

**J. P. Morgan 4th Annual
Diversified Industries Conference**

September 16, 2009

Please note that the information included in this presentation contains statements relating to future results, which are forward-looking statements as that term is defined in the Private Securities Litigation Reform Act of 1995. We caution you that these forward-looking statements speak only as of the date hereof and we have no obligation to update them. Actual results may differ materially from those projected as a result of certain risks and uncertainties, including the risks described in our securities filings. Fortune Brands does not endorse or adopt the analyst estimates in this presentation. This presentation includes certain non-GAAP measures, including Internal Net Sales, Operating Income Margin Before Charges/Gains, EPS Before Charges/Gains, and Free Cash Flow. These measures are reconciled to GAAP in the appendix, should not be considered as substitutes for GAAP measures and may be inconsistent with similar measures presented by other companies.

LEADING CONSUMER BRANDS & CONSUMER BRAND BUSINESSES

- World's 4th largest premium spirits company, 2nd largest in the U.S.
- A North American leader in home & security products
- World's #1 golf company



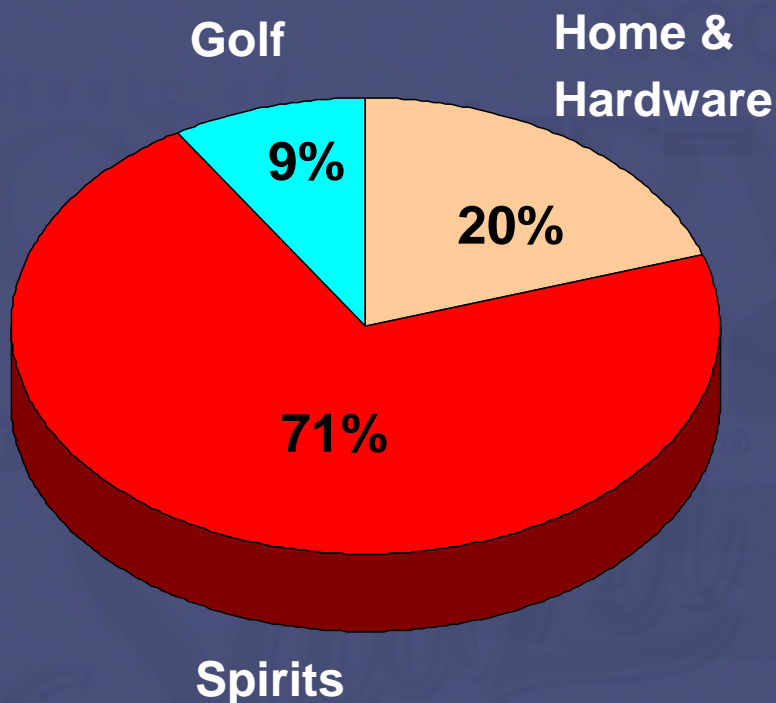
FORTUNE BRANDS

- Our business model creates value by:
 - Building leading consumer brands and consumer brand businesses in categories with strong long-term fundamentals
- Our goals:
 - Outperform markets on revenue and returns
 - Position for strong growth when economy recovers



**% of Fortune Brands'
Operating Income
(before charges)**

Trailing 12 Months (6/09)



Spirits

- Sales: \$2.4 billion
- OI margin⁽¹⁾: 26%
- After-Tax RONTA⁽²⁾: ~20%

Home & Hardware

- Sales: \$3.2 billion
- OI margin⁽¹⁾: 5%
- After-Tax RONTA⁽²⁾: ~10%

Golf

- Sales: \$1.2 billion
- OI margin⁽¹⁾: 7%
- After-Tax RONTA⁽²⁾: ~10%

2008 combined free cash flow: \$430 million
(after dividends and net capital expenditures)

⁽¹⁾ Before charges.

⁽²⁾ Before charges after-tax OI return on net tangible assets.

Powerful and Enduring Consumer Brands

- 20 brands with \$100+ million in sales
- Drive ~80% of Fortune Brands' sales

Moen	\$850	Omega	\$200
Titleist	\$850	Courvoisier	\$200
Jim Beam	\$600	Waterloo	\$200
Aristokraft	\$350	Cobra	\$200
Master Lock	\$350	DeKuyper	\$150
FootJoy	\$300	Canadian Club	\$150
Therma-Tru	\$300	Maker's Mark	\$150
Simonton	\$300	Schrock	\$100
Sauza	\$250	Teacher's	\$100
Kitchen Craft	\$250	HomeCrest	\$100

* 2008 net sales in millions – rounded to nearest \$50 million.

