FORM 10-Q
SECURITIES AND EXCHANGE COMMISSION
WASHINGTON, D.C. 20549

(Mark One)

[X] QUARTERLY REPORT PURSUANT TO SECTION 13 OR 15(d) OF THE SECURITIES EXCHANGE ACT OF 1934
For the quarterly period ended August 31, 2001

OR

[ ] TRANSITION REPORT PURSUANT TO SECTION 13 OR 15(d) OF THE SECURITIES EXCHANGE ACT OF 1934
For the transition period from to

COMMISSION FILE NUMBER 001-08495

CONSTELLATION BRANDS, INC.
(Exact name of registrant specified in its charter)

Delaware	16-0716709
(State or other jurisdiction of incorporation or organization)	(I.R.S. Employer Identification No.)

300 WILLOWBROOK OFFICE PARK, FAIRPORT, NEW YORK 14450
(Address of principal executive offices) (Zip Code)

(716) 218-2169
(Registrant's telephone number, including area code)

(Former name, former address and former fiscal year, if changed since last report)

Indicate by check mark whether the Registrant (1) has filed all reports required to be filed by Section 13 or 15(d) of the Securities Exchange Act of 1934 during the preceding 12 months (or for such shorter period that the Registrant was required to file such reports), and (2) has been subject to such filing requirements for the past 90 days. Yes X No

The number of shares outstanding with respect to each of the classes of common stock of Constellation Brands, Inc., as of October 8, 2001, is set forth below:

CLASS	NUMBER OF SHARES OUTSTANDING
Class A Common Stock, Par Value $.01 Per Share	37,291,021
Class B Common Stock, Par Value $.01 Per Share	6,074,445

PART I - FINANCIAL INFORMATION

Item 1. Financial Statements

CONSTELLATION BRANDS, INC. AND SUBSIDIARIES
CONSOLIDATED BALANCE SHEETS
(in thousands, except share and per share data)

	August 31, 2001 (unaudited)	February 28, 2001
ASSETS		
CURRENT ASSETS:		
Cash and cash investments	$ 6,768	$ 145,672

Accounts receivable, net	406,929	314,262
Inventories, net	769,117	670,018
Prepaid expenses and other current assets	70,987	61,037
Total current assets	1,253,801	1,190,989
PROPERTY, PLANT AND EQUIPMENT, net	560,452	548,614
OTHER ASSETS	1,092,458	772,566
Total assets	$ 2,906,711	$ 2,512,169
LIABILITIES AND STOCKHOLDERS' EQUITY		
CURRENT LIABILITIES:		
Notes payable	$ 88,991	$ 4,184
Current maturities of long-term debt	75,854	54,176
Accounts payable	149,481	114,793
Accrued excise taxes	45,496	55,954
Other accrued expenses and liabilities	256,953	198,053
Total current liabilities	616,775	427,160
LONG-TERM DEBT, less current maturities	1,284,120	1,307,437
DEFERRED INCOME TAXES	132,521	131,974
OTHER LIABILITIES	33,238	29,330
COMMITMENTS AND CONTINGENCIES		
STOCKHOLDERS' EQUITY:		
Preferred Stock, $.01 par value- Authorized, 1,000,000 shares; Issued, none at August 31, 2001, and February 28, 2001	-	-
Class A Common Stock, $.01 par value- Authorized, 120,000,000 shares; Issued, 38,703,208 shares at August 31, 2001, and 37,438,968 shares at February 28, 2001	387	374
Class B Convertible Common Stock, $.01 par value- Authorized, 20,000,000 shares; Issued, 7,325,895 shares at August 31, 2001, and 7,402,594 shares at February 28, 2001	73	74
Additional paid-in capital	394,464	267,655
Retained earnings	515,575	455,798
Accumulated other comprehensive loss	(28,853)	(26,004)
	881,646	697,897
Less-Treasury stock- Class A Common Stock, 1,801,717 shares at August 31, 2001, and 6,200,600 shares at February 28, 2001, at cost	(39,282)	(79,271)
Class B Convertible Common Stock, 1,251,450 shares at August 31, 2001, and February 28, 2001, at cost	(2,207)	(2,207)
	(41,489)	(81,478)
Less-Unearned compensation-restricted stock awards	(100)	(151)
Total stockholders' equity	840,057	616,268
Total liabilities and stockholders' equity	$ 2,906,711	$ 2,512,169

The accompanying notes to consolidated financial statements are an integral part of these balance sheets.

<TABLE>

CONSTELLATION BRANDS, INC. AND SUBSIDIARIES
CONSOLIDATED STATEMENTS OF INCOME
(in thousands, except per share data)

<CAPTION>

	For the Six Months Ended August 31,		For the Three Months Ended August 31,	
	2001	2000	2001	2000

	(unaudited)	(unaudited)	(unaudited)	(unaudited)
<S>	<C>	<C>	<C>	<C>
GROSS SALES	$ 1,787,002	$ 1,603,190	$ 951,228	$ 828,668
Less - Excise taxes	(403,362)	(380,120)	(209,698)	(191,178)
Net sales	1,383,640	1,223,070	741,530	637,490
COST OF PRODUCT SOLD	(944,014)	(838,558)	(503,854)	(436,851)
Gross profit	439,626	384,512	237,676	200,639
SELLING, GENERAL AND ADMINISTRATIVE EXPENSES	(280,702)	(256,344)	(148,675)	(129,935)
Operating income	158,924	128,168	89,001	70,704
INTEREST EXPENSE, net	(59,159)	(54,814)	(28,974)	(27,187)
EQUITY IN LOSS OF JOINT VENTURE	(137)	-	(137)	-
Income before income taxes	99,628	73,354	59,890	43,517
PROVISION FOR INCOME TAXES	(39,851)	(29,342)	(23,956)	(17,407)
NET INCOME	$ 59,777	$ 44,012	$ 35,934	$ 26,110
SHARE DATA:				
Earnings per common share:				
Basic	$ 1.43	$ 1.20	$ 0.85	$ 0.71
Diluted	$ 1.39	$ 1.18	$ 0.82	$ 0.70
Weighted average common shares outstanding:				
Basic	41,834	36,530	42,414	36,600
Diluted	43,126	37,243	43,932	37,328

<FN>
The accompanying notes to consolidated financial statements are an integral part of these statements.
</FN>
</TABLE>

<TABLE>

CONSTELLATION BRANDS, INC. AND SUBSIDIARIES
CONSOLIDATED STATEMENTS OF CASH FLOWS
(in thousands)

<CAPTION>

	For the Six Months Ended August 31,	
	2001	2000
	(unaudited)	(unaudited)
<S>	<C>	<C>
CASH FLOWS FROM OPERATING ACTIVITIES:		
Net income	$ 59,777	$ 44,012
Adjustments to reconcile net income to net cash provided by operating activities:		
Depreciation of property, plant and equipment	27,290	23,240
Amortization of intangible assets	15,971	12,825
Loss on sale of assets	1,680	1,513

Amortization of discount on long-term debt	275	241
Equity in loss of joint venture	137	-
Stock-based compensation expense	51	-
Change in operating assets and liabilities, net of effects from purchases of businesses:		
Accounts receivable, net	(64,236)	(77,926)
Inventories, net	27,533	4,575
Prepaid expenses and other current assets	(8,711)	(10,177)
Accounts payable	13,467	20,655
Accrued excise taxes	(10,561)	14,286
Other accrued expenses and liabilities	47,942	48,542
Other assets and liabilities, net	(4,633)	(3,813)
Total adjustments	46,205	33,961
Net cash provided by operating activities	105,982	77,973
CASH FLOWS FROM INVESTING ACTIVITIES:		
Purchases of businesses, net of cash acquired	(471,971)	-
Purchases of property, plant and equipment	(28,795)	(25,249)
Investment in joint venture	(5,500)	-
Proceeds from sale of assets	35,391	912
Net cash used in investing activities	(470,875)	(24,337)
CASH FLOWS FROM FINANCING ACTIVITIES:		
Proceeds from equity offering, net of fees	139,522	-
Net proceeds from notes payable	85,727	18,212
Exercise of employee stock options	26,392	3,178
Proceeds from employee stock purchases	842	761
Principal payments of long-term debt	(25,221)	(220,509)
Payment of issuance costs of long-term debt	(1,186)	(1,547)
Proceeds from issuance of long-term debt, net of discount	-	119,400
Net cash provided by (used in) financing activities	226,076	(80,505)
Effect of exchange rate changes on cash and cash investments	(87)	(3,289)
NET DECREASE IN CASH AND CASH INVESTMENTS	(138,904)	(30,158)
CASH AND CASH INVESTMENTS, beginning of period	145,672	34,308
CASH AND CASH INVESTMENTS, end of period	$ 6,768	$ 4,150
SUPPLEMENTAL DISCLOSURES OF NONCASH INVESTING AND FINANCING ACTIVITIES:		
Fair value of assets acquired, including cash acquired	$ 537,821	$ -
Liabilities assumed	(60,108)	-
Cash paid	477,713	-
Less - cash acquired	(5,742)	-
Net cash paid for purchases of businesses	$ 471,971	$ -
Property, plant and equipment contributed to joint venture	$ 30,020	$ -

<FN>
The accompanying notes to consolidated financial statements are an integral part of these statements.
</FN>
</TABLE>

CONSTELLATION BRANDS, INC. AND SUBSIDIARIES
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
AUGUST 31, 2001

1) MANAGEMENT'S REPRESENTATIONS:

The consolidated financial statements included herein have been prepared by Constellation Brands, Inc. and its subsidiaries (the "Company"), without audit, pursuant to the rules and regulations of the Securities and Exchange Commission applicable to quarterly reporting on Form 10-Q and reflect, in the opinion of the Company, all adjustments necessary to present fairly the financial information for the Company. All such adjustments are of a normal recurring nature. Certain information and footnote disclosures normally included in financial statements, prepared in accordance with generally accepted accounting principles, have been condensed or omitted as permitted by such rules and regulations. These consolidated financial statements and related notes should be

read in conjunction with the consolidated financial statements and related notes included in the Company's Annual Report on Form 10-K for the fiscal year ended February 28, 2001. Results of operations for interim periods are not necessarily indicative of annual results.

Certain August 31, 2000, balances have been reclassified to conform to current year presentation.

2) ACCOUNTING CHANGES:

Effective March 1, 2001, the Company adopted Statement of Financial Accounting Standards No. 133 ("SFAS No. 133"), "Accounting for Derivative Instruments and Hedging Activities", as amended, which establishes accounting and reporting standards for derivative instruments and hedging activities. SFAS No. 133 requires that the Company recognize all derivatives as either assets or liabilities on the balance sheet and measure those instruments at fair value. The adoption of SFAS No. 133 did not have a material impact on the Company's consolidated financial position, results of operations, or cash flows. The Company is exposed to market risk associated with changes in foreign currency exchange rates. The Company has limited involvement with derivative financial instruments and does not use them for trading purposes. The Company periodically enters into derivative transactions solely to manage the volatility and to reduce the financial impact relating to this risk.

The Company uses foreign currency exchange hedging agreements to reduce the risk of foreign currency exchange rate fluctuations resulting primarily from contracts to purchase inventory items that are denominated in various foreign currencies. As these derivative contracts are designated to hedge the exposure to variable cash flows of a forecasted transaction, the contracts are classified as cash flow hedges. As such, the effective portion of the change in the fair value of the derivatives is recorded each period in the balance sheet in accumulated other comprehensive income/loss ("AOCI"), and is reclassified into the statement of income, primarily as a component of cost of goods sold, in the same period during which the hedged transaction affects earnings. The currency forward exchange contracts used generally have maturity terms of twelve months or less. The Company expects the entire balance in AOCI related to cash flow hedges to be reclassified to the statement of income within the next twelve months. The Company formally documents all relationships between hedging instruments and hedged items in accordance with SFAS No. 133 requirements.

The Company has exposure to foreign currency risk, primarily in the United Kingdom, as a result of having international subsidiaries. The Company uses local currency borrowings to hedge its earnings and cash flow exposure to adverse changes in foreign currency exchange rates. Such borrowings are designated as a hedge of the foreign currency exposure of the net investment in the foreign operation. Accordingly, the effective portion of the foreign currency gain or loss on the hedging debt instrument is reported in AOCI as part of the foreign currency translation adjustments. For the six months and three

months ended August 31, 2001, net losses of $1.6 million and $6.9 million, respectively, are included in foreign currency translation adjustments within AOCI.

3) ACQUISITIONS:

On October 27, 2000, the Company purchased all of the issued Ordinary Shares and Preference Shares of Forth Wines Limited ("Forth Wines"). The purchase price was $4.5 million and was accounted for using the purchase method; accordingly, the acquired net assets were recorded at fair market value at the date of acquisition. The excess of the purchase price over the fair market value of the net assets acquired (goodwill), $2.2 million, is being amortized on a straight-line basis over 40 years. The results of operations of Forth Wines are reported in the Matthew Clark segment and have been included in the Consolidated Statements of Income since the date of acquisition.

On March 5, 2001, in an asset acquisition, the Company acquired several well-known premium wine brands, including Vendange, Nathanson Creek, Heritage, and Talus, working capital (primarily inventories), two wineries in California, and other related assets from Sebastiani Vineyards, Inc. and Tuolomne River Vintners Group (the "Turner Road Vintners Assets"). The preliminary purchase price of the Turner Road Vintners Assets, including assumption of indebtedness of $9.4 million, was $289.8 million. The purchase price is subject to final closing adjustments which the Company does not expect to be material. The acquisition was financed by the proceeds from the sale of the February 2001 Senior Notes and revolving loan borrowings under the senior credit facility. The Turner Road Vintners Assets acquisition was accounted for using the purchase method; accordingly, the acquired net assets were recorded at fair market value at the date of acquisition, subject to final appraisal. The excess of the purchase price over the estimated fair market value of the net assets acquired (goodwill), $181.0 million, is being amortized on a straight-line basis over 40 years. The results of operations of the Turner Road Vintners Assets are reported in the Canandaigua Wine segment and have been included in the Consolidated Statements of Income since the date of acquisition.

On March 26, 2001, in an asset acquisition, the Company acquired certain wine brands, wineries, working capital (primarily inventories), and other related assets from Corus Brands, Inc. (the "Corus Assets"). In this acquisition, the Company acquired several well-known premium wine brands primarily sold in the northwestern United States, including Covey Run, Columbia, Ste. Chapelle and Alice White. The preliminary purchase price of the Corus Assets, including assumption of indebtedness of $3.0 million, was $51.9 million plus an earn-out over six years based on the performance of the brands. The purchase price is subject to final closing adjustments which the Company does not expect to be material. In connection with the transaction, the Company also entered into long-term grape supply agreements with affiliates of Corus Brands, Inc. covering more than 1,000 acres of Washington and Idaho vineyards. The acquisition was financed with revolving loan borrowings under the senior credit facility. The Corus Assets acquisition was accounted for using the purchase method; accordingly, the acquired net assets were recorded at fair market value at the date of acquisition, subject to final appraisal. The excess of the purchase price over the estimated fair market value of the net assets acquired (goodwill), $10.0 million, is being amortized on a straight-line basis over 40 years. The results of operations of the Corus Assets are reported in the Canandaigua Wine segment and have been included in the Consolidated Statements of Income since the date of acquisition.

On July 2, 2001, the Company purchased all of the outstanding capital stock of Ravenswood Winery, Inc. ("Ravenswood"). Ravenswood produces, markets and sells super-premium and ultra-premuim California wine, primarily under the Ravenswood brand name. The preliminary purchase price of Ravenswood, including assumption of indebtedness of $2.9 million, was $151.3 million. The purchase price is subject to final closing adjustments which the Company does not expect to be material. The purchase price was financed with revolving loan borrowings under the senior credit facility. The Ravenswood acquisition was accounted for using the purchase method; accordingly, the acquired net assets were recorded at fair market value at the date of acquisition, subject to final appraisal. The excess of the purchase price over the estimated fair market value of the net assets acquired (goodwill), $122.6 million, will not be amortized and will be tested for impairment at least annually. The Ravenswood acquisition was in line with the Company's strategy of further penetrating the higher gross profit margin super-premium and ultra-premium wine categories. The results of operations of Ravenswood are reported in the Franciscan segment and have been included in the Consolidated Statements of Income since the date of acquisition. The unaudited pro forma results of operations for the six months and three months ended August 31, 2001 (shown in the table below), reflect total nonrecurring charges of $11.7 million ($0.16 per share on a diluted basis) related to transaction costs, primarily for the acceleration of vesting of stock options, which were incurred by Ravenswood prior to the acquisition.

The following table sets forth the unaudited pro forma results of operations of the Company for the six months and three months ended August 31, 2001 and 2000. The unaudited pro forma results of operations for the six months ended August 31, 2001 and 2000, and the three months ended August 31, 2000, give effect to the acquisitions of the Turner Road Vintners Assets and Corus Assets as if they occurred on March 1, 2000. The unaudited pro forma results of operations for the six months and three months ended August 31, 2001 and 2000, give effect to the acquisition of Ravenswood as if it occurred on March 1, 2000. The unaudited pro forma results of operations for the six months and three months ended August 31, 2000, do not give pro forma effect to the acquisition of Forth Wines as if it occurred on March 1, 2000, as it is not significant. The unaudited pro forma results of operations are presented after giving effect to certain adjustments for depreciation, amortization of goodwill, interest expense on the acquisition financing and related income tax effects. The unaudited pro forma results of operations are based upon currently available information and upon certain assumptions that the Company believes are reasonable under the circumstances. The unaudited pro forma results of operations do not purport to present what the Company's results of operations would actually have been if the aforementioned transactions had in fact occurred on such date or at the beginning of the period indicated, nor do they project the Company's financial position or results of operations at any future date or for any future period.

<TABLE>
<CAPTION>

	For the Six Months Ended August 31,		For the Three Months Ended August 31,	
	2001	2000	2001	2000
(in thousands, except per share data)				
<S>	<C>	<C>	<C>	<C>
Net sales	$ 1,398,999	$ 1,353,774	$ 746,015	$ 701,424
Income before income taxes	$ 84,768	$ 61,520	$ 47,696	$ 36,629
Net income	$ 50,861	$ 36,911	$ 28,618	$ 21,977
Earnings per common share:				
Basic	$ 1.22	$ 1.01	$ 0.67	$ 0.60

Diluted	$ 1.18	$ 0.99	$ 0.65	$ 0.59
Weighted average common shares outstanding:				
Basic	41,834	36,530	42,414	36,600
Diluted	43,126	37,243	43,932	37,328

</TABLE>

4) INVENTORIES:

Inventories are stated at the lower of cost (computed in accordance with the first-in, first-out method) or market. Elements of cost include materials, labor and overhead and consist of the following:

(in thousands)	August 31, 2001	February 28, 2001
Raw materials and supplies	$ 37,796	$ 28,007
In-process inventories	453,414	450,650
Finished case goods	277,907	191,361
	$ 769,117	$ 670,018

5) OTHER ASSETS:

The major components of other assets are as follows:

(in thousands)	August 31, 2001	February 28, 2001
Goodwill	$ 745,744	$ 447,813
Trademarks	246,941	247,139
Distribution rights and agency license agreements	87,052	87,052
Other	112,157	73,935
	1,191,895	855,939
Less - Accumulated amortization	(99,437)	(83,373)
	$ 1,092,458	$ 772,566

6) INVESTMENT IN JOINT VENTURE:

On July 31, 2001, the Company and BRL Hardy Limited completed the formation of Pacific Wine Partners LLC ("PWP"), a joint venture owned equally by the Company and BRL Hardy Limited, the second largest wine company in Australia. PWP produces, markets and sells a global portfolio of premium wine in the United States, including a range of Australian imports, the fastest growing wine segment in the United States. PWP has exclusive distribution rights in the United States and the Caribbean to seven brands - Banrock Station, Hardys, Leasingham, Barossa Valley Estate and Chateau Reynella from Australia; Nobilo from New Zealand; and La Baume from France. The joint venture also owns Farallon, a premium California coastal wine. In addition, PWP owns the Riverland Vineyards winery and controls 1,400 acres of vineyards, all located in Monterey County, California.

The Company contributed to PWP assets with a carrying amount of $30.0 million plus $5.5 million of cash. The Company sold assets with a carrying amount of $31.2 million to BRL Hardy (USA) Inc. ("Hardy") and received $34.9 million in cash. Hardy contributed these assets plus $5.5 million of cash to PWP. As of August 31, 2001, the Company's investment balance, which is accounted for under the equity method, was $31.6 million and is included on the Consolidated Balance Sheets in other assets. The carrying amount of the investment is less than the Company's equity in the underlying net assets of PWP by $8.7 million. This amount is included in earnings as the assets are used by PWP. The Company and PWP are parties to the following agreements: administrative and selling services agreement; crushing, wine production, bottling, storage, and related services agreement; inventory supply agreement; sublease and assumption agreements pertaining to certain vineyards, which agreements include a market value adjustment provision; and a market value adjustment agreement relating to a certain vineyard lease held by PWP. As of August 31, 2001, amounts related to the above agreements were not material.

7) OTHER ACCRUED EXPENSES AND LIABILITIES:

The major components of other accrued expenses and liabilities are as follows:

(in thousands)	August 31, 2001	February 28, 2001
Accrued advertising and promotions	$ 52,671	$ 44,501
Accrued income taxes payable	39,230	21,122
Accrued grape purchases	36,009	-
Accrued salaries and commissions	21,916	24,589
Accrued interest	14,988	28,542
Other	92,139	79,299
	$ 256,953	$ 198,053

8) BORROWINGS:

In July 2001, the Company exchanged $200.0 million aggregate principal amount of 8% Series B Senior Notes due February 2008 (the "February 2001 Series B Senior Notes") for all of the February 2001 Senior Notes. The terms of the February 2001 Series B Senior Notes are identical in all material respects to the February 2001 Senior Notes.

9) STOCKHOLDERS' EQUITY:

Equity offering -

During March 2001, the Company completed a public offering of 4,370,000 shares of its Class A Common Stock resulting in net proceeds to the Company, after deducting underwriting discounts and expenses, of $139.5 million. The net proceeds were used to repay revolving loan borrowings under the senior credit facility of which a portion was incurred to partially finance the acquisition of the Turner Road Vintners Assets.

Employee stock purchase plan -

The Company has a stock purchase plan under which 500,000 shares of the Company's Class A Common Stock may be issued to eligible employees and directors of the Company's United Kingdom subsidiaries. In connection with the Company's May 2001 two-for-one stock split, the Company has submitted to the Inland Revenue, for its approval, a revised plan to increase the number of shares available under the plan to 1,000,000. Under the terms of the plan, participants may purchase shares of the Company's Class A Common Stock through payroll deductions. The purchase price may be no less than 80% of the closing price of the stock on the day the purchase price is fixed by the committee administering the plan. As of August 31, 2001, no shares have been issued.

10) EARNINGS PER COMMON SHARE:

Basic earnings per common share exclude the effect of common stock equivalents and are computed by dividing income available to common stockholders by the weighted average number of common shares outstanding during the period for Class A Common Stock and Class B Convertible Common Stock. Diluted earnings per common share reflect the potential dilution that could result if securities or other contracts to issue common stock were exercised or converted into common stock. Diluted earnings per common share assume the exercise of stock options using the treasury stock method and assume the conversion of convertible securities, if any, using the "if converted" method.

The computation of basic and diluted earnings per common share is as follows:

<TABLE>
<CAPTION>

(in thousands, except per share data)	For the Six Months Ended August 31, 2001	For the Six Months Ended August 31, 2000	For the Three Months Ended August 31, 2001	For the Three Months Ended August 31, 2000
<S>	<C>	<C>	<C>	<C>
Income applicable to common shares	$ 59,777	$ 44,012	$ 35,934	$ 26,110
Weighted average common shares outstanding - basic	41,834	36,530	42,414	36,600
Stock options	1,292	713	1,518	728
Weighted average common shares outstanding - diluted	43,126	37,243	43,932	37,328

EARNINGS PER COMMON SHARE - BASIC	$ 1.43	$ 1.20	$ 0.85	$ 0.71
EARNINGS PER COMMON SHARE - DILUTED	$ 1.39	$ 1.18	$ 0.82	$ 0.70

</TABLE>

Stock options to purchase 0.1 million and 1.7 million shares of Class A Common Stock at a weighted average price per share of $42.68 and $26.14 were outstanding during the six months and three months ended August 31, 2001 and 2000, respectively, but were not included in the computation of the diluted earnings per common share because the stock options' exercise price was greater than the average market price of the Class A Common Stock for the respective periods.

11) COMPREHENSIVE INCOME:

Comprehensive income consists of net income, foreign currency translation adjustments and net unrealized gains on derivative instruments for the six months and three months ended August 31, 2001 and 2000. The reconciliation of net income to comprehensive income is as follows:

<TABLE>
<CAPTION>

	For the Six Months Ended August 31,		For the Three Months Ended August 31,	
	2001	2000	2001	2000
(in thousands)				
<S>	<C>	<C>	<C>	<C>
Net income	$ 59,777	$ 44,012	$ 35,934	$ 26,110
Other comprehensive income, net of tax:				
Foreign currency translation adjustments	(2,882)	(19,113)	1,432	(7,847)
Cash flow hedges:				
Net derivative gains, net of tax effect of $109 and $30, respectively	219	-	47	-
Reclassification adjustments, net of tax effect of $85 and $18, respectively	(186)	-	43	-
Net cash flow hedges	33	-	90	-
Total comprehensive income	$ 56,928	$ 24,899	$ 37,456	$ 18,263

</TABLE>

Accumulated other comprehensive loss includes the following components:

<TABLE>
<CAPTION>

	For the Six Months Ended August 31, 2001		
	Foreign Currency Translation Adjustments	Net Unrealized Gains on Derivatives	Accumulated Other Comprehensive Loss
<S>	<C>	<C>	<C>
Beginning balance, February 28, 2001	$ (26,004)	$ -	$ (26,004)
Current-period change	(2,882)	33	(2,849)
Ending balance, August 31, 2001	$ (28,886)	$ 33	$ (28,853)

</TABLE>

12) CONDENSED CONSOLIDATING FINANCIAL INFORMATION:

The following information sets forth the condensed consolidating balance sheets as of August 31, 2001 and 2000, and the condensed consolidating statements of income and cash flows for the six months and three months ended August 31, 2001 and 2000, for the parent company, the combined subsidiaries of the Company which guarantee the Company's senior notes and senior subordinated notes ("Subsidiary Guarantors"), the combined subsidiaries of the Company which are not Subsidiary Guarantors, primarily Matthew Clark ("Subsidiary Nonguarantors"), and the consolidated Company. The Subsidiary Guarantors are wholly owned and the guarantees are full, unconditional, joint and several obligations of each of the Subsidiary Guarantors. The accounting policies of the parent company, the Subsidiary Guarantors and the Subsidiary Nonguarantors are the same as those described for the Company in the Summary of Significant Accounting Policies in Note 1 to the Company's consolidated financial statements included in the Company's Annual Report on Form 10-K for the fiscal year ended February 28, 2001. There are no restrictions on the ability of the Subsidiary

Guarantors to transfer funds to the Company in the form of cash dividends, loans or advances.

