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

(Mark One)

[X] QUARTERLY REPORT PURSUANT TO SECTION 13 OR 15(d) OF THE SECURITIES EXCHANGE ACT OF 1934

For the quarterly period ended August 31, 2003

OR

[ ] TRANSITION REPORT PURSUANT TO SECTION 13 OR 15(d) OF THE SECURITIES EXCHANGE ACT OF 1934

For the transition period from ____________ to ____________

COMMISSION FILE NUMBER 001-08495

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

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

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

(585) 218-3600
(Registrant's telephone number, including area code)

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

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

Indicate by check mark whether the Registrant is an accelerated filer (as defined in Rule 12b-2 of the Exchange Act). Yes X No ___

The number of shares outstanding with respect to each of the classes of common stock of Constellation Brands, Inc., as of September 30, 2003, is set forth below:

CLASS	NUMBER OF SHARES OUTSTANDING
Class A Common Stock, Par Value $.01 Per Share	93,077,510
Class B Common Stock, Par Value $.01 Per Share	12,068,730

PART I - FINANCIAL INFORMATION

ITEM 1. FINANCIAL STATEMENTS

<TABLE>
<CAPTION>

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

<S>	<C> August 31, 2003	<C> February 28, 2003
ASSETS		

CURRENT ASSETS:		
Cash and cash investments	$ 47,465	$ 13,810
Accounts receivable, net	615,470	399,095
Inventories, net	1,198,350	819,912
Prepaid expenses and other	108,883	97,284
Total current assets	1,970,168	1,330,101
PROPERTY, PLANT AND EQUIPMENT, net	991,990	602,469
GOODWILL	1,305,218	722,223
INTANGIBLE ASSETS, net	834,331	382,428
OTHER ASSETS	96,983	159,109
Total assets	$ 5,198,690	$ 3,196,330
LIABILITIES AND STOCKHOLDERS' EQUITY		
CURRENT LIABILITIES:		
Notes payable to banks	$ 35,092	$ 2,623
Current maturities of long-term debt	81,997	71,264
Accounts payable	255,840	171,073
Accrued excise taxes	51,577	36,421
Other accrued expenses and liabilities	429,576	303,827
Total current liabilities	854,082	585,208
LONG-TERM DEBT, less current maturities	2,146,928	1,191,631
DEFERRED INCOME TAXES	151,319	145,239
OTHER LIABILITIES	151,633	99,268
STOCKHOLDERS' EQUITY:		
Preferred Stock, $.01 par value- Authorized, 1,000,000 shares; Issued, 170,500 shares at August 31, 2003, and none at February 28, 2003 (Aggregate liquidation preference of $171,344 at August 31, 2003)	2	-
Class A Common Stock, $.01 par value- Authorized, 275,000,000 shares; Issued, 95,636,122 shares at August 31, 2003, and 81,435,135 shares at February 28, 2003	956	814
Class B Convertible Common Stock, $.01 par value- Authorized, 30,000,000 shares; Issued, 14,572,030 shares at August 31, 2003, and 14,578,490 shares at February 28, 2003	146	146
Additional paid-in capital	989,325	469,724
Retained earnings	869,434	795,525
Accumulated other comprehensive income (loss)	65,731	(59,257)
	1,925,594	1,206,952
Less-Treasury stock-		
Class A Common Stock, 2,653,451 shares at August 31, 2003, and 2,749,384 shares at February 28, 2003, at cost	(28,559)	(29,610)
Class B Convertible Common Stock, 2,502,900 shares at August 31, 2003, and February 28, 2003, at cost	(2,207)	(2,207)
	(30,766)	(31,817)
Less-Unearned compensation-restricted stock awards	(100)	(151)
Total stockholders' equity	1,894,728	1,174,984
Total liabilities and stockholders' equity	$ 5,198,690	$ 3,196,330

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

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

	For the Six Months Ended August 31,		For the Three Months Ended August 31,	
	2003	2002	2003	2002
	(unaudited)	(unaudited)	(unaudited)	(unaudited)
<S>	<C>	<C>	<C>	<C>
GROSS SALES	$ 2,137,280	$ 1,759,460	$ 1,148,213	$ 898,997
Less - Excise taxes	(456,891)	(419,261)	(239,453)	(209,191)
Net sales	1,680,389	1,340,199	908,760	689,806
COST OF PRODUCT SOLD	(1,234,249)	(970,211)	(670,532)	(496,544)
Gross profit	446,140	369,988	238,228	193,262
SELLING, GENERAL AND ADMINISTRATIVE EXPENSES	(231,618)	(178,377)	(124,989)	(87,616)
RESTRUCTURING AND RELATED CHARGES	(19,399)	-	(17,083)	-
Operating income	195,123	191,611	96,156	105,646
GAIN ON CHANGE IN FAIR VALUE OF DERIVATIVE INSTRUMENTS	1,181	-	-	-
EQUITY IN EARNINGS OF JOINT VENTURES	839	5,911	511	3,172
INTEREST EXPENSE, net	(80,341)	(54,292)	(41,098)	(27,151)
Income before income taxes	116,802	143,230	55,569	81,667
PROVISION FOR INCOME TAXES	(42,049)	(56,289)	(20,005)	(32,095)
NET INCOME	74,753	86,941	35,564	49,572
Dividends on preferred stock	(844)	-	(844)	-
INCOME AVAILABLE TO COMMON STOCKHOLDERS	$ 73,909	$ 86,941	$ 34,720	$ 49,572
SHARE DATA:				
Earnings per common share:				
Basic	$ 0.77	$ 0.97	$ 0.35	$ 0.55
Diluted	$ 0.75	$ 0.94	$ 0.34	$ 0.53
Weighted average common shares outstanding:				
Basic	95,726	89,268	98,572	89,691
Diluted	99,916	92,550	104,131	93,029

<FN>

The accompanying notes are an integral part of these statements.

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

	For the Six Months Ended August 31,	
	2003	2002
	(unaudited)	(unaudited)
<S>	<C>	<C>
CASH FLOWS FROM OPERATING ACTIVITIES:		
Net income	$ 74,753	$ 86,941
Adjustments to reconcile net income to net cash provided by operating activities:		
Depreciation of property, plant and equipment	38,902	28,061
Amortization of intangible and other assets	14,041	2,940
Deferred tax provision	2,811	2,708
Loss on extinguishment of debt	800	-
Loss on sale of assets	468	1,736
Stock-based compensation expense	183	50
Amortization of discount on long-term debt	28	32
Gain on change in fair value of derivative instruments	(1,181)	-
Equity in earnings of joint ventures	(839)	(5,911)
Change in operating assets and liabilities, net of effects from purchases of businesses:		
Accounts receivable, net	(99,984)	(38,261)
Inventories, net	77,826	8,526
Prepaid expenses and other current assets	14,155	(23,070)
Accounts payable	(44,289)	135
Accrued excise taxes	13,906	(15,829)
Other accrued expenses and liabilities	(13,305)	65,860
Other assets and liabilities, net	10,140	(352)
Total adjustments	13,662	26,625
Net cash provided by operating activities	88,415	113,566
CASH FLOWS FROM INVESTING ACTIVITIES:		
Purchases of businesses, net of cash acquired	(1,069,166)	-
Purchases of property, plant and equipment	(46,444)	(34,219)
Payment of accrued earn-out amount	(978)	(804)
Proceeds from sale of assets	10,150	708
Proceeds from sale of marketable equity securities	777	-
Net cash used in investing activities	(1,105,661)	(34,315)
CASH FLOWS FROM FINANCING ACTIVITIES:		
Proceeds from issuance of long-term debt	1,600,000	10,000
Proceeds from equity offerings, net of fees	426,359	-
Net proceeds from (repayments of) notes payable	32,407	(53,757)
Exercise of employee stock options	15,227	22,008
Proceeds from employee stock purchases	1,817	1,309
Principal payments of long-term debt	(1,021,688)	(43,793)
Payment of issuance costs of long-term debt	(33,473)	(5)
Net cash provided by (used in) financing activities	1,020,649	(64,238)
Effect of exchange rate changes on cash and cash investments	30,252	1,041
NET INCREASE IN CASH AND CASH INVESTMENTS	33,655	16,054
CASH AND CASH INVESTMENTS, beginning of period	13,810	8,961
CASH AND CASH INVESTMENTS, end of period	$ 47,465	$ 25,015
SUPPLEMENTAL DISCLOSURES OF NONCASH INVESTING AND FINANCING ACTIVITIES:		
Fair value of assets acquired, including cash acquired	$ 1,804,875	$ -
Liabilities assumed	(648,089)	-
Net assets acquired	1,156,786	-
Less - stock issuance	(77,243)	-
Less - direct acquisition costs accrued or previously paid	(8,872)	-
Less - cash acquired	(1,505)	-

Net cash paid for purchases of businesses	$ 1,069,166	$ -

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

CONSTELLATION BRANDS, INC. AND SUBSIDIARIES
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
AUGUST 31, 2003

1) MANAGEMENT'S REPRESENTATIONS:

The accompanying unaudited consolidated financial statements included herein have been prepared by Constellation Brands, Inc. and its subsidiaries (the "Company") pursuant to the rules and regulations of the Securities and Exchange Commission applicable to quarterly reporting on Form 10-Q and reflect, in the opinion of the Company, all adjustments necessary to present fairly the financial information for the Company. All such adjustments are of a normal recurring nature. Certain information and footnote disclosures normally included in financial statements, prepared in accordance with generally accepted accounting principles, have been condensed or omitted as permitted by such rules and regulations. These consolidated financial statements and related notes should be read in conjunction with the consolidated financial statements and related notes included in the Company's Annual Report on Form 10-K for the fiscal year ended February 28, 2003. Results of operations for interim periods are not necessarily indicative of annual results.

2) RECENTLY ADOPTED ACCOUNTING PRONOUNCEMENTS:

Effective March 1, 2003, the Company adopted Statement of Financial Accounting Standards No. 143 ("SFAS No. 143"), "Accounting for Asset Retirement Obligations." SFAS No. 143 addresses financial accounting and reporting for obligations associated with the retirement of tangible long-lived assets and the associated retirement costs. The adoption of SFAS No. 143 did not have a material impact on the Company's consolidated financial statements.

Effective March 1, 2003, the Company completed its adoption of Statement of Financial Accounting Standards No. 145 ("SFAS No. 145"), "Rescission of FASB Statements No. 4, 44, and 64, Amendment of FASB Statement No. 13, and Technical Corrections." SFAS No. 145 rescinds Statement of Financial Accounting Standards No. 4 ("SFAS No. 4"), "Reporting Gains and Losses from Extinguishment of Debt," Statement of Financial Accounting Standards No. 44, "Accounting for Intangible Assets of Motor Carriers," and Statement of Financial Accounting Standards No. 64, "Extinguishments of Debt Made to Satisfy Sinking-Fund Requirements." In addition, SFAS No. 145 amends Statement of Financial Accounting Standards No. 13, "Accounting for Leases," to eliminate an inconsistency between required accounting for sale-leaseback transactions and the required accounting for certain lease modifications that have economic effects that are similar to sale-leaseback transactions. Lastly, SFAS No. 145 also amends other existing authoritative pronouncements to make various technical corrections, clarify meanings, or describe their applicability under changed conditions. The adoption of the provisions rescinding SFAS No. 4 will result in a reclassification of the extraordinary loss related to the extinguishment of debt recorded in the fourth quarter of Fiscal 2002 ($1.6 million, net of income taxes), by increasing selling, general and administrative expenses ($2.6 million) and decreasing the provision for income taxes ($1.0 million). The adoption of the remaining provisions of SFAS No. 145 did not have a material impact on the Company's consolidated financial statements.

Effective March 1, 2003, the Company completed its adoption of Statement of Financial Accounting Standards No. 148 ("SFAS No. 148"), "Accounting for Stock-Based Compensation-Transition and Disclosure." SFAS No. 148 amends Statement of Financial Accounting Standards No. 123 ("SFAS No. 123"), "Accounting for Stock-Based Compensation," to provide alternative methods of transition for an entity that voluntarily changes to the fair value based method of accounting for stock-based employee compensation. SFAS No. 148 also amends the disclosure provisions of SFAS No. 123 to require prominent disclosure about the effects on reported net income of an entity's accounting policy decisions with respect to stock-based employee compensation. Lastly, SFAS No. 148 amends Accounting Principles Board Opinion No. 28 ("APB Opinion No. 28"), "Interim Financial Reporting," to

require disclosure about those effects in interim financial information. Accordingly, the following table illustrates the effect on net income and earnings per share if the Company had applied the fair value recognition provisions of SFAS No. 123 to stock-based employee compensation.

<TABLE>
<CAPTION>

	For the Six Months Ended August 31,		For the Three Months Ended August 31,	
	2003	2002	2003	2002
(in thousands, except per share data)				
<S>	<C>	<C>	<C>	<C>
Net income, as reported	$ 74,753	$ 86,941	$ 35,564	$ 49,572
Deduct: Total stock-based employee compensation expense determined under fair value based method for all awards, net of related tax effects	(4,689)	(6,724)	(2,329)	(3,362)
Pro forma net income	$ 70,064	$ 80,217	$ 33,235	$ 46,210
Pro forma income available to common stockholders	$ 69,220	$ 80,217	$ 32,391	$ 46,210
Earnings per common share:				
Basic - as reported	$ 0.77	$ 0.97	$ 0.35	$ 0.55
Basic - pro forma	$ 0.72	$ 0.90	$ 0.33	$ 0.52
Diluted - as reported	$ 0.75	$ 0.94	$ 0.34	$ 0.53
Diluted - pro forma	$ 0.70	$ 0.96	$ 0.32	$ 0.49

</TABLE>

Effective July 1, 2003, the Company adopted Statement of Financial Accounting Standards No. 149 ("SFAS No. 149"), "Amendment of Statement 133 on Derivative Instruments and Hedging Activities," in its entirety. SFAS No. 149 amends and clarifies financial accounting and reporting for derivative instruments, including certain derivative instruments embedded in other contracts (collectively referred to as derivatives) and for hedging activities under SFAS No. 133. The adoption of SFAS No. 149 did not have a material impact on the Company's consolidated financial statements.

Effective August 1, 2003, the Company adopted EITF Issue No. 00-21 ("EITF No. 00-21"), "Revenue Arrangements with Multiple Deliverables." EITF No. 00-21 addresses certain aspects of the accounting by a vendor for arrangements under which it will perform multiple revenue-generating activities. EITF No. 00-21 also addresses how arrangement consideration should be measured and allocated to the separate units of accounting in the arrangement. The adoption of EITF No. 00-21 did not have a material impact on the Company's consolidated financial statements.

3) ACQUISITIONS:

On March 27, 2003, the Company acquired control of BRL Hardy Limited, now known as Hardy Wine Company Limited ("Hardy"), and on April 9, 2003, the Company completed its acquisition of all of Hardy's outstanding capital stock. As a result of the acquisition of Hardy, the Company also acquired the remaining 50% ownership of Pacific Wine Partners LLC ("PWP"), the joint venture the Company established with Hardy in July 2001. The acquisition of Hardy along with the remaining interest in PWP is referred to together as the "Hardy Acquisition." Hardy is Australia's largest wine producer with interests in wineries and vineyards in most of Australia's major wine regions as well as New Zealand and the United States. In addition, Hardy has significant marketing and sales operations in the United Kingdom. This acquisition supports the Company's strategy of driving long-term growth and positions the Company to capitalize on the growth opportunities in "new world" wine markets.

Total consideration paid in cash and Class A Common Stock to the Hardy shareholders was $1,137.4 million. Additionally, the Company recorded direct acquisition costs of $20.0 million. The acquisition date for accounting purposes is March 27, 2003. 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. This charge is included as interest expense in the Consolidated Statement of Income for the six months ended August 31, 2003. The cash portion of the purchase price paid to the Hardy shareholders and optionholders ($1,060.2 million) was financed with $660.2 million of borrowings under the Company's 2003 Credit Agreement (as defined in Note 10) and $400.0 million of borrowings under the Company's Bridge Agreement (as defined in Note 10). Additionally, the Company issued 3,288,913 shares of the Company's Class A Common Stock, which were valued at $77.2 million based on the simple average of the closing market price of the Company's Class A Common Stock 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 purchase price was based primarily on a discounted cash flow analysis that contemplated, among other things, the value of a broader geographic distribution in strategic international markets and a presence in the important Australian winemaking regions.

