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

FORM 8-K/A
(Amendment No. 2)

CURRENT REPORT

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

Date of Report (Date of earliest event reported): March 27, 2003

Constellation Brands, Inc.
(Exact name of registrant as specified in its charter)

001-08495
(Commission File Number)

Delaware	16-0716709
(State or other jurisdiction of incorporation)	(IRS 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)

Not Applicable
(Former name or former address, if changed since last report)

EXPLANATORY NOTE

The Registrant is filing this Current Report on Form 8-K/A (Amendment No. 2) to amend and restate in its entirety Item 7 of its Current Report on Form 8-K/A (Amendment No. 1) dated March 27, 2003 and filed on June 9, 2003 in order to amend the pro forma financial information and include an exhibit required by Item 7. The Registrant's Current Report on Form 8-K/A (Amendment No. 1) amended the Registrant's Current Report on Form 8-K dated March 27, 2003 and filed on April 9, 2003.

ITEM 7. FINANCIAL STATEMENTS AND EXHIBITS.

(a) FINANCIAL STATEMENTS OF BUSINESS ACQUIRED.

The financial statements required by this item and included in this Report are the BRL Hardy Limited (now known as Hardy Wine Company Limited) consolidated statements of financial position as at 31 December 2002 and 31 December 2001 and the related consolidated statements of financial performance and consolidated statements of cash flows for each of the two years in the period ended 31 December 2002, together with the notes thereto, and the report of PricewaterhouseCoopers, chartered accountants, thereon.

(b) PRO FORMA FINANCIAL INFORMATION.

The pro forma financial information required by this item and included in this Report are the unaudited pro forma condensed combined balance sheet as of February 28, 2003, the unaudited pro forma combined statement of income for the year ended February 28, 2003, and the notes thereto.

(c) EXHIBITS.

The following exhibits are filed as part of this Form 8-K/A.

Exhibit No.	Description
2.1	Implementation Deed dated 17 January 2003 between Constellation Brands, Inc. and BRL Hardy Limited.

2.2	Transaction Compensation Agreement dated 17 January 2003 between Constellation Brands, Inc. and BRL Hardy Limited.
2.3	No Solicitation Agreement dated 13 January 2003 between Constellation Brands, Inc. and BRL Hardy Limited.
2.4	Backstop Fee Agreement dated 13 January 2003 between Constellation Brands, Inc. and BRL Hardy Limited.
2.5	Letter Agreement dated 6 February 2003 between Constellation Brands, Inc. and BRL Hardy Limited.
4.1	Amended and Restated Credit Agreement, dated as of March 19, 2003, among Constellation Brands, Inc. and certain of its subsidiaries, the lenders named therein, JPMorgan Chase Bank, as Administrative Agent, and JPMorgan Europe Limited, as London Agent.
4.2	Amended and Restated Bridge Loan Agreement, dated as of January 16, 2003 and amended and restated as of March 26, 2003, among Constellation Brands, Inc. and certain of its subsidiaries, the lenders named therein, and JPMorgan Chase Bank, as Administrative Agent.
23.1	Consent of PricewaterhouseCoopers dated July 17, 2003.

BRL HARDY LIMITED

ABN 86 008 273 907

AND ITS CONTROLLED ENTITIES

2002

FINANCIAL REPORT

CONTENTS OF FINANCIAL REPORT

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<CAPTION>

STATEMENTS OF FINANCIAL PERFORMANCE

FOR THE YEAR ENDED 31 DECEMBER 2002	Notes	CONSOLIDATED 2002 $'000	CONSOLIDATED 2001 $'000
<S>	<C>	<C>	<C>
Revenue from operating activities	2	854,142	757,608
Other revenue	2	16,194	13,769
REVENUE FROM ORDINARY ACTIVITIES		870,336	771,377
Cost of goods sold		(511,153)	(445,404)
Selling, distribution and marketing expenses		(208,353)	(174,358)
Administration and other expenses		(29,484)	(29,652)
Share of net profits of associates and joint venture partnerships	11	23,280	2,285
Profit from ordinary activities before borrowing costs and income tax expense		144,626	124,248
Borrowing costs	3	(25,273)	(22,390)
PROFIT FROM ORDINARY ACTIVITIES BEFORE INCOME TAX EXPENSE		119,353	101,858
Income tax expense	4	(35,191)	(29,699)
NET PROFIT		84,162	72,159
Net (profit)/loss attributable to outside equity interests	27	176	53
NET PROFIT ATTRIBUTABLE TO MEMBERS OF BRL HARDY LIMITED		84,338	72,212
Net increase/(decrease) in asset revaluation reserve	23	(225)	6,678
Net increase/(decrease) in foreign currency translation reserve	23	295	896
TOTAL REVENUES, EXPENSES AND VALUATION ADJUSTMENTS ATTRIBUTABLE TO MEMBERS OF BRL HARDY LIMITED RECOGNISED DIRECTLY IN EQUITY		70	7,574
TOTAL CHANGES IN EQUITY FROM NON-OWNER TRANSACTIONS		84,408	79,786
EARNINGS PER SHARE	35	Cents	Cents
Basic earnings per share		48.2	45.5
Diluted earnings per share		47.7	44.7

<FN>
The statements of financial performance are to be read in conjunction with the accompanying notes.
</TABLE>

<TABLE>
<CAPTION>

STATEMENTS OF FINANCIAL POSITION

AS AT 31 DECEMBER 2002	Notes	CONSOLIDATED 2002 $'000	CONSOLIDATED 2001 $'000
<S>	<C>	<C>	<C>
CURRENT ASSETS			
Cash assets	7	43,553	39,665
Receivables	8	215,271	181,043
Inventories	9	438,357	328,797
Other	10	12,109	4,977
Total current assets		709,290	554,482
NON-CURRENT ASSETS			

Receivables	8	10,366	44,542
Inventories	9	119,829	114,273
Investments accounted for using the equity method	11	233,576	231,498
Other financial assets	12	26,452	26,194
Grape vines	13	43,676	38,811
Property, plant and equipment	14	434,618	377,008
Intangibles	15	28,564	28,180
Deferred tax assets	16	8,096	5,752
Total non-current assets		905,177	866,258
TOTAL ASSETS		1,614,467	1,420,740
CURRENT LIABILITIES			
Payables	17	140,122	125,883
Interest bearing liabilities	18	143,489	201,762
Current tax liabilities	19	4,007	9,392
Provisions	21	8,763	26,652
Total current liabilities		296,381	363,689
NON-CURRENT LIABILITIES			
Payables	17	10,338	43,617
Interest bearing liabilities	18	463,408	293,530
Deferred tax liabilities	20	59,402	43,673
Provisions	21	4,060	3,760
Total non-current liabilities		537,208	384,580
TOTAL LIABILITIES		833,589	748,269
NET ASSETS		780,878	672,471
EQUITY			
Contributed equity	22	515,932	474,267
Reserves	23(a)	17,568	17,412
Retained profits	23(b)	246,322	179,560
Total parent entity interest		779,822	671,239
Outside equity interests in controlled entities	27	1,056	1,232
TOTAL EQUITY		780,878	672,471

<FN>
The statements of financial position are to be read in conjunction with the accompanying notes.
</TABLE>

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<CAPTION>

STATEMENTS OF CASH FLOWS

FOR THE YEAR ENDED 31 DECEMBER 2002	Notes	CONSOLIDATED 2002 $'000	2001 $'000
CASH FLOWS FROM OPERATING ACTIVITIES			
<S>	<C>	<C>	<C>
Receipts from customers		808,228	753,051
Payments to suppliers and employees		(798,617)	(688,545)
		9,611	64,506
Dividends received		1,289	864
Interest received		859	778
Borrowing costs paid		(29,210)	(24,011)
Income taxes paid		(27,696)	(20,295)
NET CASH FLOW FROM OPERATING ACTIVITIES	26	(45,147)	21,842
CASH FLOWS FROM INVESTING ACTIVITIES			
Payments for property, plant and equipment		(85,301)	(85,441)
Payments for investments		(253)	(223,400)
Proceeds from sale of property, plant and equipment		2,470	2,581

NET CASH FLOW FROM INVESTING ACTIVITIES	(83,084)	(306,260)
CASH FLOWS FROM FINANCING ACTIVITIES		
Proceeds from issue of shares	41,613	172,259
Proceeds from borrowings	125,280	159,566
Payment of dividends	(36,576)	(29,360)
Payment of finance leases	(89)	(226)
NET CASH FLOW FROM FINANCING ACTIVITIES	130,228	302,239
NET INCREASE/(DECREASE) IN CASH HELD	1,997	17,821
Cash at the beginning of the financial year	38,087	19,786
Exchange rate adjustments to cash held at the beginning of the financial year	74	480
CASH AT THE END OF THE FINANCIAL YEAR	40,158	38,087

<FN>
The statements of cash flows are to be read in conjunction with the accompanying notes.
</TABLE>

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<CAPTION>

	Notes	CONSOLIDATED 2002 $'000	2001 $'000
RECONCILIATION OF CASH			
Cash at the end of the financial year as shown in the statements of cash flows is reconciled to the related items in the balance sheets as follows:			
<S>	<C>	<C>	<C>
Cash	7	43,553	39,665
(Less) overdraft		(3,395)	(1,578)
		40,158	38,087

</TABLE>

NOTES TO THE FINANCIAL STATEMENTS

NOTE 1. STATEMENT OF ACCOUNTING POLICIES

The significant policies which have been adopted in the preparation of these general purpose financial statements are:

BASIS OF PREPARATION

The financial statements of the parent entity, BRL Hardy Limited, and the consolidated financial statements of the economic entity have been drawn up in accordance with the Corporations Act 2001, Australian Accounting Standards and other authoritative pronouncements of the Australian Accounting Standards Board and Urgent Issues Group Consensus Views. They have been prepared on the basis of historical costs except where stated.

As a result of applying the revised Accounting Standard AASB 1018 "Statement of Financial Performance", revised AASB 1034 "Financial Report Presentation and Disclosures" and AASB 1040 "Statement of Financial Position" for the first time in the 2001 financial year, a number of comparative amounts were represented or reclassified to ensure comparability with the current reporting period.

PRINCIPLES OF CONSOLIDATION

The consolidated financial statements comprise the financial statements of BRL Hardy Limited and its controlled entities. Inter-company balances and transactions have been eliminated. Where a controlled entity has been acquired during the year, its results are included in consolidated profit from the date of acquisition. Where a controlled entity has been disposed of during the year, its results are excluded from consolidated profit from the date of disposal. Outside equity interests in the results and equity of controlled entities are shown separately in the consolidated statements of financial performance and financial position respectively.

Investments in associates are accounted for in the consolidated financial statements using the equity method. Under this method, the consolidated entity's share of the profits or losses of associates is recognised in the consolidated statement of financial performance, and its share of movements in reserves is recognised in consolidated reserves. Associates are those entities over which the consolidated entity exercises significant influence, but not control.

INVENTORIES

Inventories are stated at the lower of cost or net realisable value. Cost includes direct materials, direct labour and an appropriate proportion of variable and fixed overhead expense and borrowing costs which are allocated on the basis of normal operating capacity. Costs are assigned to individual items of inventory mainly on the basis of average costs. Harvested grapes are included in inventories in the period of harvest at net market value. Wine and spirit stocks include both work in process and finished goods.

GRAPE VINES

Grape vines are valued at net market value. The net market value of grape vines is determined as the difference between the vineyard values and the values of the land and other vineyard improvements thereon. In determining the net market values, the directors have made certain assumptions about the yields and market prices of grapes in current and future vintages, the costs of running the vineyards and the quantity and quality of grapes growing on the vines at each balance date. The values of vineyards are based on the discounted net present values of expected future cash flows.

NOTE 1. STATEMENT OF ACCOUNTING POLICIES (CONTINUED)

DEPRECIATION

Depreciation of buildings, plant, machinery and equipment is provided at rates estimated to ensure that the cost of each item will be charged against profit over its expected useful life. Straight line and reducing balance methods of depreciation are used. The expected useful lives are as follows:

Buildings	33 - 75 years
Plant machinery and equipment	
- Vineyard improvements	20 - 50 years
- Stainless steel storage	33 years
- Oak barrels	4 - 5 years
- Other	3 - 20 years

REVENUE

Amounts disclosed as revenue are net of returns, trade allowances, duties and taxes paid.

INVESTMENTS

Interests in listed and unlisted securities, other than controlled entities and associates in the consolidated financial statements, are brought to account at cost. Dividend income is recognised in the statement of financial performance when receivable.

FOREIGN CURRENCY TRANSLATION

Foreign currency purchase transactions are translated to Australian currency at the rates of exchange ruling at the dates of the transactions. Foreign currency sales transactions are translated at average exchange rates for the year. Amounts receivable and payable in foreign currencies are translated at the rates of exchange at balance date, and the resulting exchange differences are brought to account in determining the profit for the year. The accounts of integrated controlled entities are translated using the temporal method and exchange differences arising on consolidation are taken to the consolidated statement of financial performance. The accounts of self-sustaining controlled entities are translated using the current rate method and exchange differences arising on translation are taken directly to the foreign currency translation reserve.

DERIVATIVES

Gains and losses on derivatives used as hedges are accounted for on the same basis as the underlying physical exposures they are hedging. Accordingly, hedging gains and losses are included in the statement of financial performance when the gains and losses arising on the related physical exposures are recognised in the statement of financial performance.

Gains and losses on interest rate futures contracts, swaps and options are deferred and recognised in the statement of financial performance over the life of the underlying hedged borrowing.

Gains and losses on forward foreign exchange contracts and options intended as a specific hedge against expected future transactions are deferred and are recognised when those transactions occur.

EMPLOYEE ENTITLEMENTS

Liabilities for employees' entitlements to wages, salaries and annual leave are accrued on the basis of current wage and salary rates.

Liabilities for long service leave are accrued in respect of all employees at the present values of future amounts expected to be paid, after allowing for projected increases in wage and salary rates. Present values are calculated using discount rates based on government guaranteed securities with appropriate terms to maturity.

SUPERANNUATION

Contributions to employee superannuation funds are charged as an expense on an accrual basis. In relation to the defined benefits payable under the BRL Hardy Superannuation Fund, in the event of a shortfall in the net market value of fund assets when compared to members' vested entitlements, the parent entity has an obligation to provide for the present value of the shortfall to the extent that a present obligation exists to rectify the financial position of the fund.

INCOME TAX

Tax effect accounting procedures are followed whereby the income tax expense in the statement of financial performance is matched with the accounting profit after allowing for permanent differences.

Legislation reducing the company tax rate from 36% to 34% in respect of the 2000-2001 income tax year and then to 30% from the 2001-2002 income tax year was announced on 21 September 1999. As a consequence, deferred tax balances were restated at 31 December 2000 using the rate of 30%.

No future tax benefit in relation to tax losses is carried forward as an asset unless the benefit is virtually certain of realisation.

The tax benefit arising from legislation providing accelerated write-offs for certain new vineyard development expenditure has been recognised during the year. The corresponding deferred tax liability has been brought to account at present values.

NOTE 1. STATEMENT OF ACCOUNTING POLICIES (CONTINUED)

LEASED PLANT AND EQUIPMENT

Finance leases are capitalised with a lease asset and corresponding liability being recorded at the inception of the lease. Capitalised lease assets are amortised on a straight line basis over the term of the relevant lease, or where it is likely the economic entity will obtain ownership of the asset, over the life of the asset. Lease liabilities are reduced by repayments of principal. The interest component of the lease payments is charged to the statement of financial performance. Payments made under operating leases are charged against profit as incurred.

GOODWILL

Goodwill, representing the excess of the purchase consideration plus incidental expenses over the fair value of the identifiable net assets acquired arising upon the acquisition of a business entity, is amortised on a straight line basis over the period of time during which benefits are expected to arise, but not longer than 20 years.

NON-CURRENT ASSETS

Revaluation:
- -----------
Land is valued at fair market value. Revaluation increments and decrements are taken directly to the asset revaluation reserve, except that, to the extent that a decrement exceeds previous revaluations carried in the asset revaluation reserve, it is recognised as an expense in the statement of financial performance. Land revaluations occur with sufficient regularity to ensure that the carrying amount does not materially differ from its fair value at the reporting date. Potential tax on capital gains is not taken into account in determining revaluation amounts unless there is an intention to sell the assets concerned.

Recoverable amount:

- ------------------

The carrying values of non-current assets are reviewed annually to ensure they do not exceed their recoverable amount. Expected net cash flows used in determining recoverable amounts of non-current assets have not been discounted to their present value.

Vineyard developments:

- ---------------------

Development costs for new vineyards, which include direct materials, direct labour and allocations of overhead and borrowing costs, are capitalised and recorded as capital work in progress. Capitalisation of costs continues until the vineyard is considered to be in commercial production, ordinarily a period of three years after the planting of vines.

