

UNITED STATES
SECURITIES AND EXCHANGE COMMISSION

Washington, D.C. 20549

FORM 8-K

CURRENT REPORT

Pursuant to Section 13 or 15(d) of the
Securities Exchange Act of 1934

December 22, 1994 (December 22, 1994)

Date of Report (Date of earliest event reported)

AMERICAN BRANDS, INC.

(Exact name of registrant as specified in its charter)

Delaware

1-9076

13-3295276

(State or other jurisdiction
of incorporation)

(Commission
File Number)

(IRS Employer
Identification No.)

1700 East Putnam Avenue, Old Greenwich, Connecticut

06870-0811

(Address of principal executive offices)

(Zip Code)

Registrant's telephone number, including area code (203) 698-5000

INFORMATION TO BE INCLUDED IN THE REPORT

Item 5. Other Events.

Registrant's press releases each dated December 22, 1994 are
filed herewith as Exhibits 20a and 20b and are incorporated herein by
reference.

Item 7. Financial Statements and Exhibits.

(c) Exhibits.

20a. Press release of Registrant dated December 22, 1994.

20b. Press release of Registrant dated December 22, 1994.

This Current Report shall not be construed as a waiver of the right to contest the validity or scope of any or all of the provisions of the Securities Exchange Act of 1934 under the Constitution of the United States, or the validity of any rule or regulation made or to be made under such Act.

SIGNATURE

Pursuant to the requirements of the Securities Exchange Act of 1934, as amended, the Registrant has duly caused this Current Report to be signed on its behalf by the undersigned thereunto duly authorized.

AMERICAN BRANDS, INC.

(Registrant)

By Gilbert L. Klemann, II

Gilbert L. Klemann, II
Senior Vice President
and General Counsel

Date: December 22, 1994

EXHIBIT INDEX

Exhibit -----	Sequentially Numbered Page -----
20a. Press release of Registrant dated December 22, 1994.	
20b. Press release of Registrant dated December 22, 1994.	

FOR IMMEDIATE RELEASE

Contact: Roger W. W. Baker
(203) 698-5148

Daniel A. Conforti
(203) 698-5132

SALE OF THE AMERICAN TOBACCO COMPANY
CLEARED BY SETTLEMENT BETWEEN FTC AND B.A.T

Old Greenwich, CT, December 22 -- American Brands, Inc. announced that the Federal Trade Commission has approved a settlement with B.A.T Industries p.l.c. that removes the FTC's opposition to the sale of American Brands' subsidiary, The American Tobacco Company, to B.A.T. The Federal Trade Commission had sought to enjoin the transaction on antitrust grounds. American Brands and B.A.T expect to close the sale of American Tobacco today.

Simultaneously, the Silk Cut trademark rights outside Europe of American Brands' U.K.-based subsidiary, Gallaher Limited, will be transferred to B.A.T in exchange for a long-term manufacturing arrangement.

The sale proceeds would amount to \$1 billion, which would be largely tax free. On November 30, American Brands announced that it had executed a definitive agreement for the sale of its Franklin Life Insurance business to American General Corporation for which American Brands will receive \$1.17 billion in cash, which would be tax free. Thus, the combined proceeds, if both transactions are completed, would total \$2.17 billion.

The Company also announced that, subject to the closing of the American Tobacco transaction, the Board has authorized the purchase of up to 10 million shares of American Brands Common stock in the open market and in privately negotiated transactions. This new authority is in addition to the 10 million share purchase authority announced three weeks ago subject to the closing of the pending sale of Franklin. The combined 20 million share purchase authority would amount to about 10% of the currently outstanding Common shares. Such purchases may be effected from time to time, subject to market conditions.

The Company further noted: "We are very pleased by the settlement, and we expect to complete the transaction today.

"We anticipate that, depending on market conditions, the proceeds will provide funds to purchase shares and, initially, to reduce debt. As we have noted, as opportunities arise, we intend to further enhance the competitiveness and growth prospects of American Brands through strategic acquisitions, focusing on hardware and home improvement products, office products, golf and leisure products, and distilled spirits.

"Overall, we have been aggressively restructuring American Brands to strengthen our presence as a consumer powerhouse with leading market positions. Our strategy remains sharply focused on increasing shareholder value and enhancing our long-term growth prospects."

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EXHIBIT 20b

FOR IMMEDIATE RELEASE

Contact: Roger W. W. Baker
(203) 698-5148

Daniel A. Conforti
(203) 698-5132

SALE OF THE AMERICAN TOBACCO COMPANY COMPLETED

Old Greenwich, CT, December 22 -- American Brands, Inc. announced that it has completed the sale of The American Tobacco Company to B.A.T Industries, p.l.c. Simultaneously, American Brands' U.K.-based subsidiary, Gallaher Limited, completed the transfer to B.A.T of the Silk Cut trademark rights outside Europe.

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