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 May 31, 2002

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 as 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)

(585) 218-3600
(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 June 30, 2002, is set forth below:

CLASS	NUMBER OF SHARES OUTSTANDING
Class A Common Stock, Par Value $.01 Per Share	77,249,552
Class B Common Stock, Par Value $.01 Per Share	12,095,990

PART I - FINANCIAL INFORMATION

ITEM 1. FINANCIAL STATEMENTS

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

	May 31, 2002	February 28, 2002
	(unaudited)	

ASSETS

CURRENT ASSETS:		
Cash and cash investments	$ 6,564	$ 8,961
Accounts receivable, net	420,853	383,922
Inventories, net	767,722	777,586
Prepaid expenses and other current assets	64,905	60,779
Total current assets	1,260,044	1,231,248
PROPERTY, PLANT AND EQUIPMENT, net	580,211	578,764
GOODWILL	707,050	668,083
INTANGIBLE ASSETS, net	379,996	425,987
OTHER ASSETS	169,133	165,303
Total assets	$ 3,096,434	$ 3,069,385

LIABILITIES AND STOCKHOLDERS' EQUITY

CURRENT LIABILITIES:		
Notes payable	$ 32,335	$ 54,775
Current maturities of long-term debt	84,053	81,609
Accounts payable	155,469	153,433
Accrued excise taxes	46,129	60,238
Other accrued expenses and liabilities	280,911	245,155
Total current liabilities	598,897	595,210
LONG-TERM DEBT, less current maturities	1,279,183	1,293,183
DEFERRED INCOME TAXES	146,804	163,146
OTHER LIABILITIES	62,459	62,110
STOCKHOLDERS' EQUITY:		
Preferred Stock, $.01 par value- Authorized, 1,000,000 shares; Issued, none at May 31, 2002, and February 28, 2002	-	-
Class A Common Stock, $.01 par value- Authorized, 120,000,000 shares; Issued, 80,015,854 shares at May 31, 2002, and 79,309,174 shares at February 28, 2002	800	793
Class B Convertible Common Stock, $.01 par value- Authorized, 20,000,000 shares; Issued, 14,601,990 shares at May 31, 2002, and 14,608,390 shares at February 28, 2002	146	146
Additional paid-in capital	439,888	431,216
Retained earnings	629,588	592,219
Accumulated other comprehensive loss	(27,940)	(35,222)
	1,042,482	989,152
Less-Treasury stock-		
Class A Common Stock, 2,895,526 shares at May 31, 2002, and February 28, 2002, at cost	(31,159)	(31,159)
Class B Convertible Common Stock, 2,502,900 shares at May 31, 2002, and February 28, 2002, at cost	(2,207)	(2,207)
	(33,366)	(33,366)
Less-Unearned compensation-restricted stock awards	(25)	(50)
Total stockholders' equity	1,009,091	955,736
Total liabilities and stockholders' equity	$ 3,096,434	$ 3,069,385

<FN>
The accompanying notes are an integral part of these statements.
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CONSTELLATION BRANDS, INC. AND SUBSIDIARIES
CONSOLIDATED STATEMENTS OF INCOME
(in thousands, except per share data)

For the Three Months Ended May 31,

	2002 (unaudited)	2001 (unaudited)
<S>	<C>	<C>
GROSS SALES	$ 859,011	$ 788,880
Less - Excise taxes	(210,070)	(193,664)
Net sales	648,941	595,216
COST OF PRODUCT SOLD	(473,667)	(442,541)
Gross profit	175,274	152,675
SELLING, GENERAL AND ADMINISTRATIVE EXPENSES	(89,309)	(82,752)
Operating income	85,965	69,923
EQUITY IN EARNINGS OF JOINT VENTURE	2,739	-
INTEREST EXPENSE, net	(27,141)	(30,185)
Income before income taxes	61,563	39,738
PROVISION FOR INCOME TAXES	(24,194)	(15,895)
NET INCOME	$ 37,369	$ 23,843
SHARE DATA:		
Earnings per common share:		
Basic	$ 0.42	$ 0.29
Diluted	$ 0.40	$ 0.28
Weighted average common shares outstanding:		
Basic	88,845	82,508
Diluted	92,353	85,051
SUPPLEMENTAL DATA RESTATED FOR EFFECT OF SFAS NO. 142:		
Adjusted operating income	$ 85,965	$ 76,277
Adjusted net income	$ 37,369	$ 28,116
Adjusted earnings per common share - basic	$ 0.42	$ 0.34
Adjusted earnings per common share - diluted	$ 0.40	$ 0.33

<FN>

The accompanying notes are an integral part of these statements.
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CONSTELLATION BRANDS, INC. AND SUBSIDIARIES
CONSOLIDATED STATEMENTS OF CASH FLOWS
(in thousands)

	For the Three Months Ended May 31,	
	2002 (unaudited)	2001 (unaudited)
<S>	<C>	<C>
CASH FLOWS FROM OPERATING ACTIVITIES:		
Net income	$ 37,369	$ 23,843
Adjustments to reconcile net income to net cash provided by operating activities:		
Depreciation of property, plant and equipment	14,384	14,005
Amortization of intangible assets and other assets	1,465	7,920
Deferred tax provision	1,354	-
Loss on sale of assets	916	920
Stock-based compensation expense	25	25
Amortization of discount on long-term debt	14	135
Equity in earnings of joint venture	(2,739)	-
Change in operating assets and liabilities, net of effects from purchases of businesses:		
Accounts receivable, net	(32,522)	(39,164)

Inventories, net	8,993	18,800
Prepaid expenses and other current assets	(3,512)	(3,387)
Accounts payable	(174)	21,251
Accrued excise taxes	(14,452)	(11,706)
Other accrued expenses and liabilities	33,725	4,919
Other assets and liabilities, net	(2,495)	(2,964)
Total adjustments	4,982	10,754
Net cash provided by operating activities	42,351	34,597
CASH FLOWS FROM INVESTING ACTIVITIES:		
Purchases of property, plant and equipment	(12,342)	(10,838)
Payment of accrued earn-out amount	(804)	-
Purchases of businesses, net of cash acquired	-	(328,783)
Proceeds from sale of assets	633	368
Net cash used in investing activities	(12,513)	(339,253)
CASH FLOWS FROM FINANCING ACTIVITIES:		
Net (repayments of) proceeds from notes payable	(22,560)	21,162
Principal payments of long-term debt	(18,957)	(1,974)
Payment of issuance costs of long-term debt	(4)	(1,014)
Proceeds from equity offering, net of fees	-	139,878
Exercise of employee stock options	8,816	4,797
Net cash (used in) provided by financing activities	(32,705)	162,849
Effect of exchange rate changes on cash and cash investments	470	(126)
NET DECREASE IN CASH AND CASH INVESTMENTS	(2,397)	(141,933)
CASH AND CASH INVESTMENTS, beginning of period	8,961	145,672
CASH AND CASH INVESTMENTS, end of period	$ 6,564	$ 3,739
SUPPLEMENTAL DISCLOSURES OF NONCASH INVESTING AND FINANCING ACTIVITIES:		
Fair value of assets acquired, including cash acquired	$ -	$ 368,632
Liabilities assumed	-	(39,347)
Cash paid	-	329,285
Less - cash acquired	-	(502)
Net cash paid for purchases of businesses	$ -	$ 328,783

<FN>

The accompanying notes are an integral part of these statements.