BRAND NAMES

Only purchased brand names are included in the accounts. These are included at cost. The directors consider that these brand names are identifiable assets which, under responsible stewardship, do not ordinarily diminish in value over time and their useful lives are indeterminable. Accordingly, no amortisation is necessary. Nevertheless, the value of these brand names is reviewed annually to ensure the directors are satisfied that there is no diminution in value.

CASH

For the purpose of the statements of cash flows, cash includes deposits at call which are readily convertible to cash on hand, net of outstanding bank overdrafts.

EARNINGS PER SHARE

Basic earnings per share:

Basic earnings per share is determined by dividing the net profit attributable to members of BRL Hardy Limited by the weighted average number of ordinary shares outstanding during the financial year.

Diluted earnings per share:

Diluted earnings per share adjusts the figures used in the determination of basic earnings per share by taking into account amounts unpaid on ordinary shares and any effect on earnings per share that would arise from the exercise of outstanding options and entitlements to additional shares.

JOINT VENTURES

The proportion of assets, liabilities and expenses attributable to the interests of BRL Hardy Limited in joint venture operations has been incorporated in the parent entity financial statements. Interests in joint venture entities are included in the consolidated financial report by applying the equity method.

NOTE 1. STATEMENT OF ACCOUNTING POLICIES (CONTINUED)

TRADE DEBTORS

Trade debtors are recognised as amounts receivable as at settlement. Collectability of trade debtors is reviewed on an ongoing basis. Debts which are known to be uncollectable are written off. A provision for doubtful debts is raised where some doubt as to collection exists.

TRADE AND OTHER CREDITORS

Trade and other creditors represent liabilities for goods and services provided to the economic entity prior to the end of the financial year and which are unpaid.

BORROWING COSTS

Borrowing costs attributable to assets that necessarily take a substantial period of time to get ready for intended use or sale are capitalised into the value of the assets. The amounts capitalised into qualifying assets are disclosed in Note 3 using a weighted average interest rate of 6.1% for the 2002 financial year (2001: 6.1%).

INTEREST BEARING LIABILITIES

Interest bearing liabilities are carried at their principal amounts which represent the present value of future cash flows associated with servicing the debt. Interest is accrued over the period it becomes due and is recorded as part of other creditors.

DIVIDENDS

Dividends are only provided for when the amount of the dividend is declared, determined or publicly recommended by the directors.

ROUNDING OF AMOUNTS

The company is of a kind referred to in Class Order 98/0100 issued by the Australian Securities & Investments Commission relating to "rounding off" amounts in the financial report. Amounts in the financial report have been rounded off in accordance with that Class Order to the nearest thousand dollars, or in certain cases, to the nearest dollar.

COMPARATIVE INFORMATION

Where necessary, comparative information has been reclassified to facilitate comparisons.

NOTE 2. REVENUE

<TABLE>
<CAPTION>

	CONSOLIDATED 2002 $'000	CONSOLIDATED 2001 $'000
<S>	<C>	<C>
REVENUE FROM OPERATING ACTIVITIES		
Sales revenue	854,142	757,608
OTHER REVENUE		
Interest	859	778
Dividends	1,113	864
Proceeds from sale of property, plant and equipment	2,184	2,581
Exchange gains	1,875	2,162
Self-generating and regenerating assets	3,288	3,908
Functions	2,220	1,716
Sundry	4,655	1,760
	16,194	13,769

</TABLE>

NOTE 3. OPERATING PROFIT

<TABLE>
<CAPTION>

	CONSOLIDATED 2002 $'000	CONSOLIDATED 2001 $'000
Operating profit been determined after:		
<S>	<C>	<C>
CHARGING AS EXPENSE		
Borrowing costs attributable to:		
- Other persons	30,457	25,096
- Interest paid on capitalised leases	2	7
	30,459	25,103
Less: Interest capitalised - developing vineyards	1,267	701
Less: Interest capitalised - inventory	3,919	2,012
	5,186	2,713
Borrowing costs	25,273	22,390
Depreciation of:		
- Buildings	2,394	2,011
- Plant and equipment	24,053	21,214
Amortisation of leased assets	50	188
Provisions:		
- Employee entitlements	13,020	10,637
- Net bad and doubtful debts	845	637
Amortisation of goodwill	708	638

Write down of inventory to net realisable value	6,685	6,139
Rental expense on operating leases	8,950	8,342
Exchange losses	-	38
Loss on sale of non-current assets:		
- Property, plant and equipment	580	300
CREDITING AS INCOME		
Profit on sale of non-current assets:		
- Property, plant and equipment	453	288
	===========	===========

</TABLE>

NOTES TO THE FINANCIAL STATEMENTS
- ---------------------------------

NOTE 4. INCOME TAX

<TABLE>
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	CONSOLIDATED 2002 $'000	CONSOLIDATED 2001 $'000
INCOME TAX EXPENSE		
<S>	<C>	<C>
Profit from ordinary activities before income tax expense	119,353	101,858
Prima facie income tax expense on operating profit		
- calculated at the Australian rate of 30%	35,806	30,557
Increase in income tax expense due to:		
- Depreciation	645	502
- Tax losses not taken up	532	118
- Non deductible entertainment	401	322
- Higher tax rates in overseas jurisdictions	2,231	144
- Other items	697	996
	4,506	2,082
Decrease in income tax expense due to:		
- Tax exempt dividend income	-	286
- Imputation credits received	546	-
- Property, plant and equipment allowances	933	977
- Uniform capital allowance	218	-
- Other items	2,458	1,234
	4,155	2,497
Add/(less):		
- Adjustment to prior year provisions	(966)	(443)
Income tax expense	35,191	29,699
	===========	===========

<FN>
$1.1m of the future income tax benefit shown in Note 16 is attributable to tax losses. This benefit for tax losses will only be obtained if:

(i) the consolidated entity derives future assessable income of a nature and an amount sufficient to enable the benefit from the deductions for the losses to be realised; or

(ii) the losses are transferred to an eligible entity in the consolidated entity;

(iii) the consolidated entity continues to comply with the conditions for deductibility imposed by tax legislation; and

(iv) no changes in tax legislation adversely affect the consolidated entity in realising the benefit from the deductions for the losses.

</TABLE>

NOTE 5. DIVIDENDS

<TABLE>
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		CONSOLIDATED 2002 $'000	CONSOLIDATED 2001 $'000
DIVIDENDS PROVIDED FOR OR PAID			
<S>		<C>	<C>
BRL Hardy Limited			
Interim dividend paid - fully franked		17,539	14,039
Final dividend provided - fully franked	(Note 21)	-	19,000
Dividends underprovided/(overprovided)		37	(9)

TOTAL DIVIDENDS PROVIDED FOR OR PAID	17,576	33,030

</TABLE>

NOTE 6. DIVIDEND FRANKING ACCOUNT

From 1 July 2002 the New Business Tax System (Imputation) Act 2002 requires measurement of franking credits based on the amount of income tax paid, rather than on after tax profits. This change in the basis of measurement does not change the value of franking credits to shareholders who may be entitled to franking credit benefits.

<TABLE>
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	CONSOLIDATED	
	2002 $'000	2001 $'000
<S>	<C>	<C>
Class C franking account (30%)	20,243	14,940

</TABLE>

NOTE 7. CASH ASSETS

<TABLE>
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	CONSOLIDATED	
	2002 $'000	2001 $'000
<S>	<C>	<C>
Cash at bank and on hand	43,553	39,665

</TABLE>

NOTE 8. RECEIVABLES

<TABLE>
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	CONSOLIDATED	
	2002 $'000	2001 $'000
<S>	<C>	<C>
CURRENT		
Trade debtors	180,450	143,396
(Less): provision for doubtful debts	(3,336)	(2,591)
Other debtors	26,523	17,447
Deferred foreign exchange losses	11,634	22,791
	215,271	181,043
NON-CURRENT		
Deferred foreign exchange losses	9,495	43,617
Loans to other entities	871	925
	10,366	44,542
TOTAL RECEIVABLES	225,637	225,585

</TABLE>

NOTE 9. INVENTORIES

<TABLE>
<CAPTION>

	CONSOLIDATED	
	2002 $'000	2001 $'000
<S>	<C>	<C>
CURRENT		
Raw materials and stores	12,778	11,125
Wine and spirit stocks	419,718	314,667

Borrowing expenses capitalised	5,861	3,005
	438,357	328,797
NON-CURRENT		
Wine and spirit stocks	111,448	106,955
Borrowing expenses capitalised	8,381	7,318
	119,829	114,273
TOTAL INVENTORIES	558,186	443,070

</TABLE>

NOTE 10. OTHER CURRENT ASSETS

<TABLE>
<CAPTION>

	CONSOLIDATED 2002 $'000	2001 $'000
<S>	<C>	<C>
PREPAYMENTS	12,109	4,977

</TABLE>

NOTE 11. INVESTMENTS ACCOUNTED FOR USING THE EQUITY METHOD

<TABLE>
<CAPTION>

	CONSOLIDATED 2002 $'000	2001 $'000
SUMMARIES OF INVESTMENTS ACCOUNTED FOR USING THE EQUITY METHOD		
<S>	<C>	<C>
Summary of carrying value of equity accounted investments:		
Carrying value of investments in associated entities	8,938	8,826
Carrying value of investment in joint venture partnerships	224,638	222,672
Total carrying value of equity accounted investments	233,576	231,498
Summary of results attributable to equity accounted investments:		
Operating profit in associates after income tax	287	487
Operating profit in joint venture partnerships before income tax	22,993	1,798
Share of net profits of associates and joint venture partnerships	23,280	2,285

INVESTMENTS IN ASSOCIATED ENTITIES

Name of entity:	Principal activity:	Ownership interest:		
Barossa Valley Estate Ltd.	Wine manufacturers	50%	4,869	5,125
Brookland Valley Estate Pty. Ltd.	Wine manufacturers	50%	3,527	3,206
Churchill Cellars Ltd.	Wine marketers	20%	468	436
Medallion Wine Marketing Inc.	Wine marketers	25% (2001: 18%)	74	59
TOTAL INVESTMENTS IN ASSOCIATES ACCOUNTED FOR USING THE EQUITY METHOD			8,938	8,826

MOVEMENT IN CARRYING AMOUNT OF INVESTMENT IN ASSOCIATED ENTITIES

Carrying amount of investments at beginning of the financial year	8,826	5,993
Add/(less):		
- Share of operating profit after income tax	287	487
- Share of dividend	(175)	(90)
- Acquisition of ownership interest	-	2,436
Carrying amount of investments at the end of the financial year	8,938	8,826

SHARE OF RESULTS ATTRIBUTABLE TO ASSOCIATED ENTITIES

Operating profit before income tax	408	693
Income tax expense	(121)	(206)

Operating profit after income tax	287	487

SHARE OF RESERVES ATTRIBUTABLE TO ASSOCIATED ENTITIES

Retained profits at the beginning of the financial year	767	280
Current year operating profit after income tax	287	487
Retained profits at the end of the financial year	1,054	767

The voting power in each associate is equal to the proportion of shares held. There are no significant accounting policy dissimilarities.
</TABLE>

NOTES TO THE FINANCIAL STATEMENTS

NOTE 11. INVESTMENTS ACCOUNTED FOR USING THE EQUITY METHOD (CONTINUED)

<TABLE>
<CAPTION>

			CONSOLIDATED 2002 $'000	CONSOLIDATED 2001 $'000
INVESTMENTS IN JOINT VENTURE PARTNERSHIPS				
<S>			<C>	<C>
Name of entity:	Principal activity:	Ownership interest:		
Pacific Wine Partners, LLC	Wine manufacturers and marketers	50%	224,638	222,672

MOVEMENT IN CARRYING AMOUNT OF INVESTMENTS IN JOINT VENTURE PARTNERSHIPS

Carrying amount of investments at beginning of the financial year	222,672	-
Add/(less):		
- Share of operating profit before income tax	22,993	1,798
- Revaluation of investment at period end foreign exchange rate	(21,027)	-
- Acquisition of ownership interest	-	220,874
Carrying amount of investments at the end of the financial year	224,638	222,672

SHARE OF JOINT VENTURE PARTNERSHIP'S REVENUES, EXPENSES AND RESULTS

Revenues	103,681	29,507
Expenses	(80,688)	(27,709)
Operating profit before income tax	22,993	1,798

BRL Hardy (USA) Inc., a 100% owned subsidiary within the consolidated entity and the direct investor in Pacific Wine Partners, LLC is liable for 50% of the partnership's tax liability. As a consequence, the share of operating profit is disclosed only as before income tax. Applicable income tax is included in consolidated income tax expense.

SHARE OF RESERVES ATTRIBUTABLE TO JOINT VENTURE PARTNERSHIPS

Retained profits at the beginning of the financial year	1,798	-
Current year operating profit before income tax	22,993	1,798
Retained profits at the end of the financial year	24,791	1,798

The income tax attributable to the current year share of operating profit included within the consolidated income tax expense is $9.1 million (2001: $0.8 million).

SHARE OF JOINT VENTURE PARTNERSHIP'S ASSETS AND LIABILITIES

Total assets	252,531	248,729
Total liabilities	27,893	26,057
Net assets	224,638	222,672

</TABLE>

The voting power in the joint venture partnership is equal to the proportion of shares held.

NOTE 12. OTHER FINANCIAL ASSETS

<TABLE>
<CAPTION>

	CONSOLIDATED 2002 $'000	CONSOLIDATED 2001 $'000
NON-TRADED INVESTMENTS - AT COST		
<S>	<C>	<C>
Shares in other corporations	26,452	26,194
Total other investments	26,452	26,194

</TABLE>

Shares in other corporations include the parent entity's non-voting preference shares in GSI Holdings Pty Ltd, trading as GS Millenium Fund, which is the holder of 10,384,366 units in the International Wine Investment Fund.

NOTE 13. GRAPE VINES

<TABLE>
<CAPTION>

	CONSOLIDATED 2002 $'000	CONSOLIDATED 2001 $'000
<S>	<C>	<C>
Net market value of grape vines and fruit on vine	43,676	38,811

</TABLE>

BRL Hardy has, for self-generating and regenerating assets purposes, approximately 2,107 hectares (2001: 1,927) of bearing grape vines located in the principal wine producing regions of Australia, and also has vineyards in France and New Zealand totalling approximately 211 hectares (2001: 221).

NOTE 14. PROPERTY, PLANT AND EQUIPMENT

<TABLE>
<CAPTION>

	CONSOLIDATED 2002 $'000	CONSOLIDATED 2001 $'000
Freehold land		
<S>	<C>	<C>
At independent valuation, 2001	59,240	57,652
At cost	6,007	-
Total freehold land	65,247	57,652
Buildings		
At cost	111,742	94,195
(Less): accumulated depreciation	(11,086)	(8,626)
Capital work in progress	9,133	8,644
Total buildings	109,789	94,213
Plant, equipment and motor vehicles		
At cost	337,687	264,294
(Less): accumulated depreciation	(104,481)	(84,209)
Capital work in progress	25,731	44,391
Borrowing expenses capitalised in work in progress	645	667
Total plant, equipment and motor vehicles	259,582	225,143
Total property, plant and equipment	434,618	377,008

</TABLE>

RECONCILIATIONS

Reconciliations of the carrying amount of each class of property, plant and equipment at the beginning and end of the current financial year are set out below:

<TABLE>
<CAPTION>

	FREEHOLD LAND $'000	BUILDINGS $'000	PLANT, EQUIPMENT AND MOTOR VEHICLES $'000	TOTAL $'000
<S>	<C>	<C>	<C>	<C>
CONSOLIDATED - 2002				
Carrying amount at the beginning of the financial year	57,652	94,213	225,143	377,008
Reclassification	23	(2)	(21)	-
Additions	5,926	17,847	58,927	82,700
Disposals	-	(371)	(1,954)	(2,325)
Depreciation/amortisation expense	-	(2,397)	(24,100)	(26,497)
Foreign currency exchange differences	1,646	499	1,587	3,732
Carrying amount at the end of the financial year	65,247	109,789	259,582	434,618
CONSOLIDATED - 2001				
Carrying amount at the beginning of the financial year	39,128	78,878	193,225	311,231
Transfer to grape vines	-	-	(2,287)	(2,287)
Reclassification	245	73	(318)	-
Additions	12,327	17,072	57,991	87,390
Disposals	-	(29)	(2,699)	(2,728)
Revaluation increments	5,797	-	-	5,797
Depreciation/amortisation expense	-	(1,991)	(21,422)	(23,413)
Foreign currency exchange differences	155	210	653	1,018
Carrying amount at the end of the financial year	57,652	94,213	225,143	377,008

</TABLE>

VALUATIONS OF LAND

The basis of the valuations of land at 31 December 2001 is fair value, based on independent valuations.

