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

FORM 10-K

(Mark One)

☒ **ANNUAL REPORT PURSUANT TO SECTION 13 OR 15(d) OF THE SECURITIES EXCHANGE ACT OF 1934**
For the fiscal year ended February 29, 2016

or

☐ **TRANSITION REPORT PURSUANT TO SECTION 13 OR 15(d) OF THE SECURITIES EXCHANGE ACT OF 1934**
For the transition period from______ to ______

Commission file number 001-08495

Constellation Brands

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

Delaware	**16-0716709**
State or other jurisdiction of incorporation or organization	**(I.R.S. Employer Identification No.)**
207 High Point Drive, Building 100 Victor, New York	**14564**
(Address of principal executive offices)	**(Zip Code)**

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

Securities registered pursuant to Section 12(b) of the Act:

Title of each class	Name of each exchange on which registered
Class A Common Stock (par value $.01 per share)	New York Stock Exchange
Class B Common Stock (par value $.01 per share)	New York Stock Exchange

Securities registered pursuant to Section 12(g) of the Act:
None

Indicate by check mark if the registrant is a well-known seasoned issuer, as defined in Rule 405 of the Securities Act. Yes ☒ No ☐

Indicate by check mark if the registrant is not required to file reports pursuant to Section 13 or Section 15(d) of the Act. Yes ☐ No ☒

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

Indicate by check mark whether the registrant has submitted electronically and posted on its corporate Web site, if any, every Interactive Data File required to be submitted and posted pursuant to Rule 405 of Regulation S-T (§232.405 of this chapter) during the preceding 12 months (or for such shorter period that the registrant was required to submit and post such files). Yes ☒ No ☐

Indicate by check mark if disclosure of delinquent filers pursuant to Item 405 of Regulation S-K (§229.405 of this chapter) is not contained herein, and will not be contained, to the best of registrant's knowledge, in definitive proxy or information statements incorporated by reference in Part III of this Form 10-K or any amendment to this Form 10-K. ☐

Indicate by check mark whether the registrant is a large accelerated filer, an accelerated filer, a non-accelerated filer, or a smaller reporting company. See the definitions of "large accelerated filer," "accelerated filer" and "smaller reporting company" in Rule 12b-2 of the Exchange Act.

Large accelerated filer	☒	Accelerated filer	☐
Non-accelerated filer	☐ (Do not check if a smaller reporting company)	Smaller reporting company	☐

Indicate by check mark whether the registrant is a shell company (as defined in Rule 12b-2 of the Exchange Act). Yes ☐ No ☒

The aggregate market value of the voting and non-voting common equity held by non-affiliates of the registrant, based upon the closing sales prices of the registrant's Class A and Class B Common Stock as reported on the New York Stock Exchange as of the last business day of the registrant's most recently completed second fiscal quarter was $21,123,013,825.

The number of shares outstanding with respect to each of the classes of common stock of Constellation Brands, Inc., as of April 19, 2016, is set forth below:

Class	Number of Shares Outstanding
Class A Common Stock, par value $.01 per share	176,413,448
Class B Common Stock, par value $.01 per share	23,352,729
Class 1 Common Stock, par value $.01 per share	2,000

DOCUMENTS INCORPORATED BY REFERENCE

The Proxy Statement of Constellation Brands, Inc. to be issued for the Annual Meeting of Stockholders which is expected to be held July 20, 2016 is incorporated by reference in Part III to the extent described therein.

