

**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) October 6, 2015

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.)

207 High Point Drive, Building 100, Victor, NY 14564
(Address of principal executive offices) (Zip Code)

Registrant's telephone number, including area code **(585) 678-7100**

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))
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Item 2.02. Results of Operations and Financial Condition.

On October 7, 2015, Constellation Brands, Inc. (“Constellation” or the “Company”), a Delaware corporation, issued a news release (the “release”) announcing its financial condition and results of operations as of and for the second quarter ended August 31, 2015. A copy of the release is attached hereto as Exhibit 99.1 and incorporated herein by reference. The projections constituting the guidance included in the release involve risks and uncertainties, the outcome of which cannot be foreseen at this time; 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.”

The information in the release is “furnished” and not “filed” for purposes of Section 18 of the Securities Exchange Act of 1934, and is not otherwise subject to the liabilities of that section. Such information may 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.

The release contains non-GAAP financial measures; in the release these are referred to as “comparable”, “organic” or “constant currency” measures. For purposes of Regulation G, a non-GAAP financial measure is a numerical measure of a registrant’s historical or future financial performance, financial position or cash flows that excludes amounts, or is subject to adjustments that have the effect of excluding amounts, that are included in the most directly comparable measure calculated and presented in accordance with GAAP in the statement of income, balance sheet or statement of cash flows (or equivalent statements) of the issuer; or includes amounts, or is subject to adjustments that have the effect of including amounts, that are excluded from the most directly comparable measure so calculated and presented. In this regard, GAAP refers to generally accepted accounting principles in the United States. Pursuant to the requirements of Regulation G, the Company has provided reconciliations within the release of the non-GAAP financial measures to the most directly comparable GAAP financial measures.

Comparable measures, organic net sales measures and constant currency measures are provided because management uses this information in monitoring and evaluating the results and underlying business trends of the core operations of the Company and/or in 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. As such, the following items, including any related income tax effect, are excluded from comparable results, when appropriate: costs associated with a voluntary product recall of select packages in the U.S. and Guam of Corona Extra beer; net loss on the mark to fair value of undesignated commodity derivative contracts; transaction, integration and other related costs recognized in connection with acquisitions; the flow through of inventory step-up associated with an acquisition; settlements of undesignated commodity derivative contracts; loss on certain assets in connection with an earthquake in Napa, California; restructuring and related charges; gain from an adjustment to a certain guarantee originally recorded in connection with a prior divestiture; net gain on the sale of and the write-down of certain property, plant and equipment; and loss on write-off of financing costs. The Company acquired the Meiommi wine brand and related assets (“Meiommi”) on August 3, 2015. Accordingly, during the indicated periods, organic net sales measures exclude the net sales of Meiommi products. Constant currency measures exclude the impact of year-over-year currency exchange rate fluctuations.

Item 7.01. Regulation FD Disclosure.

On October 7, 2015, Constellation issued a news release, a copy of which release is furnished herewith as Exhibit 99.1 and is incorporated herein by reference.

In addition, on October 6, 2015, the Board of Directors of Constellation Brands, Inc. declared a quarterly cash dividend in the amount of \$0.31 per issued and outstanding share of the Company's Class A Common Stock, \$0.28 per issued and outstanding share of the Company's Class B Common Stock and \$0.28 per issued and outstanding share of the Company's Class 1 Common Stock, in each case payable on November 24, 2015, to stockholders of record of each respective class as of the close of business on November 9, 2015.

References to Constellation's website in the release do not incorporate by reference the information on such website into this Current Report on Form 8-K and Constellation disclaims any such incorporation by reference. The information in the news 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, and is not otherwise subject to the liabilities of that section. Such information may 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 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 exhibit is furnished as part of this Current Report on Form 8-K:

<u>Exhibit No.</u>	<u>Description</u>
99.1	News Release of Constellation Brands, Inc. dated October 7, 2015.

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: October 7, 2015

CONSTELLATION BRANDS, INC.

By: /s/ David Klein
David Klein
Executive Vice President and
Chief Financial Officer

INDEX TO EXHIBITS

<u>Exhibit No.</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)	News Release of Constellation Brands, Inc. dated October 7, 2015.
(100)	XBRL-RELATED DOCUMENTS Not Applicable.
(101)	INTERACTIVE DATA FILE Not Applicable.
(106)	STATIC POOL PDF Not Applicable.



NEWS RELEASE

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Constellation Brands Reports Second Quarter Fiscal 2016 Results

- Achieves comparable basis EPS of \$1.56 and reported basis EPS of \$1.49 driven by beer business and favorable quarterly tax rate
- Generates \$508 million of free cash flow and \$803 million of operating cash flow
- Increases fiscal 2016 outlook driven primarily by strong beer business results; expects comparable basis EPS of \$5.00 - \$5.20 and reported basis EPS of \$4.73 - \$4.93
- Increases fiscal 2016 free cash flow projection to \$200 - \$300 million including operating cash flow target of at least \$1.25 billion; total capital expenditure estimate of \$1.05 - \$1.15 billion remains unchanged for fiscal 2016
- Brewery and glass plant expansions continue to proceed as planned
- Completes Meiomi wine brand acquisition in August 2015
- Declares quarterly cash dividend

Second Quarter 2016 Financial Highlights*

(in millions, except per share data)

	<u>Comparable</u>	<u>% Change</u>	<u>Reported</u>	<u>% Change</u>
Net sales	\$1,733	8%	\$1,733	8%
Operating income	\$501	21%	\$479	27%
Operating margin	28.9%	+320 bps	27.7%	+410 bps
Earnings before interest and taxes (EBIT)	\$501	21%	NA	NA
Net income attributable to CBI	\$318	43%	\$302	54%
Diluted net income per share attributable to CBI (EPS)	\$1.56	41%	\$1.49	52%

*Definitions of reported and comparable, as well as reconciliations of non-GAAP financial measures, are contained elsewhere in this news release.

