

BROWN FORMAN CORP  
Form 11-K  
June 29, 2005

**UNITED STATES**  
**SECURITIES AND EXCHANGE COMMISSION**  
**WASHINGTON, D.C. 20549**  
**FORM 11-K**  
**FOR ANNUAL REPORTS OF EMPLOYEE STOCK PURCHASE, SAVINGS**  
**AND SIMILAR PLANS PURSUANT TO SECTION 15(d) OF THE**  
**SECURITIES EXCHANGE ACT OF 1934**

(Mark One)

- ANNUAL REPORT PURSUANT TO SECTION 15(d) OF THE SECURITIES EXCHANGE ACT OF 1934

For the Fiscal Year Ended December 31, 2004

OR

- TRANSITION REPORT PURSUANT TO SECTION 15(d) OF THE SECURITIES EXCHANGE ACT OF 1934

Commission File Number 1-123

A. Full Title of Plan: **Hartmann Employee Savings and Investment Plan**

B. Name of Issuer of the Securities held Pursuant to the Plan and the Address of its Principal Executive Office:

**Brown-Forman Corporation**

**850 Dixie Highway**

**Louisville, Kentucky 40210**

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**Report of Independent Registered Public Accounting Firm**

To the Participants and Administrator of  
Hartmann Employee Savings and Investment Plan

In our opinion, the accompanying statements of net assets available for benefits and the related statements of changes in net assets available for benefits present fairly, in all material respects, the net assets available for benefits of the Hartmann Employee Savings and Investment Plan (the Plan) at December 31, 2004 and 2003, and the changes in net assets available for benefits for the years then ended in conformity with accounting principles generally accepted in the United States of America. These financial statements are the responsibility of the Plan's management. Our responsibility is to express an opinion on these financial statements based on our audits. We conducted our audits of these statements in accordance with the standards of the Public Company Accounting Oversight Board (United States). Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements, assessing the accounting principles used and significant estimates made by management, and evaluating the overall financial statement presentation. We believe that our audits provide a reasonable basis for our opinion.

Our audits were conducted for the purpose of forming an opinion on the basic financial statements taken as a whole. The supplemental schedule of assets (held at end of year) is presented for the purpose of additional analysis and is not a required part of the basic financial statements but is supplementary information required by the Department of Labor's Rules and Regulations for Reporting and Disclosure under the Employee Retirement Income Security Act of 1974. This supplemental schedule is the responsibility of the Plan's management. The supplemental schedule has been subjected to the auditing procedures applied in the audits of the basic financial statements and, in our opinion, is fairly stated in all material respects in relation to the basic financial statements taken as a whole.

Louisville, Kentucky  
June 24, 2005

**Hartmann Employee Savings and Investment Plan**  
**Statements of Net Assets Available for Benefits**  
*December 31, 2004 and 2003*

	2004			2003		
	Participant Directed	Nonparticipant Directed	Total	Participant Directed	Nonparticipant Directed	Total
Investments, at fair value:						
Mutual funds	\$ 4,439,012	\$ 17,476	\$ 4,456,488	\$ 3,986,287	\$ 21,076	\$ 4,007,363
Common collective trust fund	2,615,007		2,615,007	2,644,088		2,644,088
Brown-Forman Corporation Class B common stock	155,174	332,595	487,769	87,616	374,987	462,603
Loan to participants	221,778		221,778	212,621		212,621
	7,430,971	350,071	7,781,042	6,930,612	396,063	7,326,675
Employers contributions receivable	46,261		46,261	46,992		46,992
Employees contributions receivable	13,162		13,162	23,377		23,377
Net assets available for benefits	\$ 7,490,394	\$ 350,071	\$ 7,840,465	\$ 7,000,981	\$ 396,063	\$ 7,397,044

*The accompanying notes are an integral part of the financial statements.*

**Hartmann Employee Savings and Investment Plan**  
**Statements of Changes in Net Assets Available for Benefits**  
*for the years ended December 31, 2004 and 2003*

