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) November 20, 2007

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

Delaware	**001-08495**	**16-0716709**
(State or other jurisdiction of incorporation)	(Commission File Number)	(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 8.01. Other Events.

Constellation Brands, Inc. ("Constellation" or the "Company") is filing this Current Report on Form 8-K for the purpose of, among other things, incorporating the contents of this report into the Company's registration statements, including a Registration Statement on Form S-4 (the "Form S-4 Registration Statement") and a Post-Effective Amendment No. 1 to the Company's Registration Statement on Form S-3 (File No. 333-136379) (together with the Form S-4 Registration Statement, the "Form S-3 and Form S-4 Registration Statements") that the Company intends to file on or about the date hereof.

Financial Statements

As part of the Company's acquisition of Vincor International Inc. on June 5, 2006, the Company acquired Vincor International Partnership and Vincor Finance, LLC, and on March 19, 2007, the Company acquired ALCOFI INC. By means of this Current Report on Form 8-K, the Company hereby files (a) the audited combined financial statements of Vincor International Partnership and its subsidiaries and Vincor Finance, LLC as of and for the year ended March 26, 2006, and (b) the audited consolidated financial statements of ALCOFI INC. and its subsidiaries as of and for the year ended December 31, 2006. Each of (i) Vincor International Partnership and its current subsidiaries; (ii) Vincor Finance, LLC; (iii) ALCOFI INC.; and (iv) Spirits Marque One LLC, a subsidiary of ALCOFI INC., are subsidiary guarantors under debt indentures to which the Company is a party and co-registrants on the Form S-3 and Form S-4 Registration Statements. These financial statements are provided in accordance with Rule 3-10(g) of Regulation S-X in order that each of these co-registrants will be exempt from reporting requirements pursuant to Rule 12h-5 under the Securities Exchange Act of 1934.

Amendment to Credit Agreement

On November 19, 2007, Constellation, certain of Constellation's subsidiaries as guarantors and JPMorgan Chase Bank, N.A., in its capacity as administrative agent, entered into a second amendment (the "Amendment") to the Credit Agreement, dated as of June 5, 2006 (as previously amended, the "Credit Agreement"), among Constellation, as Borrower, the subsidiary guarantors party thereto, JPMorgan Chase Bank, N.A., as Administrative Agent, and the financial institutions party thereto from time to time as lenders. The Amendment clarifies certain provisions governing the application of proceeds from senior unsecured indebtedness under the Credit Agreement. The Amendment is attached hereto as Exhibit 4.1.

Item 9.01. Financial Statements and Exhibits.

(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 exhibits are filed as part of this Current Report on Form 8-K:

Exhibit No.	Description
4.1	Amendment No. 2, dated as of November 19, 2007, to the Credit Agreement, dated as of June 5, 2006, among Constellation, the subsidiary guarantors referred to on the signature pages to such Amendment No. 2, and JPMorgan Chase Bank, N.A., in its capacity as Administrative Agent.
23.1	Consent of KPMG LLP.
23.2	Consent of KPMG LLP.
99.1	Audited combined financial statements of Vincor International Partnership and subsidiaries and Vincor Finance, LLC as of and for the year ended March 26, 2006.
99.2	Audited consolidated financial statements of ALCOFI INC. and subsidiaries as of and for the year ended December 31, 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.

Date: November 20, 2007	CONSTELLATION BRANDS, INC.
	By: /s/ Robert Ryder
	Robert Ryder Executive Vice President and Chief Financial Officer

INDEX TO EXHIBITS

Exhibit No.	Description
(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
4.1	Amendment No. 2, dated as of November 19, 2007, to the Credit Agreement, dated as of June 5, 2006, among Constellation, the subsidiary guarantors referred to on the signature pages to such Amendment No. 2, and JPMorgan Chase Bank, N.A., in its capacity as Administrative Agent.
(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
23.1	Consent of KPMG LLP.
23.2	Consent of KPMG LLP.
(24)	POWER OF ATTORNEY
	Not Applicable.
(99)	ADDITIONAL EXHIBITS
99.1	Audited combined financial statements of Vincor International Partnership and subsidiaries and Vincor Finance, LLC as of and for the year ended March 26, 2006.
99.2	Audited consolidated financial statements of ALCOFI INC. and subsidiaries as of and for the year ended December 31, 2006.
(100)	XBRL-RELATED DOCUMENTS
	Not Applicable.

Exhibit 4.1

AMENDMENT NO. 2

AMENDMENT NO. 2 (this "Amendment") dated as of November 19, 2007 among CONSTELLATION BRANDS, INC., the "Subsidiary Guarantors" referred to on the signature pages hereto and JPMORGAN CHASE BANK, N.A., in its capacity as Administrative Agent pursuant to authority granted by the Required Lenders pursuant to Section 10.02 of the Credit Agreement referred to below.

Constellation Brands, Inc., the "Subsidiary Guarantors" party thereto, the Lenders party thereto, and JPMorgan Chase Bank, N.A., as Administrative Agent, are parties to a Credit Agreement dated as of June 5, 2006 and amended on February 23, 2007 (as modified and supplemented and in effect from time to time, the "Credit Agreement").

The Borrower, the Subsidiary Guarantors and the Administrative Agent, pursuant to authority granted by, and having obtained the consent of, Lenders party to the Credit Agreement constituting the Required Lenders, now wish to clarify certain provisions in the Credit Agreement, and accordingly, the parties hereto hereby agree to amend the Credit Agreement as follows:

Section 1. Definitions. Except as otherwise defined in this Amendment, terms defined in the Credit Agreement are used herein as defined therein.

Section 2. Amendments. Subject to the satisfaction of the conditions precedent specified in Section 4 below, but effective as of the date hereof, the Credit Agreement shall be amended as follows:

2.01. References Generally. References in the Credit Agreement (including references to the Credit Agreement as amended hereby) to "this Agreement" (and indirect references such as "hereunder", "hereby", "herein" and "hereof") shall be deemed to be references to the Credit Agreement as amended hereby.

2.02. Definitions. Section 1.01 of the Credit Agreement shall be amended by amending the following definition to read in its entirety as follows:

"Net Available Proceeds" means:

(i) in the case of any Disposition, the amount of Net Cash Payments received in connection with such Disposition;

(ii) in the case of any Casualty Event, the aggregate amount of proceeds of insurance, condemnation awards and other compensation received by the Borrower and its Subsidiaries in respect of such Casualty Event net of (A) expenses incurred by the Borrower and its Subsidiaries in connection therewith and (B) contractually required repayments of Indebtedness (other than

Indebtedness to the Lenders hereunder) to the extent secured by a Lien on such Property and any income and transfer taxes payable by the Borrower or any of its Subsidiaries in respect of such Casualty Event; and

(iii) in the case of any Debt Incurrence, the aggregate amount of all cash received by the Borrower and its Subsidiaries in respect thereof (net of expenses incurred by the Borrower and its Subsidiaries in connection therewith) but excluding (i) in the case of any Senior Debt Incurrence or Subordinated Debt Incurrence, the first $700,000,000 of aggregate cash received by the Borrower therefrom at any time after the Effective Date and prior to June 1, 2007 and (ii) (without duplication) any Senior Debt Incurrence effected pursuant to Section 7.01(c)(ii) and not in reliance on the proviso of clause (A) thereof.

