

SECURITIES AND EXCHANGE COMMISSION

FORM 424B2

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FILER

AMERICAN PRESIDENT COMPANIES LTD

CIK: **725457** | IRS No.: **942911022** | State of Incorporation: **DE** | Fiscal Year End: **1231**
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SIC: **4412** Deep sea foreign transportation of freight

Business Address
1111 BROADWAY
OAKLAND CA 94607
4152718000

\$150,000,000

AMERICAN PRESIDENT COMPANIES, LTD.

8% SENIOR DEBENTURES DUE 2024

The Senior Debentures will mature on January 15, 2024. Interest on the Senior Debentures is payable semiannually on January 15 and July 15, beginning July 15, 1994. The Senior Debentures may not be redeemed prior to maturity and will not be subject to any sinking fund.

The Senior Debentures will be represented by global securities registered in the name of The Depository Trust Company (the "Depository") or its nominee. Interests in the Senior Debentures represented by such global securities will be shown on, and transfer thereof will be effected only through, records maintained by the Depository and its direct and indirect participants. Except as described herein, Senior Debentures in definitive form will not be issued.

THESE SECURITIES HAVE NOT BEEN APPROVED OR DISAPPROVED BY THE SECURITIES AND EXCHANGE COMMISSION OR ANY STATE SECURITIES COMMISSION NOR HAS THE SECURITIES AND EXCHANGE COMMISSION OR ANY STATE SECURITIES COMMISSION PASSED UPON THE ACCURACY OR ADEQUACY OF THIS PROSPECTUS SUPPLEMENT OR THE PROSPECTUS. ANY REPRESENTATION TO THE CONTRARY IS A CRIMINAL OFFENSE.

<S>	<C>	<C>	<C>
	PRICE TO PUBLIC (1)	UNDERWRITING DISCOUNT	PROCEEDS TO COMPANY (1) (2)
Per Senior Debenture.....	98.956%	.875%	98.081%
Total.....	\$148,434,000	\$1,312,500	\$147,121,500

<FN>

(1) Plus accrued interest, if any, from January 12, 1994.

(2) Before deducting expenses payable by the Company estimated at \$187,500.

</TABLE>

The Senior Debentures are offered subject to receipt and acceptance by the Underwriter, to prior sale and to the Underwriter's right to reject any order in whole or in part and to withdraw, cancel or modify the offer without notice. It is expected that delivery of global securities representing the Senior Debentures will be made to the Depository on or about January 12, 1994.

SALOMON BROTHERS INC

The date of this Prospectus Supplement is January 5, 1994.

IN CONNECTION WITH THIS OFFERING, THE UNDERWRITER MAY OVER-ALLOT OR EFFECT TRANSACTIONS WHICH STABILIZE OR MAINTAIN THE MARKET PRICE OF THE SENIOR DEBENTURES OFFERED HEREBY AT LEVELS ABOVE THOSE WHICH MIGHT OTHERWISE PREVAIL IN THE OPEN MARKET. SUCH STABILIZING, IF COMMENCED, MAY BE DISCONTINUED AT ANY TIME.

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THE COMPANY

American President Companies, Ltd., through its subsidiaries, provides integrated container transportation and related services through an intermodal system combining ocean, rail and truck transportation and related terminal operations. The Company operates principally in the trans-Pacific, intra-Asia and North America markets. The Company believes that it is a leader in each of these markets, with a number one or number two market share in the trans-Pacific containership and North America double-stack train markets.

OPERATIONS

INTERNATIONAL CONTAINERIZED TRANSPORTATION. The Company provides ocean-going containerized cargo transportation services in the trans-Pacific and intra-Asia markets. It carried approximately 11% of all such cargo in the trans-Pacific market in 1992, and believes that it has the largest share of this market. The Company offers five scheduled trans-Pacific services per week between key ports in Asia and the United States. Two of these services are made possible under agreements with Orient Overseas Container Line, a Hong Kong

shipping company ("OOCL"), which enable the Company to exchange vessel space and coordinate sailings with OOCL until 1996. These agreements are intended to achieve increased service frequency, faster transit times, expanded service to Southeast Asia and generally higher utilization of the Company's fleet and marine terminals. The Company also provides intermodal transportation service among major commercial centers in North America, Asia and the Middle East.

The Company operates 19 containerships in the trans-Pacific and intra-Asia markets, five of which are chartered. In addition, it operates 24 chartered feeder vessels in its intra-Asia and trans-Pacific services. The Company is continuing to modernize its fleet of containerships. It has six C11-class containerships under construction, each of which will be capable of carrying approximately 4,800 twenty-foot equivalent containers. These ships are scheduled for delivery in 1995 and will be among the largest, fastest and most fuel-efficient vessels in the Company's fleet. The Company also plans to construct three additional containerships to replace, in combination with its new C11-class vessels, four L9-class vessels chartered until 1996 and used in its West Asia/Middle East service.

In the United States, the Company operates marine terminal facilities in Oakland and Los Angeles, California; Seattle, Washington; and Dutch Harbor, Alaska. In Asia, it operates major marine terminal facilities in Kobe and Yokohama, Japan and Kaohsiung, Taiwan, and its vessels call at numerous other ports throughout Asia. The Company recently entered into a contract with the Port of Los Angeles to lease a new 226-acre terminal facility for 30 years. Occupancy of the new facility is scheduled for 1997. The Company is also negotiating with the Port of Seattle to improve and expand its existing terminal. Under the proposed construction plan, anticipated to be completed by 1997, the Seattle facility would approximately double in size to 160 acres. When completed, both the new Los Angeles and the expanded Seattle terminals will include on-dock rail facilities, which are expected to improve container handling and throughput efficiency by allowing stacktrain loading and unloading operations within the marine terminals. In addition, the Company recently exercised an option to purchase no fewer than six gantry cranes and certain intermodal equipment for use at the new Los Angeles terminal. The estimated minimum cost of purchasing this equipment is \$55 million. At certain locations, the Company also performs stevedoring and other terminal services for its own operations and for third parties.

The Company provides cargo distribution and warehousing services on the East Coast of the United States and consolidation services in Asia, the Middle East, Europe and North America. Freight consolidators combine various merchandise from multiple vendors into a single containerload for delivery to a single destination. The Company also serves shippers of less-than-container-load cargoes by combining their shipments with others bound for the same or proximate geographic locations.

The Company transports goods for import into the U.S. that include higher value items such as clothing, electronics, automotive and manufacturing components and other consumer products. Generally, higher value goods are transported at higher rates due to their value, time sensitivity or need for specialized services.

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U.S. export cargoes transported by the Company include refrigerated goods, military shipments and lower value semi-processed and raw materials. In the intra-Asia market, the Company transports food, raw materials and semi-processed goods, as well as auto parts, electronics and other higher value finished products.

The Company also bids competitively for contracts to transport military and other cargo for the U.S. government. Such shipments represented approximately 2% and 4% of the Company's consolidated revenues for 1992 and 1991, respectively, excluding Operation Desert Storm shipments in 1991. Recently, a trade publication reported that, in connection with the federal government's review of U.S. maritime policy, the government is also reviewing the present practice of reserving the carriage of certain U.S. government cargo, including military cargo, for U.S.-flag carriers. The Company is unable to predict the outcome of any such review.

The Company's international operations are seasonal and subject to fluctuations in the relative value of various foreign currencies, the strength of the local economies in the markets served and resulting changes in the demand for transportation of import and export products. The Company's second and third quarters are historically its strongest in terms of volume, primarily due to the export of refrigerated goods from the U.S. in both of these quarters and increased imports of consumer goods to the U.S. in the third quarter for the Fall holiday buying season.

NORTH AMERICAN INTERMODAL TRANSPORTATION. The Company provides intermodal transportation and freight brokerage services to domestic and international

shippers as well as time-critical cargo transportation and just-in-time delivery (principally for the automotive manufacturing industry) through an integrated system of rail and truck transportation. The Company operates one of the largest double-stack container train networks in North America, based on the number of containers carried. In this connection, the Company serves the long-haul truckload, piggyback rail and international intermodal markets through more than 30 U.S., Canadian and Mexican inland terminal facilities. Major U.S. railroads have entered into service contracts with the Company to provide locomotive power, trackage, terminal services and labor to transport the Company's containers on individual double-stack rail cars and on dedicated unit trains consisting of up to 28 double-stack rail cars. In combination with its double-stack rail service, the Company also provides local trucking services in North America through a fleet of approximately 450 tractors, which it owns or leases or which are provided by owner-operators.

