

Edgar Filing: BROWN FORMAN CORP - Form 8-K/A

BROWN FORMAN CORP  
Form 8-K/A  
September 08, 2005

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

Form 8-K/A

Current Report

Pursuant to Section 13 or 15(d) of The Securities Exchange Act of 1934

Date of Report (Date of  
earliest event reported): September 8, 2005 (September 1, 2005)

Brown-Forman Corporation  
(Exact name of registrant as specified in its charter)

Delaware (State or other jurisdiction of incorporation)	002-26821 (Commission File Number)	61-0143150 (I.R.S. 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

INFORMATION TO BE INCLUDED IN THE REPORT

Brown-Forman Corporation (the "Company or Brown-Forman") hereby amends its Current Report on Form 8-K filed with the Commission on September 2, 2005 to provide the required pro forma financial statements of the Company relating to the disposition by the Company of substantially all of Lenox, Incorporated ("Lenox") to Department 56, Inc. ("Department 56").

Item 2.01 Completion of Acquisition or Disposition of Assets.

A previously reported, on September 1, 2005, Brown-Forman completed the sale of substantially all of Lenox to Department 56 for \$196 million in cash (subject to a post-closing working capital adjustment) pursuant to the Stock Purchase Agreement entered into by the Company and Department 56 on July 21, 2005. Please refer to the Company's Current Report on Form 8-K filed with the Commission on September 2, 2005 for additional information.

Item 9.01. Financial Statements and Exhibits

(a) Not applicable.

(b) Pro Forma Financial Information (Unaudited)

Introduction to Pro Forma Financial Statements (Unaudited)	F-1
Pro Forma Balance Sheet as of July 31, 2005 (Unaudited)	F-2
Pro Forma Statement of Operations (Unaudited)	
Three months ended July 31, 2005	F-3
Year Ended April 30, 2005	F-4
Year Ended April 30, 2004	F-5

# Edgar Filing: BROWN FORMAN CORP - Form 8-K/A

Year Ended April 30, 2003

F-6

## SIGNATURES

Pursuant to the requirements of the Securities Exchange Act of 1934, the registrant has duly caused this report to be signed on its behalf by the undersigned hereunto duly authorized.

Brown-Forman Corporation  
(Registrant)

Date: September 8, 2005

By: /s/ Nelea A. Absher  
Nelea A. Absher  
Vice President and  
Assistant Corporate Secretary

## Brown-Forman Corporation Introduction to Pro Forma Financial Statements (Unaudited)

The following presents the Company's unaudited pro forma financial information as of July 31, 2005, for the three months ended July 31, 2005, and for each of the three years in the period ended April 30, 2005. The unaudited pro forma condensed consolidated statements of operations give effect to the Company's sale of Lenox as if it had occurred on May 1, 2002. The unaudited pro forma balance sheet has been prepared as if the sale had occurred on July 31, 2005.

The unaudited pro forma condensed consolidated financial statements should be read in conjunction with the Company's historical consolidated financial statements and accompanying notes. The unaudited pro forma condensed consolidated financial statements may not necessarily reflect the financial position or results of operations that would have been obtained if the transaction had been consummated on the dates indicated in the unaudited pro forma condensed consolidated financial statements. In addition, the unaudited pro forma condensed consolidated financial statements do not purport to be indicative of the Company's future operating results.

F-1

## Brown-Forman Corporation Pro Forma Balance Sheet (Unaudited) July 31, 2005

(Dollars in millions)	Historical -----	Divested Operations (a) -----	Sa Proc -----
Assets:			
Cash and cash equivalents	\$ 265.3		\$1
Accounts receivable, net	321.0		
Inventories	488.0		
Current portion of deferred income taxes	69.9		
Current assets held for sale	176.6	\$ (164.9)	
Other current assets	19.5		

Edgar Filing: BROWN FORMAN CORP - Form 8-K/A

Total current assets	1,340.3	(164.9)	1
Property, plant, and equipment, net	414.2		
Prepaid pension cost	128.5		
Trademarks and brand names	331.5		
Goodwill	188.5		
Noncurrent assets held for sale	154.9	(147.7)	
Other assets	38.8		
Total assets	\$2,596.7	\$ (312.6)	\$1
Liabilities:			
Accounts payable and accrued expenses	\$ 227.1		
Accrued income taxes	75.1		
Dividends payable	29.9		
Current portion of long-term debt	249.3		
Current liabilities held for sale	63.8	\$ (62.2)	
Total current liabilities	645.2	(62.2)	
Long-term debt	351.6		
Deferred income taxes	155.2		
Accrued postretirement benefits	79.4		
Noncurrent liabilities held for sale	84.7	(84.7)	
Other liabilities	18.4		
Total liabilities	1,334.5	(146.9)	
Stockholders' equity:			
Accumulated other comprehensive loss	(20.7)	27.5	
Other stockholders' equity	1,282.9	(193.2)	\$1
Total stockholders' equity	1,262.2	(165.7)	1
Total liabilities and stockholders' equity	\$2,596.7	\$ (312.6)	\$1

Brown-Forman Corporation  
Pro Forma Statement of Operations  
For the Three Months Ended July 31, 2005  
(Unaudited)