NOTE 15. INTANGIBLES

<TABLE>
<CAPTION>

	CONSOLIDATED 2002 $'000	CONSOLIDATED 2001 $'000
GOODWILL		
<S>	<C>	<C>
Goodwill	13,034	12,999
(Less): accumulated amortisation	(3,503)	(2,788)
	9,531	10,211
BRAND NAMES		
Brand names at cost	19,033	17,969
TOTAL INTANGIBLES	28,564	28,180

</TABLE>

NOTE 16. DEFERRED TAX ASSETS

<TABLE>
<CAPTION>

	CONSOLIDATED 2002 $'000	CONSOLIDATED 2001 $'000

<S> <C> <C>

Future income tax benefit	8,096	5,752

</TABLE>

NOTE 17. PAYABLES

<TABLE>
<CAPTION>

	CONSOLIDATED	
	2002 $'000	2001 $'000
CURRENT		
Trade creditors	54,250	46,911
Other creditors	74,238	56,181
Deferred foreign exchange hedge payable	11,634	22,791
	140,122	125,883
NON-CURRENT		
Deferred foreign exchange hedge payable	10,338	43,617
	10,338	43,617
TOTAL PAYABLES	150,460	169,500

</TABLE>

NOTE 18. INTEREST BEARING LIABILITIES

<TABLE>
<CAPTION>

		CONSOLIDATED	
		2002 $'000	2001 $'000
CURRENT			
Secured:			
Commercial bills		557	-
Bank advances		94	-
Loans from other entities		1,811	-
		2,462	-
Unsecured:			
Commercial bills		96,443	17,042
Bank advances		38,415	177,943
Lease liabilities	(Note 30)	-	56
Loans from other entities		6,169	6,721
		141,027	201,762
		143,489	201,762
NON-CURRENT			
Unsecured:			
Commercial bills		447,824	285,000
Bank advances		15,584	8,530
		463,408	293,530
TOTAL INTEREST BEARING LIABILITIES		606,897	495,292

FINANCING ARRANGEMENTS

Access was available at balance date to the following lines of credit:

Total facilities:

Bank advances	62,456	217,916
Other bank facilities	730,374	432,942
	792,830	650,858

Used at balance date:

Bank advances	44,501	186,473
Other bank facilities	586,461	331,561
	630,962	518,034

Unused at balance date:

Bank advances	17,955	31,443
Other bank facilities	143,913	101,381
	161,868	132,824

The bank facilities may be drawn at any time on appropriate notice, subject to meeting the facility contract conditions and undertakings, and have maturities up to 8 years (2001:9).

Interest rates on facilities are variable (refer Note 36).
</TABLE>

SECURITY FOR BORROWINGS

Bank advances to joint venture entities are secured by way of first charge or mortgage over certain assets of those entities.

NOTE 19. CURRENT TAX LIABILITIES

<TABLE>
<CAPTION>

	CONSOLIDATED 2002 $'000	2001 $'000
<S>	<C>	<C>
Provision for income tax	4,007	9,392

</TABLE>

NOTE 20. DEFERRED TAX LIABILITIES

<TABLE>
<CAPTION>

	CONSOLIDATED 2002 $'000	2001 $'000
<S>	<C>	<C>
Provision for deferred income tax	59,402	43,673

</TABLE>

NOTE 21. PROVISIONS

<TABLE>
<CAPTION>

		CONSOLIDATED 2002 $'000	2001 $'000
<S>		<C>	<C>
CURRENT			
Employee entitlements		8,763	7,652
Dividend	(Note 5)	-	19,000
		8,763	26,652
NON-CURRENT			
Employee entitlements		4,060	3,760

TOTAL PROVISIONS	12,823	30,412
AGGREGATE EMPLOYEE ENTITLEMENTS		
Current employee entitlements	8,763	7,652
Non-current employee entitlements	4,060	3,760
	12,823	11,412
EMPLOYEE NUMBERS		
Full time equivalent employees as at the end of the financial year	1,871	1,716

</TABLE>

NOTES TO THE FINANCIAL STATEMENTS

NOTE 22. SHARE CAPITAL - BRL HARDY LIMITED

	CONSOLIDATED 2002 $'000	CONSOLIDATED 2001 $'000
(a) PAID UP CAPITAL		
Ordinary shares fully paid	515,932	474,267

Movements in issued and paid up ordinary share capital during the past three years were as follows:

			NUMBER OF SHARES	ISSUE PRICE $	$'000
BALANCE AT 31 DECEMBER 2000			152,637,933		302,008
20 April 2001	Dividend reinvestment plan issues	(Note 22(a)(i))	1,666,768	$ 9.19	15,323
1 January 2001 to 31 December 2001	Option plan issues	(Note 22(b)(i))	469,900	$ 2.80	1,316
		(Note 22(b)(ii))	571,300	$ 3.72	2,125
		(Note 22(b)(iii))	546,200	$ 5.11	2,791
		(Note 22(b)(iv))	68,500	$ 6.61	453
		(Note 22(b)(v))	11,100	$ 7.45	83
		(Note 22(b)(ix))	117,510	$ 3.40	399
		(Note 22(b)(x))	23,400	$ 9.30	218
	Consideration for options				2
16 October 2001	Dividend reinvestment plan issues	(Note 22(a)(i))	851,357	$ 9.63	8,199
23 October 2001	Rights issue (net of $3.5m costs)	(Note 22(a)(ii))	15,579,278	$ 9.30	141,350
BALANCE AT 31 DECEMBER 2001			172,543,246		474,267
8 April 2002	Dividend reinvestment plan issues	(Note 22(a)(i))	1,813,495	$ 10.51	19,036
1 January 2002 to 31 December 2002	Option plan issues	(Note 22(b)(ii))	566,900	$ 3.72	2,109
		(Note 22(b)(iii))	246,700	$ 5.11	

1,261		(Note 22(b)(iv))	137,500	$	6.61
909		(Note 22(b)(v))	16,800	$	7.45
125		(Note 22(b)(ix))	55,770	$	3.40
190		(Note 22(b)(x))	49,100	$	9.30
456		(Note 22(b)(x))	4,207	$	9.30
39	Consideration for options				
1					
8 October 2002	Dividend reinvestment plan issues	(Note 22(a)(i))	2,286,844	$	7.68
17,539			-----------		

BALANCE AT 31 DECEMBER 2002			177,720,562		
515,932			===========		
===========					

<FN>

(i) Dividend reinvestment plan:
The company has a dividend reinvestment plan (DRP) under which holders of fully paid ordinary shares may elect to have all or part of their dividend entitlements satisfied by the issue of new ordinary shares in lieu of payment in cash. Shares are issued under the DRP at a discount (currently 5%) to the market price. The company appointed Deutsche Bank AG as underwriter of the DRP for the dividends paid in 2002 so that any dividends not taken up as shares under the DRP were taken up by the underwriter or its nominees at the same price. The interim dividend declared in September 2001 was not underwritten.

(ii) Rights issue:
The company made a renounceable rights issue to shareholders in September 2001 on a one for 10 basis at an issue price of $9.30 per new share. The issue was underwritten by Deutsche Bank AG and the allotment of new shares was made on 23 October 2001. In March 2002, the company issued a small number of rights issue shares to overseas shareholders whose acceptances had been received in 2002.

NOTE 22. SHARE CAPITAL - BRL HARDY LIMITED (CONTINUED)

(b) THE BRL HARDY OPTION PLAN (OPTION PLAN)

Participation in the company's option plan is offered to all permanent employees, ordinarily on an annual basis. Options issued under the option plan are over unissued ordinary shares and expire 59 months (for options issued in 2000 or earlier) and 60 months (for options issued in 2001 and later) after the issue date. Options may not be exercised earlier than 36 months after issue, unless the employee's employment ceases sooner, provided that any preconditions to their exercise have also been met.

(i) 2 June 2001 ($2.80) options:
During 2001, 469,900 ordinary shares were issued at $2.80 on the exercise of options granted in July 1996 under the option plan. All preconditions for the exercise of these options had been met. At 31 December 2000 there were 484,400 unissued ordinary shares remaining under these options. The options expired on 2 June 2001. There were 14,500 unexercised options that expired under the rules of the option plan on the expiry date.

(ii) 22 July 2002 ($3.72) options:
During 2002, 566,900 (2001: 571,300) ordinary shares were issued at $3.72 on the exercise of options granted on 22 August 1997 under the option plan. All preconditions for the exercise of these options had been met. At 31 December 2001, there were 575,900 (2000: 1,147,200) unissued ordinary shares remaining under these options. The options expired on 22 July 2002. There were 9,000 unexercised options that expired under the rules of the option plan on the expiry date.

(iii) 28 July 2003 ($5.11) options:
During 2002, 246,700 (2001: 546,200) ordinary shares were issued at $5.11 on the exercise of options granted on 28 August 1998 under the option plan. All preconditions for the exercise of these options have been met. At 31 December 2002, there were 992,600 (2001: 1,239,300) unissued ordinary shares remaining under these options. The options expire on 28 July 2003.

(iv) 27 July 2004 ($6.61) options:
During 2002, 137,500 (2001: 68,500) ordinary shares were issued at $6.61 on the exercise of options granted on 27 August 1999 under the option plan. All preconditions for the exercise of these options have been met. At 31 December 2002, there were 2,822,500 (2001: 2,960,000) unissued ordinary shares remaining

under these options. The options expire on 27 July 2004.

(v) 24 October 2005 ($7.45) options:
On 24 November 2000, the company issued 2,315,500 options to 1,148 eligible employees and/or associates under the option plan. These included 196,000 options issued to executive directors or their associates as approved by special resolution at the Annual General Meeting of the company held on 4 May 2000.

During 2002, 16,800 (2001: 11,100) ordinary shares were issued at $7.45 on the early exercise (refer Note 22(b)(ix)) of options granted on 24 November 2000 under the option plan. These options will not become otherwise exercisable until 24 November 2003, but all other preconditions to their exercise have been met. At 31 December 2002, there were 2,287,600 (2001: 2,304,400) unissued ordinary shares remaining under these options. The options expire on 24 October 2005.

(vi) 8 November 2006 ($10.13) options:
On 9 November 2001 and 7 December 2001 the company issued 2,545,300 options to 1,376 eligible employees and/or associates under the option plan. In addition, a further 7,050 options were issued in February and April 2002. The total options issued (2,552,350) included 260,000 options issued to executive directors or their associates as approved by special resolution at the Annual General Meeting of the company held on 3 May 2001. These options may be exercised after 9 November 2004 at an exercise price of $10.13. All other preconditions to their exercise have been met. At 31 December 2002, there were 2,552,350 (2001: 2,545,300) unissued ordinary shares remaining under these options. The options expire on 8 November 2006.

(vii) 23 September 2007 ($8.08) options:
On 24 September 2002 the company issued 2,913,000 options to 1,529 eligible employees and/or associates under the option plan. These included 280,000 options issued to executive directors or their associates as approved by resolution at the Annual General Meeting of the company held on 2 May 2002. The options may be exercised after 24 September 2005 at an exercise price of $8.08 per share. At 31 December 2002, there were 2,913,000 unissued ordinary shares remaining under these options. The options expire on 23 September 2007.

(viii) Early exercise:
Where the exercise period for an option has not commenced and all other preconditions for exercise have been met but the employee's employment ceases, the options may then be exercised at any time before the expiry date, even if the date of exercise might be earlier than otherwise permitted under the option plan.

(ix) Additional shares ($3.40):
During 2002, 55,770 (2001: 117,510) additional ordinary shares were issued at $3.40 in connection with the exercise of options. Under the option plan, optionholders were entitled to apply for additional shares as a result of the rights issue in 1997. The entitlement was for one additional share at the rights issue price of $3.40 per share for every 10 options held at the time of the rights issue. The additional shares could only be taken up when exercising options and lapsed if not taken up. During 2002, the entitlements to 1,820 (2001: 1,560) additional shares lapsed. At 31 December 2002, there were no further entitlements to unissued additional shares at $3.40.

NOTE 22. SHARE CAPITAL - BRL HARDY LIMITED (CONTINUED)

(b) THE BRL HARDY OPTION PLAN (CONTINUED)

(x) Additional shares ($9.30):
During 2002, 49,100 (2001: 23,400) additional ordinary shares were issued at $9.30 in connection with the exercise of options. Under the option plan, optionholders are entitled to apply for additional shares as a result of the rights issue in 2001. The entitlement is for one additional share at the rights issue price of $9.30 per share for every 10 options held at the time of the rights issue. The additional shares can only be taken up when exercising options and lapse if not taken up. During 2002, the entitlements to 57,250 (2001: 8,500) additional shares lapsed. At 31 December 2002, the number of unissued additional shares at $9.30 was 610,270 (2001: 716,620).

(c) THE NON-EXECUTIVE DIRECTORS' OPTION PLAN ('NED PLAN')

(i) 23 September 2007 ($8.08) options:
On 24 September 2002 the company issued options under the NED Plan which was approved by shareholders at the Annual General Meeting on 2 May 2002. Except for M.R. Davison, who elected to forfeit the options, the option price of $0.937 has been paid to the company by all non-executive directors who participated in the NED Plan. The options may be exercised from 24 September 2002 at an exercise price of $8.08 per share. At 31 December 2002, there were 92,818 unissued ordinary shares remaining under these options. The options expire on

23 September 2007.
</TABLE>

NOTE 23. RESERVES AND RETAINED PROFITS

<TABLE>
<CAPTION>

		CONSOLIDATED 2002 $'000	CONSOLIDATED 2001 $'000
(a) RESERVES			
<S>		<C>	<C>
Asset revaluation reserve		16,595	16,820
General reserve		101	15
Foreign currency translation reserve		872	577
		17,568	17,412
MOVEMENTS			
Asset revaluation reserve:			
Balance at the beginning of the financial year		16,820	10,142
Add/(less):			
2001 revaluation		-	6,678
Amendment to prior valuation		(225)	-
Balance at the end of the financial year		16,595	16,820
General reserve:			
Balance at the beginning of the financial year		15	17
Add/(less):			
Share option consideration		87	-
Transfer to paid up capital on issue of shares		(1)	(2)
Balance at the end of the financial year		101	15
Foreign currency translation reserve:			
Balance at the beginning of the financial year		577	(319)
Current year movement		295	896
Balance at the end of the financial year		872	577
(b) RETAINED PROFITS			
Retained profits at the beginning of the financial year		179,560	140,378
Net profit attributable to members of BRL Hardy Limited		84,338	72,212
Dividends provided for or paid	(Note 5)	(17,576)	(33,030)
Retained profits at the end of the financial year		246,322	179,560

</TABLE>

NOTE 24. REMUNERATION OF DIRECTORS AND EXECUTIVES

<TABLE>
<CAPTION>

		CONSOLIDATED 2002	CONSOLIDATED 2001
DIRECTORS			
The number of directors, including executive directors, who received or in respect of whom income is due and receivable from the parent entity or its controlled entities including retirement benefits not required to be approved in general meeting within the following bands is:			
<S>	<C>	<C>	<C>

$80,000 - $89,999		3	3
$100,000 - $109,999		-	1
$110,000 - $119,999		1	-
$130,000 - $139,999		1	-
$150,000 - $159,999		-	1
$170,000 - $179,999		1	-
$180,000 - $189,999		-	1
$580,000 - $589,999		-	1
$590,000 - $599,999		1	-
$610,000 - $619,999		1	-
$630,000 - $639,999		-	1
$1,210,000 - $1,219,999		-	1
$1,330,000 - $1,339,999		1	-
		$	$
Total income received or due and receivable by the directors of the parent entity from the parent entity and its controlled entities:		3,223,944	3,137,418

</TABLE>

Benefits received by directors on the grant of options under the BRL Hardy Option Plan as valued under Division 13A of the Income Tax Assessment Act are included above. Information about options granted to and exercised by executive directors during the period January 2001 to December 2002 is set out in Note 32. Motor vehicles and wine allowances are included at their salary package values. Options issued to non-executive directors during the year are not included as a benefit since the Option Price paid is equal to the market value of an Option.

