

SECURITIES AND EXCHANGE COMMISSION

FORM 424B3

Prospectus filed pursuant to Rule 424(b)(3)

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FILER

SALOMON INC

CIK: **200245** | IRS No.: **221660266** | State of Incorporation: **DE** | Fiscal Year End: **1231**
Type: **424B3** | Act: **33** | File No.: **033-51269** | Film No.: **95536120**
SIC: **6200** Security & commodity brokers, dealers, exchanges & services

Mailing Address
*SEVEN WORLD TRADE
CENTER
29TH FLOOR
NEW YORK NY 10048*

Business Address
*SEVEN WORLD TRADE CNTR
28TH FLOOR
NEW YORK NY 10048
2127837000*

Pricing Supplement No. 868 Dated 4/26/95 Rule 424(b)(3)
(To Prospectus dated October 12, 1994 and File No. 33-54929
Prospectus Supplement dated October 12, 1994) and 33-51269
This Pricing Supplement consists of 3 page(s)

SALOMON INC

Medium-Term Notes, Series D
(Registered Notes)

Due More Than Nine Months from Date of Issue

Principal Amount or Face Amount: \$5,000,000.00

Issue Price: 100.0000000000%

Proceeds to Company on original issuance: \$5,000,000.00

Commission or Discount on original issuance: \$.00

Salomon Brothers Inc's capacity on original issuance: | | As agent

If as principal |X| As principal

|X| The Registered Notes are being offered at varying prices related
to prevailing market prices at the time of resale.

| | The Registered Notes are being offered at a fixed initial public
offering price of % of Principal Amount or Face Amount.

Original Issue Date: 5/15/95

Stated Maturity: 5/15/00

Specified Currency:

(If other than U.S. Dollars)

Authorized Denominations:

(If other than as set forth in the Prospectus Supplement)

Interest Payment Dates: Monthly, on 15th. 1st coupon pays 6/15/95.

Accrue to Pay: | | Yes |X| No

Indexed Principal Note: | | Yes (See Attached) |X| No

Type of Interest on Note: |X| Fixed Rate | | Floating Rate | | Indexed Rate
(See Attached)

Interest Rate (Fixed Rate Notes): See Attached

Initial Interest Rate (Floating Rate Notes):

Base Rate: | | CD Rate | | Commercial Paper Rate | | Federal Funds Rate

| | LIBOR Telerate | | LIBOR Reuters | | Treasury Rate

| | Treasury Rate Constant Maturity | | Other (See Attached)

Calculation Agent (If other than Citibank): | | Salomon Brothers

| | Other (See Attached)

Computation of Interest: |X| 30 over 360 | | Actual over Actual

| | Actual over 360 | | Other (See Attached)

(If other than as set forth in the Prospectus Supplement)

Interest Reset Dates: See Attached

Rate Determination Dates:

(If other than as set forth in the Prospectus Supplement)

Index Maturity:

Spread (+/-):

Spread Multiplier:

Change in Spread, Spread Multiplier or Fixed Interest Rate prior
to Stated Maturity: |X| Yes (See Attached) | | No

Maximum Interest Rate:

Minimum Interest Rate:

Amortizing Note: | | Yes (See Attached) |X| No

Optional Redemption: |X| Yes | | No

Optional Redemption Dates: On coupon payment dates commencing 5/15/96 upon
15 calander days notification (see attached).

Redemption Prices: 100%

Redemption: | | In whole only and not in part |X| May be in whole or in part

Optional Repayment: | | Yes |X| No

Optional Repayment Dates:

Optional Repayment Prices:

Discount Note: | | Yes |X| No

Total Amount of OID:

Yield to Maturity:

Pricing Supplement No. D868

Pricing Supplement dated April 26, 1995
(to Prospectus Supplement dated October 12, 1994
to Prospectus dated October 12, 1994)

DESCRIPTION OF THE NOTE

General

The description in this Pricing Supplement of the particular terms of the Registered Notes offered hereby (the "Notes") supplements, and to the extent inconsistent therewith replaces, the descriptions of the general terms and provisions of the Registered Notes set forth in the accompanying Prospectus and Prospectus Supplement, to which descriptions reference is hereby made.

"New York Business Day" means any day, other than a Saturday or Sunday, that is not a day on which banking institutions are authorized or required by law or regulation to be closed in the City of New York.

Interest Rate

The Fixed Rate Notes to which this Pricing Supplement relates bear interest at a rate that varies in accordance with the following schedule (unless earlier redeemed at the option of the Company, as provided below and on the front of this Pricing Supplement):

7.625%, from May 15, 1995 to but not including May 15, 1996;
7.750%, from May 15, 1996 to but not including May 15, 1997;
7.875%, from May 15, 1997 to but not including May 15, 1998;
8.125%, from May 15, 1998 to but not including May 15, 1999;
8.500%, from May 15, 1999 to but not including May 15, 2000.

Interest on the Notes will be computed on the basis of a 360-day year of twelve 30-day months ("30 over 360").

The Notes may be redeemed on any Interest Payment Date on or after May 15, 1996. Accordingly, there is no assurance that the Notes will ever bear interest at a rate above 7.625%.

Redemption

The Company may exercise its right of Optional Redemption with respect to the Note on any Interest Payment Date occurring on or after May 15, 1996 (such date an "Optional Redemption Date"), by notifying the Trustee of its exercise of such option at least 15 calendar days prior to the Optional Redemption Date. At least 15 calendar days but not more than 60 calendar days prior to such Optional Redemption Date, the Trustee shall mail notice of such redemption, first class, postage prepaid, to the Holder of the Note.

TAXATION

The following summary supplements, and to the extent inconsistent therewith replaces, the discussion of United States taxation set forth in the accompanying Prospectus Supplement under the heading "United States Tax Considerations," to which discussion reference is hereby made.

Pursuant to the OID Regulations, for purposes of determining the existence and the amount of original issue discount on the Notes, it is assumed that the Company will exercise its right to redeem the Notes on May 15, 1996 (and in the event that the Company does not exercise its right to redeem on May 15, 1996) it will be assumed that the Company will exercise its right to redeem the Notes on any succeeding Interest Payment Date occurring in May (a "May Interest Payment Date") on which the Notes remain outstanding). In the event the Company does not redeem the Notes on any May Interest Payment Date, the Notes will be treated solely for purposes of applying the OID rules (and not for purposes of recognizing gain or loss), as if they were reissued on any May Interest Payment Date at par. Accordingly, the Notes will be treated as issued with no OID and all payments of stated interest on the Notes will be treated as ordinary interest income that will be includible in income when received or accrued in accordance with a U.S. holder's method of accounting.

The IRS may contend under an anti-abuse rule that the Notes should be treated as issued with substantial amounts of OID, in which case U.S. holders would be required to include such OID in income for U.S. federal income tax purposes as it accrues

in accordance with a constant yield method based on a compounding of interest, regardless of the U.S. holder's regular method of accounting for U.S. federal income tax purposes. The Company believes that the anti-abuse rule will not apply, and intends to treat the Notes for all purposes (including its OID reporting obligations) as issued with no OID.