LOGISTICS MANAGEMENT AND INFORMATION SERVICES. The Company operates its vessels and manages its owned and leased fleet of nearly 120,000 containers and approximately 50,000 owned and leased container chassis using its computer systems and customized software, linked through a satellite communications network with the Company's ships and offices. The Company's cargo and container management system processes cargo bookings, generates bills of lading, expedites U.S. Customs clearance and facilitates the management of rail cars, containers and other equipment. The Company has also developed computer systems designed to optimize the loading of containers onto ships and to facilitate the planning of ship, rail and truck moves. The Company's communications system permits its customers to access information regarding the location and status of their cargo via touch-tone telephone, personal computer and computer-facsimile link.

COMPETITION AND REGULATION

The Company is a U.S.-flag carrier and faces vigorous competition principally on the basis of price and service on all of its trade routes from 19 major operators, including foreign-flag operators who generally have cost and operating advantages over U.S.-flag carriers. The Company's stacktrain operations compete with 11 trans-Pacific containership companies and three West Coast railroads offering double-stack rail service. The Company's stacktrain and trucking operations also compete with numerous long-haul trucking companies. The Company's freight brokerage business competes with numerous other domestic freight brokerage companies.

The Company is party to an Operating-Differential Subsidy ("ODS") agreement with the U.S. government, expiring on December 31, 1997, which provides for payment by the U.S. government to partially compensate the Company for the relatively greater expense of vessel operation under U.S. registry. ODS payments to the

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Company, which were approximately \$69 million in 1992, are expected to terminate at the end of 1997. The Administration and Congress are actively reviewing U.S. maritime policy. On November 4, 1993, the U.S. House of Representatives passed the "Maritime Security and Competitiveness Act of 1993," H.R. 2151, which would, among other things, extend the U.S. government's maritime support program for up to ten years but would substantially reduce from current levels the amount of support payments per participating vessel. Similar legislation has not yet been addressed by the Senate. Accordingly, there can be no assurance that maritime reform legislation will be enacted or that enacted legislation, if any, will have terms similar to H.R. 2151.

While the Company continues to support efforts to enact new maritime support legislation, prospects for passage of a program acceptable to the Company are unclear. Accordingly, on July 16, 1993, the Company filed with the United States Maritime Administration applications to operate under foreign flag its six new C11-class containerships and to transfer to foreign flag seven of the 15 containerships in its trans-Pacific fleet. Enactment of maritime reform legislation, if any, may influence the Company's decision whether to operate these ships under foreign flag, should its applications be approved. Management of the Company believes that, in the absence of ODS or an equivalent government support program, it is generally no longer commercially viable to own or operate containerships in foreign trade under the U.S. flag because of the higher labor costs and the more restrictive design, maintenance and operating standards applicable to U.S.-flag carriers. The Company continues to evaluate its strategic alternatives in light of the expiration of its ODS agreement and the uncertainties as to whether a new U.S. government maritime support program will be enacted or the Company's application to flag its vessels under foreign registry will be approved. While no assurances can be given, management of the Company believes that it will be able to structure its operations to enable it to continue to operate on a competitive basis without direct U.S. government support.

MARKET OUTLOOK

TRANS-PACIFIC AND ASIA. Growth in demand for containerized cargo transportation is correlated to economic growth in the markets served by the Company. The Company believes that, in the near term, the economies of Southeast Asia, China, India and the Middle East will maintain higher growth rates than the economies of the United States and Japan. The Company has established offices in the People's Republic of China, and it currently provides vessel service to and from Shanghai, China's major gateway port, as well as service to and from Dalian and Xingang.

NORTH AMERICA. In 1992, the Company introduced double-stack rail services connecting the U.S., Canada and Mexico. The Company is continuing to expand its intermodal transportation services into Mexico to serve the growing automotive and other industries. The Company believes that the North America Free Trade Agreement ("NAFTA") will increase volumes in this market. Growth in demand for transportation services in this market depends on overall U.S., Canadian and Mexican economic conditions.

USE OF PROCEEDS

The net proceeds to be received by the Company from the sale of the Senior Debentures offered hereby are estimated to be \$146,934,000. The Company intends to use such net proceeds for general corporate purposes, including, without limitation, the financing of capital expenditures. Such capital expenditures may include progress payments for the construction of new vessels.

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SELECTED CONSOLIDATED FINANCIAL INFORMATION

The following selected consolidated financial information for each of the five years in the period ended December 25, 1992 and for the 38-week periods ended September 18, 1992 and September 17, 1993 should be read in conjunction with the more detailed information and financial statements incorporated by reference in the accompanying Prospectus. The information for the 38-week periods ended September 18, 1992 and September 17, 1993 was derived from unaudited financial statements which, in the opinion of management, include all adjustments necessary for a fair presentation of such information. Results of interim periods are not necessarily indicative of results for an entire year.

<TABLE>
<CAPTION>

	YEARS ENDED					38 WEEKS ENDED	
	DEC. 30, 1988	DEC. 29, 1989	DEC. 28, 1990	DEC. 27, 1991	DEC. 25, 1992	SEPT. 18, 1992	SEPT. 17, 1993
	(IN MILLIONS, EXCEPT PER SHARE AND RATIO DATA)						
<S>	<C>	<C>	<C>	<C>	<C>	<C>	<C>
SUMMARY OF OPERATIONS DATA:							
Revenues.....	\$ 2,131.2	\$ 2,233.9	\$ 2,269.9	\$ 2,448.7	\$ 2,504.8	\$ 1,840.0	\$ 1,832.4
Expenses							
Operating, general and administrative, net of ODS.....	1,881.7	2,066.4	2,106.5	2,199.4	2,257.5	1,641.5	1,651.4
Depreciation and amortization.....	87.7	107.1	110.7	106.5	107.2	78.2	80.1
Restructuring charge.....	--	--	109.2	--	--	--	--
Total expenses.....	1,969.4	2,173.5	2,326.4	2,305.9	2,364.7	1,719.7	1,731.5
Operating income (loss).....	161.8	60.4	(56.5)	142.8	140.1	120.3	100.9
Interest expense, net.....	(17.7)	(38.7)	(36.7)	(36.1)	(26.5)	(19.6)	(10.4)
Other income (expense).....	(8.4)	--	--	--	8.1	8.1	8.9
Income (loss) before taxes and cumulative effect of accounting changes.....	135.7	21.7	(93.2)	106.7	121.7	108.8	99.4
Tax expense (benefit).....	54.4	8.7	(31.7)	40.5	43.6	41.3	40.5
Income (loss) before cumulative effect of accounting changes.....	81.3	13.0	(61.5)	66.2	78.1	67.5	58.9
Cumulative effect of accounting changes.....	--	(29.2)	--	(10.5)	(21.6)	(21.6)	--
Net income (loss).....	\$ 81.3	\$ (16.2)	\$ (61.5)	\$ 55.7	\$ 56.5	\$ 45.9	\$ 58.9
Less dividends on preferred stock.....	9.5	12.0	6.8	6.8	6.8	5.1	5.1
Net income (loss) applicable to common stock.....	\$ 71.8	\$ (28.2)	\$ (68.3)	\$ 48.9	\$ 49.7	\$ 40.8	\$ 53.8

Earnings (loss) per share, fully diluted.....	\$ 3.26	\$ (1.15)	\$ (3.55)	\$ 3.12	\$ 3.39	\$ 2.71	\$ 3.72
RATIO OF EARNINGS TO FIXED CHARGES.....	2.87 x	1.26 x	N/A	2.25 x	2.37 x	2.66 x	2.93 x

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	AS OF					
	DEC. 30, 1988	DEC. 29, 1989	DEC. 28, 1990	DEC. 27, 1991	DEC. 25, 1992	SEPT. 17, 1993
	(IN MILLIONS)					
<S>	<C>	<C>	<C>	<C>	<C>	<C>
CONSOLIDATED BALANCE SHEET DATA:						
Working capital.....	\$ 178.3	\$ 127.7	\$ 112.5	\$ 158.7	\$ (15.7)	\$ (23.1)
Total assets.....	1,710.5	1,682.9	1,607.8	1,541.2	1,435.6	1,386.3
Long-term debt and capital lease obligations.....	540.5	510.9	480.6	443.9	242.5	190.3
Redeemable preferred stock....	75.0	75.0	75.0	75.0	75.0	75.0
Stockholders' equity.....	616.7	566.7	459.5	426.3	397.2	452.8

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CAPITALIZATION

The following table sets forth the capitalization of the Company at September 17, 1993 and as adjusted to give effect to the offering of Senior Debentures made hereby, and to give effect to the offering in November 1993 of the Company's 7 1/8% Senior Notes Due 2003 and the application of a portion of the net proceeds of such notes to repay approximately \$65 million of other indebtedness. This table should be read in conjunction with the financial statements of the Company incorporated by reference in the accompanying Prospectus.

