

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

FORM 8-K

CURRENT REPORT

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

Date of Report (Date of earliest event reported) August 2, 2006

CONSTELLATION BRANDS, INC.

(Exact name of registrant as specified in its charter)

Delaware
(State or other jurisdiction
of incorporation)

001-08495
(Commission
File Number)

16-0716709
(IRS Employer
Identification No.)

370 Woodcliff Drive, Suite 300, Fairport, NY 14450
(Address of Principal Executive Offices) (Zip Code)

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

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

Check the appropriate box below if the Form 8-K filing is intended to simultaneously satisfy the filing obligation of the registrant under any of the following provisions (see General Instruction A.2. below):

- Written communications pursuant to Rule 425 under the Securities Act (17 CFR 230.425)
 - Soliciting material pursuant to Rule 14a-12 under the Exchange Act (17 CFR 240.14a-12)
 - Pre-commencement communications pursuant to Rule 14d-2(b) under the Exchange Act (17 CFR 240.14d-2(b))
 - Pre-commencement communications pursuant to Rule 13e-4(c) under the Exchange Act (17 CFR 240.13e-4(c))
-

ITEM 2.05 COSTS ASSOCIATED WITH EXIT OR DISPOSAL ACTIVITIES.

On August 2, 2006, Constellation Brands, Inc. (the “Company”) committed to the principal features of a plan to invest in new distribution and bottling facilities in the United Kingdom (“UK”) and to streamline certain of its Australian operations (collectively, the “Fiscal 2007 Wine Plan”). The initiatives are part of the Company’s ongoing efforts to maximize asset utilization, further reduce costs and improve long-term return on invested capital throughout its international operations. The UK portion of the plan includes new investments in property, plant and equipment and certain disposals of property, plant and equipment and is expected to increase wine bottling capacity and efficiency and reduce costs of transport, production and distribution. The UK portion of the plan also includes costs for employee terminations. The Australian portion of the plan includes the buy-out of certain grape supply and processing contracts and the sale of certain property, plant and equipment. The actions under the Fiscal 2007 Wine Plan are expected to commence by August 31, 2006, and the Company currently expects the Australian portion of the plan to be complete by the end of the Company’s current fiscal year, which ends on February 28, 2007 (“Fiscal 2007”) and the UK portion of the plan to be complete by the end of the fiscal year which ends on February 28, 2009 (“Fiscal 2009”).

As further detailed in the table below, the Company expects to incur approximately \$33 million of restructuring charges in connection with the Fiscal 2007 Wine Plan and approximately \$7 million of other related costs, all of which charges and costs will be recorded in the Company’s results of operations during Fiscal 2007, the fiscal year ending February 29, 2008 (“Fiscal 2008”) and Fiscal 2009. Additionally, the Company expects to record accelerated depreciation of approximately \$10 million for the disposals of certain property, plant and equipment in the UK, primarily during Fiscal 2007 and Fiscal 2008. The Company also concluded on August 2, 2006, that the expected sale of certain property, plant and equipment in Australia will result in an impairment charge of approximately \$10 million during Fiscal 2007 which impairment charge is not expected to result in any future cash expenditures. In connection with the Fiscal 2007 Wine Plan, the Company expects to incur aggregate cash expenditures of approximately \$40 million, primarily during Fiscal 2007, and an aggregate of approximately \$20 million of non-cash charges, primarily during Fiscal 2007. The following table sets forth the Company’s current expectations related to the Fiscal 2007 Wine Plan:

	Estimated Pretax Charges During Fiscal 2007	Estimated Pretax Charges During Fiscal 2008	Estimated Pretax Charges During Fiscal 2009	Estimated Total
<i>(in millions)</i>				
Restructuring charges:				
Employee termination costs	\$ 3	\$ -	\$ -	\$ 3
Contract termination costs	25	-	-	25
Other associated costs	-	5	-	5
Total restructuring charges	<u>28</u>	<u>5</u>	<u>-</u>	<u>33</u>
Other related costs	<u>2</u>	<u>3</u>	<u>2</u>	<u>7</u>
Total cash costs	<u>30</u>	<u>8</u>	<u>2</u>	<u>40</u>
Accelerated depreciation	4	5	1	10
Impairment charge on assets to be sold	<u>10</u>	<u>-</u>	<u>-</u>	<u>10</u>
Total non-cash costs	<u>14</u>	<u>5</u>	<u>1</u>	<u>20</u>
Total cash and non-cash costs	<u>\$ 44</u>	<u>\$ 13</u>	<u>\$ 3</u>	<u>\$ 60</u>