2.03. Indebtedness. Section 7.01(c)(ii)(A) of the Credit Agreement is hereby amended to read in its entirety as follows:

"(A) the aggregate principal amount of such Senior Unsecured Indebtedness shall not exceed U.S. $750,000,000 and, after giving effect to the incurrence thereof, the Borrower shall be in proforma compliance with the ratio set forth in Section 7.10(a) (the determination of such ratio to be calculated as of the last day of the most recently-ended fiscal quarter of the Borrower under the assumption that such Senior Unsecured Indebtedness was issued at the beginning of the applicable calculation period), provided that the foregoing provisions of this clause (A) shall not apply to the extent that the Net Available Proceeds of such Senior Unsecured Indebtedness are applied to either (x) prepay Loans in accordance with Section 2.10(b)(iii) (or make another application specified in the proviso thereto, including to finance one or more Acquisitions as therein provided), or (y) refinance or pay at maturity Senior Unsecured Indebtedness (in accordance with Section 7.12);"

Section 3. Representations and Warranties. The Borrower represents and warrants to the Lenders and the Administrative Agent that (i) the representations and warranties made by the Borrower in Article IV of the Credit Agreement, and by each Obligor in the other Loan Documents to which it is a party (but as to such other Loan Documents, in all material respects), are true and complete on and as of the date hereof with the same force and effect as if made on and as of such date (or, if any such representation and warranty is expressly stated to have been made as of a specific date, as of such specific date), and as if each reference in said Article IV to "this Agreement" included reference to this Amendment and (ii) at the time of and immediately after giving effect to this Amendment, no Default has occurred and is continuing.

Section 4. Conditions Precedent. The amendments set forth in Section 2 hereof shall become effective, as of the date hereof, upon the execution and delivery of this Amendment by the Borrower, the Subsidiary Guarantors and the Administrative Agent.

Section 5. Miscellaneous. Except as herein provided, the Credit Agreement shall remain unchanged and in full force and effect. This Amendment may be executed in any number of counterparts, all of which taken together shall constitute one and the same amendatory instrument and any of the parties hereto may execute this Amendment by signing any such counterpart. This Amendment shall be governed by, and construed in accordance with, the law of the State of New York.

IN WITNESS WHEREOF, the parties hereto have caused this Amendment to be duly executed and delivered as of the day and year first above written.

CONSTELLATION BRANDS, INC.

By: /s/ Thomas D. Roberts
Name: Thomas D. Roberts
Title: Senior Vice President and Treasurer

SUBSIDIARY GUARANTORS

ALLBERRY, INC.
CLOUD PEAK CORPORATION
CONSTELLATION TRADING COMPANY, INC.
CONSTELLATION WINES U.S., INC.
FRANCISCAN VINEYARDS, INC.
MT. VEEDER CORPORATION
R.M.E., INC.
THE ROBERT MONDAVI CORPORATION
ROBERT MONDAVI AFFILIATES
ROBERT MONDAVI INVESTMENTS
ROBERT MONDAVI PROPERTIES, INC.
ROBERT MONDAVI WINERY

By: /s/ Thomas D. Roberts
Name: Thomas D. Roberts
Title: Vice President and Assistant 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.
BARTON FINANCIAL CORPORATION

By: /s/ Thomas D. Roberts
Name: Thomas D. Roberts
Title: Vice President and Assistant Treasurer

CONSTELLATION LEASING, LLC

By: /s/ Thomas D. Roberts
Name: Thomas D. Roberts
Title: Assistant Treasurer

VINCOR INTERNATIONAL PARTNERSHIP
VINCOR INTERNATIONAL II, LLC
VINCOR HOLDINGS, INC.
R.H. PHILLIPS, INC.
THE HOGUE CELLARS, LTD.
VINCOR FINANCE, LLC

By: /s/ Thomas D. Roberts
Name: Thomas D. Roberts
Title: Vice President and Assistant Treasurer

BARTON SMO HOLDINGS LLC
ALCOFI INC.
SPIRITS MARQUE ONE LLC

By: /s/ Thomas D. Roberts
Name: Thomas D. Roberts
Title: Vice President and Assistant Treasurer

ADMINISTRATIVE AGENT

JPMORGAN CHASE BANK, N.A.,
as Administrative Agent

By: /s/ Barbara R. Marks
Name: Barbara R. Marks
Title: Vice President

Exhibit 23.1

Consent of Independent Registered Public Accounting Firm

The Board of Directors
Constellation Brands, Inc.:

We consent to the incorporation by reference in the Registration Statements on Form S-3 (No. 333-136379) and Form S-8 (Nos. 33-26694, 33-56557, 333-88391, 333-57912, 333-68180, 333-132061 and 333-146849) of Constellation Brands, Inc. of our report dated November 19, 2007, with respect to the combined balance sheet of Vincor International Partnership and subsidiaries and Vincor Finance, LLC as of March 26, 2006, and the related combined statements of income, changes in owners' equity, and cash flows for the year ended March 26, 2006, which report appears in the Form 8-K of Constellation Brands, Inc. dated November 20, 2007.

/s/ KPMG LLP

Rochester, New York
November 19, 2007

Exhibit 23.2

Consent of Independent Registered Public Accounting Firm

The Board of Directors
Constellation Brands, Inc.:

We consent to the incorporation by reference in the Registration Statements on Form S-3 (No. 333-136379) and Form S-8 (Nos. 33-26694, 33-56557, 333-88391, 333-57912, 333-68180, 333-132061 and 333-146849) of Constellation Brands, Inc. of our report dated November 19, 2007, with respect to the consolidated balance sheet of ALCOFI INC. and subsidiaries as of December 31, 2006, and the related consolidated statements of income, changes in stockholder's equity, and cash flows for the year ended December 31, 2006, which report appears in the Form 8-K of Constellation Brands, Inc. dated November 20, 2007.

/s/ KPMG LLP

Rochester, New York
November 19, 2007

Exhibit 99.1

VINCOR INTERNATIONAL PARTNERSHIP AND SUBSIDIARIES AND VINCOR FINANCE, LLC

Combined Financial Statements
March 26, 2006

Report of Independent Registered Public Accounting Firm

The Board of Directors and Stockholders
Constellation Brands, Inc.:

We have audited the accompanying combined balance sheet of Vincor International Partnership and subsidiaries and Vincor Finance, LLC (the Company) as of March 26, 2006, and the related combined statements of income, changes in owners' equity, and cash flows for the year then ended. These combined financial statements are the responsibility of the Company's management. Our responsibility is to express an opinion on these combined financial statements based on our audit.

We conducted our audit in accordance with auditing standards generally accepted in the United States of America. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes consideration of internal control over financial reporting as a basis for designing audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Company's internal control over financial reporting. Accordingly, we express no such opinion. An audit also includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements, assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audit provides a reasonable basis for our opinion.

In our opinion, the combined financial statements referred to above present fairly, in all material respects, the combined financial position of Vincor International Partnership and subsidiaries and Vincor Finance, LLC as of March 26, 2006 and the results of their operations and their cash flows for the year then ended in conformity with U.S. generally accepted accounting principles.

/s/ KPMG LLP

Rochester, New York
November 19, 2007

VINCOR INTERNATIONAL PARTNERSHIP AND SUBSIDIARIES
AND VINCOR FINANCE, LLC
COMBINED BALANCE SHEET
(in thousands)

	March 26, 2006
ASSETS	
CURRENT ASSETS:	
Cash and cash investments	$ 4,931
Accounts receivable, net	32,240
Inventories	85,245
Prepaid expenses and other	3,319
Total current assets	125,735
PROPERTY, PLANT AND EQUIPMENT, net	57,814
GOODWILL	41,375
INTANGIBLE ASSETS	15,813
OTHER ASSETS, net	574
Total assets	$ 241,311
LIABILITIES AND OWNERS' EQUITY	
CURRENT LIABILITIES:	
Related party and trade accounts payable	$ 14,580
Current portion of obligations under capital leases	6,762
Accrued excise taxes	342
Other accrued expenses and liabilities	10,971
Total current liabilities	32,655
LONG-TERM DEBT	100,000
OBLIGATIONS UNDER CAPITAL LEASES	6,507
DEFERRED INCOME TAXES	15,878
COMMITMENTS (NOTE 9)	
OWNERS' EQUITY:	
Partners' capital	86,101
Membership interest	170
Total owners' equity	86,271
Total liabilities and owners' equity	$ 241,311

The accompanying notes are an integral part of these combined financial statements.