</TABLE>

CONSTELLATION BRANDS, INC. AND SUBSIDIARIES
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
MAY 31, 2002

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, 2002. Results of operations for interim periods are not necessarily indicative of annual results.

Certain February 28, 2002, balances have been reclassified to conform to current year presentation.

2) ACCOUNTING CHANGES:

Effective March 1, 2002, the Company completed its adoption of Statement of Financial Accounting Standards No. 141 ("SFAS No. 141"), "Business Combinations," resulting in a reclassification of $47.0 million of previously identified separable intangible assets to goodwill and an elimination of $16.7 million of deferred tax liabilities previously associated with those intangible assets with a corresponding deduction from goodwill. The adoption of SFAS No. 141 did not have any other material impact on the Company's financial statements.

Effective March 1, 2002, the Company adopted 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. Upon adoption of SFAS No. 142, the Company determined that certain of its intangible assets met the criteria to be considered indefinite lived and, accordingly, ceased their amortization effective March 1, 2002. These intangible assets consisted principally of trademarks. Intangible assets determined to have a finite life, primarily distribution agreements, continue to be amortized over their estimated useful lives which were not modified as a result of adopting SFAS No. 142. Nonamortizable intangible assets will be tested for impairment in accordance with the provisions of SFAS No. 142 and amortizable intangible assets will be tested for impairment in accordance with the provisions of SFAS No. 144 (as defined below). Note 5 provides a summary of intangible assets segregated between amortizable and nonamortizable amounts.

The Company has completed its impairment testing for nonamortizable intangible assets pursuant to the requirements of SFAS No. 142. No instances of impairment were noted during this process.

The Company expects to complete the transitional impairment test for goodwill by the end of the six month period ended August 31, 2002, pending completion of the fair value measurement of the Company's reporting units. The Company is currently assessing the financial impact of this provision of SFAS No. 142 on its financial statements.

The following table presents earnings and earnings per share information for the comparative quarters as if the nonamortization provisions of SFAS No. 142 had been applied as of March 1, 2001:

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	For the Three Months Ended May 31, 2002	For the Three Months Ended May 31, 2001
(in thousands, except per share data)		
<S>	<C>	<C>
Reported net income	$ 37,369	$ 23,843
Add back: amortization of goodwill	-	4,078
Add back: amortization of intangibles reclassified to goodwill	-	536
Add back: amortization of indefinite lived intangible assets	-	1,740
Less: income tax effect	-	(2,081)
Adjusted net income	$ 37,369	$ 28,116
BASIC EARNINGS PER COMMON SHARE:		
Reported net income	$ 0.42	$ 0.29
Add back: amortization of goodwill	-	0.05
Add back: amortization of intangibles reclassified to goodwill	-	0.01
Add back: amortization of indefinite lived intangible assets	-	0.02
Less: income tax effect	-	(0.03)
Adjusted net income	$ 0.42	$ 0.34
DILUTED EARNINGS PER COMMON SHARE:		
Reported net income	$ 0.40	$ 0.28
Add back: amortization of goodwill	-	0.05
Add back: amortization of intangibles reclassified to goodwill	-	-
Add back: amortization of indefinite lived intangible assets	-	0.02
Less: income tax effect	-	(0.02)

Adjusted net income	$ 0.40	$ 0.33

The changes in the carrying amount of goodwill for the three months ended May 31, 2002, are as follows:

(in thousands)	Popular and Premium Wine	Imported Beer and Spirits	U.K. Brands and Wholesale	Fine Wine	Consolidated
Balance, February 28, 2002	$ 226,798	$ 105,680	$ 143,321	$ 192,284	$ 668,083
Intangible assets reclassified to goodwill at March 1, 2002	-	40,030	6,946	-	46,976
Elimination of deferred tax liabilities	-	(14,611)	(2,084)	-	(16,695)
Purchase accounting allocations	5,558	-	-	(2,035)	3,523
Foreign currency translation adjustments	-	527	3,832	-	4,359
Other	804	-	-	-	804
Balance, May 31, 2002	$ 233,160	$ 131,626	$ 152,015	$ 190,249	$ 707,050

Effective March 1, 2002, the Company adopted Statement of Financial Accounting Standards No. 144 ("SFAS No. 144"), "Accounting for the Impairment or Disposal of Long-Lived Assets," which 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 adoption of SFAS No. 144 did not have a material impact on the Company's financial statements.

Effective March 1, 2002, the Company adopted EITF Issue No. 01-09 ("EITF No. 01-09"), "Accounting for Consideration Given by a Vendor to a Customer (Including a Reseller of the Vendor's Products)" which codified various issues related to the income statement classification of certain promotional payments under EITF Issue No. 00-14, "Accounting for Certain Sales Incentives," EITF Issue No. 00-22, "Accounting for 'Points' and Certain Other Time-Based or Volume-Based Sales Incentive Offers, and Offers for Free Products or Services to Be Delivered in the Future," and EITF Issue No. 00-25, "Vendor Income Statement Characterization of Consideration Paid to a Reseller of the Vendor's Products." EITF No. 01-09 addresses the recognition, measurement and income statement classification of consideration given by a vendor to a customer (including both a reseller of the vendor's products and an entity that purchases the vendor's products from a reseller). EITF No. 01-09, among other things, requires that certain consideration given by a vendor to a customer be characterized as a reduction of revenue when recognized in the vendor's income statement. The Company previously reported such costs as selling, general and administrative expenses. As a result of adopting EITF No. 01-09 on March 1, 2002, the Company has restated net sales, cost of product sold, and selling, general and administrative expenses for the three months ended May 31, 2001. Net sales were reduced by $46.9 million, cost of product sold was increased by $2.4 million, and selling, general and administrative expenses were reduced by $49.3 million. This reclassification did not effect operating income or net income.

