



BROWN-FORMAN

PAUL C. VARGA  
PRESIDENT & CHIEF EXECUTIVE OFFICER

Dear Brown-Forman Shareholder:

I am pleased to announce that on March 22, 2007, your Board of Directors approved a cash distribution to be distributed pro rata to the holders of our common stock. This cash distribution is equal to the cash received (net of fees) for the sale of Brown-Forman's Consumer Durables segment.

On April 5, 2007, it was determined that the distribution would be \$1.6533 per share.

As a shareholder of record on April 5, 2007, you are receiving a portion of this cash distribution. If you normally receive a check for your quarterly dividend payments, participate in the Employee Stock Purchase Plan, or are enrolled in the Dividend Reinvestment Service, your check for the distribution is enclosed. However, if you normally receive your quarterly dividend payments as a direct deposit to your bank, then your distribution will be handled as a direct deposit.

The sale of our Consumer Durables segment allows Brown-Forman to focus on brand building in our thriving wine and spirits business, and to return capital to shareholders with favorable tax treatment.

Questions regarding the enclosed check may be directed to the company's Stockholder Services Department at (502) 774-7690.

Sincerely,

**See Reverse Side for Supplemental Tax Information**

SUPPLEMENTAL TAX INFORMATION  
Related to the \$1.6533 Per Share Distribution in  
Partial Liquidation Paid on May 10, 2007

The Internal Revenue Service has issued a private letter ruling to the Company which states that the special distribution will be treated as a distribution in partial liquidation pursuant to Sections 302(b)(4) and 302(e)(1) of the Internal Revenue Code.

For shareholders that are not corporations, this means that the special distribution will generally be treated as payment in exchange for stock in the Company that is constructively redeemed. The Private Letter Ruling states that the number of shares that are constructively redeemed will be determined in accordance with the principles set forth in Rev. Rul. 77-245, 1877-2 C.B. 105. Under this Revenue Ruling, the number of shares constructively redeemed will generally equal the number of shares held by a shareholder, multiplied by a fraction. The numerator of the fraction will equal \$1.6533 per share (the amount of the special distribution) and the denominator of the fraction will equal the fair market value of a share of stock immediately prior to the date the stock is traded ex-distribution. The Revenue Ruling uses the average of the stock's highest and lowest price on the day immediately prior to the date the stock is traded ex-distribution as the fair market value of the stock (On April 5, 2007, the average price as calculated using this formula for class B shares was \$66.01, and for class A shares was \$68.97). For example, for a shareholder owning 100 class B shares, the number of shares constructively redeemed will be 2.5 shares ( $100 \times \$1.6533 / \$66.01$ ).

Noncorporate shareholders will generally recognize capital gain or loss on this constructive exchange to the extent of the difference between the amount of the special distribution and their adjusted basis of the shares constructively surrendered. This capital gain or loss will generally be long-term if the holding period for the shares constructively redeemed is longer than one year. Noncorporate shareholders should consult their tax advisors to determine the cost basis of their shares constructively redeemed. Noncorporate shareholder's basis in all of their shares will be reduced by the basis attributable to the shares constructively redeemed.

Corporate shareholders generally will not be eligible for capital gains treatment with respect to the special distribution. Corporate shareholders should consult their tax advisors with respect to adjustments in their basis as a result of receiving the special distribution as well as the availability of a dividends-received deduction.

This summary is not a complete discussion of all the federal income tax aspects that may be important to you and you should not construe it as tax advice. We have not included any discussion of state, local, or foreign income, or other tax laws. You should consult with your own tax advisor with respect to the tax consequences of the special distribution.

Internal Revenue Service regulations (Circular 230) require that certain types of written advice include a disclaimer. To the extent this letter contains advice relating to or concerning any federal tax issue, such advice is not intended or written to be used, and cannot be used, by the recipient or any other taxpayer for the purpose of avoiding federal tax penalties. Further, this description is not written, and cannot be used, to support the promotion or marketing of the transaction(s) or matter(s) discussed herein.