<TABLE>
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	SEPTEMBER 17, 1993	
	ACTUAL	AS ADJUSTED
	(IN MILLIONS)	
<S>	<C>	<C>
Current portion of long-term debt and capital leases.....		
	\$ 10.8	\$ 10.8
Long-term debt and capital leases.....	190.3	125.3
7 1/8% Senior Notes Due 2003.....	--	150.0
Senior Debentures offered hereby.....	--	150.0
Total debt.....	201.1	436.1
Redeemable preferred stock.....	75.0	75.0
Stockholders' equity.....	452.8	452.8
Total capitalization.....	\$ 728.9	\$ 963.9

</TABLE>

DESCRIPTION OF THE SENIOR DEBENTURES

The following description of the particular terms of the Senior Debentures offered hereby supplements, and to the extent inconsistent therewith replaces, the description of the general terms and provisions of the Senior Debentures set forth in the accompanying Prospectus, to which description reference is hereby made.

The Senior Debentures offered hereby will be limited to \$150,000,000 aggregate principal amount and will mature on January 15, 2024. Each Senior Debenture will bear interest at the rate of 8% per annum, computed on the basis of a 360-day year of twelve 30-day months, from January 12, 1994 or from the most recent interest payment date to which interest has been paid or provided for, payable semiannually on January 15 and July 15 of each year, beginning on July 15, 1994. The Senior Debentures will be issued only in registered form in denominations of \$1,000 and any integral multiple thereof. Interest payable on any Senior Debenture which is punctually paid or duly provided for on any interest payment date shall be paid to the person in whose name such Senior Debenture is registered at the close of business on the January 1 and July 1, as

the case may be, preceding such interest payment date.

The Senior Debentures will not be redeemable prior to maturity and will not be entitled to any sinking fund. The Senior Debentures will be subject to defeasance and covenant defeasance as provided in the accompanying Prospectus.

BOOK-ENTRY PROCEDURES

Upon issuance, the Senior Debentures will be represented by global securities that will be deposited with, or on behalf of, the Depositary and will be registered in the name of the Depositary or its nominee.

Upon issuance of the global securities, the Depositary for such global securities or its nominee will credit the accounts of persons held with it with the respective principal or face amounts of the book-entry Senior Debentures represented by such global securities. Such accounts shall be designated by the Underwriter. Ownership of beneficial interests in the global securities will be limited to participants and to persons that have accounts with the Depositary ("participants") or persons that may hold interests through participants. Ownership interests in the global securities will be shown on, and the transfer of ownership interests will be effected only through, records maintained by the Depositary or its nominee for such global securities (with respect to a participant's interest) and records maintained by participants (with respect to interests of persons other than participants).

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Payment of principal of and any premium and interest on the book-entry Senior Debentures represented by global securities will be made to the Depositary or its nominee, as the case may be, as the sole registered owner and the sole holder of the Senior Debentures represented thereby for all purposes under the Indenture. Neither the Company or the Trustee, nor any agent of the Company or the Trustee, will have any responsibility or liability for any aspect of the Depositary's records relating to beneficial ownership interests or payments made on account of beneficial ownership interests in the global securities representing any book-entry Senior Debentures, for any acts or omissions of the Depositary or for any transactions between the Depositary and participants or beneficial owners.

The Company has been advised by the Depositary that upon receipt of any payment of principal of or any premium or interest on the global securities, the Depositary will immediately credit, on its book-entry registration and transfer system, the accounts of participants with payments in amount proportionate to their respective beneficial interests in the principal amount of such global securities as shown on the records of the Depositary. Payments by participants to owners of beneficial interests in the global securities held through such participants will be governed by standing instructions and customary practices, as is now the case with securities held for customer accounts registered in "street name," and will be the sole responsibility of such participants.

The global securities may not be transferred except as a whole by the Depositary to a nominee of the Depositary or by any such nominee to the Depositary or another such nominee. The global securities are exchangeable only if (i) the Depositary notifies the Company that it is unwilling or unable to continue as Depositary for such global securities or if at any time the Depositary ceases to be a clearing agency registered under the Securities Exchange Act of 1934 (the "Exchange Act"), (ii) the Company in its sole discretion determines that such global securities shall be exchangeable for definitive Senior Debentures in registered form, or (iii) an Event of Default with respect to the Senior Debentures represented by such global securities has occurred and is continuing. Any global security that is exchangeable pursuant to the preceding sentence shall be exchangeable for Senior Debentures issuable in denominations of \$1,000 and integral multiples thereof and registered in such names as the Depositary holding such global security shall direct. Subject to the foregoing, the global securities are not exchangeable, except for global securities of like denominations to be registered in the name of the Depositary or its nominee. If the Senior Debentures were subsequently issued in registered form, they would thereafter be transferred or exchanged without any service charge at the office of the Trustee, or at any other office or agency maintained by the Company for such purpose.

So long as the Depositary for the global securities, or its nominee, is the registered owner of such global securities, such Depositary or such nominee, as the case may be, will be considered the sole owner or Holder of the Senior Debentures represented by such global securities for the purposes of receiving payment on the Senior Debentures, receiving notices and for all other purposes under the Indenture and the Senior Debentures. Except as provided above, owners of beneficial interests in the global securities representing the Senior Debentures will not be entitled to receive physical delivery of Senior Debentures in definitive form and will not be considered the Holders thereof for any purpose under the Indenture. Accordingly, each person owning a beneficial interest in the global securities representing the Senior Debentures must rely

on the procedures of the Depositary and, if such person is not a participant, on the procedures of the participant through which such person owns its interest, to exercise any rights of a holder of such securities under the Indenture. The Depositary may grant proxies and otherwise authorize participants to give or take any request, demand, authorization, direction, notice, consent, waiver or other action which a Holder is entitled to give or take under the Indenture. The Company understands that under existing industry practices, in the event that the Company requests any action of Holders or that an owner of a beneficial interest in such a global security desires to give or take any action which a Holder is entitled to give or take under the Indenture, the Depositary would authorize the participants holding the relevant beneficial interests to give or take such action, and such participants would authorize beneficial owners owning through such participants to give or take such action or would otherwise act upon the instructions of beneficial owners owning through them.

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The Depositary has advised the Company that the Depositary is a limited-purpose trust company organized under the laws of the State of New York, a member of the Federal Reserve System, a "clearing corporation" within the meaning of the New York Uniform Commercial Code, and a "clearing agency" registered under the Exchange Act. The Depositary was created to hold the securities of its participants and to facilitate the clearance and settlement of securities transactions among its participants in such securities through electronic book-entry changes in accounts of the participants, thereby eliminating the need for physical movement of securities certificates. The Depositary's participants include securities brokers and dealers (including the Underwriter), banks, trust companies, clearing corporations, and certain other organizations, some of whom (and/or their representatives) own the Depositary. Access to the Depositary's book-entry system is also available to others, such as banks, brokers, dealers and trust companies that clear through or maintain a custodial relationship with a participant either directly or indirectly.

UNDERWRITING

Subject to the terms and conditions set forth in the Underwriting Agreement dated the date hereof, Salomon Brothers Inc has agreed to purchase, and the Company has agreed to sell to Salomon Brothers Inc, all of the Senior Debentures.

The Underwriting Agreement provides that the obligation of the Underwriter to pay for and accept delivery of the Senior Debentures is subject to the approval of certain legal matters by its counsel and to certain other conditions. The Underwriter is obligated to purchase all of the Senior Debentures if any are purchased.

The Underwriter initially proposes to offer part of the Senior Debentures directly to the public at the public offering price set forth on the cover page hereof and part to certain dealers at a price that represents a concession not in excess of .50% of the principal amount of the Senior Debentures. The Underwriter may allow, and dealers may reallow, a concession not in excess of .25% of the principal amount of the Senior Debentures to certain other dealers. After the initial offering of the Senior Debentures, the offering price and other selling terms may from time to time be varied by the Underwriter.

The Company has agreed to indemnify the Underwriter against certain liabilities, including liabilities under the Securities Act of 1933, as amended.

The Company does not intend to apply for listing of the Senior Debentures on a national securities exchange, but has been advised by the Underwriter that the Underwriter presently intends to make a market in the Senior Debentures, as permitted by applicable laws and regulations. The Underwriter is not obligated, however, to make a market in the Senior Debentures and any such market-making may be discontinued at any time at the sole discretion of the Underwriter. Accordingly, no assurance can be given as to the liquidity of, or trading markets for, the Senior Debentures.

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PROSPECTUS

AMERICAN PRESIDENT COMPANIES, LTD.
DEBT SECURITIES

American President Companies, Ltd., a Delaware corporation (the "Company"), may offer from time to time up to \$400,000,000 aggregate principal amount of its senior unsecured debt securities ("Debt Securities"), in one or more series, in amounts, at prices and upon terms to be determined at the time of sale. Debt Securities may be issued in registered form without coupons or in bearer form with or without coupons attached.