NOTE 24. REMUNERATION OF DIRECTORS AND EXECUTIVES (CONTINUED)

<TABLE>
<CAPTION>

		CONSOLIDATED 2002	2001
EXECUTIVES			
The number of executive officers, excluding executive directors, who received or in respect of whom income is due and receivable, including retirement benefits, which equals or exceeds $100,000 from the parent entity and controlled entities, within the following bands is:			
<S>	<C> <C>	<C>	<C>
	$100,000 - $109,999	9	10
	$110,000 - $119,999	12	13
	$120,000 - $129,999	5	6
	$130,000 - $139,999	5	1
	$140,000 - $149,999	3	2
	$150,000 - $159,999	1	-
	$160,000 - $169,999	1	3
	$170,000 - $179,999	2	3
	$180,000 - $189,999	5	2
	$200,000 - $209,999	1	4
	$210,000 - $219,999	2	-
	$240,000 - $249,999	-	1
	$260,000 - $269,999	1	-
	$320,000 - $329,999	1	2
	$330,000 - $339,999	1	-
	$350,000 - $359,999	1	-
	$360,000 - $369,999	-	2
	$380,000 - $389,999	1	-
		$	$
Total income received or due and receivable by executive officers of the parent entity:		7,949,548	7,564,466

</TABLE>

Benefits received by executive officers on the grant of options under the BRL Hardy Option Plan as valued under Division 13A of the Income Tax Assessment Act are included above. Motor vehicles and wine allowances are included at their salary package values. Information about the options granted to employees is set out in Note 22 (b)(vi)-(viii). There were 654,000 options granted to executive officers (with income of at least $100,000) during the year ended 31 December 2002 (2001: 565,000). None of these options have been exercised.

Amounts paid to executive officers who worked wholly or mainly outside Australia during the reporting period are excluded from the above disclosures.

NOTES TO THE FINANCIAL STATEMENTS

NOTE 25. REMUNERATION OF AUDITORS

<TABLE>
<CAPTION>

	CONSOLIDATED 2002 $	CONSOLIDATED 2001 $
Amounts received, or due and receivable, by the auditors for auditing the accounts and consolidated accounts of BRL Hardy Limited and the accounts of its controlled entities, and for other services:		
PricewaterhouseCoopers:		
<S>	<C>	<C>
Audit or review of financial reports	408,522	335,255
Other assurance services	511,291	506,619
Taxation services	423,048	136,399
Other taxation advisory services	650,000	45,979
Other services	63,744	32,614
	2,056,605	1,056,866

</TABLE>

All audit fees for controlled Australian entities are borne by the parent entity.

NOTE 26. RECONCILIATION OF NET CASH INFLOW FROM OPERATING ACTIVITIES TO OPERATING PROFIT AFTER INCOME TAX

<TABLE>
<CAPTION>

	CONSOLIDATED 2002 $'000	CONSOLIDATED 2001 $'000
<S>	<C>	<C>
Operating profit after income tax	84,162	72,159
Depreciation and amortisation	26,497	23,413
Goodwill written off	708	638
Share of net profits of associates and joint venture partnerships	(23,280)	(2,285)
Net (profit)/loss on disposal of property, plant and equipment	127	12
Valuation of grape vines and grapes (SGARA)	(3,288)	(3,908)
Provision for doubtful debts	745	508
Capitalised interest	(5,186)	(2,713)
Changes in operating assets - (increase)/decrease		
- - receivables	(46,076)	6,781
- - inventories	(109,895)	(78,309)
- - prepayments	(7,132)	788
- - future income tax benefit	(1,038)	(1,892)
Changes in operating liabilities - increase/(decrease)		
- - payables	26,084	(7,717)
- - provisions	12,425	14,367
NET CASH INFLOW FROM OPERATING ACTIVITIES	(45,147)	21,842

</TABLE>

NOTE 27. OUTSIDE EQUITY INTERESTS

<TABLE>
<CAPTION>

	CONSOLIDATED 2002 $'000	CONSOLIDATED 2001 $'000
Outside equity interests in controlled entities comprise:		
<S>	<C>	<C>
Share capital	628	628

Equity held in partnerships	350	350
Retained profits	78	254
TOTAL OUTSIDE EQUITY INTERESTS	1,056	- 1,232

</TABLE>

NOTES TO THE FINANCIAL STATEMENTS

NOTE 28. JOINT VENTURES

JOINT VENTURE OPERATIONS

BRL Hardy Limited has entered into several joint venture arrangements, to develop and operate vineyards:

	Participating interest
The Wegman/BRL Hardy Joint Venture Development	25%
Elgin Valley Vineyards Joint Venture No. 1	75%
The Gartner/BRL Hardy Coonawarra Joint Venture	50%
The Pemberton Vineyards Joint Venture	50%
The Ausvine Coonawarra Joint Venture	19%
The Huntfield/BRL Hardy Joint Venture	50%
The Martin/BRL Hardy Joint Venture	49.3%
The Willunga Basin Water Users Group Joint Venture	18%

BRL Hardy Limited's share of the assets employed in joint ventures is included in the financial statements as follows:

<TABLE>
<CAPTION>

	CONSOLIDATED 2002 $'000	CONSOLIDATED 2001 $'000
FREEHOLD LAND		
<S>	<C>	<C>
At independent valuation, 2001	6,260	6,260
At cost	257	-
TOTAL FREEHOLD LAND	6,517	6,260
BUILDINGS		
At cost	173	173
(Less): accumulated depreciation	(55)	(49)
TOTAL BUILDINGS	118	124
PLANT AND EQUIPMENT		
At cost	5,340	3,969
(Less): accumulated depreciation	(403)	(276)
Capital work in progress	-	1,788
TOTAL PLANT AND EQUIPMENT	4,937	5,481
TOTAL PROPERTY, PLANT AND EQUIPMENT	11,572	11,865
GRAPE VINES	3,435	3,506
OPERATING PROFIT		
Contribution to operating profit by joint ventures	73	1,149

JOINT VENTURE ENTITY

BRL Hardy Limited has a 50% interest in the Brookland Valley Estate Joint Venture which makes and markets wine.

CONSOLIDATED
Movement in carrying amount of investment:

Carrying amount at the beginning of the financial year	3,207	3,013
Share of operating profits after tax	320	194
Carrying amount at the end of the financial year	3,527	3,207

</TABLE>

Contingent liabilities and capital expenditure commitments relating to the joint ventures are included in Notes 29 and 30.

NOTE 29. CONTINGENT LIABILITIES

<TABLE>
<CAPTION>

	CONSOLIDATED 2002 $'000	CONSOLIDATED 2001 $'000
<S>	<C>	<C>
Service agreements under which termination benefits may, in certain circumstances, become payable to directors and senior executives.	5,855	5,295
There are no contingent liabilities with respect to the economic entity's share of associates and investments in joint venture partnerships.	-	-

</TABLE>

The company is jointly and severally liable for all the liabilities of the Brookland Valley Joint Venture.

NOTE 30. COMMITMENTS FOR EXPENDITURE

<TABLE>
<CAPTION>

	CONSOLIDATED 2002 $'000	CONSOLIDATED 2001 $'000
<S>	<C>	<C>
CAPITAL EXPENDITURE		
Total capital expenditure contracted for at balance date but not provided for in the financial statements:		
- - not later than 1 year	19,300	32,352
CAPITAL EXPENDITURE - JOINT VENTURES		
Total capital expenditure contracted for at balance date but not provided for in the financial statements:		
- - not later than 1 year	-	-
CAPITAL EXPENDITURE - ASSOCIATES AND JOINT VENTURE PARTNERSHIPS		
Total capital expenditure contracted for at balance date but not provided for in the financial statements:		
- - not later than 1 year	2,323	1,690
FINANCE LEASE COMMITMENTS		
Lease commitments in respect of capitalised finance leases are payable as follows:		
- - not later than 1 year	-	56
- - later than 1 year but not later than 5 years	-	-
	-	56
Less: future finance charges	-	-
	-	56
Comprising lease liabilities:		

- - Current	-	56
- - Non-current	-	-
	-	56

RENTAL COMMITMENTS
Analysis of non-cancellable rental commitments
not provided for in the financial statements:

- - not later than 1 year	8,926	8,052
- - later than 1 year but not later than 5 years	28,866	26,060
- - greater than 5 years	19,096	18,228
	56,888	52,340

</TABLE>

NOTE 31. SUPERANNUATION COMMITMENTS

The economic entity contributes to a number of superannuation funds which provide benefits for employees and their dependants on retirement, disability or death. The funds comprise one fund sponsored by the economic entity and a number of multi-employee industry funds.

<TABLE>
<CAPTION>

	2002 $'000	2001 $'000
THE BRL HARDY SUPERANNUATION FUND		
The financial position of the economic entity's defined benefit and accumulation plan measured as at 30 June is as follows:		
<S>	<C>	<C>
Present value of employees' accrued benefits	22,164	19,295
Net market value of assets held by the fund to meet future benefit payments	24,593	22,240
Excess of assets held to meet future benefits payments	2,429	2,945
Employer contributions to the fund	5,159	2,791
Vested benefits	24,441	22,045

</TABLE>

The BRL Hardy Superannuation Fund provides cumulative and defined benefits. Defined lump sum benefits are based on years of service and final average salary and contributions are part legally enforceable. Employer contributions for accumulation benefits are legally enforceable.

An actuarial review of the BRL Hardy Superannuation Fund as at 1 July 2000 was completed by L.McMahon BA, FIAA. Based on calculations made as part of this assessment and subsequently, the directors are of the view that the assets of the fund were sufficient to satisfy all benefits that would have been vested under the fund in the event of termination of the fund or termination of the employment of each employee as at 30 June 2002, being the fund's last balance date.

However, it is believed that the poor financial performance of the fund's assets since 30 June 2002 may have resulted in a shortfall if the fund had been terminated or the employment of each employee had been terminated as at 31 December 2002. The financial position of the fund is being monitored by the directors, and provision is being made by the economic entity to ensure that there will be no shortfall at 30 June 2003 (the fund's next balance date), after taking into account the financial performance of the fund's assets to that date.

INDUSTRY FUNDS

The multi-employee industry funds provide accumulation benefits where the basis of contribution is an enforceable employer contribution based on a percentage of the member's wage. The industry funds to which contributions were made by the economic entity are:

- - Statewide Superannuation Trust
- - Host-Plus Superannuation
- - Superannuation Trust of Australia

NOTES TO THE FINANCIAL STATEMENTS

NOTE 32. RELATED PARTIES

DIRECTORS AND DIRECTOR-RELATED ENTITIES

(i) The names of persons who were directors of the parent entity during the financial year are:

I.J. Pendrigh AM	M.R. Davison	R.H. Searby QC
R.G. Chabrel	Sir James G. Hardy OBE	A.W. Whatmore
S.B. Millar	A.M. Kennedy	D.Woods

		CONSOLIDATED 2002 $'000	CONSOLIDATED 2001 $'000
(ii) Loans to directors			
S.B. Millar		-	-
A.M. Kennedy		-	-
		-	-
	(Note 8)	-	-

Secured loans were made to Messrs Millar and Kennedy by the parent entity (then Berri Renmano Limited) in 1991, prior to the appointment of either of them as directors. Monthly repayments included interest at the rate of 5.75% per annum and were secured by a lien over units issued by The International Wine Investment Fund. The loans were for a period of 10 years and were repaid at 30 June 2001.

	CONSOLIDATED 2002 $'000	CONSOLIDATED 2001 $'000
Loan repayments received	-	13,245
Interest received	-	381

(iii) Directors' holdings of shares and share options

The directors were involved in share and option transactions which are summarised below. The shareholdings include all shares held beneficially by directors and director-related entities.

		NUMBER OF SHARES BALANCE 31.12.01	PURCHASES	OPTIONS EXERCISED	DISPOSALS	BALANCE 31.12.02
I.J. Pendrigh AM		155,182	8,000	-	(8,000)	155,182
R.G. Chabrel	(1)	17,717	169	-	-	17,886
S.B. Millar		115,024	73,131	82,600	(51,546)	219,209
M.R. Davison	(1)	-	-	15,000	(15,000)	-
Sir James G. Hardy OBE		368,840	-	-	-	368,840
A.M. Kennedy		250,547	5,032	50,000	(30,000)	275,579
R.H. Searby QC		43,034	1,018	-	-	44,052
A.W. Whatmore		66,350	-	-	-	66,350
D.Woods		126,750	5,000	50,000	(85,967)	95,783

		NUMBER OF SHARES BALANCE 31.12.00	PURCHASES	OPTIONS EXERCISED	DISPOSALS	BALANCE 31.12.01
I.J. Pendrigh AM		91,074	18,508	80,000	(34,400)	155,182
R.G. Chabrel	(1)	6,357	10,760	66,600	(66,000)	17,717
S.B. Millar		233,017	25,833	4,000	(147,826)	115,024
M.R. Davison	(1)	-	2,000	20,000	(22,000)	-

Sir James G. Hardy OBE	365,173	3,667	-	-	368,840
A.M. Kennedy	196,906	8,641	65,000	(20,000)	250,547
R.H. Searby QC	25,611	7,423	20,000	(10,000)	43,034
A.W. Whatmore	38,500	7,850	20,000	-	66,350
D.Woods	105,000	26,750	50,000	(55,000)	126,750

<FN>
Notes:
(1) Messrs R.G. Chabrel and M.R. Davison are also directors of Berren Asset Management Limited, the manager of The International Wine Investment Fund, which had relevant interests in 18,555,094 (2001: 20,538,581) fully paid ordinary shares and exchange-traded bought call options over 4,450,000 (2001: nil) fully paid ordinary shares of the parent entity at 31 December 2002.
</TABLE>

At 31 December 2002 directors and director-related entities held in aggregate 1,242,881 ordinary shares, 188,200 July 2003 ($5.11) options, 485,000 July 2004 ($6.61) options, 197,000 October 2005 ($7.45) options, 261,000 November 2006 ($10.13) options, and 280,000 September 2007 ($8.08) options. At 31 December 2001 directors and director-related entities held in aggregate 1,143,444 ordinary shares, 97,600 July 2002 ($3.72) options, 273,200 July 2003 ($5.11) options, 500,000 July 2004 ($6.61) options, 196,000 October 2005 ($7.45) options and 260,000 November 2006 ($10.13) options.

The number of options granted during the year to executive directors under the BRL Hardy Option Plan and the terms and conditions under which they were granted were approved by resolution at the annual general meeting of the company (see Note 22(b)(vi)-(viii) for the terms and conditions applicable to these options). During 2002, 92,818 September 2007 ($8.08) options were issued to non-executive directors under the NED Plan (see Note 22(c)).

NOTE 32. RELATED PARTIES (CONTINUED)

(iv) Other transactions with directors and director-related entities

The parent entity has retained the services of Sir James G. Hardy OBE as a consultant for the marketing of its products. The parent entity also pays an annuity and royalties on the sale of wine under the Sir James brand to Sir James Hardy and the J.G. Hardy Retirement Fund in consideration of the granting of a licence to register and use the trade mark 'Sir James'. The amounts paid or accrued are included in the remuneration of directors disclosed in Note 24.

Mr R.G. Chabrel is a director and active member of CCW Co-operative Limited (CCW) which supplies grapes to the parent entity on commercial terms. An entity associated with Mr Chabrel holds 300 shares in CCW, and supplied grapes to the parent entity through CCW.

Entities associated with Messrs R.G. Chabrel and M.R. Davison sold 285 tonnes of grapes in 2002 (2001: 109) to the parent entity on commercial terms and conditions under an agreement dated 12 December 1996.

Other transactions entered into during the year with the directors or their director-related entities were within normal employee, customer, shareholder or supplier relationships on terms and conditions no more favourable than those available to other employees, customers, shareholders or suppliers.

OTHER ENTITIES

(i) Barossa Valley Estate Ltd. (BVE)

The parent entity holds 50% of the issued shares of BVE. The parent entity provides packaging services to BVE at commercial rates and is sole distributor of BVE's wines purchased at commercial rates.

(ii) Brookland Valley Estate Pty. Ltd.

The parent entity holds 50% of the issued shares in Brookland Valley Estate Pty. Ltd. The parent entity purchases wine from Brookland Valley Estate Pty. Ltd. at commercial rates and provides winemaking, packaging and distribution services at commercial rates.

(iii) Churchill Cellars Ltd.

The parent entity holds 20% of the issued shares in Churchill Cellars Ltd. The parent entity sells wine at commercial rates to Churchill Cellars Ltd.

(iv) Medallion Wine Marketing Inc.

The parent entity holds 25% (2001: 18%) of the issued shares in Medallion Wine Marketing Inc. The parent entity sells wine at commercial rates to Medallion

Wine Marketing Inc.

(v) Pacific Wine Partners, LLC

BRL Hardy (USA) Inc., a 100% owned subsidiary within the consolidated entity, holds 50% of the issued shares in Pacific Wine Partners, LLC. The parent entity sells wine at commercial rates to Pacific Wine Partners, LLC.

