EATON VANCE SENIOR INCOME TRUST
Form 497
February 28, 2019

Prospectus Supplement

(To Prospectus dated February 28, 2019)

Eaton Vance Senior Income Trust

Up to 1,838,575 Common Shares

Important Note. Beginning on January 1, 2021, as permitted by regulations adopted by the Securities and Exchange Commission, paper copies of the Trust's annual and semi-annual shareholder reports will no longer be sent by mail unless you specifically request paper copies of the reports. Instead, the reports will be made available on the Trust's website (funds.eatonvance.com/closed-end-fund-and-termtrust-documents.php), and you will be notified by mail each time a report is posted and provided with a website address to access the report.

If you already elected to receive shareholder reports electronically, you will not be affected by this change and you need not take any action. If you hold shares at the Trust's transfer agent, American Stock Transfer & Trust Company, LLC ("AST"), you may elect to receive shareholder reports and other communications from the Trust electronically by contacting AST. If you own your shares through a financial intermediary (such as a broker-dealer or bank), you must contact your financial intermediary to sign up.

You may elect to receive all future Trust shareholder reports in paper free of charge. If you hold shares at AST, you can inform AST that you wish to continue receiving paper copies of your shareholder reports by calling 1-866-439-6787. If you own these shares through a financial intermediary, you must contact your financial intermediary or follow instructions included with this disclosure, if applicable, to elect to continue to receive paper copies of your shareholder reports. Your election to receive reports in paper will apply to all funds held with AST or to all funds held through your financial intermediary, as applicable.

Eaton Vance Senior Income Trust (the "Trust," "we," or "our") is a diversified, closed-end management investment company which commenced operations on October 30, 1998. Our investment objective is to provide a high level of current income, consistent with the preservation of capital. The Fund may offer and sell up to 1,838,575 shares. This amount represents common shares of beneficial interest, par value $0.01, per share ("Common Shares"), previously registered on Form N-2 (Reg. No. 333-207588) and being carried forward as permitted by Rule 415(a)(6) and Rule 457(p) under the Securities Act of 1933, as amended (the "1933 Act"). Of the 1,838,575 common shares, 1,073,798 have been issued and 764,777 are unsold. In addition, the Fund has registered, and may take down, additional shares at a later date.

The Trust has entered into a distribution agreement dated February 28, 2019 (the "Distribution Agreement") with Eaton Vance Distributors, Inc. (the "Distributor") relating to the Common Shares offered by this Prospectus Supplement and the accompanying Prospectus dated February 28, 2019. The Distributor has entered into a dealer agreement, dated February 28, 2019, (the "Dealer Agreement") with UBS Securities LLC (the "Dealer") with respect to the Trust relating to the Common Shares offered by this Prospectus Supplement and the accompanying Prospectus. In accordance with the terms of the Dealer Agreement, we may offer and sell our Common Shares, $0.01 par value per share, from time to time through the Dealer as sub-placement agent for the offer and sale of the Common Shares. Under the Investment Company Act of 1940, as amended (the "1940 Act"), the Trust may not sell any Common Shares at a price below the current net asset value of such Common Shares, exclusive of any distributing commission or discount.

Our Common Shares are listed on the New York Stock Exchange (“NYSE”) under the symbol “EVF.” As of February 26, 2019, the last reported sale price for our Common Shares on the NYSE was $6.28 per share.

Sales of our Common Shares, if any, under this Prospectus Supplement and the accompanying Prospectus may be made in negotiated transactions or transactions that are deemed to be “at the market” as defined in Rule 415 under the Securities Act of 1933, as amended (the “1933 Act”), including sales made directly on the NYSE or sales made to or through a market maker other than on an exchange.

The Trust will compensate the Distributor with respect to sales of the Common Shares at a commission rate of 1% of the gross proceeds of the sale of Common Shares. The Distributor will compensate the Dealer out of this commission at a certain percentage rate of the gross proceeds of the sale of Common Shares sold under the Dealer Agreement, with the exact amount of such compensation to be mutually agreed upon by the Distributor and the Dealer from time to time. In connection with the sale of the Common Shares on the Trust’s behalf, the Distributor may be deemed to be an “underwriter” within the meaning of the 1933 Act and the compensation of the Dealer may be deemed to be underwriting commissions or discounts.

The Common Shares have traded both at a premium and a discount to net asset value (“NAV”). The Trust cannot predict whether Common Shares will trade in the future at a premium or discount to NAV. The provisions of the 1940 Act generally require that the public offering price of common shares (less any underwriting commissions and discounts) must equal or exceed the NAV per share of a company’s common stock (calculated within 48 hours of pricing). The Trust’s issuance of Common Shares may have an adverse effect on prices in the secondary market for the Trust’s Common Shares by increasing the number of Common Shares available, which may put downward pressure on the market price for the Trust’s Common Shares. Shares of common stock of closed-end investment companies frequently trade at a discount from NAV, which may increase investors’ risk of loss.

Investing in our securities involves certain risks. You could lose some or all of your investment. See “Investment Objective, Policies and Risks” beginning on page 20 of the accompanying Prospectus. You should consider carefully these risks together with all of the other information contained in this Prospectus Supplement and the accompanying Prospectus before making a decision to purchase our securities.

Neither the Securities and Exchange Commission nor any state securities commission has approved or disapproved of these securities or determined if this Prospectus Supplement or the accompanying Prospectus is truthful or complete. Any representation to the contrary is a criminal offense.

Prospectus Supplement dated February 28, 2019

This Prospectus Supplement, together with the accompanying Prospectus, sets forth concisely the information about the Trust that you should know before investing. You should read this Prospectus Supplement and the accompanying Prospectus, which contain important information, before deciding whether to invest in our securities. You should retain the accompanying Prospectus and this Prospectus Supplement for future reference. A Statement of Additional Information, dated February 28, 2019 as supplemented from time to time, containing additional information about the trust, has been filed with the Securities and Exchange Commission (the "SEC") and is incorporated by reference in its entirety into this Prospectus Supplement and the accompanying Prospectus. This Prospectus Supplement, the accompanying Prospectus and the Statement of Additional Information are part of a "shelf" registration statement that we filed with the SEC. This Prospectus Supplement describes the specific details regarding this offering, including the method of distribution. If information in this Prospectus Supplement is inconsistent with the accompanying Prospectus or the Statement of Additional Information, you should rely on this Prospectus Supplement. You may request a free copy of the Statement of Additional Information, the table of contents of which is on page 50 of the accompanying Prospectus, request a free copy of our annual and semi-annual reports, request other information or make shareholder inquiries, by calling toll-free 1-800-262-1122 or by writing to the Trust at Two International Place, Boston, Massachusetts 02110. The Trust's annual and semi-annual reports also are available on our website at http://www.eatonvance.com and on the SEC's website, as described below, where the Trust's Statement of Additional Information can be obtained. Information included on our website does not form part of this Prospectus Supplement or the accompanying Prospectus. You can get the same information free from the SEC's website (http://www.sec.gov). You may also e-mail requests for these documents to publicinfo@sec.gov.

Our securities do not represent a deposit or obligation of, and are not guaranteed or endorsed by, any bank or other insured depository institution and are not federally insured by the Federal Deposit Insurance Corporation, the Federal Reserve Board or any other government agency.

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You should rely only on the information contained in, or incorporated by reference into, this Prospectus Supplement and the accompanying Prospectus in making your investment decisions. The Trust has not authorized any person to provide you with different information. If anyone provides you with different or inconsistent information, you should not rely on it. The Trust is not making an offer to sell the securities in any jurisdiction where the offer or sale is not permitted. You should assume that the information in this Prospectus Supplement and the accompanying Prospectus is accurate only as of the dates on their covers. The Trust's business, financial condition and prospects may have changed since the date of its description in this Prospectus Supplement or the date of its description in the accompanying Prospectus.

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Until March 25, 2019 (25 days after the date of this Prospectus Supplement), all dealers that buy, sell or trade the Common Shares, whether or not participating in this offering, may be required to deliver the Prospectus and this Prospectus Supplement. This requirement is in addition to the dealers' obligation to deliver the Prospectus and this

Prospectus Supplement when acting as underwriters and with respect to their unsold allotments or subscriptions.

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CAUTIONARY NOTICE REGARDING FORWARD-LOOKING STATEMENTS

This Prospectus Supplement, the accompanying Prospectus and the Statement of Additional Information contain "forward-looking statements." Forward-looking statements can be identified by the words "may," "will," "intend," "expect," "estimate," "continue," "plan," "anticipate," and similar terms and the negative of such terms. Such forward-looking statements may be contained in this Prospectus Supplement as well as in the accompanying Prospectus. By their nature, all forward-looking statements involve risks and uncertainties, and actual results could differ materially from those contemplated by the forward-looking statements. Several factors that could materially affect our actual results are the performance of the portfolio of securities we hold, the price at which our shares will trade in the public markets and other factors discussed in our periodic filings with the SEC.

Although we believe that the expectations expressed in our forward-looking statements are reasonable, actual results could differ materially from those projected or assumed in our forward-looking statements. Our future financial condition and results of operations, as well as any forward-looking statements, are subject to change and are subject to inherent risks and uncertainties, such as those disclosed in the "Investment Objective, Policies and Risks" section of the accompanying Prospectus. All forward-looking statements contained or incorporated by reference in this Prospectus Supplement or the accompanying Prospectus are made as of the date of this Prospectus Supplement or the accompanying Prospectus, as the case may be. Except for our ongoing obligations under the federal securities laws, we do not intend, and we undertake no obligation, to update any forward-looking statement. The forward-looking statements contained in this Prospectus Supplement, the accompanying Prospectus and the Statement of Additional Information are excluded from the safe harbor protection provided by section 27A of the 1933 Act.

Currently known risk factors that could cause actual results to differ materially from our expectations include, but are not limited to, the factors described in the "Investment Objective, Policies and Risks" section of the accompanying Prospectus. We urge you to review carefully that section for a more detailed discussion of the risks of an investment in our securities.

Prospectus Supplement Summary

The following summary is qualified in its entirety by reference to the more detailed information included elsewhere in this Prospectus Supplement and in the accompanying Prospectus and in the Statement of Additional Information.

THE TRUST

Eaton Vance Senior Income Trust (the “Trust,” “we,” or “our”) is a diversified, closed-end management investment company, which commenced operations on October 30, 1998. The Trust offers investors the opportunity to receive a high level of current income, through a professionally managed portfolio investing primarily in senior, secured floating-rate loans (“Senior Loans”), which are normally accessible only to financial institutions and large corporate and institutional investors, and are not widely available to individual investors. To the extent consistent with this objective, the Trust may also offer an opportunity for preservation of capital. Investments are based on Eaton Vance Management’s (“Eaton Vance” or the “Adviser”) internal research and ongoing credit analysis, which is generally not available to individual investors. An investment in the Trust may not be appropriate for all investors. There is no assurance that the Trust will achieve its investment objective.

THE ADVISER

Eaton Vance acts as the Trust’s investment adviser under an Investment Advisory Agreement (the “Advisory Agreement”). The Adviser’s principal office is located at Two International Place, Boston, MA 02110. Eaton Vance, its affiliates and predecessor companies have been managing assets of individuals and institutions since 1924 and of investment companies since 1931. As of January 31, 2019, Eaton Vance and its affiliates managed approximately $444.7 billion of fund and separate account assets on behalf of clients, including approximately $40.9 billion in floating-rate income assets. Eaton Vance is a wholly-owned subsidiary of Eaton Vance Corp., a publicly-held holding company, which through its subsidiaries and affiliates engages primarily in investment management, administration and marketing activities.

Under the general supervision of the Trust’s Board, the Adviser will carry out the investment and reinvestment of the assets of the Trust, will furnish continuously an investment program with respect to the Trust, will determine which securities should be purchased, sold or exchanged, and will implement such determinations. The Adviser will furnish to the Trust investment advice and office facilities, equipment and personnel for servicing the investments of the Trust. The Adviser will compensate all Trustees and officers of the Trust who are members of the Adviser’s organization and who render investment services to the Trust, and will also compensate all other Adviser personnel who provide research and investment services to the Trust. In return for these services, facilities and payments, the Trust has agreed to pay the Adviser as compensation under the Advisory Agreement a fee in the amount of 0.76% (0.77% prior to May 1, 2018) of the average weekly gross assets of the Trust. Gross assets of the Trust shall be calculated by deducting accrued liabilities of the Trust not including the amount of any preferred shares outstanding or the principal amount of any indebtedness for money borrowed. During periods in which the Trust is using leverage, the fees paid to Eaton Vance for investment advisory services will be higher than if the Trust did not use leverage because the fees paid will be calculated on the basis of the Trust’s gross assets, including proceeds from any borrowings and from the issuance of preferred shares.

