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, 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 September 30, 2002, is set forth below:

CLASS	NUMBER OF SHARES OUTSTANDING
Class A Common Stock, Par Value $.01 Per Share	78,191,993
Class B Common Stock, Par Value $.01 Per Share	12,084,290

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)

<S>	August 31, 2002 (unaudited) <C>	February 28, 2002 <C>
ASSETS		
CURRENT ASSETS:		
Cash and cash investments	$ 25,015	$ 8,961
Accounts receivable, net	435,550	383,922

Inventories, net	768,292	777,586
Prepaid expenses and other current assets	85,130	60,779
Total current assets	1,313,987	1,231,248
PROPERTY, PLANT AND EQUIPMENT, net	594,331	578,764
GOODWILL	719,826	668,083
INTANGIBLE ASSETS, net	382,957	425,987
OTHER ASSETS	171,591	165,303
Total assets	$ 3,182,692	$ 3,069,385
LIABILITIES AND STOCKHOLDERS' EQUITY		
CURRENT LIABILITIES:		
Notes payable	$ 992	$ 54,775
Current maturities of long-term debt	80,976	81,609
Accounts payable	160,291	153,433
Accrued excise taxes	45,627	60,238
Other accrued expenses and liabilities	317,893	245,155
Total current liabilities	605,779	595,210
LONG-TERM DEBT, less current maturities	1,285,575	1,293,183
DEFERRED INCOME TAXES	149,683	163,146
OTHER LIABILITIES	63,381	62,110
STOCKHOLDERS' EQUITY:		
Preferred Stock, $.01 par value- Authorized, 1,000,000 shares; Issued, none at August 31, 2002, and February 28, 2002	-	-
Class A Common Stock, $.01 par value- Authorized, 275,000,000 shares; Issued, 80,934,113 shares at August 31, 2002, and 79,309,174 shares at February 28, 2002	809	793
Class B Convertible Common Stock, $.01 par value- Authorized, 30,000,000 shares; Issued, 14,590,690 shares at August 31, 2002, and 14,608,390 shares at February 28, 2002	146	146
Additional paid-in capital	453,329	431,216
Retained earnings	679,160	592,219
Accumulated other comprehensive loss	(22,486)	(35,222)
	1,110,958	989,152
Less - Treasury stock-		
Class A Common Stock, 2,830,709 shares at August 31, 2002, and 2,895,526 shares at February 28, 2002, at cost	(30,477)	(31,159)
Class B Convertible Common Stock, 2,502,900 shares at August 31, 2002, and February 28, 2002, at cost	(2,207)	(2,207)
	(32,684)	(33,366)
Less - Unearned compensation - restricted stock awards	-	(50)
Total stockholders' equity	1,078,274	955,736
Total liabilities and stockholders' equity	$ 3,182,692	$ 3,069,385

<FN>

The accompanying notes are an integral part of these statements.
</TABLE>

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

	For the Six Months Ended August 31,		For the Three Months Ended August 31,
	2002	2001	2002

				2001
	(unaudited)	(unaudited)	(unaudited)	(unaudited)
<S>	<C>	<C>	<C>	<C>
GROSS SALES	$ 1,759,460	$ 1,690,921	$ 898,997	$ 898,825
Less - Excise taxes	(419,261)	(403,362)	(209,191)	(209,698)
Net sales	1,340,199	1,287,559	689,806	689,127
COST OF PRODUCT SOLD	(970,211)	(948,384)	(496,544)	(505,842)
Gross profit	369,988	339,175	193,262	183,285
SELLING, GENERAL AND ADMINISTRATIVE EXPENSES	(178,377)	(180,251)	(87,616)	(94,284)
Operating income	191,611	158,924	105,646	89,001
EQUITY IN EARNINGS (LOSS) OF JOINT VENTURE	5,911	(137)	3,172	(137)
INTEREST EXPENSE, net	(54,292)	(59,159)	(27,151)	(28,974)
Income before income taxes	143,230	99,628	81,667	59,890
PROVISION FOR INCOME TAXES	(56,289)	(39,851)	(32,095)	(23,956)
NET INCOME	$ 86,941	$ 59,777	$ 49,572	$ 35,934
SHARE DATA:				
Earnings per common share:				
Basic	$ 0.97	$ 0.71	$ 0.55	$ 0.42
Diluted	$ 0.94	$ 0.69	$ 0.53	$ 0.41
Weighted average common shares outstanding:				
Basic	89,268	83,668	89,691	84,829
Diluted	92,562	86,252	93,029	87,864
SUPPLEMENTAL DATA RESTATED FOR EFFECT OF SFAS NO. 142:				
Adjusted operating income	$ 191,611	$ 171,847	$ 105,646	$ 95,570
Adjusted net income	$ 86,941	$ 68,656	$ 49,572	$ 40,540
Adjusted earnings per common share - basic	$ 0.97	$ 0.82	$ 0.55	$ 0.48
Adjusted earnings per common share - diluted	$ 0.94	$ 0.80	$ 0.53	$ 0.46

<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 Six Months Ended August 31,	
	2002	2001
<S>	(unaudited) <C>	(unaudited) <C>
CASH FLOWS FROM OPERATING ACTIVITIES:		
Net income	$ 86,941	$ 59,777
Adjustments to reconcile net income to net cash provided by operating activities:		
Depreciation of property, plant and equipment	28,061	27,290
Amortization of intangible assets and other assets	2,940	15,971
Deferred tax provision	2,708	-
Loss on sale of assets	1,736	1,680
Stock-based compensation expense	50	51
Amortization of discount on long-term debt	32	275
Equity in (earnings) loss of joint venture	(5,911)	137
Change in operating assets and liabilities, net of effects from purchases of businesses:		
Accounts receivable, net	(38,261)	(64,236)
Inventories, net	8,526	27,533
Prepaid expenses and other current assets	(23,070)	(8,711)
Accounts payable	135	13,467
Accrued excise taxes	(15,829)	(10,561)
Other accrued expenses and liabilities	65,860	47,942
Other assets and liabilities, net	(352)	(4,633)
Total adjustments	26,625	46,205
Net cash provided by operating activities	113,566	105,982
CASH FLOWS FROM INVESTING ACTIVITIES:		
Purchases of property, plant and equipment	(34,219)	(28,795)
Payment of acquisition earn-out	(804)	-
Proceeds from sale of assets	708	35,391
Purchases of businesses, net of cash acquired	-	(471,971)
Investment in joint venture	-	(5,500)
Net cash used in investing activities	(34,315)	(470,875)
CASH FLOWS FROM FINANCING ACTIVITIES:		
Net (repayments of) proceeds from notes payable	(53,757)	85,727
Principal payments of long-term debt	(43,793)	(25,221)
Payment of issuance costs of long-term debt	(5)	(1,186)
Exercise of employee stock options	22,008	26,392
Proceeds from issuance of long-term debt	10,000	-
Proceeds from employee stock purchases	1,309	842
Proceeds from equity offering, net of fees	-	139,522
Net cash (used in) provided by financing activities	(64,238)	226,076
Effect of exchange rate changes on cash and cash investments	1,041	(87)
NET INCREASE (DECREASE) IN CASH AND CASH INVESTMENTS	16,054	(138,904)
CASH AND CASH INVESTMENTS, beginning of period	8,961	145,672
CASH AND CASH INVESTMENTS, end of period	$ 25,015	$ 6,768
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 are an integral part of these statements.

</TABLE>

CONSTELLATION BRANDS, INC. AND SUBSIDIARIES
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
AUGUST 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 significant 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 August 31, 2001, and 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 $46.8 million of previously identified separable intangible assets to goodwill and an elimination of $16.6 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. Intangible assets that are not deemed to have an indefinite life will continue to be amortized over their useful lives and are subject to review for impairment. 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 are tested for impairment in accordance with the provisions of SFAS No. 142 and amortizable intangible assets are 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 and goodwill pursuant to the requirements of SFAS No. 142. No instances of impairment were noted during these processes.

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

<TABLE>
<CAPTION>

	For the Six Months Ended August 31,		For the Three Months Ended August 31,	
	2002	2001	2002	2001
(in thousands, except per share data)				
<S>	<C>	<C>	<C>	<C>
Reported net income	$ 86,941	$ 59,777	$ 49,572	$ 35,934
Add back: amortization of goodwill	-	8,261	-	4,183
Add back: amortization of intangibles				

reclassified to goodwill	-	1,071	-	535
Add back: amortization of indefinite lived intangible assets	-	3,591	-	1,851
Less: income tax effect	-	(4,044)	-	(1,963)
Adjusted net income	$ 86,941	$ 68,656	$ 49,572	$ 40,540
Basic earnings per common share:				
Reported net income	$ 0.97	$ 0.71	$ 0.55	$ 0.42
Add back: amortization of goodwill	-	0.10	-	0.05
Add back: amortization of intangibles reclassified to goodwill	-	0.01	-	0.01
Add back: amortization of indefinite lived intangible assets	-	0.05	-	0.02
Less: income tax effect	-	(0.05)	-	(0.02)
Adjusted net income	$ 0.97	$ 0.82	$ 0.55	$ 0.48
Diluted earnings per common share:				
Reported net income	$ 0.94	$ 0.69	$ 0.53	$ 0.41
Add back: amortization of goodwill	-	0.10	-	0.05
Add back: amortization of intangibles reclassified to goodwill	-	0.01	-	-
Add back: amortization of indefinite lived intangible assets	-	0.04	-	0.02
Less: income tax effect	-	(0.04)	-	(0.02)
Adjusted net income	$ 0.94	$ 0.80	$ 0.53	$ 0.46

</TABLE>

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

<TABLE>
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(in thousands)	Popular and Premium Wine	Imported Beer and Spirits	U.K. Brands and Wholesale	Fine Wine	Consolidated
<S>	<C>	<C>	<C>	<C>	<C>
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	6,765	-	46,795
Elimination of deferred tax liabilities	-	(14,611)	(2,030)	-	(16,641)
Purchase accounting allocations	4,985	-	-	808	5,793
Foreign currency translation adjustments	-	302	13,851	-	14,153
Other	1,643	-	-	-	1,643
Balance, August 31, 2002	$ 233,426	$ 131,401	$ 161,907	$ 193,092	$ 719,826

</TABLE>

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 six months and three months ended August 31, 2001. Net sales were reduced by $95.3 million and $51.6 million, respectively; cost of product sold was increased by $5.1 million and $2.7 million, respectively; and selling, general and administrative expenses were reduced by $100.5 million and $54.4 million, respectively. This reclassification did not affect 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 $289.2 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), $146.7 million, is no longer being amortized, but is 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 August 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 is 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. (the "Ravenswood Acquisition"). The Ravenswood business produces, markets and sells super-premium and ultra-premium California wine, primarily under the Ravenswood brand name. The purchase price of the Ravenswood Acquisition, including assumption of indebtedness of $2.8 million, was $152.5 million. 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. Based upon the final appraisal, the excess of the purchase price over the fair market value of the net assets acquired (goodwill), $99.8 million, is not amortizable and is 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 the Ravenswood business 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 fair values of the assets acquired and liabilities assumed in the Ravenswood Acquisition at July 2, 2001, as adjusted for the final appraisal:

Current assets	$ 34,396
Property, plant and equipment	14,994
Other assets	26
Trademarks	45,600
Goodwill	99,756
Total assets acquired	194,772
Current liabilities	12,523
Long-term liabilities	32,593
Total liabilities assumed	45,116
Net assets acquired	$ 149,656

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 six months and three months ended August 31, 2002, and August 31, 2001, respectively. The unaudited pro forma results of operations for the six months ended August 31, 2001, give effect to the acquisitions of the Turner Road Vintners Assets and the Corus Assets and the Ravenswood Acquisition as if they occurred on March 1, 2001. The unaudited pro forma results of operations for the three months ended August 31, 2001, give effect to the Ravenswood Acquisition as if it 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 for the six months and three months ended August 31, 2001, do not reflect total nonrecurring charges of $12.6 million ($0.09 per

share on a diluted basis) related to transaction costs, primarily for the acceleration of vesting of stock options, which were incurred by Ravenswood Winery, Inc. prior to the acquisition. 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,	
	2002	2001	2002	2001
(in thousands, except per share data)				
<S>	<C>	<C>	<C>	<C>
Net sales	$ 1,340,199	$ 1,302,918	$ 689,806	$ 693,612
Income before income taxes	$ 143,230	$ 97,379	$ 81,667	$ 59,844
Net income	$ 86,941	$ 55,889	$ 49,572	$ 35,961
Earnings per common share:				
Basic	$ 0.97	$ 0.67	$ 0.55	$ 0.42
Diluted	$ 0.94	$ 0.65	$ 0.53	$ 0.41
Weighted average common shares outstanding:				
Basic	89,268	83,668	89,691	84,829
Diluted	92,562	86,252	93,029	87,864

</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:

	August 31, 2002	February 28, 2002
(in thousands)		
Raw materials and supplies	$ 33,149	$ 34,126

In-process inventories	467,347	524,373
Finished case goods	267,796	219,087
	$ 768,292	$ 777,586

5) INTANGIBLE ASSETS:

The major components of intangible assets are:

<TABLE>
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	August 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	$ 5,197	$ 10,158	$ 5,960
Other	4,049	706	4,049	1,067
Total	$ 14,207	5,903	$ 14,207	7,027
Nonamortizable intangible assets:				
Trademarks		356,565		351,707
Distributor and agency relationships		20,458		60,488
Other		31		6,765
Total		377,054		418,960
Total intangible assets		$ 382,957		$ 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 $1.1 million and $0.6 million for the six months and three months ended August 31, 2002, respectively. 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 ("Hardy") completed the formation of Pacific Wine Partners LLC ("PWP"), a joint venture owned equally by the Company and Hardy. 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 August 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 August 31, 2002, the Company's investment balance, which is accounted for under the equity method, was $116.4 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 $4.0 million. This amount is included in earnings as the assets are used by PWP.

