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BROWN FORMAN CORP  
Form 11-K  
June 25, 2001

UNITED STATES  
SECURITIES AND EXCHANGE COMMISSION  
WASHINGTON, D.C. 20549

FORM 11-K

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

(Mark One)

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

For the Fiscal Year Ended December 31, 2000

OR

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

Commission File Number 1-123

- A. Full Title of Plan:  
Hartmann Employee Savings and Investment Plan
- B. Name of Issuer of the Securities held Pursuant to the Plan and  
the Address of its Principal Executive Office:

Brown-Forman Corporation  
850 Dixie Highway  
Louisville, Kentucky 40210

INDEX

Pages

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Report of Independent Accountants	2
Financial Statements:	
Statement of Net Assets Available for Benefits, December 31, 2000 and 1999	3
Statement of Changes in Net Assets Available for Benefits for the years ended December 31, 2000 and 1999	4
Notes to Financial Statements	5-9
Supplemental Schedules:	
Schedule of Assets Held for Investment Purposes at End of Year, December 31, 2000	10
Schedule of Reportable Transactions for the Year Ended December 31, 2000	11
Signatures	12
Consent of Independent Accountants	13

Report of Independent Accountants

To the Employee Benefits Committee  
Brown-Forman Corporation

Hartmann Employee  
Savings and Investment Plan

In our opinion, the accompanying statements of net assets available for benefits and the related statements of changes in net assets available for benefits present fairly, in all material respects, the net assets available for benefits of the Hartmann Employee Savings and Investment Plan (the Plan) at December 31, 2000 and 1999, 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 for investment purposes 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

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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  
May 3, 2001

2

Hartmann Employee Savings and Investment Plan  
Statements of Net Assets Available for Benefits  
December 31, 2000 and 1999

	2000			Participant Directed
	Participant Directed	Nonparticipant Directed	Total	
Investments, at fair value:				
Mutual funds	\$ 4,718,619	--	\$ 4,718,619	\$ 5,899,126
Investment contract and money market portfolios	2,539,988	--	2,539,988	2,358,562
Brown-Forman Corporation Class B common stock	32,956	\$ 377,902	410,858	32,306
Loans to participants	289,757	--	289,757	278,089
	7,581,320	377,902	7,959,222	8,568,083
Employers' contributions receivable	51,630	--	51,630	66,054
Employees' contributions receivable	28,841	--	28,841	41,694
Net assets available for benefits	\$ 7,661,791	\$ 377,902	\$ 8,039,693	\$ 8,675,831

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

3

Hartmann Employee Savings and Investment Plan  
Statements of Changes in Net Assets Available for Benefits  
For the Years Ended December 31, 2000 and 1999

	2000			Participant Directed
	Participant Directed	Nonparticipant Directed	Total	
Additions:				
Contributions:				
Employer	\$ 233,835	--	\$ 233,835	\$ 232,846
Employee	529,417	--	529,417	474,655
	763,252	--	763,252	707,501
Interest income	163,586	--	163,586	163,774

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Dividend income	26,819	\$ 6,967	33,786	49,623
Net appreciation in fair value		50,461	50,461	1,229,111
Net transfers from Lenox, Incorporated Employee Savings and Investment Plan	--	--	--	38,601
Net transfers from Lenox, Incorporated Retail Savings and Investment Plan	--	--	--	1,326
Net transfers from Brown-Forman Corporation Savings Plan	--	--	--	107,894
	-----	-----	-----	-----
Total additions	953,657	57,428	1,011,085	2,297,830
	-----	-----	-----	-----
Deductions:				
Withdrawals by participants	794,693	8,312	803,005	564,815
Net depreciation in fair value	813,211	--	813,211	--
Net transfers from Brown-Forman Corporation Savings Plan	359,793	--	359,793	--
	-----	-----	-----	-----
Total deductions	1,967,697	8,312	1,976,009	564,815
	-----	-----	-----	-----
Net increase (decrease)	(1,014,040)	49,116	(964,924)	1,733,015
Net assets available for benefits:				
Beginning of year	8,675,831	328,786	9,004,617	6,942,816
	-----	-----	-----	-----
End of year	\$ 7,661,791	\$377,902	\$ 8,039,693	\$ 8,675,831
	=====	=====	=====	=====