This Current Report on Form 8-K 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, which 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 Current Report on Form 8-K, including statements regarding the Company’s expected restructuring charges, other related costs, accelerated depreciation and impairment charge on assets to be sold, all of which are in connection with the Fiscal 2007 Wine Plan, are forward-looking statements. All forward-looking statements speak only as of the date of this Current Report on Form 8-K. 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 and conditions in the general economy and the markets in which the Company competes, the forward-looking statements of the Company contained in this Current Report on Form 8-K are also subject to the following risks and uncertainties: the Company’s restructuring charges, other related costs, accelerated depreciation and impairment charge on assets to be sold, all of which are in connection with the Fiscal 2007 Wine Plan, vary materially from management’s current estimates of these charges

and costs due to variations in anticipated headcount reductions, contract terminations, and proceeds from the sale of assets identified for sale; and other risks and uncertainties described in the Company's Annual Report on Form 10-K for the fiscal year ended February 28, 2006, and other Securities and Exchange Commission filings.

ITEM MATERIAL IMPAIRMENTS.

2.06

The information set forth in Item 2.05 above is hereby incorporated by reference into this Item 2.06.

ITEM REGULATION FD DISCLOSURE.

7.01

On August 2, 2006, the Company issued a press release, a copy of which is furnished herewith as Exhibit 99.1 and is incorporated herein by reference. The release provided information about, among other items, the Company's updated financial guidance for its second quarter ending August 31, 2006 and fiscal year ending February 28, 2007, and its plans to invest in new distribution and bottling facilities in the United Kingdom and to streamline certain of its Australian operations. The projections constituting the guidance included in the release involve risks and uncertainties, the outcome of which cannot be foreseen at this time and, therefore, actual results may vary materially from these forecasts. In this regard, see the information included in the release under the caption "Forward-Looking Statements."

References to the Company's website in the release do not incorporate by reference the information on such website into this Current Report on Form 8-K and the Company disclaims any such incorporation by reference. The information included in this Current Report on Form 8-K, including the press release attached as Exhibit 99.1, is incorporated by reference into this Item 7.01 in satisfaction of the public disclosure requirements of Regulation FD. This information is "furnished" and not "filed" for purposes of Section 18 of the Securities Exchange Act of 1934, or otherwise subject to the liabilities of that section. It may only be incorporated by reference in another filing under the Securities Exchange Act of 1934 or the Securities Act of 1933 only if and to the extent such subsequent filing specifically references the information incorporated by reference herein.

ITEM FINANCIAL STATEMENTS AND EXHIBITS.

9.01

- (a) Financial statements of businesses acquired.

Not applicable.

- (b) Pro forma financial information.

Not applicable.

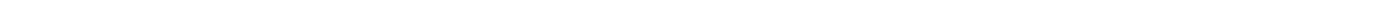
- (c) Shell company transactions.

Not applicable.

- (d) Exhibits.

The following exhibit is furnished as part of this Current Report on Form 8-K:

<u>Exhibit No.</u>	<u>Description</u>
99.1	Press Release of the Company dated August 2, 2006.



SIGNATURES

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

CONSTELLATION BRANDS, INC.

Date: August 2, 2006

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

INDEX TO EXHIBITS

<u>Exhibit Number</u>	<u>Description</u>
(1)	UNDERWRITING AGREEMENT Not Applicable.
(2)	PLAN OF ACQUISITION, REORGANIZATION, ARRANGEMENT, LIQUIDATION OR SUCCESSION Not Applicable.
(3)	ARTICLES OF INCORPORATION AND BYLAWS Not Applicable.
(4)	INSTRUMENTS DEFINING THE RIGHTS OF SECURITY HOLDERS, INCLUDING INDENTURES Not Applicable.
(7)	CORRESPONDENCE FROM AN INDEPENDENT ACCOUNTANT REGARDING NON-RELIANCE ON A PREVIOUSLY ISSUED AUDIT REPORT OR COMPLETED INTERIM REVIEW Not Applicable.
(14)	CODE OF ETHICS Not Applicable.
(16)	LETTER RE CHANGE IN CERTIFYING ACCOUNTANT Not Applicable.
(17)	CORRESPONDENCE ON DEPARTURE OF DIRECTOR Not Applicable.
(20)	OTHER DOCUMENTS OR STATEMENTS TO SECURITY HOLDERS Not Applicable.
(23)	CONSENTS OF EXPERTS AND COUNSEL Not Applicable.
(24)	POWER OF ATTORNEY Not Applicable.
(99)	ADDITIONAL EXHIBITS
(99.1)	Press Release of Constellation Brands, Inc. dated August 2, 2006.
(100)	XBRL-RELATED DOCUMENTS Not Applicable.

