder shall be made, and all financial statements required to be delivered hereunder shall be prepared in accordance with GAAP; provided that, if the Company notifies the Agent that the Company wishes to amend any provisions hereof to eliminate the effect of any change in GAAP (or if the Agent notifies the Company that the Required Lenders wish to amend any provision hereof for such purpose), then such provision shall be applied on the basis of GAAP in effect immediately

before the relevant change in GAAP became effective, until either such notice is withdrawn or such provision is amended in a manner satisfactory to the Company and the Required Lenders.

ARTICLE II

AMOUNTS AND TERMS OF THE ADVANCES

SECTION 2.01. The Revolving Credit Advances. Each Lender severally agrees, on the terms and conditions hereinafter set forth, to make Revolving Credit Advances to the Company and any Borrowing Subsidiary from time to time on any Business Day during the period from the Effective Date until the Termination Date in an aggregate amount not to exceed at any time outstanding the amount set forth opposite such Lender's name on the signature pages hereof or, if such Lender has entered into any Assignment and Acceptance, set forth for such Lender in the Register maintained by the Agent pursuant to Section 8.07(d), as such amount may be reduced pursuant to Section 2.05(a) or increased pursuant to Section 2.05(c) (such Lender's "Commitment"), provided that the aggregate amount of the Commitments of the Lenders shall be deemed used from time to time to the extent of the aggregate amount of the Competitive Bid Advances then outstanding and such deemed use of the aggregate amount of the Commitments shall be allocated among the Lenders ratably according to their respective Commitments (such deemed use of the aggregate amount of the Commitments being a "Competitive Bid Reduction"). Each Revolving Credit Borrowing shall be in an aggregate amount of $5,000,000 or an integral multiple of $1,000,000 in excess thereof (or, if less, (i) an aggregate amount equal to the amount by which the aggregate amount of a proposed Competitive Bid Borrowing requested by the Company exceeds the aggregate amount of Competitive Bid Advances offered to be made by the Lenders and accepted by the Company in respect of such Competitive Bid Borrowing, if such Competitive Bid Borrowing is made on the same date as such Revolving Credit Borrowing or (ii) the aggregate amount of the unused Commitments, after giving effect to any Competitive Bid Reductions then in effect) and shall consist of Revolving Credit Advances of the same Type made on the same day by the Lenders ratably according to their respective Commitments. Within the limits of each Lender's Commitment, each Borrower may borrow under this Section 2.01, prepay pursuant to Section 2.10 and reborrow under this Section 2.01.

SECTION 2.02. Making the Revolving Credit Advances.

(a) Each Revolving Credit Borrowing shall be made on notice, given not later than 11:00 A.M. (New York City time) on the third Business Day prior to the date of the proposed Revolving Credit Borrowing in the case of a Revolving Credit Borrowing consisting of Eurodollar Rate Advances, or the date of the proposed Revolving Credit Borrowing in the case of a Revolving Credit Borrowing consisting of Base Rate Advances, by the Company (on its own behalf and on behalf of any Borrowing Subsidiary) to the Agent, which shall give to each Lender prompt notice thereof by telecopier or telex. Each such notice of a Revolving Credit Borrowing (a "Notice of Revolving Credit Borrowing") shall be by telecopier or telex, confirmed promptly in writing, in substantially the form of Exhibit A-1 hereto, specifying therein the requested (i) date of such Revolving Credit Borrowing, (ii) Type of Advances comprising such Revolving

Credit Borrowing, (iii) aggregate amount of such Revolving Credit Borrowing, (iv) in the case of a Revolving Credit Borrowing consisting of Eurodollar Rate Advances, initial Interest Period for each such Revolving Credit Advance and (v) the name of the relevant Borrower (which shall be the Company or a Borrowing Subsidiary). Each Lender shall, before 11:00 A.M. (New York City time), in the case of a Revolving Credit Borrowing consisting of Eurodollar Rate Advances, or before 1:00 P.M. (New York City time), in the case of a Revolving Credit Borrowing consisting of Base Rate Advances, on the date of such Revolving Credit Borrowing, make available for the account of its Applicable Lending Office to the Agent at the Agent's Account, in same day funds, such Lender's ratable portion of such Revolving Credit Borrowing. After the Agent's receipt of such funds and upon fulfillment of the applicable conditions set forth in Article III, the Agent will make such same day funds available to the relevant Borrower at such Borrower's account at the Agent's address referred to in Section 8.02.

(b) Anything in subsection (a) above to the contrary notwithstanding, (i) the Company may not select Eurodollar Rate Advances for any Revolving Credit Borrowing if the aggregate amount of such Revolving Credit Borrowing is less than $10,000,000 or if the obligation of the Lenders to make Eurodollar Rate Advances shall then be suspended pursuant to Section 2.08 and (ii) the Eurodollar Rate Advances may not be outstanding as part of more than six separate Revolving Credit Borrowings.

(c) Each Notice of Revolving Credit Borrowing shall be irrevocable and binding on the relevant Borrower. In the case of any Revolving Credit Borrowing that the related Notice of Revolving Credit Borrowing specifies is to be comprised of Eurodollar Rate Advances, the Company shall indemnify each Lender against any loss, cost or expense incurred by such Lender as a result of any failure to fulfill on or before the date specified in such Notice of Revolving Credit Borrowing for such Revolving Credit Borrowing the applicable conditions set forth in Article III, including, without limitation, any loss, cost or expense incurred by reason of the liquidation or reemployment of deposits or other funds acquired by such Lender to fund the Revolving Credit Advance to be made by such Lender as part of such Revolving Credit Borrowing when such Revolving Credit Advance, as a result of such failure, is not made on such date.

(d) Unless the Agent shall have received notice from a Lender prior to the date of any Revolving Credit Borrowing that such Lender will not make available to the Agent such Lender's ratable portion of such Revolving Credit Borrowing, the Agent may assume that such Lender has made such portion available to the Agent on the date of such Revolving Credit Borrowing in accordance with subsection (a) of this Section 2.02 and the Agent may, in reliance upon such assumption, make available to the relevant Borrower on such date a corresponding amount. If and to the extent that such Lender shall not have so made such ratable portion available to the Agent, such Lender and such Borrower severally agree to repay to the Agent forthwith on demand such corresponding amount together with interest thereon, for each day from the date such amount is made available to such Borrower until the date such amount is repaid to the Agent, at (i) in the case of a Borrower, the interest rate applicable at the time to Revolving Credit Advances comprising such Revolving Credit Borrowing and (ii) in the case of such Lender, the Federal Funds Rate. If such Lender shall repay to the Agent such corresponding amount, such amount so repaid shall constitute such Lender's Revolving Credit

Advance as part of such Revolving Credit Borrowing for purposes of this Agreement and shall be made available in same day funds to the relevant Borrower's account at the Agent's address referred to in Section 8.02.

(e) The failure of any Lender to make the Revolving Credit Advance to be made by it as part of any Revolving Credit Borrowing shall not relieve any other Lender of its obligation, if any, hereunder to make its Revolving Credit Advance on the date of such Revolving Credit Borrowing, but no Lender shall be responsible for the failure of any other Lender to make the Revolving Credit Advance to be made by such other Lender on the date of any Revolving Credit Borrowing.

SECTION 2.03. The Competitive Bid Advances.

(a) Each Lender severally agrees that each Borrower may make Competitive Bid Borrowings under this Section 2.03 from time to time on any Business Day during the period from the date hereof until the date occurring 7 days prior to the Termination Date in the manner set forth below; provided that, following the making of each Competitive Bid Borrowing, the aggregate amount of the Advances then outstanding shall not exceed the aggregate amount of the Commitments of the Lenders (computed without regard to any Competitive Bid Reduction).

(b) The Company (on its own behalf and on behalf of any Borrowing Subsidiary) may request a Competitive Bid Borrowing under this Section 2.03 by delivering to the Agent, by telecopier or telex, confirmed promptly in writing, a notice of a Competitive Bid Borrowing (a "Notice of Competitive Bid Borrowing"), in substantially the form of Exhibit A-2 hereto, specifying therein (u) the date of such proposed Competitive Bid Borrowing, (v) the aggregate amount of such proposed Competitive Bid Borrowing, (w) the maturity date for repayment of each Competitive Bid Advance to be made as part of such Competitive Bid Borrowing (which maturity date may not be earlier than the date occurring 7 days after the date of such Competitive Bid Borrowing or later than the Termination Date), (x) the interest payment date or dates relating thereto, (y) the name of the Borrower, and (z) any other terms to be applicable to such Competitive Bid Borrowing, not later than 10:00 A.M. (New York City time) (A) at least one Business Day prior to the date of the proposed Competitive Bid Borrowing, if the Company shall specify in the Notice of Competitive Bid Borrowing that the rates of interest to be offered by the Lenders shall be fixed rates per annum (the Advances comprising any such Competitive Bid Borrowing being referred to herein as "Fixed Rate Advances") and (B) at least four Business Days prior to the date of the proposed Competitive Bid Borrowing, if the Company shall instead specify in the Notice of Competitive Bid Borrowing another basis to be used by the Lenders in determining the rates of interest to be offered by them (the Advances comprising such Competitive Bid Borrowing being referred to herein as "LIBO Rate Advances"). The Agent shall in turn promptly notify each Lender of each request for a Competitive Bid Borrowing received by it from the Company by sending such Lender a copy of the related Notice of Competitive Bid Borrowing.

(c) Each Lender may, if, in its sole discretion, it elects to do so, irrevocably offer to make one or more Competitive Bid Advances to the relevant Borrower as part of such proposed Competitive Bid Borrowing at a rate or rates of interest specified by such Lender in its

sole discretion, by notifying the Agent (which shall give prompt notice thereof to the Company), before 10:00 A.M. (New York City time) on the date of such proposed Competitive Bid Borrowing, in the case of a Competitive Bid Borrowing consisting of Fixed Rate Advances, and three Business Days before the date of such proposed Competitive Bid Borrowing, in the case of a Competitive Bid Borrowing consisting of LIBO Rate Advances, of the minimum amount and maximum amount of each Competitive Bid Advance which such Lender would be willing to make as part of such proposed Competitive Bid Borrowing (which amounts may, subject to the proviso to the first sentence of Section 2.03(a), exceed such Lender's Commitment, if any), the rate or rates of interest therefor and such Lender's Applicable Lending Office with respect to such Competitive Bid Advance; provided that if the Agent in its capacity as a Lender shall, in its sole discretion, elect to make any such offer, it shall notify the Company of such offer before 9:00 A.M. (New York City time) on the date on which notice of such election is to be given to the Agent by the other Lenders. If any Lender shall elect not to make such an offer, such Lender shall so notify the Agent, before 10:00 A.M. (New York City time) on the date on which notice of such election is to be given to the Agent by the other Lenders, and such Lender shall not be obligated to, and shall not, make any Competitive Bid Advance as part of such Competitive Bid Borrowing; provided that the failure by any Lender to give such notice shall not cause such Lender to be obligated to make any Competitive Bid Advance as part of such proposed Competitive Bid Borrowing.

(d) The Company shall, in turn, before 11:00 A.M. (New York City time) on the date of such proposed Competitive Bid Borrowing, in the case of a Competitive Bid Borrowing consisting of Fixed Rate Advances, and before 1:00 P.M. (New York City time) three Business Days before the date of such proposed Competitive Bid Borrowing, in the case of a Competitive Bid Borrowing consisting of LIBO Rate Advances, either:

(x) cancel such Competitive Bid Borrowing by giving the Agent notice to that effect, or

(y) accept one or more of the offers made by any Lender or Lenders pursuant to paragraph (c) above, by giving notice to the Agent of the amount of each Competitive Bid Advance (which amount shall be equal to or greater than the minimum amount, and equal to or less than the maximum amount, notified to the Company by the Agent on behalf of such Lender for such Competitive Bid Advance pursuant to paragraph (c) above) to be made by each Lender as part of such Competitive Bid Borrowing, and reject any remaining offers made by Lenders pursuant to paragraph (c) above by giving the Agent notice to that effect. If the Company accepts any offers made by Lenders pursuant to paragraph (c) above, such offers shall be accepted in the order of the lowest to highest interest rates or, if two or more Lenders offer to make Competitive Bid Advances at the same interest rate, such offers, if any, shall be accepted in proportion to the amount offered by each such Lender at such interest rate notwithstanding any minimum specified by such Lender in its notice given pursuant to paragraph (c) above. The Company may not accept offers in excess of the amount specified in accordance with paragraph (a) above.

(e) If the Company notifies the Agent that such Competitive Bid Borrowing is cancelled pursuant to paragraph (d)(x) above, the Agent shall give prompt notice thereof to the Lenders and such Competitive Bid Borrowing shall not be made.

(f) If the Company accepts one or more of the offers made by any Lender or Lenders pursuant to paragraph (d)(y) above, the Agent shall in turn promptly notify (A) each Lender that has made an offer as described in paragraph (c) above, of the date and aggregate amount of such Competitive Bid Borrowing and whether or not any offer or offers made by such Lender pursuant to paragraph (c) above have been accepted by the Company, (B) each Lender that is to make a Competitive Bid Advance as part of such Competitive Bid Borrowing, of the amount of each Competitive Bid Advance to be made by such Lender as part of such Competitive Bid Borrowing, and (C) each Lender that is to make a Competitive Bid Advance as part of such Competitive Bid Borrowing, upon receipt, that the Agent has received forms of documents appearing to fulfill the applicable conditions set forth in Article III. Each Lender that is to make a Competitive Bid Advance as part of such Competitive Bid Borrowing shall, before 12:00 noon (New York City time) on the date of such Competitive Bid Borrowing specified in the notice received from the Agent pursuant to clause (A) of the preceding sentence or any later time when such Lender shall have received notice from the Agent pursuant to clause (C) of the preceding sentence, make available for the account of its Applicable Lending Office to the Agent at the Agent's Account, in same day funds, such Lender's portion of such Competitive Bid Borrowing. Upon fulfillment of the applicable conditions set forth in Article III and after receipt by the Agent of such funds, the Agent will make such same day funds available to the relevant Borrower at such Borrower's account at the Agent's address referred to in Section 8.02. Promptly after each Competitive Bid Borrowing the Agent will notify each Lender of the amount of the Competitive Bid Borrowing, the consequent Competitive Bid Reduction and the dates upon which such Competitive Bid Reduction commenced and will terminate.

(g) Each Competitive Bid Borrowing shall be in an aggregate amount of $5,000,000 or an integral multiple of $1,000,000 in excess thereof and, following the making of each Competitive Bid Borrowing, the Company shall be in compliance with the limitation set forth in the proviso to the first sentence of paragraph (a) above.

(h) Within the limits and on the conditions set forth in this Section 2.03, each Borrower may from time to time borrow under this Section 2.03, repay or prepay pursuant to subsection (j) below, and reborrow under this Section 2.03, provided that a Competitive Bid Borrowing shall not be made within three Business Days of the date of any other Competitive Bid Borrowing.

(i) Each Borrower shall repay to the Agent for the account of each Lender that has made a Competitive Bid Advance to such Borrower, on the maturity date of such Competitive Bid Advance (such maturity date being that specified by the Company for repayment of such Competitive Bid Advance in the related Notice of Competitive Bid Borrowing delivered pursuant to paragraph (b) above and provided in the promissory note, if any, evidencing such Competitive Bid Advance), the then unpaid principal amount of such Competitive Bid Advance. No Borrower shall have any right to prepay any principal amount of any Competitive Bid Advance unless (x) such Borrower obtains the prior written consent of the

Lender which made such Competitive Bid Advance, or (y), such prepayment is made on the terms, specified by the Company for such Competitive Bid Advance in the related Notice of Competitive Bid Borrowing delivered pursuant to paragraph (b) above and set forth in the promissory note, if any, evidencing such Competitive Bid Advance.

(j) Each Borrower shall pay interest on the unpaid principal amount of each Competitive Bid Advance to such Borrower from the date of such Competitive Bid Advance to the date the principal amount of such Competitive Bid Advance is repaid in full, at the rate of interest for such Competitive Bid Advance specified by the Lender making such Competitive Bid Advance in its notice with respect thereto delivered pursuant to paragraph (c) above, payable on the interest payment date or dates specified by such Borrower for such Competitive Bid Advance in the related Notice of Competitive Bid Borrowing delivered pursuant to paragraph (b) above, as provided in the promissory note, if any, evidencing such Competitive Bid Advance.

(k) At its option, the Company (on its own behalf and on behalf of any Borrower) may request a Competitive Bid Borrowing directly from the Lenders; provided that it follows the procedures set forth in this Section 2.03 and promptly delivers, by telecopier or telex, a copy of the Notice of Competitive Bid Borrowing and notice in writing of the results of such request to the Agent.

(l) The indebtedness of each Borrower resulting from each Competitive Bid Advance made to such Borrower as part of a Competitive Bid Borrowing shall, if requested by the applicable Lender, be evidenced by a separate promissory note of such Borrower payable to the order of the Lender making such Competitive Bid Advance.

SECTION 2.04. Fees.

(a) Facility Fee. The Company agrees to pay to the Agent for the account of each Lender a facility fee on the amount of such Lender's Commitment irrespective of usage, from the Effective Date in the case of each Initial Lender and from the effective date specified in the Assignment and Acceptance pursuant to which it became a Lender in the case of each other Lender until the Termination Date (on a daily basis), at the Applicable Facility Fee Rate, payable in arrears quarterly on the last day of each March, June, September and December and on the Termination Date, commencing June 30, 2003.

(b) Agent's Fees. The Company shall pay to the Agent for its own account such fees as may from time to time be agreed between the Company and the Agent.

(c) Utilization Fees. The Company shall pay to the Agent for the account of each Lender a utilization fee on the aggregate outstanding principal amount of such Lender's Advances for each day on which the aggregate outstanding amount of the Advances exceeds 33-1/3% of the aggregate Commitments, from the Effective Date in the case of each Initial Lender and from the effective date specified in the Assignment and Acceptance pursuant to which it became a Lender in the case of each other Lender until the Termination Date (on a daily basis),

at the Applicable Utilization Fee rate, payable on each day on which interest is payable under Section 2.07, and on the Termination Date.

SECTION 2.05. Termination, Reduction or Increase of the Commitments.

(a) The Company shall have the right, upon at least three Business Days' notice to the Agent, to terminate in whole or reduce ratably in part the unused portions of the respective Commitments of the Lenders, provided that each partial reduction shall be in the aggregate amount of $5,000,000 or an integral multiple of $1,000,000 in excess thereof and provided further that (x) the aggregate amount of the Commitments of the Lenders shall not be reduced to an amount that is less than the aggregate principal amount of the Advances then outstanding, and (y) once terminated, a portion of a Commitment shall not be reinstated except pursuant to Section 2.05(c).

(b) If any Lender shall make a demand under Section 2.11 or 2.14 or if the obligation of any Lender to make Eurodollar Rate Advances shall have been suspended pursuant to Section 2.12, the Company shall have the right, upon at least ten Business Days' notice, to terminate in full the Commitment of such Lender or to demand that such Lender assign to one or more Eligible Assignees all of its rights and obligations under this Agreement in accordance with Section 8.07. If the Company shall elect to terminate in full the Commitment of any Lender pursuant to this Section 2.05(b), the Company shall pay to such Lender, on the effective date of such Commitment termination, an amount equal to the aggregate outstanding principal amount of the Advances owing to such Lender, together with accrued interest thereon to the date of payment of such principal amount and all other amounts payable to such Lender under this Agreement, whereupon such Lender shall cease to be a party hereto.

(c) (i) Not more than once in any calendar year, the Company may propose to increase the aggregate amount of the Commitments by an aggregate amount of $25,000,000 or an integral multiple of $1,000,000 in excess thereof (a "Proposed Aggregate Commitment Increase") in the manner set forth below, provided that:

(1) no Default shall have occurred and be continuing either as of the date on which the Company shall notify the Agent of its request to increase the aggregate amount of the Commitments or as of the related Increase Date (as hereinafter defined); and

(2) after giving effect to any such increase, the aggregate amount of the Commitments shall not exceed $500,000,000.

(ii) The Company may request an increase in the aggregate amount of the Commitments by delivering to the Agent a notice (an "Increase Notice"; the date of delivery thereof to the Agent being the "Increase Notice Date") specifying (1) the Proposed Aggregate Commitment Increase, (2) the proposed date (the "Increase Date") on which the Commitments would be so increased (which Increase Date may not be fewer than 30 nor more than 60 days after the Increase Notice Date) and (3) the New Lenders, if any, to whom the Company desires to offer the opportunity to commit to all or a portion of the Proposed Aggregate Commitment Increase.

The Agent shall in turn promptly notify each Lender of the Company's request by sending each Lender a copy of such notice.

(iii) Not later than the date five days after the Increase Notice Date, the Agent shall notify each New Lender, if any, identified in the related Increase Notice of the opportunity to commit to all or any portion of the Proposed Aggregate Commitment Increase. Each such New Lender may irrevocably commit to all or a portion of the Proposed Aggregate Commitment Increase (such New Lender's "Proposed New Commitment") by notifying the Agent (which shall give prompt notice thereof to the Company) before 11:00 A.M. (New York City time) on the date that is 10 days after the Increase Notice Date; provided that:

(1) the Proposed New Commitment of each New Lender shall be in an amount not less than $25,000,000; and

(2) each New Lender that submits a Proposed New Commitment shall enter into an agreement in form and substance satisfactory to the Company and the Agent pursuant to which such New Lender shall undertake a Commitment (and, if any such New Lender is already a Lender, its Commitment shall be in addition to such Lender's Commitment hereunder on such date), and shall pay to the Agent a processing and recordation fee of $3,500.

(iv) If the aggregate Proposed New Commitments of all of the New Lenders shall be less than the Proposed Aggregate Commitment Increase, then (unless the Company otherwise requests) the Agent shall, on or prior to the date that is 15 days after the Increase Notice Date, notify each Lender of the opportunity to so commit to all or any portion of the Proposed Aggregate Commitment Increase not committed to by New Lenders pursuant to Section 2.05(c)(iii). Each Lender may, if, in its sole discretion, it elects to do so, irrevocably offer to commit to all or a portion of such remainder (such Lender's "Proposed Increased Commitment") by notifying the Agent (which shall give prompt notice thereof to the Company) no later than 11:00 A.M. (New York City time) on the date five days before the Increase Date.

(v) If the aggregate amount of Proposed New Commitments and Proposed Increased Commitments (such aggregate amount, the "Total Committed Increase") equals or exceeds $25,000,000, then, subject to the conditions set forth in Section 2.05(c)(i):

(1) effective on and as of the Increase Date, the aggregate amount of the Commitments shall be increased by the lesser of the proposed aggregate Committed Increase and the Total Committed Increase and shall be allocated among the New Lenders and the Lenders as provided in Section 2.05(c)(vi); and

(2) on the Increase Date, if any Revolving Loans are then outstanding, the Company shall borrow Revolving Loans from all or certain of the Lenders and/or (subject to compliance by the Company with Section 8.04(d)) prepay Revolving Loans of all or certain of the Lenders such that, after giving effect thereto, the Revolving Loans (including, without limitation, the Types and Interest Periods thereof) shall be held by the Lend-

ers (including for such purposes New Lenders) ratably in accordance with their respective Commitments.

If the Total Committed Increase is less than $25,000,000, then the aggregate amount of the Commitments shall not be changed pursuant to this Section 2.05(c).

(vi) The Total Committed Increase shall be allocated among New Lenders having Proposed New Commitments and Lenders having Proposed Increased Commitments as follows:

(1) If the Total Committed Increase shall be at least $25,000,000 and less than or equal to the Proposed Aggregate Commitment Increase, then (x) the initial Commitment of each New Lender shall be such New Lender's Proposed New Commitment and (y) the Commitment of each Lender shall be increased by such Lender's Proposed Increased Commitment.

(2) If the Total Committed Increase shall be greater than the Proposed Aggregate Commitment Increase, then the Total Committed Increase shall be allocated:

(x) first to New Lenders (to the extent of their respective Proposed New Commitments) in such a manner as the Company shall agree; and

(y) then to Lenders on a pro rata basis based on the ratio of each Lender's Proposed Increased Commitment (if any) to the aggregate amount of the Proposed Increased Commitments of all of the Lenders.

(vii) No increase in the Commitments contemplated hereby shall become effective until the Agent shall have received (x) promissory notes in respect of the Revolving Loans payable to each New Lender and each other Lender whose Commitment is being increased that, in either case, shall have requested such promissory notes at least two Business Days prior to the Increase Date, and (y) evidence satisfactory to the Agent (including an update of the opinion of counsel provided pursuant to Section 3.01(g)(v)) that such increases in the Commitments, and borrowings thereunder, have been duly authorized.

SECTION 2.06. Repayment of Revolving Credit Advances, Evidence of Indebtedness and Extension of Termination Date.

(a) The Company and each Borrower shall repay to the Agent for the ratable account of the Lenders on the Termination Date the aggregate principal amount of the Revolving Credit Advances then outstanding.

(b) Each Lender shall maintain in accordance with its usual practice an account or accounts evidencing the indebtedness of the Borrowers to such Lender resulting from each Advance made by such Lender, including the amounts of principal and interest payable and paid to such Lender from time to time hereunder. The Agent shall maintain accounts in which it shall record (i) the amount of each Advance made hereunder, the Type thereof and the Interest Period, if any, applicable thereto, (ii) the amount of any principal or interest due and payable or to

become due and payable from the Borrowers to each Lender hereunder and (iii) the amount of any sum received by the Agent hereunder for the account of the Lenders and each Lender's share thereof. The entries made in the accounts maintained pursuant to this Section shall be prima facie evidence of the existence and amounts of the obligations recorded therein; provided that the failure of any Lender or the Agent to maintain such accounts or any error therein shall not in any manner affect the obligation of any Borrower to repay the Advances in accordance with the terms of this Agreement. Any Lender may request that Advances made by it be evidenced by a promissory note. In such event, the applicable Borrower shall prepare, execute and deliver to such Lender a promissory note payable to the order of such Lender (or, if requested by such Lender, to such Lender and its registered assigns) and in a form approved by the Agent. Thereafter, the Advances evidenced by such promissory note and interest thereon shall at all times (including after assignment pursuant to Section 8.07) be represented by one or more promissory notes in such form payable to the order of the payee named therein (or, if such promissory note is a registered note, to such payee and its registered assigns).

(c) The Company may by written notice to the Agent, not more than 90 nor less than 60 days prior to the Termination Date then in effect, request that the Termination Date then in effect be extended for a further period of one year. Such request shall be irrevocable and binding upon the Company. The Agent shall promptly notify each Lender of such request. If a Lender agrees, in its individual and sole discretion, to so extend its Commitment (an "Extending Lender"), it will notify the Agent, in writing, of its decision to do so not more than 30 nor less than 20 days before said date. The Commitment of any Lender that fails to accept (or fails to respond to) the Company's request for extension of the Termination Date (a "Declining Lender") shall be terminated on the Termination Date theretofore in effect (without regard to extension by other Lenders). The Extending Lenders, or any of them, shall then have the right to increase their respective Commitments by an aggregate amount up to the amount of all Declining Lenders' Commitments, and, to the extent of any shortfall, the Company shall have the right to require any Declining Lender to assign in full its rights and obligations under this Agreement to an Eligible Assignee designated by the Company that agrees to accept all of such rights and obligations (a "Replacement Lender"), provided that (i) such increase and/or such assignment is otherwise in compliance with Section 8.07, (ii) such Declining Lender receives payment in full of an amount equal to the principal amount of all Advances owing to such Declining Lender, together with accrued interest thereon to the date of such assignment and all other amounts payable to such Declining Lender under this Agreement and (iii) any such increase shall be effective on the Termination Date theretofore in effect and any such assignment shall be effective on the date specified by the Company and agreed to by the Replacement Lender and the Agent. If (i) Extending Lenders and/or Replacement Lenders provide Commitments in an aggregate amount equal to 51% of the aggregate amount of the Commitments outstanding immediately prior to the Termination Date in effect at the time the Company requests such extension, and (ii) no Default shall have occurred and be continuing immediately prior to said Termination Date, the Termination Date shall be extended by one year (except that, if the date on which the Termination Date is to be extended is not a Business Day, such Termination Date as so extended shall be the next preceding Business Day) from the effective date set forth in an Extension Agreement, in substantially the form in Exhibit A-3 hereto, which has been duly completed and signed by the Company, the Agent and the Extending Lenders and Replacement Lenders party thereto. Such Extension Agreement shall be executed and delivered no earlier

than 30 days prior to the Termination Date then in effect and the effective date shall be no earlier than 29 days prior to the Termination Date then in effect. No extension of the Commitments pursuant to this Section 2.06(c) shall be legally binding on any party hereto unless and until such party executes and delivers a counterpart of such Extension Agreement.

SECTION 2.07. Interest on Revolving Credit Advances. Each Borrower shall pay interest on the unpaid principal amount of each Revolving Credit Advance made to such Borrower from the date of such Revolving Credit Advance until such principal amount shall be paid in full, at the following rates per annum:

(a) Base Rate Advances. During such periods as such Revolving Credit Advance is a Base Rate Advance, a rate per annum equal at all times to the Base Rate in effect from time to time, payable in arrears quarterly on the last day of each March, June, September and December during such periods and on the date such Base Rate Advance shall be Converted or paid in full.

(b) Eurodollar Rate Advances. During such periods as such Revolving Credit Advance is a Eurodollar Rate Advance, a rate per annum equal at all times during each Interest Period for such Revolving Credit Advance to the sum of (x) the Eurodollar Rate for such Interest Period for such Revolving Credit Advance plus (y) the Applicable Margin, payable in arrears on the last day of such Interest Period and, if such Interest Period has a duration of more than three months, on each day that occurs during such Interest Period every three months from the first day of such Interest Period and on the date such Eurodollar Rate Advance shall be Converted or paid in full.

SECTION 2.08. Interest Rate Determination.

(a) If the Eurodollar Rate does not appear on Page 3750 of the Telerate Service (or any successor page), each Reference Bank agrees to furnish to the Agent timely information for the purpose of determining each Eurodollar Rate. If the Eurodollar Rate does not appear on said Page 3750 (or any successor page), and if any one or more of the Reference Banks shall not furnish such timely information to the Agent for the purpose of determining any such interest rate, the Agent shall determine such interest rate on the basis of timely information furnished by the remaining Reference Banks. The Agent shall give prompt notice to the Company and the Lenders of the applicable interest rate determined by the Agent for purposes of Section 2.07, and the rate, if any, furnished by each Reference Bank for the purpose of determining the interest rate under Section 2.07(b).

(b) If, due to a major disruption in the interbank funding market with respect to any Eurodollar Rate Advances, the Required Lenders notify the Agent that the Eurodollar Rate for any Interest Period for such Advances will not adequately reflect the cost to such Required Lenders of making, funding or maintaining their respective Eurodollar Rate Advances for such Interest Period, the Agent shall forthwith so notify the Borrower and the Lenders, whereupon (i) each Eurodollar Rate Advance will automatically, on the last day of the then existing Interest Period therefor, Convert into a Base Rate Advance, and (ii) the obligation of the Lenders to

make, or to Convert Revolving Credit Advances into, Eurodollar Rate Advances shall be suspended until the Agent shall notify the Company and the Lenders that the circumstances causing such suspension no longer exist.

(c) If the Company shall fail to select the duration of any Interest Period for any Eurodollar Rate Advances in accordance with the provisions contained in the definition of "Interest Period" in Section 1.01, the Agent will forthwith so notify the Company and the Lenders and the Company will be deemed to have selected an Interest Period of one month.

(d) If the aggregate unpaid principal amount of Eurodollar Rate Advances comprising any Borrowing shall be reduced, by payment or prepayment or otherwise, to less than $10,000,000, such Advances shall automatically Convert into Base Rate Advances on the last day of the Interest Period applicable thereto.

(e) Upon the occurrence and during the continuance of any Event of Default, (i) each Eurodollar Rate Advance will automatically, on the last day of the then existing Interest Period therefor, Convert into a Base Rate Advance and (ii) the obligation of the Lenders to make, or to Convert Advances into, Eurodollar Rate Advances shall be suspended.

(f) If the Eurodollar Rate does not appear on Page 3750 of the Telerate Service (or any successor page) and fewer than two Reference Banks furnish timely information to the Agent for determining the Eurodollar Rate for any Eurodollar Rate Advances,

(i) the Agent shall forthwith notify the Company and the Lenders that the interest rate cannot be determined for such Eurodollar Rate Advances,

(ii) each such Advance will automatically, on the last day of the then existing Interest Period therefor, Convert into a Base Rate Advance (or if such Advance is then a Base Rate Advance, will continue as a Base Rate Advance), and

(iii) the obligation of the Lenders to make, or to Convert Revolving Credit Advances into, Eurodollar Rate Advances shall be suspended until the Agent shall notify the Company and the Lenders that the circumstances causing such suspension no longer exist.

SECTION 2.09. Optional Conversion of Revolving Credit Advances. The Company may on any Business Day, upon notice given to the Agent not later than 11:00 A.M. (New York City time) on the third Business Day prior to the date of the proposed Conversion and subject to the provisions of Sections 2.08 and 2.12, Convert all Revolving Credit Advances of one Type comprising the same Borrowing into Revolving Credit Advances of the other Type; provided, however, that any Conversion of Eurodollar Rate Advances into Base Rate Advances shall be made only on the last day of an Interest Period for such Eurodollar Rate Advances, any Conversion of Base Rate Advances into Eurodollar Rate Advances shall be in an amount not less than the minimum amount specified in Section 2.02(b) and no Conversion of any Revolving Credit Advances shall result in more separate Revolving Credit Borrowings than permitted under

Section 2.02(b). Each such notice of a Conversion shall, within the restrictions specified above, specify (i) the date of such Conversion, (ii) the Revolving Credit Advances to be Converted, and (iii) if such Conversion is into Eurodollar Rate Advances, the duration of the initial Interest Period for each such Advance. Each notice of Conversion shall be irrevocable and binding on the Company.

SECTION 2.10. Optional Prepayments of Revolving Credit Advances. The Company may, upon notice not later than 11:00 A.M. (New York City time) on the date of such payment, in the case of Base Rate Advances, and two Business Days' notice, in the case of Eurodollar Rate Advances, to the Agent stating the proposed date and aggregate principal amount of the prepayment, and if such notice is given the Company shall, prepay the outstanding principal amount of the Revolving Credit Advances comprising part of the same Revolving Credit Borrowing in whole or ratably in part, together with accrued interest to the date of such prepayment on the principal amount prepaid; provided, however, that (x) each partial prepayment shall be in an aggregate principal amount of $5,000,000 or an integral multiple of $1,000,000 in excess thereof and (y) in the event of any such prepayment of a Eurodollar Rate Advance, the Company shall be obligated to reimburse the Lenders in respect thereof pursuant to Section 8.04(d).

SECTION 2.11. Increased Costs.

(a) If, due to either (i) the introduction of or any change in any law or regulation or in the interpretation or administration of any law or regulation by any governmental authority charged with the interpretation or administration thereof or (ii) the compliance with any guideline or request from any central bank or other governmental authority that would be complied with generally by similarly situated banks acting reasonably (whether or not having the force of law), there shall be any increase in the cost to any Lender of agreeing to make or making, funding or maintaining Eurodollar Rate Advances or LIBO Rate Advances by an amount deemed by such Lender to be material, then the Company shall from time to time, upon demand by such Lender (with a copy of such demand to the Agent), pay to the Agent for the account of such Lender additional amounts sufficient to compensate such Lender for such increased cost. A certificate as to the amount of such increased cost, submitted to the Company and the Agent by such Lender, shall be conclusive and binding for all purposes, absent manifest error. Notwithstanding the foregoing, no Lender shall be entitled to request compensation under this paragraph with respect to any Competitive Bid Advance if the change giving rise to such request was applicable to such Lender at the time of submission of such Lender's offer to make such Competitive Bid Advance.

(b) If, due to either (i) the introduction of or any change in or in the interpretation of any law or regulation or (ii) compliance with any guideline or request from any central bank or other governmental or regulatory authority which becomes effective after the date hereof, there shall be any increase in the amount of capital required or expected to be maintained by any Lender or any corporation controlling such Lender and the amount of such capital is increased by or based upon the existence of such Lender's Advances or commitment to lend hereunder and other commitments of this type by an amount deemed by such Lender to be material, then, upon demand by such Lender (with a copy of such demand to the Agent), the Company shall pay to

the Agent for the account of such Lender, from time to time as specified by such Lender, additional amounts sufficient to compensate such Lender or such corporation in the light of such circumstances, to the extent that such Lender reasonably determines such increase in capital to be allocable to the existence of such Lender's Advances or commitment to lend hereunder. A certificate as to such amounts submitted to the Company and the Agent by such Lender shall be conclusive and binding for all purposes as to the calculations therein, absent manifest error. Such certificate shall be in reasonable detail and shall certify that the claim for additional amounts referred to therein is generally consistent with such Lender's treatment of similarly situated customers of such Lender whose transactions with such Lender are similarly affected by the change in circumstances giving rise to such payment, but such Lender shall not be required to disclose any confidential or proprietary information therein.

SECTION 2.12. Illegality. Notwithstanding any other provision of this Agreement, if any Lender shall notify the Agent (and provide to the Company an opinion of counsel to the effect) that the introduction of or any change in or in the interpretation of any law or regulation makes it unlawful, or any central bank or other governmental authority asserts that it is unlawful, for such Lender or its Eurodollar Lending Office to perform its obligations hereunder to make Eurodollar Rate Advances or LIBO Rate Advances or to fund or maintain Eurodollar Rate Advances or LIBO Rate Advances hereunder, (i) each Eurodollar Rate Advance or LIBO Rate Advance, as the case may be, of such Lender will automatically, upon such demand, Convert into a Base Rate Advance or an Advance that bears interest at the rate set forth in Section 2.07(a), as the case may be, and (ii) the obligation of such Lender to make, or to Convert Revolving Credit Advances into, Eurodollar Rate Advances shall be suspended until the Agent shall notify the Company and such Lender that the circumstances causing such suspension no longer exist and such Lender shall make the Base Rate Advances in the amount and on the dates that it would have been requested to make Eurodollar Rate Advances had no such suspension been in effect.

SECTION 2.13. Payments and Computations.

(a) Each Borrower shall make each payment hereunder not later than 11:00 A.M. (New York City time) on the day when due in U.S. dollars to the Agent at the Agent's Account in same day funds. The Agent will promptly thereafter cause to be distributed like funds relating to the payment of principal or interest or facility fees or usage fees ratably (other than amounts payable pursuant to Section 2.03, 2.04(b), 2.05(b), 2.11, 2.14 or 8.04(d)) to the Lenders for the account of their respective Applicable Lending Offices, and like funds relating to the payment of any other amount payable to any Lender to such Lender for the account of its Applicable Lending Office, in each case to be applied in accordance with the terms of this Agreement. Upon its acceptance of an Assignment and Acceptance and recording of the information contained therein in the Register pursuant to Section 8.07(d), from and after the effective date specified in such Assignment and Acceptance, the Agent shall make all payments hereunder in respect of the interest assigned thereby to the Lender assignee thereunder, and the parties to such Assignment and Acceptance shall make all appropriate adjustments in such payments for periods prior to such effective date directly between themselves.