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

4

Hartmann Employee Savings and Investment Plan  
Notes to Financial Statements

1. Description of Plan:

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

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

- a. General: The Plan is a defined contribution plan covering substantially all salaried employees of Hartmann Luggage Company (the Company). An employee becomes eligible to participate in the Plan after completion of one year of service. The Plan is subject to the provisions of the Employee Retirement Income Security Act of 1974 (ERISA).

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- b. Contributions: 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 calendar year, currently \$10,500 (\$10,000 in 1999). 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.

For nonretail employees, the Company's matching contribution is equal to 75% of the participant's elective deferral for the first 5% of the participant's annual compensation. For retail employees, the Company's matching contribution is equal to 50% of the participant's elective deferral for the first 2% of annual compensation and an additional 25% of the remainder of the participant's elective deferral up to 10% of annual compensation.

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

5

Each participant's account is credited with the participant's contribution and an allocation of (i) the Company's matching contribution on a quarterly basis, and (ii) plan earnings on a daily basis, and (iii) the CORE contribution on an annual basis. Allocations are based on the participants' contributions and compensation as defined in the Plan. The total annual contributions, as defined by the Plan, credited to a participant's account in a plan year may not exceed the lesser of (i) \$30,000, or (ii) 25% 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 \$3,070 and \$5,640 for 2000 and 1999, 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. Paysop Fund: This nonparticipant directed fund consists of company contributions of Class B nonvoting common stock of Brown-Forman Corporation. Contributions for any plan year were limited to one-half of one percent of the annual compensation of all employees covered by the Plan; however, the Company is no longer contributing to this fund. This fund will be eliminated when all stock allocated to participants is withdrawn.
- d. Vesting: Participants are immediately vested in their employee contributions plus actual earnings thereon. An employee becomes 100% vested in the CORE contribution after five years of service with the Company. Vesting in the Company's contribution is 25% per year of continuous service with the Company. Participants will become 100% vested in their company contributions account in case of death, normal

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retirement, or total and permanent disability.

- e. **Withdrawals:** Upon termination of service, a participant can elect to transfer his vested interest in the participant directed portion of 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. Upon approval of the Employee Benefits Committee, a participant may also withdraw vested interest of the participant directed funds in the case of financial hardship under guidelines promulgated by the Internal Revenue Service.

6

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.

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

In addition, a participant may request permission from the plan administrator to borrow a portion of such participant's vested accrued benefit under the Plan. 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. Investments in securities traded on a national securities exchange are valued at the last reported sales price on the last business day of the period. 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

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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.

7

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			
	2000		1999	
	Number of Shares, Units or Principal Amount	Fair Value	Number of Shares, Units or Principal Amount	Fa
Mutual funds, investment contract portfolio and stock fund:				
Janus Enterprise Fund	13,968	\$ 744,050	8,290	\$
Janus Worldwide Fund	6,651	378,153	9,370	
Fidelity Magellan Fund	12,180	1,453,103	20,235	2
Fidelity Equity-Income Fund	17,180	917,932	13,696	
Fidelity Growth Company	11,624	830,289	9,048	
Managed Income Portfolio	2,231,859	2,231,859	2,033,361	2
Brown-Forman Corporation Class B Common Stock Fund	2,994	32,956	3,394	
Other investments	327,649	992,978	336,898	
		7,581,320		8
Common stock:				
Brown-Forman Corporation Class B common stock*	34,323	377,902	34,536	
		\$ 7,959,222		\$ 8

