

BROWN FORMAN CORP

FORM 10-K (Annual Report)

Filed 7/3/1996 For Period Ending 4/30/1996

Address	850 DIXIE HWY LOUISVILLE, Kentucky 40210
Telephone	502-585-1100
CIK	0000014693
Industry	Beverages (Alcoholic)
Sector	Consumer/Non-Cyclical
Fiscal Year	04/30

United States Securities and Exchange Commission

Washington, D.C. 20549

FORM 10-K

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

For the fiscal year ended April 30, 1996

Commission file number 1-123

BROWN-FORMAN CORPORATION

(Exact name of Registrant as specified in its charter)

Delaware
(State or other jurisdiction of
incorporation or organization)

61-0143150
(IRS Employer
Identification No.)

850 Dixie Highway
Louisville, Kentucky
(Address of principal executive offices)

40210
(Zip Code)

Registrant's telephone number, including area code (502) 585-1100

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

Title of Each Class -----	Name of Each Exchange on Which Registered -----
Preferred \$.40 Cumulative Stock, \$10.00 par value, redeemable at company's option at \$10.25 per share plus unpaid accrued dividends; liquidating value \$10.00 per share plus unpaid accrued dividends	New York Stock Exchange
Class A Common Stock (voting) \$.15 par value	New York Stock Exchange
Class B Common Stock (nonvoting) \$.15 par value	New York Stock Exchange
Securities registered pursuant to Section 12(g) of the Act	None

Indicate by check mark whether the registrant (1) has filed all reports required to be filed by Section 13 or 15(d) of the Securities Exchange Act of 1934 during the preceding 12 months (or for such shorter period that the registrant was required to file such reports), and (2) has been subject to such filing requirements for the past 90 days.

Yes ☒ No

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

The aggregate market value, at April 30, 1996, of the voting stock held by nonaffiliates of the registrant was \$283,475,205.

The number of shares outstanding for each of the registrant's classes of Common Stock on May 28, 1996 was:
Class A Common Stock (voting) 28,988,091 Class B Common Stock (nonvoting) 40,008,147

DOCUMENTS INCORPORATED BY REFERENCE

Portions of the Registrant's 1996 Annual Report to Stockholders are incorporated by reference into Parts I, II, and IV of this report. Portions of the Proxy Statement of Registrant for use in connection with the Annual Meeting of Stockholders to be held July 25, 1996 are incorporated by reference into Part III of this report.

PART I

Item 1. Business

(a) General development of business:

Brown-Forman Corporation was incorporated under the laws of the State of Delaware in 1933, successor to a business founded in 1870 as a partnership and subsequently incorporated under the laws of the Commonwealth of Kentucky in 1901. Its principal executive offices are located at 850 Dixie Highway, Louisville, Kentucky 40210 (mailing address: P.O. Box 1080, Louisville, Kentucky 40201-1080). Except as the context may otherwise indicate, the terms "Brown-Forman" and "company" refer to Brown-Forman Corporation and its subsidiaries.

The company may from time to time make written or oral forward-looking statements, including statements contained in the company's filings with the Securities and Exchange Commission and in its reports to stockholders. This Annual Report contains forward-looking statements made in good faith by Brown-Forman pursuant to the "safe harbor" provisions of the Private Securities Litigation Reform Act of 1995. In connection with these "safe harbor" provisions, the company is hereby identifying important factors that could cause actual results to differ materially from those contained in any forward-looking statement made by or on behalf of the company. Any such statement is qualified by reference to the following cautionary statements.

The company's businesses operate in highly competitive markets and are subject to changes in general economic conditions, intense competition, changes in consumer preferences, the impact of excise tax increases with respect to the wines and spirits segment, foreign exchange rate fluctuations, the degree of acceptance of new product introductions, the uncertainties of litigation, as well as other risks and uncertainties detailed from time to time in the company's Securities and Exchange Commission filings. Developments in any of these areas, which may be more fully described elsewhere in Part I, Item 1 - Business, and Item 3 - Legal Proceedings, and in Part II, Item 7 - Management's Discussion and Analysis of Financial Condition and Results of Operations on pages 18-23 of the company's 1996 Annual Report to Stockholders, each of which is incorporated into this section by reference, could cause the company's results to differ materially from results that have been or may be projected by or on behalf of the company. The company cautions that the foregoing list of important factors is not exclusive. The company does not undertake to update any forward-looking statement that may be made from time to time by or on behalf of the company.

(b) Financial information about industry segments:

Information regarding net sales, operating income, and total assets of each of the company's business segments is in Note 13 of Notes to Consolidated Financial Statements on page 35 of the company's 1996 Annual Report to Stockholders, which information is incorporated herein by reference in response to Item 8.

(c) Narrative description of business:

The following is a description of the company's operations.

Wines and Spirits Segment

Wines and Spirits operations include manufacturing, bottling, importing, exporting, and marketing a wide variety of alcoholic beverage brands. This Segment also manufactures and markets new and used oak barrels, plastic closures, and plastic bottles.

Brands are grouped into four categories: North American Spirits, Specialty and Imported Items, Wines, and Craft Beers.

North American Spirits consists of the following brands:

Jack Daniel's Tennessee Whiskey Canadian Mist Canadian Whiskies Southern Comfort Old Forester Kentucky Straight Bourbon Whisky Gentlemen Jack Rare Tennessee Whiskey Early Times Kentucky Whisky Woodford Reserve Distillers Select Kentucky Straight Bourbon Whiskey Pepe Lopez Tequila Korbel California Brandies **

Statistics based on case sales, published annually by a leading trade publication, rank Jack Daniel's as the largest selling Tennessee whiskey in the United States, Canadian Mist as the largest selling Canadian whisky in the United States, and Southern Comfort as the largest selling domestic proprietary liqueur in the United States.

Specialty and Imported Items consists of the following brands:

Jack Daniel's Country Cocktails Tropical Freezes Ice Breakers
Jack Daniel's & Cola Southern Comfort & Cola Bushmills Irish Whiskies* Black Bush Special Irish Whiskey* Glenmorangie Single Highland Malt Scotch Whiskies* Usher's Scotch Whisky* Oblio Sambucas*

Wines consists of the following brands:

Fetzer Vineyards California Wines Korbel California Champagnes and Wines** Bolla Italian Wines Jekel Vineyards California Wines Bel Arbor California Wines Fontana Candida Italian Wines* Brolio Italian Wines* Carmen Vineyards Chilean Wines* Fontanafredda Italian Wines* Armstrong Ridge California Champagne** Noilly Prat Vermouths*

Craft Beers consists of the following brands:

Jack Daniel's 1866 Classic Oak-aged Beers

* Brands marketed by Brown-Forman in the U.S. and other select markets by agency agreements. ** Brands marketed by Brown-Forman worldwide by agency agreement.

A leading industry trade publication reported Korbel California Champagnes as the largest selling premium champagne in the United States. This trade publication also reported that, among numerous imported wines, Bolla Italian Wine is the leading premium imported table wine in the United States. Fetzer was ranked eighteenth among all table wines.

Brown-Forman believes that statistics used to rank these products are reasonably accurate.

Brown-Forman's strategy with respect to the Wines and Spirits Segment is to market high quality products that satisfy consumer preferences and support them with extensive international, national, and regional marketing programs. These programs are intended to extend consumer brand recognition and brand loyalty.

Sales managers and representatives or brokers represent the Segment in all states. The Segment distributes its spirits products domestically either through state agencies or through wholesale distributors. The contracts which Brown-Forman has with many of its distributors have formulas which determine reimbursement to distributors if Brown-Forman terminates them; the amount of reimbursement is based primarily on the distributor's length of service and a percentage of its purchases over time. Some states have statutes which limit Brown-Forman's ability to terminate distributor contracts.

Jack Daniel's Tennessee Whiskey and Southern Comfort are the principal products exported by the Segment. These brands are sold through contracts with brokers and distributors in most countries.

The principal raw materials used in manufacturing and packaging distilled spirits are corn, rye, malted barley, glass, cartons, and wood for new white oak barrels, which are used for storage of bourbon and Tennessee whiskey. None of these raw materials are in short supply, and there are adequate sources from which they may be obtained.

The principal raw materials used in the production of wines are grapes and packaging materials. Grapes are primarily purchased from independent growers. Adequate sources exist for these raw materials.

Production of whiskies is scheduled to meet demand three to five years in the future. Accordingly, inventories are larger in relation to sales and total assets than would be normal for most other businesses.

The industry is highly competitive and there are many brands sold in the consumer market. Trade information indicates that Brown-Forman is one of the largest wine and spirit suppliers in the United States in terms of revenues.

The wine and spirits industry is regulated by the Bureau of Alcohol, Tobacco, and Firearms of the United States Treasury Department with respect to production, blending, bottling, sales, advertising, and transportation of its products. Also, each state regulates advertising, promotion, transportation, sale, and distribution of such products.

Under federal regulations, whisky must be aged for at least two years to be designated "straight whisky." The Segment ages its straight whiskies for a minimum of three to five years. Federal regulations also require that "Canadian" whisky must be manufactured in Canada in compliance with Canadian laws and must be aged in Canada for at least three years.

Consumer Durables Segment

The Consumer Durables Segment includes the manufacturing and/or marketing of the following:

Fine China Dinnerware Contemporary Dinnerware Casual Dinnerware and Glassware Crystal Stemware Crystal Barware China and Crystal Giftware China Lamps
Collectibles and Jewelry Sterling Silver, Pewter and Silver-Plated Giftware Sterling Silver and Stainless Steel Flatware Fine Table Linens Luggage
Business Cases and Folios Personal Leather Accessories

All of the products of the Segment are sold by segment-employed sales representatives under various compensation arrangements, and where appropriate to the class of trade, by specialized independent commissioned sales representatives and independent distributors.

The Segment's products are marketed domestically through authorized retail stores consisting of department stores and specialty and jewelry shops and through retail stores operated by the Segment. Products are also distributed domestically through the institutional, incentive, premium, business gift and military exchange classes of trade, and internationally through authorized retailers and/or distributors in selected foreign markets. Specially created collectible products are distributed both domestically and in selected foreign markets through the Segment's direct response/mail-order division.

Fine china and crystal products are marketed under both the Lenox and Gorham trademarks. Lenox also markets casual dinnerware. Contemporary dinnerware, glassware and flatware products are marketed under the Dansk trademark. Sterling silver and stainless flatware and sterling giftware are marketed under the Gorham and "Lenox. Kirk Steiff Collection" trademarks. Pewter and silver-plated giftware products are also marketed under the "Lenox. Kirk Steiff Collection" trademark. Luggage, business cases, and personal leather accessories are marketed under the Hartmann, Wings and Crouch & Fitzgerald trademarks. The direct response/mail-order sales in the United States of specially designed collectibles are marketed under the Lenox, Princeton Gallery and Gorham trademarks, while such sales abroad are marketed primarily under the Brooks & Bentley trademark.

The Lenox, Gorham, and Hartmann brand names hold significant positions in their industries. The Segment has granted to a producer of high quality table linens a license for use of the Lenox trademarks on selective fine table linens, subject to the terms of a licensing agreement.

The Segment believes that it is the largest domestic manufacturer and marketer of fine china dinnerware and fine crystal stemware, and the only significant domestic manufacturer of fine quality china giftware. The Segment is also a leading manufacturer and distributor of fine quality luggage, business cases, and personal leather accessories. The Segment competes with a number of other companies and is subject to intense foreign competition in the marketing of its fine china, contemporary and casual dinnerware, crystal stemware, and luggage products.

In the Segment's china, crystal, and stainless businesses, competition is based primarily on quality, design, brand, style, product appeal, consumer satisfaction, and price. In its luggage, business case and personal leather accessories business, competition is based primarily on brand awareness, quality, design, style, and price. In its direct response/mail- order business, the most important competitive factors are the brand, product appeal, design, sales/marketing program, service, and price of the products. In its sterling silver, silver-plated, and pewter business and competition is based primarily on price, with quality, design, brand, style, product appeal, and consumer satisfaction also being factors.

Clay and feldspar are the principal raw materials used to manufacture china products and silica is the principal raw material used to manufacture crystal products. Gold is a significant raw material used to decorate china and crystal products. Leather and nylon fabric are the principal raw materials used to manufacture luggage and business cases. Fine silver is the principal raw material used to manufacture sterling silver giftware and flatware products, and tin is the principal raw material used to manufacture pewter products, and stainless steel is the principal raw material used to manufacture stainless steel flatware. It is anticipated that raw materials used by the Segment will be in adequate supply. However, the acquisition price of gold, fine silver, and tin is influenced significantly by worldwide economic events and commodity trading.

Sales of certain Segment products are traditionally greater in the second quarter of the fiscal year, primarily because of seasonal holiday buying.

