BROWN FORMAN CORP
Form 11-K
June 26, 2003

UNITED STATES

SECURITIES AND EXCHANGE COMMISSION

WASHINGTON, D.C. 20549

FORM 11-K

FOR ANNUAL REPORTS OF EMPLOYEE STOCK PURCHASE, SAVINGS
AND SIMILAR PLANS PURSUANT TO SECTION 15(d) OF THE
SECURITIES EXCHANGE ACT OF 1934

(Mark One)

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

For the Fiscal Year Ended December 31, 2002

OR

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

Commission File Number 1-123

A. Full Title of Plan:
Brown-Forman Corporation Savings Plan

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

Brown-Forman Corporation

850 Dixie Highway

Louisville, Kentucky 40210

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Report of Independent Accountants

To the Employee Benefits Committee
Brown-Forman Corporation

Brown-Forman Corporation Savings Plan

In our opinion, the accompanying statements of net assets available for benefits and the related statements of changes in net assets available for benefits present fairly, in all material respects, the net assets available for benefits of the Brown-Forman Corporation Savings Plan (the Plan) at December 31, 2002 and 2001, and the changes in net assets available for benefits for the years then ended in conformity with accounting principles generally accepted in the United States of America. These financial statements are the responsibility of the Plan's management; our responsibility is to express an opinion on these financial statements based on our audits. We conducted our audits of these statements in accordance with auditing standards generally accepted in the United States of America, which require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements, assessing the accounting principles used and significant estimates made by management, and evaluating the overall financial statement presentation. We believe that our audits provide a reasonable basis for our opinion.

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

/s/ PricewaterhouseCoopers LLP
April 25, 2003

Brown-Forman Corporation Savings Plan
Statements of Net Assets Available for Benefits
December 31, 2002 and 2001

	2002			
	Participant Directed	Nonparticipant Directed	Total	Participant Directed
Investments, at fair value:				
Mutual funds	$103,131,672	--	$103,131,672	$128,737,833
Investment contract and money market portfolios	31,238,815	--	31,238,815	30,865,187
Brown-Forman Corporation Class B common stock	4,873,122	--	4,873,122	4,080,672
Loans to participants	1,267,704	--	1,267,704	--
	140,511,313	--	140,511,313	163,683,692
Employers' contributions receivable	1,189,353	--	1,189,353	2,433,013
Employees' contributions receivable	466,595	--	466,595	448,836
Net assets available for benefits	$142,167,261	--	$142,167,261	$166,565,541

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

Brown-Forman Corporation Savings Plan
Statement of Changes in Net Assets Available for Benefits
For the Years Ended December 31, 2002 and 2001

	2002			
	Participant Directed	Nonparticipant Directed	Total	Participant Directed
Additions:				
Contributions:				
Employer	$ 5,097,620	--	$ 5,097,620	$ 7,659,703
Employee	9,592,294	--	9,592,294	9,316,206
	14,689,914	--	14,689,914	16,975,909
Interest income	899,542	--	899,542	1,355,255
Dividend income	1,353,773	--	1,353,773	1,182,908
Net transfers from other plans	38,455	--	38,455	592,133

Total additions	16,981,684	--	16,981,684	20,106,205
Deductions:				
Withdrawals by participants	11,647,431	--	11,647,431	13,140,318
Net depreciation in fair value	29,732,533	--	29,732,533	25,246,085
Total deductions	41,379,964	--	41,379,964	38,836,403
Net decrease	(24,398,280)	--	(24,398,280)	(18,280,198
Net assets available for benefits:				
Beginning of year	166,565,541	--	166,565,541	184,845,739
End of year	$142,167,261	--	$142,167,261	$166,565,541

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

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Brown-Forman Corporation Savings Plan
Notes to Financial Statements