NA=Not Applicable

VICTOR, N.Y., Oct. 7, 2015 – Constellation Brands, Inc. (NYSE: STZ and STZ.B), a leading beverage alcohol company, reported today its second quarter 2016 results.

“We posted outstanding results for our second quarter driven by the impressive, sustained momentum of our beer business, which is also driving an increase in our EPS projection for the year. I am pleased that our glass plant and Nava brewery expansions continue to progress as planned, with our first incremental five million hectoliters of capacity scheduled to become operational by calendar year end. Our wine and spirits business posted improved margins, strong sales growth for our spirits portfolio and excellent financial results for our Canadian business,” said Rob Sands, president and chief executive officer, Constellation Brands.

Net Sales Commentary

For the quarter, the company generated consolidated organic net sales growth on a constant currency basis of nine percent.

Beer net sales increased 14 percent, primarily due to volume growth. Beer depletions grew 10 percent, reflecting strong consumer demand for the beer portfolio. The company estimates that beer recall activities during the second quarter of fiscal 2015 resulted in the reversal of approximately two million case shipments and a \$37 million reduction of net sales. Net sales growth for third quarter fiscal 2016 is expected to be impacted due to the \$37 million shift in net sales from second quarter fiscal 2015 to third quarter fiscal 2015 in connection with the product recall.

“During the second quarter, Constellation’s beer business represented 45% of total U.S. beer industry volume growth in IRI channels and posted its 22nd consecutive quarter of volume share gains. These stellar results were powered by the continuing success of our two largest brands, Corona Extra and Modelo Especial,” said Sands. “In addition to strong volume growth across our portfolio, we are experiencing favorable commodity and foreign currency benefits, as well as better than expected results from our glass plant, that are driving improved operational results and enabling an increase in our margin expectation for the beer business in fiscal 2016.”

Wine and spirits net sales on an organic constant currency basis increased three percent. This primarily reflects volume growth within the spirits portfolio.

“During the quarter, we experienced strong depletion trends of more than six percent for our wine and spirits focus brands, led by double digit growth of Kim Crawford, Black Box, The Dreaming Tree and Ruffino, as investments in these key brands are paying off. We have successfully integrated Meiommi into our existing wine portfolio and we are working to expand distribution to drive incremental growth for this brand,” said Sands. “The spirits business delivered growth across the portfolio, led by Paul Masson Grande Amber Brandy and SVEDKA Vodka.”

Operating Income and Net Income Commentary

For the quarter, consolidated comparable basis operating income increased 21 percent.

Beer operating income increased 31 percent, primarily due to volume growth, lower cost of product sold and favorable pricing for the beer portfolio. The four percent increase in wine and spirits operating income primarily reflects volume growth and lower cost of product sold, partially offset by unfavorable foreign currency translation.

For second quarter 2016, pre-tax comparable adjustments totaled \$23 million as compared to \$39 million for the same period last year.

Interest expense for second quarter 2016 totaled \$77 million, a decrease of nine percent. The decrease was primarily due to lower average interest rates.

The comparable basis effective tax rate for second quarter 2016 was 24.6 percent, which reflects the favorable outcome of various tax items for the quarter, as compared to a 32.3 percent tax rate for the prior year second quarter. The company continues to expect a comparable basis effective tax rate of approximately 30.5 percent for fiscal year 2016.

Free Cash Flow Commentary

Free cash flow for the first six months of fiscal 2016 totaled \$508 million as compared to \$360 million for the same period last year. The increase is primarily driven by higher operating cash flow.

“We are increasing free cash flow guidance for fiscal 2016 to a range of \$200 to \$300 million. The anticipated increase is being primarily driven by higher earnings for the beer business and lower tax and interest payments, as we now expect to generate operating cash flow of \$1.25 to \$1.45 billion,” said David Klein, executive vice president and chief financial officer, Constellation Brands.

Quarterly Dividend

On October 6, 2015, Constellation’s board of directors declared a quarterly cash dividend of \$0.31 per share of Class A Common Stock and \$0.28 per share of Class B Common Stock, payable on November 24, 2015, to stockholders of record as of the close of business on November 9, 2015.

Outlook

The table below sets forth management’s current EPS expectations for fiscal 2016 compared to fiscal 2015 actual results, both on a comparable basis and a reported basis.

	Comparable Basis		Reported Basis	
	FY16 Estimate	FY15 Actual	FY16 Estimate	FY15 Actual
Fiscal Year Ending Feb. 28/29	\$5.00 - \$5.20	\$4.44	\$4.73 - \$4.93	\$4.17

For fiscal 2016, the beer business continues to expect net sales growth of approximately 10 percent but now expects operating income growth in the 15 - 18 percent range. For the wine and spirits business, the company continues to expect net sales and operating income growth to be in the low-to-mid single-digit range before any benefit from the Meiomis acquisition.