7) STOCKHOLDERS' EQUITY:

In July 2002, the stockholders of the Company approved an increase in the number of authorized shares of Class A Common Stock from 120,000,000 shares to

275,000,000 shares and Class B Convertible Common Stock from 20,000,000 shares to 30,000,000 shares, thereby increasing the aggregate number of authorized shares of the Company to 306,000,000 shares.

8) 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:

<TABLE>
<CAPTION>

	For the Six Months Ended August 31,		For the Three Months Ended August 31,	
	2002	2001	2002	2001
(in thousands, except per share data)				
<S>	<C>	<C>	<C>	<C>
Income applicable to common shares	$ 86,941	$ 59,777	$ 49,572	$ 35,934
Weighted average common shares outstanding - basic	89,268	83,668	89,691	84,829
Stock options	3,294	2,584	3,338	3,035
Weighted average common shares outstanding - diluted	92,562	86,252	93,029	87,864
EARNINGS PER COMMON SHARE - BASIC	$ 0.97	$ 0.71	$ 0.55	$ 0.42
EARNINGS PER COMMON SHARE - DILUTED	$ 0.94	$ 0.69	$ 0.53	$ 0.41

</TABLE>

Stock options to purchase 0.3 million shares of Class A Common Stock at a weighted average price per share of $21.34 were outstanding during the six months and three months ended August 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.

9) 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>
<CAPTION>

	For the Six Months Ended August 31,		For the Three Months Ended August 31,	
	2002	2001	2002	2001
(in thousands)				
<S>	<C>	<C>	<C>	<C>
Net income	$ 86,941	$ 59,777	$ 49,572	$ 35,934
Other comprehensive income, net of tax:				
Foreign currency translation adjustments	13,139	(2,882)	5,451	1,432
Cash flow hedges:				
Net derivative gains, net of tax effect of $0, $109, $0 and $30, respectively	-	219	-	47
Reclassification adjustments, net of tax effect of $13, $85, $3 and $18, respectively	(21)	(186)	(5)	43
Net cash flow hedges	(21)	33	(5)	90
Minimum pension liability adjustment, net of tax effect of $255, $0, $5 and $0, respectively	(382)	-	(8)	-
Total comprehensive income	$ 99,677	$ 56,928	$ 55,026	$ 37,456

</TABLE>

Accumulated other comprehensive loss includes the following components:

<TABLE>
<CAPTION>

(in thousands)	Foreign Currency Translation Adjustments	Net Unrealized Gains on Derivatives	Minimum Pension Liability Adjustment	Accumulated Other Comprehensive Loss
	For the Six Months Ended August 31, 2002			
<S>	<C>	<C>	<C>	<C>
Balance, February 28, 2002	$ (35,243)	$ 21	$ -	$ (35,222)
Current-period change	13,139	(21)	(382)	12,736
Balance, August 31, 2002	$ (22,104)	$ -	$ (382)	$ (22,486)

</TABLE>

10) CONDENSED CONSOLIDATING FINANCIAL INFORMATION:

The following information sets forth the condensed consolidating balance sheets of the Company as of August 31, 2002, and February 28, 2002, and the condensed consolidating statements of income and cash flows for the six months and three months ended August 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 August 31, 2002					
Current assets:					
Cash and cash investments	$ 13,075	$ 1,294	$ 10,646	$ -	$ 25,015
Accounts receivable, net	73,825	184,022	177,703	-	435,550
Inventories, net	16,731	602,544	149,173	(156)	768,292
Prepaid expenses and other current assets	11,592	56,900	16,638	-	85,130
Intercompany (payable) receivable	(72,976)	42,613	30,363	-	-
Total current assets	42,247	887,373	384,523	(156)	1,313,987
Property, plant and equipment, net	38,291	359,170	196,870	-	594,331
Investments in subsidiaries	2,479,117	559,028	-	(3,038,145)	-
Goodwill	51,171	495,531	173,124	-	

					719,826
Intangible assets, net	10,967	317,634	54,356	-	382,957
Other assets	20,899	119,657	31,035	-	171,591
Total assets	$ 2,642,692	$ 2,738,393	$ 839,908	$ (3,038,301)	$ 3,182,692
Current liabilities:					
Notes payable	$ -	$ -	$ 992	$ -	$ 992
Current maturities of long-term debt	76,830	3,465	681	-	80,976
Accounts payable	29,649	44,235	86,407	-	160,291
Accrued excise taxes	8,064	20,169	17,394	-	45,627
Other accrued expenses and liabilities	123,384	67,674	126,835	-	317,893
Total current liabilities	237,927	135,543	232,309	-	605,779

(in thousands)	Parent Company	Subsidiary Guarantors	Subsidiary Nonguarantors	Eliminations	Consolidated
Long-term debt, less current maturities	1,263,483	12,659	9,433	-	1,285,575
Deferred income taxes	41,955	74,784	32,944	-	149,683
Other liabilities	532	37,410	25,439	-	63,381
Stockholders' equity:					
Class A and class B common stock	955	6,434	64,867	(71,301)	955
Additional paid-in capital	453,329	1,221,077	436,466	(1,657,543)	453,329
Retained earnings	679,316	1,251,606	57,695	(1,309,457)	679,160
Accumulated other comprehensive loss	(2,121)	(1,120)	(19,245)	-	(22,486)
Treasury stock and other	(32,684)	-	-	-	(32,684)
Total stockholders' equity	1,098,795	2,477,997	539,783	(3,038,301)	1,078,274
Total liabilities and stockholders' equity	$ 2,642,692	$ 2,738,393	$ 839,908	$ (3,038,301)	$ 3,182,692

Condensed Consolidating Balance Sheet

at February 28, 2002

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

	Parent Company	Subsidiary Guarantors	Subsidiary Nonguarantors	Eliminations	Consolidated
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

(in thousands)
Condensed Consolidating Statement of Income
for the Six Months Ended August 31, 2002

	Parent Company	Subsidiary Guarantors	Subsidiary Nonguarantors	Eliminations	Consolidated
Gross sales	$ 376,683	$ 957,427	$ 547,303	$ (121,953)	$ 1,759,460
Less - excise taxes	(67,933)	(208,805)	(142,523)	-	(419,261)
Net sales	308,750	748,622	404,780	(121,953)	1,340,199
Cost of product sold	(239,112)	(525,399)	(327,557)	121,857	(970,211)
Gross profit	69,638	223,223	77,223	(96)	369,988
Selling, general and administrative expenses	(53,409)	(74,441)	(50,527)	-	

					(178,377)
Operating income	16,229	148,782	26,696	(96)	191,611
Equity in earnings of subsidiary/joint venture	74,675	6,676	-	(75,440)	5,911
Interest expense, net	4,137	(35,085)	(23,344)	-	(54,292)
Income before income taxes	95,041	120,373	3,352	(75,536)	143,230
Provision for income taxes	(8,004)	(45,698)	(2,587)	-	(56,289)
Net income	$ 87,037	$ 74,675	$ 765	$ (75,536)	$ 86,941

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

Gross sales	$ 388,179	$ 998,061	$ 498,482	$ (193,801)	$ 1,690,921
Less - excise taxes	(67,947)	(210,939)	(124,476)	-	(403,362)
Net sales	320,232	787,122	374,006	(193,801)	1,287,559
Cost of product sold	(201,913)	(638,000)	(302,253)	193,782	(948,384)
Gross profit	118,319	149,122	71,753	(19)	339,175
Selling, general and administrative expenses	(45,211)	(63,847)	(71,193)	-	(180,251)
Operating income	73,108	85,275	560	(19)	158,924
Equity in earnings (loss) of subsidiary/joint venture	20,684	(8,852)	-	(11,969)	(137)
Interest expense, net	(7,922)	(49,173)	(2,064)	-	(59,159)
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

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

Gross sales	$ 200,944	$ 484,167	$ 273,892	$ (60,006)	$ 898,997
Less - excise taxes	(35,201)	(103,422)	(70,568)	-	(209,191)
Net sales	165,743	380,745	203,324	(60,006)	689,806
Cost of product sold	(126,130)	(267,766)	(162,615)	59,967	(496,544)
Gross profit	39,613	112,979	40,709	(39)	193,262
Selling, general and administrative expenses	(30,033)	(31,531)	(26,052)	-	

	Parent Company	Subsidiary Guarantors	Subsidiary Nonguarantors	Eliminations	Consolidated
					(87,616)
Operating income	9,580	81,448	14,657	(39)	105,646
Equity in earnings (loss) of subsidiary/joint venture	42,531	(3,675)	-	(35,684)	3,172
Interest expense, net	(2,084)	(6,511)	(22,724)	-	(27,151)
Income (loss) before income taxes	54,195	71,262	(8,067)	(35,723)	81,667
(Provision for) benefit from income taxes	(4,584)	(28,731)	1,220	-	(32,095)
Net income (loss)	$ 49,611	$ 42,531	$ (6,847)	$ (35,723)	$ 49,572

(in thousands)	Parent Company	Subsidiary Guarantors	Subsidiary Nonguarantors	Eliminations	Consolidated
Condensed Consolidating Statement of Income for the Three Months Ended August 31, 2001					
Gross sales	$ 213,060	$ 556,414	$ 255,834	$ (126,483)	$ 898,825
Less - excise taxes	(37,559)	(108,724)	(63,415)	-	(209,698)
Net sales	175,501	447,690	192,419	(126,483)	689,127
Cost of product sold	(89,426)	(389,124)	(153,748)	126,456	(505,842)
Gross profit	86,075	58,566	38,671	(27)	183,285
Selling, general and administrative expenses	(22,522)	(22,512)	(49,250)	-	(94,284)
Operating income (loss)	63,553	36,054	(10,579)	(27)	89,001
Equity in earnings (loss) of subsidiary/joint venture	2,714	(15,181)	-	12,330	(137)
Interest expense, net	(2,557)	(25,634)	(783)	-	(28,974)
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

	Parent Company	Subsidiary Guarantors	Subsidiary Nonguarantors	Eliminations	Consolidated
Condensed Consolidating Statement of Cash Flows for the Six Months Ended August 31, 2002					
Net cash provided by operating activities	$ 57,695	$ 45,878	$ 9,993	$ -	$ 113,566
Cash flows from investing activities:					
Purchases of property, plant and equipment	(4,542)	(22,975)	(6,702)	-	(34,219)
Other	-	(337)	241	-	(96)

Net cash used in investing activities	(4,542)	(23,312)	(6,461)	-	(34,315)
Cash flows from financing activities:					
Net repayments of notes payable	(50,000)	-	(3,757)	-	(53,757)
Principal payments of long-term debt	(35,996)	(1,615)	(6,182)	-	(43,793)
Payment of issuance costs of long-term debt	(5)	-	-	-	(5)
Exercise of employee stock options	22,008	-	-	-	22,008
Proceeds from issuance of long-term debt	-	-	10,000	-	10,000
Proceeds from employee stock purchases	1,309	-	-	-	1,309
Net cash (used in) provided by financing activities	(62,684)	(1,615)	61	-	(64,238)
Effect of exchange rate changes on cash and cash investments	21,768	(21,741)	1,014	-	1,041
Net increase (decrease) in cash and cash investments	12,237	(790)	4,607	-	16,054
Cash and cash investments, beginning of period	838	2,084	6,039	-	8,961
Cash and cash investments, end of period	$ 13,075	$ 1,294	$ 10,646	$ -	$ 25,015

	Parent Company	Subsidiary Guarantors	Subsidiary Nonguarantors	Eliminations	Consolidated
(in thousands)					
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

</TABLE>

11) 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 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 Six Months Ended August 31,		For the Three Months Ended August 31,	
	2002	2001	2002	2001
(in thousands)				
<S>	<C>	<C>	<C>	<C>
Popular and Premium Wine:				
Net sales:				
Branded:				
External customers	$ 315,080	$ 325,813	$ 168,327	$ 178,739
Intersegment	5,725	4,644	2,876	2,899
Total Branded	320,805	330,457	171,203	181,638
Other:				
External customers	20,808	27,383	10,159	13,834
Intersegment	6,342	7,856	3,118	4,167
Total Other	27,150	35,239	13,277	18,001
Net sales	$ 347,955	$ 365,696	$ 184,480	$ 199,639
Operating income	$ 42,568	$ 39,329	$ 25,699	$ 23,934
Equity in earnings (loss) of joint venture	$ 5,911	$ (137)	$ 3,172	$ (137)

