

FORTUNE BRANDS INC  
 Form 424B5  
 June 09, 2009  
Table of Contents

Filed Pursuant to Rule 424(b)(5)  
 Registration No. 333-159008

**The information in this preliminary prospectus supplement is not complete and may be changed. This preliminary prospectus supplement and the accompanying prospectus are not an offer to sell these securities and are not soliciting an offer to buy these securities in any state where the offer or sale is not permitted.**

**Subject to Completion, Dated June 9, 2009**

Prospectus Supplement

(To Prospectus dated May 6, 2009)

\$

**Fortune Brands, Inc.**

**% Notes due 2014**

Interest payable and

We will pay interest on the notes on \_\_\_\_\_ and \_\_\_\_\_ of each year, beginning on \_\_\_\_\_, 2009. The notes will mature on \_\_\_\_\_, 2014. We have the option to redeem all or a portion of the notes at the applicable make-whole price set forth in this prospectus supplement, plus accrued and unpaid interest, if any. The notes are subject to repurchase upon a Change of Control Triggering Event and the interest rate may be adjusted upon certain ratings events. See Description of the Notes Change of Control Offer and Description of the Notes Interest Rate Adjustment.

The notes will be our unsecured and unsubordinated obligations and rank equally with all of our other existing and future unsecured senior indebtedness. The notes will be issued only in registered form in denominations of \$2,000 and integral multiples of \$1,000 in excess thereof.

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

**Investing in the notes involves risks. See Risk Factors beginning on page S-5 of this prospectus supplement and the risk factors included in our annual report on Form 10-K for the fiscal year ended December 31, 2008.**

	Public Offering Price	Underwriting Discount	Proceeds Before Expenses to Fortune Brands
Per Note	%	%	%
Total	\$	\$	\$

The notes are not expected to be listed on any national securities exchange. Currently, there is no public market for the notes. We expect the notes will be ready for delivery in book-entry form only through the facilities of The Depository Trust Company on or about June \_\_\_\_\_, 2009.

*Joint Book-Running Managers*

**Barclays Capital**

**Credit Suisse**

**J.P. Morgan**

**RBS**

The date of this prospectus supplement is June , 2009

**Table of Contents**

You should rely only on the information contained in or incorporated by reference into this prospectus supplement, the accompanying prospectus or in any free writing prospectus filed by us with the Securities and Exchange Commission (the "SEC"). Neither we nor the underwriters have authorized anyone to provide you with different information. If anyone provides you with different or inconsistent information, you should not rely on it. We and the underwriters are not making an offer to sell these securities in any jurisdiction where the offer or sale is not permitted. You should not assume that the information contained in this prospectus supplement, the accompanying prospectus, any such free writing prospectus or any document incorporated by reference is accurate as of any date other than their respective dates. As used in this prospectus supplement, the terms the Company, Fortune Brands, we, us, and our may, depending upon the context, refer to Fortune Brands Inc., our consolidated subsidiaries, or to all of them taken as a whole, except in the Description of the Notes, where such references are to Fortune Brands, Inc. only.

**TABLE OF CONTENTS**

PROSPECTUS SUPPLEMENT

	<b>Page</b>
<u>Where You Can Find More Information</u>	S-1
<u>Forward Looking Information</u>	S-1
<u>Summary</u>	S-3
<u>Risk Factors</u>	S-5
<u>Use of Proceeds</u>	S-7
<u>Ratio of Earnings to Fixed Charges</u>	S-8
<u>Description of the Notes</u>	S-9
<u>United States Federal Income Taxation</u>	S-18
<u>Underwriting</u>	S-22
<u>Legal Opinion</u>	S-23
<u>Experts</u>	S-23

PROSPECTUS

<u>Forward-Looking Statements.</u>	1
<u>About This Prospectus</u>	2
<u>Fortune Brands, Inc.</u>	2
<u>Risk Factors</u>	2
<u>Ratio of Earnings to Fixed Charges</u>	3
<u>Use of Proceeds</u>	3
<u>Description of Debt Securities</u>	3
<u>Description of Capital Stock</u>	12
<u>Description of Debt Warrants</u>	14
<u>Description of Warrants to Purchase Common or Preferred Stock</u>	14
<u>Plan of Distribution</u>	16
<u>Legal Opinion</u>	16
<u>Experts</u>	17
<u>Where You Can Find More Information</u>	18

**Table of Contents**

**WHERE YOU CAN FIND MORE INFORMATION**

We file annual, quarterly and current reports, proxy statements and other information with the SEC, which the SEC maintains in the SEC's File No. 1-9076. You can read and copy any document we file at the SEC's public reference room at 100 F Street, NE, Washington, D.C. 20549. Please call the SEC at 1-800-SEC-0330 for further information on the public reference room. Our SEC filings are also available to the public at the SEC's web site at <http://www.sec.gov>.

The SEC allows us to incorporate by reference into this prospectus supplement and the accompanying prospectus the information we file with it, which means that we can disclose important information to you by referring you to those documents. The information incorporated by reference is considered to be a part of this prospectus supplement and the accompanying prospectus, and later information filed with the SEC will update and supersede this information. We incorporate by reference the documents listed below and any future filings made with the SEC under Section 13(a), 13(c), 14 or 15(d) of the Securities Exchange Act of 1934, as amended (the Exchange Act) (excluding any information deemed to be furnished and not filed in accordance with SEC rules) until we sell all of the notes:

Annual Report on Form 10-K for the year ended December 31, 2008;

Quarterly Report on Form 10-Q for the period ended March 31, 2009;

Current Reports on Form 8-K or amendments thereto filed on January 6, 2009, February 27, 2009 (Items 5.02 and 9.01 only), March 19, 2009, April 1, 2009 and May 5, 2009; and

Definitive Proxy Statement on Schedule 14A filed on March 9, 2009 (those parts incorporated into our Annual Report on Form 10-K only).

You may request a copy of these filings, at no cost other than for exhibits of such filings, by writing to or telephoning us at the following address (or by visiting our web site at <http://www.fortunebrands.com>):

FORTUNE BRANDS, INC.

Office of the Secretary

520 Lake Cook Road

Deerfield, Illinois 60015

(847) 484-4400

Information about us is also available on our web site at [www.fortunebrands.com](http://www.fortunebrands.com). Information on our web site is not incorporated by reference into this prospectus supplement.

**FORWARD-LOOKING INFORMATION**

This prospectus supplement, the accompanying prospectus and the documents incorporated by reference herein contain forward-looking statements within the meaning of Section 27A of the Securities Act of 1933, as amended (the Securities Act), and Section 21E of the Exchange Act. All statements, other than statements of historical facts, included or incorporated herein regarding our strategy, future operations, financial position, future revenues, projected costs, prospects, plans and objectives are forward-looking statements. In some cases, you can identify forward-looking statements by terminology such as anticipates, believes, estimates, expects, intends, may, plans, seeks, projects, and similar expressions or expressions of the negative of these terms. Such statements are only predictions and, accordingly, are subject to substantial risks, uncertainties and assumptions.

## Edgar Filing: FORTUNE BRANDS INC - Form 424B5

We intend for our forward-looking statements to be covered by the safe harbor provisions for forward-looking statements contained in the Private Securities Litigation Reform Act of 1995, and we set forth this statement in order to comply with such safe harbor provisions. Although we believe that the expectations, plans,

S-1

**Table of Contents**

intentions, and projections reflected in our forward-looking statements are reasonable, such statements are subject to known and unknown risks, uncertainties, and other factors that may cause our actual results, performance, or achievements to be materially different from any future results, performance, or achievements expressed or implied by the forward-looking statements. The risks, uncertainties, and other factors that our stockholders and prospective investors should consider include, but are not limited to, the following:

general economic conditions, including the U.S. housing market,

competitive market pressures (including pricing pressures),

customer defaults and related bad debt expense,

consolidation of trade customers,

successful development of new products and processes,

ability to secure and maintain rights to intellectual property,

risks pertaining to strategic acquisitions and joint ventures, including the potential financial effects and performance of such acquisitions or joint ventures, integration of acquisitions and the related confirmation or remediation of internal controls over financial reporting,

changes related to the U.S. and international distribution structure in our Spirits business,

ability to attract and retain qualified personnel,

weather,

risks associated with doing business outside the United States, including currency exchange rate risks,

costs of certain employee and retiree benefits and returns on pension assets,

dependence on performance of distributors and other marketing arrangements,

the impact of excise tax increases on distilled spirits,

## Edgar Filing: FORTUNE BRANDS INC - Form 424B5

changes in golf equipment regulatory standards and other regulatory developments,

potential liabilities, costs and uncertainties of litigation,

impairment in the carrying value of goodwill or other acquired intangibles,

historical consolidated financial statements that may not be indicative of future conditions and results,

interest rate fluctuations,

volatility of financial and credit markets, which could affect access to capital for us, our customers and consumers, and

any possible downgrades of our credit ratings,

commodity and energy price volatility,

as well as other risks and uncertainties detailed from time to time in our SEC filings.

We caution you that these factors may not be exhaustive. We have no duty to update any of the forward-looking statements after the date of this prospectus supplement. We operate in a continually changing business environment, and new risks emerge from time to time. Management cannot predict such new risks or the impact of such new risks on our business. Accordingly, you should not rely on forward-looking statements as a prediction of actual results.

S-2

**Table of Contents**

**SUMMARY**

This summary may not contain all the information that may be important to you. You should read the entire prospectus supplement and accompanying prospectus, as well as the documents incorporated by reference in them, before making an investment decision.

**Fortune Brands, Inc.**

We are a holding company with subsidiaries engaged in various businesses. Our subsidiaries manufacture and sell leading consumer branded products in the following industries: distilled spirits, home and hardware and golf products.

Our principal executive offices are currently located at 520 Lake Cook Road, Deerfield, Illinois 60015, (847) 484-4400.

**The Offering**

<b>Issuer</b>	Fortune Brands, Inc.
<b>Notes</b>	\$            aggregate principal amount of    % notes due            , 2014.
<b>Maturity</b>	The notes mature on            , 2014.
<b>Interest</b>	We will pay interest on the notes on            and            of each year, beginning on            , 2009.
<b>Interest rate adjustment</b>	The interest rate payable on the notes will be subject to adjustment from time to time if our debt rating is downgraded (or downgraded and subsequently upgraded), as set forth in Description of the Notes    Interest Rate Adjustment.
<b>Ranking</b>	The notes will be our unsecured and unsubordinated obligations and will rank equal in right of payment to all of our other existing and future unsecured senior indebtedness.
<b>Redemption</b>	We have the option to redeem all or a portion of the notes at any time, and from time to time, at the applicable make-whole price set forth in this prospectus supplement, plus accrued and unpaid interest, if any. See Description of the Notes    Optional Redemption.
<b>Change of control offer</b>	If a change of control triggering event occurs with respect to the notes, each holder of the notes may require us to purchase all or a portion of such holder's notes at a price equal to 101% of the principal amount, plus accrued interest, if any, to the date of purchase. See Description of the Notes    Change of Control Offer.
<b>Sinking fund</b>	None.





**Table of Contents**

<b>Events of default</b>	If there is an event of default on the notes, the principal amount of the notes plus any accrued and unpaid interest may be declared due and payable. These amounts automatically become due and payable in certain circumstances. See <b>Description of Debt Securities</b> <b>Certain Covenants</b> <b>Default and Certain Rights on Default</b> in the accompanying prospectus.
<b>Use of proceeds</b>	We expect to use the proceeds of this offering for general corporate purposes, including repayment of indebtedness. See <b>Use of Proceeds</b> .
<b>DTC eligibility</b>	The notes will be issued in book-entry form and will be represented by one or more permanent global certificates deposited with a custodian for and registered in the name of a nominee of The Depository Trust Company ( <b>DTC</b> ) in New York, New York. Beneficial interests in any such securities will be shown on, and transfers will be effected only through, records maintained by DTC and its direct and indirect participants and any such interest may not be exchanged for certificated securities, except in limited circumstances. See <b>Description of the Notes</b> <b>Book-Entry System</b> .
<b>Further issuances</b>	We may create and issue further notes ranking equally and ratably with the notes offered by this prospectus supplement in all respects, so that such further notes will be consolidated and form a single series with the notes offered by this prospectus supplement.
<b>Trustee, registrar and paying agent</b>	The Bank of New York Mellon.
<b>Risk factors</b>	Investing in the notes involves risks. See <b>Risk Factors</b> on page S-5 of this prospectus supplement and the risk factors included in our annual report on Form 10-K for the fiscal year ended December 31, 2008.

**Table of Contents**

**RISK FACTORS**

*An investment in the notes may involve various risks. Prior to making a decision about investing in the notes, you should carefully consider the following risk factors, as well as those incorporated by reference in this prospectus supplement from our annual report on Form 10-K for our fiscal year ended December 31, 2008 under the heading Risk Factors and other filings we may make from time to time with the SEC.*

***The notes are structurally subordinated to creditors of our subsidiaries.***

The notes are our general unsecured obligations. We are a legal entity separate and distinct from our subsidiaries. Our rights and the rights of our creditors (including holders of the notes being offered under this prospectus supplement and the accompanying prospectus) and stockholders to participate in any distribution of the assets or earnings of any subsidiary is subject to the claims of creditors of the subsidiary, except to the extent that our claims as a creditor of our subsidiaries may be recognized. Our claims may be subordinate to certain claims of others. Our principal source of unconsolidated revenues and funds is dividends and other payments from our subsidiaries. Our principal subsidiaries currently are not limited by long-term debt or other agreements in their abilities to pay cash dividends or to make other distributions with respect to their capital stock or other payments to us.