Other Information

As of April 30, 1996, the company employs approximately 7,400 persons, including 1,000 employed on a part-time basis.

The company is an equal opportunity employer and recruits and places employees without regard to race, color, national origin, sex, age, religion, disability, or veteran status.

The company believes its employee relations are good.

For information on the effects of compliance with federal, state, and local environmental regulations, refer to Note 11, "Environmental," on page 33 of the company's 1996 Annual Report to Stockholders, which information is incorporated herein by reference in response to Item 8.

Item 2. Properties

The corporate offices consist of office buildings, including renovated historic structures, all located in Louisville, Kentucky.

Significant properties by business segments are as follows:

Wines and Spirits Segment

The facilities of the Wines and Spirits Segment are shown below. The owned facilities are held in fee simple.

Owned facilities:

Production facilities:

Distilled Spirits and Wines:
Lynchburg, Tennessee

Louisville, Kentucky
Collingwood, Ontario
Shively, Kentucky
Woodford County, Kentucky
Frederiksted, St. Croix, U.S. Virgin Islands Mendocino County, California
Monterey County, California
Pedemonte, Italy
Oak Barrels:

Louisville, Kentucky

Mendocino County, California
Plastic Closures and Plastic Bottles:

Louisville, Kentucky

Bottling facilities:

Lynchburg, Tennessee

Louisville, Kentucky
Woodford County, Kentucky
Frederiksted, St. Croix, U.S. Virgin Islands Monterey County, California
Pedemonte, Italy

Warehousing facilities:

Lynchburg, Tennessee

Louisville, Kentucky
Collingwood, Ontario
Shively, Kentucky
Woodford County, Kentucky
Mendocino County, California
Monterey County, California
Pedemonte, Italy

Leased facilities:

Production and bottling facility in Dublin, Ireland Wine production, warehousing and bottling facility in Mendocino County, California
Vineyards in Monterey County, California

The company believes that the productive capacities of the Wines and Spirits Segment are adequate for the business, and such facilities are maintained in a good state of repair.

Consumer Durables Segment

The facilities of the Consumer Durables Segment are shown below. The owned facilities are held in fee simple.

Owned facilities:

Office facilities:

Lenox corporate - Lawrenceville, New Jersey

Headquarters for Lenox Direct Response/Mail-Order Division - Langhorne, Pennsylvania

Production and office facilities:

Lenox - Pomona, New Jersey (includes retail store); Oxford, North Carolina;
Kinston, North Carolina; and Mt. Pleasant, Pennsylvania
(includes retail store)

Gorham - Smithfield, Rhode Island

Hartmann - Lebanon, Tennessee (includes retail store)

Warehousing facilities:

Lenox/Dansk/Gorham - Williamsport, Maryland

Leased facilities:

Office facilities:

Lenox Manufacturing - Absecon, New Jersey Dansk headquarters - White Plains, New York Lenox corporate - Lawrenceville, New Jersey

Production/Warehousing/Office facilities:

Kirk Stieff - Baltimore, Maryland (includes retail store)

Warehousing facilities:

Lenox - South Brunswick, New Jersey (includes retail stores); Oxford, North Carolina;
Kinston, North Carolina; and Mt. Pleasant, Pennsylvania Hartmann - Lebanon, Tennessee

Retail stores:

The Segment operates 34 Lenox outlet stores in 23 states and a Lenox Gift Express store and Lenox Collections kiosk in Pennsylvania. The Segment also operates 60 Dansk outlet stores in 30 states and 6 Dansk Lifestyle stores in 6 states. In addition, the Segment operates 2 Crouch & Fitzgerald luggage stores in 2 states.

The lease terms expire at various dates and are generally renewable, except for the Crouch & Fitzgerald store leases.

The company is of the opinion that the Segment's facilities are in good condition and are adequate for the business.

Item 3. Legal Proceedings

Expansion Plus, Inc. v. Brown-Forman Corporation, et al., (United States District Court for the Southern District of Texas, Houston Division, Civil Action No. H-94-3498.)

In 1988, Brown-Forman purchased a start-up credit card processing business from Expansion Plus, Inc. ("EPI"), which Brown-Forman developed into a much larger business and sold in 1993 for \$31,250,000. Several months after the sale, EPI claimed that Brown-Forman never acquired full title to the credit card processing business, was obligated to return all or part of it to EPI, and that the sale of the business to a third party represented a conversion of assets owned by EPI.

In October, 1994, EPI filed a tort action against Brown-Forman and the purchaser of the business alleging conversion of property, tortious interference with contractual relationships, misappropriation of trade secrets and breach of a confidential relationship and seeking damages of \$31,250,000 plus punitive damages in an amount ten times actual damages. Trial is scheduled for September, 1996.

On May 21, 1996, a Magistrate Judge entered a Memorandum and Recommendation that all of EPI's tort claims against Brown-Forman be dismissed. EPI has since filed Objections to the Magistrate's Recommendation and moved to amend its complaint to include a breach of contract claim against Brown-Forman. The District Judge will review and accept, modify or reject the Recommendations and decide whether to allow EPI to amend its complaint.

In the opinion of management, and based upon the advice of legal counsel, the disposition of this suit will not have a material adverse effect on the company's consolidated financial position or results of operations.

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

None.

Executive Officers of the Registrant

Name	Age	Principal Occupation and Business Experience	Family Relationship
Owsley Brown II	53	Chairman of the company since July, 1995. Chief Executive Officer of the company since July 1993. President of the company from July 1987 to July 1993.	Cousin to Owsley Brown Frazier
Owsley Brown Frazier	60	Vice Chairman of the company since August 1983.	Cousin to Owsley Brown II
William M. Street	57	Vice Chairman of the company since July 1987.	None
Steven B. Ratoff	53	Executive Vice President and Chief Financial Officer of the company since December 1994. Private investor in a number of small privately-held companies from February 1992 to November 1994. Senior Vice President and Chief Financial Officer for Pharmaceutical Group of Bristol-Myers Squibb from January 1990 to January 1992.	None
John P. Bridendall	46	Senior Vice President and Director of Corporate Development since July 1987.	None
Russell C. Buzby	62	Senior Vice President and Executive Director of Human Resources and Information Services since July 1987.	None
Michael B. Crutcher	52	Senior Vice President, General Counsel, and Secretary since May 1989.	None

Richard E. Stearns	45	President and Chief Executive Officer of Lenox, Incorporated (a subsidiary of the company) since September 1995. President of Lenox, Incorporated from April 1992 to September 1995. President of Lenox Products Group from May 1990 to April 1992.	None
Lois A. Mateus	49	Senior Vice President of Corporate Communications and Corporate Services since January 1988.	None

PART II

Item 5. Market for the Registrant's Common Stock and Related Stockholder

Matters

Except as presented below, for the information required by this item refer to the section entitled "Quarterly Financial Information" appearing on the "Highlights" page of the 1996 Annual Report to Stockholders, which information is incorporated herein by reference.

Holders of record of Common Stock at May 28, 1996:

Class A Common Stock (Voting) 3,045 Class B Common Stock (Nonvoting) 5,051

The principal market for Brown-Forman common shares is the New York Stock Exchange.

Item 6. Selected Financial Data

For the information required by this item, refer to the section entitled "Consolidated Selected Financial Data" appearing on page 17 of the 1996 Annual Report to Stockholders, which information is incorporated herein by reference in response to Item 8.

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

Results of Operations

For the information required by this item, refer to the section entitled "Management's Discussion and Analysis" appearing on pages 18 through 23 of the 1996 Annual Report to Stockholders, which information is incorporated herein by reference in response to Item 8.

Item 8. Financial Statements and Supplementary Data

For the information required by this item, refer to the Report of Management, Report of Independent Accountants, Consolidated Financial Statements, and Notes to Consolidated Financial Statements appearing on pages 24 through 35 of the 1996 Annual Report to Stockholders, which information is incorporated herein by reference. For selected quarterly financial information, refer to the section entitled "Quarterly Financial Information" appearing on the "Highlights" page of the 1996 Annual Report to Stockholders, which information is incorporated herein by reference.

Item 9. Changes in and Disagreements with Accountants on Accounting and

Financial Disclosures

None.

PART III

Item 10. Directors and Executive Officers of the Registrant

For the information required by this item, refer to the following sections of the registrant's definitive proxy statement for the Annual Meeting of Stockholders to be held July 25, 1996, which information is incorporated herein by reference: (a) "Election of Directors" on page 1 through the footnote on page 2 (for information on directors); and (b) the last paragraph on page 4 (for information on delinquent filings). Also, see the information with respect to "Executive Officers of the Registrant" under Part I hereof, which information is incorporated herein by reference.

Item 11. Executive Compensation

For the information required by this item, refer to the section entitled "Executive Compensation" on pages 5 through 14 of the registrant's definitive proxy statement for the Annual Meeting of Stockholders to be held July 25, 1996, which information is incorporated herein by reference.

Item 12. Security Ownership of Certain Beneficial Owners and Management

For the information required by this item, refer to the section entitled "Security Ownership of Certain Beneficial Owners and Management" appearing on pages 3 and 4 of the registrant's definitive proxy statement for the Annual Meeting of Stockholders to be held July 25, 1996, which information is incorporated herein by reference.

Item 13. Certain Relationships and Related Transactions

For the information required by this item, refer to the section entitled "Transactions with Management" appearing on page 14 of the registrant's definitive proxy statement for the Annual Meeting of Stockholders to be held July 25, 1996, which information is incorporated herein by reference.

PART IV

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

(a) 1 and 2 - Index to Consolidated Financial Statements and Schedules:

	Reference	
	Form 10-K Annual Report Page	Annual Report to Stockholders Page(s)
Incorporated by reference to the company's Annual Report to Stockholders for the year ended April 30, 1996:		
Report of Management*	--	24
Consolidated Statement of Income for the years ended April 30, 1996, 1995, and 1994*	--	25
Consolidated Balance Sheet at April 30, 1996, 1995, and 1994*	--	26 - 27
Consolidated Statement of Cash Flows for the years ended April 30, 1996, 1995, and 1994*	--	28
Consolidated Statement of Stockholders' Equity for the years ended April 30, 1996, 1995, and 1994*	--	29
Notes to Consolidated Financial Statements*	--	30 - 35
Report of Independent Accountants	S-1	--
Consolidated Financial Statement Schedule: II - Valuation and Qualifying Accounts	S-2	--

All other schedules for which provision is made in the applicable accounting regulations of the Securities and Exchange Commission have been omitted either because they are not required under the related instructions, because the information required is included in the consolidated financial statements and notes thereto, or because they are inapplicable.

* Incorporated by reference to Item 8 herein.

(a) 3 - Exhibits:
Filed Herewith:

Exhibit Index

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- 4(c) Amendment No. 1 dated as of February 23, 1996, to the Credit Agreement referenced in the Previously Filed Exhibit Index as 4 (a)
- 13 Company's Annual Report to Stockholders for the year ended April 30, 1996, but only to the extent set forth in Items 1, 5, 6, 7, and 8 of the company's Annual Report on Form 10-K for the year ended April 30, 1996.

- 21 Subsidiaries of the Registrant.
- 23 Consent of Coopers & Lybrand L.L.P. independent accountants.
- 27 Financial Data Schedule (not considered to be filed).

Previously Filed:
Exhibit Index

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- 3(a) Restated Certificate of Incorporation of registrant which is incorporated herein by reference to Brown-Forman Corporation's 10-K filed on July 19, 1994.
- 3(b) Certificate of Amendment to Restated Certificate of Incorporation of registrant which is incorporated herein by reference to Brown-Forman Corporation's 10-K filed on July 19, 1994.
- 3(c) Certificate of Ownership and Merger of Brown-Forman Corporation into Brown-Forman, Inc. which is incorporated herein by reference to Brown-Forman Corporation's 10-K filed on July 19, 1994.
- 3(d) Certificate of Amendment to Restated and Amended Certificate of Incorporation of Brown-Forman Corporation which is incorporated herein by reference to Brown-Forman Corporation's 10-K filed on July 19, 1994.
- 3(e) The by-laws of registrant, as amended on May 25, 1988, which is incorporated herein by reference to Brown-Forman Corporation's 10-K filed on July 26, 1993.
- 4(a) Credit Agreement dated as of November 30, 1994, among the company and a group of United States and international banks, which is incorporated herein by reference to Brown-Forman Corporation's 10-K filed on July 17, 1995.
- 4(b) The Form of Indenture dated as of March 1, 1994 between the company and The First National Bank of Chicago, as Trustee, which is incorporated herein by reference to Brown-Forman Corporation's Form S-3 (Registration No. 33-52551) filed on March 8, 1994.
- 10(a) Description of compensation arrangement with W. L. Lyons Brown, Jr., which is incorporated herein by reference to Brown-Forman Corporation's 10-K filed on July 17, 1995.
- 10(b) A description of the Brown-Forman Omnibus Compensation Plan, which is incorporated herein by reference to the Appendix of the registrant's definitive proxy statement for the Annual Meeting of Stockholders held on July 27, 1995.
- 10(c) Brown-Forman Corporation Restricted Stock Plan which is incorporated herein by reference to Brown-Forman Corporation's 10-K filed on July 19, 1994.
- 10(d) Brown-Forman Corporation Supplemental Excess Retirement Plan, which is incorporated herein by reference to Brown-Forman Corporation's 10-K filed on July 23, 1990.
- 10(e) Brown-Forman Corporation Stock Appreciation Rights Plan, which is incorporated herein by reference to Brown-Forman Corporation's 10-K filed on July 23, 1990.

