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PEPSICO INC
Form S-4/A
May 29, 2003

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

REGISTRATION NOS. 333-102035

333-102035-01

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

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ONE PEPSI WAY
SOMERS, NEW YORK 10589
(914) 767-6000

700 ANDERSON HILL
PURCHASE, NEW YORK
(914) 253-2000

(Address, including zip code, and telephone number,
including area code, of registrant's principal executive offices)

COPIES TO:

STEVEN M. RAPP
MANAGING DIRECTOR -- DELEGATEE
BOTTLING GROUP, LLC
ONE PEPSI WAY
SOMERS, NEW YORK 10589
(914) 767-6000

THOMAS H. TAMONEY
VICE PRESIDENT, ASSOCIATE
AND ASSISTANT SEC
PEPSICO, INC
700 ANDERSON HILL
PURCHASE, NEW YORK
(914) 253-3620

(Name, address, including zip code, and telephone number,
including area code, of agent for service)

WITH COPIES TO:

ALLAN R. WILLIAMS
PROSKAUER ROSE LLP
1585 BROADWAY
NEW YORK, NEW YORK 10036
(212) 969-3000

WINTHROP B. CONRA
DAVIS POLK & WAR
450 LEXINGTON AV
NEW YORK, NEW YORK
(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

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SUCH DATE AS THE SECURITIES AND EXCHANGE COMMISSION, OR SEC, ACTING PURSUANT TO SECTION 8 (a), MAY DETERMINE.

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

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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

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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.

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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

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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

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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

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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.

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[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.

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PEPSICO, INC.

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

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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

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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

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- 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

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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.

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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

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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

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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."

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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

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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: <ul style="list-style-type: none">- 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: <ul style="list-style-type: none">- create or assume liens;- enter into sale and lease-back transactions; and

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- 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'

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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....	<p>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."</p> <p>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.</p>
Ranking of the Guarantee.....	<p>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.</p>
Listing.....	<p>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.</p>

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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.

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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-
	DEC. 26, 1998 (1)	DEC. 25, 1999 (1)	DEC. 30, 2000 (2)	DEC. 29, 2001	DEC. 28, 2002	MARCH 2002
	(IN MILLIONS, EXCEPT FOR RATIO OF EARNINGS TO FIXED C					
STATEMENT OF OPERATIONS DATA:						
Net revenues (3).....	\$ 7,041	\$7,505	\$7,982	\$8,443	\$ 9,216	\$1,77
Cost of sales (3).....	4,181	4,296	4,405	4,580	5,001	94
Gross profit (3).....	2,860	3,209	3,577	3,863	4,215	83
Selling, delivery and administrative expenses (3).....	2,583	2,813	2,986	3,185	3,318	69
Unusual impairment and other charges and credits (4).....	222	(16)	--	--	--	-
Operating income (3).....	55	412	591	678	897	13
Interest expense.....	166	140	136	132	131	3

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Interest income.....	9	11	47	54	33	
Other non-operating expenses, net.....	26	1	1	--	7	--
Minority interest.....	4	5	8	14	9	
	-----	-----	-----	-----	-----	-----
Income (loss) before income taxes.....	(132)	277	493	586	783	11
Income tax expense (benefit) (5)...	(1)	4	22	(1)	49	
	-----	-----	-----	-----	-----	-----
Income (loss) before cumulative effect of change in accounting principle.....	(131)	273	471	587	734	10
Cumulative effect of change in accounting principle, net of tax(3).....	--	--	--	--	--	--
	-----	-----	-----	-----	-----	-----
Net income (loss) (3).....	\$ (131)	\$ 273	\$ 471	\$ 587	\$ 734	\$ 10
	=====	=====	=====	=====	=====	=====
OTHER FINANCIAL DATA:						
Net cash provided by operations...	\$ 727	\$ 888	\$ 974	\$1,073	\$ 1,107	\$ 17
Net cash used for investments.....	(1,022)	(973)	(800)	(949)	(1,836)	(21)
Net cash provided by (used for) financing.....	244	244	(42)	(173)	677	(2)
Capital expenditures.....	(507)	(560)	(515)	(593)	(623)	(11)
Ratio of earnings to fixed charges (6).....	-- (7)	2.76	4.31	5.09	6.21	4.3
BALANCE SHEET DATA (AT PERIOD END):						
Total assets.....	\$ 7,227	\$7,799	\$8,228	\$8,677	\$10,907	\$8,84
Total long-term debt.....	2,361	2,284	2,286	2,299	3,535	2,34
Owners' equity.....	3,283	3,928	4,321	4,596	5,186	4,73

(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

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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,

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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

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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.

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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, 2000	DEC. 29, 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.

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

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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.

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	FISCAL YEAR ENDED					12-WEEKS
	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)
	(IN MILLIONS, EXCEPT PER SHARE AMOUNTS AND RATIO OF EARNINGS TO FIXED C					
Net sales.....	\$24,605	\$22,183	\$22,337	\$23,512	\$25,112	\$ 5,311
Net income.....	2,278	2,505	2,543	2,662	3,313	689
Income per common share -- basic.....	1.27	1.41	1.45	1.51	1.89	0.39
Income per common share -- diluted...	1.23	1.38	1.42	1.47	1.85	0.38
Cash dividends declared per common share(6).....	0.515	0.535	0.555	0.575	0.595	0.145
Total assets (at period end).....	25,170	19,948	20,757	21,695	23,474	22,611
Long-term debt (at period end).....	4,823	3,527	3,009	2,651	2,187	2,276
Ratio of earnings to fixed charges(7)...	6.03	9.82	11.91	15.21	19.92	22.67

(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).

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(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

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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

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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.

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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

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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.

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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.

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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

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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:

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- 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;

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- 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.

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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

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bankruptcy case or lawsuit is commenced by or on

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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

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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.

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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.

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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

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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 =====

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

PEPSICO

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

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(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	
	=====	

(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

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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.

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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.

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- 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

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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

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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.

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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

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- 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

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- 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

- cer