THE OFFERING

The Trust has entered into a distribution agreement dated February 28, 2019 (the “Distribution Agreement”) with Eaton Vance Distributors, Inc. (the “Distributor”) relating to the common shares of beneficial interest (the “Common Shares”) offered by this Prospectus Supplement and the accompanying Prospectus dated February 28, 2019 (the “Offering”). The Distributor has entered into a dealer agreement dated February 28, 2019 (the “Dealer Agreement”) with UBS Securities LLC (the “Dealer”) with respect to the Trust relating to the Common Shares offered by this Prospectus Supplement and

the accompanying Prospectus. In accordance with the terms of the Dealer Agreement, the Trust may offer and sell up to 1,838,575 Common Shares, par value $0.01 per Common Share, from time to time through the Dealer as sub-placement agent for the offer and sale of the Common Shares. This amount represents Common Shares previously registered on Form N-2 (Reg. No. 333-207588) and being carried forward as permitted by Rule 415 (a)(6) and Rule 457 (p) under the Securities Act of 1933, as amended (the "1933 Act"). The Trust has carried forward 764,777 unsold Common Shares. In addition, the Trust has registered, and may take down, additional Common Shares at a later date.

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Offerings of the Common Shares will be subject to the provisions of the 1940 Act, which generally require that the public offering price of common shares of a closed-end investment company (exclusive of distribution commissions and discounts) must equal or exceed the net asset value per share of the company's common shares (calculated within 48 hours of pricing), absent shareholder approval or under certain other circumstances.

Sales of the Common Shares, if any, under this Prospectus Supplement and the accompanying Prospectus may be made in negotiated transactions or transactions that are deemed to be "at the market" as defined in Rule 415 under the 1933 Act, including sales made directly on the New York Stock Exchange ("NYSE") or sales made to or through a market maker other than on an exchange. The Common Shares may not be sold through agents, underwriters or dealers without delivery or deemed delivery of a Prospectus and an accompanying Prospectus Supplement describing the method and terms of the offering of Common Shares.

LISTING AND SYMBOL

The Trust's currently outstanding Common Shares are listed on the NYSE under the symbol "EVF." Any new Common Shares offered and sold hereby are expected to be listed on the NYSE and trade under this symbol. The net asset value of the Common Shares on February 26, 2019 was $7.11 per share. As of February 26, 2019, the last reported sale price for the Common Shares was $6.28.

USE OF PROCEEDS

The Trust currently intends to invest substantially all of the net proceeds of any sales of Common Shares pursuant to this Prospectus Supplement in accordance with its investment objective and policies as described in the accompanying Prospectus under "Investment Objective, Policies and Risks" within three months of receipt of such proceeds. Such investments may be delayed up to three months if suitable investments are unavailable at the time or for other reasons, such as market volatility and lack of liquidity in the markets of suitable investments. Pending such investment, the Trust anticipates that it will invest the proceeds in short-term money market instruments, securities with remaining maturities of less than one year, cash or cash equivalents. A delay in the anticipated use of proceeds could lower returns and reduce the Trust's distribution to the holders of Common Shares ("Common Shareholders") or result in a distribution consisting principally of a return of capital.

Capitalization

We may offer and sell up to 1,838,575 of our Common Shares, $0.01 par value per share, from time to time through the Dealer as sub-placement agent under this Prospectus Supplement and the accompanying Prospectus. This amount represents Common Shares previously registered on Form N-2 (Reg. No. 333-207588) and being carried forward as permitted by Rule 415 (a)(6) and Rule 457 (p) under the 1933 Act. The Trust has carried forward 764,777 unsold Common Shares. In addition, the Trust has registered, and may take down, additional Common Shares at a later date. There is no guarantee that there will be any sales of our Common Shares pursuant to this Prospectus Supplement and the accompanying Prospectus. The table below assumes that we will sell 764,777 Common Shares at a price of $6.28 per share (the last reported sale price per share of our Common Shares on the NYSE on February 26, 2019). Actual sales, if any, of our Common Shares under this Prospectus Supplement and the accompanying Prospectus may be greater or less than $6.28 per share, depending on the market price of our Common Shares at the time of any such sale. To the extent that the market price per share of our Common Shares on any given day is less than the net asset value per share on such day, we will instruct the Dealer not to make any sales on such day.

The following table sets forth our capitalization:

• on a historical basis as of June 30, 2018 (audited); and

• on a pro forma as adjusted basis to reflect the assumed sale of 764,777 Common Shares at $6.28 per share (the last reported sale price for our Common Shares on the NYSE on February 26, 2019), in an offering under this Prospectus Supplement and the accompanying Prospectus, after deducting the assumed commission of $48,028 (representing an estimated commission to the Distributor of 1.00% of the gross proceeds of the sale of Common Shares, of which a certain percentage will be paid to the Dealer in connection with sales of Common Shares effected in this offering).

	As of June 30, 2018 (audited)	**Pro Forma (unaudited)**
	Actual	**As adjusted**
Net assets	$272,015,732	$276,770,504
$0.01 par value per share of common shares outstanding	$378,666	$378,666
Additional paid-in capital	$281,098,004	$285,852,776
Undistributed net investment income	$349,767	$349,767
Accumulated net realized loss on investments, futures contracts and foreign currency transactions	$(7,500,304)	$(7,500,304)
Net unrealized appreciation (depreciation) on investments, futures contracts and swap contracts	$(1,931,735)	$(1,931,735)
Net assets	$272,015,732	$276,770,504
Net asset value per share	$7.18	$7.16
Common shares issued and outstanding	37,866,607	38,631,384

Summary of Trust Expenses

The purpose of the table below is to help you understand all fees and expenses that you, as a Common Shareholder, would bear directly or indirectly. The table reflects the issuance of preferred shares in an amount equal to 14.7% of the Trust's total assets and borrowings in an amount equal to 20.7% of the Trust's total assets (including the proceeds of all such leverage) and shows Trust expenses as a percentage of net assets attributable to Common Shares[1] for the year ended June 30, 2018.

Common Shareholder transaction expenses	
Sales load paid by you (as a percentage of offering price)	1%[1]
Offering expenses (as a percentage of offering price)	None[2]
Dividend reinvestment plan fees	None[3]

Annual expenses	**Percentage of net assets attributable to Common Shares[4][7]**
Investment advisory fee	1.19%[5]
Interest payments on borrowed funds	0.83%[6]
Other expenses	0.63%
Acquired Fund Fees and Expenses	0.05%
Total annual Trust operating expenses	2.70%

Dividends on preferred shares	0.40%[6]
Total annual Trust operating expenses and dividends on preferred shares	3.10%

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EXAMPLE

The following example illustrates the expenses that Common Shareholders would pay on a $1,000 investment in Common Shares, assuming (i) total annual expenses of 3.10% of net assets attributable to Common Shares in years 1 through 10; (ii) a sales load of 1.00%; (iii) a 5% annual return; and (iv) all distributions are reinvested at NAV:

1 Year	3 Years	5 Years	10 Years
$41	$105	$171	$348

The above table and example and the assumption in the example of a 5% annual return are required by regulations of the SEC that are applicable to all investment companies; the assumed 5% annual return is not a prediction of, and does not represent, the projected or actual performance of the Trust's Common Shares. For more complete descriptions of certain of the Trust's costs and expenses, see "Management of the Trust." In addition, while the example assumes reinvestment of all dividends and distributions at NAV, participants in the Trust's dividend reinvestment plan may receive Common Shares purchased or issued at a price or value different from NAV. See "Distributions" and "Dividend Reinvestment Plan." The example does not include estimated offering costs, which would cause the expenses shown in the example to increase.

The example should not be considered a representation of past or future expenses, and the Trust's actual expenses may be greater or less than those shown. Moreover, the Trust's actual rate of return may be greater or less than the hypothetical 5% return shown in the example.

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(1) Represents the estimated commission with respect to the Trust's Common Shares being sold in this offering. There is no guarantee that there will be any sales of the Trust's Common Shares pursuant to this Prospectus Supplement and the accompanying Prospectus. Actual sales of the Trust's Common Shares under this Prospectus Supplement and the accompanying Prospectus, if any, may be less than as set forth under "Capitalization" above. In addition, the price per share of any such sale may be greater or less than the price set forth under "Capitalization" above, depending on market price of the Trust's Common Shares at the time of any such sale.

(2) Eaton Vance will pay the expenses of the Offering (other than the applicable commissions); therefore, Offering expenses are not included in the Summary of Trust Expenses. Offering expenses generally include, but are not limited to, the preparation, review and filing with the SEC of the Trust's registration statement (including this Prospectus Supplement and the accompanying Prospectus and the Statement of Additional Information), the preparation, review and filing of any associated marketing or similar materials, costs associated with the printing, mailing or other distribution of the Prospectus Supplement, the accompanying Prospectus, the Statement of Additional Information and/or marketing materials, associated filing fees, NYSE listing fees, and legal and auditing fees associated with the Offering.

(3) You will be charged a $5.00 service charge and pay brokerage charges if you direct the plan agent to sell your Common Shares held in a dividend reinvestment account.

(4) Stated as percentage of average net assets attributable to Common Shares for the year ended June 30, 2018.

(5) The advisory fee paid by the Trust to the Adviser is based on the average weekly gross assets of the Trust, including all assets attributable to any form of investment leverage that the Trust may utilize. Accordingly, if the Trust were to increase investment leverage in the future, the advisory fee will increase as a percentage of net assets. Pursuant to the investment advisory agreement and fee reduction agreement between the Trust and the Adviser, the fee is computed at an annual rate of 0.76% (0.77% prior to May 1, 2018) of the Trust's average weekly gross assets and is payable monthly. Pursuant to a fee reduction agreement between the Trust and Eaton Vance that commenced on May 1, 2010, the annual adviser fee rate is reduced by 0.01% every May 1 thereafter for the next twenty-nine years.

(6) As of June 30, 2018, the outstanding borrowings and APS represented approximately 36.2% leverage. As of September 30, 2018, the outstanding borrowings and APS represented approximately 32.4% leverage. Amounts have been estimated for the current fiscal year.

(7) Ratios have been restated to reflect the repurchase of 480 Series A APS and 480 Series B APS on September 14, 2018 and the increase in Trust's borrowings subsequent to June 30, 2018.

Market and Net Asset Value Information

Our Common Shares are listed on the NYSE under the symbol "EVF." Our Common Shares commenced trading on the NYSE in 1998.

Our Common Shares have traded both at a premium and a discount to net asset value or NAV. We cannot predict whether our shares will trade in the future at a premium or discount to NAV. The provisions of the 1940 Act generally require that the public offering price of Common Shares (less any underwriting commissions and discounts) must equal or exceed the NAV per share of a company's common stock (calculated within 48 hours of pricing). Our issuance of Common Shares may have an adverse effect on prices in the secondary market for our Common Shares by increasing the number of Common Shares available, which may put downward pressure on the market price for our Common Shares. Shares of Common Stock of closed-end investment companies frequently trade at a discount from NAV. See "Prospectus Summary—Special Risk Considerations—Discount from or premium to NAV" on page 9 of the accompanying Prospectus.

The following table sets forth for the period indicated the high and low closing market prices for Common Shares on the NYSE, and the corresponding NAV per share and the premium or discount to NAV per share at which the Trust's Common Shares were trading as of the same date. NAV is determined no less frequently than daily, generally on each day of the week that the NYSE is open for trading. See "Determination of Net Asset Value" on page 27 of the accompanying Statement of Additional Information for information as to the determination of the Trust's net asset value.

	Market Price		NAV per Share on Date of Market Price		NAV Premium/(Discount) on Date of Market Price	
Fiscal Quarter Ended	High	Low	High	Low	High	Low
December 31, 2018	6.48	5.69	7.33	6.87	(11.60)%	(17.18)%

The last reported sale price, NAV per Common Share and percentage premium/(discount) to NAV per Common Share on February 26, 2019, were $6.28, $7.11 and (11.67)% respectively. As of February 26, 2019, we had 37,866,607 Common Shares outstanding and net assets of approximately $269,343,437.

The following table provides information about our outstanding Common Shares as of February 26, 2019:

Title of Class	Amount Authorized	Amount Held by the Trust or for its Account	Amount Outstanding
Common Shares	Unlimited	0	37,866,607

Use of Proceeds

Sales of our Common Shares, if any, under this Prospectus Supplement and the accompanying Prospectus may be made in negotiated transactions or transactions that are deemed to be "at the market" as defined in Rule 415 under the 1933 Act, including sales made directly on the NYSE or sales made to or through a market maker other than on an exchange. There is no guarantee that there will be any sales of our Common Shares pursuant to this Prospectus Supplement and the accompanying Prospectus. Actual sales, if any, of our Common Shares under this Prospectus Supplement and the accompanying Prospectus may be less than as set forth below in this paragraph. In addition, the price per share of any such sale may be greater or less than the price set forth in this paragraph, depending on the market price of our Common Shares at the time of any such sale. As a result, the actual net proceeds we receive may be more or less than the amount of net proceeds estimated in this Prospectus Supplement. Assuming the sale of all of the Common Shares offered under this Prospectus Supplement and the accompanying Prospectus, at the last reported sale price of $6.28 per share for our Common Shares on the NYSE as of February 26, 2019, we estimate that the net proceeds of this offering will be approximately $4,754,772 after deducting the estimated sales load and the estimated offering expenses payable by the Trust.

