BROWN-FORMAN
DISTILLERS CORPORATION

ANNUAL REPORT FOR 1948


BOTTLED IN BOND
OLD FORESTER
KENTUCKY STRAIGHT BOURBON WHISKY
BOTTLED BY
BROWN-FORMAN DISTILLERS CORPORATION
AT LOUISVILLE IN KENTUCKY
BROWN-FORMAN-KENTUCKY


BF
BROWN-FORMAN
KING
Red Label
BLENDED WHISKY
BLENDED AND BOTTLED BY
BROWN-FORMAN DISTILLERS CORPORATION
AT LOUISVILLE IN KENTUCKY


BF
BROWN-FORMAN
KING
Black Label
BLENDED WHISKY
BLENDED AND BOTTLED BY
BROWN-FORMAN DISTILLERS CORPORATION
AT LOUISVILLE IN KENTUCKY

BROWN-FORMAN DISTILLERS CORPORATION

LOUISVILLE, KENTUCKY

OWSLEY BROWN
CHAIRMAN OF THE BOARD

W. L. LYONS BROWN
PRESIDENT

To the Stockholders:

I am pleased to present, with the approval of the Board of Directors, the Annual Report of the Company's activities for the year ended April 30, 1948.

During the fiscal year, we completed the warehouse expansion program started in 1945 which brings our total capacity to 465,000 barrels.

The new consolidated bottling plant, which will be one of the most modern in the country, is under construction and should be finished some time in the late summer of 1949.

As is well known, during the war the Federal excise tax on alcoholic beverages was raised to an all time high of $9.00 a gallon, and in spite of the enactment of a new tax law, the high war time tax level on alcoholic beverages has been maintained.

It is difficult to say when the law of diminishing returns sets in and thus begins to offset the excessively high tax rate. It is noteworthy to point out that domestic output of distilled spirits declined about 31% in January of this year, as compared with January of last year. It is an interesting conjecture that if the tax on distilled spirits had been $6.00 instead of $9.00, or 33⅓% less, sales might have been stimulated to the point whereby the Federal government, as well as the states, might well have received a larger revenue than under the present tax rate. Not only is it quite possible that the state and federal revenues would have been greater, but there would have been greater employment and larger purchases and more funds would have been poured into the economic stream by the distilling and allied industries, which now employ an estimated 1,600,000 persons.

The Company this year had sales amounting to $43,433,853.69, resulting in a net profit of $8,782,335.27 before Federal and State income tax and special reserves, and a net profit of $4,100,335.27 after all taxes and reserves. An extraordinary reserve of $1,200,000.00 was created to cover tax contingencies and related interest.

During the year, we have been able to repackage our famous brands, Old Forester and Brown-Forman King, and these brands are more firmly entrenched than ever in public acceptance.

We have returned to the market in a limited way our old straight whiskies, Early Times, Kentucky Dew and L & G. While we are advertising these products in order to keep their names before the public eye, we are unable to supply the public demand due to the limited amount of available aged whiskies.

You have been advised previously about the plans for the distribution of Junior Preferred Stock to the holders of Common Stock. At the meeting of the Stockholders held on June 15, the plan was approved and within the next thirty days the Junior Preferred Stock will be distributed to the holders of Common Stock.

The Board of Directors wishes to express its thanks to our employees, our distributors, and our retailers for their loyal and faithful service during the year, and for their understanding and cooperation regarding shortages of mature whisky as a result of Brown-Forman's manufacture of alcohol during the war years.

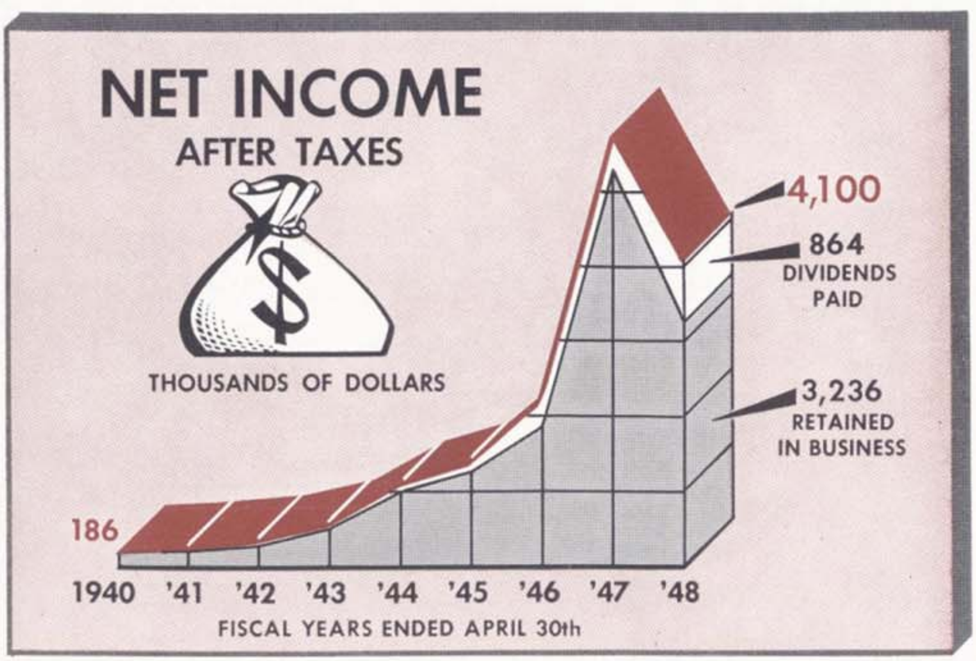
Owsley Brown W. Lyons Brown

Louisville, Kentucky, July 1st, 1948

FINANCIAL REPORT

INCOME In the year ended April 30, 1948, the consolidated net income after taxes, but before the special reserve outlined below, amounted to $5,300,335.27, equivalent to $8.93 per share on the 588,974 common shares outstanding. This compares with a consolidated net income in the year ended April 30, 1947, of $5,793,886.58 equivalent to $9.74 per share, a decline of 8.3%. An extraordinary reserve of $1,200,000.00 was set up during the year which reduced, however, consolidated net income to $4,100,335.27, equivalent to $6.89 per share.

