



Tax Basis Information
Required by Internal Revenue Code Section 6045B
as of October 4, 2011

On October 3, 2011, Fortune Brands, Inc. (“Fortune Brands”) distributed shares of common stock of Fortune Brands Home & Security, Inc. (“Home & Security”), par value \$0.01 per share (“Home & Security Common Stock”), to the holders of shares of Fortune Brands common stock, par value \$3.125 per share (“Fortune Brands Common Stock”). In such distribution (the “Distribution”), Fortune Brands shareholders as of the close of business on the record date, September 20, 2011, received one share of Home & Security Common Stock for each share of Fortune Brands Common Stock they held. On October 4, 2011, Fortune Brands changed its name to Beam Inc. (“Beam”).

Section 6045B of the Internal Revenue Code of 1986, as amended (the “Code”), and the underlying regulations provide that, effective January 1, 2011, corporations that engage in certain actions that affect the basis of their stock have 45 days after the date of such action to file with the Internal Revenue Service (the “IRS”) an information return describing, among other things, the action and the action’s quantitative effect on the basis of the shareholders’ stock. As an alternative to filing this information return with the IRS, an issuer may post the information return to its public website.

Pursuant to IRS Notice 2011-18, organizational actions occurring in 2011 must be reported by filing an information return with the IRS, or by making the information publicly available, by January 17, 2012. The form required for this information reporting has not yet been finalized by the IRS, so this letter is intended to serve as interim disclosure regarding the Distribution. Once the information reporting form is available, this letter will be superseded by the completed information return, a copy of which will be posted to the website of Beam.

Reporting issuer	Beam Inc., formerly known as Fortune Brands, Inc. FEIN: 13-3295276
Security identifiers	Fortune Brands, Inc. CUSIP # 349631101 Fortune Brands, Inc. common stock Ticker Symbol: FO Beam Inc. CUSIP # 073730103 Beam (formerly known as Fortune Brands, Inc.) common stock Ticker Symbol: BEAM Fortune Brands Home & Security, Inc. CUSIP # 34964C106 Fortune Brands Home & Security, Inc. common stock Ticker Symbol: FBHS
Contact at reporting issuer	Beam Inc. (f/k/a Fortune Brands, Inc.) 510 Lake Cook Road Deerfield, Illinois 60015 Attn: Stockholder Services (847) 948-8888 Liza.mondonedo@beamglobal.com

Information about action

Distribution of shares of Home & Security Common Stock by Fortune Brands on October 3, 2011.

Effect of the action

As a result of the Distribution, holders of shares of Fortune Brands Common Stock will be required to allocate their tax basis in such shares held immediately before the Distribution among the shares of Home & Security Common Stock received in the Distribution (including any cash received in lieu of fractional shares of Home & Security Common Stock) and their shares of Fortune Brands Common Stock. In general, a shareholder's aggregate tax basis in his or her shares of Fortune Brands Common Stock held immediately prior to the Distribution should be allocated in proportion to the relative fair market value per share of Home & Security Common Stock and per share of Fortune Brands Common Stock under Code § 358 and the regulations thereunder.

For information on the quantitative effect of the Distribution on the basis of shares of Fortune Brands Common Stock and an example of a detailed calculation for determining basis, please see the attached Fortune Brands and Home & Security Tax Basis Information Statement, which was posted on October 4, 2011, at the investor relations section of the Beam website.

Except to the extent of cash received in lieu of fractional shares of Home & Security Common Stock, Fortune Brands shareholders will not recognize gain or loss for U.S. federal income tax purposes on the Distribution.

* * * * *

The information in this document does not constitute tax advice and is not intended or written to be used, and cannot be used, for the purposes of (i) avoiding penalties under the Code or (ii) promoting, marketing, or recommending any transaction or matter addressed herein.



IMPORTANT TAX INFORMATION FOR BEAM INC. STOCKHOLDERS

PLEASE RETAIN FOR YOUR RECORDS

October 4, 2011

Dear Beam Inc. Stockholder:

The purpose of this letter is to assist you in determining the tax consequences to you of the pro rata distribution (the "Distribution") of shares of common stock of Fortune Brands Home & Security, Inc. ("Home & Security"), par value \$0.01 per share ("Home & Security Common Stock"), to holders of shares of common stock of Fortune Brands, Inc. ("Fortune Brands"), par value \$3.125 per share ("Fortune Brands Common Stock"), by Fortune Brands, which was completed on October 3, 2011.