***We may not have sufficient funds to purchase the notes upon a change of control triggering event, and this covenant provides limited protection to investors.***

Holders of the notes may require us to purchase their notes upon a change of control triggering event as defined under Description of the Notes Change of Control Offer. We cannot assure you that we will have sufficient financial resources, or will be able to arrange sufficient financing, to pay the purchase price of the notes, particularly if a change of control event triggers a similar repurchase requirement for, or results in the acceleration of, our other then existing debt. Certain events that are change of control triggering events for the notes are also events of default under our existing credit agreements, which would permit our lenders to accelerate such indebtedness, to the extent amounts are outstanding.

The change of control offer covenant is limited to the transactions specified in Description of the Notes Change of Control Offer. We have no present intention to engage in a transaction involving a change of control triggering event, although it is possible that we could decide to do so in the future. We could, in the future, enter into certain transactions, including acquisitions, refinancings or other recapitalizations, that would not constitute a change of control triggering event under the notes, but that could increase the amount of indebtedness outstanding at that time or otherwise materially adversely affect our capital structure or credit ratings.

***An active trading market for the notes may not develop.***

The notes are a new issue of securities with no established trading market and will not be listed on any securities exchange. If an active trading market does not develop or is not maintained, holders of the notes may experience difficulty in reselling, or an inability to sell, the notes. Future trading prices for the notes may be adversely affected by many factors, including changes in our financial performance, changes in the overall market for similar securities and performance or prospects for companies in our industry.

***The notes could be treated as contingent payment debt instruments.***

We believe (and intend to take the position) that the notes are not contingent payment debt instruments. Under this position you will recognize interest income with respect to the notes when such interest is paid or accrued in accordance with your method of accounting for U.S. Federal Income Tax Purposes. However, the Internal Revenue Service (the IRS) may maintain that the notes constitute contingent payment debt instruments as a result of the additional amounts that may become payable pursuant to the Interest Rate Adjustment and/or the Change of Control Offer. If the IRS were to prevail in such a position, the notes would be considered to be issued with original issue discount (OID), and U.S. holders would be required to include such

**Table of Contents**

OID into income as it accrues on a constant economic accrual basis based upon our comparable yield , irrespective of their usual method of tax accounting. Such accrual would be in advance of the receipt of cash attributable to such income, and would be at a rate higher than the initial stated interest rate on the notes. In addition, on a sale, exchange or redemption of a note, U.S. holders would generally be required to treat any gain as ordinary income rather than capital gain.

S-6

**Table of Contents**

**USE OF PROCEEDS**

We estimate that we will receive net proceeds from the offering of approximately \$            million after deducting underwriters' discounts and commissions and other estimated offering expenses payable by us. We intend to use the net proceeds from the offering for general corporate purposes, including repayment of indebtedness.

S-7

**Table of Contents****RATIO OF EARNINGS TO FIXED CHARGES**

The following table sets forth the ratio of earnings to fixed charges for Fortune Brands, Inc. for each of the periods indicated:

	<b>Three-Months Ended March 31, 2009</b>	<b>Year Ended December 31,</b>				
		<b>2008</b>	<b>2007</b>	<b>2006</b>	<b>2005</b>	<b>2004</b>
Ratio of earnings to fixed charges	1.22	1.84	4.33	4.38	5.88	10.18

For the purpose of computing the ratio of earnings to fixed charges, earnings means:

income (loss) from continuing operations before income taxes and extraordinary items;

plus fixed charges;

less capitalized interest; and

less income (loss) of equity investees.

Fixed charges means the sum of the following:

interest expense (including capitalized interest) on all indebtedness;

amortization of debt discount and expenses; and

that portion of rental expense which we believe to be representative of an interest factor.

The following table sets forth the pro forma ratio of earnings to fixed charges for Fortune Brands, Inc., after giving effect to the offer and sale of debt securities contemplated by this prospectus supplement and the use of proceeds to repay outstanding debt:

	<b>Three-Months Ended March 31, 2009</b>	<b>Year Ended December 31, 2008</b>
Pro forma ratio of earnings to fixed charges		

---

**Table of Contents**

**DESCRIPTION OF THE NOTES**

**General**

We will issue the notes under an indenture dated as of April 15, 1999, between us and The Bank of New York Mellon (formerly The Chase Manhattan Bank), as trustee (the "indenture"). The notes will constitute a separate series of notes under the indenture. The following is a summary of some, but not all, provisions of the notes and the indenture. The following description of the particular terms of the notes supplements the description in the accompanying prospectus of the general terms and provisions of our debt securities. We urge you to read the indenture because it defines your rights as a holder of the notes. The terms of the notes include those stated in the indenture and those made part of the indenture by reference to the Trust Indenture Act of 1939, as amended. A copy of the form of indenture has been filed as an exhibit to the registration statement of which the accompanying prospectus is a part.

We will issue the notes in fully registered form, without coupons, in denominations of \$2,000 and integral multiples of \$1,000 in excess thereof. Initially, the notes will be issued in the form of one or more global notes registered in the name of DTC or its nominee, as described below. The trustee will initially act as paying agent and registrar for the notes. The notes may be presented for registration or transfer and exchange at the offices of the registrar. We may change any paying agent and registrar without notice to the holders of the notes. We will pay principal (and premium, if any) on the notes at the paying agent's corporate office in New York, New York. At our option, interest may be paid at the paying agent's corporate trust office or by check mailed to the registered address of holders.

**Principal, Maturity and Interest; No Sinking Fund**

The notes will be issued in an aggregate principal amount of \$\_\_\_\_\_ and will mature on \_\_\_\_\_, 2014. Interest on the notes will accrue at the rate of \_\_\_\_\_% per annum. Interest on the notes will be payable semiannually in arrears in cash on each \_\_\_\_\_ and \_\_\_\_\_, commencing on \_\_\_\_\_, 2009, to the persons who are registered holders on each \_\_\_\_\_ and \_\_\_\_\_, respectively. Interest on the notes will be computed on the basis of a 360-day year comprised of twelve 30-day months. Interest on the notes will accrue from the most recent date to which interest has been paid or, if no interest has been paid, from and including June \_\_\_\_\_, 2009.

The notes will not be entitled to the benefit of any sinking fund.

**Ranking**

The notes will be our unsecured senior obligations and will rank equally with our other existing and future unsecured senior indebtedness.

**Optional Redemption**

The notes may be redeemed in whole at any time or in part from time to time, at our option, at a redemption price equal to the greater of:

100% of the principal amount of the notes then outstanding to be redeemed; or

the sum of the present values of the remaining scheduled payments of principal and interest on the notes to be redeemed (not including any portion of such payments of interest accrued to the date of redemption) discounted to the date of redemption on a semiannual basis (assuming a 360-day year consisting of twelve 30-day months) at the applicable treasury rate plus \_\_\_\_\_ basis points.

plus, in each case, accrued and unpaid interest on the principal amount being redeemed to the redemption date.

## **Table of Contents**

**Comparable treasury issue** means the U.S. Treasury security selected by an independent investment banker as having a maturity comparable to the remaining term ( remaining life ) of the notes to be redeemed that would be utilized, at the time of selection and in accordance with customary financial practice, in pricing new issues of corporate debt securities of comparable maturity to the remaining term of such notes.

**Comparable treasury price** means (1) the average of five reference treasury dealer quotations for such redemption date, after excluding the highest and lowest reference treasury dealer quotations, or (2) if the independent investment banker obtains fewer than four such reference treasury dealer quotations, the average of all such quotations.

**Independent investment banker** means either Barclays Capital Inc., Credit Suisse Securities (USA) LLC, J.P. Morgan Securities Inc. or RBS Securities Inc., as specified by us, or, if any of these firms are unwilling or unable to select the comparable treasury issue, an independent investment banking institution of national standing appointed by us.

**Reference treasury dealer** means (1) Barclays Capital Inc., Credit Suisse Securities (USA) LLC, J.P. Morgan Securities Inc. and RBS Securities Inc. and their respective successors; provided, however, that if any of the foregoing shall cease to be a primary U.S. government securities dealer in New York City (a primary treasury dealer ), we will substitute therefor another primary treasury dealer and (2) any other primary treasury dealer selected by us after consultation with the independent investment banker.

**Reference treasury dealer quotations** means, with respect to each reference treasury dealer and any redemption date, the average, as determined by the independent investment banker, of the bid and asked prices for the comparable treasury issue (expressed in each case as a percentage of its principal amount) quoted in writing to the independent investment banker at 5:00 p.m., New York City time, on the third business day preceding such redemption date.

**Treasury rate** means, with respect to any redemption date:

the yield, under the heading which represents the average for the immediately preceding week, appearing in the most recently published statistical release designated H.15(519) or any successor publication which is published weekly by the Board of Governors of the Federal Reserve System and which establishes yields on actively traded U.S. Treasury securities adjusted to constant maturity under the caption Treasury Constant Maturities, for the maturity corresponding to the comparable treasury issue (if no maturity is within three months before or after the remaining life (as defined below), yields for the two published maturities most closely corresponding to the comparable treasury issue will be determined and the treasury rate will be interpolated or extrapolated from such yields on a straight line basis, rounding to the nearest month); or

if such release (or any successor release) is not published during the week preceding the calculation date or does not contain such yields, the rate per annum equal to the semiannual equivalent yield to maturity of the comparable treasury issue, calculated using a price for the comparable treasury issue (expressed as a percentage of its principal amount) equal to the comparable treasury price for such redemption date.

The treasury rate will be calculated by the independent investment banker on the third business day preceding the date fixed for redemption.

We will mail a notice of redemption to each holder of the notes to be redeemed by first-class mail at least 30 and not more than 60 days prior to the date fixed for redemption. Unless we default on payment of the redemption price, interest will cease to accrue on the notes, or portions thereof, called for redemption on the redemption date. If fewer than all of the notes are to be redeemed, the trustee will select, not more than 60 days prior to the redemption date, the particular notes, or portions thereof, for redemption from the outstanding notes, not previously called by such method as the trustee deems fair and appropriate.



---

## **Table of Contents**

The indenture permits the defeasance of Debt Securities upon the satisfaction of the conditions described under Description of Debt Securities Defeasance in the accompanying prospectus. The notes are subject to these defeasance provisions.

### **Change of Control Offer**

If a change of control triggering event occurs with respect to the notes, unless we have exercised our option to redeem the notes as described above, we will be required to make an offer (a change of control offer ) to each holder of the notes with respect to which a change of control triggering event has occurred to repurchase all or any part (equal to \$2,000 or any multiple of \$1,000 in excess thereof) of that holder's notes on the terms set forth in the notes. In a change of control offer, we will be required to offer payment in cash equal to 101% of the aggregate principal amount of notes repurchased, plus accrued and unpaid interest, if any, on the notes repurchased to the date of repurchase (a change of control payment ).

Within 30 days following any change of control triggering event or, at our option, prior to any change of control, but after public announcement of the transaction that constitutes or may constitute the change of control, a notice will be mailed to holders of the notes describing the transaction that constitutes or may constitute the change of control triggering event and offering to repurchase the notes on the date specified in the applicable notice, which date will be no earlier than 30 days and no later than 60 days from the date such notice is mailed (a change of control payment date ). The notice will, if mailed prior to the date of consummation of the change of control, state that the change of control offer is conditioned on the change of control triggering event occurring on or prior to the applicable change of control payment date.

Upon the change of control payment date, we will, to the extent lawful:

accept for payment all notes or portions of notes properly tendered and not withdrawn pursuant to the applicable change of control offer;

deposit with the paying agent an amount equal to the change of control payment in respect of all notes or portions of notes properly tendered; and

deliver or cause to be delivered to the trustee the notes properly accepted together with an officers' certificate stating the aggregate principal amount of notes or portions of notes being repurchased.

We will not be required to make a change of control offer upon the occurrence of a change of control triggering event if a third party makes such an offer in the manner, at the times and otherwise in compliance with the requirements for an offer made by us and the third party repurchases all notes properly tendered and not withdrawn under its offer. In addition, we will not repurchase any notes if there has occurred and is continuing on the change of control payment date an event of default under the indenture, other than a default in the payment of the change of control payment upon a change of control triggering event.

We will comply with the requirements of Rule 14e-1 under the Exchange Act, and any other securities laws and regulations thereunder to the extent those laws and regulations are applicable in connection with the repurchase of the notes as a result of a change of control triggering event. To the extent that the provisions of any securities laws or regulations conflict with the change of control offer provisions of the notes, we will comply with those securities laws and regulations and will not be deemed to have breached our obligations under the change of control offer provisions of the notes by virtue of any such conflict.