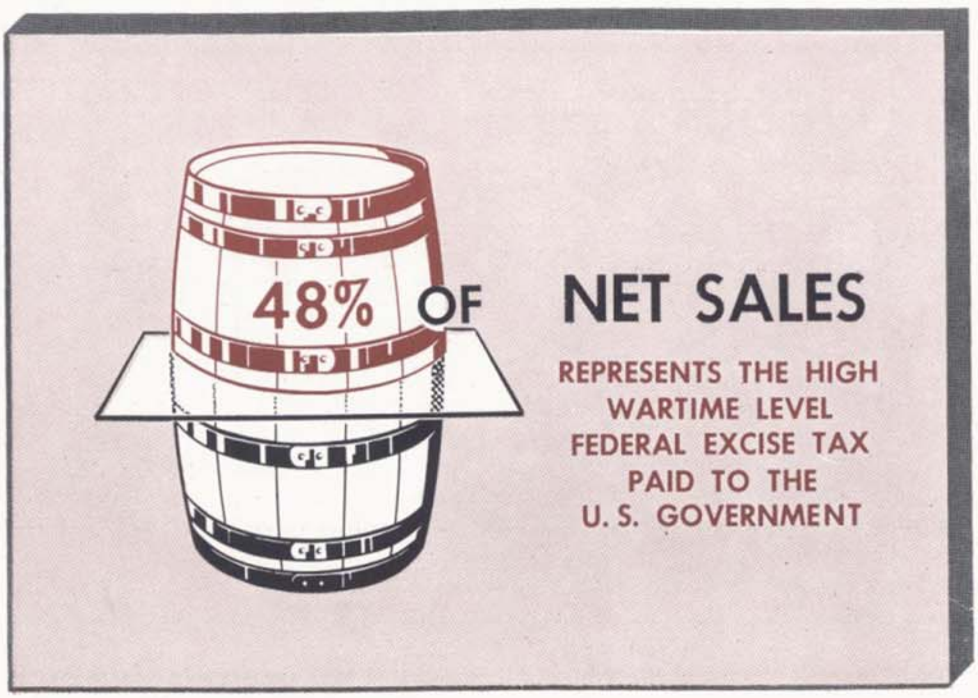
The Bureau of Internal Revenue has proposed additional assessments for certain prior years and has made disallowances of claims filed by the Company. The assessments and disallowances are being contested by the Company, but because of the uncertainties of interpretation of the Internal Revenue Code, the extraordinary reserve for taxes and related interest was provided to cover the possibility that the Company is not successful in contesting the proposed additional assessments.



SALES The above profits were realized on $43,433,853.69 of sales during the fiscal year ended April 30, 1948, compared with the $52,501,884.22 of sales during the preceding twelve months.

Forty-eight percent of the $43,433,853.69 sales was paid to the United States Government in alcoholic beverage Federal Excise Taxes, which tax is still maintained at the peak war time level of $9.00 per tax gallon. Limited inventories of aged whisky, together with the high war time Excise Taxes restricted industry sales as well as our own. Apparent Consumption of Distilled Spirits declined 24% from last year.

TAXES In addition to Excise Taxes amounting to $21,001,493.43, the Company has provided for Federal and State Income Taxes amounting to $4,682,000.00, compared with $3,762,100.00 during the preceding year.



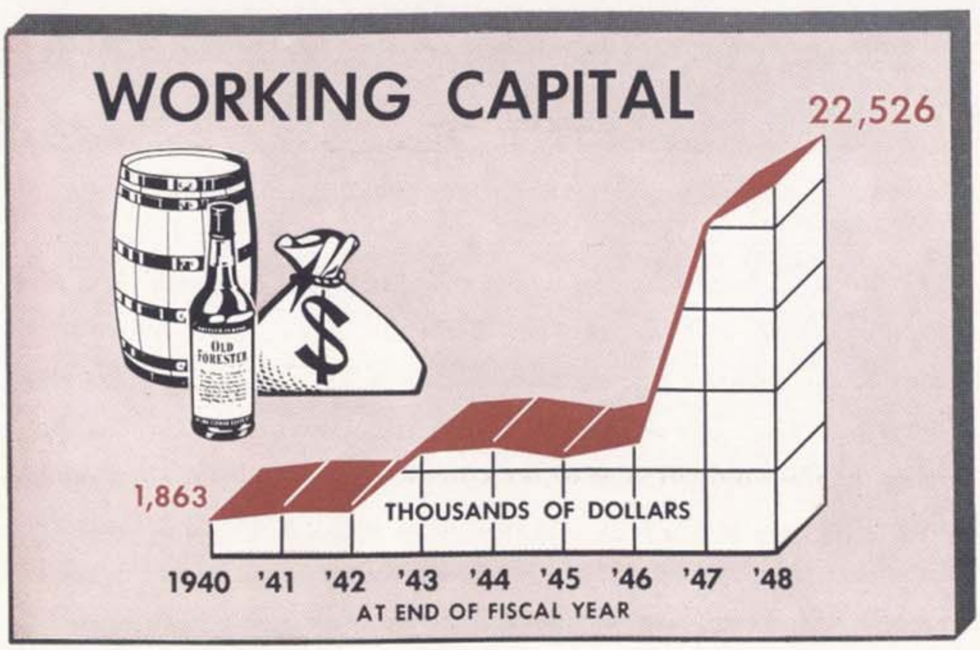
Regauging Aged Whisky

DIVIDENDS In the fiscal year just ended, the Company paid four dividends of $1.00 each on its $4.00 Preferred Stock, four regular dividends of 20¢ each and three extra dividends of 20¢ each on its outstanding Common Stock. The extra dividends on the Common Stock were paid in lieu of dividends of like amount that would have been paid on the Junior Preferred Stock, if it had been outstanding at the time these dividends were paid. A total of $863,940.40 was thus paid out in cash dividends to stockholders, compared with $471,355.90 during the preceding fiscal year.

CAPITAL At April 30, 1948, working capital amounted to $22,526,189.07, compared with $20,046,979.42 one year earlier, an increase of 12.4%. At the same time, net worth amounted to $16,207,177.86 compared with $12,970,782.99 a year ago, an increase of 25.0%.

In the special meeting of the stockholders held on June 15, the plan for the distribution of Junior Preferred Stock to the holders of Common Stock was approved. Within the next thirty days the Junior Preferred Stock will be distributed on the basis of two shares of Junior Preferred Stock to each share of Common Stock held on the date of record.

The reason for the distribution of Junior Preferred Stock to Common stockholders was to capitalize permanently a very substantial portion of income that had been reinvested in the business over previous years. By doing so, the Company will have permanent capital stock in excess of $13,350,000.00, which is judged to be adequate for the volume of business to be transacted in the foreseeable future.



BROWN-FORMAN DISTILLERS CORPORATION
AND ITS WHOLLY OWNED SUBSIDIARIES

SIMPLIFIED INCOME STATEMENT

For The Year Ended April 30, 1948

	TOTAL	Per $100 of Sales
WE RECEIVED FROM SALE OF OUR PRODUCTS	$43,433,853.69	$100.00
Our Costs were:		
FEDERAL EXCISE TAXES	$21,001,493.43	$48.35
COST OF MATERIAL, WAGES, SALARIES, SOCIAL SECURITY TAXES, SUPPLIES, ETC.	7,894,377.24	18.18
ADVERTISING AND SELLING EXPENSES	4,218,058.62	9.71
ADMINISTRATIVE AND GENERAL CORPORATE EXPENSES	1,186,913.42	2.73
INTEREST ON BORROWED MONEY	325,565.91	.75
OTHER NECESSARY EXPENSES	25,109.80	.06
FEDERAL AND STATE INCOME TAXES	4,682,000.00	10.78
TOTAL COSTS	$39,333,518.42	$90.56
Which leaves us a Net Income of	$4,100,335.27	$9.44