- 10(f) A description of the Brown-Forman Savings Plan is incorporated herein by reference to page 10 of the registrant's definitive proxy statement for the Annual Meeting of Stockholders to be held on July 25, 1996.
- 10(g) A description of the Brown-Forman Flexible Reimbursement Plan is incorporated herein by reference to page 10 of the registrant's definitive proxy statement for the Annual Meeting of Stockholders to be held on July 25, 1996.
- (b) No reports on Form 8-K were filed during the last quarter of the period covered by this report.

SIGNATURES

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

BROWN-FORMAN CORPORATION
(Registrant)

/s/ Owsley Brown II

Date: May 23, 1996

By: Owsley Brown II
Chairman of the Board and Chief Executive Officer

Pursuant to the requirements of the Securities Exchange Act of 1934, this report has been signed below by the following persons on behalf of the registrant and in the capacities on May 23, 1996 as indicated:

/s/ Barry D. Bramley

By: Barry D. Bramley
Director

/s/ Geo. Garvin Brown III

By: Geo. Garvin Brown III
Director

/s/ Owsley Brown II

By: Owsley Brown II
Director, Chairman
of the Board and
Chief Executive
Officer

/s/ W. L. Lyons Brown, Jr.

By: W. L. Lyons Brown, Jr.
Director

/s/ Donald G. Calder

By: Donald G. Calder
Director

/s/ Owsley Brown Frazier

By: Owsley Brown Frazier
Director, Vice
Chairman of the
Board

/s/ Richard P. Mayer

By: Richard P. Mayer
Director

/s/ Stephen E. O'Neil

By: Stephen E. O'Neil
Director

/s/ William M. Street

By: William M. Street
Director, Vice
Chairman of the
Board

/s/ James S. Welch

By: James S. Welch
Director

/s/ Steven B. Ratoff

By: Steven B. Ratoff
Executive Vice
President and
Chief Financial
Officer
(Principal Financial
Officer)

/s/ Thomas P. Burnet

By: Thomas P. Burnet
(Principal Accounting
Officer)
Brown-Forman
Corporation

Senior Vice
President and
Chief Financial
Officer
Brown-Forman
Beverages Worldwide

REPORT OF INDEPENDENT ACCOUNTANTS

Brown-Forman Corporation
Louisville, Kentucky

We have audited the consolidated financial statements of Brown-Forman Corporation and Subsidiaries as of April 30, 1996, 1995, and 1994, and for the years then ended, which financial statements are included on pages 25 through 35 of the 1996 Annual Report to Stockholders of Brown-Forman Corporation and incorporated by reference herein. We have also audited the financial statement schedule listed in the index on page 14 of this Form 10-K. These financial statements and financial statement schedule are the responsibility of the company's management. Our responsibility is to express an opinion on these financial statements and financial statement schedule based on our audits.

We conducted our audits in accordance with generally accepted auditing standards. 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. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audits provide a reasonable basis for our opinion.

In our opinion, the financial statements referred to above present fairly, in all material respects, the consolidated financial position of Brown-Forman Corporation and Subsidiaries as of April 30, 1996, 1995, and 1994 and the consolidated results of their operations and their cash flows for the years then ended in conformity with generally accepted accounting principles. In addition, in our opinion, the financial statement schedule referred to above, when considered in relation to the basic financial statements taken as a whole, presents fairly, in all material respects, the information required to be included therein.

As discussed in Note 3 to the consolidated financial statements, in 1994 the company adopted changes in its methods of accounting for postretirement benefits other than pensions, postemployment benefits, and contributions.

Coopers & Lybrand L.L.P.
Louisville, Kentucky
May 28, 1996

BROWN-FORMAN CORPORATION AND SUBSIDIARIES
SCHEDULE II - VALUATION AND QUALIFYING ACCOUNTS

For the Years Ended April 30, 1996, 1995, and 1994
(Expressed in thousands)

Col. A	Col. B	Col. C	Col. D	Col. E
-----	-----	-----	-----	-----
		Additions		

	Balance	Charged		Balance
	Beginning	Costs		End
	of	and		of
Description	Period	Expenses	Deductions	Period
-----	-----	-----	-----	-----
1996				
Allowance for Doubtful Accounts	\$14,061	\$ 9,386	\$10,241(1)	\$13,206
1995				
Allowance for Doubtful Accounts	\$12,006	\$ 9,343	\$7,288(1)	\$14,061
1994				
Allowance for Doubtful Accounts	\$10,432	\$10,538	\$8,964(1)	\$12,006

(1) Doubtful accounts written off, net of recoveries.

Exhibit (4)
EXECUTION COPY

AMENDMENT NO. 1
DATED AS OF FEBRUARY 23, 1996
to
CREDIT AGREEMENT
DATED AS OF NOVEMBER 30, 1994

This Amendment No. 1 (this "Amendment") is entered into as of February 23, 1996, by and among Brown-Forman Corporation, a Delaware corporation (the "Company"), the undersigned Banks, The First National Bank of Chicago and Morgan Guaranty Trust Company of New York, as Co-Agents, and The First National Bank of Chicago, as Administrative Agent, under the Credit Agreement referred to below. The parties hereto agree as follows:

WHEREAS, the Company, the Administrative Agent, the Co-Agents and the Banks are parties to that certain Credit Agreement dated as of November 30, 1994 (the "Credit Agreement"); and

WHEREAS, the Company, the Administrative Agent, the Co-Agents and the Banks desire to amend the Credit Agreement in certain respects more fully described hereinafter;

NOW, THEREFORE, in consideration of the undertakings set forth herein, the parties hereto hereby agree as follows:

1. Defined Terms. Capitalized terms used herein, including in the Preamble and Recitals, and not otherwise defined herein shall have the meanings attributed to them in the Credit Agreement.

2. Amendments to the Credit Agreement.

2.1. The definition of "Applicable Margin" set forth in Article I is hereby amended by deleting it in its entirety and inserting in lieu thereof the following:

"'Applicable Margin' means (i) for any day on which Level I Status exists, 0.135 of 1% per annum, (ii) for any day on which Level II Status exists, 0.15 of 1% per annum, (iii) for any day on which Level III Status exists, 0.18 of 1% per annum, and (iv) for any day on which Level IV Status exists, 0.275 of 1% per annum. Reference is hereby made to the Pricing Schedule set forth in Section 2.4.5(c) for an illustration of the relationship between the Applicable Margin and the Status Levels."

2.2. The definition of "Termination Date" set forth in Article I is hereby amended by deleting the date "November 30, 1999" where it appears therein and inserting the date "February 23, 2001" in lieu thereof.

2.3. The definition of "Usage Fee" set forth in Article I is hereby amended by deleting it in its entirety.

2.4. Clause (a) of Section 2.4.5 is hereby amended by deleting it in its entirety and inserting in lieu thereof the following:

"(a) Facility Fees. The Company hereby agrees to pay to the Administrative Agent for the account of each Bank a facility fee (the

"Facility Fee") of (a) for any day on which Level I Status exists, 0.065 of 1% per annum, (b) for any day on which Level II Status exists, 0.075 of 1% per annum, (c) for any day on which Level III Status exists, 0.09 of 1% per annum, and (d) for any day on which Level IV Status exists, 0.125 of 1% per annum, on the Aggregate Commitment for the period from February 23, 1996, to but excluding the Termination Date (or such earlier date on which the Aggregate Commitment shall terminate), payable in arrears on each Payment Date (the first such payment to be made on April 15, 1996) and on the Termination Date (or such earlier date on which the Aggregate Commitment shall terminate) for any period then ending for which such fee shall not have been theretofor paid. The Company shall give prompt notice to the Administrative Agent of any changes in the Status Level in accordance with Section 6.15."

2.5. Clause (b) of Section 2.4.5 is hereby amended by deleting it in its entirety and inserting in lieu thereof the following:

"(b) [Intentionally Omitted]."

2.6 Clause (c) of Section 2.4.5, is hereby amended by deleting it in its entirety and inserting in lieu thereof the following:

"(c) The following schedule illustrates how the Applicable Margin and Facility Fees will apply to the Company in different Status Levels:

PRICING SCHEDULE (expressed in basis points per annum)

Status Level -----	Level I -----	Level II -----	Level III -----	Level IV -----
Ratings S&P/Moody's	Higher than A+ and A1	At least equal to A+ and A1 but not higher than both A+ and A1	Lower than Level II and higher than or equal to A- and A3	Lower than A- or A3
Facility Fee	6.5	7.5	9	12.5
Applicable Margin	13.5	15	18	27.5"

3. Representations and Warranties. In order to induce the Administrative Agent, the Co-Agents and the Banks to enter into this Amendment, the Company hereby represents and warrants to the Administrative Agent, the Co-Agents and the Banks as of the date of this Amendment that:

(a) The execution and delivery by the Company of this Amendment and the performance of its obligations under the Credit Agreement, as amended by this Amendment, and under the Notes are within the Company's corporate powers, have been duly authorized by all necessary corporate proceedings, have received all necessary governmental approvals (if any shall be required), and do not and will not contravene or conflict with any provision of, or result in the creation or imposition of a Lien upon any properties of the Company or any Subsidiary under, any law, or the charter or by-laws of the Company or any Subsidiary, or any agreement, indenture or instrument to which the Company or any Subsidiary is a party or by which it or its property is bound.

(b) The Credit Agreement, as amended by this Amendment, is the valid and binding obligation of the Company enforceable against the

Company in accordance with its terms, except as enforceability may be limited by bankruptcy, insolvency or similar laws affecting the enforcement of creditor's rights generally.

(c) The representations and warranties contained in Article V of the Credit Agreement are true and correct on and as of the date of this Amendment.

(d) There exists no Default or Unmatured Default.

4. Amendment Effective Date. This Amendment shall become effective as of the date first written above upon receipt by the Administrative Agent, with sufficient copies for the Co-Agents and the Banks, of counterparts of this Amendment duly executed by the Company, the Administrative Agent, the Co-Agents and each of the Banks.

5. Ratification of the Credit Agreement. All of the terms, conditions and covenants of the Credit Agreement, except as specifically amended herein, shall remain in full force and effect. The Credit Agreement as amended herein is hereby ratified, approved and confirmed in all respects.

6. Reference to the Credit Agreement. From and after the date first above written, each reference in the Credit Agreement to "this Agreement", "hereof", "hereunder" or words of like import, and all references to the Credit Agreement in any and all agreements, instruments, documents, notes, certificates and other writings of every kind and nature, shall be deemed to mean the Credit Agreement, as amended by this Amendment.

7. Costs and Expenses. The Company agrees to pay all costs, fees and out-of-pocket expenses (including attorney's fees and time charges of attorneys for the Administrative Agent, which attorneys may be employees of the Administrative Agent) incurred by the Administrative Agent in connection with the enforcement of this Amendment. The Company's obligations under this Paragraph 7 shall survive any termination of the Credit Agreement or this Amendment.

8. CHOICE OF LAW. THIS AMENDMENT SHALL BE GOVERNED BY AND CONSTRUED IN ACCORDANCE WITH THE INTERNAL LAWS OF THE STATE OF ILLINOIS (WITHOUT APPLICATION OF THE CONFLICT OF LAWS PRINCIPLES THEREOF).

9. Counterparts. This Amendment may be executed in any number of counterparts, all of which taken together shall constitute one amendment.

IN WITNESS WHEREOF, the Company, the Administrative Agent, the Co- Agents and each of the undersigned Banks have executed this Amendment as of the date first above written.

BROWN-FORMAN CORPORATION

/s/ Terry Lange
By: _____
Title: Assistant Treasurer

/s/ Garrison R. Cox
By: _____
Title: Assistant Vice President and
Assistant Secretary

THE FIRST NATIONAL BANK OF CHICAGO,
Individually, as Co-Agent and as Administrative
Agent

By: /s/ Robert R. Bourke

Title: Senior Vice President

**MORGAN GUARANTY TRUST COMPANY OF
NEW YORK, Individually and as Co-Agent**

By: /s/ Laura E. Reim

Title: Vice President

ABN AMRO BANK N.V.