VINCOR INTERNATIONAL PARTNERSHIP AND SUBSIDIARIES
AND VINCOR FINANCE, LLC
COMBINED STATEMENT OF INCOME
(in thousands)

	For the Year Ended March 26, 2006
SALES	$ 111,650
Less - Excise taxes	(4,266)
Net sales	107,384
COST OF PRODUCT SOLD	(68,672)
Gross profit	38,712
SELLING, GENERAL AND ADMINISTRATIVE EXPENSES	(21,254)
NET GAIN ON INSURANCE CLAIM	3,158
Operating income	20,616
INTEREST INCOME	1,487
INTEREST EXPENSE	(6,899)
Income before income taxes	15,204
PROVISION FOR INCOME TAXES	(5,271)
NET INCOME	$ 9,933

The accompanying notes are an integral part of these combined financial statements.

VINCOR INTERNATIONAL PARTNERSHIP AND SUBSIDIARIES
AND VINCOR FINANCE, LLC
COMBINED STATEMENT OF CHANGES IN OWNERS' EQUITY
(in thousands)

	Partners' Capital	Membership Interest	Total
BALANCE, March 27, 2005	$ 76,643	$ 1,065	$ 77,708
Net income for Fiscal 2006	9,458	475	9,933
Distribution to Vincor	-	(1,370)	(1,370)
BALANCE, March 26, 2006	$ 86,101	$ 170	$ 86,271

The accompanying notes are an integral part of these combined financial statements.

VINCOR INTERNATIONAL PARTNERSHIP AND SUBSIDIARIES
AND VINCOR FINANCE, LLC
COMBINED STATEMENT OF CASH FLOWS
(in thousands)

	For the Year Ended March 26, 2006
CASH FLOWS FROM OPERATING ACTIVITIES:	
Net income	$ 9,933
Adjustments to reconcile net income to net cash provided by operating activities:	
Depreciation of property, plant and equipment	7,599
Deferred tax provision	245
Net gain on insurance claim	(3,158)
Stock-based compensation expense	(125)
Change in operating assets and liabilities:	
Accounts receivable, net	(4,131)
Inventories	(8,828)
Prepaid expenses and other current assets	1,310
Related party and trade accounts payable	4,797
Accrued excise taxes	(32)
Other accrued expenses and liabilities	2,187
Other, net	(13)
Total adjustments	(149)
Net cash provided by operating activities	9,784
CASH FLOWS FROM INVESTING ACTIVITIES:	
Purchases of property, plant and equipment	(3,175)
Net cash used in investing activities	(3,175)
CASH FLOWS FROM FINANCING ACTIVITIES:	
Payment of capital lease obligations	(4,456)
Payment of distribution to Vincor	(1,370)
Net cash used in financing activities	(5,826)
NET INCREASE IN CASH AND CASH INVESTMENTS	783
CASH AND CASH INVESTMENTS, beginning of year	4,148
CASH AND CASH INVESTMENTS, end of year	$ 4,931
SUPPLEMENTAL DISCLOSURES OF CASH FLOW INFORMATION:	
Cash paid during the year for:	
Interest	$ 6,784
Income taxes	$ 3,122
SUPPLEMENTAL DISCLOSURES OF NON-CASH INVESTING AND FINANCING ACTIVITIES:	
Purchases of property, plant and equipment under capital lease obligations	$ 7,603

The accompanying notes are an integral part of these combined financial statements.

VINCOR INTERNATIONAL PARTNERSHIP AND SUBSIDIARIES
AND VINCOR FINANCE, LLC

Notes to Combined Financial Statements
March 26, 2006
(In thousands of dollars, except per share data)

1. Significant accounting policies:

The operations of Vincor International Partnership and subsidiaries and Vincor Finance, LLC (jointly referred to as "the Company") primarily consist of the production, marketing and distribution of wines in the United States. Vincor International Partnership is a general partnership formed under the Nevada Uniform Partnership Act with 99.9% of capital contributed by Vincor International Inc. ("Vincor") and 0.1% by 3022374 Canada Inc., both of which are companies incorporated in Canada. The subsidiaries of Vincor International Partnership include, among others, Vincor International II, LLC; Vincor Holdings, Inc.; R.H. Phillips, Inc. and The Hogue Cellars, Ltd. Vincor Finance, LLC is a wholly-owned subsidiary of Vincor and has been formed as a limited liability company pursuant to the Delaware Limited Liability Company Act. The combined financial statements of the Company have been prepared in accordance with accounting principles generally accepted in the United States. The combined financial statements are presented for a 52-week fiscal year ended March 26, 2006 ("Fiscal 2006"). Significant accounting policies adopted by the Company are as follows:

(a) Principles of consolidation:

The combined financial statements include the accounts of the Company and its subsidiaries after elimination of significant intercompany balances and transactions. The combined financial statements are presented on a combined basis because Vincor International Partnership and subsidiaries and Vincor Finance, LLC are under the common control of Vincor.

(b) Revenue recognition:

Sales are recognized when title passes to the customer, which is generally when the product is shipped. Amounts billed to customers for shipping and handling are classified as sales. Sales reflect reductions attributable to consideration given to customers in various customer incentive programs, including pricing discounts on single transactions, volume discounts, promotional and advertising allowances, coupons, and rebates.

(c) Cash and cash investments:

Cash and cash investments are comprised of highly liquid investments with original maturities when purchased of three months or less. Cash investments are carried at cost, which approximates market value.

1. **Significant accounting policies (continued):**

(d) Inventories:

Packaging materials and supplies are valued at the lower of cost or replacement cost. Bulk wine and finished goods are valued at the lower of cost or net realizable value. Cost includes the cost of materials plus direct labor applied to the product and the applicable share of manufacturing overheads. Cost is determined on a first-in, first-out basis. The Company recognizes the benefit of non-discretionary rebates for achieving specified cumulative purchasing levels as a reduction of the cost of product sold, provided the rebate is probable, and can be reasonably estimated.

(e) Property, plant and equipment:

Fixed assets acquired are recorded at cost. Asset retirement obligations, if any, are capitalized as part of the related assets and amortized into earnings over time, along with the increase in the recorded obligation to reflect passage of time. Costs of maintenance and repairs are expensed as incurred. Depreciation is calculated on the straight-line basis over the estimated useful lives of the assets of 30 years on buildings and storage tanks and up to 12 years on machinery and equipment. Vineyard development costs are amortized over the lesser of 25 years or the lease term and commence at the earlier of six years from the initial capitalization of development costs or when 70% of normal annual production is reached. Vineyard development costs include expenses for vines, posts, irrigation, land preparation and other direct expenditures as well as a proportionate amount of vineyard operations costs incurred prior to achieving normal production.

(f) Goodwill and intangible assets:

Goodwill represents the excess of the purchase price of business acquisitions over the fair value of identifiable net assets acquired in such acquisitions. The Company records identifiable intangible assets apart from goodwill. Intangible assets mainly represent the amounts allocated to brand names. Goodwill and intangible assets, which have been assessed as having an indefinite life, are not being amortized, but are tested for impairment at least annually, or more frequently if events or changes in circumstances indicate that the asset might be impaired. No instances of impairment were noted on the Company’s goodwill and indefinite lived intangible assets for Fiscal 2006.

1. **Significant accounting policies (continued):**

(g) Other assets:

Other assets include deferred financing costs which are stated at cost, net of accumulated amortization, and are amortized on an effective interest basis over the term of the related debt.

(h) Income taxes:

The Company uses the asset and liability method of accounting for income taxes. Under the asset and liability method, deferred tax assets and liabilities are recognized for the future tax consequences attributable to differences between the financial statement carrying amounts of existing assets and liabilities and their respective tax bases. Deferred tax assets and liabilities are measured using enacted tax rates expected to apply to taxable income in the years in which those temporary differences are expected to be recovered or settled. The effect on deferred tax assets and liabilities of a change in tax rate is recognized in income during the period that includes the date of enactment.

