FORTUNE BRANDS INC
Form 10-K405
March 29, 2002

[Conformed]

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

FORM 10-K
ANNUAL REPORT PURSUANT TO SECTION 13 OR 15(d) OF
THE SECURITIES EXCHANGE ACT OF 1934

For the fiscal year ended December 31, 2001 Commission file number 1-9076

FORTUNE BRANDS, INC.
(Exact name of registrant as specified in its charter)

DELAWARE
(State or other jurisdiction of incorporation or organization)

13-3295276
(I.R.S. Employer Identification No.)

300 Tower Parkway, Lincolnshire, IL 60069-3640
(Address of principal executive offices) (Zip Code)

Registrant's telephone number, including area code: (847) 484-4400

Securities registered pursuant to Section 12(b) of the Act:

Title of each class	Name of each on which re
Common Stock, par value $3.125 per share	New York Stock
$2.67 Convertible Preferred Stock, without par value	New York Stock
8 1/2% Notes Due 2003	New York Stock
8 5/8% Debentures Due 2021	New York Stock
7 7/8% Debentures Due 2023	New York Stock
Preferred Share Purchase Rights	New York Stock

Securities registered pursuant to Section 12(g) of the Act: None

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Indicate by check mark whether the registrant (1) has filed all reports required to be filed by Section 13 or 15(d) of the Securities Exchange Act of 1934 during the preceding 12 months (or for such shorter period that the registrant was required to file such reports), and (2) has been subject to such filing requirements for the past 90 days. Yes [X] No[ ]

Indicate by check mark if disclosure of delinquent filers pursuant to Item 405 of Regulation S-K is not contained herein, and will not be contained, to the best of registrant's knowledge, in definitive proxy or information statements incorporated by reference in Part III of this Form 10-K or any amendment to this Form 10-K. [X]

The aggregate market value of Registrant's voting stock held by non-affiliates of Registrant, at February 4, 2002, was $6,429,244,478. The number of shares outstanding of Registrant's common stock, par value $3.125 per share, at March 1, 2002, were 149,601,999.

DOCUMENTS INCORPORATED BY REFERENCE

(1) Certain information contained in the Annual Report to Stockholders of Registrant for the fiscal year ended December 31, 2001 is incorporated by reference into Part I, Part II and Part IV hereof.

(2) Certain information contained in the Proxy Statement for the Annual Meeting of Stockholders of Registrant to be held on April 30, 2002 (to be filed not later than 120 days after the end of Registrant's fiscal year) is incorporated by reference into Part III hereof.

PART I

Item 1. Business.

(a) General development of business.

Registrant is a holding company with subsidiaries engaged in the manufacture, production and sale of home products, spirits and wine, golf products and office products.

Registrant was incorporated under the laws of Delaware in 1985 and until 1986 conducted no business. Prior to 1986, the businesses of Registrant's subsidiaries were conducted by American Brands, Inc., a New Jersey corporation organized in 1904 ("American New Jersey"), and its subsidiaries. American New Jersey was merged into The American Tobacco Company on December 31, 1985, and the shares of the principal first-tier subsidiaries formerly held by American New Jersey were transferred to Registrant. In addition, Registrant assumed all liabilities and obligations in respect of the public debt securities of American New Jersey outstanding immediately prior to the merger. On May 30, 1997, Registrant's name was changed from American Brands, Inc. to Fortune Brands, Inc.

As a holding company, Registrant is a legal entity separate and distinct from its subsidiaries. Accordingly, the right of Registrant, and thus the right of Registrant's creditors (including holders of its debt securities and other obligations) 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 claims of Registrant itself as a creditor of such subsidiary may be recognized, in which event Registrant's claims may in certain circumstances be subordinate to certain claims of others. In addition, as a holding company, a principal source of Registrant's unconsolidated revenues and funds is dividends and other payments from its subsidiaries. Registrant's 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 Registrant.

In recent years, Registrant has been engaged in a strategy of seeking to enhance the operations of its principal operating companies. Pursuant to this strategy, on May 31, 2001, Registrant's spirits and wine business completed transactions with V&S Vin & Sprit AB ("V&S"), maker of Absolut Vodka, creating a joint venture, named Future Brands LLC (the "LLC"), to distribute both companies' spirits and wine brands in the United States. V&S paid $270 million to gain access to our spirits and wine business' U.S. distribution network and to acquire a 49% interest in the LLC, and paid $375 million to purchase a 10% equity interest in Registrant's spirits and wine subsidiary, Jim Beam Brands Worldwide, Inc. ("JBBW"), in the form of convertible preferred stock. V&S also received a 3-year option to increase its equity stake in JBBW by up to an additional 9.9%. V&S may require the Registrant to purchase the JBBW preferred stock in whole or in part at any time after May 31, 2004 or upon a change in control of JBBW, Jim Beam Brands Co. ("Beam"), or certain other events.

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In 1999, JBBW formed an international sales and distribution joint venture, Maxxium Worldwide B.V. ("Maxxium"), with Remy-Cointreau and Highland Distillers, to distribute and sell spirits in key markets outside the United States. JBBW agreed to contribute assets related to its international distribution network and periodic cash payments with a total estimated value of $110 million in return for a one-third interest in the venture. JBBW's investment of $110 million is contingent upon achievement of certain contractual performance measures, which were not met in 2001. During 1999 and 2000, JBBW made cash investments of approximately $30 million and $25 million in Maxxium. The investments of JBBW in Maxxium were recorded at the book value of assets contributed plus cash invested.

Also in 1999, subsidiaries of Registrant completed two acquisitions, one in Registrant's home products business and another in the office products business, for an aggregate cost of $103.6 million in cash, including fees and expenses. In 1998, Registrant's subsidiaries completed three acquisitions of home products, office products and spirits and wine businesses for an aggregate cost of $271.8 million in cash, including fees and expenses. In 1997, Registrant's subsidiaries completed five acquisitions of office products, golf clubs and home products businesses for an aggregate cost of $92 million, including fees and expenses. In 1996, Registrant acquired Cobra Golf Incorporated ("Cobra"), a leading manufacturer of golf clubs, for an aggregate cost of $712 million in cash, including fees and expenses.

Registrant has also disposed of subsidiaries having significant revenues but engaged in businesses considered by Registrant to be nonstrategic to its long-term operations. For example, in 1997 Registrant completed the spin-off of Gallaher Group Plc ("Gallaher Group") to Registrant's stockholders. Subsidiaries of Gallaher Group compete in the international tobacco business.

In addition, a number of other nonstrategic businesses and product lines have been sold. In 2001, Registrant's spirits and wine business sold its U.K.-based Scotch whisky business for $280 million in cash. The sale of the business consisted of the Invergordon private-label and bulk Scotch operations and several regional brands in the U.K. In 1998, one of Registrant's home products subsidiaries sold assets relating to the manufacture of door locks and related hardware. In 1997, one of Registrant's office products subsidiaries sold Sax Arts & Crafts, a marketer to schools of arts and crafts supplies.

Registrant continues to pursue its strategy to enhance the operations of its principal operating companies. Registrant actively explores possible acquisitions in fields related to its principal operating companies. Registrant also cannot exclude the possibility of acquisitions in other fields or further dispositions. On October 9, 2000, Registrant announced that it was exploring strategic options for its office products business. The Registrant decided, in April 2001, not to divest its office products business due to weakness in the overall economy particularly impacting the office products industry. Registrant is currently repositioning and restructuring the business to improve both financial results and the long-term value of the business. Under this plan, Registrant's office products business is realigning and streamlining its worldwide operations, intensifying its focus on growing profitable core product categories, divesting or discontinuing non-strategic and low-return product categories and reducing overhead expenses and excess capacity.

Registrant reviews on an ongoing basis the portfolio of brands owned by its operating companies and evaluates its options for increasing shareholder value. Although no assurance can be given as to whether or when any acquisitions or dispositions will be consummated, if agreement with respect to any acquisitions were to be reached, Registrant might finance such acquisitions by issuing additional debt or equity securities. The possible additional debt from any acquisitions, if consummated, would increase Registrant's debt-to-equity ratio and such debt or equity securities might, at least in the near term, have a dilutive effect on earnings per share. Registrant also continues to consider other corporate strategies intended to enhance stockholder value, including share repurchases. Registrant cannot predict whether or when any such strategies might be implemented or what the financial effect thereof might be upon Registrant's debt or equity securities.

Another aspect of Registrant's strategy to enhance the operations of its principal operating companies has been to continuously evaluate the productivity of their product lines and existing asset base and actively seek to identify opportunities to improve Registrant's and its subsidiaries cost structure. This strategy led Registrant to record restructuring and other non-recurring charges totaling $98.1 million in 2001. In 2000, Registrant recorded $73 million in pre-tax restructuring and other nonrecurring charges across all segments of its business other than spirits and wine. In 1999, Registrant recorded $196 million in pre-tax restructuring and other nonrecurring charges across all segments of its business. Additionally, in 1997, Registrant recorded $298.2 million in pre-tax restructuring and other nonrecurring charges across all of its principal operating companies.

Cautionary Statement

Except for the historical information contained in this Annual Report on Form 10-K, certain statements in this document, including without limitation, certain matters discussed in Part I, Item 1 -- Business and Item 3 -- Legal Proceedings and in Part II, Item 7 -- Management's Discussion and Analysis of Financial Condition and Results of Operations, are forward-looking statements, as defined in the Private Securities Litigation Reform Act of 1995, that involve a number of risks and uncertainties. Readers are cautioned that these forward-looking statements speak only as of the date hereof. Actual results may differ materially from those projected as a result of certain risks and uncertainties including, but not limited to:

- changes in general economic conditions,
- foreign exchange rate fluctuations,
- changes in interest rates,
- competitive product and pricing pressures,
- trade consolidations,
- the impact of excise tax increases with respect to distilled spirits,
- regulatory developments,
- the uncertainties of litigation,
- changes in golf equipment regulatory standards,
- the impact of weather, particularly on the home and golf products groups,

- expenses and disruptions related to shifts in manufacturing to different locations and sources,
- challenges in the integration of acquisitions and joint ventures, and

other risks and uncertainties detailed from time to time in Registrant's Securities and Exchange Commission filings.