By: /s/ James Janovsky

Title: Group Vice President

**BANK OF AMERICA NATIONAL TRUST
AND SAVINGS ASSOCIATION**

By: /s/ James O'Keane

Title: Senior Vice President

By: /s/ Raju N. Patel

Title: Assistant Vice President

BANK OF MONTREAL

By: /s/ Randall Becker

Title: Managing Director

CITIBANK N.A.

By: /s/ David L. Harris

Title: Assistant Vice President

CORESTATES BANK, N.A.

By: /s/ Thomas J. McDonnell

Title: Vice President

FIRST NATIONAL BANK OF BOSTON

By: /s/ Howard V. Hennigar, Jr.

Title: Managing Director

**THE INDUSTRIAL BANK OF JAPAN TRUST
COMPANY**

By: /s/ J. Kenneth Biegen

Title: Senior Vice President

MELLON BANK, N.A.

By: /s/ Mark Johnston

Title: Assistant Vice President

NATIONAL CITY BANK, KENTUCKY

By: /s/ Deroy Scott

Title: Vice President

PNC BANK, KENTUCKY, INC.

By: /s/ Brennan T. Danile

Title: Commercial Banking Officer

SWISS BANK CORPORATION

By: /s/ H. Clark Worthley

Title: Associate Director

By: /s/ Sean W. Kelly

Title: Associate Director

THE SANWA BANK, LIMITED, ATLANTA AGENCY

By: /s/ Shinji Osumi

Title: Vice President

THIRD NATIONAL BANK IN NASHVILLE

By: /s/ Scott Corley

Title: Assistant Vice President

WACHOVIA BANK OF GEORGIA, N.A.

By: /s/ Terence C. Snellings

Title: Senior Vice President

**WESTDEUTSCHE LANDESBANK
GIROZENTRALE, NEW YORK AND
CAYMAN ISLANDS BRANCHES**

By: /s/ Alan S. Bookspan

Title: Vice President

By: /s/ Karen E. Hoploch

Title: Vice President

SOCIETE GENERALE

By: /s/ Steve Fercho

Title: Vice President

HIGHLIGHTS

(Expressed in millions, except per share amounts and ratios)

	1996	1995	% Change
	-----	-----	-----
Net Sales	\$1,807	\$1,680	8%
Operating Income	\$ 274	\$ 268	2%
Net Income	\$ 160	\$ 149	7%
Earnings Per Share	\$ 2.31	\$ 2.15	7%
Cash Dividends Per Share	\$ 1.02	\$.97	5%
Return on Average Invested Capital	19.7%	19.5%	
Return on Average Common Stockholders' Equity	27.5%	30.1%	

Regular cash dividends have been paid for the fifty-first consecutive year.

QUARTERLY FINANCIAL INFORMATION

(Expressed in millions, except per share amounts)

	Per Share of Common Stock						
	Net Sales	Gross Profit	Net Income	Net Income	Cash Dividends Paid	Market Price (High-Low)	
						Class A	Class B
Fiscal 1996	\$1,807	\$880	\$160	\$2.31	\$1.016	\$42.00 - \$32.25	\$42.50 - \$31.50
Quarters							
Fourth	427	212	36	.52	.2600	42.00 - 36.63	42.50 - 36.50
Third	451	216	39	.55	.2600	39.38 - 36.50	39.75 - 36.25
Second	518	249	53	.77	.2480	40.25 - 33.88	40.75 - 33.63
First	411	203	32	.46	.2480	35.00 - 32.25	34.88 - 31.50
Fiscal 1995	\$1,680	\$824	\$149	\$2.15	\$.9694	\$34.13 - \$26.75	\$33.88 - \$26.13
Quarters							
Fourth	404	206	34	.49	.2480	34.13 - 30.75	33.88 - 30.38
Third	431	211	38	.54	.2480	32.25 - 28.50	32.50 - 27.88
Second	475	224	49	.71	.2367	30.88 - 26.75	31.38 - 26.13
First	370	183	28	.41	.2367	30.08 - 26.75	30.29 - 26.38

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CONSOLIDATED SELECTED FINANCIAL DATA

For Fiscal Year Ended April 30,
(Expressed in millions, except per share amounts and ratios)

Operations	1996	1995	1994	1993	1992	1991	1990	1989	1988	1987	1986
Net Sales	\$1,807	1,680	1,628	1,658	1,496	1,366	1,279	1,262	1,330	1,374	1,264
Operating Income	\$ 274	268	240	255	234	223	225	208	192	182	190
Income Before Cumulative Effect of Accounting Changes	\$ 160	149	161	156	146	145	81	144	103	90	86
Cumulative Effect of Accounting Changes	\$ —	—	(32)	—	—	—	12	—	—	—	—
Net Income	\$ 160	149	129	156	146	145	93	144	103	90	86
Earnings Per Common Share:											
Income Before Cumulative Effect of Accounting Changes	\$ 2.31	2.15	2.04	1.88	1.76	1.74	.96	1.72	1.08	.93	.89
Cumulative Effect of Accounting Changes	\$ —	—	(.41)	—	—	—	.14	—	—	—	—
Net Income	\$ 2.31	2.15	1.63	1.88	1.76	1.74	1.10	1.72	1.08	.93	.89
Cash Dividends Per Common Share	\$ 1.02	.97	.93	.86	.78	.72	.63	.51	.41	.30	.22
Invested Capital in the Business											
Average Invested Capital	\$ 875	835	900	925	823	743	704	671	727	802	777
Average Common Stockholders' Equity	\$ 578	493	629	765	686	616	564	493	510	547	485
Total Assets	\$1,381	1,286	1,234	1,311	1,194	1,083	1,021	1,003	932	1,057	1,038
Long-Term Debt	\$ 211	247	299	154	114	112	114	115	191	199	236
Ratios											
Return on Average Invested Capital	19.7%	19.5%	15.4%	18.0%	18.8%	20.5%	14.6%	23.8%	15.7%	12.6%	12.9%
Return on Average Common Stockholders' Equity	27.5%	30.1%	20.4%	20.4%	21.3%	23.5%	16.3%	29.2%	20.2%	16.3%	17.7%
Total Long-Term Debt to Total Long-Term Capital	25.0%	31.1%	39.2%	15.9%	13.4%	14.5%	16.1%	17.2%	29.5%	25.3%	30.9%
Total Cash Dividends Paid to Net Income	44.2%	45.3%	57.5%	45.8%	44.4%	41.7%	57.4%	29.8%	38.9%	32.8%	25.3%
Current Assets to Current Liabilities	2.5:1	2.4:1	2.3:1	3.4:1	3.0:1	3.3:1	3.0:1	2.5:1	2.7:1	2.8:1	2.5:1

Notes:

- Includes the operations of Fetzter Vineyards and Dansk International Designs Ltd., since their acquisitions on August 31, 1992, and July 2, 1991, respectively.
- On October 15, 1993, the company sold Brown-Forman Enterprises, its credit card processing operations, resulting in an after-tax gain of \$18 million.
- On January 31, 1989, the company sold the U.S. marketing rights for Martell Cognacs resulting in an after-tax gain of \$22 million.
- On April 27, 1988, the company sold the ArtCarved jewelry division resulting in an after-tax gain of \$17 million.
- Net income was reduced \$60 million and \$33 million to reflect the write-off of the intangible assets of California Cooler in 1990 and 1988, respectively.
- Earnings per common share are based on the weighted average number of common shares outstanding during each year; both earnings and cash dividends per common share have been appropriately adjusted for the 3-for-1 and 3-for-2 stock splits in fiscal 1994 and 1987, respectively.
- Return on Average Invested Capital is defined as the sum of net income (excluding extraordinary items) and the after-tax cost of interest expense, divided by average invested capital. Average invested capital is the sum of all interest bearing debt and preferred and common equity, averaged at year end.
- Return on Average Common Stockholders' Equity is defined as the sum of income applicable to common stock divided by average common stockholders' equity.
- Total Long-Term Debt to Total Long-Term Capital is defined as long-term debt divided by the sum of long-term debt and preferred and common equity.

MANAGEMENT'S DISCUSSION AND ANALYSIS

This discussion and analysis supplements the consolidated financial statements beginning on page 25 and will assist the reader in evaluating Brown-Forman's fiscal 1996 results of operations, financial position, and cash flows. Included in the Chairman's Letter, beginning on page 2, and this Management's Discussion and Analysis are certain forward-looking statements reflecting management's expectations. Forward-looking statements may be significantly impacted by certain risks and uncertainties described herein and in the Company's Annual Report on Form 10-K for the year ended April 30, 1996.

CONSOLIDATED SALES AND EARNINGS

Fiscal 1996 Compared to 1995

Net sales reached record levels in fiscal 1996, growing \$127 million, or 8%. Sales of wines and spirits surged 14%, aided by successful new product introductions, continued international expansion, and vibrant growth of the company's wine brands. A 5% sales decline for the consumer durables segment reflected significantly lower response rates for the Lenox direct mail business and a generally soft retail environment for consumer durables.

International sales increased 27% in fiscal 1996, largely attributable to a double-digit growth rate for Jack Daniel's. Overseas sales represented 18% of Brown-Forman's 1996 revenues, excluding excise taxes, and 16% in both fiscal 1995 and fiscal 1994. The effect of foreign currency exchange rate fluctuations on consolidated net sales was not material.

[Brown-Forman Geographic Sales Mix

(excluding excise taxes)

graph]

Operating income improved \$6 million, or 2%, during fiscal 1996, driven by an \$18 million increase in the wines and spirits segment. Operating income growth in the wines and spirits segment was generated from the same sources responsible for increased sales _ new products, international expansion, and higher wine volume. The consumer durables segment experienced an \$11 million drop in operating income, principally related to the sharp decline in consumer demand for collectible products marketed by the Lenox direct marketing division.

[Operating Income graph]

Earnings reached a record \$2.31 per share, up 7% over fiscal 1995. Earnings growth was derived from higher operating income, lower net interest expense, and a favorable effective tax rate. The drop in Brown- Forman's fiscal 1996 effective tax rate reflects benefits from foreign operations and a shift in the earnings mix towards businesses that carry a lower relative tax rate. The company's effective tax rate is expected to increase slightly in fiscal 1997, reflecting a curtailment of certain overseas benefits.

[Earnings Per Common Share graph]

Fiscal 1995 Compared to 1994

Net sales increased \$51 million, or 3%, in fiscal 1995. Higher sales of wines and spirits were attributable to volume growth of Jack Daniel's, Fetzer California wines, Korbel Champagnes, and the national introduction of Tropical Freezes. Consumer durable revenues were up 5%, following broad-based volume gains across most Lenox divisions. Increases were partially offset by the absence of revenues from the company's credit card processing business, which was sold in fiscal 1994.

Operating income, excluding unusual items in the prior year, increased \$19 million, or 8%, during fiscal 1995. Approximately \$11 million of this growth was derived from a strong sales performance and increased operational efficiencies in the consumer durables segment. The wines and spirits segment contributed an additional \$9 million of operating income as a result of improved sales coupled with lower advertising expenses in the cocktails category.

Earnings per share in fiscal 1995 were boosted by a reduction in the average number of common shares outstanding following a January 1994 stock repurchase. While the repurchase had a positive impact on earnings per share, associated financing costs reduced fiscal 1995 net income by approximately \$9 million. A higher effective tax rate in fiscal 1995 resulted from a reduction of overseas tax benefits, a favorable adjustment to tax accruals in the prior year, and improved profits from the consumer durables business, which bears a relatively higher effective tax rate.

SHAREHOLDER RETURNS

Brown-Forman's most important financial objective is to increase the value of its stockholders' investment. Long-term growth in the market value of the company's stock is a good indication of our success in delivering an attractive return to shareholders. A \$100 investment in Brown-Forman's Class B stock ten years ago would have grown to \$462 by the end of fiscal 1996, assuming reinvestment of all dividends and ignoring personal taxes and transaction costs. This represents a market value increase of 17% annually over the ten-year period.

The market value of an investment in Brown-Forman rose 23% in fiscal 1996 - an impressive performance, although below a strong 31% gain by the S&P 500 for the same period.

[Total Shareholder Return

(including dividend reinvestment)

graph]

Return on average invested capital grew from 19.5% to 19.7% in fiscal 1996, reflecting profitable growth of the wines and spirits segment and careful management of capital invested in the consumer durables segment.

[Return on Average Invested Capital graph]

Return on average common stockholders' equity, benefiting from the company's January 1994 share repurchase, grew to 30.1% in fiscal 1995. A decline to 27.5% in fiscal 1996 reflects the impact of reducing the company's debt as a percentage of total capital.