Long-lived assets	$ 195,417	$ 186,694	$ 195,417	$ 186,694
Investment in joint venture	$ 116,431	$ 31,638	$ 116,431	$ 31,638
Total assets	$ 1,075,396	$ 940,926	$ 1,075,396	$ 940,926
Capital expenditures	$ 10,538	$ 6,077	$ 7,343	$ 4,588
Depreciation and amortization	$ 11,760	$ 16,159	$ 5,676	$ 8,043
Imported Beer and Spirits:				
Net sales:				
Beer	$ 419,513	$ 396,133	$ 219,807	$ 220,225
Spirits	138,886	137,792	66,687	68,751
Net sales	$ 558,399	$ 533,925	$ 286,494	$ 288,976
Operating income	$ 115,976	$ 95,412	$ 61,555	$ 51,361
Long-lived assets	$ 77,916	$ 79,612	$ 77,916	$ 79,612
Total assets	$ 739,769	$ 736,343	$ 739,769	$ 736,343
Capital expenditures	$ 4,030	$ 6,736	$ 2,122	$ 3,812
Depreciation and amortization	$ 5,105	$ 9,150	$ 2,533	$ 4,388
U.K. Brands and Wholesale:				
Net sales:				
Branded:				
External customers	$ 112,575	$ 112,125	$ 57,999	$ 59,021
Intersegment	151	481	65	379
Total Branded	112,726	112,606	58,064	59,400
Wholesale	264,389	234,473	132,255	119,467
Net sales	$ 377,115	$ 347,079	$ 190,319	$ 178,867
Operating income	$ 24,775	$ 22,285	$ 14,512	$ 13,432
Long-lived assets	$ 148,002	$ 142,055	$ 148,002	$ 142,055
Total assets	$ 680,224	$ 629,582	$ 680,224	$ 629,582
Capital expenditures	$ 6,110	$ 4,039	$ 3,414	$ 2,009
Depreciation and amortization	$ 7,101	$ 9,419	$ 3,600	$ 4,746

	For the Six Months Ended August 31,		For the Three Months Ended August 31,	
	2002	2001	2002	2001
(in thousands)				
<S>	<C>	<C>	<C>	<C>
Fine Wine:				
Net sales:				
External customers	$ 68,948	$ 53,840	$ 34,570	$ 29,090
Intersegment	688	254	310	152
Net sales	$ 69,636	$ 54,094	$ 34,880	$ 29,242
Operating income	$ 23,736	$ 15,146	$ 12,030	$ 8,098
Long-lived assets	$ 163,848	$ 147,535	$ 163,848	$ 147,535
Total assets	$ 643,104	$ 575,280	$ 643,104	$ 575,280
Capital expenditures	$ 12,419	$ 11,298	$ 8,050	$ 7,329
Depreciation and amortization	$ 4,936	$ 6,236	$ 2,282	$ 3,013
Corporate Operations and Other:				
Net sales	$ -	$ -	$ -	$ -
Operating loss	$ (15,444)	$ (13,248)	$ (8,150)	$ (7,824)
Long-lived assets	$ 9,148	$ 4,556	$ 9,148	$ 4,556
Total assets	$ 44,199	$ 24,580	$ 44,199	$ 24,580
Capital expenditures	$ 1,122	$ 645	$ 948	$ 219
Depreciation and amortization	$ 2,099	$ 2,297	$ 1,061	$ 1,146
Intersegment eliminations:				
Net sales	$ (12,906)	$ (13,235)	$ (6,367)	$ (7,597)
Consolidated:				
Net sales	$ 1,340,199	$ 1,287,559	$ 689,806	$ 689,127
Operating income	$ 191,611	$ 158,924	$ 105,646	$ 89,001
Equity in earnings (loss) of joint venture	$ 5,911	$ (137)	$ 3,172	$ (137)
Long-lived assets	$ 594,331	$ 560,452	$ 594,331	$ 560,452
Investment in joint venture	$ 116,431	$ 31,638	$ 116,431	$ 31,638
Total assets	$ 3,182,692	$ 2,906,711	$ 3,182,692	$ 2,906,711
Capital expenditures	$ 34,219	$ 28,795	$ 21,877	$ 17,957
Depreciation and amortization	$ 31,001	$ 43,261	$ 15,152	$ 21,336

</TABLE>

12) 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 selling, general and administrative expenses ($2.6 million) and to decrease the provision for income taxes ($1.0 million).

In June 2002, the Financial Accounting Standards Board issued Statement of Financial Accounting Standards No. 146 ("SFAS No. 146"), "Accounting for Costs Associated with Exit or Disposal Activities." SFAS No. 146 addresses financial accounting and reporting for costs associated with exit or disposal activities and nullifies EITF Issue No. 94-3, "Liability Recognition for Certain Employee Termination Benefits and Other Costs to Exit an Activity (including Certain Costs Incurred in a Restructuring)." The Company is required to adopt SFAS No. 146 for exit or disposal activities initiated after December 31, 2002. The Company is currently assessing the financial impact of SFAS No. 146 on its financial statements.

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

INTRODUCTION

The Company is a leading producer and marketer of beverage alcohol brands, with a broad portfolio of wine, distilled spirits and imported beer. The Company is the largest single-source supplier of these products in the United States, and both a major producer and independent drinks wholesaler in the United Kingdom. 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 August 31, 2002 ("Second Quarter 2003"), compared to the three months ended August 31, 2001 ("Second Quarter 2002"), and for the six months ended August 31, 2002 ("Six Months 2003"), compared to the six months ended

August 31, 2001 ("Six Months 2002"), and (ii) financial liquidity and capital resources for Six Months 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. (the "Ravenswood Acquisition"), a leading premium wine producer based in Sonoma, California. On June 30, 2002, Ravenswood Winery, Inc. was merged into Franciscan Vineyards, Inc. (a wholly-owned subsidiary of the Company). The Ravenswood business produces, markets and sells super-premium and ultra-premium California wine primarily under the Ravenswood brand name. The vast majority of wine the Ravenswood business produces and sells is red wine, including the number one super-premium Zinfandel in the United States. The results of operations of the Ravenswood business 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

SECOND QUARTER 2003 COMPARED TO SECOND QUARTER 2002

NET SALES

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

<TABLE>
<CAPTION>

	Second Quarter 2003 Compared to Second Quarter 2002		
	Net Sales		
	2003	2002	%Increase/ (Decrease)
<S>	<C>	<C>	<C>
Popular and Premium Wine:			

Branded:			
External customers	$ 168,327	$ 178,739	(5.8)%
Intersegment	2,876	2,899	(0.8)%
Total Branded	171,203	181,638	(5.7)%
Other:			
External customers	10,159	13,834	(26.6)%
Intersegment	3,118	4,167	(25.2)%
Total Other	13,277	18,001	(26.2)%
Popular and Premium Wine net sales	$ 184,480	$ 199,639	(7.6)%
Imported Beer and Spirits:			
Imported Beer	$ 219,807	$ 220,225	(0.2)%
Spirits	66,687	68,751	(3.0)%
Imported Beer and Spirits net sales	$ 286,494	$ 288,976	(0.9)%
U.K. Brands and Wholesale:			
Branded:			
External customers	$ 57,999	$ 59,021	(1.7)%
Intersegment	65	379	(82.8)%
Total Branded	58,064	59,400	(2.2)%
Wholesale	132,255	119,467	10.7 %
U.K. Brands and Wholesale net sales	$ 190,319	$ 178,867	6.4 %
Fine Wine:			
External customers	$ 34,570	$ 29,090	18.8 %
Intersegment	310	152	103.9 %
Fine Wine net sales	$ 34,880	$ 29,242	19.3 %
Corporate Operations and Other	$ -	$ -	N/A
Intersegment eliminations	$ (6,367)	$ (7,597)	(16.2)%
Consolidated Net Sales	$ 689,806	$ 689,127	0.1 %

</TABLE>

Net sales for Second Quarter 2003 increased to $689.8 million from $689.1 million for Second Quarter 2002, an increase of $0.7 million, or 0.1%.

Popular and Premium Wine

Net sales for the Popular and Premium Wine segment for Second Quarter 2003 decreased to $184.5 million from $199.6 million for Second Quarter 2002, a decrease of $15.2 million, or (7.6)%. Branded sales declined $10.4 million, or (5.8)%, on lower volume. Volumes were negatively impacted primarily due to the timing of shipments versus depletions between first and second quarter of fiscal 2003 compared to first and second quarter of fiscal 2002, and increased promotional spending in the industry, which the Company did not participate in heavily. The Company's promotional strategy continues to

focus on higher growth and/or higher margin brands. In addition, other sales declined $4.7 million due to lower grape juice concentrate and bulk wine sales.

Imported Beer and Spirits

Net sales for the Imported Beer and Spirits segment for Second Quarter 2003 decreased to $286.5 million from $289.0 million for Second Quarter 2002, a decrease of $2.5 million, or (0.9)%. This decrease resulted primarily from a decline in spirits sales of $2.1 million, or (3.0)%. This decline in spirits sales followed a 5.5% increase in spirits sales in the first quarter of fiscal 2003 and was due primarily to the timing of wholesaler orders. Imported beer sales for Second Quarter 2003 were virtually unchanged when compared to Second Quarter 2002 as price increases implemented in the first quarter of fiscal 2003 were offset by volume declines. The decline in imported beer shipments was anticipated due to inventory adjustments in the distribution channel related to the price increase.

U.K. Brands and Wholesale

Net sales for the U.K. Brands and Wholesale segment for Second Quarter 2003 increased to $190.3 million from $178.9 million for Second Quarter 2002, an increase of $11.5 million, or 6.4%. Excluding a favorable foreign currency impact of $13.7 million, net sales declined $2.2 million, or (1.3)%. This decline resulted from a 9.3% decrease in branded sales partially offset by a 2.7% increase in wholesale sales. The decline in branded sales was primarily related to lower cider sales.

Fine Wine

Net sales for the Fine Wine segment for Second Quarter 2003 increased to $34.9 million from $29.2 million for Second Quarter 2002, an increase of $5.6 million, or 19.3%. This increase resulted from an additional one month of sales of the brands acquired in the Ravenswood Acquisition, completed in July 2001, as well as growth in the Estancia, Ravenswood, Simi and Franciscan brands. Excluding the additional one month of sales of $2.2 million of the acquired brands, Fine Wine net sales increased $3.4 million, or 11.8%, due to higher sales volumes on the brands noted above.

GROSS PROFIT

The Company's gross profit increased to $193.3 million for Second Quarter 2003 from $183.3 million for Second Quarter 2002, an increase of $10.0 million, or 5.4%. The dollar increase in gross profit resulted from higher average imported beer prices, a favorable mix of sales towards higher margin products, particularly fine wine and tequila, lower average spirits costs, and a favorable foreign currency impact. These increases were partially offset by higher average imported beer costs and lower Popular and Premium wine sales. As a result of the foregoing, gross profit as a percent of net sales increased to 28.0% for Second Quarter 2003 from 26.6% for Second Quarter 2002.

SELLING, GENERAL AND ADMINISTRATIVE EXPENSES

Selling, general and administrative expenses decreased to $87.6 million for Second Quarter 2003 from $94.3 million for Second Quarter 2002, a decrease of $6.7 million, or (7.1)%. The Company adopted SFAS No. 142 on March 1, 2002 and accordingly, stopped amortizing goodwill and other indefinite lived intangible assets. Excluding $6.6 million of amortization expense from Second Quarter 2002, the Company's selling, general and administrative expenses for Second Quarter 2003 were flat. Selling, general and administrative expenses as a percent of net sales decreased to 12.7% for Second Quarter 2003 as compared to 13.7% for Second Quarter 2002. Excluding amortization expense in Second

Quarter 2002, selling, general and administrative expenses as a percent of net sales were 12.7%, equivalent to Second Quarter 2003.

OPERATING INCOME

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

<TABLE>
<CAPTION>

	Second Quarter 2003 Compared to Second Quarter 2002		
	Operating Income/(Loss)		
	2003	2002	%Increase
<S>	<C>	<C>	<C>
Popular and Premium Wine	$ 25,699	$ 23,934	7.4%
Imported Beer and Spirits	61,555	51,361	19.8%
U.K. Brands and Wholesale	14,512	13,432	8.0%
Fine Wine	12,030	8,098	48.6%
Corporate Operations and Other	(8,150)	(7,824)	4.2%
Consolidated Operating Income	$ 105,646	$ 89,001	18.7%

</TABLE>

As a result of the above factors, consolidated operating income increased to $105.6 million for Second Quarter 2003 from $89.0 million for Second Quarter 2002, an increase of $16.6 million, or 18.7%. Excluding amortization expense for Second Quarter 2002, operating income for Popular and Premium Wine, Imported Beer and Spirits, U.K. Brands and Wholesale and Fine Wine would have been $25.7 million, $53.5 million, $15.0 million and $9.2 million, respectively. Further, consolidated operating income would have been $95.6 million.

INTEREST EXPENSE, NET

Net interest expense decreased to $27.2 million for Second Quarter 2003 from $29.0 million for Second Quarter 2002, a decrease of $1.8 million, or (6.3)%. The decrease resulted from both a decrease in the average borrowings for the period and a decrease in the average interest rate.

NET INCOME

As a result of the above factors, net income increased to $49.6 million for Second Quarter 2003 from $35.9 million for Second Quarter 2002, an increase of $13.6 million, or 38.0%. Excluding amortization expense and the associated income tax benefit for Second Quarter 2002, net income increased $9.0 million, or 22.3%.

For financial analysis purposes only, the Company's earnings (including equity in earnings of joint venture) before interest, taxes, depreciation and amortization ("EBITDA") for Second Quarter 2003 were $124.0 million, an increase of $13.8 million over EBITDA of $110.2 million for Second Quarter 2002. EBITDA should not be construed as an alternative to operating income or net cash flow from operating activities determined in accordance with generally accepted accounting principles and should not be construed as an indication of operating performance or as a measure of liquidity.