Change of control means the occurrence of any of the following: (1) the direct or indirect sale, lease, transfer, conveyance or other disposition (other than by way of merger or consolidation), in one or more series of related transactions, of all or substantially all of our assets and the assets of our subsidiaries, taken as a whole, to any person, other than our company or one of our subsidiaries; (2) the consummation of any transaction (including, without limitation, any merger or consolidation) the result of which is that any person becomes the beneficial owner (as defined in Rules 13d-3 and 13d-5 under the Exchange Act), directly or indirectly, of more

## Table of Contents

than 50% of our outstanding voting stock or other voting stock into which our voting stock is reclassified, consolidated, exchanged or changed measured by voting power rather than number of shares; (3) we consolidate with, or merge with or into, any person, or any person consolidates with, or merges with or into, us, in any such event pursuant to a transaction in which any of our outstanding voting stock or the voting stock of such other person is converted into or exchanged for cash, securities or other property, other than any such transaction where the shares of our voting stock outstanding immediately prior to such transaction constitute, or are converted into or exchanged for, a majority of the voting stock of the surviving person or any direct or indirect parent company of the surviving person, immediately after giving effect to such transaction; (4) the first day on which a majority of the members of our Board of Directors are not continuing directors; or (5) the adoption of a plan relating to our liquidation or dissolution.

Notwithstanding the foregoing, a transaction will not be deemed to involve a change of control under clause (2) above if (i) we become a direct or indirect wholly-owned subsidiary of a holding company and (ii)(A) the direct or indirect holders of the voting stock of such holding company immediately following that transaction are substantially the same as the holders of our voting stock immediately prior to that transaction or (B) immediately following that transaction no person (other than a holding company satisfying the requirements of this sentence) is the beneficial owner, directly or indirectly, of more than 50% of the voting stock of such holding company. The term person, as used in this definition, has the meaning given thereto in Section 13(d)(3) of the Exchange Act.

Change of control triggering event with respect to the notes means the occurrence of both a change of control and a rating event with respect to the notes.

Continuing directors means, as of any date of determination, any member of our Board of Directors who (1) was a member of such Board of Directors on the date the notes were issued or (2) was nominated for election, elected or appointed to such Board of Directors with the approval of a majority of the continuing directors who were members of such Board of Directors at the time of such nomination, election or appointment (either by a specific vote or by approval of our proxy statement in which such member was named as a nominee for election as a director, without objection to such nomination).

Fitch means Fitch Inc., and its successors.

Index debt means senior, unsecured, long-term indebtedness for borrowed money of Fortune Brands that is not guaranteed by any other person or subject to any other credit enhancement.

Investment grade rating means a rating equal to or higher than BBB- (or the equivalent) by Fitch, a rating equal to or higher than Baa3 (or the equivalent) by Moody's and a rating equal to or higher than BBB- (or the equivalent) by S&P, and a rating equal to or higher than the equivalent investment grade credit rating from any replacement rating agency or rating agencies selected by us.

Moody's means Moody's Investors Service, Inc., and its successors.

Rating agencies means (1) each of Fitch, Moody's and S&P and (2) if any of Fitch, Moody's or S&P ceases to rate the notes or fails to make a rating of the notes publicly available for reasons outside of our control, a substitute rating agency as a replacement agency for any of Fitch, Moody's or S&P, or all of them, as the case may be.

Rating event means the rating on the notes is lowered by each of the rating agencies then rating the notes and the notes are rated below an investment grade rating by each of the rating agencies then rating the notes on any day within the 60-day period (which 60-day period will be extended so long as the rating of the notes is under publicly announced consideration for a possible downgrade by any of the rating agencies then rating the notes) after the earlier of (a) the occurrence of a change of control and (b) public notice of the occurrence of a change of control or our intention to effect a change of control; provided that a rating event will not be deemed to have occurred in respect of a particular change of control (and thus will not be deemed a rating event for purposes of the definition of

**Table of Contents**

change of control triggering event) if each rating agency making the reduction in rating does not publicly announce or confirm or inform the trustee in writing at our request that the reduction was the result, in whole or in part, of any event or circumstance comprised of or arising as a result of, or in respect of, the change of control (whether or not the applicable change of control has occurred at the time of the rating event).

S&P means Standard & Poor's Ratings Services, a division of The McGraw-Hill Companies, Inc., and its successors.

Substitute rating agency means a nationally recognized statistical rating organization within the meaning of Rule 15c3-1(c)(2)(vi)(F) under the Exchange Act selected by us (as certified by a resolution of our Board of Directors) as a replacement agency for any one or more of the rating agencies.

Voting stock means, with respect to any specified person (as that term is used in Section 13(d)(3) of the Exchange Act) as of any date, the capital stock of such person that is at the time entitled to vote generally in the election of the board of directors of such person.

The definition of change of control includes a phrase relating to the direct or indirect sale, lease, transfer, conveyance or other disposition of all or substantially all of our assets and those of our subsidiaries taken as a whole. Although there is a limited body of case law interpreting the phrase substantially all there is no precise established definition of the phrase under applicable law. Accordingly, the ability of a holder of notes to require us to repurchase its notes as a result of a sale, lease, transfer, conveyance or other disposition of less than all of our assets and those of our subsidiaries taken as a whole to another person or group may be uncertain.

**Interest Rate Adjustment**

The interest rate payable on the notes will be subject to adjustment from time to time if either Moody's or S&P or, in either case, any substitute rating agency downgrades (or downgrades and subsequently upgrades) the debt rating assigned to the index debt, in the manner described below.

If the rating of the index debt from Moody's (or any substitute rating agency) of the index debt is decreased to a rating set forth in the immediately following table, the interest rate on the notes will increase from the interest rate payable on the notes on the date of their initial issuance by the percentage points set forth below opposite that rating:

Moody's Rating*	Percentage Points
Ba1	0.25
Ba2	0.50
Ba3	0.75
B1 or below	1.00

\* Including the equivalent rating of any substitute rating agency.

If the rating from S&P (or any substitute rating agency) of the index debt is decreased to a rating set forth in the immediately following table, the interest rate on the notes will increase from the interest rate payable on the notes on the date of their initial issuance by the percentage points set forth below opposite that rating:

S&P Rating*	Percentage Points
BB+	0.25
BB	0.50
BB-	0.75
B+ or below	1.00

\* Including the equivalent rating of any substitute rating agency.



---

**Table of Contents**

If at any time the interest rate on the notes has been adjusted upward as a result of a decrease in a rating of our index debt by either Moody's or S&P (or, in either case, a substitute rating agency), as the case may be, and subsequently such rating agency increases its rating of the index debt to any of the threshold ratings set forth above, the interest rate on the notes will be decreased such that the interest rate for the notes equals the interest rate payable on the notes on the date of their initial issuance plus the applicable percentage points set forth opposite the ratings in the tables above in effect immediately following the increase. If Moody's (or any substitute rating agency) decreases and subsequently increases its rating of the index debt to Baa3 (or its equivalent, in the case of a substitute rating agency) or higher, and S&P (or any substitute rating agency thereof) decreases and subsequently increases its rating of the index debt to BBB- (or its equivalent, in the case of a substitute rating agency) or higher, the interest rate on the notes will be decreased to the interest rate payable on the notes on the date of their issuance. In addition, the interest rates on the notes will permanently cease to be subject to any adjustment described above (notwithstanding any subsequent decrease in the ratings by either or both rating agencies) if the index debt become A3 and A- (or the equivalent of either such rating, in the case of a substitute rating agency) or higher by Moody's and S&P (or, in either case, a substitute rating agency thereof), respectively (or one of these ratings if the index debt are only rated by one rating agency).

Each adjustment required by any decrease or increase in a rating set forth above, whether occasioned by the action of Moody's or S&P (or, in either case, a substitute rating agency), shall be made independent of (and in addition to) any and all other adjustments. In no event shall (1) the interest rate for the notes be reduced to below the interest rate payable on the notes on the date of their issuance or (2) the total increase in the interest rate on the notes exceed 2.00% above the interest rate payable on the notes on the date of their issuance.

No adjustments in the interest rate of the notes shall be made solely as a result of a rating agency ceasing to provide a rating of the index debt. If at any time Moody's or S&P ceases to provide a rating of the index debt for a reason beyond our control, we will use our commercially reasonable efforts to obtain a rating of the index debt from a substitute rating agency, to the extent one exists, and if a substitute rating agency exists, for purposes of determining any increase or decrease in the interest rate on the notes pursuant to the tables above:

such substitute rating agency will be substituted for the last rating agency to provide a rating of the index debt but which has since ceased to provide such rating;

the relative rating scale used by such substitute rating agency to assign ratings to senior unsecured debt will be determined in good faith by an independent investment banking institution of national standing appointed by us and, for purposes of determining the applicable ratings included in the applicable table above with respect to such substitute rating agency, such ratings will be deemed to be the equivalent ratings used by Moody's or S&P, as applicable, in such table; and

the interest rate on the notes will increase or decrease, as the case may be, such that the interest rate equals the interest rate payable on the notes on the date of their initial issuance plus the appropriate percentage points, if any, set forth opposite the rating from such substitute rating agency in the applicable table above (taking into account the provisions of the second bullet point above) (plus any applicable percentage resulting from a decreased rating by the other rating agency).

For so long as only one of Moody's or S&P provides a rating of the index debt and no substitute rating agency is offered to replace the other rating agency, any subsequent increase or decrease in the interest rate of the notes necessitated by a reduction or increase in the rating by the agency providing the rating shall be twice the percentage set forth in the applicable table above. For so long as none of Moody's, S&P or a substitute rating agency provides a rating of the index debt, the interest rate on the notes will increase to, or remain at, as the case may be, 2.00% above the interest rate payable on the notes on the date of their issuance. If Moody's or S&P either ceases to rate the index debt for reasons within our control or ceases to make a rating of the index debt publicly available for reasons within our control, we will not be entitled to obtain a rating from a substitute rating agency and the increase or decrease in the interest rate of the notes shall be determined in the manner described above as if either only one or no rating agency provides a rating of the index debt, as the case may be.

## **Table of Contents**

Any interest rate increase or decrease described above will take effect on the next business day after the rating change has occurred.

If the interest rate payable on the notes is increased as described above, the term interest, as used with respect to the notes, will be deemed to include any such additional interest unless the context otherwise requires.

## **Book-Entry System**

Upon sale, the notes will initially be issued in the form of Global Securities. The Global Securities representing the notes will be deposited with, or on behalf of, DTC and registered in the name of DTC or its nominee. Except as noted below, the Global Securities may not be transferred except as a whole by DTC to a nominee of DTC or by a nominee of DTC or to another nominee of DTC, or by DTC or any nominee to a successor of DTC or such successor. All notes will be denominated in United States dollars.

So long as DTC or its nominee is the registered owner of a Global Security, DTC or its nominee, as the case may be, will be the sole holder of the notes represented thereby for all purposes under the indenture. Except as otherwise provided in this section, the beneficial owners of a Global Security representing notes will not be entitled to receive physical delivery of certificated notes and will not be considered the holders thereof for any purpose under the indenture, and a Global Security representing notes shall not be exchangeable or transferable. Accordingly, each person owning a beneficial interest in a Global Security must rely on the procedures of DTC and, if such person is not a participant, on the procedures of the participant through which such person owns its interest, in order to exercise any rights of a holder under the indenture. The laws of some jurisdictions require that certain purchasers of securities take physical delivery of such securities in certificated form. Such limits and such laws may impair the ability to transfer beneficial interests in a Global Security representing notes.

The Global Securities representing the notes are exchangeable for certificated notes of like tenor and terms and of differing authorized denominations aggregating a like amount, only if:

DTC notifies us that it is unwilling or unable to continue as depository for the Global Security and we have not appointed a successor within 90 calendar days;

DTC ceases to be a clearing agency registered under the Securities Exchange Act of 1934 and we have not appointed a successor within 90 calendar days;

we determine that the Global Security shall be exchangeable for definitive notes in registered form; or

there shall have occurred and be continuing an Event of Default under the indenture with respect to the notes.

Upon any such exchange, the certificated notes shall be registered in the names of the beneficial owners of the Global Security representing the notes as provided by DTC's relevant participants (as identified by DTC).

The description of the operations and procedures of DTC set forth below are provided solely as a matter of convenience. These operations and procedures are solely within the control of the respective settlement systems and are subject to change by them from time to time. Neither we nor the underwriters take any responsibility for these operations or procedures, and investors are urged to contact the relevant system or its participants directly to discuss these matters.

The following is based on information furnished by DTC:

DTC is a limited-purpose trust company organized under the laws of the State of New York, a banking organization within the meaning of the New York Banking Law, a member of the Federal



---

**Table of Contents**

Reserve System, a clearing corporation within the meaning of the New York Uniform Commercial Code, and a clearing agency registered pursuant to the provisions of Section 17A of the Exchange Act. DTC holds securities that its participants deposit with DTC. DTC also facilitates the settlement among participants of securities transactions, such as transfers and pledges, in deposited securities through electronic computerized book-entry changes in participants' accounts, thereby eliminating the need for physical movement of securities certificates. Direct participants include securities brokers and dealers (including one or more of the underwriters), banks, trust companies, clearing corporations and certain other organizations. DTC is owned by a number of its direct participants and by the New York Stock Exchange, the American Stock Exchange, and the National Association of Securities Dealers, Inc. Access to DTC's system is available to securities brokers and dealers, banks and trust companies that clear through or maintain a custodial relationship with a direct participant, either directly or indirectly.