The results of operations of Hardy and PWP are reported in the Constellation Wines segment and have been included in the Consolidated Statements of Income since the accounting acquisition date.

The following table summarizes the estimated fair values of the Hardy Acquisition assets acquired and liabilities assumed at the date of acquisition. The Company is in the process of obtaining third-party valuations of certain assets; thus, the allocation of the purchase price is subject to refinement. Estimated fair values at March 27, 2003, are as follows:

(in thousands)	
Current assets	$ 532,207
Property, plant and equipment	332,088
Other assets	33,403
Trademarks	399,294
Goodwill	505,513
Total assets acquired	1,802,505
Current liabilities	324,206
Long-term liabilities	322,526
Total liabilities assumed	646,732
Net assets acquired	$ 1,155,773

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

The following table sets forth the unaudited pro forma results of operations of the Company for the six months and three months ended August 31, 2003, and August 31, 2002. The unaudited pro forma results of operations for the six months ended August 31, 2003, and August 31, 2002, and the three months ended August 31, 2002, give effect to the Hardy Acquisition as if it occurred on March 1, 2002. The unaudited pro forma results of operations are presented after giving effect to certain adjustments for depreciation, amortization of deferred financing costs, interest expense on the acquisition financing and related income tax effects. The unaudited pro forma results of operations are based upon currently available information and upon certain assumptions that the Company believes are reasonable under the circumstances. The unaudited pro forma results of operations for the six months ended August 31, 2002, do not reflect total pretax nonrecurring charges of $29.9 million ($0.22 per share on a diluted basis) related to transaction costs, primarily for the payment of stock options, which were incurred by Hardy prior to the acquisition. The unaudited pro forma results of operations do not purport to present what the Company's results of operations would actually have been if the aforementioned transaction had in fact occurred on such date or at the beginning of the period indicated, nor do they project the Company's financial position or results of operations at any future date or for any future period.

<TABLE>
<CAPTION>

	For the Six Months Ended August 31,		For the Three Months Ended August 31,	
	2003	2002	2003	2002
(in thousands, except per share data)				
<S>	<C>	<C>	<C>	<C>
Net sales	$ 1,714,141	$ 1,593,216	$ 908,760	$ 820,264
Income before income taxes	$ 125,382	$ 141,785	$ 55,569	$ 76,927
Net income	$ 79,458	$ 90,059	$ 35,564	$ 48,298
Income available to common stockholders	$ 78,614	$ 90,059	$ 34,720	$ 48,298
Earnings per common share:				
Basic	$ 0.82	$ 0.97	$ 0.35	$ 0.52
Diluted	$ 0.79	$ 0.94	$ 0.34	$ 0.50
Weighted average common shares outstanding:				
Basic	96,423	92,557	98,572	92,980
Diluted	100,500	95,839	104,131	96,318

</TABLE>

4) INVENTORIES:

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

(in thousands)	August 31, 2003	February 28, 2003
Raw materials and supplies	$ 49,529	$ 26,472
In-process inventories	734,232	534,073
Finished case goods	414,589	259,367
	$ 1,198,350	$ 819,912

5) PROPERTY, PLANT AND EQUIPMENT:

The major components of property, plant and equipment are as follows:

(in thousands)	August 31, 2003	February 28, 2003
Land and land improvements	$ 156,641	$ 84,758
Vineyards	96,017	37,394
Buildings and improvements	259,566	173,943
Machinery and equipment	725,147	551,271
Motor vehicles	12,198	5,468
Construction in progress	57,243	32,839
	1,306,812	885,673
Less - Accumulated depreciation	(314,822)	(283,204)
	$ 991,990	$ 602,469

6) GOODWILL:

The changes in the carrying amount of goodwill for the six months ended August 31, 2003, are as follows:

<TABLE>
<CAPTION>

(in thousands)	Constellation Wines	Constellation Beers and Spirits	Consolidated
<S>	<C>	<C>	<C>
Balance, February 28, 2003	$ 590,263	$ 131,960	$ 722,223
Purchase accounting allocations	540,462	-	540,462
Foreign currency translation adjustments	40,657	833	41,490
Purchase price earn-out	1,043	-	1,043
Balance, August 31, 2003	$ 1,172,425	$ 132,793	$ 1,305,218

</TABLE>

7) INTANGIBLE ASSETS:

The major components of intangible assets are:

<TABLE>
<CAPTION>

	August 31, 2003		February 28, 2003	
(in thousands)	Gross Carrying Amount	Net Carrying Amount	Gross Carrying Amount	Net Carrying Amount
<S>	<C>	<C>	<C>	<C>
Amortizable intangible assets:				
Distribution agreements	$ 11,198	$ 4,398	$ 10,158	$ 4,434
Other	4,184	471	3,978	345
Total	$ 15,382	4,869	$ 14,136	4,779

Nonamortizable intangible assets:

Trademarks	809,796	357,166
Distributor and agency relationships	19,640	20,458
Other	26	25
Total	829,462	377,649
Total intangible assets	$ 834,331	$ 382,428

</TABLE>

The difference between the gross carrying amount and net carrying amount for each item presented is attributable to accumulated amortization. Amortization expense for intangible assets was $0.9 million and $1.1 million for the six months ended August 31, 2003, and August 31, 2002, respectively, and $0.5 million and $0.6 million for the three months ended August 31, 2003, and August 31, 2002, respectively. Estimated amortization expense for the remaining six months of fiscal 2004 and for each of the five succeeding fiscal years is as follows:

(in thousands)	
2004	$ 1,123
2005	$ 1,957
2006	$ 1,424
2007	$ 365
2008	$ -
2009	$ -

8) OTHER ASSETS:

The major components of other assets are as follows:

<TABLE>
<CAPTION>

(in thousands) <S>	August 31, 2003 <C>	February 28, 2003 <C>
Deferred financing costs	$ 56,238	$ 28,555
Derivative assets	29,283	-
Investment in marketable equity securities	11,694	-
Investment in joint ventures	6,713	123,064
Other	11,666	18,418
	115,594	170,037
Less - Accumulated amortization	(18,611)	(10,928)
	$ 96,983	$ 159,109

</TABLE>

The Company's investment in marketable equity securities is classified as an available-for-sale security. As such, gross unrealized losses of $1.2 million were included, net of applicable income taxes, within accumulated other comprehensive income as of August 31, 2003. The Company uses the average cost method as its basis on which cost is determined in computing realized gains or losses. Realized gains on sales of securities during the six months and three months ended August 31, 2003, were immaterial.

Amortization expense for other assets was included in selling, general and administrative expenses and was $13.1 million and $1.8 million for the six months ended August 31, 2003, and August 31, 2002, respectively, and $7.6 million and $0.9 million for the three months ended August 31, 2003, and August 31, 2002, respectively. Amortization expense for the six months ended August 31, 2003, and three months ended August 31, 2003, include $9.2 million and $5.2 million, respectively, related to amortization of the deferred financing costs associated with the Bridge Loans (as defined in Note 10). As of August 31, 2003, the deferred financing costs associated with the Bridge Loans have been fully amortized.

9) OTHER ACCRUED EXPENSES AND LIABILITIES:

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

<TABLE>
<CAPTION>

August 31, 2003	February 28, 2003

(in thousands)

<S>	<C>	<C>
Advertising and promotions	$ 106,050	$ 63,155
Income taxes payable	41,723	58,347
Salaries and commissions	32,774	35,769
Adverse grape contracts	32,465	10,244
Interest	23,773	22,019
Other	192,791	114,293
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	$ 429,576	$ 303,827
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10) BORROWINGS:

Senior credit facility -

In connection with the Hardy Acquisition, on January 16, 2003, the Company, certain subsidiaries of the Company, JPMorgan Chase Bank, as a lender and administrative agent (the "Administrative Agent"), and certain other lenders (such other lenders, together with the Administrative Agent, are collectively referred to herein as the "Lenders") entered into a new credit agreement, which was subsequently amended and restated on March 19, 2003 (the "2003 Credit Agreement"). The 2003 Credit Agreement provides for aggregate credit facilities of $1.6 billion consisting of a $400.0 million

Tranche A Term Loan facility due in February 2008, an $800.0 million Tranche B Term Loan facility due in November 2008 and a $400.0 million Revolving Credit facility (including an Australian Dollar revolving sub-facility of up to A$10.0 million and a sub-facility for letters of credit of up to $40.0 million) which expires on February 29, 2008. Proceeds of the 2003 Credit Agreement were used to pay off the Company's obligations under its prior senior credit facility, to fund a portion of the cash required to pay the former Hardy shareholders and to pay indebtedness outstanding under certain of Hardy's credit facilities. The Company intends to use the remaining availability under the 2003 Credit Agreement to fund its working capital needs on an ongoing basis.

The Tranche A Term Loan facility and the Tranche B Term Loan facility were fully drawn on March 27, 2003. The required annual repayments of the Tranche A Term Loan facility are $40.0 million in fiscal 2004 and increase by $20.0 million each year through fiscal 2008. In August 2003, the Company prepaid $100.0 million of the Tranche B Term Loan facility. After this prepayment, the required annual repayments of the Tranche B Term Loan, which is backend loaded, were revised to $37.0 million beginning in fiscal 2005 with increases to $359.0 million in fiscal 2009.

The rate of interest payable, at the Company's option, is a function of LIBOR plus a margin, the federal funds rate plus a margin, or the prime rate plus a margin. The margin is adjustable based upon the Company's Debt Ratio (as defined in the 2003 Credit Agreement) and, with respect to LIBOR borrowings, ranges between 1.50% and 2.75%. The initial LIBOR margin for the Revolving Credit facility and the Tranche A Term Loan facility is 2.25%, while the initial LIBOR margin on the Tranche B Term Loan facility is 2.75%.

The Company's obligations are guaranteed by certain subsidiaries of the Company ("Guarantors") and the Company has pledged collateral of (i) 100% of the capital stock of all of the Company's U.S. subsidiaries and (ii) 65% of the voting capital stock of certain foreign subsidiaries of the Company.

The Company and its subsidiaries are subject to customary lending covenants including those restricting additional liens, the incurrence of additional indebtedness (including guarantees of indebtedness), the sale of assets, the payment of dividends, transactions with affiliates and the making of certain investments, in each case subject to baskets, exceptions and thresholds. As a result of the prepayment of the Bridge Loans (as defined below) with the proceeds from the 2003 Equity Offerings, the requirement under certain circumstances for the Company and the Guarantors to pledge certain assets consisting of, among other things, inventory, accounts receivable and trademarks to secure the obligations under the 2003 Credit Agreement, ceased to apply. Hardy has guaranteed debt of a joint venture in the maximum amount of $3.4 million as of August 31, 2003, which is permitted under the 2003 Credit Agreement. The primary financial covenants require the maintenance of a debt coverage ratio, a senior debt coverage ratio, a fixed charges ratio and an interest coverage ratio. As of August 31, 2003, the Company is in compliance with all of its debt covenants.

As of August 31, 2003, under the 2003 Credit Agreement, the Company had outstanding Tranche A Term Loans of $386.7 million bearing a weighted average interest rate of 3.6%, Tranche B Term Loans of $696.7 million bearing a weighted average interest rate of 4.1%, $33.5 million of revolving loans bearing a weighted average interest rate of 4.6%, undrawn revolving letters of credit of $15.8 million, and $350.7 million in revolving loans available to be drawn.

Bridge facility -

On January 16, 2003, the Company, certain subsidiaries of the Company, JPMorgan Chase Bank, as a lender and Administrative Agent, and certain other lenders (such other lenders, together with the Administrative Agent, are collectively referred to herein as the "Bridge Lenders") entered into a bridge loan agreement which was amended and restated as of March 26, 2003, containing commitments of the Bridge Lenders to make bridge loans (the "Bridge Loans") of up to, in the aggregate, $450.0 million (the

"Bridge Agreement"). On April 9, 2003, the Company used $400.0 million of the Bridge Loans to fund a portion of the cash required to pay the former Hardy shareholders. The rate of interest payable on the Bridge Loans was equal to LIBOR plus an initial margin of 3.75%. On July 30, 2003, the Company used proceeds from the 2003 Equity Offerings to prepay the $400.0 million Bridge Loans in their entirety.

11) OTHER LIABILITIES:

The major components of other liabilities are as follows:

<TABLE>
<CAPTION>

(in thousands)	August 31, 2003	February 28, 2003
<S>	<C>	<C>
Adverse grape contracts	$ 72,150	$ 22,550
Accrued pension liability	36,678	36,351
Other	42,805	40,367
	$ 151,633	$ 99,268

</TABLE>

12) STOCKHOLDERS' EQUITY:

During July 2003, the Company completed a public offering of 9,800,000 shares of its Class A Common Stock resulting in net proceeds to the Company, after deducting underwriting discounts and expenses, of $261.4 million. In addition, the Company also completed a public offering of 170,500 shares of its 5.75% Series A Mandatory Convertible Preferred Stock ("Preferred Stock") resulting in net proceeds to the Company, after deducting underwriting discounts and expenses, of $165.0 million. The Class A Common Stock offering and the Preferred Stock offering are referred to together as the "2003 Equity Offerings." The net proceeds from the 2003 Equity Offerings were used to repay the Bridge Loans that were incurred to partially finance the Hardy Acquisition. The remaining proceeds were used to repay term loan borrowings under the 2003 Credit Agreement.

As of August 31, 2003, 170,500 shares of Preferred Stock were outstanding and $0.8 million of dividends were accrued. Dividends are cumulative and payable quarterly, if declared, in cash, shares of the Company's Class A Common Stock, or a combination thereof, at the discretion of the Company. Dividends are payable, if declared, on the first business day of March, June, September, and December of each year, commencing on December 1, 2003. On September 1, 2006, the automatic conversion date, each share of Preferred Stock will automatically convert into, subject to certain anti-dilution adjustments, between 29.276 and 35.716 shares of the Company's Class A Common Stock, depending on the then applicable market price of the Company's Class A Common Stock, in accordance with the following table:

Applicable market price	Conversion rate
Less than or equal to $28.00	35.716 shares
Between $28.00 and $34.16	35.716 to 29.276 shares
Equal to or greater than $34.16	29.276 shares

The applicable market price is the average of the closing prices per share of the Company's Class A Common Stock on each of the 20 consecutive trading days ending on the third trading day immediately preceding the applicable conversion date. At any time prior to September 1, 2006, holders may elect to convert each share of Preferred Stock, subject to certain anti-dilution adjustments, into 29.276 shares of the Company's Class A Common Stock. If the closing market price of the Company's Class A Common Stock exceeds $51.24 for at least 20 trading days within a period of 30 consecutive trading days, the Company may elect, subject to certain limitations and anti-dilution adjustments, to cause the conversion of all, but not less than all, of the then outstanding shares of Preferred Stock into shares of the Company's Class A Common Stock at a conversion rate of 29.276 shares of the Company's Class A Common Stock. In order for the Company to cause the early conversion of the Preferred Stock, the

Company must pay all

accrued and unpaid dividends on the Preferred Stock as well as the present value of all remaining dividend payments through and including September 1, 2006. If the Company is involved in a merger in which at least 30% of the consideration for all or any class of the Company's common stock consists of cash or cash equivalents, then on or after the date of such merger, each holder will have the right to convert each share of Preferred Stock into the number of shares of the Company's Class A Common Stock applicable on the automatic conversion date. The Preferred Stock ranks senior in right of payment to all of the Company's common stock and has a liquidation preference of $1,000 per share, plus accrued and unpaid dividends.

13) EARNINGS PER COMMON SHARE:

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

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

<TABLE>
<CAPTION>

	For the Six Months Ended August 31,		For the Three Months Ended August 31,	
	2003	2002	2003	2002
(in thousands, except per share data)				
<S>	<C>	<C>	<C>	<C>
Net income	$ 74,753	$ 86,941	$ 35,564	$ 49,572
Dividends on preferred stock	(844)	-	(844)	-
Income available to common stockholders	$ 73,909	$ 86,941	$ 34,720	$ 49,572
Weighted average common shares outstanding - basic	95,726	89,268	98,572	89,691
Stock options	3,101	3,282	3,381	3,338
Preferred stock	1,089	-	2,178	-
Weighted average common shares outstanding - diluted	99,916	92,550	104,131	93,029
Earnings per common share - basic	$ 0.77	$ 0.97	$ 0.35	$ 0.55
Earnings per common share - diluted	$ 0.75	$ 0.94	$ 0.34	$ 0.53

</TABLE>

Stock options to purchase 0.9 million shares of Class A Common Stock at a weighted average price per share of $27.58 were outstanding during the six months ended August 31, 2003, but were not included in the computation of the diluted earnings per common share because the stock options' exercise price was greater than the average market price of the Class A Common Stock for the period. There were no anti-dilutive options outstanding during the six months ended August 31, 2002. In addition, there were no anti-dilutive options outstanding during the three months ended August 31, 2003, or August 31, 2002.