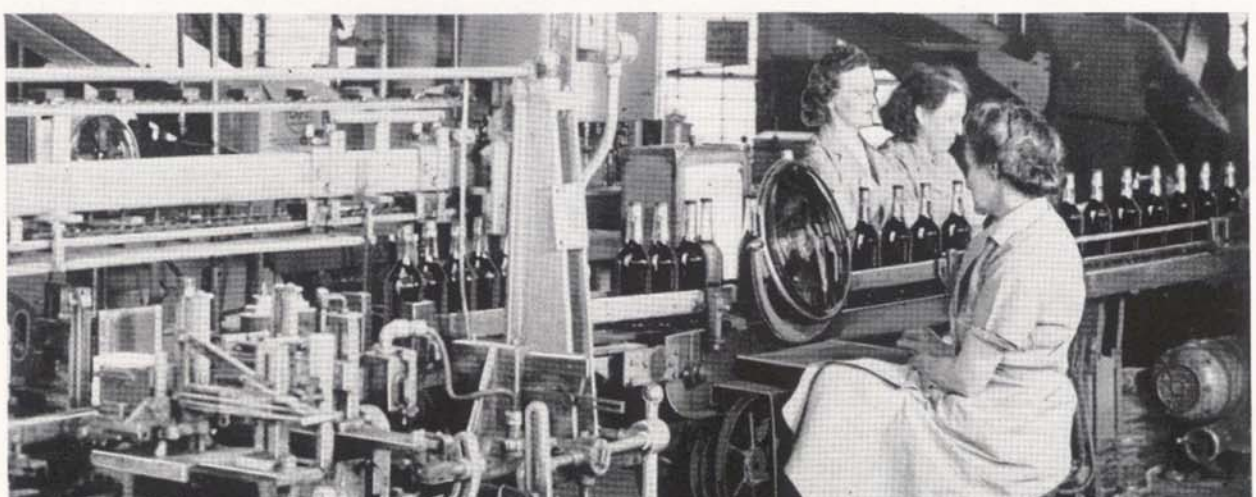
During the year dividends of $4.00 per share were paid on the Preferred Stock, four regular dividends of 20 cents each and three extra dividends of 20 cents each on the Common Stock aggregating $863,940.40. This was paid out of cumulative earnings to more than 1,300 stockholders—the owners of the business.

During the first seven months of the fiscal year the industry was permitted unlimited production. However, in the latter part of October the government requested complete cessation of distilling. Limited production was resumed in January and from early February until April 30, the Company continued distilling at approximately 50% of capacity. Despite this, an adequate supply of ageing whiskies and spirits has been warehoused.

During the year two warehouses totaling 100,000 barrel capacity were completed and a third of 50,000 barrel capacity was nearing completion at Shively. A new oil burning steam generating plant was installed at Shively to heat all warehouses and to operate the EARLY TIMES Distillery.

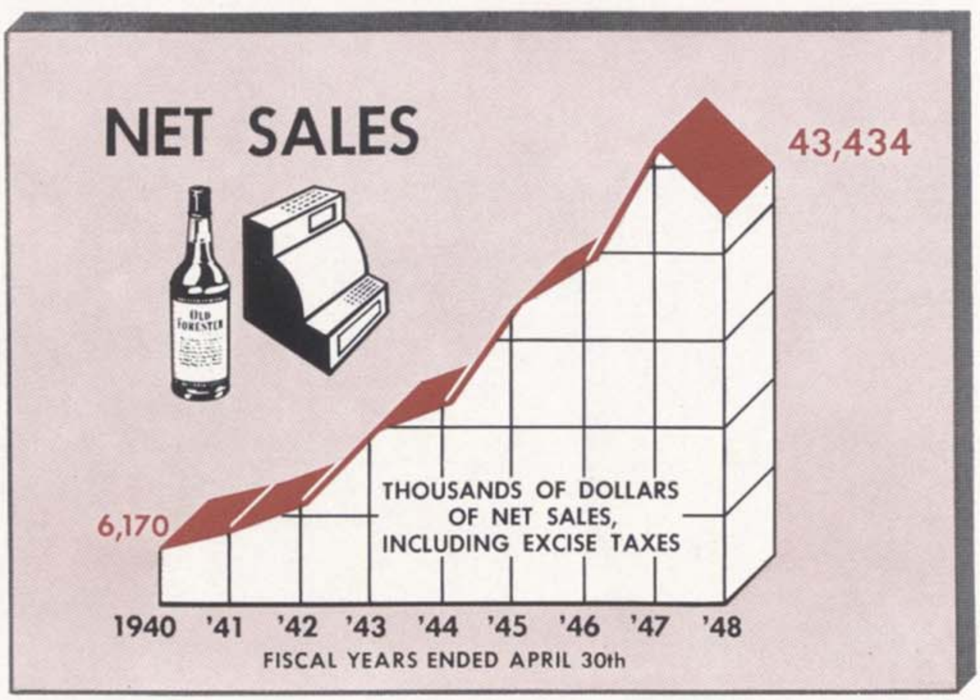
Early in 1948 construction was started on the new five-story bottling plant in Louisville. This will house the most modern equipment yet designed, greatly expanding and completely modernizing bottling operations. During the year the buildings north of Howard Street were converted into a modern case storage plant with additional conveyors and rail sidings to facilitate car loadings.