(i) Foreign exchange translation:

For domestic transactions made in foreign currencies, revenue and expenses are translated at rates in effect at the time of the transactions. Foreign exchange gains and losses are included in income. For Fiscal 2006, the Company recorded a net foreign exchange gain of $142.

1. Significant accounting policies (continued):

(j) Stock-based compensation:

Stock Option Plan

The Company has a stock option plan for employees. Under the plan, options may be granted to purchase common shares of Vincor at a price that is not less than the market price on the date of the grant. All of these options have a 10-year life and vest over four years (15%, 20%, 25% and 40% on the first, second, third and fourth anniversaries, respectively, following the date of grant). To ensure that options are exercised only after the share performance of Vincor justifies the compensation, the options may not be exercised until after the closing price of the common shares, averaged over 21 consecutive trading days, exceeds the exercise price of the options by at least 25%. In addition, for options issued on or after April 1, 2003, vested options may not be exercised until at least the sixth anniversary of the date of grant, except in the case of termination, resignation, retirement or death.

The Company applies the intrinsic value method described in Accounting Principles Board Opinion No. 25 (“APB No. 25”), “Accounting for Stock Issued to Employees,” and related interpretations in accounting for this plan. In accordance with APB No. 25, the compensation cost for stock options is recognized in income based on the excess, if any, of the quoted market price of the stock at the grant date of the award or other measurement date over the amount an employee must pay to acquire the stock. Options granted under the Company’s stock option plan have an exercise price equal to the market value of the underlying common stock on the date of grant; therefore, no incremental compensation expense has been recognized for grants made to employees under the Company’s stock option plan. The Company utilizes the disclosure-only provisions of Statement of Financial Accounting Standards No. 123 (“SFAS No. 123”), “Accounting for Stock-Based Compensation,” as amended.

During Fiscal 2006, the Company granted 7,500 stock options under the plan at an exercise price of $28.16 and a fair value of $60, or $8.06 per stock option. The fair value of the Company's stock option grant was estimated using the Black-Scholes option pricing model with the following weighted-average assumptions: risk-free interest rate of 3.6%; expected dividend yield of 0%; expected life of 8 years; and expected volatility of 30%. As of March 26, 2006, the Company had 22,500 stock options outstanding with exercise prices ranging from $24.90 to $28.16, a weighted average contractual life of 8 years and a weighted average exercise price of $26.58.

1. Significant accounting policies (continued):

(j) Stock-based compensation (continued):

The following table illustrates the effect on net income for Fiscal 2006 as if the Company had applied the fair value recognition provisions of SFAS No. 123 to stock-based employee compensation:

Net income, as reported	$	9,933
Deduct: Stock-based employee compensation credit included in reported net income, net of related tax effects		(76)
Add: Total stock-based employee compensation credit determined under fair value based method for all awards, net of related tax effects		36
Pro forma net income	$	9,893

Employee Deferred Share Unit Plan

The Company has granted Deferred Share Units of Vincor as an incentive measure for the senior management group. These units vest only upon termination, retirement or death and are settled in cash. Under the plan, 1,519 units were awarded during Fiscal 2006. As of March 26, 2006, there were 3,516 units awarded and outstanding under the plan. During Fiscal 2006, the Company recorded compensation credit of $35 with a corresponding decrease in a liability to Vincor. This liability is adjusted each reporting period based on the change in the market price of Vincor's common stock.

Employee Restricted Share Unit Plan

The Company has granted Restricted Share Units of Vincor as an incentive measure for the senior management group. These units vest, based on the achievement of financial objectives including the growth of key brands, over a three-year period from the date of grant and are settled 50% in common stock of Vincor and 50% in cash at the fair market value on the vesting date. There were 9,948 units granted during Fiscal 2006. As of March 26, 2006, there were 21,323 units outstanding under the plan. The compensation expense associated with the units awarded under the plan is recorded over the vesting period of the units and the achievement of financial objectives. The related liability is adjusted each reporting period for the change in the market price of Vincor's common stock. During Fiscal 2006, the Company recorded compensation credit of $90 with a corresponding decrease in a liability to Vincor.

1. Significant accounting policies (continued):

(k) Impairment of long-lived assets:

Long-lived assets, including property, plant and equipment, are depreciated or amortized over their useful lives. The Company performs an impairment assessment of its long-lived assets held for use whenever events or changes in circumstance indicate that the carrying amount may not be recoverable. If the sum of the undiscounted future cash flows expected to result from the use and eventual disposal of long-lived assets is less than their carrying values, these assets are considered to be impaired and an impairment loss is measured as the amount by which the carrying value exceeds their fair value. No losses were recorded for Fiscal 2006.

(l) Use of estimates:

The preparation of financial statements in conformity with generally accepted accounting principles requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenue and expenses during the reporting period. Actual results could differ from those estimates.

2. Inventories:

The components of inventories as of March 26, 2006, are as follows:

Packaging materials and supplies	$ 1,770
Bulk wine	57,090
Finished goods	26,385
	$ 85,245

3. Property, plant and equipment:

The major components of property, plant and equipment as of March 26, 2006, are as follows:

Land	$ 3,366
Vineyards	23,983
Buildings and improvements	12,972
Storage tanks, machinery and equipment	41,440
Construction in progress	795
	82,556
Less: Accumulated depreciation	(24,742)
	$ 57,814

The Company entered into a series of capital leases for barrels that are included in storage tanks, machinery and equipment. As of March 26, 2006, the amount of assets held under capital leases totalled $20,640 with related accumulated depreciation of $8,178. See Note 7 for discussion of obligations under capital leases.

4. Other assets:

The major components of other assets as of March 26, 2006, are as follows:

Deferred financing costs	$	303
Other		271
	$	574

5. Other accrued expenses and liabilities:

The major components of other accrued expenses and liabilities as of March 26, 2006, are as follows:

Marketing and promotions	$	4,348
Salaries and commissions		2,255
Income taxes payable		2,158
Other		2,210
	$	10,971

6. Long-term debt:

On July 30, 2004, the Company issued senior secured notes bearing a fixed rate of 6.2% with an aggregate principal amount of $100,000 to John Hancock Life Insurance Company and its affiliates. The senior notes have an average life of nine years and are repayable based on an amortization schedule between September 1, 2009, and August 1, 2014.

The senior notes are secured against the accounts receivable, inventories and trademarks of Vincor and its subsidiaries in Canada.

Subsequent to March 26, 2006, the Company was acquired (see Note 12) and the full principal amount outstanding on the senior notes became due and payable as a result of the acquisition. Accordingly, the full principal amount was repaid in June 2006.

Interest on long-term debt totalled $6,230 for Fiscal 2006.

7. Obligations under capital leases:

The Company is the lessee of barrels held under capital leases expiring in various years through fiscal 2009. Future minimum lease payments for assets held under capital leases are as follows for each of the years indicated:

2007	$ 6,904
2008	5,325
2009	1,649
Less: Interest	(609)
Net minimum lease payments under capital leases	13,269
Less: Current portion of net minimum capital lease payments	(6,762)
Long-term portion of net minimum capital lease payments	$ 6,507

Depreciation expense for assets held under capital leases was $4,666 for Fiscal 2006 and is included in depreciation expense.