3) ACQUISITIONS:

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 purchase price of the Turner Road Vintners Assets, including assumption of indebtedness of $9.4 million, was $289.8 million. 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. Based upon the final appraisal, the excess of the purchase price over the fair market value of the net assets acquired (goodwill), $147.3 million, is no longer being amortized, but will be tested for impairment at least annually in accordance with the provisions of SFAS No. 142. The results of operations of the Turner Road Vintners Assets are reported in the Popular and Premium 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 purchase price of the Corus Assets, including assumption of indebtedness (net of cash acquired) of $3.0 million, was $52.3 million plus an earn-out over six years based on the performance of the brands. As of May 31, 2002, the Company has paid an earn-out in the amount of $0.8 million. 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. Based upon the final appraisal, the excess of the purchase price over the fair market value of the net assets acquired (goodwill), $48.9 million, is no longer being amortized, but will be tested for impairment at least annually in accordance with the provisions of SFAS No. 142. The results of operations of the Corus Assets are reported in the Popular and Premium Wine segment and have been included in the Consolidated Statements of Income since the date of acquisition.

On July 2, 2001, the Company acquired all of the outstanding capital stock of Ravenswood Winery, Inc. ("Ravenswood"). Ravenswood produces, markets and sells super-premium and ultra-premium California wine, primarily under the Ravenswood brand name. The preliminary purchase price of Ravenswood, including assumption of indebtedness of $2.9 million, was $151.8 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), $96.9 million, is not amortizable and will be tested for impairment at least annually in accordance with the provisions of SFAS No. 142. The Ravenswood acquisition was consistent 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 Fine Wine segment and have been included in the Consolidated Statements of Income since the date of acquisition.

The following table summarizes the estimated fair values of the Ravenswood assets acquired and liabilities assumed at the date of acquisition. The Company is in the process of obtaining third-party valuations of certain assets; thus, the allocation of the purchase price is subject to refinement which the Company does not expect to be material. Estimated fair values at July 2, 2001, are as follows:

Current assets	$ 38,044
Property, plant and equipment	14,994
Other assets	353
Trademarks	45,000
Goodwill	96,913
Total assets acquired	195,304
Current liabilities	14,019
Long-term liabilities	32,347
Total liabilities assumed	46,366
Net assets acquired	$ 148,938

The trademarks are not subject to amortization. None of the goodwill is expected to be deductible for tax purposes.

The following table sets forth the unaudited historical and unaudited pro forma results of operations of the Company for the three months ended May 31, 2002 and May 31, 2001, respectively. The unaudited pro forma results of operations for the three months ended May 31, 2001, gives effect to the acquisitions of the Turner Road Vintners Assets, the Corus Assets and Ravenswood as if they occurred on March 1, 2001. 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.

	For the Three Months Ended May 31,	
	2002	2001
(in thousands, except per share data)		
Net sales	$ 648,941	$ 606,090
Income before income taxes	$ 61,563	$ 37,100
Net income	$ 37,369	$ 22,261
Earnings per common share:		
Basic	$ 0.42	$ 0.27
Diluted	$ 0.40	$ 0.26
Weighted average common shares outstanding:		
Basic	88,845	82,508
Diluted	92,353	85,051

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:

	May 31, 2002	February 28, 2002
(in thousands)		
Raw materials and supplies	$ 34,007	$ 34,126
In-process inventories	499,920	524,373
Finished case goods	233,795	219,087
	$ 767,722	$ 777,586

5) INTANGIBLE ASSETS:

The major components of intangible assets are:

<TABLE>
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	May 31, 2002		February 28, 2002	
	Gross Carrying Amount	Net Carrying Amount	Gross Carrying Amount	Net Carrying Amount
(in thousands)				
<S>	<C>	<C>	<C>	<C>
Amortizable intangible assets:				
Distribution agreements	$ 10,158	$ 5,578	$ 10,158	$ 5,960
Other	4,049	887	4,049	1,067
Total	$ 14,207	6,465	$ 14,207	7,027
Nonamortizable intangible assets:				
Trademarks		353,041		351,707
Distributor and agency relationships		20,458		60,488
Other		32		6,765
Total		373,531		418,960
Total intangible assets		$ 379,996		$ 425,987

</TABLE>

The difference between the gross carrying amount and net carrying amount for each item presented is attributable to accumulated amortization. Amortization expense for intangible assets was

$0.6 million for the three months ended May 31, 2002. Estimated amortization expense for each of the five succeeding fiscal years is as follows:

(in thousands)	
2003	$ 2,249
2004	$ 1,625
2005	$ 1,427
2006	$ 1,361
2007	$ 365

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 Company and PWP are parties to the following agreements: 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 May 31, 2002, amounts related to the above agreements were not material.

On October 16, 2001, the Company announced that PWP completed the purchase of certain assets of Blackstone Winery, including the Blackstone brand and the Codera wine business in Sonoma County ("the Blackstone Assets"). The purchase price of the Blackstone Assets was $138.0 million and was financed equally by the Company and Hardy. The Company used revolving loan borrowings under its senior credit facility to fund the Company's portion of the transaction.

As of May 31, 2002, the Company's investment balance, which is accounted for under the equity method, was $113.3 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 $4.1 million. This amount is included in earnings as the assets are used by PWP.

7) 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.

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

	For the Three Months Ended May 31, 2002	2001
(in thousands, except per share data)		
Income applicable to common shares	$ 37,369	$ 23,843
Weighted average common shares outstanding - basic	88,845	82,508
Stock options	3,508	2,543
Weighted average common shares outstanding - diluted	92,353	85,051
EARNINGS PER COMMON SHARE - BASIC	$ 0.42	$ 0.29
EARNINGS PER COMMON SHARE - DILUTED	$ 0.40	$ 0.28

Stock options to purchase 2.8 million shares of Class A Common Stock at a weighted average price per share of $17.74 were outstanding during the three months ended May 31, 2001, 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 period.

8) COMPREHENSIVE INCOME:

Comprehensive income consists of net income, foreign currency translation adjustments, net unrealized gains or losses on derivative instruments and minimum pension liability adjustments. The reconciliation of net income to comprehensive income is as follows:

<TABLE>
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(in thousands)	For the Three Months Ended May 31, 2002	2001
Net income	$ 37,369	$ 23,843
Other comprehensive income, net of tax:		
Foreign currency translation adjustments	7,688	(4,314)
Cash flow hedges:		
Net derivative gains, net of tax effect of $0 and $79, respectively	-	172
Reclassification adjustments, net of tax effect of $10 and $103, respectively	(16)	(229)
Net cash flow hedges	(16)	(57)
Minimum pension liability adjustment, net of tax effect of $260 and $0, respectively	(390)	-
Total comprehensive income	$ 44,651	$ 19,472

</TABLE>

Accumulated other comprehensive loss includes the following components:

<TABLE>
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For the Three Months Ended May 31, 2002

(in thousands)	Foreign Currency Translation Adjustments	Net Unrealized Gains on Derivatives	Minimum Pension Liability Adjustment	Accumulated Other Comprehensive Loss
Balance, February 28, 2002	$ (35,243)	$ 21	$ -	$ (35,222)
Current-period change	7,688	(16)	(390)	7,282
Balance, May 31, 2002	$ (27,555)	$ 5	$ (390)	$ (27,940)