The accompanying Prospectus Supplement sets forth the specific terms of the offering and sale of Debt Securities, including the specific designation, rights and restrictions of the Debt Securities, the currencies or currency units in which the Debt Securities are denominated, the aggregate principal amount, the maturity, rate and time of payment of interest, any exchange, redemption or sinking fund provisions of the Debt Securities, and the initial public offering price, listing on any securities exchange or market, and the name of and compensation to each underwriter, dealer or agent (if any) involved in the sale of the Debt Securities.

THESE SECURITIES HAVE NOT BEEN APPROVED OR DISAPPROVED BY THE SECURITIES AND EXCHANGE COMMISSION OR ANY STATE SECURITIES COMMISSION NOR HAS THE SECURITIES AND EXCHANGE COMMISSION OR ANY STATE SECURITIES COMMISSION PASSED UPON THE ACCURACY OR ADEQUACY OF THIS PROSPECTUS. ANY REPRESENTATION TO THE CONTRARY IS A CRIMINAL OFFENSE.

Debt Securities may be offered directly, through underwriters or dealers, or through agents designated from time to time, as set forth in the Prospectus Supplement. See "Plan of Distribution" for possible indemnification arrangements for underwriters, dealers or agents.

November 26, 1993

No dealer, sales representative, or any other person has been authorized to give any information or to make any representations in connection with this offering other than those contained in this Prospectus or any Prospectus Supplement and, if given or made, such information or representation must not be relied upon as having been authorized by the Company or by any underwriter, dealer or agent. This Prospectus does not constitute an offer to sell, or a solicitation of an offer to purchase, any securities other than the securities to which it relates or an offer to or a solicitation of any person in any jurisdiction where such an offer or solicitation would be unlawful. Neither the delivery of this Prospectus, any Prospectus Supplement nor any sale made hereunder or thereunder shall, under any circumstances, create any implication that there has been no change in the affairs of the Company since the date hereof or thereof or that the information contained herein or therein is correct as of any time subsequent to the date hereof or thereof.

AVAILABLE INFORMATION

The Company is subject to the informational requirements of the Securities Exchange Act of 1934, as amended (the "Exchange Act"), and in accordance therewith files reports and other information with the Securities and Exchange Commission (the "Commission"). Reports, proxy statements and other information filed by the Company can be inspected and copied at the public reference facilities maintained by the Commission at 450 Fifth Street, N.W., Room 1024, Washington, D.C., as well as at the regional offices of the Commission located at Seven World Trade Center, New York, New York and 500 West Madison Street, Chicago, Illinois. Copies of such material can be obtained from the Public Reference Section of the Commission, 450 Fifth Street, N.W., Washington, D.C. 20549, at prescribed rates. Certain of the Company's securities are listed on, and reports, proxy statements and other information filed by the Company should also be available for inspection at the offices of, the New York Stock Exchange, Inc., 20 Broad Street, New York, New York, and The Pacific Stock Exchange, 301 Pine Street, San Francisco, California.

The Company has filed with the Commission a registration statement on Form S-3 (herein, together with all amendments and exhibits, referred to as the "Registration Statement") under the Securities Act of 1933, as amended (the "Securities Act"), relating to the Debt Securities. This Prospectus does not contain all of the information set forth in the Registration Statement, certain parts of which are omitted in accordance with the rules and regulations of the Commission. For further information, reference is hereby made to the Registration Statement.

INCORPORATION OF CERTAIN DOCUMENTS BY REFERENCE

The following documents filed by the Company with the Commission pursuant to the Exchange Act are incorporated into this Prospectus by reference: (a) Annual Report on Form 10-K for the fiscal year ended December 25, 1992, as amended by two Forms 8 dated April 19, 1993 and by Form 10-K/A dated October 18, 1993; (b) Quarterly Report on Form 10-Q for the fiscal quarter ended April 2, 1993; (c) Quarterly Report on Form 10-Q for the fiscal quarter ended June 25, 1993; and (d) Quarterly Report on Form 10-Q for the fiscal quarter ended September 17, 1993, as amended by Form 10-Q/A dated November 1, 1993. All documents

subsequently filed by the Company pursuant to Sections 13(a), 13(c), 14 or 15(d) of the Exchange Act prior to the termination of this offering shall be deemed to be incorporated by reference in this Prospectus and to be a part hereof from the date of filing of such documents. Any statement contained herein or in a document incorporated or deemed to be incorporated by reference herein shall be deemed to be modified or superseded for purposes of this Prospectus to the extent that a statement contained herein or in any subsequently filed document which also is or is deemed to be incorporated by reference herein modifies or supersedes such statement. Any such statement so modified or superseded shall not be deemed, except as so modified or superseded, to constitute a part of this Prospectus.

The Company will provide without charge to each person to whom a copy of the Prospectus has been delivered, and who makes a written or oral request, a copy of any and all of the information that has been incorporated by reference in the Registration Statement, excluding exhibits. Requests should be directed to: Randall K. Gausman, Director, Corporate Finance and Investor Relations, American President Companies, Ltd., 1111 Broadway, Oakland, California 94607 (telephone number: (510) 272-8000).

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THE COMPANY

The Company, through its subsidiaries, provides integrated container transportation and related services through an intermodal system combining ocean, rail and truck transportation and related terminal operations. The Company operates principally in the trans-Pacific, intra-Asia and North America markets.

The Company's principal executive offices are located at 1111 Broadway, Oakland, California 94607, and its telephone number is (510) 272-8000.

USE OF PROCEEDS

Unless otherwise indicated in the applicable Prospectus Supplement, the net proceeds from the sale of Debt Securities offered hereby will be used for general corporate purposes, including the repayment of outstanding indebtedness and the financing of capital expenditures.

LIQUIDITY AND CAPITAL RESOURCES

Effective January 5, 1993, the Company and its principal subsidiary, American President Lines, Ltd. ("APL"), amended their four-year revolving credit agreement with a group of banks (the "Credit Agreement") to provide for an aggregate commitment of up to \$300 million to the Company and APL, of which the Company may borrow up to \$150 million. Because the Indenture (as defined below) will prohibit APL from borrowing under the Credit Agreement, the sale of the Debt Securities will cause the aggregate credit available under the Credit Agreement to be limited to the \$150 million which the Company may itself borrow. In addition, under the terms of the Credit Agreement, on the fifth business day following the closing of an offering of the Debt Securities resulting in net proceeds to the Company of at least \$100 million, the aggregate credit available under the Credit Agreement to the Company will be reduced to \$100 million. See "Description of the Debt Securities -- Covenants Contained in the Indenture -- Limitation on Restricted Subsidiary Debt."

The Company has obtained commitments from European banks to finance approximately \$400 million of the purchase price of six C11-class vessels scheduled for delivery in 1995. This financing will become available for draw-down by the Company upon the delivery of each vessel. Principal payments on any such draw-downs will be due in increasing semi-annual installments over 12 years, commencing six months after the delivery of each vessel.

RATIO OF EARNINGS TO FIXED CHARGES

The following table sets forth the Company's consolidated ratio of earnings to fixed charges for the periods shown.

<TABLE>
<CAPTION>

	YEARS ENDED					38 WEEKS ENDED	
	DEC. 30, 1988	DEC. 29, 1989	DEC. 28, 1990	DEC. 27, 1991	DEC. 25, 1992	SEPT. 18, 1992	SEPT. 17, 1993
<S>	<C>	<C>	<C>	<C>	<C>	<C>	<C>
Ratio of earnings to fixed charges.....	2.87x	1.26x	N/A	2.25x	2.37x	2.66 x	2.93 x

</TABLE>

The ratio of earnings to fixed charges has been computed by dividing the sum of income before taxes, interest expense, excluding amounts capitalized, and a

portion of rental expense representative of the interest factor by the sum of total interest and the portion of rental expense representative of the interest factor.

DESCRIPTION OF THE DEBT SECURITIES

The Company may offer under this Prospectus Debt Securities, which will represent senior unsecured general obligations of the Company and will rank prior to all subordinated indebtedness of the Company and pari passu with all other unsecured indebtedness of the Company outstanding on the date of the Prospectus Supplement relating to such Debt Securities. The aggregate offering price of Debt Securities offered by the

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Company under this Prospectus will not exceed \$400,000,000. The following description of the terms of the Debt Securities sets forth certain general terms and provisions of the Debt Securities to which any Prospectus Supplement may relate. The particular terms of the Debt Securities offered by any Prospectus Supplement and the extent, if any, to which such general provisions may apply to the Debt Securities so offered will be described in the Prospectus Supplement relating to such Debt Securities.

The Debt Securities will be issued under an Indenture, dated as of November 1, 1993 (the "Indenture"), among the Company and The First National Bank of Boston, as trustee (the "Trustee"). The Indenture is filed as an exhibit to the Registration Statement. The following summary of certain provisions that are contained in the Indenture does not purport to be complete and is subject to, and qualified in its entirety by reference to, the provisions of the Indenture.