(b) All computations of interest based on the Base Rate and of facility fees and of usage fees shall be made by the Agent on the basis of a year of 365 or 366 days, as the case may be, and all computations of interest based on the Eurodollar Rate or the Federal Funds Rate shall be made by the Agent on the basis of a year of 360 days, in each case for the actual number of days (including the first day but excluding the last day) occurring in the period for which such interest or facility fees or usage fees are payable. Each determination by the Agent of an interest rate hereunder shall be conclusive and binding for all purposes, absent manifest error.

(c) Whenever any payment hereunder shall be stated to be due on a day other than a Business Day, such payment shall be made on the next succeeding Business Day, and such extension of time shall in such case be included in the computation of payment of interest or facility fee or usage fee, as the case may be; provided, however, that, if such extension would cause payment of interest on or principal of Eurodollar Rate Advances or LIBO Rate Advances to be made in the next following calendar month, such payment shall be made on the next preceding Business Day.

(d) Unless the Agent shall have received notice from the Company prior to the date on which any payment is due to the Lenders hereunder that a Borrower will not make such payment in full, the Agent may assume that such Borrower has made such payment in full to the Agent on such date and the Agent may, in reliance upon such assumption, cause to be distributed to each Lender on such due date an amount equal to the amount then due such Lender. If and to the extent such Borrower shall not have so made such payment in full to the Agent, each Lender shall repay to the Agent forthwith on demand such amount distributed to such Lender together with interest thereon, for each day from the date such amount is distributed to such Lender until the date such Lender repays such amount to the Agent, at the Federal Funds Rate.

SECTION 2.14. Taxes.

(a) Each Lender is exempt from any withholding imposed under the laws of the United States in respect of any fees, interest or other payments to which it is entitled pursuant to this Agreement or any promissory notes issued hereunder (the "Income") because (i) the Lender is organized under the laws of the United States; (ii) the Income is effectively connected with the conduct of a trade or business within the United States within the meaning of Section 871 of the Internal Revenue Code; or (iii) the Income is eligible for an exemption by reason of a tax treaty. The Agent is exempt from any withholding tax imposed under the laws of the United States in respect of the Income because the Agent is organized under the laws of the United States.

(b) Each Lender organized under the laws of a jurisdiction outside the United States (each, a "Foreign Lender") shall, on or prior to the date of its execution and delivery of this Agreement in the case of each Initial Lender, and on the date of the Assignment and Acceptance pursuant to which it became a Lender in the case of each other Foreign Lender and from time to time thereafter if requested in writing by the Company or the Agent, provide the Agent and the relevant Borrower with Internal Revenue Service Form W-8BEN or W-8ECI, as appropriate, or any successor or other form prescribed by the Internal Revenue Service, certifying that such Foreign Lender is exempt or entitled to a reduced rate of United States

withholding tax on any Income that is the subject of such forms. If the form provided by a Foreign Lender at the time such Foreign Lender first becomes a party to this Agreement indicates a United States interest withholding tax rate in excess of zero, or in excess of the rate applicable to the Foreign Lender assignor on the date of the Assignment and Acceptance pursuant to which it became a Foreign Lender, in the case of each other Foreign Lender, withholding tax at such rate shall be considered excluded from Taxes as defined in Section 2.14(c).

(c) Based on Section 2.14(a) and (b), any and all payments by any Borrower hereunder or under any promissory notes issued hereunder shall be made free and clear of and without deduction for any present United States federal income withholding taxes imposed on a Foreign Lender under the Internal Revenue Code (such withholding taxes being hereinafter referred to as "Taxes").

(d) If, as a result of the enactment, promulgation, execution or ratification of, or any change in or amendment to, any United States law or any tax treaty (or in the application or official interpretation of any law or any tax treaty) that occurs on or after the date a Foreign Lender first becomes a party to this Agreement (a "Change in Law"), a Foreign Lender cannot comply with Section 2.14(b) or, if despite such compliance, any Borrower shall be required to deduct any Taxes from or in respect of any Income, then: (i) the sum payable to such Foreign Lender shall be increased as may be necessary so that after making all required deductions for such Taxes (including deductions applicable to additional sums payable under this Section 2.14) such Foreign Lender receives an amount equal to the sum it would have received had no such deductions been made, (ii) such Borrower shall make such deductions and (iii) such Borrower shall pay the full amount deducted to the relevant taxation authority or other authority in accordance with applicable law. Notwithstanding the foregoing, each Borrower shall be entitled to pay any Taxes in any lawful manner so as to reduce any deductions and such Foreign Lender shall to the extent it is reasonably able provide any documentation or file any forms as may be required by the Internal Revenue Service or any other foreign governmental agency. In addition, if any Foreign Lender or the Agent (in lieu of such Foreign Lender), as the case may be, is required to pay directly any Taxes as a result of a Change in Law because a Borrower cannot or does not legally or timely do so, the Company shall indemnify such Foreign Lender or Agent for payment of such Taxes, without duplication of, or increase in, the amount of Taxes otherwise due to the Foreign Lender.

(e) In addition, the Company agrees to pay any present or future stamp or documentary taxes or any other excise or property taxes, charges or similar levies (excluding any income or franchise taxes, business taxes or capital taxes of any nature) that arise from the execution, delivery or registration of, or otherwise with respect to, this Agreement (hereinafter referred to as "Other Taxes"). If a Lender is required to pay directly Other Taxes because a Borrower cannot or does not legally or timely do so, the Company shall indemnify such Lender for such payment of Other Taxes.

(f) Within 30 days after the date of any payment of Taxes or foreign withholding taxes, the Company shall furnish to the Agent, at its address referred to in Section 8.02, the original or a certified copy of a receipt evidencing payment thereof. Prior to making any

payment hereunder by or on behalf of any Borrower through an account or branch outside the United States or on behalf of any Borrower by a payor that is not a United States person (a "Foreign Payment"), such Borrower shall determine that no foreign withholding taxes are payable in respect thereof, and at its expense, shall furnish, or shall cause such payor to furnish, to the Agent, at such address, a certificate from each appropriate taxing authority, or an opinion of counsel acceptable to the Agent, in either case stating that such Foreign Payment is exempt from or not subject to foreign withholding taxes. Each Lender shall cooperate with each Borrower's efforts described in this subsection by providing to the extent reasonably within its means any forms requested by such Borrower substantiating an exemption from foreign withholding taxes required by any governmental agency. For purposes of this subsection (f), the terms "United States" and "United States person" shall have the meaning specified in Section 7701 of the Internal Revenue Code. If, as a result of the enactment, promulgation, execution or ratification of, or any change in or amendment to, any applicable foreign law or any tax treaty (or in the application or official interpretation of any law or any tax treaty) that occurs on or after the date a tax opinion is rendered pursuant to the terms of this subsection, and which renders such tax opinion incorrect as to the absence of any foreign withholding tax (a "Foreign Change in Law"), any Borrower shall be required to deduct any foreign withholding taxes from or in respect of any Income, then: (i) the sum payable to the applicable Lender shall be increased as may be necessary so that after making all required deductions for foreign withholding taxes (including deductions applicable to additional sums payable under this Section 2.14) such Lender receives an amount equal to the sum it would have received had no such deductions been made, (ii) such Borrower shall make such deductions and (iii) such Borrower shall pay the full amount deducted to the relevant taxation authority or other authority in accordance with applicable law. Notwithstanding the foregoing, each Borrower shall be entitled to pay any foreign withholding taxes in any lawful manner so as to reduce any deductions and such Lender shall to the extent it is reasonably able provide any documentation or file any forms as may be required by the Internal Revenue Service or any other foreign governmental agency. In addition, if any Lender is required to pay directly any foreign withholding tax in respect of any Foreign Payments made pursuant to this Agreement because a Borrower cannot or does not legally or timely do so, the Company shall indemnify such Lender for payment of such tax.

(g) For any period with respect to which a Lender has failed to comply with the requirements of subsection (b) or (f) relating to certain forms intended to reduce withholding taxes (other than if such failure is due to a Change in Law or a Foreign Change in Law), such Lender shall not be entitled to indemnification under subsection (d) or (f).

(h) Upon a Change in Law or the imposition of any foreign withholding tax in respect of Foreign Payments, a Lender shall, upon the written request of and at the expense of the Company, use reasonable efforts to change the jurisdiction of its Applicable Lending Office if the making of such a change would avoid the need for, or reduce the amount of, any such taxes that may thereafter accrue and would not, in the reasonable judgment of such Lender, cause the imposition on such Lender of any material legal or regulatory burdens.

(i) Without prejudice to the survival of any other agreement of any Borrower hereunder, the agreements and obligations of the Company contained in this Section 2.14 shall

survive the payment in full of principal and interest hereunder until the applicable statute of limitations relating to the payment of any Taxes under Section 2.14(d) has expired.

(j) Any request by any Lender for payment of any amount under this Section 2.14 shall be accompanied by a certification that such Lender's claim for said amount is generally consistent with such Lender's treatment of similarly situated customers of such Lender whose transactions with such Lender are similarly affected by the change in circumstances giving rise to such payment, but such Lender shall not be required to disclose any confidential or proprietary information therein.

SECTION 2.15. Sharing of Payments, Etc. If any Lender shall obtain any payment (whether voluntary, involuntary, through the exercise of any right of set-off, or otherwise) on account of the Revolving Credit Advances owing to it (other than pursuant to Section 2.05(b), 2.11, 2.14 or 8.04(d)) in excess of its ratable share of payments on account of the Revolving Credit Advances obtained by all the Lenders, such Lender shall forthwith purchase from the other Lenders such participations in the Revolving Credit Advances owing to them as shall be necessary to cause such purchasing Lender to share the excess payment ratably with each of them; provided, however, that if all or any portion of such excess payment is thereafter recovered from such purchasing Lender, such purchase from each Lender shall be rescinded and such Lender shall repay to the purchasing Lender the purchase price to the extent of such recovery together with an amount equal to such Lender's ratable share (according to the proportion of (i) the amount of such Lender's required repayment to (ii) the total amount so recovered from the purchasing Lender) of any interest or other amount paid or payable by the purchasing Lender in respect of the total amount so recovered. Each Borrower agrees that any Lender so purchasing a participation from another Lender pursuant to this Section 2.15 may, to the fullest extent permitted by law, exercise all its rights of payment (including the right of setoff) with respect to such participation as fully as if such Lender were the direct creditor of such Borrower in the amount of such participation.

SECTION 2.16. Use of Proceeds. The proceeds of the Advances shall be available (and the Company agrees that such proceeds shall be used) for general corporate purposes of the Company and its Subsidiaries, including commercial paper backstop.

SECTION 2.17. Borrowings by Borrowing Subsidiaries; Substitution of Borrower.

(a) The Company may, at any time or from time to time, designate one or more Subsidiaries (including the Guarantor) as Borrowers hereunder by furnishing to the Agent a letter (a "Designation Letter") in duplicate, in substantially the form of Exhibit D, duly completed and executed by the Company and such Subsidiary. Upon any such designation of a Subsidiary, such Subsidiary shall be a Borrowing Subsidiary and a Borrower entitled to borrow Revolving Credit Advances and Competitive Bid Advances on and subject to the terms and conditions of this Agreement.

(b) If all principal of and interest on all Advances made to any Borrowing Subsidiary have been paid in full, the Company may terminate the status of such Borrowing Subsidiary as a Borrower hereunder by furnishing to the Agent a letter (a "Termination Letter") in substantially the form of Exhibit F, duly completed and executed by the Company. Any Termination Letter furnished hereunder shall be effective upon receipt by the Agent, which shall promptly notify the Lenders, whereupon the Lenders shall, upon payment in full of all amounts owing by such Borrower hereunder, promptly deliver to the Company (through the Agent) the promissory notes, if any, of such former Borrower. Notwithstanding the foregoing, the delivery of a Termination Letter with respect to any Borrower shall not terminate (i) any obligation of such Borrower that remains unpaid at the time of such delivery (including without limitation any obligation arising thereafter in respect of such Borrower under Section 2.11 or 2.14) or (ii) the obligations of the Company under Article IX with respect to any such unpaid obligations; provided, that if the status of such Borrowing Subsidiary has been terminated as aforesaid because the Company has sold or transferred its interest in such Subsidiary, and the Company so certifies to the Agent at the time of delivery of such Termination Letter, and subject to payment of said principal and interest, (i) such Subsidiary shall, automatically upon the effectiveness of the delivery of such Termination Letter and certification, cease to have any obligation under this Agreement and (ii) the Company shall automatically be deemed to have unconditionally assumed, as primary obligor, and hereby agrees to pay and perform, all of such obligations.

(c) In addition to the foregoing, the Company may, at any time when there are no Advances outstanding hereunder and upon not less than 10 Business Days' notice, irrevocably elect to terminate its right to be a Borrower hereunder as of the date (which shall be a Business Day) specified in such Substitution Letter (the "Substitution Date") and designate the Guarantor as a Borrower hereunder by furnishing to the Agent (x) a letter (a "Substitution Letter"), in substantially the form of Exhibit E duly completed and executed by the Company and the Guarantor, (y) a certificate signed by a duly authorized officer of the Company, and a certificate signed by a duly authorized officer of the Guarantor, each dated the Substitution Date, stating that:

(i) the representations and warranties contained in Section 4.01 (except the representations set forth in the last sentence of subsection (e) thereof and in subsection (f) thereof (other than clause (ii) thereof)) are correct in all material respects on and as of the Substitution Date, as though made on and as of such date, and

(ii) No event has occurred and is continuing, or would result from such designation, that constitutes a Default;

and (z) the Agent shall have received such other corporate documents, resolutions and legal opinions relating to the foregoing as it, or any Lender through the Agent, may reasonably request.

SECTION 2.18. Mitigation Obligations. If any Lender requests compensation under Section 2.11, or if the obligation of any Lender to make or continue Advances as, or Con-

vert Advances into, Eurodollar Rate Advances is suspended pursuant to Section 2.12, then, upon the written request of the Company, such Lender shall use reasonable efforts to designate a different lending office for funding or booking its Loans hereunder or to assign its rights and obligations hereunder to another of its offices, branches or affiliates, if, in the judgment of such Lender, such designations or assignment (i) would eliminate or reduce amounts payable pursuant to Section 2.11 or would cause such Lender not to be subject to such suspension, as the case may be, in the future and (ii) would not subject such Lender to any unreimbursed cost or expense and would not, in the reasonable judgment of such Lender, cause imposition on such Lender of any material legal or regulatory burdens or otherwise be disadvantageous to such Lender. The Company hereby agrees to pay all reasonable costs and expenses incurred by any Lender in connection with any such designation or assignment.

ARTICLE III

CONDITIONS TO EFFECTIVENESS AND ARTICLE II

SECTION 3.01. Conditions Precedent to Effectiveness of Sections 2.01 and 2.03. Sections 2.01 and 2.03 of this Agreement shall become effective on and as of the first date (the "Effective Date") on which the following conditions precedent have been satisfied:

(a) As of the Effective Date, there shall have occurred no Material Adverse Change since December 28, 2002 that has not been publicly disclosed.

(b) As of the Effective Date, there shall exist no action, suit, investigation, litigation or proceeding affecting the Company, or any of its Subsidiaries (including the Guarantor) pending or, to the knowledge of the Company's or the Guarantor's executive officers, threatened before any court, governmental agency or arbitrator that (i) could be reasonably likely to have a Material Adverse Effect or (ii) could reasonably be likely to affect the legality, validity or enforceability of this Agreement or the consummation of the transactions contemplated hereby.

(c) As of the Effective Date, nothing shall have come to the attention of the Lenders during the course of their due diligence investigation to lead them to believe that the Information Memorandum was or has become misleading, incorrect or incomplete in any material respect.

(d) As of the Effective Date, all governmental and third party consents and approvals necessary in connection with the transactions contemplated hereby shall have been obtained (without the imposition of any conditions that are not acceptable to the Lenders) and shall remain in effect.

(e) As of the Effective Date, the Company shall have paid all accrued fees and expenses of the Agent and the Lenders (including the accrued fees and expenses of counsel to the Agent, to the extent invoiced at least one Business Day prior to the Effective Date).

(f) On the Effective Date, the following statements shall be true and the Agent shall have received for the account of each Lender a certificate signed by a duly authorized officer of the Company dated the Effective Date, stating that:

(i) The representations and warranties contained in Section 4.01 are correct in all material aspects on and as of the Effective Date, and

(ii) No event has occurred and is continuing that constitutes a Default.

(g) The Agent shall have received on or before the Effective Date the following, each dated such day, in form and substance satisfactory to the Agent and (except for any notes requested by the Lenders) in sufficient copies for each Lender:

(i) To the extent any Lender shall have requested, at least one Business day prior to the Effective Date that its Revolving Credit Advances be evidenced by a promissory note, a note payable to the order of such Lender.

(ii) Certified copies of the resolutions of the Board of Directors of the Company and of the Guarantor approving this Agreement, and of all documents evidencing other necessary corporate action and governmental approvals, if any, with respect to this Agreement.

(iii) 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.

(iv) 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.

(v) An opinion of Pamela C. McGuire, Esq., General Counsel of each of the Company and the Guarantor, substantially in the form of Exhibit C hereto and as to such other matters as any Lender through the Agent may reasonably request.

(vi) A favorable opinion of Milbank, Tweed, Hadley & McCloy LLP, special New York counsel for the Agent.

(vii) Evidence of the termination of the Commitments as defined in the $250,000,000 5-Year Credit Agreement dated as of April 22, 1999 among the Company, the Guarantor, certain lenders and The Chase Manhattan Bank, as Agent and of the payment in full of any and all amounts payable thereunder.

(viii) The Agent shall have received such other approvals, opinions or documents as any Lender through the Agent may reasonably request.

SECTION 3.02. Conditions Precedent to Each Revolving Credit Borrowing. The obligation of each Lender to make a Revolving Credit Advance on the occasion of each Revolving Credit Borrowing shall be subject to the conditions precedent that the Effective Date shall have occurred and on the date of such Revolving Credit Borrowing (a) the following statements shall be true (and each of the giving of the applicable Notice of Revolving Credit Borrowing and the acceptance by any Borrower of the proceeds of such Revolving Credit Borrowing shall constitute a representation and warranty by the Company and such Borrower that on the date of such Borrowing such statements are true):

(i) The representations and warranties contained in Section 4.01 (except the representations set forth in the last sentence of subsection (e) thereof and in subsection (f) thereof (other than clause (ii) thereof)) are correct in all material respects on and as of the date of such Revolving Credit Borrowing, before and after giving effect to such Revolving Credit Borrowing and to the application of the proceeds therefrom, as though made on and as of such date, and

(ii) No event has occurred and is continuing, or would result from such Revolving Credit Borrowing or from the application of the proceeds therefrom, that constitutes a Default;

and (b) in the case of the first Borrowing by a Borrowing Subsidiary, the Agent shall have received such corporate documents, resolutions and legal opinions relating to such Borrowing Subsidiary as the Agent may reasonably require.

SECTION 3.03. Conditions Precedent to Each Competitive Bid Borrowing. The obligation of each Lender that is to make a Competitive Bid Advance on the occasion of a Competitive Bid Borrowing to make such Competitive Bid Advance as part of such Competitive Bid Borrowing is subject to the conditions precedent that (i) the Agent shall have received the written confirmatory Notice of Competitive Bid Borrowing with respect thereto, and (ii) on the date of such Competitive Bid Borrowing the following statements shall be true (and each of the giving of the applicable Notice of Competitive Bid Borrowing and the acceptance by any Borrower of the proceeds of such Competitive Bid Borrowing shall constitute a representation and warranty by the Company and such Borrower that on the date of such Competitive Bid Borrowing such statements are true):

(a) The representations and warranties contained in Section 4.01 (except the representations set forth in the last sentence of subsection (e) thereof and in subsection (f) thereof (other than clause (ii) thereof)) are correct in all material respects on and as of the date of such Competitive Bid Borrowing, before and after giving effect to such Competitive Bid Borrowing and to the application of the proceeds therefrom, as though made on and as of such date; and

(b) No event has occurred and is continuing, or would result from such Competitive Bid Borrowing or from the application of the proceeds therefrom, that constitutes a Default.

SECTION 3.04. Determinations Under Section 3.01. For purposes of determining compliance with the conditions specified in Section 3.01, each Lender shall be deemed to have consented to, approved or accepted or to be satisfied with each document or other matter required thereunder to be consented to or approved by or acceptable or satisfactory to the Lenders unless an officer of the Agent responsible for the transactions contemplated by this Agreement shall have received notice from such Lender prior to the proposed Effective Date, as notified by the Company to the Lenders, specifying its objection thereto. The Agent shall promptly notify the Lenders of the occurrence of the Effective Date.

ARTICLE IV

REPRESENTATIONS AND WARRANTIES OF THE LOAN PARTIES

SECTION 4.01. Representations and Warranties of the Loan Parties. Each of the Company and the Guarantor (each, a "Loan Party") represents and warrants as follows:

(a) The Company is a corporation duly organized, validly existing and in good standing under the laws of the State of Delaware and the Guarantor is a limited liability company duly organized, validly existing and in good standing under the laws of the State of Delaware.

(b) The execution, delivery and performance by each Loan Party of this Agreement and the consummation of the transactions contemplated hereby are within such Loan Party's powers, have been duly authorized by all necessary corporate or other action, and do not contravene (i) its charter, by-laws or other organizational documents or (ii) any law or contractual restriction binding on or materially affecting such Loan Party.

(c) No authorization or approval or other action by, and no notice to or filing with, any governmental authority or regulatory body or any other third party is required for the due execution, delivery and performance by either Loan Party of this Agreement.

(d) This Agreement has been duly executed and delivered by each Loan Party. This Agreement is the legal, valid and binding obligation of each Loan Party enforceable against it in accordance with its terms, subject to applicable bankruptcy, insolvency and similar laws affecting creditors' rights generally and equitable principles of general applicability.

(e) The Consolidated balance sheet of the Company and its Subsidiaries as at December 28, 2002, and the related Consolidated statements of operations and cash flows of the Company and its Subsidiaries for the fiscal year then ended, accompanied by an opinion of KPMG Peat Marwick, independent public accountants, fairly present the financial condition of the Company as at such date and the results of the operations of the Company for the period ended on such date, all in accordance with generally accepted accounting principles consistently applied. Since December 28, 2002, there has been no Material Adverse Change that has not been publicly disclosed.

(f) There is no pending or threatened action, suit, investigation, litigation or proceeding affecting either Loan Party before any court, governmental agency or arbitrator that (i) would be reasonably likely to have a Material Adverse Effect or (ii) would reasonably be likely to affect the legality, validity or enforceability of this Agreement or any promissory note issued under this Agreement, if any, or the consummation of the transactions contemplated hereby.

(g) It is not engaged in the business of extending credit for the purpose of purchasing or carrying Margin Stock and no proceeds of any Advance will be used to purchase or carry any Margin Stock or to extend credit to others for the purpose (whether immediate, individual or ultimate) of purchasing or carrying any Margin Stock, in either case in a manner that would cause the Advances or any Lender to be in violation of Regulation U.

(h) Following application of the proceeds of each Advance, not more than 25 percent of the value of the assets (either of any Borrower only or of the Company and its Subsidiaries or the Guarantor and its Subsidiaries, in each case on a Consolidated basis) subject to the provisions of Section 5.02(a) or (b)(ii) or subject to any restriction contained in any agreement or instrument between it and any Lender or any Affiliate of any Lender relating to Debt and within the scope of Section 6.01(d) will be Margin Stock.

(i) Neither Loan Party is an "investment company", a company "controlled by", or "promoter" or "principal underwriter" for, an "investment company", as such terms are defined in the Investment Company Act of 1940, as amended. Neither the making of any Advances nor the application of the proceeds or repayment thereof by any Borrower will violate any provision of such Act or any rule, regulation or order of the Securities and Exchange Commission thereunder.

ARTICLE V

COVENANTS

SECTION 5.01. Affirmative Covenants. So long as any Advance shall remain unpaid or any Lender shall have any Commitment hereunder, each Loan Party will:

(a) Compliance with Laws, Etc. Comply, and cause each of its Subsidiaries to comply, in all material respects, with all applicable laws, rules, regulations and orders, such compliance to include, without limitation, compliance with ERISA and Environmental Laws, except where failure so to comply would not, and would not be reasonably likely to, have a Material Adverse Effect.

(b) Payment of Taxes, Etc. Pay and discharge, and cause each of its Subsidiaries to pay and discharge, before the same shall become delinquent, (i) all taxes, assessments and governmental charges or levies imposed upon it or upon its property and (ii) all lawful claims that, if unpaid, might by law become a Lien upon its property; provided, however, that neither Loan Party nor any of its Subsidiaries shall be required to pay or discharge any such tax,

assessment, charge or claim that is being contested in good faith and by proper proceedings and as to which appropriate reserves are being maintained, unless and until any Lien resulting therefrom attaches to its property and becomes enforceable against its other creditors and such Lien would be reasonably likely to have a Material Adverse Effect.

(c) Preservation of Corporate Existence, Etc. Preserve and maintain, and cause each of its Material Subsidiaries to preserve and maintain, its corporate existence, rights (charter and statutory) and franchises; provided, however, that each Loan Party and its Material Subsidiaries may consummate any merger or consolidation permitted under Section 5.02(b) and provided further that neither Loan Party nor any of its Material Subsidiaries shall be required to preserve any right or franchise if the Board of Directors of such Loan Party or such Subsidiary shall determine that the preservation thereof is no longer desirable in the conduct of the business of such Loan Party or such Subsidiary, as the case may be, and that the loss thereof is not disadvantageous in any material respect to such Loan Party, such Subsidiary or the Lenders.

(d) Reporting Requirements. Furnish to the Lenders:

(i) as soon as available and in any event within 45 days after the end of each of the first three Fiscal Quarters of each Fiscal Year of the Company, the Consolidated balance sheet of the Company and its Subsidiaries as of the end of such quarter and Consolidated statements of operations and cash flows of the Company and its Subsidiaries for the period commencing at the end of the previous Fiscal Year and ending with the end of such Fiscal Quarter, duly certified (subject to year-end audit adjustments) by the chief financial officer of the Company as having been prepared in accordance with GAAP, it being agreed that delivery of the Company's Quarterly Report on Form 10-Q will satisfy this requirement;

(ii) as soon as available and in any event within 90 days after the end of each Fiscal Year of the Company, a copy of the annual audit report for such year for the Company and its Subsidiaries, containing the Consolidated balance sheet of the Company and its Subsidiaries as of the end of such Fiscal Year and Consolidated statements of operations and cash flows of the Company and its Subsidiaries for such Fiscal Year, in each case accompanied by an opinion by KPMG Peat Marwick or other independent public accountants of nationally recognized standing, it being agreed that delivery of the Company's Annual Report on Form 10-K will satisfy this requirement;

(iii) as soon as possible and in any event within five days after the occurrence of each Default continuing on the date of such statement, a statement of the chief financial officer of the Company setting forth details of such Default and the action that the Company has taken and proposes to take with respect thereto; and

(iv) promptly after the sending or filing thereof, copies of all annual reports and proxy solicitations that the Company sends to any of its securityholders, and copies of all reports on Form 8-K that the Company or any Subsidiary files with the Securities and Exchange Commission.

SECTION 5.02. Negative Covenants. So long as any Advance shall remain unpaid or any Lender shall have any Commitment hereunder, neither Loan Party will:

(a) Secured Debt. Create or suffer to exist, or permit any of its Restricted Subsidiaries or the Guarantor to create or suffer to exist, any Debt secured by a Lien on any Principal Property or on any shares of stock of or Debt of any Restricted Subsidiary or the Guarantor unless such Loan Party or such Restricted Subsidiary secures or causes such Restricted Subsidiary or the Guarantor to secure the Advances and all other amounts payable under this Agreement equally and ratably with such secured Debt, so long as such secured Debt shall be so secured, unless after giving effect thereto the aggregate amount of all such Debt so secured does not exceed 15% of Consolidated Net Tangible Assets; provided that the foregoing restriction does not apply to Debt secured by:

(i) Liens existing prior to the date hereof;

(ii) Liens on property of, or on shares of stock of or Debt of, any corporation existing at the time such corporation becomes a Restricted Subsidiary;

(iii) Liens in favor of a Loan Party or any Restricted Subsidiary;

(iv) Liens in favor of any governmental bodies to secure progress or advance payments;

(v) Liens on property, shares of stock or Debt existing at the time of acquisition thereof (including acquisition through merger or consolidation) or liens securing Debt incurred to finance all or any part of the purchase price or cost of construction of property (or additions, substantial repairs, alterations or substantial improvements thereto), provided that such Lien and the Debt secured thereby are incurred within 365 days of the later of acquisition or completion of construction (or addition, repair, alteration or improvement) and full operation thereof; and

(vi) any extension, renewal or refunding of Debt referred to in the foregoing clauses (i) to (v), inclusive.

(b) Mergers, Etc. (i) Merge or consolidate with or into any corporation or (ii) sell, lease, transfer or otherwise dispose of all or substantially all of the assets of the Company and its Subsidiaries, taken as a whole, unless the Company or the Guarantor would be the acquiring or surviving party in such transaction and no Event of Default shall have occurred and be continuing at the time of such proposed transaction or would result therefrom.

(c) Subsidiary Debt. Permit any Restricted Subsidiary to create, incur, assume or permit to exist any Debt, except:

(i) Debt of the Borrowing Subsidiaries, if any, created hereunder and under the 364-Day Facility;

(ii) Debt existing on the Effective Date;

(iii) Debt of any Subsidiary to any Loan Party or any other Subsidiary;

(iv) Debt of any Person that becomes a Subsidiary after the date hereof; provided that such Debt exists at the time such Person becomes a Subsidiary and is not created in contemplation of or in connection with such Person becoming a Subsidiary;

(v) any refinancing, refunding or replacement of any Debt permitted under clause (ii) through (iv) above; and

(vi) other Debt in an aggregate principal amount not exceeding 15% of Consolidated Net Tangible Assets, computed as of the last day of the then most recently concluded fiscal quarter of the Company, at any time outstanding.

(d) Restrictive Agreements. Neither Loan Party will enter into, incur or permit to exist any agreement or other arrangement that prohibits or restricts the ability of any Subsidiary to pay dividends or other distributions with respect to any shares of its capital stock or to make or repay loans or advances to, or otherwise transfer assets to the Company; provided that the foregoing shall not apply to (i) restrictions and conditions imposed by law or by this Agreement or the 364-Day Facility, (ii) customary restrictions and conditions contained in agreements relating to the sale of a Subsidiary pending such sale, provided such restrictions and conditions apply only to the Subsidiary that is to be sold and such sale is permitted hereunder, (iii) restrictions or conditions imposed by any agreement relating to secured Debt permitted by this Agreement if such restrictions or conditions apply only to the property or assets securing such Debt, (iv) customary provisions in leases and other contracts restricting the assignment thereof, (v) any agreement in effect on the Effective Date, as any such agreement is in effect on such date, (vi) any agreement binding upon such Subsidiary prior to the date on which such Subsidiary was acquired by the Company and outstanding on such date, (vii) customary net worth and other financial maintenance covenants in an agreement relating to Debt or other obligations incurred in compliance with this Agreement, and (viii) any agreement refinancing, renewing or replacing any agreement or Debt referred to in (i) through (vii) above, provided that the relevant provisions are no more restrictive than those in the agreement or Debt being refinanced, renewed or replaced.

(e) Ownership. In the case of the Company, cease to own, legally and beneficially, 75% or more of the membership interests in the Guarantor.

SECTION 5.03. Financial Covenants. So long as any Advance shall remain unpaid or any Lender shall have any Commitment hereunder, the Company will not:

(a) Debt to Capitalization Ratio. Permit the Debt to Capitalization Ratio as at the last day of any Fiscal Quarter that is not an Alternate Covenant Date to exceed 0.75 to 1.0.

(b) Consolidated Leverage Ratio. Permit the Consolidated Leverage Ratio as at the last day of any Fiscal Quarter that is an Alternate Covenant Date to exceed 5.0 to 1.0.

ARTICLE VI

EVENTS OF DEFAULT

SECTION 6.01. Events of Default. If any of the following events ("Events of Default") shall occur and be continuing:

(a) Any Borrower shall fail to pay any principal of, or interest on, any Advance or to make any other payment under this Agreement, in each case within five days after the same becomes due and payable; or

(b) Any representation or warranty made by any Loan Party herein or by any Borrower (or any of its officers) in connection with this Agreement (including without limitation by any Borrowing Subsidiary pursuant to any Designation Letter) shall prove to have been incorrect in any material respect when made; or

(c) Any Loan Party shall fail to perform or observe any term, covenant or agreement contained in Section 5.01(d), 5.02 or 5.03, or (ii) any Loan Party shall fail to perform or observe any other term, covenant or agreement contained in this Agreement on its part to be performed or observed if such failure shall remain unremedied for 30 days after written notice thereof shall have been given to either Loan Party by the Agent or any Lender; or

(d) Any Loan Party or any of its Subsidiaries shall fail to pay any principal of or premium or interest on any Debt that is outstanding in a principal or notional amount of at least $75,000,000 in the aggregate (but excluding Debt outstanding hereunder) of such Loan Party or such Subsidiary (as the case may be), when the same becomes due and payable (whether by scheduled maturity, required prepayment, acceleration, demand or otherwise), and such failure shall continue after the applicable grace period, if any, specified in the agreement or instrument relating to such Debt; or any other event shall occur or condition shall exist under any agreement or instrument relating to any such Debt and shall continue after the applicable grace period, if any, specified in such agreement or instrument, if the effect of such event or condition is to accelerate the maturity of such Debt or permit (with or without the giving of notice, the lapse of time or both) the holder or holders of such Debt or any trustee or agent on its or their behalf to cause any such Debt to become due prior to its scheduled maturity; or any such Debt shall be declared to be due and payable, or required to be prepaid or redeemed (other than by a regularly scheduled required prepayment or redemption), purchased or defeased, or an offer to prepay, redeem, purchase or defease such Debt shall be required to be made, in each case prior to the stated maturity thereof; or

(e) Any Loan Party or any of its Subsidiaries shall generally not pay its debts as such debts become due, or shall admit in writing its inability to pay its debts generally, or shall make a general assignment for the benefit of creditors; or any proceeding shall be instituted by or

against such Loan Party or any of its Subsidiaries seeking to adjudicate it a bankrupt or insolvent, or seeking liquidation, winding up, reorganization, arrangement, adjustment, protection, relief, or composition of it or its debts under any law relating to bankruptcy, insolvency or reorganization or relief of debtors, or seeking the entry of an order for relief or the appointment of a receiver, trustee, custodian or other similar official for it or for any substantial part of its property and, in the case of any such proceeding instituted against it (but not instituted by it), either such proceeding shall remain undismissed or unstayed for a period of 30 days, or any of the actions sought in such proceeding (including, without limitation, the entry of an order for relief against, or the appointment of a receiver, trustee, custodian or other similar official for, it or for any substantial part of its property) shall occur; or such Loan Party of any of its Subsidiaries shall take any corporate action to authorize any of the actions set forth above in this subsection (e); or

(f) Any judgment or order for the payment of money in excess of $75,000,000 shall be rendered against any Loan Party or any of its Material Subsidiaries and either (i) enforcement proceedings shall have been commenced by any creditor upon such judgment or order or (ii) there shall be any period of 10 consecutive days during which a stay of enforcement of such judgment or order, by reason of a pending appeal or otherwise, shall not be in effect; provided, however, that any such judgment or order shall not be an Event of Default under this Section 6.01(f) if and for so long as (i) the amount of such judgment or order is covered by a valid and binding policy of insurance between the defendant and the insurer covering payment thereof and (ii) such insurer, which shall be rated at least "A" by A.M. Best Company, has been notified of, and has not disputed the claim made for payment of, the amount of such judgment or order; or

(g) Any event, action or condition with respect to an employee benefit plan of the Company subject to Title IV of ERISA results in any penalty or action pursuant to ERISA that has a material adverse effect on the business or financial condition of either Loan Party and its Subsidiaries, taken as a whole; or

(h) The Master Bottling Agreement ceases to be valid and binding and in full force and effect; or Pepsi denies that it has any liability or obligation under the Master Bottling Agreement and Pepsi ceases performance thereunder; or

(i) A Change of Control shall occur;

then, and in any such event, the Agent (i) shall at the request, or may with the consent, of the Required Lenders, by notice to the Company, declare the obligation of each Lender to make Advances to be terminated, whereupon the same shall forthwith terminate, and (ii) shall at the request, or may with the consent, of the Required Lenders, by notice to the Company, declare the Advances, all interest thereon and all other amounts payable under this Agreement to be forthwith due and payable, whereupon the Advances, all such interest and all such amounts shall become and be forthwith due and payable, without presentment, demand, protest or further notice of any kind, all of which are hereby expressly waived by the Company; provided, however, that in the event of an actual or deemed entry of an order for relief with respect to any Loan Party or any Borrowing Subsidiary under the Federal Bankruptcy Code, (A) the obligation

of each Lender to make Advances shall automatically be terminated and (B) the Advances, all such interest and all such amounts shall automatically become and be due and payable, without presentment, protest or any notice of any kind, all of which are hereby expressly waived by each Loan Party.

ARTICLE VII

THE AGENT

Each of the Lenders hereby irrevocably appoints the Agent as its agent and authorizes the Agent to take such actions on its behalf and to exercise such powers as are delegated to the Agent by the terms hereof, together with such actions and powers as are reasonably incidental thereto.

The bank serving as the Agent hereunder shall have the same rights and powers in its capacity as a Lender as any other Lender and may exercise the same as though it were not the Agent, and such bank and its Affiliates may accept deposits from, lend money to and generally engage in any kind of business with the Loan Parties or any Subsidiary or other Affiliate thereof as if it were not the Agent hereunder.