8. Income taxes:

The Company's consolidated effective income tax rate for Fiscal 2006 is as follows:

	Amount	% of Pretax income
Income tax provision at statutory rate	$ 5,169	34.0%
State and local income taxes, net of federal income tax benefit	595	3.9%
Permanent differences	(246)	(1.6)%
Miscellaneous items, net	(247)	(1.6)%
	$ 5,271	34.7%

The income tax provision for Fiscal 2006 consists of the following:

Current:	
Federal	$ 4,120
State	853
Foreign	53
Total current	5,026
Deferred:	
Federal	197
State	48
Total deferred	245
Income tax provision	$ 5,271

8. Income taxes (continued):

The tax effects of temporary differences that give rise to significant portions of the deferred tax assets and deferred tax liabilities as of March 26, 2006 are as follows:

Deferred income tax assets:		
Accounts receivable	$	39
Inventories		396
Accounts payable and other accrued expenses and liabilities		2,009
Net state operating loss carryforwards		161
		2,605
Less: current portion		2,254
Non-current deferred income tax assets		351
Deferred income tax liabilities:		
Property, plant and equipment		8,765
Intangible assets		6,177
Goodwill		1,287
Non-current deferred income tax liabilities		16,229
Net non-current deferred income tax liability	$	15,878

As of March 26, 2006, the Company did not have any federal carryforwards of operating loss.

9. Commitments:

Operating lease commitments

Step rent provisions, escalation clauses, capital improvement funding and other lease concessions, when present in the Company's leases, are taken into account in computing the minimum lease payments. The minimum lease payments for the Company's operating leases are recognized on a straight-line basis over the minimum lease term. Future minimum lease payments under noncancelable operating lease agreements for land, vineyards, buildings, retail store premises and equipment having initial or remaining terms of one year or more are as follows during the next five fiscal years and thereafter:

2007	$	2,180
2008		1,518
2009		1,258
2010		1,204
2011		1,195
Thereafter		1,528
	$	8,883

Rent expense was $1,885 for Fiscal 2006.

9. Commitments (continued):

Grape grower commitments

A portion of the Company's current grape requirements are sourced through long-term contracts of varying lengths. The estimated grape grower commitments based on contracted tons valued at market prices are as follows for the next five fiscal years and thereafter:

2007	$ 13,574
2008	11,555
2009	9,308
2010	7,555
2011	7,044
Thereafter	15,286
	$ 64,322

The Company purchased $13,847 of grapes under contracts during Fiscal 2006.

10. Insurance claim:

In October 2005, finished goods inventory with a book value of $2,377 was destroyed in a fire at a third party warehouse in the United States. This warehouse was used by a large number of California wineries and by private collectors to store wine. Inventory at this warehouse was fully insured to recover profits that would have been realized on the sale of the products subject to a deductible of $50. The claim was settled and paid subsequent to March 26, 2006, for proceeds of $5,535, resulting in a gain of $3,158.

11. Related party transactions:

In the normal course of business, the Company purchases from and sells certain products to affiliated companies owned directly or indirectly by Vincor. The Company believes that the prices at which these transactions are carried out are on terms comparable to those that would be available from unaffiliated third parties.

During Fiscal 2006, the Company had the following amounts of purchases and sales transactions with affiliated companies.

	Purchases	Sales
Vincor International IBC Inc.	$ 16,054	$ 447
Vincor	6,407	1,694
Kim Crawford Wines Limited	1,411	-
Western Wines Limited	526	-
Goundrey Wines	338	-

11. Related party transactions (continued):

As of March 26, 2006, the Company had the following accounts receivable and accounts payable with affiliated companies.

		Accounts Receivable		Accounts Payable
Vincor	$	684	$	6,649
Vincor Insurance Limited, Barbados		200		835
Vincor International IBC Inc.		79		3,673

The accounts receivable and accounts payable are not interest bearing.

In addition, as of March 26, 2006, the Company had loans receivable from Vincor and Vincor New Zealand Limited in the amounts of $25,400 and $6,531, respectively, that are recorded as a reduction to owners' equity. The loan to Vincor carries an interest rate of 2.3% and the loan to Vincor New Zealand Limited carries an interest rate of 8.0%. Both of these loans are unsecured. During Fiscal 2006, the Company recorded interest income of $612 on its loan to Vincor New Zealand Limited and $572 on its loan to Vincor. As of March 26, 2006, the Company had accrued interest receivable of $331 with respect to these loans receivable from related parties.

The Company insured some of its risks with Vincor Insurance Limited, Barbados. During Fiscal 2006, the Company incurred $921 of premiums related to these insurance policies. The Company also claimed an amount of $200 from Vincor Insurance Limited, Barbados for a part of the casualty loss described in Note 10. This amount was received subsequent to March 26, 2006.

On August 25, 2000, as part of the acquisition of R.H. Phillips Inc., R.H. Phillips Inc. (a wholly-owned subsidiary of the Company) entered into a grape purchase agreement with JK Vineyards, LLC, an entity controlled by John and Karl Giguiere, who were senior officers of R.H. Phillips Inc. During Fiscal 2006, the Company purchased grapes valued at $2,474 from JK Vineyards, LLC.

12. Subsequent event:

On June 5, 2006, Constellation Brands, Inc. acquired all of the issued and outstanding shares of Vincor.

Exhibit 99.2

ALCOFI INC. AND SUBSIDIARIES

Consolidated Financial Statements

December 31, 2006

Report of Independent Registered Public Accounting Firm

The Board of Directors and Stockholders
Constellation Brands, Inc.:

We have audited the accompanying consolidated balance sheet of ALCOFI INC. and subsidiaries (the Company) as of December 31, 2006, and the related consolidated statements of income, changes in stockholder's equity, and cash flows for the year then ended. These consolidated financial statements are the responsibility of the Company's management. Our responsibility is to express an opinion on these consolidated financial statements based on our audit.

We conducted our audit in accordance with auditing standards generally accepted in the United States of America. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes consideration of internal control over financial reporting as a basis for designing audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Company's internal control over financial reporting. Accordingly, we express no such opinion. An audit also includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements, assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audit provides a reasonable basis for our opinion.

In our opinion, the consolidated financial statements referred to above present fairly, in all material respects, the consolidated financial position of ALCOFI INC. and subsidiaries as of December 31, 2006 and the results of their operations and their cash flows for the year then ended in conformity with U.S. generally accepted accounting principles.

/s/ KPMG LLP

Rochester, New York
November 19, 2007

ALCOFI INC. AND SUBSIDIARIES

CONSOLIDATED BALANCE SHEET
DECEMBER 31, 2006

ASSETS	
CURRENT ASSETS:	
Cash and cash equivalents	$ 1,675,597
Accounts receivable	6,843,238
Inventories	4,050,865
Prepaid expenses and other	88,250
Total current assets	12,657,950
PROPERTY, PLANT AND EQUIPMENT, net	227,586
INTANGIBLE ASSET, net	360,000
OTHER ASSETS	181,159
TOTAL ASSETS	$ 13,426,695
LIABILITIES AND STOCKHOLDER'S EQUITY	
CURRENT LIABILITIES:	
Accounts payable	$ 1,854,893
Accounts payable, related parties	2,828,284
Accrued federal and state income taxes	1,373,207
Accrued expenses	958,028
Total current liabilities	7,014,412
DEFERRED INCOME TAXES	71,695
MINORITY INTEREST	1,753,701
STOCKHOLDER'S EQUITY:	
Common stock	20
Additional paid-in capital	200,180
Retained earnings	4,386,687
Total stockholder's equity	4,586,887
TOTAL LIABILITIES AND STOCKHOLDER'S EQUITY	$ 13,426,695

The accompanying notes are an integral part of these consolidated financial statements.

ALCOFI INC. AND SUBSIDIARIES

CONSOLIDATED STATEMENT OF INCOME
FOR THE YEAR ENDED DECEMBER 31, 2006

NET SALES	$ 41,806,417
COST OF PRODUCT SOLD	(22,495,458)
Gross profit	19,310,959
SELLING, GENERAL AND ADMINISTRATIVE EXPENSES	(12,573,388)
Operating income	6,737,571
OTHER INCOME (EXPENSE):	
Interest income	28,853
Interest expense	(11,578)
Total other income (expense)	17,275
INCOME BEFORE INCOME TAXES AND MINORITY INTEREST	6,754,846
PROVISION FOR INCOME TAXES	(2,028,210)
INCOME BEFORE MINORITY INTEREST	4,726,636
MINORITY INTEREST IN SUBSIDIARIES' EARNINGS	(1,664,621)
NET INCOME	$ 3,062,015

The accompanying notes are an integral part of these consolidated financial statements.

