

FORTUNE BRANDS, INC.

(In millions, except per share amounts)

(Unaudited)

NET SALES AND OPERATING INCOME

	Three Months Ended December 31,			Twelve Months Ended December 31,		
	2008	2007	% Change	2008	2007	% Change
Net Sales						
Spirits	\$ 721.4	\$ 858.8	(16.0)	\$ 2,480.9	\$ 2,606.8	(4.8)
Home and Hardware	852.0	1,111.5	(23.3)	3,759.1	4,550.9	(17.4)
Golf	212.2	245.1	(13.4)	1,368.9	1,405.4	(2.6)
Total Net Sales	\$ 1,785.6	\$ 2,215.4	(19.4)	\$ 7,608.9	\$ 8,563.1	(11.1)
Operating Income						
Spirits	\$ 126.1	\$ 290.1	(56.5)	\$ 543.7	\$ 766.7	(29.1)
Home and Hardware	(419.7)	62.8	-	(465.6)	503.0	-
Golf	(18.3)	(6.7)	(173.1)	125.3	165.5	(24.3)
Corporate expenses	(8.5)	(10.0)	(15.0)	(57.8)	(58.9)	(1.9)
Total Operating Income (Loss)	\$ (320.4)	\$ 336.2	-	\$ 145.6	\$ 1,376.3	(89.4)
Operating Income Before Charges^(a)						
Spirits	\$ 183.0	\$ 245.9	(25.6)	\$ 634.6	\$ 725.2	(12.5)
Home and Hardware	41.4	138.7	(70.2)	348.2	599.3	(41.9)
Golf	(18.3)	(6.1)	(200.0)	125.3	166.3	(24.7)
Less:						
Corporate expenses	(8.5)	(10.0)	(15.0)	(57.8)	(58.9)	(1.9)
Operating Income Before Charges	197.6	368.5	(46.4)	1,050.3	1,431.9	(26.6)
Restructuring and restructuring-related items	(56.8)	(77.9)	-	(119.2)	(101.2)	(17.8)
Asset impairment charges	(461.2)	-	-	(785.5)	-	-
Gain from the sale of The Dalmore Scotch assets	-	45.6	-	-	45.6	-
Operating Income (Loss)	\$ (320.4)	\$ 336.2	-	\$ 145.6	\$ 1,376.3	(89.4)

(a) Operating Income Before Charges is Operating Income derived in accordance with GAAP excluding restructuring and restructuring-related items, asset impairment charges and the gain from the sale of The Dalmore Scotch assets. Operating Income Before Charges is a measure not derived in accordance with GAAP. Management uses this measure to determine the returns generated by our operating segments and to evaluate and identify cost reduction initiatives. Management believes this measure provides investors with helpful supplemental information regarding the performance of the company from year-to-year. This measure may be inconsistent with similar measures presented by other companies.

FREE CASH FLOW

	Three Months Ended December 31,		Twelve Months Ended December 31,		2009 Full Year
	2008	2007	2008	2007	Targeted Range
Free Cash Flow^(b)	\$ 59.8	\$ 292.6	\$ 430.3	\$ 518.8	\$ 100 - 200
Add:					
Discontinued Operations - Sale of Wine Business	-	-	(31.0)	-	-
Net Capital Expenditures	62.1	105.0	157.0	197.9	150 - 175
Dividends Paid	66.1	64.7	261.2	248.6	265*
Cash Flow From Operations	\$ 188.0	\$ 462.3	\$ 817.5	\$ 965.3	\$ 515 - 640

(b) Free Cash Flow is Cash Flow from Operations less net capital expenditures and dividends paid to stockholders. It additionally excludes credits and payments of taxes on the discontinued operation sale of the wine business. 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.

* Assumes current dividend rate and basic shares outstanding on December 31, 2008.

EPS BEFORE CHARGES/GAINS

EPS from Continuing Operations Before Charges/Gains is Net Income from Continuing Operations calculated on a per-share basis excluding restructuring, restructuring-related and other one-time items.

For the fourth quarter of 2008, EPS from Continuing Operations Before Charges/Gains is Net Income from Continuing Operations calculated on a per-share basis excluding \$56.8 million (\$32.8 million after tax or \$0.22 per diluted share) of restructuring and restructuring-related items, asset impairment charges of \$461.2 million (\$348.7 million after tax or \$2.29 per diluted share), the write-down of the Maxxium international spirits distribution joint venture investment of \$1.0 million (\$0.7 million after tax or \$0.01 per diluted share), and a gain on the termination of the Future Brands U.S. spirits distribution joint venture of \$5.5 million (\$3.4 million after tax or \$0.02 per diluted share).