SIX MONTHS 2003 COMPARED TO SIX MONTHS 2002

NET SALES

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

<TABLE>
<CAPTION>

	Six Months 2003 Compared to Six Months 2002		
	Net Sales		
	2003	2002	%Increase/ (Decrease)
<S>	<C>	<C>	<C>
Popular and Premium Wine:			
Branded:			
External customers	$ 315,080	$ 325,813	(3.3)%
Intersegment	5,725	4,644	23.3 %
Total Branded	320,805	330,457	(2.9)%
Other:			
External customers	20,808	27,383	(24.0)%
Intersegment	6,342	7,856	(19.3)%
Total Other	27,150	35,239	(23.0)%
Popular and Premium Wine net sales	$ 347,955	$ 365,696	(4.9)%
Imported Beer and Spirits:			
Imported Beer	$ 419,513	$ 396,133	5.9 %
Spirits	138,886	137,792	0.8 %
Imported Beer and Spirits net sales	$ 558,399	$ 533,925	4.6 %
U.K. Brands and Wholesale:			
Branded:			
External customers	$ 112,575	$ 112,125	0.4 %
Intersegment	151	481	(68.6)%
Total Branded	112,726	112,606	0.1 %
Wholesale	264,389	234,473	12.8 %
U.K. Brands and Wholesale net sales	$ 377,115	$ 347,079	8.7 %
Fine Wine:			
External customers	$ 68,948	$ 53,840	28.1 %
Intersegment	688	254	170.9 %
Fine Wine net sales	$ 69,636	$ 54,094	28.7 %
Corporate Operations and Other	$ -	$ -	N/A
Intersegment eliminations	$ (12,906)	$ (13,235)	(2.5)%
Consolidated Net Sales	$ 1,340,199	$ 1,287,559	4.1 %

</TABLE>

Net sales for Six Months 2003 increased to $1,340.2 million from $1,287.6

million for Six Months 2002, an increase of $52.6 million, or 4.1%.

Popular and Premium Wine

Net sales for the Popular and Premium Wine segment for Six Months 2003 decreased to $348.0 million from $365.7 million for Six Months 2002, a decrease of $17.7 million, or (4.9)%. Branded sales declined $9.7 million, or (2.9)%, on lower volume. Volumes were negatively impacted as a result of increased promotional spending in the industry, which the Company did not participate in heavily. Other sales declined $8.1 million, or (23.0)%, on lower grape juice concentrate and bulk wine sales.

Imported Beer and Spirits

Net sales for the Imported Beer and Spirits segment for Six Months 2003 increased to $558.4 million from $533.9 million for Six Months 2002, an increase of $24.5 million, or 4.6%. This increase resulted primarily from a 5.9% increase in imported beer sales. The growth in imported beer sales was due to a price increase on the Company's Mexican beer portfolio, which took effect in the first quarter of fiscal 2003. Additionally, spirits sales increased 0.8% resulting primarily from a favorable mix towards higher priced products, particularly tequila.

U.K. Brands and Wholesale

Net sales for the U.K. Brands and Wholesale segment for Six Months 2003 increased to $377.1 million from $347.1 million for Six Months 2002, an increase of $30.0 million, or 8.7%. Excluding a favorable foreign currency impact of $14.6 million, net sales increased $15.4 million, or 4.4%. This increase resulted primarily from an 8.3% increase in wholesale sales due to the addition of new accounts and increased average delivery sizes, partially offset by a 3.9% decline in branded sales as a decrease in cider sales was partially offset by increases in wine and ready-to-drink sales.

Fine Wine

Net sales for the Fine Wine segment for Six Months 2003 increased to $69.6 million from $54.1 million for Six Months 2002, an increase of $15.5 million, or 28.7%. This increase resulted primarily from an additional four months of sales of the brands acquired in the Ravenswood Acquisition, completed in July 2001, as well as growth in the Ravenswood, Estancia, Simi and Franciscan brands. Excluding the additional four months of sales of $14.1 million of the acquired brands, Fine Wine net sales increased $1.5 million, or 2.7%, due to higher sales volumes on the brands noted above.

GROSS PROFIT

The Company's gross profit increased to $370.0 million for Six Months 2003 from $339.2 million for Six Months 2002, an increase of $30.8 million, or 9.1%. The dollar increase in gross profit resulted from higher average imported beer selling prices, the additional four months of sales of the brands acquired in the Ravenswood Acquisition (completed in July 2001), a favorable mix of sales towards higher margin products, particularly tequila and fine wine, lower average spirits costs, and a favorable foreign currency impact. These increases were partially offset by higher average imported beer costs and lower Popular and Premium wine sales. As a result of the foregoing, gross profit as a percent of net sales increased to 27.6% for Six Months 2003 from 26.3% for Six Months 2002.

SELLING, GENERAL AND ADMINISTRATIVE EXPENSES

Selling, general and administrative expenses decreased to $178.4 million for Six Months 2003 from $180.3 million for Six Months 2002, a decrease of $1.9 million, or (1.0)%. The Company adopted SFAS No. 142 on March 1, 2002 and accordingly, stopped amortizing goodwill and other indefinite lived intangible assets. Excluding $12.9 million of amortization expense from Six Months 2002, the Company's selling, general and administrative expenses increased $11.0 million, or 6.6%. This increase resulted primarily from increased personnel costs to support the Company's growth and higher selling costs to support the growth in the U.K. wholesale business. Selling, general and administrative expenses as a percent of net sales decreased to 13.3% for Six Months 2003 as compared to 14.0% for Six Months 2002. Excluding amortization expense in Six Months 2002, selling, general and administrative expenses as a percent of net sales increased to 13.3% for Six Months 2003 as compared to 13.0% for Six Months

2002. This increase was primarily due to (i) the percent increase in general and administrative expenses supporting the Company's growth in the Imported Beer and

Spirits segment, Corporate Operations and Other segment and U.K. Brands and Wholesale segment growing at a faster rate than the increase in the respective segment's net sales and (ii) the percent increase in the U.K. Brands and Wholesale segment's selling costs being greater than the percent increase in the U.K. Brands and Wholesale 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 Six Months 2003 and Six Months 2002.

<TABLE>
<CAPTION>

	Six Months 2003 Compared to Six Months 2002		
	Operating Income/(Loss)		
<S>	2003 <C>	2002 <C>	%Increase <C>
Popular and Premium Wine	$ 42,568	$ 39,329	8.2%
Imported Beer and Spirits	115,976	95,412	21.6%
U.K. Brands and Wholesale	24,775	22,285	11.2%
Fine Wine	23,736	15,146	56.7%
Corporate Operations and Other	(15,444)	(13,248)	16.6%
Consolidated Operating Income	$ 191,611	$ 158,924	20.6%

</TABLE>

As a result of the above factors, consolidated operating income increased to $191.6 million for Six Months 2003 from $158.9 million for Six Months 2002, an increase of $32.7 million, or 20.6%. Excluding amortization expense for Six Months 2002, operating income for Popular and Premium Wine, Imported Beer and Spirits, U.K. Brands and Wholesale and Fine Wine would have been $42.9 million, $99.6 million, $25.3 million and $17.3 million, respectively. Further, consolidated operating income would have been $171.8 million.

INTEREST EXPENSE, NET

Net interest expense decreased to $54.3 million for Six Months 2003 from $59.2 million for Six Months 2002, a decrease of $4.9 million, or (8.2)%. The decrease resulted from both a decrease in the average borrowings for the period and a decrease in the average interest rate.

NET INCOME

As a result of the above factors, net income increased to $86.9 million for Six Months 2003 from $59.8 million for Six Months 2002, an increase of $27.2 million, or 45.4%. Excluding amortization expense and the associated income tax benefit for Six Months 2002, net income increased $18.3 million, or 26.6%.

For financial analysis purposes only, the Company's earnings (including equity in earnings of joint venture) before interest, taxes, depreciation and amortization ("EBITDA") for Six Months 2003 were $228.5 million, an increase of $26.5 million over EBITDA of $202.0 million for Six Months 2002. EBITDA should not be construed as an alternative to operating income or net cash flow from operating activities determined in accordance with generally accepted accounting principles 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 2003 CASH FLOWS

OPERATING ACTIVITIES

Net cash provided by operating activities for Six Months 2003 was $113.6 million, which resulted from $116.6 million in net income adjusted for noncash items, less $3.0 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 prepaid expenses, and a decrease in accrued excise taxes, offset by increases in income taxes payable, accrued advertising and accrued grape purchases.

INVESTING ACTIVITIES AND FINANCING ACTIVITIES

Net cash used in investing activities for Six Months 2003 was $34.3 million, which resulted primarily from $34.2 million of capital expenditures.

Net cash used in financing activities for Six Months 2003 was $64.2 million resulting primarily from $53.8 million of net repayment of notes payable and $43.8 million of principal payments of long-term debt. These amounts were partially offset by $22.0 million of proceeds from employee stock option exercises and $10.0 million of proceeds from long-term debt which was used for the repayment of debt at one of the Company's Chilean subsidiaries.

During June 1998, the Company's Board of Directors authorized the repurchase of up to $100.0 million of the Company's Class A Common Stock and Class B Common Stock. The repurchase of shares of common stock will be accomplished, from time to time, in management's discretion and depending upon market conditions, through open market or privately negotiated transactions. The Company may finance such repurchases through cash generated from operations or through the senior credit facility. The repurchased shares will become treasury shares. As of October 15, 2002, the Company had purchased 4,075,344 shares of Class A Common Stock at an aggregate cost of $44.9 million, or at an average cost of $11.01 per share. No shares were repurchased during Six Months 2003.

DEBT

Total debt outstanding as of August 31, 2002, amounted to $1,367.5 million, a decrease of $62.0 million from February 28, 2002. The ratio of total debt to total capitalization decreased to 55.9% as of August 31, 2002, from 59.9% as of February 28, 2002.

SENIOR CREDIT FACILITY

As of August 31, 2002, under its senior credit facility, the Company had outstanding term loans of $250.2 million bearing a weighted average interest rate of 3.8%, undrawn revolving letters of credit of $13.2 million, and $286.8 million in revolving loans available to be drawn.

SENIOR NOTES

As of August 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 August 31, 2002, the Company had outstanding (pound) 1.0 million ($1.6 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 August 31, 2002, the Company had outstanding (pound) 154.0 million ($238.3 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 August 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 August 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 August 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 selling, general and administrative expenses ($2.6 million) and to decrease the provision for income taxes ($1.0 million).

In June 2002, the Financial Accounting Standards Board issued Statement of Financial Accounting Standards No. 146 ("SFAS No. 146"), "Accounting for Costs Associated with Exit or Disposal Activities." SFAS No. 146 addresses financial accounting and reporting for costs associated with exit or disposal activities and nullifies EITF Issue No. 94-3, "Liability Recognition for Certain Employee Termination Benefits and Other Costs to Exit an Activity (including Certain Costs Incurred in a Restructuring)." The Company is required to adopt SFAS No. 146 for exit or disposal activities initiated after December 31, 2002. The Company is currently assessing the financial impact of SFAS No. 146 on its financial statements.

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 six months ended August 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.

ITEM 4. CONTROLS AND PROCEDURES

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The Company's Chief Executive Officer and Chief Financial Officer have concluded, based on their evaluation within 90 days prior to the filing date of this report, that the Company's disclosure controls and procedures (as defined in Securities Exchange Act Rules 13a-14(c) and 15d-14(c)) are effective to ensure that information required to be disclosed in the reports that the Company files or submits under the Securities Exchange Act of 1934 is recorded, processed, summarized and reported, within the time periods specified in the Securities and Exchange Commission's rules and forms. There have been no significant changes in the Company's internal controls or in other factors that could significantly affect these controls subsequent to the date of the foregoing evaluation.

PART II - OTHER INFORMATION

ITEM 4. SUBMISSION OF MATTERS TO A VOTE OF SECURITY HOLDERS
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At the Annual Meeting of Stockholders of Constellation Brands, Inc. held on July 23, 2002 (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 following proposals:

(i) To amend and restate the Company's Restated Certificate of Incorporation to:

  (a) increase the number of authorized shares of the Company's Class A Stock from 120,000,000 shares to 275,000,000 shares; and

  (b) increase the number of authorized shares of the Company's Class B Stock from 20,000,000 shares to 30,000,000 shares.

(ii) To re-approve the Company's Long-Term Stock Incentive Plan pursuant to Section 162(m) of the Internal Revenue Code.

(iii) To re-approve the Company's Annual Management Incentive Plan pursuant to Section 162(m) of the Internal Revenue Code.

(iv) To ratify the selection of KPMG LLP, Certified Public Accountants, as the Company's independent public accountants for the fiscal year ending February 28, 2003.