Subject to the remainder of this section, the Trust currently intends to invest substantially all of the net proceeds of any sales of Common Shares pursuant to this Prospectus Supplement in accordance with its investment objective and policies as described in the accompanying Prospectus under "Investment Objective, Policies and Risks" within three months of receipt of such proceeds. Such investments may be delayed up to three months if suitable investments are unavailable at the time or for other reasons, such as market volatility and lack of liquidity in the markets of suitable investments. Pending such investment, the Trust anticipates that it will invest the proceeds in short-term money market instruments, securities with remaining maturities of less than one year, cash or cash equivalents. A delay in the anticipated use of proceeds could lower returns and reduce the Trust's distribution to Common Shareholders or result in a distribution consisting principally of a return of capital.

Plan of Distribution

Under the Dealer Agreement between the Distributor and the Dealer, upon written instructions from the Distributor, the Dealer will use its reasonable best efforts, to sell, as sub-placement agent, the Common Shares under the terms and subject to the conditions set forth in the Dealer Agreement. The Dealer's solicitation will continue until the Distributor instructs the Dealer to suspend the solicitations and offers. The Distributor will instruct the Dealer as to the amount of Common Shares to be sold by the Dealer. The Distributor may instruct the Dealer not to sell Common Shares if the sales cannot be effected at or above the price designated by the Distributor in any instruction. To the extent that the market price per share of the Trust's Common Shares on any given day is less than the net asset value per share on such day, the Distributor will instruct the Dealer not to make any sales on such day. The Distributor or the Dealer may suspend the offering of Common Shares upon proper notice and subject to other conditions.

The Dealer will provide written confirmation to the Distributor following the close of trading on the day on which Common Shares are sold under the Dealer Agreement. Each confirmation will include the number of shares sold on the preceding day, the net proceeds to the Trust and the compensation payable by the Distributor to the Dealer in connection with the sales.

The Trust will compensate the Distributor with respect to sales of the Common Shares at a commission rate of 1.00% of the gross proceeds of the sale of Common Shares. The Distributor will compensate the Dealer for its services in acting as sub-placement agent in the sale of Common Shares out of this commission at a certain percentage rate of the gross proceeds of the sale of Common Shares sold under the Dealer Agreement, with the exact amount of such compensation to be mutually agreed upon by the Distributor and the Dealer from time to time. There is no guarantee that there will be any sales of the Common Shares pursuant to this Prospectus Supplement and the accompanying Prospectus. Actual sales, if any, of the Common Shares under this Prospectus Supplement and the accompanying Prospectus may be greater or less than the price set forth in this paragraph, depending on the market price of Common Shares at the time of any such sale. Eaton Vance will pay the expenses of the Offering (other than the applicable commissions).

Settlement for sales of Common Shares will occur on the second trading day following the date on which such sales are made, in return for payment of the net proceeds to the Trust. There is no arrangement for funds to be received in an escrow, trust or similar arrangement.

The Distributor has agreed to provide indemnification and contribution to the Dealer against certain civil liabilities, including liabilities under the 1933 Act.

The Dealer Agreement will remain in full force and effect unless terminated by either party upon 30 days' written notice to the other party.

The principal business address of the Dealer is 1285 Avenue of the Americas, New York, NY 10019.

The Dealer and its affiliates hold or may hold in the future, directly or indirectly, investment interests in the Distributor and its funds. The interests held by the Dealer or its affiliates are not attributable to, and no investment discretion is held by, the Dealer or its affiliates.

Legal Matters

Certain legal matters in connection with the Common Shares will be passed upon for the Trust by internal counsel for Eaton Vance.

Available Information

We are subject to the informational requirements of the Securities Exchange Act of 1934, as amended (the "Exchange Act") and the 1940 Act and are required to file reports, including annual and semi-annual reports, proxy statements and other information with the SEC. These documents are available on the SEC's EDGAR system.

This Prospectus Supplement, the accompanying Prospectus and the Statement of Additional Information do not contain all of the information in our registration statement, including amendments, exhibits, and schedules that the Trust has filed with the SEC (File No. 333-227968). Statements in this Prospectus Supplement and the accompanying Prospectus about the contents of any contract or other document are not necessarily complete and in each instance reference is made to the copy of the contract or other document filed as an exhibit to the registration statement, each such statement being qualified in all respects by this reference.

Additional information about us can be found in our registration statement (including amendments, exhibits, and schedules) on Form N-2 filed with the SEC. The SEC maintains a web site (http://www.sec.gov) that contains our registration statement, other documents incorporated by reference, and other information we have filed electronically with the SEC, including proxy statements and reports filed under the Exchange Act.

BASE PROSPECTUS

Up to 4,551,438 Shares

Eaton Vance Senior Income Trust

Common Shares

Important Note. Beginning on January 1, 2021, as permitted by regulations adopted by the Securities and Exchange Commission, paper copies of the Trust's annual and semi-annual shareholder reports will no longer be sent by mail unless you specifically request paper copies of the reports. Instead, the reports will be made available on the Trust's website (funds.eatonvance.com/closed-end-fund-and-term-trust-documents.php), and you will be notified by mail each time a report is posted and provided with a website address to access the report.

If you already elected to receive shareholder reports electronically, you will not be affected by this change and you need not take any action. If you hold shares at the Trust's transfer agent, American Stock Transfer & Trust Company, LLC ("AST"), you may elect to receive shareholder reports and other communications from the Trust electronically by contacting AST. If you own your shares through a financial intermediary (such as a broker-dealer or bank), you must contact your financial intermediary to sign up.

You may elect to receive all future Trust shareholder reports in paper free of charge. If you hold shares at AST, you can inform AST that you wish to continue receiving paper copies of your shareholder reports by calling 1-866-439-6787. If you own these shares through a financial intermediary, you must contact your financial intermediary or follow instructions included with this disclosure, if applicable, to elect to continue to receive paper copies of your shareholder reports. Your election to receive reports in paper will apply to all funds held with AST or to all funds held through your financial intermediary, as applicable.

Investment objective and policies. Eaton Vance Senior Income Trust (the "Trust") is a diversified, closed-end management investment company, which commenced operations on October 30, 1998. The Trust's investment objective is to provide a high level of current income, consistent with the preservation of capital. The Trust will seek to achieve its investment objective by investing primarily in senior, secured floating-rate loans ("Senior Loans").

Investment Adviser. The Trust's investment adviser is Eaton Vance Management ("Eaton Vance" or the "Adviser"). As of January 31, 2019, Eaton Vance and its affiliates managed approximately $444.7 billion of fund and separate account assets on behalf of clients, including approximately $40.9 billion in floating-rate income assets.

The Offering. The Trust may offer, from time to time, in one or more offerings (each, an "Offering"), the Trust's common shares of beneficial interest, $0.01 par value ("Common Shares"). Common Shares may be offered at prices and on terms to be set forth in one or more supplements to this Prospectus (each, a "Prospectus Supplement"). You should read this Prospectus and the applicable Prospectus Supplement carefully before you invest in Common Shares. Common Shares may be offered directly to one or more purchasers, through agents designated from time to time by us, or to or through underwriters or dealers. The Prospectus Supplement relating to the Offering will identify any agents, underwriters or dealers involved in the offer or sale of Common Shares, and will set forth any applicable offering price, sales load, fee, commission or discount arrangement between the Trust and its agents or underwriters, or among its underwriters, or the basis upon which such amount may be calculated, net proceeds and use of proceeds, and the terms of any sale. The Trust may not sell any Common Shares through agents, underwriters or dealers without delivery of a Prospectus Supplement describing the method and terms of the particular Offering of the Common Shares. *(continued on inside cover page)*

The Common Shares have traded both at a premium and a discount to net asset value (“NAV”). The Trust cannot predict whether Common Shares will trade in the future at a premium or discount to NAV. The provisions of the Investment Company Act of 1940, as amended (the “1940 Act”) generally require that the public offering price of common shares (less any underwriting commissions and discounts) must equal or exceed the NAV per share of a company’s common stock (calculated within 48 hours of pricing). The Trust’s issuance of Common Shares may have an adverse effect on prices in the secondary market for the Trust’s Common Shares by increasing the number of Common Shares available, which may put downward pressure on the market price for the Trust’s Common Shares. Shares of common stock of closed-end investment companies frequently trade at a discount from NAV, which may increase investors’ risk of loss.

Investing in shares involves certain risks, including that the Trust will invest substantial portions of its assets in below investment grade quality securities with speculative characteristics. See “Investment Objective, Policies and Risks” beginning at page 20.

Neither the Securities and Exchange Commission (“SEC”) nor any state securities commission has approved or disapproved of these securities or determined if this Prospectus is truthful or complete. Any representation to the contrary is a criminal offense.

(continued from previous page)

Portfolio contents. The Trust will pursue its objective by investing its assets primarily in Senior Loans. Under normal market conditions, the Trust will invest at least 80% of its total assets in Senior Loans of domestic and foreign borrowers that are denominated in U.S. dollars, euros, British pounds, Swiss francs, Canadian dollars and Australian dollars (each, an "Authorized Foreign Currency") making payments in such Authorized Foreign Currency. For the purposes of the 80% test, total assets is defined as net assets plus any borrowings for investment purposes, including any outstanding preferred shares. Senior Loans typically are secured with specific collateral and have a claim on the assets and/or stock that is senior to subordinated debtholders and stockholders of the borrower. Senior Loans are made to corporations, partnerships and other business entities ("Borrowers") that operate in various industries and geographical regions, including foreign Borrowers and pay interest at rates that are reset periodically on the basis of a floating base lending rate plus a premium. Senior Loans typically are of below investment grade quality and have below investment grade credit ratings, which ratings are associated with securities having high risk, speculative characteristics (sometimes referred to as "junk").

Leverage. The Trust currently uses leverage created by issuing Auction Preferred Shares ("APS") as well as by loans acquired with borrowings. On June 27, 2001, the Trust issued 2,200 Series A APS and 2,200 Series B APS, with a liquidation preference per share of $25,000 plus accumulated but unpaid dividends. On September 23, 2016, the Trust repurchased 968 Series A APS and 968 Series B APS. On September 14, 2018, the Trust repurchased 480 Series A APS and 480 Series B APS. In addition, in connection with this repurchase, the Trust increased its borrowing limits under its Revolving Credit and Security Agreement, as amended (the "Agreement") with conduit lenders and a bank to allow it to borrow up to $125 million ($100 million prior to September 13, 2018). The proceeds of which were used to invest in accordance with the Trust's investment practices and to partially redeem the Trust's APS. The Trust is required to maintain certain net asset levels during the term of the Agreement. As of September 30, 2018, the Trust had $113 million in outstanding borrowings, at an interest rate of 2.21%, in addition to outstanding APS.

The Adviser anticipates that the use of leverage (from the issuance of APS and borrowings) will result in higher income to holders of Common Shares ("Common Shareholders") over time. Use of financial leverage creates an opportunity for increased income but, at the same time, creates special risks. There can be no assurance that a leveraging strategy will be successful. The fee paid to Eaton Vance will be calculated on the basis of the Trust's gross assets, including proceeds from the issuance of APS and borrowings, so the fees will be higher when leverage is utilized. In this regard, holders of debt or preferred securities do not bear the investment advisory fee. Rather, Common Shareholders bear the portion of the investment advisory fee attributable to the assets purchased with the proceeds, which means that Common Shareholders effectively bear the entire advisory fee. See "Investment Objective, Policies and Risks - Use of Leverage and Related Risks" at page 31, "Investment Objective, Policies and Risks - Additional Risk Considerations" at page 35 and "Description of Capital Structure" at page 45.

Exchange listing. As of February 26, 2019, the Trust had 37,866,607 Common Shares outstanding as well as 1,504 APS outstanding. The Trust's Common Shares are listed on the New York Stock Exchange ("NYSE") under the symbol "EVF." As of February 26, 2019, the last reported sale price of a Common Share of the Trust on the NYSE was $6.28. Common Shares offered and sold pursuant to this Registration Statement will also be listed on the NYSE and trade under this symbol.

This Prospectus, together with any applicable Prospectus Supplement, sets forth concisely information you should know before investing in the shares of the Trust. Please read and retain this Prospectus for future reference. A Statement of Additional Information dated February 28, 2019, has been filed with the SEC. The Statement of Additional Information, annual and semi-annual reports to shareholders when available and other information about the Trust can be obtained without charge by calling 1-800-262-1122 or by writing to the Trust at the address below or from the Trust's website (http://www.eatonvance.com). A table of contents to the Statement of Additional Information is located at page 50 of this Prospectus. This Prospectus incorporates by reference the entire Statement of Additional

Information. The Statement of Additional Information is available along with other Trust-related materials on the EDGAR database on the SEC's internet site (http://www.sec.gov); or by electronic mail at publicinfo@sec.gov. The Trust’s principal office is located at Two International Place, Boston, MA 02110, and its telephone number is 1-800-262-1122.