(Dollars in millions, except per share amounts)	Historical	Divested Operations (c)	Pro
Net sales	\$ 547.5		\$ 5
Excise taxes	97.7		
Cost of sales	146.8		1
Gross profit	303.0		3
Advertising expenses	72.3		

Edgar Filing: BROWN FORMAN CORP - Form 8-K/A

Selling, general, and administrative expenses	110.3		1
Other expense (income), net	(13.7)		(
	-----	-----	---
Operating income	134.1		1
Interest income	1.9		
Interest expense	4.5		
	-----	-----	---
Income from continuing operations before income taxes	131.5		1
Income taxes	43.6		
	-----	-----	---
Income from continuing operations	87.9		
Loss from discontinued operations, net of income taxes	(75.1)	\$ (74.8)	
	-----	-----	---
Net income	\$ 12.8	\$ (74.8)	\$
	=====	=====	===
Basic earnings (loss) per share:			
Continuing operations	\$ 0.72		\$
Discontinued operations	(0.62)	\$ (0.62)	
	-----	-----	---
Total	\$ 0.10	\$ (0.62)	\$
	=====	=====	===
Diluted earnings (loss) per share:			
Continuing operations	\$ 0.71		\$
Discontinued operations	(0.61)	\$ (0.61)	
	-----	-----	---
Total	\$ 0.10	\$ (0.61)	\$
	=====	=====	===
Shares (in thousands) used in the calculation of earnings (loss) per share:			
Basic	121,945		121
Diluted	123,161		123

F-3

Brown-Forman Corporation  
Pro Forma Statement of Operations  
For the Year Ended April 30, 2005  
(Unaudited)

(Dollars in millions, except per share amounts)	Historical	Divested Operations (c)	Pro
	-----	-----	---
Net sales	\$2,728.8	\$ 465.1	\$2,2
Excise taxes	416.6		4
Cost of sales	912.3	260.9	6
	-----	-----	---
Gross profit	1,399.9	204.2	1,1

Edgar Filing: BROWN FORMAN CORP - Form 8-K/A

Advertising expenses	370.9	60.6	3
Selling, general, and administrative expenses	573.6	135.8	4
Goodwill impairment	37.0	37.0	
Other expense (income), net	0.4	2.2	
	-----	-----	---
Operating income	418.0	(31.4)	4
Gain on sale of investment in affiliate	72.2		
Interest income	6.8		
Interest expense	20.6		
	-----	-----	---
Income before income taxes	476.4	(31.4)	5
Income taxes	168.1	2.2	1
	-----	-----	---
Net income	\$ 308.3	\$ (33.6)	\$ 3
	=====	=====	===
Earnings per share:			
Basic	\$ 2.53	\$ (0.28)	\$
Diluted	2.52	(0.27)	
Shares (in thousands) used in the calculation of earnings per share:			
Basic	121,746		121
Diluted	122,507		122

F-4

Brown-Forman Corporation  
Pro Forma Statement of Operations  
For the Year Ended April 30, 2004  
(Unaudited)

(Dollars in millions, except per share amounts)	Historical	Divested Operations (c)	Pro
	-----	-----	---
Net sales	\$2,576.8	\$ 522.0	\$2,0
Excise taxes	363.7		3
Cost of sales	914.9	283.7	6
	-----	-----	---
Gross profit	1,298.2	238.3	1,0
Advertising expenses	353.8	73.9	2
Selling, general, and administrative expenses	533.0	142.6	3
Other expense (income), net	10.8	6.6	
	-----	-----	---
Operating income	400.6	15.2	3
Interest income	1.8		
Interest expense	21.1	(0.5)	
	-----	-----	---
Income before income taxes	381.3	15.7	3
Income taxes	127.4	6.1	1

Edgar Filing: BROWN FORMAN CORP - Form 8-K/A

Net income	----- \$ 253.9 =====	----- \$ 9.6 =====	----- \$ 2 =====
Earnings per share:			
Basic	\$ 2.09	\$ 0.08	\$
Diluted	2.08	0.08	
Shares (in thousands) used in the calculation of earnings per share:			
Basic	121,359		121
Diluted	121,986		121

F-5

Brown-Forman Corporation  
Pro Forma Statement of Operations  
For the Year Ended April 30, 2003  
(Unaudited)

(Dollars in millions, except per share amounts)	Historical -----	Divested Operations (c) -----	Pro -----
Net sales	\$2,376.3	\$ 525.7	\$1,8
Excise taxes	317.5		3
Cost of sales	878.5	275.9	6
Gross profit	----- 1,180.3	----- 249.8	----- 9
Advertising expenses	321.3	77.9	2
Selling, general, and administrative expenses	491.3	138.2	3
Other expense (income), net	(4.5)	2.7	
Operating income	----- 372.2	----- 31.0	----- 3
Interest income	2.3	0.3	
Interest expense	7.9	0.1	
Income before income taxes	----- 366.6	----- 31.2	----- 3
Income taxes	125.1	12.2	1
Net income	----- \$ 241.5 =====	----- \$ 19.0 =====	----- \$ 2 =====
Earnings per share:			
Basic	\$ 1.79	\$ 0.14	\$
Diluted	1.79	0.14	
Shares (in thousands) used in the calculation of earnings per share:			
Basic	134,748		134
Diluted	135,126		135