[LOGO] **Constellation**

NEWS RELEASE

CONTACTS:

Media Relations

Mike Martin - 585-218-3669

Kevin Harwood - 585-218-3666

Rebecca Hopkins (Australia) +61 418 837 465

Meg Elvin-Jensen (U.K.) +44 1483 690 081

Investor Relations

Lisa Schnorr - 585-218-3677

Bob Czudak - 585-218-3668

**Constellation Brands to Invest in New U.K.
Distribution and Bottling Operations,
Streamline Certain Australian Operations;
Company Also Updates Financial Guidance**

FAIRPORT, N.Y., Aug. 2, 2006 - Constellation Brands, Inc. (NYSE: STZ, ASX: CBR), a leading international beverage alcohol producer and marketer, today announced plans to invest in new Constellation Europe distribution and bottling facilities in the United Kingdom ("U.K.") and to streamline certain Australian wine operations (collectively, the "Fiscal 2007 Wine Plan"). These initiatives are part of the company's ongoing efforts to harvest opportunities which maximize asset utilization, further reduce costs and improve long-term return on invested capital ("ROIC") throughout its international operations.

U.K. Program Details

The new U.K. facilities are expected to reduce costs of production and distribution while increasing profitability for the company's U.K. operations. In addition to consolidating warehousing and distribution, Constellation Europe's wine bottling capacity and efficiency will be significantly increased.

Adding a new distribution center and bottling operations is expected to reduce Constellation Europe's costs of transport and manufacturing. In concert with the existing national distribution center, the new distribution center will house

- more -

Constellation Europe's branded and wholesale product inventory, and will eliminate the need for the multiple satellite warehouses currently being used, while accommodating future expansion of the business. Constellation expects construction of the additional distribution center to be completed in its fiscal year 2009.

The company is also in the process of finalizing the program's details, which will include new investments in fixed assets and certain fixed asset disposals.

Australia Program Details

In Australia, Constellation's Hardy Wine Company will streamline certain operations to maximize long-term value of its retained assets and to continue strengthening its leadership position in Australian New World wines. This includes the buy-out of certain grape supply and processing contracts and the sale of certain non-strategic assets.

Overview

"The recent identification of these opportunities, combined with the addition of Vincor to our international wine portfolio in June, validated the potential long-term value associated with making these changes," stated Rob Sands, Constellation Brands president and chief operating officer. "Our decentralized and entrepreneurial structure allows us to swiftly identify and act upon opportunities such as this to fine tune our organization as needed. Both the U.K. and Australian markets are intensely competitive and it is essential that we continue to identify and harvest opportunities to reduce our operating costs and improve our returns to maintain our competitive advantage. In the future, we will continue to look at high return projects such as these to further streamline our business, improve our returns and create greater value from our acquisitions."

Financial Details

The company expects these projects to reduce net operating expenses by approximately \$5 million in fiscal 2008, and by more than \$15 million annually

- more -

beginning in fiscal 2009.

In connection with the Fiscal 2007 Wine Plan, the company expects to incur one-time cash charges of approximately \$40 million and one-time non-cash charges of approximately \$20 million, for a total of approximately \$60 million in one-time charges. The expected timing of the charges is as follows:

\$ in millions	FY07	FY08	FY09	Total
Restructuring charges:				
Contract termination costs	25			25
Employee termination costs	3			3
Other restructuring costs		5		5
Total restructuring charges	28	5		33
Other one-time cash costs	2	3	2	7
<i>Cash costs</i>	30	8	2	40
Accelerated depreciation (COGS)	4	5	1	10
Impairment charge on assets to be sold (SG&A)	10			10
<i>Non-cash costs</i>	14	5	1	20
Total one-time costs	44	13	3	60

The company also expects to incur capital expenditures in fiscal 2008 and fiscal 2009 totaling approximately \$25 million in connection with these projects, primarily related to the U.K. distribution and bottling project. Investments in the additional distribution center and new bottling operations are expected to be substantially offset by avoiding capital investment in certain existing facilities.