Numerical references in parentheses below are to sections of the Indenture. Wherever particular sections or defined terms of the Indenture are referred to, it is intended that such sections or defined terms shall be incorporated herein by reference. Unless otherwise indicated, capitalized terms shall have the meanings ascribed to them in the Indenture.

GENERAL

The Indenture does not limit the amount of Debt Securities that may be issued thereunder, and the Indenture provides that Debt Securities may be issued thereunder up to an aggregate principal amount authorized from time to time by the Company and may be payable in any currency or currency unit designated by the Company or in amounts determined by reference to an index. Reference is made to the Prospectus Supplement for the following terms and other information to the extent applicable with respect to the Debt Securities being offered thereby: (1) the designation and any limit on the aggregate principal amount of such Debt Securities; (2) the price (expressed as a percentage of the aggregate principal amount thereof) at which such Debt Securities will be issued and whether the Debt Securities are being issued in exchange for outstanding debt securities with one or more persons for resale; (3) the date or dates on which such Debt Securities will mature; (4) the currency, currencies or currency units in which, or index with respect to which, such Debt Securities are being sold and are denominated and the circumstances, if any, under which any Debt Securities may be payable in a currency other than the currency in which such Debt Securities are denominated, and if so, the exchange rate, the exchange rate agent and, if the Holder of any such Debt Securities may elect the currency in which payments thereon are to be made, the manner of such election; (5) the authorized denominations in which such Debt Securities will be issuable; (6) the rate or rates (which may be fixed or variable) at which such Debt Securities will bear interest, which rate may be zero in the case of certain Debt Securities issued at an issue price representing a discount from the principal amount payable at maturity; (7) the date from which interest on such Debt Securities will accrue, the dates on which such interest will be payable, the date on which payment of such interest will commence and the circumstances, if any, in which the Company may defer interest payments; (8) the dates on which, and the price or prices at which, such Debt Securities will, pursuant to any mandatory sinking fund provision, or may, pursuant to any optional redemption or required repayment provisions, be redeemed or repaid and the other terms and provisions of any such optional redemption or required repayment; (9) whether such Debt Securities are to be issuable as Bearer Securities and/or Registered Securities and, if issuable as Bearer Securities, the terms upon which any Bearer Securities may be exchanged for Registered Securities; (10) whether such Debt Securities are to be issued in the form of one or more temporary or permanent Global Securities and, if so, the identity of the Depositary for such Global Security or Securities; (11) if a temporary global Debt Security is to be issued with respect to such series, the extent to which, and the manner in which, any interest thereon payable on an interest payment date prior to the issuance of a permanent Global Security or definitive Bearer Securities will be credited to the accounts of the persons entitled thereto on such interest payment date; (12) if a temporary Global Security is to be issued with respect to such series, the terms upon which interests in such temporary Global Security may be exchanged for interests in a permanent Global Security or for definitive Debt Securities of the series

and the terms upon which interests in a permanent Global Security, if any, may be exchanged for definitive Debt Securities of the series; (13) any additional restrictive covenants included for the benefit of Holders of such Debt Securities; (14) any additional Events of Default provided with respect to such Debt Securities; (15) information with

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respect to book-entry procedures, if any; (16) whether the Debt Securities will be repayable at the option of the Holder in the event of a change in control of the Company; and (17) any other terms of the Debt Securities not inconsistent with the provisions of the Indenture. Such Prospectus Supplement will also describe any special provisions for the payment of additional amounts with respect to the Debt Securities and certain United States federal income tax consequences and other special considerations applicable to such series of Debt Securities. If a Debt Security is denominated in a foreign currency, such Debt Security may not trade on a national securities exchange unless and until the Commission has approved appropriate rule changes pursuant to the Exchange Act to accommodate the trading of such Debt Security. (SECTION 301)

If any of the Debt Securities are sold for foreign currencies or foreign currency units, the restrictions, elections, tax consequences, specific terms and other information with respect to such issue of Debt Securities and such currencies or currency units will be set forth in the Prospectus Supplement relating thereto.

One or more series of Debt Securities may be sold at a substantial discount below their stated principal amount, bearing no interest or interest at a rate that at the time of issuance is below market rates. Federal income tax consequences and special considerations applicable to any such series will be described in the Prospectus Supplement relating thereto.

FORM, EXCHANGE, REGISTRATION AND TRANSFER

Debt Securities of a series may be issuable in definitive form solely as Registered Securities, solely as Bearer Securities or as both Registered Securities and Bearer Securities. Unless otherwise indicated in the Prospectus Supplement, Bearer Securities other than Bearer Securities in temporary or permanent global form will have interest coupons attached. (SECTION 201) The Indenture also provides that Bearer Securities or Registered Securities of a series may be issuable in permanent global form. (SECTION 203) See "Permanent Global Securities."

Registered Securities of any series will be exchangeable for other Registered Securities of the same series of authorized denominations and of a like aggregate principal amount, tenor and terms. In addition, if Debt Securities of any series are issuable as both Registered Securities and Bearer Securities, at the option of the Holder upon request confirmed in writing, and subject to the terms of the Indenture, Bearer Securities (with all unmatured coupons, except as provided below, and all matured coupons in default) of such series will be exchangeable into Registered Securities of the same series of any authorized denominations and of a like aggregate principal amount, tenor and terms. Bearer Securities surrendered in exchange for Registered Securities between the close of business on a Regular Record Date or a Special Record Date and the relevant date for payment of interest shall be surrendered without the coupon relating to such date for payment of interest, and interest will not be payable in respect of the Registered Security issued in exchange for such Bearer Security, but will be payable only to the Holder of such coupon when due in accordance with the terms of the Indenture. Bearer Securities will not be issued in exchange for Registered Securities. (SECTION 305) Each Bearer Security other than a temporary global Bearer Security will bear a legend indicating that certain Holders thereof will be subject to certain limitations under the United States federal income tax laws.

Debt Securities may be presented for exchange as provided above, and Registered Securities may be presented for registration of transfer (duly endorsed or accompanied by a satisfactory written instrument of transfer), at the office of the Security Registrar or at the office of any transfer agent designated by the Company for such purpose with respect to such series of Debt Securities, without service charge and upon payment of any taxes and other governmental charges. (SECTION 305) If the applicable Prospectus Supplement refers to any transfer agent (in addition to the Security Registrar) initially designated by the Company with respect to any series of Debt Securities, the Company may at any time rescind the designation of any such transfer agent or approve a change in the location through which any such transfer agent (or Security Registrar) acts, except that, if Debt Securities of a series are issuable solely as Registered Securities, the Company will be required to maintain a transfer agent in each Place of Payment for such series and, if Debt Securities of a series are issuable as Bearer Securities, the Company will be required to maintain (in addition

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to the Security Registrar) a transfer agent in a Place of Payment for such series located outside the United States. The Company may at any time designate additional transfer agents with respect to any series of Debt Securities. (SECTION 1002)

The Company shall not be required (i) to issue, register the transfer of or exchange Debt Securities of any particular series to be redeemed for a period of 15 days preceding the first publication of the relevant notice of redemption or, if Registered Securities are outstanding and there is no publication, the mailing of the relevant notice of redemption, (ii) to register the transfer of or exchange any Registered Security so selected for redemption or exchange in whole or in part, except the unredeemed or unexchanged portion of any Registered Security being redeemed or exchanged in part, or (iii) to exchange any Bearer Security so selected for redemption or exchange except that such a Bearer Security may be exchanged for a Registered Security of like tenor and terms of that series, PROVIDED that such Registered Security shall be surrendered for redemption or exchange. (SECTION 305) Additional information regarding restrictions on the issuance, exchange and transfer of, and special United States federal income tax considerations relating to, Bearer Securities will be set forth in the applicable Prospectus Supplement.

TEMPORARY GLOBAL SECURITIES

If so specified in the applicable Prospectus Supplement, all or any portion of the Debt Securities of a series which are issuable as Bearer Securities will initially be represented by one or more temporary Global Securities, without interest coupons, to be deposited with a common depository in London for Morgan Guaranty Trust Company of New York, Brussels Office, as operator of the Euroclear System, and CEDEL S.A. for credit to designated accounts. On and after the date determined as provided in any such temporary Global Security and described in the applicable Prospectus Supplement, but within a reasonable time, each such temporary Global Security will be exchangeable for definitive Bearer Securities, definitive Registered Securities or all or a portion of a permanent global Bearer Security, or any combination thereof, as specified in such Prospectus Supplement. No definitive Bearer Security or permanent global Bearer Security delivered in exchange for a portion of a temporary Global Security shall be mailed or otherwise delivered to any location in the United States in connection with such exchange.

Additional information regarding restrictions on and special United States federal income tax consequences relating to temporary Global Securities will be set forth in the Prospectus Supplement relating thereto. The Debt Securities of a series may be issued in whole or in part in the form of one or more Global Securities that will be deposited with, or on behalf of, the Depository identified in the Prospectus Supplement relating to such series.