(b) Financial information about industry segments.

See Note 15 "Information on Business Segments" in the Notes to Consolidated Financial Statements contained in the 2001 Annual Report to Stockholders of Registrant, which Note is incorporated herein by reference.

(c) Narrative description of business.

The following is a description of the business of the subsidiaries of Registrant in the industry segments of Home Products, Spirits and Wine, Golf Products and Office Products. For financial information about the above industry segments, see Note 15 "Information on Business Segments" in the Notes to Consolidated Financial Statements contained in the 2001 Annual Report to Stockholders of Registrant, which Note is incorporated herein by reference.

Home Products

MasterBrand Industries, Inc. ("MasterBrand") is a holding company for subsidiaries in the home products business. Subsidiaries include Moen Incorporated ("Moen"), MasterBrand Cabinets, Inc. ("MasterBrand Cabinets"), Master Lock Company ("Master Lock") and Waterloo Industries, Inc. ("Waterloo"). The home products business is highly competitive. MasterBrand's operating companies compete on the basis of product quality, price, service and responsiveness to distributor and retailer needs and end-user consumer preferences. Factors that affect MasterBrand's results of operations include the levels of home improvement and residential construction activity, principally in the U.S. (including repair and remodeling and new construction).

Moen manufactures and packages faucets, sinks, bath furnishings and plumbing accessories and parts and a wide variety of plumbing supply and repair products in the U.S. and East Asia. Moen branded faucets are sold under a variety of trade names, including Villeta, extensa, Boutique, Traditional, Touch Control, One-Touch, Monticello, PureTouch, Concentrix, Chateau and Legend, and other products are sold under the Moen, Chicago Specialty, Dearborn Brass, Wrightway, Hoov-R-Line and CSI Donner brand names. Composite kitchen sinks are sold under the MoenStone brand name. Sales are made through Moen's own sales force and independent manufacturers' representatives primarily to wholesalers, mass merchandisers and home centers and also to industrial distributors, repackagers and original equipment manufacturers. Some plumbing parts and repair products are purchased from other manufacturers and repackaged for resale. Products are sold principally in the U.S. and Canada and also in East Asia, Mexico and Latin America. Moen's chief competitors include Masco's Delta/Peerless, Black & Decker's Price Pfister, Kohler and American Standard.

MasterBrand Cabinets is engaged in manufacturing ready-to-assemble, stock and semi-custom kitchen cabinets and bathroom vanities.

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MasterBrand Cabinets sells under the brand names Aristokraft, Decora', Schrock, Diamond, Kemper and NHB. Sales under the Aristokraft brand name are made in the U.S. primarily direct to large home builders and through stocking distributors for resale to kitchen and bath specialty dealers, lumber and building material dealers, remodelers and builders. Decora' brands are sold primarily in the U.S. to kitchen and bath specialty dealers. The Schrock, Diamond and Kemper brands are primarily sold in the U.S. to home centers and kitchen and bath specialty dealers. NHB markets its products under the brand names Kitchen Classics, The Georgetown Collection, Parkhill and NHB through home centers and kitchen and bath specialty dealers in the U.S. and Canada. MasterBrand Cabinets' competitors include Masco's Merillat, KraftMaid and Mills Pride brands, Armstrong World Industries' Triangle Pacific brand, American Woodmark Corporation and The Omega Group's HomeCrest, KitchenCraft and Omega brands.

Master Lock manufactures key-controlled and combination padlocks, bicycle and cable locks, built-in locker locks, automotive locks and other specialty security devices. Sales of products designed for consumer use are made to wholesale distributors, home centers and hardware and other retail outlets. Sales of lock systems are made to industrial and institutional users, original equipment manufacturers and retail outlets. Master Lock competes with Abus, Kryptonite, Hampton, American Lock, Winner and various imports in the padlock segment.

Waterloo manufactures tool storage products, principally high quality steel toolboxes, tool chests, workbenches and related products. Waterloo sells to Sears for resale under the Craftsman brand owned by Sears and under the Waterloo brand name to specialty industrial and automotive dealers, mass merchandisers, home centers and hardware stores. Waterloo competes with Snap-On, Kennedy, Stanley, Stack-On, and others in the metal storage segment, and with Contico, Zag, Rubbermaid and others in the plastic hand box category.

Raw materials used for the manufacture of products offered by

MasterBrand's operating companies are primarily red oak and maple lumber, particleboard, rolled steel, brass, zinc, copper, nickel, and various plastic resins. These materials are available from a number of sources.

The continued consolidation of the customer base in the home products industry, for example among home centers and large homebuilders, and increased price competition will continue to present MasterBrand and its competitors with pricing challenges. Customer consolidation will also present opportunities for the most efficient manufacturers and skilled marketers.

Our home products business may be impacted in 2002 by the continued uncertain U.S. economic outlook and its potential impact on the U.S. housing and remodeling markets.

Spirits and Wine

Jim Beam Brands Worldwide, Inc. is a holding company for subsidiaries in the distilled spirits and wine business. Principal subsidiaries include Jim Beam Brands Co., Jim Beam Brands Greater Europe Limited ("JBBGE") and Jim Beam Brands Australia Pty. Limited.

On October 16, 2001, Registrant's spirits and wine business announced that it had sold its U.K.-based Scotch whisky business for $280 million in cash. The sale of the business consisted of the Invergordon private-label and bulk Scotch operations and several regional brands in the U.K. The business that was sold generated sales of approximately $235 million (including excise taxes) and operating company contribution of approximately $38 million in 2000. The Company recorded an after-tax gain of $21.8 million related to the sale.

On May 31, 2001, Registrant's spirits and wine business completed transactions with V&S, maker of Absolut Vodka, creating a joint venture, named Future Brands LLC, to distribute both companies' spirits and wine brands in the United States. V&S paid $270 million to gain access to Beam's U.S. distribution network and to acquire a 49% interest in the LLC and paid $375 million to purchase a 10% equity interest in JBBW in the form of convertible preferred stock. V&S also received a 3-year option to increase its equity stake in JBBW by up to an additional 9.9%. V&S may require the Registrant to purchase the JBBW preferred stock in whole or in part at any time after May 31, 2004 or upon a change in control of JBBW, Beam, or certain other events.

In August 1999, JBBW formed an international sales and distribution joint venture, named Maxxium Worldwide B.V., to distribute and sell premium wines and spirits in key markets outside the United States. At the same time as the formation of the U.S. joint venture announced on May 31, 2001, V&S invested 107 million Euros (approximately $90 million) to acquire a 25% interest in Maxxium.

In addition, in August 1998, JBBW purchased the Geyser Peak wine business and adjacent vineyard property. The winery is located in Alexander Valley, Sonoma County, California. Geyser Peak wine brands include Geyser Peak Reserve, Geyser Peak and Canyon Road. In February 1998, JBBW formed a joint venture to distribute the Barwang brand of Australian wines on a global basis, except in Australia and New Zealand.

Principal markets for the products of JBBW's subsidiaries are the U.S., the U.K. and Australia. Approximately 91% of JBBW subsidiary sales are to these three markets, with the U.S. and the U.K. representing 76% and 9% of sales, respectively.

JBBW's leading brands are owned by its subsidiaries, except that DeKuyper cordials are produced and sold in the U.S. under a perpetual license, Gilbey's gin and Gilbey's vodka are produced and sold in the U.S. under a license expiring September 30, 2007 and the rights to the Kamchatka vodka brand in California are claimed by another entity.

Beam, whose operations are located in the U.S., currently produces, or imports, and markets a broad line of distilled spirits, including bourbon and other whiskeys, cordials, gin, vodka and rum. Beam and its predecessors have been distillers of bourbon whiskey since 1795. Beam's nine leading brand names are Jim Beam Bourbon Whiskey, DeKuyper cordials, Windsor Canadian Supreme Whisky, Kessler American Blended Whiskey, Wolfschmidt Vodka, Lord Calvert Canadian Whisky, Kamchatka vodka, Gilbey's vodka and Gilbey's gin. As discussed above, in 1998 Beam also added wines to its product offerings. Products of JBBW's subsidiaries are sold through various distributors and, in the 18

"control" states (and one county) in the U.S. that have established government control over certain aspects of the purchase and distribution of alcoholic beverages, through government-controlled liquor authorities.

The distilled spirits business is highly competitive, with many brands sold in the consumer market. Management believes that, based on units and sales value, the JBBW group, with four brands that each sell over one million cases worldwide, is the second or third largest producer and marketer of distilled spirits in the U.S. and is among the major competitors worldwide. JBBW's subsidiaries compete on the basis of product quality, price, service and responsiveness to consumer preferences.

The Maxxium joint venture, the merger of Grand Metropolitan and Guinness to create Diageo in late 1997 and the sale of the Seagram brands to Diageo and Pernod-Ricard in 2001, and the JBBW-V&S joint venture reflect a trend toward consolidation in the highly competitive global spirits and wine business. The creation of Diageo, and the breadth of its portfolio, as well as the continued consolidation of the supplier, distributor and retailer tiers, may present pricing and service challenges for our subsidiaries and their competitors. It may also present opportunities, particularly for the most efficient and innovative competitors.

For many years through 1995, consumption of distilled spirits declined in many countries, including our major market, the U.S. However, since 1996, consumption in the U.S. has been steady or increased slightly, indicating that the historic decline may be reversing. From 1996 through 2001, cases of our spirits products sold by distributors to retailers declined, although the rate of decline has slowed since 1998 to a decrease of 1% in 2001. The number of cases sold may have been affected by our spirits and wine business's historic strength in mid-to-low priced products that may not be fully benefiting from the factors influencing the recent industry trends. Our spirits and wine business has introduced and developed several premium brands in recent years and is focusing on the introduction of additional premium products to its portfolio to capitalize on the fastest growing segment of the spirits and wine industry. The number of cases sold may also have been affected by price increases our spirits and wine business has implemented in recent years to increase profits as compared to unit sales.