(vi) Nobilo Wines Limited (NWL)

NOTE 32. RELATED PARTIES (CONTINUED)

<TABLE>
<CAPTION>

OTHER ENTITIES (CONTINUED)

The aggregate of each different type of transaction with related parties, other than wholly owned controlled entities and transactions with directors set out in Note 32, were as follows:

	CONSOLIDATED 2002 $'000	CONSOLIDATED 2001 $'000
<S>	<C>	<C>
Outgoings:		
Purchases of wine	9,789	9,366
Crushing/contract processing expenses	6	269
Marketing	5,527	680
Investment	-	2,436
Purchase of grapes	451	145
Recharges (net)	301	-
Loans	599	602
Exchange rate adjustments (net)	1,219	-
Inflows:		
Sale of wine	41,463	17,079
Contract crushing	393	218
Dividends	124	90
Management	68	64
Marketing	130	16
Packaging expenses	1,047	1,288
Recharges (net)	-	559
Loans	-	31
Interest	33	26
Exchange rate adjustments (net)	-	1,779
Other	27	25

</TABLE>

SUPERANNUATION FUND

Information relating to superannuation funds is set out in Note 31.

NOTE 33. PARTICULARS IN RELATION TO CONTROLLED ENTITIES

<TABLE>
<CAPTION>

Investment

	Incorporated	Class of Share	Holding %	2002 $	2001 $
PARENT ENTITY					
<S>	<C>	<C>	<C>	<C>	<C>
BRL Hardy Limited	SA				

CONTROLLED ENTITIES

Vineyards (Australasia) Pty. Ltd.		SA	Ord.	100	48,500	48,500
BRL Hardy Finance Pty. Ltd.		SA	Ord.	100	176,863,773	176,863,773
- - BRL Hardy (USA) Inc.	(3)	USA	Ord.	20		
			Fixed Rate Pref.	100		
- - BRL Hardy Investments (USA) Inc.		USA	Ord.	100		
- BRL Hardy (USA) Inc.	(3)	USA	Ord.	80		
- - Hardy TransTasman LLP	(6)	VIC	Ord.	1		
Thomas Hardy Hunter River Pty. Ltd.		SA	Ord.	100	2,553	2,553
The Stanley Wine Company Pty. Ltd.		SA	Ord.	100	5,583,804	5,583,804
Houghton Wines (Western Australia) Pty. Ltd.		WA	Ord.	100	9,946,706	9,946,706
- - The WA Winegrowers Association Pty. Ltd.		WA	Ord.	100		
			10% Cum. Pref	100		
International Cellars (Aust) Pty. Ltd.		ACT	Ord.	100	9,366,029	9,366,029
- - Walter Reynell & Sons Wines Pty. Ltd.		SA	Ord.	100		
BRL Hardy (Canada) Limited	(1)	Canada	Ord.	100	1	1
BRL Hardy Europe Limited	(2)	UK	Ord.	100	3,659,689	3,659,689
BRL Hardy (Investments) Limited	(2)	UK	Ord.	100	21,738,641	21,738,641
La Baume SA	(4)	France	Ord.	90	5,647,738	5,647,738
Nobilo Wine Group Limited	(5)	NZ	Ord.	100	36,796,774	36,802,097
- - Nobilo Vintners Limited	(5)	NZ	Ord.	100		
- Valleyfield Vineyard Partnership	(5)	NZ	Ord.	60		
- Mohaka Vineyard Partnership	(5)	NZ	Ord.	90		
- - Selaks Wines Limited	(5)	NZ	Ord.	100		
- - National Liquor Distributors Limited	(5)	NZ	Ord.	100		
- Hardy TransTasman LLP	(6)	VIC	Ord.	99		
		(Note 12)			269,654,208	269,659,531

<FN>
(1) Audited by PricewaterhouseCoopers in Canada.
(2) Audited by PricewaterhouseCoopers in the United Kingdom.
(3) Audited by PricewaterhouseCoopers in Australia (2001: audited by PricewaterhouseCoopers in the United States of America).
(4) Audited by PricewaterhouseCoopers in France.
(5) Audited by PricewaterhouseCoopers in New Zealand.
(6) Incorporated 30 December 2002
</TABLE>

NOTE 34. STATEMENT OF OPERATIONS OF SEGMENTS

The economic entity operates predominantly in the wine making and marketing industry. Inter-segment pricing is on commercial terms and inter-segment sales are disclosed based on the geographical location of the segment acquiring wine products.

<TABLE>
<CAPTION>

	Australasia	Europe	North America	Rest of the world	Unallocated and inter-segment eliminations	Consolidated
	$'000	$'000	$'000	$'000	$'000	$'000

<S>	<C>	<C>	<C>	<C>	<C>	<C>
31 DECEMBER 2002						
REVENUE (BY LOCATION OF CUSTOMER)						
Sales to external customers	401,890	377,629	55,659	18,964	-	854,142
Inter-segment sales	18,903	268,102	-	-	(287,005)	-
Total sales revenue	420,793	645,731	55,659	18,964	(287,005)	854,142
Share of net profits of associates and joint venture partnerships	226	-	23,054	-	-	23,280
Other revenue	14,333	1,859	2	-	-	16,194
TOTAL SEGMENT REVENUE	435,352	647,590	78,715	18,964	(287,005)	893,616
SEGMENT RESULT (BY LOCATION OF CUSTOMER)						
Profit from ordinary activities before interest and tax	46,297	74,079	32,444	1,739	(9,933)	144,626
Borrowing costs	(11,975)	(8,899)	(3,715)	(684)	-	(25,273)
PROFIT FROM ORDINARY ACTIVITIES BEFORE TAX	34,322	65,180	28,729	1,055	(9,933)	119,353
Income tax expense						(35,191)
NET PROFIT						84,162
Segment assets (by physical location)	1,282,776	197,848	226,199	-	(92,356)	1,614,467
Segment liabilities (by physical location)	750,873	134,505	40,712	-	(92,501)	833,589
Acquisition of property, plant and equipment and intangibles (by physical location)	80,512	3,250	-	-	-	83,762
Depreciation and amortisation of segment assets (by physical location)	24,680	1,817	-	-	-	26,497
Other non-cash expenses (by location of assets)	1,602	189	-	-	-	1,791
Investments in associates/other investees accounted for by the equity method (by location of assets)	8,396	-	225,180	-	-	233,576
31 DECEMBER 2001						
REVENUE (BY LOCATION OF CUSTOMER)						
Sales to external customers	357,556	323,453	56,412	20,187	-	757,608
Inter-segment sales	701	212,605	12,890	-	(226,196)	-

Total sales revenue	358,257	536,058	69,302	20,187	(226,196)	757,608
Share of net profits of associates and joint venture partnerships	464	-	1,821	-	-	2,285
Other revenue	10,616	2,151	1,002	-	-	13,769
TOTAL SEGMENT REVENUE	369,337	538,209	72,125	20,187	(226,196)	773,662
SEGMENT RESULT (BY LOCATION OF CUSTOMER)						
Profit from ordinary activities before interest and tax	46,794	71,589	5,282	1,776	(1,193)	124,248
Borrowing costs	(10,324)	(7,629)	(3,412)	(1,025)	-	(22,390)
PROFIT FROM ORDINARY ACTIVITIES BEFORE TAX	36,470	63,960	1,870	751	(1,193)	101,858
Income tax expense						(29,699)
NET PROFIT						72,159
Segment assets (by physical location)	1,117,526	156,617	226,508	-	(79,911)	1,420,740
Segment liabilities (by physical location)	533,935	101,160	169,718	-	(56,544)	748,269
Acquisition of property, plant and equipment and intangibles (by physical location)	76,147	11,312	237	-	-	87,696
Depreciation and amortisation of segment assets (by physical location)	21,945	1,319	149	-	-	23,413
Other non-cash expenses (by location of assets)	1,139	180	-	-	-	1,319
Investments in associates/other investees accounted for by the equity method (by location of assets)	8,332	-	223,166	-	-	231,498

</TABLE>

NOTES TO FINANCIAL STATEMENTS

NOTE 35. EARNINGS PER SHARE

<TABLE>
<CAPTION>

	CONSOLIDATED	
	2002	2001
	$'000	$'000

<S> <C> <C>

Basic earnings per share	48.2 cents	45.5 cents
Diluted earnings per share	47.7 cents	44.7 cents
Weighted average number of shares used as the denominator:		
Weighted average number of ordinary shares used as the denominator in calculating basic earnings per share	175,087,735	158,622,020
Weighted average number of ordinary shares and potential ordinary shares used as the denominator in calculating diluted earnings per share	176,993,717	161,673,629

</TABLE>

In 2002, 2,552,350 (2001:2,545,300) $10.13 options (see Note 22(b)(v)) were excluded from the diluted earnings per share calculation as the exercise price of these options did not exceed the average market price.

NOTE 36. FINANCIAL INSTRUMENTS

Derivative financial instruments are used by the economic entity to hedge against risks arising from changes in foreign exchange rates and interest rates. Instruments used include forward foreign exchange contracts, interest rate swaps, forward rate agreements and options. The economic entity does not undertake speculative trading in these instruments. All derivative transactions are undertaken to hedge the risks relating to existing or expected physical positions. Consequently, any gain or loss under derivative transactions arising as a result of foreign currency or interest rate movement is recognised when the underlying physical transaction occurs.

FOREIGN EXCHANGE RISK

The economic entity enters into foreign exchange contracts to hedge the exchange rate risk on expected future receivables and payables denominated in foreign currencies.

The economic entity is a substantial exporter and distributor of wines into world markets and is expecting significant growth in its international business in the future, as product availability expands and world markets develop. One of the key determinants of market growth is the ability to provide quality product at appropriate prices in each market with certainty as to both supply and price over time. Accordingly, the economic entity has established a board-approved risk management policy for the identification, management and reporting of exposure to foreign currency exchange rate transactions.

The principal purposes of the foreign currency hedging activities are to minimise the volatility of the profit and cash flows arising from changes in exchange rates, to protect the entity from adverse exchange rate shock, to avoid positions which may threaten market competitiveness and to protect the entity's viability. The policy outlines maximum and minimum proportions of expected future transactions that may be covered in any period and limits the maximum forward cover to 63 months.

The amounts of anticipated future foreign currency sales and purchases are forecast taking into account market conditions, commitments from customers and experience. Hedging is only effected after considering the level of currency exposures, historical exchange rates, financial market volatility and expected future currency rate movements.

NOTE 36. FINANCIAL INSTRUMENTS (CONTINUED)

FOREIGN EXCHANGE RISK (CONTINUED)

The following table sets out the gross value to be received or paid under foreign currency derivative contracts at 31 December 2002, based on the contract forward rates or in the case of options the strike rates, within the maturity bands for the settlement dates of the contracts:

<TABLE>
<CAPTION>

	CONSOLIDATED 2002 $'000	CONSOLIDATED 2001 $'000
EXPORTS		
<S>	<C>	<C>
Sell English pounds (GBP)/buy Australian dollars (AUD):		
0 - 12 months	163,470	150,493
13 - 24 months	143,199	158,781
25 - 36 months	134,746	132,022

37 - 48 months	75,289	112,393
49 - 63 months	11,177	49,726
	527,881	603,415
Sell American dollars (USD)/buy AUD:		
0 - 12 months	54,708	59,463
13 - 24 months	70,650	69,499
25 - 36 months	63,599	85,027
37 - 48 months	37,009	83,957
49 - 63 months	24,707	20,538
	250,673	318,484
Sell Canadian dollars (CAD)/buy AUD:		
0 - 12 months	14,744	18,114
13 - 24 months	16,019	14,850
25 - 36 months	12,077	16,019
37 - 48 months	6,439	12,077
49 - 63 months	1,880	3,932
	51,159	64,992
Sell New Zealand dollar (NZD)/buy AUD:		
0 - 12 months	9,000	10,002
13 - 24 months	9,019	7,718
25 - 36 months	8,183	4,468
37 - 48 months	5,772	3,215
49 - 63 months	1,660	804
	33,634	26,207
Sell Euro dollars (EUR)/buy AUD:		
0 - 12 months	41,826	18,222
13 - 24 months	41,451	17,376
25 - 36 months	38,994	14,470
37 - 48 months	26,605	12,013
49 - 63 months	11,049	6,566
	159,925	68,647
Sell CAD, USD and GBP/buy NZD:		
0 - 12 months	12,356	8,751
13 - 24 months	8,940	5,515
25 - 36 months	3,768	1,720
	25,064	15,986
Sell other currencies/buy AUD:		
0 - 12 months	-	-
Total exports	1,048,336	1,097,731
IMPORTS		
Sell AUD/buy other currencies:		
0 - 12 months	297	-
Sell NZD/buy AUD:		
0 - 12 months	-	336
Total imports	297	336
FINANCING		
Sell American dollars (USD)/buy AUD:		
49 - 63 months	132,375	-

</TABLE>

NOTES TO THE FINANCIAL STATEMENT

NOTE 36. FINANCIAL INSTRUMENTS (CONTINUED)

FOREIGN EXCHANGE RISK (CONTINUED)

The effective exchange rates of the contracts have not been disclosed because the information is commercially sensitive. In any event, the actual settlement rates on certain option contracts cannot be determined with any accuracy until the date of settlement or some other future time or as a result of some other future event.

Where the contracts are hedging expected future sales or purchases, any gains or losses arising on the contracts, together with the costs of the contracts, will be recognised in the financial statements at the time the underlying transactions occur. The net unrecognised loss on these contracts, on a mark-to-market basis, at 31 December 2002 was $41,372,779 (2001: loss $67,447,000).

INTEREST RATE RISK

The economic entity uses interest rate contracts to hedge against movements in interest rates on its short term and long term debt. The key purpose of interest rate hedging activities is to minimise the volatility of the economic entity's profit and net cash flows arising from changes in interest rates. The terms of the interest rate contracts are intended to match the maturity profile of the underlying debt.

The economic entity uses swaps, forward rate agreements and options to hedge its exposure. It operates under a board-approved risk management policy that allows it to cover certain percentages of its exposure out to 48 months. In addition, specific interest rate cover has been taken for amounts with maturities ranging up to 8 years. Hedging is only effected after taking into account expected debt, financial market volatility, historical rates and alternative methods of funding.

As these interest rate contracts are hedging expected debt, any unrealised gains and losses on the contracts, together with the costs of the contracts, will be recognised in the financial statements at the time the underlying transactions occur. The net unrecognised loss on these contracts, on a mark-to-market basis, as at 31 December 2002 was $11,997,999 (2001: loss $3,985,788).

The economic entity's exposure to interest rate risk and the effective average interest rate for classes of financial assets and financial liabilities by period in which they are contracted to mature or be repriced is set out below:

<TABLE>
<CAPTION>

2002	NOTES	FLOATING INTEREST RATE $'000	FIXED INTEREST MATURING IN: 1 YEAR OR LESS $'000	OVER 1 YEAR TO 5 YEARS $'000	OVER 5 YEARS $'000	NON INTEREST BEARING $'000	TOTAL $'000
<S>	<C>	<C>	<C>	<C>	<C>	<C>	<C>
FINANCIAL ASSETS							
Cash assets	7	43,553	-	-	-	-	43,553
Receivables	8	-	-	-	-	225,637	225,637
Other financial assets - investments	12	-	-	-	-	26,452	26,452
		43,553	-	-	-	252,089	295,642
Weighted average interest rate (pa)		3.73%	-	-	-	-	
FINANCIAL LIABILITIES							
Trade and other creditors	17	-	-	-	-	150,460	150,460
Commercial bills	18	-	282,285	217,539	45,000	-	544,824
Bank advances	18	-	38,509	15,584	-	-	54,093
Other loans	18	-	7,980	-	-	-	7,980
		-	328,774	233,123	45,000	150,460	757,357
Weighted average interest rate (pa)		-	4.92%	6.09%	6.27%	-	

</TABLE>

NOTE 36. FINANCIAL INSTRUMENTS (CONTINUED)

<TABLE>
<CAPTION>

2001	NOTES	FLOATING INTEREST RATE $'000	FIXED INTEREST MATURING IN: 1 YEAR OR LESS $'000	OVER 1 YEAR TO 5 YEARS $'000	OVER 5 YEARS $'000	NON INTEREST BEARING $'000	TOTAL $'000
<S>	<C>	<C>	<C>	<C>	<C>	<C>	<C>
FINANCIAL ASSETS							
Cash assets	7	39,665	-	-	-	-	39,665
Receivables	8	-	-	-	-	225,585	225,585
Other financial assets - investments	12	-	-	-	-	26,194	26,194
		39,665	-	-	-	251,779	291,444
Weighted average interest rate (pa)		3.52%	-	-	-	-	
FINANCIAL LIABILITIES							
Trade and other creditors	17	-	-	-	-	169,500	169,500
Commercial bills	18	-	157,042	55,000	90,000	-	302,042
Bank advances	18	-	177,943	8,530	-	-	186,473
Other loans	18	-	6,721	-	-	-	6,721
Lease liabilities	18	-	56	-	-	-	56
		-	341,762	63,530	90,000	169,500	664,792
Weighted average interest rate (pa)		-	4.57%	6.12%	6.22%	-	

</TABLE>

CREDIT RISK EXPOSURES

On-balance sheet financial instruments:

The credit risk on financial assets, excluding investments, of the economic entity which have been recognised on the statement of financial position, is the carrying amount, net of any provision for doubtful debts.