Fiscal 2016 guidance also includes the following current assumptions, including the acquisition of the Meiomis wine brand:

- Interest expense: approximately \$310 - \$320 million
- Tax rate: approximately 30.5 percent
- Weighted average diluted shares outstanding: approximately 204 million
- Free cash flow: approximately \$200 - \$300 million
- Operating cash flow: approximately \$1.25 - \$1.45 billion
- Capital expenditures: approximately \$1.05 - \$1.15 billion, including \$950 million - \$1.05 billion for the beer business

Conference Call

A conference call to discuss second quarter 2016 results and outlook will be hosted by President and Chief Executive Officer Rob Sands and Executive Vice President and Chief Financial Officer David Klein on Wednesday, Oct. 7, 2015 at 10:30 a.m. (eastern). The conference call can be accessed by dialing +973-935-8505 beginning 10 minutes prior to the start of the call. A live listen-only webcast of the conference call, together with a copy of this news release (including the attachments), and other financial information that may be discussed during the call will be available on the Internet at the company's website: www.cbrands.com under "Investors," prior to the call.

Explanations

Reported basis ("reported") operating income, net income and EPS are as reported under generally accepted accounting principles. Operating income, net income and EPS on a comparable basis ("comparable"), exclude items that affect comparability ("comparable adjustments"), as they are not reflective of core operations of the segments. The company's measure of segment profitability excludes comparable adjustments, which is consistent with the measure used by management to evaluate results.

The company discusses additional non-GAAP measures in this news release, including constant currency net sales, organic net sales, comparable basis EBIT, comparable basis effective tax rate and free cash flow.

Supplemental Financial Information

Tables reconciling non-GAAP measures, together with definitions of these measures and the reasons management uses these measures, are attached to and are part of this news release.

About Constellation Brands

Constellation Brands (NYSE: STZ and STZ.B) is a leading international producer and marketer of beer, wine and spirits with operations in the U.S., Canada, Mexico, New Zealand and Italy. In 2014, Constellation was one of the top performing stocks in the S&P 500 Consumer Staples Index. Constellation is the number three beer company in the U.S. with high-end, iconic imported brands including Corona Extra, Corona Light, Modelo Especial, Negra Modelo and Pacifico. Constellation is also the world's leader in premium wine selling great brands that people love including Robert Mondavi, Clos du Bois, Kim Crawford, Rex Goliath, Mark West, Franciscan Estate, Ruffino and Jackson-Triggs. The company's premium spirits brands include SVEDKA Vodka and Black Velvet Canadian Whisky.

Based in Victor, N.Y., the company believes that industry leadership involves a commitment to brand-building, our trade partners, the environment, our investors and to consumers around the world who choose our products when celebrating big moments or enjoying quiet ones. Founded in 1945, Constellation has grown to become a significant player in the beverage alcohol industry with more than 100 brands in its portfolio, sales in approximately 100 countries, about 40 facilities and approximately 7,700 talented employees. We express our company vision: *to elevate life with every glass raised*. To learn more, visit www.cbrands.com.

Forward-Looking Statements

The statements made under the heading Outlook, and all statements other than statements of historical fact set forth in this news release regarding Constellation Brands' business strategy, future operations, financial position, estimated revenues, projected costs, estimated diluted EPS, expected cash flow, prospects, future payments of dividends, plans and objectives of management, as well as information concerning expected actions of third parties, are forward-looking statements (collectively, the "Projections") that involve risks and uncertainties that could cause actual results to differ materially from those set forth in or implied by the Projections.

During the current quarter, Constellation Brands may reiterate the Projections. Prior to the start of the company's quiet period, which will begin at the close of business Nov. 30, 2015, the public can continue to rely

on the Projections as still being Constellation Brands' current expectations on the matters covered, unless the company publishes a notice stating otherwise. During Constellation Brands' "quiet period," the Projections should not be considered to constitute the company's expectations and should be considered historical, speaking as of prior to the quiet period only and not subject to update by the company.

The Projections 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, financing or share repurchase that may be completed after the date of this release. The Projections 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 Projections of the company contained in this news release are subject to a number of risks and uncertainties, including:

- brewery expansion activities and joint venture glass plant expansion activities take place with expected scope, on expected terms and timetable, and with receipt of any necessary regulatory approvals;
- accuracy of supply projections, including those relating to brewery expansion and glass sourcing;
- timeframe and actual costs associated with beer supply, brewery expansion and glass sourcing, including joint venture glass plant expansion, may vary from management's current expectations due to market conditions, the company's cash and debt position, and other factors as determined by management;
- free cash flow, operating cash flow and capital expenditures to support long-term growth may vary from management's current estimates;
- timing and volume amount of beer shipments to wholesalers may vary from current expectations due to actual consumer demand;
- accuracy of projections associated with the Meiomi wine brand;
- the impact of and the ability to realize the anticipated benefits of acquisitions, including as a result of difficulty in integrating the businesses of the companies involved;
- the exact duration of the share repurchase implementation and the amount and timing of any additional share repurchases;
- amount and timing of future dividends are subject to the determination and discretion of the Board of Directors;
- ability to use cash flow to fund dividends could be affected by unanticipated increases in net total debt, inability to generate cash flow at the levels anticipated, and failure to generate expected earnings;
- raw material and water 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 lower than expected sales or higher than expected expenses;
- general economic, geo-political and regulatory conditions, instability in world financial markets, or unanticipated environmental liabilities and costs;
- changes to accounting rules and tax laws, and other factors which could impact the company's reported financial position, results of operations or effective tax rate;
- changes in interest rates and the inherent unpredictability of currency fluctuations, commodity prices and raw material costs;
- accuracy of the bases for forecasts relating to joint ventures and associated costs, losses, purchase obligations and capital investment requirements; and
- other factors and uncertainties disclosed in 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, 2015, which could cause actual future performance to differ from current expectations.