The Agent shall not have any duties or obligations except those expressly set forth herein. Without limiting the generality of the foregoing, (a) the Agent shall not be subject to any fiduciary or other implied duties, regardless of whether a Default has occurred and is continuing, (b) the Agent shall not have any duty to take any discretionary action or exercise any discretionary powers, except discretionary rights and powers expressly contemplated hereby that the Agent is required to exercise in writing by the Required Lenders (or such other number or percentage of the Lenders as shall be necessary under the circumstances as provided in Section 8.01), and (c) except as expressly set forth herein, the Agent shall not have any duty to disclose, and shall not be liable for the failure to disclose, any information relating to the Loan Parties or any if their Subsidiaries that is communicated to or obtained by the bank serving as Agent or any of its Affiliates in any capacity. The Agent shall not be liable for any action taken or not taken by it with the consent or at the request of the Required Lenders (or such other number or percentage of the Lenders as shall be necessary under the circumstances as provided in Section 8.01) or in the absence of its own gross negligence or wilful misconduct. The Agent shall be deemed not to have knowledge of any Default unless and until written notice thereof is given to the Agent by a Loan Party or a Lender, and the Agent shall not be responsible for or have any duty to ascertain or inquire into (i) any statement, warranty or representation made in or in connection with this Agreement, (ii) the contents of any certificate, report or other document delivered hereunder or in connection herewith, (iii) the performance or observance of any of the covenants, agreements or other terms or conditions set forth herein, (iv) the validity, enforceability, effectiveness or genuineness of this Agreement or any other agreement, instrument or document, or (v) the satisfaction of any condition set forth in Article III or elsewhere herein, other than to confirm receipt of items expressly required to be delivered to the Agent.

The Agent shall be entitled to rely upon, and shall not incur any liability for relying upon, any notice, request, certificate, consent, statement, instrument, document or other

writing believed by it to be genuine and to have been signed or sent by the proper Person. The Agent also may rely upon any statement made to it orally or by telephone and believed by it to be made by the proper Person, and shall not incur any liability for relying thereon. The Agent may consult with legal counsel (who may be counsel for any Loan Party), independent accountants and other experts selected by it, and shall not be liable for any action taken or not taken by it in accordance with the advice of any such counsel, accountants or experts.

The Agent may perform any and all of its duties and exercise its rights and powers by or through any one or more sub-agents appointed by the Agent. The Agent and any such sub-agent may perform any and all of its duties and exercise its rights and powers through their respective Related Parties. The exculpatory provisions of the preceding paragraphs shall apply to any such sub-agent and to the Related Parties of the Agent and any such sub-agent, and shall apply to their respective activities in connection with the syndication of the credit facilities provided for herein as well as activities as Agent.

Subject to the appointment and acceptance of a successor Agent as provided in this paragraph, the Agent may resign at any time by notifying the Lenders and the Company. Upon any such resignation, the Required Lenders shall have the right to appoint a successor agent approved by the Company, which approval will not be unreasonably withheld or delayed; provided that such approval shall not be required if an Event of Default has occurred and is continuing. If no successor shall have been so appointed by the Required Lenders and shall have accepted such appointment within 30 days after the retiring Agent gives notice of its resignation, then the retiring Agent may, on behalf of the Lenders, appoint a successor Agent which shall be a commercial bank organized under the laws of the United States or any State thereof, having a combined capital and surplus of at least $50,000,000 with an office in New York, New York, or an Affiliate of any such bank. Upon the acceptance of its appointments as Agent hereunder by a successor, such successor shall succeed to and become vested with all the rights, powers, privileges and duties of the retiring Agent, and the retiring Agent shall be discharged from its duties and obligations hereunder. The fees payable by the Company to a successor Agent shall be the same as those payable to its predecessor unless otherwise agreed between the Company and such successor. After the Agent's resignation hereunder, the provisions of this Article and Section 8.04 shall continue in effect for the benefit of such retiring Agent, its sub-agents and their respective Related Parties in respect of any actions taken or omitted to be taken by any of them while it was acting as Agent.

Each Lender acknowledges that it has, independently and without reliance upon the Agent or any other Lender and based on such documents and information as it has deemed appropriate, made its own credit analysis and decision to enter into this Agreement. Each Lender also acknowledges that it will, independently and without reliance upon the Agent or any other Lender and based on such documents and information as it shall from time to time deem appropriate, continue to make its own decisions in taking or not taking action under or based upon this Agreement, any related agreement or any document furnished hereunder or thereunder.

ARTICLE VIII

MISCELLANEOUS

SECTION 8.01. Amendments, Etc. No amendment or waiver of any provision of this Agreement, nor consent to any departure by any Borrower therefrom, shall in any event be effective unless the same shall be in writing and signed by the Required Lenders, and then such waiver or consent shall be effective only in the specific instance and for the specific purpose for which given; provided, however, that no amendment, waiver or consent shall, unless in writing and signed by all the Lenders, do any of the following: (a) except pursuant to Section 2.05(b), 2.05(c), 2.15 or 2.17, increase the Commitments of the Lenders or subject the Lenders to any additional obligations, (b) reduce the principal of, or interest on, the Revolving Credit Advances or any fees or other amounts payable hereunder, (c) postpone any date fixed for any payment of principal of, or interest on, the Revolving Credit Advances or any fees or other amounts payable hereunder, (d) change the percentage of the Commitments or of the aggregate unpaid principal amount of the Revolving Credit Advances, or the number of Lenders, that shall be required for the Lenders or any of them to take any action hereunder, (e) release the guarantee as set forth in Section 9.01 or 10.01, or (f) amend this Section 8.01; and provided further that no amendment, waiver or consent shall, unless in writing and signed by the Agent in addition to the Lenders required above to take such action, affect the rights or duties of the Agent under this Agreement.

SECTION 8.02. Notices, Etc. All notices and other communications provided for hereunder shall be in writing (including telecopier, telegraphic or telex communication) and mailed, telecopied, telegraphed, telexed or delivered, if to the Company, any Borrower or the Guarantor, to the Company at its address at One Pepsi Way, Somers, New York 10589, Attention: General Counsel, Telecopier No. (914) 767-1161, with a copy to Secretary, Telecopier No. (914) 767-1161; if to any Initial Lender, at its Domestic Lending Office specified opposite its name on Schedule 1 hereto; if to any other Lender, at its Domestic Lending Office specified in the Assignment and Acceptance pursuant to which it became a Lender; and if to the Agent, at the Assignment and Acceptance pursuant to which it became a Lender; and if to the Agent, at JPMorgan Chase Bank, Loan & Agency Services, 1111 Fannin, Floor 10, Houston, Texas, 77002, Attention of Cherry Arnaez (Telecopier No. (713) 750-2894), with a copy to JPMorgan Chase Bank, 270 Park Avenue, New York, New York 10017, Attention of Buddy Wuthrich (Telecopier No. (212) 270-5127); or, as to the Company, any Borrower, the Guarantor or the Agent, at such other address as shall be designated by such party in a written notice to the other parties and, as to each other party, at such other address as shall be designated by such party in a written notice to the Company and the Agent. All such notices and communications shall, when mailed, telecopied, telegraphed or telexed, be effective when deposited in the mails, telecopied, delivered to the telegraph company or confirmed by telex answer back, respectively, except that notices and communications to the Agent pursuant to Article II, III or VII shall not be effective until received by the Agent.

SECTION 8.03. No Waiver; Remedies. No failure on the part of any Lender or the Agent to exercise, and no delay in exercising, any right hereunder shall operate as a waiver thereof, nor shall any single or partial exercise of any such right preclude any other or further exercise thereof or the exercise of any other right. The remedies herein provided are cumulative and not exclusive of any remedies provided by law.

SECTION 8.04. Costs and Expenses.

(a) The Company agrees to pay on demand all costs and expenses of the Agent as set forth in the fee letter between the Company and the Agent. The Company further agrees to pay on demand all reasonable costs and expenses of the Agent and the Lenders, if any (including, without limitation, reasonable counsel fees and expenses), in connection with the enforcement (whether through negotiations, legal proceedings or otherwise) of this Agreement and the other documents to be delivered hereunder, including, without limitation, reasonable fees and expenses of counsel for the Agent and each Lender in connection with the enforcement of rights under this Section 8.04(a).

(b) The Company agrees to indemnify and hold harmless the Agent and each Lender and each of their Affiliates and their officers, directors, employees, agents and advisors (each, an "Indemnified Party") from and against any and all claims, damages, losses, liabilities and expenses (including, without limitation, reasonable fees and expenses of counsel) that may be incurred by or asserted or awarded against any Indemnified Party, in each case arising out of or in connection with or by reason of, or in connection with the preparation for a defense of, any investigation, litigation or proceeding arising out of, related to or in connection with this Agreement, any promissory note issued hereunder, any of the transactions contemplated herein or the actual or proposed use of the proceeds of the Advances, whether or not such investigation, litigation or proceeding is brought by any Borrower, the Guarantor, their directors, shareholders or creditors or an Indemnified Party or any other Person or any Indemnified Party is otherwise a party thereto and whether or not the transactions contemplated hereby are consummated, except to the extent such claim, damage, loss, liability or expense is found in a final, non-appealable judgment by a court of competent jurisdiction to have resulted from such Indemnified Party's gross negligence or willful misconduct.

(c) To the extent that the Company fails to pay any amount required to be paid by it to the Agent under paragraph (a) or (b) of this Section 8.04, each Lender severally agrees to pay to the Agent such Lenders' Applicable Percentage (determined as of the time that the applicable unreimbursed expense or indemnity payment is sought) of such unpaid amount; provided that the unreimbursed expense or indemnified loss, claim, damage, liability or related expense, as the case may be, was incurred by or asserted against the Agent in its capacity as such.

(d) If any payment of principal of, or Conversion of, any Eurodollar Rate Advance or LIBO Rate Advance is made by any Borrower to or for the account of a Lender other than on the last day of the Interest Period for such Advance, as a result of a payment or Conversion pursuant to Section 2.08(d) or (e), 2.10 or 2.12, acceleration of the maturity of the Advances

pursuant to Section 6.01 or for any other reason, the Company shall, upon demand by such Lender (with a copy of such demand to the Agent), pay to the Agent for the account of such Lender any amounts required to compensate such Lender for any additional losses, costs or expenses that it may reasonably incur as a result of such payment or Conversion, including, without limitation, any loss, cost or expense incurred by reason of the liquidation or reemployment of deposits or other funds acquired by any Lender to fund or maintain such Advance.

(e) Without prejudice to the survival of any other agreement of any Borrower hereunder, the agreements and obligations of the Company contained in Sections 2.11, 2.14 and 8.04 shall survive the payment in full of principal, interest and all other amounts payable hereunder.

SECTION 8.05. Right of Set-off. Upon (i) the occurrence and during the continuance of any Event of Default and (ii) the making of the request or the granting of the consent specified by Section 6.01 to authorize the Agent to declare the Advances due and payable pursuant to the provisions of Section 6.01, each Lender and each of its Affiliates is hereby authorized at any time and from time to time, to the fullest extent permitted by law, to set off and apply any and all deposits (general or special, time or demand, provisional or final) at any time held and other indebtedness at any time owing by such Lender or such Affiliate to or for the credit or the account of any Loan Party or any Borrower against any and all of the obligations of such Loan Party or such Borrower now or hereafter existing under this Agreement, whether or not such Lender shall have made any demand under this Agreement and although such obligations may be unmatured. Each Lender agrees promptly to notify the Company after any such set-off and application, provided that the failure to give such notice shall not affect the validity of such set-off and application. The rights of each Lender and its Affiliates under this Section are in addition to other rights and remedies (including, without limitation, other rights of set-off) that such Lender and its Affiliates may have.

SECTION 8.06. Binding Effect. This Agreement shall become effective (other than Sections 2.01 and 2.03, which shall only become effective upon satisfaction of the conditions precedent set forth in Section 3.01) when it shall have been executed by the Loan Parties and the Agent and when the Agent shall have been notified by each Initial Lender that such Initial Lender has executed it and thereafter shall be binding upon and inure to the benefit of the Loan Parties, each Subsidiary Borrower (if any), the Agent and each Lender and their respective successors and assigns, except that no Borrower shall have the right to assign its rights hereunder or any interest herein without the prior written consent of the Lenders.

SECTION 8.07. Assignments and Participations.

(a) Each Lender may, upon ten days' notice to the Agent and with the consent of the Company (which shall not be unreasonably withheld) and, if demanded by the Company (following a demand by such Lender pursuant to Section 2.11 or Section 2.14 or a suspension of such Lender's obligation to make or continue Advances as, or convert Advances into, Eurodollar Rate Advances pursuant to Section 2.12) upon at least ten days' notice to such Lender and the

Agent, will assign to one or more Persons all or a portion of its rights and obligations under this Agreement (including, without limitation, all or a portion of its Commitment and the Revolving Credit Advances owing to it); provided, however, that (i) each such assignment shall be of a constant, and not a varying, percentage of all rights and obligations under this Agreement (other than any right to make Competitive Bid Advances or Competitive Bid Advances owing to it), (ii) except in the case of an assignment to a Person that, immediately prior to such assignment, was a Lender or an assignment of all of a Lender's rights and obligations under this Agreement, the amount of the Commitment of the assigning Lender being assigned pursuant to each such assignment (determined as of the date of the Assignment and Acceptance with respect to such assignment) shall in no event be less than the lesser of (x) $25,000,000 and (y) the smallest initial Commitment of any Initial Lender, (iii) each such assignment shall be to an Eligible Assignee, (iv) each such assignment made as a result of a demand by the Company pursuant to this Section 8.07(a) shall be arranged by the Company after consultation with the Agent and shall be either an assignment of all of the rights and obligations of the assigning Lender under this Agreement or an assignment of a portion of such rights and obligations made concurrently with another such assignment or other such assignments that together cover all of the rights and obligations of the assigning Lender under this Agreement, (v) no Lender shall be obligated to make any such assignment as a result of a demand by the Company pursuant to this Section 8.07(a) unless and until such Lender shall have received one or more payments from either the Company or one or more Eligible Assignees in an aggregate amount at least equal to the aggregate outstanding principal amount of the Advances owing to such Lender, together with accrued interest thereon to the date of payment of such principal amount and all other amounts payable to such Lender under this Agreement and (vi) the parties to each such assignment shall execute and deliver to the Agent, for its acceptance and recording in the Register (as defined in clause (d) below), an Assignment and Acceptance, together with a processing and recordation fee of $3,500. Upon such execution, delivery, acceptance and recording, from and after the effective date specified in each Assignment and Acceptance, (x) the assignee thereunder shall be a party hereto and, to the extent that rights and obligations hereunder have been assigned to it pursuant to such Assignment and Acceptance, have the rights and obligations of a Lender hereunder and (y) the Lender assignor thereunder shall, to the extent that rights and obligations hereunder have been assigned by it pursuant to such Assignment and Acceptance, relinquish its rights and be released from its obligations under this Agreement (and, in the case of an Assignment and Acceptance covering all or the remaining portion of an assigning Lender's rights and obligations under this Agreement, such Lender shall cease to be a party hereto).

(b) By executing and delivering an Assignment and Acceptance, the Lender assignor thereunder and the assignee thereunder confirm to and agree with each other and the other parties hereto as follows: (i) other than as provided in such Assignment and Acceptance, such assigning Lender makes no representation or warranty and assumes no responsibility with respect to any statements, warranties or representations made in or in connection with this Agreement or the execution, legality, validity, enforceability, genuineness, sufficiency or value of this Agreement or any other instrument or document furnished pursuant hereto; (ii) such assigning Lender makes no representation or warranty and assumes no responsibility with respect to the financial condition of any Borrower or the performance or observance by any Borrower of any of its obligations under this Agreement or any other instrument or document furnished pursuant hereto; (iii) such assignee confirms that it has received a copy of this

Agreement, together with copies of the financial statements referred to in Section 4.01 and such other documents and information as it has deemed appropriate to make its own credit analysis and decision to enter into such Assignment and Acceptance; (iv) such assignee will, independently and without reliance upon the Agent, such assigning Lender or any other Lender and based on such documents and information as it shall deem appropriate at the time, continue to make its own credit decisions in taking or not taking action under this Agreement; (v) such assignee confirms that it is an Eligible Assignee; (vi) such assignee appoints and authorizes the Agent to take such action as agent on its behalf and to exercise such powers and discretion under this Agreement as are delegated to the Agent by the terms hereof, together with such powers and discretion as are reasonably incidental thereto; and (vii) such assignee agrees that it will perform in accordance with their terms all of the obligations that by the terms of this Agreement are required to be performed by it as a Lender.

(c) Upon its receipt of an Assignment and Acceptance executed by an assigning Lender and an assignee representing that it is an Eligible Assignee, the Agent shall, if such Assignment and Acceptance has been completed and is in substantially the form of Exhibit B hereto, (i) accept such Assignment and Acceptance, (ii) record the information contained therein in the Register and (iii) give prompt notice thereof to the Company.

(d) The Agent shall maintain at its address referred to in Section 8.02 a copy of each Assignment and Acceptance delivered to and accepted by it and a register for the recordation of the names and addresses of the Lenders and, with respect to Lenders, the Commitment of, and principal amount of the Advances owing to, each Lender from time to time (the "Register"). The entries in the Register shall be conclusive and binding for all purposes, absent manifest error, and each Borrower, the Agent and the Lenders may treat each Person whose name is recorded in the Register as a Lender hereunder for all purposes of this Agreement. The Register shall be available for inspection by the Loan Parties or any Lender at any reasonable time and from time to time upon reasonable prior notice.

(e) Notwithstanding anything to the contrary contained herein, any Lender (a "Granting Lender") may grant to a special purpose funding vehicle (a "SPC"), identified as such in writing from time to time by the Granting Lender to the Agent and the Company, the option to provide to the Company all or any part of any Advance that such Granting Lender would otherwise be obligated to make to the Company pursuant to this Agreement; provided that (i) nothing herein shall constitute a commitment by any SPC to make any Advance, (ii) if an SPC elects not to exercise such option or otherwise fails to provide all or any part of such Advance, the Granting Lender shall be obligated to make such Advance pursuant to the terms hereof. The making of an Advance by an SPC hereunder shall utilize the Commitment of the Granting Lender to the same extent, and as if, such Advance were made by such Granting Lender. Each party hereto agrees that no SPC shall be liable for any indemnity or similar payment obligation under this Agreement (all liability for which shall remain with the Granting Lender). In furtherance of the foregoing, each party hereto hereby agrees (which agreement shall survive the termination of this Agreement) that, prior to the date that is one year and one day after the payment in full of all outstanding commercial paper or other senior indebtedness of any SPC, it will not institute against, or join any other person in instituting against, such SPC any bankruptcy, reorganization, arrangement, insolvency or liquidation proceedings under the laws

of the United States or any State thereof. In addition, notwithstanding anything to the contrary contained in this Section 8.07(e), any SPC may (i) with notice to, but without the prior written consent of, the Company and the Agent and without paying any processing fee therefor, assign all or a portion of its interests in any Advances to the Granting Lender or to any financial institutions (consented to by the Company and the Agent) providing liquidity and/or credit support to or for the account of any SPC to support the funding or maintenance of Advances and (ii) disclose on a confidential basis any non-public information relating to its Advances to any rating agency, commercial paper dealer or provider of any surety, guarantee or credit or liquidity enhancement to such SPC.

(f) Each Lender may, upon notice to the Agent and the Company, sell participations to one or more banks or other entities in or to all or a portion of its rights and obligations under this Agreement (including, without limitation, all or a portion of its Commitment and the Advances owing to it); provided, however, that (i) such Lender's obligations under this Agreement (including, without limitation, its Commitment hereunder) shall remain unchanged, (ii) such Lender shall remain solely responsible to the other parties hereto for the performance of such obligations, (iii) such Lender shall remain the holder of any promissory note issued or assigned to it hereunder, (iv) the Borrowers, the Guarantor, the Agent and the other Lenders shall continue to deal solely and directly with such Lender in connection with such Lender's rights and obligations under this Agreement and (v) no participant under any such participation shall have any right to approve any amendment or waiver of any provision of this Agreement, or any consent to any departure by any Borrower therefrom, except to the extent that such amendment, waiver or consent would reduce the principal of, or interest on, the Advances or any fees or other amounts payable hereunder, in each case to the extent subject to such participation, or postpone any date fixed for any payment of principal of, or interest on, the Advances or any fees or other amounts payable hereunder, in each case to the extent subject to such participation.

(g) Any Lender may, in connection with any assignment or participation or proposed assignment or participation pursuant to this Section 8.07, disclose to the assignee or participant or proposed assignee or participant any information relating to any Loan Party or any Borrower furnished to such Lender by or on behalf of any Loan Party or any Borrower; provided that, prior to any such disclosure, the assignee or participant or proposed assignee or participant shall agree to preserve the confidentiality of any Confidential Information relating to the Loan Parties or the Borrowers received by it from such Lender.

(h) Notwithstanding any other provision set forth in this Agreement, any Lender may at any time create a security interest in all or any portion of its rights under this Agreement or any promissory note issued to such Lender hereunder (including, without limitation, the Advances owing to it) in favor of any Federal Reserve Bank in accordance with Regulation A of the Board of Governors of the Federal Reserve System.

SECTION 8.08. Confidentiality. Neither the Agent nor any Lender shall disclose any Confidential Information to any Person without the consent of the Company, other than (a) to the Agent's or such Lender's Affiliates and their officers, directors, employees, agents and advisors and to actual or prospective assignees and participants, and then only on a confidential basis, (b) as required by any law, rule or regulation or judicial process, (c) to any rating agency when required by it and (d) as requested or required by any state, federal or foreign authority or examiner regulating banks or banking. Notwithstanding the foregoing and any other provision herein, the Loan Parties and any Lender (and each employee, representative or other agent of the Loan Parties and any Lender) may disclose to any and all Persons, without limitation of any kind, the U.S. federal income tax treatment and tax structure, if any, of the transactions contemplated by this Agreement (the "Transactions"), other than information for which nondisclosure is reasonably necessary in order to comply with applicable securities laws. For the purposes of this Section 8.08, "tax structure" is limited to any fact relevant to understanding the U.S. federal income tax treatment of the Transactions and does not include information relating to the identity of the Loan Parties.

SECTION 8.09. Governing Law. This Agreement shall be governed by, and construed in accordance with, the law of the State of New York.

SECTION 8.10. Execution in 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. Delivery of an executed counterpart of a signature page to this Agreement by telecopier shall be effective as delivery of a manually executed counterpart of this Agreement.

SECTION 8.11. Jurisdiction, Etc.

(a) Each of the parties hereto hereby irrevocably and unconditionally submits, for itself and its property, to the nonexclusive jurisdiction of any New York State court or federal court of the United States of America sitting in New York City, and any appellate court from any thereof, in any action or proceeding arising out of or relating to this Agreement, or for recognition or enforcement of any judgment, and each of the parties hereto hereby irrevocably and unconditionally agrees that all claims in respect of any such action or proceeding may be heard and determined in any such New York State court or, to the extent permitted by law, in such federal court. Each of the parties hereto agrees that a final judgment in any such action or proceeding shall be conclusive and may be enforced in other jurisdictions by suit on the judgment or in any other manner provided by law. Nothing in this Agreement shall affect any right that any party may otherwise have to bring any action or proceeding relating to this Agreement in the courts of any jurisdiction.

(b) Each of the parties hereto irrevocably and unconditionally waives, to the fullest extent it may legally and effectively do so, any objection that it may now or hereafter have to the laying of venue of any suit, action or proceeding arising out of or relating to this

Agreement in any New York State or federal court sitting in New York City. Each of the parties hereto hereby irrevocably waives, to the fullest extent permitted by law, the defense of an inconvenient forum to the maintenance of such action or proceeding in any such court.

SECTION 8.12. WAIVER OF JURY TRIAL. EACH BORROWER, THE GUARANTOR, THE AGENT AND THE LENDERS HEREBY IRREVOCABLY WAIVE ALL RIGHT TO TRIAL BY JURY IN ANY ACTION, PROCEEDING OR COUNTERCLAIM (WHETHER BASED ON CONTRACT, TORT OR OTHERWISE) ARISING OUT OF OR RELATING TO THIS AGREEMENT OR THE ACTIONS OF THE AGENT OR ANY LENDER IN THE NEGOTIATION, ADMINISTRATION, PERFORMANCE OR ENFORCEMENT THEREOF.

ARTICLE IX

COMPANY GUARANTEE

SECTION 9.01. Company Guarantee. Subject to the provisions of this Article IX, the Company unconditionally and irrevocably guarantees to each Lender and the Agent and their respective successors and assigns, that: (i) the principal of, premium, if any, and interest on the Advances to each Borrowing Subsidiary and, following the Substitution Date, the Guarantor (each a "Guaranteed Party") and any promissory notes issued by any Guaranteed Party hereunder will be duly and punctually paid in full when due, whether at maturity, by acceleration, by redemption or otherwise, and interest on overdue principal, and premium, if any, and (to the extent permitted by law) interest on any interest, if any, on the Advances and all other obligations of the Guaranteed Parties to the Lenders or the Agent hereunder (including fees and expenses) will be promptly paid in full, all in accordance with the terms hereof; and (ii) in case of any extension of time of payment or renewal of any of the Advances to any Guaranteed Party or any of such other 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 or otherwise. Failing payment when due of any amount so guaranteed, or failing performance of any other obligation of the Guaranteed Parties to the Lenders or the Agent, for whatever reason, the Company will be obligated to pay, or to perform or to cause the performance of, the same immediately. An Event of Default under this Agreement shall constitute an event of default under this Guarantee, and shall entitle the Lenders to accelerate the obligations of the Company under this Guarantee in the same manner and to the same extent as the obligations of the Guaranteed Parties.

The Company hereby agrees that its obligations under this Guarantee shall be unconditional, irrespective of the validity, regularity or enforceability of this Agreement, any Designation Letter or the Substitution Letter, the absence of any action to enforce the same, any waiver or consent by any Lender or the Agent of this Agreement any Designation Letter or the Substitution Letter, with respect to any thereof, the entry of any judgment against any Guaranteed Party, any action to enforce the same or any other circumstance which might otherwise constitute a legal or equitable discharge or defense of the Company. The Company

hereby waives and relinquishes: (a) any right to require the Agent, the Lenders or any Guaranteed Party (each, a "Benefitted Party") to proceed against any Guaranteed Party 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 Company; (b) 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; (c) demand, protest and notice of any kind (except as expressly required by this Agreement), including but not limited to notice of the existence, creation or incurring of any new or additional Debt or obligation or of any action or non-action on the part of the Company, any Benefitted Party, any creditor of the Company or any Guaranteed Party or on the part of any other Person whomsoever in connection with any obligations the performance of which are guaranteed under this Guarantee; (d) any defense based upon an election of remedies by a Benefitted Party, including but not limited to an election to proceed against the Company or any other Guaranteed Party for reimbursement; (e) 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; (f) any defense arising because of a Benefitted Party's election, in any proceeding instituted under the Bankruptcy Code, of the application of Section 1111(b)(2) of the Bankruptcy Code; and (g) any defense based on any borrowing or grant of a security interest under Section 364 of the Bankruptcy Code. The Company hereby covenants that this Guarantee will not be discharged except by payment in full of all principal, premium, if any, and interest on the Advances made to each Guaranteed Party and all other costs provided for under this Agreement in respect thereof. This is a Guarantee of payment and not of collectibility.

If any Lender or the Agent is required by any court or otherwise to return to either the Company or any Guaranteed Party, or any trustee or similar official acting in relation to either the Company or any Guaranteed Party, any amount paid by the Company or any Guaranteed Party to the Agent or such Lender, this Guarantee, to the extent theretofore discharged, shall be reinstated in full force and effect. The Company agrees that it will not be entitled to any right of subrogation in relation to the Lenders or the Agent in respect of any obligations guaranteed under this Guarantee until payment in full of all obligations guaranteed hereby. The Company agrees that, as between it, on the one hand, and the Lenders and the Agent, on the other hand, (x) the maturity of the obligations guaranteed under this Guarantee may be accelerated as provided in Article VI hereof for the purposes hereof, notwithstanding any stay, injunction or other prohibition preventing such acceleration in respect of the obligations guaranteed hereby, and (y) in the event of any acceleration of such obligations as provided in Article VI hereof, such obligations (whether or not due and payable) shall forthwith become due and payable by such Company for the purpose of this Guarantee.

ARTICLE X

SUBSIDIARY GUARANTEE

SECTION 10.01. Subsidiary Guarantee. Subject to the provisions of this Article X, the Guarantor unconditionally and irrevocably guarantees to each Lender and the Agent and their respective successors and assigns, that: (i) the principal of, premium, if any, and interest on the Advances and any promissory note issued hereunder will be duly and punctually paid in full when due, whether at maturity, by acceleration, by redemption or otherwise, and interest on overdue principal, and premium, if any, and (to the extent permitted by law) interest on any interest, if any, on the Advances, any promissory note issued hereunder and all other obligations of the Company to the Lenders or the Agent hereunder (including fees and expenses) will be promptly paid in full, all in accordance with the terms hereof; and (ii) in case of any extension of time of payment or renewal of any of the Advances or any of such other 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 or otherwise. Failing payment when due of any amount so guaranteed, or failing performance of any other obligation of the Company to the Lenders or the Agent, for whatever reason, the Guarantor will be obligated to pay, or to perform or to cause the performance of, the same immediately. An Event of Default under this Agreement shall constitute an event of default under this Guarantee, and shall entitle the Lenders to accelerate the obligations of the Guarantor under this Guarantee in the same manner and to the same extent as the obligations of the Company.

The Guarantor hereby agrees that its obligations under this Guarantee shall be unconditional, irrespective of the validity, regularity or enforceability of this Agreement, the absence of any action to enforce the same, any waiver or consent by any Lender or the Agent of this Agreement with respect to any thereof, the entry of any judgment against the Company, 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: (a) any right to require the Agent, the Lenders or the Company (each, a "Benefitted Person") to proceed against the Company or any other Person or to proceed against or exhaust any security held by a Benefitted Person at any time or to pursue any other remedy in any secured party's power before proceeding against the Guarantor; (b) 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 Person to file or enforce a claim against the estate (in administration, bankruptcy or any other proceeding) of any other Person or Persons; (c) demand, protest and notice of any kind (except as expressly required by this Agreement), including but not limited to notice of the existence, creation or incurring of any new or additional Debt or obligation or of any action or non-action on the part of the Guarantor, the Company, any Benefitted Person, any creditor of the Guarantor, the Company or on the part of any other Person whomsoever in connection with any obligations the performance of which are guaranteed under this Guarantee; (d) any defense based upon an election of remedies by a Benefitted Person, including but not limited to an election to proceed against the Guarantor for reimbursement; (e) 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; (f) any defense arising because of a Benefitted Person's election, in any proceeding instituted under the Bankruptcy Code, of the application of Section 1111(b)(2) of the Bankruptcy Code; and (g) any defense based on any borrowing or grant of a security interest under Section 364 of the Bankruptcy Code. The Guarantor hereby covenants that this Guarantee will not be discharged except by payment in full

of all principal, premium, if any, and interest on the Advances and all other costs provided for under this Agreement. This is a Guarantee of payment and not of collectibility.

If any Lender or the Agent is required by any court or otherwise to return to either the Company or the Guarantor, or any trustee or similar official acting in relation to either the Company or the Guarantor, any amount paid by the Company or the Guarantor to the Agent or such Lender, this 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 Lenders or the Agent in respect of any obligations guaranteed under this Guarantee until payment in full of all obligations guaranteed hereby. The Guarantor agrees that, as between it, on the one hand, and the Lenders and the Agent, on the other hand, (x) the maturity of the obligations guaranteed under this Guarantee may be accelerated as provided in Article VI hereof for the purposes hereof, notwithstanding any stay, injunction or other prohibition preventing such acceleration in respect of the obligations guaranteed hereby, and (y) in the event of any acceleration of such obligations as provided in Article VI hereof, such obligations (whether or not due and payable) shall forthwith become due and payable by such Guarantor for the purpose of this Guarantee.

SECTION 10.02. Limitation of Guarantor's Liability. The Guarantor, and by its acceptance hereof, each Lender, hereby confirms that it is the intention of the parties hereto that this Guarantee not constitute a fraudulent transfer or conveyance for purposes of the Bankruptcy Code, the Uniform Fraudulent Conveyance Act, the Uniform Fraudulent Transfer Act or any similar Federal or State law. To effectuate the foregoing intention, the Lenders and the Guarantor hereby irrevocably agree that the obligations of the Guarantor under this Article X 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 Agreement to be executed by their respective officers thereunto duly authorized as of the date first above written.

THE PEPSI BOTTLING GROUP, INC.,
as Borrower

By: _____
Name:
Title:

BOTTLING GROUP, LLC,
as Guarantor

By: _____
Name:
Title:

JPMORGAN CHASE BANK,
as Agent

By: _____
Name:
Title:

COMMITMENT	INITIAL LENDERS
$25,000,000	CITIBANK, N.A. By:_____ Name: Title:
$25,000,000	BANK OF AMERICA, N.A. By:_____ Name: Title:
$25,000,000	CREDIT SUISSE FIRST BOSTON, CAYMAN ISLANDS BRANCH By:_____ Name: Title:
$25,000,000	DEUTSCHE BANK AG NEW YORK BRANCH By:_____ Name: Title: By:_____ Name: Title:

Initial Lenders

$25,000,000

JPMORGAN CHASE BANK

By:_____
Name:
Title:

By:_____
Name:
Title:

$20,000,000

THE NORTHERN TRUST COMPANY

By:_____
Name:
Title:

By:_____
Name:
Title:

$20,000,000

LEHMAN BROTHERS BANK, FSB

By:_____
Name:
Title:

By:_____
Name:
Title:

Initial Lenders

$17,500,000 BANCO BILBAO VIZCAYA ARGENTARIA

By:_____
Name:
Title:

By:_____
Name:
Title:

$17,500,000 HSBC BANK USA

By:_____
Name:
Title:

By:_____
Name:
Title:

$12,500,000 FLEET NATIONAL BANK

By:_____
Name:
Title:

By:_____
Name:
Title:

Initial Lenders

$12,500,000

THE BANK OF NEW YORK

By:_____
Name:
Title:

By:_____
Name:
Title:

$10,000,000

STATE STREET BANK AND TRUST COMPANY

By:_____
Name:
Title:

By:_____
Name:
Title:

$7,500,000

COMERICA BANK

By:_____
Name:
Title:

By:_____
Name:
Title:

Initial Lenders

$7,500,000

WELLS FARGO BANK, N.A.

By:_____
Name:
Title:

By:_____
Name:
Title:

$250,000,000 TOTAL OF THE COMMITMENTS

Initial Lenders

SCHEDULE 1

LENDING OFFICES

Lender	Domestic Lending Office	Eurodollar Lending Office
CITIBANK, N.A.	399 Park Avenue New York New York 10043	399 Park Avenue New York New York 10043
BANK OF AMERICA, N.A	901 Main Street, 14th Floor Dallas, Texas 75202	901 Main Street, 14th Floor Dallas, Texas 75202
CREDIT SUISSE FIRST BOSTON, CAYMAN ISLANDS BRANCH	11 Madison Avenue New York, New York, 10010	Credit Suisse First Boston Cayman Islands Branch c/-11 Madison Avenue New York, New York 10010
DEUTSCHE BANK AG NEW YORK BRANCH	90 Hudson Street Mailstop JCY05-0511 Jersey City, NJ 07302	90 Hudson Street Mailstop JCY05-0511 Jersey City, NJ 07302
JPMORGAN CHASE BANK	270 Park Avenue New York, New York 10017	270 Park Avenue New York, New York 10017
THE NORTHERN TRUST COMPANY	50 South La Salle Street Chicago, Illinois 60675	50 South La Salle Street Chicago, Illinois 60675
LEHMAN BROTHERS BANK, FSB	745 7th Avenue, 16th Floor New York, NY 10019	745 7th Avenue, 16th Floor New York, NY 10019
BANCO BILBAO VIZCAYA ARGENTARIA	1345 Avenue of the Americas New York, New York 10105	1345 Avenue of the Americas New York, New York 10105
HSBC BANK USA	452 Fifth Avenue New York, New York 10018	452 Fifth Avenue New York, New York 10018
FLEET NATIONAL BANK	One Landmark Sq. Stamford, Connecticut 06904	One Landmark Sq. Stamford, Connecticut 06904
THE BANK OF NEW YORK	One Wall Street New York, New York 10286	One Wall Street New York, New York 10286
STATE STREET BANK AND TRUST COMPANY	225 Franklin Street Boston, MA 02110	225 Franklin Street Boston, MA 02110
COMERICA BANK	500 Woodward Avenue, 9th Floor MC 3279 Detroit, Michigan 48275-3279	500 Woodward Avenue, 9th Floor MC 3279 Detroit, Michigan 48275-3279
WELLS FARGO BANK, N.A.	70 E. 55th Street New York, New York 10022	70 E. 55th Street New York, New York 10022

SCHEDULE 2

PRICING SCHEDULE

Rating Level Period	Applicable Facility Fee Rate	Applicable Margin	Applicable Utilization Fee Rate(1)
1	8.0 bps	27.0 bps	10.0 bps
2	9.0 bps	31.0 bps	10.0 bps
3	12.5 bps	37.5 bps	10.0 bps
4	17.5 bps	45.0 bps	10.0 bps
5	25.0 bps	75.0 bps	25.0 bps

(1) Applicable if utilization exceeds 33-1/3% of Commitment amount.

EXHIBIT A-1

FORM OF NOTICE OF REVOLVING CREDIT BORROWING

JPMorgan Chase Bank, as Agent
for the Lenders parties
to the 5-Year Credit Agreement
referred to below
Loan & Agency Services
1111 Fannin, Floor 10
Houston, TX 77002
Attention: Cherry Arnaez

With a copy to:
270 Park Avenue
New York, NY 10017
Attention: Buddy Wuthrich

[Date]

Ladies and Gentlemen:

The undersigned, The Pepsi Bottling Group, Inc. (the "Company"), refers to the 5-Year Credit Agreement, dated as of April 30, 2003 (as amended or modified from time to time, the "Credit Agreement", the terms defined therein being used herein as therein defined), among the undersigned, Bottling Group, LLC (the "Guarantor"), certain Lenders parties thereto and JPMorgan Chase Bank, as administrative agent for said Lenders, and hereby gives you notice, irrevocably, pursuant to Section 2.02 of the Credit Agreement that the undersigned hereby requests a Revolving Credit Borrowing under the Credit Agreement, and in that connection sets forth below the information relating to such Revolving Credit Borrowing (the "Proposed Revolving Credit Borrowing") as required by Section 2.02(a) of the Credit Agreement:

(i) The Business Day of the Proposed Revolving Credit Borrowing is _____, ____.

(ii) The Type of Advances comprising the Proposed Revolving Credit Borrowing is [Base Rate Advances] [Eurodollar Rate Advances].

(iii) The aggregate amount of the Proposed Revolving Credit Borrowing is $_____.

(iv) The identity of the Borrower is _____, a _____ corporation.

[(v)] [The initial Interest Period for each Eurodollar Rate Advance made as part of the Proposed Revolving Credit Borrowing is ___ month[s].]