ALCOFI INC. AND SUBSIDIARIES

CONSOLIDATED STATEMENT OF CHANGES IN STOCKHOLDER'S EQUITY
FOR THE YEAR ENDED DECEMBER 31, 2006

	Common Stock	Additional Paid-In Capital	Retained Earnings	Total
STOCKHOLDER'S EQUITY - January 1, 2006	$ 20	$ 200,180	$ 2,224,672	$ 2,424,872
NET INCOME	-	-	3,062,015	3,062,015
DIVIDENDS TO ALCO FINANCE S.A.	-	-	(900,000)	(900,000)
STOCKHOLDER'S EQUITY - December 31, 2006	$ 20	$ 200,180	$ 4,386,687	$ 4,586,887

The accompanying notes are an integral part of these consolidated financial statements.

ALCOFI INC. AND SUBSIDIARIES

CONSOLIDATED STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED DECEMBER 31, 2006

CASH FLOWS FROM OPERATING ACTIVITIES:	
Net income	$ 3,062,015
Adjustments to reconcile net income to net cash provided by operating activities:	
Minority interest in net income of consolidated subsidiaries, net of distributions	1,113,636
Depreciation and amortization	48,996
Deferred income tax provision	36,240
Changes in operating assets and liabilities:	
Accounts receivable	(2,067,889)
Inventories	(2,148,220)
Prepaid expenses and other	152,386
Other assets	7,818
Accounts payable and accrued expenses	2,129,605
Accounts payable, related parties	154,454
Net cash provided by operating activities	2,489,041
CASH FLOWS FROM INVESTING ACTIVITIES:	
Purchases of property, plant and equipment	(20,903)
Borrowings on notes receivable, related party	(22,561)
Net cash used in investing activities	(43,464)
CASH FLOWS FROM FINANCING ACTIVITIES:	
Dividends paid to ALCO Finance S.A.	(900,000)
Net cash used in financing activities	(900,000)
NET INCREASE IN CASH AND CASH EQUIVALENTS	1,545,577
CASH AND CASH EQUIVALENTS - beginning of year	130,020
CASH AND CASH EQUIVALENTS - end of year	$ 1,675,597
SUPPLEMENTAL DISCLOSURES OF CASH FLOW INFORMATION:	
Cash paid during the year for interest	$ 11,578
Cash paid during the year for income taxes	$ 812,424

The accompanying notes are an integral part of these consolidated financial statements.

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Description of business
ALCOFI INC. and its subsidiaries (the "Company") operate primarily in the beverage alcohol industry as the distributor and marketer of Svedka brand vodka. Svedka is a premium vodka produced in Sweden with sales primarily in the United States ("U.S."). In the U.S., the Company distributes its products primarily through wholesale distributors.

Basis of accounting
The Company prepares its consolidated financial statements in conformity with accounting principles generally accepted in the U.S.

Principles of consolidation
The consolidated financial statements of the Company include the accounts of ALCOFI INC. and its majority-owned (75%) subsidiary, Spirits Marque One LLC ("SMO") and the accounts of SMO's wholly-owned subsidiary, Spirits Marque One UK Ltd. ("SMO-UK"), after the elimination of intercompany accounts and transactions.

Cost method investments
If the Company is not required to consolidate its investment in another company, the Company uses the cost method if the Company cannot exercise significant influence over the other company. Under the cost method, investments are valued and reported at cost in periods subsequent to acquisition. Dividends are recognized as dividend revenue when received, and the portfolio is valued and reported at acquisition cost. No gains or losses are recognized until the securities are sold. Cost method investments are reviewed for impairment whenever events or changes in circumstances indicate that the carrying amount of the investments may not be recoverable.

Management's use of estimates
The preparation of financial statements in conformity with accounting principles generally accepted in the U.S. requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenses during the reporting period. Actual results could differ from those estimates.

Revenue recognition
Sales are recognized when title passes to the customer, which is generally when the product is shipped. Sales reflect reductions attributable to consideration given to customers in various customer incentive programs, including pricing discounts on single transactions, promotional and advertising allowances, and coupons.

Cost of product sold
The types of costs included in cost of product sold are cases of finished goods, customs, and distribution network costs. Distribution network costs include ocean and inland freight charges, insurance costs, warehousing and handling costs.

Operating expenses
The types of costs included in operating expenses consist predominately of advertising and non-manufacturing administrative and overhead costs. Distribution network costs are not included in the Company's operating expenses, but are included in cost of product sold as described above. The Company expenses advertising costs as incurred, shown or distributed. Prepaid advertising costs as of December 31, 2006, were $88,250. Advertising expense for the year ended December 31, 2006, totaled $2,818,652.

Cash and cash equivalents
Cash equivalents consist of highly liquid investments with an original maturity when purchased of three months or less and are stated at cost, which approximates fair value.

Allowance for doubtful accounts
The Company records an allowance for doubtful accounts for estimated losses resulting from the inability of its customers to make required payments. The majority of the accounts receivable balance is generated from sales to independent distributors. No allowance for doubtful accounts was recorded as of December 31, 2006.

Fair value of financial instruments
To meet the reporting requirements of Statement of Financial Accounting Standards No. 107, "Disclosures about Fair Value of Financial Instruments," the Company calculates the fair value of financial instruments using quoted market prices whenever available. When quoted market prices are not available, the Company uses standard pricing models for various types of financial instruments which take into account the present value of estimated future cash flows.

The estimated fair value of the Company's cash and cash equivalents, accounts receivable, note receivable and accounts payable is equal to the carrying amount of these instruments due to their short maturity.

Inventories
Inventories are stated at the lower of cost, computed in accordance with the first-in, first-out (FIFO) method, or market. Inventories are primarily comprised of cases of bottled vodka. Elements of cost include case goods, taxes and freight in.

The Company assesses the valuation of its inventories and reduces the carrying value of inventories that are obsolete or in excess of the Company's forecasted usage to its estimated net realizable value. The Company estimates the net realizable value of such inventories based on analyses and assumptions including, but not limited to, historical usage, future demand and market requirements. Reductions to the carrying value of inventories are recorded in cost of product sold. If the future demand for the Company's products is less favorable than the Company's forecasts, then the value of the inventories may be required to be reduced, which would result in additional expense to the Company and affect its results of operations.

Property, plant and equipment
Property, plant and equipment are stated at cost. Major additions are capitalized while maintenance and repairs are charged to operations as incurred. The cost of properties sold or otherwise disposed of and the related accumulated depreciation are eliminated from the accounts at the time of disposal and resulting gains and losses are included as a component of operating income.

Depreciation

Depreciation is computed primarily using the straight-line method over the following estimated useful lives:

Leasehold improvements	Shorter of life-of-lease or life-of-asset
Computer equipment	5 years
Machinery and equipment	7 years
Furniture and fixtures	3 to 7 years

Intangible asset

Intangible asset consists of the Svedka trademark. This trademark was determined to have a finite life and was amortized until December 2005. Subsequent to that date, the asset was determined to have an indefinite useful life and is no longer amortized. In accordance with Statement of Financial Accounting Standards No. 142 ("SFAS No. 142"), "Goodwill and Other Intangible Assets," the Company reviews the remaining balance of its indefinite lived intangible asset annually for impairment, or sooner, if events or changes in circumstances indicate that the carrying amount of an asset may not be recoverable. The Company uses December 31 as its annual impairment test measurement date. No impairment was recorded during the year ended December 31, 2006. Note 4 provides a summary of the gross and net carrying values.

Other assets

Other assets consist principally of (i) an investment in a company which is carried under the cost method of accounting and (ii) a note receivable from the cost method investee. See Note 5.