Persons who are not participants may beneficially own the notes held by DTC only through direct participants or indirect participants. Purchases of the notes under DTC's system must be made by or through direct participants, which will receive a credit for such notes on DTC's records. The ownership interest of each actual purchaser of each note represented by a Global Security (Beneficial Owner) is in turn to be recorded on the direct participants' and indirect participants' records. Beneficial Owners will not receive written confirmation from DTC of their purchase, but Beneficial Owners are expected to receive written confirmations providing details of the transaction, as well as periodic statements of their holdings, from the direct participants or indirect participants through which such Beneficial Owner entered into the transaction. Transfers of ownership interests in a Global Security representing notes are to be accomplished by entries made on the books of participants acting on behalf of Beneficial Owners. Beneficial Owners of a Global Security representing notes will not receive certificated notes representing their ownership interests therein, except in the event that use of the book-entry system for such the notes is discontinued.

Principal and interest payments on Global Securities representing the notes will be made to DTC. DTC's practice is to credit direct participants' accounts on the applicable payment date in accordance with their respective holdings shown on DTC's records unless DTC has reason to believe that it will not receive payment on such date. Payments by participants to Beneficial Owners will be governed by standing instructions and customary practices, as is the case with securities held for the accounts of customers in bearer form or registered in street name, and will be the responsibility of such participant and not of DTC, the trustee or the Company, subject to any statutory or regulatory requirements as may be in effect from time to time. Payment of principal, premium, if any, and interest to DTC is our and the trustee's responsibility, disbursement of such payments to direct participants is the responsibility of DTC, and disbursement of such payments to the Beneficial Owners is the responsibility of direct participants and indirect participants.

DTC may discontinue providing its services as securities depository with respect to the notes at any time by giving reasonable notice to us or the trustee. Under such circumstances, in the event that a successor securities depository is not obtained, certificated notes are required to be printed and delivered.

The information in this section concerning DTC and DTC's system has been obtained from sources that we believe to be reliable, but we take no responsibility for the accuracy thereof. Transfers between participants in DTC will be effected in accordance with DTC's procedures and will be settled in same-day funds.

**Governing Law**

The indenture and the notes shall be governed by, and construed in accordance with the laws of the State of New York, without regard to the conflicts of laws principles thereof.



**Table of Contents**

**Further Issuances**

We may, from time to time, without notice to or the consent of the holders of the notes, increase the aggregate principal amount of any of these series of notes under the indenture and issue such increased principal amount (or any portion thereof), in which case any additional notes so issued will have the same form and terms (other than the date of issuance and, under certain circumstances, the date from which interest thereon will begin to accrue), and will carry the same right to receive principal and accrued and unpaid interest, as the notes previously issued, and such additional notes will form a single series with the notes offered under this prospectus supplement.

S-17

**Table of Contents****UNITED STATES FEDERAL INCOME TAXATION**

This summary describes the material U.S. federal income tax consequences of the purchase, ownership and disposition of notes, subject to the limitations stated below. This summary is based on the Internal Revenue Code of 1986, as amended (the Code), Treasury Regulations (including proposed Regulations and temporary Regulations) promulgated thereunder, rulings, official pronouncements and judicial decisions, all as in effect on the date of this prospectus supplement and all of which are subject to change, possibly with retroactive effect, or to different interpretations. This summary provides general information only and does not address all of the U.S. federal income tax consequences that may be applicable to a holder of notes. It does not address all of the tax consequences that may be relevant to certain types of holders subject to special treatment under the U.S. federal income tax law, such as individual retirement and other tax-deferred accounts, dealers in securities or currencies, financial institutions, life insurance companies, tax-exempt organizations, persons holding notes as a hedge, as a position in a straddle for tax purposes, or as part of a synthetic security or other integrated investment comprised of notes and one or more other investments, U.S. holders (as defined below) whose functional currency is other than the U.S. dollar, or certain U.S. expatriates. This summary is limited to initial purchasers who hold notes as a capital asset within the meaning of Section 1221 of the Code. No ruling has been or will be obtained from the Internal Revenue Service (the IRS) regarding the U.S. federal income tax treatment of the notes, and no assurances can be given that the IRS will not disagree with portions of this summary. Persons considering the purchase of notes should consult their own tax advisors concerning the application of the U.S. federal income tax law to their particular situations, as well as any tax consequences arising under the law of any state, local or foreign tax jurisdiction.

For purposes of the following discussion, the term U.S. holder means a beneficial owner of notes who is an individual who is a citizen or resident of the United States; an estate subject to U.S. federal income taxation without regard to the source of its income; a corporation or other business entity treated as a corporation for U.S. federal income tax purposes created or organized in or under the laws of the United States, any state thereof or the District of Columbia; or a trust if a valid election to be treated as a U.S. person, as defined in the Code, is in effect with respect to such trust or both: (x) a court within the United States is able to exercise primary supervision over the administration of the trust, and (y) one or more U.S. persons have the authority to control all substantial decisions of the trust. The term non-U.S. holder means a beneficial owner of notes who is an individual, estate, corporation or trust that is not a U.S. holder.

If a partnership (including for this purpose any entity treated as a partnership for U.S. federal income tax purposes) is a beneficial owner of notes, the treatment of a partner in the partnership will generally depend upon the status of the partner and upon the activities of the partnership. A holder of notes that is a partnership and partners in such partnership should consult their tax advisors.

**U.S. Holders*****Interest on Notes***

Subject to the discussion in Additional Payments below, stated interest on the notes will be taxable to a U.S. holder as ordinary interest income at the time it is accrued or received in accordance with the U.S. holder's method of tax accounting.

***Additional Payments***

The stated interest rate on the notes may be adjusted upwards (or subsequently adjusted downwards) in the event of certain changes in the debt ratings of the notes (as described under Description of the Notes Interest Rate Adjustment). In addition, if we are required to repurchase the notes in connection with a change of control triggering event, we must pay a 1% premium (as described under Description of the Notes Change of Control Offer). In view of these features, the IRS may maintain that the notes constitute contingent payment debt instruments. If the IRS were to prevail in such a position, the notes would be

## **Table of Contents**

considered to be issued with OID, and U.S. holders would be required to include such OID into income as it accrues on a constant economic accrual basis based upon Comparable Yield, irrespective of their usual method of tax accounting. Such accrual would be in advance of the receipt of cash attributable to such income, and would be at a rate higher than the initial stated interest rate on the notes. In addition, on a sale, exchange or redemption of a note, U.S. holders would generally be required to treat any gain as ordinary income rather than capital gain.

There are three exceptions to the rules governing contingent payment debt instruments that could apply to the notes. First, the notes will not be contingent payment debt instruments if the likelihood of a change in the initial interest rate on the notes or a change of control requiring us to repurchase the notes, considered together, is considered to be either remote or incidental. Second, the notes will not be contingent payment debt instruments if (i) they are subject to certain rules for debt instruments with alternative payment schedules, and (ii) the initial schedule of interest payments on the notes is significantly more likely than not to remain unchanged.

If either of these two exceptions applies, interest on the notes at the initial stated rate will be taxable as described in Interest on Notes above. However, any interest payable on the notes from time to time in excess of the initial stated rate of interest could be OID that U.S. holders would be required to include in income on a constant accrual basis irrespective of their usual method of tax accounting.

Third, the notes will not be considered contingent payment debt instruments if they qualify as variable rate debt instruments. This will be the case if

they are considered to provide for interest at a rate determined using a single fixed formula based on objective financial or economic information, including the credit quality of the issuer; and

it is not reasonably expected that the return on the notes during the first half of their term will be significantly less or greater than the return during the second half of their term.

If this exception applies, interest on the notes will generally be taxable as described in Interest on Notes above, regardless of whether the interest rate has been adjusted from the initial stated rate.

We believe (and intend to take the position) that the notes fall within one or more of the above exceptions, and thus do not constitute contingent payment debt instruments. Our determination is binding on U.S. holders unless they disclose their contrary positions to the IRS in the manner required by applicable U.S. Treasury Regulations. However, our determination is not binding on the IRS, which could challenge this position and claim that the consequences of contingent payment debt instruments described above apply to U.S. holders.

The remaining discussion herein assumes that the notes are not contingent payment debt instruments.

## ***Disposition of Notes***

Upon the sale, exchange, retirement or other taxable disposition of notes, a U.S. holder generally will recognize gain or loss equal to the difference between (1) the sum of cash plus the fair market value of all other property received on such disposition (except to the extent such amount is attributable to accrued but unpaid interest, which will generally be taxable to the U.S. holder as ordinary interest income at that time if it was not previously included in the U.S. holder's income) and (2) the holder's adjusted tax basis in the notes. A U.S. holder's adjusted tax basis in a note generally will equal the cost of the note. If a U.S. holder disposes of a note between interest payment dates, a portion of the amount received by the U.S. holder will reflect interest that has accrued on the note, but which has not been paid as of the disposition date. That portion is treated as ordinary interest income and not as sale proceeds.

Gain or loss so recognized will be capital gain or loss and will be long-term capital gain or loss, if, at the time of the sale,

---

**Table of Contents**

exchange, retirement or other taxable disposition the notes were held for more than one year. Under current law, long-term capital gains of non-corporate taxpayers are, under certain circumstances, taxed at lower rates than items of ordinary income. The deductibility of capital losses is subject to limitations.

**Non-U.S. Holders**

Subject to the discussion of backup withholding below, payments of interest by us or our agent (in its capacity as such) to any non-U.S. holder will generally not be subject to U.S. federal withholding tax, provided that:

- (1) such holder does not actually or constructively own 10% or more of the total combined voting power of all classes of our stock entitled to vote;
- (2) such holder is not a controlled foreign corporation for U.S. federal income tax purposes that is related to us through stock ownership;
- (3) such holder is not a bank receiving interest described in Code Section 881(c)(3)(A); and
- (4) neither we nor our agent has actual knowledge or reason to know that such holder is a U.S. person, and either
  - (a) such holder properly certifies to us or our agent, under penalties of perjury, that such holder is not a U.S. person and provides its name and address (which certification can be made on IRS Form W-8BEN or a suitable substitute form); or
  - (b) a securities clearing organization, bank or other financial institution that holds customers' securities in the ordinary course of its trade or business (a financial institution) properly certifies to us or our agent, under penalties of perjury (which certification can be made on IRS Form W-8IMY or a suitable substitute form), that the certification described in clause (4)(a) above has been received from the beneficial owner by it or by another financial institution acting for the beneficial owner and delivers to us or our agent a copy of the certification described in clause (4)(a) above.

Alternatively, these certification requirements will not apply if the non-U.S. holder holds the notes through a qualified intermediary (which is a non-U.S. office of a bank, securities dealer or similar intermediary that has signed an agreement with the IRS concerning withholding tax procedures), the qualified intermediary has sufficient information in its files to indicate that the holder is not a U.S. person and the intermediary complies with IRS requirements. Special rules may apply with respect to notes held by a foreign partnership. Prospective investors, including foreign partnerships and their partners and holders who hold their notes through a qualified intermediary, should consult their tax advisers regarding possible reporting requirements.

If a non-U.S. holder cannot satisfy the requirements of the portfolio interest exemption described above, payments of interest made to such holder generally will be subject to a 30% withholding tax (or such lower rate as may be provided by an applicable income tax treaty between the United States and a foreign country) unless another exemption applies and such holder complies with the relevant certification requirements. Any prospective investor who could not satisfy the portfolio interest exemption requirements described above should consult its tax advisers prior to making an investment in the notes.

If a non-U.S. holder is engaged in a trade or business in the United States and interest on the notes is effectively connected with the conduct of such trade or business and, if required by an applicable income tax treaty, is attributable to a U.S. permanent establishment, such holder, although exempt from U.S. federal withholding tax (provided the non-U.S. person delivers a properly completed IRS Form W-8ECI or suitable substitute), will be subject to U.S. federal income tax on such interest in the same manner as U.S. holders, as described above. In addition, if such holder is a foreign corporation, it may be subject to a branch profits tax equal to 30% (or lesser rate under an applicable income tax treaty) of its effectively connected earnings and profits, as defined in the Code, for the taxable year, subject to adjustments.