1. Description of Plan:

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

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

a. General: The Plan is a defined contribution plan covering substantially all salaried employees of the Company and nonunion salaried and hourly employees of the Company's subsidiaries who have one year of service and are not members of a collective bargaining unit, except for employees of Lenox, Inc. and its divisions and certain employees of Fetzer, Jekel, and Sonoma-Cutrer Vineyards. The Plan was amended to include non-union hourly employees of Blue Grass Mills, a division of the Company, effective January 1, 2001. An employee becomes eligible to participate in the Plan after the completion of one year of service. Effective January 1, 2002, an employee becomes eligible to participate in the Plan on the employment commencement date. The Plan is subject to the provisions of the Employee Retirement Income Security Act of 1974 (ERISA).

b. Contributions: Non-highly compensated employees may contribute to the Plan an amount of not less than 2% nor more than 15% of their annual compensation, not to exceed the Section 402(g) (of the Internal Revenue Code of 1986) limitation in effect for the 2002 calendar year, currently $11,000. New employees may transfer assets from their former employers' qualified plans to the Plan, but cannot make any further contributions until they meet the eligibility requirements to participate in the Plan.

Effective January 1, 2002, non-highly compensated employees may contribute to the Plan between 1% and 50% of their annual compensation, and highly compensated employees may contribute between 1% and 10% of their annual compensation.

The Company's matching contribution is equal to 100% of the participant's elective deferral for the first 2% of the participant's annual compensation and 75% of the participant's elective deferral for the next 3% of the participant's annual compensation. Effective January 1, 2003, the Company's matching contribution is equal to 100% of the participant's elective deferral up to 5% of the participant's annual compensation. For non-union hourly employees of Blue Grass Mills, the Company's matching contribution is equal to 50% of the participant's elective deferral up to 5% of the participant's annual compensation.

Effective January 1, 2002, participants who have attained age 50 before December 31, 2002 may contribute an additional catch-up contribution up to $1.000, subject to the limitations of the Internal Revenue Code and the Plan.

Before January 1, 2002, the Company made a non-elective contribution to each participant, excluding non-union hourly employees of Blue Grass Mills, in an amount equal to the greater of 1% of the participant's compensation for the year up to the maximum limit of $1,700 or a minimum of $500. Part time and hourly employees, except for Jack Daniel employees, receive the greater of 1% of compensation or $500 multiplied by the percentage of actual hours of service divided by 1,950. A final non-elective contribution of $1,348,177 for eligible participants who were employed on December 31, 2001 was made in 2002 for the plan year ending December 31, 2001 based on 2001 compensation. Those participants who were employed on December 31, 2001, who met the eligibility requirements after January 1, 2002 received a final non-elective contribution of $36,224 based on compensation for the period from the first day of the month following date of hire through December 31, 2001 and a contribution for the plan year ending December 31, 2002, based on compensation from January 1, 2002, to the date the participant met the eligibility for the contribution.

Each participant's account is credited with the participant's contribution on a monthly basis, the employer nonelective contribution, and an allocation of (i) the Company's matching contribution on a quarterly basis, and (ii) plan earnings on a daily basis. Allocations are based on the participants' contributions and compensation as defined in the Plan. The total annual contributions, as defined by the Plan, credited to a participant's account in a plan year may not exceed the lesser of (i) $30,000, or (ii) 25% of the participant's compensation in the plan year. Effective January 1, 2002 the total annual contributions, as defined by the Plan, credited to a participant's account in a plan year may not exceed the lesser of (i) $40,000, or (ii) 100% of the participant's compensation in the plan year. Additional maximum limits exist if the employee participates in a qualified defined benefit plan maintained by the Company. Forfeited balances of terminated participants' nonvested accounts are used first to reinstate previously forfeited account balances of re-employed participants, if any, and the remaining amounts are used to reduce future company contributions. The forfeited balances totaled $63,386 and $54,147 for 2002 and 2001, respectively.

Participants can allocate contributions among various investment options in 1% increments. The Plan currently offers ten mutual funds, one investment contract portfolio, and the Brown-Forman Corporation Class B common stock fund as investment options to participants.

c. Vesting: Participants are immediately vested in their employee contributions plus actual earnings thereon. Vesting in the Company's contribution is 25% per year of continuous service with the Company. Participants will become 100% vested in their company contributions account in case of death, normal retirement, or total and permanent disability.