[Return on Average Common Stockholders' Equity graph]

SHARE REPURCHASE AND STOCK SPLIT

On January 14, 1994, the company concluded a Dutch auction tender offer, acquiring 2,734,452 shares of Class A and 10,933,518 shares of Class B common stock at a total cost of \$408 million. While interest costs associated with the share repurchase lowered net income, the transaction had a positive effect on earnings per share, adding an incremental \$.15 to fiscal 1995 and \$.07 to fiscal 1994.

During 1994, the company effected a three-for-one stock split for all shares of Class A and Class B common stock, distributed on May 20, 1994, in the form of a stock dividend. Also during 1994, the company retired its treasury stock. The Consolidated Statement of Stockholders' Equity details the impact of this retirement.

WINES AND SPIRITS SEGMENT

Summary of Operating Performance (Expressed in millions, except percentages)			
	1996	1995	1994
	----	----	----
Net Sales	\$1,294	\$1,138	\$1,105
% Change	14%	3%	(1%)
Operating Income	\$ 262	\$ 244	\$ 235
% Change	8%	4%	(4%)

The wines and spirits business is Brown-Forman's largest segment, representing 72% of net sales in fiscal 1996, and 68% in both fiscal 1995 and 1994.

Fiscal 1996 Compared to 1995

Net sales in fiscal 1996 increased \$156 million, or 14%. Strong consumer demand for Tropical Freezes, continued increases in worldwide volume of Jack Daniel's and Southern Comfort, and a double-digit rate of growth for several of the company's premium wine brands all contributed to record beverage sales. The company's wine business continued to benefit from media reports on scientific research indicating that moderate consumption of beverage alcohol helps reduce the risk of heart disease. Volume levels for Brown-Forman's other major spirit brands were lower, largely reflecting consumption trends in the U.S.

One of the company's principal growth initiatives is to accelerate its expansion into international markets. Beverage sales outside the U.S. grew strongly in fiscal 1996, up 29%. International sales in fiscal 1996 represented 25% of sales, excluding excise taxes, compared to 22% in fiscal 1995.

[Wines and Spirits Geographic Sales Mix

(excluding excise tax)

graph]

Another major growth initiative for Brown-Forman is to add new beverage products, by either internal development or acquisition. Fully 22% of fiscal 1996 beverage sales, excluding excise taxes, were generated from new products introduced or brands added within the past five years.

[Sales of Wines and Spirits

(excluding excise taxes)
graph]

Gross profit performance is a key measure tracked by the company to gauge the quality of volume growth. Wines and spirits gross profit grew at the same rate as sales in fiscal 1996 - 14% - indicating that incremental sales carried healthy margins.

Operating income increased \$18 million, or 8%, to a record level in fiscal 1996. Contributing to earnings growth were higher overseas sales of Jack Daniel's, increased consumer demand for the company's premium wine brands, successful new product introductions, and modest price increases on selected major spirits brands in the domestic market. The segment's operating margin declined from 21.4% to 20.2% in fiscal 1996. This reflects investments associated with expansion into new international markets and increased advertising expenses related to both established brands and new product introductions.

Fiscal 1995 Compared to 1994

Net sales in fiscal 1995 rose \$33 million, or 3%, as a result of increased sales of Jack Daniel's, Korbel Champagne, Fetzner California wines, and the national introduction of Tropical Freezes. Volume levels for Brown-Forman's other major spirit brands were lower, largely reflecting consumption trends in the U.S. Domestic volume declines were offset by price increases on most major brands.

Operating income improved \$9 million, or 4%, in fiscal 1995 following increased worldwide sales volumes of Jack Daniel's, lower advertising expense in the cocktails category, and higher overall gross margins. The increase was partially offset by investments associated with the company's international expansion initiative.

Business Environment

The sale of beverage alcohol around the world takes place against a backdrop of long-standing public debate over the role of drinking in society. Brown-Forman and the public are rightfully concerned about alcohol abuse. The company strongly opposes abusive drinking and contributes significant amounts of money to programs aimed at curbing and understanding alcohol abuse. Brown-Forman also supports and abides by industry marketing and advertising codes.

Critics of beverage alcohol, however, seek to restrict overall alcohol consumption, not just alcohol abuse. These industry opponents promote policies such as sales and advertising restrictions, punitive taxes, and litigation to seek reimbursement for Medicaid costs from manufacturers. Adoption of some or all of these policies could adversely affect Brown-Forman's beverage business. Brown-Forman believes that adults have the right to make an informed choice about whether to drink and will continue to oppose these efforts to deter responsible consumption through sales and advertising restrictions, warning requirements, punitive taxes, or the dissemination of biased information about alcohol and health.

Beverage alcohol sales are particularly sensitive to higher rates of tax, which increase the shelf price to the consumer. Although the company is not aware of any pending legislative proposal to increase U.S. federal excise taxes, several states have considered such taxes in the last year. If Congress goes forward with efforts to return responsibility for expensive social programs to the states, many more states are likely to consider similar regressive taxes despite the fact that the last federal excise tax increase on spirits resulted in a loss of revenues. If such taxes were increased at the federal level or in major market states, they would adversely affect the market for beverage alcohol.

CONSUMER DURABLES SEGMENT

Summary of Operating Performance (Expressed in millions, except percentages)			
	1996	1995	1994
	----	----	----
Net Sales	\$513	\$542	\$513
% Change	(5%)	5%	(1%)
Operating Income:			
As Reported	\$ 27	\$ 38	\$ 19
% Change	(29%)	102%	(22%)
Excluding Unusual Items	\$ 27	\$ 38	\$ 27
% Change	(29%)	41%	(4%)

The consumer durables segment represented 28% of Brown-Forman's net sales in fiscal 1996, and 32% in both fiscal 1995 and 1994.

Fiscal 1996 Compared to 1995

Net sales declined \$29 million, or 5%, in fiscal 1996, primarily attributable to a sharp decline in consumer response rates at Lenox Collections. Results were also affected, to a lesser extent, by a difficult retail environment for outlet stores and consolidation within the department store distribution channel.

Operating income decreased \$11 million, or 29%, principally from the decline in customer response rates within the direct mail collectible business. Although fiscal 1996 results were disappointing, initiatives in recent years have helped boost Lenox's U.S. market share for fine china dinnerware to 41%. Lenox now has eight of the top ten china patterns sold through U.S. department stores. Management continues to believe that numerous opportunities exist to leverage our well-known brand names by developing new products and utilizing new channels of distribution.

Fiscal 1995 Compared to 1994

Net sales in fiscal 1995 increased \$28 million, or 5%, driven by sales growth of Lenox China, Lenox retail operations, Lenox Collections, and Dansk. Sales growth for the segment resulted principally from increases in volume.

Operating income, excluding unusual items in fiscal 1994, improved \$11 million, or 41%, in fiscal 1995. Increased earnings were attributable to solid sales growth, reduced manufacturing costs, and lower selling, general, and administrative costs throughout the consumer durables segment.

OTHER SEGMENT

Effective November 1, 1993, the company discontinued the use of this segment. See Note 4, on page 31, for information related to the sale of the company's credit card processing business during fiscal 1994. Net sales in fiscal 1994 were \$10 million.

UNUSUAL ITEMS

Several unusual items lowered reported earnings per share in fiscal 1994 and 1993. Notes 3, 4, 9, and 13 of the consolidated financial statements discuss these items in detail. The impact of unusual items on earnings per share is summarized as follows:

	1994	1993
	----	----
EPS before unusual items	\$1.92	\$1.91
Unusual items:		
Gain on sale of business	.23	—
Adoption of new accounting standards	(.41)	—
Higher tax legislation	(.04)	—
Consumer durables charges	(.07)	(.03)
	-----	-----
EPS as reported	\$1.63	\$1.88
	=====	=====

There were no unusual items in fiscal 1996, 1995, or 1992.

LIQUIDITY AND CAPITAL RESOURCES

Brown-Forman's cash flows from operations continue to provide more than adequate capital to meet operating and capital expenditure requirements, pay record dividends, and fund acquisition opportunities. The company considers its ability to internally generate cash to be a significant financial strength. Both of Brown-Forman's segments generate positive cash flow after capital spending.

Free cash flow is the cash remaining from operations after satisfying internal and external business reinvestment opportunities. A consolidated statement of cash flows is summarized as follows:

(Expressed in millions)			
	1996	1995	1994
	----	----	----
Cash flows provided by (used in):			
Operations	\$171	\$197	\$221
Investment activities	(71)	(43)	20
	----	----	----
Free Cash Flow	100	154	241
Cash flows provided by (used in):			
Financing			
Acquisition of treasury stock	—	—	(408)
Dividends	(71)	(67)	(74)
Change in debt	(37)	(56)	197
	----	----	----
Increase (decrease) in cash	\$ (8)	\$ 31	\$ (44)
	=====	=====	=====

Cash provided by operations decreased \$26 million in fiscal 1996, primarily as a result of reduced earnings at Lenox, a build-up of low alcohol beverage inventories in advance of seasonal requirements, and higher accounts receivable reflecting an increased mix of international sales which generally carry longer credit terms. Fiscal 1995 cash from operations also reflect an increased investment in beverage inventories.

The company issued \$30 million in medium-term notes in fiscal 1996 in order to pay down short-term borrowings. The company has a \$300 million revolving credit agreement that expires in fiscal 2001. At April 30, 1996, the company had no outstanding borrowings under this agreement. At April 30, 1996, the company had \$220 million remaining on its \$250 million shelf registration, which was filed with the Securities and Exchange Commission in fiscal 1994.

[Total Long-Term Debt to Total Long-Term Capital (at April 30) graph]

The company uses derivative financial instruments for the purpose of reducing its exposure to adverse fluctuations in interest and foreign exchange rates. While these hedging instruments are subject to fluctuations in value, such fluctuations are generally offset by the value of the underlying exposures being hedged. The company is not a party to leveraged derivatives and does not hold or issue financial instruments for speculative purposes. The company had previously sold an option to swap interest rates that effectively eliminated the call feature on the \$100 million 9.375% notes for the period April 1, 1995, to April 1, 1998. This option was exercised April 1, 1995, effectively converting \$100 million of commercial paper from floating interest rate obligations to 9.375% fixed rate obligations from April 1, 1995, to April 1, 1998. The option on this swap was sold in order to manage the level of fixed and floating rate debt. The premium received on the sale of this option is being amortized as a reduction of interest expense through April 1, 1998.

The U.S. dollar is the functional currency for substantially all of the company's consolidated operations. For these operations, all gains and losses from currency transactions are included in current income. For certain foreign equity investments, the functional currency is the local currency. The cumulative translation effects for the few equity investments using functional currencies other than the U.S. dollar are included in the cumulative translation adjustment in stockholders' equity.

Foreign currency forwards and options, which typically expire within one year, are used to hedge payments and receipts of foreign currencies related to the purchase and sale of goods overseas. Realized gains and losses on these contracts are recognized in the same period as the hedged transactions. While these hedges are subject to the risk of loss from fluctuations in exchange rates, these losses would be offset by gains on the transactions being hedged. The effects of foreign currency transactions on fiscal 1996, 1995, and 1994 results of operations and financial condition were immaterial. The company had foreign exchange contracts on hand at April 30, 1996, 1995, and 1994, primarily hedging German Mark, British Pound and Japanese Yen revenues, totaling \$28 million, \$11 million, and \$27 million, respectively.

CAPITAL EXPENDITURES

Brown-Forman invested \$59 million in property, plant, and equipment in fiscal 1996, \$51 million in fiscal 1995, and \$27 million in fiscal 1994. These expenditures primarily reflect the expansion and modernization of company-wide production facilities.

Capital expenditures for fiscal 1997 are expected to be approximately \$60 million, primarily for expanding the company's production and office facilities. Fiscal 1997 capital expenditure requirements are expected to be met with internally generated funds.

DIVIDENDS

Quarterly dividends were increased 5% in fiscal 1996 to \$.26, which results in an indicated annual dividend of \$1.04 per common share. The increase was based on the expectation of continued strong cash flow. Cash dividends paid as a percentage of net income were 44% in fiscal 1996, compared to 45% and 58% for fiscal 1995 and fiscal 1994, respectively. Brown-Forman has paid regular cash dividends for 51 consecutive years.

[Cash Dividends Paid Per Share of Common Stock graph]

ENVIRONMENTAL

The company, along with other responsible parties, faces environmental claims resulting from the cleanup of several waste deposit sites. The company has accrued its estimated portion of cleanup costs and expects other responsible parties and insurance coverage to cover the remaining costs. The company believes that any additional costs incurred by the company will not have a material adverse effect on the company's consolidated financial position or results of operations.

REPORT OF MANAGEMENT

We are responsible for the presentation of the information contained in the consolidated financial statements and for its integrity and objectivity. Our statements have been prepared in accordance with generally accepted accounting principles and include amounts based on our best estimates and judgments with appropriate consideration given to materiality. We also prepared the related financial information and are responsible for its accuracy and consistency with the financial statements.