As a result of these announced changes, the company is providing updated diluted earnings per share outlook for both its second quarter fiscal 2007, as well as full-year fiscal 2007. The company also noted that its updated second quarter and full-year fiscal 2007 guidance includes the write-off of approximately \$12 million of financing fees related to the repayment of the company's prior credit agreement in connection with the company's recent acquisition of Vincor International Inc. ("Vincor"). The items announced today are expected to result in second quarter fiscal 2007 pre-tax charges totaling approximately \$42 million.

Outlook

The table below sets forth management's current diluted earnings per share

- more -

expectations compared to actual results both on a reported basis and a comparable basis for the periods presented. Effective March 1, 2006, the company adopted Statement of Financial Accounting Standards No. 123(R), "Share-Based Payment" ("SFAS 123(R)"). For comparison purposes, the table also provides actual comparable basis diluted earnings per share, including pro forma stock compensation expense, as though the company had adopted SFAS 123(R) for the periods presented.

With respect to the table, reconciliations of reported information to comparable information and to comparable information, including pro forma stock compensation expense, are included in this news release.

**Constellation Brands Second Quarter and Fiscal Year 2007
Diluted Earnings Per Share Outlook**

	Reported Basis		Comparable Basis		Comparable Basis, Including Pro Forma Stock Compensation Expense
	FY07 Estimate	FY06 Actual	FY07 Estimate	FY06 Actual	FY06 Actual
Second Quarter Ending Aug. 31	\$0.23 - \$0.25	\$0.34	\$0.42 - \$0.44	\$0.41	\$0.41
Fiscal Year Ending Feb. 28	\$1.41 - \$1.49	\$1.36	\$1.72 - \$1.80	\$1.59	\$1.44

Full-year fiscal 2007 guidance includes the proposed beer joint venture with Grupo Modelo, excludes Vincor purchase accounting adjustments related to assets subject to an independent appraisal and includes the following assumptions:

- Interest expense: \$255 - \$265 million
- Stock compensation expense: approximately \$15 million
- Tax rate: approximately 39.2 percent on a reported basis, which includes a provision of 2.4 percent primarily related to the sale of the Strathmore water business and the Fiscal 2007 Wine Plan, or 36.8 percent on a comparable basis
- Weighted average diluted shares outstanding: approximately 241 million
- Free cash flow: \$155 - \$175 million
- January 2, 2007, effective date for the proposed beer joint venture with Grupo Modelo

Explanations

Reported basis (“reported”) diluted earnings per share is reported under generally accepted accounting principles (“GAAP”). Diluted earnings per share on a comparable basis (“comparable”) excludes acquisition-related integration costs, restructuring and related charges and unusual items.

The company discusses additional non-GAAP measures in this news release, including free cash flow and comparable basis diluted earnings per share, including pro forma stock compensation expense. Tables reconciling non-GAAP measures, together with definitions of these measures and the reasons management uses these measures, are included in this news release.

About Constellation Brands

Constellation Brands, Inc. is a leading international producer and marketer of beverage alcohol brands with a broad portfolio across the wine, spirits and imported beer categories. Well-known brands in Constellation’s portfolio include: Almaden, Arbor Mist, Vendange, Woodbridge by Robert Mondavi, Hardys, Nobilo, Kim Crawford, Alice White, Ruffino, Kumala, Robert Mondavi Private Selection, Rex Goliath, Toasted Head, Blackstone, Ravenswood, Estancia, Franciscan Oakville Estate, Inniskillin, Jackson-Triggs, Simi, Robert Mondavi Winery, Stowells, Blackthorn, Black Velvet, Mr. Boston, Fleischmann’s, Paul Masson Grande Amber Brandy, Chi-Chi’s, 99 Schnapps, Ridgmont Reserve 1792, Effen Vodka, Corona Extra, Corona Light, Pacifico, Modelo Especial, Negra Modelo, St. Pauli Girl, Tsingtao. For additional information about Constellation Brands, as well as its product portfolio, visit the company’s Web site at www.cbrands.com.

Constellation Brands, Inc. and Subsidiaries

GUIDANCE - DILUTED EARNINGS PER SHARE AND FREE CASH FLOW

RECONCILIATIONS OF GAAP TO NON-GAAP FINANCIAL MEASURES

(in millions, except per share data)

The company reports its financial results in accordance with generally accepted accounting principles in the U.S. ("GAAP"). However, non-GAAP financial measures, as defined in the reconciliations below, are provided because management uses this information in evaluating the results of the continuing operations of the company and/or internal goal setting. In addition, the company believes this information provides investors better insight on underlying business trends and results in order to evaluate year over year financial performance. Non-GAAP financial measures should be viewed in addition to, and not as an alternative for, the company's reported results prepared in accordance with GAAP. See the table below for reconciliations of these non-GAAP financial measures to GAAP financial measures for the three months ending August 31, 2006, and year ending February 28, 2007, and three months ended August 31, 2005, and year ended February 28, 2006. Please refer to the company's Web site at <http://www.cbrands.com/CBI/investors.htm> for more detailed description and further discussion of these non-GAAP financial measures.