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This Annual Report on Form 10-K contains "forward-looking statements" within the meaning of Section 27A of the Securities Act of 1933 and Section 21E of the Securities Exchange Act of 1934. These forward-looking statements are subject to a number of risks and uncertainties, many of which are beyond our control, which could cause actual results to differ materially from those set forth in, or implied by, such forward-looking statements. All statements other than statements of historical fact included in this Annual Report on Form 10-K, including without limitation (I) the statements under Item 1 "Business" and Item 7 "Management's Discussion and Analysis of Financial Condition and Results of Operations" regarding (i) our business strategy, future financial position, prospects, plans and objectives of management, (ii) information concerning expected or potential actions of third parties, (iii) information concerning the future expected balance of supply and demand for wine, (iv) the duration of the share repurchase implementation and source of funds for share repurchases, (v) our effective tax rate, (vi) the timing and source of funds for operating activities, (vii) the amount and timing of future dividends, and (viii) the acquisition of The Prisoner Wine Company brand portfolio, (II) the statements regarding the expansions of our Nava Brewery, construction of our Mexicali Brewery and glass plant expansion, including anticipated costs and timeframes for completion and (III) the statements regarding a decision whether to pursue an initial public offering of a portion of the Company's Canadian wine business are forward-looking statements. When used in this Annual Report on Form 10-K, the words "anticipate," "intend," "expect," and similar expressions are intended to identify forward-looking statements, although not all forward-looking statements contain such identifying words. All forward-looking statements speak only as of the date of this Annual Report on Form 10-K. We undertake no obligation to update or revise any forward-looking statements, whether as a result of new information, future events or otherwise. Although we believe that the expectations reflected in the forward-looking statements are reasonable, we can give no assurance that such expectations will prove to be correct. In addition to the risks and uncertainties of ordinary business operations and conditions in the general economy and markets in which we compete, our forward-looking statements contained in this Annual Report on Form 10-K are also subject to the risk and uncertainty that (i) the actual balance of supply and demand for wine products will vary from current expectations due to, among other reasons, actual grape harvest, actual shipments to distributors and actual consumer demand, (ii) the actual demand for our products will vary from current expectations due to, among other reasons, actual shipments to distributors and actual consumer demand, (iii) the amount and timing of and source of funds for any share repurchases may vary due to market conditions, our cash and debt position, and other factors as determined by management from time to time, (iv) the amount and timing of future dividends may differ from our current expectations if our ability to use cash flow to fund dividends is affected by unanticipated increases in total net debt, we are unable to generate cash flow at anticipated levels, or we fail to generate expected earnings, (v) the timeframe and actual costs associated with the expansions of our Nava Brewery, construction of our Mexicali Brewery and glass plant expansion may vary from management's current expectations due to market conditions, our cash and debt position, receipt of all required regulatory approvals by the expected dates and on the expected terms and other factors as determined by management, (vi) The Prisoner Wine Company brand portfolio acquisition is subject to the satisfaction of certain closing conditions and the receipt of any required regulatory approvals, and (vii) the decision whether to pursue an initial public offering of a portion of the Company's Canadian wine business is subject to the determination and discretion of the Company. Additional important factors that could cause actual results to differ materially from those set forth in or implied by our forward-looking statements contained in this Annual Report on Form 10-K are those described in Item 1A "Risk Factors" and elsewhere in this report and in our other filings with the Securities and Exchange Commission.

Unless the context otherwise requires, the terms "Company," "CBI," "we," "our," or "us" refer to Constellation Brands, Inc. and its subsidiaries. All references to "net sales" refer to gross sales less promotions, returns and allowances, and excise taxes consistent with the Company's method of classification. All references to "Fiscal 2016," "Fiscal 2015" and "Fiscal 2014" refer to the Company's fiscal year ended the last day of February of the indicated year. All references to "Fiscal 2017" refer to our fiscal year ending February 28, 2017. Unless otherwise defined herein, refer to the Notes to the Consolidated Financial Statements under Item 8 of this Annual Report on Form 10-K for the definition of capitalized terms used herein.

Market positions and industry data discussed in this Annual Report on Form 10-K are as of calendar 2015 and have been obtained or derived from industry and government publications and our estimates. The industry and government publications include: Association for Canadian Distillers; Aztec; Beer Marketers Insights; Beverage Information Group; Distilled Spirits Council of the United States; The Gomberg-Fredrikson Report; Impact Databank Review and Forecast; International Wine and Spirits Research (IWSR); IRI; and National Alcohol Beverage Control Association. We have not independently verified the data from the industry and government publications. Unless otherwise noted, all references to market positions are based on equivalent unit volume.

PART I

Item 1. Business.

Introduction

We are a leading international beverage alcohol company with many of our products recognized as leaders in their respective categories and geographic markets. We are the third-largest producer and marketer of beer for the U.S. market and the world's leading premium wine company with a leading market position in the U.S. and Canada. Our wine portfolio is complemented by select premium spirits brands and other select beverage alcohol products. We are the largest multi-category supplier (beer, wine and spirits) ("Multi-category Supplier") of beverage alcohol in the U.S. Our strong market positions make us a supplier of choice to many of our customers, who include wholesale distributors, retailers, on-premise locations and government alcohol beverage control agencies.

The Company is a Delaware corporation incorporated on December 4, 1972, as the successor to a business founded in 1945. We have approximately 9,000 employees located primarily in the U.S., Canada and Mexico, with our corporate headquarters located in Victor, New York. We conduct our business through entities we wholly own as well as through a variety of joint ventures and other entities.

Strategy

Certain key industry trends during the past decade have impacted our activities, results and strategy. These include:

- consolidation of suppliers, wholesalers and retailers;
- high-end beer (primarily imported and craft) growing faster than total beer in the U.S.;
- an increase in North American wine consumption, with premium wines growing faster than value-priced wines; and
- volume of premium spirits growing faster than value-priced spirits in the U.S.

To capitalize on these trends, become more competitive and grow our business, we have generally employed a strategy focused on a combination of organic growth and acquisitions, with an increasing focus on the higher-growth, higher-margin premium categories of the beverage alcohol industry. Key elements of our strategy include:

- leveraging our existing portfolio of leading brands;
- developing new products, new packaging and line extensions;
- strengthening relationships with wholesalers and retailers;
- expanding distribution of our product portfolio;
- enhancing and expanding production capabilities;
- realizing operating efficiencies and synergies; and
- maximizing asset utilization.