The Trust's shares do not represent a deposit or obligation of, and are not guaranteed or endorsed by, any bank or other insured depository institution, and are not federally insured by the Federal Deposit Insurance Corporation, the Federal Reserve Board or any other government agency.

You should rely only on the information contained or incorporated by reference in this Prospectus. The Trust has not authorized anyone to provide you with different information. The Trust is not making an offer of these securities in any jurisdiction where the offer is not permitted. You should not assume that the information contained in this Prospectus is accurate as of any date other than the date on the front of this Prospectus.

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CAUTIONARY NOTICE REGARDING FORWARD-LOOKING STATEMENTS

This Prospectus, any accompanying Prospectus Supplement and the Statement of Additional Information contain "forward-looking statements." Forward-looking statements can be identified by the words "may," "will," "intend," "expect," "estimate," "continue," "plan," "anticipate," and similar terms and the negative of such terms. Such forward-looking statements may be contained in this Prospectus as well as in any accompanying Prospectus Supplement. By their nature, all forward-looking statements involve risks and uncertainties, and actual results could differ materially from those contemplated by the forward-looking statements. Several factors that could materially affect our actual results are the performance of the portfolio of securities we hold, the price at which our shares will trade in the public markets and other factors discussed in our periodic filings with the SEC.

Although we believe that the expectations expressed in our forward-looking statements are reasonable, actual results could differ materially from those projected or assumed in our forward-looking statements. Our future financial condition and results of operations, as well as any forward-looking statements, are subject to change and are subject to inherent risks and uncertainties, such as those disclosed in the "Investment Objective, Policies and Risks" section of this Prospectus. All forward-looking statements contained or incorporated by reference in this Prospectus or any accompanying Prospectus Supplement are made as of the date of this Prospectus or the accompanying Prospectus Supplement, as the case may be. Except for our ongoing obligations under the federal securities laws, we do not intend, and we undertake no obligation, to update any forward-looking statement. The forward-looking statements contained in this Prospectus, any accompanying Prospectus Supplement and the Statement of Additional Information are excluded from the safe harbor protection provided by section 27A of the Securities Act of 1933, as amended (the "1933 Act").

Currently known risk factors that could cause actual results to differ materially from our expectations include, but are not limited to, the factors described in the "Investment Objective, Policies and Risks" section of this Prospectus. We urge you to review carefully that section for a more detailed discussion of the risks of an investment in our securities.

Prospectus dated February 28, 2019

Prospectus Summary

The following summary is qualified in its entirety by reference to the more detailed information included elsewhere in this Prospectus, in any related Prospectus Supplement, and in the Statement of Additional Information.

THE TRUST

Eaton Vance Senior Income Trust (the “Trust”) is a diversified, closed-end management investment company, which commenced operations on October 30, 1998. The Trust offers investors the opportunity to receive a high level of current income, through a professionally managed portfolio investing primarily in senior, secured floating-rate loans (“Senior Loans”), which are normally accessible only to financial institutions and large corporate and institutional investors, and are not widely available to individual investors. To the extent consistent with this objective, the Trust may also offer an opportunity for preservation of capital. Investments are based on Eaton Vance Management's (“Eaton Vance” or the “Adviser”) internal research and ongoing credit analysis, which is generally not available to individual investors. An investment in the Trust may not be appropriate for all investors. There is no assurance that the Trust will achieve its investment objective.

THE OFFERING

The Trust may offer, from time to time, in one or more offerings (each, an “Offering”), up to 4,551,438 of the Trust’s common shares of beneficial interest, $0.01 par value (“Common Shares”), on terms to be determined at the time of the Offering. The Common Shares may be offered at prices and on terms to be set forth in one or more prospectus supplements. You should read this Prospectus and the applicable Prospectus Supplement carefully before you invest in Common Shares. Common Shares may be offered directly to one or more purchasers, through agents designated from time to time by the Trust, or to or through underwriters or dealers. The Prospectus Supplement relating to the Offering will identify any agents, underwriters or dealers involved in the offer or sale of Common Shares, and will set forth any applicable offering price, sales load, fee, commission or discount arrangement between the Trust and its agents or underwriters, or among its underwriters, or the basis upon which such amount may be calculated, net proceeds and use of proceeds, and the terms of any sale. See “Plan of Distribution.” The Trust may not sell any of Common Shares through agents, underwriters or dealers without delivery of a Prospectus Supplement describing the method and terms of the particular Offering of Common Shares.

INVESTMENT OBJECTIVE, POLICIES AND RISKS

The Trust's investment objective is to provide a high level of current income, consistent with the preservation of capital. The Trust pursues its objective by investing primarily in Senior Loans. Senior Loans are loans in which the interest rate paid fluctuates based on a reference rate. Senior Loans typically are secured with specific collateral and have a claim on the assets and/or stock that is senior to subordinated debtholders and stockholders of the borrower. Senior Loans are made to corporations, partnerships and other business entities (“Borrowers”) that operate in various industries and geographical regions and pay interest at rates that are reset periodically by reference to a base lending rate, primarily the London Interbank Offered Rate (“LIBOR”), plus a premium. Under normal market conditions, at least 80% of the Trust's total assets will be invested in interests in Senior Loans. The remaining investment assets of the Trust may include, among other types of investments, equity securities that are acquired in connection with an investment in a Senior Loan of domestic and foreign borrowers that are denominated in U.S. dollars, euros, British pounds, Swiss francs, Canadian dollars and Australian dollars (each an “Authorized Foreign Currency”) making payments in such Authorized Foreign Currency. For the purpose of the 80% test, total assets is defined as net assets plus any borrowings for investment purposes, including any outstanding preferred shares. The Trust may also invest up to 15% of its net assets in foreign Senior Loans denominated in an Authorized Foreign Currency. For all foreign

Senior Loan investments denominated in an Authorized Foreign Currency, the Adviser currently intends to hedge against foreign currency fluctuations through the use of currency exchange contracts and other appropriate permitted hedging strategies. It is anticipated that the proceeds of the Senior Loans in which the Trust will acquire interests primarily will be used to finance leveraged buyouts, recapitalizations, mergers, acquisitions, stock repurchases, refinancing, and to finance internal growth and for other corporate purposes of Borrowers.

The Trust may invest up to 20% of its total assets in (i) loan interests which have (a) a second lien on collateral ("Second Lien"), (b) no security interest in the collateral, or (c) lower than a senior claim on collateral; (ii) other income-producing securities, such as investment and non-investment grade corporate debt securities and U.S. government and U.S. dollar-denominated foreign government or supranational debt securities; and (iii) warrants and equity securities issued by a Borrower or its affiliates as part of a package of investments in the Borrower or its affiliates. Corporate bonds of below investment grade quality ("Non-Investment Grade Bonds"), commonly referred to as "junk bonds," which are bonds that are rated below investment grade by each of the nationally recognized statistical rating agencies ("Rating Agencies") who cover the security, or, if unrated, are determined to be of comparable quality by the Adviser. S&P Global Ratings ("S&P") and Fitch Ratings ("Fitch") consider securities rated below BBB- to be below investment grade and Moody's Investors Service, Inc. ("Moody's") considers securities rated below Baa3 to be below investment grade. The Trust's credit quality

policies apply only at the time a security is purchased, and the Trust is not required to dispose of a security in the event of a downgrade of an assessment of credit quality or the withdrawal of a rating. Securities rated in the lowest investment grade rating (BBB- or Baa3) may have certain speculative characteristics. Below investment grade quality securities are considered to be predominantly speculative because of the credit risk of the issuers. See "Investment Objective, Policies and Risks - Risk Considerations - Non-Investment Grade Bonds Risk."

Investing in loans involves investment risk. Some Borrowers default on their loan payments. The Trust attempts to manage this credit risk through portfolio diversification and ongoing analysis and monitoring of Borrowers. The Trust also is subject to market, liquidity, interest rate and other risks. See "Investment Objective, Policies and Risks."

Scott H. Page and John Redding are portfolio managers of the Trust. Mr. Page is a Vice President of Eaton Vance and has been a portfolio manager of the Trust since October 1998. Mr. Redding is a Vice President of Eaton Vance and has been portfolio manager of the Trust since November 2001.

The Trust's investments are actively managed, and Senior Loans and other securities may be bought or sold on a daily basis. The Adviser's staff monitors the credit quality and price of Senior Loans and other securities held by the Trust, as well as other securities that are available to the Trust. The Trust may invest in individual Senior Loans and other securities of any credit quality. Although the Adviser considers ratings when making investment decisions, it generally performs its own credit and investment analysis and does not rely primarily on the ratings assigned by the Rating Agencies. In evaluating the quality of particular Senior Loans or other securities, whether rated or unrated, the Adviser will normally take into consideration, among other things, the issuer's financial resources and operating history, its sensitivity to economic conditions and trends, the ability of its management, its debt maturity schedules and borrowing requirements, and relative values based on anticipated cash flow, interest and asset coverage, and earnings prospects.

The Trust may invest up to 15% of net assets in Senior Loans denominated in Authorized Foreign Currencies and may invest in other securities of non-United States issuers. The Trust's investments may have significant exposure to certain sectors of the economy and thus may react differently to political or economic developments than the market as a whole. The Trust may accept equity securities in connection with a debt restructuring or reorganization of a Borrower either inside or outside of bankruptcy. The Trust may hold equity securities issued in exchange for a Senior Loan or issued in connection with the debt restructuring or reorganization of a Borrower. The Trust may also acquire additional equity securities of such Borrower or its affiliates if, in the judgment of the Adviser, such an investment may enhance the value of a Senior Loan held or would otherwise be consistent with the Trust's investment policies. The Trust will not invest more than 10% of its assets inf" SIZE=2> Net income, as reported $20.5 $4.9 Deduct: total stock based employee
compensation expense determined under
fair value based method for all options,
net of tax (0.9) (1.3)

Pro forma net income		$19.6	$3.6
Basic:	As reported	$0.14	$0.03
	Pro forma	$0.14	$0.03

Diluted:	As reported	$0.14 $0.03
	Pro forma	$0.13 $0.03

The Black-Scholes model and the assumptions presented in the following table were used to estimate the fair values of the options granted for the first quarter 2004 and 2003. The weighted-average estimated fair values at the dates of grant of options in the first quarter 2004 and 2003 were $4.66 and $3.28, respectively.

	2004	2003
Risk-free interest rate	3.1%	2.8%
Expected dividend yield	1.6%	0.3%
Expected volatility	27.0%	26.0%
Estimated lives of options (in years)	5.0	5.0

2. Special Charges

In the first quarter of 2004, we recorded special charges of $0.2 million ($0.1 million after tax) in Central Europe. These special charges were primarily for severance costs and related benefits.

In the first quarter of 2003, we recorded special charges of $6.3 million ($3.9 million after tax). In the United States (U.S.), we recorded special charges of $5.8 million ($3.6 million after tax), which consisted mainly of severance-related costs associated with our announced reduction of our U.S. workforce. The Central Europe special charge of $0.5 million ($0.3 million after tax) related to continued changes in the marketing and distribution strategy in Poland, the Czech Republic and Republic of Slovakia.

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The following table summarizes activity associated with the special charges (in millions):

	2004 Charge	2002 Charge	2001 Charge	Total
Accrued liabilities as of fiscal year end 2003 (employee-related, lease cancellation and other costs)	$	$ 1.0	$ 0.2	$ 1.2
Central Europe special charges	0.2			0.2
Expenditures for employee-related and other costs	(0.2)			(0.2)
Accrued liabilities at the end of the first quarter of 2004	$	$ 1.0	$ 0.2	$ 1.2

The 2004 special charge affected approximately 53 employees of which none remain as of the end of the first quarter of 2004. All of the special charges we recorded during 2003 were utilized by the end of fiscal year 2003 and thus are not reflected in the table above. The total accrued liabilities remaining as of the end of the first quarter of 2004 are comprised of deferred severance payments and certain employee benefits, lease cancellation costs and other costs. We expect to pay a significant portion of the special charge liability of $1.2 million using cash from operations during the next twelve months; accordingly, such amounts are classified as other current liabilities.

3. Interest Expense, Net

Interest expense, net, is comprised of the following (in millions):

	First Quarter	
	2004	2003
Interest expense	$ (16.0)	$ (26.1)
Interest income	0.1	6.9
Interest expense, net	$ (15.9)	$ (19.2)

In the first quarter of 2003, interest expense included $8.8 million related to the loss on the early extinguishment of debt.

Interest income in the first quarter of 2003 included $6.8 million related to the settlement of a tax matter involving our previously terminated Employee Stock Ownership Plan (ESOP). See the Income Taxes note for further discussion.

4. Income Taxes

During the first quarter of 2004, our effective income tax rate was 37.5 percent. In the first quarter of 2003, we recorded a favorable settlement of a tax refund case for $12.8 million with the Internal Revenue Service that arose from the 1990 termination of our ESOP plan. The tax settlement consisted of approximately $6.8 million of interest income ($4.2 million after taxes) and a tax benefit of $6.0 million recorded in Income taxes. Subsequently, in the second quarter of 2003, we received a final settlement amount of $12.4 million, which reflected a reduction of interest income of $0.4 million to $6.4 million ($4.0 million after tax).