Constellation Brands, Inc. and Subsidiaries
CONDENSED CONSOLIDATED BALANCE SHEETS
(in millions)

	August 31, 2015	February 28, 2015
Assets		
Current assets:		
Cash and cash equivalents	\$ 329.7	\$ 110.1
Accounts receivable	723.5	598.9
Inventories	1,777.1	1,827.2
Prepaid expenses and other	301.2	374.6
Total current assets	3,131.5	2,910.8
Property, plant and equipment	2,773.3	2,681.6
Goodwill	6,416.8	6,208.2
Intangible assets	3,188.7	3,181.0
Other assets	163.1	162.9
Total assets	\$ 15,673.4	\$ 15,144.5
Liabilities and stockholders' equity		
Current liabilities:		
Notes payable to banks	\$ 29.3	\$ 52.4
Current maturities of long-term debt	156.1	158.1
Accounts payable	373.3	285.8
Accrued excise taxes	26.9	28.7
Other accrued expenses and liabilities	626.6	605.7
Total current liabilities	1,212.2	1,130.7
Long-term debt, less current maturities	7,238.2	7,137.5
Deferred income taxes	894.4	818.9
Other liabilities	163.6	176.1
Total liabilities	9,508.4	9,263.2
CBI stockholders' equity	6,062.8	5,770.7
Noncontrolling interests	102.2	110.6
Total stockholders' equity	6,165.0	5,881.3
Total liabilities and stockholders' equity	\$ 15,673.4	\$ 15,144.5

Constellation Brands, Inc. and Subsidiaries
CONSOLIDATED STATEMENTS OF OPERATIONS
(in millions, except per share data)

	Three Months Ended		Six Months Ended	
	August 31, 2015	August 31, 2014	August 31, 2015	August 31, 2014
Sales	\$ 1,912.9	\$ 1,770.0	\$ 3,710.9	\$ 3,457.1
Excise taxes	(179.5)	(165.9)	(346.2)	(327.0)
Net sales	1,733.4	1,604.1	3,364.7	3,130.1
Cost of product sold	(957.8)	(932.1)	(1,852.0)	(1,788.0)
Gross profit	775.6	672.0	1,512.7	1,342.1
Selling, general and administrative expenses	(296.2)	(293.3)	(606.0)	(571.2)
Operating income	479.4	378.7	906.7	770.9
Equity in earnings (losses) of equity method investees	0.2	(0.6)	1.2	(0.1)
Interest expense	(77.3)	(85.0)	(154.8)	(171.4)
Loss on write-off of financing costs	(1.1)	(4.4)	(1.1)	(4.4)
Income before income taxes	401.2	288.7	752.0	595.0
Provision for income taxes	(97.1)	(92.9)	(207.7)	(192.5)
Net income	304.1	195.8	544.3	402.5
Net income attributable to noncontrolling interests	(1.7)	—	(3.3)	—
Net income attributable to CBI	\$ 302.4	\$ 195.8	\$ 541.0	\$ 402.5
Net income per common share attributable to CBI:				
Basic – Class A Common Stock	\$ 1.56	\$ 1.03	\$ 2.80	\$ 2.12
Basic – Class B Convertible Common Stock	\$ 1.42	\$ 0.93	\$ 2.54	\$ 1.93
Diluted – Class A Common Stock	\$ 1.49	\$ 0.98	\$ 2.67	\$ 2.01
Diluted – Class B Convertible Common Stock	\$ 1.38	\$ 0.90	\$ 2.47	\$ 1.84
Weighted average common shares outstanding:				
Basic – Class A Common Stock	172.239	169.158	171.805	168.663
Basic – Class B Convertible Common Stock	23.364	23.401	23.370	23.408
Diluted – Class A Common Stock	203.110	200.800	202.984	200.579
Diluted – Class B Convertible Common Stock	23.364	23.401	23.370	23.408
Cash dividends declared per common share:				
Class A Common Stock	\$ 0.31	\$ —	\$ 0.62	\$ —
Class B Convertible Common Stock	\$ 0.28	\$ —	\$ 0.56	\$ —

Constellation Brands, Inc. and Subsidiaries
CONSOLIDATED STATEMENTS OF CASH FLOWS
(in millions)

	Six Months Ended	
	August 31, 2015	August 31, 2014
Cash flows from operating activities		
Net income	\$ 544.3	\$ 402.5
Adjustments to reconcile net income to net cash provided by operating activities:		
Deferred tax provision	94.0	67.6
Depreciation	88.7	78.3
Stock-based compensation	26.0	27.9
Amortization of intangible assets	22.7	24.7
Amortization of deferred financing costs	6.2	5.8
Noncash portion of loss on write-off of financing costs	1.1	3.3
Change in operating assets and liabilities, net of effects from purchase of business:		
Accounts receivable	(128.9)	(31.3)
Inventories	63.6	(34.3)
Prepaid expenses and other current assets	44.7	(30.7)
Accounts payable	94.1	107.1
Accrued excise taxes	(1.4)	1.8
Other accrued expenses and liabilities	(22.5)	59.8
Other	(29.5)	(14.4)
Total adjustments	258.8	265.6
Net cash provided by operating activities	803.1	668.1
Cash flows from investing activities		
Purchase of business	(317.9)	—
Purchases of property, plant and equipment	(294.8)	(308.2)
Other investing activities	3.7	2.0
Net cash used in investing activities	(609.0)	(306.2)
Cash flows from financing activities		
Proceeds from issuance of long-term debt	200.0	—
Excess tax benefits from stock-based payment awards	89.7	64.0
Proceeds from shares issued under equity compensation plans	33.2	22.1
Dividends paid	(119.8)	—
Principal payments of long-term debt	(109.3)	(34.4)
Payments of minimum tax withholdings on stock-based payment awards	(38.4)	(28.4)
Net proceeds from (repayments of) notes payable	(18.5)	197.0
Payments of financing costs of long-term debt	(7.6)	(2.0)
Payment of delayed purchase price arrangement	—	(543.3)
Net cash provided by (used in) financing activities	29.3	(325.0)
Effect of exchange rate changes on cash and cash equivalents	(3.8)	3.5
Net increase in cash and cash equivalents	219.6	40.4
Cash and cash equivalents, beginning of period	110.1	63.9
Cash and cash equivalents, end of period	\$ 329.7	\$ 104.3