All Bottling is Carefully Inspected



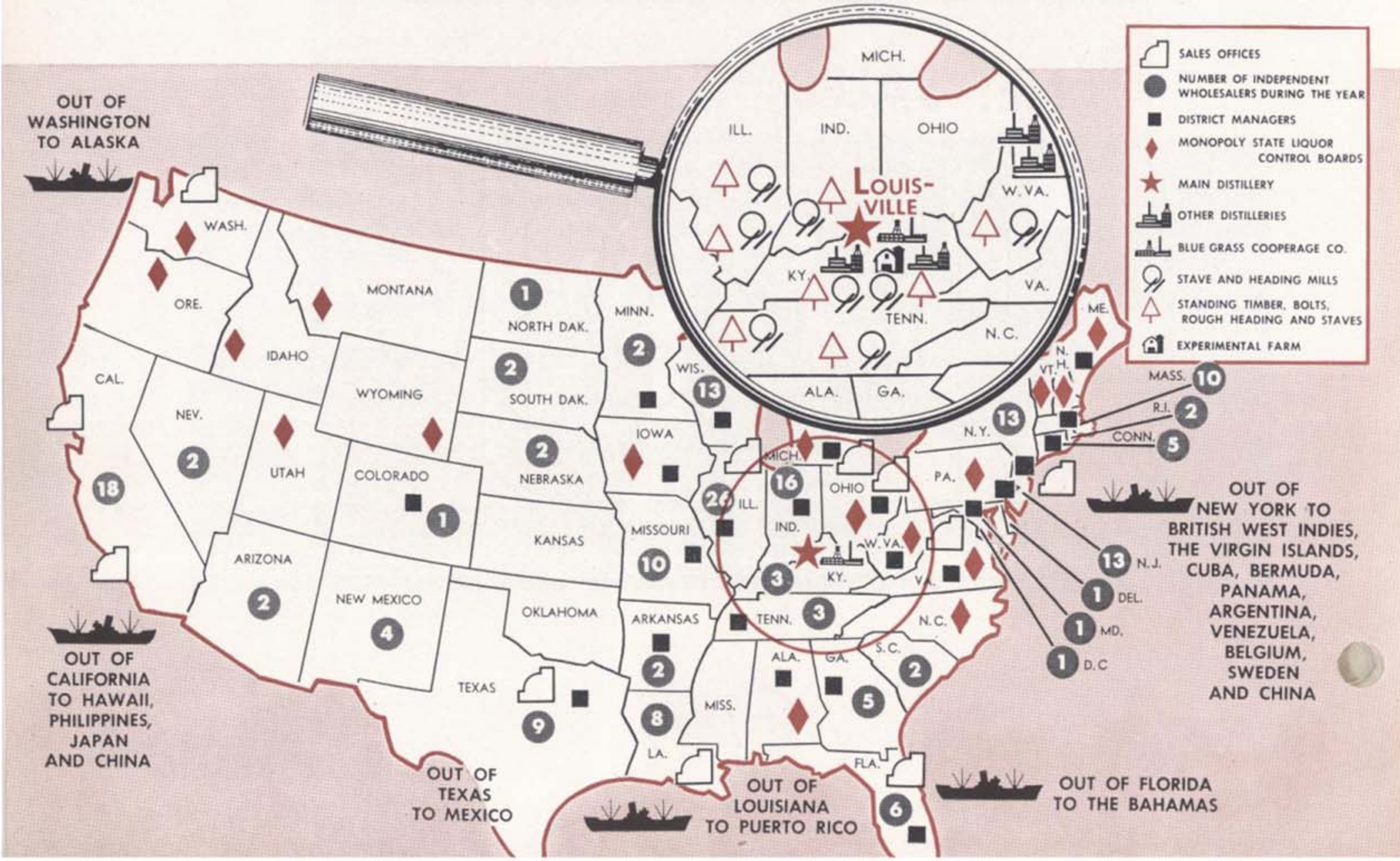
MARKETING

SALES In the face of overall industry sales volume declines, Brown-Forman's sales during the past twelve months totaled $43,433,853.69, compared with the all time high of $52,501,884.22 for the previous year. For the first seven months, during full production, the Company offered larger quantities of OLD FORESTER, KING Black Label, EARLY TIMES, KENTUCKY DEW, and L&G. KING Red Label was returned to some markets in limited quantities. However, during the period of government restrictions, it was necessary to limit and allocate bonds and straight whiskies. The supply of Brown-Forman Dried Grains was insufficient to meet the heavy demand of cattle feeders. The demand for Brown-Forman Solubles by feeders, grain mixers and pharmaceutical laboratories was so great that production was unable to meet sales requirements. Blue Grass Cooperage, a wholly owned subsidiary, continued to supply barrels for the needs of the Company and many other independent distillers.



ADVERTISING Continuing its comprehensive advertising policy the Company used fourteen leading national magazines and 125 daily newspapers from coast to coast to explain the story of Brown-Forman quality products. This was further supported by trade paper advertising, painted and twenty-four sheet bulletin boards, point of sale, car cards, direct mail and window display material.

DISTRIBUTION Brown-Forman continued to distribute its products wherever legal sales are permitted with the cooperation of 183 independent wholesalers and the State Liquor Control Boards in each of the 17 monopoly states. All major markets were served by divisional sales offices, district managers, sales supervisors and representatives. New distributors were added in key markets to meet the demand for the increasing acceptance of Brown-Forman's products. The stabilizing of world conditions enabled the Company's Export Division to increase its sales activities in many new overseas markets.



BLUE GRASS COOPERAGE DIVISION

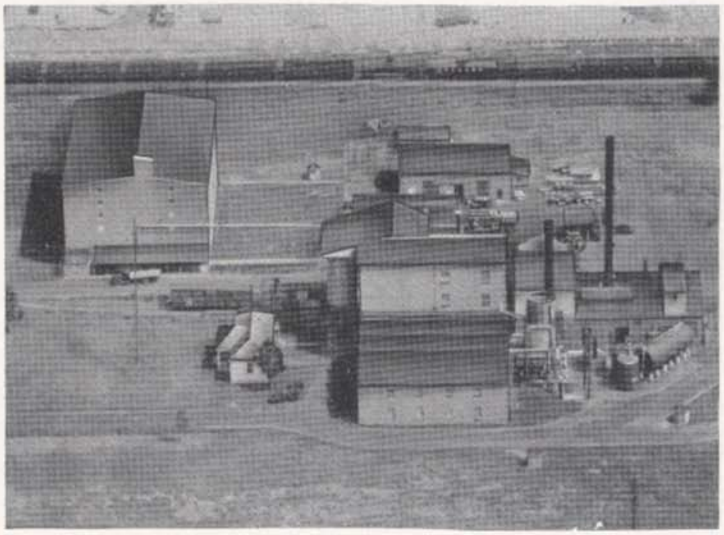
The past twelve months marked the second complete year of production at Blue Grass Cooperage Co. To this plant, carefully selected rough heading and staves are brought from several hundred company-owned virgin white oak timber tracts in five states. Adequate yard storage space provides thorough air drying facilities before heading and staves are moved to a battery of kilns where the curing process is scientifically completed. Since the charring of new whisky barrels is a most vital factor in ageing bourbon, special electronic controls were developed to insure accurate uniform charring. To eliminate leakage, which often occurs around the heads of ordinary barrels, a patented treatment has been perfected.

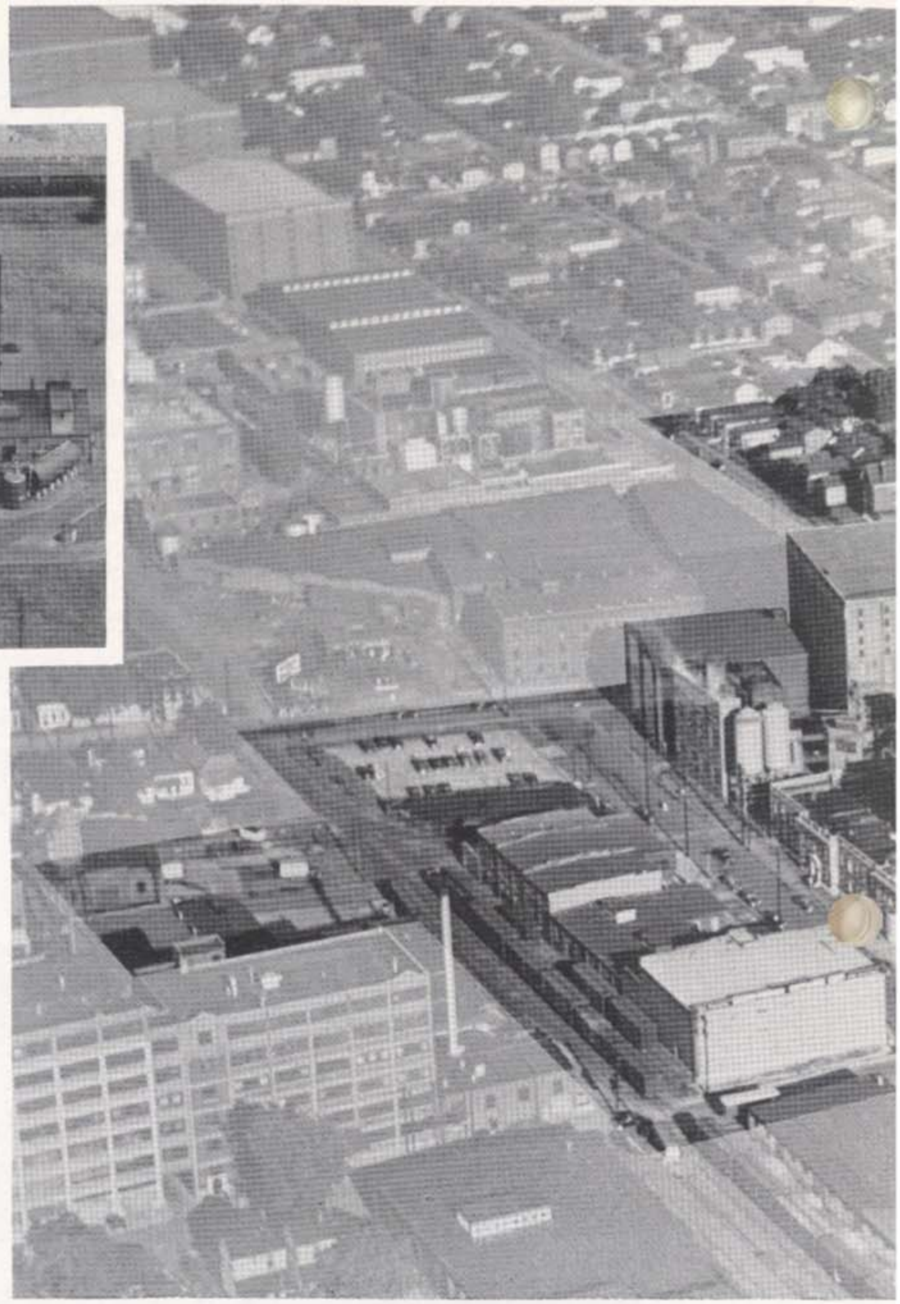
This subsidiary was established primarily to insure an adequate supply of flawless barrels not only for Brown-Forman but also for other independent distillers.