PERMANENT GLOBAL SECURITIES

If any Debt Securities of a series are issuable in permanent global form, the applicable Prospectus Supplement will describe the circumstances, if any, under which beneficial owners of interests in any such Global Security may exchange such interests for Debt Securities of such series and of like tenor and principal amount of any authorized form and denomination. Principal of and any premium and interest on a Global Security will be payable in the manner described in the Prospectus Supplement relating thereto.

PAYMENTS AND PAYING AGENTS

Unless otherwise indicated in the applicable Prospectus Supplement, payments of principal of and premium, if any, and interest, if any, on Bearer Securities will be payable in the currency designated in the Prospectus Supplement, subject to any applicable laws and regulations, at such paying agencies outside the United States as the Company may appoint from time to time. Unless otherwise provided in the Prospectus Supplement, such payments may be made, at the option of the Holder, by a check in the designated currency or by transfer to an account in the designated currency maintained by the payee with a bank located outside the United States. Unless otherwise indicated in the applicable Prospectus Supplement, payment of interest on Bearer Securities on any Interest Payment Date will be made only against surrender of the coupon relating to such Interest Payment Date to a paying agent outside the United States. (SECTIONS 307 AND 1002) Unless otherwise indicated in the applicable Prospectus Supplement, no payment with respect to any Bearer Security will be made at any office or paying agency maintained by the Company in the United States nor will any such payment be made by transfer to an account, or by mail to an address, in the United States.

Notwithstanding the foregoing, payments of principal of and premium, if any, and interest, if any, on Bearer Securities denominated and payable in U.S. dollars will be made in U.S. dollars at an office or agency of, and designated by, the Company located in the United States, if payment of the full amount thereof in

U.S. dollars at all paying agencies outside the United States is illegal or effectively precluded by exchange controls or other similar restrictions, and the Trustee receives an opinion of counsel that such payment within the United States is legal. (SECTION 1002)

Unless otherwise indicated in the applicable Prospectus Supplement, payment of principal of and premium, if any, and interest, if any, on a Registered Security will be payable in the currency designated in the Prospectus Supplement, and interest will be payable at the office of such paying agent or paying agents as the Company may appoint from time to time, except that at the option of the Company payment of any interest may be made by a check in such currency mailed to the Holder at such Holder's registered address or by wire transfer to an account in such currency designated by such Holder in writing not less than 10 days prior to the date of such payment. Unless otherwise indicated in the applicable Prospectus Supplement, payment of any installment of interest on a Registered Security will be made to the Person in whose name such Registered Security is registered at the close of business on the Regular Record Date for such payments. (SECTION 307) Unless otherwise indicated in the applicable Prospectus Supplement, principal payable at maturity will be paid to the registered holder upon surrender of the Registered Security at the office of a duly appointed paying agent.

The paying agents outside the United States initially appointed by the Company for a series of Debt Securities will be named in the applicable Prospectus Supplement. The Company may terminate the appointment of any of the paying agents from time to time, except that the Company will maintain at least one paying agent outside the United States so long as any Bearer Securities are outstanding where Bearer Securities may be presented for payment and may be surrendered for exchange. (SECTION 1002)

All moneys paid by the Company to a paying agent for the payment of principal of or premium, if any, or interest, if any, on any Debt Security that remain unclaimed at the end of two years after such principal, premium or interest shall have become due and payable will, at request of the Company, be repaid to the Company, and the Holder of such Debt Security or any coupon appertaining thereto will thereafter look only to the Company for payment thereof. (SECTION 1003)

COVENANTS CONTAINED IN THE INDENTURE

Except as set forth below or as otherwise provided in the applicable Prospectus Supplement with respect to any series of Debt Securities, the Company is not restricted by the Indenture from incurring, assuming or becoming liable for any type of debt or other obligations, from paying dividends or making distributions on its capital stock or purchasing or redeeming its capital stock. The Indenture does not require the maintenance of any financial ratios or specified levels of net worth or liquidity. In addition, the Indenture does not contain any provision that would require the Company to repurchase or redeem or otherwise modify the terms of any of its Debt Securities upon a change in control or other events involving the Company which may adversely affect the creditworthiness of the Debt Securities.

The following covenants apply to all series of Debt Securities unless made inapplicable to any particular series of Debt Securities at the time of issuance thereof. Reference should be made to the Prospectus Supplement for the particular series as to whether any of these covenants has been made inapplicable to such series.

LIMITATION ON LIENS. The Company will not, and will not permit any Restricted Subsidiary to, create, assume, suffer to exist or incur any Lien on any property or assets of the Company or any Restricted Subsidiary, whether owned on the date of the Indenture or thereafter acquired, to secure any Debt of the Company or any Restricted Subsidiary or any other person (other than the Debt Securities), without in any such case making effective provision whereby all of the Debt Securities outstanding (together with, if the Company shall so determine, any other Debt of the Company or such Restricted Subsidiary then existing or thereafter created ranking equally with the Debt Securities, including guarantees of indebtedness of others) shall be directly secured equally and ratably with (or prior to) such Debt, so long as such Debt shall be

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secured, PROVIDED, HOWEVER, that the foregoing shall not prohibit (1) Liens existing at the date of the original issuance of Debt Securities of the series to which the applicable Prospectus Supplement relates or provided for under the terms of agreements or bank commitment letters existing on such date, provided that such Liens are limited to the property or assets subject thereto or required to be subject thereto at such date (including after-acquired property or additions or improvements) and that the amount of Debt secured thereby (including the amount that may contractually be secured thereby) is not increased from that existing on such date, (2) Liens on real property or improvements thereto, (3) Liens on property or assets existing at the time of

acquisition of such property or assets by the Company or a Restricted Subsidiary or securing Debt incurred prior to, at the time of or within 18 months after the acquisition or construction of such property or assets or improvements thereto for the purpose of financing all or any part of the cost of acquiring or constructing such property or assets (including capitalized leases of such property or assets) and/or improvements thereto, (4) Liens on any property or assets owned by any entity existing on the date on which such entity becomes a Restricted Subsidiary, (5) Liens on any property or assets of any Person existing at the time such Person is merged into or consolidated with the Company or any Restricted Subsidiary, or at the time of a sale, lease or other disposition of the properties of any entity as an entirety or substantially as an entirety to the Company or any Restricted Subsidiary, (6) Liens incurred in the ordinary course of business not in connection with the borrowing of money, including, but not limited to, liens imposed by operation of maritime law, mechanics' and similar liens or deposits to obtain the release of such liens, pledges or deposits to secure performance in connection with bids, tenders or contracts, and deposits to secure or in lieu of surety, appeal, customs or similar bonds, (7) Liens that secure Debt owing by a Restricted Subsidiary to the Company and/or one or more Subsidiaries, (8) Liens in favor of a governmental unit to secure payments under any contract or statute, or to secure debts incurred in financing the acquisition or construction of or improvements to property subject thereto, (9) any extension, renewal or replacement (or successive extensions, renewals or replacements) in whole or in part of any Lien referred to in the foregoing clauses (1) through (8), inclusive, or of any Debt secured thereby, provided that the principal amount of Debt secured thereby at the time of such extension, renewal or replacement shall not be increased (except that in the case of a Lien referred to in clause (1) the principal amount of Debt may be increased up to the principal amount existing on the date of original issuance of Debt Securities of the series to which the applicable Prospectus Supplement relates) and that such extension, renewal or replacement shall be limited to all or part of the property or assets subject to the Lien so extended, renewed or replaced (plus improvements on such property or assets), (10) Liens for taxes or assessments or governmental charges or levies not then due and delinquent or the validity of which shall be contested in good faith, (11) Liens arising out of any final judgment for the payment of money aggregating not in excess of the greater of 5% of Stockholders' Equity or \$20,000,000, or Liens arising out of any final judgment for the payment of money provided such judgment is being contested in good faith, and (12) easements or similar encumbrances, the existence of which do not materially impair the use of the property or assets subject thereto for the purposes for which it is held or was acquired. Notwithstanding the foregoing, the Company or any Restricted Subsidiary may create or assume Liens in addition to those permitted above, and renew, extend or replace such Liens provided that at the time of such creation, assumption, renewal, extension or replacement, and after giving effect thereto, Exempted Debt does not exceed the greater of 10% of Stockholders' Equity or \$40,000,000. (SECTION 1004)

LIMITATION ON RESTRICTED SUBSIDIARY DEBT. The Indenture provides that the Company will not permit any Restricted Subsidiary to create, incur, assume or become liable for any Debt, except Debt secured by a Lien permitted above. (SECTION 1005)