Position brands and businesses to outperform the market

- Focus on most attractive segments
- Understand our consumers
- Invest smartly to build leading brands
- Develop and introduce new and innovative products
- Develop high-performance routes to market
- Extend brands into adjacent markets
- Expand internationally

➔ **~90% sales from #1/#2 market positions**

➔ **~20% sales from new products past 3 years**

➔ **~30% sales from non-U.S. markets and growing**

STRENGTH ACROSS PRICE POINTS

- Bourbon

Knob Creek
 Maker's Mark
 Jim Beam White
 Old Crow

- Faucets

ShowHouse
 Moen
 CFG

- Tequila

3Gs
 Hornitos
 100 Años
 Sauza Gold/Blanco

- Golf balls

Pro V1
 NXT
 DT
 Pinnacle

- Rum

Cruzan Single Barrel
 Cruzan Diamond Estate
 Cruzan
 Ronrico

- Golf shoes

ICON
 SYN-R
 DryJoys
 Contour
 SuperLites



International Sales

by Segment*

Spirits • 47%

Golf • 43%

Home • 15%

- Benefit from combined cash flows
 - Enhances flexibility across portfolio to make investments (e.g. Allied brands acq.)
 - Maintain long-term perspective
- Cash priorities
 - #1 is organic growth
 - Focus on highest return opportunities
 - Debt reduction
 - Share buyback
 - Add-on acquisitions
 - Dividend
- Annual review of portfolio
 - Sale of wine, spin/merge of Office

2 Goals:

1. Outperform our markets
2. Position for strong growth when economy recovers

2009 Initiatives:

- Adjusting to the evolving consumer
- Significantly reducing cost structures and enhancing supply-chain flexibility
- Aggressively managing cash to enhance financial flexibility

The Market:

- Recession resistant – performs well in most economic conditions
- Consumer trends
 - Consumption shifting to at-home
 - Moderate trading down
 - Affordable luxury
 - Increasing LPA population in U.S.
- Significant international growth opportunities

Our Position:

- #2 in the U.S.
 - World's largest spirits market
- #4 in the world⁽¹⁾
 - Strength in U.S., Western Europe and Australia; opportunity in emerging markets



⁽¹⁾ Premium western-style spirits.

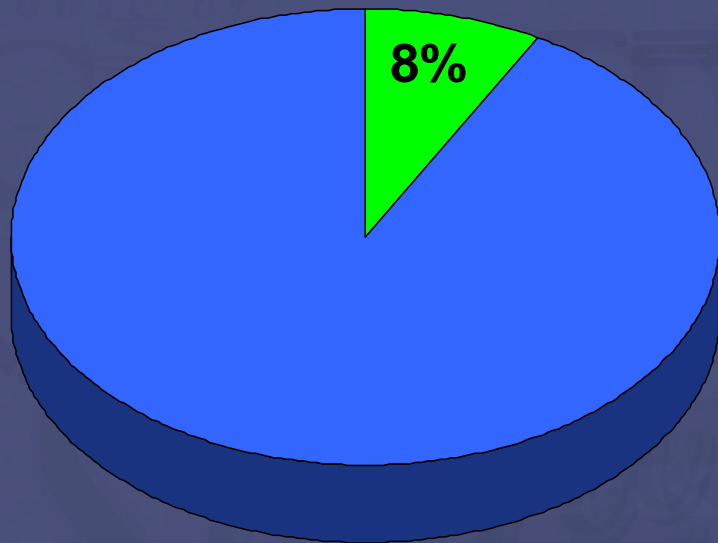
Key 2009 Initiatives:

- Leverage greater control and simplicity of new routes to market
 - New sales organizations more responsive to customers and evolving consumer
- Build global brands with goal to outperform our markets
 - Drive value on top of volume
- Focus on key brand/market combinations: U.S. and international