We also recorded additional tax accruals of $4.3 million for liabilities arising in the first quarter of 2003. Excluding this adjustment, as well as the ESOP settlement tax benefit, the effective income tax rate for the first quarter of 2003 was 38.5 percent.

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5. Comprehensive Income

Our comprehensive income was as follows (in millions):

	First Quarter	
	2004	2003
Net income	$ 20.5	$ 4.9
	(2.2)	

Minimum pension liability adjustment		
Foreign currency translation adjustment	(6.0)	(5.0)
Net unrealized investment and hedging gains	9.8	5.7
Comprehensive income	$ 22.1	$ 5.6

Net unrealized investment and hedging gains are presented net of tax expense of $5.9 million in the first quarter of 2004 and $2.9 million in the first quarter of 2003, respectively.

6. Inventory

As of the end of the first quarter of 2004, our inventory was comprised of approximately 44 percent raw materials and supplies and 56 percent finished goods. This mix is relatively consistent with the mix of inventory at the end of fiscal year 2003.

7. Intangible Assets and Goodwill

The changes in the carrying value of goodwill by geographic segment for the first quarter of 2004 were as follows (in millions):

	U.S.	Central Europe	Caribbean	Total
Balance at end of year 2003	$ 1,711.5	$ 32.2	$ 17.4	$ 1,761.1
Acquisitions			2.3	2.3
Cumulative translation adjustment		(1.3)		(1.3)
Balance at end of first quarter of 2004	$ 1,711.5	$ 30.9	$ 19.7	$ 1,762.1

	As of End of First Quarter 2004		As of End of Fiscal Year 2003	
	Gross Carrying Amount	Accumulated Amortization	Gross Carrying Amount	Accumulated Amortization
Amortized intangible assets				
Non-compete agreements	$ 1.1	$ (0.7)	$ 1.1	$ (0.7)
Franchise and distribution agreements	3.7	(0.8)	3.7	(0.8)
Total	$ 4.8	$ (1.5)	$ 4.8	$ (1.5)
Unamortized intangible assets:				
Franchise and distribution agreements	$ 17.6		$	
Pension intangible asset	$ 2.2		$ 2.2	
Total	$ 24.6		$ 7.0	
Aggregate amortization expense:				
For first quarter ended 2004 and 2003	$ 0.1		$ 0.1	

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We evaluate identified intangible assets with indefinite useful lives for impairment annually. Impairment is measured as the amount by which the carrying value of the intangible asset exceeds its estimated fair value.

8. Acquisitions

In January 2004, we completed the acquisition of the Dr Pepper franchise rights for a 13-county area in northeast Arkansas and certain related assets from Dr Pepper Bottling Company of Paragould, Inc. We completed the transaction jointly with Pepsi MidAmerica, which acquired the rights to separate Dr Pepper franchise territories in connection with this transaction. We acquired the franchise rights and related assets for $17.7 million, of which $17.6 million was paid in cash in the first quarter of 2004 with an additional $0.1 million to be paid at a later date. The franchise rights and related assets, primarily vending machines, were recorded at their estimated fair values of approximately $17.6 million and $0.1 million, respectively. The franchise rights are deemed to have an indefinite useful life, as the franchise and related bottling agreements are granted in perpetuity.

In addition, in March 2004 we acquired 2,000 additional shares of Pepsi-Cola Bahamas for $3.3 million, which increased our ownership interest in the Bahamas from 30 percent to 70 percent. As a result, we have consolidated the Bahamas beginning in the first quarter of 2004, as the investment was previously accounted for under the equity investment method prior to this transaction. Our cost to acquire the Bahamas has been preliminarily allocated to the assets acquired and liabilities assumed according to estimated fair values and is subject to adjustment when additional information concerning asset and liability valuations is finalized. The preliminary allocation has resulted in acquired goodwill of approximately $2.3 million, which we assigned to the Caribbean geographic segment. The assets acquired and liabilities assumed consisted primarily of inventory, fixed assets, and long-term debt. The acquisition is not material to our consolidated results of operations; therefore, pro-forma financial information is not included in this note.

9. Financial Instruments

We use derivative financial instruments to reduce our exposure to adverse fluctuations in commodity prices and interest rates. These financial instruments are over-the-counter instruments and were designated at their inception as hedges of underlying exposures. We do not use derivative financial instruments for speculative or trading purposes.

Cash Flow Hedges We have hedged a portion of our anticipated aluminum can purchases through November 2004. As of the end of the first quarter of 2004 and fiscal year end 2003, we had deferred $5.1 million (net of $3.1 million in deferred income taxes) and $4.3 million (net of $2.5 million in deferred income taxes) of aluminum hedging gains, respectively, in Accumulated other comprehensive loss. We will reclassify a majority of the deferred aluminum hedging gains as of first quarter of 2004 into cost of goods sold during the next 12 months.

In anticipation of the long-term debt issuance in the first quarter of 2003, we entered into a treasury rate lock agreement with an aggregate notional amount of $150 million. We accounted for this treasury rate lock as a cash flow hedge, as the treasury rate lock hedged against the variability of interest payments on the forecasted issuance of fixed-rate debt attributable to changes in interest rates. We settled the treasury rate lock for $1.2 million concurrent with our debt issuance in the first quarter of 2003. At the end of the first quarter of 2004 and fiscal year 2003, we had deferred approximately $1.7 million (net of $1.0 million in deferred income taxes) and $1.9 million (net of $1.1 million in deferred income taxes) of losses, respectively, in Accumulated other comprehensive loss in the Condensed Consolidated Balance Sheets, as the treasury rate locks were considered highly effective in eliminating the interest rate risk on the forecasted debt issuances. These amounts also include the deferred losses of the treasury rate lock settled in fiscal year 2002. Amounts included in other comprehensive loss are reclassified into earnings commensurate with the recognition of the interest expense on the newly issued debt.

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In addition, in anticipation of the early extinguishment of $150 million of notes in the first quarter of 2003, we entered into a reverse treasury rate lock agreement. We accounted for the reverse treasury rate lock as a cash flow hedge, as the reverse treasury rate lock hedged against the variability of interest rates related to the forecasted extinguishment of debt. We settled and received payment for the reverse treasury rate lock in the first quarter of 2003 for $3.2 million. This amount was recognized in Interest expense, net in the Condensed Consolidated Statement of Income as a reduction in the loss on the early extinguishment of debt.

Fair Value Hedges Periodically, we enter into interest rate swap contracts to convert a portion of our fixed rate debt to floating rate debt, with the objective of reducing overall borrowing costs. We account for these swaps as fair value hedges, since they hedge against the change in fair value of fixed rate debt resulting from fluctuations in interest rates. The fair value of the interest rate swaps as of the first quarter of 2004 and fiscal year 2003 was $20.3 million (net of $3.0 million interest receivable), and $15.3 million (net of $2.3 million interest receivable), respectively, which is reflected in Other long-term assets in the Condensed Consolidated Balance Sheets. We record a corresponding increase in Long-term debt representing the change in fair value of our fixed rate debt. The fair value adjustment had no earnings impact since the swaps are considered highly effective in eliminating the interest rate risk of the fixed rate debt they are hedging.

10. Pension and Other Postretirement Benefit Plans

	First Quarter	
	2004	2003
Service cost	$ 0.8	$ 0.8
Interest cost	2.3	2.2
Expected return on plan assets	(2.8)	(2.9)
Amortization of prior service cost	(0.2)	(0.1)
Amortization of net loss	0.5	0.3
Net periodic pension cost	$ 0.6	$ 0.3

We previously disclosed in our financial statements for fiscal year end 2003 that we expected to contribute approximately $6.0 million to our pension plans in 2004. As of the end of the first quarter of 2004, we had not made any contributions to the plans. We continue to evaluate the plans' funding requirements throughout the year and will fund to levels deemed necessary for each plan.

11. Stock Options and Awards

In February 2004, we granted 470,375 restricted shares at a weighted-average fair value (at the date of grant) of $18.56 to key members of management under our Stock Incentive Plan (the Plan). We recognized compensation expense of $1.7 million and $1.3 million in the first quarter of 2004 and 2003, respectively, related to grants in 2004, 2003 and 2002. At the end of the first quarter 2004, there were 1,452,668 unvested restricted shares outstanding under the Plan.

In February 2004, we granted 25,368 restricted shares at a weighted-average fair value (at the date of grant) of $18.56 to members of the Board of Directors under the Plan. We recognized compensation expense of $0.1 million in the first quarter of 2004 related to this grant.

12. Supplemental Cash Flow Information

Net cash provided by operating activities reflected cash payments and receipts for interest and income taxes as follows (in millions):

	First Quarter	
	2004	2003

Interest paid, including debt extinguishment	$ 21.3	$ 46.8
Interest received	0.1	0.1
Income taxes paid, net of refunds	12.2	4.3

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13. Environmental and Other Commitments and Contingencies

Current Operations. We maintain a program to facilitate compliance with federal, state and local laws and regulations relating to management of wastes, to the discharge or emission of materials used in production, and such other laws and regulations relating to the protection of the environment. The capital costs of such management and compliance, including the modification of existing plants and the installation of new manufacturing processes, are not material to our continuing operations.

We are a defendant in lawsuits that arise in the ordinary course of business, none of which is expected to have a material adverse effect on our financial condition, although amounts recorded in any given period could be material to the result of operations or cash flows for that period.

Discontinued Operations Remediation. Under the agreement pursuant to which we sold our subsidiaries Abex Corporation and Pneumo Abex Corporation (collectively, Pneumo Abex) in 1988 and a subsequent settlement agreement entered into in September 1991, we have assumed indemnification obligations for certain environmental liabilities of Pneumo Abex, after any insurance recoveries. Pneumo Abex has been and is subject to a number of environmental cleanup proceedings, including proceedings under the Comprehensive Environmental Response, Compensation and Liability Act of 1980 regarding release or disposal of wastes at on-site and off-site locations. In some proceedings, federal, state and local government agencies are involved and other major corporations have been named as potentially responsible parties. Pneumo Abex also is subject to private claims and lawsuits for remediation of properties owned by Pneumo Abex and its subsidiaries.

There is an inherent uncertainty in assessing the total cost of remediating a given site. This is because of the nature of the remediation and allocation process and the fact that the remediations are at different stages of resolution. Any assessment of expenses is speculative until the later stages of remediation and is dependent upon a number of variables beyond the control of any party. Furthermore, there are often timing considerations in that a portion of the expense incurred by Pneumo Abex, and any resulting obligation of ours to indemnify Pneumo Abex, may not occur for a number of years.

In the latter part of 2001, we investigated the use of insurance products to mitigate risks related to indemnification obligations under the 1988 agreement, as amended. The insurance carriers required that we employ an outside consultant to perform a comprehensive review of the former facilities operated or impacted by Pneumo Abex. Advances in retrospective risk evaluation and increased experience (and therefore available data) at our former facilities made this comprehensive review possible. The consultant s review was completed in the fourth quarter of 2001. It provided a contingent indemnification liability for all known sites operated or impacted by Pneumo Abex and resulted in the $111.0 million charge, or $71.2 million net of tax, recorded in the fourth quarter of 2001

At the end of the first quarter of 2004, we had $120.4 million accrued to cover potential indemnification obligations, compared to $119.2 million recorded at the end of fiscal year 2003. Of the total amount accrued, $20.0 million was classified as current liabilities at the end of the first quarter of 2004 and at the end of fiscal year 2003. The amounts exclude possible insurance recoveries and are determined on an undiscounted cash flow basis. The estimated indemnification liabilities include expenses for the remediation of identified sites, payments to third parties for claims and expenses (including product liability and toxic tort claims), administrative expenses, and the expenses of on-going evaluations and litigation. We expect a significant portion of the accrued liabilities will be disbursed during the next 10 years.

Although we have certain indemnification obligations for environmental liabilities at a number of other sites, including Superfund sites, it is not anticipated that additional expense at any specific site would have a material effect on us. In the case of some of the sites, the volumetric contribution for which we have an obligation has in most cases been estimated and other large, financially

viable parties are responsible for substantial portions of the remainder. In our opinion, based upon information currently available, the ultimate resolution of these claims and litigation, including potential environmental exposures, and considering amounts already accrued, should not have a material effect on our financial condition, although amounts recorded in a given period could be material to the results of operations or cash flows for that period.

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Discontinued Operations Insurance. During the second quarter of 2002, as part of a comprehensive program concerning environmental liabilities related to the former Whitman Corporation subsidiaries, we purchased new insurance coverage related to the sites previously owned and operated or impacted by Pneumo Abex and its subsidiaries. In addition, a trust, which was established in 2000 with the proceeds from an insurance settlement, purchased insurance coverage and funded coverage for remedial and other costs (Finite Funding) related to the sites previously owned and operated or impacted by Pneumo Abex and its subsidiaries. In conjunction with the purchase of the insurance policies, we recorded a charge to discontinued operations of $9.8 million, or $6.0 million after tax. This charge represented amounts we expended as well as a reduction of funds in the trust available to pay expenses related to sites for which we have indemnification obligations.