## **Table of Contents**

Subject to the discussion of backup withholding below, any gain realized by a non-U.S. holder upon the sale, exchange or retirement of notes will not be subject to U.S. federal income or withholding taxes unless: (i) such gain is effectively connected with a U.S. trade or business of the non-U.S. holder (and, if required by an applicable income tax treaty, is attributable to a U.S. permanent establishment); (ii) in the case of an individual, such non-U.S. holder is present in the United States for 183 days or more in the taxable year of the sale, exchange or retirement and certain other conditions are met; or (iii) such gain represents accrued interest, in which case the preceding rules for the taxation of interest paid to a non-U.S. holder would apply. In the case described above in (i), gain or loss recognized on the disposition of such notes will generally be subject to U.S. federal income taxation in the same manner as if such gain or loss were recognized by a U.S. person, and, in the case of a non-U.S. holder that is a foreign corporation, may also be subject to an additional branch profits tax at a rate of 30% (or a lower applicable treaty rate). In the case described above in (ii), the non-U.S. holder will be subject to 30% tax (or lower applicable treaty rate) on any capital gain recognized on the disposition of the notes, which may be offset by certain U.S. source capital losses.

### **Backup Withholding and Information Reporting**

Backup withholding and information reporting requirements may apply to certain payments of principal, interest and to certain payments of proceeds of the sale or retirement of notes. We, our paying agent or certain other parties, as the case may be, will be required to withhold tax from any payment that is subject to backup withholding at a current rate of 28% of such payment if the holder fails to furnish his taxpayer identification number (social security number or employer identification number), to certify that such holder is not subject to backup withholding, or to otherwise comply with the applicable requirements of the backup withholding rules. Certain holders (including, among others, corporations) are not subject to the backup withholding and information reporting requirements.

Backup withholding and information reporting generally will not apply to payments made by us or our agent (in its capacity as such) to a holder of notes who has provided the required certification under penalties of perjury that such holder is not a U.S. person as set forth in clause (4) under **Non-U.S. Holders** or has otherwise established an exemption (provided that neither we nor such agent has actual knowledge or reason to know that the holder is a U.S. person or that the conditions of any other exemption are not in fact satisfied). However, we and other payors may be required to report payments of interest on your notes to the IRS even if the payments are not otherwise subject to information reporting requirements. Copies of the information returns reporting such interest payments and the amount of any tax withheld may also be made available to the tax authorities in the country in which a non-U.S. holder resides under the provisions of an applicable income tax treaty.

Any amounts withheld under the backup withholding rules from a payment to a holder may be claimed as a credit against such holder's U.S. federal income tax liability and, if withholding results in an overpayment of tax, the holder may be entitled to a refund, provided the required information is timely furnished to the IRS. Holders should consult their own tax advisors regarding the filing of a U.S. tax return and the claiming of a credit or refund of such backup withholding taxes.

**Table of Contents****UNDERWRITING**

Subject to the terms and conditions contained in an underwriting agreement, dated as of the date of this prospectus supplement between us and the underwriters named below, for whom Barclays Capital Inc., Credit Suisse Securities (USA) LLC, J.P. Morgan Securities Inc. and RBS Securities Inc. are acting as representatives, we have agreed to sell to each underwriter, and each underwriter has severally agreed to purchase from us, the principal amount of notes that appears opposite its name in the table below:

<b>Underwriter</b>	<b>Principal amount of notes</b>
Barclays Capital Inc.	\$
Credit Suisse Securities (USA) LLC.	
J.P. Morgan Securities Inc	
RBS Securities Inc.	
<b>Total</b>	<b>\$</b>

The underwriters are offering the notes subject to their acceptance of the notes from us and subject to prior sale. The underwriting agreement provides that the obligations of the several underwriters to pay for and accept delivery of the notes offered by this prospectus supplement are subject to certain conditions. The underwriters are obligated to take and pay for all of the notes offered by this prospectus supplement if any such notes are taken.

The underwriters initially propose to offer the notes to the public at the public offering price that appears on the cover page of this prospectus supplement. In addition, the underwriters initially propose to offer the notes to certain dealers at prices that represent a concession not in excess of % of the principal amount of the notes. Any underwriter may allow, and any such dealer may reallow, a concession not in excess of % of the principal amount of the notes to certain other dealers. After the initial offering of the notes, the underwriters may from time to time vary the offering prices and other selling terms. The underwriters may offer and sell notes through certain of their affiliates.

The following table shows the underwriting discount that we will pay to the underwriters in connection with the offering of the notes:

<b>Per Note</b>	<b>Paid by us</b>
Total	\$ %

Expenses associated with this offering to be paid by us, other than underwriting discounts, are estimated to be approximately \$950,000.

We have also agreed to indemnify the underwriters against certain liabilities, including liabilities under the Securities Act, or to contribute to payments which the underwriters may be required to make in respect of any such liabilities.

The notes are a new issue of securities, and there is currently no established trading market for the notes. We do not intend to apply for the notes to be listed on any securities exchange or to arrange for the notes to be quoted on any quotation system. The underwriters have advised us that they intend to make a market in the notes,

**Table of Contents**

but they are not obligated to do so. The underwriters may discontinue any market making in the notes at any time at their sole discretion. Accordingly, we cannot assure you that a liquid trading market will develop for the notes, that you will be able to sell your notes at a particular time or that the prices you receive when you sell will be favorable.

In connection with the offering of the notes, the underwriters may engage in transactions that stabilize, maintain or otherwise affect the prices of the notes. Specifically, the underwriters may overallocate in connection with the offering of the notes, creating syndicate short positions. In addition, the underwriters may bid for and purchase notes in the open market to cover syndicate short positions or to stabilize the prices of the notes. Finally, the underwriting syndicate may reclaim selling concessions allowed for distributing the notes in the offering of the notes, if the syndicate repurchases previously distributed notes in syndicate covering transactions, stabilization transactions or otherwise. Any of these activities may stabilize or maintain the market prices of the notes above independent market levels. The underwriters are not required to engage in any of these activities, and may end any of them at any time.

From time to time in the ordinary course of their respective businesses, certain of the underwriters and their affiliates have engaged in and may in the future engage in commercial banking, derivatives and/or financial advisory, investment banking and other commercial transactions and services with us and our affiliates for which they have received or will receive customary fees and commissions.

**LEGAL OPINION**

The legality of the notes will be passed upon for us by Chadbourne & Parke LLP, New York, New York, and the legality of the notes will be passed upon for the underwriters by Davis Polk & Wardwell, New York, New York.

**EXPERTS**

The consolidated financial statements of Fortune Brands, Inc. and management's assessment of the effectiveness of internal control over financial reporting (which is included in Management's Report on Internal Control Over Financial Reporting) incorporated in this prospectus supplement by reference to Fortune Brands, Inc.'s Annual Report on Form 10-K for the year ended December 31, 2008 have been so incorporated in reliance on the report of PricewaterhouseCoopers LLP, an independent registered public accounting firm, given on the authority of said firm as experts in auditing and accounting.

**Table of Contents**

**PROSPECTUS**

**Debt Securities**

**Common Stock**

**Preferred Stock**

**Warrants To Purchase Debt Securities**

**Warrants To Purchase Common Stock**

**Warrants To Purchase Preferred Stock**

This prospectus describes some of the general terms that may apply to securities that we may issue and sell at various times. Please note that:

Prospectus supplements will be filed and other offering materials may be provided at later dates that will contain specific terms of each issuance of securities.

You should read this prospectus and any prospectus supplements or other offering materials filed or provided by us carefully before you decide to invest.

We may sell the securities to or through underwriters, and also to other purchasers or through agents. The names of the underwriters will be stated in an applicable prospectus supplement or other offering materials. We may also sell securities directly to investors. Our common stock is listed on the New York Stock Exchange under the symbol FO. Any common stock that we may sell pursuant to this prospectus will be listed on the New York Stock Exchange upon official notice of issuance.

***Investing in our securities involves certain risks. You should carefully consider the risks described under Risk Factors in Part I, Item 1A of our most recent annual report on Form 10-K, which is incorporated by reference herein, as well as other risk factor information contained or incorporated by reference in this prospectus or in any prospectus supplement before making a decision to invest in our securities. See Risk Factors on page 2 of this prospectus.***

**Neither the Securities and Exchange Commission nor other regulatory body has approved or disapproved of these securities or passed upon the adequacy or accuracy of this prospectus. Any representation to the contrary is a criminal offense.**

The date of this prospectus is May 6, 2009.



**Table of Contents**

You should rely only on the information contained in or incorporated by reference into this prospectus or any applicable prospectus supplement. We have not authorized anyone to provide you with different information. If anyone provides you with different or inconsistent information, you should not rely on it. We are not making an offer to sell these securities in any jurisdiction where the offer or sale is not permitted. You should not assume that the information contained in this prospectus or any applicable prospectus supplement or the documents incorporated by reference is accurate as of any date other than the date on the front of each of those documents. As used in this prospectus the terms the Company, Fortune Brands, we, us, and our may, depending upon the context, refer to Fortune Brands, Inc., our consolidated subsidiaries, or to all of them taken as a whole.

**TABLE OF CONTENTS**

<u>FORWARD-LOOKING STATEMENTS</u>	1
<u>ABOUT THIS PROSPECTUS</u>	2
<u>FORTUNE BRANDS, INC.</u>	2
<u>RISK FACTORS</u>	2
<u>RATIO OF EARNINGS TO FIXED CHARGES</u>	3
<u>USE OF PROCEEDS</u>	3
<u>DESCRIPTION OF DEBT SECURITIES</u>	3
<u>DESCRIPTION OF CAPITAL STOCK</u>	12
<u>DESCRIPTION OF DEBT WARRANTS</u>	14
<u>DESCRIPTION OF WARRANTS TO PURCHASE COMMON OR PREFERRED STOCK</u>	14
<u>PLAN OF DISTRIBUTION</u>	16
<u>LEGAL OPINION</u>	16
<u>EXPERTS</u>	17
<u>WHERE YOU CAN FIND MORE INFORMATION</u>	18

**Table of Contents**

**FORWARD-LOOKING STATEMENTS**

This prospectus and the documents incorporated by reference herein contain forward-looking statements within the meaning of Section 27A of the Securities Act of 1933, as amended (the Securities Act ), and Section 21E of the Securities Exchange Act of 1934, as amended (the Exchange Act ). All statements, other than statements of historical facts, included or incorporated herein regarding our strategy, future operations, financial position, future revenues, projected costs, prospects, plans and objectives are forward-looking statements. In some cases, you can identify forward-looking statements by terminology such as anticipates, believes, estimates, expects, intends, may, plans, seeks, projects, and similar expressions or expressions of the negative of these terms. Such statements are only predictions and, accordingly, are subject to substantial risks, uncertainties and assumptions.

We intend for our forward-looking statements to be covered by the safe harbor provisions for forward-looking statements contained in the Private Securities Litigation Reform Act of 1995, and we set forth this statement in order to comply with such safe harbor provisions. Although we believe that the expectations, plans, intentions, and projections reflected in our forward-looking statements are reasonable, such statements are subject to known and unknown risks, uncertainties, and other factors that may cause our actual results, performance, or achievements to be materially different from any future results, performance, or achievements expressed or implied by the forward-looking statements. The risks, uncertainties, and other factors that our stockholders and prospective investors should consider include, but are not limited to, the following:

general economic conditions, including the U.S. housing market,

competitive market pressures (including pricing pressures),

customer defaults and related bad debt expense,

consolidation of trade customers,

successful development of new products and processes,

ability to secure and maintain rights to intellectual property,

risks pertaining to strategic acquisitions and joint ventures, including the potential financial effects and performance of such acquisitions or joint ventures, integration of acquisitions and the related confirmation or remediation of internal controls over financial reporting,

changes related to the U.S. and international distribution structure in our Spirits business,

ability to attract and retain qualified personnel,

weather,

risks associated with doing business outside the United States, including currency exchange rate risks,

commodity and energy price volatility,

costs of certain employee and retiree benefits and returns on pension assets,

dependence on performance of distributors and other marketing arrangements,

the impact of excise tax increases on distilled spirits,

changes in golf equipment regulatory standards and other regulatory developments,

potential liabilities, costs and uncertainties of litigation,

impairment in the carrying value of goodwill or other acquired intangibles,

historical consolidated financial statements that may not be indicative of future conditions and results,

**Table of Contents**

interest rate fluctuations,

volatility of financial and credit markets, which could affect access to capital for us, our customers and consumers, and

any possible downgrades of our credit ratings,  
as well as other risks and uncertainties detailed from time to time in our SEC filings.

**ABOUT THIS PROSPECTUS**

This prospectus is part of a registration statement that we filed with the Securities and Exchange Commission utilizing a shelf registration process. Under this shelf registration process, we may sell any combination of the securities described in this prospectus in one or more offerings. This prospectus provides you with a general description of the securities we may offer. Each time we sell securities, we will provide a prospectus supplement that will contain specific information about the terms of that offering. The prospectus supplement may also add, update or change information contained in this prospectus. In addition, we may include a description of the risks related to an investment in the securities described in an applicable prospectus supplement. Before making an investment decision, you should read both this prospectus and any applicable prospectus supplement together with the additional information described under the heading **Where You Can Find More Information**.

**FORTUNE BRANDS, INC.**

We are a holding company with operating companies engaged in the manufacture, production and sale of distilled spirits, home and hardware products, and golf products.