</TABLE>

9) CONDENSED CONSOLIDATING FINANCIAL INFORMATION:

The following information sets forth the condensed consolidating balance sheets of the Company as of May 31, 2002, and February 28, 2002, and the condensed consolidating statements of income and cash flows for the three months ended May 31, 2002 and 2001, for the Company, the parent company, the combined subsidiaries of the Company which guarantee the Company's senior notes and senior subordinated notes ("Subsidiary Guarantors") and the combined subsidiaries of the Company which are not Subsidiary Guarantors, primarily Matthew Clark, which is included in the U.K. Brands and Wholesale segment ("Subsidiary Nonguarantors"). The Subsidiary Guarantors are wholly owned and the guarantees are full, unconditional, joint and several obligations of each of the Subsidiary Guarantors. Separate financial statements for the Subsidiary Guarantors of the Company are not presented because the Company has determined that such financial statements would not be material to investors. The Subsidiary Guarantors comprise all of the direct and indirect subsidiaries of the Company, other than Matthew Clark, the Company's Canadian subsidiary and certain other subsidiaries which individually, and in the aggregate, are inconsequential. 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, 2002, and include the accounting changes described in Note 2 herein. 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>

(in thousands)	Parent Company	Subsidiary Guarantors	Subsidiary Nonguarantors	Eliminations	Consolidated
<S>	<C>	<C>	<C>	<C>	<C>
Condensed Consolidating Balance Sheet					
at May 31, 2002					
Current assets:					
Cash and cash investments	$ -	$ 5,703	$ 861	$ -	$ 6,564
Accounts receivable, net	63,824	178,944	178,085	-	420,853
Inventories, net	17,239	610,315	140,285	(117)	767,722
Prepaid expenses and other current assets	6,025	42,106	16,774	-	64,905
Intercompany (payable) receivable	(81,910)	24,463	57,447	-	-
Total current assets	5,178	861,531	393,452	(117)	1,260,044
Property, plant and equipment, net	36,658	352,435	191,118	-	580,211
Investments in subsidiaries	2,436,441	565,875	-	(3,002,316)	-
Goodwill	51,172	492,422	163,456	-	707,050
Intangible assets, net	10,992	317,571	51,433	-	379,996
Other assets	21,791	117,307	30,035	-	169,133
Total assets	$ 2,562,232	$ 2,707,141	$ 829,494	$ (3,002,433)	$ 3,096,434
Current liabilities:					
Notes payable	$ 27,500	$ -	$ 4,835	$ -	$ 32,335
Current maturities of long-term debt	74,337	3,669	6,047	-	84,053
Accounts payable	26,940	46,318	82,211	-	155,469
Accrued excise taxes	6,927	20,800	18,402	-	46,129
Other accrued expenses and liabilities	82,014	75,321	123,576	-	280,911
Total current liabilities	217,718	146,108	235,071	-	598,897
Long-term debt, less current maturities	1,265,745	13,336	102	-	1,279,183
Deferred income taxes	40,488	74,793	31,523	-	146,804
Other liabilities	504	37,249	24,706	-	62,459
Stockholders' equity:					
Class A and class B common stock	946	6,434	64,867	(71,301)	946
Additional paid-in capital	439,888	1,220,932	436,466	(1,657,398)	439,888
Retained earnings	629,705	1,209,075	64,542	(1,273,734)	629,588
Accumulated other comprehensive income (loss)	629	(786)	(27,783)	-	(27,940)
Treasury stock and other	(33,391)	-	-	-	(33,391)

Total stockholders' equity	1,037,777	2,435,655	538,092	(3,002,433)	1,009,091
Total liabilities and stockholders' equity	$ 2,562,232	$ 2,707,141	$ 829,494	$ (3,002,433)	$ 3,096,434

(in thousands)

Condensed Consolidating Balance Sheet

at February 28, 2002

	Parent Company	Subsidiary Guarantors	Subsidiary Nonguarantors	Eliminations	Consolidated
Current assets:					
Cash and cash investments	$ 838	$ 2,084	$ 6,039	$ -	$ 8,961
Accounts receivable, net	86,315	166,875	130,732	-	383,922
Inventories, net	17,662	631,050	128,934	(60)	777,586
Prepaid expenses and other current assets	7,148	40,364	13,267	-	60,779
Intercompany (payable) receivable	(64,061)	(288)	64,349	-	-
Total current assets	47,902	840,085	343,321	(60)	1,231,248
Property, plant and equipment, net	36,834	354,431	187,499	-	578,764
Investments in subsidiaries	2,404,282	558,263	-	(2,962,545)	-
Goodwill	51,172	462,676	154,235	-	668,083
Intangible assets, net	11,016	361,039	53,932	-	425,987
Other assets	22,598	111,892	30,813	-	165,303
Total assets	$ 2,573,804	$ 2,688,386	$ 769,800	$ (2,962,605)	$ 3,069,385
Current liabilities:					
Notes payable	$ 50,000	$ -	$ 4,775	$ -	$ 54,775
Current maturities of long-term debt	71,953	3,542	6,114	-	81,609
Accounts payable	34,590	50,425	68,418	-	153,433
Accrued excise taxes	12,244	37,033	10,961	-	60,238
Other accrued expenses and liabilities	94,067	51,250	99,838	-	245,155
Total current liabilities	262,854	142,250	190,106	-	595,210
Long-term debt, less current maturities	1,278,834	14,237	112	-	1,293,183
Deferred income taxes	39,022	91,963	32,161	-	163,146
Other liabilities	476	38,174	23,460	-	62,110
Stockholders' equity:					
Class A and class B common stock	939	6,434	64,867	(71,301)	939
Additional paid-in capital	431,216	1,220,917	436,466	(1,657,383)	431,216
Retained earnings	592,279	1,176,931	56,930	(1,233,921)	592,219
Accumulated other comprehensive					

income (loss)	1,600	(2,520)	(34,302)	-	(35,222)
Treasury stock and other	(33,416)	-	-	-	(33,416)
Total stockholders' equity	992,618	2,401,762	523,961	(2,962,605)	955,736
Total liabilities and stockholders' equity	$ 2,573,804	$ 2,688,386	$ 769,800	$ (2,962,605)	$ 3,069,385

Condensed Consolidating Statement of Income
for the Three Months Ended May 31, 2002