Essentially all of the assets of the trust were expended by the trust in connection with the purchase of the insurance coverage, the Finite Funding and related expenses. These actions were taken to fund remediation and related costs associated with the sites previously owned and operated or impacted by Pneumo Abex and its subsidiaries and to protect against additional future costs in excess of our self-insured retention. The amount of self-insured retention (the amount we must pay before the insurance carrier is obligated to begin payments) was $114.0 million of which $19.9 million has been eroded, leaving a remaining self-insured retention of $94.1 million at the end of the first quarter of 2004. The estimated range of aggregate exposure related only to the remediation costs of such environmental liabilities is approximately $50 million to $90 million. We had accrued $70.1 million at the end of the first quarter of 2004 for remediation costs, which is our best estimate of the contingent liabilities related to these environmental matters. The Finite Funding may be used to pay a portion of the $70.1 million and thus reduces our future cash obligations. The Finite Funding amounts recorded were $23.2 million and $24.2 million at the end of the first quarter of 2004 and fiscal year 2003, respectively, and are recorded in Other assets, net of $3.0 million, respectively, recorded in Other current assets.

In addition, we had recorded other receivables of $14.2 million at the end of the first quarter of 2004 and $10.6 million at the end of fiscal year 2003 for future probable amounts to be received from insurance companies and other responsible parties. Of this total, $1.6 million was included in Other current assets at the end of fiscal year 2003. No amounts were recorded in Other current assets at the end of the first quarter of 2004. The $14.2 million and the remaining $9.0 million were recorded in Other assets in the Condensed Consolidated Balance Sheets as of the end of the first quarter of 2004 and fiscal year 2003, respectively.

Discontinued Operations Product Liability and Toxic Tort Claims. We also have certain indemnification obligations related to product liability and toxic tort claims, which emanate out of the 1988 agreement with Pneumo Abex. Other companies not owned by or associated with us also are responsible to Pneumo Abex for the financial burden of all asbestos product liability claims filed against Pneumo Abex after a certain date in 1998, except for certain claims indemnified by us. The sites and product liability and toxic tort claims included in the aggregate accrued liabilities we have recorded are described more fully in our Annual Report on Form 10-K for the fiscal year 2003. No significant changes in the status of those sites or claims occurred and we were not notified of any significant new sites or claims during the first quarter of 2004.

14. Segment Reporting

We operate in three geographic areas the U.S., Central Europe and the Caribbean. We operate in 18 states in the U.S., and, outside the U.S., we operate in Poland, Hungary, the Czech Republic, Republic of Slovakia, Puerto Rico, Jamaica, Barbados, the Bahamas and Trinidad and Tobago.

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The following tables present net sales and operating income (loss) of our geographic segments for the first quarter of 2004 and 2003 (in millions):

	First Quarter			
	Net sales		Operating income	
	2004	2003	2004	2003
U.S.	$ 636.3	$ 590.1	$ 59.2	$ 40.1
Central Europe	60.4	52.9	(7.1)	(11.1)
Caribbean	40.9	39.1	(2.0)	(2.3)
Total	$ 737.6	$ 682.1	$ 50.1	$ 26.7

There were no material changes in total assets by geographic segment since the end of fiscal year 2003.

15. Related Party Transactions

We are a licensed producer and distributor of Pepsi carbonated and non-carbonated soft drinks and other non-alcoholic beverages in the U.S., Central Europe and the Caribbean. We operate under exclusive franchise agreements with soft drink concentrate producers, including master bottling and fountain syrup agreements with PepsiCo, Inc. (PepsiCo) for the manufacture, packaging, sale and distribution of PepsiCo branded products. The franchise agreements exist in perpetuity and contain operating and marketing commitments and conditions for termination. As of the end of the first quarter of 2004, PepsiCo held a 39.0 percent equity interest in our business.

We purchase concentrate from PepsiCo to be used in the production of Pepsi carbonated soft drinks and other non-alcoholic beverages. PepsiCo also provides us with various forms of bottler incentives to promote Pepsi s brands. These bottler incentives cover a variety of initiatives, including direct marketplace, shared media and advertising support, to support volume and market share growth. There are no conditions or requirements which could result in the repayment of any support payments we have received.

We manufacture and distribute fountain products and provide fountain equipment service to PepsiCo customers in certain territories in accordance with various agreements. There are other products that we produce and/or distribute through various arrangements with PepsiCo or partners of PepsiCo. We also purchase finished beverage products from PepsiCo and certain of its affiliates including tea, concentrate and finished beverage products from a Pepsi/Lipton partnership, as well as finished beverage products from a Pepsi/Starbucks partnership.

PepsiCo provides various procurement services under a shared services agreement. Under such agreement, PepsiCo negotiates with various suppliers the cost of certain raw materials by entering into raw material contracts on our behalf. PepsiCo also collects and remits to us certain rebates from the various suppliers related to our procurement volume. In addition, PepsiCo acts as our agent for the execution of derivative contracts associated with certain anticipated raw material purchases.

Although we did not enter into any new agreements in the first quarter of 2004, we have from time to time entered into various transactions with Pohlad Companies and its subsidiaries. Robert C. Pohlad, our Chairman and Chief Executive Officer, is the President and owner of approximately 33 percent of the capital stock of Pohlad Companies

See additional discussion of our related party transactions in our Annual Report on Form 10-K for the fiscal year 2003.

16. Subsequent Event

On April 30, 2004, we repurchased 10 million shares, or approximately 6.8 percent, of our common stock at a total cost of approximately $200 million. The shares were purchased from an investment bank under an accelerated share repurchase program at $20.03 per share. The accelerated share repurchase program permitted us to repurchase the shares immediately, while the

investment bank will purchase shares in the market over time. The completion of the program will be based on the average daily trading volume of our shares, and we expect it to be finished within six to nine months. At the end of the program, we may receive or be required to pay a price adjustment based on the actual costs of the investment bank's share purchases.

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Item 2. Management's Discussion and Analysis of Financial Condition and Results of Operations.

CRITICAL ACCOUNTING POLICIES

The preparation of the Condensed Consolidated Financial Statements in conformity with accounting principles generally accepted in the United States requires management to use estimates. These estimates are made using management s best judgment and the information available at the time these estimates are made, including the advice of outside experts. For a better understanding of our significant accounting policies used in preparation of the Condensed Consolidated Financial Statements, please refer to our Annual Report on Form 10-K for the fiscal year 2003. We focus your attention on the following critical accounting policies:

Goodwill Impairment. Goodwill is tested for impairment at least annually, using a two-step approach at the reporting unit level: U.S., Central Europe and the Caribbean. First, we estimate the fair value of the reporting units primarily using discounted estimated future cash flows. If the carrying value exceeds the fair value of the reporting unit, the second step of the goodwill impairment test is performed to measure the amount of the potential loss. Goodwill impairment is measured by comparing the implied fair value of goodwill with its carrying amount. The impairment evaluation requires the use of considerable management judgment to determine the fair value of the reporting units using discounted future cash flows, including estimates and assumptions regarding the amount and timing of cash flows, cost of capital and growth rates.

Environmental Liabilities. We continue to be subject to certain indemnification obligations under agreements related to previously sold subsidiaries, including potential environmental liabilities (see Environmental and Other Commitments and Contingencies note to the Condensed Consolidated Financial Statements). We have recorded our best estimate of our probable liability under those indemnification obligations, with the assistance of outside consultants and other professionals. Such estimates and the recorded liabilities are subject to various factors, including possible insurance recoveries, the allocation of liabilities among other potentially responsible parties, the advancement of technology for means of remediation, possible changes in the scope of work at the contaminated sites, as well as possible changes in related laws, regulations, and agency requirements.

Income Taxes. Our effective income tax rate is based on income, statutory tax rates and tax planning opportunities available to us in the various jurisdictions in which we operate. The tax bases of our assets and liabilities reflect management s best estimate of the outcome of future tax audits. We have established valuation allowances against substantially all of the non U.S. net operating losses to reflect the uncertainty of our ability to fully utilize these benefits given the limited carryforward periods permitted by the various jurisdictions. The evaluation of the realizability of our net operating losses requires the use of considerable management judgment to estimate the future taxable income for the various jurisdictions, for which the ultimate amounts and timing of such estimates may differ. The valuation allowance can also be impacted by changes in the tax regulations.

Significant judgment is required in determining our contingent tax liabilities. We have established contingent tax liabilities using management s best judgment and adjust these liabilities as warranted by changing facts and circumstances. A change in our tax liabilities in any given period could have a significant impact on our results of operations and cash flows for that period.

Casualty Insurance Costs. Due to the nature of our business, we require insurance coverage for certain casualty risks. We are self-insured for workers compensation, product and general liability up to $1 million per occurrence and automobile liability up to $2 million per occurrence. The casualty insurance costs for our self-insurance program represent the ultimate net cost of all reported and estimated unreported losses incurred during the fiscal year. We do not discount insurance liabilities.

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Our liability for casualty costs is estimated using individual case-based valuations and statistical analyses and is based upon historical experience, actuarial assumptions and professional judgment. These estimates are subject to the effects of trends in loss severity and frequency and are based on the best data available to us. These estimates, however, are also subject to a significant degree of inherent variability, including the relatively recent increases in medical costs. We evaluate these estimates with our actuarial advisors on an annual basis and we believe that they are appropriate and within acceptable industry ranges, although an increase or decrease in the estimates or economic events outside our control could have a material impact on our results of operations and cash flows. Accordingly, the ultimate settlement of these costs may vary significantly from the estimates included in our Condensed Consolidated Financial Statements.

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RESULTS OF OPERATIONS
2004 FIRST QUARTER COMPARED WITH 2003 FIRST QUARTER

In the discussions of our results of operations below, the number of cases sold is referred to as *volume*. *Net pricing* is net sales divided by the number of cases and gallons sold for our core businesses, which include bottles and cans (including bottle and can volume from vending equipment) as well as our food service gallons. Changes in net pricing include the impact of sales price (or rate) changes, as well as the impact of brand, package and geographic mix. Net pricing and reported volume amounts exclude contract, commissary, private label, concentrate, and vending (other than bottles and cans) revenue and volume. Contract sales represent sales of manufactured product to other franchise bottlers and typically decline as excess manufacturing capacity is utilized. *Cost of goods sold per unit* is the cost of goods sold for our core businesses divided by the related number of cases and gallons sold.

Our business is highly seasonal; accordingly, the operating results of any individual quarter may not be indicative of a full year s operating results.

Volume

Sales volume growth (declines) for the first quarter of 2004 and 2003 were as follows:

	2004	2003
U.S.	2.3%	(7.4%)
Central Europe	11.6%	(21.3%)
Caribbean	(4.3%)	3.5%
Worldwide	3.1%	(9.0%)

First quarter 2004 worldwide volume increased 3.1 percent compared to the prior year first quarter. The growth in worldwide volume was attributed to volume growth in the U.S. and Central Europe of 2.3 percent and 11.6 percent, respectively. This volume growth was offset by a volume decline of 4.3 percent in the Caribbean. We anticipate worldwide volume growth of approximately one percent in fiscal year 2004.

The increase in U.S. volume of 2.3 percent in the first quarter of 2004 reflected growth in our core trademarks and double-digit growth in our non-carbonated beverages category. Trademark Pepsi grew in the low single digits, while Trademark Mountain Dew grew in the mid single digits. Growth in our diet category, driven primarily by high single-digit growth in Diet Pepsi and double digit growth in

Diet Mountain Dew, drove this growth in our core trademarks. Non-carbonated beverage growth was driven by double-digit growth in Aquafina volume and also benefited from the introduction of Tropicana juice drinks in February 2004. The single-serve category also grew at a double-digit rate during the first quarter of 2004. Single-serve is expected to contribute to volume growth for the balance of the year through continued emphasis on marketing and the introduction of a new 14-ounce single-serve package. In addition, we expect new product introductions such as PepsiEdge, a new Mountain Dew line extension in early fall, and the reintroduction of Mountain Dew LiveWire, to contribute to anticipated volume growth for the balance of the year.

Total volume in Central Europe increased 11.6 percent in the first quarter of 2004. This growth was driven primarily from successful promotion efforts, which included a program that provided a free bottle of water when purchasing a two-liter carbonated soft drink.

Volumes in the Caribbean decreased 4.3 percent compared to the same period last year, primarily reflecting volume declines in Jamaica and Puerto Rico as we lapped strong prior year performance in Puerto Rico and increased pricing in Jamaica to mitigate the impact of the devaluation of the Jamaican dollar. In the Caribbean, the diet category outperformed the prior year first quarter, while overall Trademark Pepsi volume decreased in the mid single digits compared to the prior year first quarter. Trademark Pepsi accounts for almost 60 percent of our business in the Caribbean, while the remainder of our business is mainly comprised of flavored carbonated soft drinks and Trademark Seven Up.