<TABLE>
<CAPTION>

	Parent Company	Subsidiary Guarantors	Subsidiary Nonguarantors	Eliminations	Consolidated
(in thousands)					
<S>	<C>	<C>	<C>	<C>	<C>
Condensed Consolidating Balance Sheet					
at August 31, 2001					
Current assets:					
Cash and cash investments	$ 109	$ 6,557	$ 102	$ -	$ 6,768
Accounts receivable, net	72,101	166,763	168,065	-	406,929
Inventories, net	24,889	616,081	128,232	(85)	769,117
Prepaid expenses and other current assets	4,914	46,162	19,911	-	70,987
Intercompany (payable) receivable	(151,827)	145,762	6,065	-	-
Total current assets	(49,814)	981,325	322,375	(85)	1,253,801
Property, plant and equipment, net	29,650	339,256	191,546	-	560,452
Investments in subsidiaries	2,333,485	516,727	-	(2,850,212)	-
Other assets	88,137	756,307	248,014	-	1,092,458
Total assets	$ 2,401,458	$ 2,593,615	$ 761,935	$ (2,850,297)	$ 2,906,711
Current liabilities:					
Notes payable	$ 83,000	$ -	$ 5,991	$ -	$ 88,991
Current maturities of long-term debt	69,335	1,906	4,613	-	75,854
Accounts payable and other liabilities	67,242	145,732	193,460	-	406,434
Accrued excise taxes	7,392	20,925	17,179	-	45,496
Total current liabilities	226,969	168,563	221,243	-	616,775
Long-term debt, less current maturities	1,270,290	13,454	376	-	1,284,120
Deferred income taxes	33,233	70,260	29,028	-	132,521
Other liabilities	473	9,383	23,382	-	33,238
Stockholders' equity:					
Class A and class B common stock	460	6,434	64,867	(71,301)	460
Additional paid-in capital	394,464	1,220,056	436,466	(1,656,522)	394,464
Retained earnings	515,660	1,106,995	15,394	(1,122,474)	515,575
Accumulated other comprehensive income (loss)	1,498	(1,530)	(28,821)	-	(28,853)
Treasury stock and other	(41,589)	-	-	-	(41,589)
Total stockholders' equity	870,493	2,331,955	487,906	(2,850,297)	840,057
Total liabilities and stockholders' equity	$ 2,401,458	$ 2,593,615	$ 761,935	$ (2,850,297)	$

2,906,711

	==========	==========	==========	==========	==========

<CAPTION>

	Parent Company	Subsidiary Guarantors	Subsidiary Nonguarantors	Eliminations	Consolidated
	----------	----------	----------	----------	----------
(in thousands)					
<S>	<C>	<C>	<C>	<C>	<C>
Condensed Consolidating Balance Sheet					
at February 28, 2001					
Current assets:					
Cash and cash investments	$ 142,104	$ 3,239	$ 329	$ -	$ 145,672
Accounts receivable, net	80,299	116,784	117,179	-	314,262
Inventories, net	31,845	515,274	122,965	(66)	670,018
Prepaid expenses and other current assets	6,551	33,565	20,921	-	61,037
Intercompany (payable) receivable	(61,783)	54,169	7,614	-	-
Total current assets	199,016	723,031	269,008	(66)	1,190,989
Property, plant and equipment, net	30,554	320,143	197,917	-	548,614
Investments in subsidiaries	1,835,088	525,442	-	(2,360,530)	-
Other assets	87,764	434,782	250,020	-	772,566
Total assets	$ 2,152,422	$ 2,003,398	$ 716,945	$ (2,360,596)	$ 2,512,169
Current liabilities:					
Notes payable	$ -	$ -	$ 4,184	$ -	$ 4,184
Current maturities of long-term debt	49,218	70	4,888	-	54,176
Accounts payable and other liabilities	111,388	58,448	143,010	-	312,846
Accrued excise taxes	9,411	35,474	11,069	-	55,954
Total current liabilities	170,017	93,992	163,151		427,160
Long-term debt, less current maturities	1,305,302	758	1,377	-	1,307,437
Deferred income taxes	33,232	71,619	27,123	-	131,974
Other liabilities	437	2,953	25,940	-	29,330
Stockholders' equity:					
Class A and class B common stock	448	6,434	64,867	(71,301)	448
Additional paid-in capital	267,655	742,343	436,466	(1,178,809)	267,655
Retained earnings	455,864	1,086,311	24,109	(1,110,486)	455,798
Accumulated other comprehensive income (loss)	1,096	(1,012)	(26,088)	-	(26,004)
Treasury stock and other	(81,629)	-	-	-	(81,629)
Total stockholders' equity	643,434	1,834,076	499,354	(2,360,596)	616,268
Total liabilities and					

stockholders' equity	$ 2,152,422	$ 2,003,398	$ 716,945	$ (2,360,596)	$ 2,512,169

Condensed Consolidating Statement of Income
for the Six Months Ended August 31, 2001

Gross sales	$ 425,396	$ 1,024,384	$ 531,023	$ (193,801)	$ 1,787,002
Less - excise taxes	(67,947)	(210,939)	(124,476)	-	(403,362)
Net sales	357,449	813,445	406,547	(193,801)	1,383,640
Cost of product sold	(201,913)	(638,755)	(297,128)	193,782	(944,014)
Gross profit	155,536	174,690	109,419	(19)	439,626
Selling, general and administrative expenses	(82,428)	(89,415)	(108,859)	-	(280,702)
Operating income	73,108	85,275	560	(19)	158,924
Interest expense, net	(7,922)	(49,173)	(2,064)	-	(59,159)
Equity in earnings (loss) of subsidiary/joint venture	20,684	(8,852)	-	(11,969)	(137)
Income (loss) before income taxes	85,870	27,250	(1,504)	(11,988)	99,628
Provision for income taxes	(26,074)	(6,566)	(7,211)	-	(39,851)
Net income (loss)	$ 59,796	$ 20,684	$ (8,715)	$ (11,988)	$ 59,777

<CAPTION>

(in thousands)	Parent Company	Subsidiary Guarantors	Subsidiary Nonguarantors	Eliminations	Consolidated
<S>	<C>	<C>	<C>	<C>	<C>
Condensed Consolidating Statement of Income for the Six Months Ended August 31, 2000					
Gross sales	$ 343,806	$ 932,316	$ 482,594	$ (155,526)	$ 1,603,190
Less - excise taxes	(62,838)	(205,931)	(111,351)	-	(380,120)
Net sales	280,968	726,385	371,243	(155,526)	1,223,070
Cost of product sold	(209,632)	(522,232)	(262,124)	155,430	(838,558)
Gross profit	71,336	204,153	109,119	(96)	384,512
Selling, general and administrative expenses	(75,658)	(77,068)	(103,618)	-	(256,344)
Operating (loss) income	(4,322)	127,085	5,501	(96)	128,168
Interest expense, net	(13,163)	(39,341)	(2,310)	-	(54,814)

Equity in earnings (loss) of subsidiary	54,599	(6,303)	-	(48,296)	-
Income before income taxes	37,114	81,441	3,191	(48,392)	73,354
Benefit from (provision for) income taxes	6,994	(26,842)	(9,494)	-	(29,342)
Net income (loss)	$ 44,108	$ 54,599	$ (6,303)	$ (48,392)	$ 44,012

Condensed Consolidating Statement of Income
for the Three Months Ended August 31, 2001

Gross sales	$ 231,270	$ 571,843	$ 274,598	$ (126,483)	$ 951,228
Less - excise taxes	(37,559)	(108,724)	(63,415)	-	(209,698)
Net sales	193,711	463,119	211,183	(126,483)	741,530
Cost of product sold	(89,426)	(389,880)	(151,004)	126,456	(503,854)
Gross profit	104,285	73,239	60,179	(27)	237,676
Selling, general and administrative expenses	(40,732)	(37,185)	(70,758)	-	(148,675)
Operating income (loss)	63,553	36,054	(10,579)	(27)	89,001
Interest expense, net	(2,557)	(25,634)	(783)	-	(28,974)
Equity in earnings (loss) of subsidiary/joint venture	2,714	(15,181)	-	12,330	(137)
Income (loss) before income taxes	63,710	(4,761)	(11,362)	12,303	59,890
(Provision for) benefit from income taxes	(27,749)	7,475	(3,682)	-	(23,956)
Net income (loss)	$ 35,961	$ 2,714	$ (15,044)	$ 12,303	$ 35,934

Condensed Consolidating Statement of Income
for the Three Months Ended August 31, 2000

Gross sales	$ 175,419	$ 489,133	$ 241,591	$ (77,475)	$ 828,668
Less - excise taxes	(31,864)	(103,521)	(55,793)	-	(191,178)
Net sales	143,555	385,612	185,798	(77,475)	637,490
Cost of product sold	(108,894)	(276,413)	(128,938)	77,394	(436,851)
Gross profit	34,661	109,199	56,860	(81)	200,639
Selling, general and administrative expenses	(37,265)	(26,956)	(65,714)	-	(129,935)
Operating (loss) income	(2,604)	82,243	(8,854)	(81)	70,704

Interest expense, net	(6,969)	(19,069)	(1,149)	-	(27,187)
Equity in earnings (loss) of subsidiary	31,935	(14,991)	-	(16,944)	-
Income (loss) before income taxes	22,362	48,183	(10,003)	(17,025)	43,517
Benefit from (provision for) income taxes	3,829	(16,248)	(4,988)	-	(17,407)
Net income (loss)	$ 26,191	$ 31,935	$ (14,991)	$ (17,025)	$ 26,110

<CAPTION>

	Parent Company	Subsidiary Guarantors	Subsidiary Nonguarantors	Eliminations	Consolidated
(in thousands)					
<S>	<C>	<C>	<C>	<C>	<C>
Condensed Consolidating Statement of Cash Flows					
for the Six Months Ended August 31, 2001					
Net cash provided by (used in) operating activities	$ 103,790	$ (2,450)	$ 4,642	$ -	$ 105,982
Cash flows from investing activities:					
Purchases of businesses, net of cash acquired	(477,713)	5,742	-	-	(471,971)
Purchases of property, plant and equipment	(2,099)	(20,080)	(6,616)	-	(28,795)
Investment in joint venture	-	(5,500)	-	-	(5,500)
Proceeds from sale of assets	-	35,143	248	-	35,391
Net cash (used in) provided by investing activities	(479,812)	15,305	(6,368)	-	(470,875)
Cash flows from financing activities:					
Proceeds from equity offering, net of fees	139,522	-	-	-	139,522
Net proceeds from notes payable	83,000	-	2,727	-	85,727
Exercise of employee stock options	26,392	-	-	-	26,392
Proceeds from employee stock purchases	842	-	-	-	842
Principal payments of long-term debt	(16,802)	(7,677)	(742)	-	(25,221)
Payment of issuance costs of long-term debt	(1,186)	-	-	-	(1,186)
Net cash provided by (used in) financing activities	231,768	(7,677)	1,985	-	226,076
Effect of exchange rate changes on cash and cash investments	2,259	(1,860)	(486)	-	(87)
Net (decrease) increase in cash					

and cash investments	(141,995)	3,318	(227)	-	(138,904)
Cash and cash investments, beginning of period	142,104	3,239	329	-	145,672
Cash and cash investments, end of period	$ 109	$ 6,557	$ 102	$ -	$ 6,768

<CAPTION>

	Parent Company	Subsidiary Guarantors	Subsidiary Nonguarantors	Eliminations	Consolidated
(in thousands)					
<S>	<C>	<C>	<C>	<C>	<C>
Condensed Consolidating Statement of Cash Flows					
for the Six Months Ended August 31, 2000					
Net cash provided by (used in) operating activities	$ 109,544	$ (8,206)	$ (23,365)	$ -	$ 77,973
Cash flows from investing activities:					
Purchases of property, plant and equipment	(2,544)	(14,613)	(8,092)	-	(25,249)
Other	120	135	657	-	912
Net cash used in investing activities	(2,424)	(14,478)	(7,435)	-	(24,337)
Cash flows from financing activities:					
Principal payments of long-term debt	(220,274)	(31)	(204)	-	(220,509)
Payment of issuance costs of long-term debt	(1,547)	-	-	-	(1,547)
Proceeds from issuance of long-term debt, net of discount	119,400	-	-	-	119,400
Net proceeds from notes payable	16,500	-	1,712	-	18,212
Exercise of employee stock options	3,178	-	-	-	3,178
Proceeds from employee stock purchases	761	-	-	-	761
Net cash (used in) provided by financing activities	(81,982)	(31)	1,508	-	(80,505)
Effect of exchange rate changes on cash and cash investments	(25,138)	24,359	(2,510)	-	(3,289)
Net increase (decrease) in cash and cash investments	-	1,644	(31,802)	-	(30,158)
Cash and cash investments, beginning of period	-	231	34,077	-	34,308
Cash and cash investments, end of period	$ -	$ 1,875	$ 2,275	$ -	$ 4,150

==========
</TABLE>

13) BUSINESS SEGMENT INFORMATION:

The Company reports its operating results in five segments: Canandaigua Wine (branded popular and premium wine and brandy, and other, primarily grape juice concentrate and bulk wine); Barton (primarily beer and distilled spirits); Matthew Clark (branded wine, cider and bottled water, and wholesale wine, cider, distilled spirits, beer and soft drinks); Franciscan (primarily branded super-premium and ultra-premium wine) and Corporate Operations and Other (primarily corporate related items). Segment selection was based upon internal organizational structure, the way in which these operations are managed and their performance evaluated by management and the Company's Board of Directors, the availability of separate financial results, and materiality considerations. The accounting policies of the segments are the same as those described for the Company in the Summary of Significant Accounting Policies in Note 1 to the Company's consolidated financial statements included in the Company's Annual Report on Form 10-K for the fiscal year ended February 28, 2001. The Company evaluates performance based on operating income of the respective business units.

Segment information is as follows:

<TABLE>
<CAPTION>

	For the Six Months Ended August 31,		For the Three Months Ended August 31,	
	2001	2000	2001	2000
(in thousands)				
<S>	<C>	<C>	<C>	<C>
Canandaigua Wine:				
Net sales:				
Branded:				
External customers	$ 363,030	$ 290,706	$ 196,949	$ 147,376
Intersegment	4,644	3,132	2,899	1,896
Total Branded	367,674	293,838	199,848	149,272
Other:				
External customers	27,383	30,102	13,834	14,834
Intersegment	7,856	8,355	4,167	4,726
Total Other	35,239	38,457	18,001	19,560
Net sales	$ 402,913	$ 332,295	$ 217,849	$ 168,832
Operating income	$ 39,329	$ 18,200	$ 23,934	$ 10,382
Long-lived assets	$ 186,694	$ 191,956	$ 186,694	$ 191,956
Total assets	$ 940,926	$ 599,292	$ 940,926	$ 599,292
Capital expenditures	$ 6,077	$ 7,757	$ 4,588	$ 5,048
Depreciation and amortization	$ 16,159	$ 11,881	$ 8,043	$ 5,940
Barton:				
Net sales:				
Beer	$ 412,171	$ 375,293	$ 229,186	$ 212,159
Spirits	143,831	145,107	72,514	72,561
Net sales	$ 556,002	$ 520,400	$ 301,700	$ 284,720
Operating income	$ 95,412	$ 89,448	$ 51,361	$ 50,613
Long-lived assets	$ 79,612	$ 78,271	$ 79,612	$ 78,271
Total assets	$ 736,343	$ 749,585	$ 736,343	$ 749,585
Capital expenditures	$ 6,736	$ 2,986	$ 3,812	$ 1,650
Depreciation and amortization	$ 9,150	$ 7,904	$ 4,388	$ 3,949
Matthew Clark:				
Net sales:				
Branded:				
External customers	$ 144,663	$ 145,486	$ 77,782	$ 75,892
Intersegment	481	497	379	476
Total Branded	145,144	145,983	78,161	76,368
Wholesale	234,475	193,233	119,469	93,310
Net sales	$ 379,619	$ 339,216	$ 197,630	$ 169,678
Operating income	$ 22,285	$ 22,596	$ 13,968	$ 12,222
Long-lived assets	$ 142,055	$ 141,830	$ 142,055	$ 141,830
Total assets	$ 629,582	$ 599,396	$ 629,582	$ 599,396
Capital expenditures	$ 4,039	$ 6,101	$ 2,009	$ 3,692

Depreciation and amortization	$ 9,419	$ 10,037	$ 4,746	$ 4,824
Franciscan:				
Net sales:				
External customers	$ 58,087	$ 43,144	$ 31,796	$ 21,359
Intersegment	254	138	152	34
Net sales	$ 58,341	$ 43,282	$ 31,948	$ 21,393
Operating income	$ 15,146	$ 9,658	$ 8,098	$ 4,242
Long-lived assets	$ 147,535	$ 114,230	$ 147,535	$ 114,230
Total assets	$ 575,280	$ 369,087	$ 575,280	$ 369,087
Capital expenditures	$ 11,298	$ 8,333	$ 7,329	$ 4,553
Depreciation and amortization	$ 6,236	$ 4,530	$ 3,013	$ 2,138

<CAPTION>

	For the Six Months Ended August 31,		For the Three Months Ended August 31,	
	2001	2000	2001	2000
(in thousands)				
<S>	<C>	<C>	<C>	<C>
Corporate Operations and Other:				
Net sales	$ -	$ -	$ -	$ -
Operating loss	$ (13,248)	$ (11,734)	$ (8,360)	$ (6,755)
Long-lived assets	$ 4,556	$ 3,782	$ 4,556	$ 3,782
Total assets	$ 24,580	$ 22,699	$ 24,580	$ 22,699
Capital expenditures	$ 645	$ 72	$ 219	$ 41
Depreciation and amortization	$ 2,297	$ 1,713	$ 1,146	$ 868
Intersegment eliminations:				
Net sales	$ (13,235)	$ (12,123)	$ (7,597)	$ (7,133)
Consolidated:				
Net sales	$ 1,383,640	$ 1,223,070	$ 741,530	$ 637,490
Operating income	$ 158,924	$ 128,168	$ 89,001	$ 70,704
Long-lived assets	$ 560,452	$ 530,069	$ 560,452	$ 530,069
Total assets	$ 2,906,711	$ 2,340,059	$ 2,906,711	$ 2,340,059
Capital expenditures	$ 28,795	$ 25,249	$ 17,957	$ 14,984
Depreciation and amortization	$ 43,261	$ 36,065	$ 21,336	$ 17,719

</TABLE>

14) ACCOUNTING PRONOUNCEMENTS:

In May 2000, the Emerging Issues Task Force ("EITF") issued EITF Issue No. 00-14 ("EITF No. 00-14"), "Accounting for Certain Sales Incentives," which was subsequently amended in April 2001. EITF No. 00-14 addresses the recognition, measurement and income statement classification of certain sales incentives. EITF No. 00-14 requires that sales incentives, including coupons, rebate offers, and free product offers, given concurrently with a single exchange transaction be recognized when incurred and reported as a reduction of revenue. In addition, in April 2001, the EITF issued EITF Issue No. 00-25 ("EITF No. 00-25"), "Vendor Income Statement Characterization of Consideration Paid to a Reseller of the Vendor's Products." EITF No. 00-25 addresses the income statement classification of certain consideration, other than directly addressed in EITF No. 00-14, from a vendor to an entity that purchases the vendor's products for resale. EITF No. 00-25 requires that certain consideration from a vendor to a reseller of the vendor's products be reported as a reduction of revenue. The Company currently reports costs that fall under both EITF No. 00-14 and EITF No. 00-25 as selling, general and administrative expenses. The Company is required to adopt EITF No. 00-14 and EITF No. 00-25 in its financial statements beginning March 1, 2002. Upon adoption of EITF No. 00-14 and EITF No. 00-25, financial statements for prior periods presented for comparative purposes are to be reclassified to comply with the requirements of EITF No. 00-14 and EITF No. 00-25. The Company believes the impact of EITF No. 00-14 and EITF No. 00-25 on its financial statements will result in a material reclassification that will decrease previously reported net sales and decrease previously reported selling, general and administrative expenses, but will have no effect on operating income or net income. The Company has not yet determined the amount of the reclassification.

In July 2001, the Financial Accounting Standards Board issued Statement of Financial Accounting Standards No. 141 ("SFAS No. 141"), "Business Combinations." SFAS No. 141 addresses financial accounting and reporting for business combinations requiring all business combinations to be accounted for using one method, the purchase method. In addition, SFAS No. 141 supersedes Accounting Principles Board Opinion No. 16, "Business Combinations." SFAS No. 141 is effective immediately for all business combinations initiated after June 30, 2001, as well as for all business combinations accounted for by the purchase method for which the date of acquisition is July 1, 2001, or later. The Company is required to adopt SFAS No. 141 for all business combinations for which the

acquisition date was before July 1, 2001, for fiscal years beginning March 1, 2002. The adoption of the applicable provisions of SFAS No. 141 have not had a material impact on the Company's financial statements. The Company believes that the adoption of the remaining provisions of SFAS No. 141 will not have a material impact on its financial statements.

In July 2001, the Financial Accounting Standards Board also issued Statement of Financial Accounting Standards No. 142 ("SFAS No. 142"), "Goodwill and Other Intangible Assets." SFAS No. 142 addresses financial accounting and reporting for acquired goodwill and other intangible assets and supersedes Accounting Principles Board Opinion No. 17, "Intangible Assets." Under SFAS No. 142, goodwill and indefinite lived intangible assets are no longer amortized but are reviewed at least annually for impairment. Separable intangible assets that are not deemed to have an indefinite life will continue to be amortized over their useful lives. The Company is required to apply the provisions of SFAS No. 142 for all goodwill and intangible assets acquired prior to July 1, 2001, for fiscal years beginning March 1, 2002. For goodwill and intangible assets acquired after June 30, 2001, these assets will be subject immediately to the nonamortization and amortization provisions of SFAS No. 142. The Company is currently assessing the financial impact of SFAS No. 142 on its financial statements.

In August 2001, the Financial Accounting Standards Board issued Statement of Financial Accounting Standards No. 143 ("SFAS No. 143"), "Accounting for Asset Retirement Obligations." SFAS No. 143 addresses financial accounting and reporting for obligations associated with the retirement of tangible long-lived assets and the associated retirement costs. The Company is required to adopt SFAS No. 143 for fiscal years beginning March 1, 2003. The Company is currently assessing the financial impact of SFAS No. 143 on its financial statements.

In October 2001, the Financial Accounting Standards Board issued Statement of Financial Accounting Standards No. 144 ("SFAS No. 144"), "Accounting for the Impairment or Disposal of Long-Lived Assets." SFAS No. 144 addresses financial accounting and reporting for the impairment or disposal of long-lived assets. SFAS No. 144 supersedes Statement of Financial Accounting Standards No. 121, "Accounting for the Impairment of Long-Lived Assets and for Long-Lived Assets to be Disposed of," and the accounting and reporting provisions of Accounting Principles Board Opinion No. 30, "Reporting the Results of Operations-Reporting the Effects of Disposal of a Segment of a Business, and Extraordinary, Unusual and Infrequently Occurring Events and Transactions," for the disposal of a segment of a business (as previously defined in that Opinion). The Company is required to adopt SFAS No. 144 for fiscal years beginning March 1, 2002. The Company is currently assessing the financial impact of SFAS No. 144 on its financial statements.

15) SUBSEQUENT EVENTS:

Acquisition by PWP -

On October 1, 2001, the Company announced that PWP entered into a definitive agreement to acquire certain assets of Blackstone Winery, including the Blackstone brand and the Codera wine business in Sonoma County ("the Blackstone Assets"). The purchase price for the Blackstone Assets is approximately $140 million and will be financed equally by the Company and Hardy. The transaction is subject to satisfaction of customary closing conditions and is expected to close on October 16, 2001. The Company cannot guarantee, however, that this transaction will be completed upon the agreed upon terms, or at all. The Company intends to use revolving loan borrowings under its senior credit facility to fund the Company's portion of the transaction.

Equity Offering -

During October 2001, the Company sold 322,500 shares of its Class A Common Stock in connection with a public offering of Class A Common Stock by stockholders of the Company. The net proceeds to the Company, after deducting underwriting discounts, of $12.1 million were used to repay borrowings under the senior credit facility.

ITEM 2. MANAGEMENT'S DISCUSSION AND ANALYSIS OF FINANCIAL CONDITION AND RESULTS OF OPERATIONS

INTRODUCTION

The Company is a leader in the production and marketing of beverage alcohol brands in North America and the United Kingdom, and a leading independent drinks wholesaler in the United Kingdom. As the second largest supplier of wine, the

second largest importer of beer and the fourth largest supplier of distilled spirits, the Company is the largest single-source supplier of these products in the United States. In the United Kingdom, the Company is a leading marketer of wine and the second largest producer and marketer of cider.

The Company reports its operating results in five segments: Canandaigua Wine (branded popular and premium wine and brandy, and other, primarily grape juice concentrate and bulk wine); Barton (primarily beer and distilled spirits); Matthew Clark (branded wine, cider and bottled water, and wholesale wine, cider, distilled spirits, beer and soft drinks); Franciscan (primarily branded super-premium and ultra-premium wine); and Corporate Operations and Other (primarily corporate related items).

On April 10, 2001, the Board of Directors of the Company approved a two-for-one stock split of both the Company's Class A Common Stock and Class B Common Stock, which was distributed in the form of a stock dividend on May 14, 2001, to stockholders of record on April 30, 2001. Pursuant to the terms of the stock dividend, each holder of Class A Common Stock received one additional share of Class A stock for each share of Class A stock held, and each holder of Class B Common Stock received one additional share of Class B stock for each share of Class B stock held. All share and per share amounts in this Quarterly Report on Form 10-Q reflect the common stock split.

The following discussion and analysis summarizes the significant factors affecting (i) consolidated results of operations of the Company for the three months ended August 31, 2001 ("Second Quarter 2002"), compared to the three months ended August 31, 2000 ("Second Quarter 2001"), and for the six months ended August 31, 2001 ("Six Months 2002"), compared to the six months ended August 31, 2000 ("Six Months 2001"), and (ii) financial liquidity and capital resources for Six Months 2002. This discussion and analysis should be read in conjunction with the Company's consolidated financial statements and notes thereto included herein and in the Company's Annual Report on Form 10-K for the fiscal year ended February 28, 2001 ("Fiscal 2001").

ACQUISITIONS IN FISCAL 2002 AND FISCAL 2001

On July 2, 2001, the Company acquired all of the outstanding capital stock of Ravenswood Winery, Inc. ("Ravenswood"), a leading premium wine producer based in Sonoma, California. Ravenswood produces, markets and sells super-premium and ultra-premium California wine primarily under the Ravenswood brand name. The vast majority of the wine Ravenswood produces and sells is red wine, including the number one super-premium Zinfandel in the United States. The results of operations of Ravenswood are reported in the Franciscan segment and have been included in the consolidated results of operations of the Company since the date of acquisition.

On March 26, 2001, in an asset acquisition, the Company acquired certain wine brands, wineries, working capital (primarily inventories), and other related assets from Corus Brands, Inc. (the "Corus Assets"). In this acquisition, the Company acquired several well-known premium wine brands primarily sold in the northwestern United States, including Covey Run, Columbia, Ste. Chapelle and Alice White. In connection with the transaction, the Company also entered into long-term grape supply agreements with affiliates of Corus Brands, Inc. covering more than 1,000 acres of Washington and Idaho vineyards. The results of operations of the Corus Assets are reported in the Canandaigua Wine segment and have been included in the consolidated results of operations of the Company since the date of acquisition.