14) COMPREHENSIVE INCOME:

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

<TABLE>
<CAPTION>

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

	2003	2002	2003	2002
(in thousands)				
<S>	<C>	<C>	<C>	<C>
Net income	$ 74,753	$ 86,941	$ 35,564	$ 49,572
Other comprehensive income, net of tax:				
Foreign currency translation adjustments	106,117	13,139	(21,654)	5,451
Cash flow hedges:				
Net derivative gains, net of tax effect of $9,148 and $2,127, respectively	21,295	-	8,813	-
Reclassification adjustments, net of tax effect of $612, $13, $612 and $3, respectively	(1,343)	(21)	(1,343)	(5)
Net cash flow hedges	19,952	(21)	7,470	(5)
Unrealized loss on marketable equity securities, net of tax effect of $347 and $347, respectively	(810)	-	(810)	-
Minimum pension liability adjustment, net of tax effect of $148, $255, $874 and $5, respectively	(271)	(382)	1,547	8
Total comprehensive income	$ 199,741	$ 99,677	$ 22,117	$ 55,026

</TABLE>

Accumulated other comprehensive income (loss), net of tax effects, includes the following components:

<TABLE>
<CAPTION>

	Foreign Currency Translation Adjustments	Net Unrealized Gains on Derivatives	Unrealized Loss on Marketable Equity Securities	Minimum Pension Liability Adjustment	Accumulated Other Comprehensive Income (Loss)
(in thousands)					
<S>	<C>	<C>	<C>	<C>	<C>
Balance, February 28, 2003	$ (16,722)	$ -	$ -	$ (42,535)	$ (59,257)
Current period change	106,117	19,952	(809)	(271)	124,989
Balance, August 31, 2003	$ 89,395	$ 19,952	$ (809)	$ (42,806)	$ 65,732

</TABLE>

Hardy utilized derivative instruments to a more extensive degree than did the Company prior to the Hardy Acquisition. These derivative instruments are used to reduce the risk of foreign currency exchange rate fluctuation resulting from the sale of product denominated in various foreign currencies. These instruments have been qualified and are being accounted for as cash flow hedges in accordance with the Company's pre-existing accounting policies.

15) RESTRUCTURING AND RELATED CHARGES

For the six months ended August 31, 2003, the Company recorded $19.4 million of restructuring and related charges associated with the restructuring plan of the Company's wine segment. Restructuring and related charges resulted from (i) the realignment of business operations in the Company's wine segment and (ii) the Company's decision to exit the commodity concentrate product line in the U.S. and sell its winery located in Escalon, California. In addition, in connection with the Company's decision to exit the commodity concentrate product line in the U.S., the Company recorded a write-down of concentrate inventory of $16.8 million, which was recorded in cost of product sold.

The Company recorded restructuring and related charges of $2.3 million for the three months ended May 31, 2003, including $2.2 million of employee termination benefit costs and $0.1 million of other related charges.

The Company recorded restructuring and related charges of $17.1 million for the three months ended August 31, 2003, including $1.7 million of employee termination benefit costs, $10.6 million of grape contract termination costs, $1.0 million of facility consolidation and relocation costs, and other related charges of $3.7 million, which consisted of a $1.9 million loss on the sale of the Escalon facility and $1.8 million of other costs related to the realignment of the business operations in the Company's wine segment.

The Company estimates that the completion of the restructuring plan will include a total of $4.5 million of employee termination benefit costs through February 29, 2004, of which $3.9 million has been incurred through August 31, 2003. The Company estimates that the completion of the restructuring plan will include a total of $30.3 million of grape contract termination costs through February 29, 2004, of which $10.6 million has been incurred through August 31, 2003. The Company estimates that the completion of the restructuring plan will include a total of $2.0 million of facility consolidation and relocation costs through February 29, 2004, of which $1.0 million has been incurred through August 31, 2003. The Company estimates that payments for certain of these restructuring liabilities will be made through the year ending February 28, 2005. The Company has incurred other costs related to the restructuring plan for the disposal of fixed assets and other costs of realigning the business operations of the Company's wine segment and expects to incur additional costs during the year ending February 29, 2004.

The following table illustrates the changes in the restructuring liability balance since February 28, 2003:

<TABLE>
<CAPTION>

(in thousands)	Employee Termination Benefit Costs	Grape Contract Termination Costs	Facility Consolidation/ Relocation Costs	Total
<S>	<C>	<C>	<C>	<C>
Balance, February 28, 2003	$ -	$ -	$ -	$ -
Restructuring charges	2,183	-	-	2,183
Cash Expenditures	(1,554)	-	-	(1,554)
Balance, May 31, 2003	629	-	-	629
Restructuring charges	1,743	10,642	1,024	13,409
Cash Expenditures	(1,542)	(2,063)	(1,024)	(4,629)
Balance, August 31, 2003	$ 830	$ 8,579	$ -	$ 9,409

</TABLE>

16) CONDENSED CONSOLIDATING FINANCIAL INFORMATION:

The following information sets forth the condensed consolidating balance sheets of the Company as of August 31, 2003, and February 28, 2003, and the condensed consolidating statements of income for the six months and three months ended August 31, 2003, and August 31, 2002, and the condensed consolidating statements of cash flows for the six months ended August 31, 2003, and August 31, 2002, for the Company, the parent company, the combined subsidiaries of the Company which guarantee the Company's senior notes and senior subordinated notes ("Subsidiary Guarantors") and the combined subsidiaries of the Company which are not Subsidiary Guarantors, primarily Matthew Clark and Hardy and their subsidiaries, which are included in the Constellation Wines segment ("Subsidiary Nonguarantors"). The Subsidiary Guarantors are wholly owned and the guarantees are full, unconditional, joint and several obligations of each of the Subsidiary Guarantors. Separate financial statements for the Subsidiary Guarantors of the Company are not presented because the Company has determined that such financial statements would not be material to investors. The accounting policies of the parent company, the Subsidiary Guarantors and the Subsidiary Nonguarantors are the same as those

described for the Company in the Summary of Significant Accounting Policies in Note 1 to the Company's consolidated financial statements included in the Company's Annual Report on Form 10-K for the fiscal year ended February 28, 2003, and include the recently adopted accounting pronouncements described in Note 2 herein. There are no restrictions on the ability of the Subsidiary Guarantors to transfer funds to the Company in the form of cash dividends, loans or advances.

<TABLE>
<CAPTION>

(in thousands)	Parent Company	Subsidiary Guarantors	Subsidiary Nonguarantors	Eliminations	Consolidated
<S>	<C>	<C>	<C>	<C>	<C>
Condensed Consolidating Balance Sheet					
at August 31, 2003					
Current assets:					
Cash and cash investments	$ 2,154	$ 1,388	$ 43,923	$ -	$ 47,465
Accounts receivable, net	124,339	149,014	342,117	-	615,470
Inventories, net	15,702	594,812	588,103	(267)	1,198,350

Prepaid expenses and other	10,548	58,583	39,752	-	108,883
Intercompany (payable) receivable	(239,630)	(523,616)	763,246	-	-
Total current assets	(86,887)	280,181	1,777,141	(267)	1,970,168
Property, plant and equipment, net	49,076	351,656	591,258	-	991,990
Investments in subsidiaries	4,222,235	2,264,695	-	(6,486,930)	-
Goodwill	47,458	496,679	761,081	-	1,305,218
Intangible assets, net	10,868	315,098	508,365	-	834,331
Other assets	45,383	2,371	49,229	-	96,983
Total assets	$ 4,288,133	$ 3,710,680	$ 3,687,074	$ (6,487,197)	$ 5,198,690
Current liabilities:					
Notes payable to banks	$ 33,500	$ -	$ 1,592	$ -	$ 35,092
Current maturities of long-term debt	69,100	3,616	9,281	-	81,997
Accounts payable	30,799	47,626	177,415	-	255,840
Accrued excise taxes	8,341	22,052	21,184	-	51,577
Other accrued expenses and liabilities	137,706	44,526	247,344	-	429,576
Total current liabilities	279,446	117,820	456,816	-	854,082
Long-term debt, less current maturities	2,108,589	833	37,506	-	2,146,928
Deferred income taxes	52,404	79,655	19,260	-	151,319
Other liabilities	6,584	36,410	108,639	-	151,633
Stockholders' equity:					
Preferred stock	2	-	-	-	2
Class A and Class B common stock	1,102	6,434	64,867	(71,301)	1,102
Additional paid-in capital	989,325	1,859,311	2,956,146	(4,815,457)	989,325
Retained earnings	869,701	1,456,475	143,697	(1,600,439)	869,434
Accumulated other comprehensive income (loss)	11,846	153,742	(99,857)	-	65,731
Treasury stock and other	(30,866)	-	-	-	(30,866)
Total stockholders' equity	1,841,110	3,475,962	3,064,853	(6,487,197)	1,894,728
Total liabilities and stockholders' equity	$ 4,288,133	$ 3,710,680	$ 3,687,074	$ (6,487,197)	$ 5,198,690

Condensed Consolidating Balance Sheet

at February 28, 2003

Current assets:					
Cash and cash investments	$ 1,426	$ 1,248	$ 11,136	$ -	$ 13,810
Accounts receivable, net	120,554	141,156	137,385	-	399,095
Inventories, net	20,378	654,945	144,664	(75)	819,912
Prepaid expenses and other	31,452	52,411	13,421	-	97,284

Intercompany (payable) receivable	(177,332)	136,002	41,330	-	-
Total current assets	(3,522)	985,762	347,936	(75)	1,330,101

	Parent Company	Subsidiary Guarantors	Subsidiary Nonguarantors	Eliminations	Consolidated
(in thousands)					
Property, plant and equipment, net	46,379	358,180	197,910	-	602,469
Investments in subsidiaries	2,590,889	601,156	-	(3,192,045)	-
Goodwill	51,172	495,636	175,415	-	722,223
Intangible assets, net	10,918	315,952	55,558	-	382,428
Other assets	31,599	126,375	1,135	-	159,109
Total assets	$ 2,727,435	$ 2,883,061	$ 777,954	$ (3,192,120)	$ 3,196,330
Current liabilities:					
Notes payable to banks	$ 2,000	$ -	$ 623	$ -	$ 2,623
Current maturities of long-term debt	67,137	3,470	657	-	71,264
Accounts payable	37,567	58,843	74,663	-	171,073
Accrued excise taxes	7,447	15,711	13,263	-	36,421
Other accrued expenses and liabilities	138,963	46,664	118,200	-	303,827
Total current liabilities	253,114	124,688	207,406	-	585,208
Long-term debt, less current maturities	1,171,694	10,810	9,127	-	1,191,631
Deferred income taxes	48,475	79,656	17,108	-	145,239
Other liabilities	8,718	29,446	61,104	-	99,268
Stockholders' equity:					
Class A and Class B common stock	960	6,434	64,867	(71,301)	960
Additional paid-in capital	469,724	1,221,076	436,466	(1,657,542)	469,724
Retained earnings	795,600	1,363,379	99,823	(1,463,277)	795,525
Accumulated other comprehensive income (loss)	11,118	47,572	(117,947)	-	(59,257)
Treasury stock and other	(31,968)	-	-	-	(31,968)
Total stockholders' equity	1,245,434	2,638,461	483,209	(3,192,120)	1,174,984
Total liabilities and stockholders' equity	$ 2,727,435	$ 2,883,061	$ 777,954	$ (3,192,120)	$ 3,196,330

Condensed Consolidating Statement of Income
for the Six Months Ended August 31, 2003

Gross sales	$ 379,913	$ 1,059,468	$ 899,128	$ (201,229)	$ 2,137,280
Less - excise taxes	(65,204)	(213,903)	(177,784)	-	

	Parent Company	Subsidiary Guarantors	Subsidiary Nonguarantors	Eliminations	Consolidated
					(456,891)
Net sales	314,709	845,565	721,344	(201,229)	1,680,389
Cost of product sold	(278,296)	(583,784)	(573,206)	201,037	(1,234,249)
Gross profit	36,413	261,781	148,138	(192)	446,140
Selling, general and administrative expenses	(62,985)	(90,131)	(78,502)	-	(231,618)
Restructuring and related charges	-	(18,095)	(1,304)	-	(19,399)
Operating (loss) income	(26,572)	153,555	68,332	(192)	195,123
Gain on change in fair value of derivative instruments	1,181	-	-	-	1,181
Equity in earnings of subsidiary/joint venture	93,096	44,414	299	(136,970)	839
Interest expense, net	1,167	(76,518)	(4,990)	-	(80,341)
Income before income taxes	68,872	121,451	63,641	(137,162)	116,802
Provision for income taxes	6,073	(28,355)	(19,767)	-	(42,049)
Net income	74,945	93,096	43,874	(137,162)	74,753
Dividends on preferred stock	(844)	-	-	-	(844)
Income available to common stockholders	$ 74,101	$ 93,096	$ 43,874	$ (137,162)	$ 73,909

(in thousands)

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

	Parent Company	Subsidiary Guarantors	Subsidiary Nonguarantors	Eliminations	Consolidated
Gross sales	$ 376,683	$ 957,427	$ 547,303	$ (121,953)	$ 1,759,460
Less - excise taxes	(67,933)	(208,805)	(142,523)	-	(419,261)
Net sales	308,750	748,622	404,780	(121,953)	1,340,199
Cost of product sold	(239,112)	(525,399)	(327,557)	121,857	(970,211)
Gross profit	69,638	223,223	77,223	(96)	369,988
Selling, general and administrative expenses	(53,409)	(74,441)	(50,527)	-	(178,377)
Operating income	16,229	148,782	26,696	(96)	191,611
Equity in earnings of subsidiary/joint venture	74,675	6,676	-	(75,440)	5,911
Interest expense, net	4,137	(35,085)	(23,344)	-	

					(54,292)
Income before income taxes	95,041	120,373	3,352	(75,536)	143,230
Provision for income taxes	(8,004)	(45,698)	(2,587)	-	(56,289)
Net income	$ 87,037	$ 74,675	$ 765	$ (75,536)	$ 86,941

Condensed Consolidating Statement of Income
for the Three Months Ended August 31, 2003

Gross sales	$ 207,587	$ 562,166	$ 489,030	$ (110,570)	$ 1,148,213
Less - excise taxes	(35,351)	(108,623)	(95,479)	-	(239,453)
Net sales	172,236	453,543	393,551	(110,570)	908,760
Cost of product sold	(160,004)	(311,169)	(309,806)	110,447	(670,532)
Gross profit	12,232	142,374	83,745	(123)	238,228
Selling, general and administrative expenses	(34,084)	(47,446)	(43,459)	-	(124,989)
Restructuring and related charges	-	(16,104)	(979)	-	(17,083)
Operating (loss) income	(21,852)	78,824	39,307	(123)	96,156
Equity in earnings of subsidiary/joint venture	48,785	22,792	511	(71,577)	511
Interest expense, net	2,731	(40,747)	(3,082)	-	(41,098)
Income before income taxes	29,664	60,869	36,736	(71,700)	55,569
Provision for income taxes	6,023	(12,084)	(13,944)	-	(20,005)
Net income	35,687	48,785	22,792	(71,700)	35,564
Dividends on preferred stock	(844)	-	-	-	(844)
Income available to common stockholders	$ 34,843	$ 48,785	$ 22,792	$ (71,700)	$ 34,720

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

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

	Parent Company	Subsidiary Guarantors	Subsidiary Nonguarantors	Eliminations	Consolidated
expenses	(30,033)	(31,531)	(26,052)	-	(87,616)
Operating income	9,580	81,448	14,657	(39)	105,646
Equity in earnings of subsidiary/joint venture	42,531	(3,675)	-	(35,684)	3,172
Interest expense, net	2,084	(6,511)	(22,724)	-	(27,151)
Income before income taxes	54,195	71,262	(8,067)	(35,723)	81,667
Provision for income taxes	(4,584)	(28,731)	1,220	-	(32,095)
Net income	$ 49,611	$ 42,531	$ (6,847)	$ (35,723)	$ 49,572