We are a legal entity separate and distinct from our subsidiaries. Our rights and the rights of our creditors (including holders of debt securities) and stockholders to participate in any distribution of the assets or earnings of any subsidiary is subject to the claims of creditors of the subsidiary, except to the extent that our claims as a creditor of our subsidiaries may be recognized, in which event our claims may in certain circumstances be subordinate to certain claims of others. As a holding company, a principal source of our unconsolidated revenues and funds is dividends and other payments from our subsidiaries. Our principal subsidiaries currently are not limited by long-term debt or other agreements in their abilities to pay cash dividends or to make other distributions with respect to their capital stock or other payments to us.

Our principal executive offices are currently located at 520 Lake Cook Road, Deerfield, Illinois 60015 and our telephone number is (847) 484-4400.

**RISK FACTORS**

Investing in our securities involves risks. You should carefully consider, among other things, the matters discussed under **Risk Factors** in Part 1, Item 1A of our Annual Report on Form 10-K for the year ended December 31, 2008, the risk factors described under the caption **Risk Factors** in any applicable prospectus supplement and any risk factors set forth in our other filings with the SEC, all of which are incorporated by reference to this prospectus, as the same may be amended, supplemented or superseded from time to time by our filings under the Exchange Act. For more information, see the section entitled **Where You Can Find Additional Information**. These risks could materially and adversely affect our business, results of operations and financial condition and could result in a partial or complete loss of your investment.

**Table of Contents****RATIO OF EARNINGS TO FIXED CHARGES**

The table below sets forth our ratio of earnings to fixed charges and our ratio of earnings to combined fixed charges and preferred stock dividends, in each case for each of the periods indicated.

	Years Ended December 31,				
	2004	2005	2006	2007	2008
Ratio of Earnings to Fixed Charges	10.18	5.88	4.38	4.33	1.84
Ratio of Earnings to Combined Fixed Charges and Preferred Dividends	10.12	5.86	4.37	4.32	1.83

For the purpose of computing the ratio of earnings to fixed charges, earnings means:

income (loss) from continuing operations before income taxes, minority interests and extraordinary items;

plus fixed charges;

less capitalized interest; and

less income (loss) of equity investees.

Fixed charges means the sum of the following:

interest expense (including capitalized interest) on all indebtedness;

amortization of debt discount and expenses; and

that portion of rental expense which we believe to be representative of an interest factor.

For the purpose of computing the ratio of earnings to combined fixed charges and preferred dividends, earnings means earnings less preferred dividend requirements.

Combined fixed charges and preferred dividends means fixed charges plus preferred dividend requirements.

**USE OF PROCEEDS**

We intend to use the net proceeds we receive from the sale of securities offered by this prospectus and any prospectus supplements for general corporate purposes, unless we specify otherwise in an applicable prospectus supplement. General corporate purposes may include the repayment of existing indebtedness, additions to working capital, capital expenditures, investments in our subsidiaries and the financing of possible acquisitions.

**DESCRIPTION OF DEBT SECURITIES**

Each prospectus supplement will state the particular terms of the debt securities it covers.

## Edgar Filing: FORTUNE BRANDS INC - Form 424B5

We will issue debt securities in one or more series under an indenture dated as of April 15, 1999 between us and The Bank of New York Mellon (formerly The Chase Manhattan Bank), as trustee. The indenture may be supplemented from time to time. We have filed a copy of the indenture as an exhibit to the registration statement. In addition to the following summary, you should refer to the specific terms of the indenture for more detailed information. Some of the capitalized terms used in the following discussion are defined in the indenture, and their definitions are incorporated by reference into this prospectus. When we use italics, we are referring to sections in the indenture. Wherever we refer to particular provisions of the indenture, such provisions are incorporated by reference in our summary, which is qualified by such reference.

## **Table of Contents**

### **Determination of Terms**

The indenture does not limit the amount of securities we may issue. Debt securities may be issued in one or more series as we may authorize at various times. (*Section 3.01*). An applicable prospectus supplement relating to the particular series of debt securities we are offering will specify the amounts, prices and terms of those debt securities.

The debt securities will be our direct, unsecured and unsubordinated obligations. The debt securities will rank equally with any of our other unsecured and unsubordinated obligations for borrowed money.

The indenture does not limit other indebtedness or securities which we may incur or issue. The indenture does not contain financial or similar restrictions on us, except as described under **Certain Covenants**.

Other than the protections which may otherwise be afforded holders of debt securities as a result of the operation of the covenants described in the indenture, there are no covenants or other provisions which may afford holders of debt securities protection if there is a leveraged buyout or other highly leveraged transaction involving us or any similar occurrence.

We may sell the debt securities, including original issue discount securities, at a substantial discount below their stated principal amount. Original issue discount securities are securities which bear no interest or interest at a rate which at the time of issuance is below market rates. We will describe in a prospectus supplement certain U.S. federal income tax considerations for holders of any debt securities, including any special tax considerations applicable to original issue discount securities and debt securities denominated in a foreign currency or composite currency.

### **Form, Denominations, Exchange and Transfer**

Unless otherwise provided in an applicable prospectus supplement, we will issue the debt securities in definitive form solely as registered securities, solely as bearer securities or as both registered securities and bearer securities. Unless otherwise provided in an applicable prospectus supplement, interest coupons will be attached to bearer securities. (*Section 2.01*). The indenture also provides that we may issue debt securities of a series in temporary or permanent global form. (*Section 3.01*).

Unless we specify otherwise in an applicable prospectus supplement, we will issue registered securities in denominations of multiples of \$1,000 and bearer securities in denominations of \$1,000 or \$10,000. (*Section 3.02*). We will issue debt securities denominated in a foreign currency or in a composite currency in the denominations we specify in an applicable prospectus supplement.

You may surrender debt securities for exchange and registered securities for registration of transfer in the manner, at the places and subject to the restrictions set forth in an applicable prospectus supplement. This may be done without service charge but we may require payment of related taxes or other governmental charges. (*Section 3.05*). Bearer securities and the attached coupons will be transferable by delivery. Any restrictions on the sale of bearer securities under U.S. Treasury regulations will be described in the applicable prospectus supplement.

In the event of any redemption, we will not be required to:

issue, register the transfer of or exchange debt securities of any series during a period beginning at the opening of business 15 days before (i) the day the relevant notice of redemption is mailed and ending at the close of business on the day of such mailing if debt securities of the series are issuable only as registered securities; and (ii) the day the relevant notice of redemption is first published if debt securities of the series are issuable only as bearer securities, or, if earlier, and if debt securities of the series are also issuable as registered securities and there is no publication, the day of mailing of the relevant notice of redemption, and in either case, ending at the close of business on the date of such publication or mailing;

## **Table of Contents**

register the transfer or exchange of any portion of a registered security called for redemption, except the unredeemed portion of any registered security being redeemed in part; or

exchange any bearer security called for redemption, except to exchange such bearer security for a registered security of that series and like tenor which is then simultaneously surrendered for redemption.

### **Payment and Paying Agents**

Unless we indicate otherwise in an applicable prospectus supplement, we will pay principal of and any premium and any interest on registered securities at the office of the paying agent or paying agents as we may designate at various times. However, at our option, we may make interest payments on registered securities by check mailed to the address, as it appears on the security register, of the person entitled to the payments. Unless we specify otherwise in an applicable prospectus supplement, we will make payment of any installment of interest on registered securities to the person in whose name the registered security is registered at the close of business on the record date for such interest. (*Sections 3.07 and 10.02*).

Unless we indicate otherwise in an applicable prospectus supplement, we will pay principal, any premium and any interest on bearer securities, subject to any applicable laws and regulations, at the offices of those paying agents outside the U.S. that we may designate at various times. However, at our option, we may make interest payments by check or by transfer to an account maintained by the payee with a bank located outside the U.S. (*Sections 3.07 and 10.02*). Unless we indicate otherwise in an applicable prospectus supplement, we will pay any interest on bearer securities on any interest payment date only upon presentation and surrender of the coupon relating to the interest payment date. (*Section 10.01*). We will not pay principal, any premium or any interest for any bearer security at any paying agency maintained by us in the U.S. or by check mailed to any address in the U.S. or by transfer to an account maintained with a bank located in the U.S. except as may be permitted without detriment to us under U.S. tax laws and regulations in effect at the time of such payment. Notwithstanding the foregoing,

any payment in respect of bearer securities to be made in U.S. dollars may be made at the office of a paying agent in the U.S. if payment at all paying agencies outside the U.S. is illegal or effectively precluded by exchange controls or other similar restrictions, and

any payment in respect of bearer securities to be made in a foreign currency or composite currency may be made at the office of a paying agent in the U.S. in U.S. dollars in an amount equal to the sum otherwise due in such foreign currency or composite currency as converted into U.S. dollars at the rate of exchange as set forth in the indenture if payment at all paying agencies outside the U.S. in such foreign currency or composite currency and in U.S. dollars in such amount is illegal or effectively precluded by exchange controls or other similar restrictions. (*Section 10.02*).

We will name the paying agents outside the U.S. initially appointed by us for a series of debt securities in an applicable prospectus supplement. We may terminate the appointment of any of the paying agents at various times, but we will maintain in the Borough of Manhattan, The City of New York, at least one paying agency where the registered securities of each series may be presented for payment. We will maintain one or more paying agencies in a city or cities located outside the U.S. (including any city in which a paying agency is required to be maintained under the rules of any stock exchange on which the debt securities of such series are listed) where the bearer securities may be presented for payment. (*Section 10.02*).

All monies we pay to a paying agent for the payment of principal of, any premium or any interest on any debt securities that remain unclaimed at the end of two years after becoming due and payable will be repaid to us. After that time, the holder of the debt securities or coupon will look only to us for payment. (*Section 10.03*).



## **Table of Contents**

### **Global Securities**

The debt securities of a series may be issued in whole or in part in the form of one or more fully registered global securities that we will deposit with a depository identified in an applicable prospectus supplement. Registered global securities will be issued in a denomination or aggregate denominations equal to the portion of the aggregate principal amount of outstanding debt securities of the series to be represented by the registered global security or securities. Unless and until it is exchanged in whole or in part for the individual debt securities it represents, a registered global security may not be transferred or exchanged except as a whole:

by the applicable depository to a nominee of the depository;

by any nominee to the depository itself or another nominee; or

by the depository or any nominee to a successor depository or any nominee of the successor depository and except in the circumstances described in an applicable prospectus supplement. (*Section 3.05*).

We will describe the specific terms of the depository arrangement with respect to any portion of a series of debt securities in an applicable prospectus supplement. We anticipate that the following provisions will generally apply to depository arrangements.

Ownership of beneficial interests in a registered global security will be limited to institutions that have accounts with the depository, and to persons that may hold interests through institutions. Such institutions are often referred to as participants of the depository. For interests of participants, ownership of beneficial interests in the registered global security will be shown on the records maintained by the applicable depository. For interests of persons other than participants, ownership of beneficial interests in the registered global security will be shown on the records of participants. Transfer of that ownership will be effected only through those records.

We expect that upon the issuance of a registered global security, and the deposit of the registered global security with or on behalf of the depository, the depository will immediately credit, on its book-entry registration and transfer system, the respective principal amounts of the debt securities represented by the registered global security to the accounts of participants. The accounts to be credited shall be designated by the underwriters or agents engaging in the distribution of such debt securities or by us if those debt securities are offered and sold directly by us.

Unless we specify otherwise in an applicable prospectus supplement, payment of principal of and premium, and any interest on debt securities represented by any registered global security will be made to the depository or its nominee, as the sole registered owner and the sole holder of the debt securities. Neither we, the trustee, nor any agents will be responsible for any aspect of the depository's records or any participant's records relating to or payments made by the depository or any participants on account of beneficial ownership interests in a registered global security representing any debt securities. Neither we, the trustee nor any agents will be responsible or liable for maintaining, supervising or reviewing any of the depository's records or any participant's records relating to beneficial ownership interests.

We expect that the depository or its nominee, upon receipt of any payment of principal of or any premium or any interest on any registered global security, immediately will credit, on its book-entry registration and transfer system, the participant's accounts with the payments. Those payments will be credited in amounts proportionate to the respective beneficial interests of the participants in the principal amount of the registered global security as shown on the records of the depository or its nominee. We also expect that payments by participants to owners of beneficial interests in a registered global security held through those participants will be governed by standing instructions and customary practices. This is now the case with securities held for customer accounts in bearer form or registered in street name. Those payments will be the sole responsibility of those participants.

**Table of Contents**

Except as otherwise set forth in an applicable prospectus supplement, we will issue certificated debt securities in exchange for each registered global security only if:

the depositary notifies us that it is unwilling or unable to continue as depositary for the registered global security or if at any time the depositary ceases to be a clearing agency registered under the Exchange Act, and we have not appointed a successor of the depositary within 90 calendar days;

we determine that the registered global security shall be exchangeable for definitive debt securities in registered form; or

an Event of Default (as defined below under Defaults and Certain Rights on Default ) for the debt securities represented by such registered global security has occurred and is continuing.

Any registered global security that is exchangeable pursuant to the preceding sentence shall be exchangeable in whole for definitive debt securities in registered form, of like tenor and of an equal aggregate principal amount, in denominations of \$100,000 and any larger amount that is an integral multiple of \$1,000. Such definitive debt securities will be registered in the name or names of the owners of such person or persons as the depositary shall instruct the trustee. It is expected that the instructions may be based upon directions received by the depositary from its participants regarding ownership of beneficial interests in the registered global security.