\*Nonparticipant directed

During 2000 and 1999, the Plan's investments, including investments bought, sold, and held during the year, appreciated (depreciated) in value as follows:

	2000	1999
Mutual funds	\$ (811,577)	\$ 1,238,323
Brown-Forman Corporation Class B Common Stock Fund	(1,634)	(9,212)

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	-----	-----
	(813,211)	1,229,111
Brown-Forman Corporation		
Class B common stock	50,461	(120,988)
	-----	-----
	\$ (762,750)	\$ 1,108,123
	=====	=====

8

4. Tax Status:

The Internal Revenue Service has determined, and informed the Company by a letter dated June 10, 1999, that the Plan and related trust are designed in accordance with the applicable sections of the Internal Revenue Code (IRC). The Plan has been amended since receiving the determination letter. However, the Company believes that the Plan is designed and is currently being operated in compliance with the applicable requirements of the IRC.

5. Plan Termination:

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

6. Related Party Transactions:

Certain administrative costs incurred by the Plan are paid by the Company.

9

Hartmann Employee Savings and Investment Plan  
Plan #018 EIN #61-0143150  
Schedule H, Line 4i --

Schedule of Assets Held for Investment Purposes at End of Year  
December 31, 2000

Identity of Issue, Borrower, Lessor or Similar Party	Description of Investment Including Maturity Date, Rate of Interest, Collateral, Par or Maturity Value	Cost	Current Value
-----	-----	-----	-----
PBHG Growth Fund	Mutual fund, variable rate and maturity	--	\$ 165,4
Janus Enterprise Fund	Mutual fund, variable rate and maturity	--	744,0
Janus Worldwide Fund	Mutual fund, variable rate and maturity	--	378,1
PIMCO Total Return Fund	Mutual fund, variable rate and maturity	--	51,0
Fidelity Magellan Fund*	Mutual fund, variable rate and maturity	--	1,453,1
Fidelity Equity-Income Fund*	Mutual fund, variable rate and maturity	--	917,9
Fidelity Growth Company Fund*	Mutual fund, variable rate and maturity	--	830,2
Fidelity Asset Manager*	Mutual fund, variable rate and maturity	--	143,6



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Fidelity Retirement Money Market Portfolio*	Money market portfolio, variable rate and maturity	--	308,1
Managed Income Portfolio*	Investment contract portfolio, variable rate and maturity	--	2,231,8
Spartan U.S. Equity Index Fund*	Mutual fund, variable rate and maturity	--	34,9
Brown-Forman Corporation*	Class B common stock fund	--	32,9
Brown-Forman Corporation*	Class B common stock	\$334,407	377,9
Participant loans*	Loans, 8%-10% rates, variable maturity	--	289,7
			-----
			\$ 7,959,2
			=====

\*Party-in-interest to the Plan

10

Hartmann Employee Savings and Investment Plan  
Plan #018 EIN #61-0143150  
Schedule H, Line 4j --  
Schedule of Reportable Transactions  
For the Year Ended December 31, 2000

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

No reportable transactions.

11

Signatures

Pursuant to the requirements of the Securities Exchange Act of 1934, the Hartmann Employee Savings and Investment Plan has duly caused this report to be signed by the undersigned thereunto duly authorized.

HARTMANN EMPLOYEE SAVINGS AND INVESTMENT PLAN

BY:

/s/ Phoebe A. Wood  
Phoebe A. Wood  
Executive Vice President and  
Chief Financial Officer  
(On behalf of the Principal and  
as Principal Financial Officer)

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June 25, 2001

12

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 May 3, 2001 relating to the financial statements and supplemental schedules of the Hartmann Employee Savings and Investment Plan as of and for the years ended December 31, 2000 and 1999 which appear in this Form 11-K.

/s/ PricewaterhouseCoopers LLP  
PricewaterhouseCoopers LLP  
Louisville, Kentucky  
June 25, 2001

13