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	66,506,676	3,039,324
Paul L. Smith	66,505,296	3,040,704

Directors Elected by the Holders of Class B Stock:

Nominee	For	Withheld
George Bresler	120,012,060	61,040
Jeananne K. Hauswald	120,018,060	55,040
James A. Locke III	120,018,060	55,040
Richard Sands	120,018,060	55,040
Robert Sands	120,018,060	55,040

II. The proposal to amend and restate the Company's Restated Certificate of Incorporation to:

  (a) increase the number of authorized shares of the Company's Class A Stock from 120,000,000 shares to 275,000,000 shares was approved with the following votes:

For:	176,002,199
Against:	13,495,217
Abstain:	121,684
Broker Nonvotes:	N/A

(b) increase the number of authorized shares of the Company's Class B Stock from 20,000,000 shares to 30,000,000 shares was approved with the following votes:

For:	153,710,069
Against:	35,266,607
Abstain:	642,424
Broker Nonvotes:	N/A

III. The proposal to re-approve the Company's Long-Term Stock Incentive Plan was approved with the following votes:

For:	180,710,663
Against:	8,767,320
Abstain:	141,117
Broker Nonvotes:	N/A

IV. The proposal to re-approve the Company's Annual Management Incentive Plan was approved with the following votes:

For:	184,729,980
Against:	4,733,295
Abstain:	155,825
Broker Nonvotes:	N/A

V. The selection of KPMG LLP was ratified with the following votes:

For:	187,660,931
Against:	1,870,432
Abstain:	87,737
Broker Nonvotes:	N/A

ITEM 6. EXHIBITS AND REPORTS ON FORM 8-K

(a) See Index to Exhibits located on Page 35 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, 2002:

(i) Form 8-K dated June 26, 2002. This Form 8-K reported information under Item 5 and included (i) the Company's Condensed Consolidated Balance Sheets as of May 31, 2002 and February 28, 2002; and (ii) the Company's Condensed Consolidated Statements of Income for the three months ended May 31, 2002 and May 31, 2001.

(ii) Form 8-K dated August 21, 2002. This Form 8-K reported information under Item 7 and Item 9.

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, 2002

By:/s/ Thomas F. Howe

Thomas F. Howe, Senior Vice President, Controller

Dated: October 15, 2002

By:/s/ Thomas S. Summer

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

CERTIFICATIONS

I, Richard Sands, certify that:

1. I have reviewed this quarterly report on Form 10-Q of Constellation Brands, Inc.;

2. Based on my knowledge, this quarterly report does not contain any untrue statement of a material fact or omit to state a material fact necessary to make the statements made, in light of the circumstances under which such statements were made, not misleading with respect to the period covered by this quarterly report;

3. Based on my knowledge, the financial statements, and other financial information included in this quarterly report, fairly present in all material respects the financial condition, results of operations and cash flows of the registrant as of, and for, the periods presented in this quarterly report;

4. The registrant's other certifying officers and I are responsible for establishing and maintaining disclosure controls and procedures (as defined in Exchange Act Rules 13a-14 and 15d-14) for the registrant and we have:

a) designed such disclosure controls and procedures to ensure that material information relating to the registrant, including its consolidated subsidiaries, is made known to us by others within those entities, particularly during the period in which this quarterly report is being prepared;

b) evaluated the effectiveness of the registrant's disclosure controls and procedures as of a date within 90 days prior to the filing date of this quarterly report (the "Evaluation Date"); and

c) presented in this quarterly report our conclusions about the effectiveness of the disclosure controls and procedures based on our evaluation as of the Evaluation Date;

5. The registrant's other certifying officers and I have disclosed, based on our most recent evaluation, to the registrant's auditors and the audit committee of registrant's board of directors (or persons performing the equivalent function):

a) all significant deficiencies in the design or operation of internal controls which could adversely affect the registrant's ability to record, process, summarize and report financial data and have identified for the registrant's auditors any material weaknesses in internal controls; and

b) any fraud, whether or not material, that involves management or other employees who have a significant role in the registrant's internal controls; and

6. The registrant's other certifying officers and I have indicated in this quarterly report whether or not there were significant changes in internal controls or in other factors that could significantly affect internal controls subsequent to the date of our most recent evaluation, including any corrective actions with regard to significant deficiencies and material weaknesses.

Date: October 15, 2002

/s/ Richard Sands
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Richard Sands
President and Chief Executive Officer

I, Thomas S. Summer, certify that:

1. I have reviewed this quarterly report on Form 10-Q of Constellation Brands, Inc.;

2. Based on my knowledge, this quarterly report does not contain any untrue statement of a material fact or omit to state a material fact necessary to make the statements made, in light of the circumstances under which such statements were made, not misleading with respect to the period covered by this quarterly report;

3. Based on my knowledge, the financial statements, and other financial information included in this quarterly report, fairly present in all material respects the financial condition, results of operations and cash flows of the registrant as of, and for, the periods presented in this quarterly report;

4. The registrant's other certifying officers and I are responsible for establishing and maintaining disclosure controls and procedures (as defined in

Exchange Act Rules 13a-14 and 15d-14) for the registrant and we have:

a) designed such disclosure controls and procedures to ensure that material information relating to the registrant, including its consolidated subsidiaries, is made known to us by others within those entities, particularly during the period in which this quarterly report is being prepared;

b) evaluated the effectiveness of the registrant's disclosure controls and procedures as of a date within 90 days prior to the filing date of this quarterly report (the "Evaluation Date"); and

c) presented in this quarterly report our conclusions about the effectiveness of the disclosure controls and procedures based on our evaluation as of the Evaluation Date;

5. The registrant's other certifying officers and I have disclosed, based on our most recent evaluation, to the registrant's auditors and the audit committee of registrant's board of directors (or persons performing the equivalent function):

a) all significant deficiencies in the design or operation of internal controls which could adversely affect the registrant's ability to record, process, summarize and report financial data and have identified for the registrant's auditors any material weaknesses in internal controls; and

b) any fraud, whether or not material, that involves management or other employees who have a significant role in the registrant's internal controls; and

6. The registrant's other certifying officers and I have indicated in this quarterly report whether or not there were significant changes in internal controls or in other factors that could significantly affect internal controls subsequent to the date of our most recent evaluation, including any corrective actions with regard to significant deficiencies and material weaknesses.

Date: October 15, 2002

/s/ Thomas S. Summer
- ----------------------------------
Thomas S. Summer
Executive Vice President and Chief
Financial 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 herewith).

3.2 By-Laws of the Company (filed herewith).

(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.

99.1 Certification of Chief Executive Officer pursuant to Section 18 U.S.C. 1350 (Section 906 of the Sarbanes-Oxley Act of 2002) (filed herewith).

99.2 Certification of Chief Financial Officer pursuant to Section 18 U.S.C. 1350 (Section 906 of the Sarbanes-Oxley Act of 2002) (filed herewith).

EXHIBIT 3.1

Restated Certificate of Incorporation
of
Constellation Brands, Inc.

Duly Adopted in Accordance With Sections 245 and 242
of the Delaware General Corporation Law

Incorporated on December 4, 1972 under the name
Canandaigua Wine Company, Inc.

This is a Restated Certificate of Incorporation which amends and restates the Restated Certificate of Incorporation of Constellation Brands, Inc. to increase its authorized capital stock.

1. (a) The present name of the corporation is Constellation Brands, Inc. (the "Corporation").

(b) The name under which the Corporation was originally incorporated is Canandaigua Wine Company, Inc.; and the date of filing of the original certificate of incorporation with the Secretary of State of the State of Delaware is December 4, 1972.

2. The restated certificate of incorporation of the Corporation is hereby amended by striking out Article 4 and by substituting in lieu thereof new Article 4, as follows:

"4. CAPITALIZATION; GENERAL AUTHORIZATION. The total number of shares of stock which the Corporation shall have authority to issue is Three Hundred Six Million (306,000,000) consisting of:

(a) CLASS A COMMON. Two Hundred Seventy-Five Million (275,000,000) shares designated as Class A Common Stock, having a par value of One Cent ($.01) per share (the "Class A Common");

(b) CLASS B COMMON. Thirty Million (30,000,000) shares designated as Class B Common Stock, having a par value of One Cent ($.01) per share (the "Class B Common"); and

(c) PREFERRED STOCK. One Million (1,000,000) shares designated as Preferred Stock, having a par value of One Cent ($.01) per share (the "Preferred Stock")."

3. The provisions of the restated certificate of incorporation of the Corporation as heretofore amended and/or supplemented, and as herein amended, are hereby restated and integrated into the single instrument which is hereinafter set forth, and which is entitled Restated Certificate of Incorporation of Constellation Brands, Inc. without any further amendments other than the amendments herein certified and without any discrepancy between the provisions of the restated certificate of incorporation as heretofore amended and supplemented and the provisions of the said single instrument hereinafter set forth.

4. The amendment and the restatement of the restated certificate of incorporation herein certified have been duly adopted by the stockholders in accordance with the provisions of Section 242 and 245 of the General Corporation Law of the state of Delaware.

5. The restated certificate of incorporation of the Corporation, as amended and restated herein, shall at the effective time of this Restated Certificate of Incorporation, read as follows:

Restated Certificate of Incorporation
of
Constellation Brands, Inc.

1. NAME. The name of the Corporation is Constellation Brands, Inc.

2. ADDRESS; REGISTERED AGENT. The address of the registered office in the State of Delaware is 1209 Orange Street, in the City of Wilmington, County of New Castle. The name of its registered agent at such address is The Corporation Trust Company.

3. PURPOSES. The nature of business or purposes to be conducted or promoted is to engage in any lawful act or activity for which corporations may be organized under the General Corporation Law of Delaware.

4. CAPITALIZATION; GENERAL AUTHORIZATION. The total number of shares of stock which the Corporation shall have authority to issue is Three Hundred Six Million (306,000,000) consisting of:

(a) CLASS A COMMON. Two Hundred Seventy-Five Million (275,000,000) shares designated as Class A Common Stock, having a par value of One Cent ($.01) per share (the "Class A Common");

(b) CLASS B COMMON. Thirty Million (30,000,000) shares designated as Class B Common Stock, having a par value of One Cent ($.01) per share (the "Class B Common"); and

(c) PREFERRED STOCK. One Million (1,000,000) shares designated as Preferred Stock, having a par value of One Cent ($.01) per share (the "Preferred Stock").

5. RIGHTS AND LIMITATIONS. The designations, powers, preferences and relative participation, optional or other special rights and the qualifications, limitations and restrictions thereof in respect of each class of capital stock of the Corporation are as follows:

(i) CLASS A COMMON AND CLASS B COMMON. The Class A Common and Class B Common shall be identical in all respects and shall entitle the holders thereof to the same rights, privileges and limitations, except as otherwise provided herein. The relative rights, privileges and limitations are as follows:

(a) VOTING RIGHTS. The holders of Class A Common and Class B Common shall have the following rights:

(i) The holders of Class A Common and Class B Common shall be entitled to vote as separate classes on all matters as to which a class vote is now, or hereafter may be, required by law.

(ii) The number of authorized shares of Class A Common and/or Class B Common may be increased or decreased (but not below the number of shares thereof then outstanding) by the majority vote of all Class A Common and Class B Common voting as a single class, provided that the holders of Class A Common shall have one (1) vote per share and the holders of Class B Common shall have ten (10) votes per share.

(iii) At every meeting of shareholders called for the election of directors, the holders of the Class A Common, voting as a class, shall be entitled to elect one-fourth (1/4) of the number of directors to be elected at such meeting (rounded, if the total number of directors to be elected at such meeting is not evenly divisible by four (4), to the next higher whole number), and the holders of the Class B Common, voting as a class, shall be entitled to elect the remaining number of directors to be elected at such meeting. Irrespective of the foregoing, if the number of outstanding Class B Common shares is less than 12 1/2% of the total number of outstanding shares of Class A Common and Class B Common, then the holders of the Class A Common shall be entitled to elect one-fourth (1/4) of the number of directors to be elected at such meeting (rounded, if the total number of directors to be elected at such meeting is not evenly divisible by four (4), to the next higher whole number) and shall be entitled to participate with the holders of the Class B Common shares voting as a single class in the election of the remaining number of directors to be elected at such meeting, provided that the holders of Class A Common shall have one (1) vote per share and the holders of the Class B Common shall have ten (10) votes per share. If, during the interval between annual meetings for the election of directors, the number of directors who have been elected by either the holders of the Class A Common or the Class B Common shall, by reason of resignation, death, retirement, disqualification or removal, be reduced, the vacancy or vacancies in directors so created may be filled by a majority vote of the remaining directors then in office, even if less than a quorum, or by a sole remaining director. Any director so elected by the remaining directors to fill any such vacancy may be removed from office by the vote of the holders of a majority of the shares of the Class A Common and the Class B Common voting as a single class, provided that the holders of Class A Common shall have one (1) vote per share and the holders of the Class B Common shall have ten (10) votes per share.

(iv) The holders of Class A Common and Class B Common shall in all matters not specified in Sections 5(i)(a)(i), 5(i)(a)(ii) and 5(i)(a)(iii) vote together as a single class, provided that the holders of Class A Common shall have one (1) vote per share and the holders of Class B Common shall have ten (10) votes per share.

(v) There shall be no cumulative voting of any shares of either the Class A Common or the Class B Common.

(b) DIVIDENDS. Subject to the rights of the Class A Common set forth in Paragraph 5(i)(c) hereof, the Board of Directors, acting in its sole discretion, may declare in accordance with law a dividend payable in cash, in property or in securities of the Corporation, on either the Class A Common or the Class B Common or both.

(c) CASH DIVIDENDS. The Board of Directors may, in its sole discretion, declare cash dividends payable only to holders of Class A Common or to both the holders of Class A Common and Class B Common, but not only to holders of Class B Common. A cash dividend in any amount may be paid on the Class A Common if no cash dividend is to be paid on the Class B Common. If a cash dividend is to be paid on the Class B Common, a cash dividend shall also be paid on the Class A Common in an amount per share thereof which exceeds the amount of the cash dividend paid on each share of Class B Common by at least ten percent (10%) (rounded up, if necessary, to the nearest one-hundredth of a cent).