Long-lived asset impairment

In accordance with Statement of Financial Accounting Standards No. 144 ("SFAS No. 144"), "Accounting for the Impairment or Disposal of Long-Lived Assets," the Company reviews its long-lived assets for impairment whenever events or changes in circumstances indicate that the carrying amount of an asset may not be recoverable. Recoverability of assets to be held and used is measured by a comparison of the carrying amount of an asset to estimated undiscounted cash flows expected to be generated by the asset. If the carrying amount of an asset exceeds its estimated undiscounted future cash flows, an impairment charge is recognized for the amount by which the carrying amount of the asset exceeds its fair value. No impairments were recorded during the year ended December 31, 2006.

Income taxes

Income taxes are provided for the tax effects of transactions reported in the financial statements and consist of taxes currently due, plus deferred taxes. Deferred taxes are recognized for differences between the basis of assets and liabilities for financial reporting and income tax purposes. Permanent and temporary differences have been recognized, which relate primarily to ALCOFI INC.'s investment in SMO. The deferred tax assets and liabilities represent the future tax consequences of those differences which will either be taxable or deductible when the assets or liabilities are recovered or settled.

2. RECENTLY ADOPTED ACCOUNTING PRONOUNCEMENTS

Effective January 1, 2006, the Company adopted Statement of Financial Accounting Standards No. 151 ("SFAS No. 151"), "Inventory Costs - an amendment of ARB No. 43, Chapter 4." SFAS No. 151 amends the guidance in Accounting Research Bulletin No. 43 ("ARB No. 43"), "Restatement and Revision of Accounting Research Bulletins," Chapter 4, "Inventory Pricing," to clarify the accounting for abnormal amounts of idle facility expense, freight, handling costs, and wasted material (spoilage). SFAS No. 151 requires that those items be recognized as current period charges. In addition, SFAS No. 151 requires that allocation of fixed production overheads to the costs of conversion be based on the normal capacity of the production facilities. The adoption of SFAS No. 151 did not have a material impact on the Company's consolidated financial statements.

Effective January 1, 2006, the Company adopted Statement of Financial Accounting Standards No. 154 ("SFAS No. 154"), "Accounting Changes and Error Corrections - a replacement of APB Opinion No. 20 and FASB Statement No. 3." SFAS No. 154 changes the requirements for the accounting of and reporting of a change in accounting principle. SFAS No. 154 applies to all voluntary changes in accounting principle and requires retrospective application to prior periods' financial statements of changes in accounting principle, unless it is impracticable to determine either the period-specific effects or the cumulative effect of changing to the new accounting principle. SFAS No. 154 requires that a change in depreciation, amortization, or depletion method for long-lived, nonfinancial assets be accounted for as a change of estimate effected by a change in accounting principle. SFAS No. 154 also carries forward without change the guidance in APB Opinion No. 20 with respect to accounting for changes in accounting estimates, changes in the reporting unit and correction of an error in previously issued financial statements. The adoption of SFAS No. 154 did not have a material impact on the Company's consolidated financial statements.

Effective December 31, 2006, the Company adopted the Securities and Exchange Commission's Staff Accounting Bulletin No. 108 ("SAB No. 108"), "Considering the Effects of Prior Year Misstatements when Quantifying Misstatements in Current Year Financial Statements." SAB No. 108 addresses how the effects of prior year uncorrected misstatements should be considered when quantifying misstatements in current year financial statements. SAB No. 108 requires companies to quantify misstatements using a balance sheet and income statement approach and to evaluate whether either approach results in quantifying an error that is material in light of relevant quantitative and qualitative factors. The initial adoption of SAB No. 108 did not have a material impact on the Company's consolidated financial statements.

3. PROPERTY, PLANT AND EQUIPMENT

The major components of property, plant and equipment are as follows as of December 31, 2006:

Leasehold improvements	$	114,964
Computer equipment		58,543
Machinery and equipment		150,243
Furniture and fixtures		68,519
		392,269
Less: Accumulated depreciation and amortization		(164,683)
	$	227,586

4. INTANGIBLE ASSET

Intangible asset consists of the following indefinite-lived intangible asset as of December 31, 2006:

	Gross Carrying Amount	Net Carrying Amount
Nonamortizable intangible asset:		
Trademark	$ 600,000	$ 360,000

The difference between the gross carrying amount and net carrying amount is attributable to accumulated amortization that was recorded prior to the Company's determination that the intangible asset has an indefinite life.

5. OTHER ASSETS

The major components of other assets are as follows as of December 31, 2006:

Investment in cost method investee	$ 80,713
Note receivable from cost method investee	100,446
	$ 181,159

Investment in cost method investee

In November 2002, the Company purchased 333 shares, representing a 9.99% interest, in P&J Production AB ("P&J"), a vodka manufacturer in Sweden. The Company does not have a controlling interest in P&J or exert any managerial control. Accordingly, the Company accounts for the investment in P&J under the cost method.

6. ACCRUED EXPENSES

The major components of accrued expenses are as follows as of December 31, 2006:

Accrued bonuses	$ 704,605
Accrued advertising and promotions	172,595
Accrued insurance	44,700
Rent deposit payable to subtenant	23,061
Accrued workers' compensation	6,500
Other accrued expenses	6,567
	$ 958,028

7. BORROWINGS

Revolving Promissory Note

The Company maintains a revolving promissory note with Wachovia Bank, National Association. This note has an available maximum principal amount of $2,500,000 to be used for working capital purposes, with a $500,000 subfacility for the issuance of standby letters of credit. The rate of interest on borrowings under this note is the lender's prime rate (8.25% as of December 31, 2006) plus 0.5%. There were no amounts outstanding as of December 31, 2006.

The Company is also subject to certain covenants that are contained in the Revolving Credit and Security Agreement, including those restricting the incurrence of additional indebtedness (including guarantees of indebtedness), additional liens, the declaration or payment of dividends, the making of certain investments, a change in business, disposition or acquisition of property, and transactions with affiliates, in each case subject to numerous conditions, exceptions and thresholds. The financial covenants are limited to a total liabilities to tangible net worth ratio.

Subsequent to year-end, and in connection with the Company's acquisition by Constellation Brands, Inc., this note was closed on March 19, 2007. See Note 14 for additional disclosure.

8. INCOME TAXES

The provision for income taxes for the year ended December 31, 2006, consists of the following:

Current:	
Federal	$ 1,591,024
State	400,946
Total current	1,991,970
Deferred:	
Federal	36,240
Provision for income taxes	$ 2,028,210

The Company's effective tax rate is different than what would be expected if federal statutory rates were applied to income from operations primarily because of expenses deductible for financial statement purposes that are not deductible for tax purposes and expenses deductible for tax purposes that are not deductible for financial statement purposes.

The amounts recorded for deferred tax liabilities primarily relate to the investment in SMO.

A reconciliation of the total provision for income taxes to the amount computed by applying the statutory U.S. federal income tax rate to income before income taxes and minority interest is as follows:

	Amount	% of Pretax Income
Income tax provision at statutory rate	$ 2,296,648	34.0%
Impact of minority interest	(574,714)	(8.5)%
State and local income taxes, net of federal income tax benefit	279,136	4.1%
Miscellaneous items, net	27,140	0.4%
	$ 2,028,210	30.0%

9. EMPLOYEE BENEFIT PLAN

The Company maintains a Simple IRA plan (the "Plan") covering substantially all U.S. employees. The Plan permits eligible employees to defer a portion of their compensation (as defined in the Plan) on a pretax basis. Participants may defer up to 100% of their compensation for the year, subject to applicable IRS regulations. The Company makes a matching contribution of 100% of the first 3% of compensation that each participant defers. Company contributions under the Plan were $53,359 for the year ended December 31, 2006.