The economic entity minimises concentration of credit risk by undertaking transactions with a large number of customers in various countries. The parent entity also takes out insurance on certain overseas debts to reduce its credit risk.

Off-balance sheet financial instruments:

The economic entity operates under a risk management policy which determines the levels of hedging, the types of financial instruments that can be used, the authorisation limits and counterparty risk. The results of hedging are monitored to maintain financial control over the application of the policy.

There was no material counterparty risk exposure to the economic entity at 31 December 2002 or 2001.

NOTE 36. FINANCIAL INSTRUMENTS (CONTINUED)

NET FAIR VALUE OF FINANCIAL ASSETS AND LIABILITIES

Net fair values of financial assets and liabilities are determined by the economic entity on the following bases:

On-balance sheet:

The net fair value of cash and cash equivalents, non-interest bearing monetary financial assets and liabilities and other financial assets and liabilities approximates their carrying value. Unlisted equity investments have been assessed based on the underlying net assets and future maintainable earnings.

Off-balance sheet:

The valuation of off-balance sheet financial instruments reflects the estimated amounts which the economic entity would have to pay or receive to terminate the contracts (net of transaction costs) or replace the contracts at their current market rates as at reporting date. This is based on independent market quotations and determined using standard valuation techniques.

NET FAIR VALUES

Financial assets and liabilities included in current and non-current assets and liabilities in the statement of financial position are carried at amounts that approximate net fair value.

NOTE 37. SIGNIFICANT EVENT OCCURRING AFTER REPORTING DATE

On 17 January 2003, BRL Hardy Limited ("BRL" or "the Company") and Constellation Brands, Inc. ("Constellation") announced that they had entered into an Implementation Deed ("ID") to merge the respective businesses through two schemes of arrangement pursuant to Part 5.1 of the Corporations Act 2001.

Under the merger proposal:

- a wholly owned subsidiary of Constellation will acquire all of the shares in BRL by way of the scheme of arrangement ("Share Scheme"); and
- all of the options over shares in BRL ("Options") granted pursuant to the BRL Hardy Option Plan ("Option Plan") will be cancelled by way of scheme of arrangement ("Option Scheme").

Pursuant to the Share Scheme, the consideration offered to the shareholders in BRL ("BRL Shareholders") for each BRL share held is either:

- cash of $10.50 per share; or
- Constellation shares; or
- any combination of cash and Constellation shares.

Pursuant to the Option Scheme, the consideration offered to BRL optionholders ("Optionholders") for each option is:

- the cash amount equal to the difference between $10.50 and the exercise price of the Options; and
- an additional cash amount of $0.12 for Options on issue as at 19 September 2001.

The Share Scheme and the Option Scheme were both approved by the requisite majorities of BRL Shareholders and Optionholders at general meetings held on 20 March 2003 and final approval was granted by the Supreme Court of South Australia on 27 March 2003, which is the effective date for both schemes, on which date trading in BRL shares ceased on the Australian Stock Exchange (ASX). BRL has become a wholly owned subsidiary of Constellation and will be delisted from the ASX after the schemes have been implemented according to their terms.

The financial effects of the above transaction have not been brought to account at 31 December 2002, as it related to an event occurring after reporting date which does not relate to conditions existing at 31 December 2002.

NOTE 38. RECONCILIATIONS TO U.S. GAAP

BRL Hardy Limited prepares its consolidated financial statements in accordance with generally accepted accounting principles in Australia ("A GAAP"). A GAAP differs in certain material respects from generally accepted accounting principles in the United States ("U.S. GAAP"), as they relate to the Company. These differences and the effect of the adjustments necessary to present BRL Hardy Limited's consolidated net profit attributable to members, shareholders' equity and cash flows in accordance with U.S. GAAP as at 31 December 2002 and 2001 and for the years then ended, are detailed below.

<TABLE>
<CAPTION>

		CONSOLIDATED	
		2002 $'000	2001 $'000
(i) NET PROFIT ATTRIBUTABLE TO MEMBERS			
<S>	<C>	<C>	<C>
Net profit attributable to members in accordance with A GAAP		84,338	72,212
U.S. GAAP adjustments:			
(a) Superannuation		1,272	(204)
(b) Stock compensation		(311)	(3,023)
(c) Insurance receivable		(9,148)	-
(d) Capitalisation of borrowing costs to inventory		(3,918)	(2,012)
(e) Grape vines and inventory		(507)	(2,346)
(f) Goodwill		708	-
(g) Revenue recognition		(444)	-
(h) Purchase accounting for Nobilo		-	(1,141)
(i) Derivative instruments		16,811	(28,471)
(i) Hedge of net investments - FRPS mark to market		(3,518)	-
(j) Investment in GSI Holdings		(1,897)	(1,298)
(k) Deferred income taxes		(610)	(936)
(k) Tax impact of U.S. GAAP adjustments		405	10,642
Total U.S. GAAP adjustments to net profit attributable to members		(1,157)	(28,789)
Net profit attributable to members in accordance with U.S. GAAP		83,181	43,423

</TABLE>

<TABLE>
<CAPTION>

	CONSOLIDATED	
	2002 $	2001 $
<S>	<C>	<C>
EARNINGS PER SHARE		
Basic net profit attributable to members per share in accordance with U.S. GAAP	$0.48	$0.28
Diluted net profit attributable to members per share in accordance with U.S. GAAP	$0.48	$0.28
Basic weighted average number of shares outstanding	171,774,892	154,648,864
Diluted weighted average number of shares outstanding	173,680,874	157,700,473

</TABLE>

NOTE 38. RECONCILIATIONS TO U.S. GAAP (CONTINUED)

<TABLE>
<CAPTION>

(ii) SHAREHOLDERS' EQUITY

	CONSOLIDATED	
	2002 $'000	2001 $'000
<S>	<C>	<C>
Shareholders' equity in accordance with A GAAP	780,878	672,471
U.S. GAAP adjustments:		
(a) Superannuation	3,576	2,304
(c) Insurance receivable	(9,148)	-
(d) Capitalisation of borrowing costs to inventory	(14,241)	(10,323)
(e) Grape vines	(5,602)	(4,532)
(e) Inventory	(3,116)	(3,679)
(f) Goodwill	708	-
(g) Revenue recognition	(444)	-

(h) Purchase accounting for Nobilo	(970)	(970)
(i) Derivative instruments	(53,439)	(70,838)
(i) Hedge of net investments - FRPS mark to market	(1,520)	-
(j) Investment in GSI Holdings	(22,380)	(24,370)
(k) Deferred income taxes	(7,087)	(6,477)
(k) Tax impact of U.S. GAAP adjustments C/F	26,529	26,384
(l) Revaluation of property, plant and equipment	(16,595)	(16,818)
(m) Minority interest	(1,056)	(1,232)
(n) Dividends	-	19,000
Total U.S. GAAP adjustments to shareholders' equity	(104,785)	(91,551)
Shareholders' equity in accordance with U.S. GAAP	676,093	580,920

(iii) CHANGES IN U.S. GAAP SHAREHOLDERS' EQUITY

Shareholders' equity at the beginning of the year	580,920	395,109
Net profit attributable to members	83,181	43,423
Other comprehensive income:		
Movement in foreign currency translation	295	896
(i) Hedge of net investments - reversal of amounts in foreign currency translation	1,998	-
(i) SFAS 133 transition liability, net of tax	-	(2,492)
(i) Current period movement in transition liability, net of tax	412	525
Total comprehensive income	85,886	42,352
(b) Additional paid in capital - employee stock compensation	311	3,023
(j) (Purchase)/Sale of BRL shares by the IWIF	3,205	(3,139)
Issuance of shares for cash (change in issued share capital)	41,665	172,259
Dividends	(35,894)	(28,684)
Shareholders' equity at the end of the year	676,093	580,920

</TABLE>

NOTE 38. RECONCILIATIONS TO U.S. GAAP (CONTINUED)

(a) Superannuation

The Company recognises defined benefit superannuation expense on an accrual basis in accordance with actuarial recommendations.

Under U.S. GAAP, SFAS 87 "Employers' Accounting for Pensions" requires superannuation expense to be recognised on an accrual basis over the service period of the employees. Superannuation expense is determined using actuarial assumptions and includes service costs, interest costs and expected return on plan assets. The difference between the cumulative expense recognised in prior periods and the contributions made by the Company is reflected as either a prepaid asset or liability in the statement of financial position. For the purpose of preparing these statements, the Company adopted the provisions of SFAS 87 effective 1 January 2000, the beginning of the first period for which U.S. GAAP financial information has been presented. It was not feasible for the Company to adopt SFAS 87 at 1 January 1989, the standard's effective date for the Company. On 1 January 2000, the Company recognised a transition asset of $2.3 million and a deferred tax liability of $0.7 million with corresponding adjustments to shareholders' equity. The remaining unrecognised transition asset will be recognised during the next four years. The reconciliations include adjustments to reflect the prepaid pension asset, to recognise pension benefits (expense) in the statement of financial performance in accordance with U.S. GAAP offset by the reversal of the pension expense of $3.6 million and $1.9 million recorded under A GAAP in 2002 and 2001 respectively.

(b) Stock compensation

The Company grants options to permanent employees, executive directors and employees of associates under the BRL Hardy Option Plan. The options vest upon grant and are exercisable three years after grant if the weighted average market price of an ordinary share increases by 10% over the exercise price of the option.

In 2001 the Company granted ordinary shareholders and option holders renounceable rights on a one for ten basis to purchase additional shares at

$9.30 per new share. The rights granted to the option holders become exercisable if the preconditions for the exercise of the related options have been met.

Under A GAAP, no compensation costs are recognised in the financial statements for shares and options granted to employees.

The Company has elected to account for the plan in accordance with APB 25 "Accounting for Stock Issued to Employees" (APB 25) for U.S. GAAP purposes. Under APB 25, options granted under the plan are considered variable until the weighted average market price increases by 10% over the exercise price, at which time the compensation element becomes fixed. For variable plans compensation expense is recognised as the difference between the market price of an ordinary share and the exercise price of the option over the vesting period. Under U.S. GAAP, compensation expense is also recognised for the renounceable rights granted to employees, in a similar manner to that described above. The reconciliations include adjustments to recognise compensation cost under U.S. GAAP and the corresponding increase to paid in capital.

(c) Insurance Receivable

In 2002 the Company recognised an insurance receivable for loss of inventory and related costs resulting from faulty taps provided by a third party vendor. Under A GAAP, a receivable is recorded when recovery is considered more likely than less likely to be received. Under U.S. GAAP, an insurance receivable for losses incurred is recognised in the statement of financial performance only when realisation of the claim is deemed likely to be received. Insurance receivables for losses not yet recognised in the consolidated financial statements are recognised when received. The reconciliation includes adjustments to reverse the insurance receivables and income recognised under A GAAP in 2002.

(d) Capitalisation of borrowing costs to inventory

The Company capitalises interest costs to wine stocks that take greater than twelve months to be prepared for sale in accordance with the requirements of AASB 1036 "Borrowing Costs".

Under U.S. GAAP, interest costs are not capitalised to inventory unless the inventory is constructed or produced as a discrete project for which costs are separately accumulated and where construction of the asset takes considerable time and entails substantial expenditures. The preparation and ageing process for wine stocks does not meet this criteria. The reconciliations include adjustments to remove the amount of interest capitalised to inventory and to reverse the net impact to profits.

(e) Grape vines and inventory

Effective 1 January 2000 the Company changed its accounting policy for grape vines from historical cost to net market value in accordance with AASB 1037 "Self-Generating and Regenerating Assets". Any change in market value is recognised in the statement of financial performance. At harvest the fruit is transferred to inventory at net market value.

Under U.S. GAAP, grape vines and inventory are recorded at acquisition or production cost. The reconciliations include adjustments to reverse the cumulative effect of the adoption of AASB 1037 in 2000; to restore the historical carrying value of the assets; to reverse the mark-to-market impacts on the statement of financial performance; and to include depreciation of the grape vines.

NOTE 38. RECONCILIATIONS TO U.S. GAAP (CONTINUED)

(f) Goodwill amortisation

Under A GAAP, goodwill is amortised on a straight line basis over the period of time during which benefits are expected to arise but no longer than twenty years.

Under U.S. GAAP, the Company would have been required to cease amortising goodwill effective 1 January 2002 as goodwill is no longer amortised but is reviewed annually for impairment in accordance with the requirements of SFAS No. 142 "Goodwill and Other Intangible Assets". The Company's assessment of the carrying value of goodwill did not indicate an impairment in its carrying value. The reconciliations include an adjustment to reverse the amortisation expense recognized under A GAAP in 2002.

(g) Revenue recognition

The Company recognises revenue for domestic sales upon despatch to the customer.

Under U.S. GAAP, SAB 101 "Revenue Recognition in Financial Statements" revenue cannot be recognised until legal title and the risks and rewards of ownership have been transferred. The reconciliations include adjustments to reverse the revenue recognised under A GAAP; to reverse the corresponding trade debtors; to restore inventory; and to reverse the cost of sales.

In the normal course of business the Company provides customers with volume and quantity discounts, retail display allowances and cooperative advertising allowances. The cost of these programs are recognised in selling, distribution and marketing expenses in the statement of financial performance.

Under U.S. GAAP and in accordance with EITF 01-09 "Accounting for Consideration Given by a Vendor to a Customer (Including a Reseller of the Vendor's Products)" these expenditures have been reclassified as a reduction of revenue. In applying EITF 01-09 the Company's total revenues for the years ended 31 December 2002 and 2001 would be reduced by $88.9 million and $56.8 million, respectively, with corresponding decreases to selling, distribution and marketing expenses. This difference in treatment does not impact net profit attributable to members or shareholders' equity.

(h) Purchase accounting for Nobilo

During 2000, the Company purchased in several stages the remaining 75% interest in Nobilo Wine Group Limited for $4.6 million and 4.1 million BRL Hardy shares. Under A GAAP, the fair value of the 4.1 million shares issued as purchase consideration was determined at each share exchange date. The costs of the acquisition are allocated to the assets and liabilities acquired, including inventory, using the purchase method and measured at their estimated fair values. A GAAP is not prescriptive in the method used to determine the fair values of individual assets and liabilities acquired.

Under U.S. GAAP, the fair value of securities issued for purchase consideration is equal to the market price of the shares a few days before and after the date the terms of the acquisition are agreed to and announced. The purchase price is allocated to the assets acquired and liabilities assumed based on their estimated fair values. APB 16 "Business Combinations" provides that the fair value of finished goods inventory is calculated as the estimated selling price less the sum of costs of disposal and a reasonable profit allowance for the selling effort of the acquiring entity. The fair value of work in process inventory is calculated as the estimated selling price of finished goods less the sum of costs to complete, costs of disposal, and a reasonable profit allowance for the completing and selling effort of the acquiring entity based on profit for similar finished goods.

The reconciliations include adjustments to reflect the increased purchase cost under U.S. GAAP, resulting from the difference in the method used in determining the fair value of the shares issued, the difference in the fair value of the inventory acquired and the recognition of derivative contracts at fair value, net of goodwill amortisation.

(i) Derivative instruments

The Company enters into forward foreign exchange contracts and options to hedge the exchange rate risk on foreign currency receivables and payables and on anticipated foreign currency sales and purchases. Gains and losses on forward foreign exchange contracts that qualify for hedge accounting are accounted for on the same basis as the underlying physical exposures being hedged. Foreign currency receivables and payables that are hedged under forward foreign exchange contracts are translated at the end of the reporting period at the exchange rate fixed in the hedge contract.

Gains or losses on foreign currency receivables and payables are recognised currently in the statement of financial performance. Gains or losses arising on forward foreign exchange options and contracts intended as hedges of anticipated transactions are deferred and recognised when the underlying transactions occur. As at 31 December 2002, the Company recognised on the statement of financial position for the first time, deferred gains and losses arising from forward foreign exchange options and contracts intended as hedges of anticipated transactions as a net asset or liability with a corresponding equal and opposite net asset or liability in accordance with AASB 1012 "Foreign Currency Translation".

The Company enters into interest rate contracts, swaps and options to hedge against movements in interest rates and to minimise the volatility of the Company's profit and net cash flows arising from changes in interest rates. The terms of the interest rate contracts are intended to match the maturity profile of the underlying debt.

The cash flows required under interest rate swaps are settled on a net basis and either recognised in the statement of financial performance as interest expense as they occur or included in the carrying amount of assets through capitalisation of borrowing costs.

