

\$50,000,000

PepsiCo, Inc.

Callable Fixed Rate Debt Securities Due October 25, 2011
Interest Payable Semiannually

Underwriter: Bear, Stearns & Co. Inc.

Initial Offering Price: 100.00%.

Underwriter's Discount: 0%

Currency: U. S. Dollars

Date of Issue: October 25, 1996

Issuance form: Book entry

Scheduled Maturity Date: October 25, 2011

Interest Rate: October 25, 1996 - October 24, 1998 8.00%
October 25, 1998 - October 24, 2011 7.15%

Day count basis: 30/360

Interest Accrual Date: October 25, 1996 or the most recent date for which interest has been paid or provided for, as the case may be. Interest will accrue from each Interest Accrual Date to but excluding the next succeeding Interest Payment Date.

Interest Payment Dates: Semiannually on the 25th of each October and April, commencing April 25, 1997, and ending on the Scheduled Maturity Date or an earlier Optional Redemption Date.

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

Business Days: New York

Calculation Agent: PepsiCo, Inc.

Optional Redemption Dates: The Callable Fixed Rate Debt Securities Due October 25, 2011, (the "Notes") may be redeemed, in whole but not in part, at the option of PepsiCo, at 100% of the principal amount thereof, plus accrued interest to the date of such redemption, on October 25, 1998 and semiannually thereafter on each October 25th and April 25th, upon 15 days written notice by PepsiCo to the Trustee under the Indenture dated as of December 14, 1994 for the benefit of the holders of such Notes.

Option to elect prepayment: None

Sinking fund: Not applicable

Settlement Date: October 25, 1996

The Notes will be purchased by the Underwriter at 100.00% 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.

Bear, Stearns & Co. Inc.

October 15, 1996