The principal raw materials for the production, storage and aging of distilled products are primarily corn, other grains, and new oak barrels, and are readily available from a number of sources except that new oak barrels are available from only two major sources, one of which is owned by a competitor. Beam has entered into a long-term supply agreement for new oak barrels.

The principal raw materials used in the production of wines are grapes, barrels and packaging materials. Grapes are primarily purchased from independent growers under long-term supply contracts and, from time to time, are adversely affected by weather and other forces that may limit production. In fiscal 2001, approximately 5-10% of Geyser Peak's total grape supply came from company-owned land.

Because whiskeys are aged for various periods, generally from three to eight years, subsidiaries of JBBW maintain, in accordance with industry practice, substantial inventories of bulk whiskey in warehouse facilities.

Whiskey production is generally scheduled to meet demand years into the future, and production schedules are adjusted from time to time to bring inventories into balance with estimated future demand.

The production, storage, transportation, distribution and sale of the products of JBBW's subsidiaries are subject to regulation by federal, state, local and foreign authorities. Various local jurisdictions prohibit or restrict the sale of distilled spirits and wine in whole or in part. As a result of the publicity surrounding litigation against manufacturers of tobacco products and other class action litigation, some commentators have suggested that other industries, including beverage alcohol, may be the targets of litigation. Registrant believes, and counsel has advised generally, that in the event such actions are commenced, Registrant and its subsidiaries would have meritorious defenses to such suits and they would be vigorously contested.

In the U.S., U.K. and many other countries, distilled spirits and wine are subject to federal excise taxes and/or customs duties as well as state, local and other taxes. Beverage alcohol sales are particularly sensitive to higher excise tax rates. Although no federal excise tax increase is presently pending in the U.S., our largest market, the possibility of future increases cannot be ruled out. The effect of any future excise tax increases in any jurisdiction cannot be determined, but it is possible that any future excise tax increases would have an adverse effect on unit sales and increase existing competitive pressures.

At various times in prior years, there has been discussion and legislation introduced to ban U.S. television advertising of spirits. Although no legislation has been enacted, only one broadcast network in the U.S. has recently accepted distilled spirits advertising, and that network imposed substantial conditions to its acceptance. On March 20, 2002, that network announced that it was reversing its decision to accept distilled spirits advertising. (Some local cable stations accept distilled spirits advertising.) JBBW's operating subsidiaries outside the U.S. have conducted broadcast advertising in markets where legal.

Golf Products

Acushnet Company ("Acushnet"), together with its subsidiaries, is a leading manufacturer and distributor of golf balls, golf clubs, golf shoes and golf gloves. Other products include bags, dress and athletic shoes as well as socks, accessories and apparel outerwear. Acushnet's leading brands are Titleist and Pinnacle golf balls; Titleist and Cobra golf clubs; Scotty Cameron by Titleist and Bulls Eye putters; FootJoy golf shoes; and FootJoy and Titleist golf gloves. Acushnet products are sold primarily to on-course golf pro shops and selected off-course specialty stores, sporting goods stores and mass merchants throughout the United States. Sales are made in the U.K., Canada, Germany, Austria, Denmark, Ireland, France, Sweden, The Netherlands, South Africa, Thailand and Japan through subsidiaries and outside these areas through distributors or agents.

Acushnet and its subsidiaries compete on the basis of product quality, price, service and responsiveness to consumer preferences. In golf balls, Acushnet's main competitors are Spalding, Bridgestone, Wilson and

Dunlop/Slazenger and new entrants such as Callaway and Nike. In golf clubs, Callaway, Taylor Made, Ping, Adams, Orlimar, Cleveland, Wilson, Spalding and Mizuno are the main competitors. In golf shoes, Nike, Adidas, Etonic, Dexter, Reebok, Mizuno and Stylo are the main competitors. In golf gloves, Nike, Etonic, Wilson, Dunlop/Maxfli, Kasco, Slazenger, Taylor Made, Mizuno and Bridgestone are the main competitors.

In 2001 and 2000, the golf club market was adversely affected by lower customer demand, leading to volume declines and price discounting. The Cobra brand was adversely affected by the competition's aggressive introduction of new products. Acushnet is introducing several new Cobra club models in 2002. Titleist clubs posted sales and profit growth. Conditions in the club market remain very competitive, with major competitors introducing new products and consumers becoming more price conscious. In 2000, aggressive actions were undertaken, including field sales force consolidation and programs to bring Cobra expenses in line with lower demand and to identify further synergies between Titleist and Cobra.

In 2001, the golf ball product lines posted record sales and increased market share through the introduction of new products.

The golf ball business experienced a product mix shift as Titleist branded golf balls increased 16% while lower-priced Pinnacle golf balls decreased 17%.

Competitors with significant brand awareness have introduced golf balls into their product offerings in the past three years and the golf ball industry has experienced price competition, partially as a result of such introductions. Although our golf products business's share of the domestic golf ball market fell slightly during 2000, our golf ball business recovered that market share by the end of 2001, largely as a result of the introduction of the Pro V1 and the recently introduced NXT.

The United States Golf Association ("USGA") establishes standards for golf equipment used in competitive play in the United States. On November 2, 1998, the USGA announced the immediate implementation of a new golf club performance rule that established a rebound velocity standard for driving clubs. The Royal and Ancient Golf Club ("R&A") establishes standards for golf equipment used in competitive play outside the United States and Mexico. On September 21, 2000, the R&A issued a Notice to Manufacturers announcing its decision not to adopt the USGA's rebound velocity standard or any new rule or test protocol for driving clubs. The R&A's decision not to adopt the rule implemented by the USGA has resulted in conflicting conformance standards for driving clubs in the United States and the rest of the world. The divergence between the USGA and the R&A on this issue may cause confusion to consumers and could be disruptive to the United States and world markets for driving clubs. In addition, the USGA rule could hamper innovation and make it more difficult to use technological advances to produce USGA conforming products. However, it is not possible to determine whether in the long term the USGA rule or the divergence in rules will have a material effect on the golf club industry and our golf products business.

Each of the USGA and the R&A has announced its intention to propose new rules addressing the overall distance standards for golf balls, golf club

head size and golf club shaft length. Until more details regarding such potential rule changes become available, we cannot determine whether they would have a material effect on our golf products business and/or the golf industry. However, the new rules being considered could incorporate rules that would shorten the overall distance that golf balls are allowed to travel and that could hamper innovation in the design and manufacture of golf balls and golf clubs. The adoption of any such rules could materially impact our golf products business and/or the golf industry.

There has been considerable recent discussion in the golf trade press regarding the use of a standardized golf ball for professional tournament play and/or the establishment of separate equipment standards for tournament play. The adoption of either concept by one of golf's ruling bodies, a professional tour or individual tournaments could materially impact our golf products business and/or the golf industry.

Acushnet's advertising and promotional campaigns rely in part on a large number of touring professionals and club professionals using and endorsing its products. Acushnet has been competing for the endorsement and promotional services of touring professionals. As a result, these costs have risen and may continue to rise.

There is currently a substantial market in "knock-off" and counterfeit golf clubs which imitate or copy the protected features of original equipment manufacturers' golf club products. Acushnet has an active program of enforcing its intellectual property rights against those who make or sell such products.

Office Products

ACCO World Corporation ("ACCO") is a holding company for subsidiaries engaged in designing, developing, manufacturing and marketing a wide variety of traditional and computer-related office products, supplies, personal computer accessory products, time management products, presentation aids and label products. Products are manufactured by subsidiaries, joint ventures and licensees of ACCO, or manufactured to such subsidiaries' specifications by third-party suppliers throughout the world, principally in the U.S., Mexico, Canada, Western Europe, Australia, Taiwan and China.

ACCO Brands, Inc. ("ACCO Brands"), ACCO's primary U.S. operating company, manufactures or sources and sells binders, fasteners, paper clips, punches, staples, stapling equipment and storage products, computer supplies and accessories, labels and presentation products. ACCO Canada Inc. ("ACCO Canada"), a subsidiary of ACCO, manufactures binders and distributes in Canada a range of office products similar to that distributed by ACCO Brands in the U.S. Principal office products brands include ACCO fastener products, Swingline staples and stapling equipment, Wilson Jones binders and columnar pads, Perma Products corrugated storage products, Kensington computer accessories and supplies, MACO and Wilson Jones labels and Apollo and Boone presentation products. Products are sold throughout the U.S. and Canada by an in-house sales force and independent representatives to office and computer products wholesalers, retailers, dealers, mail order companies and mass merchandisers. Sales are concentrated in the U.S., Canada and Australia.

Subsidiaries of ACCO Europe PLC ("ACCO Europe"), another subsidiary of ACCO, manufacture or source and distribute a wide range of office supplies and machines, storage and retrieval filing systems and presentation products. ACCO Europe's products are sold primarily in the U.K., Ireland, Western Europe and Australia through its subsidiaries' sales forces and through distributors. Principal brands sold by ACCO Europe's subsidiaries include ACCO fastening products, Kensington and ACCO Data computer accessories, Rexel stapling products, Nyrex and Twinlock filing products, Nobo and Sasco presentation products and, in Australia, Marbig, Twinlock, Kensington and Boone products.

Day-Timers, Inc. ("Day-Timers"), a subsidiary of ACCO, manufactures personal organizers and planners in the U.S. Management believes Day-Timers is one of the leading direct marketers of time management aids in North America. Products are sold in the U.S. by Day-Timers, and in Canada, Australia and Europe by subsidiaries of Day-Timers, through direct mail advertising, catalogs to consumers and businesses, and electronic commerce. In addition, products are sold through ACCO Brands and ACCO Canada to retailers and mass merchandisers. Day-Timers's subsidiary in Australia also conducts time management seminars for personnel of corporations.