Hourly participants employed by Blue Grass Mills as of October 1, 2001 and whose employment terminated as a direct result of the closing of Blue Grass Mills are fully vested.

d. Withdrawals: Upon termination of service, a participant can elect to transfer his vested interest in the Plan to the qualified plan of his new employer, roll over his funds into an Individual Retirement Account, or receive his vested interest in the Plan in a lump-sum amount or in the form of installment payments over a period of time not to exceed his life expectancy. If the vested account balance is less than $5,000, a lump-sum distribution will be made. In the event of death, the participant's beneficiary will receive the vested interest in a lump-sum payment. A participant may also withdraw vested interest in the case of financial hardship under guidelines promulgated by the Internal Revenue Service. Effective January 1, 2002, the participant's contribution shall be suspended for six months after the receipt of a hardship distribution.

The distribution to a terminated participant is based on the market value of his vested interest in the Plan on the valuation date available immediately preceding the date of the benefit payment.

Effective January 1, 2002, a participant may request permission from the plan administrator to borrow a portion of such participant's vested accrued benefit under the Plan. Loans shall be limited to the lesser of $50,000 or 50% of the vested account balances. Loans must bear a reasonable rate of interest, be collateralized, and be repaid within five years. Participants do not share in the earnings from the Plan's investments to the extent of any outstanding loans, except that the interest paid on such loans is allocated directly to the participant's account.

2. Summary of Significant Accounting Policies:

a. Basis of Accounting: The financial statements of the Plan are prepared under the accrual method of accounting. Withdrawals by participants are recorded when paid. Purchases and sales of securities are recorded on a trade-date basis. Interest income is recorded on the accrual basis. Dividends are recorded on the ex-dividend date.

b. Valuation of Investments: Investment contract and money market portfolios are valued at cost which approximates fair value. Mutual funds are valued at their net asset value per share as quoted by the National Association of Securities Dealers. Participant loans are valued at cost which approximates fair value. The Brown-Forman Corporation Stock Fund is comprised of Brown-Forman Corporation Class B shares, which are valued at the quoted closing market price.

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

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

3. Investments:

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

	December 31			
	2002		2001	
	Number of Shares, Units or Principal Amount	Fair Value	Number of Shares, Units or Principal Amount	Fa
Janus Worldwide Fund	357,880	$11,498,677	346,759	$15
PIMCO Total Return Fund	756,490	8,071,749	464,974	4
Fidelity Magellan Fund	487,619	38,502,415	497,348	51
Fidelity Equity-Income Fund	560,419	22,231,812	575,676	28
Fidelity Growth Company	243,937	8,640,246	230,637	12
Fidelity Retirement Money Market Portfolio	18,099,786	18,099,786	19,910,309	19
Managed Income Portfolio	13,139,029	13,139,029	10,954,877	10
Brown-Forman Corporation Class B Common Stock Fund	452,052	4,873,122	393,887	4
Other investments	838,703	15,454,477	763,511	16
		$140,511,313		$163

During 2002 and 2001, the Plan's investments, including investments bought, sold, and held during the year, appreciated (depreciated) in value as follows:

	2002	2001
Mutual funds	$(29,938,633)	$(25,044,429)
Brown-Forman Corporation Class B common stock	206,100	(201,656)
	$(29,732,533)	$(25,246,085)

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4. Tax Status:

The Internal Revenue Service has determined, and informed the Company by a letter dated April 16, 2003, that the Plan and related trust are designed in accordance with the applicable sections of the Internal Revenue Code (IRC).

5. Plan Termination:

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

6. Related Party Transactions:

Certain administrative costs incurred by the Plan are paid by the Company. Effective January 1, 2002, general administrative expenses of the third party recordkeeper and the administration fee for processing loans are allocated to the participants' accounts. Administrative expenses of $27,046 in 2002 were allocated to participants' accounts. Effective July 1, 2002, participant recordkeeping fees were waived by the third party recordkeeper.