For the twelve month period ended December 31, 2008, EPS from Continuing Operations Before Charges/Gains is Net Income from Continuing Operations calculated on a per-share basis excluding \$119.2 million (\$73.5 million after tax or \$0.48 per diluted share) of restructuring and restructuring-related items, intangible asset impairments of \$785.5 million (\$659.4 million after tax or \$4.29 per diluted share), tax-related credits of \$98.2 million (\$0.64 per diluted share), the write down of the Maxxium international spirits distribution joint venture investment of \$51.5 million (\$51.2 million after tax or \$0.33 per diluted share), an after-tax gain resulting from the repurchase of the Beam Global minority interest of \$81.8 million (\$0.53 per diluted share), a gain on the termination of the Future Brands U.S. spirits distribution joint venture of \$233.7 million (\$145.9 million after tax or \$0.95 per diluted share), an accelerated Future Brands deferred gain of \$72.0 million (\$44.9 million after tax or \$0.29 per diluted share), and V&S auction process costs of \$8.2 million (\$5.3 million after tax or \$0.03 per diluted share).

For the fourth quarter of 2007, EPS from Continuing Operations Before Charges/Gains is Net Income calculated on a per-share basis excluding \$77.9 million (\$56.5 million after tax or \$0.35 per diluted share) of restructuring and restructuring-related items and a \$45.6 million (\$28.5 million after tax or \$0.18 per diluted share) gain associated with the sale of The Dalmore Scotch assets. For the twelve-month period ended December 31, 2007, EPS from Continuing Operations Before Charges/Gains excludes \$101.2 million (\$71.1 million after tax or \$0.45 per diluted share) of restructuring and restructuring-related items and a \$45.6 million (\$28.5 million after tax or \$0.18 per diluted share) gain associated with the sale of The Dalmore Scotch assets.

EPS from Continuing Operations Before Charges/Gains 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.

	Three Months Ended December 31,			Twelve Months Ended December 31,		
	2008	2007	% Change	2008	2007	% Change
Earnings Per Common Share - Basic						
Income from Continuing Operations before Charges/Gains	0.69	1.42	(51.4)	3.84	5.17	(25.7)
V&S auction process costs	-	-	-	(0.03)	-	-
Maxxium investment write-down	(0.01)	-	-	(0.34)	-	-
Accelerated Future Brands Deferred Gain	-	-	-	0.30	-	-
Gain on Future Brands termination	0.02	-	-	0.96	-	-
Tax-related credits	-	-	-	0.64	-	-
Asset impairment charges	(2.32)	-	-	(4.35)	-	-
Beam Global minority interest repurchase	-	-	-	0.54	-	-
Restructuring and restructuring-related items	(0.22)	(0.37)	-	(0.48)	(0.47)	(2.1)
Gain on sale of The Dalmore Scotch assets	-	0.19	-	-	0.19	-
Income from Continuing Operations	(1.84)	1.24	-	1.08	4.89	(77.9)
Income from Discontinued Operations	-	0.07	-	1.01	0.09	-
Net Income	(1.84)	1.31	-	2.09	4.98	(58.0)
Earnings Per Common Share - Diluted						
Income from Continuing Operations before Charges/Gains	0.68	1.39	(51.1)	3.79	5.06	(25.1)
V&S auction process costs	-	-	-	(0.03)	-	-
Maxxium investment write-down	(0.01)	-	-	(0.33)	-	-
Accelerated Future Brands Deferred Gain	-	-	-	0.29	-	-
Gain on Future Brands termination	0.02	-	-	0.95	-	-
Tax-related credits	-	-	-	0.64	-	-
Asset impairment charges	(2.29)	-	-	(4.29)	-	-
Beam Global minority interest repurchase	-	-	-	0.53	-	-
Restructuring and restructuring-related items	(0.22)	(0.35)	37.1	(0.48)	(0.45)	(6.7)
Gain on sale of The Dalmore Scotch assets	-	0.18	-	-	0.18	-
Impact of anti-dilution	(0.02)	-	-	-	-	-
Income from Continuing Operations	(1.84)	1.22	-	1.07	4.79	(77.7)
Income from Discontinued Operations	-	0.06	-	0.99	0.08	-
Net Income	(1.84)	1.28	-	2.06	4.87	(57.7)