The consolidated financial statements have been audited by Coopers & Lybrand, L.L.P., independent certified public accountants. We have made available to Coopers & Lybrand all the company's financial records and related data, as well as the minutes of stockholders', directors', and other appropriate meetings. Furthermore, we believe that all representations made to Coopers & Lybrand during the audit were valid and appropriate.

We are responsible for establishing and maintaining a system of internal control designed to provide reasonable assurance at reasonable cost that financial records are reliable for preparing financial statements and that assets are properly accounted for and safeguarded. The company has an internal audit function that is intended to provide a review and monitoring process that allows the company to be reasonably sure that the system of internal control operates effectively. In addition, as part of the audit of the financial statements, Coopers & Lybrand completed a study and evaluation of selected internal accounting controls to establish a basis for reliance thereon in determining the nature, timing, and extent of audit tests to be applied. We have considered the internal auditors' and Coopers and Lybrand's recommendations concerning the system of internal control and have taken actions that we believe are cost-effective in the circumstances to respond appropriately to these recommendations. We believe that as of April 30, 1996, the system of internal control is adequate to accomplish the objectives discussed herein.

We also recognize our responsibility for fostering a strong ethical climate so that the company's affairs are conducted according to the highest standards of personal and corporate conduct. This responsibility is characterized and reflected in the company's Code of Conduct, which is publicized throughout the company. The Code of Conduct addresses, among other things, the necessity of ensuring open communication within the company; disclosure of potential conflicts of interests; compliance with all applicable domestic and foreign laws, including those relating to financial disclosure; and maintaining the confidentiality of proprietary information. The company has a systematic program to assess compliance with the Code of Conduct.

The Board of Directors, through its Audit Committee, composed solely of directors who are not employees of the company, meets with management, the internal auditors and the independent certified public accountants to ensure that each is properly discharging its respective responsibilities. Both the independent certified public accountants and the internal auditors have free access to the Audit Committee, without management present, to discuss the results of their work, including internal accounting controls and the quality of financial reporting.

/s/ Owsley Brown II

Owsley Brown II
Chairman of the Board
and Chief Executive Officer

/s/ Steven B. Ratoff

Steven B. Ratoff
Executive Vice President
and Chief Financial Officer

REPORT OF INDEPENDENT ACCOUNTANTS

BROWN-FORMAN CORPORATION

We have audited the accompanying consolidated balance sheet of Brown-Forman Corporation and Subsidiaries as of April 30, 1996, 1995, and 1994, and the related consolidated statements of income, stockholders' equity and cash flows for the years then ended. These financial statements are the responsibility of the company's management. Our responsibility is to express an opinion on these financial statements based on our audits.

We conducted our audits in accordance with generally accepted auditing standards. 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. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audits provide a reasonable basis for our opinion.

In our opinion, the financial statements referred to above present fairly, in all material respects, the consolidated financial position of Brown-Forman Corporation and Subsidiaries at April 30, 1996, 1995, and 1994, and the consolidated results of their operations and their cash flows for the years then ended in conformity with generally accepted accounting principles.

As discussed in Note 3 to the consolidated financial statements, in 1994 the company adopted changes in its methods of accounting for postretirement benefits other than pensions, postemployment benefits, and contributions.

/s/ Coopers & Lybrand L.L.P.
Louisville, Kentucky
May 28, 1996

CONSOLIDATED STATEMENT OF INCOME

(Expressed in millions, except per share amounts)

Year Ended April 30,	1996	1995	1994
-----	-----	-----	-----
Net sales	\$1,807	\$1,680	\$1,628
Excise taxes	263	260	264
Cost of sales	664	596	574
-----	-----	-----	-----
Gross profit	880	824	790
Selling, general, and administrative expenses	375	355	348
Advertising expenses	231	201	202
-----	-----	-----	-----
Operating income	274	268	240
Gain on sale of business before income taxes	—	—	30
Interest income	3	2	4
Interest expense	20	23	17
-----	-----	-----	-----
Income before income taxes and cumulative effect of accounting changes	257	247	257
Taxes on income	97	98	96
-----	-----	-----	-----
Income before cumulative effect of accounting changes	160	149	161
Cumulative effect of accounting changes	—	—	(32)
-----	-----	-----	-----
Net income	\$ 160	\$ 149	\$ 129
=====	=====	=====	=====
Earnings per common share:			
Income before cumulative effect of accounting changes	\$ 2.31	\$ 2.15	\$ 2.04
Cumulative effect of accounting changes	—	—	(.41)
-----	-----	-----	-----
Net income	\$ 2.31	\$ 2.15	\$ 1.63
=====	=====	=====	=====

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

CONSOLIDATED BALANCE SHEET

(Expressed in millions, except share and per share amounts)

April 30, -----	1996 ----	1995 ----	1994 ----
Assets			
Cash and cash equivalents	\$ 54	\$ 62	\$ 31
Accounts receivable, less allowance for doubtful accounts of \$13 in 1996, \$14 in 1995, and \$12 in 1994	257	234	241
	-----	-----	-----
Inventories:			
Barreled whisky	167	163	144
Finished goods	169	123	123
Work in process	59	59	60
Raw materials and supplies	38	37	31
	-----	-----	-----
Total inventories	433	382	358
Other current assets	24	20	20
	-----	-----	-----
Total Current Assets	768	698	650
Property, plant, and equipment, net	281	252	246
Intangible assets, less accumulated amortization of \$108 in 1996, \$98 in 1995, and \$89 in 1994	259	263	276
Other assets	73	73	62
	-----	-----	-----
Total Assets	\$1,381 =====	\$1,286 =====	\$1,234 =====

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

April 30,	1996	1995	1994
- - - - -	- - -	- - -	- - -
Liabilities			
Commercial paper	\$ 50	\$ 50	\$ 54
Accounts payable and accrued expenses	223	221	216
Current portion of long-term debt	6	6	5
Accrued taxes on income	3	-	4
Deferred income taxes	21	9	2
	- - - - -	- - - - -	- - - - -
Total Current Liabilities	303	286	281
Long-term debt	211	247	299
Deferred income taxes	127	114	102
Accrued postretirement benefits	52	51	47
Other liabilities and deferred income	54	42	41
	- - - - -	- - - - -	- - - - -
Total Liabilities	747	740	770
Stockholders' Equity			
Capital Stock:			
Preferred \$.40 cumulative, \$10 par value, redeemable at company's option at \$10.25 per share plus unpaid accrued dividends; 1,177,948 shares authorized and outstanding	12	12	12
	- - - - -	- - - - -	- - - - -
Class A common stock, voting, \$.15 par value; authorized shares, 30,000,000; issued shares, 28,988,091	4	4	4
Class B common stock, nonvoting, \$.15 par value; authorized shares, 60,000,000; issued shares, 40,008,147	6	6	6
Retained earnings	616	527	446
Cumulative translation adjustment	(4)	(3)	(4)
	- - - - -	- - - - -	- - - - -
Common Stockholders' Equity	622	534	452
	- - - - -	- - - - -	- - - - -
Total Stockholders' Equity	634	546	464
	- - - - -	- - - - -	- - - - -
Total Liabilities and Stockholders' Equity	\$1,381	\$1,286	\$1,234
	=====	=====	=====

CONSOLIDATED STATEMENT OF CASH FLOWS

(Expressed in millions; amounts in brackets are reductions of cash)

Year Ended April 30, -----	1996 -----	1995 -----	1994 -----
Cash flows from operating activities:			
Net income	\$160	\$149	\$129
Adjustments to reconcile net income to net cash provided by (used for) operations:			
Cumulative effect of changes in accounting principles	—	—	32
Depreciation	37	35	37
Amortization of intangible assets	9	9	9
Deferred income taxes	26	19	6
Gain on sale of business, net of income taxes	—	—	(18)
Other	4	1	—
Change in assets and liabilities, excluding the effects of businesses acquired and sold:			
Accounts receivable	(18)	6	(2)
Inventories	(40)	(24)	7
Other current assets	(2)	1	4
Accounts payable and accrued expenses	(8)	5	32
Accrued taxes on income	3	(4)	(15)
	-----	-----	-----
Cash provided by operating activities	171	197	221
	=====	=====	=====
Cash flows from investing activities:			
Proceeds from sale of business	—	—	32
Additions to property, plant, and equipment	(59)	(51)	(27)
Disposals of property, plant, and equipment	3	10	2
Investment in affiliate, net of cash acquired	(8)	—	—
Net sales (purchases) of short-term investments	—	—	18
Other	(7)	(2)	(5)
	-----	-----	-----
Cash provided by (used for) investing activities	(71)	(43)	20
	-----	-----	-----
Cash flows from financing activities:			
Commercial paper	(60)	50	204
Proceeds from long-term debt	30	—	—
Reduction of long-term debt	(7)	(106)	(7)
Acquisition of treasury stock	—	—	(408)
Dividends paid	(71)	(67)	(74)
	-----	-----	-----
Cash (used for) financing activities	(108)	(123)	(285)
	-----	-----	-----
Net increase (decrease) in cash and cash equivalents	(8)	31	(44)
Cash and cash equivalents, beginning of year	62	31	75
	-----	-----	-----
Cash and cash equivalents, end of year	\$ 54	\$ 62	\$ 31
	=====	=====	=====

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

CONSOLIDATED STATEMENT OF STOCKHOLDERS' EQUITY

For the Years Ended April 30, 1996, 1995, and 1994
(Expressed in millions, except share and per share amounts)

	Total	Preferred Stock	Common Class A	Stock Class B	Capital in Excess of Par Value	Retained Earnings	Cumulative Translation Adjustment	Treasury Stock
Balance, April 30, 1993	\$ 819	\$ 12	\$ 2	\$ 4	\$ 90	\$1,057	\$ (2)	\$ (344)
Net income	129					129		
Cash dividends								
Preferred, per share \$.40	(1)					(1)		
Common, per share \$.93	(73)					(73)		
Acquisition of treasury stock (Class A, 2,734,452 shares and Class B, 10,933,518 shares)	(408)							(408)
Retirement of treasury stock (Class A, 7,197,615 shares and Class B, 39,984,798 shares)	—		(1)	(2)	(90)	(659)		752
Issuance of shares in connection with 3-for-1 stock split	—		3	4		(7)		
Foreign currency translation adjustment	(2)						(2)	
Balance, April 30, 1994	464	12	4	6	—	446	(4)	—
Net income	149					149		
Cash dividends								
Preferred, per share \$.40	(1)					(1)		
Common, per share \$.97	(67)					(67)		
Foreign currency translation adjustment	1						1	
Balance, April 30, 1995	546	12	4	6	—	527	(3)	-
Net income	160					160		
Cash dividends								
Preferred, per share \$.40	(1)					(1)		
Common, per share \$1.02	(70)					(70)		
Foreign currency translation adjustment	(1)						(1)	
Balance, April 30, 1996	\$ 634	\$12	\$ 4	\$ 6	\$ —	\$ 616	\$ (4)	\$ —

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

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

(Dollars in millions, except share and per share amounts)

1. ACCOUNTING POLICIES

Principles of Consolidation The consolidated financial statements include the accounts of all majority-owned subsidiaries. Investments in affiliates in which the company has the ability to exercise significant influence, but not control, are accounted for by the equity method. All other investments in affiliates are carried at cost. Intercompany transactions are eliminated.

Cash Equivalents

Cash equivalents include demand deposits with banks and all highly liquid investments with original maturities of three months or less.

Inventories

Inventories are stated at the lower of cost or market. Approximately 84% at April 30, 1996, 1995, and 1994 of the total amount of consolidated inventories are stated on the basis of the last-in, first-out (LIFO) method. All remaining inventories are valued using the first-in, first-out and average cost methods.

If the LIFO method had not been used, inventories would have been \$85, \$70, and \$72 higher than reported at April 30, 1996, 1995, and 1994, respectively.

A substantial portion of barreled whisky will not be sold within one year because of the duration of the aging process. All barreled whisky is classified in current assets in accordance with industry practice. Bulk wine inventories are classified as work in process.

Warehousing, insurance, ad valorem taxes, and other carrying charges applicable to barreled whisky held for aging are included in inventory costs.

Revenue Recognition

The company recognizes revenue when goods are shipped or services are performed.

Long-Lived Assets

Property, plant, and equipment are stated at cost. Provision for depreciation is made on the basis of estimated useful lives of depreciable assets, principally using the straight-line method.

Intangible assets, principally the excess of purchase price over the fair value of identifiable net assets of acquired businesses, are stated at cost less accumulated amortization. These assets are amortized using the straight-line method over their estimated useful lives, not exceeding forty years.

Use of 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 assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenses during the period. Actual results could differ from these estimates.