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Brown-Forman Corporation Savings Plan
Plan #006 EIN #61-0143150
Schedule H, Line 4i --
Schedule of Assets (Held at End of Year)
December 31, 2002

Identity of Issue, Borrower, Lessor or Similar Party	Description of Investment Including Maturity Date, Rate of Interest, Collateral, Par or Maturity Value	Current Value
PBHG Growth Fund	Mutual fund, variable rate and maturity	$ 3,476,814
Janus Enterprise Fund	Mutual fund, variable rate and maturity	3,781,489
Janus Worldwide Fund	Mutual fund, variable rate and maturity	11,498,677
PIMCO Total Return Fund	Mutual fund, variable rate and maturity	8,071,749
Fidelity Magellan Fund*	Mutual fund, variable rate and maturity	38,502,415
Fidelity Equity-Income Fund*	Mutual fund, variable rate and maturity	22,231,812

Fidelity Growth Company Fund*	Mutual fund, variable rate and maturity	8,640,246
Fidelity Asset Manager*	Mutual fund, variable rate and maturity	5,111,810
Fidelity Retirement Money Market Portfolio*	Money market portfolio, variable rate and maturity	18,099,786
Managed Income Portfolio*	Investment contract portfolio, variable rate and maturity	13,139,029
Spartan U.S. Equity Index Fund*	Mutual fund, variable rate and maturity	1,816,660
Brown-Forman Corporation*	Class B common stock fund	4,873,122
Participant loans	Loans, 6%-6.25%, variable maturity	1,267,704
		$140,511,313

*Party-in-interest to the Plan

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Brown-Forman Corporation Savings Plan
Plan #006 EIN #61-0143150
Schedule H, Line 4j --
Schedule of Reportable Transactions
For the Year Ended December 31, 2002

Identity of Party Involved	Description of Asset	Purchase Price	Selling Price	Lease Rental	Expense Incurred with Transaction	Co A

No reportable transactions.

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Signatures

Pursuant to the requirements of the Securities Exchange Act of 1934, the Brown-Forman Corporation Savings Plan has duly caused this report to be signed on behalf of the Plan Administrator by the undersigned thereunto duly authorized.

BROWN-FORMAN CORPORATION SAVINGS PLAN

BY:

/s/ Milton B. Gillis
Milton B. Gillis
Member, Employee Benefits Committee
(Plan Administrator)

Vice President and Director of
Compensation and Employee Benefits

Brown-Forman Corporation

June 24, 2003

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Consent of Independent Accountants

We hereby consent to the incorporation by reference in the Registration Statement on Form S-8 (No. 333-74567) of Brown-Forman Corporation of our report dated April 25, 2003 relating to the financial statements and supplemental schedules of the Brown-Forman Corporation Savings Plan as of and for the years ended December 31, 2002 and 2001 which appear in this Form 11-K.

/s/ PricewaterhouseCoopers LLP
PricewaterhouseCoopers LLP
Louisville, Kentucky
June 24, 2003

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EXHIBIT 99

CERTIFICATE OF PERIODIC FINANCIAL REPORT

I, Milton B. Gillis, Vice President and Director of Compensation and Employee Benefits of Brown-Forman Corporation, on behalf of the Brown-Forman Corporation Employee Benefits Committee which functions as the chief executive officer and chief financial officer of the Brown-Forman Corporation Savings Plan (the "Plan") certify, pursuant to Section 906 of the Sarbanes-Oxley Act of 2002, that:

(1) the Annual Report on Form 11-K for the Plan for the fiscal year ended December 31, 2002 (the "Periodic Report") which this statement accompanies fully complies with the requirements of Section 13(a) or 15(d) of the Securities Exchange Act of 1934 (15 U.S.C. 78m or 78o(d)) and

(2) information contained in the Periodic Report fairly presents, in all material respects, the financial condition and results of operations of the Plan.

This certificate is being furnished solely for purposes of Section 906 and is not being filed as part of the Periodic Report.

Dated: June 26, 2003

/s/ Milton B. Gillis
Milton B. Gillis
Member, Employee Benefits Committee

Vice President and Director of
Compensation and Employee Benefits

Brown-Forman Corporation