10. COMMITMENTS AND CONTINGENCIES

Operating leases

The Company entered into a noncancellable operating lease agreement with an unrelated party commencing January 1, 2005, and expiring December 31, 2014, for the rental of office space. Future payments under this lease are as follows during the next five fiscal years and thereafter:

2007	$	281,000
2008		281,000
2009		281,000
2010		303,480
2011		303,480
Thereafter		910,440
	$	2,360,400

Gross rental expense was $268,556 for the year ended December 31, 2006. Amounts received from the Company's subtenant totaled $92,244 for the year ended December 31, 2006. Accordingly, net rental expense totaled $176,312 for the year ended December 31, 2006.

11. STOCKHOLDER'S EQUITY

Common stock

The Company has one class of common stock. As of December 31, 2006, there were 200 shares of common stock authorized with 20 shares issued and outstanding. All of the issued and outstanding shares are held by ALCO Finance S.A. Each share has no par value and a stated price of one dollar ($1.00).

12. SIGNIFICANT CUSTOMERS AND CONCENTRATION OF CREDIT RISK

Sales to the five largest customers represented 44.7% of the Company's sales for the year ended December 31, 2006. The Company's largest customer, Eber Bros. Wine & Liquor Corp., was responsible for 16.5% of sales during the year. Accounts receivable from the five largest customers represented 47.0% of the Company's total accounts receivable balance as of December 31, 2006. Accounts receivable from the Company's largest customer represented 21.1% of the Company's total accounts receivable as of December 31, 2006.

Sales to the Company's five largest customers are expected to continue to represent a significant portion of the Company's revenues. The Company's arrangements with certain of its customers may, generally, be terminated by either party with prior notice. The Company performs ongoing credit evaluations of its customers' financial position, and management of the Company is of the opinion that any risk of significant loss is reduced due to the diversity of customers and geographic sales area.

13. RELATED PARTY TRANSACTIONS

During the year ended December 31, 2006, the Company purchased $14,992,586 of goods from Alcodis S.A. ("Alcodis"), a company that is under common ownership with the Company's stockholder. Amounts payable to Alcodis totaled $2,763,538 as of December 31, 2006.

During the year ended December 31, 2006, SMO made a distribution of $2,177,520 to its members. ALCOFI INC. received $1,626,535 of this amount. This distribution was eliminated during consolidation. The remaining distribution of $550,985 was paid to the minority interest holder.

14. SUBSEQUENT EVENT

On March 19, 2007, Constellation Brands, Inc. ("Constellation") acquired the Svedka Vodka brand, all of the common stock of the Company and a 100% interest in SMO, for cash consideration of $384.2 million, net of cash acquired.

15. SUBSIDIARY GUARANTOR

Subsequent to December 31, 2006, the Company was acquired by Constellation (see Note 14). Constellation's outstanding senior notes and senior subordinated notes are guaranteed, jointly and severally, by ALCOFI INC. and SMO. The following information presents the condensed consolidating financial statements of the guarantors and nonguarantor of Constellation's outstanding senior notes and senior subordinated notes, in accordance with Rule 3-10(g) of SEC Regulation S-X.

Separate financial statements for the guarantors are not presented because the Company has determined that such financial statements would not be material to investors. The accounting policies of the guarantors and the nonguarantor are the same as those described for the Company in the Summary of Significant Accounting Policies in Note 1 and include the recently adopted accounting pronouncements described in Note 2. Subsequent to Constellation's acquisition of the Company, there are no restrictions on the ability of the guarantors to transfer funds to Constellation in the form of cash dividends, loans or advances.

CONDENSED CONSOLIDATING BALANCE SHEET
DECEMBER 31, 2006

	Guarantors	Nonguarantor	Eliminations	Consolidated
ASSETS				
CURRENT ASSETS:				
Cash and cash equivalents	$ 1,655,952	$ 19,645	$ -	$ 1,675,597
Accounts receivable	6,835,981	7,257	-	6,843,238
Inventories	4,050,865	-	-	4,050,865
Prepaid expenses and other	88,250	-	-	88,250
Total current assets	12,631,048	26,902	-	12,657,950
PROPERTY, PLANT AND EQUIPMENT, net	227,586	-	-	227,586
INTANGIBLE ASSET, net	360,000	-	-	360,000
OTHER ASSETS	206,494	-	(25,335)	181,159
TOTAL ASSETS	$ 13,425,128	$ 26,902	$ (25,335)	$ 13,426,695
LIABILITIES AND STOCKHOLDER'S EQUITY				
CURRENT LIABILITIES:				
Accounts payable	$ 1,854,893	$ -	$ -	$ 1,854,893
Accounts payable, related parties	2,828,284	215,558	(215,558)	2,828,284
Accrued federal and state income taxes	1,373,207	-	-	1,373,207
Accrued expenses	956,461	1,567	-	958,028
Total current liabilities	7,012,845	217,125	(215,558)	7,014,412
DEFERRED INCOME TAXES	71,695	-	-	71,695
MINORITY INTEREST	1,753,701	-	-	1,753,701
STOCKHOLDER'S EQUITY:				
Common stock	20	240,205	(240,205)	20
Additional paid-in capital	200,180	-	-	200,180
Retained earnings	4,386,687	(430,428)	430,428	4,386,687
Total stockholder's equity	4,586,887	(190,223)	190,223	4,586,887
TOTAL LIABILITIES AND STOCKHOLDER'S EQUITY	$ 13,425,128	$ 26,902	$ (25,335)	$ 13,426,695

CONDENSED CONSOLIDATING STATEMENT OF INCOME
FOR THE YEAR ENDED DECEMBER 31, 2006

	Guarantors	Nonguarantor	Eliminations	Consolidated
NET SALES	$ 41,800,579	$ 5,838	$ -	$ 41,806,417
COST OF PRODUCT SOLD	(22,484,402)	(11,056)	-	(22,495,458)
Gross profit (loss)	19,316,177	(5,218)	-	19,310,959
SELLING, GENERAL AND ADMINISTRATIVE EXPENSES	(12,429,638)	(143,750)	-	(12,573,388)
Operating income (loss)	6,886,539	(148,968)	-	6,737,571
OTHER INCOME (EXPENSE):				
Interest income	28,853	-	-	28,853
Interest expense	(11,578)	-	-	(11,578)
Equity in earnings of subsidiaries	(148,968)	-	148,968	-
Total other income (expense)	(131,693)	-	148,968	17,275
INCOME (LOSS) BEFORE INCOME TAXES AND MINORITY INTEREST	6,754,846	(148,968)	148,968	6,754,846
PROVISION FOR INCOME TAXES	(2,028,210)	-	-	(2,028,210)
INCOME (LOSS) BEFORE MINORITY INTEREST	4,726,636	(148,968)	148,968	4,726,636
MINORITY INTEREST IN SUBSIDIARIES' EARNINGS	(1,664,621)	-	-	(1,664,621)
NET INCOME (LOSS)	$ 3,062,015	$ (148,968)	$ 148,968	$ 3,062,015

CONDENSED CONSOLIDATING STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED DECEMBER 31, 2006

	Guarantors	Nonguarantor	Eliminations	Consolidated
CASH FLOWS FROM OPERATING ACTIVITIES:				
Net cash provided by (used in) operating activities	$ 2,522,005	$ (32,964)	$ -	$ 2,489,041
CASH FLOWS FROM INVESTING ACTIVITIES:				
Purchases of property, plant and equipment	(20,903)	-	-	(20,903)
Borrowings on notes receivable, related party	(22,561)	-	-	(22,561)
Net cash used in investing activities	(43,464)	-	-	(43,464)
CASH FLOWS FROM FINANCING ACTIVITIES:				
Dividends paid to ALCO Finance S.A.	(900,000)	-	-	(900,000)
Net cash used in financing activities	(900,000)	-	-	(900,000)
NET INCREASE (DECREASE) IN CASH AND CASH EQUIVALENTS	1,578,541	(32,964)	-	1,545,577
CASH AND CASH EQUIVALENTS - beginning of year	77,411	52,609	-	130,020
CASH AND CASH EQUIVALENTS - end of year	$ 1,655,952	$ 19,645	$ -	$ 1,675,597