The office products business is increasingly concentrated in a small number of major customers, principally office products superstores, large retailers, wholesalers and contract stationers. The continuing consolidation of both competitors and customers is causing increased pricing pressures and rebates that negatively affect results. Pricing pressures were compounded by the decision of several customers to continue to reduce inventory levels. These conditions persisted throughout 2001 and continue to present challenges for Registrant's office products business and its competitors. Customer rebates, in particular, are expected to increase in 2002.

U.S. and European economic softness and demand weakness caused by corporate layoffs coupled with ongoing inventory reductions by major customers have prolonged industry-wide volume challenges. These factors, in combination with an uncertain U.S. economic outlook, may continue to further impact sales of our office products business in future quarters.

In October 2000, Registrant announced that it was exploring strategic options, including the potential sale of its office products business. Registrant decided, in April 2001, not to divest its office products business due to weakness in the overall economy particularly impacting the office products industry. Registrant is currently repositioning and restructuring the business to improve both financial results and the long-term value of the business. Under this plan, Registrant's office products business is realigning and streamlining its worldwide operations, intensifying its focus on growing profitable core product categories, divesting or discontinuing non-strategic and low-return product categories and reducing overhead expenses and excess capacity. As a result of this plan, Registrant recorded total pre-tax restructuring and other nonrecurring charges for its office products business of $69.7 million during the year ended December 31, 2001. These initiatives created net positive cash flow and improved use of working capital in 2001. Registrant expects that these restructuring initiatives will generate incremental savings of $15 to $20 million in 2002, and that potential

initiatives to reduce the business's manufacturing capacity and distribution infrastructure may result in additional charges.

During the fourth quarter of 2000, Registrant recorded a non-cash write-down of goodwill of $502.6 million ($487.3 million after tax, or $3.09 per share) in its office products business. This action resulted from the significant shortfall in office products earnings, the softening conditions in the office products industry and the ongoing strategic review process, which led to the implementation of additional restructuring actions.

Management believes that manufacturing within the office products industry remains highly fragmented. Due to local market preferences for product design and paper sizes, many office product manufacturers supply on a regional basis only. Many manufacturers supply a relatively narrow range of products. ACCO's key competitors on a worldwide basis include Avery Dennison, Esselte, Newell Rubbermaid, Fellowes, 3-M, Eagle OPG Inc. and GBC. Primary competitors for personal organizers in the North American market are Franklin Quest and Day-Runner, and key competitors in the international market for personal organizers, although less developed than in the North American market, include Day-Runner in the U.K. and Quo Vadis in France. In computer accessories, ACCO competes against Logitech, Fellowes, Microsoft, Targus and others. ACCO's operating companies compete on the basis of product quality, price, service and responsiveness to consumer preferences.

ACCO's subsidiaries purchase raw materials, components and products from a variety of sources, including non-U.S. vendors, on competitively available terms that fluctuate based on market conditions. ACCO has established substantial and growing production operations in Mexico, helping to reduce its cost base.

Other Matters

Employees

Registrant and its subsidiaries had approximately, as of December 31, 2001, the following number of employees:

Home Products	12,239
Spirits and Wine	1,212
Golf Products	4,461
Office Products	6,967
Corporate Office	119

Total	24,998

Environmental Matters

Registrant and its subsidiaries are subject to federal, state and local laws and regulations concerning the discharge of materials into the environment and the handling, disposal and clean-up of waste materials and otherwise relating to the protection of the environment. While it is not

possible to quantify with certainty the potential impact of actions regarding environmental matters, particularly remediation and other compliance efforts that Registrant's subsidiaries may undertake in the future, in the opinion of management of Registrant, compliance with the present environmental protection laws, before taking into account estimated recoveries from third parties, will not have a material adverse effect upon the capital expenditures, financial condition, results of operations or competitive position of Registrant and its subsidiaries.

(d) Financial information about foreign and domestic operations and export sales.

Registrant's subsidiaries operate in the United States, Europe (principally the U.K.) and other areas (principally Canada and Australia). See the table captioned "Information on Business Segments" contained in the 2001 Annual Report to Stockholders of Registrant, which table is incorporated herein. Registrant has investments in various foreign countries, principally the United Kingdom, as well as Australia and Canada, and, therefore, changes in the value of the currencies of these countries can have an effect on Registrant's financial statements when translated into U.S. dollars.

Item 2. Properties.

Registrant leases its principal executive offices in Lincolnshire, Illinois. Additionally, Registrant continues to lease and has sublet a portion of its premises in Old Greenwich, Connecticut that formerly served as its executive offices. The following table indicates the principal properties of Registrant's subsidiaries:

Segment	Manufacturing Plants		Distribution Centers		Warehouses	
	Owned	Leased	Owned	Leased	Owned	Leased

Home						
U.S.	26	2	1	14		7
Asia	1 (JV)					
Canada	1			1		
Mexico	3			1		
Brazil				1		
Guatemala				1		
Europe						
Spirits and Wine						
U.S.	7		1		9	
Europe						
Canada	1				1	
Australia						
Golf						
U.S.	5	1	1		1	3
Europe	1		1	1	1	1
Canada				1		
Asia	2 (1 JV)	2	1	1	1	1
Africa		1				
Office						
U.S.	4	5	2	1		
Europe	10	3	2	4		
Canada		2				
Mexico	2	1				
Australia	1					
New Zealand		1				
Total U.S.	42	8	5	15	10	10

Total Non-U.S.	22	10	4	11	3	2
TOTAL	66	18	9	26	13	12

JV = Joint Venture

Registrant and its subsidiaries are of the opinion that their properties are suitable to their respective businesses and have productive capacities adequate to the needs of such businesses.

Item 3. Legal Proceedings.

Overview

On December 22, 1994, Registrant sold The American Tobacco Company ("ATCO") to Brown & Williamson Tobacco Corporation ("B&W"), at the time a wholly owned subsidiary of B.A.T Industries p.l.c. In connection with the

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sale, B&W and ATCO ("the Indemnitors") agreed to indemnify Registrant against claims including legal expenses arising from smoking and health and fire safe cigarette matters relating to the tobacco business of ATCO.

Numerous legal actions, proceedings and claims are pending in various jurisdictions against leading tobacco manufacturers, including B&W both individually and as successor by merger to ATCO, based upon allegations that cancer and other ailments have resulted from tobacco use. Registrant has been named as a defendant in some of these cases. These claims generally fall within three categories: (i) smoking and health cases alleging personal injury brought on behalf of individual plaintiffs, (ii) smoking and health cases alleging personal injury and other damages and purporting to be brought on behalf of classes of individual plaintiffs, and (iii) health care cost recovery cases, including class actions, brought by foreign governments, unions, health trusts, federal and state taxpayers and others seeking reimbursement for health care expenditures allegedly caused by cigarette smoking. As noted below, in 1998, certain United States tobacco companies, including B&W, entered into a Master Settlement Agreement that resolved all remaining health care cost recovery cases brought by the various States, U.S. territories, and the District of Columbia. Damages claimed in some of the smoking and health class actions and remaining health care cost recovery cases range into the billions of dollars.

Certain former asbestos manufacturers and asbestos manufacturers' personal injury settlement trusts have also sought unspecified amounts in indemnity or contribution in third party actions against all or most of the major domestic tobacco manufacturers. It has also been reported that civil and criminal investigations of tobacco manufacturers are pending before certain prosecutorial and other authorities.

Individual Cases

As of March 1, 2002, there were approximately 76 smoking and health cases pending on behalf of individual plaintiffs in which Registrant has been named as one of the defendants, compared with approximately 93 such cases as of March 1, 2001. See "List of Pending Cases" below.

Class Actions

As of March 1, 2002, there were approximately 13 purported smoking and health class actions pending in which Registrant has been named as one of the defendants compared with approximately 18 such cases as of March 1, 2001. See "List of Pending Cases" below.

Health Care Cost Recovery Actions

As of March 1, 2002, there were approximately 2 health care recovery actions pending in which Registrant has been named as one of the defendants, compared with approximately 4 such cases as of March 1, 2001. See "List of Pending Cases" below.

Certain Developments Affecting The Indemnitors

In July of 1998, trial began in a Florida action against B&W (individually and as successor by merger to ATCO) and other U.S. tobacco manufacturer defendants brought on behalf of a class of Florida residents allegedly injured as a result of their alleged addiction to cigarettes containing nicotine (Engle v. R. J. Reynolds tobacco Company, et al.). The jury in Phase I of the trial found for the plaintiffs and against certain tobacco manufacturers (including B&W individually and as successor by merger to ATCO). In Phase II of the trial, the same jury addressed the individual claims of the named class representatives. The trial court judge ruled that the jury in Phase II could award an aggregate classwide lump-sum amount of punitive damages. This ruling is being challenged by the defendants in Florida's appellate courts. On April 17, 2000, the jury awarded an approximate aggregate amount of $12.7 million to three of the named class representatives, although it also found that the claims of one of the three class representatives may have been barred by the statute of limitations. On July 14, 2000, the jury awarded a total of $144.87 billion in punitive damages against the defendants, including $17.59 billion against Brown and Williamson. On November 6, 2000, Florida Circuit Judge Robert Kaye upheld this jury award, and held that the class of plaintiffs eligible to recover damages should be extended to smokers with illnesses diagnosed more than four years before the lawsuit was filed in 1994. Defendants' appeal is pending. Florida law sets a cap of $100 million on the bond that companies must pay while the appeals process is under way. Plaintiffs have argued that this cap is unconstitutional. Registrant is not a party to the Engle litigation.