(d) CONVERTIBILITY. Each holder of record of a share of Class B Common may at any time or from time to time, without cost to such holder and at such holder's option, convert any whole number or all of such holder's shares of Class B Common into fully paid and nonassessable shares of Class A Common at the rate of one share of Class A Common for each share of Class B Common surrendered for conversion. Any such conversion may be effected by any holder of Class B Common by surrendering such holder's certificate or certificates for the shares of Class B Common to be converted, duly endorsed, at the office of the Corporation or the office of any transfer agent for the Class A Common, together with a written notice for the Corporation at such office that such holder elects to convert all or a specified number of such shares of Class B Common. Promptly thereafter, the Corporation shall issue and deliver to such holder a certificate or certificates for the number of shares of Class A Common to which such holder shall be entitled as aforesaid. Such conversion shall be made as of the close of business on the date of such surrender and the person or persons entitled to receive the shares of Class A Common issuable on such conversion shall be treated for all purposes as the record holder or holders of such shares of Class A Common on such date. The Corporation will at all times reserve and keep available, solely for the purpose of issue upon conversion of the outstanding shares of Class B Common, such number of shares of Class A Common as shall be issuable upon the conversion of all such outstanding shares, provided that the foregoing shall not be considered to preclude the Corporation from satisfying its obligations in respect of the conversion of the outstanding shares of Class B Common by delivery of shares of Class A Common which are held in the treasury of the Corporation.

(e) RIGHTS UPON LIQUIDATION. Holders of Class A Common and Class B Common shall have identical rights in the event of liquidation, and shall be treated as a single class for purposes thereof.

(ii) PREFERRED STOCK. Subject to the terms contained in any designation of a series of Preferred Stock, the Board of Directors is expressly authorized, at any time and from time to time, to fix, by resolution or resolutions, the following provisions for shares of any class or classes of Preferred Stock of the Corporation or any series of any class of Preferred Stock:

(a) the designation of such class or series, the number of shares to constitute such class or series which may be increased or decreased (but not below the number of shares of that class or series then outstanding) by resolution of the Board of Directors, and the stated value thereof if different from the par value thereof;

(b) whether the shares of such class or series shall have voting rights, in addition to any voting rights provided by law, and, if so, the terms of such voting rights;

(c) the dividends, if any, payable on such class or series, whether any such dividends shall be cumulative, and, if so, from what dates, the conditions and dates upon which such dividends shall be payable, and the preference or relation which such dividends shall bear to the dividends payable on any shares of stock of any other class or any other series of the same class;

(d) whether the shares of such class or series shall be subject to redemption by the Corporation, and, if so, the times, prices and other conditions of such redemption;

(e) the amount or amounts payable upon shares of such series upon, and the rights of the holders of such class or series in, the voluntary or involuntary liquidation, dissolution or winding up, or upon any distribution of the assets, of the Corporation;

(f) whether the shares of such class or series shall be subject to the operation of a retirement or sinking fund and, if so, the extent to and manner in which any such retirement or sinking fund shall be applied to the purchase or redemption of the shares of such class or series for retirement or other corporate purposes and the terms and provisions relative to the operation thereof;

(g) whether the shares of such class or series shall be convertible into, or exchangeable for, shares of stock of any other class or any other series of the same class or any other securities and, if so, the price or prices or the rate or rates of conversion or exchange and the method, if any, of adjusting the same, and any other terms and conditions of conversion or exchange;

(h) the limitations and restrictions, if any, to be effective while any shares of such class or series are outstanding upon the payment of dividends or the making of other distributions on, and upon the purchase, redemption or other acquisition by the Corporation of the Common Stock or shares of stock of any other class or any other series of the same class;

(i) the conditions or restrictions, if any, upon the creation of indebtedness of the Corporation or upon the issue of any additional stock, including additional shares of such class or series or of any other series of the same class or of any other class;

(j) the ranking (be it pari passu, junior or senior) of each class or series vis-a-vis any other class or series of any class of Preferred Stock as to the payment of dividends, the distribution of assets and all other matters; and

(k) any other powers, preferences and relative, participating, optional and other special rights, and any qualifications, limitations and restrictions thereof, insofar as they are not inconsistent with the provisions of this Restated Certificate of Incorporation, to the full extent permitted in accordance with the laws of the State of Delaware.

The powers, preferences and relative, participating, optional and other special rights of each class or series of Preferred Stock, and the qualifications, limitations or restrictions thereof, if any, may differ from those of any and all other series at any time outstanding.

6. BY-LAWS. In furtherance and not in limitation of the powers conferred by statute, the Board of Directors is expressly authorized to make, alter or repeal the By-Laws of the Corporation.

7. LIABILITY OF DIRECTORS. A member of the Corporation's Board of Directors shall not be personally liable to the Corporation or its shareholders for monetary damages for a breach of fiduciary duty as a director, except for liability of the director (i) for any breach of the director's duty of loyalty to the Corporation or its shareholders, (ii) for acts or omissions not in good faith or which involve intentional misconduct or a knowing violation of law, (iii) under Section 174 of the Delaware General Corporation Law, relating to the payment of unlawful dividends or unlawful stock repurchases or redemptions, or (iv) for any transaction from which the director derived an improper personal benefit. If the Delaware General Corporation Law is amended after approval by the shareholders of this Paragraph to authorize corporate action further eliminating or limiting the personal liability of directors, then the liability of a director of the Corporation shall be eliminated or limited to the fullest extent permitted by the Delaware General Corporation Law, as so amended. Any repeal or modification of this Paragraph by the shareholders of the Corporation shall not adversely affect any right or protection of a director of the Corporation existing at the time of such repeal or modification.

8. INDEMNIFICATION.

(a) RIGHT TO INDEMNIFICATION. Each person who was or is made a party or is threatened to be made a party to or is otherwise involved in any action, suit or proceeding, whether civil, criminal, administrative or investigative (hereinafter a "proceeding"), by reason of the fact that he or she is or was a director or officer of the Corporation or is or was serving at the request of the Corporation as a director, officer, employee or agent of another corporation or of a partnership, joint venture, trust or other enterprise, including service with respect to an employee benefit plan (hereinafter an "indemnitee"), whether the basis of such proceeding is alleged action in an official capacity as a director, officer, employee or agent or in any other capacity while serving as a director, officer, employee or agent, shall be indemnified and held harmless by the Corporation to the fullest extent authorized by the Delaware General Corporation Law, as the same exists or may hereafter be amended (but, in the case of any such amendment, only to the extent that such amendment permits the Corporation to provide broader indemnification rights than such law permitted the Corporation to provide prior to such amendment), against all expense, liability and loss (including attorneys' fees, judgments, fines, ERISA excise taxes or penalties and amounts paid in settlement) reasonably incurred or suffered by such indemnitee in connection therewith and such indemnification shall continue as to an indemnitee who has ceased to be a director, officer, employee or agent and shall inure to the benefit of the indemnitee's heirs, executors and administrators; PROVIDED, HOWEVER, that, except as provided in subparagraph (b) hereof with respect to proceedings to enforce rights to indemnification, the Corporation shall indemnify any such indemnitee in connection with a proceeding (or part thereof) initiated by such indemnitee only if such proceeding (or part thereof) was authorized by the Board of Directors of the Corporation. The right to indemnification conferred in this Paragraph shall be a contract right and shall include the right to be paid by the Corporation the expenses incurred in defending any such proceeding in advance of its final disposition (hereinafter an "advancement of expenses"), PROVIDED, HOWEVER, that, if the Delaware General Corporation Law requires, an advancement of expenses incurred by an indemnitee in his or her capacity as a director or officer (and not in any other capacity in which service was or is rendered by such indemnitee, including, without limitation, service to an employee benefit plan) shall be made only upon delivery to the Corporation of an undertaking (hereinafter an "undertaking"), by or on behalf of such indemnitee, to repay all amounts so advanced if it shall ultimately be determined by final judicial decision from which there is no further right to appeal (hereinafter a "final adjudication") that such indemnitee is not entitled to be indemnified for such expenses under this Paragraph or otherwise.

(b) RIGHT OF INDEMNITEE TO BRING SUIT. If a claim under subparagraph (a) of this Paragraph is not paid in full by the Corporation within sixty days after a written claim has been received by the Corporation, except in the case of a claim for an advancement of expenses, in which case the applicable period shall be twenty days, the indemnitee may at any time thereafter bring suit against the Corporation to recover the unpaid amount of the claim. If successful in whole or in part in any such suit, or in a suit brought by the Corporation to recover an advancement of expenses pursuant to the terms of an undertaking, the indemnitee shall be entitled to be paid also the expense of prosecuting or defending such suit. In (i) any suit brought by the indemnitee to enforce a right to indemnification hereunder (but not in a suit brought by the indemnitee to enforce a right to an advancement of expenses) it shall be a defense that, and (ii) in any suit by the Corporation to recover an advancement of expenses pursuant to the terms of an undertaking the Corporation shall be entitled to recover such expenses upon final adjudication that, the indemnitee has not met the applicable standard of conduct set forth in the Delaware General Corporation Law. Neither the failure of the Corporation (including its Board of Directors, independent legal counsel, or its shareholders) to have made a determination prior to the commencement of such suit that indemnification of the indemnitee is proper in the circumstance because the indemnitee has met the applicable standard of conduct set forth in the Delaware General Corporation Law, nor an actual determination by the Corporation (including its Board of Directors, independent legal counsel, or its shareholders) that the indemnitee has not met such applicable standard of conduct, shall create a presumption that the indemnitee has not met the applicable standard of conduct or, in the case of such a suit brought by the indemnitee, be a defense to such suit. In any suit brought by the indemnitee to enforce a right to indemnification or to an advancement of expenses hereunder, or by the Corporation to recover an advancement of expenses pursuant to the terms of an undertaking, the burden of proving that the indemnitee is not entitled to be indemnified, or to such advancement of expenses, under this Paragraph or otherwise shall be on the Corporation.

(c) NON-EXCLUSIVITY OF RIGHTS. The rights of indemnification and to the advancement of expenses conferred in this Paragraph shall not be exclusive of any other right which any person may have or hereafter acquire under any statute, this Restated Certificate of Incorporation, by-law, agreement, vote of shareholders or disinterested directors or otherwise.

(d) INSURANCE. The Corporation may maintain insurance, at its expense, to protect itself and any director, officer, employee or agent of the Corporation or another corporation, partnership, joint venture, trust or other enterprise against any expense, liability or loss, whether or not the Corporation would have the power to indemnify such person against such expense, liability or loss under the Delaware General Corporation Law.

(e) INDEMNIFICATION OF EMPLOYEES AND AGENTS OF THE CORPORATION. The Corporation may, to the extent authorized from time to time by the Board of

Directors, grant rights to indemnification, and to the advancement of expenses to any employee or agent of the Corporation to the fullest extent of the provisions of this Paragraph with respect to the indemnification and advancement of expenses of directors and officers of the Corporation.

IN WITNESS WHEREOF, the undersigned has executed this Restated Certificate of Incorporation as of the 23rd day of July, 2002.

/s/ Richard Sands

Richard Sands
President and Chief Executive Officer

Exhibit 3.2

BY-LAWS
OF
CONSTELLATION BRANDS, INC.
(AS AMENDED AND RESTATED ON JULY 24, 2002)

ARTICLE I
STOCKHOLDERS

SECTION 1.1 ANNUAL MEETINGS. An annual meeting of stockholders shall be held for the election of directors at such date, time and place, either within or without the State of Delaware, as may be designated by resolution of the Board of Directors from time to time. Any other proper business may be transacted at the annual meeting.

SECTION 1.2 SPECIAL MEETINGS. Special meetings of stockholders for any purpose or purposes may be called at any time by the Board of Directors, or by a committee of the Board of Directors which has been duly designated by the Board of Directors, and whose powers and authority, as expressly provided in a resolution of the Board of Directors, include the power to call such meetings, but such special meetings may not be called by any other person or persons.

SECTION 1.3 NOTICE OF MEETINGS. Whenever stockholders are required or permitted to take any action at a meeting, a written notice of the meeting shall be given which shall state the place, date and hour of the meeting, and, in the case of a special meeting, the purpose or purposes for which the meeting is called. Unless otherwise provided by law, the written notice of any meeting shall be given not less than ten nor more than sixty days before the date of the meeting to each stockholder entitled to vote at such meeting. If mailed, such notice shall be deemed to be given when deposited in the mail, postage prepaid, directed to the stockholder at his address as it appears on the records of the Corporation.

SECTION 1.4 ADJOURNMENTS. Any meeting of stockholders, annual or special, may adjourn from time to time to reconvene at the same or some other place, and notice need not be given of any such adjourned meeting if the time and place thereof are announced at the meeting at which the adjournment is taken. At the adjourned meeting the Corporation may transact any business which might have been transacted at the original meeting. If the adjournment is for more than thirty days, or if after the adjournment a new record date is fixed for the adjourned meeting, a notice of the adjourned meeting shall be given to each stockholder of record entitled to vote at the meeting.