	2004			2003		
	Participant Directed	Nonparticipant Directed	Total	Participant Directed	Nonparticipant Directed	Total
Additions:						
Contributions:						
Employer	\$ 163,226		\$ 163,226	\$ 171,973		\$ 171,973
Employee	331,118		331,118	343,440		343,440
	494,344		494,344	515,413		515,413
Interest income	137,385		137,385	131,813		131,813
Dividend income	41,724	\$ 6,572	48,296	33,264	\$ 6,838	40,102
Net appreciation in fair value of investments	358,813	13,457	372,270	763,260	118,543	881,803
Net transfers from other plans				83,597		83,597
Total additions	1,032,266	20,029	1,052,295	1,527,347	125,381	1,652,728
Deductions:						
Withdrawals by participants	539,746	65,866	605,612	847,935	50,627	898,562
Administrative expenses	3,107	155	3,262	3,154	192	3,346
Total deductions	542,853	66,021	608,874	851,089	50,819	901,908
Interfund transfers				23,164	(23,164)	
Net increase (decrease)	489,413	(45,992)	443,421	699,422	51,398	750,820
Net assets available for benefits:						
Beginning of year	7,000,981	396,063	7,397,044	6,301,559	344,665	6,646,224
End of year	\$ 7,490,394	\$ 350,071	\$ 7,840,465	\$ 7,000,981	\$ 396,063	\$ 7,397,044

*The accompanying notes are an integral part of the financial statements.*

## Hartmann Employee Savings and Investment Plan Notes to Financial Statements

### 1. Description of Plan:

The sponsor of the Hartmann Employee Savings and Investment Plan (the Plan), Brown-Forman Corporation (the Sponsor), is a diversified producer and marketer of fine quality consumer products in domestic and international markets. The Sponsor's operations include the production, importing, and marketing of wines and distilled spirits and the manufacture and sale of luggage and, through the Lenox, Incorporated division, the manufacture and sale of china, crystal and silver.

The following brief description of the Plan is provided for general information purposes only. Participants should refer to the plan agreement for more complete information.

- a. **General:** The Plan is a defined contribution plan covering substantially all salaried and non-union hourly employees of Hartmann Luggage Company (the Company). An employee becomes eligible to participate in the Plan on the employment commencement date. The Plan is subject to the provisions of the Employee Retirement Income Security Act of 1974 (ERISA).
- b. **Contributions:** Non-highly compensated employees may contribute to the Plan between 1% and 50% of their annual compensation, and highly compensated employees may contribute between 1% and 15% of their annual compensation, not to exceed the Section 402(g) (of the Internal Revenue Code of 1986) limitation in effect for the 2004 calendar year, currently \$13,000. New employees may transfer assets from their former employers' qualified plans to the Plan.

Participants are eligible to receive Company matching contributions beginning on the first day of the month following completion of one year of service. For non-retail employees, the Company's matching contribution is equal to 75% of the participant's elective deferral for the first 5% of the participant's annual compensation. For retail employees, the Company's matching contribution is equal to 50% of the participant's elective deferral for the first 2% of annual compensation and an additional 25% of the remainder of the participant's elective deferral up to 10% of annual compensation.

The Company also makes a Company Retirement (CORE) contribution to each salaried employee of the retail division who is employed on the last day of the plan year, except those employees at the plant location in Lebanon, Tennessee, in an amount equal to 3% of the employee's eligible compensation during the year.

Effective January 1, 2002, participants who have attained age 50 before December 31, 2002 could have contributed an additional catch-up contribution, subject to the limitations of the Internal Revenue Code (IRC) and the Plan. Effective January 1, 2004, eligible participants who have attained age 50 before the close of the plan year could make catch-up contributions in an amount from 1% to 50% of the employee's compensation, subject to the limitations of the IRC.