NOTE 38. RECONCILIATIONS TO U.S. GAAP (CONTINUED)

(i) Derivative instruments (continued)

Effective 1 January 2001, the Company adopted SFAS No. 133 "Accounting for Derivative Instruments and Hedging Activities", as amended. SFAS No. 133 requires derivatives to be recorded at their fair value as either an asset or liability in the statement of financial position. Gains or losses on derivatives which qualify and are effective as cash flow hedges are accumulated in equity as other comprehensive income and are recognised in the statement of financial performance when the hedged transaction occurs. Gains or losses on non-qualifying derivatives are recognised in the statement of financial performance immediately. Gains or losses on fair value hedges and on the underlying item being hedged are also recorded in the statement of financial performance. Although SFAS No. 133 permits hedge accounting for hedges of forecasted transactions, the Company had not met the restrictive documentation, designation and effectiveness assessments required under SFAS No. 133. As a result, the derivative contracts used to hedge forecasted transactions continue to be marked to market through the statement of financial performance.

The Company did not meet the restrictive documentation, designation and effectiveness assessments required under SFAS No. 133 for its interest rate contracts. As a result, upon adoption of SFAS 133, a transition adjustment equal to the fair value of the interest rate contracts was recorded in shareholders' equity. Subsequent movements in the fair value of the interest rate contracts are recognised in the statement of financial performance. The transition adjustment is reclassified from shareholders' equity to the statement of financial performance over the life of the contracts existing at transition.

The application of U.S. GAAP, results in the recording on the statement of financial position of liabilities of $56.5 million and $70.8 million as at 31 December 2002 and 2001, respectively, and assets of $3.0 million and nil as at 31 December 2002 and 2001, respectively. In reconciling to U.S. GAAP, the net liability in relation to deferred losses and the corresponding equal and opposite asset arising on forward foreign exchange options and contracts intended as hedges of anticipated transactions recognised on the statement of financial position under A GAAP of $22.0 million and $66.4 million as at 31 December 2002 and 2001, respectively, would have been reversed, with no net impact in reconciling to U.S. GAAP net profit or shareholders equity.

During June 2002, the Company entered into a foreign currency derivative to hedge its investment in a foreign subsidiary. At the inception of the hedge, the Company did not meet the restrictive designation and effectiveness requirements of SFAS No. 133. The reconciliations include adjustments to recognise the derivative instrument at fair value and to reverse the amounts recognised in the currency translation reserve and earnings under A GAAP.

(j) Investment in GSI Holdings

The Company has recorded its investment in 100% of the preference shares in GSI Holdings at historical cost. Dividend income is recognised when declared.

Under U.S. GAAP, the assets and liabilities of GSI Holdings would be consolidated as the ordinary shareholder has not made a substantive capital investment and substantially all the risks and rewards of ownership are retained by the Company. In addition, GSI Holdings' significant asset, consisting of an approximate 17.9% interest in the International Wine Investment Fund, would be accounted for using the equity method. As at 31 December 2002 and 2001, the International Wine Investment Fund held approximately 10.4% and 11.6%, respectively, of the outstanding ordinary shares of the Company.

Under U.S. GAAP, the cross shareholding would be treated as treasury stock and recorded in shareholders' equity. Corresponding adjustments would also be made to dividends paid and the weighted average number of shares outstanding. The U.S. GAAP reconciliations include adjustments to record the cross shareholding as treasury stock; to account for the interest in the International Wine Investment Fund using the equity method; to reverse the dividend income recognised under A GAAP for dividends received from GSI Holdings; to increase the carrying value of the equity investment in the International Wine Investment Fund for dividends paid on Company shares; and to record the purchase or sale of additional shares by the International Wine Investment Fund as equity transactions. The treasury stock method decreases the basic and diluted weighted average number of shares outstanding for earnings per share purposes by 3,312,843 shares in 2002 and 3,973,156 shares in 2001.

(k) Deferred income taxes

The Company recognises deferred income taxes using the liability method of tax-effect accounting, adjusting for permanent differences. Tax loss carry forwards are recognised when realisation is virtually certain. Certain deferred tax liabilities which do not reverse for many years are discounted and recognised at net present value.

Under U.S. GAAP, SFAS 109 "Accounting for Income Taxes" requires the recognition of deferred tax assets and liabilities for temporary differences between book and tax balances and the recognition of deferred tax assets for tax loss carry forwards and credits if realisation is more likely than not. Discounting of deferred tax assets or liabilities is not permitted. Deferred tax assets and liabilities are adjusted for changes in tax rates in the period of enactment.

The U.S. GAAP reconciliations include adjustments to reverse the impact of discounting; to recognise as temporary differences certain adjustments classified as permanent under A GAAP; and to recognise the change in tax rates in the period of enactment.

In addition, the U.S. GAAP reconciliations include adjustments to reflect the SFAS 109 tax impact of the U.S. GAAP differences.

NOTE 38. RECONCILIATIONS TO U.S. GAAP (CONTINUED)

(l) Revaluation of property, plant and equipment

The Company periodically revalued land and buildings to the directors' valuation based on independent valuers' estimates of fair value in accordance with AASB 1041 "Revaluation of Non-Current Assets" which permits use of either the cost basis or the fair value basis to measure non-current assets. Under U.S. GAAP, property, plant and equipment are recorded at acquisition cost. Revaluations are not permitted. The reconciliations include adjustments to remove the effects of the revaluations including the increased value of the assets and the adjustments recognised through retained profits for the change in accounting principle. The impact of the revaluations on depreciation expense and on gains (losses) from disposal are not significant (the revaluations relate to land) and have not been adjusted.

(m) Minority interest

Under A GAAP, outside interests in controlled entities are recorded as a component of shareholders' equity. Under U.S. GAAP, outside interests in controlled entities are recorded outside of shareholders' equity.

(n) Dividends

Effective 1 January 2002, the Company recorded dividends in the period declared in accordance with the requirements of AASB 1044 "Provisions, Contingent Assets and Contingent Liabilities". This is consistent with U.S. GAAP. Prior to 1 January 2002, the Company provided for dividends expected to be declared by the directors post year-end and deducted the amount from shareholders' equity at the end of the relevant accounting period. The reconciliations include adjustments to reverse the provision for dividends expected to be declared as at 31 December 2001.

(o) Equipment leases

The Company entered into certain sale-leaseback transactions with a financial institution beginning in 1998. Under A GAAP, the equipment was removed from the balance sheet and the leasebacks accounted for as operating leases. No gains or losses were recognised on the sales.

Under U.S. GAAP, the transactions do not qualify for sale-leaseback accounting because of continuing involvement by the lessee; specifically, the leases provide the Company with an option to repurchase the property at the end of the lease term. Under U.S. GAAP, the arrangement is accounted for as a financing lease. Accordingly, in reconciling to U.S. GAAP, the Company would recognise equipment of $28.6 million and $30.4 million as at 31 December 2002 and 2001, respectively, and liabilities of $27.0 million and $29.2 million as at 31 December 2002 and 2001, respectively. The difference in treatment does not result in a material adjustment to profit.

(p) Statement of cash flows

Under both Australian and US GAAP, a statement of cash flows is presented, which discloses cash flows from operating, investing and financing activities. Under US GAAP, bank overdrafts would be reflected as a financing activity.

Presented below is summarised cash flow information in accordance with US GAAP for the years ended 31 December 2002, 2001.

<TABLE>
<CAPTION>

CASH FLOWS IN ACCORDANCE WITH US GAAP

	YEAR ENDED 31 DECEMBER 2002 $'000	2001 $'000
<S>	<C>	<C>
Cash flows (used in) from operating activities	(45,147)	21,842
Cash flows used in investing activities	(83,084)	(306,260)
Cash flows from financing activities	132,045	303,817
Exchange rate adjustment on beginning cash	74	480
Net increase (decrease) in cash	3,888	19,879
Opening cash	39,665	19,786
Closing cash	43,553	39,665

</TABLE>

DIRECTORS' DECLARATION

The directors declare that the financial statements and notes 1 to 37:

(a) comply with the Corporations Act 2001, Australian Accounting Standards and other mandatory professional reporting requirements; and

(b) give a true and fair view of the financial position as at 31 December 2002 and 31 December 2001 of BRL Hardy Limited and the consolidated entity and of their performance, for the two years ended on 31 December 2002 and 31 December 2001.

In the directors' opinion, there are reasonable grounds to believe that BRL Hardy Limited will be able to pay its debts when they become due and payable.

This declaration is made in accordance with a resolution of the directors.

/s/ Stephen Millar   /s/ Angus Kennedy

Stephen Millar   Angus Kennedy
Director   Director

Reynella
As at 6 March 2003 (except for Note 37 for which the date is 23 April 2003)

REPORT OF INDEPENDENT ACCOUNTANTS

To the members of BRL Hardy Limited

In our opinion, the accompanying consolidated statements of financial position and the related consolidated statements of financial performance and statements of cash flows present fairly, in all material respects, the financial position of BRL Hardy Limited and its controlled entities (the "Company") as at 31 December 2002 and 2001, and the results of their operations and their cash flows for each of the two years in the period ended 31 December 2002, in conformity with the Corporations Act, Australian Accounting Standards and other authoritative pronouncements of the Australia Accounting Standards Board and Urgent Issues Group Consensus Views (collectively "A GAAP"). These financial statements are the responsibility of the Company's management; our responsibility is to express an opinion on these financial statements based on our audits. We conducted our audits of these statements in accordance with auditing standards generally accepted in Australia and the United States, which require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements, assessing the accounting principles used and significant estimates made by management, and evaluating the overall financial statement presentation. We believe that our audits provide a reasonable basis for our opinion.

Accounting principles generally accepted in Australia vary in certain significant respects from accounting principles generally accepted in the United States. The application of the latter would have affected the determination of consolidated net profit attributable to members expressed in Australia Dollars for each of the two years in the period ended 31 December 2002 and the determination of consolidated equity also expressed in Australian Dollars as at

31 December 2002 and 2001 to the extent summarised in Note 38 to the consolidated financial statements.

/s/ PricewaterhouseCoopers

PricewaterhouseCoopers
Chartered Accountants

/s/ AG Forman

AG Forman
Adelaide, Australia
6 March 2003 (except for notes 37 and 38 for which the date is 23 April 2003)

UNAUDITED PRO FORMA COMBINED FINANCIAL DATA

On January 17, 2003, Constellation Brands, Inc. ("Constellation" or the "Company") and BRL Hardy Limited, now known as Hardy Wine Company Limited, an Australian corporation ("Hardy"), entered into an agreement to effect an acquisition of all of the outstanding shares of Hardy by a wholly-owned, indirect subsidiary of Constellation. On March 27, 2003, Constellation acquired control of Hardy's Board of Directors pursuant to the terms of the agreement. On April 9, 2003, the Company completed its acquisition of all of Hardy's outstanding capital stock (the "Hardy Acquisition"). Total consideration paid in cash and Class A Common Stock to the Hardy shareholders was valued at $1,137.4 million for accounting purposes. The Class A Common Stock consisted of 3,288,913 shares which were valued at $77.2 million. Additionally, the Company recorded direct acquisition costs of $20.0 million. The acquisition date for accounting purposes is March 27, 2003, the date which coincides with the assumption of control by Constellation. The Company has recorded a $1.6 million reduction in the purchase price to reflect imputed interest between the accounting acquisition date and the final payment of consideration.

The following unaudited pro forma combined financial data of the Company consists of (i) an unaudited pro forma condensed combined balance sheet as of February 28, 2003 (the "Pro Forma Balance Sheet"), and (ii) an unaudited pro forma combined statement of income for the year ended February 28, 2003 (the "Pro Forma Statement of Income" and, collectively, the "Pro Forma Statements").

Constellation's February 28, 2003 information was derived from its audited consolidated financial statements filed in its Annual Report on Form 10-K for the fiscal year ended February 28, 2003. Constellation's historical information was prepared using accounting principles generally accepted in the United States ("U.S. GAAP") and United States Dollars ("US$" or "$").

Hardy's information was derived from its audited consolidated financial statements as of and for the fiscal year ended December 31, 2002. Hardy's historical information was originally prepared using accounting principles generally accepted in Australia, which differs in certain material respects from U.S. GAAP, and Australian Dollars ("A$"). This historical information has been modified to present Hardy's information in conformity with the financial statement presentation of Constellation, using U.S. GAAP and US$. The US$/A$ exchange rate used to convert information as of December 31, 2002, was $0.5616. The average US$/A$ exchange rate used to convert information for the year ended December 31, 2002, was $0.5440.

The Pro Forma Balance Sheet is presented as if the Hardy Acquisition was consummated on February 28, 2003. The Pro Forma Balance Sheet reflects the combination of the consolidated balance sheet of Constellation as of February 28, 2003, the consolidated balance sheet of Hardy as of December 31, 2002, and pro forma adjustments. The Pro Forma Statement of Income is presented as if the Hardy Acquisition was consummated on March 1, 2002. The Pro Forma Statement of Income reflects the combination of the consolidated income statement of Constellation for the year ended February 28, 2003, the consolidated statement of Hardy for the year ended December 31, 2002, and pro forma adjustments. The pro forma adjustments include the consolidation of Pacific Wine Partners LLC ("PWP"). Prior to the Hardy Acquisition, PWP was equally owned by Constellation and Hardy. Consolidation adjustments include the elimination of the effects of using the equity method of accounting and any applicable elimination entries. The pro forma adjustments also include the acquisition adjustments to reflect the purchase method of accounting for the Hardy Acquisition. PWP's historical information was prepared using U.S. GAAP and US$.

The Pro Forma Statements are for illustrative purposes only and should be read in conjunction with the separate historical financial statements of

Constellation and Hardy and the notes thereto and with the accompanying notes to the Pro Forma Statements. The Pro Forma Statements are based upon currently available information and upon certain assumptions that the Company believes are reasonable under the circumstances. The purchase price allocation is based upon certain management estimates and preliminary independent appraisals of the fair value of assets acquired and liabilities assumed. These preliminary independent appraisals include a valuation of property, plant and equipment, and intangible assets. These amounts may differ significantly from the results of the final independent appraisals which will also include valuations of inventories and grape supply contracts. Management has estimated the fair value of the remaining assets acquired and liabilities assumed.

The Pro Forma Statements do not reflect any expected annual savings resulting from any operating synergies anticipated by the Company's management. The Pro Forma Statements do not purport to represent what the Company's financial position or results of operations would actually have been if the Hardy Acquisition had, in fact, occurred on such dates or to project the Company's financial position or the results of operations at any future date or for any future period.

<TABLE>
<CAPTION>

CONSTELLATION BRANDS, INC. AND SUBSIDIARIES
UNAUDITED PRO FORMA CONDENSED COMBINED BALANCE SHEET
AS OF FEBRUARY 28, 2003
(in thousands)

	Historical				
	Constellation	Hardy	Pro Forma Adjustments		Pro Forma Combined
ASSETS					
CURRENT ASSETS:					
<S>	<C>	<C>	<C>	<C>	<C>
Cash and cash investments	$ 13,810	$ 24,459	$ 6,328	(a)	$ 119,770
			75,173	(d)	
Accounts receivable, net	399,095	108,976	26,906	(a)	534,977
Inventories, net	819,912	303,730	51,952	(a)	1,165,184
			(10,410)	(b)	
Prepaid expenses and other	97,284	12,277	2,175	(a)	116,759
			5,023	(b)	
Total current assets	1,330,101	449,442	157,147		1,936,690
PROPERTY, PLANT AND EQUIPMENT, net	602,469	271,324	58,654	(a)	933,168
			721	(b)	
GOODWILL	722,223	5,750	63,958	(a)	1,394,392
			602,461	(b)	
INTANGIBLE ASSETS, net	382,428	10,144	73,636	(a)	821,414
			355,206	(b)	
OTHER ASSETS	159,109	137,141	85	(a)	68,087
			(3,576)	(b)	
			27,610	(c)	
			(252,282)	(a)	
Total assets	$ 3,196,330	$ 873,801	$ 1,083,620		$ 5,153,751
LIABILITIES AND STOCKHOLDERS' EQUITY					
CURRENT LIABILITIES:					
Notes payable	$ 2,623		$ (2,000)	(d)	$
623					
Current maturities of long-term debt	71,264	$ 81,881	295	(a)	459,711
			306,271	(d)	
Accounts payable	171,073	35,388	11,622	(a)	218,083
Accrued excise taxes	36,421	1,018	324	(a)	37,763
Other accrued expenses and liabilities	303,827	73,122	17,744	(a)	444,524
			2,370	(b)	
			47,461	(c)	
Total current liabilities	585,208	191,409	384,087		1,160,704
LONG-TERM DEBT, less current maturities	1,191,631	274,132	1,427	(a)	2,298,248
			831,058	(d)	
DEFERRED INCOME TAXES	145,239	5,243	120,130	(b)	270,612
OTHER LIABILITIES	99,268	23,916	50,253	(b)	173,437

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Total liabilities	2,021,346	494,700	1,386,955		3,903,001
STOCKHOLDERS' EQUITY	1,174,984	379,101	77,243	(b)	1,250,750
			(991)	(b)	
			(486)	(e)	
			(379,101)	(f)	
Total liabilities and stockholders' equity	$ 3,196,330	$ 873,801	$ 1,083,620		$ 5,153,751

<FN>

See Notes to the Unaudited Pro Forma Condensed Combined Balance Sheet.