Finished Barrels are Thoroughly Checked

Early Times Distillery Co.

Shively, Kentucky





Home Office a

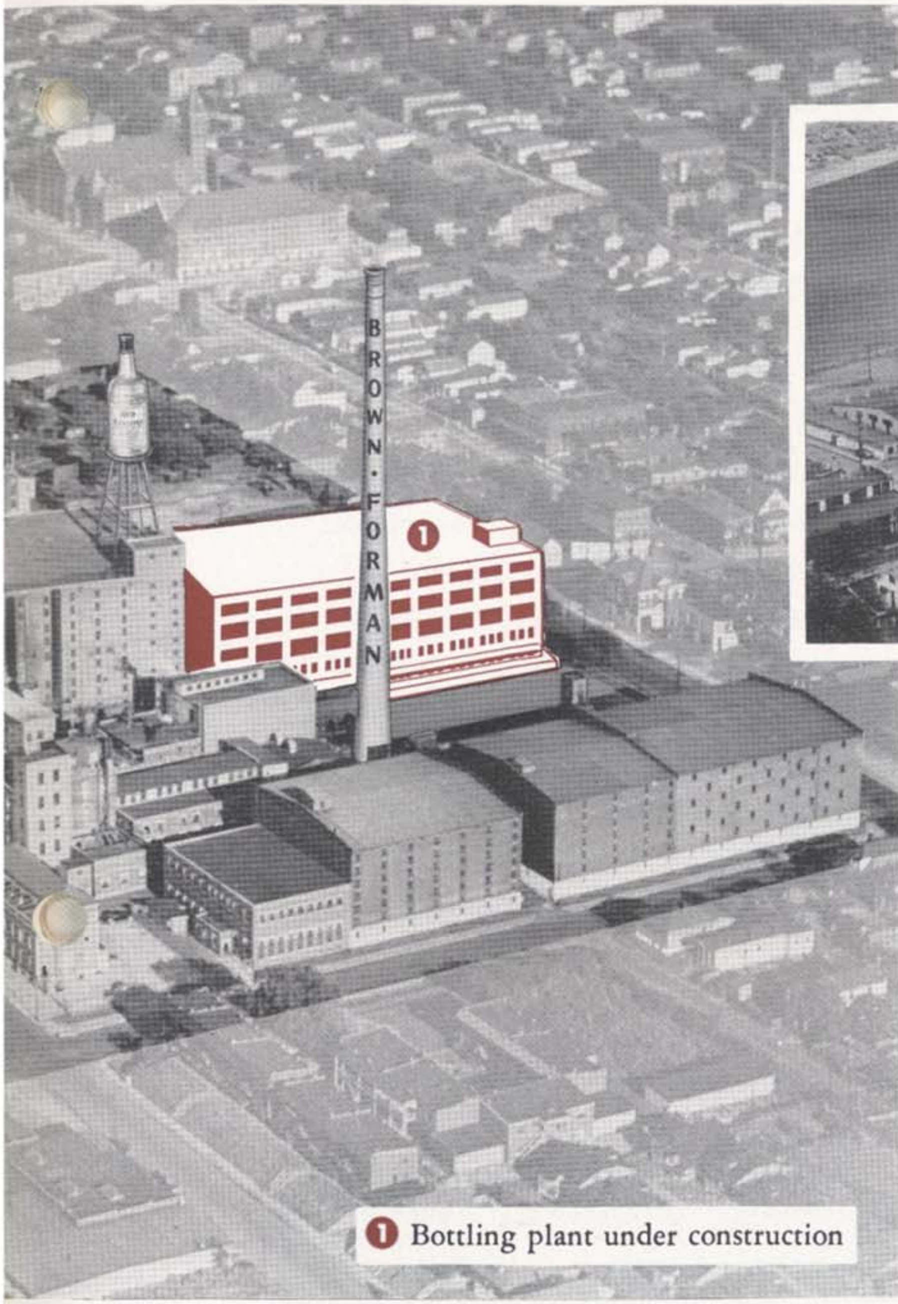
Louisvil

Warehouses

Shively, Kentucky

Brown-Forman owns and operates
warehouses in Louisville, Frankfort,
warehouses are also owned and (
Pennsylvania.

The Company manufactures hi
ville in addition to owning large
five states.

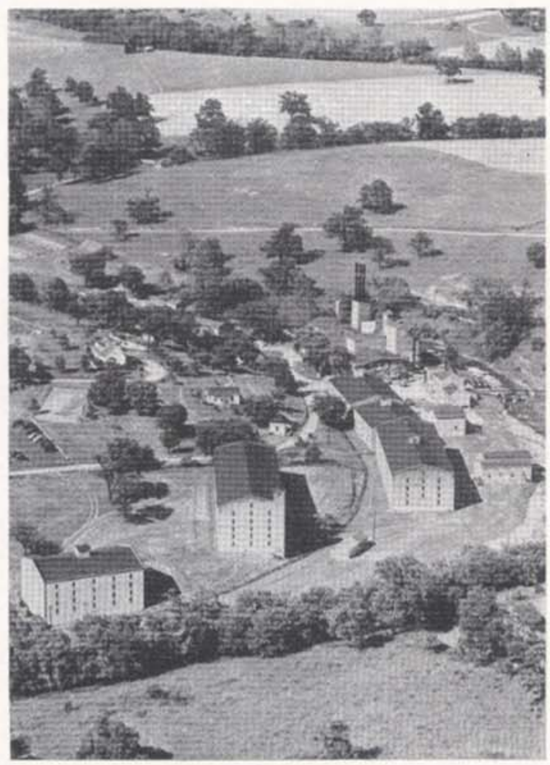


BLUE GRASS COOPERAGE COMPANY

Louisville, Kentucky

…D MAIN DISTILLERY

…Kentucky



LABROT & GRAHAM
KENTUCKY DEW DISTILLING CO.