Diluted Earnings Per Share Guidance	Range for the Three Months		Range for the Year	
	Ending August 31, 2006		Ending February 28, 2007	
Forecasted diluted earnings per share - reported basis (GAAP)^{(1), (2)}	\$ 0.23	\$ 0.25	\$ 1.42	\$ 1.50
Mondavi adverse grape cost	-	-	0.01	0.01
Inventory step-up ⁽²⁾	-	-	0.01	0.01
Strategic business realignment ^{(2), (3)}	0.17	0.17	0.40	0.40
Other ⁽⁴⁾	0.02	0.02	(0.12)	(0.12)
Forecasted diluted earnings per share - comparable basis (Non-GAAP)⁽⁵⁾	\$ 0.42	\$ 0.44	\$ 1.72	\$ 1.80

	Actual for the	Actual for the
	Three Months	Year Ended
	Ended	February 28, 2006
	August 31, 2005	
Diluted earnings per share - reported basis (GAAP)⁽¹⁾	\$ 0.34	\$ 1.36
Mondavi adverse grape cost	0.02	0.06
Inventory step-up	0.01	0.06
Strategic business realignment	0.03	0.17
Other	0.01	0.01
Income tax adjustments	-	(0.07)
Diluted earnings per share - comparable basis (Non-GAAP)⁽⁵⁾	0.41	1.59
Pro forma stock-based compensation expense, net of related tax effects ⁽⁶⁾	-	(0.15)
Diluted earnings per share - comparable basis, including pro forma stock-based compensation expense (Non-GAAP)⁽⁵⁾	\$ 0.41	\$ 1.44

(1) Includes \$0.01 and \$0.04 diluted earnings per share impact of expensing stock-based compensation for the three months ending August 31, 2006, and the year ending February 28, 2007, respectively, in accordance with the adoption of SFAS 123(R) beginning March 1, 2006. Includes \$0.02 diluted earnings per share impact of expensing stock-based compensation for the year ended February 28, 2006, in accordance with APB No. 25 and its related interpretations, which was recorded within the line item restructuring and related charges in the company's consolidated statements of income. There was no diluted earnings per share impact of expensing stock-based compensation for the three months ended August 31, 2005.

(2) Amounts exclude Vincor purchase accounting adjustments related to assets subject to an independent appraisal.

(3) Includes \$0.04 and \$0.10 diluted earnings per share associated with the company's Fiscal 2006 Plan for the three months ending August 31, 2006, and the year ending February 28, 2007, respectively; \$0.07 diluted earnings per share associated with the loss on the sale of the company's branded bottled water business for the year ending February 28, 2007; \$0.04 and \$0.09 diluted earnings per share associated with the company's Vincor Integration Plan for the three months ending August 31, 2006, and the year ending February 28, 2007, respectively; and \$0.09 and \$0.14 diluted earnings per share associated with the Fiscal 2007 Wine Plan for the three months ending August 31, 2006, and the year ending February 28, 2007, respectively.

(4) Includes (\$0.01) and (\$0.15) diluted earnings per share associated with the mark-to-market adjustment of a foreign currency forward contract entered into in connection with the acquisition of Vincor to fix the U.S. dollar cost of the acquisition and payment of certain outstanding indebtedness for the three months ended August 31, 2006, and the year ending February 28, 2007, respectively; and \$0.03 diluted earnings per share associated with the write-off of financing fees in connection with the company's repayment of its prior credit agreement in connection with the company's acquisition of Vincor for the three months ended August 31, 2006, and the year ending February 28, 2007.

(5) May not sum due to rounding as each item is computed independently.

(6) Amount included herein is net of the impact of actual stock-based compensation expense recorded in the company's consolidated statements of income in accordance with APB No. 25 and its related interpretations (see (1) above).

Free Cash Flow Guidance

Free cash flow, as defined in the reconciliation below, is considered a liquidity measure and is considered to provide useful information to investors about the amount of cash generated after capital expenditures and excess tax benefits, which can then be used, after required debt service and dividend payments, for other general corporate purposes. A limitation of free cash flow is that it does not represent the total increase or decrease in the cash balance for the period. Free cash flow should be considered in addition to, not as a substitute for, or superior to, cash flow from operating activities prepared in accordance with GAAP.