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Net Sales

Net sales and net pricing statistics for the first quarter of 2004 and 2003 were as follows (dollar amounts in millions):

Net Sales	2004	2003	Change
U.S.	$ 636.3	$ 590.1	7.8%
Central Europe	60.4	52.9	14.2%
Caribbean	40.9	39.1	4.6%
Worldwide	$ 737.6	$ 682.1	8.1%

Net Pricing Growth (Decline)	2004	2003
U.S.	5.0%	3.5%
Central Europe	4.8%	23.1%
Caribbean	6.9%	(2.4%)
Worldwide	4.6%	5.6%

Net sales increased $55.5 million, or 8.1 percent, to $737.6 million in the first quarter of 2004 compared to $682.1 million the first quarter of 2003. The increase was driven primarily by increased worldwide net pricing of 4.6 percent and volume growth in the U.S. and Central Europe, offset by volume declines in the Caribbean. We anticipate that worldwide net pricing will grow three to four percent in fiscal year 2004 compared to fiscal year 2003.

Net sales in the U.S. for the first quarter of 2004 increased $46.2 million, or 7.8 percent, to $636.3 million from $590.1 million in the prior year first quarter. The increase was primarily the result of a 5.0 percent increase in net pricing along with a 2.3 percent increase in volume. The improvement in net pricing was driven by price increases of 3.2 percent and a package mix contribution of 1.8 percent. A favorable change in our can mix, including the introduction of the eight-ounce can late in fiscal year 2003 and the success of the new Fridge-Mate 12-ounce can package, which utilizes a two-by-six configuration, have driven this growth.

Net sales in Central Europe for the first quarter of 2004 increased $7.5 million or 14.2 percent to $60.4 million from $52.9 million in the prior year first quarter. This increase resulted from an increase in net pricing of 4.8 percent and a volume increase of 11.6 percent driven by the successful water promotion launched in the first quarter of 2004 as well as the lapping of the declining volume experienced in first quarter of 2003. The favorable foreign exchange rates also contributed approximately $4.4 million to Central Europe s net sales in the first quarter of 2004.

Net sales in the Caribbean increased 4.6 percent in the first quarter of 2004 to $40.9 million from $39.1 million in the prior year first quarter. The increase in net sales resulted primarily from an increase in net pricing offset by volume declines of 4.3 percent and the unfavorable impact of foreign currency.

Cost of Goods Sold

Cost of goods sold for the first quarter of 2004 and 2003 was as follows (dollar amounts in millions):

	2004	2003	Change
U.S.	$ 359.3	$ 335.6	7.1%
Central Europe	34.4	30.9	11.3%
Caribbean	30.8	30.1	2.3%
Worldwide	$ 424.5	$ 396.6	7.0%

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Cost of goods sold increased $27.9 million, or 7.0 percent, to $424.5 million in the first quarter of 2004 from $396.6 million in the prior year first quarter. This increase was driven primarily by higher volume and higher aluminum costs. Overall, we expect that cost of goods per unit will grow three to four percent during fiscal year 2004 as compared to the prior fiscal year

In the U.S., cost of goods sold increased $23.7 million, or 7.1 percent, to $359.3 million in the first quarter of 2004 from $335.6 million in the prior year first quarter driven primarily by increased volumes of 2.3 percent and a higher cost of goods sold per unit. Cost of goods sold per unit increased 4.8 percent in the U.S., primarily driven by price increases in aluminum and higher packaging costs related to product mix. In addition, concentrate costs, which represent approximately 40 percent of total product costs in the U.S., will continue to be higher, as PepsiCo concentrate prices increased by approximately 0.8 percent on average beginning in February 2004.

In Central Europe, cost of goods sold increased $3.5 million, or 11.3 percent, to $34.4 million in the first quarter of 2004, compared to $30.9 million in the prior year first quarter. Cost of goods sold increased mainly due to increased volumes of 11.6 percent, the unfavorable impact of foreign exchange of $2.6 million, and slightly higher raw materials costs. Cost of goods sold per unit in Central Europe is expected to increase due to higher sugar prices expected as a result of the European Union (EU) accession of Poland, Hungary, the Czech Republic and Republic of Slovakia in May 2004. Upon entry into the EU, price supports for sugar will be removed and our costs are expected to increase by approximately $6 million to $8 million for the period May 1, 2004 through December 31, 2004.

In the Caribbean, cost of goods sold increased $0.7 million, or 2.3 percent, to $30.8 million in the first quarter of 2004, compared to $30.1 million in the first quarter of 2003, driven by a higher cost of goods sold per unit, as volume decreased 4.3 percent. Cost of goods sold per unit increased mainly due to higher raw material costs, offset by the favorable impact of foreign currency rates in Jamaica.

Selling, Delivery and Administrative Expenses

Selling, delivery and administrative expenses for the first quarter of 2004 and 2003 were as follows (dollar amounts in millions):

2004	2003	Change

U.S.	$ 217.8	$ 208.6	4.4%
Central Europe	32.9	32.6	0.9%
Caribbean	12.1	11.3	7.1%
Worldwide	$ 262.8	$ 252.5	4.1%

In the first quarter of 2004, selling, delivery and administrative (SD&A) expenses increased $10.3 million, or 4.1 percent, to $262.8 million from $252.5 million in the comparable period of the previous year. As a percentage of net sales, SD&A expenses decreased to 35.6 percent in the first quarter of 2004, compared to 37.0 percent in the prior year first quarter. The decline in SD&A expenses as a percentage of net sales was primarily attributed to lower operating costs achieved in the U.S. and Central Europe due to cost reduction programs implemented during fiscal year 2003. We expect increases of four to five percent in SD&A expenses for fiscal year 2004, compared to fiscal year 2003, due to the lapping of cost reductions initiated at the end of the first quarter of 2003 as well as additional expenses for our new centralized Tel-Sell call center, a telephone sales center that services our small format accounts in our pre-sell environment.

In the U.S., SD&A expenses increased $9.2 million to $217.8 million in the first quarter of 2004, compared to $208.6 million in the prior year first quarter. SD&A expenses as a percentage of net sales improved to 34.2 percent compared to 35.3 percent in the prior year first quarter, mainly as a result of the realization of our cost containment initiatives, offset by increases in insurance costs.

In Central Europe, SD&A expenses increased $0.3 million, or 0.9 percent, to $32.9 million from $32.6 million in the prior year first quarter. Excluding the unfavorable impact of foreign exchange of $1.7 million, SD&A costs decreased by $1.4 million or 4.3 percent, due to our successful cost management driven by our migration to an alternative sales and distribution strategy in the rural areas of Central Europe. With the benefit of centralization from the membership in the EU starting in May 2004, we will implement an additional cost reduction program in the second quarter of 2004.

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In the Caribbean, SD&A expenses increased $0.8 million, or 7.1 percent, to $12.1 million from $11.3 million in the prior year first quarter due mainly to higher warehousing costs.

Special Charges

In the first quarter of 2004, we recorded special charges of $0.2 million ($0.1 million after tax) in Central Europe primarily for severance costs and other related benefits. This compares to special charges of $6.3 million ($3.9 million after tax) in the first quarter of 2003, which represented special charges of $5.8 million in the U.S. and $0.5 million in Central Europe. The U.S. special charge of $5.8 million ($3.6 million after tax) consisted mainly of severance-related costs associated with our announced reduction in our U.S. workforce. The Central Europe special charge of $0.5 million ($0.3 million after tax) related to the continuing changes in the marketing and distribution strategy in Poland, the Czech Republic and Republic of Slovakia.

Operating Income

Operating income for the first quarter of 2004 and 2003 was as follows (dollar amounts in millions):

	2004	2003	Change
U.S.	$ 59.2	$ 40.1	47.6%
Central Europe	(7.1)	(11.1)	36.0%
Caribbean	(2.0)	(2.3)	13.0%
Worldwide	$ 50.1	$ 26.7	87.6%

Operating income increased $23.4 million, or 87.6 percent, to $50.1 million in the first quarter of 2004, compared to $26.7 million in the prior year first quarter, driven by a $19.1 million increase in operating income in the U.S. and the reduction of international operating losses by $4.3 million. The increase in operating income in the U.S. was primarily attributed to higher gross margins due to improved net pricing compared to the prior year, and volume growth, offset, in part, by an increase in operating costs.

Operating losses in Central Europe improved $4.0 million to $7.1 million in the first quarter of 2004, compared to a loss of $11.1 million in the prior year first quarter, due mainly to volume growth and lower SD&A costs, excluding the unfavorable impact of our foreign currency rates. The impact of foreign currency rates contributed approximately $0.1 million of the $4.0 million overall operating improvement in Central Europe. Operational performance in the Caribbean improved, as operating losses in the Caribbean of $2.0 million in the first quarter of 2004 were $0.3 million lower than the operating losses of $2.3 million in the prior year.

Interest and Other Expenses

Net interest expense decreased $3.3 million in the first quarter of 2004 to $15.9 million, compared to $19.2 million in the first quarter of 2003, due in part to the refinancing of a portion of our fixed-rate debt in the first quarter of 2003 and lower average balances in our securitization and commercial paper programs in the first quarter of 2004 as compared to the same period in the prior year. The 2003 amount includes the loss on the early extinguishment of debt in the first quarter of 2003 of $8.8 million, offset in part, by a $6.8 million increase in interest income due to the favorable resolution of a tax refund case related to the ESOP. See the Income Taxes note to the Condensed Consolidated Financial Statements for further discussion.

We recorded other expense, net, of $1.4 million in the first quarter of 2004 compared to other expense, net, of $2.3 million reported in the first quarter of 2003 due primarily to gains recorded on foreign currency transactions of $0.4 million in the first quarter of 2004 compared to losses of $0.5 million in the first quarter of 2003.

Income Taxes

The effective income tax rate, which is income tax expense expressed as a percentage of income before income taxes, was 37.5 percent for the first quarter of 2004, compared to 5.8 percent in the first quarter of 2003. Excluding the additional tax accruals recorded of $4.3 million, as well as the tax benefit recorded of $6.0 million related to the favorable ESOP settlement, the effective tax rate for the first quarter of 2003 was 38.5 percent. See the Income Taxes note to the Condensed Consolidated Financial Statements for further discussion of the significant items recorded in Income taxes.

Net Income

Net income increased $15.6 million to $20.5 million in the first quarter of 2004, compared to $4.9 million in the first quarter of 2003. The increase can be attributed mainly to improved worldwide net pricing, worldwide volume growth and continued emphasis on cost savings. Other operational factors impacting net income were previously discussed.

LIQUIDITY AND CAPITAL RESOURCES

Operating Activities. Net cash provided by operating activities increased by $10.3 million to $37.3 million in the first quarter of 2004, compared to $27.0 million in the first quarter of 2003. This increase can mainly be attributed to our $15.6 million improvement in operating performance to $20.5 million and an increase in our accounts receivable securitization program of $26.7 million, offset by a lower benefit from changes in primary working capital due to increases in receivables and inventory. Primary working capital is comprised of inventory, accounts payable and accounts receivable, excluding securitized receivables. The increases in accounts receivable and inventory related primarily to timing issues. Receivables were higher due to strong sales in the quarter, and inventory increased due to the timing of the Easter holiday and planned inventory builds. The changes in primary working capital are expected to reverse in the second quarter, and benefit our cash flow from operating activities.

Investing Activities. Investing activities in the first quarter of 2004 included capital investments of $19.8 million, compared to $36.0 million in the first quarter of 2003. The decline in capital expenditures was primarily due to timing, as we expect our capital spending to be in the range of $150 million to $170 million for the full year 2004, compared to capital investments of $158.3 million for the full year 2003.

In January 2004, we completed the acquisition of the Dr Pepper franchise rights for a 13-county area in northeast Arkansas and certain related assets from Dr Pepper Bottling Company of Paragould, Inc. We acquired the franchise rights and related assets for $17.7 million, of which $17.6 million was paid in cash in the first quarter of 2004.

In addition, in March 2004, we acquired 2,000 additional shares of Pepsi-Cola Bahamas for $3.3 million, which increased our ownership interest in the Bahamas from 30 percent to 70 percent. As a result, we have consolidated the Bahamas beginning in the first quarter of 2004. The investment was previously accounted for under the equity investment method prior to this transaction.

Financing Activities. Our total debt decreased $19.4 million to $1,258.9 million at the end of the first quarter of 2004, from $1,278.3 million at the end of fiscal year 2003. In the first quarter of 2004, we assumed $3.4 million of debt associated with the Pepsi-Cola Bahamas transaction. We made total debt payments of $28.0 million in the first quarter of 2004. In the first quarter of 2003, we issued $150 million of notes due in March 2013 with a coupon rate of 4.5 percent. Net proceeds from these notes were $146.3 million, which reflected the reduction for discount and issuance costs totaling $2.6 million, as well as a treasury rate lock settlement payment of $1.1 million. The proceeds were used to redeem $150 million of notes that were issued in March 2001. In February 2003, the investors of the $150 million of notes issued in March 2001 notified us that they wanted to exercise their option to purchase and remarket the notes pursuant to the remarketing agreement, unless we elected to redeem the notes. In March 2003, we redeemed the notes pursuant to the agreement. We paid approximately $164.5 million for the fair value of the debt to be extinguished, net of the reverse treasury rate lock settlement of $3.2 million. In addition, we repaid $125 million 7.25 percent notes that came due during the first quarter of 2003.