On March 5, 2001, in an asset acquisition, the Company acquired several well-known premium wine brands, including Vendange, Nathanson Creek, Heritage, and Talus, working capital (primarily inventories), two wineries in California, and other related assets from Sebastiani Vineyards, Inc. and Tuolomne River Vintners Group (the "Turner Road Vintners Assets"). The results of operations of the Turner Road Vintners Assets are reported in the Canandaigua Wine segment and have been included in the consolidated results of operations of the Company since the date of acquisition. The acquisition of the Turner Road Vintners Assets is significant and the Company expects it to have a material impact on the Company's future results of operations.

On October 27, 2000, the Company purchased all of the issued Ordinary Shares and Preference Shares of Forth Wines Limited ("Forth Wines"). The results of operations of Forth Wines are reported in the Matthew Clark segment and have been included in the consolidated results of operations of the Company since the date of acquisition.

JOINT VENTURE

On July 31, 2001, the Company and BRL Hardy Limited completed the formation of Pacific Wine Partners LLC ("PWP"), a joint venture owned equally by the Company and BRL Hardy Limited, the second largest wine company in Australia. PWP produces, markets and sells a global portfolio of premium wine in the United States, including a range of Australian imports, the fastest growing wine segment in the United States. PWP has exclusive distribution rights in the

United States and the Caribbean to seven brands - Banrock Station, Hardys, Leasingham, Barossa Valley Estate and Chateau Reynella from Australia; Nobilo from New Zealand; and La Baume from France. The joint venture also owns Farallon, a premium California coastal wine. In addition, PWP owns the Riverland Vineyards winery and controls 1,400 acres of vineyards, all located in Monterey County, California. The investment in PWP is accounted for using the equity method; accordingly, the results of operations of PWP since July 31, 2001, have been included in the equity in loss of joint venture line in the Consolidated Statements of Income of the Company.

RESULTS OF OPERATIONS

SECOND QUARTER 2002 COMPARED TO SECOND QUARTER 2001

NET SALES

The following table sets forth the net sales (in thousands of dollars) by operating segment of the Company for Second Quarter 2002 and Second Quarter 2001.

	Second Quarter 2002 Compared to Second Quarter 2001		
	Net Sales		
	2002	2001	%Increase/ (Decrease)
Canandaigua Wine:			
Branded:			
External customers	$ 196,949	$ 147,376	33.6 %
Intersegment	2,899	1,896	52.9 %
Total Branded	199,848	149,272	33.9 %
Other:			
External customers	13,834	14,834	(6.7)%
Intersegment	4,167	4,726	(11.8)%
Total Other	18,001	19,560	(8.0)%
Canandaigua Wine net sales	$ 217,849	$ 168,832	29.0 %
Barton:			
Beer	$ 229,186	$ 212,159	8.0 %
Spirits	72,514	72,561	(0.1)%
Barton net sales	$ 301,700	$ 284,720	6.0 %
Matthew Clark:			
Branded:			
External customers	$ 77,782	$ 75,892	2.5 %
Intersegment	379	476	(20.4)%
Total Branded	78,161	76,368	2.3 %
Wholesale	119,469	93,310	28.0 %
Matthew Clark net sales	$ 197,630	$ 169,678	16.5 %
Franciscan:			
External customers	$ 31,796	$ 21,359	48.9 %
Intersegment	152	34	347.1 %
Franciscan net sales	$ 31,948	$ 21,393	49.3 %
Corporate Operations and Other	$ -	$ -	N/A
Intersegment eliminations	$ (7,597)	$ (7,133)	6.5 %
Consolidated Net Sales	$ 741,530	$ 637,490	16.3 %

Net sales for Second Quarter 2002 increased to $741.5 million from $637.5 million for Second Quarter 2001, an increase of $104.0 million, or 16.3%.

Canandaigua Wine

Net sales for Canandaigua Wine for Second Quarter 2002 increased to $217.8 million from $168.8 million for Second Quarter 2001, an increase of $49.0 million, or 29.0%. This increase resulted primarily from $46.7 million of sales of the newly acquired brands from the Turner Road Vintners Assets and Corus

Assets acquisitions ("the March Acquisitions"), both completed in March 2001.

Barton

Net sales for Barton for Second Quarter 2002 increased to $301.7 million from $284.7 million for Second Quarter 2001, an increase of $17.0 million, or 6.0%. This increase resulted primarily from an 8.0% increase in imported beer sales, led by volume growth in the Mexican beer portfolio. Spirits sales decreased slightly as a 3.9% growth in volume was more than offset by lower net selling prices from the implementation of a net pricing strategy in the third quarter of Fiscal 2001, which also resulted in lower promotion costs.

Matthew Clark

Net sales for Matthew Clark for Second Quarter 2002 increased to $197.6 million from $169.7 million for Second Quarter 2001, an increase of $28.0 million, or 16.5%. Excluding an adverse foreign currency impact of $11.2 million, net sales increased $39.1 million, or 23.1%. This local currency basis increase resulted primarily from a 35.5% increase in wholesale sales, with the majority of this growth coming from organic sales. Additionally, branded sales increased 8.3% with an increase in wine sales being partially offset by a decrease in cider sales.

Franciscan

Net sales for Franciscan for Second Quarter 2002 increased to $31.9 million from $21.4 million for Second Quarter 2001, an increase of $10.6 million, or 49.3%. This increase resulted from $5.4 million of sales of the newly acquired brands from the Ravenswood acquisition, completed in July 2001, and organic sales growth primarily due to volume increases in the Estancia, Veramonte and Franciscan brands.

GROSS PROFIT

The Company's gross profit increased to $237.7 million for Second Quarter 2002 from $200.6 million for Second Quarter 2001, an increase of $37.0 million, or 18.5%. The dollar increase in gross profit resulted primarily from sales of the newly acquired brands from the March Acquisitions and the Ravenswood acquisition, volume growth in the Barton Mexican beer portfolio, volume growth in the Matthew Clark branded wine business and wholesale business, and volume growth in the Franciscan fine wine portfolio. These increases were partially offset by an adverse foreign currency impact. As a percent of net sales, gross profit improved to 32.1% for Second Quarter 2002 versus 31.5% for Second Quarter 2001. The increase in gross profit margin resulted primarily from sales of higher-margin wine brands acquired in the March Acquisitions and the Ravenswood acquisition.

SELLING, GENERAL AND ADMINISTRATIVE EXPENSES

Selling, general and administrative expenses increased to $148.7 million for Second Quarter 2002 from $129.9 million for Second Quarter 2001, an increase of $18.7 million, or 14.4%. The dollar increase in selling, general and administrative expenses resulted primarily from advertising and promotion costs associated with the brands acquired in the March Acquisitions and the Ravenswood acquisition, as well as increases related to volume growth in the Matthew Clark branded wine business and wholesale business, the Franciscan fine wine portfolio and the Barton Mexican beer portfolio. Selling, general and administrative expenses as a percent of net sales decreased to 20.0% for Second Quarter 2002 as compared to 20.4% for Second Quarter 2001 as a decrease in Barton spirits advertising and promotion

costs was greater than the decrease in Barton spirits net sales and the percent increase in Matthew Clark wholesale sales was greater than the percent increase in selling, general and administrative expenses.

OPERATING INCOME

The following table sets forth the operating income/(loss) (in thousands of dollars) by operating segment of the Company for Second Quarter 2002 and Second Quarter 2001.

	Second Quarter 2002 Compared to Second Quarter 2001		
	Operating Income/(Loss)		
	2002	2001	%Increase
Canandaigua Wine	$ 23,934	$ 10,382	130.5%

Barton	51,361	50,613	1.5%
Matthew Clark	13,968	12,222	14.3%
Franciscan	8,098	4,242	90.9%
Corporate Operations and Other	(8,360)	(6,755)	23.8%
Consolidated Operating Income	$ 89,001	$ 70,704	25.9%

As a result of the above factors, consolidated operating income increased to $89.0 million for Second Quarter 2002 from $70.7 million for Second Quarter 2001, an increase of $18.3 million, or 25.9%.

INTEREST EXPENSE, NET

Net interest expense increased to $29.0 million for Second Quarter 2002 from $27.2 million for Second Quarter 2001, an increase of $1.8 million, or 6.6%. The increase resulted primarily from an increase in average borrowings primarily due to the financing of the March Acquisitions and the Ravenswood acquisition, partially offset by a slight decrease in the average interest rate.

NET INCOME

As a result of the above factors, net income increased to $35.9 million for Second Quarter 2002 from $26.1 million for Second Quarter 2001, an increase of $9.8 million, or 37.6%.

For financial analysis purposes only, the Company's earnings before interest, taxes, depreciation and amortization ("EBITDA") for Second Quarter 2002 were $110.3 million, an increase of $21.9 million over EBITDA of $88.4 million for Second Quarter 2001. EBITDA should not be construed as an alternative to operating income or net cash flow from operating activities and should not be construed as an indication of operating performance or as a measure of liquidity.

SIX MONTHS 2002 COMPARED TO SIX MONTHS 2001

NET SALES

The following table sets forth the net sales (in thousands of dollars) by operating segment of the Company for Six Months 2002 and Six Months 2001.

	Six Months 2002 Compared to Six Months 2001		
	Net Sales		
	2002	2001	%Increase/ (Decrease)
Canandaigua Wine:			
Branded:			
External customers	$ 363,030	$ 290,706	24.9 %
Intersegment	4,644	3,132	48.3 %
Total Branded	367,674	293,838	25.1 %
Other:			
External customers	27,383	30,102	(9.0)%
Intersegment	7,856	8,355	(6.0)%
Total Other	35,239	38,457	(8.4)%
Canandaigua Wine net sales	$ 402,913	$ 332,295	21.3 %
Barton:			
Beer	$ 412,171	$ 375,293	9.8 %
Spirits	143,831	145,107	(0.9)%
Barton net sales	$ 556,002	$ 520,400	6.8 %
Matthew Clark:			
Branded:			
External customers	$ 144,663	$ 145,486	(0.6)%
Intersegment	481	497	(3.2)%
Total Branded	145,144	145,983	(0.6)%
Wholesale	234,475	193,233	21.3 %
Matthew Clark net sales	$ 379,619	$ 339,216	11.9 %
Franciscan:			
External customers	$ 58,087	$ 43,144	34.6 %
Intersegment	254	138	84.1 %

Franciscan net sales	$ 58,341	$ 43,282	34.8 %
Corporate Operations and Other	$ -	$ -	N/A
Intersegment eliminations	$ (13,235)	$ (12,123)	9.2 %
Consolidated Net Sales	$ 1,383,640	$ 1,223,070	13.1 %

Net sales for Six Months 2002 increased to $1,383.6 million from $1,223.1 million for Six Months 2001, an increase of $160.6 million, or 13.1%.

Canandaigua Wine

Net sales for Canandaigua Wine for Six Months 2002 increased to $402.9 million from $332.3 million for Six Months 2001, an increase of $70.6 million, or 21.3%. This increase resulted primarily from $83.6 million of sales of the newly acquired brands from the March Acquisitions. This increase was partially offset by declines in other wine brands due to the timing of seasonal programming for the first quarter of Fiscal 2002 versus the first quarter of Fiscal 2001 and Canandaigua Wine's grape juice concentrate business.

Barton

Net sales for Barton for Six Months 2002 increased to $556.0 million from $520.4 million for Six Months 2001, an increase of $35.6 million, or 6.8%. This increase resulted primarily from a 9.8% increase in imported beer sales, led by volume growth in the Mexican beer portfolio. This increase was partially offset by a slight decrease in spirits sales as a result of lower net selling prices from the implementation of a net pricing strategy in the third quarter of Fiscal 2001 offset by spirits sales volume increases.

Matthew Clark

Net sales for Matthew Clark for Six Months 2002 increased to $379.6 million from $339.2 million for Six Months 2001, an increase of $40.4 million, or 11.9%. Excluding an adverse foreign currency impact of $25.8 million, net sales increased $66.2 million, or 19.9%. This local currency basis increase resulted primarily from a 30.1% increase in wholesale sales, with the majority of this growth coming from organic sales. Additionally, branded sales increased 6.4% with an increase in wine sales being partially offset by a decrease in cider and drinks sales.

Franciscan

Net sales for Franciscan for Six Months 2002 increased to $58.3 million from $43.3 million for Six Months 2001, an increase of $15.1 million, or 34.8%. This increase resulted from $5.4 million of sales of the newly acquired brands from the Ravenswood acquisition and sales growth primarily due to volume increases in the Estancia, Veramonte, and Franciscan brands.

GROSS PROFIT

The Company's gross profit increased to $439.6 million for Six Months 2002 from $384.5 million for Six Months 2001, an increase of $55.1 million, or 14.3%. The dollar increase in gross profit resulted primarily from sales of the newly acquired brands from the March Acquisitions and the Ravenswood acquisition, volume growth in the Barton Mexican beer portfolio, volume growth in the Franciscan fine wine portfolio and volume growth in the Matthew Clark wholesale business and branded wine business. These increases were partially offset by a decrease in Barton's spirits sales, an adverse foreign currency impact, a decrease in Canandaigua Wine's organic wine sales and a volume decrease in Matthew Clark's cider sales. As a percent of net sales, gross profit improved slightly to 31.8% for Six Months 2002 versus 31.4% for Six Months 2001. The increase in gross profit margin resulted primarily from sales of higher-margin wine brands acquired in the March Acquisitions and the Ravenswood acquisition.

SELLING, GENERAL AND ADMINISTRATIVE EXPENSES

Selling, general and administrative expenses increased to $280.7 million for Six Months 2002 from $256.3 million for Six Months 2001, an increase of $24.4 million, or 9.5%. The dollar increase in selling, general and administrative expenses resulted primarily from advertising and promotion costs associated with the brands acquired in the March Acquisitions and the Ravenswood acquisition. Selling, general and administrative expenses as a percent of net sales decreased to 20.3% for Six Months 2002 as compared to 21.0% for Six Months 2001 as a decrease in Barton spirits advertising and promotion costs was greater

than the decrease in Barton spirits net sales and the percent increase in Matthew Clark wholesale sales was greater than the percent increase in selling, general and administrative expenses.

OPERATING INCOME

The following table sets forth the operating income/(loss) (in thousands of dollars) by operating segment of the Company for Six Months 2002 and Six Months 2001.

	Six Months 2002 Compared to Six Months 2001		
	Operating Income/(Loss)		
	2002	2001	%Increase/ (Decrease)
Canandaigua Wine	$ 39,329	$ 18,200	116.1 %
Barton	95,412	89,448	6.7 %
Matthew Clark	22,285	22,596	(1.4)%
Franciscan	15,146	9,658	56.8 %
Corporate Operations and Other	(13,248)	(11,734)	12.9 %
Consolidated Operating Income	$ 158,924	$ 128,168	24.0 %

As a result of the above factors, consolidated operating income increased to $158.9 million for Six Months 2002 from $128.2 million for Six Months 2001, an increase of $30.8 million, or 24.0%.

INTEREST EXPENSE, NET

Net interest expense increased to $59.2 million for Six Months 2002 from $54.8 million for Six Months 2001, an increase of $4.3 million, or 7.9%. The increase resulted primarily from an increase in average borrowings primarily due to the financing of the March Acquisitions and the Ravenswood acquisition, partially offset by a slight decrease in the average interest rate.

NET INCOME

As a result of the above factors, net income increased to $59.8 million for Six Months 2002 from $44.0 million for Six Months 2001, an increase of $15.8 million, or 35.8%.

For financial analysis purposes only, the Company's earnings before interest, taxes, depreciation and amortization ("EBITDA") for Six Months 2002 were $202.2 million, an increase of $38.0 million over EBITDA of $164.2 million for Six Months 2001. EBITDA should not be construed as an alternative to operating income or net cash flow from operating activities and should not be construed as an indication of operating performance or as a measure of liquidity.

FINANCIAL LIQUIDITY AND CAPITAL RESOURCES

GENERAL

The Company's principal use of cash in its operating activities is for purchasing and carrying inventories. The Company's primary source of liquidity has historically been cash flow from operations, except during the annual fall grape harvests when the Company has relied on short-term borrowings. The annual grape crush normally begins in August and runs through October. The Company generally begins purchasing grapes in August with payments for such grapes beginning to come due in September. The Company's short-term borrowings to support such purchases generally reach their highest levels in November or December. Historically, the Company has used cash flow from operating activities to repay its short-term borrowings. The Company will continue to use its short-term borrowings to support its working capital requirements. The Company believes that cash provided by operating activities and its

financing activities, primarily short-term borrowings, will provide adequate resources to satisfy its working capital, liquidity and anticipated capital expenditure requirements for both its short-term and long-term capital needs.

SIX MONTHS 2002 CASH FLOWS

OPERATING ACTIVITIES

Net cash provided by operating activities for Six Months 2002 was $106.0 million, which resulted from $105.2 million in net income adjusted for noncash

items, plus $0.8 million representing the net change in the Company's operating assets and liabilities. The net change in operating assets and liabilities resulted primarily from increases in accrued grape purchases and accrued income taxes, and a decrease in inventories, offset by a seasonal increase in accounts receivable and a decrease in accrued interest.

INVESTING ACTIVITIES AND FINANCING ACTIVITIES

Net cash used in investing activities for Six Months 2002 was $470.9 million, which resulted primarily from net cash paid of $472.0 million for the March Acquisitions and the Ravenswood acquisition and $28.8 million of capital expenditures, partially offset by $35.4 million of proceeds from the sale of assets.

Net cash provided by financing activities for Six Months 2002 was $226.1 million, which resulted primarily from net proceeds of $139.5 million from the equity offering, proceeds of $85.7 million from net revolving loan borrowings under the senior credit facility, and proceeds of $26.4 million from exercise of employee stock options. These amounts were partially offset by principal payments of long-term debt of $25.2 million.

DEBT

Total debt outstanding as of August 31, 2001, amounted to $1,449.0 million, an increase of $83.2 million from February 28, 2001. The ratio of total debt to total capitalization decreased to 63.3% as of August 31, 2001, from 68.9% as of February 28, 2001.

SENIOR CREDIT FACILITY

As of August 31, 2001, under its senior credit facility, the Company had outstanding term loans of $321.1 million bearing a weighted average interest rate of 5.7%, $83.0 million of revolving loans bearing a weighted average interest rate of 6.6%, undrawn revolving letters of credit of $19.1 million, and $197.9 million in revolving loans available to be drawn.

SENIOR NOTES

As of August 31, 2001, the Company had outstanding $200.0 million aggregate principal amount of 8 5/8% Senior Notes due August 2006 (the "Senior Notes"). The Senior Notes are currently redeemable, in whole or in part, at the option of the Company.

As of August 31, 2001, the Company had outstanding (pound)1.0 million ($1.5 million) aggregate principal amount of 8 1/2% Series B Senior Notes due November 2009 (the "Sterling Series B Senior Notes"). In addition, the Company had outstanding (pound)154.0 million ($223.4 million, net of $0.5 million

unamortized discount) aggregate principal amount of 8 1/2% Series C Senior Notes due November 2009 (the "Sterling Series C Senior Notes") as of August 31, 2001. The Sterling Series B Senior Notes and Sterling Series C Senior Notes are currently redeemable, in whole or in part, at the option of the Company.

In July 2001, the Company exchanged $200.0 million aggregate principal amount of 8% Series B Senior Notes due February 2008 (the "February 2001 Series B Senior Notes") for all of the February 2001 Senior Notes. The terms of the February 2001 Series B Senior Notes are identical in all material respects to the February 2001 Senior Notes. The February 2001 Series B Senior Notes are currently redeemable, in whole or in part, at the option of the Company. As of August 31, 2001, the Company had outstanding $200.0 million aggregate principal amount of February 2001 Series B Senior Notes.

SENIOR SUBORDINATED NOTES

As of August 31, 2001, the Company had outstanding $195.0 million ($193.7 million, net of $1.3 million unamortized discount) aggregate principal amount of 8 3/4% Senior Subordinated Notes due December 2003 (the "Original Notes"). The Original Notes are currently redeemable, in whole or in part, at the option of the Company.

Also, as of August 31, 2001, the Company had outstanding $200.0 million aggregate principal amount of 8 1/2% Senior Subordinated Notes due March 2009 (the "Senior Subordinated Notes"). The Senior Subordinated Notes are redeemable at the option of the Company, in whole or in part, at any time on or after March 1, 2004. The Company may also redeem up to $70.0 million of the Senior Subordinated Notes using the proceeds of certain equity offerings completed before March 1, 2002.

EQUITY OFFERING

During March 2001, the Company completed a public offering of 4,370,000 shares of its Class A Common Stock resulting in net proceeds to the Company, after deducting underwriting discounts and expenses, of $139.5 million. The net

proceeds were used to repay revolving loan borrowings under the senior credit facility of which a portion was incurred to partially finance the acquisition of the Turner Road Vintners Assets.

During October 2001, the Company sold 322,500 shares of its Class A Common Stock in connection with a public offering of Class A Common Stock by stockholders of the Company. The net proceeds to the Company, after deducting underwriting discounts, of $12.1 million were used to repay borrowings under the senior credit facility.

ACCOUNTING PRONOUNCEMENTS

In May 2000, the Emerging Issues Task Force ("EITF") issued EITF Issue No. 00-14 ("EITF No. 00-14"), "Accounting for Certain Sales Incentives," which was subsequently amended in April 2001. EITF No. 00-14 addresses the recognition, measurement and income statement classification of certain sales incentives. EITF No. 00-14 requires that sales incentives, including coupons, rebate offers, and free product offers, given concurrently with a single exchange transaction be recognized when incurred and reported as a reduction of revenue. In addition, in April 2001, the EITF issued EITF Issue No. 00-25 ("EITF No. 00-25"), "Vendor Income Statement Characterization of Consideration Paid to a Reseller of the Vendor's Products." EITF No. 00-25 addresses the income statement classification of certain consideration, other than directly addressed in EITF No. 00-14, from a vendor to an entity that purchases the vendor's products for resale. EITF No. 00-25 requires that certain consideration from a vendor to a reseller of the vendor's products be reported as a reduction of revenue. The Company currently reports

costs that fall under both EITF No. 00-14 and EITF No. 00-25 as selling, general and administrative expenses. The Company is required to adopt EITF No. 00-14 and EITF No. 00-25 in its financial statements beginning March 1, 2002. Upon adoption of EITF No. 00-14 and EITF No. 00-25, financial statements for prior periods presented for comparative purposes are to be reclassified to comply with the requirements of EITF No. 00-14 and EITF No. 00-25. The Company believes the impact of EITF No. 00-14 and EITF No. 00-25 on its financial statements will result in a material reclassification that will decrease previously reported net sales and decrease previously reported selling, general and administrative expenses, but will have no effect on operating income or net income. The Company has not yet determined the amount of the reclassification.

In July 2001, the Financial Accounting Standards Board issued Statement of Financial Accounting Standards No. 141 ("SFAS No. 141"), "Business Combinations." SFAS No. 141 addresses financial accounting and reporting for business combinations requiring all business combinations to be accounted for using one method, the purchase method. In addition, SFAS No. 141 supersedes Accounting Principles Board Opinion No. 16, "Business Combinations." SFAS No. 141 is effective immediately for all business combinations initiated after June 30, 2001, as well as for all business combinations accounted for by the purchase method for which the date of acquisition is July 1, 2001, or later. The Company is required to adopt SFAS No. 141 for all business combinations for which the acquisition date was before July 1, 2001, for fiscal years beginning March 1, 2002. The adoption of the applicable provisions of SFAS No. 141 have not had a material impact on the Company's financial statements. The Company believes that the adoption of the remaining provisions of SFAS No. 141 will not have a material impact on its financial statements.

In July 2001, the Financial Accounting Standards Board also issued Statement of Financial Accounting Standards No. 142 ("SFAS No. 142"), "Goodwill and Other Intangible Assets." SFAS No. 142 addresses financial accounting and reporting for acquired goodwill and other intangible assets and supersedes Accounting Principles Board Opinion No. 17, "Intangible Assets." Under SFAS No. 142, goodwill and indefinite lived intangible assets are no longer amortized but are reviewed at least annually for impairment. Separable intangible assets that are not deemed to have an indefinite life will continue to be amortized over their useful lives. The Company is required to apply the provisions of SFAS No. 142 for all goodwill and intangible assets acquired prior to July 1, 2001, for fiscal years beginning March 1, 2002. For goodwill and intangible assets acquired after June 30, 2001, these assets will be subject immediately to the nonamortization and amortization provisions of SFAS No. 142. The Company is currently assessing the financial impact of SFAS No. 142 on its financial statements.

In August 2001, the Financial Accounting Standards Board issued Statement of Financial Accounting Standards No. 143 ("SFAS No. 143"), "Accounting for Asset Retirement Obligations." SFAS No. 143 addresses financial accounting and reporting for obligations associated with the retirement of tangible long-lived assets and the associated retirement costs. The Company is required to adopt SFAS No. 143 for fiscal years beginning March 1, 2003. The Company is currently assessing the financial impact of SFAS No. 143 on its financial statements.

In October 2001, the Financial Accounting Standards Board issued Statement of Financial Accounting Standards No. 144 ("SFAS No. 144"), "Accounting for the Impairment or Disposal of Long-Lived Assets." SFAS No. 144 addresses financial

accounting and reporting for the impairment or disposal of long-lived assets. SFAS No. 144 supersedes Statement of Financial Accounting Standards No. 121, "Accounting for the Impairment of Long-Lived Assets and for Long-Lived Assets to be Disposed of," and the accounting and reporting provisions of Accounting Principles Board Opinion No. 30, "Reporting the Results of Operations-Reporting the Effects of Disposal of a Segment of a Business, and Extraordinary, Unusual and Infrequently Occurring Events and Transactions," for the disposal of a segment of a business (as previously defined in that Opinion). The Company is required to adopt SFAS

No. 144 for fiscal years beginning March 1, 2002. The Company is currently assessing the financial impact of SFAS No. 144 on its financial statements.

EURO CONVERSION ISSUES

Effective January 1, 1999, eleven of the fifteen member countries of the European Union (the "Participating Countries") established fixed conversion rates between their existing sovereign currencies and the euro. For three years after the introduction of the euro, the Participating Countries can perform financial transactions in either the euro or their original local currencies. This will result in a fixed exchange rate among the Participating Countries, whereas the euro (and the Participating Countries' currency in tandem) will continue to float freely against the U.S. dollar and other currencies of the non-participating countries. The Company does not believe that the effects of the conversion will have a material adverse effect on the Company's business and operations.

INFORMATION REGARDING FORWARD-LOOKING STATEMENTS

This Quarterly Report on Form 10-Q contains "forward-looking statements" within the meaning of Section 27A of the Securities Act of 1933 and Section 21E of the Securities Exchange Act of 1934. These forward-looking statements are subject to a number of risks and uncertainties, many of which are beyond the Company's control, that could cause actual results to differ materially from those set forth in, or implied by, such forward-looking statements. All statements other than statements of historical facts included in this Quarterly Report on Form 10-Q, including statements regarding the Company's future financial position and prospects, are forward-looking statements. All forward-looking statements speak only as of the date of this Quarterly Report on Form 10-Q. The Company undertakes no obligation to update or revise any forward-looking statements, whether as a result of new information, future events or otherwise. For risk factors associated with the Company and its business, which factors could cause actual results to differ materially from those set forth in, or implied by, the Company's forward-looking statements, reference should be made to the Company's filings with the Securities and Exchange Commission, including its Annual Report on Form 10-K for the fiscal year ended February 28, 2001.