	Actual for the Year Ended February 28, 2006	Range for the Year Ending February 28, 2007	
Net cash provided by operating activities (GAAP)	\$ 436.0	\$ 320.0	\$ 340.0
Purchases of property, plant and equipment	(132.5)	(180.0)	(180.0)
Excess tax benefits from share-based payment awards	-	15.0	15.0
Free cash flow (Non-GAAP)	\$ 303.5	\$ 155.0	\$ 175.0

Forward-Looking Statements

The statements and estimates made in this news release under the heading Outlook replace in their entirety the statements and estimates set forth under the heading Outlook in the company's news release dated July 11, 2006.

The statements made under the heading Outlook, as well as all other statements set forth in this news release which are not historical facts, are forward-looking statements that involve risks and uncertainties that could cause actual results to differ materially from those set forth in or implied by the forward-looking statements.

During the current quarter, Constellation may reiterate the estimates set forth above under the heading Outlook and elsewhere in this news release (collectively, the "Projections"). Prior to the start of the company's quiet period, which will begin at the close of business on August 17, 2006, the public can continue to rely on the Projections as still being Constellation's current expectations on the matters covered, unless Constellation publishes a notice stating otherwise.

Commencing at the close of business on August 17, 2006, Constellation will observe a "quiet period" during which the Projections should not be considered to constitute the company's expectations. During the quiet period, the Projections should be considered to be historical, speaking as of prior to the quiet period only and not subject to update by the company.

The company's forward-looking statements are based on management's current expectations and, unless otherwise noted, do not take into account the impact of any future acquisition, merger or any other business combination, divestiture, restructuring or other strategic business realignments, or financing that may be completed after the date of this release. Any projections of future results of operations, and in particular, (i) the company's estimated diluted earnings per share on a reported basis for fiscal 2007 and second quarter 2007, and (ii) the company's estimated diluted earnings per share on a comparable basis for fiscal 2007 and second quarter 2007, should not be construed in any manner as a guarantee that such results will in fact occur. In addition to the risks and uncertainties of ordinary business operations, the forward-looking statements of the company contained in this news release are also subject to the following risks and uncertainties: Constellation's ability to integrate Vincor's business successfully and realize expected synergies; the continued strength of Vincor's relationships with its employees, suppliers and customers; the accuracy of the bases for forecasts relating to Vincor's business; the company's restructuring and related charges, acquisition-related integration costs and purchase accounting adjustments associated with the Vincor integration plan (announced in July 2006) and the company's restructuring and related charges associated with the Fiscal 2007 Wine Plan and its global wine restructuring plan announced in February 2006 vary materially from management's current estimates of these charges, costs and adjustments due to variations in anticipated headcount reductions, contract terminations, and costs of the implementation of the Vincor integration plan; the company achieving all of the expected cost savings from its Fiscal 2007 Wine Plan, from its Vincor integration plan and from its global wine restructuring plan due to, with respect to any or all of these plans, lower than anticipated reductions in headcount or other expenses, or a delay or greater than anticipated costs in their implementation; the company realizes lower than expected proceeds from sale of assets identified for sale under the Fiscal 2007 Wine Plan and consequently incurs a greater than expected loss on the sale of such assets; 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; governmental bodies may increase tax rates; proportionately, the company's taxable income may be higher than expected in jurisdictions with higher tax rates; and changes in interest rates and foreign currency exchange rates. In addition, on July 17, 2006, the company announced a proposed joint venture with Grupo Modelo for the purpose of importing and marketing Modelo's Mexican beer portfolio into the United States and Guam. Risks and uncertainties associated with this joint venture include, among others, the company's ability to complete the formation of the joint venture and its ability to complete it on the timetable contemplated, higher than expected start-up costs for the joint venture, the joint venture's ability to operate the business successfully, the joint venture's ability to develop appropriate standards, controls, procedures and policies for the growth and management of the joint venture and the strength of the joint venture's relationships with its employees, suppliers and customers.

For additional information about risks and uncertainties that could adversely affect the company's forward-looking statements, please refer to the company's filings with the Securities and Exchange Commission, including its Annual Report on Form 10-K for the fiscal year ended Feb. 28, 2006, which contain a discussion of additional factors that may affect Constellation's business. The factors discussed in these reports could cause actual future performance to differ from current expectations.

###