Gross sales	$ 175,739	$ 471,808	$ 273,411	$ (61,947)	$ 859,011
Less - excise taxes	(32,732)	(105,383)	(71,955)	-	(210,070)
Net sales	143,007	366,425	201,456	(61,947)	648,941
Cost of product sold	(112,982)	(257,633)	(164,942)	61,890	(473,667)
Gross profit	30,025	108,792	36,514	(57)	175,274
Selling, general and administrative expenses	(23,376)	(41,458)	(24,475)	-	(89,309)
Operating income	6,649	67,334	12,039	(57)	85,965
Equity in earnings of subsidiary/joint venture	32,144	10,351	-	(39,756)	2,739
Interest expense, net	2,053	(28,574)	(620)	-	(27,141)
Income before income taxes	40,846	49,111	11,419	(39,813)	61,563
Provision for income taxes	(3,420)	(16,967)	(3,807)	-	(24,194)
Net income	$ 37,426	$ 32,144	$ 7,612	$ (39,813)	$ 37,369

	Parent Company	Subsidiary Guarantors	Subsidiary Nonguarantors	Eliminations	Consolidated
(in thousands)					
Condensed Consolidating Statement of Income for the Three Months Ended May 31, 2001					
Gross sales	$ 175,119	$ 438,431	$ 242,648	$ (67,318)	$ 788,880
Less - excise taxes	(30,388)	(102,215)	(61,061)	-	(193,664)
Net sales	144,731	336,216	181,587	(67,318)	595,216
Cost of product sold	(112,487)	(248,875)	(148,505)	67,326	(442,541)
Gross profit	32,244	87,341	33,082	8	

					152,675
Selling, general and administrative expenses	(22,689)	(38,120)	(21,943)	-	(82,752)
Operating income	9,555	49,221	11,139	8	69,923
Equity in earnings of subsidiary/joint venture	17,970	6,329	-	(24,299)	-
Interest expense, net	(5,365)	(23,539)	(1,281)	-	(30,185)
Income before income taxes	22,160	32,011	9,858	(24,291)	39,738
Benefit from (provision for) income taxes	1,675	(14,041)	(3,529)	-	(15,895)
Net income	$ 23,835	$ 17,970	$ 6,329	$ (24,291)	$ 23,843

Condensed Consolidating Statement of Cash Flows
for the Three Months Ended May 31, 2002

Net cash provided by (used in) operating activities	$ 25,951	$ 18,151	$ (1,751)	$ -	$ 42,351
Cash flows from investing activities:					
Purchases of property, plant and equipment	(1,409)	(7,245)	(3,688)	-	(12,342)
Other	-	(404)	233	-	(171)
Net cash used in investing activities	(1,409)	(7,649)	(3,455)	-	(12,513)
Cash flows from financing activities:					
Net repayments of notes payable	(22,500)	-	(60)	-	(22,560)
Principal payments of long-term debt	(17,989)	(733)	(235)	-	(18,957)
Payment of issuance costs of long-term debt	(4)	-	-	-	(4)
Exercise of employee stock options	8,816	-	-	-	8,816
Net cash used in financing activities	(31,677)	(733)	(295)	-	(32,705)
Effect of exchange rate changes on cash and cash investments	6,297	(6,150)	323	-	470
Net (decrease) increase in cash and cash investments	(838)	3,619	(5,178)	-	(2,397)
Cash and cash investments, beginning of period	838	2,084	6,039	-	8,961
Cash and cash investments, end of period	$ -	$ 5,703	$ 861	$ -	$ 6,564

(in thousands)

Condensed Consolidating Statement of Cash Flows for the Three Months Ended May 31, 2001	Parent Company	Subsidiary Guarantors	Subsidiary Nonguarantors	Eliminations	Consolidated
Net cash provided by operating activities	$ 30,101	$ 1,758	$ 2,738	$ -	$ 34,597
Cash flows from investing activities:					
Purchases of businesses, net of cash acquired	(329,284)	501	-	-	(328,783)
Purchases of property, plant and equipment	(985)	(6,881)	(2,972)	-	(10,838)
Other	-	224	144	-	368
Net cash used in investing activities	(330,269)	(6,156)	(2,828)	-	(339,253)
Cash flows from financing activities:					
Proceeds from equity offering, net of fees	139,878	-	-	-	139,878
Net proceeds from notes payable	20,000	-	1,162	-	21,162
Exercise of employee stock options	4,797	-	-	-	4,797
Principal payments of long-term debt	(599)	(315)	(1,060)	-	(1,974)
Payment of issuance costs of long-term debt	(1,014)	-	-	-	(1,014)
Net cash provided by (used in) financing activities	163,062	(315)	102	-	162,849
Effect of exchange rate changes on cash and cash investments	(4,998)	5,043	(171)	-	(126)
Net (decrease) increase in cash and cash investments	(142,104)	330	(159)	-	(141,933)
Cash and cash investments, beginning of period	142,104	3,239	329	-	145,672
Cash and cash investments, end of period	$ -	$ 3,569	$ 170	$ -	$ 3,739

</TABLE>

10) BUSINESS SEGMENT INFORMATION:

The Company reports its operating results in five segments: Popular and Premium Wine (branded popular and premium wine and brandy, and other, primarily grape juice concentrate and bulk wine); Imported Beer and Spirits (primarily imported beer and distilled spirits); U.K. Brands and Wholesale (branded wine, cider and bottled water, and wholesale wine, cider, distilled spirits, beer and soft drinks); Fine Wine (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, and the availability of separate financial results. 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, 2002, and include the accounting changes described in Note 2 herein. The Company evaluates performance based on operating income of the respective business units.

Segment information is as follows:

<TABLE>
<CAPTION>

	For the Three Months Ended May 31,	
	2002	2001
(in thousands)		
<S>	<C>	<C>
Popular and Premium Wine:		
Net sales:		
Branded:		
External customers	$ 146,753	$ 147,074
Intersegment	2,849	1,745
Total Branded	149,602	148,819
Other:		
External customers	10,649	13,549
Intersegment	3,224	3,689
Total Other	13,873	17,238
Net sales	$ 163,475	$ 166,057
Operating income	$ 16,869	$ 15,395
Equity in earnings of joint venture	$ 2,739	$ -
Long-lived assets	$ 194,056	$ 230,260
Investment in joint venture	$ 113,259	$ -
Total assets	$ 1,069,617	$ 966,466
Capital expenditures	$ 3,195	$ 1,489
Depreciation and amortization	$ 6,084	$ 8,116
Imported Beer and Spirits:		
Net sales:		
Beer	$ 198,440	$ 173,462
Spirits	72,013	68,271
Net sales	$ 270,453	$ 241,733
Operating income	$ 54,421	$ 44,051
Long-lived assets	$ 78,727	$ 78,136
Total assets	$ 727,608	$ 734,345
Capital expenditures	$ 1,908	$ 2,924
Depreciation and amortization	$ 2,572	$ 4,762
U.K. Brands and Wholesale:		
Net sales:		
Branded:		
External customers	$ 54,576	$ 53,104
Intersegment	86	102
Total Branded	54,662	53,206
Wholesale	132,134	115,006
Net sales	$ 186,796	$ 168,212
Operating income	$ 10,263	$ 8,853
Long-lived assets	$ 139,948	$ 140,710
Total assets	$ 636,007	$ 622,334
Capital expenditures	$ 2,696	$ 2,030
Depreciation and amortization	$ 3,501	$ 4,673