We completed the Beer Business Acquisition to solidify our position in the U.S. beer market over the long-term; diversify our profit base and enhance our margins, results of operations and cash flow; and provide new avenues for growth. We enhanced our position in the high-end beer segment with the acquisition of Ballast Point, a highly-awarded craft brewer, which provides us with a high-growth premium platform to compete in the fast-growing craft beer category. We have also acquired higher-margin premium and above wine growth brands as part of our efforts to increase our mix of premium brands, improve margins and create operating efficiencies.

For further information on our strategy, see Management's Discussion and Analysis of Financial Condition and Results of Operations under Item 7 of this Annual Report on Form 10-K ("MD&A").

Investments and Acquisitions

As part of our strategy to improve margins, enhance production capabilities and keep an increased focus on the higher-margin premium categories of the beverage alcohol industry, we have completed, or are in the process of completing, the following investments and acquisitions:

Name	Period
Prisoner acquisition	Pending
Ballast Point acquisition	December 2015
Meiomi acquisition	August 2015
Glass production plant acquisition through joint venture with Owens-Illinois	December 2014
Casa Noble acquisition	September 2014
Beer Business Acquisition	June 2013
Mark West acquisition	July 2012
Ruffino acquisition	October 2011

Pending Prisoner Acquisition

The pending acquisition of this portfolio of five fast-growing, higher-margin, super-luxury wine brands will complement our existing portfolio and strengthen our position in the super-luxury wine category.

Ballast Point Acquisition

The acquisition of this major, craft beer brewer has provided a high-growth premium platform that will allow us to compete in the fast-growing, craft beer category and further strengthen our position in the high-end of the U.S. beer market.

Meiomi Acquisition

The acquisition of this fast-growing, higher-margin, luxury brand has complemented our existing portfolio and further strengthened our position in the U.S. pinot noir category.

Glass Production Plant Acquisition

The formation of an equally-owned joint venture with Owens-Illinois, the world’s largest glass container manufacturer, and the acquisition of a state-of-the-art glass production plant that is located adjacent to our Nava Brewery in Mexico has solidified our long-term glass sourcing strategy under favorable terms.

Casa Noble Acquisition

The acquisition of this fast-growing, higher-margin, super-premium tequila brand has complemented our Mexican beer portfolio and has further strengthened both our on and off-premise presence as tequila and Mexican beer share similar target consumers and drinking occasions. In addition, Casa Noble fits well into our existing wine and spirits distribution infrastructure.

Beer Business Acquisition

The acquisition of Modelo’s U.S. beer business included the remaining 50% interest in Crown Imports, which provides us with complete, independent control of our U.S. commercial beer business; the state-of-the-art Nava Brewery; and exclusive perpetual brand rights to import, market and sell Corona and the other Mexican Beer Brands in the U.S. market. The transaction solidified our position in the U.S. beer market for the long term and made us the third-largest brewer and seller of beer for the U.S. market. Combining this with our strong position in wine and spirits positions us as the largest Multi-category Supplier of beverage alcohol in the U.S.

Mark West

The acquisition of this higher-margin, premium wine growth brand has complemented our existing portfolio and further strengthened our position in the U.S. pinot noir category.

Ruffino

The acquisition of the remaining equity interest in this business has solidified our position in the Italian premium wine category in the U.S. and Canada.

For further information about our Fiscal 2016, Fiscal 2015 and Fiscal 2014 transactions, refer to (i) MD&A and (ii) Note 2 of the Notes to the Consolidated Financial Statements under Item 8 of this Annual Report on Form 10-K ("Notes to the Financial Statements").

Business Segments

We report our operating results in three segments: (i) Beer, (ii) Wine and Spirits, and (iii) Corporate Operations and Other. The business segments reflect how our operations are managed, how resources are allocated, how operating performance is evaluated by senior management and the structure of our internal financial reporting. We report net sales in two reportable segments, as follows:

	For the Year Ended February 29, 2016	% of Total Segment Net Sales	For the Year Ended February 28, 2015	% of Total Segment Net Sales	For the Year Ended February 28, 2014	% of Total Segment Net Sales
(in millions)						
Beer	$ 3,622.6	55.3%	$ 3,188.6	52.9%	$ 2,835.6	49.9%
Wine and Spirits:						
Wine	2,591.4	39.6%	2,523.4	41.9%	2,554.2	45.0%
Spirits	334.4	5.1%	316.0	5.2%	291.3	5.1%
Total Wine and Spirits	2,925.8	44.7%	2,839.4	47.1%	2,845.5	50.1%
Consolidation and Eliminations	—		—		(813.4)	
Consolidated Net Sales	$ 6,548.4		$ 6,028.0		$ 4,867.7	

Beer

We are the leader in the high-end segment of the U.S. beer market. We sell a number of brands in the import and craft beer categories.