The undersigned hereby certifies that the following statements are true on the date hereof, and will be true on the date of the Proposed Revolving Credit Borrowing:

(A) the representations and warranties contained in Section 4.01 of the Credit Agreement (except the representations set forth in the last sentence of subsection (e) thereof and in subsection (f) thereof (other than clause (ii) thereof)) are correct in all material respects, on and as of the date of the Proposed Revolving Credit Borrowing, before and after giving effect to the Proposed Revolving Credit Borrowing and to the application of the proceeds therefrom, as though made on and as of such date; and

(B) no event has occurred and is continuing, or would result from such Proposed Revolving Credit Borrowing or from the application of the proceeds therefrom, that constitutes a Default.

Very truly yours,

THE PEPSI BOTTLING GROUP, INC.

By:_____
Name:
Title:

EXHIBIT A-2

FORM OF NOTICE OF COMPETITIVE BID BORROWING

JPMorgan Chase Bank, as Agent
for the Lenders parties
to the 5-Year Credit Agreement
referred to below
Loan & Agency Services
1111 Fannin, Floor 10
Houston, TX 77002
Attention: Cherry Arnaez

With a copy to:
270 Park Avenue
New York, NY 10017
Attention: Buddy Wuthrich

[Date]

Ladies and Gentlemen:

The undersigned, The Pepsi Bottling Group, Inc. (the "Company"), refers to the 5-Year Credit Agreement, dated as of April 30, 2003 (as amended or modified from time to time, the "Credit Agreement", the terms defined therein being used herein as therein defined), among the undersigned, Bottling Group, LLC (the "Guarantor"), certain Lenders parties thereto and JPMorgan Chase Bank, as administrative agent for said Lenders, and hereby gives you notice pursuant to Section 2.03 of the Credit Agreement that the undersigned hereby requests a Competitive Bid Borrowing under the Credit Agreement, and in that connection sets forth the terms on which such Competitive Bid Borrowing (the "Proposed Competitive Bid Borrowing") is requested to be made:

(A)	Date of Proposed Competitive Bid Borrowing	_____
(B)	Aggregate Amount of Proposed Competitive Bid Borrowing	_____
(C)	Maturity Date	_____
(D)	Interest Rate Basis	_____
(E)	Interest Payment Date(s)	_____
(F)	Identity of Borrower	_____

The undersigned hereby certifies that the following statements are true on the date hereof, and will be true on the date of the Proposed Competitive Bid Borrowing:

(a) the representations and warranties contained in Section 4.01 (except the representations set forth in the last sentence of subsection (e) thereof and in subsection (f) thereof (other than clause (ii) thereof)) are correct in all material respects, on and as of the date of the Proposed Competitive Bid Borrowing, before and after giving effect to the Proposed Competitive Bid Borrowing and to the application of the proceeds therefrom, as though made on and as of such date; and

(b) no event has occurred and is continuing, or would result from the Proposed Competitive Bid Borrowing or from the application of the proceeds therefrom, that constitutes a Default.

The undersigned hereby confirms that the Proposed Competitive Bid Borrowing is to be made available to it in accordance with Section 2.03(b) of the Credit Agreement.

Very truly yours,

THE PEPSI BOTTLING GROUP, INC.

By:_____
Name:
Title:

FORM OF EXTENSION AGREEMENT

The Pepsi Bottling Group, Inc.
One Pepsi Way
Somers, New York 10589
Attention: Treasurer

JPMorgan Chase Bank, as Agent
under the 5-Year Credit Agreement referred to below
Loan & Agency Services
1111 Fannin, Floor 10
Houston, TX 77002
Attention: Cherry Arnaez

With a copy to:
270 Park Avenue
New York, NY 10017
Attention: Buddy Wuthrich

[DATE]

Ladies and Gentlemen:

Each undersigned Lender hereby agrees to extend, effective on [insert effective date, which shall be no more than 29 days prior to the existing Termination Date] (the "Extension Date"), the Termination Date under the 5-Year Credit Agreement dated as of April 30, 2003 (as the same may be amended, supplemented or otherwise modified from time to time, the "Credit Agreement") among The Pepsi Bottling Group, Inc., Bottling Group, LLC, the Lenders and agents party thereto and JPMorgan Chase Bank, as administrative agent for the Lenders, to _____ [one year from the effective date of this Extension Agreement]. Terms defined in the Credit Agreement are used herein as therein defined.

This Agreement may be executed by one or more of the parties to this Agreement on any number of separate counterparts, and all of said counterparts taken together shall be deemed to constitute one and the same instrument.

[Remainder of this page intentionally left blank]

Form of Notice of Competitive Bid Borrowing

EXHIBIT B

FORM OF ASSIGNMENT AND ACCEPTANCE

Reference is made to the 5-Year Credit Agreement dated as of April 30, 2003 (as amended or modified from time to time, the "Credit Agreement"), among THE PEPSI BOTTLING GROUP, INC., a Delaware corporation (the "Company"), Bottling Group, LLC (the "Guarantor"), the Lenders (as defined in the Credit Agreement) and JPMorgan Chase Bank, as administrative agent for the Lenders (the "Agent"). Terms defined in the Credit Agreement are used herein with the same meaning.

The "Assignor" and the "Assignee" referred to on Schedule 1 hereto agree as follows:

(1) The Assignor hereby sells and assigns to the Assignee, and the Assignee hereby purchases and assumes from the Assignor, an interest in and to the Assignor's rights and obligations under the Credit Agreement as of the date hereof (other than in respect of Competitive Bid Advances) equal to the percentage interest specified on Schedule 1 hereto of all outstanding rights and obligations under the Credit Agreement (other than in respect of Competitive Bid Advances). After giving effect to such sale and assignment, the Assignee's Commitment and the amount of the Revolving Credit Advances owing to the Assignee will be as set forth on Schedule 1 hereto.

(2) The Assignor (i) represents and warrants that it is the legal and beneficial owner of the interest being assigned by it hereunder and that such interest is free and clear of any adverse claim; (ii) makes no representation or warranty and assumes no responsibility with respect to any statements, warranties or representations made in or in connection with the Credit Agreement or the execution, legality, validity, enforceability, genuineness, sufficiency or value of the Credit Agreement or any other instrument or document furnished pursuant thereto; and (iii) makes no representation or warranty and assumes no responsibility with respect to the financial condition of the Company or the performance or observance by the Company of any of its obligations or the obligations of any Borrower under the Credit Agreement or any other instrument or document furnished pursuant thereto.

(3) The Assignee (i) confirms that it has received a copy of the Credit Agreement, together with copies of the financial statements referred to in Section 4.01 thereof and such other documents and information as it has deemed appropriate to make its own credit analysis and decision to enter into this Assignment and Acceptance; (ii) agrees that it will, independently and without reliance upon the Agent, the Assignor or any other Lender and based on such documents and information as it shall deem appropriate at the time, continue to make its own credit decisions in taking or not taking action under the Credit Agreement; (iii) confirms that it is an Eligible Assignee; (iv) appoints and authorizes the Agent to take such action as agent on its behalf and to exercise such powers and discretion under the Credit Agreement as are delegated to the Agent by the terms thereof, together with such powers and discretion as are reasonably incidental thereto; (v) agrees that it will perform in accordance with their terms all of the obligations that by the terms of the Credit Agreement are required to be performed by it as a Lender; and (vi)

attaches any U.S. Internal Revenue Service forms required under Section 2.14 of the Credit Agreement.

(4) Following the execution of this Assignment and Acceptance, it will be delivered to the Agent for acceptance and recording by the Agent. The effective date for this Assignment and Acceptance (the "Effective Date") shall be the date of acceptance hereof by the Agent, unless otherwise specified on Schedule 1 hereto.

(5) Upon such acceptance and recording by the Agent, as of the Effective Date, (i) the Assignee shall be a party to the Credit Agreement and, to the extent provided in this Assignment and Acceptance, have the rights and obligations of a Lender thereunder and (ii) the Assignor shall, to the extent provided in this Assignment and Acceptance, relinquish its rights and be released from its obligations under the Credit Agreement.

(6) Upon such acceptance and recording by the Agent, from and after the Effective Date, the Agent shall make all payments under the Credit Agreement in respect of the interest assigned hereby (including, without limitation, all payments of principal, interest and facility fees with respect thereto) to the Assignee. The Assignor and Assignee shall make all appropriate adjustments in payments under the Credit Agreement for periods prior to the Effective Date directly between themselves.

(7) This Assignment and Acceptance shall be governed by, and construed in accordance with, the law of the State of New York.

(8) This Assignment and Acceptance 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. Delivery of an executed counterpart of Schedule 1 to this Assignment and Acceptance by telecopier shall be effective as delivery of a manually executed counterpart of this Assignment and Acceptance.

IN WITNESS WHEREOF, the Assignor and the Assignee have caused Schedule 1 to this Assignment and Acceptance to be executed by their officers thereunto duly authorized as of the date specified thereon.

Schedule 1
to
Assignment and Acceptance

Percentage interest assigned: ___%

Assignee's Commitment: $_____

Aggregate outstanding principal
amount of Revolving Credit Advances assigned: $_____

Effective Date(2): _____, ____

[NAME OF ASSIGNOR], as Assignor

By
Title:

Dated: ,

[NAME OF ASSIGNEE], as Assignee

By
Title:

Dated: ,

Domestic Lending Office:
[Address]

Eurodollar Lending Office:
[Address]

(2) This date should be no earlier than five Business Days after the delivery of this Assignment and Acceptance to the Agent.

Accepted and Approved this
____ day of _____, ____

JPMORGAN CHASE BANK, as Agent

By: _____
Name:
Title:

Approved this ____ day
of _____, ____

THE PEPSI BOTTLING GROUP, INC.

By: _____
Name:
Title:

Schedule 1 to Assignment and Acceptance

EXHIBIT C

FORM OF OPINION OF GENERAL COUNSEL OF THE COMPANY AND THE GUARANTOR

[Effective Date]

To each of the Lenders parties
to the 5-Year Credit Agreement dated
as of April 30, 2003
among The Pepsi Bottling Group, Inc.,
said Lenders and JPMorgan Chase Bank,
as Agent for said Lenders, and
to JPMorgan Chase Bank, as Agent

The Pepsi Bottling Group, Inc.

Ladies and Gentlemen:

This opinion is furnished to you pursuant to Section 3.01(g)(v) of the 5-Year Credit Agreement, dated as of April 30, 2003 (the "Credit Agreement"), among The Pepsi Bottling Group, Inc. (the "Company"), Bottling Group, LLC, (the "Guarantor"), the Lenders parties thereto and JPMorgan Chase Bank, as Agent for said Lenders, providing for extensions of credit to be made by said Lenders to the Company in an aggregate principal amount at any one time outstanding of up to $250,000,000. Terms defined in the Credit Agreement are used herein as therein defined.

I am the General Counsel of the Company and have acted as counsel to the Company and the Guarantor in connection with the Credit Agreement. In connection with this opinion, I have examined:

(1) The Credit Agreement.

(2) The documents furnished by the Company and the Guarantor pursuant to subsections 3.01(g)(i)-(iv) of the Credit Agreement.

(3) The Articles of Incorporation of the Company and all amendments thereto (the "Charter").

(4) The by-laws of the Company and all amendments thereto (the "By-laws").

(5) A certificate of the Secretary of State of Delaware, dated _____, 2003, attesting to the continued corporate existence and good standing of the Company in that State.

(6) The Amended and Restated Limited Liability Company Agreement of the Guarantor, dated as of March 30, 1999, and all amendments thereto (the "LLC Agreement").

(7) The Certificate of Formation of the Guarantor and all amendments thereto (the "Certificate of Formation").

(8) A certificate of the Secretary of State of Delaware dated _____, 2003, attesting to the continued existence and good standing of the Guarantor in that State.

(9) Resolutions of the Board of Directors of the Company adopted on April 26, 1999 and September 5, 2002.

(10) Resolutions of the Managing Directors of the Guarantor adopted on June 4, 1999.

In addition, I have examined the originals, or copies certified or otherwise identified to my satisfaction, of such other corporate records of the Company and the Guarantor, certificates of public officials and of officers of the Company and the Guarantor, and agreements, instruments and other documents, as I have deemed necessary as a basis for the opinions expressed below. I have assumed the due execution and delivery, pursuant to due authorization, of the Credit Agreement by the Initial Lenders and the Agent.

The opinions expressed below are limited to the law of the State of New York, the Delaware corporate law, the Federal law of the United States and, with respect to paragraphs 1 and 2 and clauses (i), (ii) and (iii)(a) of paragraph 3 only, the Delaware General Corporation Law and the Delaware Limited Liability Company Act.

Based upon the foregoing and upon such investigation as I have deemed necessary and subject to the qualifications set forth herein, I am of the following opinion:

(1) The Company is a corporation validly existing and in good standing under the laws of the State of Delaware.

(2) The Guarantor is a limited liability company validly existing and in good standing under the laws of the state of Delaware.

(3) The execution, delivery and performance by the Company and the Guarantor of the Credit Agreement (i) are within the Company's corporate, and the Guarantor's limited liability company, powers, (ii) have been duly authorized by all necessary corporate, or limited liability company, action, and (iii) do not contravene (a) the Charter or the Bylaws of the Company or the LLC Agreement or Certificate of Formation of the Guarantor or (b) to the best

of my knowledge (1) any United States Federal or New York State law, rule or regulation applicable to the Company or the Guarantor (including, without limitation, Regulation X of the Board of Governors of the Federal Reserve System) or (2) any contractual or legal restriction contained in any material judgment, decree, mortgage, agreement, indenture or other instrument to which the Company or the Guarantor is a party. The Credit Agreement has been duly executed and delivered on behalf of the Company and the Guarantor.

(4) No authorization, approval or other action by, and no notice to or filing with, any governmental authority or regulatory body of the State of New York or the Federal government of the United States is required for the due execution, delivery and performance by the Company or the Guarantor of the Credit Agreement.

(5) The Credit Agreement is a valid and binding obligation of the Company and the Guarantor enforceable against the Company and the Guarantor in accordance with its terms.

(6) To the best of my knowledge and except as disclosed in the Company's consolidated financial statements, there are no pending or overtly threatened actions or proceedings against the Company or any of its Subsidiaries, before any court, governmental agency or arbitrator that purport to affect the legality, validity, binding effect or enforceability of the Credit Agreement or that are likely to have a materially adverse effect upon the financial condition or operations of the Company or any of its Subsidiaries.

The opinions set forth above are subject to the following qualifications:

(1) My opinion in paragraph 5 above is subject to the effect of any applicable bankruptcy, insolvency, reorganization, moratorium or similar law affecting creditors' rights generally.

(2) My opinion in paragraph 5 above is subject to the effect of general principles of equity, including, without limitation, concepts of materiality, reasonableness, good faith and fair dealing (regardless of whether considered in a proceeding in equity or at law).

(3) I express no opinion as to the effect (if any) of the law of any jurisdiction (other than the State of New York) wherein any Lender may be located or wherein enforcement of the Credit Agreement may be sought that limits the rates of interest that such Lender may charge or collect.

(4) I express no opinion as to the effect of Section 548 of the United States Bankruptcy Code or any similar provision of State law.

In all respects and for all purposes, this opinion is given solely for the benefit of the Agent and the Lenders and may not be relied upon by any other person or entity without my prior written consent.

Very truly yours,

EXHIBIT D

FORM OF DESIGNATION LETTER

_____, ____

To JPMorgan Chase Bank
as Agent

Attention: Cherry Arnaez

Ladies and Gentlemen:

We make reference to the 5-Year Credit Agreement (as amended, supplemented and otherwise modified and in effect from time to time, the "Credit Agreement") dated as of April 30, 2003 among The Pepsi Bottling Group, Inc. (the "Company"), Bottling Group, LLC (the "Guarantor"), JPMorgan Chase Bank, as administrative agent (the "Agent"), and the banks party thereto (the "Initial Lenders"). Terms defined in the Credit Agreement are used herein as defined therein.

The Company hereby designates [_____] (the "Borrowing Subsidiary"), a Subsidiary of the Company and a corporation duly incorporated under the laws of [_____] as a Borrower in accordance with Section 2.17 of the Credit Agreement until such designation is terminated in accordance with said Section 2.17.

The Borrowing Subsidiary hereby accepts the above designation and hereby expressly and unconditionally accepts the obligations of a Borrower under the Credit Agreement, adheres to the Credit Agreement and agrees and confirms that, upon your execution and return to the Company of the enclosed copy of this letter, such Borrowing Subsidiary shall be a Borrower for purposes of the Credit Agreement and agrees to be bound by and perform and comply with the terms and provisions of the Credit Agreement applicable to it as if it had originally executed the Credit Agreement as a Borrower. The Borrowing Subsidiary hereby authorizes and empowers the Company to act as its representative and attorney-in-fact for the purposes of signing documents and giving and receiving notices (including notices of Borrowing under the Credit Agreement) and other communications in connection with the Credit Agreement and the transactions contemplated thereby and for the purposes of modifying or amending any provision of the Credit Agreement and further agrees that the Agent and each Lender may conclusively rely on the foregoing authorization.

The Borrowing Subsidiary represents and warrants that each of the representations and warranties set forth in Section 4.01(a) (as if the reference therein to Delaware were a reference to its jurisdiction of organization), (b), (c) and (d) of the Credit Agreement are true as if each reference therein to the Company were a reference to the Borrowing Subsidiary

and as if each reference therein to the Loan Documents were a reference to this Designation Letter.

The Borrowing Subsidiary hereby agrees that this Designation Letter and the Credit Agreement shall be governed by, and construed in accordance with, the law of the State of New York. The Borrowing Subsidiary hereby submits to the nonexclusive jurisdiction of any New York state court or Federal court of the United States of America sitting in New York City, and any appellate court from any thereof, in any action or proceeding arising out of or relating to this Designation Letter, the Credit Agreement or for recognition or enforcement of any judgment. The Borrowing Subsidiary irrevocably waives, to the fullest extent permitted by law, any objection which it may now or hereafter have to the laying of the venue of any such proceeding brought in such a court and any claim that any such proceeding brought in such a court has been brought in an inconvenient forum. The Borrowing Subsidiary further agrees that service of process in any such action or proceeding brought in New York may be made upon it by service upon the Borrower at the "Address for Notices" specified below its name on the signature pages to the Credit Agreement.

Without limiting the foregoing, the Borrowing Subsidiary joins in the submission, agreements, waivers and consents in Section 8.11 and 8.12 of the Credit Agreement.

THE PEPSI BOTTLING GROUP, INC.

By: _____
Name:
Title:

[NAME OF BORROWING SUBSIDIARY]

By: _____
Name:
Title:

ACCEPTED:

JPMORGAN CHASE BANK,
as Agent

By: _____
Name:
Title:

EXHIBIT E

FORM OF SUBSTITUTION LETTER

_____, ____

To JPMorgan Chase Bank
as Agent

Attention: Cherry Arnaez

Ladies and Gentlemen:

We make reference to the 5-Year Credit Agreement (as amended, supplemented and otherwise modified and in effect from time to time, the "Credit Agreement") dated as of April 30, 2003 among The Pepsi Bottling Group, Inc. (the "Company"), Bottling Group, LLC (the "Guarantor"), JPMorgan Chase Bank, as administrative agent (the "Agent"), and the banks party thereto (the "Initial Lenders"). Terms defined in the Credit Agreement are used herein as defined therein.

The Company hereby elects to terminate its rights as a Borrower under the Credit Agreement and designates the Guarantor as the exclusive Borrower thereunder, in accordance with Section 2.17 of the Credit Agreement.

The Guarantor hereby accepts the above substitution and hereby expressly and unconditionally accepts the obligations of the Company under the Credit Agreement, adheres to the Credit Agreement and agrees and confirms that, as of the date hereof, the Guarantor shall become a Borrower for purposes of the Credit Agreement and agrees to be bound by and perform and comply with the terms and provisions of the Credit Agreement applicable to it as if it had originally executed the Credit Agreement as the Company.

The Company and the Guarantor hereby represent and warrant to the Agent and each Lender that, before and after giving effect to this Substitution Letter, (i) the representations and warranties set forth in Section 4.01 of the Credit Agreement (except the representations set forth in the last sentence of subsection (e) thereof and in subsection (f) thereof (other than clause (ii) thereof)) are true and correct in all material respects on the date hereof and after giving effect to the substitution contemplated hereby as if made on and as of the date hereof and (ii) no Default has occurred and is continuing.

The Company and the Guarantor hereby agree that this Substitution Letter shall be governed by, and construed in accordance with, the law of the State of New York. The Company and the Guarantor hereby submit to the nonexclusive jurisdiction of the United States District Court for the Southern District of New York and of any New York state court sitting in New

York City for the purposes of all legal proceedings arising out of or relating to this Substitution Letter or the transactions contemplated hereby.

THE PEPSI BOTTLING GROUP, INC.

By:
Name:
Title:

BOTTLING GROUP, LLC

By:
Name:
Title:

EXHIBIT F

FORM OF TERMINATION LETTER

_____, ____

To JPMorgan Chase Bank,
as Agent

Attention: Cherry Arnaez

Ladies and Gentlemen:

We make reference to the 5-Year Credit Agreement (as amended, supplemented and otherwise modified and in effect from time to time, the "Credit Agreement") dated as of April 30, 2003 by and among The Pepsi Bottling Group, Inc. (the "Company"), Bottling Group, LLC (the "Guarantor"), JPMorgan Chase Bank, as administrative agent, and the banks party thereto. Terms defined in the Credit Agreement are used herein as defined therein.

The Company hereby terminates the status as a Borrowing Subsidiary of [_____], a corporation incorporated under the laws of [_____], in accordance with Section 2.17 of the Credit Agreement, effective as of the date of receipt of this notice by the Agent. The undersigned hereby represents and warrants that all principal of and interest on any Advance of the above-referenced Borrowing Subsidiary and all other amounts payable by such Borrowing Subsidiary pursuant to the Credit Agreement have been paid in full on or prior to the date hereof. Notwithstanding the foregoing, this Termination Letter shall not affect any obligation which by the terms of the Credit Agreement survives termination thereof

THE PEPSI BOTTLING GROUP, INC.

By: _____
Name:
Title:

EXHIBIT 4.8

EXECUTION COUNTERPART

==========

U.S. $250,000,000
364-DAY CREDIT AGREEMENT

Dated as of April 30, 2003

among

THE PEPSI BOTTLING GROUP, INC.

BOTTLING GROUP, LLC

THE LENDERS NAMED HEREIN

JPMORGAN CHASE BANK,
as Agent,

CITIGROUP GLOBAL MARKETS INC. and
BANC OF AMERICA SECURITIES LLC,
as Joint Lead Arrangers and
Book Managers

and

CITIBANK, N.A.,
BANK OF AMERICA, N.A.,
CREDIT SUISSE FIRST BOSTON, and
DEUTSCHE BANK SECURITIES INC.
as Syndication Agents

==========

EXHIBIT 4.8

TABLE OF CONTENTS

CREDIT AGREEMENT

Dated as of April 30, 2003

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 ("JPMorgan"), as administrative agent (in such capacity, the "Agent") for the Lenders (as hereinafter defined), agree as follows:

ARTICLE I

DEFINITIONS AND ACCOUNTING

SECTION 1.01. Certain Defined Terms. As used in this Agreement, the following terms shall have the following meanings (such meanings to be equally applicable to both the singular and plural forms of the terms defined):

"Advance" means a Revolving Credit Advance or a Competitive Bid Advance.

"Affiliate" means, as to any Person, any other Person that, directly or indirectly, controls, is controlled by or is under common control with such Person or is a director or officer of such Person. For purposes of this definition, the term "control" (including the terms "controlling", "controlled by" and "under common control with") of a Person means the possession, direct or indirect, of the power to vote 5% or more of the Voting Stock of such Person or to direct or cause the direction of the management and policies of such Person, whether through the ownership of Voting Stock, by contract or otherwise.

"Agent's Account" means the account of the Agent maintained by the Agent at JPMorgan with its office at 270 Park Avenue, New York, New York 10017.

"Alternate Covenant Date" means any day on which the Index Debt of Pepsi shall be rated less than A- by S&P or less than A3 by Moody's.

"Applicable Facility Fee Rate" means, for any Rating Level Period, the rate per annum set forth in Schedule 2 opposite the reference to such Rating Level Period under the heading "Applicable Facility Fee Rate". Each change in the Applicable Facility Fee Rate resulting from a Rating Level Change shall be effective on the date of such Rating Level Change.

"Applicable Lending Office" means, with respect to each Lender, such Lender's Domestic Lending Office in the case of the Base Rate Advance and such Lender's Eurodollar Lending Office in the case of a Eurodollar Rate Advance and, in the case of a Competitive Bid

Advance, the office of such Lender notified by such Lender to the Agent as Applicable Lending Office with respect to such Competitive Bid Advance.

"Applicable Margin" means, with respect to any Eurodollar Rate Advance, (i) until but not including the Term Out Date, for any Rating Level Period, the rate per annum set forth in Schedule 2 opposite the reference to such Rating Level Period under the heading "Applicable Margin" and (ii) from and after the Term Out Date, for any Rating Level Period, the rate per annum set forth in Schedule 2 opposite the reference to such Rating Level Period under the heading "Term Out Applicable Margin". Each change in the Applicable Margin resulting from a Rating Level Change shall be effective on the date of such Rating Level Change.

"Applicable Percentage" means, with respect to any Lender, the percentage of the total Commitments represented by such Lender's Commitment. If the Commitments have terminated or expired, the Applicable Percentages shall be determined based upon the Commitments most recently in effect, giving effect to any assignments.

"Applicable Utilization Fee Rate" means, for any Rating Level Period, the rate per annum set forth in Schedule 2 opposite the reference to such Rating Level Period under the heading "Applicable Utilization Fee Rate". Each change in the Applicable Utilization Fee Rate resulting from a Rating Level Change shall be effective on the date of such Rating Level Change.

"Assignment and Acceptance" means an assignment and acceptance entered into by a Lender and an Eligible Assignee, and accepted by the Agent, in substantially the form of Exhibit B hereto.

"Base Rate" means a fluctuating interest rate per annum in effect from time to time, which rate per annum shall at all times be equal to the higher of:

(a) the rate of interest announced publicly by JPMorgan in New York, New York, from time to time, as JPMorgan's prime rate; and

(b) 1/2 of one percent per annum above the Federal Funds Rate.

"Base Rate Advance" means a Revolving Credit Advance that bears interest as provided in Section 2.07(a).

"Borrowers" means, at any time, collectively, the Company unless the Substitution Date has occurred pursuant to Section 2.17, each Borrowing Subsidiary and, on and after the Substitution Date has occurred pursuant to Section 2.17, the Guarantor.

"Borrowing" means a Revolving Credit Borrowing or a Competitive Bid Borrowing.

"Borrowing Subsidiary" means any Subsidiary of the Company, as to which a Designation Letter has been delivered to the Agent and as to which a Termination Letter has not been delivered to the Agent in accordance with Section 2.17.

"Business Day" means a day of the year on which banks are not required or authorized by law to close in New York City and, if the applicable Business Day relates to any Eurodollar Rate Advances, on which dealings are carried on in the London interbank market.

"Change of Control" means (a) the acquisition of ownership, directly or indirectly, beneficially or of record, by any Person or group (within the meaning of the Securities Exchange Act of 1934, and the rules of the Securities and Exchange Commission thereunder as in effect on the date hereof) other than Pepsi, of shares representing more than 25% of the aggregate ordinary voting power represented by the issued and outstanding capital stock of the Company; (b) occupation of a majority of the seats (other than vacant seats) on the board of directors of the Company by Persons who were neither (i) nominated by the board of directors of the Company nor (ii) appointed by directors so nominated; or (c) the acquisition of direct or indirect Control of the Company by any Person or group other than Pepsi.

"Commitment" has the meaning specified in Section 2.01.

"Competitive Bid Advance" means an advance by a Lender to a Borrower as part of a Competitive Bid Borrowing resulting from the auction bidding procedure described in Section 2.03 and refers to a Fixed Rate Advance or a LIBO Rate Advance.

"Competitive Bid Borrowing" means a borrowing consisting of simultaneous Competitive Bid Advances from each of the Lenders whose offer to make one or more Competitive Bid Advances as part of such borrowing has been accepted under the auction bidding procedure described in Section 2.03.

"Competitive Bid Reduction" has the meaning specified in Section 2.01.

"Confidential Information" means information that the Company furnishes to the Agent or any Lender in a writing designated as confidential, but does not include any such information that is or becomes generally available to the public or that is or becomes rightfully available to the Agent or such Lender from a source other than the Company.

"Consolidated" refers to the consolidation of accounts in accordance with GAAP. The Company shall cause the Guarantor at all times to remain a Consolidated Subsidiary.

"Consolidated EBITDA" means, for any period, Consolidated Net Income for such period plus, without duplication and to the extent reflected as a charge in the statement of such Consolidated Net Income for such period, the sum of (a) income tax expense, (b) interest expense, amortization or writeoff of debt discount with respect to Debt (including the Advances), (c) depreciation and amortization expense, (d) amortization of intangibles (including, but not limited to, goodwill) and organization costs, (e) any extraordinary expenses or losses (including, whether or not otherwise includable as a separate item in the statement of such Consolidated Net

Income for such period, losses on sales of assets outside of the ordinary course of business), and (f) any other non-cash charges, and minus, to the extent included in the statement of such Consolidated Net Income for such period, the sum of (a) any extraordinary income or gains (including, whether or not otherwise includable as a separate item in the statement of such Consolidated Net Income for such period, gains on the sales of assets outside of the ordinary course of business) and (b) any other non-cash income, all as determined on a Consolidated basis; in each case exclusive of the cumulative effect of foreign currency gains or losses. For the purposes of calculating Consolidated EBITDA for any period pursuant to any determination of the Consolidated Leverage Ratio, if during such period the Company or any Subsidiary, including the Guarantor, shall have made an acquisition or incurred or assumed (without duplication of any Debt incurred to refinance such assumed Debt) any Debt, Consolidated EBITDA for such period shall be calculated after giving pro forma effect thereto as if such acquisition occurred and such Debt had been incurred or assumed or refinanced on the first day of such period.

"Consolidated Leverage Ratio" means, as at the last day of any Fiscal Quarter, the ratio of (a) Consolidated Total Debt on such day to (b) Consolidated EBITDA for the four consecutive fiscal quarters then ended (taken as one accounting period).

"Consolidated Net Income" means, for any period, the consolidated net income (or loss) of the Company, its Restricted Subsidiaries and the Guarantor, determined on a consolidated basis in accordance with GAAP, before deduction of any minority interests in the Guarantor and excluding the cumulative effect of any foreign currency gains or losses.

"Consolidated Net Tangible Assets" means the total assets of the Company, its Restricted Subsidiaries and the Guarantor (less applicable depreciation, amortization, and other valuation reserves), except to the extent resulting from write-ups of capital assets (other than writeups in connection with accounting for acquisitions, in accordance with GAAP), less all current liabilities (excluding intercompany liabilities) and all intangible assets of the Company, its Restricted Subsidiaries and the Guarantor, all as set forth on the then most recent Consolidated balance sheet of the Company, its Restricted Subsidiaries and the Guarantor, prepared in accordance with GAAP, but before deduction of any minority interests in the Guarantor and exclusive of any foreign currency translation adjustments.

"Consolidated Net Worth" means, as of any date of determination, all items which in conformity with GAAP would be included under shareholders' equity on a Consolidated balance sheet of the Company and its Subsidiaries, including the Guarantor, at such date plus amounts representing mandatorily redeemable preferred securities issued by Subsidiaries of the Company, including the Guarantor, but before deduction of any minority interests in the Guarantor and exclusive of any foreign currency translation adjustments.

"Consolidated Total Debt" means, at any date (i) the aggregate principal amount of all Debt of the Company and its Subsidiaries, including the Guarantor minus (ii) the aggregate amount (not in excess of $500,000,000) of all cash and cash equivalents of the Company and its Subsidiaries, in each case at such date and determined on a Consolidated basis in accordance with GAAP.

"Control" means the possession, directly or indirectly, of the power to direct or cause the direction of the management or policies of a Person, whether through the ability to exercise voting power, by contract or otherwise. "Controlling" and "Controlled" have meanings correlative thereto.

"Convert", "Conversion" and "Converted" each refers to a conversion of Revolving Credit Advances of one Type into Revolving Credit Advances of the other Type pursuant to Section 2.08 or 2.09.

"Debt" of any Person means, without duplication, (a) all indebtedness of such Person for borrowed money, (b) all obligations of such Person for the deferred purchase price of property or services (other than trade accounts payable arising in the ordinary course of business), (c) all obligations of such Person evidenced by notes, bonds, debentures or other similar instruments, (d) all obligations (other than trade accounts payable arising in the ordinary course of business) of such Person created or arising under any conditional sale or other title retention agreement with respect to property acquired by such Person (even though the rights and remedies of the seller or lender under such agreement in the event of default are limited to repossession or sale of such property), (e) all obligations of such Person as lessee under leases that have been or should be, in accordance with GAAP, recorded as capital leases, (f) all Debt of others referred to in clauses (a) through (c) above or clause (g) below guaranteed directly or indirectly in any manner by such Person, or in effect guaranteed directly or indirectly by such Person through (i) an agreement (1) to pay or purchase such Debt or to advance or supply funds for the payment or purchase of such Debt, (2) to purchase, sell or lease (as lessee or lessor) property, or to purchase or sell services, primarily for the purpose of enabling the debtor to make payment of such Debt or to assure the holder of such Debt against loss, (3) to supply funds to or in any other manner invest in the debtor (including any agreement to pay for property or services irrespective of whether such property is received or such services are rendered) or (4) otherwise to assure a creditor against loss, or (ii) a standby letter of credit and (g) all Debt referred to in clauses (a) through (f) above secured by (or for which the holder of such Debt has an existing right, contingent or otherwise, to be secured by) any Lien on property (including, without limitation, accounts and contract rights) owned by such Person, even though such Person has not assumed or become liable for the payment of such Debt.

"Debt to Capitalization Ratio" means at any time the ratio of (x) Consolidated Total Debt to (y) the sum of (i) Consolidated Total Debt plus (ii) Consolidated Net Worth.

"Declining Lender" has the meaning assigned to that term in Section 2.06(c).

"Default" means any Event of Default or any event that would constitute an Event of Default but for the requirement that notice be given or time elapse or both.

"Designation Letter" has the meaning specified in Section 2.17(a).

"Domestic Lending Office" means, with respect to any Lender, the office of such Lender specified as its "Domestic Lending Office" opposite its name on Schedule 1 hereto or in

the Assignment and Acceptance pursuant to which it became a Lender, or such other office of such Lender as such Lender may from time to time specify to the Company and the Agent.

"Effective Date" has the meaning specified in Section 3.01.

"Eligible Assignee" means (i) a Lender; (ii) an Affiliate of a Lender; (iii) a commercial bank organized under the laws of the United States, or any State thereof, and having total assets in excess of $15,000,000,000 and a combined capital and surplus of at least $1,000,000,000; (iv) a savings and loan association or savings bank organized under the laws of the United States, or any State thereof, and having total assets in excess of $15,000,000,000 and a combined capital and surplus of at least $1,000,000,000; (v) a commercial bank organized under the laws of any other country that is a member of the Organization for Economic Cooperation and Development or has concluded special lending arrangements with the International Monetary Fund associated with its General Arrangements to Borrow or of the Cayman Islands, or a political subdivision of any such country, and having total assets in excess of $l5,000,000,000 and a combined capital and surplus of at least $1,000,000,000 so long as such bank is acting through a branch or agency located in the United States or in the country in which it is organized or another country that is described in this clause (v); (vi) the central bank of any country that is a member of the Organization for Economic Cooperation and Development; provided, however, that each Person described in clauses (ii) through (vi) shall have a short term public debt rating of not less than A by S&P or Moody's or shall be approved by the Company; and (vii) any other Person approved by the Company, such approval not to be unreasonably withheld or delayed; provided, however, that neither the Company nor an Affiliate of the Company shall qualify as an Eligible Assignee.

"Environmental Law" means any federal, state, local or foreign statute, law, ordinance, rule, regulation, code, order, judgment, decree or judicial or agency interpretation, policy or guidance relating to the environment, health, safety or Hazardous Materials.

"ERISA" means the Employee Retirement Income Security Act of 1974, as amended from time to time, and the regulations promulgated and rulings issued thereunder.

"Eurodollar Lending Office" means, with respect to any Lender, the office of such Lender specified as its "Eurodollar Lending Office" opposite its name on Schedule 1 hereto or in the Assignment and Acceptance pursuant to which it became a Lender (or, if no such office is specified, its Domestic Lending Office), or such other office of such Lender as such Lender may from time to time specify to the Company and the Agent.

"Eurodollar Rate" means, for any Interest Period for each Eurodollar Rate Advance comprising part of the same Revolving Credit Borrowing, an interest rate per annum appearing on Page 3750 of the Telerate Service (or on any successor or substitute page of such Service, or any successor to or substitute for such Service, providing rate quotations comparable to those currently provided on such page of such Service, as determined by the Agent from time to time for purposes of providing quotations of interest rates applicable to Dollar deposits in the London interbank market) as of 11:00 A.M. (London time) on the date two Business Days prior to the first day of such Interest Period as the rate for Dollar deposits having a term comparable to

such Interest Period, or in the event such offered rate is not available from said Page 3750, the average (rounded to the nearer whole multiple of 1/16 of 1% per annum, if such average is not such a multiple) of the rate per annum at which deposits in U.S. dollars are offered by the principal office of each of the Reference Banks in London, England to prime banks in the London interbank market at 11:00 A.M. (London time) two Business Days before the first day of such Interest Period in an amount substantially equal to such Reference Bank's Eurodollar Rate Advance comprising part of such Revolving Credit Borrowing to be outstanding during such Interest Period and for a period equal to such Interest Period. If the Eurodollar Rate does not appear on said Page 3750 (or any successor page), the Eurodollar Rate for any Interest Period for each Eurodollar Rate Advance comprising part of the same Revolving Credit Borrowing shall be determined by the Agent on the basis of applicable rates furnished to and received by the Agent from the Reference Banks two Business Days before the first day of such Interest Period, subject, however, to the provisions of Section 2.08.

"Eurodollar Rate Advance" means a Revolving Credit Advance that bears interest as provided in Section 2.07(b).

"Events of Default" has the meaning specified in Section 6.01.

"Extension Agreement" means an Extension Agreement substantially in the form contained in Exhibit A-3 hereto.

"Federal Funds Rate" means, for any period, a fluctuating interest rate per annum equal for each day during such period to the weighted average of the rates on overnight Federal funds transactions with members of the Federal Reserve System arranged by Federal funds brokers, as published for such day (or, if such day is not a Business Day, for the next preceding Business Day) by the Federal Reserve Bank of New York, or, if such rate is not so published for any day that is a Business Day, the average of the quotations for such day on such transactions received by the Agent from three Federal funds brokers of recognized standing selected by it.