**Hartmann Employee Savings and Investment Plan**  
**Notes to Financial Statements, Continued**

**1. Description of Plan, continued:**

- b. Contributions, continued:** Each participant's account is credited with the participant's contribution on a monthly basis, and effective November 15, 2004, on a semi-monthly basis, an allocation of (i) the Company's matching contribution on a quarterly basis, and (ii) plan earnings on a daily basis, and (iii) the CORE contribution on an annual basis. Allocations are based on the participants' contributions and compensation as defined in the Plan. The total annual contributions, as defined by the Plan, credited to a participant's account in a plan year may not exceed the lesser of (i) \$40,000, or (ii) 100% of the participant's compensation in the plan year. Additional maximum limits exist if the employee participates in a qualified defined benefit plan maintained by the Company. Balances of terminated participants' nonvested accounts are used first to reinstate previously forfeited account balances of re-employed participants, if any, and the remaining amounts are used to reduce future company contributions. The forfeited balances totaled \$160 and \$3,602 for 2004 and 2003, respectively. Also in 2004 and 2003, \$2,400 and \$3,500, respectively, from forfeited nonvested accounts were used to reinstate previously forfeited account balances of re-employed participants and/or reduce Company contributions.

Participants can allocate contributions among various investment options in 1% increments. The Plan currently offers several different investment choices, including mutual funds, a money market portfolio, a common collective trust fund, and a Brown-Forman Stock Fund to participants.

- c. Paysop Fund:** This nonparticipant directed fund consists of company contributions of Class B nonvoting common stock of Brown-Forman Corporation. Contributions for any plan year were limited to one-half of one percent of the annual compensation of all employees covered by the Plan; however, the Company is no longer contributing to this fund. This fund will be eliminated when all stock allocated to participants is withdrawn.
- d. Vesting:** Participants are immediately vested in their employee contributions plus actual earnings thereon. An employee becomes 100% vested in the CORE contribution after five years of service with the Company. Vesting in the Company's contribution is 25% per year of continuous service with the Company. Participants will become 100% vested in their Company contributions account in case of death, normal retirement, or total and permanent disability.
- e. Withdrawals:** Upon termination of service, a participant can elect to transfer his vested interest in the Plan to the qualified plan of his new employer, roll over his funds into an Individual Retirement Account (IRA), or receive his vested interest in the Plan in a lump-sum amount or in the form of installment payments over a period of time not to exceed his life expectancy. If the vested account balance is less than \$5,000, a lump-sum distribution will be made. Effective March 28, 2005, if the vested account balance is \$1,000 or less, an automatic lump sum distribution will be made. If the vested account balance is greater than \$1,000 up to \$5,000, and the participant does not direct otherwise, it will be rolled over into an IRA with Fidelity Management Trust Company (Fidelity), the trustee and record keeper



**Hartmann Employee Savings and Investment Plan**  
**Notes to Financial Statements, Continued**

**1. Description of Plan, continued:**

- e. **Withdrawals, continued:** as defined by the Plan. In the event of death, the participant's beneficiary will receive the vested interest in a lump-sum payment or in the form of an installment payment. A participant may also withdraw vested interest in the case of financial hardship under guidelines promulgated by the Internal Revenue Service. The participant's contribution shall be suspended for six months after the receipt of a hardship distribution.

Withdrawals of the Paysop Fund benefits can be made in cash or a single payment of the related common stock. If payment in common stock is elected, fractional shares are paid in cash.

A participant may request permission from the plan administrator to borrow a portion of such participant's vested accrued benefit under the Plan. Loans shall be limited to the lesser of \$50,000 or 50% of the vested account balance. Loans must bear a reasonable rate of interest, be collateralized, and be repaid within five years. Participants do not share in the earnings from the Plan's investments to the extent of any outstanding loans, except that the interest paid on such loans is allocated directly to the participant's account.