On October 4, prior to the opening of the market, Fortune Brands changed its name to Beam Inc. ("Beam"). Prior to the name change, shares of Fortune Brands Common Stock traded under the ticker symbol "FO," but following the name change such securities began to trade under the ticker symbol "BEAM." Shares of Home & Security Common Stock trade under the ticker symbol "FBHS." For periods prior to the name change, we refer to the securities as Fortune Brands Common Stock and for periods after the name change, we refer to the securities as Beam Common Stock.

The tax consequences discussed in this letter include the allocation of your tax basis between your shares of Beam Common Stock and the shares of Home & Security Common Stock you received in the Distribution. The allocation of your tax basis will affect the gain or loss you will recognize on the sale or other disposition of these shares, including the deemed sale of any fractional shares of Home & Security Common Stock you are deemed to have received that should be reported on your 2011 tax return.

In the Distribution, one share of Home & Security Common Stock was distributed with respect to each share of Fortune Brands Common Stock held as of the close of business on September 20, 2011. **Stockholders do not need to surrender or exchange their Fortune Brands stock certificates in order to receive the shares of Home & Security Common Stock to which they are entitled and will not be receiving any new stock certificates.** Your ownership of shares of Home & Security Common Stock will be registered only in book-entry form, and you will receive a stock distribution statement indicating the number of shares of Home & Security Common Stock that have been credited to you.

Fractional shares of Home & Security Common Stock that Fortune Brands stockholders were entitled to receive were aggregated and sold in the open market. Checks representing the cash value of the fractions of shares of Home & Security Common Stock to which Fortune Brands stockholders would have been entitled are being mailed.

Fortune Brands has received a private letter ruling from the Internal Revenue Service ("IRS") substantially to the effect that, for U.S. federal income tax purposes, the Distribution, except for cash received in lieu of fractional shares of Home & Security Common Stock, will qualify as tax-free. In addition to obtaining the private letter ruling, Fortune Brands has received an opinion from outside legal counsel confirming the tax-free status of the Distribution for U.S. federal income tax purposes including confirming the satisfaction of the requirements not specifically addressed in the IRS private letter ruling. The private letter ruling and the opinion rely on certain facts and assumptions, and certain representations from Fortune Brands and Home & Security regarding the past and future conduct of our respective businesses and other matters.

Assuming the foregoing is correct, for U.S. federal income tax purposes:

- No gain or loss will be recognized by Fortune Brands stockholders subject to U.S. federal income tax, except with respect to any cash received in lieu of any fractional shares of Home & Security Common Stock, and no amount will be included in income upon the receipt of shares of Home & Security Common Stock pursuant to the Distribution. However, Fortune Brands stockholders that are subject to U.S. federal income tax will recognize gain or loss with respect to any cash received in lieu of any fractional shares.
- A Fortune Brands stockholder who receives cash in lieu of fractional shares of Home & Security Common Stock will recognize gain or loss in an amount equal to the difference between the amount of cash received and such stockholder's adjusted tax basis in the fractional share. The gain or loss generally will be long-term capital gain or loss if the stockholder's holding period for its shares of Beam Common Stock exceeds one year.
- The holding period of a Fortune Brands stockholder with respect to Home & Security Common Stock received in the Distribution, including any cash received in lieu of fractional shares of Home & Security Common Stock, will include the holding period of such stockholder's shares of Fortune Brands Common Stock, provided that the Beam Common Stock is held as a capital asset immediately following the Distribution.

Tax Basis Allocation

To determine the U.S. federal income tax basis in your shares of Beam Common Stock and your newly received shares of Home & Security Common Stock (including fractional shares), you must allocate among such shares the tax basis in your Fortune Brands Common Stock immediately before the Distribution in proportion to the fair market value of each.