Frankfort, Kentucky

…distilleries, feed producing units, and …nd Shively, Kentucky. Distilleries and …erated in Manor and Bridgewater,

…ky barrels at its modern plant in Louis- …r tracts and stave and heading mills in

FEED DIVISION

Distillers' light grains have long been universally accepted for cattle feeding, but only in the last decade has research revealed the valuable and nutritive vitamin and protein qualities of distillers' dried solubles. Even now scientists are unable to identify all the "unknown" growth factors, yet feeding tests have conclusively proven them present in solubles.

A perpetual protein shortage in animal feeds exists and has become acute recently through diversion of protein sources to human consumption. As a result, more than 50% of the livestock is fed unbalanced rations.

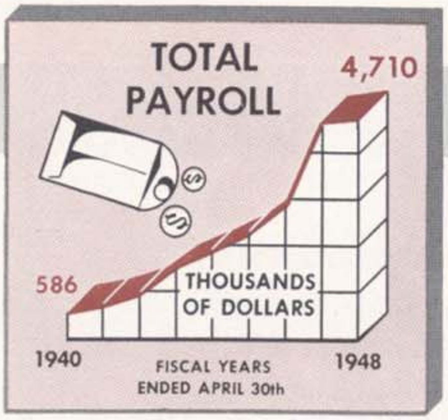
Distillers' feeds are the fifth largest source of high protein supplement. Since only starch and water are removed in distilling, 95% of the effective feeding value of the grain is recovered for animal nutritional purposes, and vitamins, minerals and valuable growth factors are added in the fermentation process. Recognizing the distilling industry's full value to the nation's livestock feeding economy, Brown-Forman has been a leader in research and development of solubles. Not only have solubles been widely marketed through the grain mixers, but the Company has recently packaged and promoted the sale of Super-Solubles direct to pure-bred livestock growers.

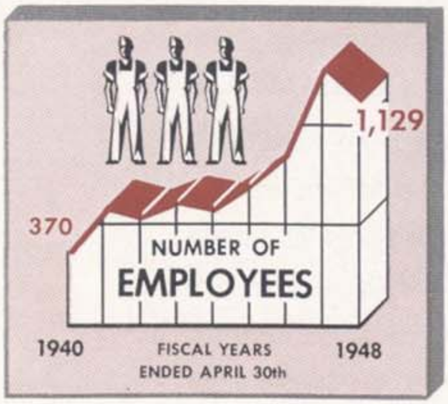
Further recognition of the high vitamin and nutritive values of solubles is evidenced by the demand of leading pharmaceutical laboratories for Brown-Forman Solubles for the manufacture of streptomycin.

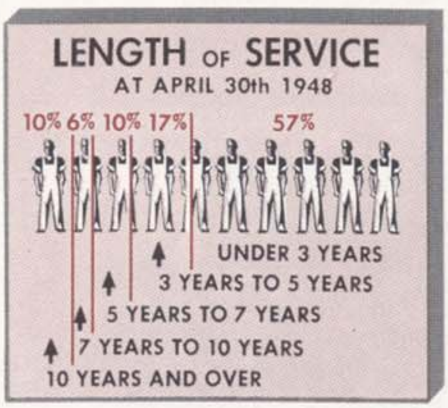
FARM DIVISION

The Company has established the Brown-Forman Experimental Farm on 456 acres of fertile land adjoining the LABROT & GRAHAM-KENTUCKY DEW Distillery at Frankfort, Kentucky. Sni-A-Bar Randolph, National Grand Champion Shorthorn Bull is owned and shown by Brown-Forman and conditioned on B-F solubles. He was the blue ribbon winner at five national livestock shows, holder of five grand championships and twice Reserve Grand Champion at the Chicago International Livestock Exposition. He has been established as herd sire at the farm. It is the plan of the Company to promote better livestock breeding among the leading farm youths of the state by making available at small cost the progeny of this famous bull.

Sni-A-Bar Randolph







EMPLOYEES

The management of the Company has long recognized its responsibility to the employees and workers. Wages and salaries paid are as high or higher than the existing rates in the industry and in the territory in which the Company operates.

In addition, the Company provides free life insurance, accidental death and dismemberment insurance, weekly sickness and accident insurance, medical reimbursement insurance, hospitalization and surgical reimbursement insurance. The Company assumes all charges on these protective benefits. Further, the employees may purchase, at favorable group rates, hospitalization and surgical insurance for their dependents.

The Company provides a retirement and insurance plan which provides insurance protection during the period of employment and retirement benefits at the age of 65. All cost in excess of 3% of the base salary of each employee is paid for out of the Company funds. All eligible employees have joined the employee benefit plans.

Nearly one-half of the employees have worked with the Company for more than three years, and it is gratifying to note that in an industry revived less than fifteen years ago, ten percent have earned recognition for more than ten years of employment.

In addition, the Company has organized recreational activities under the direction of one of Brown-Forman's officers.

For every employee who works for our Company, the stockholders have invested $33,438.07.

COMPARATIVE CONSOLIDATED STATEMENT OF INCOME

For the years ended April 30, 1948 and 1947

	Year Ended April 30, 1948	Year Ended April 30, 1947
Sales, less returns, allowances, and freight out	$43,433,853.69	$52,501,884.22
Cost of sales	28,974,560.48	38,577,953.84
	14,459,293.21	13,923,930.38
Profit on storage, handling, bottling, etc.	35,463.44	44,863.22
	14,494,756.65	13,968,793.60
Selling and advertising expenses	4,218,058.62	3,053,868.06
Administrative and general expenses	1,186,913.42	1,117,460.48
	5,404,972.04	4,171,328.54
OPERATING PROFIT	9,089,784.61	9,797,465.06
Other income:		
Discounts earned	43,226.37	41,896.50
Miscellaneous, net		12,591.51
	43,226.37	54,488.01
	9,133,010.98	9,851,953.07
Other expenses:		
Discounts allowed		74,123.69
Interest on funded debt	325,565.91	221,842.80
Miscellaneous, net	25,109.80	
	350,675.71	295,966.49
	8,782,335.27	9,555,986.58
Taxes on income before special provision:		
Federal	3,291,000.00	3,562,600.00
State	191,000.00	199,500.00
	3,482,000.00	3,762,100.00
NET INCOME before special provision	5,300,335.27	5,793,886.58
Special provision for tax contingencies and related interest (Note 1)	1,200,000.00	
NET INCOME	$4,100,335.27	$ 5,793,886.58

The provisions applicable to the year ended April 30, 1948, for depreciation and depletion amounted to $233,726.40 and $517,471.62, respectively, and for the year ended April 30, 1947, $174,981.60 and $826,431.75, respectively.

The appended notes to financial statements are an integral part of this statement.