**2. Summary of Significant Accounting Policies:**

- a. **Basis of Accounting:** The financial statements of the Plan are prepared under the accrual method of accounting. Withdrawals by participants are recorded when paid. Purchases and sales of securities are recorded on a trade-date basis. Interest income is recorded on the accrual basis. Dividends are recorded on the ex-dividend date.
- b. **Valuation of Investments:** The Plan's investments are stated at fair value. Quoted market prices are used to value investments. Shares of mutual funds and the common collective trust fund are valued at the net asset value of shares held by the Plan at year end. Participant loans are valued at their outstanding balances, which approximate fair value. The Brown-Forman Corporation Stock Fund is comprised of Brown-Forman Corporation Class B shares, which are valued at the quoted closing market price, and a cash component.

The Plan presents in the accompanying statements of changes in net assets available for benefits the net appreciation or depreciation in the fair value of its investments which consists of the realized gains or losses and the unrealized appreciation or depreciation on those investments.

- c. **Management Estimates:** The preparation of financial statements in conformity with generally accepted accounting principles requires management to make estimates and assumptions that affect the reported amounts of net assets available for benefits and disclosure of contingent assets and liabilities at the dates of the financial statements and the reported amounts of additions to and deductions from net assets during the reporting periods. Actual results could differ from those estimates.

**Hartmann Employee Savings and Investment Plan**  
**Notes to Financial Statements, Continued**

**2. Summary of Significant Accounting Policies, continued:**

**d. Reclassifications:** Certain financial statement amounts have been reclassified in the prior year to conform with current year presentation. These reclassifications had no effect on total net assets available for benefits or the increase (decrease) in net assets available for benefits.

**e. Payment of Benefits:** Benefits are recorded when paid.

**3. Investments:**

The Plan's investments are held by a custodian trust company. The following table presents the fair value of investments. Investments that represent 5% or more of the Plan's net assets are separately identified.

	2004		December 31, 2003	
	Number of Shares, Units or Principal Amount	Fair Value	Number of Shares, Units or Principal Amount	Fair Value
Investments at fair value:				
Fidelity Magellan Fund	11,212	\$ 1,163,678	11,115	\$ 1,086,397
Fidelity Equity-Income Fund	13,067	689,694	12,106	602,263
Fidelity Growth Company Fund	13,996	784,730	14,101	706,044
Fidelity Retirement Money				
Market Portfolio	397,718	397,718	420,452	420,452
Managed Income Portfolio	2,615,007	2,615,007	2,644,088	2,644,088
Brown-Forman Corporation Class B Common Stock Fund	9,735	155,174	5,723	87,616
Other investments	67,272	1,642,446	58,374	1,404,828
		7,448,447		6,951,688
Common stock:				
Brown-Forman Corporation Class B Common Stock*	20,865	332,595	24,493	374,987
		\$ 7,781,042		\$ 7,326,675

\*Nonparticipant directed

During 2004 and 2003, the Plan's investments, including gains and losses on investments bought and sold as well as held during year, appreciated in value as follows:

	<b>2004</b>	<b>2003</b>
Participant directed:		
Mutual funds	\$ 353,000	\$ 747,436
Brown-Forman Corporation Class B Common Stock Fund	5,813	15,824
	358,813	763,260
Nonparticipant directed:		
Brown-Forman Corporation Class B Common Stock	13,457	118,543
Total	\$ 372,270	\$ 881,803

**Hartmann Employee Savings and Investment Plan  
Notes to Financial Statements, Continued**

**4. Tax Status:**

The Internal Revenue Service has determined, and informed the Company by a letter dated April 16, 2003, that the Plan and related trust are designed in accordance with the applicable sections of the IRC. The Plan has been amended since receiving the determination letter. However, the Company believes that the Plan is designed and is currently being operated in compliance with the applicable provisions of the IRC.

**5. Plan Termination:**

Although it has not expressed any intent to do so, the Company has the right under the Plan to discontinue its contributions at any time and to terminate the Plan subject to the provisions of ERISA. In the event of plan termination, participants will become 100% vested in their accounts.

