

\$25,000,000

PepsiCo, Inc.

7.15% Callable Debt Securities Due August 22, 2007
Interest Payable Monthly

Underwriter: Morgan Stanley & Co. Incorporated

Initial Offering Price: 100.00%

Underwriter's Discount: 0.00%

Currency: U. S. Dollars

Date of Issue: August 22, 1995

Issuance form: Book entry

Scheduled Maturity Date: August 22, 2007

Coupon: 7.15% per annum

Day count basis: 30/360

Interest Accrual Date: August 22, 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 22nd of each month, commencing September 22, 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 7.15% Callable Debt Securities Due August 22, 2007 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 any August 22, or February 22 prior to the Scheduled Maturity Date commencing on August 22, 1997, upon 15 days' written notice by PepsiCo to the holders of such Notes.

Option to elect prepayment: None

Sinking fund: Not applicable

Settlement Date: August 22, 1995

The 7.15% Callable Debt Securities Due August 22, 2007 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 7.15% Callable Debt Securities Due August 22, 2007 directly to the public initially at the Initial Offering Price of such Debt Securities. After the 7.15% Callable Debt Securities Due August 22, 2007 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 7.15% Callable Debt Securities Due August 22, 2007 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.

Morgan Stanley & Co. Incorporated

July 31, 1995