BROWN-FORMAN DIST

INCORPORA[illegible]D
and its wholly

Comparative Consolidated Balance

ASSETS

	April 30, 1948	April 30, 1947
Cash on hand and demand deposits	$ 7,851,750.59	$ 7,023,528.29
Accounts receivable, trade; less allowance for doubtful accounts ($42,194.40)	3,410,828.41	3,877,027.07
Inventories:		
Barreled whisky, at average cost, including carrying charges (subject to withdrawal taxes)	14,792,378.05	11,826,978.49
Cased goods, at lower of average cost or market	1,815,464.55	1,567,045.80
In process, at average cost	356,270.07	211,165.91
Raw materials and supplies, at lower of average cost or market	3,136,053.58	3,423,768.50
	20,100,166.25	17,028,958.70
Accrued storage, claims, deposits, etc.	86,643.19	144,937.80
Accounts receivable, officers and employees	60,833.02	61,540.38
Pension trust fund payments recoverable from employees	41,000.00	35,000.00
Livestock, at cost	19,375.53	22,905.34
TOTAL CURRENT ASSETS	31,570,596.99	28,193,897.58
Cash surrender value of life insurance	205,195.70	192,401.70
Standing timber, at cost less depletion	52,081.41	566,153.76
Buildings and equipment, at cost	6,890,749.42	5,604,613.07
Less allowance for depreciation	1,771,799.00	1,568,550.64
	5,118,950.42	4,036,062.43
Land, at cost	307,951.74	309,351.74
TOTAL FIXED ASSETS	5,426,902.16	4,345,414.17
Prepaid insurance and other deferred charges	496,808.52	418,832.94
Brands and trade-marks	1.00	1.00
	$37,751,585.78	$33,716,701.15

The appended notes to financial statements

ILLERS CORPORATION

I DELAWARE
owned subsidiaries

Sheet — April 30, 1948 and 1947

LIABILITIES

	April 30, 1948	April 30, 1947
Mortgage notes payable	$ 99,000.00	$ 33,000.00
Accounts payable, trade and miscellaneous	1,283,900.88	963,976.11
Accrued compensation, commissions, taxes, interest, etc.	368,903.75	630,765.52
Provision for Federal and State taxes on income, current year	3,482,000.00	3,765,173.49
Provision for tax contingencies and related interest (Note 1)	3,810,603.29	2,610,603.29
Customers' deposits on unfilled orders and on materials purchased for their account		143,399.75
TOTAL CURRENT LIABILITIES	9,044,407.92	8,146,918.16
Notes payable under Bank Credit Agreement:		
2¼% notes due April 30, 1952	4,500,000.00	4,500,000.00
2¾% notes due April 30, 1956, with required payments of 25% of any annual net earnings after taxes earned subsequent to April 30, 1952	8,000,000.00	8,000,000.00
	12,500,000.00	12,500,000.00
Mortgage notes payable		99,000.00

CAPITAL

	April 30, 1948	April 30, 1947
Preferred $4 cumulative stock, no par value, redeemable and liquidating value $100 per share plus accrued and unpaid dividends, authorized 14,750 shares, outstanding 9,844 1/5 shares at stated value of $100 per share	984,420.00	984,420.00
Common stock, $1 par value, authorized 600,000 shares, issued 588,974 shares	588,974.00	588,974.00
Capital surplus	140,359.66	140,359.66
Consolidated earnings retained in the business (Notes 1 and 2)	14,493,424.20	11,257,029.33
	16,207,177.86	12,970,782.99
	$37,751,585.78	$33,716,701.15

are an integral part of this statement.

COMPARATIVE CONSOLIDATED STATEMENT OF CAPITAL SURPLUS AND EARNINGS RETAINED IN THE BUSINESS

For the Years Ended April 30, 1948 and 1947

CAPITAL SURPLUS

	Year Ended April 30, 1948	Year Ended April 30, 1947
Balance, beginning of period	$ 140,359.66	$ 447,784.11
Excess of par value over cost of 68 shares of $5 prior preferred stock purchased and retired		163.70
		447,947.81
Excess of investment in wholly owned subsidiary (acquired and liquidated during the year) over net assets thereof		13,101.15
Par value of 294,487 shares of common stock issued in connection with two-for-one split of this class of stock		294,487.00
		307,588.15
Balance, end of period	$ 140,359.66	$ 140,359.66

EARNINGS RETAINED IN THE BUSINESS

	Year Ended April 30, 1948	Year Ended April 30, 1947
Balance, beginning of period	$11,257,029.33	$ 5,934,498.65
Net income for the year	4,100,335.27	5,793,886.58
	15,357,364.60	11,728,385.23
Cash dividends:		
Prior preferred $5 cumulative stock, $3.75 per share		29,541.50
Preferred $4 cumulative stock, per share, 1948—$4.00; 1947—$3.00	39,376.80	29,532.60
Common stock, per share, 1948—$1.40; 1947—$0.80	824,563.60	412,281.80
	863,940.40	471,355.90
Balance, end of period (Notes 1 and 2)	$14,493,424.20	$11,257,029.33

Notes to Financial Statements

1. The parent company has received a report from the Bureau of Internal Revenue proposing additional income and excess profits tax assessments for the fiscal years 1942 to 1945, inclusive, and denying relief under Section 722 for those same years. The Company has provided the estimated maximum liability for additional taxes payable and related interest based upon the Bureau's contentions, including tax payments (33%) previously withheld as permitted by relief sections of the Internal Revenue Code, together with estimated amounts payable for subsequent years to April 30, 1948 if the Bureau's contentions are finally determined as being applicable to the subsequent years.

Of the total amount of $3,810,603.29 provided for these tax contingencies and related interest, the amount of $1,200,000 (substantially all of which is applicable to prior years) has been provided during the current year. The disallowances made by the Bureau are being contested by the Company but, because of the uncertainties of the interpretation of the provisions of the Internal Revenue Code, tax counsel for the Company is unable to predict the ultimate amount of tax liability, if any, or the resultant portion of the provision which may ultimately be returned to consolidated earnings retained in the business.

2. The Bank Credit Agreement provides, among other things, "that the Company will not pay any dividends (other than dividends payable in its own capital stock) upon its stock of any class or retire any of its stock of any class except it may pay dividends and retire preferred stock out of not to exceed 50% of its net earnings, on a cumulative basis, earned subsequent to April 30, 1946, provided, however, it will not retire any of its preferred stock of any class if as a result thereof the consolidated tangible net worth of Brown-Forman and its subsidiaries is reduced below the sum of $9,500,000." Consolidated earnings retained in the business that are free of the foregoing restriction aggregate $3,121,478.32, and $1,935,251.09 at April 30, 1948 and 1947 respectively.

LYBRAND, ROSS BROS. & MONTGOMERY

CERTIFIED PUBLIC ACCOUNTANTS

HEYBURN BUILDING
LOUISVILLE 2

NEW YORK
PHILADELPHIA
CHICAGO
BOSTON
BALTIMORE
WASHINGTON
PITTSBURGH
DETROIT
CLEVELAND
CINCINNATI
ROCKFORD
LOUISVILLE

ST. LOUIS
ATLANTA
DALLAS
HOUSTON
SAN FRANCISCO
LOS ANGELES
SEATTLE

LONDON

PAUL F. HALLORAN
RESIDENT PARTNER

Brown-Forman Distillers Corporation,
Louisville, Kentucky.