Within the imported beer category, we have the exclusive right to import, market and sell these Mexican Beer Brands in all 50 states of the U.S.:

- Corona Extra
- Corona Light
- Modelo Especial
- Pacifico
- Negra Modelo
- Victoria

In the U.S., we have five of the top-selling 15 imported beer brands. Corona Extra is the best-selling imported beer and the fifth best-selling beer overall in the U.S.; Corona Light is the leading imported light beer; and Modelo Especial is the second-largest and one of the fastest-growing major imported beer brands. During Fiscal 2014, we introduced Modelo Especial Chelada, a blend of beer with flavors of tomato, salt and lime, to further capitalize on the strength of this growing brand. Additionally, we are continuing efforts focused on increasing sales penetration of products in can and draft package formats.

Our craft beer products are primarily sold under the Ballast Point brand, which is one of the fastest-growing major craft brands in the U.S. beer market. Ballast Point produces more than 40 different styles of beer, led by its popular Sculpin IPA and Grapefruit Sculpin IPA.

The current capacity of our Nava Brewery is 15 million hectoliters, which includes completion of the first 5 million hectoliters of our previously-announced Nava Brewery capacity expansion. We intend to expand the Nava Brewery's capacity by an additional 12.5 million hectoliters to 27.5 million hectoliters of capacity with (i) 5 million hectoliters expected to be completed by June 2016, (ii) 5 million hectoliters expected to be completed by summer of calendar 2017 and (iii) 2.5 million hectoliters expected to be completed by early calendar 2018.

In January 2016, we announced details related to the construction of a new, state-of-the-art brewery in Mexicali, Baja California, Mexico (the "Mexicali Brewery"), located near California, which is our largest beer market in the U.S. Initially, the Mexicali Brewery will be built to provide 10 million hectoliters production capacity with the ability to scale to 20 million hectoliters in the future. We expect to complete construction of the 10 million hectoliters production capacity by calendar year-end 2020, with the first 5 million hectoliters production capacity expected to be completed by calendar year-end 2019.

Total spend related to these brewery capacity expansion activities, as well as expansion activities at the glass plant facility adjacent to the Nava Brewery (collectively, the "Mexico Beer Expansion Projects"), is estimated to be approximately $4.5 billion through fiscal 2021. In total, we have invested approximately $1.5 billion for the Mexico Beer Expansion Projects, with approximately $775 million during Fiscal 2016 and the remainder during Fiscal 2015 and Fiscal 2014.

Prior to the Beer Business Acquisition, we and Modelo, indirectly, each had an equal interest in Crown Imports, which had the exclusive right to import, market and sell the Mexican Beer Brands.

Wine and Spirits

We are the world's leading producer and marketer of premium wine. We sell a large number of wine brands across all categories – table wine, sparkling wine and dessert wine – and across all price points – popular, premium and luxury categories, primarily within the $5 to $25 U.S. retail price range – and we have a leading market position in the U.S. and Canada. Our portfolio of premium and luxury wines is supported by vineyard holdings in the U.S., Canada, New Zealand and Italy. Our top premium spirits brands have leading positions in their respective categories.

Our wine produced in the U.S. is primarily marketed domestically and in Canada. Wine produced in Canada is primarily marketed domestically. Wine produced in New Zealand and Italy is primarily marketed in the U.S. and Canada. In addition, we export our wine products to other major world markets.

In our spirits business, SVEDKA Vodka is imported from Sweden and is the largest imported vodka brand in the U.S. Black Velvet Canadian Whisky is the second-largest Canadian whisky brand in the U.S.

In the U.S., we sell 16 of the top-selling 100 table wine brands and are a leading premium wine company. Some of our well-known wine and spirits brands sold in the U.S., which comprise our U.S. Focus Brands ("Focus Brands"), include:

Wine Brands			Spirits Brands
Black Box	Kim Crawford	Ruffino	SVEDKA Vodka
Clos du Bois	Mark West	Saved	
Estancia	Meiomi	Simi	
Franciscan Estate	Mount Veeder	The Dreaming Tree	
Inniskillin	Robert Mondavi	Wild Horse	

We dedicate a large share of sales and marketing resources to these brands as they represent a majority of our U.S. wine and spirits revenue and profitability, and generally have strong positions in their respective price categories. Within the Focus Brands, we have been increasing brand building support behind certain key brands which we believe collectively provide the best opportunity for growth and operating margin enhancement for our wine and spirits business. These brands include Black Box, Kim Crawford, Mark West, Meiomi, Robert Mondavi, Ruffino, SVEDKA Vodka and The Dreaming Tree.

We have been increasing resources in support of product innovation as we believe this is one of the key drivers of overall beverage alcohol category growth. In wine, we have launched varietal line extensions behind many of our focus brands and introduced newer brands like Ravage and Tom Gore Vineyards. In spirits, we have been introducing flavor extensions for SVEDKA Vodka and Paul Masson Brandy.