	Parent Company	Subsidiary Guarantors	Subsidiary Nonguarantors	Eliminations	Consolidated
(in thousands)					
Condensed Consolidating Statement of Cash Flows					
for the Six Months Ended August 31, 2003					
Net cash provided by (used in) operating activities	$ 42,542	$ (19,674)	$ 65,547	$ -	$ 88,415
Cash flows from investing activities:					
Purchases of businesses, net of cash	-	(1,069,166)	-	-	(1,069,166)
Purchases of property, plant and equipment	(4,558)	(16,886)	(25,000)	-	(46,444)
Payment of accrued earn-out amount	-	(978)	-	-	(978)
Proceeds from sale of assets	-	5,004	5,146	-	10,150
Other	-	-	777	-	777
Net cash used in investing activities	(4,558)	(1,082,026)	(19,077)	-	(1,105,661)
Cash flows from financing activities:					
Proceeds from issuance of long-term debt, net of discount	1,600,000	-	-	-	1,600,000
Proceeds from equity offerings, net of fees	426,359	-	-	-	426,359
Net proceeds of notes payable	31,500	-	907	-	32,407
Exercise of employee stock options	15,227	-	-	-	15,227
Proceeds from employee stock purchases	1,817	-	-	-	1,817
Intercompany financing activities, net	(1,418,274)	1,069,166	349,108	-	-
Principal payments of long-term debt	(661,961)	(1,904)	(357,823)	-	(1,021,688)
Payment of issuance costs of long-term debt	(33,473)	-	-	-	(33,473)
Net cash (used in) provided by financing activities	(38,805)	1,067,262	(7,808)	-	1,020,649

	Parent Company	Subsidiary Guarantors	Subsidiary Nonguarantors	Eliminations	Consolidated
Effect of exchange rate changes on cash and cash investments	1,549	34,578	(5,875)	-	30,252
Net increase in cash and cash investments	728	140	32,787	-	33,655
Cash and cash investments, beginning of period	1,426	1,248	11,136	-	13,810
Cash and cash investments, end of period	$ 2,154	$ 1,388	$ 43,923	$ -	$ 47,465

Condensed Consolidating Statement of Cash Flows
for the Six Months Ended August 31, 2002

	Parent Company	Subsidiary Guarantors	Subsidiary Nonguarantors	Eliminations	Consolidated
Net cash provided by operating activities	$ 57,695	$ 45,878	$ 9,993	$ -	$ 113,566
Cash flows from investing activities:					
Purchases of property, plant and equipment	(4,542)	(22,975)	(6,702)	-	(34,219)
Other	-	(337)	241	-	(96)
Net cash used in investing activities	(4,542)	(23,312)	(6,461)	-	(34,315)

	Parent Company	Subsidiary Guarantors	Subsidiary Nonguarantors	Eliminations	Consolidated
(in thousands)					
Cash flows from financing activities:					
Net repayments of notes payable	(50,000)	-	(3,757)	-	(53,757)
Principal payments of long-term debt	(35,996)	(1,615)	(6,182)	-	(43,793)
Payment of issuance costs of long-term debt	(5)	-	-	-	(5)
Exercise of employee stock options	22,008	-	-	-	22,008
Proceeds from long-term debt	-	-	10,000	-	10,000
Proceeds from employee stock purchase	1,309	-	-	-	1,309
Net cash (used in) provided by financing activities	(62,684)	(1,615)	61	-	(64,238)
Effect of exchange rate changes on cash and cash investments	21,768	(21,741)	1,014	-	1,041
Net increase (decrease) in cash and cash investments	12,237	(790)	4,607	-	16,054
Cash and cash investments, beginning					

of period	838	2,084	6,039	-	8,961
Cash and cash investments, end of period	$ 13,075	$ 1,294	$ 10,646	$ -	$ 25,015

</TABLE>

17) BUSINESS SEGMENT INFORMATION:

As a result of the Hardy Acquisition, the Company has changed the structure of its internal organization to consist of two business divisions, Constellation Wines and Constellation Beers and Spirits. Separate division chief executives report directly to the Company's chief operating officer. Consequently, the Company now reports its operating results in three segments: Constellation Wines (branded wine, and U.K. wholesale and other), Constellation Beers and Spirits (imported beers and distilled spirits) and Corporate Operations and Other (primarily corporate related items and other). The new business segments reflect how the Company's operations are now being managed, how operating performance within the Company is now being evaluated by senior management and the structure of its internal financial reporting. In addition, the Company changed its definition of operating income for segment purposes to exclude restructuring and related charges and unusual costs that affect comparability. Accordingly, the financial information for the six months ended August 31, 2002, and three months ended August 31, 2002, has been restated to conform to the new segment presentation. For the six months ended August 31, 2003, restructuring and unusual costs consist of the flow through of inventory step-up and financing costs associated with the Hardy Acquisition of $14.5 million and $9.2 million, respectively, and restructuring and related charges of $36.3 million, including write-down of commodity concentrate inventory of $16.8 million. For the three months ended August 31, 2003, restructuring and unusual costs consist of the flow through of inventory step-up and financing costs associated with the Hardy Acquisition of $9.0 million and $5.2 million, respectively, and restructuring and related charges of $33.9 million, including write-down of commodity concentrate inventory of $16.8 million. The accounting policies of the segments are the same as those described for the Company in the Summary of Significant Accounting Policies in Note 1 to the Company's consolidated financial statements included in the Company's Annual Report on Form 10-K for the fiscal year ended February 28, 2003, and include the recently adopted accounting pronouncements described in Note 2 herein.

Segment information is as follows:

<TABLE>
<CAPTION>

(in thousands)	For the Six Months Ended August 31, 2003	For the Six Months Ended August 31, 2002	For the Three Months Ended August 31, 2003	For the Three Months Ended August 31, 2002
<S>	<C>	<C>	<C>	<C>
Constellation Wines:				
Net sales:				
Branded wine	$ 704,565	$ 451,130	$ 382,755	$ 237,119
Wholesale and other	378,437	330,670	206,087	166,193
Net sales	$ 1,083,002	$ 781,800	$ 588,842	$ 403,312
Segment operating income	$ 145,436	$ 91,079	$ 84,413	$ 52,241
Equity in earnings of joint ventures	$ 839	$ 5,911	$ 511	$ 3,172
Long-lived assets	$ 897,919	$ 507,267	$ 897,919	$ 507,267
Investment in joint ventures	$ 6,713	$ 116,431	$ 6,713	$ 116,431
Total assets	$ 4,406,344	$ 2,415,624	$ 4,406,344	$ 2,415,624
Capital expenditures	$ 41,061	$ 29,067	$ 26,333	$ 18,807
Depreciation and amortization	$ 34,013	$ 23,797	$ 18,463	$ 11,558
Constellation Beers and Spirits:				
Net sales:				
Imported beers	$ 454,678	$ 419,513	$ 247,414	$ 219,807
Spirits	142,709	138,886	72,504	66,687
Net sales	$ 597,387	$ 558,399	$ 319,918	$ 286,494
Segment operating income	$ 130,000	$ 115,976	$ 70,117	$ 61,555
Long-lived assets	$ 79,938	$ 77,916	$ 79,938	$ 77,916
Total assets	$ 735,686	$ 740,269	$ 735,686	$ 740,269
Capital expenditures	$ 3,233	$ 4,030	$ 1,450	$ 2,122
Depreciation and amortization	$ 5,166	$ 5,105	$ 2,606	$ 2,533

Corporate Operations and Other:				
Net sales	$ -	$ -	$ -	$ -
Segment operating loss	$ (20,309)	$ (15,444)	$ (10,238)	$ (8,150)
Long-lived assets	$ 14,133	$ 9,148	$ 14,133	$ 9,148
Total assets	$ 56,660	$ 26,799	$ 56,660	$ 26,799
Capital expenditures	$ 2,150	$ 1,122	$ 570	$ 948
Depreciation and amortization	$ 13,764	$ 2,099	$ 8,080	$ 1,061
Restructuring and Related Charges and Unusual Costs:				
Operating loss	$ (60,004)	$ -	$ (48,136)	$ -
Consolidated:				
Net sales	$ 1,680,389	$ 1,340,199	$ 908,760	$ 689,806
Operating income	$ 195,123	$ 191,611	$ 96,156	$ 105,646
Equity in earnings of joint ventures	$ 839	$ 5,911	$ 511	$ 3,172
Long-lived assets	$ 991,990	$ 594,331	$ 991,990	$ 594,331
Investment in joint ventures	$ 6,713	$ 116,431	$ 6,713	$ 116,431
Total assets	$ 5,198,690	$ 3,182,692	$ 5,198,690	$ 3,182,692
Capital expenditures	$ 46,444	$ 34,219	$ 28,353	$ 21,877
Depreciation and amortization	$ 52,943	$ 31,001	$ 29,149	$ 15,152

</TABLE>

18) ACCOUNTING PRONOUNCEMENTS NOT YET ADOPTED:

In January 2003, the FASB issued FASB Interpretation No. 46 ("FIN No. 46"), "Consolidation of Variable Interest Entities - an interpretation of ARB No. 51." FIN No. 46 requires all variable interest entities to be consolidated by the primary beneficiary. The primary beneficiary is the entity that holds the

majority of the beneficial interests in the variable interest entity. In addition, the interpretation expands disclosure requirements for both variable interest entities that are consolidated as well as variable interest entities from which the entity is the holder of a significant amount of the beneficial interests, but not the majority. The Company is required to adopt FIN No. 46 in its entirety on December 1, 2003. The Company is currently assessing the financial impact of FIN No. 46 on its consolidated financial statements.

In May 2003, the FASB issued Statement of Financial Accounting Standards No. 150 ("SFAS No. 150"), "Accounting for Certain Financial Instruments with Characteristics of both Liabilities and Equity." SFAS No. 150 establishes standards for how an issuer classifies and measures certain financial instruments with characteristics of both liabilities and equity. SFAS No. 150 requires that an issuer classify a financial instrument that is within the scope of SFAS No. 150 as a liability. As required, the Company adopted SFAS No. 150 in its entirety on September 1, 2003. The adoption of SFAS No. 150 did not have a material impact on the Company's consolidated financial statements.

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

INTRODUCTION

The Company is a leading international producer and marketer of beverage alcohol brands with a broad portfolio across the wine, spirits and imported beer categories. The Company has the largest wine business in the world and is the largest multi-category supplier of beverage alcohol in the United States; a leading producer and exporter of wine from Australia and New Zealand; and both a major producer and independent drinks wholesaler in the United Kingdom.

Through February 28, 2003, the Company reported its operating results in five segments: Popular and Premium Wine (branded popular and premium wine and brandy, and other, primarily grape juice concentrate and bulk wine); Imported Beer and Spirits (primarily imported beer and distilled spirits); U.K. Brands and Wholesale (branded wine, cider, and bottled water, and wholesale wine, distilled spirits, cider, beer, RTDs and soft drinks); Fine Wine (primarily branded super-premium and ultra-premium wine); and Corporate Operations and Other (primarily corporate related items). As a result of the Hardy Acquisition (as defined below), the Company has changed the structure of its internal organization to consist of two business divisions, Constellation Wines and Constellation Beers and Spirits. Separate division chief executives report directly to the Company's chief operating officer. Consequently, the Company now reports its operating results in three segments: Constellation Wines (branded wine, and U.K. wholesale and other), Constellation Beers and Spirits (imported beer and distilled spirits) and Corporate Operations and Other. The new business segments reflect how the Company's operations are now being managed, how operating performance within the Company is now being evaluated by senior management and the structure of its internal financial reporting. In addition, the Company changed its definition of operating income for segment purposes to exclude restructuring and related charges and unusual costs that affect comparability. Accordingly, the financial information for Second Quarter 2003 and Six Months 2003 (as defined below) have been restated to conform to the new segment presentation.

The following discussion and analysis summarizes the significant factors affecting (i) consolidated results of operations of the Company for the three months ended August 31, 2003 ("Second Quarter 2004"), compared to the three months ended August 31, 2002 ("Second Quarter 2003"), and for the six months ended August 31, 2003 ("Six Months 2004"), compared to the six months ended August 31, 2002 ("Six Months 2003"), and (ii) financial liquidity and capital resources for Six Months 2004. This discussion and analysis should be read in conjunction with the Company's consolidated financial statements and notes thereto included herein and in the Company's Annual Report on Form 10-K for the fiscal year ended February 28, 2003 ("Fiscal 2003").

ACQUISITION OF HARDY

On March 27, 2003, the Company acquired control of BRL Hardy Limited, now known as Hardy Wine Company Limited ("Hardy"), and on April 9, 2003, the Company completed its acquisition of all of Hardy's outstanding capital stock. As a result of the acquisition of Hardy, the Company also acquired the remaining 50% ownership of Pacific Wine Partners LLC ("PWP"), the joint venture the Company established with Hardy in July 2001. The acquisition of Hardy along with the remaining interest in PWP is referred to together as the "Hardy Acquisition." Hardy is Australia's largest wine producer with interests in wineries and vineyards in most of Australia's major wine regions as well as New Zealand and the United States. In addition, Hardy has significant marketing and sales operations in the United Kingdom. This acquisition supports the Company's strategy of driving long-term growth and positions the Company to capitalize on the growth opportunities in "new world" wine markets. Hardy has a comprehensive portfolio of wine products across all price points with a strong focus on premium wine production. Hardy's wines are distributed worldwide through a network of marketing and sales operations, with the majority of sales generated in Australia, the United Kingdom and the United States.

Total consideration paid in cash and Class A Common Stock to the Hardy shareholders was $1,137.4 million. Additionally, the Company recorded direct acquisition costs of $20.0 million. The acquisition date for accounting purposes is March 27, 2003. 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. This charge is included as interest expense in the Consolidated Statement of Income for the six months ended August 31, 2003. The cash portion of the purchase price paid to the Hardy shareholders and optionholders ($1,060.2 million) was financed with $660.2 million of borrowings under the Company's 2003 Credit Agreement (as defined below) and $400.0 million of borrowings under the Company's Bridge Agreement (as defined below). Additionally, the Company issued 3,288,913 shares of the Company's Class A Common Stock, which were valued at $77.2 million based on the simple average of the closing market price of the Company's Class A Common Stock 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 purchase price was based primarily on a discounted cash flow analysis that contemplated, among other things, the value of a broader geographic distribution in strategic international markets and a presence in the important Australian winemaking regions.

The results of operations of Hardy and PWP have been reported in the Company's Constellation Wines segment as of March 27, 2003. The Hardy Acquisition is significant and the Company expects it to have a material impact on the Company's future results of operations, financial position and cash flows.

RESULTS OF OPERATIONS
- ---------------------

SECOND QUARTER 2004 COMPARED TO SECOND QUARTER 2003

NET SALES

The following table sets forth the net sales (in thousands of dollars) by operating segment of the Company for Second Quarter 2004 and Second Quarter 2003.

<TABLE>
<CAPTION>

Second Quarter 2004 Compared to Second Quarter 2003			
	Net Sales		
<S>	2004 <C>	2003 <C>	%Increase <C>
Constellation Wines:			
Branded wine	$ 382,755	$ 237,119	61.4 %
Wholesale and other	206,087	166,193	24.0 %
Constellation Wines net sales	$ 588,842	$ 403,312	46.0 %
Constellation Beers and Spirits:			
Imported beers	$ 247,414	$ 219,807	12.6 %
Spirits	72,504	66,687	8.7 %
Constellation Beers and Spirits net sales	$ 319,918	$ 286,494	11.7 %
Corporate Operations and Other	$ -	$ -	N/A
Consolidated Net Sales	$ 908,760	$ 689,806	31.7 %

</TABLE>

Net sales for Second Quarter 2004 increased to $908.8 million from $689.8 million for Second Quarter 2003, an increase of $219.0 million, or 31.7%. This increase resulted primarily from the inclusion of $140.5 million of net sales of products acquired in the Hardy Acquisition as well as increases in imported beer sales and U.K. wholesale sales. In addition, net sales benefited from a favorable foreign currency impact of $13.7 million.