Unless we specify otherwise in an applicable prospectus supplement and except as provided above, owners of beneficial interests in the registered global security will not be entitled to receive physical delivery of debt securities in definitive form and will not be considered the holders for any purpose under the indenture. No registered global security representing debt securities will be exchangeable except for another permanent registered global security of like denomination and tenor to be registered in the name of the depositary or its nominee. Each person owning a beneficial interest in the registered global security must rely on the procedures of the depositary. Persons who are not participants must rely on the procedures of the participant through which such person owns its interest, to exercise any rights of a holder under the indenture. The laws of some jurisdictions require that certain purchasers of securities take physical delivery of the securities in definitive form. Such limits and such laws may impair the ability to transfer beneficial interests in a registered global security.

The indenture permits the depositary, as a holder, to authorize participants as its agents to make, give or take any request, demand, authorization, direction, notice, consent, waiver or other action which a holder is entitled to make, give or take under the indenture. We understand that under existing industry practices, in the event that we request any action of holders or an owner of a beneficial interest in the registered global security desires to make, give or take any request, demand, authorization, direction, notice, consent, waiver or other action which a holder is entitled to make, give or take under the indenture, the depositary would authorize the participants holding the relevant beneficial interests to make, give or take such action. The participants would authorize beneficial owners owning through them to make, give or take such action or would otherwise act upon the instructions of beneficial owners owning through them.

We may also issue the debt securities of a series in whole or in part in the form of one or more bearer global securities that we will deposit with a common depositary for Euroclear Bank S.A./N.V., as operator of the Euroclear System, and with a common depositary for Clearstream, or with a nominee for such common depositary, identified in an applicable prospectus supplement. We may issue the bearer global securities in temporary or permanent form. The specific terms and procedures, including the specific terms of the depositary arrangement, for any portion of a series of debt securities to be represented by one or more bearer global securities, will be described in an applicable prospectus supplement. See Limitations on Issuance of Bearer Debt Securities and Bearer Debt Warrants.

## **Table of Contents**

### **Convertible Debt Securities**

The terms and conditions upon which any convertible debt securities of a series may be converted into shares of common stock, including the initial conversion price or rate and the conversion period, and other provisions, will be set forth in a prospectus supplement. See Description of Capital Stock.

### **Certain Covenants**

**Definitions.** The following is a summary of certain defined terms used in the restrictive covenants contained in the indenture:

**Consolidated Net Tangible Assets** means the excess over current liabilities of all assets as set forth in our consolidated balance sheet after deducting goodwill, trademarks, patents, other like intangibles and minority interests of others.

**Funded Debt** includes: (1) indebtedness for borrowed money maturing more than one year from the date of creation or extension thereof, (2) guarantees of funded debt or of dividends, other than guarantees arising in connection with the sale or pledge of customers paper or otherwise arising in the ordinary course of business and (3) any funded debt secured by a mortgage on our property or any Restricted Subsidiary whether or not assumed.

**Restricted Subsidiary** is defined to exclude a Subsidiary organized under foreign laws or operating outside the U.S., a Subsidiary involved primarily in the business of finance, banking, credit, leasing, insurance, financial services, real estate, petroleum or gas, transportation or overseas financing, and Subsidiaries of the foregoing. A Subsidiary required to be disposed of by court order and determined by our board of directors not to be a Restricted Subsidiary is also excluded from the definition of Restricted Subsidiary.

**Secured Debt** includes indebtedness for money borrowed secured by a mortgage upon any of our assets or a Restricted Subsidiary; mortgage includes any mortgage, pledge or security interest.

**Subsidiary** is defined as any corporation of which we or any one or more Subsidiaries directly or indirectly own outstanding stock having voting power sufficient to elect, under ordinary circumstances, a majority of the directors. (*Section 1.01*).

**Restrictions on Secured Debt.** The indenture provides that, except as described below, neither we nor any Restricted Subsidiary may incur any Secured Debt without securing the debt securities, and, if we so elect, any indebtedness ranking equally with the debt securities, equally and ratably with, or prior to, such Secured Debt. This restriction does not apply to indebtedness secured by:

mortgages existing at the time a corporation becomes a Restricted Subsidiary;

mortgages assumed in connection with a merger with, or an acquisition of substantially all of the properties of, a corporation, if any such mortgage existed prior to such merger or acquisition and did not apply to any property owned by us or a Restricted Subsidiary immediately prior to such merger or acquisition;

mortgages on property existing at the time of acquisition or mortgages on certain property to finance the cost of acquisition, construction or improvement;

mortgages securing indebtedness owing to us or a Restricted Subsidiary;

mortgages in favor of the U.S. or any State or any instrumentality of either to secure partial, progress, advance or other payments pursuant to any contract or statute;

mortgages incurred under industrial revenue bond or similar financings; or

extensions, renewals or refundings of any of the foregoing.

**Table of Contents**

Notwithstanding the above provisions, we and our Restricted Subsidiaries may incur Secured Debt without equally and ratably securing the debt securities if after giving effect thereto the sum of:

the total of all of our Secured Debt and the Secured Debt of Restricted Subsidiaries, except Secured Debt of the types described in the paragraph immediately above as not restricted;

the value of all sale and lease back transactions; and

the aggregate of all unsecured Funded Debt of Restricted Subsidiaries which, if it were secured debt, would be permitted by this paragraph, does not exceed 10% of Consolidated Net Tangible Assets. (*Section 10.06*).

***Restrictions on Borrowing by Restricted Subsidiaries.*** The indenture provides that Restricted Subsidiaries may not incur any Funded Debt, except:

Funded Debt owed to us or a Restricted Subsidiary;

Funded Debt which is Secured Debt that could under the preceding paragraphs of *Restrictions on Secured Debt* be incurred without ratably securing the debt securities;

unsecured Funded Debt which represents an extension, renewal or refunding of Secured Debt described in the second sentence of the first paragraph of *Restrictions on Secured Debt* above;

unsecured Funded Debt, which, if it were Secured Debt, would be permitted by the last paragraph of *Restrictions on Secured Debt* above;

existing unsecured Funded Debt assumed by a Restricted Subsidiary in connection with its merger with, or acquisition of all or a substantial part of the assets of, any corporation;

unsecured Funded Debt of any corporation existing when it becomes a Restricted Subsidiary;

Funded Debt incurred in connection with industrial revenue bond or similar financings; or

extensions, renewals or refundings of any of the foregoing. (*Section 10.05*).

***Restrictions on Sale and Lease Back Transactions.*** The indenture provides that neither we nor any Restricted Subsidiary may sell and lease back for periods exceeding five years any major facility owned as of the date of the indenture unless:

Edgar Filing: FORTUNE BRANDS INC - Form 424B5

fair value is received for the facility sold; and

an amount equal to the net proceeds of such sale is applied to the retirement of Funded Debt which is not subordinated in right of payment to the debt securities, provided that the amount of such required retirement shall be reduced by:

the amount of any Secured Debt which we or such Restricted Subsidiary could then incur under the last paragraph of Restrictions on Secured Debt above, and

the principal amount of any instruments evidencing Funded Debt, including the debt securities, delivered within 120 days after the sale to the applicable trustee for retirement and cancellation, other than instruments retired by payment at maturity or pursuant to mandatory sinking fund or prepayment provisions. (*Section 10.07*).

**Restrictions on Transfers of Property.** Neither we nor any Restricted Subsidiary may transfer or lease any major facility to any Subsidiary not considered a Restricted Subsidiary for any of the reasons described in the first sentence of the Restricted Subsidiary definition in the Definitions paragraph above. (*Section 10.08*).

## **Table of Contents**

### **Limitations on Merger**

The indenture provides that if we merge or consolidate with or into any other corporation or we transfer substantially all of our assets to any other corporation, and as a result any of our property or the property of a Restricted Subsidiary would become subject to any mortgage, we will simultaneously with or prior to such transaction secure the debt securities by a prior lien on such property. (*Section 8.03*). If we merge or consolidate with any other corporation or we transfer substantially all of our assets to any other corporation, the successor corporation shall be substituted as obligor under the indenture. (*Sections 8.01 and 8.02*).

### **Modification of Indenture**

In general, our rights and obligations and the rights of holders of debt securities under the indenture may be modified if holders of a majority in aggregate principal amount of the outstanding debt securities of each series affected by the modification consent to it. However, the indenture provides that, unless each affected holder agrees, we cannot make any adverse change to any payment term of a debt security such as:

extending the maturity date;

extending the date on which we have to pay interest;

reducing the interest rate;

reducing the amount of principal we have to repay;

changing the currency in which we have to make any payment of principal, premium or interest;

modifying any redemption or repurchase right to the detriment of the holder;

modifying any right to convert the debt securities for another security to the detriment of the holder;

impairing any right of a holder to bring suit for payment;

reducing the percentage of the aggregate principal amount of debt securities needed to make any amendment to the indenture or to waive any covenant or default; or

making any change to this provision of the indenture. (*Section 9.02*).

However, if the trustee and we agree, we can amend the indenture without notifying any holders or seeking their consent if the amendment does not materially and adversely affect any holder.

### **Defaults and Certain Rights on Default**

An Event of Default is defined under the indenture as any of the following:

default for 30 days in payment of any interest;

default in payment of principal;

default for 60 days after notice in performance of any other covenant in the indenture; and

certain events of bankruptcy, insolvency, receivership or reorganization.

We will furnish to the trustee annually a written statement as to the fulfillment of our obligations under the indenture. In case an Event of Default with respect to debt securities of any series at the time outstanding occurs and is continuing, the trustee or the holders of at least 25% in principal amount of the debt securities of such series then outstanding may declare the principal of all the debt securities of such series to be due and payable. The indenture permits such declaration, under certain circumstances, to be rescinded by the holders of a majority in principal amount of the debt securities of the series at the time outstanding. (*Sections 5.01, 5.02 and 10.04*).



## **Table of Contents**

Subject to the provisions of the indenture relating to the duties of the trustee in case an Event of Default occurs and is continuing, the indenture provides that the trustee is not obligated to exercise any of the rights or powers under the indenture at the request or direction of any of the holders of debt securities, unless the holders have offered to the trustee reasonable security or indemnity.

Subject to the provisions for indemnification and certain limitations contained in the indenture, the holders of a majority in principal amount of the debt securities of any series at the time outstanding and so affected have the right to direct the time, method and place of conducting any proceeding for any remedy available to the trustee or exercising any trust or power conferred on the trustee with respect to the debt securities of such series.

The holders may, in certain cases, waive any default except a default in payment of principal of or premium, if any, or interest, if any, on the debt securities of such series. (*Sections 5.12, 5.13 and 6.03*).

## **Defeasance**

The applicable prospectus supplement will state if any defeasance provision will apply to the debt securities.

The indenture contains a provision that, if made applicable to any series of debt securities, permits us to elect (a) to defease and be discharged from most of our obligations with respect to any series of debt securities then outstanding (*Section 4.03*), or (b) to be released from our obligations under most of our restrictive covenants, including those described above under *Certain Covenants (Section 10.10)*. We call the first election *legal defeasance* and the second election *covenant defeasance*. To make either election, we must:

deposit in trust with the trustee (a) in the case of debt securities and coupons denominated in U.S. dollars, U.S. government obligations and (b) in the case of debt securities and coupons denominated in a foreign currency, foreign government securities denominated in such foreign currency, which through the payment of principal and interest in accordance with their terms and, together with any additional currency deposited, will provide sufficient money, without reinvestment, to repay in full those debt securities; and

deliver to the trustee an opinion of counsel that holders of the debt securities will not recognize income, gain or loss for Federal income tax purposes as a result of the deposit and related defeasance and will be subject to Federal income tax in the same amount, in the same manner and at the same times as would have been the case if such deposit and related defeasance had not occurred. In the case of legal defeasance only, such opinion of counsel is to be based on a ruling of the IRS to such effect, unless we indicate otherwise in an applicable prospectus supplement.

## **Governing Law**

The indenture, the debt securities and any coupons will be governed by, and construed in accordance with, the laws of the State of New York. (*Section 1.12*).

## **Concerning the Trustee**

The Bank of New York Mellon has banking affiliates with which we maintain credit facilities and ordinary banking relationships. As of the date of this prospectus, The Bank of New York Mellon also acts as trustee under one other indenture under which unsecured debt obligations of ours are outstanding.

**Table of Contents**

**DESCRIPTION OF CAPITAL STOCK**

The following description of our capital stock includes a summary of certain provisions of our amended and restated certificate of incorporation and our by-laws, as amended. This description is not complete and is qualified in its entirety by the applicable provisions of the Delaware General Corporation Law, our amended and restated certificate of incorporation and our by-laws, which are filed as exhibits to the registration statement of which this prospectus forms a part and incorporated by reference herein.

**Capital Stock**

We have authorized 810 million shares, of which 750 million are common stock, par value \$3.125 per share, and 60 million are preferred stock, without par value.