In September of 1999, the United States government filed a recoupment lawsuit in Federal Court in Washington, D.C. against the leading tobacco manufacturers (including B&W individually and as a successor to ATCO) seeking recovery of costs paid by the Federal government for claimed smoking-related illness. In September 2000, the U.S. District Court for the District of Columbia ruled that the government could not use the Medical Care Recovery Act ("MCRA") or Medicare Secondary Payor ("MSP") insurance provisions as a basis to try to recover government expenses relating to tobacco smokers, and dismissed the counts of the lawsuit relating to these laws. The court ruled that the government could proceed with two counts under the federal RICO statute under which the government seeks disgorgement of all of defendants' profits from the sale of tobacco. In October 2000, the United States Government filed a motion for reconsideration seeking a partial reinstatement of the MCRA claim, and, in February 2001, filed an amended complaint repleading the MSP claim. By orders dated July 27, 2001, the Court denied the motion for reconsideration and dismissed with prejudice the MSP claim. A tentative trial date of July 15, 2003 has been set with respect to all remaining claims. Registrant is not a party to this action.

Resolution of Health Care Cost Recovery Actions By States, U.S. Territories and the District of Columbia.

On November 23, 1998, certain U.S. tobacco companies, including B&W, entered into a Master Settlement Agreement (the "MSA") with certain state attorneys general that would result in the dismissal of all remaining health care reimbursement lawsuits brought by the various States, U.S. territories,

and the District of Columbia. Registrant is not a party to the MSA and is not bound by any of the payment obligations or other restrictions of the MSA.

Under the MSA, the settling States agreed to dismiss their current health care reimbursement lawsuits and not to refile such suits in the future. The MSA provides for the release by the settling States of claims for past conduct, acts or omissions (including future damages resulting from past conduct, acts or omissions) in any way related, in whole or in part, to the use, sale, distribution, manufacture, development, advertising, marketing or health effects of, the exposure to, or research, statements or warnings about, tobacco products. The release includes any claim that was brought or comparable claims that could have been brought by the States in their health care cost recovery actions. It also includes claims for future conduct, acts or omissions, or claims in any way related, in whole or in part, to the use of or exposure to tobacco products manufactured in the ordinary course of business, including future claims for reimbursement of health care costs allegedly associated with the use of or exposure to tobacco products. All 52 government entities permitted to participate in the MSA, including 46 States, American Samoa, Guam, Puerto Rico, the U.S. Virgin Islands, the Northern Mariana Islands and the District of Columbia, have dismissed their health care reimbursement suits pursuant to the MSA.

The MSA provides for the release of claims against participating manufacturers, as well as their predecessors, successors, and past, present, and future affiliates. "Affiliate" is defined to include past or present persons or entities who own or control, are owned by or controlled by, or are under common ownership of a 10% or more equity interest. Registrant understands that it is a released party under the terms of the MSA.

Under the MSA, participating manufacturers are required to make initial "upfront" payments totaling nearly $13 billion between 1998 and 2003 to the settling States. Additional annual payments must be made beginning in 2000 in perpetuity (starting at $4.5 billion in 2000 and increasing to $9 billion in 2018 and thereafter), and payments to several funds (a "strategic contribution" fund to reward individual States for their contributions to the settlement, a public health foundation, and a public advertising and awareness fund) are also required. Further payments of $300 million per year will also be required, if the market share of the participating manufacturers in the preceding year was at least 99.05%. These payments are subject to various credits and adjustments, depending on industry volume, inflation, and other factors. The initial up front payment will be allocated among the participating manufacturers according to market capitalizations; all other payments are to be allocated according to market share. Moreover, participating manufacturers have agreed to a variety of additional restrictions and limitations, including, for example, restrictions on advertising, marketing and lobbying. The MSA also calls for the participating manufacturers to pay attorneys' fees for the States' attorneys in the settled litigation.

Prior to the MSA, health care cost recovery actions filed by the states of Minnesota, Texas, Florida and Mississippi were settled separately on terms which included monetary payments of several billion dollars. Registrant was not a party to the Minnesota or Texas action and was voluntarily dismissed from the Florida and Mississippi actions. Registrant is not a party to any of the settlements nor is it required to pay any money under these settlements.

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List of Pending Cases

For a list of pending cases, see Exhibit 99 to this Form 10-K and, for a discussion of other pending litigation, see Note 19 "Pending Litigation" in the Notes to Consolidated Financial Statements contained in the 2001 Annual Report to Stockholders of Registrant, which Note is incorporated herein by reference.

List of Terminated Cases

For a list of terminated cases, see Exhibit 99 to this Form 10-K.

Conclusion

Management believes that there are meritorious defenses to the pending actions referred to in Exhibit 99 of this Form 10-K, including the fact that the Registrant never made or sold tobacco, and these actions are being vigorously contested. However, it is not possible to predict the outcome of the pending litigation, and it is possible that some of these actions could be decided unfavorably. Management is unable to make a meaningful estimate of the amount or range of loss that could result from an unfavorable outcome of the pending litigation. Management believes that the pending actions will not have a material adverse effect upon the results of operations, cash flows or financial condition of Registrant as long as the Indemnitors continue to fulfill their obligations to indemnify Registrant under the aforementioned indemnification agreement (see "Overview" on page 16).

Item 4. Submission of Matters to a Vote of Security Holders.

None.

Item 4a. Executive Officers of the Registrant.

The name, present positions and offices with Registrant, principal occupations during the past five years and age of each of Registrant's present executive officers are as follows:

Name	Present positions and offices with Registrant and principal occupations during the past five years
Norman H. Wesley	Chairman of the Board and Chief Executive Officer of Regi December 1999; President and Chief Operating Officer of R 1999; Chairman of the Board and Chief Executive Officer o

	Home & Office, Inc. from December 1997 to December 1999; Chief Executive Officer of ACCO World Corporation prior t
Thomas J. Flocco	Senior Vice President - Strategy & Corporate Development since January 2000; Partner, McKinsey & Company, a manage

	consulting firm, from 1998 to 1999; Engagement Manager, M specializing in the consumer products area, prior thereto
Mark Hausberg	Senior Vice President - Finance and Treasurer of Registra 2000; Vice President and Treasurer prior thereto.
Craig P. Omtvedt	Senior Vice President and Chief Financial Officer of Regi January 2000; Senior Vice President and Chief Accounting Registrant during 1998 and 1999; Vice President and Chief Officer of Registrant during 1997; Vice President - Deput Chief Internal Auditor of Registrant prior thereto.
Mark A. Roche	Senior Vice President, General Counsel and Secretary of R January 2000; Senior Vice President and General Counsel o during 1999; Vice President and General Counsel during 19 and Associate General Counsel of Registrant prior thereto
Nadine A. Heidrich	Vice President and Corporate Controller of Registrant sin Chief Financial Officer of Specialty Elastomers Group, In 2001; Vice President - Finance for John Crane, Inc. prior

In the case of each of the above-listed executive officers, the occupation or occupations given were the principal occupation and employment during the period or periods indicated. None of such executive officers is related to any other such executive officer. None was selected pursuant to any arrangement or understanding between the executive officer and any other person. All executive officers are elected annually.

PART II

Item 5. Market for Registrant's Common Equity and Related Stockholder Matters.

See the information in the tables captioned "Quarterly Common Stock Cash Dividend Payments" and "Quarterly Composite Common Stock Prices" and the discussion relating thereto contained in the 2001 Annual Report to Stockholders of Registrant, which information and discussion are incorporated herein by reference. On March 1, 2002, there were 29,867 record holders of Registrant's common stock, par value $3.125 per share.

Item 6. Selected Financial Data.

See the information for 1996 through 2001 in the table captioned "Six-Year Consolidated Selected Financial Data" contained in the 2001 Annual Report to Stockholders of Registrant, which information is incorporated herein by reference.

Item 7. Management's Discussion and Analysis of Financial Condition and Results of Operations.

See the discussion and analysis under the captions "Management's Discussion and Analysis of Results" and "Financial Condition" contained in the 2001 Annual Report to Stockholders of Registrant, which discussion and analysis are incorporated herein by reference.

Item 7A. Quantitative and Qualitative Disclosures about Market Risk.

See the discussion and analysis under "Market Risk," "Foreign Exchange Contracts" and "Interest Rates" under the caption "Financial Condition" in the 2001 Annual Report to Stockholders of Registrant, which discussion is incorporated herein by reference.

Item 8. Financial Statements and Supplementary Data.

See the information in the Consolidated Statement of Income, Consolidated Balance Sheet, Consolidated Statement of Cash Flows, Consolidated Statement of Stockholders' Equity, Notes to Consolidated Financial Statements and Report of Independent Accountants contained in the 2001 Annual Report to Stockholders of Registrant, which information is incorporated herein by reference. For unaudited selected quarterly financial data, see the table captioned "Quarterly Financial Data" contained in the 2001 Annual Report to Stockholders of Registrant, which table is incorporated herein by reference.

Item 9. Changes in and Disagreements With Accountants on Accounting and Financial Disclosure.

None.

PART III

Item 10. Directors and Executive Officers of Registrant.

See the information under the caption "Election of Directors" contained in the Proxy Statement for the Annual Meeting of Stockholders of Registrant to be held on April 30, 2002 (to be filed not later than 120 days after the end of Registrant's fiscal year), which information is incorporated herein by reference. See also the information with respect to executive officers of Registrant under Item 4a of Part I hereof, which information is incorporated herein by reference.

Item 11. Executive Compensation.

See the information up to but not including the subcaption "Report of the Compensation and Stock Option Committee on Executive Compensation" under the caption "Executive Compensation" contained in the Proxy Statement for the Annual Meeting of Stockholders of Registrant to be held on April 30, 2002 (to be filed not later than 120 days after the end of Registrant's fiscal year), which information is incorporated herein by reference.

Item 12. Security Ownership of Certain Beneficial Owners and Management.

See the information under the caption "Certain Information Regarding Security Holdings" contained in the Proxy Statement for the Annual Meeting of Stockholders of Registrant to be held on April 30, 2002 (to be filed not later than 120 days after the end of Registrant's fiscal year), which information is incorporated herein by reference.

Item 13. Certain Relationships and Related Transactions.

None.

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PART IV

Item 14. Exhibits, Financial Statement Schedules, and Reports on Form 8-K.

(a) Financial Statements, Financial Statement Schedules and Exhibits.