ITEM 3. QUANTITATIVE AND QUALITATIVE DISCLOSURES ABOUT MARKET RISK

Information about market risks for the six months ended August 31, 2001, does not differ materially from that discussed under Item 7A in the Company's Annual Report on Form 10-K for the fiscal year ended February 28, 2001.

PART II - OTHER INFORMATION

ITEM 4. SUBMISSION OF MATTERS TO A VOTE OF SECURITY HOLDERS

At the Annual Meeting of Stockholders of Constellation Brands, Inc. held on July 17, 2001 (the "Annual Meeting"), the holders of the Company's Class A Common Stock (the "Class A Stock"), voting as a separate class, elected the Company's slate of director nominees designated to be elected by the holders of the Class A Stock, and the holders of the Company's Class B Common Stock (the "Class B Stock"), voting as a separate class, elected the Company's slate of director nominees designated to be elected by the holders of the Class B Stock.

In addition, at the Annual Meeting, the holders of Class A Stock and the holders of Class B Stock, voting together as a single class, voted upon the proposal to ratify the selection of Arthur Andersen LLP, Certified Public Accountants, as the Company's independent auditors for the fiscal year ending February 28, 2002.

Set forth below is the number of votes cast for, against or withheld, as well as the number of abstentions and broker nonvotes, as applicable, as to each of the foregoing matters.

I. The results of the voting for the election of Directors of the Company are as follows:

Directors Elected By the Holders of Class A Stock:

Nominee	For	Withheld
Thomas C. McDermott	31,305,359	83,656
Paul L. Smith	31,305,259	83,756

Directors Elected By the Holders of Class B Stock:

Nominee	For	Withheld
George Bresler	60,680,120	5,400
Jeananne K. Hauswald	60,679,560	5,960
James A. Locke, III	60,680,040	5,480
Richard Sands	60,680,070	5,450
Robert Sands	60,673,380	12,140

II. The selection of Arthur Andersen LLP was ratified with the following votes:

For:	91,788,340
Against:	278,534
Abstain:	7,661
Broker Nonvotes:	N/A

ITEM 6. EXHIBITS AND REPORTS ON FORM 8-K

(a) See Index to Exhibits located on Page 33 of this Report.

(b) The following Reports on Form 8-K were filed with the Securities and Exchange Commission during the quarter ended August 31, 2001:

(i) Form 8-K dated June 19, 2001. This Form 8-K reported information under Item 5.

(ii) Form 8-K dated June 28, 2001. This Form 8-K reported information under Item 5 and included (i) the Company's Condensed Consolidated Balance Sheets as of May 31, 2001 and February 28, 2001; and (ii) the Company's Condensed Consolidated Statements of Income for the three months ended May 31, 2001 and May 31, 2000.

(iii) Form 8-K dated July 2, 2001. This Form 8-K reported information under Item 5.

(iv) Form 8-K dated August 23, 2001. This Form 8-K reported information under Item 5 and Item 7. The following financial statements of Ravenswood Winery, Inc. were filed with the Form 8-K:

The Ravenswood Winery, Inc. Balance Sheet at June 30, 2000 and 1999, and the related Statements of Income, Shareholders' Equity and Cash Flows for the fiscal years ended June 30, 2000, 1999 and 1998, and the report of Odenberg, Ullakko, Muranishi & Co. LLP, independent accountants, thereon, together with the notes thereto.

The Ravenswood Winery, Inc. Balance Sheet at March 31, 2001 (unaudited) and June 30, 2000, and the related unaudited Statements of Income and Cash Flows for the three months ended March 31, 2001 and 2000, and for the nine months ended March 31, 2001 and 2000, together with the notes thereto.

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, thereunto duly authorized.

CONSTELLATION BRANDS, INC.

Dated: October 15, 2001 By: /s/ Thomas F. Howe

Thomas F. Howe, Senior Vice President, Controller

Dated: October 15, 2001 By: /s/ Thomas S. Summer

Thomas S. Summer, Executive Vice President and Chief Financial Officer (Principal Financial Officer and Principal Accounting Officer)

INDEX TO EXHIBITS

(2) PLAN OF ACQUISITION, REORGANIZATION, ARRANGEMENT, LIQUIDATION OR SUCCESSION.

2.1 Asset Purchase Agreement dated as of February 21, 1999 by and among Diageo Inc., UDV Canada Inc., United Distillers Canada Inc. and the Company (filed as Exhibit 2 to the Company's Current Report on Form 8-K dated April 9, 1999 and incorporated herein by reference).

2.2 Stock Purchase Agreement, dated April 21, 1999, between Franciscan Vineyards, Inc., Agustin Huneeus, Agustin Francisco Huneeus, Jean-Michel Valette, Heidrun Eckes-Chantre Und Kinder Beteiligungsverwaltung II, GbR, Peter Eugen Eckes Und Kinder Beteiligungsverwaltung II, GbR, Harald Eckes-Chantre, Christina Eckes-Chantre, Petra Eckes-Chantre and the Company (filed as Exhibit 2.1 on the Company's Current Report on Form 8-K dated June 4, 1999 and incorporated herein by reference).

2.3 Stock Purchase Agreement by and between Canandaigua Wine Company, Inc. (a wholly-owned subsidiary of the Company) and Moet Hennessy, Inc. dated April 1, 1999 (filed as Exhibit 2.3 to the Company's Quarterly Report on Form 10-Q for the fiscal quarter ended May 31, 1999 and incorporated herein by reference).

2.4 Purchase Agreement dated as of January 30, 2001, by and among Sebastiani Vineyards, Inc., Tuolomne River Vintners Group and Canandaigua Wine Company, Inc. (a wholly-owned subsidiary of the Company) (filed as Exhibit 2.5 to the Company's Annual Report on Form 10-K for the fiscal year ended February 28, 2001 and incorporated herein by reference).

2.5 Agreement and Plan of Merger by and among the Company, VVV Acquisition Corp. and Ravenswood Winery, Inc. dated as of April 10, 2001 (filed as Exhibit 2.5 to the Company's Quarterly Report on Form 10-Q for the fiscal quarter ended May 31, 2001 and incorporated herein by reference).

(3) ARTICLES OF INCORPORATION AND BY-LAWS.

3.1 Restated Certificate of Incorporation of the Company (filed as Exhibit 3.1 to the Company's Quarterly Report on Form 10-Q for the fiscal quarter ended August 31, 2000 and incorporated herein by reference).

3.2 By-Laws of the Company (filed as Exhibit 3.2 to the Company's Quarterly Report on Form 10-Q for the fiscal quarter ended August 31, 2000 and incorporated herein by reference).

(4) INSTRUMENTS DEFINING THE RIGHTS OF SECURITY HOLDERS, INCLUDING INDENTURES.

4.1 Seventh Supplemental Indenture, dated as of August 21, 2001, among the Company, Ravenswood Winery, Inc. and The Chase Manhattan Bank, as Trustee (supplementing the Indenture dated December 27, 1993) (filed herewith).

4.2 Fifth Supplemental Indenture, dated as of August 21, 2001, among the Company, Ravenswood Winery, Inc. and BNY Midwest Trust Company (successor to Harris Trust and Savings Bank), as Trustee (supplementing the Indenture dated October 29, 1996) (filed herewith).

4.3 Supplemental Indenture No. 6, dated as of August 21, 2001, among the Company, Ravenswood Winery, Inc. and BNY Midwest Trust Company (successor trustee to Harris Trust and Savings Bank and The Bank of New York, as applicable), as Trustee (supplementing the Indenture dated February 25, 1999) (filed as Exhibit 4.6 to the Company's Registration Statement on Form S-3

(Pre-effective Amendment No. 1) (Registration No. 333-63480) and incorporated herein by reference).

4.4 Supplemental Indenture No. 1, dated as of August 21, 2001, among the Company, Ravenswood Winery, Inc. and BNY Midwest Trust Company (successor to Harris Trust and Savings Bank), as Trustee (supplementing

the Indenture dated November 17, 1999) (filed herewith).

4.5 Supplemental Indenture No. 1, dated as of August 21, 2001, among the Company, Ravenswood Winery, Inc. and BNY Midwest Trust Company (successor to Harris Trust and Savings Bank), as Trustee (supplementing the Indenture dated February 21, 2001) (filed as Exhibit 4.7 to the Company's Pre-effective Amendment No. 1 to its Registration Statement on Form S-3 (Registration No. 333-63480) and incorporated herein by reference).

4.6 Guarantee Assumption Agreement, dated as of July 2, 2001, by Ravenswood Winery, Inc., in favor of The Chase Manhattan Bank, as administrative agent, pursuant to the Credit Agreement dated as of October 6, 1999, as amended (filed herewith).

4.7 Amendment No. 3 to the Credit Agreement, dated as of September 7, 2001 between the Company, certain principal subsidiaries, and The Chase Manhattan Bank, as administrative agent for certain banks (filed herewith).

(10) MATERIAL CONTRACTS.

10.1 Guarantee Assumption Agreement, dated as of July 2, 2001, by Ravenswood Winery, Inc., in favor of The Chase Manhattan Bank, as administrative agent, pursuant to the Credit Agreement dated as of October 6, 1999, as amended (filed herewith as Exhibit 4.6).

10.2 Amendment No. 3 to the Credit Agreement, dated as of September 7, 2001 between the Company, certain principal subsidiaries, and The Chase Manhattan Bank, as administrative agent for certain banks (filed herewith as Exhibit 4.7).

(11) STATEMENT RE COMPUTATION OF PER SHARE EARNINGS.

11.1 Computation of per share earnings (filed herewith).

(15) LETTER RE UNAUDITED INTERIM FINANCIAL INFORMATION.

Not applicable.

(18) LETTER RE CHANGE IN ACCOUNTING PRINCIPLES.

Not applicable.

(19) REPORT FURNISHED TO SECURITY HOLDERS.

Not applicable.

(22) PUBLISHED REPORT REGARDING MATTERS SUBMITTED TO A VOTE OF SECURITY HOLDERS.

Not applicable.

(23) CONSENTS OF EXPERTS AND COUNSEL.

Not applicable.

(24) POWER OF ATTORNEY.

Not applicable.

(99) ADDITIONAL EXHIBITS.

99.1 1989 Employee Stock Purchase Plan (Restated June 27, 2001) (filed herewith).

99.2 Underwriting Agreement dated March 8, 2001 by and among the Company and Salomon Smith Barney Inc., for itself and certain other Underwriters named therein (filed herewith so as to be incorporated by reference into Registration Statement No. 333-91587).

EXHIBIT 4.1

[Execution Copy]

SEVENTH SUPPLEMENTAL INDENTURE (this "Supplement"), dated as of August 21, 2001, is entered into by and among CONSTELLATION BRANDS, INC. (formerly known as Canandaigua Brands, Inc.), a Delaware corporation (the "Company"), and RAVENSWOOD WINERY, INC., a California corporation and an indirect wholly-owned subsidiary of the Company (the "New Guarantor"), and THE CHASE MANHATTAN BANK (f/k/a Chemical Bank), a New York banking corporation, as trustee (the "Trustee").

RECITALS OF THE COMPANY AND THE NEW GUARANTOR

WHEREAS, the Company, the Guarantors and the Trustee have executed and delivered an Indenture, dated as of December 27, 1993, as supplemented (the "Indenture"), providing for the issuance by the Company of $130,000,000 aggregate principal amount of the Company's 8 3/4% Senior Subordinated Notes due 2003 (the "Securities"), and pursuant to which the Guarantors have agreed to guarantee, jointly and severally, the full and punctual payment and performance when due of all Indenture Obligations;

WHEREAS, the New Guarantor has become a Subsidiary and, pursuant to Section 1014(b) of the Indenture, is obligated to enter into this Supplement thereby guaranteeing the punctual payment and performance when due of all Indenture Obligations;

WHEREAS, pursuant to Section 901(e) of the Indenture, the Company, the New Guarantor and the Trustee may enter into this Supplement without the consent of any Holder;

WHEREAS, the execution and delivery of this Supplement have been duly authorized by a Board Resolution of the respective Boards of Directors of the Company and the New Guarantor; and

WHEREAS, all conditions and requirements necessary to make the Supplement valid and binding upon the Company and the New Guarantor, and enforceable against the Company and the New Guarantor in accordance with its terms, have been performed and fulfilled;

NOW, THEREFORE, in consideration of the above premises, each of the parties hereto agrees, for the benefit of the others and for the equal and proportionate benefit of the Holders of the Securities, as follows:

ARTICLE ONE
THE NEW GUARANTEE

Section 101. For value received, the New Guarantor, in accordance with Article Fourteen of the Indenture, hereby absolutely, unconditionally and irrevocably guarantees (the "New Guarantee"), jointly and severally among itself and the Guarantors, to the Trustee and the Holders, as if the New Guarantor was the principal debtor, the punctual payment and performance when due of all Indenture Obligations (which for purposes of the New Guarantee shall also be deemed to include all commissions, fees, charges, costs and other expenses (including reasonable legal fees and disbursements of one counsel) arising out of or incurred by the Trustee or the Holders in connection with the enforcement of the New Guarantee). The agreements made and obligations assumed hereunder by the New Guarantor shall constitute and

shall be deemed to constitute a Guarantee under the Indenture and for all purposes of the Indenture, and the New Guarantor shall be considered a Guarantor for all purposes of the Indenture as if the New Guarantor was originally named therein as a Guarantor.

Section 102. The New Guarantee shall be automatically and unconditionally released and discharged upon the occurrence of the events set forth in Section 1014(c) of the Indenture.

Section 103. The New Guarantor hereby waives and will not in any manner whatsoever claim or take the benefit or advantage of any rights of reimbursement, indemnity or subrogation or any other rights against the Company or any other Subsidiary as a result of any payment by the New Guarantor under its Guarantee under the Indenture.

ARTICLE TWO
MISCELLANEOUS

Section 201. Except as otherwise expressly provided or unless the context otherwise requires, all terms used herein which are defined in the Indenture shall have the meanings assigned to them in the Indenture. Except as

supplemented hereby, the Indenture (including the Guarantees incorporated therein) and the Securities are in all respects ratified and confirmed and all the terms and provisions thereof shall remain in full force and effect.

Section 202. This Supplement shall be effective as of the close of business on July 2, 2001.

Section 203. The recitals contained herein shall be taken as the statements of the Company and the New Guarantor, and the Trustee assumes no responsibility for their correctness. The Trustee makes no representations as to the validity or sufficiency of this Supplement.

Section 204. This Supplement shall be governed by and construed in accordance with the laws of the jurisdiction which governs the Indenture and its construction.

Section 205. This Supplement may be executed in any number of counterparts each of which shall be an original, but such counterparts shall together constitute but one and the same instrument.

IN WITNESS WHEREOF, the parties hereto have caused this Supplement to be duly executed and attested all as of the day and year first above written.

CONSTELLATION BRANDS, INC.

By: /s/ Thomas S. Summer

Name: Thomas S. Summer
Title: Executive Vice President and Chief Financial Officer

Attest:

/s/ David S. Sorce

Title:

RAVENSWOOD WINERY, INC.

By: /s/ Thomas S. Summer

Name: Thomas S. Summer
Title: Vice President and Treasurer

Attest:

/s/ David S. Sorce

Title:

THE CHASE MANHATTAN BANK

By: /s/ James D. Heaney

Name: James D. Heaney
Title: Vice President

Attest:

/s/ [illegible]

Title: Senior Trust Officer

EXHIBIT 4.2

[Execution Copy]

FIFTH SUPPLEMENTAL INDENTURE (this "Supplement"), dated as of August 21, 2001, is entered into by and among CONSTELLATION BRANDS, INC. (formerly known as Canandaigua Brands, Inc.), a Delaware corporation (the "Company"), and RAVENSWOOD WINERY, INC., a California corporation and an indirect wholly-owned subsidiary of the Company (the "New Guarantor"), and BNY MIDWEST TRUST COMPANY (successor to Harris Trust and Savings Bank), an Illinois banking corporation, as trustee (the "Trustee").

RECITALS OF THE COMPANY AND THE NEW GUARANTOR

WHEREAS, the Company, the Guarantors and the Trustee have executed and delivered an Indenture, dated as of October 29, 1996, as supplemented (the "Indenture"), providing for the issuance by the Company of $65,000,000 aggregate principal amount of the Company's 8 3/4% Senior Subordinated Notes due 2003 (the "Securities"), and pursuant to which the Guarantors have agreed to guarantee, jointly and severally, the full and punctual payment and performance when due of all Indenture Obligations;

WHEREAS, the New Guarantor has become a Subsidiary and, pursuant to Section 1014(b) of the Indenture, is obligated to enter into this Supplement thereby guaranteeing the punctual payment and performance when due of all Indenture Obligations;

WHEREAS, pursuant to Section 901(e) of the Indenture, the Company, the New Guarantor and the Trustee may enter into this Supplement without the consent of any Holder;

WHEREAS, the execution and delivery of this Supplement have been duly authorized by a Board Resolution of the respective Boards of Directors of the Company and the New Guarantor; and

WHEREAS, all conditions and requirements necessary to make the Supplement valid and binding upon the Company and the New Guarantor, and enforceable against the Company and the New Guarantor in accordance with its terms, have been performed and fulfilled;

NOW, THEREFORE, in consideration of the above premises, each of the parties hereto agrees, for the benefit of the others and for the equal and proportionate benefit of the Holders of the Securities, as follows:

ARTICLE ONE
THE NEW GUARANTEE

Section 101. For value received, the New Guarantor, in accordance with Article Fourteen of the Indenture, hereby absolutely, unconditionally and irrevocably guarantees (the "New Guarantee"), jointly and severally among itself and the Guarantors, to the Trustee and the Holders, as if the New Guarantor was the principal debtor, the punctual payment and performance when due of all Indenture Obligations (which for purposes of the New Guarantee shall also be deemed to include all commissions, fees, charges, costs and other expenses (including reasonable legal fees and disbursements of one counsel) arising out of or incurred by the Trustee or the Holders in connection with the enforcement of the New Guarantee). The agreements made and obligations assumed hereunder by the New Guarantor shall constitute and

shall be deemed to constitute a Guarantee under the Indenture and for all purposes of the Indenture, and the New Guarantor shall be considered a Guarantor for all purposes of the Indenture as if the New Guarantor was originally named therein as a Guarantor.

Section 102. The New Guarantee shall be automatically and unconditionally released and discharged upon the occurrence of the events set forth in Section 1014(c) of the Indenture.

Section 103. The New Guarantor hereby waives and will not in any manner whatsoever claim or take the benefit or advantage of any rights of reimbursement, indemnity or subrogation or any other rights against the Company or any other Subsidiary as a result of any payment by the New Guarantor under its Guarantee under the Indenture.

ARTICLE TWO
MISCELLANEOUS

Section 201. Except as otherwise expressly provided or unless the context otherwise requires, all terms used herein which are defined in the Indenture

shall have the meanings assigned to them in the Indenture. Except as supplemented hereby, the Indenture (including the Guarantees incorporated therein) and the Securities are in all respects ratified and confirmed and all the terms and provisions thereof shall remain in full force and effect.

Section 202. This Supplement shall be effective as of the close of business on July 2, 2001.

Section 203. The recitals contained herein shall be taken as the statements of the Company and the New Guarantor, and the Trustee assumes no responsibility for their correctness. The Trustee makes no representations as to the validity or sufficiency of this Supplement.

Section 204. This Supplement shall be governed by and construed in accordance with the laws of the jurisdiction which governs the Indenture and its construction.

Section 205. This Supplement may be executed in any number of counterparts each of which shall be an original, but such counterparts shall together constitute but one and the same instrument.

IN WITNESS WHEREOF, the parties hereto have caused this Supplement to be duly executed and attested all as of the day and year first above written.

CONSTELLATION BRANDS, INC.

By: /s/ Thomas S. Summer

Name: Thomas S. Summer
Title: Executive Vice President
& Chief Financial Officer

Attest:

/s/ David S. Sorce

Title:

RAVENSWOOD WINERY, INC.

By: /s/ Thomas S. Summer

Name: Thomas S. Summer
Title: Vice President & Treasurer

Attest:

/s/ David S. Sorce

Title:

BNY MIDWEST TRUST COMPANY

By: /s/ J. Bartolini

Name: J. Bartolini
Title: Vice President

Attest:

/s/ [illegible]

Title: Assistant Secretary

EXHIBIT 4.4

[Execution Copy]

SUPPLEMENTAL INDENTURE NO. 1 (this "Supplement"), dated as of August 21, 2001, is entered into by and among CONSTELLATION BRANDS, INC. (formerly known as Canandaigua Brands, Inc.), a Delaware corporation (the "Company"), RAVENSWOOD WINERY, INC., a California corporation and an indirect wholly-owned subsidiary of the Company (the "New Guarantor"), and BNY MIDWEST TRUST COMPANY (successor to Harris Trust and Savings Bank), an Illinois banking corporation, as trustee (the "Trustee").

RECITALS OF THE COMPANY AND THE NEW GUARANTOR

WHEREAS, the Company, the Guarantors and the Trustee have executed and delivered an Indenture, dated as of November 17, 1999 (the "Indenture"), providing for the issuance by the Company of (pound)150,000,000 aggregate principal amount of the Company's 8 1/2% Senior Notes due 2009, pursuant to which the Guarantors have agreed to guarantee, jointly and severally, the full and punctual payment and performance when due of all Indenture Obligations;

WHEREAS, the New Guarantor has become a Subsidiary and, pursuant to Section 4.15 of the Indenture, is obligated to enter into this Supplement thereby guaranteeing the punctual payment and performance when due of all Indenture Obligations;

WHEREAS, pursuant to Section 8.01 of the Indenture, the Company, the New Guarantor and the Trustee may enter into this Supplement without the consent of any Holder;

WHEREAS, the execution and delivery of this Supplement have been duly authorized by a Board Resolution of the respective Boards of Directors of the Company and the New Guarantor; and

WHEREAS, all conditions and requirements necessary to make the Supplement valid and binding upon the Company and the New Guarantor, and enforceable against the Company and the New Guarantor in accordance with its terms, have been performed and fulfilled;

NOW, THEREFORE, in consideration of the above premises, each of the parties hereto agrees, for the benefit of the others and for the equal and proportionate benefit of the Holders of the Securities, as follows:

ARTICLE ONE
THE NEW GUARANTEE

Section 1.01. For value received, the New Guarantor hereby absolutely, unconditionally and irrevocably guarantees (the "New Guarantee"), jointly and severally among itself and the Guarantors, to the Trustee and the Holders, as if the New Guarantor was the principal debtor, the punctual payment and performance when due of all Indenture Obligations (which for purposes of the New Guarantee shall also be deemed to include all commissions, fees, charges, costs and other expenses (including reasonable legal fees and disbursements of one counsel) arising out of or incurred by the Trustee or the Holders in connection with the enforcement of this New Guarantee). The agreements made and obligations assumed hereunder by the New Guarantor

shall constitute and shall be deemed to constitute a Guarantee under the Indenture and for all purposes of the Indenture, and the New Guarantor shall be considered a Guarantor for all purposes of the Indenture as if the New Guarantor was originally named therein as the Guarantor.

Section 1.02. The New Guarantee shall be released upon the occurrence of the events as provided in the Indenture.

Section 1.03. The New Guarantor hereby waives, and will not in any manner whatsoever claim or take the benefit or advantage of any rights of reimbursement, indemnity or subrogation or any other rights against the Company or any other Subsidiary as a result of any payment by the New Guarantor under its Guarantee under the Indentures.

ARTICLE TWO
MISCELLANEOUS

Section 2.01. Except as otherwise expressly provided or unless the context otherwise requires, all terms used herein which are defined in the Indenture shall have the meanings assigned to them in the Indenture. Except as supplemented hereby, the Indenture (including the Guarantees incorporated therein) and the notes issued pursuant thereto are in all respects ratified and

confirmed and all the terms and provisions thereof shall remain in full force and effect.

Section 2.02 This Supplement shall be effective as of the close of business on July 2, 2001.

Section 2.03. The recitals contained herein shall be taken as the statements of the Company and the New Guarantor, and the Trustee assumes no responsibility for their correctness. The Trustee makes no representations as to the validity or sufficiency of this Supplement.

Section 2.04. This Supplement shall be governed by and construed in accordance with the laws of the jurisdiction which governs the Indenture and its construction.

Section 2.05. This Supplement may be executed in any number of counterparts each of which shall be an original, but such counterparts shall together constitute but one and the same instrument.

IN WITNESS WHEREOF, the parties hereto have caused this Supplement to be duly executed and attested all as of the day and year first above written.

CONSTELLATION BRANDS, INC.

By: /s/ Thomas S. Summer

Name: Thomas S. Summer
Title: Executive Vice President & Chief Financial Officer

Attest:

/s/ David S. Sorce

Title:

RAVENSWOOD WINERY, INC.

By: /s/ Thomas S. Summer

Name: Thomas S. Summer
Title: Vice President & Treasurer

Attest:

/s/ David S. Sorce

Title:

BNY MIDWEST TRUST COMPANY

By: /s/ J. Bartolini

Name: J. Bartolini
Title: Vice President

Attest:

/s/ [illegible]

Title: Assistant Secretary

EXHIBIT 4.6

[Execution Copy]

GUARANTEE ASSUMPTION AGREEMENT

GUARANTEE ASSUMPTION AGREEMENT dated as of July 2, 2001, by Ravenswood Winery, Inc., a California corporation (the "Additional Subsidiary Guarantor"), in favor of The Chase Manhattan Bank, as administrative agent for the lenders or other financial institutions or entities party as "Lenders" to the Credit Agreement referred to below (in such capacity, together with its successors in such capacity, the "Administrative Agent").

Constellation Brands, Inc., a Delaware corporation, the Subsidiary Guarantors referred to therein and the Administrative Agent are parties to a Credit Agreement dated as of October 6, 1999 (as modified and supplemented and in effect from time to time, the "Credit Agreement").

Pursuant to Section 6.09(a) of the Credit Agreement, the Additional Subsidiary Guarantor hereby agrees to become a "Subsidiary Guarantor" for all purposes of the Credit Agreement, and an "Obligor" for all purposes of the U.S. Equity Pledge Agreement. Without limiting the foregoing, the Additional Subsidiary Guarantor hereby, jointly and severally with the other Subsidiary Guarantors, guarantees to each Lender and the Administrative Agent and their respective successors and assigns the prompt payment in full when due (whether at stated maturity, by acceleration or otherwise) of all Guaranteed Obligations (as defined in Section 3.01 of the Credit Agreement) in the same manner and to the same extent as is provided in Article III of the Credit Agreement. In addition, the Additional Subsidiary Guarantor hereby makes the representations and warranties set forth in Sections 4.01, 4.02 and 4.03 of the Credit Agreement, and in Section 2 of the U.S. Equity Pledge Agreement, with respect to itself and its obligations under this Agreement, as if each reference in such Sections to the Loan Documents included reference to this Agreement.

The Additional Subsidiary Guarantor hereby agrees that Annex 1 of the U.S. Equity Pledge Agreement shall be supplemented as provided in Attachment A hereto.

IN WITNESS WHEREOF, the Additional Subsidiary Guarantor has caused this Guarantee Assumption Agreement to be duly executed and delivered as of the day and year first above written.

RAVENSWOOD WINERY, INC.

By /s/ Thomas S. Summer

Thomas S. Summer
Title: Vice President and Treasurer

Accepted and agreed:

THE CHASE MANHATTAN BANK, as
Administrative Agent

By /s/ B.B. Wuthrich

Title: Vice President

ATTACHMENT A

Supplement to Annex 1 to U.S. Equity Pledge Agreement

PLEDGED STOCK

RAVENSWOOD WINERY, INC.