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We have a revolving credit agreement with maximum borrowings of $500 million, which acts as a back-up as required by our credit rating agencies for our commercial paper program. Accordingly, we have a total of $500 million available under the commercial paper program and revolving credit facility combined. There were no commercial paper borrowings at the end of the first quarter of 2004 compared to $181.0 million at the end of the first quarter of 2003.

During the first quarter of 2004, we did not repurchase any shares of our common stock. In the same period in the prior year, we repurchased approximately 4.3 million shares of our common stock for $56.0 million. In April 2004, we executed an accelerated stock repurchase program in which we purchased 10 million shares of our common stock for approximately $200 million. See the Subsequent Event note in the Condensed Consolidated Financial Statements for further discussion. The issuance of common stock, including treasury shares, for the exercise of stock options resulted in cash inflows of $43.9 million in the first quarter of 2004, compared to $0.3 million in the first quarter of 2003.

On February 17, 2004, we announced that our Board of Directors declared a quarterly dividend of $0.075 per share on PepsiAmericas common stock for the first quarter of 2004. The dividend was payable April 1, 2004 to shareholders of record on March 12, 2004. We paid cash dividends of $11.0 million in the first quarter 2004 based on this quarterly cash dividend rate. On April 28, 2004, we announced that our Board of Directors declared quarterly dividends of $0.075 per share on PepsiAmericas common stock for the remainder of fiscal year 2004 for an annual dividend of $0.30 per share. The remaining quarterly dividends will be paid on July 1, 2004, October 1, 2004, and January 3, 2005 to shareholders of record on June 15, 2004, September 15, 2004 and December 15, 2004, respectively. In the first quarter of 2003, we declared cash dividends of $5.8 million based on a dividend rate of $0.04 a share. This amount was paid in the second quarter of 2003 and is reflected in Payables on the Condensed Consolidated Balance Sheet.

See the Annual Report on Form 10-K for fiscal year 2003 for a summary of our contractual obligations as of the end of fiscal year 2003. There were no significant changes to such contractual obligations in the first quarter of 2004 except as discussed in the Subsequent Event note in the Condensed Consolidated Financial Statements. We believe that our operating cash flows are sufficient to fund our existing operations for the foreseeable future. In addition, we believe that with our operating cash flows, available lines of credit, and the potential for additional debt and equity offerings, we will have sufficient resources to fund our future growth and expansion. There are a number of options available to us and we continue to examine the optimal uses of our cash, including repurchasing our stock and reinvesting in the business or acquisitions, assuming a high economic return.

Discontinued operations. We continue to be subject to certain indemnification obligations, net of insurance, under agreements related to previously sold subsidiaries, including indemnification expenses for potential environmental and tort liabilities of these prior subsidiaries. There is significant uncertainty in assessing our potential expenses for complying with our indemnification obligations, as the determination of such amounts is subject to various factors, including possible insurance recoveries and the allocation of liabilities among other potentially responsible and financially viable parties. Accordingly, the ultimate settlement and timing of cash requirements related to such indemnification obligations may vary significantly from the estimates included in our financial statements. At the end of the first quarter of 2004, we had recorded $120.4 million in liabilities for future remediation and other related costs arising out of our indemnification obligations. This amount excludes possible insurance recoveries and is determined on an undiscounted cash flow basis. In addition, we have funded coverage pursuant to an insurance policy purchased in fiscal year 2002 (see the Environmental and Other Commitments and Contingencies note to the Condensed Consolidated Financial Statements), which reduces the cash required to be paid by us for certain environmental sites pursuant to our indemnification obligations. The Finite Funding amount recorded was $23.2 million at the end of the first quarter of 2004, of which $3.0 million is expected to be recovered in 2004 based on our expenditures, and is thus, included as a current asset.

During the first quarters of 2004 and 2003, we paid approximately $0.8 million and received approximately $2.4 million, respectively, related to such indemnification obligations, net of insurance settlements of $3.1 million and $5.5 million, respectively, as well as the benefit of taxes. We expect to spend approximately $15 million to $25 million in fiscal year 2004 for remediation and other related costs, excluding possible insurance recoveries (see the Environmental and Other Commitments and Contingencies note to the Condensed Consolidated Financial Statements for further discussion of discontinued operations and related environmental liabilities).

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RELATED PARTY TRANSACTIONS

We are a licensed producer and distributor of Pepsi carbonated and non-carbonated soft drinks and other non-alcoholic beverages in the U.S., Central Europe and the Caribbean. We operate under exclusive franchise agreements with soft drink concentrate producers, including master bottling and fountain syrup agreements with PepsiCo for the manufacture, packaging, sale and distribution of PepsiCo branded products. The franchise agreements exist in perpetuity and contain operating and marketing commitments and conditions for termination. As of the end of the first quarter of 2004, PepsiCo held a 39.0 percent equity interest in our business.

We purchase concentrate from PepsiCo to be used in the production of Pepsi carbonated soft drinks and other non-alcoholic beverages. PepsiCo also provides us with various forms of bottler incentives to promote Pepsi s brands. These bottler incentives cover a variety of initiatives, including direct marketplace, shared media and advertising support, to support volume and market share growth. There are no conditions or requirements which could result in the repayment of any support payments we have received.

We manufacture and distribute fountain products and provide fountain equipment service to PepsiCo customers in certain territories in accordance with various agreements. There are other products that we produce and/or distribute through various arrangements with PepsiCo or partners of PepsiCo. We also purchase finished beverage products from PepsiCo and certain of its affiliates including tea, concentrate and finished beverage products from a Pepsi/Lipton partnership, as well as finished beverage products from a Pepsi/Starbucks partnership.

PepsiCo provides various procurement services under a shared services agreement. Under such agreement, PepsiCo negotiates with various suppliers the cost of certain raw materials by entering into raw material contracts on our behalf. PepsiCo also collects and remits to us certain rebates from the various suppliers related to our procurement volume. In addition, PepsiCo acts as our agent for the execution of derivative contracts associated with certain anticipated raw material purchases.

Although we did not enter into any new agreements in the first quarter of 2004, we have from time to time entered into various transactions with Pohlad Companies and its subsidiaries. Robert C. Pohlad, our Chairman and Chief Executive Officer, is the President and owner of approximately 33 percent of the capital stock of Pohlad Companies

See additional discussion of our related party transactions in our Annual Report on Form 10-K for the fiscal year 2003.

FORWARD-LOOKING STATEMENTS

This quarterly report on Form 10-Q contains certain forward-looking statements of expected future developments, as defined in the Private Securities Litigation Reform Act of 1995. The forward-looking statements in this Form 10-Q refer to the expectations regarding continuing operating improvement and other matters. These forward-looking statements reflect our expectations and are based on currently available data; however, actual results are subject to future risks and uncertainties, which could materially affect actual performance. Risks and uncertainties that could affect such future performance include, but are not limited to, the following: competition, including product and pricing pressures; changing trends in consumer tastes; changes in the our relationship and/or support programs with PepsiCo and other brand owners; market acceptance of new product offerings; weather conditions; cost and availability of raw materials; availability of capital; labor and employee benefit costs; unfavorable interest rate and currency fluctuations; costs of legal proceedings; outcomes of environmental claims and litigation; changing legislation; and general economic, business and political conditions in the countries and territories where we operate.

These events and uncertainties are difficult or impossible to predict accurately and many are beyond our control. We assume no obligation to publicly release the result of any revisions that may be made to any forward-looking statements to reflect events or circumstances after the date of such statements or to reflect the occurrence of anticipated or unanticipated events.

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Item 3. Quantitative and Qualitative Disclosures About Market Risk.

We are subject to various market risks, including risks from changes in commodity prices, interest rates and currency exchange rates.

Commodity Prices

The risk from commodity price changes relates to our ability to recover higher product costs through price increases to customers, which may be limited due to the competitive pricing environment that exists in the soft drink business. We use derivative financial instruments to hedge price fluctuations for a portion of our aluminum requirements over a specified period of time. Because of the high correlation between commodity prices and our contractual cost of these products, we consider these hedges to be highly effective. As of the end of the first quarter of 2004, we hedged a portion of our anticipated aluminum can purchases through November 2004.

Interest Rates

In the first quarter of 2004, the risk from changes in interest rates was not material to our operations because a significant portion of our debt issues represented fixed rate obligations. Our floating rate exposure relates to changes in the six-month LIBOR rate and the overnight Federal Funds rate. Assuming consistent levels of floating rate debt with those held at the end of the first quarter of 2003, a 50 basis point (0.5 percent) change in each of these rates would not have had a significant impact on our first quarter of 2004 interest expense. We have entered into interest rate swaps to convert a portion of our fixed rate debt to floating rate debt. We had cash equivalents throughout the first quarter of 2004, principally invested in money market funds and commercial paper, which were most closely tied to overnight Federal Funds rates. Assuming a change of 50 basis points in the rate of interest associated with our cash equivalents at the end of the first quarter of 2004, interest income for the first quarter of 2004 would not have changed by a significant amount.

Currency Exchange Rates

Because we operate in international franchise territories, we are subject to exposure resulting from changes in currency exchange rates. Currency exchange rates are influenced by a variety of economic factors including local inflation, growth, interest rates and governmental actions, as well as other factors. We currently do not hedge the translation risks of investments in our international operations. Any positive cash flows generated by international operations have been reinvested in the operations or used to repay intercompany loans.

International operations, based on net sales, represented approximately 14 percent of our total operations in the first quarter of 2004. A significant portion of the net sales in the Caribbean markets, specifically Puerto Rico, are denominated in U.S. dollars, which is Puerto Rico s functional currency. Changes in currency exchange rates impact the translation of the results of certain international operations from

their local currencies into U.S. dollars. If the currency exchange rates had changed by five percent in the first quarter of 2004, we estimate the impact on reported operating income for those periods would not have been significant. Our estimate reflects the fact that a portion of the international operations costs are denominated in U.S. dollars, including concentrate purchases. This estimate does not take into account the possibility that rates can move in opposite directions and that gains in one category may or may not be offset by losses from another category.

Item 4. Controls and Procedures.

We maintain a system of disclosure controls and procedures that is designed to provide reasonable assurance that information, which is required to be disclosed, is accumulated and communicated to management timely. At the end of the period covered by this report, we carried out an evaluation, under the supervision and with the participation of our management, including our Chief Executive Officer and Chief Financial Officer, of the effectiveness of the design and operation of our disclosure controls and procedures pursuant to Exchange Act Rule 13a-15. Based upon that evaluation, our Chief Executive Officer and Chief Financial Officer concluded that our disclosure controls and procedures are effective in timely alerting them to material information relating to us required to be included in our periodic SEC filings.

During the first quarter of 2004, there were no significant changes in our internal control over financial reporting or in other factors that have materially affected, or are reasonably likely to materially affect, our internal control over financial reporting.

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PART II-OTHER INFORMATION

Item 1. Legal Proceedings.

No material changes to be reported for the first quarter of 2004.

Item 6. Exhibits and Reports on Form 8-K

(a). Exhibits.

See Exhibit Index.

(b). Reports on Form 8-K.

On February 4, 2004, we furnished a Current Report with regards to our press release dated February 4, 2004, PepsiAmericas Reports 21.5 Percent Net Income Growth for the Full Year of 2003.

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SIGNATURE

Pursuant to the requirements of the Securities Exchange Act of 1934, the registrant has duly caused this report to be signed on its behalf by the undersigned thereunto duly authorized.

PEPSIAMERICAS, INC.

Dated: May 11, 2004

By: /s/ G. MICHAEL DURKIN, JR.

G. Michael Durkin, Jr.
Executive Vice President and Chief Financial Officer
(As Chief Accounting Officer and Duly
Authorized Officer of PepsiAmericas, Inc.)

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EXHIBIT INDEX

Exhibit Number	Description of Exhibit
31.1	Chief Executive Officer Certification pursuant to Exchange Act Rule 13a-14, as adopted pursuant to Section 302 of the Sarbanes-Oxley Act of 2002.
31.2	Chief Financial Officer Certification pursuant to Exchange Act Rule 13a-14, as adopted pursuant to Section 302 of the Sarbanes-Oxley Act of 2002.
32.1	Chief Executive Officer Certification pursuant to 18 U.S.C. Section 1350, as adopted pursuant to Section 906 of the Sarbanes-Oxley Act of 2002.
32.2	Chief Financial Officer Certification pursuant to 18 U.S.C. Section 1350, as adopted pursuant to Section 906 of the Sarbanes-Oxley Act of 2002.