(1) Financial Statements (all financial statements listed below are of Registrant and its consolidated subsidiaries)

Consolidated Statement of Income for the years ended December 31, 2001, 2000 and 1999 contained in the 2001 Annual Report to Stockholders of Registrant is incorporated herein by reference.

Consolidated Balance Sheet as of December 31, 2001 and 2000 contained in the 2001 Annual Report to Stockholders of Registrant is incorporated herein by reference.

Consolidated Statement of Cash Flows for the years ended December 31, 2001, 2000, and 1999 contained in the 2001 Annual Report to Stockholders of Registrant is incorporated herein by reference.

Consolidated Statement of Stockholders' Equity for the years ended December 31, 2001, 2000, and 1999 contained in the 2001 Annual Report to Stockholders of Registrant is incorporated herein by reference.

Notes to Consolidated Financial Statements contained in the 2001 Annual Report to Stockholders of Registrant are incorporated herein by reference.

Report of Independent Accountants contained in the 2001 Annual Report to Stockholders of Registrant is incorporated herein by reference.

(2) Financial Statement Schedules

See Index to Financial Statement Schedule of Registrant and subsidiaries at page F-1, which Index is incorporated herein by reference.

(3) Exhibits

3(i). Restated Certificate of Incorporation of Registrant as in effect on the date hereof is incorporated herein by reference to Exhibit 3(i) to the Annual Report on Form 10-K of Registrant for the fiscal year ended December 31, 1998.

3(ii)a. Amendment to By-laws of Registrant.

3(ii)b. By-laws of Registrant as in effect on the date hereof.

4a1. Rights Agreement dated as of November 19, 1997 between Registrant and First Chicago Trust Company of New York as

Rights Agent is incorporated herein by reference to Exhibit 4a to the Current Report on Form 8-K of Registrant dated December 2, 1997.

4b1. Indenture dated as of July 15, 1988 between Registrant and Chemical Bank (as successor by merger to Manufacturers Hanover Trust Company) as Trustee ("Chemical") is incorporated herein by reference to Exhibit 4a to the Current Report on Form 8-K of Registrant dated June 27, 1989 maintained in Commission File No. 1-9076.

4b2. First Supplemental Indenture dated as of November 14, 1990 between Registrant and Chemical, amending and supplementing the Indenture constituting Exhibit 4b1 hereto, is incorporated herein by reference to Exhibit 4b to the Current Report on Form 8-K of Registrant dated November 19, 1990 maintained in Commission File No. 1-9076.

4b3. Second Supplemental Indenture dated as of September 1, 1991 between Registrant and Chemical, further amending and supplementing the Indenture constituting Exhibits 4b1 and 4b2 hereto, is incorporated herein by reference to Exhibit 4c to the Current Report on Form 8-K of Registrant dated October 10, 1991 maintained in Commission File No. 1-9076.

4c1. Indenture dated as of April 15, 1999 between Registrant and The Chase Manhattan Bank ("Chase") as Trustee is incorporated herein by reference to Exhibit 4 to the Current Report on Form 8-K of Registrant dated December 10, 1999.

10a1. Fortune Brands, Inc. Annual Executive Incentive Compensation Plan is incorporated herein by reference to Exhibit 10a1 to the Quarterly Report on Form 10-Q of Registrant dated August 12, 1997.*

10b1. Fortune Brands, Inc. 1990 Long-Term Incentive Plan (As Amended and Restated as of January 1, 1994) is incorporated herein by reference to Exhibit 10a to the Quarterly Report on Form 10-Q of Registrant dated August 11, 1994 maintained in Commission File No. 1-9076.*

10b2.	Amendment to Fortune Brands, Inc. 1990 Long-Term Incentive Plan constituting Exhibit 10b1 hereto is incorporated herein by reference to Exhibit 10a1 to the Quarterly Report on Form 10-Q of Registrant dated November 11, 1997.*
10b3.	Amendment to Fortune Brands, Inc. 1990 Long-Term Incentive Plan and Amendment thereto constituting Exhibits 10b1 and 10b2 hereto is incorporated herein by reference to Exhibit 10a1 to the Quarterly Report on Form 10-Q of Registrant dated November 13, 2001.*
10c1.	Fortune Brands, Inc. 1999 Long-Term Incentive Plan is incorporated herein by reference to Exhibit 4e1 to the Registration Statement on Form S-8 of Registrant, dated February 1, 2000, for the Fortune Brands, Inc. 1999 Long-Term Incentive Plan.*

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10c2.	Amendment to Fortune Brands, Inc. 1999 Long-Term Incentive Plan constituting Exhibit 10c1 hereto is incorporated herein by reference to Exhibit 10b1 to the Quarterly Report on Form 10-Q of Registrant dated November 13, 2001.*
10d1.	Fortune Brands, Inc. Non-Employee Director Stock Option Plan is incorporated herein by reference to Exhibit 10b1 to the Quarterly Report on Form 10-Q of Registrant dated August 12, 1997.*
10d2.	Amendment to Fortune Brands, Inc. Non-Employee Director Stock Option Plan constituting Exhibit 10d1 hereto is incorporated herein by reference to Exhibit 10a1 to the Quarterly Report on Form 10-Q of Registrant dated August 12, 1998.*
10d3.	Amendment to Fortune Brands Inc. Non-Employee Director Stock Option Plan and Amendment thereto constituting Exhibits 10d1 and 10d2 hereto is incorporated herein by reference to Exhibit 10b9 to the Annual Report on Form 10-K of Registrant for the fiscal year ended December 31, 1999.*
10d4.	Amendment to Fortune Brands, Inc. Non-Employee Director Stock Option Plan and Amendments thereto constituting Exhibits 10d1, 10d2 and 10d3 hereto is incorporated herein by reference to Exhibit 10a1 to the Quarterly Report on Form 10-Q of Registrant dated May 15, 2001.*
10e1.	Fortune Brands, Inc. 2002 Non-Employee Director Stock Option Plan is incorporated by reference to Exhibit B to the Definitive Schedule 14A of Registrant filed on March 19, 2001.*
10f1.	Fortune Brands, Inc. Stock Plan for Non-employee Directors is incorporated by reference to Exhibit 10b9 to the Annual Report on Form 10-K of Registrant for the Fiscal Year ended December 31, 1998.*
10f2.	Fortune Brands, Inc. Stock Plan for Non-employee Directors is incorporated by reference to Exhibit A to the Definitive Schedule 14A of Registrant filed on March 14, 2000.*

10g1.	Fortune Brands, Inc. Supplemental Plan, as Amended.*
10h1.	Form of Trust Agreement among Registrant, The Chase Manhattan Bank ("Chase"), et al. establishing a trust in favor of each of certain executive officers for purposes of paying amounts under the Supplemental Plan constituting Exhibit 10g1 hereto.*
10h2.	Schedule identifying substantially identical agreements to Trust Agreement constituting Exhibit 10h1 hereto in favor of Mark Hausberg, Craig P. Omtvedt, Mark A. Roche and Norman H. Wesley.*
10h3.	Amendment, made as of the 1st day of January, 2000 to Trust Agreement constituting Exhibit 10h1 hereto relating to the Trust in favor of Norman H. Wesley, is incorporated herein by reference to Exhibit 10a1 of the Quarterly Report on Form 10-Q of Registrant dated May 12, 2000.*

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10i1.	Form of Trust Agreement among each of certain executive officers, Registrant and Chase establishing a grantor trust in favor of each of such officers for purposes of paying amounts under the Supplemental Plan constituting Exhibit 10g1 hereto.*
10i2.	Schedule identifying substantially identical agreements to the Trust Agreement constituting Exhibit 10i1 hereto in favor of Mark Hausberg, Craig P. Omtvedt, Mark A. Roche and Norman H. Wesley.*
10j1.	Resolutions of the Board of Directors of Registrant adopted on October 28, 1986 and July 26, 1988 adopting and amending a retirement plan for directors of Registrant who are not officers or employees of Registrant or a subsidiary thereof are incorporated herein by reference to Exhibit 10e1 to the Annual Report on Form 10-K of Registrant for the Fiscal Year ended December 31, 1991 maintained in Commission File No. 1-9076.*
10j2.	Resolution of the Board of Directors of Registrant adopted on July 26, 1994 amending the resolutions constituting Exhibit 10j1 hereto is incorporated herein by reference to Exhibit 10e2 to the Annual Report on Form 10-K of Registrant for the Fiscal Year ended December 31, 1994 maintained in Commission File No. 1-9076.*
10k1.	Resolution of the Board of Directors of Registrant adopted on July 26, 1988 with respect to retirement and health benefits provided to Mark A. Roche is incorporated herein by reference to Exhibit 10f2 to the Annual Report on Form 10-K of Registrant for the fiscal year ended December 31, 1998.*
10l1.	Letter dated August 11, 1995 from Registrant with respect to deferred payment of fees to Gordon R. Lohman is incorporated herein by reference to Exhibit 10b to the Quarterly Report on Form 10-Q of Registrant dated November 9, 1995 maintained in Commission File No. 1-9076.*

10m1.	Form of Agreement between Registrant and each of certain executive officers.*
10m2.	Schedule identifying substantially identical agreements to the Agreement constituting Exhibit 10m1 hereto entered into by Registrant with Thomas J. Flocco, Mark Hausberg, Craig P. Omtvedt, Mark A. Roche and Norman H. Wesley.*
10m3.	Form of amendment dated December 1, 2000 to the Agreement constituting Exhibit 10m1 hereto between Registrant and each of certain executive officers.*
10m4.	Schedule identifying substantially identical agreements to the Agreement constituting Exhibit 10m3 hereto entered into by Registrant with Mark Hausberg and Mark A. Roche.*
10n1.	Form of Trust Agreement among Registrant, Chase, et al. establishing a trust in favor of each of certain executive officers for purposes of paying amounts under the Agreement constituting Exhibit 10m1 hereto.*
10n2.	Schedule identifying substantially identical agreements to the Trust Agreement constituting Exhibit 10n1 hereto in favor of Mark Hausberg, Craig P. Omtvedt, Mark A. Roche and Norman H. Wesley.*
10o1.	Severance and Retirement Agreement dated as of January 1, 2000 between Registrant and Norman H. Wesley is incorporated herein by reference to Exhibit 10c1 to the Quarterly Report on Form

