

FORTUNE BRANDS INC
 Form 5
 February 14, 2011

FORM 5

**UNITED STATES SECURITIES AND EXCHANGE COMMISSION
 Washington, D.C. 20549**

OMB APPROVAL
 OMB Number: 3235-0362
 Expires: January 31, 2005
 Estimated average burden hours per response... 1.0

Check this box if no longer subject to Section 16. Form 4 or Form 5 obligations may continue. See Instruction 1(b).
 Form 3 Holdings Reported Form 4 Transactions Reported

ANNUAL STATEMENT OF CHANGES IN BENEFICIAL OWNERSHIP OF SECURITIES

Filed pursuant to Section 16(a) of the Securities Exchange Act of 1934, Section 17(a) of the Public Utility Holding Company Act of 1935 or Section 30(h) of the Investment Company Act of 1940

1. Name and Address of Reporting Person *
 Pershing Square Capital Management, L.P.
 (Last) (First) (Middle)

2. Issuer Name and Ticker or Trading Symbol
 FORTUNE BRANDS INC [FO]

5. Relationship of Reporting Person(s) to Issuer
 (Check all applicable)

888 SEVENTH AVENUE, 42ND FLOOR
 (Street)

3. Statement for Issuer's Fiscal Year Ended (Month/Day/Year)
 12/31/2010

____ Director
 ____ Officer (give title below)
 10% Owner
 ____ Other (specify below)

NEW YORK, NY 10019
 (City) (State) (Zip)

4. If Amendment, Date Original Filed (Month/Day/Year)

6. Individual or Joint/Group Reporting
 (check applicable line)

____ Form Filed by One Reporting Person
 Form Filed by More than One Reporting Person

Table I - Non-Derivative Securities Acquired, Disposed of, or Beneficially Owned

1. Title of Security (Instr. 3)	2. Transaction Date (Month/Day/Year)	2A. Deemed Execution Date, if any (Month/Day/Year)	3. Transaction Code (Instr. 8)	4. Securities Acquired (A) or Disposed of (D) (Instr. 3, 4 and 5) (A) or (D) Price	5. Amount of Securities Beneficially Owned at end of Issuer's Fiscal Year (Instr. 3 and 4)	6. Ownership Form: Direct (D) or Indirect (I) (Instr. 4)	7. Nature of Indirect Ownership (Instr. 4)
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Reminder: Report on a separate line for each class of securities beneficially owned directly or indirectly.

Persons who respond to the collection of information contained in this form are not required to respond unless the form displays a currently valid OMB control number.

SEC 2270 (9-02)

Table II - Derivative Securities Acquired, Disposed of, or Beneficially Owned (e.g., puts, calls, warrants, options, convertible securities)

1. Title of Derivative Security (Instr. 3)	2. Conversion or Exercise Price of	3. Transaction Date (Month/Day/Year)	3A. Deemed Execution Date, if any (Month/Day/Year)	4. Transaction Code (Instr. 8)	5. Number of Derivative	6. Date Exercisable and Expiration Date (Month/Day/Year)	7. Title and Amount of Underlying Securities (Instr. 3 and 4)
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	Derivative Security				Securities Acquired (A) or Disposed of (D) (Instr. 3, 4, and 5)		Date Exercisable	Expiration Date	Title	Amount or Number of Shares
					(A)	(D)				
Total Return Swap	\$ 55.39	10/13/2010	Â	J/K4 (6)	1	Â	Â (6)	10/09/2012	Common Stock	345,641
Total Return Swap	\$ 54.14	11/10/2010	Â	J/K4 (7)	1	Â	Â (7)	11/13/2012	Common Stock	1,160,000

Reporting Owners

Reporting Owner Name / Address	Relationships			
	Director	10% Owner	Officer	Other
Pershing Square Capital Management, L.P. 888 SEVENTH AVENUE, 42ND FLOOR NEW YORK, NY 10019	Â	Â X	Â	Â
PS Management GP, LLC 888 SEVENTH AVENUE, 42ND FLOOR NEW YORK, NY 10019	Â	Â X	Â	Â
Pershing Square GP, LLC 888 SEVENTH AVENUE, 42ND FLOOR NEW YORK, NY 10019	Â	Â	Â	See Remarks
ACKMAN WILLIAM A 888 SEVENTH AVENUE, 42ND FLOOR NEW YORK, NY 10019	Â	Â X	Â	Â