Constellation Wines

Net sales for Constellation Wines increased to $588.8 million for Second Quarter 2004 from $403.3 million in Second Quarter 2003, an increase of $185.5 million, or 46.0%. Branded wine net sales increased $145.6 million, primarily due to the addition of $134.8 million of net sales of branded wine acquired in the Hardy Acquisition and increases in branded wine net sales in the U.S. of $10.5 million. Wholesale and other net sales increased $39.9 million primarily due to growth in the U.K. wholesale business of $29.4 million, which includes a favorable foreign currency impact of $10.0 million. The Company believes that the growth in the U.K. Wholesale business benefited from the unusually hot summer in the U.K. The Company continues to face competitive discounting within select markets and geographies driven in part by excess grape supplies. The Company believes that the grape supply/demand cycle should come into balance over the next couple of years. The Company has taken a strategy of preserving the long-term brand equity of its portfolio and investing its marketing dollars in the higher growth sectors of the wine business.

Constellation Beers and Spirits

Net sales for Constellation Beers and Spirits increased to $319.9 million for Second Quarter 2004 from $286.5 million for Second Quarter 2003, an increase of $33.4 million, or 11.7%. This increase resulted primarily from volume gains on the Company's imported beer portfolio, which increased $27.6 million, or 12.6%, against a flat Second Quarter 2003. Second Quarter 2003 was impacted by a large buy-in by trade channels during the first quarter of fiscal 2003 as a result of the Company's March 2002

price increase related to its Mexican beer portfolio. Spirits net sales also increased $5.8 million due to strong Canadian whiskey sales, particularly Black Velvet, and the introduction of several new products.

The Company has been notified by its Mexican beer supplier of a cost increase on certain brands representing the majority of its portfolio. The effective date of the increase to the Company will be January 1, 2004. The Company intends to pass on the full amount of the cost increase to its distributors. The Company is in the early stages of developing its roll-out strategy for the price increase to its distributors, which will be done on a market by market basis in early calendar year 2004.

GROSS PROFIT

The Company's gross profit increased to $238.2 million for Second Quarter 2004 from $193.3 million for Second Quarter 2003, an increase of $45.0 million, or 23.3%. The dollar increase in gross profit resulted primarily from additional gross profit of $42.0 million (net of $9.0 million of flow through of stepped-up inventory costs) due to the Hardy Acquisition, higher beer sales and lower average spirits costs. These increases were partially offset by the write-down of $16.8 million of concentrate inventory in connection with the Company's decision to exit the commodity concentrate product line (see additional discussion under "Restructuring and Related Charges" below). Gross profit as a percent of net sales decreased to 26.2% for Second Quarter 2004 from 28.0% for Second Quarter 2003 primarily due to the flow through of the inventory step-up associated with the Hardy Acquisition and the write-down of the concentrate inventory, partially offset by sales of higher-margin wine brands acquired in the Hardy Acquisition.

SELLING, GENERAL AND ADMINISTRATIVE EXPENSES

Selling, general and administrative expenses increased to $125.0 million for Second Quarter 2004 from $87.6 million for Second Quarter 2003, an increase of $37.4 million, or 42.7%. This increase resulted primarily from $19.5 million in selling, general and administrative expenses from the addition of the Hardy and PWP businesses. In addition, increases in general and administrative expenses across the base business to support the Company's growth, as well as $5.2 million of amortized deferred financing costs associated with the bridge financing in connection with the Hardy Acquisition contributed to the increase in Second Quarter 2004. Selling, general and administrative expenses as a percent of net sales increased to 13.8% for Second Quarter 2004 as compared to 12.7% for Second Quarter 2003 due primarily to the Hardy Acquisition, which has a higher percentage of selling, general and administrative expenses than the Company's base business, and additional amortization of the deferred financing costs associated with the Hardy Acquisition.

RESTRUCTURING AND RELATED CHARGES

Restructuring and related charges resulted from (i) the realignment of business operations in the Company's wine segment, as previously announced in the Company's fourth quarter of fiscal 2003, and (ii) the Company's decision to exit the commodity concentrate product line in the U.S. and sell its winery located in Escalon, California, as previously announced in the Company's first quarter of fiscal 2004.

The Company recorded restructuring and related charges of $3.3 million in Second Quarter 2004 related to the realignment of business operations in the Company's wine segment and expects to incur additional charges of approximately $1.6 million for the previously announced actions over the remainder of fiscal 2004.

The Company recorded restructuring and related charges of $13.8 million in Second Quarter 2004 related to exiting the commodity concentrate product line and selling the Escalon facility. In total, the

Company recorded $30.6 million of costs allocated between cost of product sold and restructuring and related charges associated with these actions in Second Quarter 2004. The Company expects to incur additional restructuring and related charges of $19.7 million over the next two quarters, beginning with an estimated $15 million in the third quarter of fiscal 2004. All of the remaining charges will be recorded as Restructuring and Related Charges on the Company's consolidated statement of income in the next two quarters. The remaining charges result from renegotiating existing grape contracts associated with commodity concentrate and the Escalon facility, asset write-offs and severance-related costs. More than half of the total charges to be recorded in connection with exiting the commodity concentrate product line and selling the Escalon facility are non-cash charges.

OPERATING INCOME

The following table sets forth the operating income (loss) (in thousands of dollars) by operating segment of the Company for Second Quarter 2004 and Second Quarter 2003.

<TABLE>
<CAPTION>

	Second Quarter 2004 Compared to Second Quarter 2003		
	Operating Income (Loss)		
	2004	2003	%Increase (Decrease)
<S>	<C>	<C>	<C>
Constellation Wines	$ 84,413	$ 52,241	61.6 %
Constellation Beers and Spirits	70,117	61,555	13.9 %
Corporate Operations and Other	(10,238)	(8,150)	25.6 %
Total Reportable Segments	144,292	105,646	36.6 %
Restructuring and Unusual Costs	(48,136)	-	N/A
Consolidated Operating Income	$ 96,156	$ 105,646	(9.0)%

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

Restructuring and unusual costs of $48.1 million for Second Quarter 2004 included restructuring and certain unusual costs that are excluded by management in their evaluation of the results of each operating segment. These costs represent the flow through of inventory step-up and the amortization of deferred financing costs associated with the Hardy Acquisition of $9.0 million and $5.2 million, respectively, and costs associated with exiting the commodity concentrate product line and the Company's realignment of its business operations in the wine segment, including the write-down of concentrate inventory of $16.8 million and restructuring and related charges of $17.1 million. As a result of these costs and the above factors, consolidated operating income decreased to $96.2 million for Second Quarter 2004 from $105.6 million for Second Quarter 2003, a decrease of $9.5 million, or (9.0%).

INTEREST EXPENSE, NET

Net interest expense increased to $41.1 million for Second Quarter 2004 from $27.2 million for Second Quarter 2003, an increase of $13.9 million, or 51.4%. The increase resulted from higher average borrowings due to the financing of the Hardy Acquisition, partially offset by a lower average borrowing rate.

PROVISION FOR INCOME TAXES

The Company's effective tax rate decreased to 36.0% for Second Quarter 2004 as compared to 39.3% for Second Quarter 2003 as a result of the Hardy Acquisition, which significantly increases the allocation of income to jurisdictions with lower income tax rates.

NET INCOME

As a result of the above factors, net income decreased to $35.6 million for Second Quarter 2004 from $49.6 million for Second Quarter 2003, a decrease of $14.0 million, or (28.3%).

SIX MONTHS 2004 COMPARED TO SIX MONTHS 2003

NET SALES

The following table sets forth the net sales (in thousands of dollars) by operating segment of the Company for Six Months 2004 and Six Months 2003.

<TABLE>
<CAPTION>

	Six Months 2004 Compared to Six Months 2003		
	Net Sales		
	2004	2003	%Increase
<S>	<C>	<C>	<C>
Constellation Wines:			
Branded wine	$ 704,565	$ 451,130	56.2 %
Wholesale and other	378,437	330,670	14.4 %
Constellation Wines net sales	$ 1,083,002	$ 781,800	38.5 %
Constellation Beers and Spirits:			
Imported beers	$ 454,678	$ 419,513	8.4 %
Spirits	142,709	138,886	2.8 %
Constellation Beers and Spirits net sales	$ 597,387	$ 558,399	7.0 %
Corporate Operations and Other	$ -	$ -	N/A
Consolidated Net Sales	$ 1,680,389	$ 1,340,199	25.4 %

</TABLE>

Net sales for Six Months 2004 increased to $1,680.4 million from $1,340.2 million for Six Months 2003, an increase of $340.2 million, or 25.4%. This increase resulted primarily from the inclusion of $241.8 million of net sales of products acquired in the Hardy Acquisition as well as increases in U.K. wholesale sales and imported beer sales. In addition, net sales benefited from a favorable foreign currency impact of $43.3 million.

Constellation Wines

Net sales for Constellation Wines increased to $1,083.0 million for Six

Months 2004 from $781.8 million in Six Months 2003, an increase of $301.2 million, or 38.5%. Branded wine net sales increased $253.4 million, primarily due to the addition of $234.9 million of net sales of branded wine acquired in the Hardy Acquisition and increases in branded wine net sales in the U.S. of $6.3 million. Wholesale and other net sales increased $47.8 million primarily due to growth in the U.K. wholesale business of $45.0 million, which includes a favorable foreign currency impact of $23.9 million. The Company continues to face competitive discounting within select markets and geographies driven in part by excess grape supplies. The Company believes that the grape supply/demand cycle should come into balance over the next couple of years. The Company has taken a strategy of preserving the long-term brand equity of its portfolio and investing its marketing dollars in the higher growth sectors of the wine business.

Constellation Beers and Spirits

Net sales for Constellation Beers and Spirits increased to $597.4 million for Six Months 2004 from $558.4 million for Six Months 2003, an increase of $39.0 million, or 7.0%. This increase resulted primarily from volume gains on the Company's imported beer portfolio, which increased $35.2 million or 8.4%. In addition, Spirits net sales increased $3.8 million due to volume gains and a favorable mix towards higher priced products.

GROSS PROFIT

The Company's gross profit increased to $446.1 million for Six Months 2004 from $370.0 million for Six Months 2003, an increase of $76.2 million, or 20.6%. The dollar increase in gross profit resulted primarily from additional gross profit of $68.8 million (net of $14.5 million of flow through of stepped-up inventory costs) due to the Hardy Acquisition, higher average beer sales and lower average spirits costs. These increases were partially offset by the write-down of $16.8 million of concentrate inventory in connection with the Company's decision to exit the commodity concentrate product line (see additional discussion under "Restructuring and Related Charges" below) as well as higher average beer costs. Gross profit as a percent of net sales decreased to 26.5% for Six Months 2004 from 27.6% for Six Months 2003 primarily due to the flow through of the inventory step-up associated with the Hardy Acquisition and the write-down of the concentrate inventory, partially offset by sales of higher-margin wine brands acquired in the Hardy Acquisition.

SELLING, GENERAL AND ADMINISTRATIVE EXPENSES

Selling, general and administrative expenses increased to $231.6 million for Six Months 2004 from $178.4 million for Six Months 2003, an increase of $53.2 million, or 29.8%. This increase resulted primarily from $30.9 million in selling, general and administrative expenses from the addition of the Hardy and PWP businesses. In addition, $9.2 million of amortized deferred financing costs associated with the bridge financing in connection with the Hardy Acquisition contributed to the increase in Six Months 2004, as well as an additional $2.1 million of amortized deferred financing costs associated with the Company's new bank credit facility. Selling, general and administrative expenses as a percent of net sales increased to 13.8% for Six Months 2004 as compared to 13.3% for Six Months 2003 due primarily to the additional amortization of the deferred financing costs associated with the Hardy Acquisition.

RESTRUCTURING AND RELATED CHARGES

Restructuring and related charges resulted from (i) the realignment of business operations in the Company's wine segment, as previously announced in the Company's fourth quarter of fiscal 2003, and (ii) the Company's decision to exit the commodity concentrate product line in the U.S. and sell its winery located in Escalon, California, as previously announced in the Company's first quarter of fiscal 2004.

The Company recorded restructuring and related charges of $5.6 million in Six Months 2004 related to the realignment of business operations in the Company's wine segment and expects to incur additional charges of approximately $1.6 million for the previously announced actions over the remainder of fiscal 2004.

The Company recorded restructuring and related charges of $13.8 million in Six Months 2004 related to exiting the commodity concentrate product line and selling the Escalon facility. In total, the Company recorded $30.6 million of costs allocated between cost of product sold and restructuring and related charges associated with these actions. The Company expects to incur additional restructuring and related charges of $19.7 million over the next two quarters, beginning with an estimated $15 million in the third quarter of fiscal 2004. All of the remaining charges will be recorded as Restructuring and Related Charges on the Company's consolidated statement of income in the next two quarters. The remaining charges result from renegotiating existing grape contracts associated with commodity concentrate and the Escalon facility, asset write-offs and severance-related costs. More than half of the total charges to be recorded in connection with exiting the commodity concentrate product line and selling the Escalon facility are non-cash charges.

OPERATING INCOME

The following table sets forth the operating income (loss) (in thousands of dollars) by operating segment of the Company for Six Months 2004 and Six Months 2003.

<TABLE>
<CAPTION>

	Six Months 2004 Compared to Six Months 2003		
	Operating Income (Loss)		
	2004	2003	%Increase
<S>	<C>	<C>	<C>
Constellation Wines	$ 145,436	$ 91,079	59.7 %
Constellation Beers and Spirits	130,000	115,976	12.1 %
Corporate Operations and Other	(20,309)	(15,444)	31.5 %
Total Reportable Segments	255,127	191,611	33.1 %
Restructuring and Unusual Costs	(60,004)	-	N/A
Consolidated Operating Income	$ 195,123	$ 191,611	1.8 %

</TABLE>

Restructuring and unusual costs of $60.0 million for Six Months 2004 included restructuring and certain unusual costs that are excluded by management in their evaluation of the results of each operating segment. These costs represent the flow through of inventory step-up and the amortization of deferred financing costs associated with the Hardy Acquisition of $14.5 million and $9.2 million, respectively, and costs associated with exiting the commodity concentrate product line and the Company's realignment of its business operations in the wine segment, including the write-down of concentrate inventory of $16.8 million and restructuring and related charges of $19.5 million. As a result of these costs and the above factors, consolidated operating income increased to $195.1 million for Six Months 2004 from $191.6 million for Six Months 2003, an increase of $3.5 million, or 1.8%.

INTEREST EXPENSE, NET

Net interest expense increased to $80.3 million for Six Months 2004 from $54.3 million for Six Months 2003, an increase of $26.0 million, or 48.0%. The increase resulted from higher average borrowings due to the financing of the Hardy Acquisition, partially offset by a lower average borrowing rate, and $1.7 million of imputed interest expense related to the Hardy Acquisition.

PROVISION FOR INCOME TAXES

The Company's effective tax rate decreased to 36.0% for Six Months 2004 as compared to 39.3% for Six Months 2003 as a result of the Hardy Acquisition, which significantly increases the allocation of income to jurisdictions with lower income tax rates.

NET INCOME

As a result of the above factors, net income decreased to $74.8 million for Six Months 2004 from $86.9 million for Six Months 2003, a decrease of $12.2 million, or (14.0%).

FINANCIAL LIQUIDITY AND CAPITAL RESOURCES

GENERAL

The Company's principal use of cash in its operating activities is for purchasing and carrying inventories. The Company's primary source of liquidity has historically been cash flow from operations, except during the annual Fall grape harvests when the Company has relied on short-term borrowings. In the United States, the annual grape crush normally begins in August and runs through October. In Australia, the annual grape crush normally begins in March and runs through May. The Company generally begins purchasing grapes at the beginning of the crush season with payments for such grapes

beginning to come due one month later. The Company's short-term borrowings to support such purchases generally reach their highest levels one to two months after the crush season has ended. Historically, the Company has used cash flow from operating activities to repay its short-term borrowings. The Company will continue to use its short-term borrowings to support its working capital requirements. The Company believes that cash provided by operating activities and its financing activities, primarily short-term borrowings, will provide adequate resources to satisfy its working capital, liquidity and anticipated capital expenditure requirements for both its short-term and long-term capital needs.

SIX MONTHS 2004 CASH FLOWS

OPERATING ACTIVITIES

Net cash provided by operating activities for Six Months 2004 was $88.4 million, which resulted from $130.0 million in net income adjusted for non-cash items, less $41.6 million representing the net change in the Company's operating assets and liabilities. The net change in operating assets and liabilities resulted primarily from a seasonal increase in accounts receivable and a decrease in accounts payable, partially offset by a decrease in inventories and an increase in accrued advertising.

INVESTING ACTIVITIES

Net cash used in investing activities for Six Months 2004 was $1,105.7 million, which resulted primarily from net cash paid of $1,069.2 million for the purchases of businesses and $46.4 million of capital expenditures.

FINANCING ACTIVITIES

Net cash provided by financing activities for Six Months 2004 was $1,020.6 million resulting primarily from proceeds of $1,600.0 million from issuance of long-term debt, including $1,060.2 million of long-term debt incurred to acquire Hardy, plus net proceeds from the 2003 Equity Offerings (as defined below) of $426.4 million. This amount was partially offset by principal payments of long-term debt of $1,021.7 million.

During June 1998, the Company's Board of Directors authorized the repurchase of up to $100.0 million of its Class A Common Stock and Class B Common Stock. The repurchase of shares of common stock will be accomplished, from time to time, in management's discretion and depending upon market conditions, through open market or privately negotiated transactions. The Company may finance such repurchases through cash generated from operations or through the senior credit facility. The repurchased shares will become treasury shares. As of October 15, 2003, the Company had purchased 4,075,344 shares of Class A Common Stock at an aggregate cost of $44.9 million, or at an average cost of $11.01 per share. No shares were repurchased during Six Months 2004.

DEBT

Total debt outstanding as of August 31, 2003, amounted to $2,264.0 million, an increase of $998.5 million from February 28, 2003. The ratio of total debt to total capitalization increased to 54.5% as of August 31, 2003, from 51.9% as of February 28, 2003.

SENIOR CREDIT FACILITY

2003 Credit Agreement

In connection with the Hardy Acquisition, on January 16, 2003, the Company, certain subsidiaries of the Company, JPMorgan Chase Bank, as a lender and administrative agent (the "Administrative Agent"), and certain other lenders (such other lenders, together with the Administrative Agent, are collectively referred to herein as the "Lenders") entered into a new credit agreement, which was subsequently amended and restated on March 19, 2003 (the "2003 Credit Agreement"). The 2003 Credit Agreement provides for aggregate credit facilities of $1.6 billion consisting of a $400.0 million Tranche A Term Loan facility due in February 2008, an $800.0 million Tranche B Term Loan facility due in November 2008 and a $400.0 million Revolving Credit facility (including an Australian Dollar revolving sub-facility of up to A$10.0 million and a sub-facility for letters of credit of up to $40.0 million) which expires on February 29, 2008. Proceeds of the 2003 Credit Agreement were used to pay off the Company's obligations under its prior senior credit facility, to fund a portion of the cash required to pay the former Hardy shareholders and to pay indebtedness outstanding under certain of Hardy's credit facilities. The Company intends to use the remaining availability under the 2003 Credit Agreement to fund its working capital needs on an ongoing basis.

The Tranche A Term Loan facility and the Tranche B Term Loan facility were fully drawn on March 27, 2003. The required annual repayments of the Tranche A Term Loan facility are $40.0 million in fiscal 2004 and increase by $20.0 million each year through fiscal 2008. In August 2003, the Company prepaid $100.0 million of the Tranche B Term Loan facility. After this prepayment, the required annual repayments of the Tranche B Term Loan, which is backend loaded, were revised to $37.0 million beginning in fiscal 2005 with increases to $359.0 million in fiscal 2009.

The rate of interest payable, at the Company's option, is a function of LIBOR plus a margin, the federal funds rate plus a margin, or the prime rate plus a margin. The margin is adjustable based upon the Company's Debt Ratio (as defined in the 2003 Credit Agreement) and, with respect to LIBOR borrowings, ranges between 1.50% and 2.75%. The initial LIBOR margin for the Revolving Credit facility and the Tranche A Term Loan facility is 2.25%, while the initial LIBOR margin on the Tranche B Term Loan facility is 2.75%.

The Company's obligations are guaranteed by certain subsidiaries of the Company ("Guarantors") and the Company has pledged collateral of (i) 100% of the capital stock of all of the Company's U.S. subsidiaries and (ii) 65% of the voting capital stock of certain foreign subsidiaries of the Company.

The Company and its subsidiaries are subject to customary lending covenants including those restricting additional liens, the incurrence of additional indebtedness (including guarantees of indebtedness), the sale of assets, the payment of dividends, transactions with affiliates and the making of certain investments, in each case subject to baskets, exceptions and thresholds. As a result of the prepayment of the Bridge Loans (as defined below) with the proceeds from the 2003 Equity Offerings, the requirement under certain circumstances for the Company and the Guarantors to pledge certain assets consisting of, among other things, inventory, accounts receivable and trademarks to secure the obligations under the 2003 Credit Agreement, ceased to apply. Hardy has guaranteed debt of a joint venture in the maximum amount of $3.4 million as of August 31, 2003, which is permitted under the 2003 Credit Agreement. The primary financial covenants require the maintenance of a debt coverage ratio, a senior debt coverage ratio, a fixed charges ratio and an interest coverage ratio. As of August 31, 2003, the Company is in compliance with all of its debt covenants.

As of August 31, 2003, under the 2003 Credit Agreement, the Company had outstanding Tranche A Term Loans of $386.7 million bearing a weighted average interest rate of 3.6%, Tranche B Term Loans

of $696.7 million bearing a weighted average interest rate of 4.1%, $33.5 million of revolving loans bearing a weighted average interest rate of 4.6%, undrawn revolving letters of credit of $15.8 million, and $350.7 million in revolving loans available to be drawn.

Bridge Agreement

On January 16, 2003, the Company, certain subsidiaries of the Company, JPMorgan Chase Bank, as a lender and Administrative Agent, and certain other lenders (such other lenders, together with the Administrative Agent, are collectively referred to herein as the "Bridge Lenders") entered into a bridge loan agreement which was amended and restated as of March 26, 2003, containing commitments of the Bridge Lenders to make bridge loans (the "Bridge Loans") of up to, in the aggregate, $450.0 million (the "Bridge Agreement"). On April 9, 2003, the Company used $400.0 million of the Bridge Loans to fund a portion of the cash required to pay the former Hardy shareholders. The rate of interest payable on the Bridge Loans was equal to LIBOR plus an initial margin of 3.75%. On July 30, 2003, the Company used proceeds from the 2003 Equity Offerings to prepay the $400.0 million Bridge Loans in their entirety.

SENIOR NOTES

As of August 31, 2003, the Company had outstanding $200.0 million aggregate principal amount of 8 5/8% Senior Notes due August 2006 (the "Senior Notes"). The Senior Notes are currently redeemable, in whole or in part, at the option of the Company.

As of August 31, 2003, the Company had outstanding (pound) 1.0 million ($1.6 million) aggregate principal amount of 8 1/2% Series B Senior Notes due November 2009 (the "Sterling Series B Senior Notes"). In addition, as of August 31, 2003, the Company had outstanding (pound) 154.0 million ($242.5 million, net of $0.5 million unamortized discount) aggregate principal amount of 8 1/2% Series C Senior Notes due November 2009 (the "Sterling Series C Senior Notes"). The Sterling Series B Senior Notes and Sterling Series C Senior Notes are currently redeemable, in whole or in part, at the option of the Company.

Also, as of August 31, 2003, the Company had outstanding $200.0 million aggregate principal amount of 8% Senior Notes due February 2008 (the "February 2001 Senior Notes"). The February 2001 Senior Notes are currently redeemable, in whole or in part, at the option of the Company.

SENIOR SUBORDINATED NOTES

As of August 31, 2003, the Company had outstanding $200.0 million aggregate principal amount of 8 1/2% Senior Subordinated Notes due March 2009 (the "Senior Subordinated Notes"). The Senior Subordinated Notes are redeemable at the option of the Company, in whole or in part, at any time on or after March 1, 2004.

Also, as of August 31, 2003, the Company had outstanding $250.0 million aggregate principal amount of 8 1/8% Senior Subordinated Notes due January 2012 (the "January 2002 Senior Subordinated Notes"). The January 2002 Senior Subordinated Notes are redeemable at the option of the Company, in whole or in part, at any time on or after January 15, 2007. The Company may also redeem up to 35% of the January 2002 Senior Subordinated Notes using the proceeds of certain equity offerings completed before January 15, 2005.

EQUITY OFFERINGS

During July 2003, the Company completed a public offering of 9,800,000 shares of its Class A Common Stock resulting in net proceeds to the Company, after deducting underwriting discounts and

expenses, of $261.4 million. In addition, the Company also completed a public offering of 170,500 shares of its 5.75% Series A Mandatory Convertible Preferred Stock ("Preferred Stock") resulting in net proceeds to the Company, after deducting underwriting discounts and expenses, of $165.0 million. The Class A Common Stock offering and the Preferred Stock offering are referred to together as the "2003 Equity Offerings." The net proceeds from the 2003 Equity Offerings were used to repay the Bridge Loans that were incurred to partially finance the Hardy Acquisition. The remaining proceeds were used to repay term loan borrowings under the 2003 Credit Agreement.

ACCOUNTING PRONOUNCEMENTS NOT YET ADOPTED

In January 2003, the FASB issued FASB Interpretation No. 46 ("FIN No. 46"), "Consolidation of Variable Interest Entities - an interpretation of ARB No. 51." FIN No. 46 requires all variable interest entities to be consolidated by the primary beneficiary. The primary beneficiary is the entity that holds the majority of the beneficial interests in the variable interest entity. In addition, the interpretation expands disclosure requirements for both variable interest entities that are consolidated as well as variable interest entities from which the entity is the holder of a significant amount of the beneficial interests, but not the majority. The Company is required to adopt FIN No. 46 in its entirety on December 1, 2003. The Company is currently assessing the financial impact of FIN No. 46 on its consolidated financial statements.

In May 2003, the FASB issued Statement of Financial Accounting Standards No. 150 ("SFAS No. 150"), "Accounting for Certain Financial Instruments with Characteristics of both Liabilities and Equity." SFAS No. 150 establishes standards for how an issuer classifies and measures certain financial instruments with characteristics of both liabilities and equity. SFAS No. 150 requires that an issuer classify a financial instrument that is within the scope of SFAS No. 150 as a liability. As required, the Company adopted SFAS No. 150 in its entirety on September 1, 2003. The adoption of SFAS No. 150 did not have a material impact on the Company's consolidated financial statements.

INFORMATION REGARDING FORWARD-LOOKING STATEMENTS

This Quarterly Report on Form 10-Q contains "forward-looking statements" within the meaning of Section 27A of the Securities Act of 1933 and Section 21E of the Securities Exchange Act of 1934. These forward-looking statements are subject to a number of risks and uncertainties, many of which are beyond the Company's control, that could cause actual results to differ materially from those set forth in, or implied by, such forward-looking statements. All statements other than statements of historical facts included in this Quarterly Report on Form 10-Q, including statements regarding the Company's future financial position and prospects, are forward-looking statements. All forward-looking statements speak only as of the date of this Quarterly Report on Form 10-Q. The Company undertakes no obligation to update or revise any forward-looking statements, whether as a result of new information, future events or otherwise. In addition to the risks and uncertainties of ordinary business operations, the forward-looking statements of the Company contained in this Form 10-Q are also subject to the following risks and uncertainties: the on-going assimilation of the Hardy business; final management determinations and independent appraisals vary materially from current management estimates and preliminary independent appraisals of the fair value of the assets acquired and the liabilities assumed in the Hardy acquisition; the Company achieving certain sales projections and meeting certain cost targets; wholesalers and retailers may give higher priority to products of the Company's competitors; raw material supply, production or shipment difficulties could adversely affect the Company's ability to supply its customers; increased competitive activities in the form of pricing, advertising and promotions could adversely impact consumer demand for the Company's products and/or result in higher than expected selling, general and administrative expenses; a general decline in alcohol consumption; increases in excise and other taxes on beverage alcohol products; and changes in foreign exchange rates. For additional information about risks and uncertainties that could adversely affect the Company's forward-looking statements, please refer to the Company's Annual Report on Form 10-K for the fiscal year ended February 28, 2003.

ITEM 3. QUANTITATIVE AND QUALITATIVE DISCLOSURES ABOUT MARKET RISK

The Company, as a result of its global operating activities, is exposed to changes in foreign currency exchange rates and interest rates, which may adversely affect its results of operations and financial position. In seeking to minimize the risks and/or costs associated with such activities, the Company may enter into derivative contracts. The Company does not utilize financial instruments for trading or other speculative purposes.

Foreign currency forward contracts and foreign currency options are used to hedge existing foreign currency denominated assets and liabilities, as well as forecasted foreign currency denominated sales. Using a sensitivity analysis based on estimated fair value of open contracts using available forward rates, if the U.S. dollar had been 10% weaker at August 31, 2003, and August 31, 2002, the fair value of open contracts would have increased $20.2 million and $0.1 million, respectively. Such gains or losses would be substantially offset by losses or gains from the revaluation or settlement of the related underlying positions.

The Company is exposed to interest rate risk primarily through its borrowing activities. The Company utilizes U.S. dollar denominated and foreign currency denominated borrowings to fund its working capital and investment needs. Using a sensitivity analysis based on a hypothetical 1% increase in prevailing interest rates at August 31, 2003, and August 31, 2002, would result in an approximate increase in cash required for interest of $9.3 million and $1.1 million, respectively.

The Company's policy is to use only counterparties with an investment-grade or better rating and to monitor market risk and exposure for each counterparty. The Company has procedures to monitor the credit exposure amounts. The maximum credit exposure at August 31, 2003, was not significant to the Company.

ITEM 4. CONTROLS AND PROCEDURES

The Company's Chief Executive Officer and its Chief Financial Officer have concluded, based on their evaluation as of the end of the period covered by this report, that the Company's "disclosure controls and procedures" (as defined in the Securities Exchange Act of 1934 Rules 13a-15(e) and 15d-15(e)) are effective to ensure that information required to be disclosed in the reports that the Company files or submits under the Securities Exchange Act of 1934 is recorded, processed, summarized and reported within the time periods specified in the Securities and Exchange Commission's rules and forms. In connection with that evaluation, no changes were identified in the Company's "internal control over financial reporting" (as defined in the Securities Exchange Act of 1934 Rules 13a-15(f) and 15d-15(f)) that occurred during the Company's fiscal quarter ended August 31, 2003 that have materially affected, or are reasonably likely to materially affect, the Company's internal control over financial reporting.

PART II - OTHER INFORMATION

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

At the Annual Meeting of Stockholders of Constellation Brands, Inc. held on July 15, 2003 (the "Annual Meeting"), the holders of the Company's Class A Common Stock (the "Class A Stock"), voting as a separate class, elected the Company's slate of director nominees designated to be elected by the holders of the Class A Stock, and the holders of the Company's Class B Common Stock (the "Class B Stock"), voting as a separate class, elected the Company's slate of director nominees designated to be elected by the holders of the Class B Stock.

In addition, at the Annual Meeting, the holders of Class A Stock and the holders of Class B Stock, voting together as a single class, voted upon a proposal to ratify the selection of KPMG LLP, Certified Public Accountants, as the Company's independent public accountants for the fiscal year ending February 29, 2004.

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

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

Directors Elected by the Holders of Class A Stock:

Nominee	For	Withheld
Thomas C. McDermott	48,118,361	23,512,555
Paul L. Smith	48,071,401	23,559,515

Directors Elected by the Holders of Class B Stock:

Nominee	For	Withheld
George Bresler	119,930,460	24,730
Jeananne K. Hauswald	119,659,980	295,210
James A. Locke III	119,679,980	275,210
Richard Sands	119,934,460	20,730
Robert Sands	119,663,980	291,210

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

For:	165,835,416
Against:	25,518,575
Abstain:	231,415
Broker Nonvotes:	700

ITEM 6. EXHIBITS AND REPORTS ON FORM 8-K

(a) The following Exhibits are furnished as part of this Form 10-Q:

Exhibit Number	Description
(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.
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.
(3)	ARTICLES OF INCORORATION AND BY-LAWS.
3.1	Restated Certificate of Incorporation of the Company.
3.2	Certificate of Designations of 5.75% Series A Mandatory Convertible Preferred Stock of the Company.
3.3	By-Laws of the Company.
(4)	INSTRUMENTS DEFINING THE RIGHTS OF SECURITY HOLDERS, INCLUDING INDENTURES.
4.1	Indenture, dated as of February 25, 1999, among the Company, as issuer, certain principal subsidiaries, as Guarantors, and BNY Midwest Trust Company (successor Trustee to Harris Trust and Savings Bank), as Trustee.
4.2	Supplemental Indenture No. 1, with respect to 8 1/2% Senior Subordinated Notes due 2009, dated as of February 25, 1999, by and among the Company, as Issuer, certain principal subsidiaries, as Guarantors, and BNY Midwest Trust Company (successor Trustee to Harris Trust and Savings Bank), as Trustee.
4.3	Supplemental Indenture No. 2, with respect to 8 5/8% Senior Notes due 2006, dated as of August 4, 1999, by and among the Company, as Issuer, certain principal subsidiaries, as Guarantors, and BNY Midwest Trust Company (successor Trustee to Harris Trust and Savings Bank), as Trustee.
4.4	Supplemental Indenture No. 3, dated as of August 6, 1999, by and among the Company, Canandaigua B.V., Barton Canada, Ltd., Simi Winery, Inc.,

Franciscan Vineyards, Inc., Allberry, Inc., M.J. Lewis Corp., Cloud Peak Corporation, Mt. Veeder Corporation, SCV-EPI Vineyards, Inc., and BNY Midwest Trust Company (successor Trustee to Harris Trust and Savings Bank), as Trustee.

4.5 Supplemental Indenture No. 4, with respect to 8 1/2% Senior Notes due 2009, dated as of May 15, 2000, by and among the Company, as Issuer, certain principal subsidiaries, as Guarantors, and BNY Midwest Trust Company (successor Trustee to Harris Trust and Savings Bank), as Trustee.

4.6 Supplemental Indenture No. 5, dated as of September 14, 2000, by and among the Company, as Issuer, certain principal subsidiaries, as Guarantors, and BNY Midwest Trust Company (successor Trustee to The Bank of New York), as Trustee.

4.7 Supplemental Indenture No. 6, dated as of August 21, 2001, among the Company, Ravenswood Winery, Inc. and BNY Midwest Trust Company (successor trustee to Harris Trust and Savings Bank and The Bank of New York, as applicable), as Trustee.

4.8 Supplemental Indenture No. 7, dated as of January 23, 2002, by and among the Company, as Issuer, certain principal subsidiaries, as Guarantors, and BNY Midwest Trust Company, as Trustee.

4.9 Supplemental Indenture No. 8, dated as of March 27, 2003, by and among the Company, CBI Australia Holdings Pty Limited (ACN 103 359 299), Constellation Australia Pty Limited (ACN 103 362 232) and BNY Midwest Trust Company, as Trustee.

4.10 Indenture, with respect to 8 1/2% Senior Notes due 2009, dated as of November 17, 1999, among the Company, as Issuer, certain principal subsidiaries, as Guarantors, and BNY Midwest Trust Company (successor to Harris Trust and Savings Bank), as Trustee.

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

4.12 Supplemental Indenture No. 2, dated as of March 27, 2003, among the Company, CBI Australia Holdings Pty Limited (ACN 103 359 299), Constellation Australia Pty Limited (ACN 103 362 232) and BNY Midwest Trust Company (successor to Harris Trust and Savings Bank), as Trustee.

4.13 Indenture, with respect to 8% Senior Notes due 2008, dated as of February 21, 2001, by and among the Company, as Issuer, certain principal subsidiaries, as Guarantors and BNY Midwest Trust Company, as Trustee.

4.14 Supplemental Indenture No. 1, dated as of August 21, 2001, among the Company, Ravenswood Winery, Inc. and BNY Midwest Trust Company, as Trustee.

4.15 Supplemental Indenture No. 2, dated as of March 27, 2003, among the Company, CBI Australia Holdings Pty Limited (ACN 103 359 299), Constellation Australia Pty Limited (ACN 103 362 232) and BNY Midwest Trust Company, as Trustee.

4.16 Amended and Restated Credit Agreement, dated as of March 19, 2003, among the Company and certain of its subsidiaries, the lenders named therein, JPMorgan Chase Bank, as Administrative Agent, and JPMorgan Europe Limited, as London Agent.

4.17 Amendment No. 1 to the Amended and Restated Credit Agreement, dated as of July 18, 2003, among the Company, certain of its subsidiaries, and JPMorgan Chase Bank, as Administrative Agent.

4.18 Amended and Restated Bridge Loan Agreement, dated as of January 16, 2003 and amended and restated as of March 26, 2003, among the Company and certain of its subsidiaries, the lenders named therein, and JPMorgan Chase Bank, as Administrative Agent.

4.19 Certificate of Designations of 5.75% Series A Mandatory Convertible Preferred Stock of the Company.

4.20 Deposit Agreement by and among the Company, Mellon Investor Services LLC and all holders from time to time of Depositary Receipts evidencing Depositary Shares Representing 5.75% Series A Mandatory Convertible Preferred Stock of the Company.

(10) MATERIAL CONTRACTS.

10.1 Amended and Restated Credit Agreement, dated as of March 19, 2003, among the Company and certain of its subsidiaries, the lenders named therein, JPMorgan Chase Bank, as Administrative Agent, and JPMorgan Europe Limited, as London Agent.

10.2 Amendment No. 1 to the Amended and Restated Credit Agreement, dated as of July 18, 2003, among the Company and certain of its subsidiaries, and JPMorgan Chase Bank, as Administrative Agent.

10.3 Amended and Restated Bridge Loan Agreement, dated as of January 16, 2003 and amended and restated as of March 26, 2003, among the Company and certain of its subsidiaries, the lenders named therein, and JPMorgan Chase Bank, as Administrative Agent.

(11) STATEMENT RE COMPUTATION OF PER SHARE EARNINGS.

11.1 Computation of per share earnings.

(31) RULE 13a-14(a)/15d-14(a) CERTIFICATIONS.

31.1 Certificate of Chief Executive Officer pursuant to Rule 13a-14(a) or Rule 15d-14(a) of the Securities Exchange Act of 1934, as amended.

31.2 Certificate of Chief Financial Officer pursuant to Rule 13a-14(a) or Rule 15d-14(a) of the Securities Exchange Act of 1934, as amended.

(32) SECTION 1350 CERTIFICATIONS.

32.1 Certification of Chief Executive Officer pursuant to Section 18 U.S.C. 1350.

32.2 Certification of Chief Financial Officer pursuant to Section 18 U.S.C. 1350.

(b) The following Reports on Form 8-K were filed with the Securities and Exchange Commission during the quarter ended August 31, 2003:

(i) Form 8-K/A dated March 27, 2003 and filed as of June 9, 2003. This Form 8-K reported information under Item 7 and included (i) 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, independent accountants, thereon and (ii) 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.

(ii) Form 8-K dated July 1, 2003 and filed as of July 1, 2003. This Form 8-K reported information under Items 7 and 9, and included (i) the Company's Condensed Consolidated Balance Sheets as of May 31, 2003 and February 28, 2003; (ii) the Company's Consolidated Statements of Income on a Reported Basis for the three months ended May 31, 2003 and May 31, 2002; (iii) the Company's Supplemental Consolidated Statements of Income on a Comparable Basis for the three months ended May 31, 2003 and May 31, 2002; (iv) the Company's Reconciliation of Reported and Comparable Financial Information for the three months ended May 31, 2003 and May 31, 2002; and (v) the Company's Reconciliation of Reported and Comparable Outlook.*

(iii) Form 8-K/A-2 dated March 27, 2003 and filed as of July 18, 2003. This Form 8-K reported information under Item 7 and included (i) 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 and (ii) 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.

(iv) Form 8-K dated July 18, 2003 and filed as of July 18, 2003. This Form 8-K reported information under Items 7 and 9, and included the Company's Reconciliation of Reported and Comparable Diluted Earnings Per Share.*

(v) Form 8-K dated July 24, 2003 and filed as of July 30, 2003. This Form 8-K reported information under Item 7.

(vi) Form 8-K dated July 30, 2003 and filed as of July 31, 2003. This Form 8-K reported information under Items 7 and 9, and included the Company's Reconciliation of Reported and Comparable Diluted Earnings Per Share.*

*Designates Form 8-K was furnished rather than filed.

SIGNATURES

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

CONSTELLATION BRANDS, INC.

Dated: October 15, 2003 By:/s/ Thomas F. Howe

Thomas F. Howe, Senior Vice President, Controller

Dated: October 15, 2003 By:/s/ Thomas S. Summer

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

INDEX TO EXHIBITS

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

2.1 Implementation Deed dated 17 January 2003 between Constellation Brands, Inc. and BRL Hardy Limited (filed as Exhibit 99.1 to the Company'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 Company'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 Company'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 Company'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 Company's Current Report on Form 8-K dated March 27, 2003 and incorporated herein by reference).

(3) ARTICLES OF INCORPORATION AND BY-LAWS.

3.1 Restated Certificate of Incorporation of the Company (filed as Exhibit 3.1 to the Company's Quarterly Report on Form 10-Q for the fiscal quarter ended August 31, 2002 and incorporated herein by reference).

3.2 Certificate of Designations of 5.75% Series A Mandatory Convertible Preferred Stock of the Company (filed as Exhibit 4.1 to the Company's Current Report on Form 8-K dated July 24, 2003, filed July 30, 2003 and incorporated herein by reference).

3.3 By-Laws of the Company (filed as Exhibit 3.2 to the Company's Quarterly Report on Form 10-Q for the fiscal quarter ended August 31, 2002 and incorporated herein by reference).

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

4.1 Indenture, dated as of February 25, 1999, among the Company, as issuer, certain principal subsidiaries, as Guarantors, and BNY Midwest Trust

Company (successor Trustee to Harris Trust and Savings Bank), as Trustee (filed as Exhibit 99.1 to the Company's Current Report on Form 8-K dated February 25, 1999 and incorporated herein by reference).

4.2 Supplemental Indenture No. 1, with respect to 8 1/2% Senior Subordinated Notes due 2009, dated as of February 25, 1999, by and among the Company, as Issuer, certain principal subsidiaries, as Guarantors, and BNY Midwest Trust Company (successor Trustee to Harris Trust and Savings Bank), as Trustee (filed as Exhibit 99.2 to the Company's Current Report on Form 8-K dated February 25, 1999 and incorporated herein by reference).

4.3 Supplemental Indenture No. 2, with respect to 8 5/8% Senior Notes due 2006, dated as of August 4, 1999, by and among the Company, as Issuer, certain principal subsidiaries, as Guarantors, and BNY Midwest Trust Company (successor Trustee to Harris Trust and Savings Bank), as Trustee

(filed as Exhibit 4.1 to the Company's Current Report on Form 8-K dated July 28, 1999 and incorporated herein by reference).

4.4 Supplemental Indenture No. 3, dated as of August 6, 1999, by and among the Company, Canandaigua B.V., Barton Canada, Ltd., Simi Winery, Inc., Franciscan Vineyards, Inc., Allberry, Inc., M.J. Lewis Corp., Cloud Peak Corporation, Mt. Veeder Corporation, SCV-EPI Vineyards, Inc., and BNY Midwest Trust Company (successor Trustee to Harris Trust and Savings Bank), as Trustee (filed as Exhibit 4.20 to the Company's Quarterly Report on Form 10-Q for the fiscal quarter ended August 31, 1999 and incorporated herein by reference).

4.5 Supplemental Indenture No. 4, with respect to 8 1/2% Senior Notes due 2009, dated as of May 15, 2000, by and among the Company, as Issuer, certain principal subsidiaries, as Guarantors, and BNY Midwest Trust Company (successor Trustee to Harris Trust and Savings Bank), as Trustee (filed as Exhibit 4.17 to the Company's Annual Report on Form 10-K for the fiscal year ended February 29, 2000 and incorporated herein by reference).

4.6 Supplemental Indenture No. 5, dated as of September 14, 2000, by and among the Company, as Issuer, certain principal subsidiaries, as Guarantors, and BNY Midwest Trust Company (successor Trustee to The Bank of New York), as Trustee (filed as Exhibit 4.1 to the Company's Quarterly Report on Form 10-Q for the fiscal quarter ended August 31, 2000 and incorporated herein by reference).

4.7 Supplemental Indenture No. 6, dated as of August 21, 2001, among the Company, Ravenswood Winery, Inc. and BNY Midwest Trust Company (successor trustee to Harris Trust and Savings Bank and The Bank of New York, as applicable), as Trustee (filed as Exhibit 4.6 to the Company's Registration Statement on Form S-3 (Pre-effective Amendment No. 1) (Registration No. 333-63480) and incorporated herein by reference).

4.8 Supplemental Indenture No. 7, dated as of January 23, 2002, by and among the Company, as Issuer, certain principal subsidiaries, as Guarantors, and BNY Midwest Trust Company, as Trustee (filed as Exhibit 4.2 to the Company's Current Report on Form 8-K dated January 17, 2002 and incorporated herein by reference).

4.9 Supplemental Indenture No. 8, dated as of March 27, 2003, by and among the Company, CBI Australia Holdings Pty Limited (ACN 103 359 299), Constellation Australia Pty Limited (ACN 103 362 232) and BNY Midwest Trust Company, as Trustee (filed as Exhibit 4.9 to the Company's Annual Report on Form 10-K for the fiscal year ended February 28, 2003 and incorporated herein by reference).

4.10 Indenture, with respect to 8 1/2% Senior Notes due 2009, dated as of November 17, 1999, among the Company, as Issuer, certain principal subsidiaries, as Guarantors, and BNY Midwest Trust Company (successor to Harris Trust and Savings Bank), as Trustee (filed as Exhibit 4.1 to the Company's Registration Statement on Form S-4 (Registration No. 333-94369) and incorporated herein by reference).

4.11 Supplemental Indenture No. 1, dated as of August 21, 2001, among the Company, Ravenswood Winery, Inc. and BNY Midwest Trust Company (successor to Harris Trust and Savings Bank), as Trustee (filed as Exhibit 4.4 to the Company's Quarterly Report on Form 10-Q for the fiscal quarter ended August 31, 2001 and incorporated herein by reference).

4.12 Supplemental Indenture No. 2, dated as of March 27, 2003, among the Company, CBI Australia Holdings Pty Limited (ACN 103 359 299), Constellation Australia Pty Limited (ACN 103 362 232) and BNY Midwest Trust Company (successor to Harris Trust and Savings Bank), as Trustee (filed as Exhibit 4.18 to the Company's Annual Report on Form 10-K for the fiscal year ended February 28, 2003 and incorporated herein by reference).

4.13 Indenture, with respect to 8% Senior Notes due 2008, dated as of February 21, 2001, by and among the Company, as Issuer, certain principal subsidiaries, as Guarantors and BNY Midwest Trust Company, as Trustee (filed as Exhibit 4.1 to the Company's Registration Statement filed on Form S-4 (Registration No. 333-60720) and incorporated herein by reference).

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

4.15 Supplemental Indenture No. 2, dated as of March 27, 2003, among the Company, CBI Australia Holdings Pty Limited (ACN 103 359 299), Constellation Australia Pty Limited (ACN 103 362 232) and BNY Midwest Trust Company, as Trustee (filed as Exhibit 4.21 to the Company's Annual Report on Form 10-K for the fiscal year ended February 28, 2003 and incorporated herein by reference).

4.16 Amended and Restated Credit Agreement, dated as of March 19, 2003, among the Company 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 Company's Current Report on Form 8-K dated March 27, 2003 and incorporated herein by reference).

4.17 Amendment No. 1 to the Amended and Restated Credit Agreement, dated as of July 18, 2003, among the Company, certain of its subsidiaries, and JPMorgan Chase Bank, as Administrative Agent (filed herewith).

4.18 Amended and Restated Bridge Loan Agreement, dated as of January 16, 2003 and amended and restated as of March 26, 2003, among the Company and certain of its subsidiaries, the lenders named therein, and JPMorgan Chase Bank, as Administrative Agent (filed as Exhibit 4.2 to the Company's Current Report on Form 8-K dated March 27, 2003 and incorporated herein by reference).

4.19 Certificate of Designations of 5.75% Series A Mandatory Convertible Preferred Stock of the Company (filed as Exhibit 4.1 to the Company's Current Report on Form 8-K dated July 24, 2003, filed July 30, 2003 and incorporated herein by reference).

4.20 Deposit Agreement, dated as of July 30, 2003, by and among the Company, Mellon Investor Services LLC and all holders from time to time of Depositary Receipts evidencing Depositary Shares Representing 5.75% Series A Mandatory Convertible Preferred Stock of the Company (filed as Exhibit 4.2 to the Company's Current Report on Form 8-K dated July 24, 2003, filed July 30, 2003 and incorporated herein by reference).

(10) MATERIAL CONTRACTS.

10.1 Amended and Restated Credit Agreement, dated as of March 19, 2003, among the Company 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 Company's Current Report on Form 8-K dated March 27, 2003 and incorporated herein by reference).