ISSUER	CERTIFICATE NOS.	REGISTERED OWNER	NUMBER OF SHARES
N/A*	N/A*	N/A*	N/A*

* Ravenswood Winery, Inc. does not own any capital stock or other ownership interests in another Person (as defined in the Credit Agreement).

EXHIBIT 4.7

AMENDMENT NO. 3

AMENDMENT NO. 3 dated as of September 7, 2001 between CONSTELLATION BRANDS, INC. (formally known as Canandaigua Brands, Inc.), a Delaware corporation (the "Borrower"); each of the Subsidiaries of the Borrower identified under the caption "SUBSIDIARY GUARANTORS" on the signature pages hereto (individually, a "Subsidiary Guarantor" and, collectively the "Subsidiary Guarantors" and, together with the Borrower, the "Obligors"); and THE CHASE MANHATTAN BANK, as administrative agent for the Lenders referred to below (in such capacity, together with its successors in such capacity, the "Administrative Agent").

The Borrower, the Subsidiary Guarantors, certain financial institutions (the "Lenders") and the Administrative Agent are parties to a Credit Agreement dated as of October 6, 1999 (as amended by Amendment No. 1 thereto dated as of February 13, 2001 and Amendment No. 2 thereto dated as of May 16, 2001 and as otherwise in effect on the date hereof, the "Credit Agreement"). The Obligors and the Administrative Agent (having previously obtained the authorization of the Required Lenders) wish to amend the Credit Agreement in certain respects and, accordingly, the parties hereto hereby agree as follows:

Section 1. DEFINITIONS. Except as otherwise defined in this Amendment No. 3, terms defined in the Credit Agreement(as amended hereby) are used herein as defined therein.

Section 2. AMENDMENTS. Subject to the satisfaction of the conditions specified in Section 4 hereof, but with effect on and after the date hereof, the Credit Agreement is amended as follows:

(a) The definition of "Joint Venture Entity" in Section 1.01 of the Credit Agreement is amended and restated to read in its entirety as follows:

"'Joint Venture Entity' means any corporation, limited liability company, partnership, association or other entity less than 100% of the ownership interests of which are owned by the Borrower or any Wholly-Owned Subsidiary of the Borrower.".

(b) Clause (i) of Section 7.06 of the Credit Agreement is amended and restated to read in its entirety as follows:

"(i) additional Investments by the Borrower up to but not exceeding $50,000,000 at any one time outstanding.".

Section 3. REPRESENTATIONS AND WARRANTIES. The Borrower represents and warrants to the Lenders and the Administrative Agent that (i) the representations and warranties set forth in the Credit Agreement, and of each Obligor in each of the other Loan Documents to which it is party (but as to such other Loan Documents, in all material respects), are true and correct on and as of the

date hereof as if made on and as of the date hereof (or, if any such representation or warranty is expressly stated to have been made as of a specific date, such representation or warranty shall be true and correct as of such specific date) and (ii) at the time of and immediately after giving effect to this Amendment No. 3, no Default has occurred and is continuing.

Section 4. CONDITIONS PRECEDENT. The amendments set forth in Section 2 hereof shall become effective, as of the date hereof, upon the execution and delivery of this Amendment No. 3 by the Obligors and the Administrative Agent.

Section 5. MISCELLANEOUS. Except as herein provided, the Credit Agreement shall remain unchanged and in full force and effect. This Amendment No. 3 may be executed in any number of counterparts, all of which taken together shall constitute one and the same amendatory instrument and any of the parties hereto may execute this Amendment No. 3 by signing any such counterpart. This Amendment No. 3 shall be governed by, and construed in accordance with, the law of the State of New York.

IN WITNESS WHEREOF, the parties hereto have caused this Amendment No. 3 to

be duly executed and delivered as of the day and year first above written.

CONSTELLATION BRANDS, INC.

By /s/ Thomas S. Summer

Title: Executive Vice President and
Chief Financial Officer

SUBSIDIARY GUARANTORS

ALLBERRY, INC.
BATAVIA WINE CELLARS, INC.
CANANDAIGUA EUROPE LIMITED
CANANDAIGUA WINE COMPANY, INC.
CLOUD PEAK CORPORATION
FRANCISCAN VINEYARDS, INC.
MT. VEEDER CORPORATION
POLYPHENOLICS, INC.
RAVENSWOOD WINERY, INC.
ROBERTS TRADING CORP.

By /s/ Thomas S. Summer

Title: Treasurer

BARTON INCORPORATED
BARTON BRANDS, LTD.
BARTON BEERS, LTD.
BARTON BRANDS OF CALIFORNIA, INC.
BARTON BRANDS OF GEORGIA, INC.
BARTON CANADA, LTD.
BARTON DISTILLERS IMPORT CORP.
BARTON FINANCIAL CORPORATION
MONARCH IMPORT COMPANY
STEVENS POINT BEVERAGE CO.

By /s/ Thomas S. Summer

Title: Vice President

CANANDAIGUA LIMITED

By /s/ Thomas S. Summer

Title: Finance Director

THE CHASE MANHATTAN BANK,
as Administrative Agent

By Illegible

Title: Vice President

Amendment No. 3

EXHIBIT 11

CONSTELLATION BRANDS, INC. AND SUBSIDIARIES
COMPUTATION OF EARNINGS PER COMMON SHARE
(in thousands, except per share data)

	For the Six Months Ended August 31,			
	2001		2000	
	Basic	Diluted	Basic	Diluted
Income applicable to common shares	$59,777	$59,777	$44,012	$44,012
Shares:				
Weighted average common shares outstanding	41,834	41,834	36,530	36,530
Adjustments:				
Stock options	-	1,292	-	713
Adjusted weighted average common shares outstanding	41,834	43,126	36,530	37,243
Earnings per common share	$ 1.43	$ 1.39	$ 1.20	$ 1.18

	For the Three Months Ended August 31,			
	2001		2000	
	Basic	Diluted	Basic	Diluted
Income applicable to common shares	$35,934	$35,934	$26,110	$26,110
Shares:				
Weighted average common shares outstanding	42,414	42,414	36,600	36,600
Adjustments:				
Stock options	-	1,518	-	728
Adjusted weighted average common shares outstanding	42,414	43,932	37,328	37,328
Earnings per common share	$ 0.85	$ 0.82	$ 0.71	$ 0.70

EXHIBIT 99.1

CONSTELLATION BRANDS, INC.
1989 EMPLOYEE STOCK PURCHASE PLAN
(RESTATED JUNE 27, 2001)

Constellation Brands, Inc. (the "Company") hereby amends and restates its 1989 Employee Stock Purchase Plan (the "Plan") as follows:

1. PURPOSE OF THE PLAN. The Plan is adopted to provide eligible employees who wish to become shareholders in the Company and/or to increase their share ownership with a convenient method of doing so through accumulated payroll deductions. The Company's management and Board of Directors believe that employee participation in the ownership of the business is to the mutual benefit of the employees and the Company. The Company intends that the rights to purchase stock of the Company granted under the Plan be considered options issued under an "employee stock purchase plan" as that term is defined in Section 423(b) of the Code.

2. CERTAIN DEFINITIONS.

2.1 "Account" means the funds accumulated as a bookkeeping matter with respect to an eligible Employee as a result of deductions from such Employee's Compensation for the purpose of purchasing stock under the Plan.

2.2 "Board" means the Board of Directors of the Company.

2.3 "Code" means the Internal Revenue Code of 1986, as amended.

2.4 "Committee" means the Human Resources Committee of the Board as it may be constituted from time to time or such other committee designated by the Board.

2.5 "Common Stock" means the Company's Class A Common Stock, $.01 par value per share.

2.6 "Compensation" means total cash compensation, excluding overtime, bonuses or special pay (or as otherwise defined by the Committee).

2.7 "Designated Subsidiary" means any Subsidiary which has been designated by the Committee from time to time in its sole discretion as a Subsidiary whose Employees are eligible to participate in the Plan.

2.8 "ESPP Agent" means the Company or a financial services or brokerage firm designated by the Company to act as administrative agent of the Plan.

2.9 "Effective Date" means January 20, 1989.

2.10 "Employee" means any individual employed by the Company or any Designated Subsidiary on the Enrollment Date of a particular Offering.

2.11 "Enrollment Date" means the first day of each Offering Period.

2.12 "Exercise Date" means the last day of each Offering Period or date determined by the Committee within an Offering Period in the case of an option that becomes partially exercisable over a number of dates during an Offering Period.

2.13 "Fair Market Value" means, as of any date, the closing price of the Common Stock on the New York Stock Exchange or other national securities exchange on which the Common Stock is listed or admitted to trading as reported on in the Wall Street Journal, Eastern Edition or such other national reference service as the Committee may select. If such exchange is closed and/or no shares of Common Stock are traded on such exchange on the referenced date, the Fair Market Value shall be the closing price of the Common Stock the closing date for the first preceding date on which such exchange is open and shares are traded.

2.14 "Offering Period" or "Offering" means the period or periods beginning with the date an option is granted under the Plan and ending with the date (not more than 27 months after such grant) determined by the Committee. During the term of the Plan there may be a series of Offering Periods (which periods may be consecutive or concurrent) and an Offering Period may have a number of Exercise Dates within an Offering Period in the case of options that become partially exercisable over a number of dates, provided that the final Offering Period will end prior to the termination of the Plan.

2.15 "Purchase Price" shall mean: (i) an amount equal to 85% of the Fair Market Value of a share of Common Stock on the Enrollment Date or on the Exercise Date, whichever is lower; or (ii) an amount that is greater than (i) as determined by the Committee.

2.16 "Retirement" shall mean the termination of employment of an Employee

who is at least 60 years of age and has at least 10 years of service with the Company (including, if the Committee so determines, service with entities acquired by the Company).

2.17 "Subsidiary" shall mean any corporation, domestic or foreign, whether or not such corporation now exists or is hereafter organized or acquired by the Company or by a Subsidiary, in an unbroken chain of corporations beginning with the Company if, at the time the option is granted, each of the corporations other than the last corporation in an unbroken chain owns stock possessing 50% or more of the total combined voting power of all classes of stock in one of the other corporations in such chain.

3. ADMINISTRATION.

3.1 The Plan will be administered by the Committee. The Committee will have the full discretionary authority and final power to determine all issues relating to the plan, including questions of policy and administrative procedure that may arise in the administration of the Plan and will administer, or will direct the ESPP Agent to administer, the Plan to qualify as an "employee stock purchase plan" under Section 423 of the Code and the regulations thereunder, as amended from time to time. Any decision or action taken by the Committee shall be conclusive and binding on all parties.

3.2 The Committee has the power, subject to the express provisions of the Plan, to: (a) establish the Offering Periods and determine the terms of options granted with respect to each

Offering Period; (b) designate from time to time which Subsidiaries of the Company will be Designated Subsidiaries; (c) construe and interpret the Plan and options granted under it, and establish, amend and revoke rules and regulations for its administration, including correcting any defect, omission or inconsistency in the Plan, in a manner and to the extent it shall deem appropriate to make the Plan fully effective; and (d) exercise such other powers and perform such other acts in connection with the Plan as the Committee determines will promote the best interests of the Company. The Committee may delegate its authority under the Plan to one or more persons.

3.3. Expenses associated with administering the Plan (including but not limited to expenses incurred in purchasing and selling shares and expenses of the ESPP Agent) shall be borne by Employees or the Company as the Committee deems appropriate.

4. SHARES SUBJECT TO THE PLAN.

4.1 The number of shares which may be issued pursuant to the terms of the Plan is 2,250,000 shares of Common Stock (subject to adjustment as provided in Section 18). If any option granted under the Plan terminates for any reason without having been exercised, the Common Stock not purchased under such option will again become available for issuance under the Plan.

4.2 The Common Stock subject to the Plan may be authorized and unissued shares of Common Stock, previously issued shares of Common Stock acquired by the Company and held as treasury shares or shares purchased on the open market. If the total number of shares for which options are to be granted on any date exceeds the number of shares then available under the Plan (after deduction of all shares for which options have been exercised or are then outstanding), the Committee will make a pro rata allocation of the shares remaining available in as nearly a uniform manner as is practicable and equitable. In such event, the payroll deductions to be made will be reduced accordingly.

5. ELIGIBILITY.

5.1 Any Employee who is employed by the Company or a Designated Subsidiary on a given Enrollment Date will be eligible to participate in the Plan for that Offering Period, excluding: (i) an Employee who on the Enrollment Date of a particular Offering is customarily employed for less than or equal to seventeen and one-half hours per week; (ii) an Employee who on the Enrollment Date of a particular Offering is customarily employed for less than or equal or five (5) months per year; or (iii) an Employee who on the Enrollment Date is a member of the Committee.

5.2 An Employee will not be granted an option under the Plan (a) if, immediately after the grant, such Employee (or any other person whose stock would be attributed to such Employee pursuant to Section 424(d) of the Code) would own stock and/or hold outstanding options to purchase stock possessing five percent (5%) or more of the total combined voting power or value of all classes of stock of the Company or of any Subsidiary of the Company, or (b) to the extent such option, together with any other options granted under any employee stock purchase plan of the Company or its Subsidiaries, results in such Employee having the right to purchase in a calendar year stock having a Fair Market Value (determined based on the Fair

Market Value of the shares at the time such option is granted) that exceeds the

number of shares the Employee is permitted to purchase under Section 423(b)(8) of the Code.

6. GRANT OF OPTIONS. The Committee will determine when to grant options to purchase Common Stock of the Company under the Plan to eligible Employees to commence an Offering Period and any special terms or conditions that may apply to the Offering Period or options, provided that all employees granted options for an Offering Period shall have the same rights and privileges to the extent required by Code Section 423(b)(5). Unless otherwise determined by the Committee, the options will be granted on each Enrollment Date on the terms and conditions and to the participating Employees as set forth in this Plan.

7. PARTICIPATION.

7.1 An eligible Employee may become a participant in an Offering Period under the Plan by completing an enrollment agreement authorizing payroll deductions in form and substance satisfactory to the Committee and filing the enrollment agreement with the Company or, if so designated by the Committee, with the ESPP Agent. Unless otherwise permitted by the Committee, such forms shall be filed with the Company or the ESPP Agent by the applicable Enrollment Date.

7.2 Payroll deductions for an Employee will commence on the first payday following the Enrollment Date and will continue through the Offering Period unless the Employee withdraws as provided in Section 12 or unless the Plan is terminated as provided in Section 17. Payroll deductions generally may not be retroactive. However, if during the thirty (30) day period immediately preceding the Enrollment Date of an Offering, the Company engages in a transaction which has the effect of increasing the number of employees eligible to participate in that Offering, and the Company deems it necessary to allow employees to submit payroll deduction authorization forms after the Enrollment Date of that Offering, retroactive payroll deductions may be made to reflect any elections to participate in the Offering which occur after the Enrollment Date.

8. PAYROLL DEDUCTIONS.

8.1 An Employee will elect in the enrollment agreement to have payroll deductions made on each payday during the Offering Period in an amount that does not exceed 10% (or such lesser percentage as the Committee may determine) of the Compensation which the Employee receives on each such payday. The deductions of an Employee shall not be less than Two Dollars ($2.00) per week or Four Dollars ($4.00) every two weeks, depending on the Employee's pay cycle, or such other minimum amounts as shall be established by the Committee.

8.2 All payroll deductions made for an Employee shall be credited to his or her Account. The funds allocated to an Employee's Account shall be accounted for separately as a bookkeeping matter but may be commingled with the general funds of the Company until used to purchase Common Stock on an Exercise Date or returned to the Employee. No interest will be paid or accrued on any funds in the Accounts of participating Employees.

8.3 An Employee may discontinue such Employee's participation in the Plan as provided in Section 12. An Employee's enrollment agreement shall be effective for successive

Offering Periods unless the Employee withdraws as provided in Section 12. To increase or decrease the amount of payroll deductions (within the limitations of the Plan), with respect to a succeeding Offering Period, an Employee must complete and file with the Company prior to the Enrollment Date for such Offering Period, a new enrollment agreement authorizing a change in payroll deduction amount. Such change in the amount of payroll deduction shall be effective at the beginning of the next Offering Period following the Company's receipt of the new enrollment agreement.

8.4 To the extent necessary to comply with Section 423(b)(8) of the Code and Section 5.2 of the Plan, an Employee's payroll deductions will be decreased and/or refunded by the Company at such time during any Offering Period which is scheduled to end during the current calendar year (the "Current Offering Period") if the aggregate of all such Employee's payroll deductions which were previously used to purchase Common Stock under the Plan (and any other employee stock purchase plans of the Company) in a prior Offering Period which ended during the current calendar year plus all payroll deductions accumulated with respect to the Current Offering Period exceeds the applicable limits of Code Section 423(b)(8). Payroll deductions shall recommence at the rate provided in such Employee's enrollment agreement at the beginning of the first Offering Period which is scheduled to end in a subsequent calendar year, unless the Employee withdraws as provided in Section 12 or the Plan is terminated as provided in Section 17.

8.5 On the Exercise Date, or at the time some or all of the Common Stock issued under the Plan is disposed of by the Employee, the Employee must make adequate provision for amounts to be withheld by the Company for federal, state, or other tax withholding obligations, if any, which arise upon the exercise of the option or the disposition of the Common Stock. At any time, the Company may,

but will not be obligated to, withhold from the Employee's compensation the amount necessary for the Company to satisfy applicable withholding obligations.

9. EXERCISE OF THE OPTION ON THE EXERCISE DATE. Each Employee who continues to be an Employee in an Offering on the Exercise Date will be deemed to have exercised his or her option on such date and to have purchased from the Company the number of full shares of Common Stock reserved for the purpose of the Plan as his or her accumulated payroll deductions on such date will pay for at the Purchase Price; provided, that the number of shares that an Employee can purchase in any single Offering Period cannot exceed 25,000 shares (subject to adjustment as provided in Section 18) or such other maximum number established by the Committee. Any balance in the Employee's Account (i.e., amounts not sufficient to purchase a full share of Common Stock) shall remain in the Account and be applied to the next Offering Period or Exercise Date (in the case of Offering Periods with multiple Exercise Dates) unless such balance is withdrawn pursuant to Section 12 or the Company decides to refund such balance pursuant to Section 13.

10. EMPLOYEE'S RIGHTS AS A SHAREHOLDER. No Employee will have any right as a shareholder with respect to any shares of Common Stock until the shares have been purchased in accordance with Section 9 above and issued by the Company.

11. EVIDENCE OF STOCK OWNERSHIP.

11.1 Promptly following each Exercise Date, the number of shares of Common Stock purchased by each Employee shall be deposited or credited to an account established in the Employee's name at the ESPP Agent or certificated and distributed to the Employee.

11.2 To the extent permitted by the ESPP Agent and the Committee, the Employee may direct, by written notice to the ESPP Agent at the time of the Employee's enrollment in the Plan, that the account with the ESPP Agent be established in the names of the Employee and other person designated by the Employee, as joint tenants with right of survivorship, tenants in common, or community property, to the extent and in the manner permitted by applicable law.

11.3 An Employee may undertake a disposition (as that term is defined in Section 424(c) of the Code) of the shares in the account established with the ESPP Agent at any time, whether by sale, exchange, gift, or other transfer of legal title, but in the absence of such a disposition of the shares, the Committee may require that the shares remain in the Employee's account at the ESPP Agent until the holding period set forth in Section 423(a) of the Code has been satisfied. With respect to shares for which the Section 423(a) holding period has been satisfied, the Employee may move those shares to another brokerage account of the Employee's choosing or request that a stock certificate be issued and delivered to him or her.

12. WITHDRAWAL.

12.1 An Employee may withdraw from an Offering in whole but not in part, at any time prior to the next Exercise Date by delivering a withdrawal notice to the Company or, if so directed by the Company, to the ESPP Agent, in which event the Company will refund the entire balance of the Employee's deductions as soon as practicable thereafter. A withdrawal from an Offering will effect a withdrawal from any subsequent Offering unless the Employee re-enters the Plan as provided in Section 12.2.

12.2 To re-enter the Plan, an Employee who has previously withdrawn must file a new enrollment agreement in accordance with Section 7.1. The Employee's re-entry into the Plan will not become effective until the next Offering following the filing of the new enrollment agreement.

13. CARRYOVER OF ENROLLMENT. At the termination of each Offering, the Employee will automatically be re-enrolled in the next Offering, and the balance in the Employee's Account will be used for option exercises in the new Offering (unless the Employee has withdrawn from the Offering) unless the Company decides to refund such amount. Upon termination of the Plan, the balance of each Employee's Account will be refunded to such Employee.

14. NO EMPLOYMENT RIGHTS. Neither the Plan nor any option granted hereunder will confer upon the Employee any right with respect to continuance of employment by the Company or any Subsidiary nor shall the Plan or any option granted hereunder interfere in any way with the right of the Company or any Subsidiary to terminate the employment of the Employee at any time, with or without cause consistent with applicable law.

15. RIGHTS NOT TRANSFERABLE. An Employee may not sell, assign, transfer, pledge, or otherwise dispose of or encumber either the payroll deductions credited to such Employee's Account or any option (including any rights thereunder) under the Plan other than by will or the laws of descent and distribution, and such rights and interests shall not be subject to the debts, contracts or liabilities of the Employee. During an Employee's lifetime, only the Employee may exercise an option under the Plan.

16. TERMINATION OF EMPLOYMENT. Upon termination of employment for any reason, excluding Retirement, any outstanding option shall be canceled and the balance in the Account of a participating Employee will be paid to the Employee or his or her estate. In the event that the Retirement of an Employee participating in an Offering occurs prior to the Exercise Date applicable to that Offering, no further payroll deductions will be taken from any Compensation due and owing to such Employee at such time. If such Retirement occurs within three months of the Exercise Date, such Employee may request in writing at any time prior to the Exercise Date that the Employee's Account be applied as of the Exercise Date for the purchase of Common Stock in the manner set forth in Section 9 as if such Retirement had not occurred. If no such election is made, the Employee's Account will be refunded in cash, without interest. If an Employee's Retirement occurs before three months prior to the Exercise Date, all outstanding options shall be canceled, future participation in the Offering shall cease and the Employee's Account shall be refunded to the Employee.

17. AMENDMENT OR DISCONTINUANCE OF THE PLAN. To the extent permitted by law, the Board may at any time and from time to time make such changes in the Plan and additions to it as it deems advisable (including terminating the Plan); provided, however, that except as provided in Sections 18 and 4.2 hereof, and except with respect to changes or additions in order to make the Plan comply with Section 423 of the Code, the Board may not make any changes or additions which would adversely affect subscription rights previously granted under the Plan and may not, without the approval of the stockholders of the Company, make any changes or additions which would (a) increase the aggregate number of shares of Common Stock subject to the Plan or which may be subscribed to by an employee, (b) decrease the minimum purchase price for a share of Common Stock, or (c) change any of the provisions of the Plan relating to eligibility for participation in Offerings, provided that the Committee is authorized to designate without stockholder approval the Designated Subsidiaries whose Employees are eligible to participate in the Plan or an Offering.

18. CHANGES IN CAPITALIZATION. Notwithstanding any other provision of the Plan, in the event of any change in the outstanding Common Stock, by reason of a dividend payable in Common Stock, recapitalization, merger, consolidation, split-up, combination or exchange of shares, or the like, appropriate adjustments shall be made to the aggregate number and class of shares subject to the Plan, the number and class of shares subject to outstanding subscription rights, the maximum number of shares a participant may purchase during an Offering Period and the purchase price per share (in the case of shares subject to outstanding subscription rights).

19. NOTICES. All notices or other communications by an Employee to the Company under or in connection with the Plan shall be deemed to have been duly given when received in the form specified by the Company at the location, or by the person, including the ESPP Agent, designated by the Company for the receipt thereof.

20. CHANGE OF CONTROL.

20.1 Notwithstanding other provisions of the Plan, in the event of a "Change in Control" of the Company (as defined in Section 20.2 below), all of the options of a participating Employee shall become immediately exercisable at an exercise price that is the lesser of 85% of the Fair Market Value of the Common Stock on the Enrollment Date or the date of the Change in Control, unless directed otherwise by a resolution of the Board or the Committee adopted prior to and specifically relating to the occurrence of such Change in Control.

20.2 For purposes of this Section 20, "Change in Control" means:

(a) there shall be consummated:

(i) any consolidation or merger of the Company in which the Company is not the continuing or surviving corporation or pursuant to which any shares of the Company's common stock are to be converted into cash, securities or other property; provided, that the consolidation or merger is not with a corporation which was a directly or indirectly wholly-owned subsidiary of the Company immediately before the consolidation or merger, or

(ii) any sale, lease, exchange, or other transfer (in one transaction or a series or related transactions) of all, or substantially all, of the assets of the Company (other than to one or more directly or indirectly wholly-owned subsidiaries of the Company); or

(b) the shareholders of the Company approve any plan or proposal for the liquidation or dissolution of the Company; or

(c) any person (as such term is used in Sections 13(c) and 14(d) of the Securities Exchange Act of 1934, as amended) shall become the beneficial owner (within the meaning of Rule 13d-3 under the Exchange Act), directly or indirectly, of shares of the Company's then outstanding common

stock representing the right to cast more than 30% of the votes entitled to be case by all of the Company's then Outstanding Common Stock; provided, that such person is not a directly or indirectly wholly-owned subsidiary of the Company immediately before it acquires such shares; or

(d) individuals who constitute the Board on the date hereof (the "Incumbent Board") cease for any reason to constitute at least a majority thereof; provided, that any person becoming a director subsequent to the date hereof whose election, or nomination for election by the Company's shareholders, was approved by a vote of at least three-quarters of the directors comprising the Incumbent Broad (either by a specific vote or by approval of the proxy statement of the Company in which such person is named as a nominee for director, without objection to such nomination) shall be, for purposes of this clause (d), considered as though such person were a member of the Incumbent Board.

21. TERMINATION OF THE PLAN. This Plan shall terminate at the earliest of the following: (a) the date the Committee or the Board acts to terminate the Plan in accordance with Section 17 above; or (b) the date when all shares reserved under the Plan have been purchased. Upon the occurrence of such events, on such date as the Board may determine, the Committee may (but need not) permit a participating Employee to exercise the option to purchase shares of Common Stock for as many full shares as the balance of such Employee's Account will allow at the lower of Fair Market Value on the Enrollment Date or the date on which the option is permitted to be exercised. If the Employee elects to purchase shares, the remaining balance of his Account will be refunded to the Employee after such purchase.

22. LIMITATIONS ON SALE OF COMMON STOCK PURCHASED UNDER THE PLAN. The Plan is intended to provide Common Stock for investment and not for resale. The Company does not, however, intend to restrict or influence any Employee in the conduct of his or her own affairs. An Employee, therefore, may sell stock purchased under the Plan at any time he or she chooses, subject to compliance with any applicable federal or state securities laws and satisfaction of applicable withholding taxes. THE EMPLOYEE ASSUMES THE RISK OF ANY MARKET FLUCTUATIONS IN THE VALUE OF THE STOCK.

23. GOVERNMENTAL REGULATION. The Company's obligation to sell and deliver shares of Common Stock under this Plan is subject to the approval of any governmental authority required in connection with the authorization, issuance or sale of such shares of Common Stock.