Although the U.S. federal income tax laws do not specify precisely how to determine the relative fair market values of the Beam Common Stock and Home & Security Common Stock, one approach is to average the high and low trading prices of shares of each of Beam Common Stock and Home & Security Common Stock on October 4, 2011, the first trading day following the Distribution. Under this approach, based upon the average of the high and low trading prices on October 4, 2011 per share of Beam Common Stock, as reported on the New York Stock Exchange ("NYSE"), and per share of Home & Security Common Stock, as reported on the NYSE, (1) 78.2432% of your tax basis should be allocated to your Beam Common Stock and (2) the balance, 21.7568%, should be allocated to your newly received shares of Home & Security Common Stock (including any fractional share interest). Other approaches to allocate tax basis may be available, and you should consult your tax advisor to determine which approach should be used.

The tax basis in your shares of Fortune Brands Common Stock before the Distribution generally is equal to the cost of the shares, including commissions (or, if you acquired shares of Fortune Brands Common Stock as a result of a transaction other than a purchase, the tax basis allocated to such shares as a result of such transaction). If you acquired your shares of Fortune Brands Common Stock at different times and at different costs, you will need to make separate basis calculations for each group of shares. **Please consult your tax advisor to determine your tax basis in your shares of Fortune Brands Common Stock to be allocated.**

EXAMPLE

Assume that on September 20, 2011, you owned 100.5 shares of Fortune Brands Common Stock with a tax basis of \$50 for each share, for a total tax basis of \$5,025. You would have been entitled to receive 100.5 shares of Home & Security Common Stock in the Distribution, although you would actually have received 100 shares of Home & Security Common Stock plus a cash payment in lieu of 0.5 fractional shares of Home & Security Common Stock.

Calculation of New Tax Basis

	<u>% of Basis Allocable</u>		<u>Original Cost Basis in Fortune Brands Common Stock</u>		<u>Total Allocated Basis</u>		<u>Number of Shares of Beam Common Stock or Home & Security Common Stock (including fractional shares)</u>		<u>New Tax Basis Per Share</u>
Beam Common Stock	78.2432%	X	\$5,025	=	\$3,931.72	÷	100.5	=	\$39.1216
Home & Security Common Stock	21.7568%	X	\$5,025	=	\$1,093.28	÷	100.5	=	\$10.8784

Your new tax basis in your 100.5 shares of Beam Common Stock would be \$3,931.72.

Your tax basis in the 100 shares of Home & Security Common Stock would be \$1,087.84.

Your tax basis with respect to the cash payment in lieu of a 0.5 fractional share of Home & Security Common Stock would be \$5.44.

Any gain or loss you realize in connection with the sale of the fractional share of Home & Security Common Stock will be recognized by you in 2011 (assuming you are a calendar year taxpayer).

Statements in U.S. Federal Income Tax Return

Pursuant to Treasury Regulation §1.355-5(b), certain stockholders of Fortune Brands (*i.e.*, stockholders who, immediately before the Distribution, owned 5% or more of the outstanding shares of Fortune Brands Common Stock) who received shares of Home & Security Common Stock in the Distribution are also required to attach an information statement related to the Distribution to their U.S. federal income tax returns for the year in which the Distribution occurs.

Consult Your Tax Advisor

The information in this letter represents our understanding of existing U.S. federal income tax law and regulations and does not constitute tax advice. It does not purport to be complete or to describe tax consequences that may apply to particular categories of stockholders, including in particular, the possibility of applying different methods for allocating tax basis.

To ensure compliance with requirements imposed by the IRS, we inform you that any U.S. tax advice contained in this communication is not intended or written to be used, and cannot be used, for the purposes of (i) avoiding penalties under the Internal Revenue Code of 1986, as amended, or (ii) promoting, marketing, or recommending any transaction or matter addressed herein.

Each stockholder should consult a tax advisor as to the particular consequences of the Distribution under U.S. federal, state and local and foreign tax laws, including, in particular, tax basis allocation rules and the effect of possible changes in tax laws that may affect the description set forth above.

* * *

Questions about the information in this letter should be directed as follows:

Beam Inc. (f/k/a Fortune Brands, Inc.)
510 Lake Cook Road
Deerfield, Illinois 60015
Attention: Stockholder Services
Telephone: (847) 948-8888

Sincerely,

BEAM INC.