SECTION 1.5 QUORUM. The Corporation's authorized capital stock consists of Class A Common Stock (the "Class A Common"), Class B Common Stock (the "Class B Common") and Preferred Stock (the "Preferred Stock"). At each meeting of stockholders, except as otherwise provided by law, the Corporation's Restated Certificate of Incorporation or these By-Laws, the holders of shares representing a majority of the votes entitled to be cast at the meeting by the holders of all outstanding shares entitled to vote, present in person or represented by proxy, shall constitute a quorum. In the absence of a quorum, the stockholders so present may adjourn the meeting from time to time in the manner provided in Section 1.4 of these By-Laws until a quorum shall attend. Such an adjournment may be approved by the affirmative vote of a majority of the votes entitled to be cast by the stockholders present or represented by proxy at such meeting notwithstanding that a quorum is not present. Shares of its own stock belonging to the Corporation or to another corporation, if a majority of the shares entitled to vote in the election of directors of such other corporation is held, directly or indirectly, by the Corporation, shall neither be entitled to vote nor be counted for quorum purposes; provided, however, that the foregoing shall not limit the right of any corporation to vote stock, including but not limited to its own stock, held by it in a fiduciary capacity.

SECTION 1.6 VOTING. At each meeting of stockholders (a) each holder of Class A Common present in person or represented by proxy at the meeting and entitled to vote on a matter shall be entitled to cast one (1) vote for each share of Class A Common held by such holder, (b) each holder of Class B Common present in person or represented by proxy at the meeting and entitled to vote on a matter shall be entitled to cast ten (10) votes for each share of Class B Common held by such holder and (c) each holder of Preferred Stock present in person or represented by proxy at the meeting shall be entitled to such voting rights as shall be provided for in the Certificate of Designations relating to the Preferred Stock held by such holder. Except as otherwise provided by law, Section 2.2 of these By-Laws pertaining to the election of directors, or the Corporation's Restated Certificate of Incorporation, all classes of stock shall vote together as a single class and the affirmative vote of a majority of the votes entitled to be cast by stockholders present in person or represented by proxy at the meeting and entitled to vote on the matter shall be the act of the stockholders. Except as otherwise required by law or by the Restated

Certificate of Incorporation, the Board of Directors may require a larger vote upon any election or question.

SECTION 1.7 ORGANIZATION. Meetings of stockholders shall be presided over by the Chairman of the Board, if any, or in his absence by the Vice Chairman of the Board, if any, or in his absence by the Chief Executive Officer, or in his absence by the President or in the absence of the foregoing persons by a chairman designated by the Board of Directors, or in the absence of such designation by a chairman chosen at the meeting. The Secretary shall act as secretary of the meeting, but in his absence the chairman of the meeting may appoint any person to act as secretary of the meeting.

SECTION 1.8 PROXIES. Each stockholder entitled to vote at a meeting of stockholders may authorize another person or persons to act for him by proxy in any manner permitted by the General Corporation Law of the State of Delaware, but no such proxy shall be voted or acted upon after three years from its date, unless the proxy provides for a longer period. A duly executed proxy shall be irrevocable if it states that it is irrevocable and if, and only as long as, it is coupled with an interest sufficient in law to support an irrevocable power. A stockholder may revoke any proxy which is not irrevocable by attending the meeting and voting in person or by filing an instrument in writing revoking the proxy or another duly executed proxy bearing a later date with the Secretary of the Corporation.

SECTION 1.9 FIXING DATE FOR DETERMINATION OF STOCKHOLDERS OF RECORD. In order that the Corporation may determine the stockholders entitled to notice of or to vote at any meeting of stockholders or any adjournment thereof, or to express consent to corporate action in writing without a meeting, or entitled to receive payment of any dividend or other distribution or

allotment of any rights, or entitled to exercise any rights in respect of any change, conversion or exchange of stock or for the purpose of any other lawful action, the Board of Directors may fix, in advance, a record date, which shall not be more than sixty nor less than ten days before the date of such meeting, nor more than sixty days prior to any other action. If no record date is fixed: (1) the record date for determining stockholders entitled to notice of or to vote at a meeting of stockholders shall be at the close of business on the day next preceding the day on which notice is given, or, if notice is waived, at the close of business on the day next preceding the day on which the meeting is held; and (2) the record date for determining stockholders for any other purpose shall be at the close of business on the day on which the Board of Directors adopts the resolution relating thereto. A determination of stockholders of record entitled to notice of or to vote at a meeting of stockholders shall apply to any adjournment of the meeting; provided, however, that the Board of Directors may fix a new record date for the adjourned meeting.

SECTION 1.10 LIST OF STOCKHOLDERS ENTITLED TO VOTE. The Secretary shall prepare and make, at least ten days before every meeting of stockholders, a complete list of the stockholders entitled to vote at the meeting, arranged in alphabetical order, and showing the address of each stockholder and the number of shares registered in the name of each stockholder. Such list shall be open to the examination of any stockholder, for any purpose germane to the meeting, during ordinary business hours, for a period of at least ten days prior to the meeting, either at a place within the city where the meeting is to be held, which place shall be specified in the notice of the meeting, or, if not so specified, at the offices of the transfer agent. The list shall also be produced and kept at the time and place of the meeting during the whole time thereof and may be inspected by any stockholder who is present. The stock ledger shall be the only evidence as to who are the stockholders entitled to examine the stock ledger, the list of stockholders or the books of the Corporation, or to vote in person or by proxy at any meeting of stockholders.

SECTION 1.11 ACTION BY CONSENT OF STOCKHOLDERS. Unless otherwise restricted by the Restated Certificate of Incorporation, any action required or permitted to be taken at any annual or special meeting of the stockholders may be taken without a meeting, without prior notice and without a vote, if a consent in writing, setting forth the action so taken, shall be signed by the holders of outstanding stock having not less than the minimum number of votes that would be necessary to authorize or take such action at a meeting at which all shares entitled to vote thereon were present and voted. Prompt notice of the taking of the corporate action without a meeting by less than unanimous written consent shall be given to those stockholders who have not consented in writing.

SECTION 1.12 BUSINESS AT MEETINGS OF STOCKHOLDERS. At an annual meeting of the stockholders, only such business shall be conducted as shall have been properly brought before the meeting. To be properly brought before an annual meeting, business must be (a) specified in the notice of meeting (or any supplement thereto) given by or at the direction of the Board of Directors, (b) otherwise properly brought before the meeting by or at the direction of the Board of Directors, or (c) otherwise properly brought before the meeting by a stockholder. For business to be properly brought before an annual meeting by a stockholder, the stockholder must have given timely notice thereof in writing to the Secretary of the Corporation. To be timely, a stockholder's notice must be delivered to or mailed and received at the principal executive offices of the Corporation not less than 120 days before the date of the Corporation's proxy

statement that was released to stockholders in connection with its previous annual meeting of stockholders. If the date of the annual meeting has been changed by more than 30 days from the date of the previous year's annual meeting or if no annual meeting was held during the previous year, then the notice must be received a reasonable time before the Corporation begins to print and mail its proxy materials. A stockholder's notice to the Secretary shall set forth as to each matter the stockholder proposes to bring before the annual meeting: (w) a brief description of the business desired to be brought before the annual meeting and the reasons for conducting such business at the annual meeting, (x) the name, address and telephone number of the stockholder proposing such business, (y) the class and number of shares of the Corporation which are beneficially owned by the stockholder, and (z) any material interest of the stockholder in such business. A stockholder who makes a proposal shall provide the Corporation with such additional information regarding the proposal as shall be reasonably requested by the Corporation, including, without limitation, any information necessary for the Corporation to comply with federal securities laws. The Chairman of the annual meeting shall, if the facts warrant, determine and declare to the meeting that business was not properly brought before the meeting in accordance with the provisions of this Section 1.12, and if he should so determine, he shall so declare to the meeting and any such business not properly brought before the meeting shall not be transacted.

ARTICLE II
BOARD OF DIRECTORS

SECTION 2.1 NUMBER; QUALIFICATIONS. The Board of Directors shall consist of one or more members, the number thereof to be determined from time to time by resolution of the Board of Directors. Directors shall be elected at the annual meeting of stockholders and each director elected shall hold office until his successor is elected and qualified. Directors need not be stockholders.

SECTION 2.2 ELECTION; RESIGNATION; REMOVAL; VACANCIES. At every meeting of stockholders called for the election of directors, the holders of Class A Common, voting as a class, shall be entitled to elect one-fourth (1/4) of the number of directors to be elected at such meeting (rounded, if the total number of directors to be elected at such meeting is not evenly divisible by four (4), to the next higher whole number), and the holders of Class B Common, voting as a class, shall be entitled to elect the remaining number of directors to be elected at such meeting. Irrespective of the foregoing, if the number of outstanding Class B Common shares is less than 12 1/2% of the total number of outstanding shares of Class A Common and Class B Common, then the holders of the Class A Common shall be entitled to elect one-fourth (1/4) of the number of directors to be elected at such meeting (rounded, if the total number of directors to be elected at such meeting is not evenly divisible by four (4), to the next higher whole number) and shall be entitled to participate with the holders of the Class B Common voting as a single class in the election of the remaining number of directors to be elected at such meeting, provided that the holders of Class A Common shall have one (1) vote per share and the holders of Class B Common shall have ten (10) votes per share. In each case, the directors shall be elected by a plurality of the votes entitled to be cast by the stockholders who are present in person or represented by proxy at the meeting and entitled to vote on the election of directors. If, during the interval between annual meetings for the election of directors, the number of directors who

have been elected by either the holders of the Class A Common or the Class B Common shall, by reason of resignation, death, retirement, disqualification or removal, be reduced, the vacancy or vacancies in directors so created may be filled by a majority vote of the remaining directors then in office, even if less than a quorum, or by a sole remaining director. Any director so elected by the remaining directors to fill any such vacancy may be removed from office by the vote of the holders of a majority of the shares of the Class A Common and the Class B Common voting as a single class, provided that the holders of Class A Common shall have one (1) vote per share and the holders of Class B Common shall have ten (10) votes per share.

SECTION 2.3 REGULAR MEETINGS. Regular meetings of the Board of Directors may be held at such places within or without the State of Delaware and at such times as the Board of Directors may from time to time determine, and if so determined notices thereof need not be given.

SECTION 2.4 SPECIAL MEETINGS. Special meetings of the Board of Directors may be held at any time or place within or without the State of Delaware whenever called by the Chairman, Chief Executive Officer, the President, any Vice-President, the Secretary, or by any two members of the Board of Directors. At least one days' notice thereof shall be given by the person or persons calling the meeting, either personally, by mail or by telegram.

SECTION 2.5 TELEPHONIC MEETINGS PERMITTED. Members of the Board of Directors, or any committee designated by the Board, may participate in a meeting of such Board or committee by means of conference telephone or similar communications equipment by means of which all persons participating in the meeting can hear each other, and participation in a meeting pursuant to this By-Law shall constitute presence in person at such meeting.

SECTION 2.6 QUORUM; VOTE REQUIRED FOR ACTION. At all meetings of the Board of Directors a majority of the whole Board shall constitute a quorum for the transaction of business. Except in cases in which the Restated Certificate of Incorporation or these By-Laws otherwise provide, the vote of a majority of the directors present at a meeting at which a quorum is present shall be the act of the Board of Directors.

SECTION 2.7 ORGANIZATION. Meetings of the Board of Directors shall be presided over by the Chairman of the Board, if any, or in his absence by the Vice Chairman of the Board, if any, or in his absence by the Chief Executive Officer, or in his absence by the President, or in their absence by a chairman chosen at the meeting. The Secretary shall act as secretary of the meeting, but in his absence the chairman of the meeting may appoint any person to act as secretary of the meeting.

SECTION 2.8 INFORMAL ACTION BY DIRECTORS. Unless otherwise restricted by the Restated Certificate of Incorporation or these By-Laws, any action required or permitted to be taken at any meeting of the Board of Directors, or of any committee thereof, may be taken without a meeting if all members of the Board or such committee, as the case may be, consent thereto in writing, and the writing or writings are filed with the minutes of proceedings of the Board or committee.

ARTICLE III
COMMITTEES

SECTION 3.1 COMMITTEES. The Board of Directors may, by resolution passed by a majority of the whole Board, designate one or more committees, each committee to consist of one or more of the directors of the Corporation. The Board may designate one or more directors as alternate members of any committee, who may replace any absent or disqualified member at any meeting of the committee. In the absence or disqualification of a member of the committee, the member or members thereof present at any meeting and not disqualified from voting, whether or not he or they constitute a quorum, may unanimously appoint another member of the Board of Directors to act at the meeting in place of any such absent or disqualified member. Any such committee, to the extent provided in the resolution of the Board of Directors, shall have and may exercise all the powers and authority of the Board of Directors in the management of the business and affairs of the Corporation, and may authorize the seal of the Corporation to be affixed to all papers which may require it; but no such committee shall have power or authority in reference to amending the Restated Certificate of Incorporation of the Corporation, adopting an agreement of merger or consolidation, recommending to the stockholders the sale, lease or exchange of all or substantially all of the Corporation's property and assets, recommending to the stockholders a dissolution of the Corporation or a revocation of dissolution, or amending these By-Laws; and, unless the resolution expressly so provides, no such committee shall have the power or authority to declare a dividend or to authorize the issuance of stock.

SECTION 3.2 COMMITTEE RULES. Unless the Board of Directors otherwise provides, each committee designated by the Board may make, alter and repeal rules for the conduct of its business. In the absence of such rules each committee shall conduct its business in the same manner as the Board of Directors conducts its business pursuant to Article II of these By-Laws.