Constellation Brands, Inc. and Subsidiaries
RECONCILIATION OF REPORTED, ORGANIC AND CONSTANT CURRENCY NET SALES

(in millions)

On August 3, 2015, we acquired the Meiomì wine brand and certain related assets (“Meiomì”). We define organic net sales for the respective periods as reported net sales less net sales of Meiomì products. We provide organic net sales and percentage change in constant currency net sales (which excludes the impact of year-over-year currency exchange rate fluctuations) because we use this information in monitoring and evaluating the underlying business trends of our core operations. In addition, we believe this information provides investors better insight on underlying business trends and results in order to evaluate year-over-year financial performance.

	Three Months Ended		Percent Change	Currency Impact	Constant Currency Percent Change ⁽¹⁾	Six Months Ended		Percent Change	Currency Impact	Constant Currency Percent Change ⁽¹⁾
	August 31, 2015	August 31, 2014				August 31, 2015	August 31, 2014			
Consolidated net sales	\$ 1,733.4	\$ 1,604.1	8%	(2%)	10%	\$ 3,364.7	\$ 3,130.1	7%	(1%)	9%
Less: Meiomì ⁽²⁾	(3.8)	—				(3.8)	—			
Consolidated organic net sales	\$ 1,729.6	\$ 1,604.1	8%	(2%)	9%	\$ 3,360.9	\$ 3,130.1	7%	(1%)	9%
Beer net sales	\$ 1,019.5	\$ 891.8	14%	—%	14%	\$ 1,985.3	\$ 1,759.5	13%	—%	13%
Wine and Spirits net sales	\$ 713.9	\$ 715.8	—%	(3%)	3%	\$ 1,379.4	\$ 1,374.1	—%	(3%)	3%
Less: Meiomì ⁽²⁾	(3.8)	—				(3.8)	—			
Wine and Spirits organic net sales	\$ 710.1	\$ 715.8	(1%)	(3%)	3%	\$ 1,375.6	\$ 1,374.1	—%	(3%)	3%

⁽¹⁾ May not sum due to rounding as each item is computed independently.

⁽²⁾ For the period August 3, 2015, through August 31, 2015, included in the three months and six months ended August 31, 2015.

Constellation Brands, Inc. and Subsidiaries
SUPPLEMENTAL SHIPMENT AND DEPLETION INFORMATION

BEER

(in millions, branded product, 24-pack, 12-ounce case equivalents)

	Three Months Ended			Six Months Ended		
	August 31, 2015	August 31, 2014	Percent Change	August 31, 2015	August 31, 2014	Percent Change
Shipment volume ⁽¹⁾	64.0	56.8	12.7%	124.3	111.5	11.5%
Depletion volume ⁽²⁾			10.4%			10.3%

WINE AND SPIRITS

(in millions, branded product, 9-liter case equivalents)

	Three Months Ended			Six Months Ended		
	August 31, 2015	August 31, 2014	Percent Change	August 31, 2015	August 31, 2014	Percent Change
Shipment volume	17.0	16.8	1.2%	32.7	31.9	2.5%
Organic shipment volume ⁽³⁾	17.0	16.8	1.2%	32.7	31.9	2.5%
U.S. Domestic shipment volume	12.8	12.6	1.6%	24.5	24.0	2.1%
U.S. Domestic organic shipment volume ⁽³⁾	12.8	12.6	1.6%	24.5	24.0	2.1%
U.S. Domestic Focus Brands shipment volume ⁽⁴⁾	6.7	6.3	6.3%	12.9	12.2	5.7%
U.S. Domestic organic Focus Brands shipment volume ^{(3) (4)}	6.7	6.3	6.3%	12.9	12.2	5.7%
U.S. Domestic depletion volume ^{(2) (5)}			1.3%			2.4%
U.S. Domestic Focus Brands depletion volume ^{(2) (4) (5)}			6.3%			6.6%

⁽¹⁾ Shipment volume trends for the three months and six months ended August 31, 2015, were favorably impacted by the overlap of approximately two million cases as a result of the voluntary product recall of select packages in the U.S. and Guam of Corona Extra beer (the "Product Recall") for the three months and six months ended August 31, 2014.

⁽²⁾ Depletions represent distributor shipments of our respective branded products to retail customers, based on third-party data.

⁽³⁾ Includes an adjustment to remove Meiomi shipment volumes for the period August 3, 2015, through August 31, 2015, for the three months and six months ended August 31, 2015.

⁽⁴⁾ U.S. Domestic Focus Brands include the following brands: Black Box, Clos du Bois, Estancia, Franciscan Estate, Inniskillin, Kim Crawford, Mark West, Meiomi, Mount Veeder, Robert Mondavi, Ruffino, Saved, Simi, SVEDKA Vodka, The Dreaming Tree and Wild Horse.