LIMITATION ON MERGER, CONSOLIDATION OR SALE OF ASSETS BY THE COMPANY. The Company may not consolidate with or merge into any other Person or convey, transfer or lease its assets substantially as an entirety to any Person, unless (i) the successor Person, if other than the Company, assumes the Company's obligations on the Debt Securities and under the Indenture, (ii) after giving effect to the transaction no Event of Default, and no event which, after notice or lapse of time, would become an Event of Default, shall have occurred and be continuing, and (iii) certain other conditions are met. (SECTION 801)

CONSENT TO SERVICE OF PROCESS. In the event the Company or a successor Person thereof is not a corporation, partnership or trust organized under the laws of the United States of America, any State

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thereof or the District of Columbia, the Company or such successor person will appoint an Authorized Agent in the Borough of Manhattan, the City of New York upon whom process may be served in any legal action or proceeding against it with respect to its obligations under the Indenture or the Debt Securities of any series instituted by the Holder of any Debt Security or the Trustee, and each of the Company and such successor Person will thereby irrevocably submit to the non-exclusive jurisdiction of any federal or state court in the Borough of Manhattan, the City of New York in respect of any such legal action or proceeding until all amounts due and to become due on the Debt Securities have been paid. (SECTION 114)

CERTAIN DEFINITIONS. Set forth below are certain definitions relating to the above covenants: (SECTION 101)

"Exempted Debt" means Debt of the Company and its Restricted Subsidiaries

incurred after the date of the Indenture and secured by Liens created or assumed or permitted to exist pursuant to the limitation of the greater of 10% of Stockholders' Equity or \$40 million set forth in the last sentence of "Limitation on Liens" above.

"Debt" means indebtedness for money borrowed or evidenced by a note, bond, debenture or similar security and required by generally accepted accounting principles to be shown as a liability on the Company's consolidated balance sheet, and shall not include (i) indebtedness owed by a Subsidiary to the Company and/ or another Subsidiary, (ii) trade accounts payable arising in the ordinary course of business, or (iii) indebtedness of a Restricted Subsidiary owing to a holder of 20% or more of the equity interests in such Restricted Subsidiary.

"Lien" means any mortgage, pledge, lien, charge, security interest, conditional sale or other title retention agreement or similar encumbrance.

"Restricted Subsidiary" means American President Lines, Ltd. and any corporation: (i) of which more than 50% of the voting stock is owned or controlled by the Company or by one or more of the other Restricted Subsidiaries, and (ii) the total assets of which represent 5% or more of the consolidated total assets of the Company as of the end of the Company's most recent fiscal quarter; PROVIDED, HOWEVER, that neither Natomas Real Estate Company nor any Subsidiary of Natomas Real Estate Company shall be deemed to be a Restricted Subsidiary of the Company.

"Stockholders' Equity" means the stockholders' equity in the Company and its consolidated Subsidiaries as shown on the audited consolidated balance sheet contained in the latest annual report to stockholders of the Company.

MODIFICATION AND WAIVER

Except as to certain modifications and amendments not adverse to Holders of Debt Securities, modifications and amendments of and waivers of compliance with certain restrictive provisions under the Indenture may be made only with the consent of the Holders of a majority in principal amount of the Outstanding Debt Securities of each series thereunder affected by such modification, amendment or waiver; PROVIDED that no such modification or amendment may, without the consent of the Holder of each Outstanding Debt Security or coupon affected thereby: (i) change the Stated Maturity of the principal or any installment of principal or any installment of interest, if any; (ii) reduce the amount of principal or interest thereon, or any premium payable upon redemption or repayment thereof or in the case of an Original Issue Discount Security the amount of principal payable upon acceleration of the Maturity thereof; (iii) change the place of payment or the currency in which principal or interest is payable, if any; (iv) impair the right to institute suit for the enforcement of any payment of the principal, premium, if any, and interest, if any, or adversely affect the right of repayment, if any, at the option of the Holder; (v) reduce the percentage in principal amount of Outstanding Debt Securities of any series, the consent of whose Holders is required for modification or amendment of the Indenture or for waiver of compliance with certain provisions of the Indenture or for waiver of certain defaults; (vi) reduce the requirements contained in the Indenture for quorum or voting; or (vii) modify any of the above provisions. (SECTION 902)

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The Indenture contains provisions for convening meetings of the Holders of Debt Securities of a series issued thereunder if Debt Securities of that series are issuable in whole or in part as Bearer Securities. (SECTION 1401) A meeting may be called at any time by the Trustee for such Debt Securities, or upon the request of the Company or the Holders of at least 10% in principal amount of the Outstanding Debt Securities of such series, in any such case upon notice given in accordance with the Indenture. (SECTION 1402) Except as limited by the proviso in the preceding paragraph, any resolution presented at a meeting or adjourned meeting at which a quorum is present may be adopted by the affirmative vote of the Holders of a majority in principal amount of the Outstanding Debt Securities of that series.

Any resolution passed or decision taken at any meeting of Holders of Debt Securities of any series duly held in accordance with the Indenture with respect thereto will be binding on all Holders of Debt Securities of that series and the related coupons issued under the Indenture. The quorum at any meeting of Holders of a series of Debt Securities called to adopt a resolution, and at any reconvened meeting, will be persons holding or representing Outstanding Debt Securities of such series having an aggregate principal amount sufficient to transact the business for which such meeting was called. (SECTION 1404)

EVENTS OF DEFAULT

Unless otherwise provided in the applicable Prospectus Supplement, any series of Debt Securities issued under the Indenture will provide that the following shall constitute Events of Default with respect to such series: (i)

default in payment of principal of or premium, if any, on any Debt Security of such series when due; (ii) default for 30 days in payment of interest on any Debt Security of such series or related coupon, if any, when due; (iii) default in the deposit of any sinking fund payment on any Debt Security of such series when due; (iv) default by the Company in the performance of any other covenant in the Indenture, continued for 60 days after written notice thereof by the Trustee thereunder or the Holders of at least 25% in principal amount of the Outstanding Securities of such series issued under the Indenture; (v) default under any bond, debenture, note or other evidence of Debt of the Company in an amount in excess of \$10 million, which default shall constitute a failure to pay the entire principal amount of such Debt when due and payable upon maturity after the expiration of any applicable grace period with respect thereto or shall have resulted in such Debt being accelerated prior to the date on which it would otherwise become due and payable, unless such acceleration is rescinded or annulled within 15 days after written notice as provided in the Indenture; and (vi) certain events of bankruptcy, insolvency or reorganization of the Company. (SECTION 501)

The Company is required to file with the Trustee annually an Officers' Certificate as to the absence of certain defaults under the terms of the Indenture. (SECTION 1007) The Indenture provides that if an Event of Default specified therein shall occur and be continuing, either the Trustee or the Holders of not less than 25% in principal amount of the Outstanding Debt Securities of such series issued under the Indenture may declare the principal of all such Debt Securities (or in the case of Original Issue Discount Series, such portion of the principal amount thereof as may be specified in the terms thereof) to be due and payable. (SECTION 502) In certain cases, the Holders of a majority in principal amount of the Outstanding Debt Securities of any series may, on behalf of the Holders of all Debt Securities of any such series and any related coupons, waive any past default or Event of Default except a default (i) in payment of the principal of or premium, if any, or interest on any of the Debt Securities of such series and (ii) in respect of a covenant or provision of the Indenture which cannot be modified or amended without the consent of the Holder of each Outstanding Debt Security of such series or coupons affected. (SECTION 513)

The Indenture contains a provision entitling the Trustee, subject to the duty of the Trustee during default to act with the required standard of care, to be indemnified by the Holders of the Debt Securities of any series thereunder or any related coupons before proceeding to exercise any right or power under such Indenture with respect to such series at the request of such Holders. (SECTION 603) The Indenture provides that no Holder of any Debt Securities of any series thereunder or any related coupons may institute any proceeding, judicial or otherwise, to enforce the Indenture except in the case of failure of the Trustee thereunder, for 60 days, to act after it is given notice of default, a request to enforce the Indenture by the Holders of not less than 25% in aggregate principal amount of the Outstanding Debt Securities of such series and an offer of reasonable indemnity of the Trustee. (SECTION 507) This provision will not prevent any Holder

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of Debt Securities or any related coupons from enforcing payment of the principal thereof and premium, if any, and interest, if any, thereon at the respective due dates thereof. (SECTION 508) The Holders of a majority in aggregate principal amount of the Outstanding Debt Securities of any series issued under the Indenture may direct the time, method and place of conducting any proceedings for any remedy available to the Trustee for such Debt Securities or exercising any trust or power conferred on it with respect to the Debt Securities of such series. However, the Trustee may refuse to follow any direction that conflicts with law or the Indenture under which it serves. (SECTION 512)