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	10-Q of Registrant dated May 12, 2000.*
10p1.	Severance Agreement dated as of January 29, 1996 between Registrant and Craig P. Omtvedt.*
10p2.	Amendment effective as of January 27, 1997 to the Agreement constituting Exhibit 10p1 hereto between Registrant and Craig P. Omtvedt.*
10p3.	Amendment dated as of August 1, 1998 to the Agreement and Amendment thereto constituting Exhibits 10p1 and 10p2 hereto between Registrant and Craig P. Omtvedt is incorporated by reference to Exhibit 10j8 to the Annual Report on Form 10-K for the Fiscal Year ended December 31, 1998.*
10p4.	Schedule identifying substantially identical agreements to the Agreement and Amendments thereto constituting Exhibits 10p1, 10p2 and 10p3 hereto entered into by Registrant with Mark A. Roche.*
10p5.	Amendment dated as of December 18, 2000 to the Agreement and Amendments thereto constituting Exhibits 10p1, 10p2 and 10p3 hereto between Registrant and Mark A. Roche is incorporated by reference to Exhibit 10j15 to the Annual Report on Form 10-K for the Fiscal Year ended December 31, 2001.*
10p6.	Schedule identifying substantially identical agreement to the Amendment constituting Exhibit 10p5 hereto entered into by

	Registrant with Mark Hausberg.*
10q1.	Severance Agreement dated as of January 1, 2000 between Registrant and Thomas J. Flocco is incorporated by reference to Exhibit 10a1 to the Quarterly Report on Form 10-Q of Registrant dated November 13, 2000.*
10r1.	Fortune Brands, Inc. Severance Plan for Vice Presidents, adopted as of January 1, 2000, is incorporated by reference to Exhibit 10a1 to the Quarterly Report on Form 10-Q of Registrant dated August 11, 2000.*
10s1.	Indemnification Agreement dated as of December 22, 1994 among Registrant, The American Tobacco Company and Brown & Williamson Tobacco Corporation is incorporated herein by reference to Exhibit 10m1 to the Annual Report on Form 10-K of Registrant for the Fiscal Year ended December 31, 1997.
10t1.	Five-Year Revolving Credit Agreement, dated as of July 12, 2001 among Registrant and Fortune Brands Finance UK, plc as Borrowers, Chase as Administrative Agent, Citibank, N.A. as Syndication Agent and 14 financial institutions as Lenders is incorporated herein by reference to Exhibit 10a1 to the Quarterly Report on Form 10-Q of Registrant dated August 14, 2001.
10u1.	364-Day Revolving Credit Agreement, dated as of July 12, 2001 among Registrant as Borrower, Chase as Administrative Agent, Citibank, N.A. as Syndication Agent and 14 financial institutions as Lenders is incorporated herein by reference to Exhibit 10b1 to the Quarterly Report on Form 10-Q of Registrant dated August 14, 2001.
10v1.	Master Transaction Agreement dated March 20, 2001 by and among V&S Vin & Sprit AB, The Absolut Spirits Company, Incorporated,

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	Jim Beam Brands Worldwide, Inc., Jim Beam Brands Co. and Registrant is incorporated herein by reference to Exhibit 10b1 to the Quarterly Report on Form 10-Q of Registrant dated May 15, 2001.
12.	Statement re computation of ratio of earnings to fixed charges.
13.	2001 Annual Report to Stockholders of Registrant.
21.	Subsidiaries of Registrant.
23(i).	Consent of Independent Accountants, PricewaterhouseCoopers LLP.
24.	Powers of Attorney relating to execution of this Annual Report on Form 10-K.
99.	List of Pending/Terminated Cases.

* Indicates that exhibit is a management contract or compensatory plan or

arrangement.

In lieu of filing certain instruments with respect to long-term debt of the kind described in Item 601(b)(4) of Regulation S-K, Registrant agrees to furnish a copy of such instruments to the Securities and Exchange Commission upon request.

(b) Reports on Form 8-K.

Registrant filed a Current Report on Form 8-K, dated October 16, 2001, in respect of Registrant's press release dated October 16, 2001 announcing that Registrant had sold its U.K.-based Scotch whisky business (Items 5 and 7(c)).

Registrant filed a Current Report on Form 8-K, dated October 18, 2001, in respect of Registrant's press release dated October 18, 2001 announcing Registrant's financial results for the three-month and nine-month periods ended September 30, 2001 (Items 5 and 7(c)).

Registrant furnished a Current Report on Form 8-K, dated November 6, 2001, for the purpose of furnishing an investment brochure pursuant to Regulation FD (Items 7(c) and 9).

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SIGNATURES

Pursuant to the requirements of Section 13 or 15(d) of the Securities Exchange Act of 1934, as amended, Registrant has duly caused this report to be signed on its behalf by the undersigned, thereunto duly authorized.

FORTUNE BRANDS, INC.
(Registrant)

By /s/ Norman H. Wesley

Norman H. Wesley
Chairman of the Board and
Chief Executive Officer

Date: March 29, 2002

Pursuant to the requirements of the Securities Exchange Act of 1934, as amended, this report has been signed below by the following persons on behalf of Registrant and in the capacities and on the dates indicated.

/s/ Norman H. Wesley

Norman H. Wesley, Chairman of the Board and
Chief Executive Officer (principal executive officer)
Date: March 29, 2002

/s/ Craig P. Omtvedt

Craig P. Omtvedt, Senior Vice President and
Chief Financial Officer (principal financial officer)
Date: March 29, 2002

/s/ Nadine A. Heidrich

Nadine A. Heidrich, Vice President and
Corporate Controller (principal accounting officer)
Date: March 29, 2002

/s/ Patricia O. Ewers*

Patricia O. Ewers, Director
Date: March 29, 2002

/s/ Thomas C. Hays*

Thomas C. Hays, Director
Date: March 29, 2002

/s/ John W. Johnstone, Jr.*

John W. Johnstone, Jr., Director
Date: March 29, 2002

/s/ Gordon R. Lohman*

Gordon R. Lohman, Director
Date: March 29, 2002

/s/ Charles H. Pistor, Jr.*

Charles H. Pistor, Jr., Director
Date: March 29, 2002

/s/ Eugene A. Renna*

Eugene A. Renna, Director
Date: March 29, 2002

/s/ Anne M. Tatlock*

Anne M. Tatlock, Director
Date: March 29, 2002

/s/ David M. Thomas*

David M. Thomas, Director
Date: March 29, 2002

/s/ Peter M. Wilson*

Peter M. Wilson, Director
Date: March 29, 2002

*By Mark A. Roche

Mark A. Roche, Attorney-in-Fact

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FORTUNE BRANDS, INC. AND SUBSIDIARIES

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For the years ended December 31,
2001, 2000 and 1999

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REPORT OF INDEPENDENT ACCOUNTANTS ON
FINANCIAL STATEMENT SCHEDULE

To the Board of Directors and Stockholders of Fortune Brands, Inc.:

Our audits of the consolidated financial statements referred to in our report dated January 22, 2002 appearing in the 2001 Annual Report to Shareholders of Fortune Brands, Inc. and Subsidiaries (which report and consolidated financial statements are incorporated by reference in this Form 10-K) also included an audit of the financial statement schedule listed in Item 14(a)(2)of this Form 10-K. In our opinion, the financial statement schedule presents fairly, in all material respects, the information set forth therein when read in conjunction with the related consolidated financial statements.

PricewaterhouseCoopers LLP

Chicago, Illinois
January 22, 2002

FORTUNE BRANDS, INC. AND SUBSIDIARIES
SCHEDULE II - VALUATION AND QUALIFYING ACCOUNTS
For the Years Ended December 31, 2001, 2000 and 1999 (In millions)

Col. A	Col. B	Col. C
		Additions
Description	Balance at Beginning of Period	Charged to Costs and Expenses
2001:		
Allowance for cash discounts	$ 9.0	$ 71.4
Allowance for returns	20.4	198.2
Allowance for doubtful accounts	30.5	11.8
	$59.9	$281.4
2000:		
Allowance for cash discounts	$ 8.8	$ 72.4
Allowance for returns	19.2	173.0
Allowance for doubtful accounts	35.4	8.6
	$63.4	$254.0
1999:		

Allowance for cash discounts	$ 8.9	$ 76.3
Allowance for returns	19.1	156.4
Allowance for doubtful accounts	33.4	15.0
	$61.4	$247.7

(1) Cash discounts and returns allowed customers.
(2) Doubtful accounts written off, net of recoveries.
(3) Balance at disposition date of subsidiaries.
(4) Foreign exchange rate changes.

EXHIBIT INDEX

Exhibit

3(i). Restated Certificate of Incorporation of Registrant as in effect on the date hereof is incorporated herein by reference to Exhibit 3(i) to the Annual Report on Form 10-K of Registrant for the fiscal year ended December 31, 1998.

3(ii)a. Amendment to By-laws of Registrant.

3(ii)b. By-laws of Registrant as in effect on the date hereof.

4a1. Rights Agreement dated as of November 19, 1997 between Registrant and First Chicago Trust Company of New York as Rights Agent is incorporated herein by reference to Exhibit 4a to the Current Report on Form 8-K of Registrant dated December 2, 1997.

4b1. Indenture dated as of July 15, 1988 between Registrant and Chemical Bank (as successor by merger to Manufacturers Hanover Trust Company) as Trustee ("Chemical") is incorporated herein by reference to Exhibit 4a to the Current Report on Form 8-K of Registrant dated June 27, 1989 maintained in Commission File No. 1-9076.