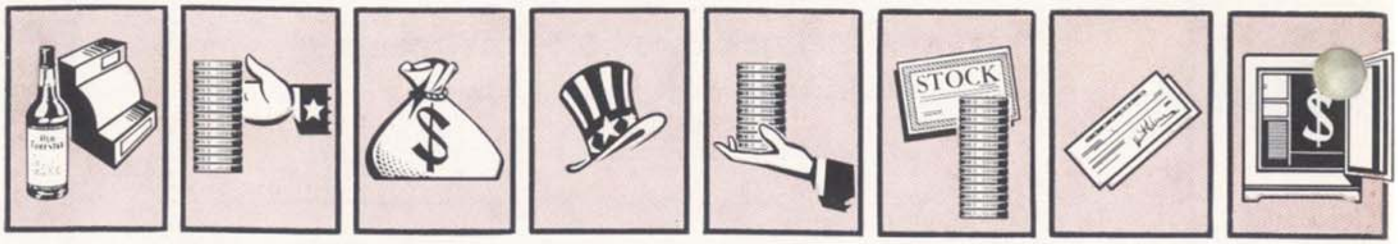
We have examined the consolidated balance sheet of Brown-Forman Distillers Corporation and its wholly owned subsidiaries as of April 30, 1948, and the consolidated statements of income and earnings retained in the business for the year then ended, have reviewed the systems of internal control and the accounting procedures of the companies and, without making a detailed audit of the transactions, have examined or tested accounting records of the companies and other supporting evidence, by methods and to the extent we deemed appropriate. Our examination was made in accordance with generally accepted auditing standards and included all procedures which we considered necessary in the circumstances.

In our opinion, the said financial statements present fairly the consolidated position of the Brown-Forman Distillers Corporation and its wholly owned subsidiaries at April 30, 1948, and the results of their operations for the year then ended, in conformity with generally accepted accounting principles applied on a basis consistent with that of the preceding year.

Lybrand, Ross Bros. & Montgomery

Louisville, Kentucky,
June 10, 1948.

STATISTICAL



FISCAL YEARS ENDED APRIL 30th	NET SALES*	FEDERAL EXCISE TAXES	NET INCOME BEFORE INCOME TAXES	INCOME TAXES	NET INCOME AFTER TAXES	EARNINGS PER SHARE OF COMMON STOCK**	DIVIDENDS PAID	INCOME RE-INVEST-ED IN THE BUSINESS
1948	$43,433,854	$21,001,493	$8,782,335	$4,682,000†	$4,100,335	$6.89	$863,940	$3,236,395
1947	52,501,884	27,661,993	9,555,986	3,762,100	5,793,886	9.74	471,356	5,322,530
1946	38,781,966	23,601,074	5,742,472	3,598,000	2,144,472	3.51	313,279	1,831,193
1945	33,558,808	18,769,648	5,131,132	3,771,100	1,360,032	2.18	99,908	1,260,124
1944	22,605,964	9,661,056	4,012,220	2,938,411	1,073,809	1.67	74,231	999,578
1943	19,531,540	8,559,874	2,101,954	1,556,500	545,454	.80	30,000	515,454
1942	11,202,098	6,085,510	667,924	317,000	350,924	.47	30,000	320,923
1941	8,095,550	4,218,426	321,391	89,627	231,764	.25	22,500	209,264
1940	6,169,821	2,781,077	231,575	46,034	185,542	.17	NONE	185,322

*EXCISE TAXES INCLUDED IN NET SALES.
CHANGES IN TAX RATES PER PROOF GALLON:
JULY 1, 1940—$3.00,
OCT. 1, 1941—$4.00,
NOV. 1, 1942—$6.00,
APR. 1, 1944—$9.00 (PRESENT RATE)

SUMMARY

TOTAL ASSETS	TOTAL LIABILITIES	CURRENT ASSETS	CURRENT LIABILITIES	WORKING CAPITAL	NET WORTH	NUMBER OF EMPLOYEES	INVESTMENT PER EMPLOYEE	TOTAL PAYROLL
$37,751,586	$21,544,408	$31,570,597	$9,044,408	$22,526,189	$16,207,178	1,129	$33,438	$4,709,903
33,716,701	20,745,918	28,193,897	8,146,918	20,046,979	12,970,783	1,293	26,076	4,639,955
17,364,402	9,212,712	13,574,889	7,080,712	6,494,177	8,151,690	866	20,051	2,867,489
1[illegible],238,540	8,811,501	12,283,423	6,566,501	5,716,922	6,427,039	697	21,863	2,257,371
13,015,238	7,675,566	10,796,924	4,510,566	6,286,358	5,339,673	572	22,754	1,875,716
10,718,899	6,378,805	8,712,852	2,650,749	6,062,103	4,340,094	609	17,601	1,513,221
9,135,191	5,310,550	7,319,554	4,829,353	2,490,201	3,824,641	535	17,075	957,222
7,349,057	3,845,340	5,688,560	3,218,557	2,470,003	3,503,717	586	12,541	719,801
6,055,108	2,721,116	4,583,977	2,721,116	1,862,861	3,333,992	370	16,365	585,783

**COMMON STOCK SPLIT 2 FOR 1 ON AUG. 2, 1946.
EARNINGS FOR ALL YEARS SHOWN ON EQUIVALENT BASIS WITH CURRENT YEAR.

† INCLUDES SPECIAL RESERVE OF $1,200,000

BROWN-FORMAN DISTILLERS CORPORATION
AND ITS WHOLLY OWNED SUBSIDIARIES

Directors

OWSLEY BROWN	ARCHIE P. COCHRAN President, Cochran Foil Company, Louisville, Ky.
W. L. LYONS BROWN	SAUNDERS P. JONES Vice President, Mid-West Abrasive Company, Owasso, Mich.
GEO. GARVIN BROWN	JUDGE JOHN MARSHALL, JR. Attorney, Peter, Heyburn & Marshall, Louisville, Ky.
D. L. STREET	ROGERS C. B. MORTON President, Ballard & Ballard Co., Inc., Louisville, Ky.
ROBINSON S. BROWN, SR.	
JOHN B. LAPPIN	

Executive Committee

W. L. LYONS BROWN . . . . *Chairman*

GEO. GARVIN BROWN	JOHN R. SANDERLIN
J. GORDON BAQUIE	DR. FRANK M. SHIPMAN
WILLIAM F. LUCAS	D. L. STREET
RODMAN W. MOORHEAD, JR.	GEORGE R. WRIGHT

Ex Officio

OWSLEY BROWN · ROBINSON S. BROWN, SR. · JOHN B. LAPPIN

Officers

OWSLEY BROWN	*Chairman of the Board*
W. L. LYONS BROWN	*President*
GEO. GARVIN BROWN	*Executive Vice President*
ROBINSON S. BROWN, SR.	*Secretary*
J. GORDON BAQUIE	*Vice President*
JOHN B. COPENHEFER	*Assistant Secretary*
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RODMAN W. MOORHEAD, JR.	*Vice President*
JOHN R. SANDERLIN	*Treasurer*
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GEORGE R. WRIGHT	*Vice President*

Registrar and Transfer Agent

KENTUCKY TRUST COMPANY, LOUISVILLE, KENTUCKY

General Counsel

Ogden, Tarrant, Galphin & Street, Louisville, Ky.


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