In Canada, we are the leading wine company and have eight of the top-selling 25 table wine brands. In this market, Jackson-Triggs is the top-selling wine brand and Inniskillin is the leading icewine brand. In addition to our domestic brands, we are targeting to increase our import brand presence in this market with offerings like Robert Mondavi, Kim Crawford and Ruffino.

Corporate Operations and Other

The Corporate Operations and Other segment includes traditional corporate-related items including executive management, corporate development, corporate finance, human resources, internal audit, investor relations, legal, public relations and information technology.

Further information regarding net sales, operating income and total assets of each of our business segments and information regarding geographic areas is set forth in Note 20 of the Notes to the Financial Statements.

Marketing and Distribution

To focus on their respective product categories, build brand equity and increase sales, our segments employ full-time, in-house marketing, sales and customer service functions. These functions engage in a range of marketing activities and strategies, including market research, consumer and trade advertising, price promotions, point-of-sale materials, event sponsorship, on-premise promotions and public relations. Where opportunities exist, particularly with national accounts in the U.S., we leverage our sales and marketing skills across the organization.

In North America, our products are primarily distributed by wholesale distributors, with separate distribution networks utilized for our beer portfolio and our wine and spirits portfolio, as well as state and provincial alcohol beverage control agencies. As is the case with all other beverage alcohol companies, products sold through these agencies are subject to obtaining and maintaining listings to sell our products in that agency's state or province. State and provincial governments can affect prices paid by consumers of our products through the imposition of taxes or, in states and provinces in which the government acts as the distributor of our products through an alcohol beverage control agency, by directly setting the retail prices.

Trademarks and Distribution Agreements

Trademarks are an important aspect of our business. We sell products under a number of trademarks, which we own or use under license. Throughout our segments, we also have various licenses and distribution agreements for the sale, or the production and sale, of our products and products of third parties. These licenses and distribution agreements have varying terms and durations.

Prior to the Beer Business Acquisition, all of our imported beer products were imported, marketed and sold through Crown Imports. Crown Imports had entered into exclusive importation agreements with the suppliers of the imported beer products and had an exclusive sub-license to use certain trademarks related to the Mexican Beer Brands in the U.S. and Guam pursuant to a renewable sub-license agreement between Crown Imports and Marcas

Modelo, S.A. de C.V. As a result of the Beer Business Acquisition, our sub-license agreement for the exclusive use of the trademarks for our Mexican Beer Brands is now perpetual.

Competition

The beverage alcohol industry is highly competitive. We compete on the basis of quality, price, brand recognition and distribution strength. Our beverage alcohol products compete with other alcoholic and non-alcoholic beverages for consumer purchases, as well as shelf space in retail stores, restaurant presence and wholesaler attention. We compete with numerous multinational producers and distributors of beverage alcohol products, some of which have greater resources than we do. Our principal competitors include:

Beer	Anheuser-Busch InBev, MillerCoors, Heineken, Pabst Brewing Company, The Boston Beer Company
Wine	
U.S.	E&J Gallo Winery, The Wine Group, Trinchero Family Estates, Treasury Wine Estates, Ste. Michelle Wine Estates, Deutsch Family Wine & Spirits, Jackson Family Wines
Canada	Andrew Peller, Treasury Wine Estates, E&J Gallo Winery, Kruger Wines and Spirits, Pernod Ricard
Spirits	Diageo, Beam Suntory, Brown-Forman, Sazerac Company, Pernod Ricard

Production

For Fiscal 2016, approximately 50% of our Mexican Beer Brands requirements were produced by our Nava Brewery, which is located in Mexico, approximately 10 miles from the Texas border. The current capacity of the Nava Brewery is 15 million hectoliters and is expected to reach 20 million hectoliters by June 2016. In total, we intend to expand the Nava Brewery's capacity to 27.5 million hectoliters, with the subsequent Nava Brewery expansions from 20 million hectoliters to 27.5 million hectoliters targeted to be completed by early calendar 2018.

To meet our beer supply requirements above the current Nava Brewery capacity, we entered into a three-year interim supply agreement with Anheuser-Busch InBev SA/NV ("ABI") in June 2013. This agreement also provides for up to two one-year extensions. However, the United States, acting through the Antitrust Division of the United States Department of Justice ("DOJ"), has a right of approval, in its sole discretion, of any extension of the term of this interim supply agreement beyond three years.

While we remain on track with the Nava Brewery expansion activity, we have extended the interim supply agreement through June 2017 in order to support the robust growth levels of our Mexican beer portfolio and continue a smooth transition as we ramp up incremental capacity.

Additionally, the initial construction of the Mexicali Brewery to provide 10 million hectoliters of production capacity is targeted to be completed by calendar year-end 2020, with the first 5 million hectoliters targeted to be completed by calendar year-end 2019.

We currently operate four facilities in the greater San Diego, California area that produce our Ballast Point brand, including Miramar, which serves as the primary production site for the brand. This facility was built in 2014 and may be expanded to accommodate future growth.