</TABLE>

CONSTELLATION BRANDS, INC. AND SUBSIDIARIES
NOTES TO THE UNAUDITED PRO FORMA CONDENSED COMBINED
BALANCE SHEET AS OF FEBRUARY 28, 2003
(in thousands)

(a) Reflects the consolidation of PWP, a joint venture previously owned equally by the Company and Hardy, and the elimination of the effects of using the equity method of accounting in the historical financial statements.

(b) Reflects the estimated purchase accounting adjustments for the Hardy Acquisition based upon certain management estimates and preliminary independent appraisals of the fair value of assets acquired and liabilities assumed. These preliminary independent appraisals include a valuation of property, plant and equipment, and intangible assets. These amounts may differ significantly from the results of the final independent appraisals which will also include valuations of inventories and grape supply contracts. Management has estimated the fair value of the remaining assets acquired and liabilities assumed.

The purchase price was calculated as follows:

Cash paid	$ 1,060,156
Value of stock issued	77,243
Direct acquisition costs	20,000
Imputed interest	(1,626)
Total purchase price	$ 1,155,773

The Company issued 3,288,913 shares of Class A Common Stock, which were valued at $77,243 based on the simple average of the closing market price of the Company's Class A Common Stock for the period beginning two days before and ending two days after April 4, 2003, the day the Hardy shareholders elected the form of consideration they wished to receive. The cash paid amount includes $19,256 paid to Hardy to effect the cancellation of all of its outstanding stock options in March 2003, just prior to the Hardy Acquisition. The nonrecurring charge of $19,256 recorded by Hardy to effect this cancellation is not included in the Pro Forma Statement of Income. In addition, the Company has recorded a $1,626 reduction in the purchase price ($991, net of related tax effect) to reflect imputed interest between the accounting acquisition date, March 27, 2003, and the final payment of consideration, April 9, 2003. This charge is not reflected in the Pro Forma Statement of Income but has been reflected in the Company's first quarter of fiscal 2004 earnings.

The allocation of the purchase price and the related estimated pro forma adjustments are as follows:

	Allocation of Purchase Price
Purchase price	$ 1,155,773
Allocation of purchase price:	
Total current assets	$ 444,055
Property, plant and equipment	272,045
Intangible assets	365,350
Other assets	133,565
Total assets acquired	1,215,015
Current liabilities	193,779
Long-term liabilities	473,674
Total liabilities assumed	667,453

Goodwill	$ 608,211

The pro forma adjustments relating to total current assets consist of a decrease in the book value of Hardy's inventories of $10,410 and an increase in current deferred tax assets of $5,023. The pro forma adjustments relating to intangible assets represent an increase in trademark values. As the trademarks that are being valued have long been established, management expects that these intangible assets will be classified as indefinite lived, and, as such, will not be amortized. Consequently, the Pro Forma Statement of Income does not include any additional amortization expense related to these intangible assets. The pro forma adjustment relating to other assets represents the elimination of the prepaid pension asset of $3,576 upon the recording of the liability for the projected benefit obligation in excess of plan assets based upon an actuarial valuation performed as of the acquisition date. The pro forma adjustments relating to current liabilities and long-term liabilities represent (i) an increase in current and long-term liabilities of $2,370 and $48,311, respectively, for the estimated liability arising from unfavorable firm purchase commitments assumed at the time of the acquisition ("adverse grape supply"); (ii) an increase in long-term pension liability of $1,942 as a result of the actuarial valuation performed as of the acquisition date; and (iii) an increase in long-term deferred tax liabilities of $120,130. Deferred taxes were established for the fair value adjustments on inventories, adverse grape supply, property, plant and equipment, intangible assets and pension liability and have been classified in accordance with the underlying asset or liability. As Constellation previously owned 50% of PWP, all fair value adjustments related to PWP's net assets are limited to the incremental fair value acquired in the Hardy Acquisition. Prior to its acquisition by Constellation, Hardy was in the process of asserting an insurance claim for loss of inventory and related costs resulting from faulty taps provided by a third party vendor. No effect has been given to this matter in Hardy's historical U.S. GAAP financial statements as realization of the claim was not deemed likely to be received. No pro forma adjustment has been made in these Pro Forma Statements for the claim. Future recognition of amounts realized under this claim, if any, will be treated as a preacquisition contingency, with a corresponding reduction to goodwill for accounting purposes.

(c) As of February 28, 2003, the Company had recorded $5,654 of direct acquisition costs in the line items other assets (debit) and other accrued expenses and liabilities (credit). Consequently, this adjustment reflects the additional liability for direct acquisition costs of $14,346 (resulting in total direct acquisition costs of $20,000), the liability for deferred financing costs of $34,064 associated with the Hardy Acquisition financing described in note (d) immediately below and the tax effects of the imputed interest and deferred debt issuance cost adjustments. The amount adjusted to other assets consists of the financing costs of $34,064, less the $5,654 of direct acquisition costs which were previously classified in other assets, but are now being allocated to goodwill as part of the purchase price allocation in note (b) above (see $20,000 of direct acquisition costs in the calculation of the purchase price) and the $800 reduction of deferred debt issuance costs described in (e) below.

(d) Reflects the Hardy Acquisition financing, refinancing of the Company's then existing credit agreement (notes payable and term loans) and refinancing of Hardy's long-term debt. Proceeds in excess of the cash paid at closing of $75,173 were available for general corporate purposes. The Hardy Acquisition financing was completed in April 2003. The sources and uses of funds are as follows:

Sources of funds:	
Proceeds from the Credit Agreement - current	$ 50,000
Proceeds from the Credit Agreement - long-term	1,150,000
Proceeds from the Bridge Loan Agreement - current	400,000
Total sources of funds	$ 1,600,000
Uses of funds:	
Cash purchase price	$ 1,060,156
Repayment of notes payable	2,000
Repayment of term loans - current portion	67,082
Repayment of term loans - long-term	78,281
Repayment of Hardy's debt - current	76,647
Repayment of Hardy's debt - long-term	240,661
Excess cash drawn down	75,173
Total uses of funds	$ 1,600,000

(e) Reflects the write-off, net of tax effect, of the portion of unamortized deferred debt issuance costs attributable to lenders who will no longer be participating in the Credit Agreement subsequent to the Hardy Acquisition.

(f) Reflects the elimination of Hardy's stockholders' equity.

<TABLE>
<CAPTION>

CONSTELLATION BRANDS, INC. AND SUBSIDIARIES
UNAUDITED PRO FORMA COMBINED STATEMENT OF INCOME
FOR THE YEAR ENDED FEBRUARY 28, 2003
(in thousands, except per share data)

	Historical				
	Constellation	Hardy	Pro Forma Adjustments		Pro Forma Combined
<S>	<C>	<C>	<C>	<C>	<C>
Gross sales	$ 3,583,082	$ 466,019	$ 115,602	(a)	$ 4,139,384
			(24,349)	(a)	
			(970)	(a)	
Less - Excise taxes	(851,470)	(48,394)	(3,012)	(a)	(902,876)
Net sales	2,731,612	417,625	87,271		3,236,508
Cost of product sold	(1,970,897)	(291,851)	(69,203)	(a)	(2,301,287)
			24,349	(a)	
			2,450	(a)	
			3,865	(d)	
Gross profit	760,715	125,774	48,732		935,221
Selling, general and administrative expenses	(350,993)	(64,728)	(19,058)	(a)	(446,625)
			(1,480)	(a)	
			472	(b)	
			(12,045)	(e)	
			1,207	(d)	
Restructuring charges	(4,764)				(4,764)
Operating income	404,958	61,046	17,828		483,832
Gain on change in fair value of derivative instruments	23,129	7,231			30,360
Equity in earnings of joint ventures	12,236	12,664	(24,744)	(a)	156
Interest expense, net	(105,387)	(16,435)	113	(a)	(199,349)
			(76,045)	(c)	
			(1,595)	(f)	
Income (loss) before income taxes	334,936	64,506	(84,443)		314,999
(Provision for) benefit from income taxes	(131,630)	(19,256)	33,186	(g)	(117,700)
Net income (loss)	$ 203,306	$ 45,250	$ (51,257)		$ 197,299
Share Data:					
Earnings per common share:					
Basic	$ 2.26				$ 2.12
Diluted	$ 2.19				$ 2.05
Weighted average common shares outstanding:					
Basic	89,856		3,289	(h)	93,145
Diluted	92,746		3,289	(h)	96,035

<FN>

See Notes to the Unaudited Pro Forma Combined Statement of Income.

</TABLE>

CONSTELLATION BRANDS, INC. AND SUBSIDIARIES
NOTES TO THE UNAUDITED PRO FORMA COMBINED STATEMENT
OF INCOME FOR THE YEAR ENDED FEBRUARY 28, 2003
(IN THOUSANDS, EXCEPT PER SHARE DATA)

(a) Reflects the consolidation of PWP, a joint venture previously owned equally by the Company and Hardy, and the elimination of the effects of using the equity method of accounting in the historical financial statements, including the elimination of (i) sales and cost of product sold from Hardy to PWP of $20,386; (ii) revenues for crush, wine production, bottling and storage services provided by PWP to the Company of $3,963; (iii) sales of grapes and concentrate of $970 from the Company to PWP; and (iv) charges for other administrative services of $1,480 provided by the Company to PWP.

(b) Reflects the elimination of stock-based compensation expense recognized in accordance with FASB Interpretations No. 44 ("FIN No. 44"), "Accounting for Certain Transactions Involving Stock Compensation (an Interpretation of APB Opinion No. 25)" recorded by PWP for the Company and Hardy options granted to employees of PWP, previously considered non-employees under Accounting Principles Board Opinion No. 25, "Accounting for Stock Issued to Employees," resulting in fair value measurement in accordance with FIN No. 44.

(c) Reflects the effects of the Hardy Acquisition financing and its use in consummating the Hardy Acquisition, including the elimination of certain of Hardy's interest expense due to the refinancing of certain of Hardy's debt, the additional interest expense incurred on the debt to finance the Hardy Acquisition and the incremental interest expense on the Company's historical borrowings resulting from the higher interest rate in the Credit Agreement. In determining the pro forma adjustment, the Company has assumed interest rates on its LIBOR-based Credit Agreement ranging from 4.6% to 5.1% for the pro forma period. The assumed interest rate on the Bridge Loan Agreement, which has escalation provisions, range from 6.1% in the first three months to 8.4% in the last three months of the pro forma period. The overall effective interest rate was 5.65% for the pro forma year ended February 28, 2003. The Company has recorded a $1,626 reduction in the purchase price to reflect imputed interest between the accounting acquisition date and the final payment of consideration. This charge is not reflected in the Pro Forma Statement of Income but will be reflected in the Company's first quarter of fiscal 2004 earnings. The Pro Forma Statement of Income reflects interest expense for the Bridge Loan Agreement pursuant to its terms despite the Company's intention to repay this loan during fiscal 2004. Since the timing of repayment and exact nature and amount of the refinancing are not yet determinable, its impacts have not been reflected.

(d) Reflects the adjustment to depreciation expense related to the acquired property, plant and equipment of Hardy. These assets have been restated at their estimated fair values and depreciated using the Company's depreciation methods over the remaining useful lives of the assets as identified in the preliminary independent appraisal. The decrease in depreciation expense of $5,072 was due primarily to longer useful lives per the preliminary independent appraisal as compared to the estimated useful lives used by Hardy, and was allocated to cost of product sold and selling, general and administrative expenses as indicated.

(e) Reflects incremental amortization expense associated with the deferred debt issuance costs as follows:

	Year Ended February 28, 2003
Credit Agreement	$ 3,900
Bridge Loan Agreement	8,145
	$ 12,045

The deferred debt issuance costs associated with these agreements are being amortized over the life of the related debt. Deferred debt issuance costs associated with the Bridge Loan Agreement are being amortized over five months, the period of time that the Company expects the related borrowings to be outstanding.

(f) Reflects interest expense on the present value of adverse grape contracts.

(g) Reflects the tax effect of the pro forma adjustments using the Company's statutory tax rate of 39.3%.

(h) Reflects the issuance of 3,288,913 shares of the Company's Class A

Common Stock given as part of the consideration in consummation of the Hardy Acquisition.

SIGNATURES

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

CONSTELLATION BRANDS, INC.

Dated: July 17, 2003

By: /s/ Thomas F. Howe

Thomas F. Howe, Senior Vice President and Controller

INDEX TO EXHIBITS

Exhibit No.	Description
1	UNDERWRITING AGREEMENT
	Not Applicable.
2	PLAN OF ACQUISITION, REORGANIZATION, ARRANGEMENT, LIQUIDATION OR SUCCESSION
2.1	Implementation Deed dated 17 January 2003 between Constellation Brands, Inc. and BRL Hardy Limited (filed as Exhibit 99.1 to the Registrant's Current Report on Form 8-K dated January 21, 2003 and incorporated herein by reference).
2.2	Transaction Compensation Agreement dated 17 January 2003 between Constellation Brands, Inc. and BRL Hardy Limited (filed as Exhibit 99.2 to the Registrant's Current Report on Form 8-K dated January 21, 2003 and incorporated herein by reference).
2.3	No Solicitation Agreement dated 13 January 2003 between Constellation Brands, Inc. and BRL Hardy Limited (filed as Exhibit 99.3 to the Registrant's Current Report on Form 8-K dated January 21, 2003 and incorporated herein by reference).
2.4	Backstop Fee Agreement dated 13 January 2003 between Constellation Brands, Inc. and BRL Hardy Limited (filed as Exhibit 99.4 to the Registrant's Current Report on Form 8-K dated January 21, 2003 and incorporated herein by reference).
2.5	Letter Agreement dated 6 February 2003 between Constellation Brands, Inc. and BRL Hardy Limited (filed as Exhibit 2.5 to the Registrant's Current Report on Form 8-K dated March 27, 2003).
4	INSTRUMENTS DEFINING THE RIGHTS OF SECURITY HOLDERS, INCLUDING INDENTURES
4.1	Amended and Restated Credit Agreement, dated as of March 19, 2003, among Constellation Brands, Inc. and certain of its subsidiaries, the lenders named therein, JPMorgan Chase Bank, as Administrative Agent, and JPMorgan Europe Limited, as London Agent (filed as Exhibit 4.1 to the Registrant's Current Report on Form 8-K dated March 27, 2003).
4.2	Amended and Restated Bridge Loan Agreement, dated as of January 16, 2003 and amended and restated as of March 26, 2003, among Constellation Brands, Inc. and certain of its subsidiaries, the lenders named therein, and JPMorgan Chase Bank, as Administrative Agent (filed as Exhibit 4.2 to the Registrant's Current Report on Form 8-K dated March 27, 2003).
14	CODE OF ETHICS
	Not Applicable.
16	LETTER RE CHANGE IN CERTIFYING ACCOUNTANT
	Not Applicable.
17	LETTER RE DIRECTOR RESIGNATION

	Not Applicable.
20	OTHER DOCUMENTS OR STATEMENTS TO SECURITY HOLDERS
	Not Applicable.
23	CONSENTS OF EXPERTS AND COUNSEL
23.1	Consent of PricewaterhouseCoopers dated July 17, 2003 (filed herewith).
24	POWER OF ATTORNEY
	Not Applicable.
99	ADDITIONAL EXHIBITS
	Not Applicable.

EXHIBIT 23.1

CONSENT OF CHARTERED ACCOUNTANTS

We hereby consent to the incorporation by reference in the Registration Statements on Form S-3 (File No. 333-63480) and Forms S-8 (File Nos. 33-26694, 33-56557, 333-88391, 333-57912, and 333-68180) of Constellation Brands, Inc. of our report dated March 6, 2003, except for notes 37 and 38 for which the date is April 23, 2003, relating to the financial statements of BRL Hardy Limited, which appears in this Current Report on Form 8-K/A-2 of Constellation Brands, Inc. filed on July 17, 2003. We also consent to the reference to us under the heading "Experts" in the Registration Statement on Form S-3 (File No. 333-63480).

/s/ PricewaterhouseCoopers

Adelaide, Australia
July 17, 2003