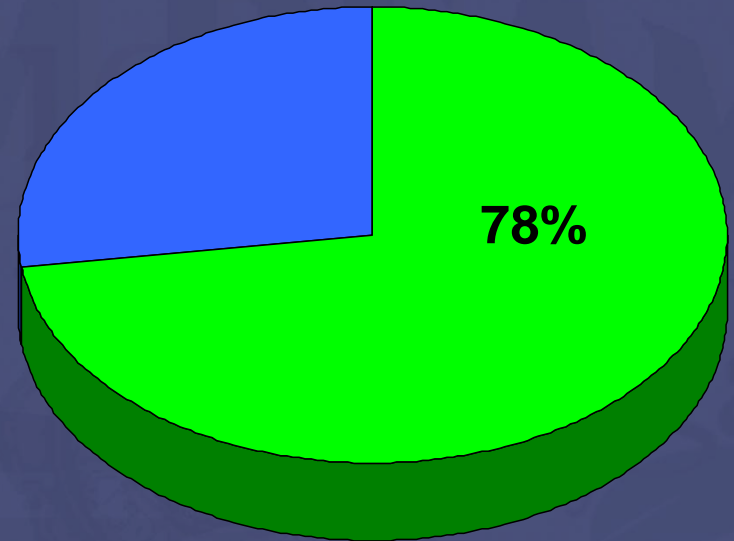
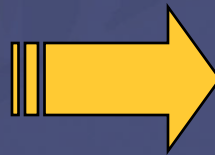


Simpler Routes to Market, More Responsive

- Simpler routes to market, greater control
 - U.S.: 2 partners → 100% owned sales force
 - International: 4 partners → 2 way alliance (collection of Beam-owned, Edrington-owned and jointly-owned sales organizations)



Q3 08



Q2 09

Percent of spirits sales through wholly-owned sales organizations.

U.S.: Focused Entirely on our Brands

- Aligned resources behind key market segments
- Closer to customers and consumers
 - Respond quickly to changes in consumer behavior
- Distributor partnership program
 - Supporting leaner inventories, faster turns

International: Simpler Structure in 24 Key Markets

- Alliance with Edrington Group (Famous Grouse, The Macallan, Brugal Rum)
- Built on successful Maxxium sales forces
- Teacher's, Laphroaig and Courvoisier join distribution portfolio

- Vision: building brands people want to talk about
- 2009 brand-building focus on Jim Beam and Hornitos
 - Creating brand talk with new campaigns



- New product development
 - Innovative products in promising categories
 - Red Stag by Jim Beam significantly outperforming expectations
 - Award-winning (rī)¹
 - At-home entertaining
 - Sauza Margaritas in a box more than double initial forecast
 - DeKuyper Bar Shots
- Addition of EFFEN vodka
 - New position in attractive super-premium vodka segment



Well positioned for stronger long-term growth:

- Spirits initiatives create long-term value
- Sharpened focus on profitable growth in spirits
- Excellent positions in key premium categories: bourbon, tequila, rum, cognac, Scotch, Canadian whisky, cordials
- Positioned to compete effectively with new distribution
- Australia RTD excise tax annualized Q2



- U.S. housing market correction
 - Expect home products market down ~25% in 2009
 - Down 25-30% in 1H
 - Replace-remodel: ~80% of market
 - Down ~10-15%
 - Consumer focus on needed repairs, modest remodeling and energy efficiency
 - Trading down
 - New construction: ~20% of market
 - Down 40+%
 - Kitchen and bath cabinetry (big ticket)
 - Down 30+%