In the U.S., we operate 19 wineries using many varieties of grapes grown principally in the Napa, Sonoma, Monterey and San Joaquin regions of California. We also operate eight wineries in Canada, four wineries in New Zealand and five wineries in Italy. Grapes are crushed at most of our wineries and stored as wine until packaged for sale under our brand names or sold in bulk. The inventories of wine are usually at their highest levels during and after the crush of each year's grape harvest, and are reduced prior to the subsequent year's crush. Wine inventories are usually at their highest levels in September through November in the U.S., Canada and Italy, and in March through May in New Zealand.

Our Canadian whisky requirements are produced and aged at our Canadian distillery in Lethbridge, Alberta. Our requirements for grains and bulk spirits used in the production of Canadian whisky are purchased from various suppliers.

Sources and Availability of Production Materials

The principal components in the production of our craft and Mexican Beer Brands include water; agricultural products, such as malt, hops, yeast and corn starch; and packaging materials, which include glass, aluminum and cardboard.

For our Mexican Beer Brands, packaging materials represent the largest cost component of production, with glass bottles representing the largest cost component of our packaging materials. In Fiscal 2016, the package format mix of our Mexican beer volume sold in the U.S. was 74% glass bottles, 24% aluminum cans and 2% in stainless steel kegs.

The Nava Brewery receives allotments of water originating from a mountain aquifer. We believe we have adequate access to water allotments to support the Nava Brewery's on-going and future requirements after completing the Nava Brewery expansion. In connection with the Beer Business Acquisition, we entered into a transition services agreement with ABI for the supply of materials needed to produce and package beer for varying periods up to 36 months from the date of the acquisition. Investments and efforts to establish stand-alone procurement systems and independent supply arrangements for the beer business operations have essentially been completed.

As part of our efforts to solidify our beer glass sourcing strategy over the long-term, we formed an equally-owned joint venture with Owens-Illinois, the world's largest glass container manufacturer. The joint venture acquired a state-of-the-art glass production plant that is located adjacent to our Nava Brewery in Mexico, in December 2014. The glass plant currently has one operational glass furnace and the joint venture intends to scale it to four furnaces by early calendar 2018. When fully operational with four furnaces, the glass plant is expected to supply approximately 50% of our glass requirements for the Nava Brewery. We also entered into long-term glass supply agreements with other glass producers during Fiscal 2015.

The principal components in the production of our wine and spirits products are agricultural products, such as grapes and grain, and packaging materials (primarily glass).

Most of our annual grape requirements are satisfied by purchases from each year's harvest which normally begins in August and runs through October in the U.S., Canada and Italy, and begins in February and runs through May in New Zealand. We receive grapes from approximately 960 independent growers in the U.S. and approximately 220 independent growers located primarily in Canada and New Zealand. We enter into purchase agreements with a majority of these growers with pricing that generally varies year-to-year and is generally based on then-current market prices.

As of February 29, 2016, we owned or leased approximately 21,700 acres of land and vineyards, either fully bearing or under development, primarily in the U.S., Canada, New Zealand and Italy. This acreage supplies only a small percentage of our overall total grape needs for wine production. However, most of this acreage is used to supply a large portion of the grapes used for the production of certain of our higher-end wines. We continue to consider the purchase or lease of additional vineyards, and additional land for vineyard plantings, to supplement our grape supply.

We believe that we have adequate sources of grape supplies to meet our sales expectations. However, when demand for certain wine products exceeds expectations, we look to source the extra requirements from the bulk wine markets around the world.

The distilled spirits manufactured and imported by us require various agricultural products, neutral grain spirits and bulk spirits which we fulfill through purchases from various sources by contractual arrangement and through purchases on the open market. We believe that adequate supplies of the aforementioned products are available at the present time.

We utilize glass and polyethylene terephthalate (“PET”) bottles and other materials such as caps, corks, capsules, labels, wine bags and cardboard cartons in the bottling and packaging of our wine and spirits products. After grape purchases, glass bottle costs are the largest component of our cost of product sold. In the U.S. and Canada, the glass bottle industry is highly concentrated with only a small number of producers. We have traditionally obtained, and continue to obtain, our glass requirements from a limited number of producers under long-term supply arrangements. Currently, one producer supplies most of our glass container requirements for our U.S. operations and a portion of our glass container requirements for our Canadian operations, with the remaining portion for our Canadian operations supplied by another producer. We have been able to satisfy our requirements with respect to the foregoing and consider our sources of supply to be adequate at this time.

Government Regulation

We are subject to a range of laws and regulations in the countries in which we operate. Where we produce products, we are subject to environmental laws and regulations, and may be required to obtain environmental and alcohol beverage permits and licenses to operate our facilities. Where we market and sell products, we may be subject to laws and regulations on brand registration, packaging and labeling, distribution methods and relationships, pricing and price changes, sales promotions, advertising and public relations. We are also subject to rules and regulations relating to changes in officers or directors, ownership or control.