Apart from the \$2.67 convertible preferred stock described below under *\$2.67 Convertible Preferred Stock*, the rights, preferences and limitations of which are set forth in the amended and restated certificate of incorporation, our board of directors is empowered to provide for any series of preferred stock and, in general, to determine the relative rights, preferences and limitations of such series. The amended and restated certificate of incorporation provides that no holder of common stock or preferred stock shall have any preemptive rights.

The outstanding shares of common stock and \$2.67 preferred are, and any shares of common stock issued upon conversion of any convertible debt securities will be, validly issued, fully paid and non-assessable.

***Common Stock***

Holders of common stock are entitled to receive such dividends as are declared by our board of directors. Holders of common stock are entitled to cast one vote for each share on all matters voted upon by stockholders, except where holders of preferred stock are entitled to vote separately in certain cases. Upon liquidation of Fortune Brands, holders of common stock are entitled to share equally and ratably in any assets available for distribution to them.

No dividend may be paid or declared on the common stock or any other junior stock, other than a dividend payable in common stock or other junior stock, nor may any shares of common stock or any junior stock be acquired for a consideration by us or any subsidiary, unless all dividends on the \$2.67 preferred accrued for all past quarterly dividend periods have been paid and unless, in the case of dividends on the common stock or any other junior stock, the full dividends on the \$2.67 preferred for the then current quarterly dividend period have been then paid or declared. Subject to the foregoing, the amended and restated certificate of incorporation does not restrict us from purchasing shares of common stock.

Our common stock is listed on the New York Stock Exchange under the symbol *FO*.

The transfer agent for shares of common stock is Wells Fargo Bank, National Association.

***\$2.67 Convertible Preferred Stock***

Holders of \$2.67 preferred are entitled to cumulative dividends at an annual rate of \$2.67 per share, payable quarterly on the 10th day of March, June, September and December, as and when declared by our board of directors. Holders are also entitled to preference in liquidation of \$30.50 per share plus accrued dividends then unpaid and to three-tenths of a vote per share on all matters voted upon by stockholders and have the right to convert each share of \$2.67 preferred into 6.205 (6205/1000) shares of common stock. In certain events, the factor for converting the \$2.67 preferred into common stock will be adjusted to prevent dilution of the conversion right. Holders of \$2.67 preferred are not, except in certain cases, entitled to vote as a class. We may redeem all or any part of the \$2.67 preferred at a price of \$30.50 per share, plus accrued dividends then unpaid.

## **Table of Contents**

### **Election of Directors, Other Voting Provisions and Related Matters**

Pursuant to our amended and restated certificate of incorporation, beginning with the 2010 annual meeting of stockholders, our board of directors will be elected annually. The board of directors was previously divided into three classes of directors serving staggered three-year terms. The declassification of the board of directors will be phased-in over a three-year period and the board of directors will be fully declassified in 2012. The exact number of directors will be determined from time to time by or pursuant to the by-laws, provided that their number shall not exceed 20. The board of directors is currently comprised of 10 directors. The amended and restated certificate of incorporation also provides a procedure requiring that we receive advance written notice of stockholder nominations of directors.

The amended and restated certificate of incorporation requires, in addition to any affirmative vote required by law, the amended and restated certificate of incorporation or the by-laws, the affirmative vote of two-thirds of the votes cast by our stockholders entitled to vote in order to obtain stockholder approval of amendments to the amended and restated certificate of incorporation, mergers, consolidations and sales or leases of substantially all of our assets. Currently, Delaware law generally requires the affirmative vote of the holders of a majority of the outstanding shares of our capital stock entitled to vote thereon. Notwithstanding the foregoing, the amended and restated certificate of incorporation further provides that the affirmative vote of at least 80 percent of the votes entitled to be cast by the holders of all the then outstanding shares of stock of Fortune Brands, Inc. entitled to be voted generally in the election of directors, voting together as a single class, shall be required for the amendment or repeal of, or the adoption of provisions inconsistent with, the provisions of the amended and restated certificate of incorporation relating to classification and stockholder nomination of directors unless such amendment, repeal or adoption has been approved by three-fourths of the directors then in office.

The by-laws require that the annual meeting of our stockholders for the election of directors and other proper business be held at such place as may from time to time be designated by the directors on the last Tuesday of April or on such other day as the directors may designate. The by-laws further provide that special meetings of the stockholders may be called only by the Chairman of the Board, the President or the directors, by resolution adopted by a majority of the entire board of directors. In addition, the amended and restated certificate of incorporation provides that any action to be taken by the stockholders must be effected at a duly called annual or special meeting and may not be effected by written consent. The by-laws require that, except as otherwise provided by law, at least ten days prior notice of each annual or special meeting shall be given by written notice signed by the Secretary or an Assistant Secretary and mailed to each stockholder of record entitled to vote. The by-laws also provide a procedure requiring that advance written notice be given to us of the proposal by stockholders of business other than the nomination of directors and then only such business as is stated in a notice of a special meeting shall be transacted at such meeting.

Certain of the provisions described under this section entitled Description of Capital Stock, including the right to issue additional shares of preferred stock, could have the effect of discouraging transactions that might lead to a change in control of Fortune Brands, Inc.

## **Table of Contents**

### **DESCRIPTION OF DEBT WARRANTS**

The following summarizes the terms of debt warrants we may issue. We will issue the debt warrants under a debt warrant agreement that we will enter into with a bank or trust company, as debt warrant agent, that we select at the time of issue.

#### **Determination of Terms**

We may issue debt warrants evidenced by debt warrant certificates under the debt warrant agreement independently or together with any debt securities we offer by any prospectus supplement. An applicable prospectus supplement will describe the particular terms of the debt warrants it covers.

You may exchange debt warrant certificates for new debt warrant certificates of different denominations and may present debt warrant certificates for registration of transfer at the corporate trust office of the debt warrant agent, which will be listed in an applicable prospectus supplement. Debt warrant holders, as such, do not have any of the rights of holders of debt securities, except to the extent that the consent of debt warrant holders may be required for certain modifications of the terms of an indenture or form of the debt security, as the case may be, and the series of debt securities issuable upon exercise of the debt warrants. In addition, debt warrant holders are not entitled to payments of principal of and interest, if any, on the debt securities.

#### **Exercise of Debt Warrants**

You may exercise debt warrants by surrendering the debt warrant certificate at the corporate trust office of the debt warrant agent, with payment in full of the exercise price. Upon the exercise of debt warrants, the debt warrant agent will, as soon as practicable, deliver the debt securities in authorized denominations in accordance with your instructions. If less than all the debt warrants evidenced by the debt warrant certificate are exercised, the agent will issue a new debt warrant certificate for the remaining amount of debt warrants.

### **DESCRIPTION OF WARRANTS TO PURCHASE COMMON OR PREFERRED STOCK**

The following summarizes the terms of common stock warrants and preferred stock warrants we may issue. This description is subject to the detailed provisions of a stock warrant agreement that we will enter into with a stock warrant agent we select at the time of issue.

#### **General Terms**

We may issue stock warrants evidenced by stock warrant certificates under the stock warrant agreement independently or together with any securities we offer by any prospectus supplement. If we offer stock warrants, an applicable prospectus supplement will describe the particular terms of the stock warrants it covers.

The shares of common stock or preferred stock we issue upon exercise of the stock warrants will, when issued in accordance with the stock warrant agreement, be validly issued, fully paid and non-assessable.

#### **Exercise Of Stock Warrants**

You may exercise stock warrants by surrendering to the stock warrant agent the stock warrant certificate, which indicates your election to exercise all or a portion of the stock warrants evidenced by the certificate. Surrendered stock warrant certificates must be accompanied by payment of the exercise price in the form of cash or a check. The stock warrant agent will deliver certificates evidencing duly exercised stock warrants to the transfer agent. Upon receipt of the certificates and the exercise price, the transfer agent will deliver a certificate representing the number of shares of common stock or preferred stock purchased. If you exercise fewer than all the stock warrants evidenced by any certificate, the stock warrant agent will deliver a new stock warrant certificate representing the unexercised stock warrants.

**Table of Contents**

**No Rights As Shareholders**

Holders of stock warrants, as such, are not entitled to vote, to consent, to receive dividends or to receive notice as holders of common stock or preferred stock with respect to any meeting of such holders, or to exercise any rights whatsoever as holders of Fortune Brands common stock or preferred stock.

**Table of Contents**

**PLAN OF DISTRIBUTION**

We may sell the securities separately or together:

through one or more underwriters or dealers in a public offering and sale by them;

directly to investors; or

through agents.

We may distribute the securities from time to time in one or more transactions at a fixed price or prices. These prices may be changed from time to time and may be set:

at market prices prevailing at the times of sale;

at prices related to such prevailing market prices; or

at negotiated prices.

We will describe the method of distribution of the securities in an applicable prospectus supplement.

Underwriters, dealers or agents may be considered to be underwriters under the Securities Act. As a result, discounts, commissions or profits on resale received by the underwriters, dealers or agents may be treated as underwriting discounts and commissions under the Securities Act. An applicable prospectus supplement will identify any such underwriter, dealer or agent, and describe any compensation received by them from us. Any initial public offering price and any discounts or concessions allowed or re-allowed or paid to dealers may be changed from time to time.

We may agree with underwriters, dealers and agents to indemnify them against certain civil liabilities, including liabilities under the Securities Act, or to contribute with respect to payments made by the underwriters, dealers or agents as a result of those civil liabilities.

We may grant underwriters who participate in the distribution of securities an option to purchase additional securities to cover over-allotments, if any, in connection with the distribution.

If indicated in an applicable prospectus supplement, we will authorize underwriters, dealers or agents to solicit offers by certain purchasers to purchase securities from us at the public offering price set forth in an applicable prospectus supplement under delayed delivery contracts providing for payment and delivery on a specified date in the future. These contracts will be subject to only those conditions set forth in an applicable prospectus supplement, and an applicable prospectus supplement will set forth the commission payable for solicitation of the contracts.

We expect that any securities we offer other than common stock will be new issues of securities with no established trading market. Underwriters may make a market in these securities. However, they are not obligated to make a market and may discontinue market making activity at any time. Therefore, we cannot give any assurances to you as to the liquidity of the trading market for any securities.

Underwriters or agents and their associates may be customers of, engage in transactions with or perform services for us or our subsidiaries in the ordinary course of business.

**LEGAL OPINION**

## Edgar Filing: FORTUNE BRANDS INC - Form 424B5

The validity of the issuance of securities offered by this prospectus will be passed upon for us by Winston & Strawn LLP. Any underwriters will also be advised about the validity of the securities and other legal matters by their own counsel, which will be named in the prospectus supplement.

**Table of Contents**

**EXPERTS**

The consolidated financial statements of Fortune Brands, Inc. and management's assessment of the effectiveness of internal control over financial reporting (which is included in Management's Report on Internal Control over Financial Reporting) incorporated in this prospectus by reference to Fortune Brands, Inc.'s Annual Report on Form 10-K for the year ended December 31, 2008 have been so incorporated in reliance on the report of PricewaterhouseCoopers LLP, an independent registered public accounting firm, given on the authority of said firm as experts in auditing and accounting.



**Table of Contents**

**WHERE YOU CAN FIND MORE INFORMATION**

We file annual, quarterly and current reports, proxy statements and other information with the SEC, which the SEC maintains in the SEC's File No. 1-9076. You can read and copy any document we file at the SEC's public reference room at 100 F Street, NE, Washington, D.C. 20549. Please call the SEC at 1-800-SEC-0330 for further information on the public reference room. Our SEC filings are also available to the public at the SEC's web site at <http://www.sec.gov>.

The SEC allows us to incorporate by reference into this prospectus the information we file with it, which means that we can disclose important information to you by referring you to those documents. The information incorporated by reference is considered to be a part of this prospectus, and later information filed with the SEC will update and supersede this information. We incorporate by reference the documents listed below and any future filings made with the SEC under Section 13(a), 13(c), 14 or 15(d) of the Exchange Act (excluding any information deemed to be furnished and not filed in accordance with SEC rules) until our offering is completed:

Annual Report on Form 10-K for the fiscal year ended December 31, 2008;

Current Reports on Form 8-K or amendments thereto filed on January 6, 2009, February 27, 2009, March 19, 2009, April 1, 2009 and May 5, 2009;

Definitive Proxy Statement on Schedule 14A filed on March 9, 2009; and

The description of our common stock contained in our Registration Statements on Form 8-A filed pursuant to Section 12(b) of the Exchange Act, including any amendment or report updating such description.

You may request a copy of these filings, at no cost other than for exhibits of such filings, by writing to or telephoning us at the following address (or by visiting our web site at <http://www.fortunebrands.com>):

FORTUNE BRANDS, INC.

Office of the Secretary

520 Lake Cook Road

Deerfield, Illinois 60015

Telephone number (847) 484-4400

We have filed with the SEC a registration statement to register the debt securities, common stock, preferred stock and warrants to purchase such securities under the Securities Act. This prospectus omits certain information contained in the registration statement, as permitted by SEC rules. You may obtain copies of the registration statement, including exhibits, as noted in the paragraph above.