⁽⁵⁾ Includes depletion of Meiomi products for the prior comparable period of August 3, 2014, through August 31, 2014, for the three months and six months ended August 31, 2014.

Constellation Brands, Inc. and Subsidiaries
SUMMARIZED SEGMENT AND EQUITY EARNINGS INFORMATION
(in millions)

	Three Months Ended			Six Months Ended		
	August 31, 2015	August 31, 2014	Percent Change	August 31, 2015	August 31, 2014	Percent Change
Beer						
Segment net sales	\$ 1,019.5	\$ 891.8	14%	\$ 1,985.3	\$ 1,759.5	13%
Segment gross profit	\$ 493.2	\$ 404.0	22%	\$ 968.1	\$ 814.2	19%
<i>% Net sales</i>	48.4%	45.3%		48.8%	46.3%	
Segment operating income	\$ 355.9	\$ 271.0	31%	\$ 692.4	\$ 558.5	24%
<i>% Net sales</i>	34.9%	30.4%		34.9%	31.7%	
Wine and Spirits						
Wine net sales	\$ 624.3	\$ 640.7	(3%)	\$ 1,212.1	\$ 1,227.1	(1%)
Spirits net sales	89.6	75.1	19%	167.3	147.0	14%
Segment net sales	\$ 713.9	\$ 715.8	—%	\$ 1,379.4	\$ 1,374.1	—%
Segment gross profit	\$ 297.1	\$ 293.8	1%	\$ 567.9	\$ 561.6	1%
<i>% Net sales</i>	41.6%	41.0%		41.2%	40.9%	
Segment operating income	\$ 175.9	\$ 169.8	4%	\$ 320.1	\$ 313.0	2%
<i>% Net sales</i>	24.6%	23.7%		23.2%	22.8%	
Equity in earnings (losses) of equity method investees	\$ 0.2	\$ (0.6)	NM	\$ 1.2	\$ (0.1)	NM
Corporate Operations and Other segment operating loss	\$ (30.9)	\$ (27.4)	13%	\$ (57.4)	\$ (53.5)	7%
Consolidated operating income	\$ 479.4	\$ 378.7		\$ 906.7	\$ 770.9	
Comparable Adjustments	21.5	34.7		48.4	47.1	
Comparable operating income	500.9	413.4		955.1	818.0	
Equity in earnings (losses) of equity method investees	0.2	(0.6)		1.2	(0.1)	
Consolidated EBIT	\$ 501.1	\$ 412.8		\$ 956.3	\$ 817.9	

NM=Not Meaningful

Constellation Brands, Inc. and Subsidiaries
RECONCILIATIONS OF GAAP TO NON-GAAP FINANCIAL MEASURES

(in millions, except per share data)

We report our financial results in accordance with generally accepted accounting principles in the U.S. ("GAAP"). However, non-GAAP financial measures, as defined in the reconciliation tables below, are provided because we use this information in evaluating the results of our core operations and/or internal goal setting. In addition, we believe this information provides investors better insight on underlying business trends and results in order to evaluate year-over-year financial performance. See the tables below for supplemental financial data and corresponding reconciliations of these non-GAAP financial measures to GAAP financial measures for the periods presented. Non-GAAP financial measures should be viewed in addition to, and not as an alternative for, our reported results prepared in accordance with GAAP. Please refer to our website at <http://www.cbrands.com/investors> for a more detailed description and further discussion of these non-GAAP financial measures.

	Three Months Ended August 31, 2015			Three Months Ended August 31, 2014			Percent Change - Reported Basis (GAAP)	Percent Change - Comparable Basis (Non-GAAP)
	Reported Basis (GAAP)	Comparable Adjustments	Comparable Basis (Non-GAAP)	Reported Basis (GAAP)	Comparable Adjustments	Comparable Basis (Non-GAAP)		
Net sales	\$ 1,733.4		\$ 1,733.4	\$ 1,604.1	\$ 3.5	\$ 1,607.6	8%	8%
Cost of product sold	(957.8)	\$ 14.7		(932.1)	\$ 22.3			
Gross profit	775.6	14.7	\$ 790.3	672.0	25.8	\$ 697.8	15%	13%
Selling, general and administrative expenses	(296.2)	6.8		(293.3)	8.9			
Operating income	479.4	21.5	\$ 500.9	378.7	34.7	\$ 413.4	27%	21%
Equity in earnings (losses) of equity method investees	0.2			(0.6)				
EBIT			\$ 501.1			\$ 412.8	NA	21%
Interest expense	(77.3)			(85.0)				
Loss on write-off of financing costs	(1.1)	1.1		(4.4)	4.4			
Income before income taxes	401.2	22.6	\$ 423.8	288.7	39.1	\$ 327.8	39%	29%
Provision for income taxes	(97.1)	(7.3)		(92.9)	(12.9)			
Net income	304.1	15.3		195.8	26.2			
Net income attributable to noncontrolling interests	(1.7)	(0.1)		—				
Net income attributable to CBI	\$ 302.4	\$ 15.2	\$ 317.6	\$ 195.8	\$ 26.2	\$ 222.0	54%	43%
EPS ⁽¹⁾	\$ 1.49	\$ 0.07	\$ 1.56	\$ 0.98	\$ 0.13	\$ 1.11	52%	41%
Weighted average common shares outstanding - diluted	203.110		203.110	200.800		200.800		
Gross margin	44.7%		45.6%	41.9%		43.4%		
Operating margin	27.7%		28.9%	23.6%		25.7%		
Effective tax rate	24.2%		24.6%	32.2%		32.3%		