We believe we are in compliance in all material respects with all applicable governmental laws and regulations in the countries in which we operate. We also believe that the cost of administration and compliance with, and liability under, such laws and regulations does not have, and is not expected to have, a material adverse impact on our financial condition, results of operations or cash flows.

Seasonality

The beverage alcohol industry is subject to seasonality in each major category. As a result, in response to wholesaler and retailer demand which precedes consumer purchases, our beer sales are typically highest during the first and second quarters of our fiscal year, which correspond to the Spring and Summer periods in the U.S. Our wine and spirits sales are typically highest during the third quarter of our fiscal year, primarily due to seasonal holiday buying.

Employees

As of the end of March 2016, we had approximately 9,000 employees. Approximately 4,100 employees were in the U.S. and approximately 4,900 employees were outside of the U.S., primarily in Canada and Mexico. We may employ additional workers during the grape crushing seasons. We consider our employee relations generally to be good.

Executive Officers of the Company

Information with respect to our current executive officers is as follows:

NAME	AGE	OFFICE OR POSITION HELD
Richard Sands	65	Chairman of the Board
Robert Sands	57	President and Chief Executive Officer
William F. Hackett	64	Executive Vice President and Chairman, Beer Division
F. Paul Hetterich	53	Executive Vice President and President, Beer Division
Thomas M. Kane	55	Executive Vice President and Chief Human Resources Officer
David Klein	52	Executive Vice President and Chief Financial Officer
Thomas J. Mullin	64	Executive Vice President and General Counsel
William A. Newlands	57	Executive Vice President and President, Wine & Spirits Division
John A. (Jay) Wright	57	Executive Vice President and President, Canadian Business

Richard Sands, Ph.D., is the Chairman of the Board of the Company. He has been employed by the Company in various capacities since 1979. He has served as a director since 1982. In September 1999, Mr. Sands was elected Chairman of the Board. He served as Chief Executive Officer from October 1993 to July 2007, as Executive Vice President from 1982 to May 1986, as President from May 1986 to December 2002 and as Chief Operating Officer from May 1986 to October 1993. He is the brother of Robert Sands.

Robert Sands is President and Chief Executive Officer of the Company. He was appointed Chief Executive Officer in July 2007 and appointed as President in December 2002. He has served as a director since January 1990. Mr. Sands also served as Chief Operating Officer from December 2002 to July 2007, as Group President from April 2000 through December 2002, as Chief Executive Officer, International from December 1998 through April 2000, as Executive Vice President from October 1993 through April 2000, as General Counsel from June 1986 through May 2000 and as Vice President from June 1990 through October 1993. He is the brother of Richard Sands.

William F. Hackett has served as an Executive Vice President of the Company since June 2013. Since January 2016 he has performed the role of Chairman, Beer Division and from June 2013 through January 2016 he performed the role of President, Beer Division. Crown Imports LLC was previously owned 50% by the Company, and as a result of the Beer Business Acquisition, it is now a wholly-owned indirect subsidiary of the Company. Mr. Hackett is also Chairman of Crown Imports LLC since January 2016 and before that he served as President of Crown Imports LLC from January 2007 through January 2016. Prior to that, he was President of Barton Beers, Ltd. (a wholly-owned indirect subsidiary of the Company now known as Constellation Beers Ltd.) having served in that role from 1993 until January 2007. Prior to that, Mr. Hackett held several increasingly senior positions in Barton Beers, Ltd., having joined that company in 1984.

F. Paul Hetterich has been an Executive Vice President of the Company since June 2003. Since January 2016 Mr. Hetterich has performed the role of President, Beer Division and President of Crown Imports LLC, a wholly-owned indirect subsidiary of the Company. From January 2015 through January 2016 he performed the role of Executive Vice President, Corporate Development & Beer Operations. From June 2011 until January 2015 he served as Executive Vice President, Business Development and Corporate Strategy, from July 2009 until June 2011 he served as Executive Vice President, Business Development, Corporate Strategy and International and from June 2003 until July 2009 he served as Executive Vice President, Business Development and Corporate Strategy. From April 2001 to June 2003 Mr. Hetterich served as the Company's Senior Vice President, Corporate Development. Prior to that, Mr. Hetterich held several increasingly senior positions in the Company's marketing and business development groups. Mr. Hetterich has been with the Company since 1986.

Thomas M. Kane joined the Company in May 2013 as Executive Vice President and Chief Human Resources Officer. Mr. Kane previously served as Senior Vice President, Human Resources and Government Relations of Armstrong World Industries, Inc., a global producer of flooring products and ceiling systems, from February 2012 to May 2013, he served as its Senior Vice President, Human Resources from August 2010 to February 2012 and served as its Chief Compliance Officer from February 2011 to February 2012. Prior to that, Mr. Kane served as Global Vice President, Human Resources for Black & Decker Power Tools, a manufacturer of power and hand tools, from 2002 to 2010. From 1999 to 2002 Mr. Kane served as Global HR leader of GE Specialty Materials, a large manufacturer of silicone products.