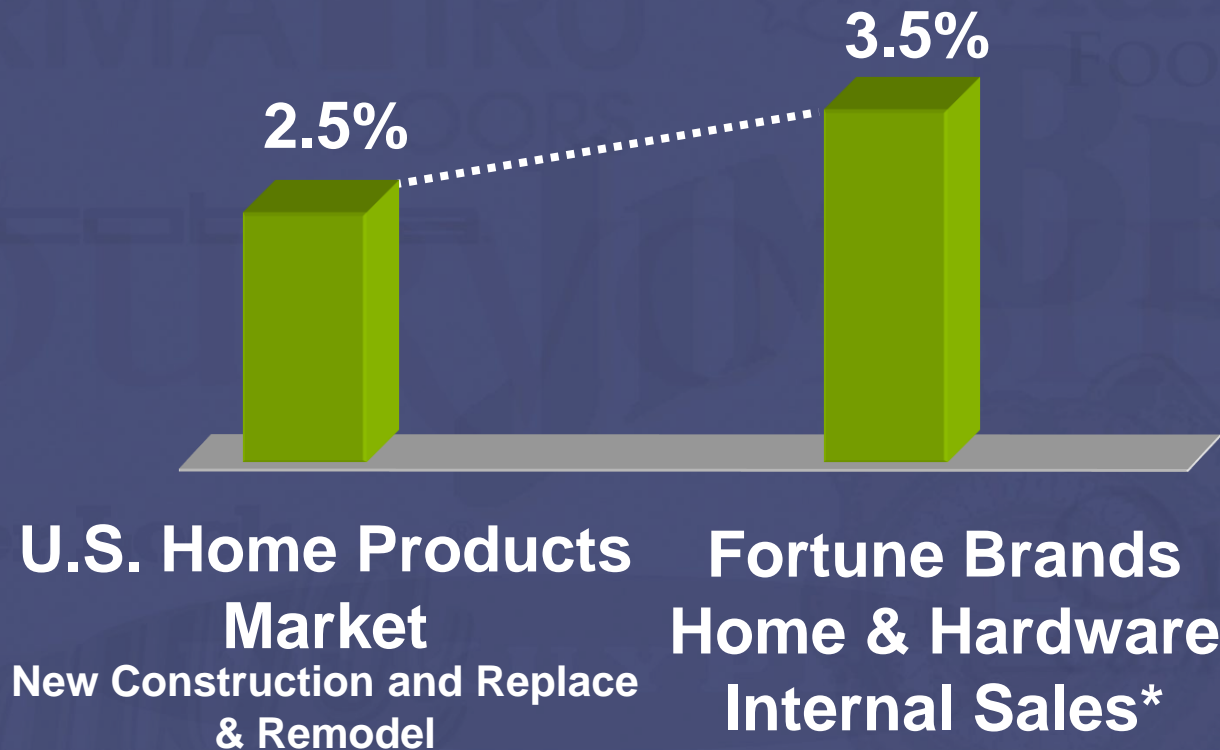
- Focus on most attractive consumer-oriented categories
 - Kitchen and bath
 - Openings
 - Safety and security

- Outperforming market over course of downturn




Sales Growth Rate 1989 → 2009

- Includes recessions of '90-'91, '01, '08-'09



* Adjusted for acquisitions/divestitures. On a GAAP basis the compounded annual growth rate is 9%.

Key 2009 Initiatives:

- Share-gain initiatives
 - Drive targeted innovation and new products
 - Leverage broad product offering, industry-leading lead times; and after-sale service
 - Expand customer relationships (major share gains at home centers)
- Expand in adjacent categories and international markets
- Supply-chain initiatives reduce cost structure
 -  Nearly 40% of manufacturing facilities and total positions
- Enhancing supply chain flexibility
 - Distributed assembly
 - Global sourcing
 - Modular production

Adjusting to Evolving Consumer:

- Innovation:
 - Master Lock: Speed Dial, Precision Dial, and Nightwatch deadbolt
 - Moen: Duralast cartridge (35% fewer parts), most WaterSense compliant lavatory faucets; ioDigital
 - Cabinetry: rapid development of new lines to fill gaps; storage innovations; new design tools to help customers sell
 - Simonton: energy-efficient windows (demand from stimulus tax credit)
 - Waterloo: new garage organization products driving growth