	Three Months Ended August 31, 2015				Three Months Ended August 31, 2014		
	Acquisitions, Divestitures and Related Costs ⁽²⁾	Restructuring and Related Charges	Other ⁽³⁾	Total	Acquisitions, Divestitures and Related Costs ⁽²⁾	Other ⁽³⁾	Total
<u>Comparable Adjustments</u>							
Net sales	\$ —	\$ —	\$ —	\$ —	\$ —	\$ 3.5	\$ 3.5
Cost of product sold	\$ 10.2	\$ —	\$ 4.5	\$ 14.7	\$ 11.3	\$ 11.0	\$ 22.3
Selling, general and administrative expenses	\$ 5.5	\$ 1.3	\$ —	\$ 6.8	\$ 8.6	\$ 0.3	\$ 8.9
Operating income	\$ 15.7	\$ 1.3	\$ 4.5	\$ 21.5	\$ 19.9	\$ 14.8	\$ 34.7
Loss on write-off of financing costs	\$ —	\$ —	\$ 1.1	\$ 1.1	\$ —	\$ 4.4	\$ 4.4
Provision for income taxes	\$ (4.9)	\$ (0.4)	\$ (2.0)	\$ (7.3)	\$ (6.2)	\$ (6.7)	\$ (12.9)
Net loss attributable to noncontrolling interests	\$ (0.1)	\$ —	\$ —	\$ (0.1)	\$ —	\$ —	\$ —
Net income attributable to CBI	\$ 10.7	\$ 0.9	\$ 3.6	\$ 15.2	\$ 13.7	\$ 12.5	\$ 26.2
EPS ⁽¹⁾	\$ 0.05	\$ —	\$ 0.02	\$ 0.07	\$ 0.07	\$ 0.06	\$ 0.13

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

(2) For the three months ended August 31, 2015, acquisitions, divestitures and related costs consist of transaction, integration and other acquisition-related costs recognized in connection with the acquisitions of the June 2013 beer business and the December 2014 glass production plant, and Meiom. For the three months ended August 31, 2014, acquisitions, divestitures and related costs consist of integration and other acquisition-related costs recognized in connection with the acquisition of the June 2013 beer business.

(3) For the three months ended August 31, 2015, other consists primarily of a net loss from the mark to fair value of undesignated commodity derivative contracts. For the three months ended August 31, 2014, other consists primarily of costs, net of recoveries, associated with the Product Recall and a loss on the write-off of financing costs.

Constellation Brands, Inc. and Subsidiaries
RECONCILIATIONS OF GAAP TO NON-GAAP FINANCIAL MEASURES (continued)

(in millions, except per share data)

	Six Months Ended August 31, 2015			Six Months Ended August 31, 2014			Percent Change - Reported Basis (GAAP)	Percent Change - Comparable Basis (Non-GAAP)
	Reported Basis (GAAP)	Adjustments	Comparable Basis (Non-GAAP)	Reported Basis (GAAP)	Adjustments	Comparable Basis (Non-GAAP)		
Net sales	\$ 3,364.7		\$ 3,364.7	\$ 3,130.1	\$ 3.5	\$ 3,133.6	7%	7%
Cost of product sold	(1,852.0)	\$ 23.3		(1,788.0)	30.2			
Gross profit	1,512.7	23.3	\$ 1,536.0	1,342.1	33.7	\$ 1,375.8	13%	12%
Selling, general and administrative expenses	(606.0)	25.1		(571.2)	13.4			
Operating income	906.7	48.4	\$ 955.1	770.9	47.1	\$ 818.0	18%	17%
Equity in earnings (losses) of equity method investees	1.2			(0.1)				
EBIT			\$ 956.3			\$ 817.9	NA	17%
Interest expense	(154.8)			(171.4)				
Loss on write-off of financing costs	(1.1)	1.1		(4.4)	4.4			
Income before income taxes	752.0	49.5	\$ 801.5	595.0	51.5	\$ 646.5	26%	24%
Provision for income taxes	(207.7)	(16.8)		(192.5)	(16.8)			
Net income	544.3	32.7		402.5	34.7			
Net income attributable to noncontrolling interests	(3.3)	0.3		—				
Net income attributable to CBI	\$ 541.0	\$ 33.0	\$ 574.0	\$ 402.5	\$ 34.7	\$ 437.2	34%	31%
EPS ⁽¹⁾	\$ 2.67	\$ 0.16	\$ 2.83	\$ 2.01	\$ 0.17	\$ 2.18	33%	30%
Weighted average common shares outstanding - diluted	202,984		202,984	200,579		200,579		
Gross margin	45.0%		45.7%	42.9%		43.9%		
Operating margin	26.9%		28.4%	24.6%		26.1%		
Effective tax rate	27.6%		28.0%	32.4%		32.4%		