"Fiscal Quarter" means a period of 13 or (or 14) weeks treated by the Company as a fiscal quarter.

"Fiscal Year" means the period of 52 (or 53) weeks ending on the last Saturday of any calendar year and treated by the Company as its fiscal year.

"5-Year Facility" means the 5-Year Credit Agreement dated as of April 30, 2003 among the Company, the Guarantor, certain banks, financial institutions and other institutional lenders, and JPMorgan, as agent, as from time to time amended.

"Fixed Rate Advances" has the meaning specified in Section 2.03(b).

"GAAP" means generally accepted accounting principles as in effect from time to time, applied on a basis consistent (except for changes concurred in by the Company's independent public accountants) with the most recent audited Consolidated financial statements of the Company and its Subsidiaries delivered to the Lenders.

"Granting Lender" has the meaning specified in Section 8.07(e).

"Guaranteed Party" has the meaning specified in Section 9.01.

"Hazardous Materials" means petroleum and petroleum products, byproducts or breakdown products, radioactive materials, asbestos-containing materials, radon gas and any other chemicals, materials or substances designated, classified or regulated as being "hazardous" or "toxic", or words of similar import, under any federal, state, local or foreign statute, law, ordinance, rule, regulation, code, order, judgment, decree or judicial or agency interpretation, policy or guidance.

"Index Debt" of any Person means senior, unsecured, long term indebtedness for borrowed money of such Person that is not guaranteed by any other Person (other than, in the case of the Company, the Guarantor) or subject to any other credit enhancement.

"Information Memorandum" means the information memorandum dated March 17, 2003 used by the Agent in connection with the syndication of the Commitments.

"Interest Period" means, for each Eurodollar Rate Advance comprising part of the same Revolving Credit Borrowing, the period commencing on the date of such Eurodollar Rate Advance or the date of the Conversion of any Base Rate Advance into such Eurodollar Rate Advance and ending on the last day of the period selected by the Company pursuant to the provisions below and, thereafter, each subsequent period commencing on the last day of the immediately preceding Interest Period and ending on the last day of the period selected by the Company pursuant to the provisions below. The duration of each such Interest Period shall be one, two, three, six or, to the extent available from all the Lenders, nine months, as the Company may, upon notice received by the Agent not later than 11:00 A.M. (New York City time) on the third Business Day prior to the first day of such Interest Period, select; provided, however, that:

(1) the Company may not select any Interest Period that ends after the Termination Date (subject to Section 2.06(d) relating to Termed Out Loans);

(2) Interest Periods commencing on the same date for Eurodollar Rate Advances comprising part of the same Revolving Credit Borrowing shall be of the same duration;

(3) whenever the last day of any Interest Period would otherwise occur on a day other than a Business Day, the last day of such Interest Period shall be extended to occur on the next succeeding Business Day, provided, however, that, if such extension would cause the last day of such Interest Period to occur in the next following calendar month, the last day of such Interest Period shall occur on the next preceding Business Day; and

(4) whenever the first day of any Interest Period occurs on a day of an initial calendar month for which there is no numerically corresponding day in the calendar month that succeeds such initial calendar month by the number of months equal to the

number of months in such Interest Period, such Interest Period shall end on the last Business Day of such succeeding calendar month.

"Internal Revenue Code" means the Internal Revenue Code of 1986, as amended from time to time, and the regulations promulgated and rulings issued thereunder.

"Lenders" means the Initial Lenders and each Person that shall become a party hereto pursuant to Sections 2.05(c), 2.06(d) or 8.07.

"LIBO Rate Advances" has the meaning specified in Section 2.03(b).

"Lien" means any lien, security interest or other charge or encumbrance of any kind, or any other type of preferential arrangement, including, without limitation, the lien or retained security title of a conditional vendor.

"Loan Documents" means, collectively, this Agreement, each promissory note issued thereunder, each Designation Letter and each Termination Letter.

"Loan Party" has the meaning specified in Section 4.01.

"Margin Stock" means margin stock within the meaning of Regulation U of the Board of Governors of the Federal Reserve System.

"Master Bottling Agreement" means the Master Bottling Agreement dated March 30, 1999, between the Company and Pepsi or any successor or replacement agreement that confers substantially the same benefits on the Company as the Master Bottling Agreement conferred on the date hereof.

"Material Adverse Change" means any material adverse change in the financial condition, operations or properties of the Company or the Company and its Subsidiaries (including the Guarantor) taken as a whole.

"Material Adverse Effect" means a material adverse effect on (a) the financial condition, operations or properties of the Company and its Subsidiaries (including the Guarantor) taken as a whole, (b) the rights and remedies of the Agent or any Lender under this Agreement or any promissory note or (c) the ability of the Company to perform its obligations under this Agreement or any promissory note.

"Material Subsidiary" means each Subsidiary of the Company which is a "significant subsidiary" as that term is defined in Rule 1-02(w) of the Regulation S-X under the Securities Act of 1933, as amended, as such rule is in effect as of the date hereof.

"Moody's" means Moody's Investors Service, Inc. and any successor thereto.

"Moody's Rating" means, at any time, the rating of the Company's Index Debt then most recently announced by Moody's.

"New Lender" means, for purposes of Section 2.05(c), an Eligible Assignee (which may be a Lender) selected by the Company with (in the case of a New Lender that is not already a Lender) prior consultation with the Agent.

"Notice of Competitive Bid Borrowing" has the meaning specified in Section 2.03(b).

"Notice of Revolving Credit Borrowing" has the meaning specified in Section 2.02(a).

"Pepsi" means PepsiCo, Inc., a North Carolina corporation.

"Person" means an individual, partnership, corporation (including a business trust), joint stock company, trust, unincorporated association, joint venture, limited liability company or other entity, or a government or any political subdivision or agency thereof.

"Principal Property" means any single manufacturing or processing plant, office building, or warehouse owned or leased by the Company, a Restricted Subsidiary or the Guarantor other than a plant, warehouse, office building, or portion thereof which, in the opinion of the Company's Board of Directors, is not of material importance to the business conducted by the Company, its Restricted Subsidiaries and the Guarantor as an entirety.

"Rating" means the Moody's Rating or the S&P Rating, as the case may be.

"Rating Level Change" means a change in the Moody's Rating or the S&P Rating that results in a change from one Rating Level Period to another, which Rating Level Change shall be deemed to take effect on the date on which the relevant change in rating is first announced by Moody's or S&P.

"Rating Level Period" means a Rating Level 1 Period, a Rating Level 2 Period, a Rating Level 3 Period, a Rating Level 4 Period or a Rating Level 5 Period; provided that:

(i) "Rating Level 1 Period" means a period during which the Moody's Rating is at or above A2 or the S&P Rating is at or above A;

(ii) "Rating Level 2 Period" means a period that is not a Rating Level 1 Period, during which the Moody's Rating is at or above A3 or the S&P Rating is at or above A-;

(iii) "Rating Level 3 Period" means a period that is not a Rating Level 1 Period or a Rating Level 2 Period, during which the Moody's Rating is at or above Baa1 or the S&P Rating is at or above BBB+;

(iv) "Rating Level 4 Period" means a period that is not a Rating Level 1 Period, a Rating Level 2 Period or a Rating Level 3 Period, during which

the Moody's Rating is at or above Baa2 or the S&P Rating is at or above BBB; and

(v) "Rating Level 5 Period" means a period that is not a Rating Level 1 Period, a Rating Level 2 Period, a Rating Level 3 Period or a Rating Level 4 Period;

and provided, further, that if the Moody's rating and the S&P Rating differ by more than one Rating Level, then the applicable Rating Level Period shall be one Rating Level lower than the Rating Level resulting from the application of the higher of such ratings (for which purpose Rating Level 1 is the highest and Rating Level 5 is the lowest); and provided, further, that any period during which there is no Moody's Rating or there is no S&P Rating shall be a Rating Level 5 Period.

"Reference Banks" means JPMorgan, Citibank, N.A. and Bank of America, N.A. (and any successors thereof).

"Related Parties" means, with respect to any specified Person, such Person's Affiliates and the respective directors, officers, employees, agents and advisors of such Person and such Person's Affiliates.

"Register" has the meaning specified in Section 8.07(d).

"Required Lenders" means at any time Lenders owed more than 50% of the then aggregate unpaid principal amount of the Revolving Credit Advances (excluding Competitive Bid Advances) owing to Lenders, or, if no such principal amount is then outstanding, Lenders having more than 50% of the aggregate amount of the Commitments.

"Restricted Subsidiary" means at any time any Subsidiary of the Company except a Subsidiary which is at the time an Unrestricted Subsidiary.

"Revolving Credit Advance" means an advance by a Lender to a Borrower as part of a Revolving Credit Borrowing and refers to a Base Rate Advance or a Eurodollar Rate Advance (each of which shall be a "Type" of Revolving Credit Advance).

"Revolving Credit Borrowing" means a borrowing consisting of simultaneous Revolving Credit Advances of the same Type made by each of the Lenders pursuant to Section 2.01.

"S&P" means Standard & Poors Rating Services or any successor thereto.

"S&P Rating" means, at any time, the rating of the Company's Index Debt then most recently announced by S&P.

"SPC" has the meaning specified in Section 8.07(e).

"Subsidiary" of any Person means any corporation, partnership, joint venture, limited liability company, trust or estate of which (or in which) more than 50% of (a) the issued and outstanding capital stock having ordinary voting power to elect a majority of the Board of Directors of such corporation (irrespective of whether at the time capital stock of any other class or classes of such corporation shall or might have voting power upon the occurrence of any contingency), (b) the interest in the capital or profits of such partnership or joint venture or (c) the beneficial interest in such trust or estate is at the time directly or indirectly owned or controlled by such Person, by such Person and one or more of its other Subsidiaries or by one or more of such Person's other Subsidiaries.

"Substitution Date" has the meaning specified in Section 2.17(c).

"Substitution Letter" has the meaning specified in Section 2.17(c).

"Term Out Date" has the meaning assigned to that term in Section 2.06(d).

"Termed Out Loan" has the meaning assigned to that term in Section 2.06(d).

"Termination Date" means April 28, 2004 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.

"Termination Letter" has the meaning specified in Section 2.17(b).

"Type" has the meaning specified in the definition of "Revolving Credit Advance."

"Unrestricted Subsidiary" means (a) any Subsidiary of the Company (not at the time designated a Restricted Subsidiary) (i) the major part of whose business consists of finance, banking, credit, leasing, insurance, financial services, or other similar operations, or any continuation thereof, (ii) substantially all the assets of which consist of the capital stock of one or more such Subsidiaries, or (iii) designated as such by the Company's Board of Directors and (b) the Guarantor. Any Subsidiary designated as a Restricted Subsidiary may be designated as an Unrestricted Subsidiary.

"Voting Stock" means capital stock issued by a corporation, or equivalent interests in any other Person, the holders of which are ordinarily, in the absence of contingencies, entitled to vote for the election of directors (or persons performing similar actions) of such Person, even if the right so to vote has been suspended by the happening of such a contingency.

SECTION 1.02. Computation of Time Periods. In this Agreement in the computation of periods of time from a specified date to a later specified date, the word "from" means "from and including" and the words "to" and "until" each mean "to but excluding".

SECTION 1.03. Accounting Terms. Unless otherwise specified herein, all accounting terms used herein shall be interpreted, all accounting determinations hereunder shall be made, and all financial statements required to be delivered hereunder shall be prepared in accordance with GAAP; provided that, if the Company notifies the Agent that the Company wishes to amend any provisions hereof to eliminate the effect of any change in GAAP (or if the Agent notifies the Company that the Required Lenders wish to amend any provision hereof for such purpose), then such provision shall be applied on the basis of GAAP in effect immediately before the relevant change in GAAP became effective, until either such notice is withdrawn or such provision is amended in a manner satisfactory to the Company and the Required Lenders.

ARTICLE II

AMOUNTS AND TERMS OF THE ADVANCES

SECTION 2.01. The Revolving Credit Advances. Each Lender severally agrees, on the terms and conditions hereinafter set forth, to make Revolving Credit Advances to the Company and any Borrowing Subsidiary from time to time on any Business Day during the period from the Effective Date until the Termination Date in an aggregate amount not to exceed at any time outstanding the amount set forth opposite such Lender's name on the signature pages hereof or, if such Lender has entered into any Assignment and Acceptance, set forth for such Lender in the Register maintained by the Agent pursuant to Section 8.07(d), as such amount may be reduced pursuant to Section 2.05(a) or increased pursuant to Section 2.05(c) (such Lender's "Commitment"), provided that the aggregate amount of the Commitments of the Lenders shall be deemed used from time to time to the extent of the aggregate amount of the Competitive Bid Advances then outstanding and such deemed use of the aggregate amount of the Commitments shall be allocated among the Lenders ratably according to their respective Commitments (such deemed use of the aggregate amount of the Commitments being a "Competitive Bid Reduction"). Each Revolving Credit Borrowing shall be in an aggregate amount of $5,000,000 or an integral multiple of $1,000,000 in excess thereof (or, if less, (i) an aggregate amount equal to the amount by which the aggregate amount of a proposed Competitive Bid Borrowing requested by the Company exceeds the aggregate amount of Competitive Bid Advances offered to be made by the Lenders and accepted by the Company in respect of such Competitive Bid Borrowing, if such Competitive Bid Borrowing is made on the same date as such Revolving Credit Borrowing or (ii) the aggregate amount of the unused Commitments, after giving effect to any Competitive Bid Reductions then in effect) and shall consist of Revolving Credit Advances of the same Type made on the same day by the Lenders ratably according to their respective Commitments. Within the limits of each Lender's Commitment, each Borrower may borrow under this Section 2.01, prepay pursuant to Section 2.10 and (other than in the case of a Termed Out Loan) reborrow under this Section 2.01.

SECTION 2.02. Making the Revolving Credit Advances.

(a) Each Revolving Credit Borrowing shall be made on notice, given not later than 11:00 A.M. (New York City time) on the third Business Day prior to the date of the proposed Revolving Credit Borrowing in the case of a Revolving Credit Borrowing consisting of Eurodollar Rate Advances, or the date of the proposed Revolving Credit Borrowing in the case of a Revolving Credit Borrowing consisting of Base Rate Advances, by the Company (on its own behalf and on behalf of any Borrowing Subsidiary) to the Agent, which shall give to each Lender prompt notice thereof by telecopier or telex. Each such notice of a Revolving Credit Borrowing (a "Notice of Revolving Credit Borrowing") shall be by telecopier or telex, confirmed promptly in writing, in substantially the form of Exhibit A-1 hereto, specifying therein the requested (i) date of such Revolving Credit Borrowing, (ii) Type of Advances comprising such Revolving Credit Borrowing, (iii) aggregate amount of such Revolving Credit Borrowing, (iv) in the case of a Revolving Credit Borrowing consisting of Eurodollar Rate Advances, initial Interest Period for each such Revolving Credit Advance and (v) the name of the relevant Borrower (which shall be the Company or a Borrowing Subsidiary). Each Lender shall, before 11:00 A.M. (New York City time), in the case of a Revolving Credit Borrowing consisting of Eurodollar Rate Advances, or before 1:00 P.M. (New York City time), in the case of a Revolving Credit Borrowing consisting of Base Rate Advances, on the date of such Revolving Credit Borrowing, make available for the account of its Applicable Lending Office to the Agent at the Agent's Account, in same day funds, such Lender's ratable portion of such Revolving Credit Borrowing. After the Agent's receipt of such funds and upon fulfillment of the applicable conditions set forth in Article III, the Agent will make such same day funds available to the relevant Borrower at such Borrower's account at the Agent's address referred to in Section 8.02.

(b) Anything in subsection (a) above to the contrary notwithstanding, (i) the Company may not select Eurodollar Rate Advances for any Revolving Credit Borrowing if the aggregate amount of such Revolving Credit Borrowing is less than $10,000,000 or if the obligation of the Lenders to make Eurodollar Rate Advances shall then be suspended pursuant to Section 2.08 and (ii) the Eurodollar Rate Advances may not be outstanding as part of more than six separate Revolving Credit Borrowings.

(c) Each Notice of Revolving Credit Borrowing shall be irrevocable and binding on the relevant Borrower. In the case of any Revolving Credit Borrowing that the related Notice of Revolving Credit Borrowing specifies is to be comprised of Eurodollar Rate Advances, the Company shall indemnify each Lender against any loss, cost or expense incurred by such Lender as a result of any failure to fulfill on or before the date specified in such Notice of Revolving Credit Borrowing for such Revolving Credit Borrowing the applicable conditions set forth in Article III, including, without limitation, any loss, cost or expense incurred by reason of the liquidation or reemployment of deposits or other funds acquired by such Lender to fund the Revolving Credit Advance to be made by such Lender as part of such Revolving Credit Borrowing when such Revolving Credit Advance, as a result of such failure, is not made on such date.

(d) Unless the Agent shall have received notice from a Lender prior to the date of any Revolving Credit Borrowing that such Lender will not make available to the Agent such

Lender's ratable portion of such Revolving Credit Borrowing, the Agent may assume that such Lender has made such portion available to the Agent on the date of such Revolving Credit Borrowing in accordance with subsection (a) of this Section 2.02 and the Agent may, in reliance upon such assumption, make available to the relevant Borrower on such date a corresponding amount. If and to the extent that such Lender shall not have so made such ratable portion available to the Agent, such Lender and such Borrower severally agree to repay to the Agent forthwith on demand such corresponding amount together with interest thereon, for each day from the date such amount is made available to such Borrower until the date such amount is repaid to the Agent, at (i) in the case of a Borrower, the interest rate applicable at the time to Revolving Credit Advances comprising such Revolving Credit Borrowing and (ii) in the case of such Lender, the Federal Funds Rate. If such Lender shall repay to the Agent such corresponding amount, such amount so repaid shall constitute such Lender's Revolving Credit Advance as part of such Revolving Credit Borrowing for purposes of this Agreement and shall be made available in same day funds to the relevant Borrower's account at the Agent's address referred to in Section 8.02.

(e) The failure of any Lender to make the Revolving Credit Advance to be made by it as part of any Revolving Credit Borrowing shall not relieve any other Lender of its obligation, if any, hereunder to make its Revolving Credit Advance on the date of such Revolving Credit Borrowing, but no Lender shall be responsible for the failure of any other Lender to make the Revolving Credit Advance to be made by such other Lender on the date of any Revolving Credit Borrowing.

SECTION 2.03. The Competitive Bid Advances.

(a) Each Lender severally agrees that each Borrower may make Competitive Bid Borrowings under this Section 2.03 from time to time on any Business Day during the period from the date hereof until the date occurring 7 days prior to the Termination Date in the manner set forth below; provided that, following the making of each Competitive Bid Borrowing, the aggregate amount of the Advances then outstanding shall not exceed the aggregate amount of the Commitments of the Lenders (computed without regard to any Competitive Bid Reduction).

(b) The Company (on its own behalf and on behalf of any Borrowing Subsidiary) may request a Competitive Bid Borrowing under this Section 2.03 by delivering to the Agent, by telecopier or telex, confirmed promptly in writing, a notice of a Competitive Bid Borrowing (a "Notice of Competitive Bid Borrowing"), in substantially the form of Exhibit A-2 hereto, specifying therein (u) the date of such proposed Competitive Bid Borrowing, (v) the aggregate amount of such proposed Competitive Bid Borrowing, (w) the maturity date for repayment of each Competitive Bid Advance to be made as part of such Competitive Bid Borrowing (which maturity date may not be earlier than the date occurring 7 days after the date of such Competitive Bid Borrowing or later than the Termination Date), (x) the interest payment date or dates relating thereto, (y) the name of the Borrower, and (z) any other terms to be applicable to such Competitive Bid Borrowing, not later than 10:00 A.M. (New York City time) (A) at least one Business Day prior to the date of the proposed Competitive Bid Borrowing, if the Company shall specify in the Notice of Competitive Bid Borrowing that the rates of interest to be offered by the Lenders

shall be fixed rates per annum (the Advances comprising any such Competitive Bid Borrowing being referred to herein as "Fixed Rate Advances") and (B) at least four Business Days prior to the date of the proposed Competitive Bid Borrowing, if the Company shall instead specify in the Notice of Competitive Bid Borrowing another basis to be used by the Lenders in determining the rates of interest to be offered by them (the Advances comprising such Competitive Bid Borrowing being referred to herein as "LIBO Rate Advances"). The Agent shall in turn promptly notify each Lender of each request for a Competitive Bid Borrowing received by it from the Company by sending such Lender a copy of the related Notice of Competitive Bid Borrowing.

(c) Each Lender may, if, in its sole discretion, it elects to do so, irrevocably offer to make one or more Competitive Bid Advances to the relevant Borrower as part of such proposed Competitive Bid Borrowing at a rate or rates of interest specified by such Lender in its sole discretion, by notifying the Agent (which shall give prompt notice thereof to the Company), before 10:00 A.M. (New York City time) on the date of such proposed Competitive Bid Borrowing, in the case of a Competitive Bid Borrowing consisting of Fixed Rate Advances, and three Business Days before the date of such proposed Competitive Bid Borrowing, in the case of a Competitive Bid Borrowing consisting of LIBO Rate Advances, of the minimum amount and maximum amount of each Competitive Bid Advance which such Lender would be willing to make as part of such proposed Competitive Bid Borrowing (which amounts may, subject to the proviso to the first sentence of Section 2.03(a), exceed such Lender's Commitment, if any), the rate or rates of interest therefor and such Lender's Applicable Lending Office with respect to such Competitive Bid Advance; provided that if the Agent in its capacity as a Lender shall, in its sole discretion, elect to make any such offer, it shall notify the Company of such offer before 9:00 A.M. (New York City time) on the date on which notice of such election is to be given to the Agent by the other Lenders. If any Lender shall elect not to make such an offer, such Lender shall so notify the Agent, before 10:00 A.M. (New York City time) on the date on which notice of such election is to be given to the Agent by the other Lenders, and such Lender shall not be obligated to, and shall not, make any Competitive Bid Advance as part of such Competitive Bid Borrowing; provided that the failure by any Lender to give such notice shall not cause such Lender to be obligated to make any Competitive Bid Advance as part of such proposed Competitive Bid Borrowing.

(d) The Company shall, in turn, before 11:00 A.M. (New York City time) on the date of such proposed Competitive Bid Borrowing, in the case of a Competitive Bid Borrowing consisting of Fixed Rate Advances, and before 1:00 P.M. (New York City time) three Business Days before the date of such proposed Competitive Bid Borrowing, in the case of a Competitive Bid Borrowing consisting of LIBO Rate Advances, either:

(x) cancel such Competitive Bid Borrowing by giving the Agent notice to that effect, or

(y) accept one or more of the offers made by any Lender or Lenders pursuant to paragraph (c) above, by giving notice to the Agent of the amount of each Competitive Bid Advance (which amount shall be equal to or greater than the minimum amount, and equal to or less than the maximum amount, notified to the Company by the Agent on behalf of such Lender for such Competitive Bid Ad-

vance pursuant to paragraph (c) above) to be made by each Lender as part of such Competitive Bid Borrowing, and reject any remaining offers made by Lenders pursuant to paragraph (c) above by giving the Agent notice to that effect. If the Company accepts any offers made by Lenders pursuant to paragraph (c) above, such offers shall be accepted in the order of the lowest to highest interest rates or, if two or more Lenders offer to make Competitive Bid Advances at the same interest rate, such offers, if any, shall be accepted in proportion to the amount offered by each such Lender at such interest rate notwithstanding any minimum specified by such Lender in its notice given pursuant to paragraph (c) above. The Company may not accept offers in excess of the amount specified in accordance with paragraph (a) above.

(e) If the Company notifies the Agent that such Competitive Bid Borrowing is cancelled pursuant to paragraph (d)(x) above, the Agent shall give prompt notice thereof to the Lenders and such Competitive Bid Borrowing shall not be made.

(f) If the Company accepts one or more of the offers made by any Lender or Lenders pursuant to paragraph (d)(y) above, the Agent shall in turn promptly notify (A) each Lender that has made an offer as described in paragraph (c) above, of the date and aggregate amount of such Competitive Bid Borrowing and whether or not any offer or offers made by such Lender pursuant to paragraph (c) above have been accepted by the Company, (B) each Lender that is to make a Competitive Bid Advance as part of such Competitive Bid Borrowing, of the amount of each Competitive Bid Advance to be made by such Lender as part of such Competitive Bid Borrowing, and (C) each Lender that is to make a Competitive Bid Advance as part of such Competitive Bid Borrowing, upon receipt, that the Agent has received forms of documents appearing to fulfill the applicable conditions set forth in Article III. Each Lender that is to make a Competitive Bid Advance as part of such Competitive Bid Borrowing shall, before 12:00 noon (New York City time) on the date of such Competitive Bid Borrowing specified in the notice received from the Agent pursuant to clause (A) of the preceding sentence or any later time when such Lender shall have received notice from the Agent pursuant to clause (C) of the preceding sentence, make available for the account of its Applicable Lending Office to the Agent at the Agent's Account, in same day funds, such Lender's portion of such Competitive Bid Borrowing. Upon fulfillment of the applicable conditions set forth in Article III and after receipt by the Agent of such funds, the Agent will make such same day funds available to the relevant Borrower at such Borrower's account at the Agent's address referred to in Section 8.02. Promptly after each Competitive Bid Borrowing the Agent will notify each Lender of the amount of the Competitive Bid Borrowing, the consequent Competitive Bid Reduction and the dates upon which such Competitive Bid Reduction commenced and will terminate.

(g) Each Competitive Bid Borrowing shall be in an aggregate amount of $5,000,000 or an integral multiple of $1,000,000 in excess thereof and, following the making of each Competitive Bid Borrowing, the Company shall be in compliance with the limitation set forth in the proviso to the first sentence of paragraph (a) above.

(h) Within the limits and on the conditions set forth in this Section 2.03, each Borrower may from time to time borrow under this Section 2.03, repay or prepay pursuant to

subsection (j) below, and reborrow under this Section 2.03, provided that a Competitive Bid Borrowing shall not be made within three Business Days of the date of any other Competitive Bid Borrowing.

(i) Each Borrower shall repay to the Agent for the account of each Lender that has made a Competitive Bid Advance to such Borrower, on the maturity date of such Competitive Bid Advance (such maturity date being that specified by the Company for repayment of such Competitive Bid Advance in the related Notice of Competitive Bid Borrowing delivered pursuant to paragraph (b) above and provided in the promissory note, if any, evidencing such Competitive Bid Advance), the then unpaid principal amount of such Competitive Bid Advance. No Borrower shall have any right to prepay any principal amount of any Competitive Bid Advance unless (x) such Borrower obtains the prior written consent of the Lender which made such Competitive Bid Advance, or (y), such prepayment is made on the terms, specified by the Company for such Competitive Bid Advance in the related Notice of Competitive Bid Borrowing delivered pursuant to paragraph (b) above and set forth in the promissory note, if any, evidencing such Competitive Bid Advance.

(j) Each Borrower shall pay interest on the unpaid principal amount of each Competitive Bid Advance to such Borrower from the date of such Competitive Bid Advance to the date the principal amount of such Competitive Bid Advance is repaid in full, at the rate of interest for such Competitive Bid Advance specified by the Lender making such Competitive Bid Advance in its notice with respect thereto delivered pursuant to paragraph (c) above, payable on the interest payment date or dates specified by such Borrower for such Competitive Bid Advance in the related Notice of Competitive Bid Borrowing delivered pursuant to paragraph (b) above, as provided in the promissory note, if any, evidencing such Competitive Bid Advance.

(k) At its option, the Company (on its own behalf and on behalf of any Borrower) may request a Competitive Bid Borrowing directly from the Lenders; provided that it follows the procedures set forth in this Section 2.03 and promptly delivers, by telecopier or telex, a copy of the Notice of Competitive Bid Borrowing and notice in writing of the results of such request to the Agent.

(l) The indebtedness of each Borrower resulting from each Competitive Bid Advance made to such Borrower as part of a Competitive Bid Borrowing shall, if requested by the applicable Lender, be evidenced by a separate promissory note of such Borrower payable to the order of the Lender making such Competitive Bid Advance.

SECTION 2.04. Fees.

(a) Facility Fee. The Company agrees to pay to the Agent for the account of each Lender a facility fee on the amount of such Lender's Commitment irrespective of usage, from the Effective Date in the case of each Initial Lender and from the effective date specified in the Assignment and Acceptance pursuant to which it became a Lender in the case of each other Lender until the Termination Date (on a daily basis), at the Applicable Facility Fee Rate, payable

in arrears quarterly on the last day of each March, June, September and December and on the Termination Date, commencing June 30, 2003.

(b) Agent's Fees. The Company shall pay to the Agent for its own account such fees as may from time to time be agreed between the Company and the Agent.

(c) Utilization Fees. The Company shall pay to the Agent for the account of each Lender a utilization fee on the aggregate outstanding principal amount of such Lender's Advances for each day on which the aggregate outstanding amount of the Advances exceeds 33-1/3% of the aggregate Commitments, from the Effective Date in the case of each Initial Lender and from the effective date specified in the Assignment and Acceptance pursuant to which it became a Lender in the case of each other Lender until the Termination Date (on a daily basis), at the Applicable Utilization Fee rate, payable on each day on which interest is payable under Section 2.07, and on the Termination Date.

SECTION 2.05. Termination, Reduction or Increase of the Commitments.

(a) The Company shall have the right, upon at least three Business Days' notice to the Agent, to terminate in whole or reduce ratably in part the unused portions of the respective Commitments of the Lenders, provided that each partial reduction shall be in the aggregate amount of $5,000,000 or an integral multiple of $1,000,000 in excess thereof and provided further that (x) the aggregate amount of the Commitments of the Lenders shall not be reduced to an amount that is less than the aggregate principal amount of the Advances then outstanding, and (y) once terminated, a portion of a Commitment shall not be reinstated except pursuant to Section 2.05(c).

(b) If any Lender shall make a demand under Section 2.11 or 2.14 or if the obligation of any Lender to make Eurodollar Rate Advances shall have been suspended pursuant to Section 2.12, the Company shall have the right, upon at least ten Business Days' notice, to terminate in full the Commitment of such Lender or to demand that such Lender assign to one or more Eligible Assignees all of its rights and obligations under this Agreement in accordance with Section 8.07. If the Company shall elect to terminate in full the Commitment of any Lender pursuant to this Section 2.05(b), the Company shall pay to such Lender, on the effective date of such Commitment termination, an amount equal to the aggregate outstanding principal amount of the Advances owing to such Lender, together with accrued interest thereon to the date of payment of such principal amount and all other amounts payable to such Lender under this Agreement, whereupon such Lender shall cease to be a party hereto.

(c) (i) Not more than once in any calendar year, the Company may propose to increase the aggregate amount of the Commitments by an aggregate amount of $25,000,000 or an integral multiple of $1,000,000 in excess thereof (a "Proposed Aggregate Commitment Increase") in the manner set forth below, provided that:

(1) no Default shall have occurred and be continuing either as of the date on which the Company shall notify the Agent of its request to increase the aggregate amount of the Commitments or as of the related Increase Date (as hereinafter defined); and

(2) after giving effect to any such increase, the aggregate amount of the Commitments shall not exceed $500,000,000.

(ii) The Company may request an increase in the aggregate amount of the Commitments by delivering to the Agent a notice (an "Increase Notice"; the date of delivery thereof to the Agent being the "Increase Notice Date") specifying (1) the Proposed Aggregate Commitment Increase, (2) the proposed date (the "Increase Date") on which the Commitments would be so increased (which Increase Date may not be fewer than 30 nor more than 60 days after the Increase Notice Date) and (3) the New Lenders, if any, to whom the Company desires to offer the opportunity to commit to all or a portion of the Proposed Aggregate Commitment Increase. The Agent shall in turn promptly notify each Lender of the Company's request by sending each Lender a copy of such notice.

(iii) Not later than the date five days after the Increase Notice Date, the Agent shall notify each New Lender, if any, identified in the related Increase Notice of the opportunity to commit to all or any portion of the Proposed Aggregate Commitment Increase. Each such New Lender may irrevocably commit to all or a portion of the Proposed Aggregate Commitment Increase (such New Lender's "Proposed New Commitment") by notifying the Agent (which shall give prompt notice thereof to the Company) before 11:00 A.M. (New York City time) on the date that is 10 days after the Increase Notice Date; provided that:

(1) the Proposed New Commitment of each New Lender shall be in an amount not less than $25,000,000; and

(2) each New Lender that submits a Proposed New Commitment shall enter into an agreement in form and substance satisfactory to the Company and the Agent pursuant to which such New Lender shall undertake a Commitment (and, if any such New Lender is already a Lender, its Commitment shall be in addition to such Lender's Commitment hereunder on such date), and shall pay to the Agent a processing and recordation fee of $3,500.

(iv) If the aggregate Proposed New Commitments of all of the New Lenders shall be less than the Proposed Aggregate Commitment Increase, then (unless the Company otherwise requests) the Agent shall, on or prior to the date that is 15 days after the Increase Notice Date, notify each Lender of the opportunity to so commit to all or any portion of the Proposed Aggregate Commitment Increase not committed to by New Lenders pursuant to Section 2.05(c)(iii). Each Lender may, if, in its sole discretion, it elects to do so, irrevocably offer to commit to all or a portion of such remainder (such Lender's "Proposed Increased Commitment") by notifying the Agent (which shall give prompt notice thereof to the Company) no later than 11:00 A.M. (New York City time) on the date five days before the Increase Date.

(v) If the aggregate amount of Proposed New Commitments and Proposed Increased Commitments (such aggregate amount, the "Total Committed Increase") equals or exceeds $25,000,000, then, subject to the conditions set forth in Section 2.05(c)(i):

(1) effective on and as of the Increase Date, the aggregate amount of the Commitments shall be increased by the lesser of the proposed aggregate Committed Increase and the Total Committed Increase and shall be allocated among the New Lenders and the Lenders as provided in Section 2.05(c)(vi); and

(2) on the Increase Date, if any Revolving Loans are then outstanding, the Company shall borrow Revolving Loans from all or certain of the Lenders and/or (subject to compliance by the Company with Section 8.04(d)) prepay Revolving Loans of all or certain of the Lenders such that, after giving effect thereto, the Revolving Loans (including, without limitation, the Types and Interest Periods thereof) shall be held by the Lenders (including for such purposes New Lenders) ratably in accordance with their respective Commitments.

If the Total Committed Increase is less than $25,000,000, then the aggregate amount of the Commitments shall not be changed pursuant to this Section 2.05(c).

(vi) The Total Committed Increase shall be allocated among New Lenders having Proposed New Commitments and Lenders having Proposed Increased Commitments as follows:

(1) If the Total Committed Increase shall be at least $25,000,000 and less than or equal to the Proposed Aggregate Commitment Increase, then (x) the initial Commitment of each New Lender shall be such New Lender's Proposed New Commitment and (y) the Commitment of each Lender shall be increased by such Lender's Proposed Increased Commitment.

(2) If the Total Committed Increase shall be greater than the Proposed Aggregate Commitment Increase, then the Total Committed Increase shall be allocated:

(x) first to New Lenders (to the extent of their respective Proposed New Commitments) in such a manner as the Company shall agree; and

(y) then to Lenders on a pro rata basis based on the ratio of each Lender's Proposed Increased Commitment (if any) to the aggregate amount of the Proposed Increased Commitments of all of the Lenders.

(vii) No increase in the Commitments contemplated hereby shall become effective until the Agent shall have received (x) promissory notes in respect of the Revolving Loans payable to each New Lender and each other Lender whose Commitment is being increased that, in either case, shall have requested such promissory notes at least two Business Days prior to the Increase Date, and (y) evidence satisfactory to the Agent (including an update of the opinion of counsel provided pursuant to Section 3.01(g)(v)) that such increases in the Commitments, and borrowings thereunder, have been duly authorized.

SECTION 2.06. Repayment of Revolving Credit Advances, Evidence of Indebtedness, Extension of Termination Date and Termed Out Loans.

(a) The Company and each Borrower shall repay to the Agent for the ratable account of the Lenders on the Termination Date the aggregate principal amount of the Revolving Credit Advances then outstanding (subject to Section 2.06(d) relating to Termed Out Loans).

(b) Each Lender shall maintain in accordance with its usual practice an account or accounts evidencing the indebtedness of the Borrowers to such Lender resulting from each Advance made by such Lender, including the amounts of principal and interest payable and paid to such Lender from time to time hereunder. The Agent shall maintain accounts in which it shall record (i) the amount of each Advance made hereunder, the Type thereof and the Interest Period, if any, applicable thereto, (ii) the amount of any principal or interest due and payable or to become due and payable from the Borrowers to each Lender hereunder and (iii) the amount of any sum received by the Agent hereunder for the account of the Lenders and each Lender's share thereof. The entries made in the accounts maintained pursuant to this Section shall be prima facie evidence of the existence and amounts of the obligations recorded therein; provided that the failure of any Lender or the Agent to maintain such accounts or any error therein shall not in any manner affect the obligation of any Borrower to repay the Advances in accordance with the terms of this Agreement. Any Lender may request that Advances made by it be evidenced by a promissory note. In such event, the applicable Borrower shall prepare, execute and deliver to such Lender a promissory note payable to the order of such Lender (or, if requested by such Lender, to such Lender and its registered assigns) and in a form approved by the Agent. Thereafter, the Advances evidenced by such promissory note and interest thereon shall at all times (including after assignment pursuant to Section 8.07) be represented by one or more promissory notes in such form payable to the order of the payee named therein (or, if such promissory note is a registered note, to such payee and its registered assigns).