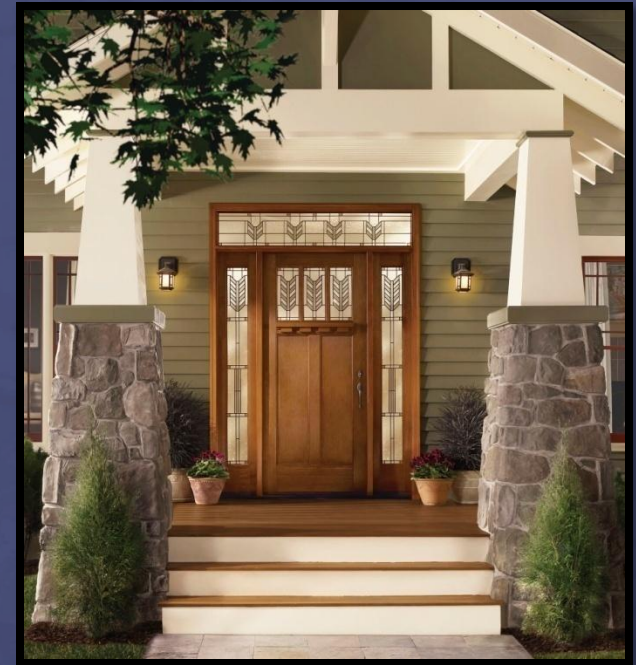


Adjusting to Evolving Consumer:

- Adjacent categories
 - Master Lock – door hardware, commercial security, industrial safety
- International
 - Ex. US sales +60% in past 5 years
 - Moen: China, Canada, Latin America, India
 - Master Lock: Canada, Latin America, Europe

We're in the most attractive categories; favorable long-term demographics:

- Growth in number of households
- Aging of housing stock (avg. 30+ years)
- Baby-boomers entering prime remodeling years; echo-boomers entering first home market
- Homeowners seeking energy efficiency (doors, windows, and water conservation faucets)
- Kitchens, baths, entry doors/windows provide excellent return on investment; add value to home
- Replace & remodel 2/3 of market long-term



- Game growing internationally
 - Expect U.S. rounds of play to be down in '09
 - Strong growth in key Asian markets
- U.S.: 75 million baby boomers entering retirement
 - Rounds increase with retirement
- World's #1 golf company
 - #1 in balls, shoes, gloves
 - Golf balls least discretionary category
 - Strong #3 in U.S. clubs
 - Strong patent portfolio and new product pipeline
 - Industry's best management and sales force



- Innovative products and processes
 - Golf balls
 - Hold 600+ active golf ball patents
 - New 2009 Titleist Pro V1 gaining share
 - Golf clubs
 - New Titleist 909 series metals; successful AP1/AP2 irons; Vokey Design wedges; Scotty Cameron putters
 - New Cobra S2 irons
 - Golf shoes
 - New FootJoy ICON and SYN-R
- Investing in international growth
 - Europe
 - Asia: Korea, China, Japan
 - New ball plant under construction
 - Strong company-owned distribution



- International growth
 - Ex. US sales +54% in past 5 years
 - Up from 31% to 42% of total golf sales
- Korea:
 - World's 11th largest GDP; 3 million golfers
 - Half U.S. GDP per capita and already at U.S. golf participation and consumption level
 - Investment in brands and distribution
 - Strong golf ball market share gains
 - Significant headroom in clubs, shoes, gloves
 - Strong double-digit growth in past 5 years
 - Success of Korean players in major tournaments

Enhancing Financial Flexibility

- Cash is still king in current environment
 - Strengthen balance sheet and ability to pay down debt and create value
- More than doubled 2009 free cash flow target* to ~\$400 million
 - 1st: further reducing capex and working capital (+\$125mm)
 - 2nd: reduced dividend rate (+\$150mm/year)
- Strongly positioned to cover refinancing needs through 2012
 - In 2009, FCF, \$500 million bond issue (June 9th at 6 3/8% coupon), and cash balances expected to pay off revolver
 - Targeting new revolver of ~\$1 billion versus \$2 billion previously

* September 16 target, after net capex and dividends.

Economic Challenges Continue...

- Consumers cautious, particularly with discretionary spending for big ticket remodeling and golf purchases
- Some trading down
- Home products market likely down ~25%
- Adverse operating leverage in home and golf
- FX (~20-25 cents per share)
- Net costs of spirits route-to-market initiatives (~15 cents per share)

...But Emerging Signs of Stability

- Consumer confidence at 3 month high in U.S.
- Existing and new home sales up 4 straight months in U.S.
- New home inventories down to 7.5 months
- Overall job losses in U.S. moderating
- Positive signs in key global economies
- Equity and credit markets improving
- Trading down in spirits remains moderate
- Participation in golf relatively stable