24. NEW YORK LAW. The provisions of the Plan shall be governed by the laws of the State of New York.

IN WITNESS WHEREOF, the Company has caused this restated Plan document to be executed by its duly authorized officer as of this 27th day of June, 2001.

CONSTELLATION BRANDS, INC.

By: /s/ Richard Sands

Title: President and Chief Executive Officer

EXHIBIT 99.2

EXECUTION COPY

Constellation Brands, Inc.

Underwriting Agreement

New York, New York
March 8, 2001

To the Representatives named in Schedule I hereto of the Underwriters named in Schedule II hereto

Ladies and Gentlemen:

Constellation Brands, Inc., a corporation incorporated under the laws of the State of Delaware (the "Company"), proposes to sell to the several underwriters named in Schedule II hereto (the "Underwriters"), for whom you (the "Representatives") are acting as representatives, the number of shares of Class A Common Stock, $.01 par value ("Common Stock"), of the Company set forth in Schedule I hereto (said shares to be issued and sold by the Company being hereinafter called the "Underwritten Securities"). The Company also proposes to grant to the Underwriters an option to purchase up to the number of additional shares of Common Stock set forth in Schedule I hereto to cover over-allotments (the "Option Securities"; the Option Securities, together with the Underwritten Securities, being hereinafter called the "Securities"). Any reference herein to the Registration Statement, the Basic Prospectus, any Preliminary Final Prospectus or the Final Prospectus shall be deemed to refer to and include the documents incorporated by reference therein pursuant to Item 12 of Form S-3 which were filed under the Exchange Act on or before the Effective Date of the Registration Statement or the issue date of the Basic Prospectus, any Preliminary Final Prospectus or the Final Prospectus, as the case may be (the "Incorporated Documents"); and any reference herein to the terms "amend", "amendment" or "supplement" with respect to the Registration Statement, the Basic Prospectus, any Preliminary Final Prospectus or the Final Prospectus shall be deemed to refer to and include the filing of any document under the Exchange Act after the Effective Date of the Registration Statement or the issue date of the Basic Prospectus, any Preliminary Final Prospectus or the Final Prospectus, as the case may be, deemed to be incorporated therein by reference. Certain terms used herein are defined in Section 17 hereof.

1. REPRESENTATIONS AND WARRANTIES. The Company represents and warrants to, and agrees with, each Underwriter as set forth below in this Section 1.

(a) The Company meets the requirements for use of Form S-3 under the Act and has prepared and filed with the Commission a registration statement (the file number of which is set forth in Schedule I hereto) on Form S-3, including a related ba-

sic prospectus, for registration under the Act of the offering and sale of the Securities. The Company may have filed one or more amendments thereto, including a Preliminary Final Prospectus, each of which has previously been furnished to the Representatives. The Company will next file with the Commission one of the following: (1) after the Effective Date of such registration statement, a final prospectus supplement relating to the Securities in accordance with Rules 430A and 424(b), (2) prior to the Effective Date of such registration statement, an amendment to such registration statement (including the form of final prospectus supplement) or (3) a final prospectus in accordance with Rules 415 and 424(b). In the case of clause (1), the Company has included in such registration statement, as amended at the Effective Date, all information (other than Rule 430A Information) required by the Act and the rules thereunder to be included in such registration statement and the Final Prospectus. As filed, such final prospectus supplement or such amendment and form of final prospectus supplement shall contain all Rule 430A Information, together with all other such required information, and, except to the extent the Representatives shall agree in writing to a modification, shall be in all substantive respects in the form furnished to the Representatives prior to the Execution Time or, to the extent not completed at the Execution Time, shall contain only such specific additional information and other changes (beyond that contained in the Basic Prospectus and any Preliminary Final Prospectus) as the Company has advised the Representatives, prior to the Execution Time, will be included or made therein. The Registration Statement, at the Execution Time, meets the requirements set forth in Rule 415(a)(1)(x).

(b) On the Effective Date the Registration Statement did or will, and when the Final Prospectus is first filed (if required) in accordance with Rule 424(b) and on the Closing Date (as defined herein) and on any date on which Option Securities are purchased, if such date is not the Closing Date (a "settlement

date"), the Final Prospectus (and any supplement thereto) will, comply in all material respects with the applicable requirements of the Act and the Exchange Act and the respective rules thereunder; on the Effective Date and at the Execution Time, the Registration Statement did not or will not contain any untrue statement of a material fact or omit to state any material fact required to be stated therein or necessary in order to make the statements therein not misleading; and, on the Effective Date, the Final Prospectus, if not filed pursuant to Rule 424(b), will not, and on the date of any filing pursuant to Rule 424(b) and on the Closing Date and any settlement date, the Final Prospectus (together with any supplement thereto) will not, include any untrue statement of a material fact or omit to state a material fact necessary in order to make the statements therein, in the light of the circumstances under which they were made, not misleading; PROVIDED, HOWEVER, that the Company makes no representations or warranties as to the information contained in or omitted from the Registration Statement or the Final Prospectus (or any supplement thereto) in reliance upon and in conformity with information fur-

nished in writing to the Company by or on behalf of any Underwriter through the Representatives specifically for inclusion in the Registration Statement or the Final Prospectus (or any supplement thereto).

(c) The Company's authorized equity capitalization is as set forth in the Final Prospectus; the capital stock of the Company conforms in all material respects to the description thereof contained in the Final Prospectus; the outstanding shares of Common Stock have been duly and validly authorized and issued and are fully paid and nonassessable; the Securities have been duly and validly authorized, and, when issued and delivered to and paid for by the Underwriters pursuant to this Agreement, will be fully paid and nonassessable; the Securities are duly listed, and admitted and authorized for trading on the New York Stock Exchange; the certificates for the Securities are in valid and sufficient form; and the holders of outstanding shares of capital stock of the Company are not entitled to preemptive or other rights to subscribe for the Securities; and, except as set forth in the Final Prospectus, documents incorporated by reference into the Final Prospectus (including documents filed with the Company's annual report on Form 10-K) or the Constellation Brands UK Share Save Scheme, no options, warrants or other rights to purchase, agreements or other obligations to issue, or rights to convert any obligations into or exchange any securities for, shares of capital stock of or ownership interests in the Company are outstanding.

(d) No holders of securities of the Company have rights to the registration of such securities under the Registration Statement.

(e) The Incorporated Documents, when they became effective or were filed with the Commission, as the case may be, conformed in all material respects to the requirements of the Act or the Securities Exchange Act, as applicable, and the rules and regulations of the Commission thereunder, and none of such documents contained an untrue statement of a material fact or omitted to state a material fact required to be stated therein or necessary to make the statements therein not misleading; and any further Incorporated Documents, when such documents become effective or are filed with the Commission, as the case may be, will conform in all material respects to the requirements of the Act or the Exchange Act, as applicable, and the rules and regulations of the Commission thereunder and will not contain an untrue statement of a material fact or omit to state a material fact required to be stated therein or necessary to make the statements therein not misleading.

(f) The Company and each of its consolidated subsidiaries (the "Subsidiaries") have been duly incorporated and are validly existing as corporations in good standing under the laws of their respective jurisdictions of incorporation, with full power and authority (corporate and other) to own their properties and conduct

their respective businesses as described in the Final Prospectus and are duly qualified to transact business as foreign corporations in good standing under the laws of each jurisdiction where the ownership or leasing of their respective properties or the conduct of their respective businesses require such qualification, except where the failure to so qualify would not have a material adverse effect on the business, management, condition (financial or otherwise), results of operations or business prospects of the Company and the Subsidiaries considered as a whole (a "Material Adverse Effect"); the Company had at the dates indicated an authorized capitalization as set forth in the Final Prospectus, and the issued shares of capital stock of the Company have been duly authorized and validly issued and are fully paid and non-assessable, and the outstanding shares of capital stock that the Company owns (directly or indirectly) of each of the Subsidiaries have been duly authorized and validly issued, are fully paid and non-assessable and (except for directors' qualifying shares) are owned beneficially by the Company free and clear of all liens, encumbrances, equities and claims (collectively, "Liens") except for the Liens under the Credit Agreement dated as of October 6, 1999, as amended by Amendment No. 1 thereto on February 13, 2001, between the Company, the guarantors named

therein, the lenders signatory thereto, and The Chase Manhattan Bank, as Administrative Agent, the Bank of Nova Scotia, as Syndication Agent, and Credit Suisse First Boston and Citicorp USA, Inc., as Co-Documentation Agents (the "Credit Agreement"). Neither the Company nor any Subsidiary is in violation of its respective charter or bylaws and neither the Company nor any of the Subsidiaries is in default (nor has an event occurred with notice, lapse of time or both that would constitute a default) in the performance of any obligation, agreement or condition contained in any agreement, lease, indenture or instrument of the Company or any Subsidiary where such violation or default would have a Material Adverse Effect.

(g) The Company has full power and authority to enter into this Agreement and to issue, sell and deliver the Securities to be sold by it to the Underwriters as provided herein. The execution, delivery and performance of this Agreement by the Company and the consummation by the Company of the transactions contemplated hereby does not and will not conflict with or result in a breach or violation by the Company or any Subsidiary, as the case may be, of any of the terms or provisions of, constitute a default by the Company or any Subsidiary, as the case may be, under, or result in the creation or imposition of any Liens upon any of the assets of the Company or any Subsidiary, as the case may be, pursuant to the terms of, (A) the Credit Agreement and any other indenture, mortgage, deed of trust, loan agreement, lease or other agreement or instrument to which the Company or any Subsidiary, as the case may be, is a party or to which any of them or any of their respective properties is subject, (B) the charter or bylaws of the Company or any Subsidiary, as the case may be, or (C) any statute, judgment, decree, order, rule or regulation of any foreign or domestic court, governmental agency or regulatory agency or body having jurisdiction over the

Company or any of the Subsidiaries or any of their respective properties or assets except, with respect to clauses (A) and (C) of this Section 1(g), for any conflict, breach, violation, default or Liens that would not have a Material Adverse Effect.

(h) The execution and delivery of this Agreement by the Company has been duly authorized by all necessary corporate action, and this Agreement has been duly executed and delivered by the Company and is the valid and legally binding agreement of the Company.

(i) Except as described or referred to in the Final Prospectus, there is not pending, or to the knowledge of the Company threatened, any action, suit, proceeding, inquiry or investigation to which the Company or any of the Subsidiaries is a party, or to which the property of the Company or any of the Subsidiaries is subject, before or brought by any court or governmental agency or body, which, if determined adversely to the Company or any of the Subsidiaries, would, individually or in the aggregate, have a Material Adverse Effect or might materially adversely affect the consummation of the offering of the Securities pursuant to this Agreement; and all pending legal or governmental proceedings to which the Company or any of the Subsidiaries is a party or that affect any of their respective properties that are not described in the Final Prospectus, including ordinary routine litigation incidental to the business, would not, in the aggregate, result in a Material Adverse Effect.

(j) Arthur Andersen LLP are independent certified public accountants with respect to the Company and its Subsidiaries, KPMG LLP are independent certified public accountants with respect to certain product lines sold to the Company or a Subsidiary by Diageo Inc., UDV Canada Inc. and United Distillers Canada Inc. (the "Diageo Assets") and Ernst & Young LLP are independent certified public accountants with respect to certain product lines sold to a Subsidiary of the Company by Sebastiani Vineyards, Inc. and Tuolomne River Vintners Group (the "Turner Road Vintners Wine Business"), in each case, within the meaning of Rule 101 of the Code of Professional Conduct of the American Institute of Certified Public Accountants ("AICPA") and its interpretations and rulings thereunder. The historical financial statements of the Company and the Diageo Assets (including the related notes) included in or incorporated by reference in the Final Prospectus comply as to form in all material respects with the requirements applicable to a registration statement on Form S-3 under the Act; such historical financial statements have been prepared in accordance with United States generally accepted accounting principles ("GAAP") consistently applied throughout the periods covered thereby and present fairly the financial position of the Company or the Diageo Assets, as the case may be, at the respective dates indicated and the results of their operations, and in the case of the Company, its cash flows and statements of stockholders' equity for the respective periods indi-

cated. The financial information included in or incorporated by reference in the Final Prospectus and relating to the Company is derived from the accounting records of the Company and its Subsidiaries and presents fairly the information purported to be shown thereby. The unaudited pro forma combined financial statements incorporated by reference in the Final Prospectus have been prepared on a basis consistent with the historical financial statements included in or

incorporated by reference in the Final Prospectus (except for the pro forma adjustments specified therein), include all material adjustments to the historical financial statements required by Rule 11-02 of Regulation S-X under the Act and the Exchange Act to reflect the transactions described in the Final Prospectus or in the documents incorporated therein by reference, are based on assumptions made on a reasonable basis and present fairly such transactions described in the Final Prospectus or in the documents incorporated therein by reference. The other historical financial and statistical information and data included in the Final Prospectus or in the documents incorporated therein by reference presents fairly, in all material respects, the information purported to be shown thereby.

(k) Except as described in or contemplated by the Final Prospectus, subsequent to November 30, 2000, (i) neither the Company nor any of the Subsidiaries has sustained any loss or interference with its business or properties from fire, flood, hurricane, accident or other calamity, whether or not covered by insurance, or from any labor dispute or court or governmental action, order or decree which would have a Material Adverse Effect; and, (ii) there has not been any change in the capital stock (other than as a result of the exercise of the Company's outstanding stock options, purchases under the Company's 1989 Employee Stock Purchase Plan, as amended, any repurchases by the Company under its Stock Repurchase Program or as a result of the conversion of the Company's Class B Common Stock (par value $.01 per share) into Common Stock) or long-term debt of the Company (except for the issuance and sale of the Company's 8% Senior Notes due 2008, which was consummated on February 21, 2001) or any of the Subsidiaries, or any other material adverse change, or any development involving a prospective material adverse change, in or affecting the business, condition (financial or otherwise), prospects or operations of the Company and the Subsidiaries taken as a whole.

(l) Each of the Company and the Subsidiaries has good and marketable title to all properties and assets, as described in the Final Prospectus as owned by them free and clear of all Liens, except as provided under the Credit Agreement as such as are described in the Final Prospectus or do not interfere with the use made and proposed to be made of such properties by the Company and the Subsidiaries and would not individually or in the aggregate result in a Material Adverse Effect; and all of the leases and subleases material to the business of the Company and the Subsidiaries taken as a whole, and under which the Company or any of the Subsidiaries holds prop-

erties described in the Final Prospectus, are in full force and effect and neither the Company nor any of the Subsidiaries has any notice of any claims of any sort that have been asserted by anyone adverse to the rights of the Company or any of the Subsidiaries under such leases or subleases, or affecting or questioning the rights of the Company or any of the Subsidiaries to the continued possession of the leased or subleased premises under any such lease or sublease, which claims would have a Material Adverse Effect.

(m) Each of the Company and the Subsidiaries owns or possesses all governmental and other licenses, permits, certificates, consents, orders, approvals and other authorizations necessary to own, lease and operate its properties and to conduct its business as presently conducted by it and described in the Final Prospectus, except where the failure to own or possess such licenses, permits, certificates, consents, orders, approvals and other authorizations would not, individually or in the aggregate, have a Material Adverse Effect (collectively, the "Material Licenses"); all of the Material Licenses are valid and in full force and effect, except where the invalidity of such Material License or the failure of such Material License to be in full force and effect would not, individually or in the aggregate, have a Material Adverse Effect; and none of the Company or any of its Subsidiaries has received any notice of proceedings relating to revocation or modification of any such Material Licenses which would, individually or in the aggregate, have a Material Adverse Effect.

(n) Each of the Company and its Subsidiaries owns or possesses, or can acquire on reasonable terms, adequate patents, patent rights, licenses, inventions, copyrights, trademarks, service marks, trade names and know-how (including trade secrets and other patentable and/or unpatentable proprietary or confidential information or procedures) (collectively, "intellectual property") necessary to carry on its business as presently operated by it, except where the failure to own or possess or have the ability to acquire any such intellectual property would not, individually or in the aggregate, have a Material Adverse Effect; and none of the Company or any of its Subsidiaries has received any notice or is otherwise aware of any infringement of or conflict with asserted rights of others with respect to any intellectual property or of any facts which would render any intellectual property invalid or inadequate to protect the interest of the Company or any of its Subsidiaries therein and which infringement or conflict would have a Material Adverse Effect.

(o) None of the Company or any of its Subsidiaries has taken, or will take, directly or indirectly, any action designed to, or that might be reasonably expected to, cause or result in stabilization or manipulation of the price of the Securities.

(p) None of the Company or any of its Subsidiaries is an investment company within the meaning of the Investment Company Act of 1940, as amended.

(q) Except as described in the Final Prospectus, the Company and its Subsidiaries comply in all material respects with all Environmental Laws (as defined below), except to the extent that failure to comply with such Environmental Laws would not individually or in the aggregate have a Material Adverse Effect. None of the Company or any of its Subsidiaries is the subject of any pending or, to the knowledge of the Company, threatened foreign, federal, state or local investigation evaluating whether any remedial action by the Company or any of its Subsidiaries is needed to respond to a release of any Hazardous Materials (as defined below) into the environment, resulting from the Company's or any of the Subsidiaries' business operations or ownership or possession of any of their properties or assets or is in contravention of any Environmental Law that would, individually or in the aggregate, have a Material Adverse Effect. None of the Company or any of its Subsidiaries has received any notice or claim, nor are there pending or, to the knowledge of the Company, threatened lawsuits against them, with respect to violations of an Environmental Law or in connection with any release of any Hazardous Material into the environment that would have a Material Adverse Effect. As used herein, "Environmental Laws" means any foreign, federal, state or local law or regulation applicable to the Company's or any of the Subsidiaries' business operations or ownership or possession of any of their properties or assets relating to environmental matters, and "Hazardous Materials" means those substances that are regulated by or form the basis of liability under any Environmental Laws.

(r) No relationship, direct or indirect, exists between or among the Company and its Subsidiaries on the one hand, and the directors, officers, stockholders, customers or suppliers of the Company on the other hand, which is not described in the Final Prospectus or incorporated therein by reference which would have a Material Adverse Effect.

(s) No labor problem exists with the employees of the Company or any of the Subsidiaries or, to the knowledge of the Company, is imminent that, in either case, would have a Material Adverse Effect.

(t) Except as disclosed in the Final Prospectus, all United States federal income tax returns and all foreign tax returns of the Company and the Subsidiaries required by law to be filed have been filed (taking into account extensions granted by the applicable governmental agency) and all taxes shown by such returns or otherwise assessed, which are due and payable, have been paid, except for such taxes, if any, as are being contested in good faith and as to which adequate reserves have been provided

and except for such taxes the payment of which would not individually or in the aggregate result in a Material Adverse Effect. All other corporate franchise and income tax returns of the Company and the Subsidiaries required to be filed pursuant to applicable foreign, federal, state or local laws have been filed, except insofar as the failure to file such returns would not individually or in the aggregate result in a Material Adverse Effect, and all taxes shown on such returns or otherwise assessed which are due and payable have been paid, except for such taxes, if any, as are being contested in good faith and as to which adequate reserves have been provided and except for such taxes the payment of which would not, individually or in the aggregate, result in a Material Adverse Effect.

(u) The Company and each of the Subsidiaries maintain (and in the future will maintain) a system of internal accounting controls sufficient to provide reasonable assurances that (A) transactions are executed in accordance with management's general or specific authorization; (B) transactions are recorded as necessary to permit preparation of financial statements in conformity with GAAP and to maintain accountability for assets; (C) access to assets is permitted only in accordance with management's general or specific authorization; and (D) the recorded accountability for assets is compared with the existing assets at reasonable intervals and appropriate action is taken with respect to any differences.

(v) The Company and each of the Subsidiaries is in compliance with, and none of such entities has received any notice of any outstanding violation of, all laws, regulations, ordinances and rules applicable to it and its operations, except, in either case, where any failure by the Company or any of its Subsidiaries to comply with any such law, regulation, ordinance or rule would not, individually or in the aggregate, result in a Material Adverse Effect.

(w) Neither the issuance, sale or delivery of the Securities nor the application of the proceeds thereof by the Company as set forth in the Final Prospectus will violate Regulations T, U or X of the Board of Governors of the Federal Reserve System or any other regulation of such Board of Governors.

(x) Each of the Company and the Subsidiaries is, and immediately after the Closing Date will be, Solvent. As used herein, the term "Solvent" means, with respect to any such entity on a particular date, that on such date (A) the fair market value of the assets of such entity is greater than the amount that will be required to pay the probable liabilities of such entity on its debts as they become absolute and matured, (B) assuming the sale of the Securities as contemplated by this Agreement and as described in the Final Prospectus, such entity is not incurring debts or liabilities beyond its ability to pay as such debts and liabilities mature, (C) such entity is able to realize

upon its assets and pay its debts and other liabilities, including contingent obligations, as they mature and (D) such entity does not have unreasonably small capital.

(y) Other than this Agreement, neither the Company nor any Subsidiary is a party to any contract, agreement or understanding with any person that would give rise to a valid claim against the Company or any Subsidiary or any Underwriters for a brokerage commission, finders' fee or like payment in connection with the offering and sale of the Securities.

(z) No forward-looking statement (within the meaning of Section 27A of the Act and Section 21E of the Exchange Act) contained in the Final Prospectus has been made or reaffirmed without a reasonable basis or has been disclosed other than in good faith.

Any certificate signed by an officer of the Company and delivered to the Underwriters or to counsel for the Underwriters at or prior to the Closing Date pursuant to any section of this Agreement or the transactions contemplated hereby shall be deemed a representation and warranty by the Company to each Underwriter as to the matters covered thereby.

2. PURCHASE AND SALE.

(a) Subject to the terms and conditions and in reliance upon the representations and warranties herein set forth, the Company agrees to sell to each Underwriter, and each Underwriter agrees, severally and not jointly, to purchase from the Company, at a purchase price of $64.152 per share, the amount of the Underwritten Securities set forth opposite such Underwriter's name in Schedule II hereto.

(b) Subject to the terms and conditions and in reliance upon the representations and warranties herein set forth, the Company hereby grants an option to the several Underwriters to purchase, severally and not jointly, up to 285,000 Option Securities at the same purchase price per share as the Underwriters shall pay for the Underwritten Securities. Said option may be exercised only to cover over-allotments in the sale of the Underwritten Securities by the Underwriters. Said option may be exercised in whole or in part at any time (but not more than once) on or before the 30th day after the date of the Final Prospectus upon written or telegraphic notice by the Representatives to the Company setting forth the number of shares of the Option Securities as to which the several Underwriters are exercising the option and the settlement date. The number of shares of the Option Securities to be purchased by each Underwriter shall be the same percentage of the total number of shares of the Option Securities to be purchased by the several Underwriters as such Underwriter is purchasing of the

Underwritten Securities, subject to such adjustments as the Representatives in their absolute discretion shall make to eliminate any fractional shares.

3. DELIVERY AND PAYMENT. Delivery of and payment for the Underwritten Securities and the Option Securities (if the option provided for in Section 2(b) hereof shall have been exercised on or before the third Business Day prior to the Closing Date) shall be made on the date and at the time specified in Schedule I hereto or at such time on such later date not more than three Business Days after the foregoing date as the Representatives shall designate, which date and time may be postponed by agreement between the Representatives and the Company or as provided in Section 9 hereof (such date and time of delivery and payment for the Securities being herein called the "Closing Date"). Delivery of the Securities shall be made to the Representatives for the respective accounts of the several Underwriters against payment by the several Underwriters through the Representatives of the purchase price thereof to or upon the order of the Company by wire transfer payable in same-day funds to an account specified by the Company. Delivery of the Underwritten Securities and the Option Securities shall be made through the facilities of The Depository Trust Company unless the Representatives shall otherwise instruct.

If the option provided for in Section 2(b) hereof is exercised after the third Business Day prior to the Closing Date, the Company will deliver the Option Securities (at the expense of the Company) to the Representatives, on the date specified by the Representatives (which shall be within three Business Days after exercise of said option) for the respective accounts of the several

Underwriters, against payment by the several Underwriters through the Representatives of the purchase price thereof to or upon the order of the Company by wire transfer payable in same-day funds to an account specified by the Company. If settlement for the Option Securities occurs after the Closing Date, the Company will deliver to the Representatives on the settlement date for the Option Securities, and the obligation of the Underwriters to purchase the Option Securities shall be conditioned upon receipt of, supplemental opinions, certificates and letters confirming as of such date the opinions, certificates and letters delivered on the Closing Date pursuant to Section 6 hereof.

4. OFFERING BY UNDERWRITERS. It is understood that the several Underwriters propose to offer the Securities for sale to the public as set forth in the Final Prospectus.

5. AGREEMENTS. The Company agrees with the several Underwriters that:

(a) The Company will use its best efforts to cause the Registration Statement, if not effective at the Execution Time, and any amendment thereof, to become effective. Prior to the termination of the offering of the Securities, the Company will not file any amendment of the Registration Statement or supplement (including the Final Prospectus or any Preliminary Final Prospectus) to the Basic Prospectus or any Rule 462(b) Registration Statement unless

the Company has furnished the Representatives a copy for their review prior to filing and will not file any such proposed amendment or supplement to which the Representatives reasonably object. Subject to the foregoing sentence, if the Registration Statement has become or becomes effective pursuant to Rule 430A, or filing of the Final Prospectus is otherwise required under Rule 424(b), the Company will cause the Final Prospectus, properly completed, and any supplement thereto to be filed with the Commission pursuant to the applicable paragraph of Rule 424(b) within the time period prescribed and will provide evidence satisfactory to the Representatives of such timely filing. The Company will promptly advise the Representatives (1) when the Registration Statement, if not effective at the Execution Time, shall have become effective, (2) when the Final Prospectus, and any supplement thereto, shall have been filed (if required) with the Commission pursuant to Rule 424(b) or when any Rule 462(b) Registration Statement shall have been filed with the Commission, (3) when, prior to termination of the offering of the Securities, any amendment to the Registration Statement shall have been filed or become effective, (4) of any request by the Commission or its staff for any amendment of the Registration Statement, or any Rule 462(b) Registration Statement, or for any supplement to the Final Prospectus or for any additional information, (5) of the issuance by the Commission of any stop order suspending the effectiveness of the Registration Statement or the institution or threatening of any proceeding for that purpose and (6) of the receipt by the Company of any notification with respect to the suspension of the qualification of the Securities for sale in any jurisdiction or the institution or threatening of any proceeding for such purpose. The Company will use its best efforts to prevent the issuance of any such stop order or the suspension of any such qualification and, if issued, to obtain as soon as possible the withdrawal thereof.

(b) If, at any time when a prospectus relating to the Securities is required to be delivered under the Act, any event occurs as a result of which the Final Prospectus as then supplemented would include any untrue statement of a material fact or omit to state any material fact necessary to make the statements therein in the light of the circumstances under which they were made not misleading, or if it shall be necessary to amend the Registration Statement or supplement the Final Prospectus to comply with the Act or the Exchange Act or the respective rules thereunder, the Company promptly will (1) notify the Representatives of such event, (2) prepare and file with the Commission, subject to the second sentence of paragraph (a) of this Section 5, an amendment or supplement which will correct such statement or omission or effect such compliance and (3) supply any supplemented Final Prospectus to the Representatives in such quantities as the Representatives may reasonably request.

(c) As soon as practicable, the Company will make generally available to its security holders and to the Representatives an earnings statement or statements of the Company and its subsidiaries which will satisfy the provisions of Section 11(a) of the Act and Rule 158 under the Act.