4b2. First Supplemental Indenture dated as of November 14, 1990 between Registrant and Chemical, amending and supplementing the Indenture constituting Exhibit 4b1 hereto, is incorporated herein by reference to Exhibit 4b to the Current Report on Form 8-K of Registrant dated November 19, 1990 maintained in Commission File No. 1-9076.

4b3. Second Supplemental Indenture dated as of September 1, 1991 between Registrant and Chemical, further amending and supplementing the Indenture constituting Exhibits 4b1 and 4b2 hereto, is incorporated herein by reference to Exhibit 4c to the Current Report on Form 8-K of Registrant dated October 10, 1991 maintained in Commission File No. 1-9076.

4c1. Indenture dated as of April 15, 1999 between Registrant and The Chase Manhattan Bank ("Chase") as Trustee is incorporated herein by reference to Exhibit 4 to the Current Report on Form 8-K of Registrant dated December 10, 1999.

10a1. Fortune Brands, Inc. Annual Executive Incentive Compensation Plan is incorporated herein by reference to Exhibit 10a1 to the Quarterly Report on Form 10-Q of Registrant dated August 12, 1997.*

10b1. Fortune Brands, Inc. 1990 Long-Term Incentive Plan (As Amended and Restated as of January 1, 1994) is incorporated herein by reference to Exhibit 10a to the Quarterly Report on Form 10-Q of Registrant dated August 11, 1994 maintained in Commission File No. 1-9076.*

10b2. Amendment to Fortune Brands, Inc. 1990 Long-Term Incentive Plan constituting Exhibit 10b1 hereto is incorporated herein by reference to Exhibit 10a1 to the Quarterly Report on Form 10-Q of Registrant dated November 11, 1997.*

10b3. Amendment to Fortune Brands, Inc. 1990 Long-Term Incentive Plan and Amendment thereto constituting Exhibits 10b1 and 10b2 hereto is incorporated herein by reference to Exhibit 10a1 to the Quarterly Report on Form 10-Q of Registrant dated November 13, 2001.*

10c1. Fortune Brands, Inc. 1999 Long-Term Incentive Plan is incorporated herein by reference to Exhibit 4e1 to the Registration Statement on Form S-8 of Registrant, dated February 1, 2000, for the Fortune Brands, Inc. 1999 Long-Term Incentive Plan.*

10c2. Amendment to Fortune Brands, Inc. 1999 Long-Term Incentive Plan constituting Exhibit 10c1 hereto is incorporated herein by reference to Exhibit 10b1 to the Quarterly Report on Form 10-Q of Registrant dated November 13, 2001.*

10d1. Fortune Brands, Inc. Non-Employee Director Stock Option Plan is incorporated herein by reference to Exhibit 10b1 to the Quarterly Report on Form 10-Q of Registrant dated August 12, 1997.*

10d2. Amendment to Fortune Brands, Inc. Non-Employee Director Stock Option Plan constituting Exhibit 10d1 hereto is incorporated herein by reference to Exhibit 10a1 to the Quarterly Report on Form 10-Q of Registrant dated August 12, 1998.*

10d3. Amendment to Fortune Brands Inc. Non-Employee Director Stock Option Plan and Amendment thereto constituting Exhibits 10d1 and 10d2 hereto is incorporated herein by reference to Exhibit 10b9 to the Annual Report on Form 10-K of Registrant for the fiscal year ended December 31, 1999.*

10d4. Amendment to Fortune Brands, Inc. Non-Employee Director Stock

	Option Plan and Amendments thereto constituting Exhibits 10d1, 10d2 and 10d3 hereto is incorporated herein by reference to Exhibit 10a1 to the Quarterly Report on Form 10-Q of Registrant dated May 15, 2001.*
10e1.	Fortune Brands, Inc. 2002 Non-Employee Director Stock Option Plan is incorporated by reference to Exhibit B to the Definitive Schedule 14A of Registrant filed on March 19, 2001.*
10f1.	Fortune Brands, Inc. Stock Plan for Non-employee Directors is incorporated by reference to Exhibit 10b9 to the Annual Report on Form 10-K of Registrant for the Fiscal Year ended December 31, 1998.*
10f2.	Fortune Brands, Inc. Stock Plan for Non-employee Directors is incorporated by reference to Exhibit A to the Definitive Schedule 14A of Registrant filed on March 14, 2000.*
10g1.	Fortune Brands, Inc. Supplemental Plan, as Amended.*
10h1.	Form of Trust Agreement among Registrant, The Chase Manhattan Bank ("Chase"), et al. establishing a trust in favor of each of certain executive officers for purposes of paying amounts under the Supplemental Plan constituting Exhibit 10g1 hereto.*
10h2.	Schedule identifying substantially identical agreements to Trust Agreement constituting Exhibit 10h1 hereto in favor of Mark Hausberg, Craig P. Omtvedt, Mark A. Roche and Norman H. Wesley.*
10h3.	Amendment, made as of the 1st day of January, 2000 to Trust Agreement constituting Exhibit 10h1 hereto relating to the Trust in favor of Norman H. Wesley, is incorporated herein by reference to Exhibit 10a1 of the Quarterly Report on Form 10-Q of Registrant dated May 12, 2000.*
10i1.	Form of Trust Agreement among each of certain executive officers, Registrant and Chase establishing a grantor trust in favor of each of such officers for purposes of paying amounts under the Supplemental Plan constituting Exhibit 10g1 hereto.*
10i2.	Schedule identifying substantially identical agreements to the Trust Agreement constituting Exhibit 10i1 hereto in favor of Mark Hausberg, Craig P. Omtvedt, Mark A. Roche and Norman H. Wesley.*
10j1.	Resolutions of the Board of Directors of Registrant adopted on October 28, 1986 and July 26, 1988 adopting and amending a retirement plan for directors of Registrant who are not officers
	or employees of Registrant or a subsidiary thereof are incorporated herein by reference to Exhibit 10e1 to the Annual

	Report on Form 10-K of Registrant for the Fiscal Year ended December 31, 1991 maintained in Commission File No. 1-9076.*
10j2.	Resolution of the Board of Directors of Registrant adopted on July 26, 1994 amending the resolutions constituting Exhibit 10j1 hereto is incorporated herein by reference to Exhibit 10e2 to the Annual Report on Form 10-K of Registrant for the Fiscal Year ended December 31, 1994 maintained in Commission File No. 1-9076.*
10k1.	Resolution of the Board of Directors of Registrant adopted on July 26, 1988 with respect to retirement and health benefits provided to Mark A. Roche is incorporated herein by reference to Exhibit 10f2 to the Annual Report on Form 10-K of Registrant for the fiscal year ended December 31, 1998.*
10l1.	Letter dated August 11, 1995 from Registrant with respect to deferred payment of fees to Gordon R. Lohman is incorporated herein by reference to Exhibit 10b to the Quarterly Report on Form 10-Q of Registrant dated November 9, 1995 maintained in Commission File No. 1-9076.*
10m1.	Form of Agreement between Registrant and each of certain executive officers.*
10m2.	Schedule identifying substantially identical agreements to the Agreement constituting Exhibit 10m1 hereto entered into by Registrant with Thomas J. Flocco, Mark Hausberg, Craig P. Omtvedt, Mark A. Roche and Norman H. Wesley.*
10m3.	Form of amendment dated December 1, 2000 to the Agreement constituting Exhibit 10m1 hereto between Registrant and each of certain executive officers.*
10m4.	Schedule identifying substantially identical agreements to the Agreement constituting Exhibit 10m3 hereto entered into by Registrant with Mark Hausberg and Mark A. Roche.*
10n1.	Form of Trust Agreement among Registrant, Chase, et al. establishing a trust in favor of each of certain executive officers for purposes of paying amounts under the Agreement constituting Exhibit 10m1 hereto.*
10n2.	Schedule identifying substantially identical agreements to the Trust Agreement constituting Exhibit 10n1 hereto in favor of Mark Hausberg, Craig P. Omtvedt, Mark A. Roche and Norman H. Wesley.*
10o1.	Severance and Retirement Agreement dated as of January 1, 2000 between Registrant and Norman H. Wesley is incorporated herein by reference to Exhibit 10c1 to the Quarterly Report on Form 10-Q of Registrant dated May 12, 2000.*
10p1.	Severance Agreement dated as of January 29, 1996 between Registrant and Craig P. Omtvedt.*

10p2.	Amendment effective as of January 27, 1997 to the Agreement constituting Exhibit 10p1 hereto between Registrant and Craig P. Omtvedt.*
10p3.	Amendment dated as of August 1, 1998 to the Agreement and Amendment thereto constituting Exhibits 10p1 and 10p2 hereto between Registrant and Craig P. Omtvedt is incorporated by reference to Exhibit 10j8 to the Annual Report on Form 10-K for the Fiscal Year ended December 31, 1998.*
10p4.	Schedule identifying substantially identical agreements to the Agreement and Amendments thereto constituting Exhibits 10p1, 10p2 and 10p3 hereto entered into by Registrant with Mark A. Roche.*
10p5.	Amendment dated as of December 18, 2000 to the Agreement and Amendments thereto constituting Exhibits 10p1, 10p2 and 10p3 hereto between Registrant and Mark A. Roche is incorporated by reference to Exhibit 10j15 to the Annual Report on Form 10-K for the Fiscal Year ended December 31, 2001.*
10p6.	Schedule identifying substantially identical agreement to the Amendment constituting Exhibit 10p5 hereto entered into by Registrant with Mark Hausberg.*
10q1.	Severance Agreement dated as of January 1, 2000 between Registrant and Thomas J. Flocco is incorporated by reference to Exhibit 10a1 to the Quarterly Report on Form 10-Q of Registrant dated November 13, 2000.*
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	V&S Vin & Sprit AB, The Absolut Spirits Company, Incorporated, Jim Beam Brands Worldwide, Inc., Jim Beam Brands Co. and Registrant is incorporated herein by reference to Exhibit 10b1 to the Quarterly Report on Form 10-Q of Registrant dated May 15, 2001.
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