(c) The Company may by written notice to the Agent, not more than 45 nor less than 30 days prior to the Termination Date then in effect, request that the Termination Date then in effect be extended for a further period of 364 days. Such request shall be irrevocable and binding upon the Company. The Agent shall promptly notify each Lender of such request. If a Lender agrees, in its individual and sole discretion, to so extend its Commitment (an "Extending Lender"), it will notify the Agent, in writing, of its decision to do so not more than 30 nor less than 20 days before said date. The Commitment of any Lender that fails to accept (or fails to respond to) the Company's request for extension of the Termination Date (a "Declining Lender") shall be terminated on the Termination Date theretofore in effect (without regard to extension by other Lenders). The Extending Lenders, or any of them, shall then have the right to increase their respective Commitments by an aggregate amount up to the amount of all Declining Lenders' Commitments, and, to the extent of any shortfall, the Company shall have the right to require any Declining Lender to assign in full its rights and obligations under this Agreement to an Eligible Assignee designated by the Company that agrees to accept all of such rights and obligations (a "Replacement Lender"), provided that (i) such increase and/or such assignment is otherwise in compliance with Section 8.07, (ii) such Declining Lender receives payment in full of an amount equal to the principal amount of all Advances owing to such Declining Lender,

together with accrued interest thereon to the date of such assignment and all other amounts payable to such Declining Lender under this Agreement and (iii) any such increase shall be effective on the Termination Date theretofore in effect and any such assignment shall be effective on the date specified by the Company and agreed to by the Replacement Lender and the Agent. If (i) Extending Lenders and/or Replacement Lenders provide Commitments in an aggregate amount equal to 51% of the aggregate amount of the Commitments outstanding immediately prior to the Termination Date in effect at the time the Company requests such extension, and (ii) no Default shall have occurred and be continuing immediately prior to said Termination Date, the Termination Date shall be extended by 364 days (except that, if the date on which the Termination Date is to be extended is not a Business Day, such Termination Date as so extended shall be the next preceding Business Day) from the effective date set forth in an Extension Agreement, in substantially the form in Exhibit A-3 hereto, which has been duly completed and signed by the Company, the Agent and the Extending Lenders and Replacement Lenders party thereto. Such Extension Agreement shall be executed and delivered no earlier than 30 days prior to the Termination Date then in effect and the effective date shall be no earlier than 29 days prior to the Termination Date then in effect. No extension of the Commitments pursuant to this Section 2.06(c) shall be legally binding on any party hereto unless and until such party executes and delivers a counterpart of such Extension Agreement.

(d) The Company may, by written notice to the Agent not later than the date (the "Notice Date") 10 days prior to the Termination Date then in effect, elect that all of the Revolving Credit Advances of each Lender to the Company outstanding as at the close of business New York time on the Termination Date be converted, effective at such time, to a term loan (each, a "Termed Out Loan") payable by the Company to such Lender, which term loan shall (i) be in a principal amount equal to the aggregate outstanding principal amount of the Revolving Credit Advances of such Lender as at such time, (ii) mature on the date (the "Term Out Date") that is the date one year after said Termination Date (or, if said date is not a Business Day, the immediately preceding Business Day), and the Borrower agrees to repay each such term loan in full on such date, and (iii) bear interest, until the payment in full thereof, at the rates provided for in Section 2.07, and (iv) otherwise constitute an "Advance" for all purposes of this Agreement (including without limitation Articles VI, IX and X); provided that the election provided for in this paragraph (d) shall not take effect if, on the Notice Date or on said Termination Date, a Default has occurred and is continuing; and provided, further, that the election provided for in this paragraph (d) may be exercised only once. Upon the effectiveness of the conversion provided for in this paragraph (d), the right of the Company to borrow under Section 2.01 shall cease to be in effect, and the Company agrees that it will, forthwith upon the request of any Lender through the Agent, issue a new promissory note in favor of each such Lender in the amount of the term loan of such Lender to the Company provided herein, in exchange for the Notes held by such Lender (which shall be promptly returned to the Company, through the Agent, marked "cancelled"), which promissory note shall be deemed to be a "Note" for all purposes of this Agreement (including without limitation Articles VI, IX and X).

SECTION 2.07. Interest on Revolving Credit Advances. Each Borrower shall pay interest on the unpaid principal amount of each Revolving Credit Advance made to such Borrower from the date of such Revolving Credit Advance until such principal amount shall be paid in full, at the following rates per annum:

(a) Base Rate Advances. During such periods as such Revolving Credit Advance is a Base Rate Advance, a rate per annum equal at all times to the Base Rate in effect from time to time, payable in arrears quarterly on the last day of each March, June, September and December during such periods and on the date such Base Rate Advance shall be Converted or paid in full.

(b) Eurodollar Rate Advances. During such periods as such Revolving Credit Advance is a Eurodollar Rate Advance, a rate per annum equal at all times during each Interest Period for such Revolving Credit Advance to the sum of (x) the Eurodollar Rate for such Interest Period for such Revolving Credit Advance plus (y) the Applicable Margin, payable in arrears on the last day of such Interest Period and, if such Interest Period has a duration of more than three months, on each day that occurs during such Interest Period every three months from the first day of such Interest Period and on the date such Eurodollar Rate Advance shall be Converted or paid in full.

SECTION 2.08. Interest Rate Determination.

(a) If the Eurodollar Rate does not appear on Page 3750 of the Telerate Service (or any successor page), each Reference Bank agrees to furnish to the Agent timely information for the purpose of determining each Eurodollar Rate. If the Eurodollar Rate does not appear on said Page 3750 (or any successor page), and if any one or more of the Reference Banks shall not furnish such timely information to the Agent for the purpose of determining any such interest rate, the Agent shall determine such interest rate on the basis of timely information furnished by the remaining Reference Banks. The Agent shall give prompt notice to the Company and the Lenders of the applicable interest rate determined by the Agent for purposes of Section 2.07, and the rate, if any, furnished by each Reference Bank for the purpose of determining the interest rate under Section 2.07(b).

(b) If, due to a major disruption in the interbank funding market with respect to any Eurodollar Rate Advances, the Required Lenders notify the Agent that the Eurodollar Rate for any Interest Period for such Advances will not adequately reflect the cost to such Required Lenders of making, funding or maintaining their respective Eurodollar Rate Advances for such Interest Period, the Agent shall forthwith so notify the Borrower and the Lenders, whereupon (i) each Eurodollar Rate Advance will automatically, on the last day of the then existing Interest Period therefor, Convert into a Base Rate Advance, and (ii) the obligation of the Lenders to make, or to Convert Revolving Credit Advances into, Eurodollar Rate Advances shall be suspended until the Agent shall notify the Company and the Lenders that the circumstances causing such suspension no longer exist.

(c) If the Company shall fail to select the duration of any Interest Period for any Eurodollar Rate Advances in accordance with the provisions contained in the definition of "Interest Period" in Section 1.01, the Agent will forthwith so notify the Company and the Lenders and the Company will be deemed to have selected an Interest Period of one month.

(d) If the aggregate unpaid principal amount of Eurodollar Rate Advances comprising any Borrowing shall be reduced, by payment or prepayment or otherwise, to less than $10,000,000, such Advances shall automatically Convert into Base Rate Advances on the last day of the Interest Period applicable thereto.

(e) Upon the occurrence and during the continuance of any Event of Default, (i) each Eurodollar Rate Advance will automatically, on the last day of the then existing Interest Period therefor, Convert into a Base Rate Advance and (ii) the obligation of the Lenders to make, or to Convert Advances into, Eurodollar Rate Advances shall be suspended.

(f) If the Eurodollar Rate does not appear on Page 3750 of the Telerate Service (or any successor page) and fewer than two Reference Banks furnish timely information to the Agent for determining the Eurodollar Rate for any Eurodollar Rate Advances,

(i) the Agent shall forthwith notify the Company and the Lenders that the interest rate cannot be determined for such Eurodollar Rate Advances,

(ii) each such Advance will automatically, on the last day of the then existing Interest Period therefor, Convert into a Base Rate Advance (or if such Advance is then a Base Rate Advance, will continue as a Base Rate Advance), and

(iii) the obligation of the Lenders to make, or to Convert Revolving Credit Advances into, Eurodollar Rate Advances shall be suspended until the Agent shall notify the Company and the Lenders that the circumstances causing such suspension no longer exist.

SECTION 2.09. Optional Conversion of Revolving Credit Advances. The Company may on any Business Day, upon notice given to the Agent not later than 11:00 A.M. (New York City time) on the third Business Day prior to the date of the proposed Conversion and subject to the provisions of Sections 2.08 and 2.12, Convert all Revolving Credit Advances of one Type comprising the same Borrowing into Revolving Credit Advances of the other Type; provided, however, that any Conversion of Eurodollar Rate Advances into Base Rate Advances shall be made only on the last day of an Interest Period for such Eurodollar Rate Advances, any Conversion of Base Rate Advances into Eurodollar Rate Advances shall be in an amount not less than the minimum amount specified in Section 2.02(b) and no Conversion of any Revolving Credit Advances shall result in more separate Revolving Credit Borrowings than permitted under Section 2.02(b). Each such notice of a Conversion shall, within the restrictions specified above, specify (i) the date of such Conversion, (ii) the Revolving Credit Advances to be Converted, and (iii) if such Conversion is into Eurodollar Rate Advances, the duration of the initial Interest

Period for each such Advance. Each notice of Conversion shall be irrevocable and binding on the Company.

SECTION 2.10. Optional Prepayments of Revolving Credit Advances. The Company may, upon notice not later than 11:00 A.M. (New York City time) on the date of such payment, in the case of Base Rate Advances, and two Business Days' notice, in the case of Eurodollar Rate Advances, to the Agent stating the proposed date and aggregate principal amount of the prepayment, and if such notice is given the Company shall, prepay the outstanding principal amount of the Revolving Credit Advances comprising part of the same Revolving Credit Borrowing in whole or ratably in part, together with accrued interest to the date of such prepayment on the principal amount prepaid; provided, however, that (x) each partial prepayment shall be in an aggregate principal amount of $5,000,000 or an integral multiple of $1,000,000 in excess thereof and (y) in the event of any such prepayment of a Eurodollar Rate Advance, the Company shall be obligated to reimburse the Lenders in respect thereof pursuant to Section 8.04(d).

SECTION 2.11. Increased Costs.

(a) If, due to either (i) the introduction of or any change in any law or regulation or in the interpretation or administration of any law or regulation by any governmental authority charged with the interpretation or administration thereof or (ii) the compliance with any guideline or request from any central bank or other governmental authority that would be complied with generally by similarly situated banks acting reasonably (whether or not having the force of law), there shall be any increase in the cost to any Lender of agreeing to make or making, funding or maintaining Eurodollar Rate Advances or LIBO Rate Advances by an amount deemed by such Lender to be material, then the Company shall from time to time, upon demand by such Lender (with a copy of such demand to the Agent), pay to the Agent for the account of such Lender additional amounts sufficient to compensate such Lender for such increased cost. A certificate as to the amount of such increased cost, submitted to the Company and the Agent by such Lender, shall be conclusive and binding for all purposes, absent manifest error. Notwithstanding the foregoing, no Lender shall be entitled to request compensation under this paragraph with respect to any Competitive Bid Advance if the change giving rise to such request was applicable to such Lender at the time of submission of such Lender's offer to make such Competitive Bid Advance.

(b) If, due to either (i) the introduction of or any change in or in the interpretation of any law or regulation or (ii) compliance with any guideline or request from any central bank or other governmental or regulatory authority which becomes effective after the date hereof, there shall be any increase in the amount of capital required or expected to be maintained by any Lender or any corporation controlling such Lender and the amount of such capital is increased by or based upon the existence of such Lender's Advances or commitment to lend hereunder and other commitments of this type by an amount deemed by such Lender to be material, then, upon demand by such Lender (with a copy of such demand to the Agent), the Company shall pay to the Agent for the account of such Lender, from time to time as specified by such Lender, additional amounts sufficient to compensate such Lender or such corporation in the light of such circumstances, to the extent that such Lender reasonably determines such increase in capital to

be allocable to the existence of such Lender's Advances or commitment to lend hereunder. A certificate as to such amounts submitted to the Company and the Agent by such Lender shall be conclusive and binding for all purposes as to the calculations therein, absent manifest error. Such certificate shall be in reasonable detail and shall certify that the claim for additional amounts referred to therein is generally consistent with such Lender's treatment of similarly situated customers of such Lender whose transactions with such Lender are similarly affected by the change in circumstances giving rise to such payment, but such Lender shall not be required to disclose any confidential or proprietary information therein.

SECTION 2.12. Illegality. Notwithstanding any other provision of this Agreement, if any Lender shall notify the Agent (and provide to the Company an opinion of counsel to the effect) that the introduction of or any change in or in the interpretation of any law or regulation makes it unlawful, or any central bank or other governmental authority asserts that it is unlawful, for such Lender or its Eurodollar Lending Office to perform its obligations hereunder to make Eurodollar Rate Advances or LIBO Rate Advances or to fund or maintain Eurodollar Rate Advances or LIBO Rate Advances hereunder, (i) each Eurodollar Rate Advance or LIBO Rate Advance, as the case may be, of such Lender will automatically, upon such demand, Convert into a Base Rate Advance or an Advance that bears interest at the rate set forth in Section 2.07(a), as the case may be, and (ii) the obligation of such Lender to make, or to Convert Revolving Credit Advances into, Eurodollar Rate Advances shall be suspended until the Agent shall notify the Company and such Lender that the circumstances causing such suspension no longer exist and such Lender shall make the Base Rate Advances in the amount and on the dates that it would have been requested to make Eurodollar Rate Advances had no such suspension been in effect.

SECTION 2.13. Payments and Computations.

(a) Each Borrower shall make each payment hereunder not later than 11:00 A.M. (New York City time) on the day when due in U.S. dollars to the Agent at the Agent's Account in same day funds. The Agent will promptly thereafter cause to be distributed like funds relating to the payment of principal or interest or facility fees or usage fees ratably (other than amounts payable pursuant to Section 2.03, 2.04(b), 2.05(b), 2.11, 2.14 or 8.04(d)) to the Lenders for the account of their respective Applicable Lending Offices, and like funds relating to the payment of any other amount payable to any Lender to such Lender for the account of its Applicable Lending Office, in each case to be applied in accordance with the terms of this Agreement. Upon its acceptance of an Assignment and Acceptance and recording of the information contained therein in the Register pursuant to Section 8.07(d), from and after the effective date specified in such Assignment and Acceptance, the Agent shall make all payments hereunder in respect of the interest assigned thereby to the Lender assignee thereunder, and the parties to such Assignment and Acceptance shall make all appropriate adjustments in such payments for periods prior to such effective date directly between themselves.

(b) All computations of interest based on the Base Rate and of facility fees and of usage fees shall be made by the Agent on the basis of a year of 365 or 366 days, as the case may be, and all computations of interest based on the Eurodollar Rate or the Federal Funds Rate shall

be made by the Agent on the basis of a year of 360 days, in each case for the actual number of days (including the first day but excluding the last day) occurring in the period for which such interest or facility fees or usage fees are payable. Each determination by the Agent of an interest rate hereunder shall be conclusive and binding for all purposes, absent manifest error.

(c) Whenever any payment hereunder shall be stated to be due on a day other than a Business Day, such payment shall be made on the next succeeding Business Day, and such extension of time shall in such case be included in the computation of payment of interest or facility fee or usage fee, as the case may be; provided, however, that, if such extension would cause payment of interest on or principal of Eurodollar Rate Advances or LIBO Rate Advances to be made in the next following calendar month, such payment shall be made on the next preceding Business Day.

(d) Unless the Agent shall have received notice from the Company prior to the date on which any payment is due to the Lenders hereunder that a Borrower will not make such payment in full, the Agent may assume that such Borrower has made such payment in full to the Agent on such date and the Agent may, in reliance upon such assumption, cause to be distributed to each Lender on such due date an amount equal to the amount then due such Lender. If and to the extent such Borrower shall not have so made such payment in full to the Agent, each Lender shall repay to the Agent forthwith on demand such amount distributed to such Lender together with interest thereon, for each day from the date such amount is distributed to such Lender until the date such Lender repays such amount to the Agent, at the Federal Funds Rate.

SECTION 2.14. Taxes.

(a) Each Lender is exempt from any withholding imposed under the laws of the United States in respect of any fees, interest or other payments to which it is entitled pursuant to this Agreement or any promissory notes issued hereunder (the "Income") because (i) the Lender is organized under the laws of the United States; (ii) the Income is effectively connected with the conduct of a trade or business within the United States within the meaning of Section 871 of the Internal Revenue Code; or (iii) the Income is eligible for an exemption by reason of a tax treaty. The Agent is exempt from any withholding tax imposed under the laws of the United States in respect of the Income because the Agent is organized under the laws of the United States.

(b) Each Lender organized under the laws of a jurisdiction outside the United States (each, a "Foreign Lender") shall, on or prior to the date of its execution and delivery of this Agreement in the case of each Initial Lender, and on the date of the Assignment and Acceptance pursuant to which it became a Lender in the case of each other Foreign Lender and from time to time thereafter if requested in writing by the Company or the Agent, provide the Agent and the relevant Borrower with Internal Revenue Service Form W-8BEN or W-8ECI, as appropriate, or any successor or other form prescribed by the Internal Revenue Service, certifying that such Foreign Lender is exempt or entitled to a reduced rate of United States withholding tax on any Income that is the subject of such forms. If the form provided by a Foreign Lender at the time such Foreign Lender first becomes a party to this Agreement indicates a United States interest withholding tax rate in excess of zero, or in excess of the rate

applicable to the Foreign Lender assignor on the date of the Assignment and Acceptance pursuant to which it became a Foreign Lender, in the case of each other Foreign Lender, withholding tax at such rate shall be considered excluded from Taxes as defined in Section 2.14(c).

(c) Based on Section 2.14(a) and (b), any and all payments by any Borrower hereunder or under any promissory notes issued hereunder shall be made free and clear of and without deduction for any present United States federal income withholding taxes imposed on a Foreign Lender under the Internal Revenue Code (such withholding taxes being hereinafter referred to as "Taxes").

(d) If, as a result of the enactment, promulgation, execution or ratification of, or any change in or amendment to, any United States law or any tax treaty (or in the application or official interpretation of any law or any tax treaty) that occurs on or after the date a Foreign Lender first becomes a party to this Agreement (a "Change in Law"), a Foreign Lender cannot comply with Section 2.14(b) or, if despite such compliance, any Borrower shall be required to deduct any Taxes from or in respect of any Income, then: (i) the sum payable to such Foreign Lender shall be increased as may be necessary so that after making all required deductions for such Taxes (including deductions applicable to additional sums payable under this Section 2.14) such Foreign Lender receives an amount equal to the sum it would have received had no such deductions been made, (ii) such Borrower shall make such deductions and (iii) such Borrower shall pay the full amount deducted to the relevant taxation authority or other authority in accordance with applicable law. Notwithstanding the foregoing, each Borrower shall be entitled to pay any Taxes in any lawful manner so as to reduce any deductions and such Foreign Lender shall to the extent it is reasonably able provide any documentation or file any forms as may be required by the Internal Revenue Service or any other foreign governmental agency. In addition, if any Foreign Lender or the Agent (in lieu of such Foreign Lender), as the case may be, is required to pay directly any Taxes as a result of a Change in Law because a Borrower cannot or does not legally or timely do so, the Company shall indemnify such Foreign Lender or Agent for payment of such Taxes, without duplication of, or increase in, the amount of Taxes otherwise due to the Foreign Lender.

(e) In addition, the Company agrees to pay any present or future stamp or documentary taxes or any other excise or property taxes, charges or similar levies (excluding any income or franchise taxes, business taxes or capital taxes of any nature) that arise from the execution, delivery or registration of, or otherwise with respect to, this Agreement (hereinafter referred to as "Other Taxes"). If a Lender is required to pay directly Other Taxes because a Borrower cannot or does not legally or timely do so, the Company shall indemnify such Lender for such payment of Other Taxes.

(f) Within 30 days after the date of any payment of Taxes or foreign withholding taxes, the Company shall furnish to the Agent, at its address referred to in Section 8.02, the original or a certified copy of a receipt evidencing payment thereof. Prior to making any payment hereunder by or on behalf of any Borrower through an account or branch outside the United States or on behalf of any Borrower by a payor that is not a United States person (a "Foreign Payment"), such Borrower shall determine that no foreign withholding taxes are payable in

respect thereof, and at its expense, shall furnish, or shall cause such payor to furnish, to the Agent, at such address, a certificate from each appropriate taxing authority, or an opinion of counsel acceptable to the Agent, in either case stating that such Foreign Payment is exempt from or not subject to foreign withholding taxes. Each Lender shall cooperate with each Borrower's efforts described in this subsection by providing to the extent reasonably within its means any forms requested by such Borrower substantiating an exemption from foreign withholding taxes required by any governmental agency. For purposes of this subsection (f), the terms "United States" and "United States person" shall have the meaning specified in Section 7701 of the Internal Revenue Code. If, as a result of the enactment, promulgation, execution or ratification of, or any change in or amendment to, any applicable foreign law or any tax treaty (or in the application or official interpretation of any law or any tax treaty) that occurs on or after the date a tax opinion is rendered pursuant to the terms of this subsection, and which renders such tax opinion incorrect as to the absence of any foreign withholding tax (a "Foreign Change in Law"), any Borrower shall be required to deduct any foreign withholding taxes from or in respect of any Income, then: (i) the sum payable to the applicable Lender shall be increased as may be necessary so that after making all required deductions for foreign withholding taxes (including deductions applicable to additional sums payable under this Section 2.14) such Lender receives an amount equal to the sum it would have received had no such deductions been made, (ii) such Borrower shall make such deductions and (iii) such Borrower shall pay the full amount deducted to the relevant taxation authority or other authority in accordance with applicable law. Notwithstanding the foregoing, each Borrower shall be entitled to pay any foreign withholding taxes in any lawful manner so as to reduce any deductions and such Lender shall to the extent it is reasonably able provide any documentation or file any forms as may be required by the Internal Revenue Service or any other foreign governmental agency. In addition, if any Lender is required to pay directly any foreign withholding tax in respect of any Foreign Payments made pursuant to this Agreement because a Borrower cannot or does not legally or timely do so, the Company shall indemnify such Lender for payment of such tax.

(g) For any period with respect to which a Lender has failed to comply with the requirements of subsection (b) or (f) relating to certain forms intended to reduce withholding taxes (other than if such failure is due to a Change in Law or a Foreign Change in Law), such Lender shall not be entitled to indemnification under subsection (d) or (f).

(h) Upon a Change in Law or the imposition of any foreign withholding tax in respect of Foreign Payments, a Lender shall, upon the written request of and at the expense of the Company, use reasonable efforts to change the jurisdiction of its Applicable Lending Office if the making of such a change would avoid the need for, or reduce the amount of, any such taxes that may thereafter accrue and would not, in the reasonable judgment of such Lender, cause the imposition on such Lender of any material legal or regulatory burdens.

(i) Without prejudice to the survival of any other agreement of any Borrower hereunder, the agreements and obligations of the Company contained in this Section 2.14 shall survive the payment in full of principal and interest hereunder until the applicable statute of limitations relating to the payment of any Taxes under Section 2.14(d) has expired.

(j) Any request by any Lender for payment of any amount under this Section 2.14 shall be accompanied by a certification that such Lender's claim for said amount is generally consistent with such Lender's treatment of similarly situated customers of such Lender whose transactions with such Lender are similarly affected by the change in circumstances giving rise to such payment, but such Lender shall not be required to disclose any confidential or proprietary information therein.

SECTION 2.15. Sharing of Payments, Etc. If any Lender shall obtain any payment (whether voluntary, involuntary, through the exercise of any right of set-off, or otherwise) on account of the Revolving Credit Advances owing to it (other than pursuant to Section 2.05(b), 2.11, 2.14 or 8.04(d)) in excess of its ratable share of payments on account of the Revolving Credit Advances obtained by all the Lenders, such Lender shall forthwith purchase from the other Lenders such participations in the Revolving Credit Advances owing to them as shall be necessary to cause such purchasing Lender to share the excess payment ratably with each of them; provided, however, that if all or any portion of such excess payment is thereafter recovered from such purchasing Lender, such purchase from each Lender shall be rescinded and such Lender shall repay to the purchasing Lender the purchase price to the extent of such recovery together with an amount equal to such Lender's ratable share (according to the proportion of (i) the amount of such Lender's required repayment to (ii) the total amount so recovered from the purchasing Lender) of any interest or other amount paid or payable by the purchasing Lender in respect of the total amount so recovered. Each Borrower agrees that any Lender so purchasing a participation from another Lender pursuant to this Section 2.15 may, to the fullest extent permitted by law, exercise all its rights of payment (including the right of setoff) with respect to such participation as fully as if such Lender were the direct creditor of such Borrower in the amount of such participation.

SECTION 2.16. Use of Proceeds. The proceeds of the Advances shall be available (and the Company agrees that such proceeds shall be used) for general corporate purposes of the Company and its Subsidiaries, including commercial paper backstop.

SECTION 2.17. Borrowings by Borrowing Subsidiaries; Substitution of Borrower.

(a) The Company may, at any time or from time to time, designate one or more Subsidiaries (including the Guarantor) as Borrowers hereunder by furnishing to the Agent a letter (a "Designation Letter") in duplicate, in substantially the form of Exhibit D, duly completed and executed by the Company and such Subsidiary. Upon any such designation of a Subsidiary, such Subsidiary shall be a Borrowing Subsidiary and a Borrower entitled to borrow Revolving Credit Advances and Competitive Bid Advances on and subject to the terms and conditions of this Agreement.

(b) If all principal of and interest on all Advances made to any Borrowing Subsidiary have been paid in full, the Company may terminate the status of such Borrowing Subsidiary as a Borrower hereunder by furnishing to the Agent a letter (a "Termination

Letter") in substantially the form of Exhibit F, duly completed and executed by the Company. Any Termination Letter furnished hereunder shall be effective upon receipt by the Agent, which shall promptly notify the Lenders, whereupon the Lenders shall, upon payment in full of all amounts owing by such Borrower hereunder, promptly deliver to the Company (through the Agent) the promissory notes, if any, of such former Borrower. Notwithstanding the foregoing, the delivery of a Termination Letter with respect to any Borrower shall not terminate (i) any obligation of such Borrower that remains unpaid at the time of such delivery (including without limitation any obligation arising thereafter in respect of such Borrower under Section 2.11 or 2.14) or (ii) the obligations of the Company under Article IX with respect to any such unpaid obligations; provided, that if the status of such Borrowing Subsidiary has been terminated as aforesaid because the Company has sold or transferred its interest in such Subsidiary, and the Company so certifies to the Agent at the time of delivery of such Termination Letter, and subject to payment of said principal and interest, (i) such Subsidiary shall, automatically upon the effectiveness of the delivery of such Termination Letter and certification, cease to have any obligation under this Agreement and (ii) the Company shall automatically be deemed to have unconditionally assumed, as primary obligor, and hereby agrees to pay and perform, all of such obligations.

(c) In addition to the foregoing, the Company may, at any time when there are no Advances outstanding hereunder and upon not less than 10 Business Days' notice, irrevocably elect to terminate its right to be a Borrower hereunder as of the date (which shall be a Business Day) specified in such Substitution Letter (the "Substitution Date") and designate the Guarantor as a Borrower hereunder by furnishing to the Agent (x) a letter (a "Substitution Letter"), in substantially the form of Exhibit E duly completed and executed by the Company and the Guarantor, (y) a certificate signed by a duly authorized officer of the Company, and a certificate signed by a duly authorized officer of the Guarantor, each dated the Substitution Date, stating that:

(i) the representations and warranties contained in Section 4.01 (except the representations set forth in the last sentence of subsection (e) thereof and in subsection (f) thereof (other than clause (ii) thereof)) are correct in all material respects on and as of the Substitution Date, as though made on and as of such date, and

(ii) No event has occurred and is continuing, or would result from such designation, that constitutes a Default;

and (z) the Agent shall have received such other corporate documents, resolutions and legal opinions relating to the foregoing as it, or any Lender through the Agent, may reasonably request.

SECTION 2.18. Mitigation Obligations. If any Lender requests compensation under Section 2.11, or if the obligation of any Lender to make or continue Advances as, or Convert Advances into, Eurodollar Rate Advances is suspended pursuant to Section 2.12, then, upon the written request of the Company, such Lender shall use reasonable efforts to designate a different lending office for funding or booking its Loans hereunder or to assign its rights and

obligations hereunder to another of its offices, branches or affiliates, if, in the judgment of such Lender, such designations or assignment (i) would eliminate or reduce amounts payable pursuant to Section 2.11 or would cause such Lender not to be subject to such suspension, as the case may be, in the future and (ii) would not subject such Lender to any unreimbursed cost or expense and would not, in the reasonable judgment of such Lender, cause imposition on such Lender of any material legal or regulatory burdens or otherwise be disadvantageous to such Lender. The Company hereby agrees to pay all reasonable costs and expenses incurred by any Lender in connection with any such designation or assignment.

ARTICLE III

CONDITIONS TO EFFECTIVENESS AND ARTICLE II

SECTION 3.01. Conditions Precedent to Effectiveness of Sections 2.01 and 2.03. Sections 2.01 and 2.03 of this Agreement shall become effective on and as of the first date (the "Effective Date") on which the following conditions precedent have been satisfied:

(a) As of the Effective Date, there shall have occurred no Material Adverse Change since December 28, 2002 that has not been publicly disclosed.

(b) As of the Effective Date, there shall exist no action, suit, investigation, litigation or proceeding affecting the Company, or any of its Subsidiaries (including the Guarantor) pending or, to the knowledge of the Company's or the Guarantor's executive officers, threatened before any court, governmental agency or arbitrator that (i) could be reasonably likely to have a Material Adverse Effect or (ii) could reasonably be likely to affect the legality, validity or enforceability of this Agreement or the consummation of the transactions contemplated hereby.

(c) As of the Effective Date, nothing shall have come to the attention of the Lenders during the course of their due diligence investigation to lead them to believe that the Information Memorandum was or has become misleading, incorrect or incomplete in any material respect.

(d) As of the Effective Date, all governmental and third party consents and approvals necessary in connection with the transactions contemplated hereby shall have been obtained (without the imposition of any conditions that are not acceptable to the Lenders) and shall remain in effect.

(e) As of the Effective Date, the Company shall have paid all accrued fees and expenses of the Agent and the Lenders (including the accrued fees and expenses of counsel to the Agent, to the extent invoiced at least one Business Day prior to the Effective Date).

(f) On the Effective Date, the following statements shall be true and the Agent shall have received for the account of each Lender a certificate signed by a duly authorized officer of the Company dated the Effective Date, stating that:

(i) The representations and warranties contained in Section 4.01 are correct in all material aspects on and as of the Effective Date, and

(ii) No event has occurred and is continuing that constitutes a Default.

(g) The Agent shall have received on or before the Effective Date the following, each dated such day, in form and substance satisfactory to the Agent and (except for any notes requested by the Lenders) in sufficient copies for each Lender:

(i) To the extent any Lender shall have requested, at least one Business day prior to the Effective Date that its Revolving Credit Advances be evidenced by a promissory note, a note payable to the order of such Lender.

(ii) Certified copies of the resolutions of the Board of Directors of the Company and of the Guarantor approving this Agreement, and of all documents evidencing other necessary corporate action and governmental approvals, if any, with respect to this Agreement.

(iii) 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.

(iv) 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.

(v) An opinion of Pamela C. McGuire, Esq., General Counsel of each of the Company and the Guarantor, substantially in the form of Exhibit C hereto and as to such other matters as any Lender through the Agent may reasonably request.

(vi) A favorable opinion of Milbank, Tweed, Hadley & McCloy LLP, special New York counsel for the Agent.

(vii) Evidence of the termination of the Commitments as defined in the $250,000,000 364-Day Second Amended and Restated Credit Agreement dated as of May 1, 2002 among the Company, the Guarantor, certain lenders and JP Morgan Chase Bank, as Agent (as amended and restated) and of the payment in full of any and all amounts payable thereunder.

(viii) The Agent shall have received such other approvals, opinions or documents as any Lender through the Agent may reasonably request.

SECTION 3.02. Conditions Precedent to Each Revolving Credit Borrowing. The obligation of each Lender to make a Revolving Credit Advance on the occasion of each Revolving Credit Borrowing shall be subject to the conditions precedent that the Effective Date shall have occurred and on the date of such Revolving Credit Borrowing (a) the following statements shall be true (and each of the giving of the applicable Notice of Revolving Credit Borrowing and the acceptance by any Borrower of the proceeds of such Revolving Credit Borrowing shall constitute a representation and warranty by the Company and such Borrower that on the date of such Borrowing such statements are true):

(i) The representations and warranties contained in Section 4.01 (except the representations set forth in the last sentence of subsection (e) thereof and in subsection (f) thereof (other than clause (ii) thereof)) are correct in all material respects on and as of the date of such Revolving Credit Borrowing, before and after giving effect to such Revolving Credit Borrowing and to the application of the proceeds therefrom, as though made on and as of such date, and

(ii) No event has occurred and is continuing, or would result from such Revolving Credit Borrowing or from the application of the proceeds therefrom, that constitutes a Default;

and (b) in the case of the first Borrowing by a Borrowing Subsidiary, the Agent shall have received such corporate documents, resolutions and legal opinions relating to such Borrowing Subsidiary as the Agent may reasonably require.

SECTION 3.03. Conditions Precedent to Each Competitive Bid Borrowing. The obligation of each Lender that is to make a Competitive Bid Advance on the occasion of a Competitive Bid Borrowing to make such Competitive Bid Advance as part of such Competitive Bid Borrowing is subject to the conditions precedent that (i) the Agent shall have received the written confirmatory Notice of Competitive Bid Borrowing with respect thereto, and (ii) on the date of such Competitive Bid Borrowing the following statements shall be true (and each of the giving of the applicable Notice of Competitive Bid Borrowing and the acceptance by any Borrower of the proceeds of such Competitive Bid Borrowing shall constitute a representation and warranty by the Company and such Borrower that on the date of such Competitive Bid Borrowing such statements are true):

(a) The representations and warranties contained in Section 4.01 (except the representations set forth in the last sentence of subsection (e) thereof and in subsection (f) thereof (other than clause (ii) thereof)) are correct in all material respects on and as of the date of such Competitive Bid Borrowing, before and after giving effect to such Competitive Bid Borrowing and to the application of the proceeds therefrom, as though made on and as of such date; and

(b) No event has occurred and is continuing, or would result from such Competitive Bid Borrowing or from the application of the proceeds therefrom, that constitutes a Default.

SECTION 3.04. Determinations Under Section 3.01. For purposes of determining compliance with the conditions specified in Section 3.01, each Lender shall be deemed to have consented to, approved or accepted or to be satisfied with each document or other matter required thereunder to be consented to or approved by or acceptable or satisfactory to the Lenders unless an officer of the Agent responsible for the transactions contemplated by this Agreement shall have received notice from such Lender prior to the proposed Effective Date, as notified by the Company to the Lenders, specifying its objection thereto. The Agent shall promptly notify the Lenders of the occurrence of the Effective Date.

ARTICLE IV

REPRESENTATIONS AND WARRANTIES OF THE LOAN PARTIES

SECTION 4.01. Representations and Warranties of the Loan Parties. Each of the Company and the Guarantor (each, a "Loan Party") represents and warrants as follows:

(a) The Company is a corporation duly organized, validly existing and in good standing under the laws of the State of Delaware and the Guarantor is a limited liability company duly organized, validly existing and in good standing under the laws of the State of Delaware.

(b) The execution, delivery and performance by each Loan Party of this Agreement and the consummation of the transactions contemplated hereby are within such Loan Party's powers, have been duly authorized by all necessary corporate or other action, and do not contravene (i) its charter, by-laws or other organizational documents or (ii) any law or contractual restriction binding on or materially affecting such Loan Party.

(c) No authorization or approval or other action by, and no notice to or filing with, any governmental authority or regulatory body or any other third party is required for the due execution, delivery and performance by either Loan Party of this Agreement.

(d) This Agreement has been duly executed and delivered by each Loan Party. This Agreement is the legal, valid and binding obligation of each Loan Party enforceable against it in accordance with its terms, subject to applicable bankruptcy, insolvency and similar laws affecting creditors' rights generally and equitable principles of general applicability.

(e) The Consolidated balance sheet of the Company and its Subsidiaries as at December 28, 2002, and the related Consolidated statements of operations and cash flows of the Company and its Subsidiaries for the fiscal year then ended, accompanied by an opinion of KPMG Peat Marwick, independent public accountants, fairly present the financial condition of the Company as at such date and the results of the operations of the Company for the period ended on such date, all in accordance with generally accepted accounting principles consistently applied. Since December 28, 2002, there has been no Material Adverse Change that has not been publicly disclosed.

(f) There is no pending or threatened action, suit, investigation, litigation or proceeding affecting either Loan Party before any court, governmental agency or arbitrator that (i) would be reasonably likely to have a Material Adverse Effect or (ii) would reasonably be likely to affect the legality, validity or enforceability of this Agreement or any promissory note issued under this Agreement, if any, or the consummation of the transactions contemplated hereby.

(g) It is not engaged in the business of extending credit for the purpose of purchasing or carrying Margin Stock and no proceeds of any Advance will be used to purchase or carry any Margin Stock or to extend credit to others for the purpose (whether immediate, individual or ultimate) of purchasing or carrying any Margin Stock, in either case in a manner that would cause the Advances or any Lender to be in violation of Regulation U.

(h) Following application of the proceeds of each Advance, not more than 25 percent of the value of the assets (either of any Borrower only or of the Company and its Subsidiaries or the Guarantor and its Subsidiaries, in each case on a Consolidated basis) subject to the provisions of Section 5.02(a) or (b)(ii) or subject to any restriction contained in any agreement or instrument between it and any Lender or any Affiliate of any Lender relating to Debt and within the scope of Section 6.01(d) will be Margin Stock.

(i) Neither Loan Party is an "investment company", a company "controlled by", or "promoter" or "principal underwriter" for, an "investment company", as such terms are defined in the Investment Company Act of 1940, as amended. Neither the making of any Advances nor the application of the proceeds or repayment thereof by any Borrower will violate any provision of such Act or any rule, regulation or order of the Securities and Exchange Commission thereunder.

ARTICLE V

COVENANTS

SECTION 5.01. Affirmative Covenants. So long as any Advance shall remain unpaid or any Lender shall have any Commitment hereunder, each Loan Party will:

(a) Compliance with Laws, Etc. Comply, and cause each of its Subsidiaries to comply, in all material respects, with all applicable laws, rules, regulations and orders, such compliance to include, without limitation, compliance with ERISA and Environmental Laws, except where failure so to comply would not, and would not be reasonably likely to, have a Material Adverse Effect.

(b) Payment of Taxes, Etc. Pay and discharge, and cause each of its Subsidiaries to pay and discharge, before the same shall become delinquent, (i) all taxes, assessments and governmental charges or levies imposed upon it or upon its property and (ii) all lawful claims that, if unpaid, might by law become a Lien upon its property; provided, however, that neither Loan Party nor any of its Subsidiaries shall be required to pay or discharge any such tax,

assessment, charge or claim that is being contested in good faith and by proper proceedings and as to which appropriate reserves are being maintained, unless and until any Lien resulting therefrom attaches to its property and becomes enforceable against its other creditors and such Lien would be reasonably likely to have a Material Adverse Effect.