(d) The Company will furnish to the Representatives and counsel for the Underwriters, without charge, signed copies of the Registration Statement (including exhibits thereto) and to each other Underwriter a copy of the Registration Statement (without exhibits thereto) and, so long as delivery of a prospectus by an Underwriter or dealer may be required by the Act, as many copies of each Preliminary Final Prospectus and the Final Prospectus and any supplement thereto as the Representatives may reasonably request. The Company will pay the expenses of printing or other production of all documents relating to the offering.

(e) The Company will arrange, if necessary, for the qualification of the Securities for sale under the laws of such jurisdictions as the Representatives may designate, will maintain such qualifications in effect so long as required for the distribution of the Securities and will pay any fee of the National Association of Securities Dealers, Inc., in connection with its review of the offering; provided that in no event shall the Company be obligated to qualify to do business in any jurisdiction where it is not now so qualified or to take any action that would subject it to service of process in suits, other than those arising out of the offering or sale of the Securities, in any jurisdiction where it is not now so subject.

(f) The Company will not, without the prior written consent of Salomon Smith Barney Inc., offer, sell, contract to sell, pledge, or otherwise dispose of (or enter into any transaction which is designed to, or might reasonably be expected to, result in the disposition (whether by actual disposition or effective economic disposition due to cash settlement or otherwise) by the Company or any affiliate of the Company or any person in privity with the Company or any affiliate of the Company), directly or indirectly, including the filing (or participation in the filing) of a registration statement with the Commission in respect of, or establish or increase a put equivalent position or liquidate or decrease a call equivalent position within the meaning of Section 16 of the Exchange Act, any other shares of Common Stock or any securities convertible into, or exercisable, or exchangeable for, shares of Common Stock, or publicly announce an intention to effect any such transaction, until the Business Day set forth on Schedule I hereto, PROVIDED, HOWEVER, that the Company may issue and sell Common Stock pursuant to any stock option plan, stock in-

centive plan, stock ownership plan or dividend reinvestment plan of the Company in effect at the Execution Time (including pursuant to a registration statement on Form S-8 filed after the Execution Time relating to shares of Common Stock to be issued under such employee stock option plans, stock ownership plans or dividend reinvestment plans) and the Company may issue Common Stock issuable upon the conversion of securities or the exercise of warrants outstanding at the Execution Time.

(g) The Company will not take, directly or indirectly, any action designed to or that would constitute or that might reasonably be expected to cause or result in, under the Exchange Act or otherwise, stabilization or manipulation of the price of any security of the Company to facilitate the sale or resale of the Securities.

6. Conditions to the Obligations of the Underwriters. The obligations of the Underwriters to purchase the Underwritten Securities and the Option Securities, as the case may be, shall be subject to the accuracy of the representations and warranties on the part of the Company contained herein as of the Execution Time, the Closing Date and any settlement date pursuant to Section 3 hereof, to the accuracy of the statements of the Company made in any certificates pursuant to the provisions hereof, to the performance by the Company of its obligations hereunder and to the following additional conditions:

(a) If the Registration Statement has not become effective prior to the Execution Time, unless the Representatives agree in writing to a later time, the Registration Statement will become effective not later than (i) 6:00 PM New York City time on the date of determination of the public offering price, if such determination occurred at or prior to 3:00 PM New York City time on such date or (ii) 9:30 AM on the Business Day following the day on which the public offering price was determined, if such determination occurred after 3:00 PM New York City time on such date; if filing of the Final Prospectus, or any supplement thereto, is required pursuant to Rule 424(b), the Final Prospectus, and any such supplement, will be filed in the manner and within the time period required by Rule 424(b); and no stop order suspending the effectiveness of the Registration Statement shall have been issued and no proceedings for that purpose shall have been instituted or threatened.

(b) The Company shall have requested and caused:

(i) McDermott, Will & Emery, special counsel for the Company, to have furnished to the Underwriters their written opinion addressed to the Underwriters, dated the Closing Date, in form and sub-

stance reasonably satisfactory to the Underwriters, substantially in the form of Annex I hereto;

(ii) Nixon Peabody LLP, counsel for the Company, to have furnished to the Underwriters their written opinion addressed to the Underwriters, dated the Closing Date, in form and substance reasonably satisfactory to the Underwriters, substantially in the form of Annex II hereto; and

(iii) each of Piper Marbury Rudnick & Wolfe LLP, Clifford Chance LLP and Freshfields Bruckhaus Deringer, local counsel for the Company, to have

furnished to the Underwriters their written opinion addressed to the Underwriters, dated the Closing Date, in form and substance reasonably satisfactory to the Underwriters, substantially in the form of Annex III hereto.

(c) The Representatives shall have received from Cahill Gordon & Reindel, counsel for the Underwriters, such opinion or opinions, dated the Closing Date and addressed to the Representatives, with respect to the issuance and sale of the Securities, the Registration Statement, the Final Prospectus (together with any supplement thereto) and other related matters as the Representatives may reasonably require, and the Company shall have furnished to such counsel such documents as they request for the purpose of enabling them to pass upon such matters.

(d) The Company shall have furnished to the Representatives a certificate of the Company, signed by the Chairman of the Board or the President and the principal financial or accounting officer of the Company, dated the Closing Date, to the effect that the signers of such certificate have carefully examined the Registration Statement, the Final Prospectus, any supplements to the Final Prospectus and this Agreement and that:

(i) the representations and warranties of the Company in this Agreement are true and correct on and as of the Closing Date with the same effect as if made on the Closing Date and the Company has complied with all the agreements and satisfied all the conditions on its part to be performed or satisfied at or prior to the Closing Date;

(ii) no stop order suspending the effectiveness of the Registration Statement has been issued and no proceedings for that purpose have been instituted or, to the Company's knowledge, threatened; and

(iii) since the date of the most recent financial statements included or incorporated by reference in the Final Prospectus (exclusive of any supplement thereto), there has been no material adverse effect on the condition (financial or otherwise), prospects, earnings, business or properties of the Company and its subsidiaries, taken as a whole, whether or not arising from transactions in the ordinary course of business, except as set forth in or contemplated in the Final Prospectus (exclusive of any supplement thereto).

(e) The Company shall have requested and caused Arthur Andersen LLP to have furnished to the Representatives, at the Execution Time and at the Closing Date, letters (which may refer to letters previously delivered to one or more of the Representatives), dated respectively as of the Execution Time and as of the Closing Date, in form and substance satisfactory to the Representatives, confirming that they are independent accountants within the meaning of the Act and the Exchange Act and the respective applicable rules and regulations adopted by the Commission thereunder and that they have performed a review of the unaudited interim financial information of the Company for the nine-month periods ended November 30, 2000 and November 30, 1999, and as of November 30, 2000, in accordance with Statement on Auditing Standards No. 71, and stating in effect, except as provided in Schedule I hereto, that:

(i) in their opinion the audited financial statements and the unaudited pro forma combined financial statements included in or incorporated by reference in the Registration Statement and the Final Prospectus and reported on by them comply as to form in all material respects with the applicable accounting requirements of the Act and the Exchange Act and the related rules and regulations adopted by the Commission;

(ii) on the basis of a reading of the latest unaudited financial statements made available by the Company and its Subsidiaries; their limited review, in accordance with standards established under Statement on Auditing Standards No. 71, of the unaudited interim financial information for the nine-month periods ended November 30, 2000 and November 30, 1999, and as of November 30, 2000, incorporated by reference in the Registration Statement and the Final Prospectus; carrying out certain specified procedures (but not an examination in accordance with generally accepted auditing standards) which would not necessarily reveal matters of significance with respect to the comments set forth in such letter; a reading of the minutes of the meetings of the

stockholders, the Board of Directors and the Audit Committee and the Human Resources Committee of the Company and the Subsidiaries; and inquiries of certain officials of the Company who have responsibility for financial and accounting matters of the Company and its subsidiaries as to transactions and events subsequent to February 29, 2000, nothing came to their attention which caused them to believe that:

(1) any unaudited financial statements included in or incorporated by reference in the Registration Statement and the Final Prospectus do not comply as to form in all material respects with applicable accounting requirements of the Act and with the related rules and regulations adopted by the Commission with respect to financial statements included in or incorporated by reference in quarterly reports on Form 10-Q under the Exchange Act; and said unaudited financial statements are not in conformity with GAAP applied on a basis substantially consistent with that of the audited financial statements included in or incorporated by reference in the Registration Statement and the Final Prospectus; and

(2) with respect to the period subsequent to November 30, 2000, there were, at a specified date not more than five days prior to the date of the letter, any changes in capital stock (other than as a result of the exercise of the Company's outstanding stock options, purchases under the Company's 1989 Employee Stock Purchase Plan, as amended, any repurchases by the Company under its Stock Repurchase Program or as a result of the conversion of the Company's Class B Common Stock (par value $.01 per share) into Common Stock), increase in long-term debt (except for the issuance and sale of the Company's 8% Senior Notes due 2008, which was consummated on February 21, 2001) or any decreases in consolidated net current assets or stockholders' equity of the consolidated companies as compared with the amounts shown on the November 30, 2000 consolidated balance sheet included in or incorporated by reference in the Registration Statement and the Final Prospectus, or for the period from December 1, 2000, to such specified date there were any decreases, as compared with the corresponding period in the preceding year in consolidated net sales or in total or per-share amounts of income before extraordinary items or of net income, except in all instances for changes or decreases set

forth in such letter, in which case the letter shall be accompanied by an explanation by the Company as to the significance thereof unless said explanation is not deemed necessary by the Representatives;

(iii) they have performed certain other specified procedures as a result of which they determined that certain information of an accounting, financial or statistical nature (which is limited to accounting, financial or statistical information derived from the general accounting records of the Company and the Subsidiaries) set forth in the Registration Statement and the Final Prospectus and in Exhibit 12 to the Registration Statement, including the information set forth under the captions "Prospectus Supplement Summary -- Summary Historical Consolidated Financial Data" and "Selected Financial Data" in the Final Prospectus, the information included in Items 1, 2, 6, 7, 7A, 8 and 11 of the Company's Annual Report on Form 10-K, incorporated by reference in the Registration Statement and the Final Prospectus, the information included in the "Management's Discussion and Analysis of Financial Condition and Results of Operations" included in the Company's Quarterly Report on Form 10-Q for the fiscal quarter ended November 30, 2000, incorporated by reference in the Registration Statement and the Final Prospectus, agrees with the accounting records of the Company and its Subsidiaries, excluding any questions of legal interpretation; and

(iv) on the basis of a reading of the unaudited pro forma combined financial statements incorporated by reference in the Registration Statement and the Final Prospectus (the "pro forma financial statements"); carrying out certain specified procedures; inquiries of certain officials of the Company who have or had responsibility for financial and accounting matters; and proving the arithmetic accuracy of the application of the pro forma adjustments to the historical amounts in the pro forma financial statements, nothing came to their attention which caused them to believe that the pro forma financial statements do not comply as to form in all material respects with the applicable accounting requirements of Rule 11-02 of Regulation S-X or that the pro forma adjustments have not been properly applied to the historical amounts in the compilation of such statements.

References to the Final Prospectus in this paragraph (e) include any supplement thereto at the date of the letter.

(f) The Company shall have requested and caused KPMG LLP to have furnished to the Representatives, at the Execution Time, a letter, dated as of the Execution Time, in form and substance satisfactory to the Representatives, confirming that they are independent accountants within the meaning of the Act and the Exchange Act and the respective applicable rules and regulations adopted by the Commission thereunder and stating in effect, except as provided in Schedule I hereto, that:

(i) in their opinion the audited financial statements incorporated by reference in the Registration Statement and the Final Prospectus and reported on by them comply as to form in all material

respects with the applicable accounting requirements of the Act and the Exchange Act and the related rules and regulations adopted by the Commission; and

(ii) they have performed certain other specified procedures as a result of which they determined that certain information of an accounting, financial or statistical nature (which is limited to accounting, financial or statistical information derived from the general accounting records of the Diageo Assets) incorporated by reference in the Registration Statement and the Final Prospectus included in the Company's Current Report on Form 8-K/A, Amendment No. 2, dated April 9, 1999 and filed on November 23, 1999, agrees with the accounting records of the Diageo Assets, excluding any questions of legal interpretation.

References to the Final Prospectus in this paragraph (f) include any supplement thereto at the date of the letter.

(g) The Company shall have requested and caused Ernst & Young LLP to have furnished to the Representatives, at the Execution Time, a letter dated as of the Execution Time, in form and substance satisfactory to the Representatives, confirming that they are independent accountants within the meaning of the Act and the Exchange Act and the respective applicable rules and regulations adopted by the Commission thereunder and stating in effect, except as provided in Schedule I hereto, that they have performed certain specified procedures as a result of which they determined that certain information of an accounting, financial or statistical nature (which is limited to accounting, financial or statistical information derived from the general accounting records of the Turner Road Vintners Wine Business) included in the Final Prospectus, agrees with the accounting records of the Turner Road Vintners Wine Business, excluding any questions of legal interpretation.

References to the Final Prospectus in this paragraph (g) include any supplement thereto at the date of the letter.

(h) Subsequent to the Execution Time or, if earlier, the dates as of which information is given in the Registration Statement (exclusive of any amendment thereof) and the Final Prospectus (exclusive of any supplement thereto), there shall not have been (i) any change or decrease specified in the letter or letters referred to in paragraphs (e) through (g) of this Section 6 or (ii) any change, or any development involving a prospective change, in or affecting the condition (financial or otherwise), earnings, business or properties of the Company and its subsidiaries, taken as a whole, whether or not arising from transactions in the ordinary course of business, except as set forth in or contemplated in the Final Prospectus (exclusive of any supplement thereto) the effect of which, in any case referred to in clause (i) or (ii) above, is, in the sole judgment of the Representatives, so material and adverse as to make it impractical or inadvisable to proceed with the offering or delivery of the Securities as contemplated by the Registration Statement (exclusive of any amendment thereof) and the Final Prospectus (exclusive of any supplement thereto).

(i) Prior to the Closing Date, the Company shall have furnished to the Representatives such further information, certificates and documents as the Representatives may reasonably request.

(j) Subsequent to the Execution Time, there shall not have been any decrease in the rating of any of the Company's debt securities by any "nationally recognized statistical rating organization" (as defined for purposes of Rule 436(g) under the Act) or any notice given of any intended or potential decrease in any such rating or of a possible change in any such rating that does not indicate the direction of the possible change.

(k) The Securities shall have been listed and admitted and authorized for trading on the Stock Exchange, and satisfactory evidence of such actions shall have been provided to the Representatives.

(l) At the Execution Time, the Company shall have furnished to the Representatives a letter substantially in the form of Exhibit A hereto from each person or entity that is identified on Schedule III hereto, addressed to the Representatives.

If any of the conditions specified in this Section 6 shall not have been fulfilled in all material respects when and as provided in this Agreement, or if any of the opinions and certificates mentioned above or elsewhere in this Agreement shall not be in all material re-

spects reasonably satisfactory in form and substance to the Representatives and counsel for the Underwriters, this Agreement and all obligations of the Underwriters hereunder may be canceled at, or at any time prior to, the Closing Date by the Representatives. Notice of such cancellation shall be given to the

Company in writing or by telephone or facsimile confirmed in writing.

The documents required to be delivered by this Section 6 shall be delivered at the office of Cahill Gordon & Reindel, counsel for the Underwriters, at 80 Pine Street, New York, New York 10005, on the Closing Date.

7. REIMBURSEMENT OF UNDERWRITERS' EXPENSES. If the sale of the Securities provided for herein is not consummated because any condition to the obligations of the Underwriters set forth in Section 6 hereof is not satisfied, because of any termination pursuant to Section 10 hereof or because of any refusal, inability or failure on the part of the Company to perform any agreement herein or comply with any provision hereof other than by reason of a default by any of the Underwriters, the Company will reimburse the Underwriters severally through Salomon Smith Barney Inc. on demand for all out-of-pocket expenses (including reasonable fees and disbursements of counsel) that shall have been incurred by them in connection with the proposed purchase and sale of the Securities.

8. INDEMNIFICATION AND CONTRIBUTION.

(a) The Company agrees to indemnify and hold harmless each Underwriter, its officers and directors, each person, if any, who controls any Underwriter and each affiliate of any Underwriter which assists such Underwriter in the distribution of the Securities, within the meaning of either Section 15 of the Act or Section 20 of the Exchange Act, from and against any and all losses, claims, damages and liabilities (including, without limitation, the legal fees and other expenses incurred in connection with any suit, action or proceeding or any claim asserted) caused by any untrue statement or alleged untrue statement of a material fact contained in the registration statement for the registration of the Securities as originally filed or any amendment thereof, or in the Basic Prospectus, any Preliminary Final Prospectus or the Final Prospectus (as amended or supplemented if the Company shall have furnished any amendments or supplements thereto), or caused by any omission or alleged omission to state therein a material fact required to be stated therein or necessary to make the statements therein not misleading, except insofar as such losses, claims, damages or liabilities are caused by any untrue statement or omission or alleged untrue statement or omission made in reliance upon and in conformity with any written information furnished to the Company by or on behalf of any Underwriter through the Representatives specifically for inclusion therein.

(b) Each Underwriter severally and not jointly agrees to indemnify and hold harmless each of the Company, its directors, its officers and each person who controls the Company within the meaning of either Section 15 of the Act or Section 20 of the Exchange Act to the same extent as the foregoing indemnity from the Company to each Underwriter, but only with reference to such losses, claims, damages or liabilities which are caused by any untrue statement or omission or alleged untrue statement or omission made in reliance upon and in conformity with written information furnished to the Company by or on behalf of such Underwriter through the Representatives specifically for inclusion therein. The Company acknowledges that the statements set forth in the last paragraph of the cover page regarding delivery of the Securities and, under the heading "Underwriting", (i) the list of Underwriters and their respective participation in the sale of the Securities, (ii) the sentences related to concessions and reallowances and (iii) the paragraphs related to stabilization, syndicate covering transactions and penalty bids in any Preliminary Final Prospectus and the Final Prospectus constitute the only information furnished in writing by or on behalf of the several Underwriters for inclusion in any Preliminary Final Prospectus or the Final Prospectus.

(c) If any suit, action, proceeding (including any governmental or regulatory investigation), claim or demand shall be brought or asserted against any person in respect of which indemnity may be sought pursuant to either of the two preceding paragraphs, such person (the "Indemnified Person") shall promptly notify the person or persons against whom such indemnity may be sought (each an "Indemnifying Person") in writing, and such Indemnifying Person, upon request of the Indemnified Person, shall retain counsel reasonably satisfactory to the Indemnified Person to represent the Indemnified Person and any others entitled to indemnification pursuant to this Section 8 that the Indemnifying Person may designate in such proceeding and shall pay the fees and expenses of such counsel related to such proceeding. In any such proceeding, any Indemnified Person shall have the right to retain its own counsel, but the fees and expenses of such counsel shall be at the expense of such Indemnified Person unless (i) such Indemnifying Person and the Indemnified Person shall have mutually agreed to the contrary, (ii) such Indemnifying Person has failed within a reasonable time to retain counsel reasonably satisfactory to such Indemnified Person or (iii) the named parties in any such proceeding (including any impleaded parties) include an Indemnifying Person and an Indemnified Person and representation of both parties by the same counsel would be inappropriate due to actual or potential differing interests between them. It is understood that an Indemnifying Person shall not, in connection with any proceeding or related proceedings in the same jurisdiction, be liable for the fees and expenses of more than one separate firm (in addition to any local counsel) for all Indemnified Persons, and that all such fees and expenses shall be reimbursed as they are incurred. Any such separate firm for any Underwriter, each affiliate of any Under-

writer which assists such Underwriter in the distribution of the Securities and such control persons of any Underwriter shall be designated in writing by the Representatives, and any such separate firm for the Company, their respective directors, their respective officers and such control persons of any of the Company shall be designated in writing by the Company. The Indemnifying Person shall not be liable for any settlement of any proceeding effected without its written consent, but if settled with such consent or if there be a final judgment for the plaintiff, such Indemnifying Person agrees to indemnify each Indemnified Person from and against any loss or liability by reason of such settlement or judgment. No Indemnifying Person shall, without the prior written consent of the Indemnified Person, effect any settlement of any pending or threatened proceeding in respect of which any Indemnified Person is or could have been a party and indemnity could have been sought hereunder by such Indemnified Person, unless such settlement includes an unconditional release of such Indemnified Person from all liability on claims that are the subject matter of such proceeding.

(d) If the indemnification provided for in the first and second paragraphs of this Section 8 is unavailable to an Indemnified Person or insufficient in respect of any losses, claims, damages or liabilities referred to therein, then the Company and the Underwriters severally agree to contribute to the amount paid or payable by such Indemnified Person as a result of such losses, claims, damages or liabilities (i) in such proportion as is appropriate to reflect the relative benefits received by the Company on the one hand and the Underwriters on the other hand from the offering of the Securities PROVIDED, HOWEVER, that in no case shall any Underwriter (except as may be provided in an agreement among underwriters relating to the offering of the Securities) be responsible for any amount in excess of the underwriting discount or commission applicable to the Securities purchased by such Underwriter or (ii) if the allocation provided by clause (i) above is not permitted by applicable law, in such proportion as is appropriate to reflect not only the relative benefits referred to in clause (i) above but also the relative fault of the Company on the one hand and the Underwriters on the other in connection with the statements or omissions that resulted in such losses, claims, damages or liabilities, as well as any other relevant equitable considerations. The relative benefits received by the Company on the one hand and the Underwriters on the other shall be deemed to be in the same respective proportions as the net proceeds from the offering and sale of the Securities (before deducting expenses) received by the Company and the total underwriting commissions received by the Underwriters, in each case as set forth in the table on the cover of the Final Prospectus. The relative fault of the Company on the one hand and the Underwriters on the other shall be determined by reference to, among other things, whether the untrue or alleged untrue statement of a material fact or the omission or alleged omission to state a material fact relates to information supplied by the Company, on the one hand, or by the Under-

writers on the other hand and the parties' relative intent, knowledge, access to information and opportunity to correct or prevent such statement or omission.

(e) The Company and each of the Underwriters severally agree that it would not be just and equitable if contribution pursuant to this Section 8 were determined by pro rata allocation or by any other method of allocation that does not take account of the equitable considerations referred to in the immediately preceding paragraph. The amount paid or payable by an Indemnified Person as a result of the losses, claims, damages and liabilities referred to in the immediately preceding paragraph shall be deemed to include, subject to the limitations set forth above, any legal or other expenses incurred by such Indemnified Person in connection with investigating or defending any such action or claim. Notwithstanding the provisions of this Section 8, in no event shall any Underwriter be required to contribute any amount in excess of the amount by which the total price at which the Securities underwritten by it and distributed to the public were offered to the public exceeds the amount of any damages that such Underwriter has otherwise been required to pay by reason of such untrue or alleged untrue statement or omission or alleged omission. No person guilty of fraudulent misrepresentation (within the meaning of Section 11(f) of the Act) shall be entitled to contribution from any person who was not guilty of such fraudulent misrepresentation.

(f) The remedies provided for in this Section 8 are not exclusive and shall not limit any rights or remedies that may otherwise be available to any indemnified party at law or in equity.

(g) The indemnity and contribution agreements contained in this Section 8 and the representations and warranties of the Company set forth in this Agreement shall remain operative and in full force and effect regardless of (i) any termination of this Agreement, (ii) any investigation made by or on behalf of any Underwriter or any person controlling any Underwriter or by or on behalf of the Company, its respective officers or directors or any other person controlling the Company and (iii) acceptance of and payment for any of the Securities.

9. DEFAULT BY AN UNDERWRITER. If any one or more Underwriters shall fail to purchase and pay for any of the Securities agreed to be purchased by such Underwriter or Underwriters hereunder and such failure to purchase shall constitute a default in the performance of its or their obligations under this Agreement, the remaining Underwriters shall be obligated severally to take up and pay for (in the respective proportions which the amount of Securities set forth opposite their names in Schedule II hereto bears to the aggregate amount of Securities set forth opposite the names of all the remaining Underwriters) the Securities which the defaulting Underwriter or Underwriters agreed but failed to purchase; PROVIDED, HOWEVER, that in the event that the aggregate amount of Securities which the defaulting Underwriter or Underwriters agreed but failed to purchase shall exceed 10% of the aggregate amount of Securities set forth in Schedule II hereto, the remaining Underwriters shall have the right to purchase all, but shall not be under any obligation to purchase any, of the Securities, and if such nondefaulting Underwriters do not purchase all the Securities, this Agreement will terminate without liability to any nondefaulting Underwriter or the Company. In the event of a default by any Underwriter as set forth in this Section 9, the Closing Date shall be postponed for such period, not exceeding five Business Days, as the Representatives shall determine in order that the required changes in the Registration Statement and the Final Prospectus or in any other documents or arrangements may be effected. Nothing contained in this Agreement shall relieve any defaulting Underwriter of its liability, if any, to the Company and any nondefaulting Underwriter for damages occasioned by its default hereunder.

10. TERMINATION. This Agreement shall be subject to termination in the absolute discretion of the Representatives, by notice given to the Company prior to delivery of and payment for the Securities, if at any time prior to such time (i) trading in the Company's Common Stock shall have been suspended by the Commission or the New York Stock Exchange or trading in securities generally on the New York Stock Exchange shall have been suspended or limited or minimum prices shall have been established on such Exchange, (ii) a banking moratorium shall have been declared either by federal or New York State authorities or (iii) there shall have occurred any outbreak or escalation of hostilities, declaration by the United States of a national emergency or war, or other calamity or crisis the effect of which on financial markets is such as to make it, in the sole judgment of the Representatives, impractical or inadvisable to proceed with the offering or delivery of the Securities as contemplated by the Final Prospectus (exclusive of any supplement thereto).

11. REPRESENTATIONS AND INDEMNITIES TO SURVIVE. The respective agreements, representations, warranties, indemnities and other statements of the Company or its officers and of the Underwriters set forth in or made pursuant to this Agreement will remain in full

force and effect, regardless of any investigation made by or on behalf of any Underwriter or the Company or any of the officers, directors or controlling persons referred to in Section 8 hereof, and will survive delivery of and payment for the Securities. The provisions of Sections 7 and 8 hereof shall survive the termination or cancellation of this Agreement.

12. NOTICES. All communications hereunder will be in writing and effective only on receipt, and, if sent to the Representatives, will be mailed, delivered or telefaxed to the Salomon Smith Barney Inc. General Counsel (fax no.: (212) 816-7912) and confirmed to the General Counsel, Salomon Smith Barney Inc., at 388 Greenwich Street, New York, New York, 10013 Attention: General Counsel; with a copy to Cahill Gordon & Reindel, 80 Pine Street, New York, New York 10005 (facsimile: (212) 269-5420), Attention: Daniel J. Zubkoff, Esq.; or, if sent to the Company, will be mailed, delivered or telefaxed to the Company, 300 WillowBrook Office Park, Fairport, New York, 14450 (facsimile: (716) 218-2165), Attention: General Counsel; with a copy to McDermott, Will & Emery, 227 West Monroe Street, Chicago, Illinois 60606 (facsimile: (312) 984-7700), Attention: Bernard Kramer, Esq.

13. SUCCESSORS. This Agreement will inure to the benefit of and be binding upon the parties hereto and their respective successors and the officers, directors, employees, agents and controlling persons referred to in Section 8 hereof, and no other person will have any right or obligation hereunder.