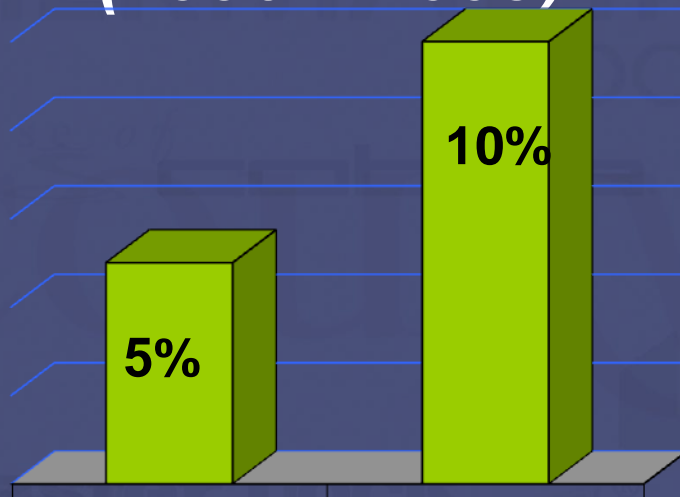
Full Year 2009

- EPS before charges/gains \$2.00-\$2.30
 - Spirits: underlying growth; Home: sharply lower; Golf: lower
- Comparisons ease as year progresses
- Free cash flow target ~\$400mm after net capex and dividends
 - Starts with ~\$700mm of cash flow from operations

EPS

Growth Rate⁽¹⁾

(1996 – 2008)



S&P 500⁽³⁾

FO⁽²⁾

- 2009 free cash flow + dividend yield: 8-8½%
- 18.5x 2009 P/E (FO at \$41, September 14) versus 17.6x for S&P 500⁽³⁾

(1) Before charges/gains.

(2) Consolidated '96-'04 and '08, and continuing operations growth '05-'07

(3) Source: S&P and First Call.

2 Goals:

1. Outperform our markets
2. Position for strong growth when economy recovers

2009 Initiatives:

- Adjusting to the evolving consumer
- Significantly reducing cost structures and enhancing supply-chain flexibility
- Aggressively managing cash to enhance financial flexibility

Appendix

Reconciliation of Non-GAAP Measures to GAAP

Diluted EPS Before Charges/Gains Growth Rate to GAAP Diluted EPS Growth Rate	Page 36
Full Year 2009 Earnings Target to GAAP	Page 36
Historical Diluted EPS Before Charges/Gains to GAAP Diluted EPS	Page 37
Operating Income Margin Before Charges/Gains to GAAP Operating Income Margin	Page 38
Home & Hardware Internal Net Sales to GAAP Net Sales	Page 39
Free Cash Flow to GAAP Cash Flow From Operations	Page 40

Fortune Brands, Inc. Reconciliation of Earnings to GAAP

RECONCILIATION OF EPS BEFORE CHARGES/GAINS GROWTH RATE TO GAAP EPS GROWTH RATE

	Fortune Brands <u>'96-08</u> <u>CAGR</u>
Diluted EPS Before Charges/Gains Growth Rate	10%
Net (Charges)/Gains	(4)%
Diluted GAAP EPS Growth Rate	<u>6%</u>

EPS Before Charges/Gains Growth Rate is Net Income calculated on a per-share basis excluding restructuring, restructuring-related and other non-recurring items.

EPS Before Charges/Gains Growth Rate is a measure not derived in accordance with GAAP. Management uses this measure to evaluate the overall performance of the company and believes this measure provides investors with helpful supplemental information regarding the underlying performance of the company from year to year. This measure may be inconsistent with similar measures presented by other companies.

RECONCILIATION OF FULL YEAR 2009 EARNINGS TARGET TO GAAP

For the full year, the company is targeting diluted EPS Before Charges/Gains from continuing operations to be in the range of \$2.00 to \$2.30 per share versus EPS Before Charges/Gains from continuing operations of \$3.75 per share in 2008. On a GAAP basis, the company is targeting diluted EPS from continuing operations to be in the range of \$1.60 to \$1.90 per share.

EPS Before Charges/Gains from continuing operations is Net Income calculated on a per-share basis excluding restructuring, restructuring-related and other non-recurring items.

EPS Before Charges/Gains from continuing operations is a measure not derived in accordance with GAAP. Management uses this measure to evaluate the overall performance of the company and believes this measure provides investors with helpful supplemental information regarding the underlying performance of the company from year to year. This measure may be inconsistent with similar measures presented by other companies.