(c) Preservation of Corporate Existence, Etc. Preserve and maintain, and cause each of its Material Subsidiaries to preserve and maintain, its corporate existence, rights (charter and statutory) and franchises; provided, however, that each Loan Party and its Material Subsidiaries may consummate any merger or consolidation permitted under Section 5.02(b) and provided further that neither Loan Party nor any of its Material Subsidiaries shall be required to preserve any right or franchise if the Board of Directors of such Loan Party or such Subsidiary shall determine that the preservation thereof is no longer desirable in the conduct of the business of such Loan Party or such Subsidiary, as the case may be, and that the loss thereof is not disadvantageous in any material respect to such Loan Party, such Subsidiary or the Lenders.

(d) Reporting Requirements. Furnish to the Lenders:

(i) as soon as available and in any event within 45 days after the end of each of the first three Fiscal Quarters of each Fiscal Year of the Company, the Consolidated balance sheet of the Company and its Subsidiaries as of the end of such quarter and Consolidated statements of operations and cash flows of the Company and its Subsidiaries for the period commencing at the end of the previous Fiscal Year and ending with the end of such Fiscal Quarter, duly certified (subject to year-end audit adjustments) by the chief financial officer of the Company as having been prepared in accordance with GAAP, it being agreed that delivery of the Company's Quarterly Report on Form 10-Q will satisfy this requirement;

(ii) as soon as available and in any event within 90 days after the end of each Fiscal Year of the Company, a copy of the annual audit report for such year for the Company and its Subsidiaries, containing the Consolidated balance sheet of the Company and its Subsidiaries as of the end of such Fiscal Year and Consolidated statements of operations and cash flows of the Company and its Subsidiaries for such Fiscal Year, in each case accompanied by an opinion by KPMG Peat Marwick or other independent public accountants of nationally recognized standing, it being agreed that delivery of the Company's Annual Report on Form 10-K will satisfy this requirement;

(iii) as soon as possible and in any event within five days after the occurrence of each Default continuing on the date of such statement, a statement of the chief financial officer of the Company setting forth details of such Default and the action that the Company has taken and proposes to take with respect thereto; and

(iv) promptly after the sending or filing thereof, copies of all annual reports and proxy solicitations that the Company sends to any of its securityholders, and copies of all reports on Form 8-K that the Company or any Subsidiary files with the Securities and Exchange Commission.

SECTION 5.02. Negative Covenants. So long as any Advance shall remain unpaid or any Lender shall have any Commitment hereunder, neither Loan Party will:

(a) Secured Debt. Create or suffer to exist, or permit any of its Restricted Subsidiaries or the Guarantor to create or suffer to exist, any Debt secured by a Lien on any Principal Property or on any shares of stock of or Debt of any Restricted Subsidiary or the Guarantor unless such Loan Party or such Restricted Subsidiary secures or causes such Restricted Subsidiary or the Guarantor to secure the Advances and all other amounts payable under this Agreement equally and ratably with such secured Debt, so long as such secured Debt shall be so secured, unless after giving effect thereto the aggregate amount of all such Debt so secured does not exceed 15% of Consolidated Net Tangible Assets; provided that the foregoing restriction does not apply to Debt secured by:

(i) Liens existing prior to the date hereof;

(ii) Liens on property of, or on shares of stock of or Debt of, any corporation existing at the time such corporation becomes a Restricted Subsidiary;

(iii) Liens in favor of a Loan Party or any Restricted Subsidiary;

(iv) Liens in favor of any governmental bodies to secure progress or advance payments;

(v) Liens on property, shares of stock or Debt existing at the time of acquisition thereof (including acquisition through merger or consolidation) or liens securing Debt incurred to finance all or any part of the purchase price or cost of construction of property (or additions, substantial repairs, alterations or substantial improvements thereto), provided that such Lien and the Debt secured thereby are incurred within 365 days of the later of acquisition or completion of construction (or addition, repair, alteration or improvement) and full operation thereof; and

(vi) any extension, renewal or refunding of Debt referred to in the foregoing clauses (i) to (v), inclusive.

(b) Mergers, Etc. (i) Merge or consolidate with or into any corporation or (ii) sell, lease, transfer or otherwise dispose of all or substantially all of the assets of the Company and its Subsidiaries, taken as a whole, unless the Company or the Guarantor would be the acquiring or surviving party in such transaction and no Event of Default shall have occurred and be continuing at the time of such proposed transaction or would result therefrom.

(c) Subsidiary Debt. Permit any Restricted Subsidiary to create, incur, assume or permit to exist any Debt, except:

(i) Debt of the Borrowing Subsidiaries, if any, created hereunder and under the 5-Year Facility;

(ii) Debt existing on the Effective Date;

(iii) Debt of any Subsidiary to any Loan Party or any other Subsidiary;

(iv) Debt of any Person that becomes a Subsidiary after the date hereof; provided that such Debt exists at the time such Person becomes a Subsidiary and is not created in contemplation of or in connection with such Person becoming a Subsidiary;

(v) any refinancing, refunding or replacement of any Debt permitted under clause (ii) through (iv) above; and

(vi) other Debt in an aggregate principal amount not exceeding 15% of Consolidated Net Tangible Assets, computed as of the last day of the then most recently concluded fiscal quarter of the Company, at any time outstanding.

(d) Restrictive Agreements. Neither Loan Party will enter into, incur or permit to exist any agreement or other arrangement that prohibits or restricts the ability of any Subsidiary to pay dividends or other distributions with respect to any shares of its capital stock or to make or repay loans or advances to, or otherwise transfer assets to the Company; provided that the foregoing shall not apply to (i) restrictions and conditions imposed by law or by this Agreement or the 5-Year Facility, (ii) customary restrictions and conditions contained in agreements relating to the sale of a Subsidiary pending such sale, provided such restrictions and conditions apply only to the Subsidiary that is to be sold and such sale is permitted hereunder, (iii) restrictions or conditions imposed by any agreement relating to secured Debt permitted by this Agreement if such restrictions or conditions apply only to the property or assets securing such Debt, (iv) customary provisions in leases and other contracts restricting the assignment thereof, (v) any agreement in effect on the Effective Date, as any such agreement is in effect on such date, (vi) any agreement binding upon such Subsidiary prior to the date on which such Subsidiary was acquired by the Company and outstanding on such date, (vii) customary net worth and other financial maintenance covenants in an agreement relating to Debt or other obligations incurred in compliance with this Agreement, and (viii) any agreement refinancing, renewing or replacing any agreement or Debt referred to in (i) through (vii) above, provided that the relevant provisions are no more restrictive than those in the agreement or Debt being refinanced, renewed or replaced.

(e) Ownership. In the case of the Company, cease to own, legally and beneficially, 75% or more of the membership interests in the Guarantor.

SECTION 5.03. Financial Covenants. So long as any Advance shall remain unpaid or any Lender shall have any Commitment hereunder, the Company will not:

(a) Debt to Capitalization Ratio. Permit the Debt to Capitalization Ratio as at the last day of any Fiscal Quarter that is not an Alternate Covenant Date to exceed 0.75 to 1.0.

(b) Consolidated Leverage Ratio. Permit the Consolidated Leverage Ratio as at the last day of any Fiscal Quarter that is an Alternate Covenant Date to exceed 5.0 to 1.0.

ARTICLE VI

EVENTS OF DEFAULT

SECTION 6.01. Events of Default. If any of the following events ("Events of Default") shall occur and be continuing:

(a) Any Borrower shall fail to pay any principal of, or interest on, any Advance or to make any other payment under this Agreement, in each case within five days after the same becomes due and payable; or

(b) Any representation or warranty made by any Loan Party herein or by any Borrower (or any of its officers) in connection with this Agreement (including without limitation by any Borrowing Subsidiary pursuant to any Designation Letter) shall prove to have been incorrect in any material respect when made; or

(c) Any Loan Party shall fail to perform or observe any term, covenant or agreement contained in Section 5.01(d), 5.02 or 5.03, or (ii) any Loan Party shall fail to perform or observe any other term, covenant or agreement contained in this Agreement on its part to be performed or observed if such failure shall remain unremedied for 30 days after written notice thereof shall have been given to either Loan Party by the Agent or any Lender; or

(d) Any Loan Party or any of its Subsidiaries shall fail to pay any principal of or premium or interest on any Debt that is outstanding in a principal or notional amount of at least $75,000,000 in the aggregate (but excluding Debt outstanding hereunder) of such Loan Party or such Subsidiary (as the case may be), when the same becomes due and payable (whether by scheduled maturity, required prepayment, acceleration, demand or otherwise), and such failure shall continue after the applicable grace period, if any, specified in the agreement or instrument relating to such Debt; or any other event shall occur or condition shall exist under any agreement or instrument relating to any such Debt and shall continue after the applicable grace period, if any, specified in such agreement or instrument, if the effect of such event or condition is to accelerate the maturity of such Debt or permit (with or without the giving of notice, the lapse of time or both) the holder or holders of such Debt or any trustee or agent on its or their behalf to cause any such Debt to become due prior to its scheduled maturity; or any such Debt shall be declared to be due and payable, or required to be prepaid or redeemed (other than by a regularly scheduled required prepayment or redemption), purchased or defeased, or an offer to prepay, redeem, purchase or defease such Debt shall be required to be made, in each case prior to the stated maturity thereof; or

(e) Any Loan Party or any of its Subsidiaries shall generally not pay its debts as such debts become due, or shall admit in writing its inability to pay its debts generally, or shall make a general assignment for the benefit of creditors; or any proceeding shall be instituted by or

against such Loan Party or any of its Subsidiaries seeking to adjudicate it a bankrupt or insolvent, or seeking liquidation, winding up, reorganization, arrangement, adjustment, protection, relief, or composition of it or its debts under any law relating to bankruptcy, insolvency or reorganization or relief of debtors, or seeking the entry of an order for relief or the appointment of a receiver, trustee, custodian or other similar official for it or for any substantial part of its property and, in the case of any such proceeding instituted against it (but not instituted by it), either such proceeding shall remain undismissed or unstayed for a period of 30 days, or any of the actions sought in such proceeding (including, without limitation, the entry of an order for relief against, or the appointment of a receiver, trustee, custodian or other similar official for, it or for any substantial part of its property) shall occur; or such Loan Party of any of its Subsidiaries shall take any corporate action to authorize any of the actions set forth above in this subsection (e); or

(f) Any judgment or order for the payment of money in excess of $75,000,000 shall be rendered against any Loan Party or any of its Material Subsidiaries and either (i) enforcement proceedings shall have been commenced by any creditor upon such judgment or order or (ii) there shall be any period of 10 consecutive days during which a stay of enforcement of such judgment or order, by reason of a pending appeal or otherwise, shall not be in effect; provided, however, that any such judgment or order shall not be an Event of Default under this Section 6.01(f) if and for so long as (i) the amount of such judgment or order is covered by a valid and binding policy of insurance between the defendant and the insurer covering payment thereof and (ii) such insurer, which shall be rated at least "A" by A.M. Best Company, has been notified of, and has not disputed the claim made for payment of, the amount of such judgment or order; or

(g) Any event, action or condition with respect to an employee benefit plan of the Company subject to Title IV of ERISA results in any penalty or action pursuant to ERISA that has a material adverse effect on the business or financial condition of either Loan Party and its Subsidiaries, taken as a whole; or

(h) The Master Bottling Agreement ceases to be valid and binding and in full force and effect; or Pepsi denies that it has any liability or obligation under the Master Bottling Agreement and Pepsi ceases performance thereunder; or

(i) A Change of Control shall occur;

then, and in any such event, the Agent (i) shall at the request, or may with the consent, of the Required Lenders, by notice to the Company, declare the obligation of each Lender to make Advances to be terminated, whereupon the same shall forthwith terminate, and (ii) shall at the request, or may with the consent, of the Required Lenders, by notice to the Company, declare the Advances, all interest thereon and all other amounts payable under this Agreement to be forthwith due and payable, whereupon the Advances, all such interest and all such amounts shall become and be forthwith due and payable, without presentment, demand, protest or further notice of any kind, all of which are hereby expressly waived by the Company; provided, however, that in the event of an actual or deemed entry of an order for relief with respect to any Loan Party or any Borrowing Subsidiary under the Federal Bankruptcy Code, (A) the obligation

of each Lender to make Advances shall automatically be terminated and (B) the Advances, all such interest and all such amounts shall automatically become and be due and payable, without presentment, protest or any notice of any kind, all of which are hereby expressly waived by each Loan Party.

ARTICLE VII

THE AGENT

Each of the Lenders hereby irrevocably appoints the Agent as its agent and authorizes the Agent to take such actions on its behalf and to exercise such powers as are delegated to the Agent by the terms hereof, together with such actions and powers as are reasonably incidental thereto.

The bank serving as the Agent hereunder shall have the same rights and powers in its capacity as a Lender as any other Lender and may exercise the same as though it were not the Agent, and such bank and its Affiliates may accept deposits from, lend money to and generally engage in any kind of business with the Loan Parties or any Subsidiary or other Affiliate thereof as if it were not the Agent hereunder.

The Agent shall not have any duties or obligations except those expressly set forth herein. Without limiting the generality of the foregoing, (a) the Agent shall not be subject to any fiduciary or other implied duties, regardless of whether a Default has occurred and is continuing, (b) the Agent shall not have any duty to take any discretionary action or exercise any discretionary powers, except discretionary rights and powers expressly contemplated hereby that the Agent is required to exercise in writing by the Required Lenders (or such other number or percentage of the Lenders as shall be necessary under the circumstances as provided in Section 8.01), and (c) except as expressly set forth herein, the Agent shall not have any duty to disclose, and shall not be liable for the failure to disclose, any information relating to the Loan Parties or any if their Subsidiaries that is communicated to or obtained by the bank serving as Agent or any of its Affiliates in any capacity. The Agent shall not be liable for any action taken or not taken by it with the consent or at the request of the Required Lenders (or such other number or percentage of the Lenders as shall be necessary under the circumstances as provided in Section 8.01) or in the absence of its own gross negligence or wilful misconduct. The Agent shall be deemed not to have knowledge of any Default unless and until written notice thereof is given to the Agent by a Loan Party or a Lender, and the Agent shall not be responsible for or have any duty to ascertain or inquire into (i) any statement, warranty or representation made in or in connection with this Agreement, (ii) the contents of any certificate, report or other document delivered hereunder or in connection herewith, (iii) the performance or observance of any of the covenants, agreements or other terms or conditions set forth herein, (iv) the validity, enforceability, effectiveness or genuineness of this Agreement or any other agreement, instrument or document, or (v) the satisfaction of any condition set forth in Article III or elsewhere herein, other than to confirm receipt of items expressly required to be delivered to the Agent.

The Agent shall be entitled to rely upon, and shall not incur any liability for relying upon, any notice, request, certificate, consent, statement, instrument, document or other

writing believed by it to be genuine and to have been signed or sent by the proper Person. The Agent also may rely upon any statement made to it orally or by telephone and believed by it to be made by the proper Person, and shall not incur any liability for relying thereon. The Agent may consult with legal counsel (who may be counsel for any Loan Party), independent accountants and other experts selected by it, and shall not be liable for any action taken or not taken by it in accordance with the advice of any such counsel, accountants or experts.

The Agent may perform any and all of its duties and exercise its rights and powers by or through any one or more sub-agents appointed by the Agent. The Agent and any such sub-agent may perform any and all of its duties and exercise its rights and powers through their respective Related Parties. The exculpatory provisions of the preceding paragraphs shall apply to any such sub-agent and to the Related Parties of the Agent and any such sub-agent, and shall apply to their respective activities in connection with the syndication of the credit facilities provided for herein as well as activities as Agent.

Subject to the appointment and acceptance of a successor Agent as provided in this paragraph, the Agent may resign at any time by notifying the Lenders and the Company. Upon any such resignation, the Required Lenders shall have the right to appoint a successor agent approved by the Company, which approval will not be unreasonably withheld or delayed; provided that such approval shall not be required if an Event of Default has occurred and is continuing. If no successor shall have been so appointed by the Required Lenders and shall have accepted such appointment within 30 days after the retiring Agent gives notice of its resignation, then the retiring Agent may, on behalf of the Lenders, appoint a successor Agent which shall be a commercial bank organized under the laws of the United States or any State thereof, having a combined capital and surplus of at least $50,000,000 with an office in New York, New York, or an Affiliate of any such bank. Upon the acceptance of its appointments as Agent hereunder by a successor, such successor shall succeed to and become vested with all the rights, powers, privileges and duties of the retiring Agent, and the retiring Agent shall be discharged from its duties and obligations hereunder. The fees payable by the Company to a successor Agent shall be the same as those payable to its predecessor unless otherwise agreed between the Company and such successor. After the Agent's resignation hereunder, the provisions of this Article and Section 8.04 shall continue in effect for the benefit of such retiring Agent, its sub-agents and their respective Related Parties in respect of any actions taken or omitted to be taken by any of them while it was acting as Agent.

Each Lender acknowledges that it has, independently and without reliance upon the Agent or any other Lender and based on such documents and information as it has deemed appropriate, made its own credit analysis and decision to enter into this Agreement. Each Lender also acknowledges that it will, independently and without reliance upon the Agent or any other Lender and based on such documents and information as it shall from time to time deem appropriate, continue to make its own decisions in taking or not taking action under or based upon this Agreement, any related agreement or any document furnished hereunder or thereunder.

ARTICLE VIII

MISCELLANEOUS

SECTION 8.01. Amendments, Etc. No amendment or waiver of any provision of this Agreement, nor consent to any departure by any Borrower therefrom, shall in any event be effective unless the same shall be in writing and signed by the Required Lenders, and then such waiver or consent shall be effective only in the specific instance and for the specific purpose for which given; provided, however, that no amendment, waiver or consent shall, unless in writing and signed by all the Lenders, do any of the following: (a) except pursuant to Section 2.05(b), 2.05(c), 2.15 or 2.17, increase the Commitments of the Lenders or subject the Lenders to any additional obligations, (b) reduce the principal of, or interest on, the Revolving Credit Advances or any fees or other amounts payable hereunder, (c) postpone any date fixed for any payment of principal of, or interest on, the Revolving Credit Advances or any fees or other amounts payable hereunder, (d) change the percentage of the Commitments or of the aggregate unpaid principal amount of the Revolving Credit Advances, or the number of Lenders, that shall be required for the Lenders or any of them to take any action hereunder, (e) release the guarantee as set forth in Section 9.01 or 10.01, or (f) amend this Section 8.01; and provided further that no amendment, waiver or consent shall, unless in writing and signed by the Agent in addition to the Lenders required above to take such action, affect the rights or duties of the Agent under this Agreement.

SECTION 8.02. Notices, Etc. All notices and other communications provided for hereunder shall be in writing (including telecopier, telegraphic or telex communication) and mailed, telecopied, telegraphed, telexed or delivered, if to the Company, any Borrower or the Guarantor, to the Company at its address at One Pepsi Way, Somers, New York 10589, Attention: General Counsel, Telecopier No. (914) 767-1161, with a copy to Secretary, Telecopier No. (914) 767-1161; if to any Initial Lender, at its Domestic Lending Office specified opposite its name on Schedule 1 hereto; if to any other Lender, at its Domestic Lending Office specified in the Assignment and Acceptance pursuant to which it became a Lender; and if to the Agent, at the Assignment and Acceptance pursuant to which it became a Lender; and if to the Agent, at JPMorgan Chase Bank, Loan & Agency Services, 1111 Fannin, Floor 10, Houston, Texas, 77002, Attention of Cherry Arnaez (Telecopier No. (713) 750-2894), with a copy to JPMorgan Chase Bank, 270 Park Avenue, New York, New York 10017, Attention of Buddy Wuthrich (Telecopier No. (212) 270-5127); or, as to the Company, any Borrower, the Guarantor or the Agent, at such other address as shall be designated by such party in a written notice to the other parties and, as to each other party, at such other address as shall be designated by such party in a written notice to the Company and the Agent. All such notices and communications shall, when mailed, telecopied, telegraphed or telexed, be effective when deposited in the mails, telecopied, delivered to the telegraph company or confirmed by telex answer back, respectively, except that notices and communications to the Agent pursuant to Article II, III or VII shall not be effective until received by the Agent.

SECTION 8.03. No Waiver; Remedies. No failure on the part of any Lender or the Agent to exercise, and no delay in exercising, any right hereunder shall operate as a waiver thereof, nor shall any single or partial exercise of any such right preclude any other or further exercise thereof or the exercise of any other right. The remedies herein provided are cumulative and not exclusive of any remedies provided by law.

SECTION 8.04. Costs and Expenses.

(a) The Company agrees to pay on demand all costs and expenses of the Agent as set forth in the fee letter between the Company and the Agent. The Company further agrees to pay on demand all reasonable costs and expenses of the Agent and the Lenders, if any (including, without limitation, reasonable counsel fees and expenses), in connection with the enforcement (whether through negotiations, legal proceedings or otherwise) of this Agreement and the other documents to be delivered hereunder, including, without limitation, reasonable fees and expenses of counsel for the Agent and each Lender in connection with the enforcement of rights under this Section 8.04(a).

(b) The Company agrees to indemnify and hold harmless the Agent and each Lender and each of their Affiliates and their officers, directors, employees, agents and advisors (each, an "Indemnified Party") from and against any and all claims, damages, losses, liabilities and expenses (including, without limitation, reasonable fees and expenses of counsel) that may be incurred by or asserted or awarded against any Indemnified Party, in each case arising out of or in connection with or by reason of, or in connection with the preparation for a defense of, any investigation, litigation or proceeding arising out of, related to or in connection with this Agreement, any promissory note issued hereunder, any of the transactions contemplated herein or the actual or proposed use of the proceeds of the Advances, whether or not such investigation, litigation or proceeding is brought by any Borrower, the Guarantor, their directors, shareholders or creditors or an Indemnified Party or any other Person or any Indemnified Party is otherwise a party thereto and whether or not the transactions contemplated hereby are consummated, except to the extent such claim, damage, loss, liability or expense is found in a final, non-appealable judgment by a court of competent jurisdiction to have resulted from such Indemnified Party's gross negligence or willful misconduct.

(c) To the extent that the Company fails to pay any amount required to be paid by it to the Agent under paragraph (a) or (b) of this Section 8.04, each Lender severally agrees to pay to the Agent such Lenders' Applicable Percentage (determined as of the time that the applicable unreimbursed expense or indemnity payment is sought) of such unpaid amount; provided that the unreimbursed expense or indemnified loss, claim, damage, liability or related expense, as the case may be, was incurred by or asserted against the Agent in its capacity as such.

(d) If any payment of principal of, or Conversion of, any Eurodollar Rate Advance or LIBO Rate Advance is made by any Borrower to or for the account of a Lender other than on the last day of the Interest Period for such Advance, as a result of a payment or Conversion pursuant to Section 2.08(d) or (e), 2.10 or 2.12, acceleration of the maturity of the Advances

pursuant to Section 6.01 or for any other reason, the Company shall, upon demand by such Lender (with a copy of such demand to the Agent), pay to the Agent for the account of such Lender any amounts required to compensate such Lender for any additional losses, costs or expenses that it may reasonably incur as a result of such payment or Conversion, including, without limitation, any loss, cost or expense incurred by reason of the liquidation or reemployment of deposits or other funds acquired by any Lender to fund or maintain such Advance.

(e) Without prejudice to the survival of any other agreement of any Borrower hereunder, the agreements and obligations of the Company contained in Sections 2.11, 2.14 and 8.04 shall survive the payment in full of principal, interest and all other amounts payable hereunder.

SECTION 8.05. Right of Set-off. Upon (i) the occurrence and during the continuance of any Event of Default and (ii) the making of the request or the granting of the consent specified by Section 6.01 to authorize the Agent to declare the Advances due and payable pursuant to the provisions of Section 6.01, each Lender and each of its Affiliates is hereby authorized at any time and from time to time, to the fullest extent permitted by law, to set off and apply any and all deposits (general or special, time or demand, provisional or final) at any time held and other indebtedness at any time owing by such Lender or such Affiliate to or for the credit or the account of any Loan Party or any Borrower against any and all of the obligations of such Loan Party or such Borrower now or hereafter existing under this Agreement, whether or not such Lender shall have made any demand under this Agreement and although such obligations may be unmatured. Each Lender agrees promptly to notify the Company after any such set-off and application, provided that the failure to give such notice shall not affect the validity of such set-off and application. The rights of each Lender and its Affiliates under this Section are in addition to other rights and remedies (including, without limitation, other rights of set-off) that such Lender and its Affiliates may have.

SECTION 8.06. Binding Effect. This Agreement shall become effective (other than Sections 2.01 and 2.03, which shall only become effective upon satisfaction of the conditions precedent set forth in Section 3.01) when it shall have been executed by the Loan Parties and the Agent and when the Agent shall have been notified by each Initial Lender that such Initial Lender has executed it and thereafter shall be binding upon and inure to the benefit of the Loan Parties, each Subsidiary Borrower (if any), the Agent and each Lender and their respective successors and assigns, except that no Borrower shall have the right to assign its rights hereunder or any interest herein without the prior written consent of the Lenders.

SECTION 8.07. Assignments and Participations.

(a) Each Lender may, upon ten days' notice to the Agent and with the consent of the Company (which shall not be unreasonably withheld) and, if demanded by the Company (following a demand by such Lender pursuant to Section 2.11 or Section 2.14 or a suspension of such Lender's obligation to make or continue Advances as, or convert Advances into, Eurodollar Rate Advances pursuant to Section 2.12) upon at least ten days' notice to such Lender and the

Agent, will assign to one or more Persons all or a portion of its rights and obligations under this Agreement (including, without limitation, all or a portion of its Commitment and the Revolving Credit Advances owing to it); provided, however, that (i) each such assignment shall be of a constant, and not a varying, percentage of all rights and obligations under this Agreement (other than any right to make Competitive Bid Advances or Competitive Bid Advances owing to it), (ii) except in the case of an assignment to a Person that, immediately prior to such assignment, was a Lender or an assignment of all of a Lender's rights and obligations under this Agreement, the amount of the Commitment of the assigning Lender being assigned pursuant to each such assignment (determined as of the date of the Assignment and Acceptance with respect to such assignment) shall in no event be less than the lesser of (x) $25,000,000 and (y) the smallest initial Commitment of any Initial Lender, (iii) each such assignment shall be to an Eligible Assignee, (iv) each such assignment made as a result of a demand by the Company pursuant to this Section 8.07(a) shall be arranged by the Company after consultation with the Agent and shall be either an assignment of all of the rights and obligations of the assigning Lender under this Agreement or an assignment of a portion of such rights and obligations made concurrently with another such assignment or other such assignments that together cover all of the rights and obligations of the assigning Lender under this Agreement, (v) no Lender shall be obligated to make any such assignment as a result of a demand by the Company pursuant to this Section 8.07(a) unless and until such Lender shall have received one or more payments from either the Company or one or more Eligible Assignees in an aggregate amount at least equal to the aggregate outstanding principal amount of the Advances owing to such Lender, together with accrued interest thereon to the date of payment of such principal amount and all other amounts payable to such Lender under this Agreement and (vi) the parties to each such assignment shall execute and deliver to the Agent, for its acceptance and recording in the Register (as defined in clause (d) below), an Assignment and Acceptance, together with a processing and recordation fee of $3,500. Upon such execution, delivery, acceptance and recording, from and after the effective date specified in each Assignment and Acceptance, (x) the assignee thereunder shall be a party hereto and, to the extent that rights and obligations hereunder have been assigned to it pursuant to such Assignment and Acceptance, have the rights and obligations of a Lender hereunder and (y) the Lender assignor thereunder shall, to the extent that rights and obligations hereunder have been assigned by it pursuant to such Assignment and Acceptance, relinquish its rights and be released from its obligations under this Agreement (and, in the case of an Assignment and Acceptance covering all or the remaining portion of an assigning Lender's rights and obligations under this Agreement, such Lender shall cease to be a party hereto).

(b) By executing and delivering an Assignment and Acceptance, the Lender assignor thereunder and the assignee thereunder confirm to and agree with each other and the other parties hereto as follows: (i) other than as provided in such Assignment and Acceptance, such assigning Lender makes no representation or warranty and assumes no responsibility with respect to any statements, warranties or representations made in or in connection with this Agreement or the execution, legality, validity, enforceability, genuineness, sufficiency or value of this Agreement or any other instrument or document furnished pursuant hereto; (ii) such assigning Lender makes no representation or warranty and assumes no responsibility with respect to the financial condition of any Borrower or the performance or observance by any Borrower of any of its obligations under this Agreement or any other instrument or document furnished pursuant hereto; (iii) such assignee confirms that it has received a copy of this

Agreement, together with copies of the financial statements referred to in Section 4.01 and such other documents and information as it has deemed appropriate to make its own credit analysis and decision to enter into such Assignment and Acceptance; (iv) such assignee will, independently and without reliance upon the Agent, such assigning Lender or any other Lender and based on such documents and information as it shall deem appropriate at the time, continue to make its own credit decisions in taking or not taking action under this Agreement; (v) such assignee confirms that it is an Eligible Assignee; (vi) such assignee appoints and authorizes the Agent to take such action as agent on its behalf and to exercise such powers and discretion under this Agreement as are delegated to the Agent by the terms hereof, together with such powers and discretion as are reasonably incidental thereto; and (vii) such assignee agrees that it will perform in accordance with their terms all of the obligations that by the terms of this Agreement are required to be performed by it as a Lender.

(c) Upon its receipt of an Assignment and Acceptance executed by an assigning Lender and an assignee representing that it is an Eligible Assignee, the Agent shall, if such Assignment and Acceptance has been completed and is in substantially the form of Exhibit B hereto, (i) accept such Assignment and Acceptance, (ii) record the information contained therein in the Register and (iii) give prompt notice thereof to the Company.

(d) The Agent shall maintain at its address referred to in Section 8.02 a copy of each Assignment and Acceptance delivered to and accepted by it and a register for the recordation of the names and addresses of the Lenders and, with respect to Lenders, the Commitment of, and principal amount of the Advances owing to, each Lender from time to time (the "Register"). The entries in the Register shall be conclusive and binding for all purposes, absent manifest error, and each Borrower, the Agent and the Lenders may treat each Person whose name is recorded in the Register as a Lender hereunder for all purposes of this Agreement. The Register shall be available for inspection by the Loan Parties or any Lender at any reasonable time and from time to time upon reasonable prior notice.

(e) Notwithstanding anything to the contrary contained herein, any Lender (a "Granting Lender") may grant to a special purpose funding vehicle (a "SPC"), identified as such in writing from time to time by the Granting Lender to the Agent and the Company, the option to provide to the Company all or any part of any Advance that such Granting Lender would otherwise be obligated to make to the Company pursuant to this Agreement; provided that (i) nothing herein shall constitute a commitment by any SPC to make any Advance, (ii) if an SPC elects not to exercise such option or otherwise fails to provide all or any part of such Advance, the Granting Lender shall be obligated to make such Advance pursuant to the terms hereof. The making of an Advance by an SPC hereunder shall utilize the Commitment of the Granting Lender to the same extent, and as if, such Advance were made by such Granting Lender. Each party hereto agrees that no SPC shall be liable for any indemnity or similar payment obligation under this Agreement (all liability for which shall remain with the Granting Lender). In furtherance of the foregoing, each party hereto hereby agrees (which agreement shall survive the termination of this Agreement) that, prior to the date that is one year and one day after the payment in full of all outstanding commercial paper or other senior indebtedness of any SPC, it will not institute against, or join any other person in instituting against, such SPC any bankruptcy, reorganization, arrangement, insolvency or liquidation proceedings under the laws

of the United States or any State thereof. In addition, notwithstanding anything to the contrary contained in this Section 8.07(e), any SPC may (i) with notice to, but without the prior written consent of, the Company and the Agent and without paying any processing fee therefor, assign all or a portion of its interests in any Advances to the Granting Lender or to any financial institutions (consented to by the Company and the Agent) providing liquidity and/or credit support to or for the account of any SPC to support the funding or maintenance of Advances and (ii) disclose on a confidential basis any non-public information relating to its Advances to any rating agency, commercial paper dealer or provider of any surety, guarantee or credit or liquidity enhancement to such SPC.

(f) Each Lender may, upon notice to the Agent and the Company, sell participations to one or more banks or other entities in or to all or a portion of its rights and obligations under this Agreement (including, without limitation, all or a portion of its Commitment and the Advances owing to it); provided, however, that (i) such Lender's obligations under this Agreement (including, without limitation, its Commitment hereunder) shall remain unchanged, (ii) such Lender shall remain solely responsible to the other parties hereto for the performance of such obligations, (iii) such Lender shall remain the holder of any promissory note issued or assigned to it hereunder, (iv) the Borrowers, the Guarantor, the Agent and the other Lenders shall continue to deal solely and directly with such Lender in connection with such Lender's rights and obligations under this Agreement and (v) no participant under any such participation shall have any right to approve any amendment or waiver of any provision of this Agreement, or any consent to any departure by any Borrower therefrom, except to the extent that such amendment, waiver or consent would reduce the principal of, or interest on, the Advances or any fees or other amounts payable hereunder, in each case to the extent subject to such participation, or postpone any date fixed for any payment of principal of, or interest on, the Advances or any fees or other amounts payable hereunder, in each case to the extent subject to such participation.

(g) Any Lender may, in connection with any assignment or participation or proposed assignment or participation pursuant to this Section 8.07, disclose to the assignee or participant or proposed assignee or participant any information relating to any Loan Party or any Borrower furnished to such Lender by or on behalf of any Loan Party or any Borrower; provided that, prior to any such disclosure, the assignee or participant or proposed assignee or participant shall agree to preserve the confidentiality of any Confidential Information relating to the Loan Parties or the Borrowers received by it from such Lender.

(h) Notwithstanding any other provision set forth in this Agreement, any Lender may at any time create a security interest in all or any portion of its rights under this Agreement or any promissory note issued to such Lender hereunder (including, without limitation, the Advances owing to it) in favor of any Federal Reserve Bank in accordance with Regulation A of the Board of Governors of the Federal Reserve System.

SECTION 8.08. Confidentiality. Neither the Agent nor any Lender shall disclose any Confidential Information to any Person without the consent of the Company, other than (a) to the Agent's or such Lender's Affiliates and their officers, directors, employees, agents and advisors and to actual or prospective assignees and participants, and then only on a confidential basis, (b) as required by any law, rule or regulation or judicial process, (c) to any rating agency when required by it and (d) as requested or required by any state, federal or foreign authority or examiner regulating banks or banking. Notwithstanding the foregoing and any other provision herein, the Loan Parties and any Lender (and each employee, representative or other agent of the Loan Parties and any Lender) may disclose to any and all Persons, without limitation of any kind, the U.S. federal income tax treatment and tax structure, if any, of the transactions contemplated by this Agreement (the "Transactions"), other than information for which nondisclosure is reasonably necessary in order to comply with applicable securities laws. For the purposes of this Section 8.08, "tax structure" is limited to any fact relevant to understanding the U.S. federal income tax treatment of the Transactions and does not include information relating to the identity of the Loan Parties.

SECTION 8.09. Governing Law. This Agreement shall be governed by, and construed in accordance with, the law of the State of New York.

SECTION 8.10. Execution in 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. Delivery of an executed counterpart of a signature page to this Agreement by telecopier shall be effective as delivery of a manually executed counterpart of this Agreement.

SECTION 8.11. Jurisdiction, Etc.

(a) Each of the parties hereto hereby irrevocably and unconditionally submits, for itself and its property, to the nonexclusive jurisdiction of any New York State court or federal court of the United States of America sitting in New York City, and any appellate court from any thereof, in any action or proceeding arising out of or relating to this Agreement, or for recognition or enforcement of any judgment, and each of the parties hereto hereby irrevocably and unconditionally agrees that all claims in respect of any such action or proceeding may be heard and determined in any such New York State court or, to the extent permitted by law, in such federal court. Each of the parties hereto agrees that a final judgment in any such action or proceeding shall be conclusive and may be enforced in other jurisdictions by suit on the judgment or in any other manner provided by law. Nothing in this Agreement shall affect any right that any party may otherwise have to bring any action or proceeding relating to this Agreement in the courts of any jurisdiction.

(b) Each of the parties hereto irrevocably and unconditionally waives, to the fullest extent it may legally and effectively do so, any objection that it may now or hereafter have to the laying of venue of any suit, action or proceeding arising out of or relating to this Agreement in any New York State or federal court sitting in New York City. Each of the parties hereto hereby irrevocably waives, to the fullest extent permitted by law, the defense of an inconvenient forum to the maintenance of such action or proceeding in any such court.

SECTION 8.12. WAIVER OF JURY TRIAL. EACH BORROWER, THE GUARANTOR, THE AGENT AND THE LENDERS HEREBY IRREVOCABLY WAIVE ALL RIGHT TO TRIAL BY JURY IN ANY ACTION, PROCEEDING OR COUNTERCLAIM (WHETHER BASED ON CONTRACT, TORT OR OTHERWISE) ARISING OUT OF OR RELATING TO THIS AGREEMENT OR THE ACTIONS OF THE AGENT OR ANY LENDER IN THE NEGOTIATION, ADMINISTRATION, PERFORMANCE OR ENFORCEMENT THEREOF.

ARTICLE IX

COMPANY GUARANTEE

SECTION 9.01. Company Guarantee. Subject to the provisions of this Article IX, the Company unconditionally and irrevocably guarantees to each Lender and the Agent and their respective successors and assigns, that: (i) the principal of, premium, if any, and interest on the Advances to each Borrowing Subsidiary and, following the Substitution Date, the Guarantor (each a "Guaranteed Party") and any promissory notes issued by any Guaranteed Party hereunder will be duly and punctually paid in full when due, whether at maturity, by acceleration, by redemption or otherwise, and interest on overdue principal, and premium, if any, and (to the extent permitted by law) interest on any interest, if any, on the Advances and all other obligations of the Guaranteed Parties to the Lenders or the Agent hereunder (including fees and expenses) will be promptly paid in full, all in accordance with the terms hereof; and (ii) in case of any extension of time of payment or renewal of any of the Advances to any Guaranteed Party or any of such other 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 or otherwise. Failing payment when due of any amount so guaranteed, or failing performance of any other obligation of the Guaranteed Parties to the Lenders or the Agent, for whatever reason, the Company will be obligated to pay, or to perform or to cause the performance of, the same immediately. An Event of Default under this Agreement shall constitute an event of default under this Guarantee, and shall entitle the Lenders to accelerate the obligations of the Company under this Guarantee in the same manner and to the same extent as the obligations of the Guaranteed Parties.