Foreign Currency and Hedging Activities

The U.S. dollar is the functional currency for substantially all of the company's consolidated operations. For these operations, all gains and losses from currency transactions are included in income currently. For certain foreign equity investments, the functional currency is the local currency. The cumulative translation effects for the few equity investments using functional currencies other than the U.S. dollar are included in the cumulative translation adjustment in stockholders' equity.

The company uses foreign currency forwards and options to hedge payments and receipts of foreign currencies related to the purchase and sale of goods overseas. The purpose of these hedges is to protect against the risk that currency movements would adversely affect the company's revenues and product costs. While these hedges are subject to the risk of loss from fluctuations in exchange rates, these losses would be offset by gains on the transactions being hedged. Realized gains and losses on these hedging instruments are recognized in income in the same period as the underlying transaction. The company does not engage in currency speculation.

Earnings Per Common Share

Earnings per common share are based upon net income reduced by dividend requirements on preferred stock and the weighted average common shares outstanding of 68,996,238 in 1996 and 1995, and 78,657,432 in 1994.

Reclassifications

Certain prior year amounts have been reclassified to conform with the current year presentation.

2. BALANCE SHEET INFORMATION

April 30, -----	1996 -----	1995 -----	1994 -----
Property, plant, and equipment			
Land	\$ 17	\$ 17	\$ 18
Buildings	173	164	167
Equipment	404	350	325
	-----	-----	-----
	594	531	510
Less accumulated depreciation	313	279	264
	-----	-----	-----
	\$281	\$252	\$246
	=====	=====	=====
Accounts payable and accrued expenses			
Accounts payable, trade	\$74	\$68	\$55
Accrued expenses:			
Compensation and commissions	40	45	38
Excise and other non-income taxes	17	21	16
Interest	6	7	9
Advertising	29	31	39
Other	57	49	59
	-----	-----	-----
	149	153	161
	-----	-----	-----
	\$223	\$221	\$216
	=====	=====	=====

3. ACCOUNTING CHANGES

Statement of Financial Accounting Standards (SFAS) No. 121, "Accounting for the Impairment of Long-Lived Assets and for Long-Lived Assets to be Disposed Of," was issued in March 1995. The statement requires that long-lived assets and certain identifiable intangibles be reviewed for impairment value, based upon undiscounted future cash flows and appropriate losses be recognized, whenever the carrying amount of an asset may not be recovered. The methodology set forth in SFAS No. 121 is not significantly different from the company's existing policies, and therefore, the adoption during fiscal 1996 had no impact on the consolidated financial statements. Effective May 1, 1993, the company adopted SFAS No. 106, "Employers' Accounting for Postretirement Benefits Other Than Pensions," SFAS No. 112, "Employers' Accounting for Postemployment Benefits," and SFAS No. 116, "Accounting for Contributions Received and Contributions Made." The cumulative effect of these changes in accounting principles was recognized in 1994 as follows:

SFAS Statement No.

	106 -----	112 -----	116 -----	Total -----
Pretax charge	\$ 43	\$ 3	\$ 7	\$ 53
Income taxes	17	1	3	21
	-----	-----	-----	-----
Net charge	\$ 26	\$ 2	\$ 4	\$ 32
	=====	=====	=====	=====
Net charge per common share	\$.34	\$.02	\$.05	\$.41
	=====	=====	=====	=====

Effective January 31, 1994, the company adopted Statement of Position 93-7, "Reporting on Advertising Costs." This statement was issued by the American Institute of Certified Public Accountants and requires the company to prospectively capitalize and amortize direct-response advertising to better match revenues with expenses. The company continues to expense other advertising costs as incurred.

On May 1, 1993, the company adopted SFAS No. 109, "Accounting for Income Taxes." The adoption of these standards did not materially affect 1994 earnings before the cumulative effect of accounting changes.

4. CHANGES IN OPERATIONS

In December 1995, Brown-Forman increased its equity investment in the company that supplies Bolla Italian wines. As a result of this transaction, Brown-Forman now accounts for its investment in the supplier using the consolidated basis of accounting.

In October 1993, the company sold substantially all the assets of its credit card processing operations. The sale resulted in a pretax gain of approximately \$30 (\$18 after-tax or \$.23 per share).

5. CREDIT FACILITIES

The company has a \$300 revolving credit agreement with various domestic and international banks that expires in fiscal 2001. The most restrictive of the agreement's covenants requires the company to maintain a minimum level of net worth. At April 30, 1996, net worth exceeded the required level, as defined in the agreement, by \$284. At April 30, 1996, the company had no outstanding borrowings under this agreement. At April 30, 1996, the company also had available for issuance \$220 of debt securities under a shelf registration filing with the Securities and Exchange Commission.

6. DEBT

At April 30, the company's long-term debt consisted of the following:

April 30,	1996	1995	1994
-----	-----	-----	-----
Commercial paper	\$144	\$204	\$150
9.375% notes	—	—	100
6.82% to 7.38% medium-term notes, due 2005	30	—	—
11.25% notes, due through 1999	28	34	39
Variable rate industrial revenue bonds, due through 2026	14	14	14
Other	1	1	1
	-----	-----	-----
	217	253	304
Less current portion	6	6	5
	-----	-----	-----
	\$211	\$247	\$299
	=====	=====	=====

At April 30, 1996, the company had an interest rate agreement to convert \$100 of its commercial paper from variable rates to a fixed rate of 9.375%. This contract matures in 1998. See Note 7 for a description of the financial instrument.

At April 30, 1996, 1995, and 1994, \$144, \$204, and \$150, respectively, of commercial paper is classified as long-term debt due to the credit available under the long-term credit facilities discussed in Note 5 and the company's intent to refinance these borrowings on a long-term basis. Long-term debt payment requirements for the five fiscal years after April 30, 1996 are as follows: 1997 - \$6; 1998 - \$7; 1999 - \$7; 2000 - \$8; 2001 - \$146. Cash paid for interest was \$21 in 1996, \$25 in 1995, and \$17 in 1994. Excluding the effect of the interest rate agreement discussed above, the weighted average interest rates on commercial paper were 5.4%, 4.9%, and 3.8% at April 30, 1996, 1995, and 1994, respectively. The weighted average interest rates on the variable rate industrial revenue bonds were 4.2%, 4.9%, and 3.4% at April 30, 1996, 1995, and 1994, respectively.

7. FINANCIAL INSTRUMENTS The company uses derivative financial instruments for the purpose of reducing its exposure to adverse fluctuations in interest and foreign exchange rates. While these hedging instruments are subject to fluctuations in value, such fluctuations are generally offset by the value of the underlying exposures being hedged. The company is not a party to leveraged derivatives and does not hold or issue financial instruments for speculative purposes.

Interest Rate Management

The company sold an option in fiscal 1990 to swap interest rates that effectively eliminated the call feature on the 9.375% notes for the period April 1, 1995, to April 1, 1998. This option was exercised April 1, 1995, effectively converting \$100 of commercial paper from floating interest rate obligations to 9.375% fixed rate obligations from April 1, 1995, to April 1, 1998. The option on this swap was sold in order to manage the level of fixed and floating rate debt. The premium received on the sale of this option is being amortized as a reduction of interest expense through April 1, 1998.

Foreign Currency Management

The U.S. dollar is the functional currency for substantially all of the company's consolidated operations. For these operations, all gains and losses from currency transactions are included in income currently. For certain foreign equity investments, the functional currency is the local currency. The cumulative translation effects for equity investments using functional currencies other than the U.S. dollar are included in the cumulative translation adjustment in stockholders' equity.

The company uses foreign currency forwards and options, which typically expire within one year, to hedge payments and receipts of foreign currencies related to the purchase and sale of goods overseas. Realized gains and losses on these contracts are recognized in the same period as the hedged transactions. The company had foreign exchange forward contracts on hand at April 30, 1996, 1995, and 1994, primarily hedging German Mark, British Pound, and Japanese Yen revenues, totaling \$28, \$11, and \$27, respectively.

Carrying Amount and Fair Value of Financial Instruments The carrying amount of cash and cash equivalents, short-term investments, and commercial paper approximates fair value due to the short maturities of these instruments. The value of long-term debt is estimated using discounted cash flows based on the company's incremental borrowing rates for similar types of borrowings. The value of interest rate and foreign currency contracts are based on quoted market prices. A comparison of the carrying value and fair value of these instruments is as follows:

		1996		1995	
		Carrying Amount	Fair Value	Carrying Amount	Fair Value
		-----	-----	-----	-----
Assets:	Cash and cash equivalents	\$ 54	\$ 54	\$ 62	\$ 62
	Foreign currency instruments	—	1	—	(1)
Liabilities:	Commercial paper	50	50	50	50
	Long-term debt	217	217	253	253
	Interest rate instrument	1	6	1	7

8. COMMITMENTS

Rentals of real estate, office and data processing equipment, vehicles, and manufacturing equipment under operating leases amounted to approximately \$22 for 1996, and \$21 for both 1995 and 1994. The company has commitments related primarily to minimum lease payments totaling \$24 in 1997; \$20 in 1998; \$16 in 1999; \$13 in 2000; \$4 in 2001; and \$2 after 2001.

9. TAXES ON INCOME

The provision for taxes on income is composed of the following:

	1996	1995	1994
	----	----	----
Currently payable:			
Federal	\$54	\$62	\$69
Foreign	5	2	4
State and Local	12	15	17
	---	---	---
	71	79	90
Deferred:			
Federal	21	15	6
Foreign	—	1	—
State and Local	5	3	—
	---	---	---
	26	19	6
	---	---	---
	\$97	\$98	\$96
	===	===	===

United States and foreign components of income before income taxes and the cumulative effect of accounting changes are as follows:

	1996	1995	1994
	----	----	----
United States	\$229	\$227	\$236
Foreign	28	20	21
	----	----	----
	\$257	\$247	\$257
	=====	=====	=====

Taxes on income for fiscal 1994 include a \$5 charge resulting from an increase in the corporate income tax rate. Included in this amount is a charge of \$4 for the retroactive effect of a higher tax rate on earnings from January 1, 1993, to April 30, 1993, and a noncash charge to restate the deferred tax liability at the new corporate tax rate. The following is a reconciliation of the effective tax rates with the United States statutory rates:

	Percent of Income Before Taxes		
	1996	1995	1994
	----	----	----
Statutory rate	35.0%	35.0%	35.0%
State taxes, net of U.S.			
Federal tax benefit	4.1	4.6	4.1
Income taxed at other than U.S.			
Federal statutory rate	(2.2)	(.7)	(1.5)
Tax benefit of Foreign Sales Corporation	(1.3)	(1.1)	(1.3)
Nondeductible amortization	1.2	1.2	1.1
Adjustment of prior years' accruals	.3	(.3)	(2.1)
Adjustment of prior year's rate	—	—	1.2
Other, net	.7	1.1	.9
	----	----	----
	37.8%	39.8%	37.4%
	=====	=====	=====

Deferred tax assets and liabilities are composed of the following:

April 30,	1996	1995	1994
-----	----	----	----
Deferred tax assets:			
Postretirement and other benefits	\$ 36	\$ 32	\$ 31
Accrued liabilities and other	15	31	38
	----	----	----
Total deferred tax assets	51	63	69
Deferred tax liabilities:			
Intercompany transactions	141	132	119
Depreciation	21	20	22
Undistributed foreign earnings	17	17	17
Pension plans	18	16	14
Other	2	1	1
	----	----	----
Total deferred tax liabilities	199	186	173
	----	----	----
Net deferred tax liability	\$148	\$123	\$104

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Deferred income taxes were not provided on certain undistributed earnings (\$59 at April 30, 1996) of certain foreign subsidiaries because such undistributed earnings are expected to be reinvested indefinitely overseas. If these amounts were not considered permanently reinvested, additional deferred taxes of approximately \$20 would have been provided. Cash paid for income taxes was \$65 in 1996, \$86 in 1995, and \$94 in 1994.

10. CONTINGENCIES In the normal course of business, various suits and claims are brought against the company, some of which seek significant damages. Many of these suits and claims take years to adjudicate, and it is difficult to predict their outcome. In the opinion of management, based on advice from legal counsel, none of these suits or claims will have a material adverse effect on the company's consolidated financial position or results of operations.

11. ENVIRONMENTAL The company, along with other responsible parties, faces environmental claims resulting from the cleanup of several waste deposit sites. The company has accrued its estimated portion of cleanup costs and expects other responsible parties and insurance coverage to cover the remaining costs. The company believes that any additional costs incurred by the company will not have a material adverse effect on the company's consolidated financial position or results of operations.