Fortune Brands, Inc. Reconciliation of Diluted EPS Before Charges/Gains to GAAP Diluted EPS

	1996	1997	1997	1998	1998	1999	1999	2000	2000	2001	2001	2002
Diluted EPS Before Charges/Gains	\$ 1.28	\$ 1.48	\$ 1.48	\$ 1.67	\$ 1.67	\$ 1.99	\$ 1.99	\$ 2.34	\$ 2.34	\$ 2.45	\$ 2.45	\$ 2.90
Tax-related special items	-	-	-	-	-	-	-	0.19	0.19	0.78	0.78	0.68
Restructuring and restructuring-related items	-	(1.16)	(1.16)	-	-	(0.75)	(0.75)	(0.30)	(0.30)	(0.41)	(0.41)	(0.24)
Gain/(loss) on divestitures	-	-	-	-	-	0.13	0.13	-	-	0.03	0.03	-
Writedown of intangibles	-	-	-	-	-	(6.76)	(6.76)	(3.06)	(3.06)	(0.30)	(0.30)	-
Benefit from FAS 142 (1/1/02)	-	-	-	-	-	-	-	-	-	-	-	0.31
Impact of dilutive shares	-	-	-	-	-	0.04	0.04	0.03	0.03	-	-	-
1/96 benefit Gallaher payment	(0.25)	(0.09)	-	-	-	-	-	-	-	-	-	-
Diluted GAAP EPS	\$ 1.03	\$ 0.23	\$ 0.32	\$ 1.67	\$ 1.67	\$ (5.35)	\$ (5.35)	\$ (0.80)	\$ (0.80)	\$ 2.55	\$ 2.55	\$ 3.65
% Change Diluted EPS Before Charges/Gains		15.6%		12.8%		19.2%		17.6%		4.7%		18.4%
% Change GAAP Diluted EPS		-77.7%		626.1%		-		-		-		43.1%

	2002	2003	2003	2004	2004*	2005*	2005*	2006*	2006*	2007*	2007*	2008*
Diluted EPS Before Charges/Gains	\$ 3.21	\$ 3.79	\$ 3.79	\$ 4.68	\$ 4.12	\$ 4.62	\$ 4.62	\$ 5.33	\$ 5.22	\$ 5.06	\$ 5.06	\$ 3.75
Tax-related special items	0.68	0.28	0.28	0.71	0.69	0.05	0.05	0.57	0.57	-	-	0.64
Restructuring and restructuring-related items	(0.24)	(0.16)	(0.16)	(0.21)	(0.08)	(0.08)	(0.08)	(0.15)	(0.15)	(0.45)	(0.45)	(0.48)
Insurance gain	-	-	-	0.05	0.05	-	-	-	-	-	-	-
Net acquisition hedge costs	-	-	-	-	-	(0.72)	(0.72)	(0.02)	(0.02)	-	-	-
Writedown of intangibles	-	(0.05)	(0.05)	-	-	-	-	-	-	-	-	(4.29)
V&S Minority Int M-T-M	-	-	-	-	-	-	-	(0.31)	(0.31)	-	-	0.53
Gain on the Sale of The Dalmore Scotch assets	-	-	-	-	-	-	-	-	-	0.18	0.18	-
V&S Auction Process Costs	-	-	-	-	-	-	-	-	-	-	-	(0.03)
Writedown of Maxxium Investment	-	-	-	-	-	-	-	-	-	-	-	(0.33)
Gain on Future Brands Termination	-	-	-	-	-	-	-	-	-	-	-	0.95
Accelerated Future Brands Deferred Gain	-	-	-	-	-	-	-	-	-	-	-	0.29
Diluted GAAP EPS	\$ 3.65	\$ 3.86	\$ 3.86	\$ 5.23	\$ 4.78	\$ 3.87	\$ 3.87	\$ 5.42	\$ 5.31	\$ 4.79	\$ 4.79	\$ 1.03
% Change Diluted EPS Before Charges/Gains		18.1%		23.5%		12.1%		15.4%		-3.1%		-25.9%
% Change GAAP Diluted EPS		5.8%		35.5%		-19.0%		40.1%		-9.8%		-78.5%