The Company hereby agrees that its obligations under this Guarantee shall be unconditional, irrespective of the validity, regularity or enforceability of this Agreement, any Designation Letter or the Substitution Letter, the absence of any action to enforce the same, any waiver or consent by any Lender or the Agent of this Agreement any Designation Letter or the

Substitution Letter, with respect to any thereof, the entry of any judgment against any Guaranteed Party, any action to enforce the same or any other circumstance which might otherwise constitute a legal or equitable discharge or defense of the Company. The Company hereby waives and relinquishes: (a) any right to require the Agent, the Lenders or any Guaranteed Party (each, a "Benefitted Party") to proceed against any Guaranteed Party 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 Company; (b) 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; (c) demand, protest and notice of any kind (except as expressly required by this Agreement), including but not limited to notice of the existence, creation or incurring of any new or additional Debt or obligation or of any action or non-action on the part of the Company, any Benefitted Party, any creditor of the Company or any Guaranteed Party or on the part of any other Person whomsoever in connection with any obligations the performance of which are guaranteed under this Guarantee; (d) any defense based upon an election of remedies by a Benefitted Party, including but not limited to an election to proceed against the Company or any other Guaranteed Party for reimbursement; (e) 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; (f) any defense arising because of a Benefitted Party's election, in any proceeding instituted under the Bankruptcy Code, of the application of Section 1111(b)(2) of the Bankruptcy Code; and (g) any defense based on any borrowing or grant of a security interest under Section 364 of the Bankruptcy Code. The Company hereby covenants that this Guarantee will not be discharged except by payment in full of all principal, premium, if any, and interest on the Advances made to each Guaranteed Party and all other costs provided for under this Agreement in respect thereof. This is a Guarantee of payment and not of collectibility.

If any Lender or the Agent is required by any court or otherwise to return to either the Company or any Guaranteed Party, or any trustee or similar official acting in relation to either the Company or any Guaranteed Party, any amount paid by the Company or any Guaranteed Party to the Agent or such Lender, this Guarantee, to the extent theretofore discharged, shall be reinstated in full force and effect. The Company agrees that it will not be entitled to any right of subrogation in relation to the Lenders or the Agent in respect of any obligations guaranteed under this Guarantee until payment in full of all obligations guaranteed hereby. The Company agrees that, as between it, on the one hand, and the Lenders and the Agent, on the other hand, (x) the maturity of the obligations guaranteed under this Guarantee may be accelerated as provided in Article VI hereof for the purposes hereof, notwithstanding any stay, injunction or other prohibition preventing such acceleration in respect of the obligations guaranteed hereby, and (y) in the event of any acceleration of such obligations as provided in Article VI hereof, such obligations (whether or not due and payable) shall forthwith become due and payable by such Company for the purpose of this Guarantee.

ARTICLE X

SUBSIDIARY GUARANTEE

SECTION 10.01. Subsidiary Guarantee. Subject to the provisions of this Article X, the Guarantor unconditionally and irrevocably guarantees to each Lender and the Agent and their respective successors and assigns, that: (i) the principal of, premium, if any, and interest on the Advances and any promissory note issued hereunder will be duly and punctually paid in full when due, whether at maturity, by acceleration, by redemption or otherwise, and interest on overdue principal, and premium, if any, and (to the extent permitted by law) interest on any interest, if any, on the Advances, any promissory note issued hereunder and all other obligations of the Company to the Lenders or the Agent hereunder (including fees and expenses) will be promptly paid in full, all in accordance with the terms hereof; and (ii) in case of any extension of time of payment or renewal of any of the Advances or any of such other 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 or otherwise. Failing payment when due of any amount so guaranteed, or failing performance of any other obligation of the Company to the Lenders or the Agent, for whatever reason, the Guarantor will be obligated to pay, or to perform or to cause the performance of, the same immediately. An Event of Default under this Agreement shall constitute an event of default under this Guarantee, and shall entitle the Lenders to accelerate the obligations of the Guarantor under this Guarantee in the same manner and to the same extent as the obligations of the Company.

The Guarantor hereby agrees that its obligations under this Guarantee shall be unconditional, irrespective of the validity, regularity or enforceability of this Agreement, the absence of any action to enforce the same, any waiver or consent by any Lender or the Agent of this Agreement with respect to any thereof, the entry of any judgment against the Company, 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: (a) any right to require the Agent, the Lenders or the Company (each, a "Benefitted Person") to proceed against the Company or any other Person or to proceed against or exhaust any security held by a Benefitted Person at any time or to pursue any other remedy in any secured party's power before proceeding against the Guarantor; (b) 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 Person to file or enforce a claim against the estate (in administration, bankruptcy or any other proceeding) of any other Person or Persons; (c) demand, protest and notice of any kind (except as expressly required by this Agreement), including but not limited to notice of the existence, creation or incurring of any new or additional Debt or obligation or of any action or non-action on the part of the Guarantor, the Company, any Benefitted Person, any creditor of the Guarantor, the Company or on the part of any other Person whomsoever in connection with any obligations the performance of which are guaranteed under this Guarantee; (d) any defense based upon an election of remedies by a Benefitted Person, including but not limited to an election to proceed against the Guarantor for reimbursement; (e) 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; (f) any defense arising because of a Benefitted Person's election, in any proceeding instituted under the Bankruptcy Code, of the

application of Section 1111(b)(2) of the Bankruptcy Code; and (g) any defense based on any borrowing or grant of a security interest under Section 364 of the Bankruptcy Code. The Guarantor hereby covenants that this Guarantee will not be discharged except by payment in full of all principal, premium, if any, and interest on the Advances and all other costs provided for under this Agreement. This is a Guarantee of payment and not of collectibility.

If any Lender or the Agent is required by any court or otherwise to return to either the Company or the Guarantor, or any trustee or similar official acting in relation to either the Company or the Guarantor, any amount paid by the Company or the Guarantor to the Agent or such Lender, this 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 Lenders or the Agent in respect of any obligations guaranteed under this Guarantee until payment in full of all obligations guaranteed hereby. The Guarantor agrees that, as between it, on the one hand, and the Lenders and the Agent, on the other hand, (x) the maturity of the obligations guaranteed under this Guarantee may be accelerated as provided in Article VI hereof for the purposes hereof, notwithstanding any stay, injunction or other prohibition preventing such acceleration in respect of the obligations guaranteed hereby, and (y) in the event of any acceleration of such obligations as provided in Article VI hereof, such obligations (whether or not due and payable) shall forthwith become due and payable by such Guarantor for the purpose of this Guarantee.

SECTION 10.02. Limitation of Guarantor's Liability. The Guarantor, and by its acceptance hereof, each Lender, hereby confirms that it is the intention of the parties hereto that this Guarantee not constitute a fraudulent transfer or conveyance for purposes of the Bankruptcy Code, the Uniform Fraudulent Conveyance Act, the Uniform Fraudulent Transfer Act or any similar Federal or State law. To effectuate the foregoing intention, the Lenders and the Guarantor hereby irrevocably agree that the obligations of the Guarantor under this Article X 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 Agreement to be executed by their respective officers thereunto duly authorized as of the date first above written.

THE PEPSI BOTTLING GROUP, INC.,
as Borrower

By:_____
Name:
Title:

BOTTLING GROUP, LLC,
as Guarantor

By:_____
Name:
Title:

JPMORGAN CHASE BANK,
as Agent

By:_____
Name:
Title:

COMMITMENT	INITIAL LENDERS
$25,000,000	CITIBANK, N.A. By:_____ Name: Title:
$25,000,000	BANK OF AMERICA, N.A. By:_____ Name: Title:
$25,000,000	CREDIT SUISSE FIRST BOSTON, CAYMAN ISLANDS BRANCH By:_____ Name: Title:
$25,000,000	DEUTSCHE BANK AG NEW YORK BRANCH By:_____ Name: Title: By:_____ Name: Title:

Initial Lenders

$25,000,000

JPMORGAN CHASE BANK

By:_____
Name:
Title:

By:_____
Name:
Title:

$20,000,000

THE NORTHERN TRUST COMPANY

By:_____
Name:
Title:

By:_____
Name:
Title:

$20,000,000

LEHMAN BROTHERS BANK, FSB

By:_____
Name:
Title:

By:_____
Name:
Title:

Initial Lenders

$17,500,000 BANCO BILBAO VIZCAYA ARGENTARIA

By:_____
Name:
Title:

By:_____
Name:
Title:

$17,500,000 HSBC BANK USA

By:_____
Name:
Title:

By:_____
Name:
Title:

$12,500,000 FLEET NATIONAL BANK

By:_____
Name:
Title:

By:_____
Name:
Title:

Initial Lenders

$12,500,000

THE BANK OF NEW YORK

By:_____
Name:
Title:

By:_____
Name:
Title:

$10,000,000

STATE STREET BANK AND TRUST COMPANY

By:_____
Name:
Title:

By:_____
Name:
Title:

$7,500,000

COMERICA BANK

By:_____
Name:
Title:

By:_____
Name:
Title:

Initial Lenders

$7,500,000

WELLS FARGO BANK, N.A.

By:_____
Name:
Title:

By:_____
Name:
Title:

$250,000,000 TOTAL OF THE COMMITMENTS

Initial Lenders

SCHEDULE 1

LENDING OFFICES

Lender	Domestic Lending Office	Eurodollar Lending Office
CITIBANK, N.A.	399 Park Avenue New York New York 10043	399 Park Avenue New York New York 10043
BANK OF AMERICA, N.A	901 Main Street, 14th Floor Dallas, Texas 75202	901 Main Street, 14th Floor Dallas, Texas 75202
CREDIT SUISSE FIRST BOSTON, CAYMAN ISLANDS BRANCH	11 Madison Avenue New York, New York, 10010	Credit Suisse First Boston Cayman Islands Branch c/-11 Madison Avenue New York, New York 10010
DEUTSCHE BANK AG NEW YORK BRANCH	90 Hudson Street Mailstop JCY05-0511 Jersey City, NJ 07302	90 Hudson Street Mailstop JCY05-0511 Jersey City, NJ 07302
JPMORGAN CHASE BANK	270 Park Avenue New York, New York 10017	270 Park Avenue New York, New York 10017
THE NORTHERN TRUST COMPANY	50 South La Salle Street Chicago, Illinois 60675	50 South La Salle Street Chicago, Illinois 60675
LEHMAN BROTHERS BANK, FSB	745 7th Avenue, 16th Floor New York, NY 10019	745 7th Avenue, 16th Floor New York, NY 10019
BANCO BILBAO VIZCAYA ARGENTARIA	1345 Avenue of the Americas New York, New York 10105	1345 Avenue of the Americas New York, New York 10105
HSBC BANK USA	452 Fifth Avenue New York, New York 10018	452 Fifth Avenue New York, New York 10018
FLEET NATIONAL BANK	One Landmark Sq. Stamford, Connecticut 06904	One Landmark Sq. Stamford, Connecticut 06904
THE BANK OF NEW YORK	One Wall Street New York, New York 10286	One Wall Street New York, New York 10286
STATE STREET BANK AND TRUST COMPANY	225 Franklin Street Boston, MA 02110	225 Franklin Street Boston, MA 02110
COMERICA BANK	500 Woodward Avenue, 9th Floor MC 3279 Detroit, Michigan 48275-3279	500 Woodward Avenue, 9th Floor MC 3279 Detroit, Michigan 48275-3279
WELLS FARGO BANK, N.A.	70 E. 55th Street New York, New York 10022	70 E. 55th Street New York, New York 10022

SCHEDULE 2

PRICING SCHEDULE

Rating Level Period	Applicable Facility Fee Rate	Applicable Margin	Term Out Applicable Margin	Applicable Utilization Fee Rate(1)
1	6.0 bps	29.0 bps	70.0 bps	10.0 bps
2	7.0 bps	33.0 bps	75.0 bps	10.0 bps
3	10.0 bps	40.0 bps	85.0 bps	10.0 bps
4	15.0 bps	47.5 bps	97.5 bps	10.0 bps
5	20.0 bps	80.0 bps	150.0 bps	25.0 bps

(1) Applicable if utilization exceeds 33-1/3% of Commitment amount.

EXHIBIT A-1

FORM OF NOTICE OF REVOLVING CREDIT BORROWING

JPMorgan Chase Bank, as Agent
for the Lenders parties
to the 364-Day Credit Agreement
referred to below
Loan & Agency Services
1111 Fannin, Floor 10
Houston, TX 77002
Attention: Cherry Arnaez

With a copy to:
270 Park Avenue
New York, NY 10017
Attention: Buddy Wuthrich

[Date]

Ladies and Gentlemen:

The undersigned, The Pepsi Bottling Group, Inc. (the "Company"), refers to the 364-Day Credit Agreement, dated as of April 30, 2003 (as amended or modified from time to time, the "Credit Agreement", the terms defined therein being used herein as therein defined), among the undersigned, Bottling Group, LLC (the "Guarantor"), certain Lenders parties thereto and JPMorgan Chase Bank, as administrative agent for said Lenders, and hereby gives you notice, irrevocably, pursuant to Section 2.02 of the Credit Agreement that the undersigned hereby requests a Revolving Credit Borrowing under the Credit Agreement, and in that connection sets forth below the information relating to such Revolving Credit Borrowing (the "Proposed Revolving Credit Borrowing") as required by Section 2.02(a) of the Credit Agreement:

(i) The Business Day of the Proposed Revolving Credit Borrowing is _____, ____.

(ii) The Type of Advances comprising the Proposed Revolving Credit Borrowing is [Base Rate Advances] [Eurodollar Rate Advances].

(iii) The aggregate amount of the Proposed Revolving Credit Borrowing is $_____.

(iv) The identity of the Borrower is _____, a _____ corporation.

[(v)] [The initial Interest Period for each Eurodollar Rate Advance made as part of the Proposed Revolving Credit Borrowing is ___ month[s].]

The undersigned hereby certifies that the following statements are true on the date hereof, and will be true on the date of the Proposed Revolving Credit Borrowing:

(A) the representations and warranties contained in Section 4.01 of the Credit Agreement (except the representations set forth in the last sentence of subsection (e) thereof and in subsection (f) thereof (other than clause (ii) thereof)) are correct in all material respects, on and as of the date of the Proposed Revolving Credit Borrowing, before and after giving effect to the Proposed Revolving Credit Borrowing and to the application of the proceeds therefrom, as though made on and as of such date; and

(B) no event has occurred and is continuing, or would result from such Proposed Revolving Credit Borrowing or from the application of the proceeds therefrom, that constitutes a Default.

Very truly yours,

THE PEPSI BOTTLING GROUP, INC.

By:_____
Name:
Title:

EXHIBIT A-2

FORM OF NOTICE OF COMPETITIVE BID BORROWING

JPMorgan Chase Bank, as Agent
for the Lenders parties
to the 364-Day Credit Agreement
referred to below
Loan & Agency Services
1111 Fannin, Floor 10
Houston, TX 77002
Attention: Cherry Arnaez

With a copy to:
270 Park Avenue
New York, NY 10017
Attention: Buddy Wuthrich

[Date]

Ladies and Gentlemen:

The undersigned, The Pepsi Bottling Group, Inc. (the "Company"), refers to the 364-Day Credit Agreement, dated as of April 30, 2003 (as amended or modified from time to time, the "Credit Agreement", the terms defined therein being used herein as therein defined), among the undersigned, Bottling Group, LLC (the "Guarantor"), certain Lenders parties thereto and JPMorgan Chase Bank, as administrative agent for said Lenders, and hereby gives you notice pursuant to Section 2.03 of the Credit Agreement that the undersigned hereby requests a Competitive Bid Borrowing under the Credit Agreement, and in that connection sets forth the terms on which such Competitive Bid Borrowing (the "Proposed Competitive Bid Borrowing") is requested to be made:

(A)	Date of Proposed Competitive Bid Borrowing	_____
(B)	Aggregate Amount of Proposed Competitive Bid Borrowing	_____
(C)	Maturity Date	_____
(D)	Interest Rate Basis	_____
(E)	Interest Payment Date(s)	_____
(F)	Identity of Borrower	_____

The undersigned hereby certifies that the following statements are true on the date hereof, and will be true on the date of the Proposed Competitive Bid Borrowing:

(a) the representations and warranties contained in Section 4.01 (except the representations set forth in the last sentence of subsection (e) thereof and in subsection (f) thereof (other than clause (ii) thereof)) are correct in all material respects, on and as of the date of the Proposed Competitive Bid Borrowing, before and after giving effect to the Proposed Competitive Bid Borrowing and to the application of the proceeds therefrom, as though made on and as of such date; and

(b) no event has occurred and is continuing, or would result from the Proposed Competitive Bid Borrowing or from the application of the proceeds therefrom, that constitutes a Default.

The undersigned hereby confirms that the Proposed Competitive Bid Borrowing is to be made available to it in accordance with Section 2.03(b) of the Credit Agreement.

Very truly yours,

THE PEPSI BOTTLING GROUP, INC.

By:_____
Name:
Title:

FORM OF EXTENSION AGREEMENT

The Pepsi Bottling Group, Inc.
One Pepsi Way
Somers, New York 10589
Attention: Treasurer

JPMorgan Chase Bank, as Agent
under the 364-Day Credit Agreement referred to below
Loan & Agency Services
1111 Fannin, Floor 10
Houston, TX 77002
Attention: Cherry Arnaez

With a copy to:
270 Park Avenue
New York, NY 10017
Attention: Buddy Wuthrich

[DATE]

Ladies and Gentlemen:

Each undersigned Lender hereby agrees to extend, effective on [insert effective date, which shall be no more than 29 days prior to the existing Termination Date] (the "Extension Date"), the Termination Date under the 364-Day Credit Agreement dated as of April 30, 2003 (as the same may be amended, supplemented or otherwise modified from time to time, the "Credit Agreement") among The Pepsi Bottling Group, Inc., Bottling Group, LLC, the Lenders and agents party thereto and JPMorgan Chase Bank, as administrative agent for the Lenders, to _____ [364 days from the effective date of this Extension Agreement]. Terms defined in the Credit Agreement are used herein as therein defined.

This Agreement may be executed by one or more of the parties to this Agreement on any number of separate counterparts, and all of said counterparts taken together shall be deemed to constitute one and the same instrument.

[Remainder of this page intentionally left blank]

EXHIBIT B

FORM OF ASSIGNMENT AND ACCEPTANCE

Reference is made to the 364-Day Credit Agreement dated as of April 30, 2003 (as amended or modified from time to time, the "Credit Agreement"), among THE PEPSI BOTTLING GROUP, INC., a Delaware corporation (the "Company"), Bottling Group, LLC (the "Guarantor"), the Lenders (as defined in the Credit Agreement) and JPMorgan Chase Bank, as administrative agent for the Lenders (the "Agent"). Terms defined in the Credit Agreement are used herein with the same meaning.

The "Assignor" and the "Assignee" referred to on Schedule 1 hereto agree as follows:

(1) The Assignor hereby sells and assigns to the Assignee, and the Assignee hereby purchases and assumes from the Assignor, an interest in and to the Assignor's rights and obligations under the Credit Agreement as of the date hereof (other than in respect of Competitive Bid Advances) equal to the percentage interest specified on Schedule 1 hereto of all outstanding rights and obligations under the Credit Agreement (other than in respect of Competitive Bid Advances). After giving effect to such sale and assignment, the Assignee's Commitment and the amount of the Revolving Credit Advances owing to the Assignee will be as set forth on Schedule 1 hereto.

(2) The Assignor (i) represents and warrants that it is the legal and beneficial owner of the interest being assigned by it hereunder and that such interest is free and clear of any adverse claim; (ii) makes no representation or warranty and assumes no responsibility with respect to any statements, warranties or representations made in or in connection with the Credit Agreement or the execution, legality, validity, enforceability, genuineness, sufficiency or value of the Credit Agreement or any other instrument or document furnished pursuant thereto; and (iii) makes no representation or warranty and assumes no responsibility with respect to the financial condition of the Company or the performance or observance by the Company of any of its obligations or the obligations of any Borrower under the Credit Agreement or any other instrument or document furnished pursuant thereto.

(3) The Assignee (i) confirms that it has received a copy of the Credit Agreement, together with copies of the financial statements referred to in Section 4.01 thereof and such other documents and information as it has deemed appropriate to make its own credit analysis and decision to enter into this Assignment and Acceptance; (ii) agrees that it will, independently and without reliance upon the Agent, the Assignor or any other Lender and based on such documents and information as it shall deem appropriate at the time, continue to make its own credit decisions in taking or not taking action under the Credit Agreement; (iii) confirms that it is an Eligible Assignee; (iv) appoints and authorizes the Agent to take such action as agent on its behalf and to exercise such powers and discretion under the Credit Agreement as are delegated to the Agent by the terms thereof, together with such powers and discretion as are reasonably incidental thereto; (v) agrees that it will perform in accordance with their terms all of the obligations that by the terms of the Credit Agreement are required to be performed by it as a Lender; and (vi)

attaches any U.S. Internal Revenue Service forms required under Section 2.14 of the Credit Agreement.

(4) Following the execution of this Assignment and Acceptance, it will be delivered to the Agent for acceptance and recording by the Agent. The effective date for this Assignment and Acceptance (the "Effective Date") shall be the date of acceptance hereof by the Agent, unless otherwise specified on Schedule 1 hereto.

(5) Upon such acceptance and recording by the Agent, as of the Effective Date, (i) the Assignee shall be a party to the Credit Agreement and, to the extent provided in this Assignment and Acceptance, have the rights and obligations of a Lender thereunder and (ii) the Assignor shall, to the extent provided in this Assignment and Acceptance, relinquish its rights and be released from its obligations under the Credit Agreement.

(6) Upon such acceptance and recording by the Agent, from and after the Effective Date, the Agent shall make all payments under the Credit Agreement in respect of the interest assigned hereby (including, without limitation, all payments of principal, interest and facility fees with respect thereto) to the Assignee. The Assignor and Assignee shall make all appropriate adjustments in payments under the Credit Agreement for periods prior to the Effective Date directly between themselves.

(7) This Assignment and Acceptance shall be governed by, and construed in accordance with, the law of the State of New York.

(8) This Assignment and Acceptance 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. Delivery of an executed counterpart of Schedule 1 to this Assignment and Acceptance by telecopier shall be effective as delivery of a manually executed counterpart of this Assignment and Acceptance.

IN WITNESS WHEREOF, the Assignor and the Assignee have caused Schedule 1 to this Assignment and Acceptance to be executed by their officers thereunto duly authorized as of the date specified thereon.

Schedule 1
to
Assignment and Acceptance

Percentage interest assigned: ___%

Assignee's Commitment: $_____

Aggregate outstanding principal
amount of Revolving Credit Advances assigned: $_____

Effective Date(2): _____, ____

[NAME OF ASSIGNOR], as Assignor

By
Title:

Dated: ,

[NAME OF ASSIGNEE], as Assignee

By
Title:

Dated: ,

Domestic Lending Office:
[Address]

Eurodollar Lending Office:
[Address]

- ----------
(2) This date should be no earlier than five Business Days after the delivery of this Assignment and Acceptance to the Agent.

Accepted and Approved this
____ day of _____, ____

JPMORGAN CHASE BANK, as Agent

By: _____
Name:
Title:

Approved this ____ day
of _____, ____

THE PEPSI BOTTLING GROUP, INC.

By: _____
Name:
Title:

Schedule 1 to Assignment and Acceptance

EXHIBIT C

FORM OF OPINION OF GENERAL COUNSEL OF THE COMPANY AND THE GUARANTOR

[Effective Date]

To each of the Lenders parties
to the 364-Day Credit Agreement dated
as of April 30, 2003
among The Pepsi Bottling Group, Inc.,
said Lenders and JPMorgan Chase Bank,
as Agent for said Lenders, and
to JPMorgan Chase Bank, as Agent

The Pepsi Bottling Group, Inc.

Ladies and Gentlemen:

This opinion is furnished to you pursuant to Section 3.01(g)(v) of the 364-Day Credit Agreement, dated as of April 30, 2003 (the "Credit Agreement"), among The Pepsi Bottling Group, Inc. (the "Company"), Bottling Group, LLC, (the "Guarantor"), the Lenders parties thereto and JPMorgan Chase Bank, as Agent for said Lenders, providing for extensions of credit to be made by said Lenders to the Company in an aggregate principal amount at any one time outstanding of up to $250,000,000. Terms defined in the Credit Agreement are used herein as therein defined.

I am the General Counsel of the Company and have acted as counsel to the Company and the Guarantor in connection with the Credit Agreement. In connection with this opinion, I have examined:

(1) The Credit Agreement.

(2) The documents furnished by the Company and the Guarantor pursuant to subsections 3.01(g)(i)-(iv) of the Credit Agreement.

(3) The Articles of Incorporation of the Company and all amendments thereto (the "Charter").

(4) The by-laws of the Company and all amendments thereto (the "By-laws").

(5) A certificate of the Secretary of State of Delaware, dated _____, 2003, attesting to the continued corporate existence and good standing of the Company in that State.

(6) The Amended and Restated Limited Liability Company Agreement of the Guarantor, dated as of March 30, 1999, and all amendments thereto (the "LLC Agreement").

(7) The Certificate of Formation of the Guarantor and all amendments thereto (the "Certificate of Formation").

(8) A certificate of the Secretary of State of Delaware dated _____, 2003, attesting to the continued existence and good standing of the Guarantor in that State.

(9) Resolutions of the Board of Directors of the Company adopted on April 26, 1999 and September 5, 2002.

(10) Resolutions of the Managing Directors of the Guarantor adopted on June 4, 1999.

In addition, I have examined the originals, or copies certified or otherwise identified to my satisfaction, of such other corporate records of the Company and the Guarantor, certificates of public officials and of officers of the Company and the Guarantor, and agreements, instruments and other documents, as I have deemed necessary as a basis for the opinions expressed below. I have assumed the due execution and delivery, pursuant to due authorization, of the Credit Agreement by the Initial Lenders and the Agent.

The opinions expressed below are limited to the law of the State of New York, the Delaware corporate law, the Federal law of the United States and, with respect to paragraphs 1 and 2 and clauses (i), (ii) and (iii)(a) of paragraph 3 only, the Delaware General Corporation Law and the Delaware Limited Liability Company Act.

Based upon the foregoing and upon such investigation as I have deemed necessary and subject to the qualifications set forth herein, I am of the following opinion:

(1) The Company is a corporation validly existing and in good standing under the laws of the State of Delaware.

(2) The Guarantor is a limited liability company validly existing and in good standing under the laws of the state of Delaware.

(3) The execution, delivery and performance by the Company and the Guarantor of the Credit Agreement (i) are within the Company's corporate, and the Guarantor's limited liability company, powers, (ii) have been duly authorized by all necessary corporate, or limited liability company, action, and (iii) do not contravene (a) the Charter or the Bylaws of the Company or the LLC Agreement or Certificate of Formation of the Guarantor or (b) to the best

of my knowledge (1) any United States Federal or New York State law, rule or regulation applicable to the Company or the Guarantor (including, without limitation, Regulation X of the Board of Governors of the Federal Reserve System) or (2) any contractual or legal restriction contained in any material judgment, decree, mortgage, agreement, indenture or other instrument to which the Company or the Guarantor is a party. The Credit Agreement has been duly executed and delivered on behalf of the Company and the Guarantor.

(4) No authorization, approval or other action by, and no notice to or filing with, any governmental authority or regulatory body of the State of New York or the Federal government of the United States is required for the due execution, delivery and performance by the Company or the Guarantor of the Credit Agreement.

(5) The Credit Agreement is a valid and binding obligation of the Company and the Guarantor enforceable against the Company and the Guarantor in accordance with its terms.

(6) To the best of my knowledge and except as disclosed in the Company's consolidated financial statements, there are no pending or overtly threatened actions or proceedings against the Company or any of its Subsidiaries, before any court, governmental agency or arbitrator that purport to affect the legality, validity, binding effect or enforceability of the Credit Agreement or that are likely to have a materially adverse effect upon the financial condition or operations of the Company or any of its Subsidiaries.

The opinions set forth above are subject to the following qualifications:

(1) My opinion in paragraph 5 above is subject to the effect of any applicable bankruptcy, insolvency, reorganization, moratorium or similar law affecting creditors' rights generally.

(2) My opinion in paragraph 5 above is subject to the effect of general principles of equity, including, without limitation, concepts of materiality, reasonableness, good faith and fair dealing (regardless of whether considered in a proceeding in equity or at law).

(3) I express no opinion as to the effect (if any) of the law of any jurisdiction (other than the State of New York) wherein any Lender may be located or wherein enforcement of the Credit Agreement may be sought that limits the rates of interest that such Lender may charge or collect.

(4) I express no opinion as to the effect of Section 548 of the United States Bankruptcy Code or any similar provision of State law.

In all respects and for all purposes, this opinion is given solely for the benefit of the Agent and the Lenders and may not be relied upon by any other person or entity without my prior written consent.

Very truly yours,

EXHIBIT D

FORM OF DESIGNATION LETTER

_____, ____

To JPMorgan Chase Bank
as Agent

Attention: Cherry Arnaez

Ladies and Gentlemen:

We make reference to the 364-Day Credit Agreement (as amended, supplemented and otherwise modified and in effect from time to time, the "Credit Agreement") dated as of April 30, 2003 among The Pepsi Bottling Group, Inc. (the "Company"), Bottling Group, LLC (the "Guarantor"), JPMorgan Chase Bank, as administrative agent (the "Agent"), and the banks party thereto (the "Initial Lenders"). Terms defined in the Credit Agreement are used herein as defined therein.

The Company hereby designates [_____] (the "Borrowing Subsidiary"), a Subsidiary of the Company and a corporation duly incorporated under the laws of [_____] as a Borrower in accordance with Section 2.17 of the Credit Agreement until such designation is terminated in accordance with said Section 2.17.

The Borrowing Subsidiary hereby accepts the above designation and hereby expressly and unconditionally accepts the obligations of a Borrower under the Credit Agreement, adheres to the Credit Agreement and agrees and confirms that, upon your execution and return to the Company of the enclosed copy of this letter, such Borrowing Subsidiary shall be a Borrower for purposes of the Credit Agreement and agrees to be bound by and perform and comply with the terms and provisions of the Credit Agreement applicable to it as if it had originally executed the Credit Agreement as a Borrower. The Borrowing Subsidiary hereby authorizes and empowers the Company to act as its representative and attorney-in-fact for the purposes of signing documents and giving and receiving notices (including notices of Borrowing under the Credit Agreement) and other communications in connection with the Credit Agreement and the transactions contemplated thereby and for the purposes of modifying or amending any provision of the Credit Agreement and further agrees that the Agent and each Lender may conclusively rely on the foregoing authorization.

The Borrowing Subsidiary represents and warrants that each of the representations and warranties set forth in Section 4.01(a) (as if the reference therein to Delaware were a reference to its jurisdiction of organization), (b), (c) and (d) of the Credit Agreement are true as if each reference therein to the Company were a reference to the Borrowing Subsidiary

and as if each reference therein to the Loan Documents were a reference to this Designation Letter.

The Borrowing Subsidiary hereby agrees that this Designation Letter and the Credit Agreement shall be governed by, and construed in accordance with, the law of the State of New York. The Borrowing Subsidiary hereby submits to the nonexclusive jurisdiction of any New York state court or Federal court of the United States of America sitting in New York City, and any appellate court from any thereof, in any action or proceeding arising out of or relating to this Designation Letter, the Credit Agreement or for recognition or enforcement of any judgment. The Borrowing Subsidiary irrevocably waives, to the fullest extent permitted by law, any objection which it may now or hereafter have to the laying of the venue of any such proceeding brought in such a court and any claim that any such proceeding brought in such a court has been brought in an inconvenient forum. The Borrowing Subsidiary further agrees that service of process in any such action or proceeding brought in New York may be made upon it by service upon the Borrower at the "Address for Notices" specified below its name on the signature pages to the Credit Agreement.

Without limiting the foregoing, the Borrowing Subsidiary joins in the submission, agreements, waivers and consents in Section 8.11 and 8.12 of the Credit Agreement.

THE PEPSI BOTTLING GROUP, INC.

By: _____
Name:
Title:

[NAME OF BORROWING SUBSIDIARY]

By: _____
Name:
Title:

ACCEPTED:

JPMORGAN CHASE BANK,
as Agent

By: _____
Name:
Title:

EXHIBIT E

FORM OF SUBSTITUTION LETTER

_____, ____

To JPMorgan Chase Bank
as Agent

Attention: Cherry Arnaez

Ladies and Gentlemen:

We make reference to the 364-Day Credit Agreement (as amended, supplemented and otherwise modified and in effect from time to time, the "Credit Agreement") dated as of April 30, 2003 among The Pepsi Bottling Group, Inc. (the "Company"), Bottling Group, LLC (the "Guarantor"), JPMorgan Chase Bank, as administrative agent (the "Agent"), and the banks party thereto (the "Initial Lenders"). Terms defined in the Credit Agreement are used herein as defined therein.

The Company hereby elects to terminate its rights as a Borrower under the Credit Agreement and designates the Guarantor as the exclusive Borrower thereunder, in accordance with Section 2.17 of the Credit Agreement.

The Guarantor hereby accepts the above substitution and hereby expressly and unconditionally accepts the obligations of the Company under the Credit Agreement, adheres to the Credit Agreement and agrees and confirms that, as of the date hereof, the Guarantor shall become a Borrower for purposes of the Credit Agreement and agrees to be bound by and perform and comply with the terms and provisions of the Credit Agreement applicable to it as if it had originally executed the Credit Agreement as the Company.

The Company and the Guarantor hereby represent and warrant to the Agent and each Lender that, before and after giving effect to this Substitution Letter, (i) the representations and warranties set forth in Section 4.01 of the Credit Agreement (except the representations set forth in the last sentence of subsection (e) thereof and in subsection (f) thereof (other than clause (ii) thereof)) are true and correct in all material respects on the date hereof and after giving effect to the substitution contemplated hereby as if made on and as of the date hereof and (ii) no Default has occurred and is continuing.

The Company and the Guarantor hereby agree that this Substitution Letter shall be governed by, and construed in accordance with, the law of the State of New York. The Company and the Guarantor hereby submit to the nonexclusive jurisdiction of the United States District Court for the Southern District of New York and of any New York state court sitting in New

York City for the purposes of all legal proceedings arising out of or relating to this Substitution Letter or the transactions contemplated hereby.

THE PEPSI BOTTLING GROUP, INC.

By:
Name:
Title:

BOTTLING GROUP, LLC

By:
Name:
Title:

EXHIBIT F

FORM OF TERMINATION LETTER

_____, ____

To JPMorgan Chase Bank,
as Agent

Attention: Cherry Arnaez

Ladies and Gentlemen:

We make reference to the 364-Day Credit Agreement (as amended, supplemented and otherwise modified and in effect from time to time, the "Credit Agreement") dated as of April 30, 2003 by and among The Pepsi Bottling Group, Inc. (the "Company"), Bottling Group, LLC (the "Guarantor"), JPMorgan Chase Bank, as administrative agent, and the banks party thereto. Terms defined in the Credit Agreement are used herein as defined therein.

The Company hereby terminates the status as a Borrowing Subsidiary of [_____], a corporation incorporated under the laws of [_____], in accordance with Section 2.17 of the Credit Agreement, effective as of the date of receipt of this notice by the Agent. The undersigned hereby represents and warrants that all principal of and interest on any Advance of the above-referenced Borrowing Subsidiary and all other amounts payable by such Borrowing Subsidiary pursuant to the Credit Agreement have been paid in full on or prior to the date hereof. Notwithstanding the foregoing, this Termination Letter shall not affect any obligation which by the terms of the Credit Agreement survives termination thereof

THE PEPSI BOTTLING GROUP, INC.

By: _____
Name:
Title:

EXHIBIT 12.3

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 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 which is the portion of the rent deemed representative of the interest factor.

	FISCAL YEAR					12 WEEKS ENDED	
	DEC. 26, 1998	DEC. 25, 1999	DEC. 30, 2000	DEC. 29, 2001	DEC. 28, 2002	MAR. 23, 2002	MAR. 22, 2003
NET INCOME (LOSS) BEFORE TAXES AND MINORITY INTEREST	$ (128)	$ 282	$ 501	$ 600	$ 792	$ 112	$ 84
Undistributed (income) loss from equity investments	5	-	-	-	-	-	-
Fixed charges excluding capitalize interest	181	158	150	145	152	34	43
EARNINGS AS ADJUSTED	$ 58	$ 440	$ 651	$ 745	$ 944	$ 146	$ 127
FIXED CHARGES:							
Interest expense	$ 166	$ 140	$ 136	$ 132	$ 131	$ 30	$ 38
Capital interest	1	1	1	1	-	-	-
Interest portion of rental expense	15	18	14	13	21	4	5
TOTAL FIXED CHARGES	$ 182	$ 159	$ 151	$ 146	$ 152	$ 34	$ 43
RATIO OF EARNINGS TO FIXED CHARGES	(A)	2.76	4.31	5.09	6.21	4.30	2.95

(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

May 28, 2003

The Pepsi Bottling Group, Inc. and
Bottling Group, LLC
One Pepsi Way
Somers, NY 10589

Re: Amendment No. 1 to Registration Statement No. 333-102035 on Form S-4

With respect to the subject registration statement, we acknowledge our awareness of the incorporation by reference therein of our reports dated April 22, 2003 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 reports 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

May 28, 2003

PepsiCo, Inc.
Purchase, New York

Re: Amendment No. 1 to Registration Statement on Form S-4, File No. 333-102035-01

With respect to the subject registration statement, we acknowledge our awareness of the incorporation by reference therein of our report dated April 17, 2003 related to our review of interim financial information.

Pursuant to Rule 436 under the Securities Act of 1933 (the Act), such report is 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 incorporation by reference of our reports dated January 28, 2003, with respect to the consolidated balance sheets of Bottling Group, LLC as of December 28, 2002 and December 29, 2001, 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 28, 2002, and the related financial statement schedule, which reports are included in the December 28, 2002, annual report on Form 10-K of Bottling Group, LLC. Our report refers to the Company's adoption of FASB No. 142, "Goodwill and Other Intangible Assets," as of December 30, 2001.

We also consent to the reference to our firm under the heading "Independent Accountants" in the prospectus.

/s/ KPMG LLP

New York, New York
May 28, 2003

EXHIBIT 23.5

Independent Auditors' Consent

The Board of Directors and Shareholders
The Pepsi Bottling Group, Inc.:

We consent to the incorporation by reference of our report dated January 28, 2003, with respect to the consolidated balance sheets of The Pepsi Bottling Group, Inc. as of December 28, 2002 and December 29, 2001, and the related consolidated statements of operations, cash flows and changes in shareholders' equity for each of the fiscal years in the three-year period ended December 28, 2002, which report is included in the December 28, 2002, annual report on Form 10-K of Bottling Group, LLC. Our report refers to the Company's adoption of FASB No. 142, "Goodwill and Other Intangible Assets," as of December 30, 2001.

/s/ KPMG LLP

New York, New York
May 28, 2003

EXHIBIT 23.6

CONSENT OF KPMG LLP

We consent to the use of our audit report dated February 6, 2003, with respect to the Consolidated Balance Sheets of PepsiCo, Inc. and Subsidiaries as of December 28, 2002 and December 29, 2001, 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 28, 2002, 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
May 28, 2003