12. PENSION PLANS The company has defined benefit pension plans covering certain employees. The benefits for these plans are based primarily on years of service and employees' pay near retirement for the salaried employees and stated amounts for each year of service for the union and hourly employees. The company also has unfunded plans that provide retirement benefits in excess of qualified plan formulas or regulatory limitations for certain employees. Net pension income (expense) includes the following components:

	1996	1995	1994
	----	----	----
Benefit cost for service during the year	\$(7)	\$(8)	\$(8)
Interest cost on projected benefit obligation	(17)	(14)	(15)
Actual return (loss) on plan assets	79	(5)	34
Net amortization and deferral	(54)	27	(12)
	---	---	---
Net pension income (expense)	\$ 1	\$ _	\$(1)
	===	===	===

The amounts included in the accompanying consolidated balance sheet were based on the funded status of the plans at January 31, 1996 and 1995 and are as follows:

	1996		1995	
	-----	-----	-----	-----
	Plan Assets Exceed Obligations	Obligations Exceed Plan Assets	Plan Assets Exceed Obligations	Obligations Exceed Plan Assets
Actuarial present value of benefit obligations:				
Vested benefit obligations	\$171	\$ 23	\$141	\$ 14
Nonvested benefit obligations	11	2	8	1
	----	----	----	----
Accumulated benefit obligations	182	25	149	15
Additional amounts related to assumed pay increases	30	3	31	6
	----	----	----	----
Projected benefit obligations	212	28	180	21
Plan assets at fair value	300	5	232	3
	----	----	----	----
Plan assets in excess of (less than) benefit obligations	88	(23)	52	(18)
Unamortized net (assets) obligations at date of adoption	(25)	3	(28)	3
Unrecognized net (gain) loss resulting from experience different from that assumed and changes in actuarial assumptions	(20)	2	16	(3)
Unrecognized prior service cost	3	5	2	6
Adjustment required to recognize minimum liability	_	(7)	_	(2)
Contributions subsequent to measurement date	_	_	_	1
	----	----	----	----
Prepaid (accrued) pension cost	\$ 46	\$(20)	\$ 42	\$(13)
	=====	=====	=====	=====

The projected benefit obligation was determined using a weighted average discount rate of 7% for 1996, 8.5% for 1995, and 7% for 1994. The weighted average rate of future compensation increases was 4% for 1996, 5.5% for 1995, and 4% for 1994. The expected rate of return on plan assets was 9.5% for these years. The plans' assets consist primarily of stocks and bonds.

The company's policy for funded plans is to make contributions equal to or greater than the requirements prescribed by the Employee Retirement Income Security Act.

13. BUSINESS SEGMENT INFORMATION The company's operations have been classified into three business segments: wines and spirits, consumer durables, and other. The wines and spirits segment includes the production, importing, and marketing of wines and distilled spirits. The consumer durables segment includes the manufacture and sale of china, crystal, ceramic and crystal collectibles, silver, pewter, and luggage. Through October 1993, the other segment included a credit card processing business and an aquaculture business. The credit card processing business was sold in October 1993 and the use of this segment was discontinued. Summarized financial information by business segment for 1996, 1995, and 1994 is as follows:

	1996	1995	1994
	-----	-----	-----
Net sales:			
Wines and Spirits	\$1,294	\$1,138	\$1,105
Consumer Durables	513	542	513
Other	—	—	10
	-----	-----	-----
	\$1,807	\$1,680	\$1,628
	=====	=====	=====
Operating income:			
Wines and Spirits	\$ 262	\$ 244	\$ 235
Consumer Durables	27	38	19
Corporate	(15)	(14)	(14)
	-----	-----	-----
	\$ 274	\$ 268	\$ 240
	=====	=====	=====
Total assets:			
Wines and Spirits	\$ 835	\$ 716	\$ 676
Consumer Durables	480	480	501
Corporate	66	90	57
	-----	-----	-----
	\$1,381	\$1,286	\$1,234
	=====	=====	=====
Depreciation and amortization:			
Wines and Spirits	\$ 24	\$ 23	\$ 22
Consumer Durables	21	20	23
Corporate	1	1	1
	-----	-----	-----
	\$ 46	\$ 44	\$ 46
	=====	=====	=====
Capital expenditures:			
Wines and Spirits	\$ 43	\$ 38	\$ 20
Consumer Durables	16	13	7
	-----	-----	-----
	\$ 59	\$ 51	\$ 27
	=====	=====	=====

Consumer durables' operating income was reduced by \$8 (\$5 after- tax) for the closing or reformatting of seven retail stores in 1994. There were no significant intersegment sales or transfers during 1996, 1995, or 1994. Operating income by business segment excludes interest income, interest expense, and unallocated corporate expenses. Corporate assets consist principally of cash and cash equivalents, short-term investments, certain corporate receivables, and other assets. Sales outside the United States, consisting principally of exports of wines and spirits, amounted to approximately \$282, \$221, and \$213 in 1996, 1995, and 1994, respectively.

14. POSTRETIREMENT BENEFITS OTHER THAN PENSIONS The company provides certain health care and life insurance benefits for eligible retirees. The postretirement benefit expense includes the following components:

	1996	1995	1994
	----	----	----
Service cost of benefits earned	\$1	\$2	\$2
Interest cost on accumulated post-retirement benefit obligation	3	3	3
Postretirement benefit expense	\$4	\$5	\$5

The postretirement benefit liability includes the following components:

	1996	1995	1994
	----	----	----
Actuarial present value of accumulated postretirement obligation:			
Retirees	\$21	\$21	\$25
Fully eligible active participants	1	1	4
Other active participants	21	15	20
	43	37	49
Unrecognized net gain (loss)	9	14	(2)
Accrued postretirement benefit	\$52	\$51	\$47
Assumptions:			

Discount Rate	7.0%	8.5%	7.0%
Healthcare cost trend rates:			
Present rate before age 65	7.7%	8.0%	13.5%
Present rate age 65 and after	6.8%	7.0%	12.5%
Ultimate rate in ten years	5.0%	5.0%	5.0%

A 1% increase in the assumed health care cost trend rate would have increased the accumulated postretirement benefit obligation as of April 30, 1996, by \$6 and the postretirement benefit expense by \$1.

Exhibit 21
SUBSIDIARIES OF THE REGISTRANT

SUBSIDIARIES

Name	Percentage of Voting Securities Owned	State or Jurisdiction of Incorporation
Brown-Forman International F.S.C., Ltd.	100%	U.S. Virgin Islands
Canadian Mist Distillers, Limited	100%	Ontario, Canada
Early Times Distillers Company	100%	Delaware
Fetzer Vineyards	90.1%	California
Jack Daniel Distillery, Lem Motlow, Prop., Inc.	100%	Kentucky
Lenox, Incorporated	100%	New Jersey
Dansk International Designs Ltd.	100% (1)	New York
Brooks & Bentley Limited	100%(1)	United Kingdom
Brooks & Bentley S.A.R.L.	100%(1)	France
Brooks & Bentley AF	100%(1)	Norway
Longnorth Limited	100% (2)	Ireland
Brown-Forman - W.S. Karoulias S.A.	75% (3)	Greece
Chissick Limited	100% (2) (3)	Ireland
Clintock Limited	100% (2) (3)	Ireland
Lantone Limited	100% (2) (3)	Ireland
Pitts Bay Trading Limited	75% (3)	Bermuda
Lantone Delaware, Inc.	100% (4)	Delaware
L-H Limited	100%	United Kingdom
Mt. Eagle Corporation	100%	Delaware
The Joseph Garneau Co., S.A.	100% (2)	Switzerland
Thoroughbred Plastics Corporation	100%	Kentucky
Brown-Forman Beverages Worldwide, Comercio de Bebidas Ltda	100% (5)	Brazil
Brown-Forman Worldwide, L.L.C.	100% (5)	Delaware
Fratelli Bolla International Wines, Inc.	95%	Kentucky
Brown-Forman Mauritius Limited	100%	Mauritius
Brown-Forman Worldwide B.V.	100%	Netherlands

The above companies are included in the consolidated financial statements. The names of certain subsidiaries have been omitted which, if considered in the aggregate as a single subsidiary, would not constitute a significant subsidiary.

(1) Owned by Lenox, Incorporated.

(2) Includes qualifying shares assigned to Brown-Forman Corporation.

(3) Owned by Longnorth, Limited.

(4) Owned by Lantone Limited.

(5) Owned 99% by Brown-Forman Corporation and 1% by Early Times Distillers Company.

Exhibit 23

CONSENT OF INDEPENDENT ACCOUNTANTS

We consent to the incorporation by reference in the registration statement of Brown-Forman Corporation on Form S-3, (File No. 33-52551) of our report which includes an explanatory paragraph for the company's adoption of changes in its methods of accounting for postretirement benefits other than pensions, postemployment benefits, and contributions, dated May 28, 1996, on our audits of the consolidated financial statements and financial statement schedule of Brown-Forman Corporation as of April 30, 1996, 1995, and 1994, and for the years ended April 30, 1996, 1995, and 1994, which report is included in this Annual Report on Form 10-K.

*/s/ Coopers & Lybrand L.L.P.
Louisville, Kentucky
July 3, 1996*

Appendix

In Exhibit 13 to the printed Form 10-K, the following graphs appear:

- -- on page 18, "Brown-Forman Geographic Sales Mix (excluding excise taxes)" pie graph depicting Fiscal 1996 mix of 82% U.S. and 18 % International.

- -- on page 18, "Operating Income" bar graph in \$millions:

Fiscal year	1992	1993	1994	1995	1996
As reported	234	255	240	268	274
Excluding unusual items	234	259	249	268	274

- -- on page 18, "Earnings Per Common Share" bar graph in dollars

Fiscal year	1992	1993	1994	1995	1996
As reported	1.76	1.88	1.63	2.15	2.31
Excluding unusual items	1.76	1.91	1.92	2.15	2.31

- -- on page 19, "Total Shareholder Return (including dividend reinvestment)" line graph in dollars

Fiscal year	B-F (Class B)	S&P Beverage Alcohol Index	S&P 500 Index
1986	100	100	100
1987	141	157	127
1988	147	152	118
1989	210	199	145
1990	198	202	161
1991	260	273	189
1992	262	304	216
1993	287	298	236
1994	330	326	248
1995	376	338	291
1996	462	417	379

10 year annual growth 17% 15% 14%

- -- on page 19, "Return on Average Invested Capital" bar graph in percentages:

Fiscal year	1992	1993	1994	1995	1996
As reported	18.8	18.0	15.4	19.5	19.7
Excluding unusual items	18.8	18.2	17.8	19.5	19.7

- -- on page 20, "Return on Average Common Stockholders' Equity" bar graph in percentages:

Fiscal year	1992	1993	1994	1995	1996
As reported	21.3	20.4	20.4	30.1	27.5
Excluding unusual items	21.3	20.7	23.6	30.1	27.5

- -- on page 20, "Wines and Spirits Geographic Sales Mix (excluding excise taxes)" pie graph depicting Fiscal 1996 mix of 75% U.S. and 25% International;

- -- on page 21, "Sales of Wines and Spirits (excluding excise taxes)" pie graph depicting 22% of total Fiscal 1996 coming from New Products and Brand Additions within past five years;

- -- on page 23, "Total Long-Term Debt to Total Long-Term Capital (at April 30)" bar graph in percentages of 13.4 in 1992, 15.9 in 1993, 39.2 in 1994, 31.1 in 1995, and 25.0 in 1996;

- -- on page 23, "Cash Dividends Paid Per Share of Common Stock" bar graph is dollars of \$0.78 in 1992, \$0.86 in 1993, \$0.93 in 1994, \$0.97 in 1995, and \$1.02 in 1996.

ARTICLE 5

This schedule contains summary financial information extracted from the company's April 30, 1996 Annual Report and is qualified in its entirety by reference to such financial statements.

MULTIPLIER: 1,000,000

PERIOD TYPE	12 MOS
FISCAL YEAR END	APR 30 1996
PERIOD END	APR 30 1996
CASH	54
SECURITIES	0
RECEIVABLES	257
ALLOWANCES	13
INVENTORY	433
CURRENT ASSETS	768
PP&E	594
DEPRECIATION	313
TOTAL ASSETS	1,381
CURRENT LIABILITIES	303
BONDS	211
COMMON	622
PREFERRED MANDATORY	0
PREFERRED	12
OTHER SE	0
TOTAL LIABILITY AND EQUITY	1,381
SALES	1,807
TOTAL REVENUES	1,807
CGS	927 ¹
TOTAL COSTS	927 ¹
OTHER EXPENSES	0
LOSS PROVISION	0
INTEREST EXPENSE	20
INCOME PRETAX	257
INCOME TAX	97
INCOME CONTINUING	160
DISCONTINUED	0
EXTRAORDINARY	0
CHANGES	0
NET INCOME	160
EPS PRIMARY	2.31
EPS DILUTED	2.31

¹ Cost of goods sold and total costs include excise taxes of \$263 million.

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