	For the Three Months Ended May 31,	
	2002	2001
(in thousands)		
Fine Wine:		

Net sales:		
External customers	$ 34,378	$ 24,750
Intersegment	378	102
Net sales	$ 34,756	$ 24,852
Operating income	$ 11,706	$ 7,048
Long-lived assets	$ 159,457	$ 129,499
Total assets	$ 632,456	$ 396,209
Capital expenditures	$ 4,369	$ 3,969
Depreciation and amortization	$ 2,654	$ 3,223
Corporate Operations and Other:		
Net sales	$ -	$ -
Operating loss	$ (7,294)	$ (5,424)
Long-lived assets	$ 8,023	$ 4,465
Total assets	$ 30,746	$ 20,339
Capital expenditures	$ 174	$ 426
Depreciation and amortization	$ 1,038	$ 1,151
Intersegment eliminations:		
Net sales	$ (6,539)	$ (5,638)
Consolidated:		
Net sales	$ 648,941	$ 595,216
Operating income	$ 85,965	$ 69,923
Equity in earnings of joint venture	$ 2,739	$ -
Long-lived assets	$ 580,211	$ 583,070
Investment in joint venture	$ 113,259	$ -
Total assets	$ 3,096,434	$ 2,739,693
Capital expenditures	$ 12,342	$ 10,838
Depreciation and amortization	$ 15,849	$ 21,925

</TABLE>

11) ACCOUNTING PRONOUNCEMENTS:

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 April 2002, the Financial Accounting Standards Board issued Statement of Financial Accounting Standards No. 145 ("SFAS No. 145"), "Rescission of FASB Statements No. 4, 44, and 64, Amendment of FASB Statement No. 13, and Technical Corrections." SFAS No. 145 rescinds Statement of Financial Accounting Standards No. 4 ("SFAS No. 4"), "Reporting Gains and Losses from Extinguishment of Debt," Statement of Financial Accounting Standards No. 44, "Accounting for Intangible Assets of Motor Carriers," and Statement of Financial Accounting Standards No. 64, "Extinguishments of Debt Made to Satisfy Sinking-Fund Requirements." In addition, SFAS No. 145 amends Statement of Financial Accounting Standards No. 13, "Accounting for Leases," to eliminate an inconsistency between required accounting for sale-leaseback transactions and the required accounting for certain lease modifications that have economic effects that are similar to sale-leaseback transactions. Lastly, SFAS No. 145 also amends other existing authoritative pronouncements to make various technical

corrections, clarify meanings, or describe their applicability under changed conditions. The Company is required to adopt the provisions related to the rescission of SFAS No. 4 for fiscal years beginning March 1, 2003. All other provisions of SFAS No. 145 were adopted on March 1, 2002. The adoption of the applicable provisions of SFAS No. 145 did not have a material impact on the Company's financial statements. The adoption of the remaining provisions will result in a reclassification of the extraordinary loss related to the extinguishment of debt recorded in the fourth quarter of the fiscal year ended February 28, 2002 ($1.6 million, net of income taxes), to increase nonoperating expense ($2.6 million) and to decrease the provision for income taxes ($1.0 million).

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. As the second largest supplier of wine, the second largest marketer of imported beer and the third 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, the second largest producer and marketer of cider and a leading independent drinks wholesaler.

The Company reports its operating results in five segments: Popular and Premium Wine (branded popular and premium wine and brandy, and other, primarily grape juice concentrate and bulk wine); Imported Beer and Spirits (primarily imported beer and distilled spirits); U.K. Brands and Wholesale (branded wine, cider and bottled water, and wholesale wine, cider, distilled spirits, beer and soft drinks); Fine Wine (primarily branded super-premium and ultra-premium wine) and Corporate Operations and Other (primarily corporate related items).

During April 2002, 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 13, 2002, to stockholders of record on April 30, 2002. 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 are adjusted to give effect to 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 May 31, 2002 ("First Quarter 2003"), compared to the three months ended May 31, 2001 ("First Quarter 2002"), and (ii) financial liquidity and capital resources for First Quarter 2003. 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, 2002 ("Fiscal 2002").

As discussed in Note 2 to the financial statements, the Company adopted SFAS No. 142 and EITF No. 01-09 on March 1, 2002.

ACQUISITIONS IN FISCAL 2002

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 Fine Wine 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 Popular and Premium 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 Popular and Premium Wine 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. On October 16, 2001, the Company announced that PWP completed the purchase of certain assets of Blackstone Winery, including the Blackstone brand and the Codera wine business in Sonoma County.

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 earnings of joint venture line in the Consolidated Statements of Income of the Company.

RESULTS OF OPERATIONS

FIRST QUARTER 2003 COMPARED TO FIRST QUARTER 2002

NET SALES

The following table sets forth the net sales (in thousands of dollars) by operating segment of the Company for First Quarter 2003 and First Quarter 2002.

<TABLE>
<CAPTION>

	First Quarter 2003 Compared to First Quarter 2002		
	Net Sales		
	2003	2002	%Increase/ (Decrease)
<S>	<C>	<C>	<C>
Popular and Premium Wine:			
Branded:			
External customers	$ 146,753	$ 147,074	(0.2)%
Intersegment	2,849	1,745	63.3 %
Total Branded	149,602	148,819	0.5 %
Other:			
External customers	10,649	13,549	(21.4)%
Intersegment	3,224	3,689	(12.6)%
Total Other	13,873	17,238	(19.5)%
Popular and Premium Wine net sales	$ 163,475	$ 166,057	(1.6)%
Imported Beer and Spirits:			
Imported Beer	$ 198,440	$ 173,462	14.4 %
Spirits	72,013	68,271	5.5 %
Imported Beer and Spirits net sales	$ 270,453	$ 241,733	11.9 %
U.K. Brands and Wholesale:			
Branded:			
External customers	$ 54,576	$ 53,104	2.8 %
Intersegment	86	102	(15.7)%
Total Branded	54,662	53,206	2.7 %
Wholesale	132,134	115,006	14.9 %
U.K. Brands and Wholesale net sales	$ 186,796	$ 168,212	11.0 %
Fine Wine:			
External customers	$ 34,378	$ 24,750	38.9 %
Intersegment	378	102	270.6 %
Fine Wine net sales	$ 34,756	$ 24,852	39.9 %
Corporate Operations and Other	$ -	$ -	N/A
Intersegment eliminations	$ (6,539)	$ (5,638)	16.0 %
Consolidated Net Sales	$ 648,941	$ 595,216	9.0 %

</TABLE>

Net sales for First Quarter 2003 increased to $648.9 million from $595.2 million for First Quarter 2002, an increase of $53.7 million, or 9.0%.

