

\$25,000,000

7.00% Callable Debt Securities Due July 26, 2005
Interest Payable Monthly

Underwriter: Lehman Brothers Inc.

Initial Offering Price: 100.00%

Underwriter's Discount: 0.00%

Currency: U. S. Dollars

Date of Issue: July 26, 1995

Issuance form: Book entry

Scheduled Maturity Date: July 26, 2005

Coupon: 7.00% per annum

Day count basis: 30/360

Interest Accrual Date: July 26, 1995, or the most recent date for which interest has been paid or provided for, as the case may be. Interest will accrue from each Interest Accrual Date to but excluding the next succeeding Interest Payment Date.

Interest Payment Dates: Monthly on the 26th of each month, commencing August 26, 1995 and ending on the Scheduled Maturity Date or an earlier Optional Redemption Date.

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

Business Days: New York

Calculation Agent: PepsiCo, Inc.

Optional Redemption Dates: The 7.00% Callable Debt Securities Due July 26, 2005 may be redeemed, in whole but not in part, at the option of PepsiCo, at 100% of the principal amount thereof, plus accrued interest to the date of such redemption, on July 26, 1996, or on any subsequent Interest Payment Date prior to the Scheduled Maturity Date, upon 15 days' written notice by PepsiCo to the holders of such Notes.

Option to elect prepayment: None

Sinking fund: Not applicable

Settlement Date: July 26, 1995

The 7.00% Callable Debt Securities Due July 26, 2005 will be purchased by the Underwriter at 100.00% of their principal amount (the "Initial Offering Price"). The Underwriter has advised PepsiCo that it intends to offer all or part of the 7.00% Callable Debt Securities Due July 26, 2005 directly to the public initially at the Initial Offering Price of such Debt Securities. After the 7.00% Callable Debt Securities Due July 26, 2005 are released for sale to the public, the offering price and other selling terms may from time to time be varied by the Underwriter.

For U.S. federal income tax purposes, the 7.00% Callable Debt Securities Due July 26, 2005 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.

July 5, 1995