	Six Months Ended August 31, 2015				Six Months Ended August 31, 2014		
	Acquisitions, Divestitures and Related Costs ⁽⁴⁾	Restructuring and Related Charges ⁽⁵⁾	Other ⁽⁶⁾	Total	Acquisitions, Divestitures and Related Costs ⁽⁴⁾	Other ⁽⁶⁾	Total
<u>Comparable Adjustments</u>							
Net sales	\$ —	\$ —	\$ —	\$ —	\$ —	\$ 3.5	\$ 3.5
Cost of product sold	\$ 19.1	\$ —	\$ 4.2	\$ 23.3	\$ 18.9	\$ 11.3	\$ 30.2
Selling, general and administrative expenses	\$ 10.8	\$ 14.3	\$ —	\$ 25.1	\$ 13.1	\$ 0.3	\$ 13.4
Operating income	\$ 29.9	\$ 14.3	\$ 4.2	\$ 48.4	\$ 32.0	\$ 15.1	\$ 47.1
Loss on write-off of financing costs	\$ —	\$ —	\$ 1.1	\$ 1.1	\$ —	\$ 4.4	\$ 4.4
Provision for income taxes	\$ (9.7)	\$ (5.2)	\$ (1.9)	\$ (16.8)	\$ (10.0)	\$ (6.8)	\$ (16.8)
Net loss attributable to noncontrolling interests	\$ 0.3	\$ —	\$ —	\$ 0.3	\$ —	\$ —	\$ —
Net income attributable to CBI	\$ 20.5	\$ 9.1	\$ 3.4	\$ 33.0	\$ 22.0	\$ 12.7	\$ 34.7
EPS ⁽¹⁾	\$ 0.10	\$ 0.04	\$ 0.02	\$ 0.16	\$ 0.11	\$ 0.06	\$ 0.17

⁽⁴⁾ For the six months ended August 31, 2015, acquisitions, divestitures and related costs consist of transaction, integration and other acquisition-related costs recognized in connection with the acquisitions of the June 2013 beer business and the December 2014 glass production plant, and Meiomi. For the six months ended August 31, 2014, acquisitions, divestitures and related costs consist of integration and other acquisition-related costs recognized in connection with the acquisition of the June 2013 beer business.

⁽⁵⁾ For the six months ended August 31, 2015, restructuring and related charges consist of costs recognized in connection with the company's plan initiated in May 2015 to streamline and simplify processes, and shift resources and investment to long-term, profitable growth opportunities across the business (the "Fiscal 2016 Plan").

⁽⁶⁾ For the six months ended August 31, 2015, other consists primarily of a net loss from the mark to fair value of undesignated commodity derivative contracts. For the six months ended August 31, 2014, other consists primarily of costs, net of recoveries, associated with the Product Recall and a loss on the write-off of financing costs.

Constellation Brands, Inc. and Subsidiaries
RECONCILIATIONS OF GAAP TO NON-GAAP FINANCIAL MEASURES (continued)
GUIDANCE - EPS

	Range for the Year Ending February 29, 2016	
Forecasted EPS - reported basis (GAAP)	\$ 4.73	\$ 4.93
Acquisitions, divestitures and related costs ⁽¹⁾	0.20	0.20
Restructuring and related charges ⁽²⁾	0.05	0.05
Other ⁽³⁾	0.02	0.02
Forecasted EPS - comparable basis (Non-GAAP) ⁽⁴⁾	\$ 5.00	\$ 5.20
		Actual for the Year Ended February 28, 2015
EPS - reported basis (GAAP)		\$ 4.17
Acquisitions, divestitures and related costs ⁽¹⁾		0.20
Other ⁽³⁾		0.07
EPS - comparable basis (Non-GAAP) ⁽⁴⁾		\$ 4.44

⁽¹⁾ Includes an estimated \$0.20 EPS for the year ending February 29, 2016, associated with transaction, integration and other acquisition-related costs recognized in connection with the acquisitions of the June 2013 beer business and the December 2014 glass production plant, and Meiomi. Includes \$0.20 EPS for the year ended February 28, 2015, associated primarily with integration and other acquisition-related costs recognized in connection with the acquisitions of the June 2013 beer business and the December 2014 glass production plant.

⁽²⁾ Includes an estimated \$0.05 EPS for the year ending February 29, 2016, associated with the Fiscal 2016 Plan.

⁽³⁾ Includes an estimated \$0.02 EPS for the year ending February 29, 2016, primarily associated with a net loss from the mark to fair value of undesignated commodity derivative contracts. Includes \$0.09, \$0.02, \$0.01, (\$0.03) and (\$0.02) EPS for the year ended February 28, 2015, consisting primarily of (i) a net loss from the mark to fair value of undesignated commodity derivative contracts, primarily driven by diesel fuel derivative contracts, (ii) a loss on the write-off of financing costs and (iii) a loss on certain assets in connection with an earthquake in Napa, California; partially offset by a gain from an adjustment to a certain guarantee originally recorded in connection with a prior divestiture and a net gain on the sale of and the write-down of certain property, plant and equipment, respectively. ⁽⁴⁾

⁽⁴⁾ May not sum due to rounding as each item is computed independently.

Constellation Brands, Inc. and Subsidiaries**RECONCILIATIONS OF GAAP TO NON-GAAP FINANCIAL MEASURES (continued)****GUIDANCE - FREE CASH FLOW**

(in millions)

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, 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.

	Range for the Year Ending February 29, 2016	
Net cash provided by operating activities (GAAP)	\$ 1,250.0	\$ 1,450.0
Purchases of property, plant and equipment	(1,050.0)	(1,150.0)
Free cash flow (Non-GAAP)	\$ 200.0	\$ 300.0

	Actual for the Six Months Ended August 31, 2015	Actual for the Six Months Ended August 31, 2014
Net cash provided by operating activities (GAAP)	\$ 803.1	\$ 668.1
Purchases of property, plant and equipment	(294.8)	(308.2)
Free cash flow (Non-GAAP)	\$ 508.3	\$ 359.9