Popular and Premium Wine

Net sales for the Popular and Premium Wine segment for First Quarter 2003 decreased to $163.5 million from $166.1 million for First Quarter 2002, a decrease of $2.6 million, or (1.6)%. This decrease resulted primarily from declines in the Company's grape juice concentrate and bulk businesses partially offset by a slight increase in branded sales from sales of higher priced premium wines.

Imported Beer and Spirits

Net sales for the Imported Beer and Spirits segment for First Quarter 2003 increased to $270.5 million from $241.7 million for First Quarter 2002, an increase of $28.7 million, or 11.9%. This increase resulted primarily from a 14.4% increase in imported beer sales, with volume growth exceeding the price increase on the Company's Mexican beer portfolio, which took effect in First Quarter 2003. Additionally, spirits sales increased 5.5% resulting primarily from a favorable mix towards higher priced products, particularly tequila. The Company believes that the volume growth of its Mexican beer portfolio for the quarter was the result of wholesalers replenishing inventories due to the healthy depletion and heavy retail promotion prior to and during the initial stages of the price increase. While the longer-term impact of the price increase is difficult to determine at this time, the Company believes that near-term Mexican beer sales volume may be adversely impacted as the new pricing is fully reflected at the retail level and as the wholesalers and retailers more closely manage their inventories.

U.K. Brands and Wholesale

Net sales for the U.K. Brands and Wholesale segment for First Quarter 2003 increased to $186.8 million from $168.2 million for First Quarter 2002, an increase of $18.6 million, or 11.0%. This increase resulted primarily from a 16.7% volume increase in wholesale sales due to the addition of new accounts and increased average delivery sizes. Additionally, branded sales increased 2.7% with an increase in wine and ready-to-drink sales being partially offset by a decrease in cider sales.

Fine Wine

Net sales for the Fine Wine segment for First Quarter 2003 increased to $34.8 million from $24.9 million for First Quarter 2002, an increase of $9.9 million, or 39.9%. This increase resulted primarily from $11.9 million of sales of the acquired brands from the Ravenswood acquisition, completed in July 2001. This increase was partially offset by an 8.0% decrease in Fine Wine's base business, which followed a robust fourth quarter of fiscal 2002 with lower volume in First Quarter 2003.

GROSS PROFIT

The Company's gross profit increased to $175.3 million for First Quarter 2003 from $152.7 million for First Quarter 2002, an increase of $22.6 million, or 14.8%. The dollar increase in gross profit resulted from higher beer sales, the addition of Ravenswood and a favorable mix of spirit sales towards higher margin products, particularly tequila. As a percent of net sales, gross profit increased to 27.0% for First Quarter 2003 versus 25.7% for First Quarter 2002 primarily attributable to the favorable mix of spirit sales towards higher margin products, sales of higher margin Ravenswood brands and the growth in the Mexican beer portfolio.

SELLING, GENERAL AND ADMINISTRATIVE EXPENSES

Selling, general and administrative expenses increased to $89.3 million for First Quarter 2003 from $82.8 million for First Quarter 2002, an increase of $6.6 million, or 7.9%. The Company adopted SFAS No. 142 on March 1, 2002 and accordingly, stopped amortizing goodwill and other indefinite lived intangible assets. Excluding $6.4 million of amortization expense from First Quarter 2002, the Company's selling, general and administrative expenses increased $12.9 million, or 16.9%. The dollar increase in selling, general and administrative expenses resulted primarily from higher beer advertising costs and increased personnel costs to support the Company's growth. Selling, general and administrative expenses as a percent of net sales decreased to 13.8% for First Quarter 2003 as compared to 13.9% for

First Quarter 2002. Excluding amortization expense in First Quarter 2002, selling, general and administrative expenses as a percent of net sales increased to 13.8% for First Quarter 2003 as compared to 12.8% for First Quarter 2002. This increase was primarily due to (i) the percent increase in the Imported Beer and Spirits segment's advertising costs was greater than the percent increase in the Imported Beer and Spirits segment's net sales and (ii) the percent increase in general and administrative expenses supporting the Company's growth in the Imported Beer and Spirits segment, U.K. Brands and Wholesale segment and Corporate Operations and Other segment grew at a faster rate than the increase in the respective segment's net sales.

OPERATING INCOME

The following table sets forth the operating income/(loss) (in thousands of dollars) by operating segment of the Company for First Quarter 2003 and First Quarter 2002.

<TABLE>
<CAPTION>

	First Quarter 2003 Compared to First Quarter 2002		
	Operating Income/(Loss)		
	2003	2002	%Increase
<S>	<C>	<C>	<C>
Popular and Premium Wine	$ 16,869	$ 15,395	9.6 %
Imported Beer and Spirits	54,421	44,051	23.5 %
U.K. Brands and Wholesale	10,263	8,853	15.9 %
Fine Wine	11,706	7,048	66.1 %
Corporate Operations and Other	(7,294)	(5,424)	34.5 %
Consolidated Operating Income	$ 85,965	$ 69,923	22.9 %

</TABLE>

As a result of the above factors, consolidated operating income increased to $86.0 million for First Quarter 2003 from $69.9 million for First Quarter 2002, an increase of $16.0 million, or 22.9%. Excluding amortization expense for First Quarter 2002, operating income for Popular and Premium Wine, Imported Beer and Spirits, U.K. Brands and Wholesale and Fine Wine would have been $17.2 million, $46.1 million, $10.3 million and $8.1 million, respectively. Further, consolidated operating income would have been $76.3 million.

INTEREST EXPENSE, NET

Net interest expense decreased to $27.1 million for First Quarter 2003 from $30.2 million for First Quarter 2002, a decrease of $3.0 million, or (10.1)%. The decrease resulted from both a decrease in the average interest rate and a decrease in the average borrowings for the period.

NET INCOME

As a result of the above factors, net income increased to $37.4 million for First Quarter 2003 from $23.8 million for First Quarter 2002, an increase of $13.5 million, or 56.7%. Excluding amortization expense and the associated income tax benefit for First Quarter 2002, net income increased $9.3 million, or 32.9%.

For financial analysis purposes only, the Company's earnings before interest, taxes, depreciation and amortization ("EBITDA") for First Quarter 2003 were $104.6 million, an increase of $12.7 million over EBITDA of $91.8 million for First Quarter 2002. 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.

FIRST QUARTER 2003 CASH FLOWS

OPERATING ACTIVITIES

Net cash provided by operating activities for First Quarter 2003 was $42.4 million, which resulted from $52.8 million in net income adjusted for noncash items, less $10.4 million representing the net change in the Company's operating assets and liabilities. The net change in operating assets and liabilities resulted primarily from a seasonal increase in accounts receivable and decreases in accrued salaries and accrued excise taxes, offset by increases in accrued advertising, income taxes payable, and accrued interest.

