

\$80,000,000

PepsiCo, Inc.

15% DEBT SECURITIES DUE AUGUST 6, 1998
Interest Payable Semiannually

Underwriter: Smith Barney Inc.
Initial Offering Price: 109.035%
Underwriter's Discount: 0.00%
Currency: U. S. Dollars
Date of Issue: August 6, 1997
Issuance form: Book entry
Scheduled Maturity Date: August 6, 1998
Interest Rate: 15.00% per annum
Day count basis: 30/360
Interest Accrual Date: August 6, 1997 or the most recent date for which interest has been paid or provided for, as the case may be. Interest will accrue from each Interest Accrual Date to but excluding the next succeeding Interest Payment Date.

Interest Payment Dates: February 6, 1998 and the Scheduled Maturity Date
Principal Payment Date: Scheduled Maturity Date
Business Days: New York
Calculation Agent: PepsiCo, Inc.
Optional Redemption Dates: Not applicable
Option to elect prepayment: None
Sinking fund: Not applicable
Settlement Date: August 6, 1997

The 15% Debt Securities Due August 6, 1998 (the "Notes") will be purchased by the Underwriter at 109.035% of their principal amount, and will be offered to the public at varying prices to be determined by the Underwriter based on prevailing market prices at the time of sale.

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

SMITH BARNEY INC.