**6. Related Party Transactions:**

Certain Plan investments are shares of mutual funds managed by Fidelity. Fidelity is the trustee as defined by the Plan and, therefore, these transactions qualify as party-in-interest transactions.

Certain administrative costs incurred by the Plan are paid by the Company. Effective January 1, 2002, general administrative expenses of the third party record keeper, Fidelity, and the administration fee for processing loans are allocated to the participants' accounts. Effective July 1, 2002, participant recordkeeping fees were waived by Fidelity. Administration fees for loans continue to be allocated to the participants' accounts. Administrative expenses of \$3,262 and \$3,346 in 2004 and 2003, respectively, were allocated to participants' accounts.

Certain participants of other defined contribution plans sponsored by the Sponsor transferred their participation to the Plan. As a result, \$83,597 of related plan assets was transferred into the Plan for the year ending December 31, 2003. No transfers occurred for the year ending December 31, 2004.

Certain plan investments are units of Brown-Forman Corporation Class B stock. Therefore, these transactions qualify as related party transactions. For the years ending December 31, 2004 and 2003, 5,617 units were purchased for \$86,160 and 4,897 units were purchased for \$63,390, respectively. For the years ending December 31, 2004 and 2003, 5,232 units were sold for \$80,264 and 8,228 units were sold for \$99,788, respectively. Dividends of \$8,092 and \$7,454 were received on Company units for the years ending December 31, 2004 and 2003, respectively.

**Hartmann Employee Savings and Investment Plan  
Notes to Financial Statements, Continued**

**7. Risks and Uncertainties:**

The Plan invests in various investment securities. Investment securities are exposed to various risks such as interest rate, market, and credit risks. Due to the level of risk associated with certain investment securities, it is at least reasonably possible that changes in the values of investment securities will occur in the near term and that such changes could materially affect participants' account balances and the amounts reported in the statement of net assets available for benefits.

**Hartmann Employee Savings and Investment Plan**  
**Plan #018 EIN #61-0143150**  
**Schedule H, Line 4i Schedule of Assets (Held at End of Year)**  
*December 31, 2004*

Identity of Issue, Borrower, Lessor or Similar Party	Description of Investment Including Maturity Date, Rate of Interest, Collateral, Par or Maturity Value	Cost	Current Value
Janus Enterprise Fund	9,676 Mutual fund shares		\$ 364,000
PIMCO Total Return Fund	25,476 Mutual fund shares		271,826
Royce Low Priced Stock Fund	2,573 Mutual fund shares		39,442
* Fidelity Magellan Fund	11,212 Mutual fund shares		1,163,678
* Fidelity Equity-Income Fund	13,067 Mutual fund shares		689,694
Fidelity Growth Company * Fund	13,996 Mutual fund shares		784,730
* Fidelity Asset Manager	13,582 Mutual fund shares		220,157
Fidelity Low Priced Stock * Fund	3,531 Mutual fund shares		142,107
* Fidelity Diversified Intl	10,172 Mutual fund shares		291,312
* Fidelity Freedom 2030	13 Mutual fund shares		183
* Fidelity Freedom 2015	77 Mutual fund shares		855
* Fidelity Freedom 2035	75 Mutual fund shares		858
* Fidelity Retirement Money Market Portfolio	380,242 Mutual fund shares		380,242
* Fidelity Retirement Money Market Portfolio	17,476 Mutual fund shares	\$ 17,476	17,476
Managed Income Portfolio *	2,615,007 Common collective trust fund units, variable rate and maturity		2,615,007
Spartan U.S. Equity Index * Fund	2,098 Mutual fund shares		89,928
Brown-Forman Corporation *	9,735 Class B common stock fund units		155,174
Brown-Forman Corporation *	20,865 Class B common stock fund units	309,663	332,595
* Participant loans	Loans, 5.25% rate, variable maturity		221,778
			\$ 7,781,042

\* Party-in-interest to the Plan