INVESTING ACTIVITIES AND FINANCING ACTIVITIES

Net cash used in investing activities for First Quarter 2003 was $12.5 million, which resulted primarily from $12.3 million of capital expenditures.

Net cash used in financing activities for First Quarter 2003 was $32.7 million resulting primarily from $22.6 million of net revolving loan payments under the senior credit facility and $19.0 million of principal payments of long-term debt partially offset by $8.8 million of proceeds from employee stock option exercises.

DEBT

Total debt outstanding as of May 31, 2002, amounted to $1,396.0 million, a decrease of $34.0 million from February 28, 2002. The ratio of total debt to total capitalization decreased to 58.0% as of May 31, 2002, from 59.9% as of February 28, 2002.

SENIOR CREDIT FACILITY

As of May 31, 2002, under its senior credit facility, the Company had outstanding term loans of $264.7 million bearing a weighted average interest rate of 4.0%, $27.5 million of revolving loans bearing a weighted average interest rate of 3.2%, undrawn revolving letters of credit of $13.2 million, and $259.3 million in revolving loans available to be drawn.

SENIOR NOTES

As of May 31, 2002, 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 May 31, 2002, 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, as of May 31, 2002, the Company had outstanding (pound) 154.0 million ($223.6 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"). 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.

Also, as of May 31, 2002, the Company had outstanding $200.0 million aggregate principal amount of 8% Senior Notes due February 2008 (the "February 2001 Senior Notes"). The February 2001 Senior Notes are currently redeemable, in whole or in part, at the option of the Company.

SENIOR SUBORDINATED NOTES

As of May 31, 2002, 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.

Also, as of May 31, 2002, the Company had outstanding $250.0 million aggregate principal amount of 8 1/8% Senior Subordinated Notes due January 2012 (the "January 2002 Senior Subordinated Notes"). The January 2002 Senior Subordinated Notes are redeemable at the option of the Company, in whole or in part, at any time on or after January 15, 2007. The Company may also redeem up to 35% of the January 2002 Senior Subordinated Notes using the proceeds of certain equity offerings completed before January 15, 2005.

ACCOUNTING PRONOUNCEMENTS

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 April 2002, the Financial Accounting Standards Board issued Statement of Financial Accounting Standards No. 145 ("SFAS No. 145"), "Rescission of FASB Statements No. 4, 44, and 64, Amendment of FASB Statement No. 13, and Technical Corrections." SFAS No. 145 rescinds Statement of Financial Accounting Standards No. 4 ("SFAS No. 4"), "Reporting Gains and Losses from Extinguishment of Debt," Statement of Financial Accounting Standards No. 44, "Accounting for Intangible Assets of Motor Carriers," and Statement of Financial Accounting Standards No. 64, "Extinguishments of Debt Made to Satisfy Sinking-Fund Requirements." In addition, SFAS No. 145 amends Statement of Financial Accounting Standards No. 13, "Accounting for Leases," to eliminate an inconsistency between required accounting for sale-leaseback transactions and the required accounting for certain lease modifications that have economic effects that are similar to sale-leaseback transactions.

Lastly, SFAS No. 145 also amends other existing authoritative pronouncements to make various technical corrections, clarify meanings, or describe their applicability under changed conditions. The Company is required to adopt the provisions related to the rescission of SFAS No. 4 for fiscal years beginning March 1, 2003. All other provisions of SFAS No. 145 were adopted on March 1, 2002. The adoption of the applicable provisions of SFAS No. 145 did not have a material impact on the Company's financial statements. The adoption of the remaining provisions will result in a reclassification of the extraordinary loss related to the extinguishment of debt recorded in the fourth quarter of the fiscal year ended February 28, 2002 ($1.6 million, net of income taxes), to increase nonoperating expense ($2.6 million) and to decrease the provision for income taxes ($1.0 million).

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 Annual Report on Form 10-K for the fiscal year ended February 28, 2002.

ITEM 3. QUANTITATIVE AND QUALITATIVE DISCLOSURES ABOUT MARKET RISK

Information about market risks for the three months ended May 31, 2002, 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, 2002.

PART II - OTHER INFORMATION

ITEM 6. EXHIBITS AND REPORTS ON FORM 8-K

(a) See Index to Exhibits located on Page 27 of this Report.

(b) The following Reports on Form 8-K were filed with the Securities and Exchange Commission during the quarter ended May 31, 2002:

(i) Form 8-K dated April 4, 2002. This Form 8-K reported information under Items 4 and 7.

(ii) Form 8-K dated April 10, 2002. This Form 8-K reported information under Item 5 and included (i) the Company's Condensed Consolidated Balance Sheets as of February 28, 2002 and February 28, 2001; (ii) the Company's Condensed Consolidated Statements of Income for the three months ended February 28, 2002 and February 28, 2001; and (iii) the Company's Condensed Consolidated Statements of Income for the year ended February 28, 2002 and February 28, 2001.

(iii) Form 8-K/A dated April 4, 2002. This Form 8-K/A reported information under Items 4 and 7.

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: July 15, 2002 By:/s/ Thomas F. Howe

Thomas F. Howe, Senior Vice President, Controller

Dated: July 15, 2002 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 Canandaigua Brands, Inc. (now known as Constellation Brands, Inc.) (filed as Exhibit 2.1 to 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 First Amendment to Purchase Agreement and Pro Forma Closing Balance Sheet, dated as of March 5, 2001, by and among Sebastiani Vineyards, Inc., Tuolomne River Vintners Group and Canandaigua Wine Company, Inc. (filed as Exhibit 2.5 to the Company's Quarterly Report on Form 10-Q for the fiscal quarter ended November 30, 2001 and incorporated herein by reference).

2.6 Second Amendment to Purchase Agreement, dated as of March 5, 2001, by and among Sebastiani Vineyards, Inc., Tuolomne River Vintners Group and Canandaigua Wine Company, Inc. (filed as Exhibit 2.6 to the Company's Quarterly Report on Form 10-Q for the fiscal quarter ended November 30, 2001 and incorporated herein by reference).

2.7 Agreement and Plan of Merger by and among Constellation Brands, Inc., 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.

Not applicable.

(10) MATERIAL CONTRACTS.

Not applicable.

(11) STATEMENT RE COMPUTATION OF PER SHARE EARNINGS.

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.

Not applicable.

EXHIBIT 11

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

	For the Three Months Ended May 31,			
	2002		2001	
	Basic	Diluted	Basic	Diluted
Income applicable to common shares	$37,369	$37,369	$23,843	$23,843
Shares:				
Weighted average common shares outstanding	88,845	88,845	82,508	82,508
Adjustments:				
Stock options	-	3,508	-	2,543
Adjusted weighted average common shares outstanding	88,845	92,353	82,508	85,051
Earnings per common share	$ 0.42	$ 0.40	$ 0.29	$ 0.28