DEFEASANCE AND COVENANT DEFEASANCE

The Indenture provides that if, pursuant to Section 301 thereof, the provisions of Article Fifteen are made applicable to the Debt Securities of any series denominated in U.S. dollars, the Company may elect either (A) to defease and be discharged from any and all obligations with respect to such Debt Securities (except for the obligations to register the transfer or exchange of such Debt Securities, to replace temporary or mutilated, lost or stolen Debt Securities, to maintain an office or agency in respect of the Debt Securities and to hold moneys for payment in trust) ("defeasance") or (B) to (1) be released from its obligations with respect to such Debt Securities under certain restrictive covenants, including those described above under "Covenants Contained in the Indenture" and (2) have the occurrence of certain events described above under clauses (iii), (iv) (with respect to such restrictive covenants) and (v) under "Events of Default" be deemed not to be or result in an Event of Default, in each case with respect to Debt Securities of such series ("covenant defeasance"), upon the irrevocable deposit with the Trustee (or other qualifying trustee) in trust for such purpose, of money and/or Eligible Instruments which through the scheduled payment of principal and interest in

accordance with their terms will provide money in an amount sufficient to pay the principal of (and premium, if any) and interest on such Debt Securities, and any mandatory sinking fund or analogous payments thereon, on the day on which such payments are due and payable, or on the redemption dates thereof, as the case may be, in accordance with the terms of the Indenture and such Debt Securities. In the case of a defeasance, such a trust may only be established if, among other things, the Company has delivered to the Trustee an opinion of counsel to the effect that the Holders of such Debt Securities will not recognize income, gain or loss for federal income tax purposes as a result of such defeasance and will be subject to federal income tax on the same amounts, in the same manner and at the same times as would have been the case if such defeasance had not occurred. Such opinion must refer to and be based upon a ruling of the Internal Revenue Service or a change in applicable federal income tax law occurring after the date of the Indenture. (ARTICLE FIFTEEN)

In the event the Company effects covenant defeasance with respect to Debt Securities of any series and the Debt Securities of such series are declared due and payable because of the occurrence of any Event of Default other than the Events of Default described in clause (B)(2) above, the amount of money and Eligible Instruments on deposit with the Trustee will be sufficient to pay amounts due on the Debt Securities of such series at the time of their Stated Maturity or Redemption Date, as the case may be, but may not be sufficient to pay amounts due on the Debt Securities of such series at the time of the acceleration resulting from such Event of Default. However, the Company will remain liable for such payments.

Debt Securities of any series denominated in a currency other than U.S. dollars may be made subject to such provisions regarding defeasance or covenant defeasance as are specified pursuant to Section 301 of the Indenture. The Prospectus Supplement may further describe the provisions, if any, permitting such defeasance or covenant defeasance with respect to the Debt Securities of a particular series.

INFORMATION CONCERNING THE TRUSTEE

The First National Bank of Boston, the Trustee under the Indenture, has been appointed by the Company as the paying agent, registrar and custodian with respect to the Debt Securities. The Trustee is the transfer agent of the Company's Common Stock, and it or its affiliates provide, and may in the future provide, banking services to the Company in the ordinary course of their business.

PLAN OF DISTRIBUTION

The Company may sell Debt Securities (1) through underwriters or dealers, (2) directly to one or more purchasers, or (3) through agents. A Prospectus Supplement will set forth the terms of the offering of the

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Debt Securities offered thereby, including the name or names of any underwriters, the purchase price of the Debt Securities, and the proceeds to the Company from the sale, any underwriting discounts and other items constituting underwriters' compensation, any initial public offering price, any discounts or concessions allowed or reallocated or paid to dealers, and any securities exchange or market on which the Debt Securities may be listed. Only underwriters so named in the Prospectus Supplement are deemed to be underwriters in connection with the Debt Securities offered thereby.

If underwriters are used in the sale, the Debt Securities will be acquired by the underwriters for their own account and may be resold from time to time in one or more transactions, including negotiated transactions, at a fixed public offering price or at varying prices determined at the time of sale. The obligations of the underwriters to purchase the Debt Securities will be subject to certain conditions precedent, and the underwriters will be obligated to purchase all the Debt Securities of the series offered by the Prospectus Supplement if any of the Debt Securities are purchased. Any initial public offering price and any discounts or concessions allowed or reallocated or paid to dealers may be changed from time to time.

Debt Securities may also be sold directly by the Company or through agents designated by the Company from time to time. Any agent involved in the offering and sale of Debt Securities in respect of which this Prospectus is delivered will be named, and any commissions payable by the Company to such agent will be set forth, in the Prospectus Supplement. Unless otherwise indicated in the Prospectus Supplement, any such agent will be acting on a best-efforts basis for the period of its appointment.

If so indicated in the Prospectus Supplement, the Company will authorize agents, underwriters or dealers to solicit offers by certain institutional investors to purchase Debt Securities providing for payment and delivery on a future date specified in the Prospectus Supplement. There may be limitations on

the minimum amount which may be purchased by any such institutional investor or on the portion of the aggregate principal amount of the particular Debt Securities which may be sold pursuant to such arrangements. Institutional investors to which such offers may be made, when authorized, include commercial and savings banks, insurance companies, pension funds, investment companies, educational and charitable institutions, and such other institutions as may be approved by the Company. The obligations of any such purchasers pursuant to such delayed delivery and payment arrangements will not be subject to any conditions except (1) the purchase by an institution of the particular Debt Securities shall not at the time of delivery be prohibited under the laws of any jurisdiction in the United States to which such institution is subject, and (2) if the particular Debt Securities are being sold to underwriters, the Company shall have sold to such underwriters the total principal amount of such Debt Securities less the principal amount thereof covered by such arrangements. Underwriters will not have any responsibility in respect of the validity of such arrangements or the performance of the Company or such institutional investors thereunder.

All Debt Securities offered will be a new issue of securities with no established trading market. Any underwriters to whom such Debt Securities are sold by the Company for public offering and sale may make a market in such Debt Securities, but such underwriters will not be obligated to do so and may discontinue any market making at any time without notice. No assurance can be given as to the liquidity of or the trading markets for any such Debt Securities.

Agents and underwriters may be entitled under agreements entered into with the Company to indemnification by the Company against certain civil liabilities, including liabilities under the Securities Act of 1933, as amended, or to contribution with respect to payments which the agents or underwriters may be required to make in respect thereof. Agents and underwriters may engage in transactions with, or perform services for, the Company in the ordinary course of business.

LEGAL MATTERS

The validity of the Debt Securities will be passed upon for the Company by Maryellen B. Cattani, Senior Vice President, General Counsel and Secretary of the Company, and Pillsbury Madison & Sutro, San Francisco, California, and for any agents or underwriters by Davis Polk & Wardwell, New York, New York. Toni Rembe, a member of Pillsbury Madison & Sutro, is a director of the Company.

EXPERTS

The consolidated financial statements and schedules of the Company included in its Annual Report on Form 10-K, as amended by Form 10-K/A dated October 18, 1993, for the fiscal year ended December 25, 1992, incorporated by reference in this Prospectus and elsewhere in the Registration Statement, have been audited by Arthur Andersen & Co., independent public accountants, as indicated in their reports with respect thereto, and are included herein in reliance upon the authority of said firm as experts in giving said reports.

NO DEALER, SALESPERSON, OR ANY OTHER PERSON HAS BEEN AUTHORIZED TO GIVE ANY INFORMATION, OR TO MAKE ANY REPRESENTATIONS, OTHER THAN THOSE CONTAINED IN THIS PROSPECTUS SUPPLEMENT OR THE PROSPECTUS, IN CONNECTION WITH THE OFFER CONTAINED IN THIS PROSPECTUS SUPPLEMENT AND THE PROSPECTUS, AND, IF GIVEN OR MADE, SUCH OTHER INFORMATION OR REPRESENTATIONS MUST NOT BE RELIED UPON AS HAVING BEEN AUTHORIZED BY THE COMPANY OR ANY UNDERWRITER. NEITHER THE DELIVERY OF THIS PROSPECTUS SUPPLEMENT AND THE PROSPECTUS NOR ANY SALE MADE HEREUNDER AND THEREUNDER SHALL UNDER ANY CIRCUMSTANCES CREATE AN IMPLICATION THAT THERE HAS BEEN NO CHANGE IN THE AFFAIRS OF THE COMPANY SINCE THE DATE HEREOF. THIS PROSPECTUS SUPPLEMENT AND THE PROSPECTUS ARE NOT AN OFFER TO SELL OR A SOLICITATION OF AN OFFER TO BUY ANY SECURITY IN ANY JURISDICTION IN WHICH IT IS UNLAWFUL TO MAKE SUCH OFFER OR SOLICITATION.

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\$150,000,000

AMERICAN PRESIDENT
COMPANIES, LTD.

8% SENIOR DEBENTURES
DUE 2024

[LOGO]

SALOMON BROTHERS INC

PROSPECTUS SUPPLEMENT

DATED JANUARY 5, 1994