14. APPLICABLE LAW. This Agreement will be governed by and construed in accordance with the laws of the State of New York applicable to contracts made and to be performed within the State of New York.

15. COUNTERPARTS. This Agreement may be signed in one or more counterparts, each of which shall constitute an original and all of which together shall constitute one and the same agreement.

16. HEADINGS. The section headings used herein are for convenience only and shall not affect the construction hereof.

17. DEFINITIONS. The terms which follow, when used in this Agreement, shall have the meanings indicated.

"Act" shall mean the Securities Act of 1933, as amended, and the rules and regulations of the Commission promulgated thereunder.

"Basic Prospectus" shall mean the prospectus referred to in paragraph 1(a) above contained in the Registration Statement at the Effective Date.

"Business Day" shall mean any day other than a Saturday, a Sunday or a legal holiday or a day on which banking institutions or trust companies are authorized or obligated by law to close in New York City.

"Commission" shall mean the Securities and Exchange Commission.

"Effective Date" shall mean each date and time that the Registration Statement, any post-effective amendment or amendments thereto and any Rule 462(b) Registration Statement became or become effective.

"Exchange Act" shall mean the Securities Exchange Act of 1934, as amended, and the rules and regulations of the Commission promulgated thereunder.

"Execution Time" shall mean the date and time that this Agreement is executed and delivered by the parties hereto.

"Final Prospectus" shall mean the prospectus supplement relating to the Securities that was first filed pursuant to Rule 424(b) after the Execution Time, together with the Basic Prospectus.

"Preliminary Final Prospectus" shall mean any preliminary prospectus supplement to the Basic Prospectus which describes the Securities and the offering thereof and is used prior to filing of the Final Prospectus, together with the Basic Prospectus.

"Registration Statement" shall mean the registration statement referred to in paragraph 1(a) above, including exhibits and financial statements, as amended at the Execution Time (or, if not effective at the Execution Time, in the form in which it shall become effective) and, in the event any post-effective amendment thereto or any Rule 462(b) Registration Statement becomes effective prior to the Closing Date, shall also mean such registration statement as so amended or such Rule 462(b) Registration Statement, as the case may be. Such term shall include any Rule 430A Information deemed to be included therein at the Effective Date as provided by Rule 430A.

"Rule 415", "Rule 424", "Rule 430A" and "Rule 462" refer to such rules under the Act.

"Rule 430A Information" shall mean information with respect to the Securities and the offering thereof permitted to be omitted from the Registration Statement when it becomes effective pursuant to Rule 430A.

"Rule 462(b) Registration Statement" shall mean a registration statement and any amendments thereto filed pursuant to Rule 462(b) relating to the offering covered by the registration statement referred to in Section 1(a) hereof.

If the foregoing is in accordance with your understanding of our agreement, please sign and return to us the enclosed duplicate hereof, whereupon this letter and your acceptance shall represent a binding agreement among the Company and the several Underwriters.

Very truly yours,

CONSTELLATION BRANDS, INC.

By: /s/ Thomas S. Summer

Name: Thomas S. Summer
Title: Executive Vice President and
Chief Financial Officer

The foregoing Agreement is hereby

confirmed and accepted as of the
date specified in Schedule I hereto.

SALOMON SMITH BARNEY INC.

By: /s/ Andrew van der Vord

    Name: Andrew van der Vord
    Title: Managing Director

For itself and the other several Un-
derwriters, if any, named in Schedule
II to the foregoing Agreement.

SCHEDULE I

Underwriting Agreement dated March 8, 2001

Registration Statement No. 333-91587

Representative(s): Salomon Smith Barney Inc., J.P. Morgan Securities Inc., Merrill Lynch, Pierce, Fenner & Smith Incorporated and UBS Warburg LLC

Title, Purchase Price and Description of Securities:

Title: Class A Common Stock, par value $.01 per share

Number of Underwritten Securities to be sold by the Company: 1,900,000

Number of Option Securities to be sold by the Company: 285,000

Price to Public per Share (include accrued dividends, if any): $67.00

Price to Public -- total: $127,300,000

Underwriting Discount per Share: $2.848

Underwriting Discount -- total:. $5,411,200

Proceeds to Company per Share: $64.152

Proceeds to Company -- total: $121,888,800

Other provisions: N/A

Closing Date, Time and Location: March 14, 2001 at 10:00 a.m. at Cahill Gordon & Reindel, 80 Pine Street, New York, New York 10005

Type of Offering: Delayed

Date referred to in Section 5(f) after which the Company may offer or sell securities issued or guaranteed by the Company without the consent of the Representative(s): June 6, 2001

Modification of items to be covered by the letters from Arthur Andersen LLP, KPMG LLP and Ernst & Young LLP delivered pursuant to Sections 6(e), (f) and (g), respectively, at the Execution Time and/or the Closing Date, as applicable: N/A

SCHEDULE II

UNDERWRITERS	NUMBER OF UNDERWRITTEN SECURITIES TO BE PURCHASED
Salomon Smith Barney Inc.	665,000
J.P. Morgan Securities Inc.	665,000
Merrill Lynch, Pierce, Fenner & Smith Incorporated	285,000
UBS Warburg LLC	285,000
Total	1,900,000

SCHEDULE III

George Bresler
Jeananne K. Hauswald
James A. Locke, III
Thomas A. McDermott
Paul L. Smith
Thomas S. Summer
Thomas Mullin
George H. Murray
Peter Aikens
Alexander Berk
Augustin Francisco Huneeus
Jon Moramarco
Richard Sands
Robert Sands
Marilyn Sands
CWC Partnership - I
CWC Partnership - II
MLR&R
Mac & Sally Sands Foundation Incorporated
Marvin Sands Master Trust
Trust for the benefit of the Grandchildren of Marvin and Marilyn Sands

ANNEX I

Form of Opinion of McDermott, Will & Emery

(i) The Company has been duly incorporated, is validly existing and in good standing under the laws of the State of Delaware. The Company has the corporate power and authority to execute, deliver and perform all of its respective obligations under the Underwriting Agreement and the transactions contemplated therein.

(ii) No consent, approval, authorization, order, registration or qualification of or with any governmental authority or agency or, to our knowledge, any court or similar body is required under the laws of the United States, the State of New York and the General Corporation Law of the State of Delaware for the execution, delivery or performance of the Underwriting Agreement and the transactions contemplated therein by the Company or any Subsidiary, as the case may be, except such as (i) have been obtained under the Act and (ii) may be required under state securities or blue sky laws in connection with the purchase and distribution of the Securities by the Underwriters (as to which no opinion is required).

(iii) The execution, delivery and performance of the Underwriting Agreement and the transactions contemplated therein by the Company and the application of the net proceeds from the sale of the Securities in the manner described in the Final Prospectus under the caption "Use of Proceeds" do not and will not (A) conflict with the charter and by-laws of the Company, (B) conflict with, constitute a breach of or a default by the Company or any Subsidiary, as the case may be, under, or result in the creation or imposition of any lien, security interest or encumbrance upon any of the assets of the Company or any Subsidiary, as the case may be, pursuant to the terms of the Credit Agreement or any other indenture, mortgage, deed of trust, loan or credit agreement, bond, debenture, note, lease or other agreement or instrument listed on Exhibit I hereto, (C) contravene the General Corporation Law of the State of Delaware or any statute, rule or regulation under the laws of the United States and the State of New York applicable to the Company or any of its properties or (D) to the knowledge of such counsel, conflict with or violate any judgment, decree or order of any court or governmental agency or court or body applicable to the Company or any of its properties.

(iv) The Underwriting Agreement and the transactions contemplated therein have been duly authorized by the Company. The Underwriting Agreement and any documents relating to the transactions contemplated therein have been duly executed and delivered by the Company, as applicable. The Securities have been duly delivered to the Underwriters by the Company.

(v) The Securities conform in all material respects to the descriptions thereof under the caption "Description of Class A Common Stock" in the Final Prospectus. The statements made in the Final Prospectus under the captions "Description of the Senior Credit Facilities" and "Certain United States Tax Considerations to Non-United States Holders," insofar as they describe certain provisions of the Credit Agreement or matters of law, are accurate in all material respects.

(vi) Neither the Company nor any Subsidiary is required to register under the Investment Company Act of 1940, as amended (the "1940 Act"), as an "investment company" as such term is defined in the 1940 Act.

(vii) Neither the issuance, sale or delivery of the Securities nor the application of the proceeds thereof by the Company as set forth in the Final Prospectus will violate Regulations T, U or X of the Board of Governors of the Federal Reserve System or any other regulation of such Board of Governors.

(viii) The Company's authorized equity capitalization is as set forth in the Final Prospectus; the capital stock of the Company conforms in all material respects to the description thereof contained in the Final Prospectus; the Securities are duly listed, and admitted and authorized for trading on the New York Stock Exchange; the certificates for the Securities are in valid and sufficient form; and the holders of outstanding shares of capital stock of the Company are not entitled to preemptive or other rights to subscribe for the Securities.

(ix) No holders of securities of the Company have rights to the registration of such securities under the Registration Statement.

(x) The Registration Statement has become effective under the Act; any required filing of the Basic Prospectus, any Preliminary Final Prospectus and the Final Prospectus, and any supplements thereto, pursuant to Rule 424(b) has been made in the manner and within the time period required by Rule 424(b); to the knowledge of such counsel, no stop order suspending the effectiveness of the Registration Statement has been issued, no proceedings for that purpose have been instituted or threatened and the Registration Statement and the Final Prospectus (other than the financial statements and other financial information contained therein, as to which such counsel need express no opinion) comply as to form in all material respects with the applicable requirements of the Act and the Exchange Act and the respective rules thereunder.

Such opinion shall also contain a statement that such counsel has participated in conferences with officers and representatives of the Company and the Subsidiaries, and representatives of the independent accountants of the Company and the Underwriters at which the contents of the Registration Statement and the Final Prospectus and related matters were

discussed and that although such counsel need not pass upon or assume any responsibility for the accuracy, completeness or fairness of the statements contained in the Registration Statement or the Final Prospectus, and need not make any independent check or verification thereof, except as set forth in paragraph (v) of this form of opinion, based upon the foregoing, no facts came to such counsel's attention to lead such counsel to believe that the Registration Statement, as of the Effective Date or the date the Registration Statement was last deemed amended, contained any untrue statement of a material fact or omitted to state any material fact required to be stated therein or necessary to make the statements therein not misleading or that the Final Prospectus (including the documents incorporated therein by reference (except to the extent statements contained in such documents have been modified or superseded by statements contained in the Final Prospectus)), as of its date and as of the Closing Date, contained an untrue statement of a material fact or omitted to state any material fact required to be stated therein or necessary to make the statements therein not misleading. Such counsel need not express an opinion or belief as to the financial statements, the notes thereto, schedules and other financial data included therein, or incorporated by reference into, or excluded from the Final Prospectus.

In rendering such opinions, such counsel may rely as to matters of fact, to the extent such counsel deems proper, on certificates or statements of responsible officers of the Company and certificates or other written statements of officials of jurisdictions having custody of documents respecting corporate existence or good standing.

EXHIBIT I TO ANNEX I

1. Importer Agreement by and between Barton Beers, Ltd. and Extrade, S.A. de C.V. dated as of November 22, 1996.

2. Indenture dated as of December 27, 1993 among the Company, its subsidiaries and Chemical Bank, as trustee, as amended by (i) the First Supplemental Indenture dated as of August 3, 1994 among the Company, Canandaigua West, Inc., and Chemical Bank, as trustee, (ii) the Second Supplemental Indenture dated as of August 25, 1995 among the Company, V Acquisition Corp. (a subsidiary of the Company now known as The Viking Distillery, Inc.), and Chemical Bank, as trustee, (iii) Third Supplemental Indenture dated as of December 19, 1997 among the Company, Canandaigua Europe Limited, Roberts Trading Corp. and The Chase Manhattan Bank, as trustee, (iv) the Fourth Supplemental Indenture dated as of October 2, 1998 among the Company, Polyphenolics, Inc., and The Chase Manhattan Bank, as trustee, (v) the Fifth Supplemental Indenture dated as of December 11, 1998 among the Company, Canandaigua B.V., and The Chase Manhattan Bank, as trustee and (vi) the Sixth Supplemental Indenture dated as of July 28, 1998 among the

Company, Barton Canada, Ltd., Simi Winery, Inc., Franciscan Vineyards, Inc., Allberry, Inc., M.J. Lewis Corp., Cloud Peak Corporation, Mt. Veeder Corporation, SCV-EPI Vineyards, Inc. and The Chase Manhattan Bank, as trustee.

3. Indenture with respect to the 8 3/4% Series C Senior Subordinated Notes due 2003 dated as of October 29, 1996 among the Company, its Subsidiaries and Harris Trust and Savings Bank, as trustee, as amended by (i) the First Supplemental Indenture dated as of December 19, 1997 among the Company, Canandaigua Europe Limited, Roberts Trading Corp. and Harris Trust and Savings Bank, (ii) the Second Supplemental Indenture dated as of October 2, 1998 among the Company, Polyphenolics, Inc. and Harris Trust and Savings Bank, (iii) the Third Supplemental Indenture dated as of December 11, 1998 among the Company, Canandaigua B.V. and Harris Trust and Savings Bank and (iv) the Fourth Supplemental Indenture dated as of July 28, 1999, among the Company, Barton Canada Ltd., Simi Winery, Inc., Franciscan Vineyards, Inc., Allberry, Inc., M.J. Lewis Corp., Cloud Peak Corporation, Mt. Veeder Corporation, SCV-EPI Vineyards, Inc. and Harris Trust and Savings Bank, as trustee.

4. Indenture dated as of February 25, 1999 among the Company, the Guarantors named therein and Harris Trust and Savings Bank as trustee, as amended by (i) Supplemental Indenture No. 1 dated as of February 25, 1999 among the Company, the Guarantors named therein and Harris Trust and Savings Bank as trustee, (ii) Supplemental Indenture No. 2 dated as of August 4, 1999 among the Company, the Guarantors named

therein and Harris Trust and Savings Bank, as trustee, (iii) Supplemental Indenture No. 3 dated as of August 6, 1999 among the Company, the New Guarantors named therein and Harris Trust and Savings Bank, as trustee, and (iv) Supplemental Indenture No. 4, dated as of May 15, 2000 among the Company, as Issuer, its principal operating subsidiaries, as Guarantors and Harris Trust and Savings Bank, as trustee, as further amended by Supplemental Indenture No. 5, dated as of September 14, 2000 by and among the Company, as Issuer, its principal operating subsidiaries as Guarantors and The Bank of New York, as trustee.

5. Indenture dated as of November 17, 1999 among the Company, as Issuer, certain principal subsidiaries, as Guarantors and Harris Trust and Savings Bank, as trustee.

6. Barton Incorporated Management Incentive Plan.

7. Barton Brands, Ltd. Deferred Compensation Plan.

8. Marvin Sands Split Dollar Insurance Agreement.

9. Long-Term Stock Incentive Plan, which amends and restates the Canandaigua Wine Company, Inc. Stock Option and Stock Appreciation Right Plan, as amended by Amendment Number One to the Long-Term Stock Incentive Plan of the Company, as further amended by Amendment Number Two to the Long-Term Stock Incentive Plan of the Company, as further amended by Amendment Number Three to the Long-Term Stock Incentive Plan.

10. Incentive Stock Option Plan of the Company, as amended by Amendment Number One to the Incentive Stock Option Plan of the Company, as further amended by Amendment Number Two to the Incentive Stock Option Plan of the Company.

11. Annual Management Incentive Plan of the Company, as amended by Amendment Number One to the Annual Management Incentive Plan of the Company.

12. Asset Purchase Agreement dated February 21, 1999 by and among the Company and Diageo Inc., UDV Canada Inc., and United Distillers Canada Inc.

13. Stock Purchase Agreement by and between Canandaigua Wine Company, Inc. and Moet Hennessy, Inc., dated as of April 1, 1999.

14. Stock Purchase Agreement between Franciscan Vineyards, the Selling Shareholders and Selling Stockholders named therein, and Canandaigua Brands, Inc., dated April 21, 1999; Vineyard Purchase Agreement between Canandiagua Brands, Inc. and Eckes Properties, Inc., dated as of April 21, 1999; Vineyard Purchase Agreement be-

tween Canandaigua Brands, Inc. and Stonewall Canyon Vineyards, LLC, dated as of April 21, 1999; Grape Purchase Agreement, between Franciscan Vineyards, Inc. Huneeus-Chantre Properties, LLC and Canandaigua Brands, Inc., dated as of June 4, 1999, Guaranty, by Canandaigua Brands, Inc. in favor of Huneeus-Chantre Properites LLC, dated as of June 4, 1999; Grape Purchase Agreement, between Franciscan Vineyards, Inc. H/Q Vineyards LLC and Canandaigua Brands, Inc.; Guaranty, by Canandaigua Brands, Inc. in favor of H/Q Vineyards LLC, dated as of June 4, 1999; Wine Processing

Agreement, between Franciscan Vineyards, Inc., H/Q Wines LLC and Canandaigua Brands, Inc., dated as of June 4, 1999; Guaranty, by Canandaigua Brands, Inc. in favor of H/Q Wines LLC, dated as of June 4, 1999; ACSA Stock Agreement, among Alto de Casablanca S.A., Franciscan Vineyards, Inc. and Asesoria e Inversiones Leo S.A., dated as of June 1, 1999; EVSA Stock Agreement, among Empresas Vitivinicolas S.A., Franciscan Vineyards, Inc. and Asesoria e Inversiones Leo S.A., dated as of June 1, 1999; ACSA Distribution Agreement, by and between Franciscan Vineyards, Inc., Alto de Casablanca S.A., H/Q Wines LLC, International Brand Management, Ltd. and Canandaigua Brands, Inc., dated as of June 4, 1999; Purchase Agreement among Sebastiani Vineyards, Inc., Tuolomne River Vintners Group and Canandaigua Wine Company, Inc., dated as of January 30, 2001.

15. Credit Agreement, dated as of October 6, 1999, as amended by Amendment No. 1 thereto on February 13, 2001, between the Company, the guarantors named therein, the lenders signatory thereto, and The Chase Manhattan Bank, as Administrative Agent, the Bank of Nova Scotia, as Syndication Agent and Credit Suisse First Boston and Citicorp USA, Inc., as Co-Documentation Agents.

ANNEX II

Form of Opinion of Nixon Peabody LLP

(i) Each of the Subsidiaries of the Company listed on Exhibit I attached hereto (the "Subsidiaries") is a corporation duly incorporated, in each case, validly existing and in good standing under the laws of its respective jurisdiction of incorporation. The Company and each of the Subsidiaries is duly qualified and in good standing as a foreign corporation in each jurisdiction listed for it on Exhibit II attached hereto. The Company and each Subsidiary has all requisite corporate power to own, lease and license its respective properties and conduct its business as now being conducted and as described in the Final Prospectus. All of the issued and outstanding capital stock of each Subsidiary has been duly authorized and validly issued and is fully paid and non-assessable and were not issued in violation of any preemptive or similar rights of stockholders arising under the corporate law of the state of incorporation of such Subsidiary, the charter or bylaws of such Subsidiary, or, to the best knowledge of such counsel, any agreement to which such Subsidiary is party, and, to the best knowledge of such counsel, is owned by the Company, free and clear of any lien, adverse claim, security interest, restriction on transfer, shareholders' agreement, voting trust or other defect of title whatsoever except for the liens under the Credit Agreement.

(ii) The execution, delivery and performance of the Underwriting Agreement and the transactions contemplated therein by the Company, does not and will not (A) conflict with the charter or bylaws of any Subsidiary, (B) contravene the General Corporation Law of the State of Delaware or any statute, rule or regulation under the laws of the State of New York applicable to the Subsidiaries or any of their respective properties, or (C) to the knowledge of such counsel, conflict with or violate any judgment, decree or order of any court or governmental agency or court or body applicable to any of the Subsidiaries or any of their respective properties.

(iii) To the best knowledge of such counsel after due inquiry, except as described or referred to in the Final Prospectus: there is not pending or threatened any action, suit, proceeding, inquiry or investigation, to which the Company or any of the Subsidiaries is a party, or to which the property of the Company or any of the Subsidiaries is subject, before or brought by any court or governmental agency or body, which, if determined adversely to the Company or any of the Subsidiaries, will individually or in the aggregate result in any material adverse change in the business, financial position, net worth, results of operations or prospects, or materially adversely affect the properties or assets, of the Company and the Subsidiaries taken as a whole or will materially adversely affect the consummation of the transactions contemplated by the Final Prospectus; and all pending legal or governmental proceedings to which the Company or any of the Subsidiaries is a party or that affect any of their re-

spective properties, that are not described in the Final Prospectus, including ordinary routine litigation incidental to the business, considered in the aggregate, will not result in a material adverse change in the business, financial position, net worth, results of operations or prospects, or materially adversely affect the properties or assets, of the Company and the Subsidiaries taken as a whole.

(iv) Each of the documents filed by the Company under the Exchange Act and incorporated by reference into the Final Prospectus (collectively, the "Documents"), at the time it was filed with the Commission, appeared on its face to be appropriately responsive in all material respects to the requirements of

the Exchange Act, and the rules and regulations as promulgated by the Commission under the Exchange Act, except that such counsel need not express any opinion as to the financial statements, schedules, and other financial data included therein or incorporated by reference therein, or excluded therefrom or the exhibits thereto (except to the extent set forth in the next sentence of this paragraph) and such counsel need not assume any responsibility for the accuracy, completeness or fairness of the statements contained in the Documents. To such counsel's knowledge without having made any independent investigation and based upon representations of officers of the Company as to factual matters, there were no contracts or documents required to be filed as exhibits to such Documents on the date they were filed which were not so filed.

(v) The outstanding shares of Common Stock have been duly and validly authorized and issued and are fully paid and non-assessable; the Securities have been duly and validly authorized, and, when issued and delivered to and paid for by the Underwriters pursuant to this Agreement, will be fully paid and non-assessable; and, except as set forth in the Final Prospectus, no options, warrants or other rights to purchase, agreements, or other obligations to issue, or rights to convert any obligations into or exchange any securities for shares of capital stock of or ownership interest in the Company are outstanding.

EXHIBIT I TO ANNEX II

SUBSIDIARIES

SUBSIDIARY	STATE OF INCORPORATION
Barton Brands, Ltd.	Delaware
Barton Incorporated	Delaware
Batavia Wine Cellars, Inc.	New York
Canandaigua Wine Company, Inc.	New York
Franciscan Vineyards, Inc.	Delaware
Barton Canada, Ltd.	Illinois

EXHIBIT II TO ANNEX II

COMPANY	FOREIGN QUALIFICATIONS
Canandaigua Brands, Inc.	New York California Florida Georgia Michigan Oklahoma New Hampshire North Carolina New Jersey
Barton Incorporated	None
Barton Brands, Ltd.	California Kentucky Illinois Florida Maine Oklahoma New Hampshire North Carolina New Jersey West Virginia
Batavia Wine Cellars, Inc.	New Jersey
Canandaigua Wine Company, Inc.	California Washington Oregon
Franciscan Vineyards, Inc.	None

ANNEX III

Form of Opinion of Clifford Chance LLP, Freshfields Bruckhaus Deringer and Piper Marbury Rudnick & Wolfe LLP

(i) [ ]* (the "Company") has been duly organized and is validly existing as a corporation and is in good standing under the laws of its jurisdiction of incorporation.

(ii) The execution, delivery, and performance by Constellation Brands, Inc. of the Underwriting Agreement and the transactions contemplated therein and the transactions contemplated by the Final Prospectus does not and will not (a) conflict with the charter or By-Laws of the Company, (b) contravene any statute, rule or regulation under the laws of its jurisdiction of incorporation applicable to the Company and its properties, or (c) to such counsel's knowledge, conflict with or violate any judgment, decree or order of any court or governmental agency or court or body applicable to the Company and its properties (except that no opinion need be expressed with respect to the securities or Blue Sky laws of its jurisdiction of incorporation).

(iii) To the best knowledge of such counsel after due inquiry, except as described or referred to in the Final Prospectus: there is not pending or threatened any action, suit, proceeding, inquiry or investigation, to which the Company or any of its subsidiaries is a party, or to which the property of the Company or any of its subsidiaries is subject, before or brought by any court or governmental agency or body, which, if determined adversely to the Company or any of its subsidiaries, will individually or in the aggregate result in any material adverse change in the business, financial position, net worth, results of operations or prospects, or materially adversely affect the properties or assets, of the Company and its subsidiaries taken as a whole; and all pending legal or governmental proceedings to which the Company or any of its subsidiaries is a party or that affect any of their respective properties, that

---

* The opinions in paragraphs (i), (ii) and (iii) will be given as to Canandaigua Limited by Clifford Chance LLP. The opinions in paragraphs (i) and (ii) will be given as to Barton Beers, Ltd. by Piper Marbury Rudnick and Wolfe LLP. The opinions in paragraph (iii) will be given as Barton Beers, Ltd. by Nixon Peabody LLP. The opinions in paragraph (i) will be given as to Matthew Clark plc by Freshfields Bruckhaus Deringer. The opinions in paragraph (iii) will be given as Matthew Clark plc by internal counsel to Matthew Clark plc.

are not described in the Final Prospectus, including ordinary routine litigation incidental to the business, considered in the aggregate, will not result in a material adverse change in the business, financial position, net worth, results of operations or prospects, or materially adversely affect the properties or assets, of the Company and its subsidiaries taken as a whole.

EXHIBIT A

[Form of Lock-Up Agreement]

Constellation Brands, Inc.

Public Offering of Class A Common Stock

February 26, 2001

Salomon Smith Barney Inc.
J.P. Morgan Securities Inc.
Merrill Lynch, Pierce, Fenner & Smith
Incorporated
UBS Warburg LLC

Ladies and Gentlemen:

This letter is being delivered to you in connection with the proposed Underwriting Agreement (the "Underwriting Agreement"), between Constellation Brands, Inc., a Delaware corporation (the "Company"), and each of you as representatives of a group of Underwriters named therein, relating to an underwritten public offering of Class A Common Stock, $.01 par value (the "Common Stock"), of the Company.

In order to induce you and the other Underwriters to enter into the

Underwriting Agreement, the undersigned will not, without the prior written consent of Salomon Smith Barney Inc., offer, sell, contract to sell, pledge or otherwise dispose of (or enter into any transaction which is designed to, or might reasonably be expected to, result in the disposition (whether by actual disposition or effective economic disposition due to cash settlement or otherwise) by the undersigned or any affiliate of the undersigned or any person in privity with the undersigned or any affiliate of the undersigned), directly or indirectly, including the filing (or participation in the filing) of a registration statement with the Securities and Exchange Commission in respect of, or establish or increase a put equivalent position or liquidate or decrease a call equivalent position within the meaning of Section 16 of the Securities Exchange Act of 1934, as amended, and the rules and regulations of the Securities and Exchange Commission promulgated thereunder with respect to, any shares of capital stock of the Company or any securities convertible into or exercisable or exchangeable for such capital stock, or publicly announce an intention to effect any such transaction, for a period of 90 days after the date of the Underwriting Agreement, other than (i) shares of Common Stock disposed of as bona fide gifts and (ii) shares of Common Stock sold upon exercise of stock options pursuant to the Company's Cashless Exercise Program.

If for any reason the Underwriting Agreement shall be terminated prior to the Closing Date (as defined in the Underwriting Agreement), the agreement set forth above shall likewise be terminated.

Yours very truly,

Name:
Address: