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 November 30, 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 December 31, 2003, is set forth below:

CLASS	NUMBER OF SHARES OUTSTANDING
Class A Common Stock, Par Value $.01 Per Share	93,809,404
Class B Common Stock, Par Value $.01 Per Share	12,064,130

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>	November 30, 2003 <C>	February 28, 2003 <C>
ASSETS		
CURRENT ASSETS:		

Cash and cash investments	$ 38,375	$ 13,810
Accounts receivable, net	768,096	399,095
Inventories, net	1,291,979	819,912
Prepaid expenses and other	117,946	97,284
Total current assets	2,216,396	1,330,101
PROPERTY, PLANT AND EQUIPMENT, net	1,047,982	602,469
GOODWILL	1,546,380	722,223
INTANGIBLE ASSETS, net	701,267	382,428
OTHER ASSETS	112,255	159,109
Total assets	$ 5,624,280	$ 3,196,330
LIABILITIES AND STOCKHOLDERS' EQUITY		
CURRENT LIABILITIES:		
Notes payable to banks	$ 168,041	$ 2,623
Current maturities of long-term debt	65,833	71,264
Accounts payable	340,070	171,073
Accrued excise taxes	63,877	36,421
Other accrued expenses and liabilities	475,503	303,827
Total current liabilities	1,113,324	585,208
LONG-TERM DEBT, less current maturities	1,970,819	1,191,631
DEFERRED INCOME TAXES	169,462	145,239
OTHER LIABILITIES	165,738	99,268
STOCKHOLDERS' EQUITY:		
Preferred Stock, $.01 par value- Authorized, 1,000,000 shares; Issued, 170,500 shares at November 30, 2003, and none at February 28, 2003 (Aggregate liquidation preference of $173,794 at November 30, 2003)	2	-
Class A Common Stock, $.01 par value- Authorized, 275,000,000 shares; Issued, 96,333,605 shares at November 30, 2003, and 81,435,135 shares at February 28, 2003	963	814
Class B Convertible Common Stock, $.01 par value- Authorized, 30,000,000 shares; Issued, 14,569,630 shares at November 30, 2003, and 14,578,490 shares at February 28, 2003	146	146
Additional paid-in capital	998,214	469,724
Retained earnings	949,824	795,525
Accumulated other comprehensive income (loss)	286,626	(59,257)
	2,235,775	1,206,952
Less-Treasury stock-		
Class A Common Stock, 2,653,112 shares at November 30, 2003, and 2,749,384 shares at February 28, 2003, at cost	(28,556)	(29,610)
Class B Convertible Common Stock, 2,502,900 shares at November 30, 2003, and February 28, 2003, at cost	(2,207)	(2,207)
	(30,763)	(31,817)
Less-Unearned compensation-restricted stock awards	(75)	(151)
Total stockholders' equity	2,204,937	1,174,984
Total liabilities and stockholders' equity	$ 5,624,280	$ 3,196,330

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

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

	For the Nine Months Ended November 30,		For the Three Months Ended November 30,	
	2003	2002	2003	2002

	(unaudited)	(unaudited)	(unaudited)	(unaudited)
<S>	<C>	<C>	<C>	<C>
SALES	$ 3,354,298	$ 2,729,219	$ 1,213,541	$ 969,759
Less - Excise taxes	(683,184)	(650,641)	(226,293)	(231,380)
Net sales	2,671,114	2,078,578	987,248	738,379
COST OF PRODUCT SOLD	(1,938,881)	(1,495,096)	(704,632)	(524,885)
Gross profit	732,233	583,482	282,616	213,494
SELLING, GENERAL AND ADMINISTRATIVE EXPENSES	(348,428)	(263,847)	(113,333)	(85,470)
RESTRUCTURING AND RELATED CHARGES	(27,487)	-	(8,088)	-
Operating income	356,318	319,635	161,195	128,024
GAIN ON CHANGE IN FAIR VALUE OF DERIVATIVE INSTRUMENTS	1,181	-	-	-
EQUITY IN EARNINGS OF JOINT VENTURES	965	10,093	126	4,182
INTEREST EXPENSE, net	(112,230)	(80,494)	(31,889)	(26,202)
Income before income taxes	246,234	249,234	129,432	106,004
PROVISION FOR INCOME TAXES	(88,641)	(97,949)	(46,592)	(41,660)
NET INCOME	157,593	151,285	82,840	64,344
Dividends on preferred stock	(3,294)	-	(2,450)	-
INCOME AVAILABLE TO COMMON STOCKHOLDERS	$ 154,299	$ 151,285	$ 80,390	$ 64,344
SHARE DATA:				
Earnings per common share:				
Basic	$ 1.56	$ 1.69	$ 0.76	$ 0.71
Diluted	$ 1.51	$ 1.63	$ 0.73	$ 0.69
Weighted average common shares outstanding:				
Basic	98,902	89,617	105,323	90,323
Diluted	104,559	92,669	114,196	93,083

<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 Nine Months Ended November 30,	
	2003	2002
	(unaudited)	(unaudited)
<S>	<C>	<C>
CASH FLOWS FROM OPERATING ACTIVITIES:		
Net income	$ 157,593	$ 151,285
Adjustments to reconcile net income to net cash provided by operating activities:		
Depreciation of property, plant and equipment	58,666	41,174
Amortization of intangible and other assets	18,713	4,409
Deferred tax provision	4,622	4,062
Loss on extinguishment of debt	800	-
Loss on sale of assets	2,108	1,956
Stock-based compensation expense	208	75
Amortization of discount on long-term debt	59	46
Gain on change in fair value of derivative instruments	(1,181)	-
Equity in earnings of joint ventures	(965)	(10,093)
Change in operating assets and liabilities, net of effects from purchases of businesses:		
Accounts receivable, net	(218,730)	(81,470)
Inventories, net	32,305	(102,901)
Prepaid expenses and other current assets	13,417	(14,029)
Accounts payable	23,615	57,198
Accrued excise taxes	23,845	(8,972)
Other accrued expenses and liabilities	39,989	100,812
Other assets and liabilities, net	24,458	3,712
Total adjustments	21,929	(4,021)
Net cash provided by operating activities	179,522	147,264
CASH FLOWS FROM INVESTING ACTIVITIES:		
Purchases of businesses, net of cash acquired	(1,070,074)	-
Purchases of property, plant and equipment	(70,584)	(51,833)
Payment of accrued earn-out amount	(2,035)	(1,674)
Proceeds from sale of assets	11,085	977
Proceeds from sale of business	4,431	-
Proceeds from sale of marketable equity securities	790	-
Net cash used in investing activities	(1,126,387)	(52,530)
CASH FLOWS FROM FINANCING ACTIVITIES:		
Proceeds from issuance of long-term debt	1,600,000	10,000
Proceeds from equity offerings, net of fees	426,069	-
Net proceeds from (repayments of) notes payable	165,209	(49,429)
Exercise of employee stock options	23,756	25,539
Proceeds from employee stock purchases	1,822	1,319
Principal payments of long-term debt	(1,240,395)	(62,519)
Payment of issuance costs of long-term debt	(34,147)	(10)
Net cash provided by (used in) financing activities	942,314	(75,100)
Effect of exchange rate changes on cash and cash investments	29,116	1,341
NET INCREASE IN CASH AND CASH INVESTMENTS	24,565	20,975
CASH AND CASH INVESTMENTS, beginning of period	13,810	8,961
CASH AND CASH INVESTMENTS, end of period	$ 38,375	$ 29,936
SUPPLEMENTAL DISCLOSURES OF NONCASH INVESTING AND FINANCING ACTIVITIES:		
Fair value of assets acquired, including cash acquired	$ 1,790,142	$ -
Liabilities assumed	(633,356)	-
Net assets acquired	1,156,786	-
Less - stock issuance	(77,243)	-
Less - direct acquisition costs accrued or previously paid	(7,964)	-
Less - cash acquired	(1,505)	-
Net cash paid for purchases of businesses	$ 1,070,074	$ -

<FN>

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

CONSTELLATION BRANDS, INC. AND SUBSIDIARIES
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
NOVEMBER 30, 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.

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	For the Nine Months Ended November 30,		For the Three Months Ended November 30,	
	2003	2002	2003	2002

<S>	<C>	<C>	<C>	<C>
(in thousands, except per share data)				
Net income, as reported	$ 157,593	$ 151,285	$ 82,840	$ 64,344
Add: Stock-based employee compensation expense included in reported net income, net of related tax effects	133	46	16	15
Deduct: Total stock-based employee compensation expense determined under fair value based method for all awards, net of related tax effects	(7,296)	(10,131)	(2,490)	(3,377)
Pro forma net income	$ 150,430	$ 141,200	$ 80,366	$ 60,982
Pro forma income available to common stockholders	$ 147,135	$ 141,200	$ 77,916	$ 60,982
Earnings per common share:				
Basic--as reported	$ 1.56	$ 1.69	$ 0.76	$ 0.71
Basic--pro forma	$ 1.49	$ 1.58	$ 0.74	$ 0.68
Diluted--as reported	$ 1.51	$ 1.63	$ 0.73	$ 0.69
Diluted--pro forma	$ 1.44	$ 1.51	$ 0.70	$ 0.65

</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.

Effective September 1, 2003, the Company adopted 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. The adoption of SFAS No. 150 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.

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 nine months ended November 30, 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 March 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 Company and Hardy have complementary businesses that share a common growth orientation and operating philosophy. The Hardy Acquisition supports the Company's strategy of growth and breadth across categories and geographies, and strengthens its competitive position in its core markets. The purchase price and resulting goodwill were primarily based on the growth opportunities of the brand portfolio of Hardy. In particular, the Company believes there are growth opportunities for Australian wines in the United Kingdom, United States and other wine markets. 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.

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	$ 532,412
Property, plant and equipment	332,260
Other assets	33,403
Trademarks	246,398
Goodwill	643,300
Total assets acquired	1,787,773
Current liabilities	294,766
Long-term liabilities	337,234
Total liabilities assumed	632,000
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 nine months and three months ended November 30, 2003, and November 30, 2002. The unaudited pro forma results of operations for the nine months ended November 30, 2003, and November 30, 2002, and the three months ended November 30, 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 nine months ended November 30, 2002, do not reflect total pretax nonrecurring charges of $30.3 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>
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	For the Nine Months Ended November 30,		For the Three Months Ended November 30,	
	2003	2002	2003	2002
<S>	<C>	<C>	<C>	<C>
(in thousands, except per share data)				
Net sales	$ 2,703,454	$ 2,481,395	$ 987,248	$ 888,375
Income before income taxes	$ 249,210	$ 243,420	$ 129,432	$ 101,664
Net income	$ 160,033	$ 155,223	$ 82,840	$ 65,192
Income available to common stockholders	$ 156,739	$ 155,223	$ 80,390	$ 65,192

Earnings per common share:				
Basic	$ 1.58	$ 1.67	$ 0.76	$ 0.70
Diluted	$ 1.52	$ 1.62	$ 0.73	$ 0.68
Weighted average common shares outstanding:				
Basic	99,368	92,906	105,323	93,612
Diluted	105,025	95,958	114,196	96,372

</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:

	November 30, 2003	February 28, 2003
(in thousands)		
Raw materials and supplies	$ 83,526	$ 26,472
In-process inventories	785,740	534,073
Finished case goods	422,713	259,367
	$ 1,291,979	$ 819,912

5) PROPERTY, PLANT AND EQUIPMENT:

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

	November 30, 2003	February 28, 2003
(in thousands)		
Land and land improvements	$ 148,698	$ 84,758
Vineyards	116,165	37,394
Buildings and improvements	274,370	173,943
Machinery and equipment	757,157	551,271
Motor vehicles	12,731	5,468
Construction in progress	72,811	32,839
	1,381,932	885,673
Less - Accumulated depreciation	(333,950)	(283,204)
	$ 1,047,982	$ 602,469

6) GOODWILL:

The changes in the carrying amount of goodwill for the nine months ended November 30, 2003, are as follows:

<TABLE>
<CAPTION>

	Constellation Wines	Constellation Beers and Spirits	Consolidated
<S>	<C>	<C>	<C>
(in thousands)			
Balance, February 28, 2003	$ 590,263	$ 131,960	$ 722,223
Purchase accounting allocations	678,512	-	678,512
Foreign currency translation adjustments	142,232	1,664	143,896
Purchase price earn-out	1,749	-	1,749
Balance, November 30, 2003	$ 1,412,756	$ 133,624	$ 1,546,380

</TABLE>

7) INTANGIBLE ASSETS:

The major components of intangible assets are:

<TABLE>
<CAPTION>

	November 30, 2003	February 28, 2003

	Gross Carrying Amount	Net Carrying Amount	Gross Carrying Amount	Net Carrying Amount
<S>	<C>	<C>	<C>	<C>
(in thousands)				
Amortizable intangible assets:				
Distribution agreements	$ 11,323	$ 3,999	$ 10,158	$ 4,434
Other	4,184	419	3,978	345
Total	$ 15,507	4,418	$ 14,136	4,779
Nonamortizable intangible assets:				
Trademarks		677,181		357,166
Agency relationships		19,640		20,458
Other		28		25
Total		696,849		377,649
Total intangible assets		$ 701,267		$ 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 $1.5 million and $1.7 million for the nine months ended November 30, 2003, and November 30, 2002,

respectively, and $0.6 million and $0.6 million for the three months ended November 30, 2003, and November 30, 2002, respectively. Estimated amortization expense for the remaining three months of fiscal 2004 and for each of the five succeeding fiscal years is as follows:

(in thousands)	
2004	$ 559
2005	$ 1,982
2006	$ 1,449
2007	$ 390
2008	$ 38
2009	$ -

8) OTHER ASSETS:

The major components of other assets are as follows:

<TABLE>
<CAPTION>

	November 30, 2003	February 28, 2003
<S>	<C>	<C>
(in thousands)		
Deferred financing costs	$ 54,585	$ 28,555
Derivative assets	42,499	-
Investment in marketable equity securities	13,438	-
Investment in joint ventures	8,227	123,064
Other	13,775	18,418
	132,524	170,037
Less - Accumulated amortization	(20,269)	(10,928)
	$ 112,255	$ 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 $1.0 million are included, net of applicable income taxes, within accumulated other comprehensive income as of November 30, 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 nine months and three months ended November 30, 2003, are immaterial.

Amortization expense for other assets was included in selling, general and administrative expenses and was $17.2 million and $2.7 million for the nine months ended November 30, 2003, and November 30, 2002, respectively, and $4.1 million and $0.9 million for the three months ended November 30, 2003, and November 30, 2002, respectively. Amortization expense for the nine months ended November 30, 2003, includes $8.2 million related to amortization of the deferred financing costs associated with the Bridge Loans (as defined in Note 10). As of November 30, 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:

	November 30, 2003	February 28, 2003
(in thousands)		
Advertising and promotions	$ 131,976	$ 63,155
Income taxes payable	72,197	58,347
Salaries and commissions	41,030	35,769
Adverse grape contracts	33,427	10,244
Interest	27,321	22,019
Other	169,552	114,293
	$ 475,503	$ 303,827

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 entered into a new credit agreement (as subsequently amended and restated as of March 19, 2003, the "March 2003 Credit Agreement"). In October 2003, the Company entered into a Second Amended and Restated Credit Agreement (the "Credit Agreement") that (i) refinanced the then outstanding principal balance under the Tranche B Term Loan facility on essentially the same terms as the Tranche B Term Loan facility under the March 2003 Credit Agreement, but at a lower Applicable Rate (as such term is defined in the Credit Agreement) and (ii) otherwise restated the terms of the March 2003 Credit Agreement, as amended. The March 2003 Credit Agreement provided 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 March 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 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. As of November 30, 2003, the Company has made $26.6 million of scheduled and required payments on the Tranche A Term Loan facility. In August 2003, the Company prepaid $100.0 million of the Tranche B Term Loan facility. In October 2003, the Company prepaid an additional $200.0 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 $54.4 million in fiscal 2006, $54.4 million in fiscal 2007, $119.1 million in fiscal 2008 and $272.1 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 Credit Agreement) and, with respect to LIBOR borrowings, ranges between 1.50% and 2.50%. As of November 30, 2003, the LIBOR margin for the Revolving Credit facility and the Tranche A Term Loan facility is 1.75%, while the LIBOR margin on the Tranche B Term Loan facility is 2.00%.

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 Credit Agreement, ceased to apply. Certain foreign subsidiaries of the Company have guaranteed debt, including debt of a joint venture in the maximum amount of $3.9 million and debt of a partnership in the maximum amount of $1.0 million as of November 30, 2003. 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 November 30, 2003, the Company is in compliance with all of its covenants under its Credit Agreement.

As of November 30, 2003, under the Credit Agreement, the Company had outstanding Tranche A Term Loans of $373.4 million bearing a weighted average interest rate of 2.9%, Tranche B Term Loans of $500.0 million bearing a weighted average interest rate of 3.1%, $166.6 million of revolving loans bearing a weighted average interest rate of 3.0%, undrawn revolving letters of credit of $18.4 million, and $215.1 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:

(in thousands)	November 30, 2003	February 28, 2003
Adverse grape contracts	$ 79,680	$ 22,550
Accrued pension liability	40,009	36,351
Other	46,049	40,367
	$ 165,738	$ 99,268

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 $261.2 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 $164.9 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 March 2003 Credit Agreement.

As of November 30, 2003, 170,500 shares of Preferred Stock were outstanding and $3.3 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. The dividends accrued as of November 30, 2003, were subsequently paid 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 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 Nine Months Ended November 30,		For the Three Months Ended November 30,	
	2003	2002	2003	2002
<S>	<C>	<C>	<C>	<C>
(in thousands, except per share data)				
Net income	$ 157,593	$ 151,285	$ 82,840	$ 64,344
Dividends on preferred stock	(3,294)	-	(2,450)	-
Income available to common stockholders	$ 154,299	$ 151,285	$ 80,390	$ 64,344
Weighted average common shares outstanding - basic	98,902	89,617	105,323	90,323
Stock options	3,227	3,052	3,484	2,760
Preferred stock	2,430	-	5,389	-
Weighted average common shares outstanding - diluted	104,559	92,669	114,196	93,083
Earnings per common share - basic	$ 1.56	$ 1.69	$ 0.76	$ 0.71
Earnings per common share - diluted	$ 1.51	$ 1.63	$ 0.73	$ 0.69

</TABLE>

Stock options to purchase 0.1 million and 1.1 million shares of Class A Common Stock at a weighted average price per share of $30.82 and $27.43 were outstanding during the nine months ended November 30, 2003, and November 30, 2002, respectively, but were not included in the computation of the diluted earnings per common share because the stock options' exercise price was greater than the average market price of the Class A Common Stock for the period. Stock options to purchase 0.1 million and 1.1 million shares of Class A Common Stock at a weighted average price per share of $31.01 and $27.41 were outstanding during the three months ended November 30, 2003, and November 30, 2002, respectively, but were not included in the computation of the diluted earnings per common share because the stock options' exercise price was greater than the average market price of the Class A Common Stock for the period.

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 Nine Months Ended November 30,		For the Three Months Ended November 30,	
	2003	2002	2003	2002
<S>	<C>	<C>	<C>	<C>
(in thousands)				
Net income	$ 157,593	$ 151,285	$ 82,840	$ 64,344
Other comprehensive income, net of tax:				
Foreign currency translation adjustments	320,237	14,659	214,120	1,520
Cash flow hedges:				
Net derivative gains, net of tax effect of ($13,936) and ($4,787), respectively	32,432	-	11,137	-
Reclassification adjustments, net of tax effect of $886, $13, and $275, respectively	(1,939)	(21)	(596)	-
Net cash flow hedges	30,493	(21)	10,541	-
Unrealized loss on marketable equity securities, net of tax effect of $303 and ($44), respectively	(708)	-	102	-
Minimum pension liability adjustment, net of tax effect of $1,838, $254, $1,690 and ($1), respectively	(4,139)	(380)	(3,868)	2
Total comprehensive income	$ 503,476	$ 165,543	$ 303,735	$ 65,866

</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)
<S>	<C>	<C>	<C>	<C>	<C>
(in thousands)					
Balance, February 28, 2003	$ (16,722)	$ -	$ -	$ (42,535)	$ (59,257)
Current period change	320,237	30,493	(708)	(4,139)	345,883
Balance, November 30, 2003	$ 303,515	$ 30,493	$ (708)	$ (46,674)	$ 286,626

</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.

In the third quarter of fiscal 2004, the Company revised its accounting policy with regard to the income statement presentation of the reclassification adjustments of cash flow hedges of certain sales transactions. These cash flow hedges are used to reduce the risk of foreign currency exchange rate fluctuations resulting from the sale of product denominated in various foreign currencies. As such, the Company's revised accounting policy is to report the reclassification adjustments from accumulated other comprehensive income (loss) to sales. Previously, the Company reported such reclassification adjustments in selling, general and administrative expenses. This change in accounting policy resulted in a reclassification which increased selling, general and administrative expenses and sales by $1.2 million and $2.3 million for the three months ended May 31, 2003, and August 31, 2003, respectively. No such reclassification was required for the comparable prior year periods. This reclassification did not affect operating income or net income.

15) RESTRUCTURING AND RELATED CHARGES:

For the nine months ended November 30, 2003, the Company recorded $27.5 million of restructuring and related charges associated with the restructuring plan of the Constellation Wines 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 Constellation Wines segment.

The Company recorded restructuring and related charges of $8.1 million for the three months ended November 30, 2003, including $0.7 million of employee termination benefit costs, $6.6 million of grape contract termination costs, $0.8 million of facility consolidation and relocation costs.

The Company estimates that the completion of the restructuring plan will include a total of $6.0 million of employee termination benefit costs through February 29, 2004, of which $4.6 million has been incurred through November 30, 2003. The Company estimates that the completion of the restructuring plan will include a total of $22.6 million of grape contract termination costs through February 28, 2005, of which $17.2 million has been incurred through November 30, 2003. The Company estimates that the completion of the restructuring plan will include a total of $2.3 million of facility consolidation and relocation costs through February 28, 2005, of which $1.8 million has been incurred through November 30, 2003. 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 Constellation Wines 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
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
Restructuring charges	686	6,563	786	8,035
Cash expenditures	(381)	-	(786)	(1,167)
Balance, November 30, 2003	$ 1,135	$ 15,142	$ -	$ 16,277

</TABLE>

16) CONDENSED CONSOLIDATING FINANCIAL INFORMATION:

The following information sets forth the condensed consolidating balance sheets of the Company as of November 30, 2003, and February 28, 2003, and the condensed consolidating statements of income for the nine months and three months ended November 30, 2003, and November 30, 2002, and the condensed consolidating statements of cash flows for the nine months ended November 30, 2003, and November 30, 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>

	Parent Company	Subsidiary Guarantors	Subsidiary Nonguarantors	Eliminations	Consolidated
<S>	<C>	<C>	<C>	<C>	<C>
(in thousands)					
Condensed Consolidating Balance Sheet					
at November 30, 2003					
Current assets:					
Cash and cash investments	$ 100	$ 6,632	$ 31,643	$ -	$ 38,375
Accounts receivable, net	167,889	161,108	439,099	-	768,096
Inventories, net	32,215	638,186	628,505	(6,927)	1,291,979
Prepaid expenses and other	9,607	51,232	57,107	-	117,946
Intercompany (payable) receivable	(294,338)	(588,769)	883,107	-	-
Total current assets	(84,527)	268,389	2,039,461	(6,927)	2,216,396
Property, plant and equipment, net	49,627	351,395	646,960	-	1,047,982
Investments in subsidiaries	4,306,531	2,309,174	-	(6,615,705)	-
Goodwill	47,530	498,216	1,000,634	-	1,546,380
Intangible assets, net	10,844	313,749	376,674	-	701,267
Other assets	42,334	2,246	67,675	-	112,255
Total assets	$ 4,372,339	$ 3,743,169	$ 4,131,404	$ (6,622,632)	$ 5,624,280
Current liabilities:					
Notes payable to banks	$ 166,600	$ -	$ 1,441	$ -	$ 168,041
Current maturities of long-term debt	58,460	3,789	3,584	-	65,833
Accounts payable	32,881	118,987	188,202	-	340,070
Accrued excise taxes	8,486	18,908	36,483	-	63,877
Other accrued expenses and liabilities	171,892	38,466	265,145	-	475,503
Total current liabilities	438,319	180,150	494,855	-	1,113,324
Long-term debt, less current maturities	1,931,585	8,288	30,946	-	1,970,819
Deferred income taxes	54,368	79,655	35,439	-	169,462
Other liabilities	7,127	28,544	130,067	-	165,738
Stockholders' equity:					
Preferred stock	2	-	-	-	

2

	Parent Company	Subsidiary Guarantors	Subsidiary Nonguarantors	Eliminations	Consolidated
Class A and Class B common stock	1,109	6,434	64,867	(71,301)	1,109
Additional paid-in capital	998,214	1,859,311	2,956,146	(4,815,457)	998,214
Retained earnings	956,751	1,540,771	188,176	(1,735,874)	949,824
Accumulated other comprehensive income	15,702	40,016	230,908	-	286,626
Treasury stock and other	(30,838)	-	-	-	(30,838)
Total stockholders' equity	1,940,940	3,446,532	3,440,097	(6,622,632)	2,204,937
Total liabilities and stockholders' equity	$ 4,372,339	$ 3,743,169	$ 4,131,404	$ (6,622,632)	$ 5,624,280

Condensed Consolidating Balance Sheet

at February 28, 2003

	Parent Company	Subsidiary Guarantors	Subsidiary Nonguarantors	Eliminations	Consolidated
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
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

	Parent Company	Subsidiary Guarantors	Subsidiary Nonguarantors	Eliminations	Consolidated
(in thousands)					
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 Nine Months Ended November 30, 2003

Gross sales	$ 603,162	$ 1,536,886	$ 1,433,848	$ (219,598)	$ 3,354,298
Less - excise taxes	(106,045)	(325,692)	(251,447)	-	(683,184)
Net sales	497,117	1,211,194	1,182,401	(219,598)	2,671,114
Cost of product sold	(428,529)	(804,290)	(918,808)	212,746	(1,938,881)
Gross profit	68,588	406,904	263,593	(6,852)	732,233
Selling, general and administrative expenses	(92,452)	(124,276)	(131,700)	-	(348,428)
Restructuring and related charges	-	(26,061)	(1,426)	-	(27,487)
Operating (loss) income	(23,864)	256,567	130,467	(6,852)	356,318
Gain on change in fair value of derivative instruments	1,181	-	-	-	1,181
Equity in earnings of subsidiary/joint venture	177,392	88,893	425	(265,745)	965
Interest income (expense), net	9,256	(116,673)	(4,813)	-	(112,230)
Income before income taxes	163,965	228,787	126,079	(272,597)	246,234
Provision for income taxes	480	(51,395)	(37,726)	-	(88,641)
Net income	164,445	177,392	88,353	(272,597)	157,593
Dividends on preferred stock	(3,294)	-	-	-	(3,294)
Income available to common stockholders	$ 161,151	$ 177,392	$ 88,353	$ (272,597)	$ 154,299

(in thousands)	Parent Company	Subsidiary Guarantors	Subsidiary Nonguarantors	Eliminations	Consolidated
Condensed Consolidating Statement of Income for the Nine Months Ended November 30, 2002					
Gross sales	$ 611,053	$ 1,482,454	$ 862,956	$ (227,244)	$ 2,729,219
Less - excise taxes	(110,952)	(315,651)	(224,038)	-	(650,641)
Net sales	500,101	1,166,803	638,918	(227,244)	2,078,578
Cost of product sold	(381,128)	(828,517)	(512,704)	227,253	(1,495,096)
Gross profit	118,973	338,286	126,214	9	583,482
Selling, general and administrative expenses	(79,921)	(110,749)	(73,177)	-	(263,847)
Operating income	39,052	227,537	53,037	9	319,635
Equity in earnings of subsidiary/joint venture	123,362	19,892	-	(133,161)	10,093
Interest income (expense), net	6,935	(52,151)	(35,278)	-	(80,494)
Income before income taxes	169,349	195,278	17,759	(133,152)	249,234
Provision for income taxes	(18,073)	(71,916)	(7,960)	-	(97,949)
Net income	$ 151,276	$ 123,362	$ 9,799	$ (133,152)	$ 151,285
Condensed Consolidating Statement of Income for the Three Months Ended November 30, 2003					
Gross sales	$ 223,249	$ 477,418	$ 531,243	$ (18,369)	$ 1,213,541
Less - excise taxes	(40,841)	(111,789)	(73,663)	-	(226,293)
Net sales	182,408	365,629	457,580	(18,369)	987,248
Cost of product sold	(150,233)	(220,506)	(345,602)	11,709	(704,632)
Gross profit	32,175	145,123	111,978	(6,660)	282,616
Selling, general and administrative expenses	(29,467)	(34,145)	(49,721)	-	(113,333)
Restructuring and related charges	-	(7,966)	(122)	-	(8,088)
Operating income	2,708	103,012	62,135	(6,660)	161,195
Equity in earnings of subsidiary/joint venture	84,296	44,479	126	(128,775)	126
Interest income (expense), net	8,089	(40,155)	177	-	(31,889)
Income before income taxes	95,093	107,336	62,438	(135,435)	129,432

Provision for income taxes	(5,593)	(23,040)	(17,959)	-	(46,592)
Net income	89,500	84,296	44,479	(135,435)	82,840
Dividends on preferred stock	(2,450)	-	-	-	(2,450)
Income available to common stockholders	$ 87,050	$ 84,296	$ 44,479	$ (135,435)	$ 80,390

Condensed Consolidating Statement of Income
for the Three Months Ended November 30, 2002

Gross sales	$ 234,370	$ 525,027	$ 315,653	$ (105,291)	$ 969,759
Less - excise taxes	(43,019)	(106,846)	(81,515)	-	(231,380)
Net sales	191,351	418,181	234,138	(105,291)	738,379
Cost of product sold	(142,016)	(303,118)	(185,147)	105,396	(524,885)
Gross profit	49,335	115,063	48,991	105	213,494
Selling, general and administrative expenses	(26,512)	(36,308)	(22,650)	-	(85,470)
Operating income	22,823	78,755	26,341	105	128,024
Equity in earnings of subsidiary/joint venture	48,687	13,216	-	(57,721)	4,182
Interest income (expense), net	2,798	(17,066)	(11,934)	-	(26,202)
Income before income taxes	74,308	74,905	14,407	(57,616)	106,004
Provision for income taxes	(10,069)	(26,218)	(5,373)	-	(41,660)
Net income	$ 64,239	$ 48,687	$ 9,034	$ (57,616)	$ 64,344

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

Condensed Consolidating Statement of Cash Flows
for the Nine Months Ended November 30, 2003

Net cash provided by (used in) operating activities	$ 86,143	$ (79,713)	$ 173,092	$ -	$ 179,522
Cash flows from investing activities:					
Purchases of businesses, net of cash	-	(1,070,074)	-	-	(1,070,074)
Purchases of property, plant and equipment	(6,216)	(25,114)	(39,254)	-	(70,584)
Payment of accrued earn-out amount	-	(2,035)	-	-	(2,035)
Proceeds from sale of assets	-	5,001	6,084	-	11,085
Proceeds from sale of business	-	-	4,431	-	

	Parent Company	Subsidiary Guarantors	Subsidiary Nonguarantors	Eliminations	
					4,431
Proceeds from sale of marketable equity securities	-	-	790	-	790
Net cash used in investing activities	(6,216)	(1,092,222)	(27,949)	-	(1,126,387)
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	426,069	-	-	-	426,069
Net proceeds of notes payable	164,600	-	609	-	165,209
Exercise of employee stock options	23,756	-	-	-	23,756
Proceeds from employee stock purchases	1,822	-	-	-	1,822
Intercompany financing activities, net	(1,419,182)	1,070,074	349,108	-	-
Principal payments of long-term debt	(871,959)	(2,430)	(366,006)	-	(1,240,395)
Payment of issuance costs of long-term debt	(34,147)	-	-	-	(34,147)
Net cash (used in) provided by financing activities	(109,041)	1,067,644	(16,289)	-	942,314
Effect of exchange rate changes on cash and cash investments	27,788	109,675	(108,347)	-	29,116
Net (decrease) increase in cash and cash investments	(1,326)	5,384	20,507	-	24,565
Cash and cash investments, beginning of period	1,426	1,248	11,136	-	13,810
Cash and cash investments, end of period	$ 100	$ 6,632	$ 31,643	$ -	$ 38,375

Condensed Consolidating Statement of Cash Flows
for the Nine Months Ended November 30, 2002

	Parent Company	Subsidiary Guarantors	Subsidiary Nonguarantors	Eliminations	
Net cash provided by operating activities	$ 59,057	$ 56,694	$ 31,513	$ -	$ 147,264
Cash flows from investing activities:					
Purchases of property, plant and equipment	(9,161)	(30,801)	(11,871)	-	(51,833)
Other	-	(1,274)	577	-	(697)
Net cash used in investing activities	(9,161)	(32,075)	(11,294)	-	(52,530)

					Consolidated
(in thousands)					
Cash flows from financing activities:					
Net repayments of notes payable	(45,500)	-	(3,929)	-	(49,429)
Principal payments of long-term debt	(53,987)	(2,387)	(6,145)	-	(62,519)
Payment of issuance costs of long-term debt	(10)	-	-	-	(10)
Exercise of employee stock options	25,539	-	-	-	25,539
Proceeds from long-term debt	-	-	10,000	-	10,000
Proceeds from employee stock purchase	1,319	-	-	-	1,319
Net cash (used in) provided by financing activities	(72,639)	(2,387)	(74)	-	(75,100)
Effect of exchange rate changes on cash and cash investments	23,372	(22,593)	562	-	1,341
Net increase (decrease) in cash and cash investments	629	(361)	20,707	-	20,975
Cash and cash investments, beginning of period	838	2,084	6,039	-	8,961
Cash and cash investments, end of period	$ 1,467	$ 1,723	$ 26,746	$ -	$ 29,936

</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). Amounts included in the Corporate Operations and Other segment consist of general corporate administration and finance expenses. These amounts include costs of executive management, investor relations, internal audit, treasury, tax, corporate development, legal, financial reporting, professional fees and public relations. Any costs incurred at the corporate office that are applicable to the segments are allocated to the appropriate segment. The amounts included in the Corporate Operations and Other segment are general costs that are applicable to the consolidated group and are therefore not allocated to the other reportable segments. All costs reported within the Corporate Operations and Other segment are not included in the chief operating decision maker's evaluation of the operating income performance of the other operating segments. 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 nine months ended November 30, 2002, and three months ended November 30, 2002, has been restated to conform to the new segment presentation. For the nine months ended November 30, 2003, restructuring and unusual costs consist of the flow through of inventory step-up and financing costs associated with the Hardy Acquisition of $17.3 million and $11.6 million, respectively, and restructuring and related charges of $44.3 million, including a write-down of commodity concentrate inventory of $16.8 million. For the three months ended November 30, 2003, restructuring and unusual costs consist of the flow through of inventory step-up and financing costs associated with the Hardy Acquisition of $2.7 million and $2.3 million, respectively, and restructuring and related charges of $8.1

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>

	For the Nine Months Ended November 30,		For the Three Months Ended November 30,	
	2003	2002	2003	2002
<S>	<C>	<C>	<C>	<C>
(in thousands)				
Constellation Wines:				
Net sales:				
Branded wine	$ 1,155,170	$ 733,450	$ 460,805	$ 282,320
Wholesale and other	611,854	510,649	219,740	179,979
Net sales	$ 1,767,024	$ 1,244,099	$ 680,545	$ 462,299
Segment operating income	$ 258,208	$ 166,512	$ 112,772	$ 75,433
Equity in earnings of joint ventures	$ 965	$ 10,093	$ 126	$ 4,182
Long-lived assets	$ 951,317	$ 510,791	$ 951,317	$ 510,791
Investment in joint ventures	$ 8,227	$ 120,613	$ 8,227	$ 120,613
Total assets	$ 4,834,279	$ 2,596,072	$ 4,834,279	$ 2,596,072
Capital expenditures	$ 61,900	$ 42,639	$ 20,839	$ 13,572
Depreciation and amortization	$ 51,374	$ 34,691	$ 17,361	$ 10,894
Constellation Beers and Spirits:				
Net sales:				
Imported beers	$ 684,216	$ 615,098	$ 229,538	$ 195,585
Spirits	219,874	219,381	77,165	80,495
Net sales	$ 904,090	$ 834,479	$ 306,703	$ 276,080
Segment operating income	$ 202,228	$ 175,548	$ 72,228	$ 59,572
Long-lived assets	$ 82,416	$ 77,391	$ 82,416	$ 77,391
Total assets	$ 740,226	$ 710,495	$ 740,226	$ 710,495
Capital expenditures	$ 5,981	$ 6,054	$ 2,748	$ 2,024
Depreciation and amortization	$ 7,529	$ 7,691	$ 2,363	$ 2,586
Corporate Operations and Other:				
Net sales	$ -	$ -	$ -	$ -
Segment operating loss	$ (30,978)	$ (22,425)	$ (10,669)	$ (6,981)
Long-lived assets	$ 14,249	$ 10,971	$ 14,249	$ 10,971
Total assets	$ 49,775	$ 33,836	$ 49,775	$ 33,836
Capital expenditures	$ 2,703	$ 3,141	$ 553	$ 2,019
Depreciation and amortization	$ 18,476	$ 3,201	$ 4,712	$ 1,102
Restructuring and Related Charges and Unusual Costs:				
Operating loss	$ (73,140)	$ -	$ (13,136)	$ -
Consolidated:				
Net sales	$ 2,671,114	$ 2,078,578	$ 987,248	$ 738,379
Operating income	$ 356,318	$ 319,635	$ 161,195	$ 128,024
Equity in earnings of joint ventures	$ 965	$ 10,093	$ 126	$ 4,182
Long-lived assets	$ 1,047,982	$ 599,153	$ 1,047,982	$ 599,153
Investment in joint ventures	$ 8,227	$ 120,613	$ 8,227	$ 120,613
Total assets	$ 5,624,280	$ 3,340,403	$ 5,624,280	$ 3,340,403
Capital expenditures	$ 70,584	$ 51,834	$ 24,140	$ 17,615
Depreciation and amortization	$ 77,379	$ 45,583	$ 24,436	$ 14,582

</TABLE>

18) ACCOUNTING PRONOUNCEMENTS NOT YET ADOPTED:

In December 2003, the Financial Accounting Standards Board issued FASB Interpretation No. 46 (revised December 2003) ("FIN No. 46(R)"), "Consolidation of Variable Interest Entities--an interpretation of ARB No. 51." FIN No. 46(R) replaces FASB Interpretation No. 46 ("FIN No. 46"), "Consolidation of Variable

Interest Entities," and 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(R) in its entirety on March 1, 2004. The Company is currently assessing the financial impact of FIN No. 46(R) on its consolidated financial statements.

In December 2003, the Financial Accounting Standards Board issued Statement of Financial Accounting Standards No. 132 (revised 2003) ("SFAS No. 132(R)"), "Employers' Disclosures about Pensions and Other Postretirement Benefits--an amendment of FASB Statements No. 87, 88, and 106." SFAS No. 132(R) supercedes Statement of Financial Accounting Standards No. 132 ("SFAS No. 132"), by revising employers' disclosures about pension plans and other postretirement benefit plans. SFAS No. 132(R) requires additional disclosures to those in SFAS No. 132 regarding the assets, obligations, cash flows, and net periodic benefit cost of defined benefit pension plans and other defined benefit postretirement plans. SFAS No. 132(R) also amends Accounting Principles Board Opinion No. 28 ("APB Opinion No. 28"), "Interim Financial Reporting," to require additional disclosures for interim periods. The Company is required to adopt certain of the annual disclosure provisions of SFAS No. 132(R), primarily those related to its U.S. postretirement plan, for the fiscal year ending February 29, 2004. The Company is required to adopt the remaining annual disclosure provisions, primarily those related to its foreign plans, for the fiscal year ending February 28, 2005. The Company is required to adopt the amendment to APB Opinion No. 28 for financial reports containing condensed financial statements for interim periods beginning March 1, 2004.

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 (primarily corporate related items and other). Amounts included in the Corporate Operations and Other segment consist of general corporate administration and finance expenses. These amounts

include costs of executive management, investor relations, internal audit, treasury, tax, corporate development, legal, financial reporting, professional fees and public relations. Any costs incurred at the corporate office that are applicable to the segments are allocated to the appropriate segment. The amounts included in the Corporate Operations and Other segment are general costs that are applicable to the consolidated group and are therefore not allocated to the other reportable segments. All costs reported within the Corporate Operations and Other segment are not included in the chief operating decision maker's evaluation of the operating income performance of the other operating segments. 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 Third Quarter 2003 and Nine 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 November 30, 2003 ("Third Quarter 2004"), compared to the three months ended November 30, 2002 ("Third Quarter 2003"), and for the nine months ended November 30, 2003 ("Nine Months 2004"), compared to the nine months ended November 30, 2002 ("Nine Months 2003"), and (ii) financial liquidity and capital resources for Nine 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 Current Report on Form 8-K dated November 24, 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. 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 nine months ended November 30, 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 March 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 Company and Hardy have complementary businesses that share a common growth orientation and operating philosophy. The Hardy Acquisition supports the Company's strategy of growth and breadth across categories and geographies, and strengthens its competitive position in its core markets. The purchase price and resulting goodwill were primarily based on the growth opportunities of the brand portfolio of Hardy. In particular, the Company believes there are growth opportunities for Australian wines in the United Kingdom, United States and other wine markets. 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.

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

THIRD QUARTER 2004 COMPARED TO THIRD QUARTER 2003

NET SALES

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

<TABLE>
<CAPTION>

Third Quarter 2004 Compared to Third Quarter 2003

	Net Sales		
	2004	2003	%Increase (Decrease)
<S>	<C>	<C>	<C>
Constellation Wines:			
Branded wine	$ 460,805	$ 282,320	63.2 %
Wholesale and other	219,740	179,979	22.1 %
Constellation Wines net sales	$ 680,545	$ 462,299	47.2 %
Constellation Beers and Spirits:			
Imported beers	$ 229,538	$ 195,585	17.4 %
Spirits	77,165	80,495	(4.1)%
Constellation Beers and Spirits net sales	$ 306,703	$ 276,080	11.1 %
Corporate Operations and Other	$ -	$ -	N/A
Consolidated Net Sales	$ 987,248	$ 738,379	33.7 %

</TABLE>

Net sales for Third Quarter 2004 increased to $987.2 million from $738.4 million for Third Quarter 2003, an increase of $248.9 million, or 33.7%. This increase resulted primarily from the inclusion of $182.9 million of net sales of products acquired in the Hardy Acquisition as well as increases in imported beer sales of $34.0 million and U.K. wholesale sales of $20.0 million (on a local currency basis). In addition, net sales benefited from a favorable foreign currency impact of $14.4 million.

Constellation Wines

Net sales for Constellation Wines increased to $680.5 million for Third Quarter 2004 from $462.3 million in Third Quarter 2003, an increase of $218.2 million, or 47.2%. Branded wine net sales increased $178.5 million, primarily due to the addition of $176.3 million of net sales of branded wine acquired in the Hardy Acquisition. Wholesale and other net sales increased $39.8 million primarily due to growth in the U.K. wholesale business of $20.0 million (on a local currency basis) and a favorable foreign currency impact of $10.4 million. The net sales increase in the U.K. Wholesale business on a local currency basis is primarily due to the addition of new accounts and increased average delivery sizes as the Company's

national accounts business continues to grow. 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 $306.7 million for Third Quarter 2004 from $276.1 million for Third Quarter 2003, an increase of $30.6 million, or 11.1%. This increase resulted primarily from volume gains on the Company's imported beer portfolio, which increased $34.0 million, or 17.4%, as a result of continued consumer demand and strong wholesaler demand of Mexican beers prior to the Company's previously announced January 2004 price increase. Spirits net sales decreased $3.3 million due to a decrease in bulk whisky and contract production sales as a result of a large spot bulk whisky sale in Third Quarter 2003. This decrease was partially offset by an increase in branded spirits sales due to a favorable mix toward higher priced spirits brands as well as slight volume increases.

As discussed in the prior quarter, the Company was 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 was January 1, 2004. The Company is passing on the full amount of the cost increase to its distributors. As noted above, the Company's net sales for Third Quarter 2004 benefited from strong wholesaler demand in advance of this price increase. The Company expects above average volume growth during the first half of the fourth quarter of fiscal 2004 to be offset by below average volume growth in the second half of the fourth quarter of fiscal 2004. The Company anticipates continued wholesaler and retailer inventory reductions in the distribution channel in early fiscal 2005 to be offset by the price increase.

GROSS PROFIT

The Company's gross profit increased to $282.6 million for Third Quarter

2004 from $213.5 million for Third Quarter 2003, an increase of $69.1 million, or 32.4%. The Constellation Wines segment's gross profit increased $60.3 million primarily due to gross profit on the sales of branded wine acquired in the Hardy Acquisition. The Constellation Beers and Spirits segment's gross profit increased $11.6 million primarily due to the volume growth in the segment's imported beer portfolio. These increases were partially offset by $2.7 million of unusual costs which consist of certain 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 associated with the Hardy Acquisition. Gross profit as a percent of net sales decreased slightly to 28.6% for Third Quarter 2004 from 28.9% for Third Quarter 2003 as an increase in gross profit margin from sales of higher margin wine brands acquired in the Hardy Acquisition was more than offset by the flow through of the inventory step-up associated with the Hardy Acquisition and a decrease in gross profit margin on the Constellation Wines' U.K. wholesale business.

SELLING, GENERAL AND ADMINISTRATIVE EXPENSES

Selling, general and administrative expenses increased to $113.3 million for Third Quarter 2004 from $85.5 million for Third Quarter 2003, an increase of $27.9 million, or 32.6%. The Constellation Wines segment's selling, general and administrative expenses increased $25.0 million primarily from increased selling, general and administrative expenses from the addition of the Hardy and PWP businesses, partially offset by favorable foreign currency gains. The Constellation Beers and Spirits segment's selling, general and administrative expenses decreased $1.1 million due to favorable foreign currency gains partially offset by increased imported beer and spirits advertising expenses to support the growth across this segment's businesses. The Corporate Operations and Other segment's selling, general

and administrative expenses increased $3.9 million primarily due to increased general and administrative expenses to support the Company's growth. Selling, general and administrative expenses as a percent of net sales decreased slightly to 11.5% for Third Quarter 2004 as compared to 11.6% for Third Quarter 2003 due primarily to the foreign currency gains recognized within the Constellation Beers and Spirits segment and the Constellation Wines segment as discussed above offset by (i) an increase in the Constellation Wines segment's selling, general and administrative expenses as a percent of net sales due to the Hardy Acquisition, which has a higher percentage of selling, general and administrative expenses than the segment's base business and (ii) increased general and administrative expenses within the Corporate Operations and Other segment to support the Company's growth.

RESTRUCTURING AND RELATED CHARGES

Restructuring and related charges resulted from (i) the realignment of business operations in the Constellation Wines 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 $1.4 million in Third Quarter 2004 related to the realignment of business operations in the Constellation Wines segment and expects to incur additional charges of approximately $1.9 million for the previously announced actions over the remainder of fiscal 2004.

The Company recorded restructuring and related charges of $6.7 million in Third Quarter 2004 related to exiting the commodity concentrate product line and selling the Escalon facility. The Company expects to incur additional restructuring and related charges of $5.4 million, beginning with an estimated $1.1 million in the fourth quarter of fiscal 2004 and $4.3 million in fiscal 2005. All of the remaining charges will be recorded as Restructuring and Related Charges on the Company's consolidated statement of income. 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 Third Quarter 2004 and Third Quarter 2003.

<TABLE>
<CAPTION>

	Third Quarter 2004 Compared to Third Quarter 2003
	Operating Income (Loss)

	2004	2003	%Increase
<S>	<C>	<C>	<C>
Constellation Wines	$ 112,772	$ 75,433	49.5 %
Constellation Beers and Spirits	72,228	59,572	21.2 %
Corporate Operations and Other	(10,669)	(6,981)	52.8 %
Total Reportable Segments	174,331	128,024	36.2 %
Restructuring and Related Charges and Unusual Costs	(13,136)	-	N/A
Consolidated Operating Income	$ 161,195	$ 128,024	25.9 %

</TABLE>

Restructuring and related charges and unusual costs of $13.1 million for Third Quarter 2004 consist of certain 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 $2.7 million and $2.3 million, respectively, and restructuring and related charges associated with exiting the commodity concentrate

product line and the Company's realignment of its business operations in the wine segment of $8.1 million. As a result of these costs and the factors discussed above, consolidated operating income increased to $161.2 million for Third Quarter 2004 from $128.0 million for Third Quarter 2003, an increase of $33.2 million, or 25.9%.

INTEREST EXPENSE, NET

Interest expense, net of interest income of $0.9 million and $0.5 million for Third Quarter 2004 and Third Quarter 2003, respectively, increased to $31.9 million for Third Quarter 2004 from $26.2 million for Third Quarter 2003, an increase of $5.7 million, or 21.7%. 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 Third Quarter 2004 as compared to 39.3% for Third 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 increased to $82.8 million for Third Quarter 2004 from $64.3 million for Third Quarter 2003, an increase of $18.5 million, or 28.7%.

NINE MONTHS 2004 COMPARED TO NINE MONTHS 2003

NET SALES

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

<TABLE>
<CAPTION>

	Nine Months 2004 Compared to Nine Months 2003		
	Net Sales		
	2004	2003	%Increase
<S>	<C>	<C>	<C>
Constellation Wines:			
Branded wine	$ 1,155,170	$ 733,450	57.5 %
Wholesale and other	611,854	510,649	19.8 %
Constellation Wines net sales	$ 1,767,024	$ 1,244,099	42.0 %
Constellation Beers and Spirits:			
Imported beers	$ 684,216	$ 615,098	11.2 %
Spirits	219,874	219,381	0.2 %
Constellation Beers and Spirits net sales	$ 904,090	$ 834,479	8.3 %
Corporate Operations and Other	$ -	$ -	N/A

Consolidated Net Sales	$ 2,671,114	$ 2,078,578	28.5 %
	============	============	

</TABLE>

Net sales for Nine Months 2004 increased to $2,671.1 million from $2,078.6 million for Nine Months 2003, an increase of $592.5 million, or 28.5%. This increase resulted primarily from the inclusion of $428.0 million of net sales of products acquired in the Hardy Acquisition as well as increases in imported beer sales of $69.1 million and U.K. wholesale sales of $41.3 million (on a local currency basis). In addition, net sales benefited from a favorable foreign currency impact of $47.0 million.

Constellation Wines

Net sales for Constellation Wines increased to $1,767.0 million for Nine Months 2004 from $1,244.1 million in Nine Months 2003, an increase of $522.9 million, or 42.0%. Branded wine net sales increased $421.7 million, primarily due to the addition of $416.1 million of net sales of branded wine acquired in the Hardy Acquisition. Wholesale and other net sales increased $101.2 million primarily due to growth in the U.K. wholesale business of $41.3 million (on a local currency basis), a favorable foreign currency impact of $34.1 million, and the addition of $12.1 million of net sales of bulk wine acquired in the Hardy Acquisition. 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 $904.1 million for Nine Months 2004 from $834.5 million for Nine Months 2003, an increase of $69.6 million, or 8.3%. This increase resulted primarily from volume gains on the Company's imported beer portfolio, which increased $69.1 million. Spirits net sales remained relatively flat as increased branded spirits sales were offset by lower bulk whisky and contract production sales.

GROSS PROFIT

The Company's gross profit increased to $732.2 million for Nine Months 2004 from $583.5 million for Nine Months 2003, an increase of $148.7 million, or 25.5%. The Constellation Wines segment's gross profit increased $153.2 million primarily due to gross profit on the sales of branded wine acquired in the Hardy Acquisition. The Constellation Beers and Spirits segment's gross profit increased $29.6 million primarily due to the volume growth in the segment's imported beer portfolio. These increases were partially offset by $34.1 million of unusual costs which consist of certain 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 associated with the Hardy Acquisition of $17.3 million and the write-down of concentrate inventory recorded in connection with the Company's decision to exit the commodity concentrate product line of $16.8 million (see additional discussion under "Restructuring and Related Charges" below). Gross profit as a percent of net sales decreased slightly to 27.4% for Nine Months 2004 from 28.1% for Nine Months 2003 as an increase in gross profit margin from sales of higher margin wine brands acquired in the Hardy Acquisition was more than offset by the flow through of the inventory step-up associated with the Hardy Acquisition, the write-down of the concentrate inventory and a decrease in gross profit margin on the Constellation Wines' U.K. wholesale business.

SELLING, GENERAL AND ADMINISTRATIVE EXPENSES

Selling, general and administrative expenses increased to $348.4 million for Nine Months 2004 from $263.8 million for Nine Months 2003, an increase of $84.6 million, or 32.1%. The Constellation Wines segment's selling, general and administrative expenses increased $61.7 million primarily from increased selling, general and administrative expenses from the addition of the Hardy and PWP businesses. The Constellation Beers and Spirits segment's selling, general and administrative expenses increased $2.9 million due to increased imported beer and spirits advertising and selling expenses to support the growth across this segment's businesses, partially offset by foreign currency gains. The Corporate Operations and Other segment's selling, general and administrative expenses increased $20.0 million primarily due to (i) additional amortized deferred financing costs associated with the bridge financing in connection with the Hardy Acquisition, (ii) additional deferred financing costs associated with the Company's new bank credit facility, and (iii) increased general and administrative expenses to support the Company's growth. Selling, general and administrative expenses as a percent of net sales increased slightly to 13.0% for Nine Months 2004 as compared to 12.7% for Nine Months 2003 due primarily to the increased general and administrative expenses within the Corporate Operations and Other segment as a result of the factors discussed above.

RESTRUCTURING AND RELATED CHARGES

Restructuring and related charges resulted from (i) the realignment of business operations in the Constellation Wines 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 $7.0 million in Nine Months 2004 related to the realignment of business operations in the Constellation Wines segment and expects to incur additional charges of approximately $1.9 million for the previously announced actions over the remainder of fiscal 2004.

The Company recorded restructuring and related charges of $20.5 million in Nine Months 2004 related to exiting the commodity concentrate product line and selling the Escalon facility. In total, the Company recorded $37.3 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 $5.4 million, beginning with an estimated $1.1 million in the fourth quarter of fiscal 2004 and $4.3 million in fiscal 2005. All of the remaining charges will be recorded as Restructuring and Related Charges on the Company's consolidated statement of income. 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 Nine Months 2004 and Nine Months 2003.

<TABLE>
<CAPTION>

	Nine Months 2004 Compared to Nine Months 2003		
	Operating Income (Loss)		
	2004	2003	%Increase
<S>	<C>	<C>	<C>
Constellation Wines	$ 258,208	$ 166,512	55.1 %
Constellation Beers and Spirits	202,228	175,548	15.2 %
Corporate Operations and Other	(30,978)	(22,425)	38.1 %
Total Reportable Segments	429,458	319,635	34.4 %
Restructuring and Related Charges and Unusual Costs	(73,140)	-	N/A
Consolidated Operating Income	$ 356,318	$ 319,635	11.5 %

</TABLE>

Restructuring and related charges and unusual costs of $73.1 million for Nine Months 2004 consist of certain 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 $17.3 million and $11.6 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 $27.5 million. As a result

of these costs and the above factors, consolidated operating income increased to $356.3 million for Nine Months 2004 from $319.6 million for Nine Months 2003, an increase of $36.7 million, or 11.5%.

INTEREST EXPENSE, NET

Interest expense, net of interest income of $2.4 million and $0.8 million for Nine Months 2004 and Nine Months 2003, respectively, increased to $112.2 million for Nine Months 2004 from $80.5 million for Nine Months 2003, an increase of $31.7 million, or 39.4%. 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 Nine Months 2004 as compared to 39.3% for Nine 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 $157.6 million for Nine Months 2004 from $151.3 million for Nine Months 2003, an increase of $6.3 million, or 4.2%.

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 February 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.

NINE MONTHS 2004 CASH FLOWS

OPERATING ACTIVITIES

Net cash provided by operating activities for Nine Months 2004 was $179.5 million, which resulted from $157.6 million of net income, plus $83.0 million of net non-cash items charged to the Consolidated Statement of Income, less $61.1 million representing the net change in the Company's operating assets and liabilities. The net non-cash items consisted primarily of depreciation of property, plant & equipment and amortization of intangible and other assets. The net change in operating assets and liabilities resulted primarily from a seasonal increase in accounts receivable, partially offset by a

decrease in inventories and increases in accounts payable, excise taxes, accrued grape purchases, income taxes payable and accrued advertising and promotion.

INVESTING ACTIVITIES

Net cash used in investing activities for Nine Months 2004 was $1,126.4 million, which resulted primarily from net cash paid of $1,070.1 million for the purchases of businesses and $70.6 million of capital expenditures.

FINANCING ACTIVITIES

Net cash provided by financing activities for Nine Months 2004 was $942.3 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 $426.1 million. This amount was partially offset by principal payments of long-term debt of $1,240.4 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 January 14, 2004, 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 Nine Months 2004.

DEBT

Total debt outstanding as of November 30, 2003, amounted to $2,204.7 million, an increase of $939.2 million from February 28, 2003. The ratio of total debt to total capitalization decreased to 50.0% as of November 30, 2003, from 51.9% as of February 28, 2003.

SENIOR CREDIT FACILITY

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 entered into a new credit agreement (as subsequently amended and restated as of March 19, 2003, the "March 2003 Credit Agreement"). In October 2003, the Company entered into a Second Amended and Restated Credit Agreement (the "Credit Agreement") that (i) refinanced the then outstanding principal balance under the Tranche B Term Loan facility on essentially the same terms as the Tranche B Term Loan facility under the March 2003 Credit Agreement, but at a lower Applicable Rate (as such term is defined in the Credit Agreement) and (ii) otherwise restated the terms of the March 2003 Credit Agreement, as amended. The March 2003 Credit Agreement provided 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 March 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 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. As of November 30, 2003, the Company has made $26.6 million of scheduled and required payments on the Tranche A Term Loan facility. In August 2003, the Company prepaid $100.0 million of the Tranche B Term Loan facility. In October 2003, the Company prepaid an additional $200.0 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 $54.4 million in fiscal 2006, $54.4 million in fiscal 2007, $119.1 million in fiscal 2008 and $272.1 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 Credit Agreement) and, with respect to LIBOR borrowings, ranges between 1.50% and 2.50%. As of November 30, 2003, the LIBOR margin for the Revolving Credit facility and the Tranche A Term Loan facility is 1.75%, while the LIBOR margin on the Tranche B Term Loan facility is 2.00%.

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 Credit Agreement, ceased to apply. Certain foreign subsidiaries of the Company have guaranteed debt, including debt of a joint venture in the maximum amount of $3.9 million and debt of a partnership in the maximum amount of $1.0 million as of November 30, 2003. 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 November 30, 2003, the Company is in compliance with all of its covenants under its Credit Agreement.

As of November 30, 2003, under the Credit Agreement, the Company had outstanding Tranche A Term Loans of $373.4 million bearing a weighted average interest rate of 2.9%, Tranche B Term Loans of $500.0 million bearing a weighted average interest rate of 3.1%, $166.6 million of revolving loans bearing a weighted average interest rate of 3.0%, undrawn revolving letters of credit of $18.4 million, and $215.1 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 November 30, 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 November 30, 2003, the Company had outstanding (pound) 1.0 million ($1.7 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 November 30, 2003, the Company had outstanding (pound) 154.0 million ($265.7 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 November 30, 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 November 30, 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 November 30, 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 $261.2 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 $164.9 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 March 2003 Credit Agreement.

ACCOUNTING PRONOUNCEMENTS NOT YET ADOPTED

In December 2003, the Financial Accounting Standards Board issued FASB Interpretation No. 46 (revised December 2003) ("FIN No. 46(R)"), "Consolidation of Variable Interest Entities--an interpretation of ARB No. 51." FIN No. 46(R) replaces FASB Interpretation No. 46 ("FIN No. 46"), "Consolidation of Variable Interest Entities," and 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(R) in its entirety on March 1, 2004. The Company is currently assessing the financial impact of FIN No. 46(R) on its consolidated financial statements.

In December 2003, the Financial Accounting Standards Board issued Statement of Financial Accounting Standards No. 132 (revised 2003) ("SFAS No. 132(R)"), "Employers' Disclosures about Pensions and Other Postretirement Benefits--an amendment of FASB Statements No. 87, 88, and 106." SFAS No. 132(R) supercedes Statement of Financial Accounting Standards No. 132 ("SFAS No. 132"), by revising employers' disclosures about pension plans and other postretirement benefit plans. SFAS No. 132(R) requires additional disclosures to those in SFAS No. 132 regarding the assets, obligations, cash flows, and net periodic benefit cost of defined benefit pension plans and other defined benefit postretirement plans. SFAS No. 132(R) also amends Accounting Principles Board Opinion No. 28 ("APB Opinion No. 28"), "Interim Financial Reporting," to require additional disclosures for interim periods. The Company is required to adopt certain of the annual disclosure provisions of SFAS No. 132(R), primarily those related to its U.S. postretirement plan, for the fiscal year ending February 29, 2004. The Company is required to adopt the remaining annual disclosure provisions, primarily those related to its foreign plans, for the fiscal year ending February 28, 2005. The Company is required to adopt the amendment to APB Opinion No. 28 for financial reports containing condensed financial statements for interim periods beginning March 1, 2004.

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 November 30, 2003, and November 30, 2002, the fair value of open contracts would have increased $17.9 million and $1.0 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 November 30, 2003, and November 30, 2002, would result in an approximate increase in cash required for interest of $8.9 million and $2.6 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 November 30, 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 November 30, 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 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 Second Amended and Restated Credit Agreement, dated as of October 31, 2003, among the Company and certain of its subsidiaries, the lenders named therein, JP Morgan Chase Bank, as Administrative Agent, and J.P. Morgan Europe Limited, as London Agent.

4.19 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.

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

4.21 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, certain of its subsidiaries, and JPMorgan Chase Bank, as Administrative Agent.

10.3 Second Amended and Restated Credit Agreement, dated as of October 31, 2003, among the Company and certain of its subsidiaries, the lenders named therein, JPMorgan Chase Bank, as Administrative Agent, and J.P. Morgan Europe Limited, as London 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 November 30, 2003:

(i) Form 8-K dated November 24, 2003 and filed as of November 24, 2003. This Form 8-K reported information under Items 5 and 7, and included selected business and financial information reflecting the Company's new basis of segment reporting and the audited consolidated financial statements of the Company for the fiscal year ended February 28, 2003, together with the notes to those consolidated financial statements, conformed to reflect the Company's new basis of segment reporting: (i) the Company's Condensed Consolidated Balance

Sheets as of February 28, 2003 and February 28, 2002; (ii) the Company's Consolidated Statements of Income for the years ended February 28, 2003, February 28, 2002 and February 28, 2001; (iii) the Company's Consolidated Statements of Changes in Stockholders' Equity; and (iv) the Company's Consolidated Statements of Cash Flows for the years ended February 28, 2003, February 28, 2002 and February 28, 2001.

(ii) Form 8-K dated November 4, 2003 and filed as of November 4, 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 Guidance.*

(iii) Form 8-K dated September 30, 2003 and filed as of September 30, 2003. This Form 8-K reported information under Items 7, 9 and 12, and included (i) the Company's Condensed

Consolidated Balance Sheets as of August 31, 2003 and February 28, 2003; (ii) the Company's Consolidated Statements of Income on a Reported Basis for the six months ended August 31, 2003 and August 31, 2002; (iii) the Company's Supplemental Consolidated Statements of Income on a Comparable Basis for the six months ended August 31, 2003 and August 31, 2002; (iv) the Company's Consolidated Statements of Income on a Reported Basis for the three months ended August 31, 2003 and August 31, 2002; (v) the Company's Supplemental Consolidated Statements of Income on a Comparable Basis for the three months ended August 31, 2003 and August 31, 2002; (vi) the Company's Reconciliation of Reported and Comparable Historical Information for the three months ended August 31, 2003 and August 31, 2002 and the six months ended August 31, 2003 and August 31, 2002; and (vii) the Company's Reconciliation of Reported and Comparable Diluted Earnings Per Share Guidance.*

*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: January 14, 2004 By: /s/ Thomas F. Howe

Thomas F. Howe, Senior Vice President, Controller

Dated: January 14, 2004 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 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).

4.18 Second Amended and Restated Credit Agreement, dated as of October 31, 2003, among the Company and certain of its subsidiaries, the lenders named therein, JP Morgan Chase Bank, as Administrative Agent, and J.P. Morgan Europe Limited, as London Agent (filed herewith).

4.19 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).

4.20 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).

4.21 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, 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 Second Amended and Restated Credit Agreement, dated as of October 31, 2003, among the Company and certain of its subsidiaries, the lenders named therein, JPMorgan Chase Bank, as Administrative Agent, and J.P. Morgan Europe Limited, as London Agent (filed as Exhibit 4.18 to the Company's Report on Form 10-Q for the fiscal quarter ended November 30, 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 4.18

EXECUTION COPY

SECOND AMENDED AND RESTATED CREDIT AGREEMENT
dated as of
October 31, 2003
Between
CONSTELLATION BRANDS, INC.,
The SUBSIDIARY GUARANTORS Party Hereto,
The LENDERS Party Hereto
JPMORGAN CHASE BANK,
as Administrative Agent
and
J.P. MORGAN EUROPE LIMITED,
as London Agent
J.P. MORGAN SECURITIES INC.,
as Sole and Exclusive Advisor, Arranger and Bookrunner

U.S.$1,286,700,000

SECOND AMENDED AND RESTATED CREDIT AGREEMENT dated as of October 31, 2003 between CONSTELLATION BRANDS, INC. (the "Borrower"), the SUBSIDIARY GUARANTORS party hereto, certain LENDERS party to the Existing Credit Agreement referred to below, the LENDERS referred to below as "New Tranche B Term Loan Lenders", JPMORGAN CHASE BANK, as Administrative Agent and J.P. MORGAN EUROPE LIMITED, as London Agent.

W I T N E S S E T H:

The Borrower, certain subsidiaries of the Borrower, certain lenders, JPMorgan Chase Bank, as administrative agent, and J.P. Morgan Europe Limited, as London agent, are party to the Amended and Restated Credit Agreement dated as of March 19, 2003 (as in effect immediately before giving effect to the amendment and restatement contemplated hereby, the "Existing Credit Agreement"). Capitalized terms used but not otherwise defined herein have the meanings given them in the Existing Credit Agreement.

The parties hereto wish to amend and restate the Existing Credit Agreement (as so amended and restated, the "Credit Agreement") to provide for a refinancing of the Tranche B Term Loans with the proceeds of new loans (the "New Tranche B Term Loans") to be made by a group of lenders ("New Tranche B Term Loan Lenders") under the Credit Agreement having the same terms as the terms of the Tranche B Term Loans as in effect immediately before the effectiveness of this Agreement (other than as to Applicable Rate).

Accordingly, the parties hereto hereby agree that the Existing Credit Agreement shall, with effect as of the Tranche B Refinancing Effective Date (as defined below), but subject to the execution and delivery of this Second Amended and Restated Credit Agreement (in the case of the Revolving Lenders and the Tranche A Term Loan Lenders) or the Lender Addenda (in the case of the New Tranche B Term Loan Lenders as defined below), as applicable, by the Required Lenders, be amended and restated to read in its entirety as set forth in the Existing Credit Agreement, which is hereby incorporated herein by reference, with the amendments set forth in Section 1 below:

Section 1. AMENDMENTS. Subject to Section 3 hereof, the Existing Credit Agreement is hereby amended as follows:

A. GENERAL. Direct and indirect references in the Existing Credit Agreement to the Existing Credit Agreement shall be deemed to be references to the Credit Agreement (as defined above).

B. DEFINITIONS. Section 1.01 of the Existing Credit Agreement is amended by adding the following new defined terms in their appropriate alphabetical locations:

"CONTINUING TRANCHE B TERM LOAN LENDER" means a New Tranche B Term Loan Lender that was also a Tranche B Term Loan Lender before the Tranche B Refinancing Effective Date.

"NEW LENDER ADDENDUM" means a New Lender Addendum, substantially in the form of Exhibit L, to be executed and delivered by any New Tranche B Term Loan Lender and accepted and agreed by the Borrower and the Administrative Agent on or before the Tranche B Refinancing Effective Date.

"NEW TRANCHE B TERM LOAN" means a Loan made pursuant to the last sentence of Section 2.01(d), which may be an ABR Loan and/or a Eurocurrency Loan.

"NEW TRANCHE B TERM LOAN LENDER" means a Person identified as a New Tranche B Term Loan Lender in a New Lender Addendum (each of whom shall be deemed a Tranche B Term Loan Lender upon and after the making of the New Tranche B Term Loans).

"SECOND AMENDED AND RESTATED CREDIT AGREEMENT" means the Second Amended and Restated Credit Agreement dated as of October 31, 2003 amending and restating this Agreement.

"TRANCHE B TERM LOAN REFINANCING COMMITMENT" means, for each New Tranche B Term Loan Lender, the amount set forth opposite the name of such New Tranche B Term Loan Lender on its New Lender Addendum under the caption "Tranche B Term Loan Refinancing Commitment".

"TRANCHE B REFINANCING EFFECTIVE DATE" means (a) if the New Tranche B Term Loans are initially made as ABR Borrowings (as specified in the Borrowing Request given by the Borrower pursuant to Section 3(a)(v) of the Second Amended and Restated Credit Agreement), the first Business Day after the Administrative Agent shall have received such Borrowing Request or (b) otherwise, the third Business Day after the Administrative Agent shall have received such Borrowing Request, in each of the cases referred to in the preceding clauses (a) and (b) regardless of whether the Administrative Agent shall have received such Borrowing Request before the satisfaction of the conditions to effectiveness set forth in Section 3 of the Second Amended and Restated Credit Agreement.

C. APPLICABLE RATE FOR NEW TRANCHE B TERM LOANS. Clauses (x) and (y) of the definition of "Applicable Rate" in Section 1.01 of the Credit Agreement shall be amended to read as follows:

"(x) before the Tranche B Refinancing Effective Date, (i) 1.75% in the case of any Tranche B Term Loan ABR Borrowing, and 2.75% per annum in the case of any Tranche B Term Loan Eurocurrency Borrowing, in each case applicable when the Debt Ratio as of the most recent determination date is greater than 3.50 to 1, and (ii) 1.50% in the case of any Tranche B Term Loan ABR Borrowing, and 2.50% per annum in the case of any Tranche B Term Loan Eurocurrency Borrowing, in each case applicable when the Debt Ratio as of the most recent determination date is less than or equal to 3.50 to 1, (y) on and after the Tranche B Refinancing Effective Date, (i) 1.00% in the case of any ABR Borrowing of New Tranche B Term Loans, and 2.00% per annum in the case of any Eurocurrency Borrowing of New

Tranche B Term Loans, in each case applicable when the Debt Ratio as of the most recent determination date is greater than or equal to 3.00 to 1, and (ii) 0.75% in the case of any ABR Borrowing of New Tranche B Term Loans, and 1.75% per annum in the case of any Eurocurrency Borrowing of New Tranche B Term Loans, in each case applicable when the Debt Ratio as of the most recent determination date is less than 3.00 to 1, and"

D. NEW TRANCHE B TERM LOANS. Section 2.01(d) shall be amended by adding at the end thereof:

"In addition, on the Tranche B Refinancing Effective Date:

(i) subject to the conditions set forth in paragraph (v) below in this Section 2.01(d), each New Tranche B Term Loan Lender shall make a loan to the Borrower in U.S. Dollars in a principal amount equal to its Tranche B Term Loan Refinancing Commitment;

(ii) (x) the proceeds of the New Tranche B Term Loans and the amount received by the Administrative Agent pursuant to clause (y)(1) below shall be directly applied by the Administrative Agent to the prepayment in full of the principal amount of the Tranche B Term Loans then outstanding and (y) the Borrower shall pay to the Administrative Agent for the account of the Tranche B Term Loan Lenders (1) the excess, if any, of the principal amount of the Tranche B Term Loans then outstanding over the proceeds of the New Tranche B Term Loans to be applied by the Administrative Agent as provided in the immediately preceding clause (x) such that the principal amount of the Tranche B Term Loans then outstanding shall be prepaid in full plus (2) all accrued and unpaid interest on the Tranche B Term Loans, all amounts (if any) required by Section 2.15 to be paid to the Tranche B Term Loan Lenders as a result of such prepayment and all other amounts owing by it to the Tranche B Term Loan Lenders under the Loan Documents;

(iii) each Continuing Tranche B Term Loan Lender shall, with respect to an amount equal to the aggregate principal amount of its Tranche B Term Loans then outstanding, make its New Tranche B Term Loans under paragraph (i) above and receive prepayment under clause (x) of paragraph (ii) above by continuing its Tranche B Term Loans rather than by disbursing and receiving new funds, and, as applicable, (a) such Continuing Tranche B Term Loan Lender shall only be required to disburse new funds under said paragraph (i) in an amount equal to the excess of its Tranche B Term Loan

Refinancing Commitment over the aggregate outstanding principal amount of its Tranche B Term Loan or (b) such Continuing Tranche B Term Loan Lender shall only be entitled to receive a repayment of its Tranche B Term Loans under said clause (x) in an amount equal to the excess of the aggregate outstanding principal amount of its Tranche B Term Loans over its Tranche B Term Loan Refinancing Commitment;

(iv) subject to the satisfaction of the requirements set forth in paragraphs (i) and (ii) above, and for all purposes of the Loan Documents, (x) the New Tranche B Term Loans shall be treated as and deemed to be Tranche B Term Loans, (y) the New Tranche B Term

Loan Lenders shall be treated as and deemed to be Tranche B Term Loan Lenders and (z) the Tranche B Term Loan Lenders that are not New Tranche B Term Loan Lenders shall cease to be Tranche B Term Loan Lenders;

(v) the obligation of each New Tranche B Term Loan Lender to make a New Tranche B Term Loan is subject to the satisfaction of the following conditions:

(a) the representations and warranties of the Borrower set forth in this Agreement, and of each Obligor in each of the other Loan Documents to which it is a party (but as to such other Loan Documents, in all material respects), shall be true and correct on and as of the Tranche B Refinancing Effective Date (or, if any such representation or warranty is expressly stated to have been made as of a specific date, as of such specific date);

(b) at the time of and immediately after giving effect to such New Tranche B Term Loan, no Default shall have occurred and be continuing; and

(c) the Borrower shall have remitted to the Administrative Agent sufficient funds for the satisfaction of its obligations under clause (y) of paragraph (ii) above; and

(vi) the Borrower shall be deemed to have made a representation and warranty as to the matters specified in the preceding clause (v)."

E. AMORTIZATION OF NEW TRANCHE B TERM LOANS. Section 2.09(a)(iv) shall be amended in its entirety to read as follows:

"(iv) to the Administrative Agent for account of the New Tranche B Term Loan Lenders the outstanding principal amount of the New Tranche B Term Loans on each Principal Payment Date set forth below in the aggregate principal amount set forth opposite such Principal Payment Date (subject to adjustment pursuant to the first sentence of paragraph (b) of this Section):

Principal Payment Date	Amount (U.S.$)
May 31, 2005	13,605,442.18
August 31, 2005	13,605,442.18
November 30, 2005	13,605,442.18
February 28, 2006	13,605,442.18

May 31, 2006	13,605,442.18
August 31, 2006	13,605,442.18
November 30, 2006	13,605,442.18
February 28, 2007	13,605,442.18
May 31, 2007	29,761,904.76
August 31, 2007	29,761,904.76
November 30, 2007	29,761,904.76
February 29, 2008	29,761,904.76
May 31, 2008	90,680,272.10
August 31, 2008	90,680,272.10
November 30, 2008	90,748,299.32"

F. NEW LENDER ADDENDUM. A new Exhibit L is added to the Existing Credit Agreement reading as set forth in Exhibit L hereto.

Section 2. 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 Second Amended and Restated Credit Agreement and (ii) at the time of and immediately after giving effect to this Second Amended and Restated Credit Agreement, no Default has occurred and is continuing.

Section 3. CONDITIONS PRECEDENT. The amendments to the Existing Credit Agreement contemplated by Section 1 hereof shall become effective on the date (the "Effective Date") on which each of the following conditions has been satisfied:

(a) DOCUMENTS. The Administrative Agent shall have received each of the following documents, each of which shall be satisfactory to the Administrative Agent in form and substance:

(i) EXECUTED COUNTERPARTS. From the Obligors and the Required Lenders either (i) counterparts of this Agreement signed on their behalf or (ii) written evidence satisfactory to the Administrative Agent (which may include telecopy transmission of a signed signature page to this Agreement) that they have signed counterparts of this Agreement or have otherwise agreed to the terms and conditions hereof and to be bound hereby.

(ii) EXECUTED NEW LENDER ADDENDA. From the New Tranche B Term Loan Lenders, New Lender Addenda signed on their behalf representing, in the aggregate, Tranche B Term Loan Refinancing Commitments of $500,000,000.

(iii) OPINION OF COUNSEL TO THE OBLIGORS. A favorable written opinion (addressed to the Administrative Agent and the Lenders and dated the Effective Date) of Nixon Peabody LLP, U.S. counsel for the Obligors (and each such Obligor

hereby instructs such counsel to deliver such opinion to the Lenders and the Administrative Agent).

(iv) CORPORATE DOCUMENTS. Such documents and certificates as the Administrative Agent or its counsel may reasonably request relating to the borrowings in respect of the Tranche B Term Loans and any other legal matters relating to the Obligors.

(v) NOTICES. A duly completed notice of prepayment for the Tranche B Term Loans and a duly completed Borrowing Request for the New Tranche B Term Loans.

(vi) OTHER DOCUMENTS. Such other documents as the Administrative Agent or any Lender or special New York counsel to JPMorgan Chase may reasonably request.

(b) PAYMENT OF FEES AND EXPENSES. The payment by the Borrower to the Administrative Agent for the account of J.P. Morgan Securities Inc. of such fees and expenses (including the reasonable fees and expenses of counsel to the extent that statements for such fees and expenses have been delivered to the Borrower) as have been agreed to be paid in connection with this Second Amended and Restated Credit Agreement.

Section 4. RATIFICATION. The Obligors hereby confirm their obligations and the Liens granted by them under the respective Loan Documents to which they are parties and hereby represent, warrant and confirm that, subject to the effectiveness of the amendment and restatement contemplated hereby of the Existing Credit Agreement, all references in such Loan Documents to the Existing Credit Agreement fully and effectively mean the Credit Agreement without impairing any such obligations or Liens in any respect.

Section 5. MISCELLANEOUS. Except as herein provided, the Existing Credit Agreement shall remain unchanged and in full force and effect. This Second Amended and Restated Credit Agreement 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 Second Amended and Restated Credit Agreement by signing any such counterpart and sending the same by telecopier, mail messenger or courier to the Administrative Agent or counsel to the Administrative Agent. This Second Amended and Restated Credit Agreement 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 Agreement to be duly executed by their respective authorized officers 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

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: Vice President
Title:

CBI AUSTRALIA HOLDINGS PTY LIMITED

By /s/ Thomas S. Summer

Name: Thomas S. Summer
Title: Authorized Signatory

CONSTELLATION AUSTRALIA PTY LIMITED

By /s/ Thomas S. Summer

Name: Thomas S. Summer

Title: Authorized Signatory

JPMORGAN CHASE BANK, as Swingline Lender,
Issuing Lender and Administrative Agent

By /s/ Laura T. Cumming

Name: Laura T. Cumming
Title: Vice President

J.P. MORGAN EUROPE LIMITED,
as London Agent

By /s/ Bruce Borden

Name: Bruce Borden
Title: Vice President

AMERICAN AGCREDIT, PCA

By /s/ James Coppel

Name: James Coppel
Title: Vice President

BANK ONE, NA (Chicago)

By /s/ Joseph Pinzone

Name: Joseph Pinzone
Title: Director

BANK OF AMERICA, N.A.

By /s/ William F. Sweeney

Name: William F. Sweeney
Title: Managing Director

HARRIS TRUST & SAVINGS BANK

By /s/ Edwin A. Adams Jr.

Name: Edwin A. Adams Jr.
Title: Vice President

BANK OF NEW YORK

By /s/ David Csatari

Name: David Csatari
Title: Vice President

THE BANK OF NOVA SCOTIA

By /s/ Todd S. Meller

Name: Todd S. Meller
Title: Managing Director

BARCLAYS BANK PLC

By /s/ Nicholas A. Bell

Name: Nicholas A. Bell
Title: Director
Loan Transaction Management

CITICORP NORTH AMERICA, INC.

By /s/ Robert J. Kane

Name: Robert J. Kane
Title: Director

COBANK, ACB

By /s/ Brian J. Klatt

Name: Brian J. Klatt
Title: Senior Vice President

COMMERZBANK, AG
NEW YORK AND GRAND CAYMAN BRANCHES

By /s/ Douglas I. Glickman

Name: Douglas I. Glickman
Title: Vice President

By /s/ Isabel S. Zeissig

Name: Isabel S. Zeissig
Title: Assistant Vice President

COMMONWEALTH BANK OF AUSTRALIA

By /s/ Roger Knott

Name: Roger Knott
Title: Head of Risk Management,
Americas

CREDIT INDUSTRIEL ET COMMERCIAL

By /s/ Anthony Rock	Brian O'Leary
Name: Anthony Rock	Brian O'Leary
Title: Vice President	Vice President

ERSTE BANK

By /s/ Paul Judicke	Bryan J. Lynch
Name: Paul Judicke	Bryan J. Lynch
Title: Vice President	First Vice President

Erste Bank New York Branch

FARM CREDIT SERVICES OF MID AMERICA, PCA

By /s/ Steven R. Kluemper

Name: Steven R. Kluemper
Title: Agribusiness Account Executive

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FLEET NATIONAL BANK

By /s/ John M. Pitton

Name: John M. Pitton
Title: Senior Vice President

- 26 -

HSBC BANK USA

By /s/ John Carroll

Name: John Carroll
Title: Vice President

- 28 -

KEYBANK NATIONAL ASSOCIATION

By /s/ David J. Wechter

Name: David J. Wechter
Title: Vice President

- 29 -

MANUFACTURERS AND TRADERS TRUST COMPANY

By /s/ Philip M. Smith

Name: Philip M. Smith
Title: Administrative Vice President

- 30 -

NORINCHUKIN BANK

By /s/ Fumiaki Ono

Name: Fumiaki Ono
Title: General Manager

- 31 -

COOPERATIVE CENTRALE
Raiffeisen-Boerenleenbank B.A.
"Rabobank International", New York Branch

By /s/ Kimberly English

Name: Kimberly English
Title: Vice President

By /s/ Ian Reece

Name: Ian Reece
Title: Managing Director

- 32 -

SUNTRUST BANK

By /s/ Gregory L. Cannon

Name: Gregory L. Cannon
Title: Director

- 33 -

U.S. BANK NATIONAL ASSOCIATION

By /s/ John W. Ball

Name: John W. Ball
Title: VP

UBS AG, Stamford Branch

By /s/ Wilfred V. Saint

Name: Wilfred V. Saint
Title: Associate Director
Banking Products Services, US

By /s/ Anthony N. Joseph

Name: Anthony N. Joseph
Title: Associate Director
Banking Products Services, US

WELLS FARGO BANK

By /s/ Michelle Saenz

Name: Michelle Saenz
Title: VP

EXHIBIT L

[Form of New Lender Addendum]

NEW LENDER ADDENDUM

Reference is made to the Second Amended and Restated Credit Agreement dated as of October 31, 2003 (as in effect on the date hereof, the "Credit Agreement") between Constellation Brands, Inc. (the "Borrower"), the Subsidiary Guarantors party thereto, the lenders party thereto (the "Lenders") and JPMorgan Chase Bank as Administrative Agent and J.P. Morgan Europe Limited, as London Agent. Capitalized terms used and not defined herein have the respective meanings assigned thereto in the Credit Agreement.

Upon execution and delivery of this New Lender Addendum by the parties hereto, the undersigned, (x) if and to the extent it is a Tranche B Term Loan Lender under the existing Tranche B Term Loans (the "Existing Tranche B Term Loans"), agrees to continue as a New Tranche B Term Loan Lender thereunder and hereby agrees to the terms and conditions of the Credit Agreement and to be bound thereby and (y) if and to the extent it is not a Tranche B Term Loan Lender under the Existing Tranche B Term Loans, agrees to become a New Tranche B Term Loan Lender under the Credit Agreement, in the case of either (x) or (y), having the Tranche B Term Loan Refinancing Commitment set forth opposite its signature below, effective as of the Tranche B Refinancing Effective Date.

This New Lender Addendum shall be construed in accordance with and governed by the law of the State of New York. This New Lender Addendum may be executed by one or more of the parties hereto on any number of separate counterparts, and all of said counterparts taken together shall be deemed to constitute one and the same instrument. Delivery of an executed signature page hereof by facsimile transmission shall be effective as delivery of a manually executed counterpart hereof.

IN WITNESS WHEREOF, the parties hereto have caused this New Lender Addendum to be duly executed and delivered by their proper and duly authorized officers as of this ___ day of _______________, 2003.

Tranche B Term Loan
Refinancing Commitment:

[NAME OF LENDER]

By

Name:
Title:

Accepted and agreed:

CONSTELLATION BRANDS, INC.

By:

Name:
Title:

New Lender Addendum

JPMORGAN CHASE BANK,
as Administrative Agent

By:

Name:
Title:

Lender Addendum

The preceding form of Lender Addendum had been entered into with the Lenders listed below on or prior to October 31, 2003, the date of funding of the Tranche B term loan under the Credit Agreement. The Lender Addendum with respect to each Lender contains the Tranche B term loan commitment set forth opposite such Lender's name below. Subsequent to October 31, 2003, certain of the Lenders listed below have assigned all or a portion of their Tranche B term loans under the Credit Agreement pursuant to the terms of the Credit Agreement. Such assignments may also occur in the future.

<TABLE>
<CAPTION>

Lender	Amount
<S>	<C>
American Agcredit, PCA	$1,250,000.00
APEX (IDM) CDO I, LTD	$2,731,328.65
Babson CLO Ltd. 2003-I	$1,666,666.67
Bangkok Bank PCL	$3,125,000.00
Bank of Montreal	$1,250,000.00
The Bank of Nova Scotia	$2,083,333.33
Bank One, NA	$2,500,000.00
Big Sky Senior Loan Fund, Ltd	$1,406,250.00
Bill & Melinda Gates Foundation	$833,333.33
CoBank, ACB	$28,125,000.00
Columbia Floating Rate Advantage Fund - fka Liberty	$916,666.66
Columbia Floating Rate Limited Liability Company	$1,416,666.67
Commerzbank AG, New York and Grand Cayman Branches	$6,250,000.00
Cooperative Centrale Raiffeisen-Boerenleenbank B.A. "Rabobank International", New York Branch	$3,125,000.00
Credit Industriel et Commercial	$5,000,000.00
Denali Capital CLO II, Ltd	$1,875,000.00
Denali Capital CLO III, Ltd	$1,875,000.00
Eaton Vance Limited Duration Income Fund	$1,093,750.00
Eaton Vance VT Floating-Rate Income Fund	$843,750.00
ELC (Cayman) Ltd.	$1,250,000.00
ELC (Cayman) Ltd. 1999-III	$1,458,333.33
ELC (Cayman) Ltd. 2000-I	$1,458,333.33
ELC (Cayman) Ltd. CDO Series 1999-I	$1,458,333.33
Erste Bank	$625,000.00
Farm Credit Services of Mid America, PCA	$1,562,500.00
Fleet National Bank	$3,333,333.33
Galaxy CLO 1999-1, Ltd.	$2,660,000.00
Galaxy CLO 2003-1, Ltd.	$2,120,000.00
General Electric Capital Corporation	$25,000,000.00
Grayson & Co.	$2,685,338.02
Hamilton CDO Ltd.	$2,500,000.00
Hamilton Floating Rate Funding, LLC	$3,125,000.00
Harbour Town Funding LLC	$1,250,000.00
JPMorgan Chase Bank	$266,697,916.69
Jupiter Loan Funding LLC	$1,875,000.00
KZH Crescent-2 LLC	$1,250,000.00
KZH Crescent-3 LLC	$625,000.00
KZH Cypress Tree-1 LLC	$3,750,000.00
KZH ING-2 LLC	$3,750,000.00
KZH Riverside LLC	$1,271,250.00
KZH Soleil LLC	$1,316,250.00
KZH Soleil-2 LLC	$2,632,500.00
KZH Sterling LLC	$2,187,500.00
KZH Waterside LLC	$2,500,000.00
Maplewood (Cayman) Limited	$4,285,714.29
Massachusetts Mutual Life Insurance Company	$2,930,873.73
Metropolitan Life Insurance Company	$15,625,000.00

MONY Life Insurance Company	$9,375,000.00
Morgan Stanley Prime Income Trust	$2,500,000.00
Muirfield Trading LLC	$937,500.00
Olympic Funding Trust, Series 1999-1	$1,875,000.00
Pinehurst Trading LLC	$1,875,000.00
Riviera Funding, LLC	$3,125,000.00
Sawgrass Trading LLC	$2,500,000.00
Simsbury CLO, Limited	$1,250,000.00
SRF 2000, Inc.	$2,120,332.17
SRF Trading, Inc.	$1,770,833.33
Stanfield Arbitrage CDO, Ltd.	$3,125,000.00
Stanfield Carrera CLO, Ltd.	$1,250,000.00
Stanfield CLO, Ltd.	$3,125,000.00
Stanfield Quattro CLO, Ltd.	$1,562,500.00
Stanfield\RMF Transatlantic CDO,Ltd	$1,875,000.00
Stanwich Loan Funding LLC	$1,250,000.00
Suffield CLO, Limited	$2,500,000.00
The Sumitomo Trust & Banking Co., Ltd.	$3,125,000.00
SunAmerica Life Insurance Company	$2,985,996.48
SunTrust Bank	$2,083,333.33
Tolli & Co.	$406,250.00
Tryon CLO Ltd. 2000-I	$1,458,333.33
Wachovia Bank, N.A.	$6,250,000.00
Wells Fargo Bank	$6,250,000.00
Windsor Loan Funding, Limited	$3,125,000.00
Winged Foot Funding Trust	$3,750,000.00

TOTAL	$500,000,000.00
	===============

</TABLE>

EXHIBIT 11

<TABLE>
<CAPTION>

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

	For the Nine Months Ended November 30,			
	2003		2002	
	Basic	Diluted	Basic	Diluted
<S>	<C>	<C>	<C>	<C>
Net income	$ 157,593	$ 157,593	$ 151,285	$ 151,285
Dividends on preferred stock	(3,294)	-	-	-
Income available to common stockholders	$ 154,299	$ 157,593	$ 151,285	$ 151,285
Shares:				
Weighted average common shares outstanding	98,902	98,902	89,617	89,617
Adjustments:				
Stock options	-	3,227	-	3,052
Preferred stock	-	2,430	-	-
Adjusted weighted average common shares outstanding	98,902	104,559	89,617	92,669
Earnings per common share	$ 1.56	$ 1.51	$ 1.69	$ 1.63

	For the Three Months Ended November 30,			
	2003		2002	
	Basic	Diluted	Basic	Diluted
Net income	$ 82,840	$ 82,840	$ 64,344	$ 64,344
Dividends on preferred stock	(2,450)	-	-	-
Income available to common stockholders	$ 80,390	$ 82,840	$ 64,344	$ 64,344
Shares:				
Weighted average common shares outstanding	105,323	105,323	90,323	90,323
Adjustments:				
Stock options	-	3,484	-	2,760
Preferred stock	-	5,389	-	-
Adjusted weighted average common shares outstanding	105,323	114,196	90,323	93,083
Earnings per common share	$ 0.76	$ 0.73	$ 0.71	$ 0.69

</TABLE>

EXHIBIT 31.1

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

Constellation Brands, Inc.
Form 10-Q for Fiscal Quarter Ended November 30, 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: January 14, 2004

/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 November 30, 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: January 14, 2004

/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 NOVEMBER 30, 2003

In connection with the Constellation Brands, Inc. Quarterly Report on Form 10-Q for the Fiscal Quarter Ended November 30, 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 November 30, 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 November 30, 2003 of Constellation Brands, Inc. fairly presents, in all material respects, the financial condition and results of operations of Constellation Brands, Inc.

Dated: January 14, 2004

/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 NOVEMBER 30, 2003

In connection with the Constellation Brands, Inc. Quarterly Report on Form 10-Q for the Fiscal Quarter Ended November 30, 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 November 30, 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 November 30, 2003 of Constellation Brands, Inc. fairly presents, in all material respects, the financial condition and results of operations of Constellation Brands, Inc.

Dated: January 14, 2004

/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.