ARTICLE IV
OFFICERS

SECTION 4.1 EXECUTIVE OFFICERS; ELECTION; QUALIFICATIONS; TERM OF OFFICE; RESIGNATION; REMOVAL; VACANCIES. The Board of Directors shall choose a President and Secretary, and it may, if it so determines, choose a Chairman of the Board and a Vice Chairman of the Board from among its members. The Board of Directors may also choose a Chief Executive Officer, one or more Vice-Presidents, one or more Assistant Secretaries, a Treasurer and one or more Assistant Treasurers, and may choose such other officers as it may deem necessary, each of whom shall have such titles and duties as shall be determined by the Board of Directors. Each such officer shall hold office until the first meeting of the Board of Directors after the annual meeting of stockholders next succeeding this election, and until his successor is elected and qualified or until his earlier resignation or removal. Any officer may resign at any time upon written notice to the Corporation. The Board of Directors may remove any officer with or without cause at any time, but such removal shall be without prejudice to the contractual rights of such officer, if any, with the

Corporation. Any number of offices may be held by the same person. Any vacancy occurring in any office of the Corporation by death, resignation,

removal or otherwise may be filled for the unexpired portion of the term by the Board of Directors at any regular or special meeting.

SECTION 4.2 CHAIRMAN OF THE BOARD. The Chairman of the Board, if there be one, shall preside at all meetings of the Board of Directors and stockholders, and shall perform such other duties as the Board may direct.

SECTION 4.3 CHIEF EXECUTIVE OFFICER. The Board of Directors may designate whether the Chairman of the Board, if one shall have been chosen, or the President shall be the Chief Executive Officer of the Corporation. If a Chairman of the Board has not been chosen, or if one has been chosen but not designated Chief Executive Officer, then the President shall be the Chief Executive Officer of the Corporation. The Chief Executive Officer shall be the principal executive officer of the Corporation and shall in general supervise and control all of the business and affairs of the Corporation, unless otherwise provided by the Board of Directors. He shall preside at all meetings of the stockholders and shall see that orders and resolutions of the Board of Directors are carried into effect. He shall have general powers of supervision and shall be the final arbiter of all differences among officers of the Corporation and his decision as to any matter affecting the Corporation shall be final and binding as between the officers of the Corporation subject only to the Board of Directors.

SECTION 4.4 PRESIDENT. If the Chairman of the Board has not been chosen Chief Executive Officer or, if the Chairman of the Board has been so chosen, in the event of his inability or refusal to act, the President shall perform the duties of the Chief Executive Officer, and when so acting, shall have all the powers of and be subject to all the restrictions upon the Chief Executive Officer. At all other times, the President shall have the active management of the business of the Corporation under the general supervision of the Chief Executive Officer. In general, he shall perform all duties incident to the office of President, and such other duties as the Chief Executive Officer or the Board of Directors may from time to time prescribe.

SECTION 4.5 VICE-PRESIDENTS. In the absence of the President or in the event of his inability or refusal to act, the Vice-President (or in the event there be more than one Vice-President, the Vice-Presidents in the order designated, or in the absence of any designation, then in the order of their election) shall perform the duties of the President, and when so acting, shall have all the powers of and be subject to all the restrictions upon the President. The Vice-Presidents shall perform such other duties and have such other powers as the Board of Directors may from time to time prescribe.

SECTION 4.6 SECRETARY. The Secretary shall attend all meetings of the Board of Directors and all meetings of the stockholders and record all the proceedings of the meetings of the Corporation and of the Board of Directors in a book to be kept for that purpose and shall perform like duties for the standing committees when required. He shall give, or cause to be given, notice of all meetings of the stockholders and special meetings of the Board of Directors, and shall perform such other duties as may be prescribed by the Board of Directors or Chief Executive Officer, under whose supervision he shall be. He shall have custody of the corporate seal of the Corporation and he, or an Assistant Secretary, shall have authority to affix the same to any instrument requiring it and when so affixed, it may be attested by his signature or by the

signature of such Assistant Secretary. The Board of Directors may give general authority to any other officer to affix the seal of the Corporation and to attest the affixing by his signature.

SECTION 4.7 ASSISTANT SECRETARY. The Assistant Secretary, or if there be more than one, the Assistant Secretaries in the order determined by the Board of Directors (or if there be no such determination, then in the order of their election), shall, in the absence of the Secretary or in the event of his inability or refusal to act, perform the duties and exercise the powers of the Secretary and shall perform such other duties and have such other powers as the Board of Directors may from time to time prescribe.

SECTION 4.8 TREASURER. The Treasurer shall have the custody of the corporate funds and securities and shall keep full and accurate accounts of receipts and disbursements in books belonging to the Corporation and shall deposit all moneys and other valuable effects in the name and to the credit of the Corporation in such depositories as may be designated by the Board of Directors. He shall disburse the funds of the Corporation as may be ordered by the Board of Directors, taking proper vouchers for such disbursements, and shall render to the Chief Executive Officer and the Board of Directors, at its regular meetings, or when the Board of Directors so requires, an account of all his transactions as Treasurer and of the financial condition of the Corporation. If required by the Board of Directors, he shall give the Corporation a bond (which shall be renewed every six years) in such sum and with such surety or sureties as shall be satisfactory to the Board of Directors for the faithful performance of the duties of his office and for the restoration to the Corporation, in case of his death, resignation, retirement or removal from office, of all books, papers, vouchers, money and property of whatever kind in his possession or under his control belonging to the Corporation.

SECTION 4.9 ASSISTANT TREASURER. The Assistant Treasurer, or if there be more than one, the Assistant Treasurers in the order determined by the Board of Directors (or if there be no such determination, then in the order of their election), shall, in the absence of the Treasurer or in the event of his inability or refusal to act, perform the duties and exercise the powers of the Treasurer and shall perform such other duties and have such other powers as the Board of Directors may from time to time prescribe.

ARTICLE V
STOCK

SECTION 5.1 CERTIFICATES. Every holder of stock shall be entitled to have a certificate signed by or in the name of the Corporation by the Chairman or Vice Chairman of the Board of Directors, if any, or the President or a Vice-President, and by the Treasurer or an Assistant Treasurer, or the Secretary or an Assistant Secretary, of the Corporation, certifying the class and number of shares of the Corporation owned by him. Any of or all the signatures on the certificate may be a facsimile. In case any officer, transfer agent, or registrar who has signed or whose facsimile signature has been placed upon a certificate shall have ceased to be such officer, transfer agent, or registrar before such certificate is issued, it may be issued by the Corporation with the same effect as if he were such officer, transfer agent, or registrar at the date of issue.

SECTION 5.2 LOST, STOLEN OR DESTROYED STOCK CERTIFICATES; ISSUANCE OF NEW CERTIFICATES. The Corporation may issue a new certificate of stock in the place of any certificate theretofore issued by it, alleged to have been lost, stolen or destroyed, and the Corporation may require the owner of the lost, stolen or destroyed certificate, or his legal representative, to give the Corporation a bond sufficient to indemnify it against any claim that may be made against it on account of the alleged loss, theft or destruction of any such certificate or the issuance of such new certificate.

SECTION 5.3 TRANSFERS OF STOCK. Upon surrender to the Corporation or the transfer agent of the Corporation of a certificate for shares duly endorsed or accompanied by proper evidence of succession, assignment or authority to transfer, it shall be the duty of the Corporation to issue a new certificate to the person entitled thereto, cancel the old certificate and record the transaction upon its books.

SECTION 5.4 REGISTERED STOCKHOLDERS. The Corporation shall be entitled to recognize the exclusive right of a person registered on its books as the owner of shares to receive dividends, and to vote as such owner, and to hold liable for calls and assessments a person registered on its books as the owner of shares, and shall not he bound to recognize any equitable or other claim to or interest in such share or shares on the part of any other person, whether or not it shall have express or other notice thereof, except as otherwise provided by the laws of the State of Delaware.

ARTICLE VI
MISCELLANEOUS

SECTION 6.1 FISCAL YEAR. The fiscal year of the Corporation shall be March 1 to the last day of February, unless otherwise determined by resolution of the Board of Directors.

SECTION 6.2 SEAL. The corporate seal shall have the name of the Corporation inscribed thereon and shall be in such form as may be approved from time to time by the Board of Directors.

SECTION 6.3 WAIVER OF NOTICE OF MEETINGS OF STOCKHOLDERS, DIRECTORS AND COMMITTEES. Any written waiver of notice, signed by the person entitled to notice, whether before or after the time stated therein, shall be deemed equivalent to notice. Attendance of a person at a meeting shall constitute a waiver of notice of such meeting, except when the person attends a meeting for the express purpose of objecting, at the beginning of the meeting, to the transaction of any business because the meeting is not lawfully called or convened. Neither the business to be transacted at, nor the purpose of any regular or special meeting of the stockholders, directors, or member of a committee of directors need be specified in any written waiver of notice.

SECTION 6.4 INTERESTED DIRECTORS; QUORUM. No contract or transaction between the Corporation and one or more of its directors or officers, or between the Corporation and any other corporation, partnership, association, or other organization in which one or more of its directors or officers are directors or officers, or have a financial interest, shall be void or voidable solely for this reason, or solely because the director or officer is present at or participates in

the meeting of the Board or committee thereof which authorizes the contract or transaction, or solely because his or their votes are counted for such purpose, if: (1) the material facts as to his relationship or interest and as to the contract or transaction are disclosed or are known to the Board of Directors or the committee, and the Board or committee in good faith authorizes the contract or transaction by the affirmative votes of a majority of the disinterested directors, even though the disinterested directors be less than a quorum; or (2) the material facts as to his relationship or interest and as to the contract or transaction are disclosed or are known to the stockholders entitled to vote thereon, and the contract or transaction is specifically approved in good faith by vote of the stockholders; or (3) the contract or transaction is fair as to the Corporation as of the time it is authorized, approved or ratified, by the Board of Directors, a committee thereof, or the stockholders. Common or interested directors may be counted in determining the presence of a quorum at a meeting of the Board of Directors or of a committee which authorizes the contract or transaction.

SECTION 6.5 FORM OF RECORDS. Any records maintained by the Corporation in the regular course of its business, including its stock ledger, books of account, and minute books, may be kept on, or be in the form of, punch cards, magnetic tape, photographs, micro photographs, or any other information storage device, provided that the records so kept can be converted into clearly legible form within a reasonable time. The Corporation shall so convert any records so kept upon the request of any person entitled to inspect the same.

SECTION 6.6 AMENDMENT OF BY-LAWS. These By-Laws may be altered or repealed, and new By-Laws made, by the Board of Directors, but the stockholders may make additional By-Laws and may alter and repeal any By-Laws whether adopted by them or otherwise.

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,			
	2002		2001	
	Basic	Diluted	Basic	Diluted
Income applicable to common shares	$ 86,941	$ 86,941	$ 59,777	$ 59,777
Shares:				
Weighted average common shares outstanding	89,268	89,268	83,668	83,668
Adjustments:				
Stock options	-	3,294	-	2,584
Adjusted weighted average common shares outstanding	89,268	92,562	83,668	86,252
Earnings per common share	$ 0.97	$ 0.94	$ 0.71	$ 0.69

	For the Three Months Ended August 31,			
	2002		2001	
	Basic	Diluted	Basic	Diluted
Income applicable to common shares	$ 49,572	$ 49,572	$ 35,934	$ 35,934
Shares:				
Weighted average common shares outstanding	89,691	89,691	84,829	84,829
Adjustments:				
Stock options	-	3,338	-	3,035
Adjusted weighted average common shares outstanding	89,691	93,029	84,829	87,864
Earnings per common share	$ 0.55	$ 0.53	$ 0.42	$ 0.41

EXHIBIT 99.1

CERTIFICATION OF CHIEF EXECUTIVE OFFICER
PURSUANT TO SECTION 18 U.S.C. 1350
(Section 906 of the Sarbanes-Oxley Act of 2002)

In connection with the Constellation Brands, Inc. quarterly report on Form 10-Q for the Fiscal Quarter Ended August 31, 2002, I, Richard Sands, certify that, to the best of my knowledge:

1. The quarterly report on Form 10-Q for the Fiscal Quarter Ended August 31, 2002 of Constellation Brands, Inc. fully complies with the requirements of section 13(a) or 15(d) of the Securities Exchange Act of 1934 (15 U.S.C. 78m or 78o(d)); and

2. The information contained in the quarterly report on Form 10-Q for the Fiscal Quarter Ended August 31, 2002 of Constellation Brands, Inc. fairly presents, in all material respects, the financial condition and results of operations of Constellation Brands, Inc.

Dated: October 15, 2002

/s/ Richard Sands

Richard Sands,
President and Chief Executive Officer

EXHIBIT 99.2

CERTIFICATION OF CHIEF FINANCIAL OFFICER
PURSUANT TO SECTION 18 U.S.C. 1350
(Section 906 of the Sarbanes-Oxley Act of 2002)

In connection with the Constellation Brands, Inc. quarterly report on Form 10-Q for the Fiscal Quarter Ended August 31, 2002, I, Thomas S. Summer, certify that, to the best of my knowledge:

1. The quarterly report on Form 10-Q for the Fiscal Quarter Ended August 31, 2002 of Constellation Brands, Inc. fully complies with the requirements of section 13(a) or 15(d) of the Securities Exchange Act of 1934 (15 U.S.C. 78m or 78o(d)); and

2. The information contained in the quarterly report on Form 10-Q for the Fiscal Quarter Ended August 31, 2002 of Constellation Brands, Inc. fairly presents, in all material respects, the financial condition and results of operations of Constellation Brands, Inc.

Dated: October 15, 2002

/s/ Thomas S. Summer

Thomas S. Summer,
Executive Vice President and
Chief Financial Officer