Signatures

Pershing Square Capital Management, L.P., By: PS Management GP, LLC, its General Partner, By: /s/ William A. Ackman, Managing Member	**Signature of Reporting Person	02/14/2011
		Date
PS Management GP, LLC, By: /s/ William A. Ackman, Managing Member	**Signature of Reporting Person	02/14/2011
		Date
Pershing Square GP, LLC, By: /s/ William A. Ackman, Managing Member	**Signature of Reporting Person	02/14/2011
		Date
/s/ William A. Ackman		02/14/2011

__Signature of Reporting Person

Date

Explanation of Responses:

* If the form is filed by more than one reporting person, see Instruction 4(b)(v).

** Intentional misstatements or omissions of facts constitute Federal Criminal Violations. *See* 18 U.S.C. 1001 and 15 U.S.C. 78ff(a).

In addition to Pershing Square Capital Management, L.P., a Delaware limited partnership ("Pershing Square Capital"), this Form 5 is being filed jointly by PS Management GP, LLC, a Delaware limited liability company ("PS Management"), Pershing Square GP, LLC, a Delaware limited liability company ("Pershing Square GP"), and William A. Ackman, a citizen of the United States of America (collectively, the "Reporting Persons"), each of whom has the same business address as Pershing Square Capital and may be deemed to have a pecuniary interest in securities owned by it.

(1) Pershing Square Capital advises the accounts of Pershing Square, L.P., a Delaware limited partnership ("PS"), Pershing Square II, L.P., a Delaware limited partnership ("PS II"), and Pershing Square International, Ltd., a Cayman Islands exempted company ("Pershing Square International" together with PS and PS II, the "Pershing Square Funds").

Pershing Square Capital, as the investment adviser to the Pershing Square Funds, may be deemed to be the beneficial owner of the securities set forth on Table II hereof (the "Subject Securities") for purposes of Rule 16a-1(a) of the Securities Exchange Act of 1934. As the general partner of Pershing Square Capital, PS Management may be deemed to be the beneficial owner of the Subject Securities for purposes of Rule 16a-1(a). As the general partner of PS and PS II, Pershing Square GP may be deemed to be the beneficial owner of the shares of Subject Securities owned by PS and PS II for purposes of Rule 16a-1(a). By virtue of William A. Ackman's position as Chief Executive Officer of Pershing Square Capital and managing member of each of PS Management and Pershing Square GP, William A. Ackman may be deemed to be the beneficial owner of the Subject Securities for purposes of Rule 16a-1(a).

(2) Each of the Reporting Persons disclaims any beneficial ownership of any of the securities listed in this Form 5, except to the extent of any pecuniary interest therein.

The total return swaps set forth on Table II do not give any of the Pershing Square Funds or the Reporting Persons direct or indirect voting, investment or dispositive control over any securities of the issuer and do not require the counterparties thereto to acquire, hold, vote or dispose of any securities of the issuer.

Under the terms of the cash-settled total return swap (i) Pershing Square International will be obligated to pay to the counterparty any negative price performance of the 345,641 notional shares of Common Stock subject to the swap as of the expiration date of such swap, plus interest at the rates set forth in the applicable contract, and (ii) the counterparty will be obligated to pay to Pershing Square International any positive price performance of the 345,641 notional number of shares of Common Stock subject to the swap as of the expiration date of the swap. Any dividends received by the counterparty on such notional shares of Common Stock during the term of the swap will be paid to Pershing Square International. All balances will be cash settled at the expiration date of the swap.

Under the terms of the cash-settled total return swap (i) Pershing Square International will be obligated to pay to the counterparty any negative price performance of the 1,160,000 notional shares of Common Stock subject to the swap as of the expiration date of such swap, plus interest at the rates set forth in the applicable contract, and (ii) the counterparty will be obligated to pay to Pershing Square International any positive price performance of the 1,160,000 notional number of shares of Common Stock subject to the swap as of the expiration date of the swap. Any dividends received by the counterparty on such notional shares of Common Stock during the term of the swap will be paid to Pershing Square International. All balances will be cash settled at the expiration date of the swap.

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Remarks:

Pershing Square GP, LLC is an affiliate of the other Reporting Persons.

Note: File three copies of this Form, one of which must be manually signed. If space provided is insufficient, *see* Instruction 6 for procedure. Potential persons who are to respond to the collection of information contained in this form are not required to respond unless the form displays a currently valid OMB number.