* from continuing operations

Diluted EPS Before Charges/Gains is a non-GAAP measure and indicates the underlying performance of our business prior to costs associated with our restructuring initiatives, writedowns of identifiable intangibles or goodwill, tax credits or charges, gain recorded on insurance proceeds received for a warehouse fire, gains or losses on divestitures, V&S minority interest mark-to-market adjustment in 2006, V&S auction process costs, the write down of the Maxxium international spirits distribution joint venture investment, an after-tax gain resulting from the repurchase of the Beam Global minority interest in 2008, a gain on the termination of the Future Brands U.S. spirits distribution joint venture, an accelerated Future Brands deferred gain, net acquisition hedge costs, benefit from FAS 142 (assumes adoption as of 1/1/02), impact of dilutive shares, the gain on the sale of the Dalmore Scotch assets, and assuming a 1/1/96 benefit from the net cash payment Gallaher made to us in connection with the spin-off on 5/31/97. Management believes this measure is useful in analyzing the Company's performance from year to year. In assessing this measure, investors should note that the aforementioned items have been excluded.

Fortune Brands, Inc.

RECONCILIATION OF OPERATING INCOME MARGINS BEFORE CHARGES/GAINS TO GAAP OPERATING INCOME MARGINS

Trailing 12 months ended June 30, 2009 (in millions)

	<u>Spirits</u>	<u>Home & Hardware</u>	<u>Golf</u>
Operating Income Margin Before Charges/Gains	25.7%	5.4%	6.7%
Operating Income Before Charges/Gains	\$ 628	\$ 174	\$ 83
Net (Charges)/Gains	<u>\$ (83)</u>	<u>\$ (517)</u>	<u>\$ (24)</u>
GAAP Operating Income	\$ 545	\$ (343)	\$ 58
GAAP Net Sales	\$ 2,444	\$ 3,210	\$ 1,233
GAAP Operating Income Margin	22.3%	-10.7%	4.7%

Operating Income Margin Before Charges/Gains is Operating Income excluding any restructuring and restructuring-related items and asset impairment charges divided by net sales. Operating Income Margin Before Charges/Gains is a measure not derived in accordance with GAAP. Management uses this measure to determine the returns generated by operating segments and to evaluate and identify cost-reduction initiatives. Management believes this measure provides investors with helpful supplemental information regarding the underlying performance of the company from year-to-year. This measure may be inconsistent with similar measures presented by other companies.

Reconciliation of Home & Hardware Internal Net Sales to GAAP Net Sales

	<u>Home & Hardware</u> <u>'89-09 CAGR*</u>
Reported net sales growth	9.1%
Net impact from acquisitions/divestitures	(5.6)%
Internal net sales growth	<u>3.5%</u>

* Compounded annual growth rate

Internal Net Sales growth is Net Sales growth derived in accordance with GAAP excluding changes in the net sales from divestitures but does include net sales from acquisitions for the comparable prior-year period. Internal Net Sales growth is a measure not derived in accordance with GAAP. Management uses this measure to evaluate the overall performance of the company, and believes this measure provides investors with helpful supplemental information regarding the underlying performance of the company from year-to-year. This measure may be inconsistent with similar measures presented by other companies.

Fortune Brands, Inc. Reconciliation of Free Cash Flow to GAAP Cash Flow From Operations

(in millions)

	2008 Full Year	2009 Full Year Targeted Range
Free Cash Flow	\$430	\$ 375 - 425
Less:		
Taxes paid on sale of wine business	31	-
Add:		
Net Capital Expenditures	157	160
Dividends Paid	261	152*
Cash Flow From Operations	\$817	\$ 687 - 737

* Assumes current dividend rate, and basic shares outstanding on June 30, 2009.

Free Cash Flow is Cash Flow from Operations less net capital expenditures and dividends paid to stockholders. In 2008 Free Cash Flow was adjusted for the taxes paid on the sale of the wine business which occurred in 2007. Free Cash Flow is a measure not derived in accordance with GAAP. Management believes that Free Cash Flow provides investors with helpful supplemental information about the company's ability to fund internal growth, make acquisitions, repay debt and repurchase common stock. This measure may be inconsistent with similar measures presented by other companies.