10.2 Amendment No. 1 to the Amended and Restated Credit Agreement, dated as of July 18, 2003, among the Company and certain of its subsidiaries, and JPMorgan Chase Bank, as Administrative Agent (filed as Exhibit 4.17 to the Company's Report on Form 10-Q for the fiscal quarter ended August 31, 2003 and incorporated herein by reference).

10.3 Amended and Restated Bridge Loan Agreement, dated as of January 16, 2003 and amended and restated as of March 26, 2003, among the Company and certain of its subsidiaries, the lenders

named therein, and JPMorgan Chase Bank, as Administrative Agent (filed as Exhibit 4.2 to the Company's Current Report on Form 8-K dated March 27, 2003 and incorporated herein by reference).

(11) STATEMENT RE COMPUTATION OF PER SHARE EARNINGS.

11.1 Computation of per share earnings (filed herewith).

(15) LETTER RE UNAUDITED INTERIM FINANCIAL INFORMATION.

Not applicable.

(18) LETTER RE CHANGE IN ACCOUNTING PRINCIPLES.

Not applicable.

(19) REPORT FURNISHED TO SECURITY HOLDERS.

Not applicable.

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

Not applicable.

(23) CONSENTS OF EXPERTS AND COUNSEL.

Not applicable.

(24) POWER OF ATTORNEY.

Not applicable.

(31) RULE 13a-14(a)/15d-14(a) CERTIFICATIONS.

31.1 Certificate of Chief Executive Officer pursuant to Rule 13a-14(a) or Rule 15d-14(a) of the Securities Exchange Act of 1934, as amended (filed herewith).

31.2 Certificate of Chief Financial Officer pursuant to Rule 13a-14(a) or Rule 15d-14(a) of the Securities Exchange Act of 1934, as amended (filed herewith).

(32) SECTION 1350 CERTIFICATIONS.

32.1 Certificate of Chief Executive Officer pursuant to Section 18 U.S.C. 1350 (filed herewith).

32.2 Certificate of Chief Financial Officer pursuant to Section 18 U.S.C. 1350 (filed herewith).

(99) ADDITIONAL EXHIBITS.

Not applicable.

EXHIBIT 4.17

AMENDMENT NO. 1

AMENDMENT NO. 1 dated as of July 18, 2003, between CONSTELLATION BRANDS, INC., a Delaware corporation (the "Borrower"); each of the Subsidiaries of the Borrower identified under the caption "SUBSIDIARY GUARANTORS" on the signature pages hereto (individually, a "Subsidiary Guarantor" and, collectively the "Subsidiary Guarantors" and, together with the Borrower, the "Obligors"); and JPMORGAN CHASE BANK, as administrative agent for the Lenders referred to below (in such capacity, together with its successors in such capacity, the "Administrative Agent").

The Borrower, the Subsidiary Guarantors, certain financial institutions (the "Lenders"), certain other parties and the Administrative Agent are parties to an Amended and Restated Credit Agreement dated as of March 19, 2003 (as in effect on the date hereof, the "Credit Agreement"). The Obligors and the Administrative Agent (having previously obtained the authorization of the Required Lenders) wish to amend the Credit Agreement in certain respects and, accordingly, the parties hereto hereby agree as follows:

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

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

(a) Section 1.01 of the Credit Agreement is amended by adding each of the following definitions in its appropriate alphabetical location:

> "'CBI Preferred Stock' means senior mandatorily convertible preferred stock of the Borrower (of one or more series), but only so long as such preferred stock (i) for so long as Indebtedness incurred under the Bridge Credit Agreement is outstanding, is issued (at least in part) to repay such Indebtedness, (ii) is mandatorily convertible into Class A common stock of the Borrower, (iii) except as provided in the foregoing clause (ii) or in the anti-dilution adjustments for such preferred stock, is not convertible (including at the option of any Person) into any debt or equity security of the Borrower or any Subsidiary at any time and (iv) has an aggregate liquidation preference (for all series) not exceeding U.S. $530,000,000 (plus any accrued and unpaid dividends thereon, subject to the terms of Section 7.07)."
>
> "'CBI Preferred Stock Payments' means quarterly cash dividend payments on the CBI Preferred Stock."

(b) Clause (v) of Section 7.07(a) of the Credit Agreement is amended and restated to read in its entirety as follows:

> "(v) declare and make Restricted Payments in cash, subject (in the case of this clause (v)) to the satisfaction of each of the following conditions on the date of such Restricted Payment and after giving effect thereto:

> (A) no Default shall have occurred and be continuing;
>
> (B) except with respect to the CBI Preferred Stock Payments, the aggregate amount of Restricted Payments made during any fiscal year, including the fiscal year ending February 28, 2002, shall not exceed an amount equal to 50% of consolidated net income of the Borrower and its Consolidated Subsidiaries for such fiscal year;
>
> (C) except with respect to the CBI Preferred Stock Payments, the Debt Ratio for the period of four consecutive fiscal quarters most recently ended prior to the date of any such Restricted Payment shall not exceed 2.00 to 1; and
>
> (D) except with respect to the CBI Preferred Stock Payments, the Borrower shall have delivered to the Administrative Agent, at least 10 Business Days (but not more than 20 Business Days) prior to the date of declaration of any such Restricted Payment, a certificate of a Financial Officer of the Borrower setting forth computations in reasonable detail demonstrating satisfaction of the foregoing conditions as at the date of such certificate and stating that such Financial Officer believes in good faith that none of such conditions will fail to be satisfied on the date of payment of such Restricted Payment,

it being understood that to the extent the conditions specified in the foregoing clauses (A) through (C) are satisfied on the date of declaration of such Restricted Payment by the board of directors of the Borrower, such Restricted Payment may be made at any time within the 60-day period thereafter, regardless of whether such conditions continue to be satisfied.".

Section 3. REPRESENTATIONS AND WARRANTIES. The Borrower represents and warrants to the Lenders and the Administrative Agent that (i) the representations and warranties set forth in the Credit Agreement, and of each Obligor in each of the other Loan Documents to which it is party (but as to such other Loan Documents, in all material respects), are true and correct on and as of the date hereof as if made on and as of the date hereof (or, if any such representation or warranty is expressly stated to have been made as of a specific date, such representation or warranty shall be true and correct as of such specific date) and as if each reference to the "Credit Agreement", or similar words of import, included reference to this Amendment No. 1 and (ii) at the time of and immediately after giving effect to this Amendment No. 1, no Default has occurred and is continuing.

Section 4. CONDITIONS PRECEDENT. The amendments set forth in Section 2 hereof shall become effective, as of the date hereof, upon (i) the execution and delivery of this Amendment No. 1 by the Obligors and the Administrative Agent and (ii) the payment, on the date that the condition set forth in clause (i) of this Section 4 is satisfied, to the Administrative Agent for the account of each Lender that authorizes the Administrative Agent to execute this Amendment No. 1 not later than 12:00 p.m., New York City time, on Friday, July 18, 2003, of an amendment fee in an amount equal to 0.05% of the sum of the aggregate amount of such Lender's Revolving Commitments and Term Loans on the date the condition set for in clause (i) of this Section 4 is satisfied.

Section 5. MISCELLANEOUS. Except as herein provided, the Credit Agreement shall remain unchanged and in full force and effect. This Amendment No. 1 may be executed in any number of counterparts, all of which taken together shall constitute one and the same amendatory instrument and any of the parties hereto may execute this Amendment No. 1 by signing any such counterpart. This Amendment No. 1 shall be governed by, and construed in accordance with, the law of the State of New York.

IN WITNESS WHEREOF, the parties hereto have caused this Amendment No. 1 to be duly executed and delivered as of the day and year first above written.

CONSTELLATION BRANDS, INC.

By /s/ Thomas S. Summer

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

SUBSIDIARY GUARANTORS
- ---------------------

ALLBERRY, INC.
CLOUD PEAK CORPORATION
FRANCISCAN VINEYARDS, INC.
MT. VEEDER CORPORATION

By /s/ Thomas S. Summer

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

ROBERTS TRADING CORP.

By /s/ Thomas S. Summer

Name: Thomas S. Summer
Title: President and Treasurer

BATAVIA WINE CELLARS, INC.
CONSTELLATION INTERNATIONAL HOLDINGS LIMITED
CANANDAIGUA WINE COMPANY, INC.

By /s/ Thomas S. Summer

Name: Thomas S. Summer
Title: Treasurer

BARTON INCORPORATED
BARTON BRANDS, LTD.
BARTON BEERS, LTD.
BARTON BEERS OF WISCONSIN, LTD.
BARTON BRANDS OF CALIFORNIA, INC.
BARTON BRANDS OF GEORGIA, INC.
BARTON CANADA, LTD.
BARTON DISTILLERS IMPORT CORP.
MONARCH IMPORT COMPANY
BARTON FINANCIAL CORPORATION

By /s/ Thomas S. Summer

Name: Thomas S. Summer
Title: Vice President

CANANDAIGUA LIMITED

By /s/ Thomas S. Summer

Name: Thomas S. Summer
Title: Finance Director

CBI AUSTRALIA HOLDINGS PTY LIMITED

By /s/ Thomas S. Summer

Name: Thomas S. Summer
Title: Director and Chief Financial Officer

CONSTELLATION AUSTRALIA PTY LIMITED

By /s/ Thomas S. Summer

Name: Thomas S. Summer
Title: Director and Chief Financial Officer

JPMORGAN CHASE BANK,
as Administrative Agent

By /s/ Bruce Borden

Name: Bruce Borden
Title: Vice President

<TABLE>
<CAPTION>

EXHIBIT 11

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

	For the Six Months Ended August 31,			
	2003		2002	
	Basic	Diluted	Basic	Diluted
<S>	<C>	<C>	<C>	<C>
Net income	$ 74,753	$ 74,753	$ 86,941	$ 86,941
Dividends on preferred stock	(844)	-	-	-
Income available to common stockholders	$ 73,909	$ 74,753	$ 86,941	$ 86,941
Shares:				
Weighted average common shares outstanding	95,726	95,726	89,268	89,268
Adjustments:				
Stock options	-	3,101	-	3,282
Preferred stock	-	1,089	-	-
Adjusted weighted average common shares outstanding	95,726	99,916	89,268	92,550
Earnings per common share	$ 0.77	$ 0.75	$ 0.97	$ 0.94

	For the Three Months Ended August 31,			
	2003		2002	
	Basic	Diluted	Basic	Diluted
Net income	$ 35,564	$ 35,564	$ 49,572	$ 49,572
Dividends on preferred stock	(844)	-	-	-
Income available to common stockholders	$ 34,720	$ 35,564	$ 49,572	$ 49,572
Shares:				
Weighted average common shares outstanding	98,572	98,572	89,691	89,691
Adjustments:				
Stock options	-	3,381	-	3,338
Preferred stock	-	2,178	-	-
Adjusted weighted average common shares outstanding	98,572	104,131	89,691	93,029
Earnings per common share	$ 0.35	$ 0.34	$ 0.55	$ 0.53

</TABLE>

EXHIBIT 31.1

RULE 13a-14(a)/15d-14(d) CERTIFICATION
OF CHIEF EXECUTIVE OFFICER

Constellation Brands, Inc.
Form 10-Q for Fiscal Quarter Ended August 31, 2003

I, Richard Sands, certify that:

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

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

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

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

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

(b) Evaluated the effectiveness of the registrant's disclosure controls and procedures and presented in this report our conclusions about the effectiveness of the disclosure controls and procedures, as of the end of the period covered by this report based on such evaluation; and

(c) Disclosed in this report any change in the registrant's internal control over financial reporting that occurred during the registrant's most recent fiscal quarter (the registrant's fourth fiscal quarter in the case of an annual report) that has materially affected, or is reasonably likely to materially affect, the registrant's internal control over financial reporting; and

5. The registrant's other certifying officer and I have disclosed, based on our most recent evaluation of internal control over financial reporting, to the registrant's auditors and the audit committee of registrant's board of directors (or persons performing the equivalent functions):

(a) All significant deficiencies and material weaknesses in the design or operation of internal control over financial reporting which are reasonably likely to adversely affect the registrant's ability to record, process, summarize and report financial information; and

(b) Any fraud, whether or not material, that involves management or other employees who have a significant role in the registrant's internal control over financial reporting.

Date: October 15, 2003

/s/ Richard Sands
- ------------------
Richard Sands
Chairman of the Board and
Chief Executive Officer

EXHIBIT 31.2

RULE 13a-14(a)/15d-14(a) CERTIFICATION
OF CHIEF FINANCIAL OFFICER
Constellation Brands, Inc.
Form 10-Q for Fiscal Quarter Ended August 31, 2003

I, Thomas S. Summer, certify that:

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

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

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

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

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

(b) Evaluated the effectiveness of the registrant's disclosure controls and procedures and presented in this report our conclusions about the effectiveness of the disclosure controls and procedures, as of the end of the period covered by this report based on such evaluation; and

(c) Disclosed in this report any change in the registrant's internal control over financial reporting that occurred during the registrant's most recent fiscal quarter (the registrant's fourth fiscal quarter in the case of an annual report) that has materially affected, or is reasonably likely to materially affect, the registrant's internal control over financial reporting; and

5. The registrant's other certifying officer and I have disclosed, based on our most recent evaluation of internal control over financial reporting, to the registrant's auditors and the audit committee of registrant's board of directors (or persons performing the equivalent functions):

(a) All significant deficiencies and material weaknesses in the design or operation of internal control over financial reporting which are reasonably likely to adversely affect the registrant's ability to record, process, summarize and report financial information; and

(b) Any fraud, whether or not material, that involves management or other employees who have a significant role in the registrant's internal control over financial reporting.

Date: October 15, 2003

/s/ Thomas S. Summer

Thomas S. Summer
Executive Vice President and Chief
Financial Officer

EXHIBIT 32.1

SECTION 1350 CERTIFICATION
OF CHIEF EXECUTIVE OFFICER

CONSTELLATION BRANDS, INC.
FORM 10-Q FOR FISCAL QUARTER ENDED AUGUST 31, 2003

In connection with the Constellation Brands, Inc. Quarterly Report on Form 10-Q for the Fiscal Quarter Ended August 31, 2003, I, Richard Sands, certify that, to the best of my knowledge:

1. The quarterly report on Form 10-Q for the Fiscal Quarter Ended August 31, 2003 of Constellation Brands, Inc. fully complies with the requirements of section 13(a) or 15(d) of the Securities Exchange Act of 1934 (15 U.S.C. 78m or 78o(d)); and

2. The information contained in the periodic report on Form 10-Q for the Fiscal Quarter Ended August 31, 2003 of Constellation Brands, Inc. fairly presents, in all material respects, the financial condition and results of operations of Constellation Brands, Inc.

Dated: October 15, 2003

/s/ Richard Sands

Richard Sands,
Chairman of the Board and
Chief Executive Officer

A signed original of this written statement required by 18 U.S.C. 1350 as adopted by Section 906 of the Sarbanes-Oxley Act of 2002 has been provided to Constellation Brands, Inc., and will be retained by Constellation Brands, Inc., and furnished to the Securities and Exchange Commission or its staff upon request.

EXHIBIT 32.2

SECTION 1350 CERTIFICATION
OF CHIEF FINANCIAL OFFICER

CONSTELLATION BRANDS, INC.
FORM 10-Q FOR FISCAL QUARTER ENDED AUGUST 31, 2003

In connection with the Constellation Brands, Inc. Quarterly Report on Form 10-Q for the Fiscal Quarter Ended August 31, 2003, I, Thomas S. Summer, certify that, to the best of my knowledge:

1. The quarterly report on Form 10-Q for the Fiscal Quarter Ended August 31, 2003 of Constellation Brands, Inc. fully complies with the requirements of section 13(a) or 15(d) of the Securities Exchange Act of 1934 (15 U.S.C. 78m or 78o(d)); and

2. The information contained in the periodic report on Form 10-Q for the Fiscal Quarter Ended August 31, 2003 of Constellation Brands, Inc. fairly presents, in all material respects, the financial condition and results of operations of Constellation Brands, Inc.

Dated: October 15, 2003

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

A signed original of this written statement required by 18 U.S.C. 1350 as adopted by Section 906 of the Sarbanes-Oxley Act of 2002 has been provided to Constellation Brands, Inc., and will be retained by Constellation Brands, Inc., and furnished to the Securities and Exchange Commission or its staff upon request.