David Klein has been the Company's Executive Vice President and Chief Financial Officer since June 2015. Prior to that, Mr. Klein served as the Company's Senior Vice President Finance - Beer Division, having held that position from May 2014 until June 2015. He served as the Company's Senior Vice President and Treasurer from April 2009 to July 2014 and assumed the additional responsibilities of Controller in October 2013, also serving in that role to July 2014. From March 2007 to March 2009 Mr. Klein served as chief financial officer for the Company's former United Kingdom operations. Mr. Klein joined the Company in 2004 as Vice President of Business Development.

Thomas J. Mullin joined the Company as Executive Vice President and General Counsel in May 2000. Prior to joining the Company, Mr. Mullin served as President and Chief Executive Officer of TD Waterhouse Bank, NA, a national banking association, since February 2000, of CT USA, F.S.B. since September 1998 and of CT USA, Inc. since March 1997. He also served as Executive Vice President, Business Development and Corporate Strategy of C.T. Financial Services, Inc. from March 1997 through February 2000. From 1985 through 1997 Mr. Mullin served as Vice Chairman and Senior Executive Vice President of First Federal Savings and Loan Association of Rochester, New York and from 1982 through 1985 he was a partner in the law firm of Phillips Lytle LLP.

William A. Newlands has been an Executive Vice President of the Company since he joined in January 2015. Since January 2016 he has performed the role of President, Wine & Spirits Division and from January 2015 through January 2016 he performed the role of Chief Growth Officer. Mr. Newlands served from October 2011 until August 2014 as Senior Vice President and President, North America of Beam Inc., as Senior Vice President and President, North America of Beam Global Spirits & Wine, Inc. from December 2010 to October 2011 and as Senior Vice President and President, USA of Beam Global Spirits & Wine, Inc. from February 2008 to December 2010. Beam Inc., a producer and seller of branded distilled spirits products, merged with a subsidiary of Suntory Holding Limited, a Japanese company, in 2014. Prior to October 2011, Beam Global Spirits & Wine, Inc. was the spirits operating segment of Fortune Brands, Inc., which was a leading consumer products company that made and sold branded consumer products worldwide in the distilled spirits, home and security, and golf markets.

John A. (Jay) Wright has performed the role of the Company's Executive Vice President and President, Canadian Business since January 2016. From June 2013 through January 2016 he was the Company's Executive Vice President and President, Wine & Spirits Division. He served as Executive Vice President and Chief Operating Officer of the Company from June 2011 to June 2013 and served as President of the Company's wholly-owned direct subsidiary Constellation Brands U.S. Operations, Inc. (formerly known as Constellation Wines U.S., Inc.) from December 2009 through January 2016. Additionally, from December 2009 until June 2011 he served as President, Constellation Wines North America. Prior to that, he served as Executive Vice President and Chief Commercial Officer of Constellation Wines U.S., Inc. from March 2009 until December 2009. Mr. Wright joined the Company in June 2006 with the Company's acquisition of Vincor International Inc. (now known as Constellation Brands Canada, Inc.) Mr. Wright served as President of Vincor International Inc. from June 2006 until March 2009 and, prior to that, as President and Chief Operating Officer of Vincor International Inc.'s Canadian Wine Division from October 2001 until June 2006. Before that, he held various positions of increasing responsibility with various other consumer project companies.

Executive officers of the Company are generally chosen or elected to their positions annually and hold office until the earlier of their removal or resignation or until their successors are chosen and qualified.

Company Information

Our Internet website is http://www.cbrands.com. Our filings with the Securities and Exchange Commission ("SEC"), including our annual report on Form 10-K, quarterly reports on Form 10-Q, current reports on Form 8-K and amendments to those reports, filed or furnished pursuant to Section 13(a) or 15(d) of the Securities Exchange Act of 1934, are accessible free of charge at http://www.cbrands.com as soon as reasonably practicable after we electronically file such material with, or furnish it to, the SEC. The SEC maintains an Internet site that contains reports, proxy and information statements, and other information regarding issuers, such as ourselves, that file electronically with the SEC. The Internet address of the SEC's site is http://www.sec.gov. Also, the public may read and copy any materials that we file with the SEC at the SEC's Public Reference Room at 100 F Street, N.E., Washington, D.C. 20549. The public may obtain information on the operation of the Public Reference Room by calling the SEC at 1-800-732-0330.

We have adopted a Chief Executive Officer and Senior Financial Executive Code of Ethics that specifically applies to our chief executive officer, our principal financial officer and our controller, and is available on our Internet site. This Chief Executive Officer and Senior Financial Executive Code of Ethics meets the requirements as set forth in the Securities Exchange Act of 1934, Item 406 of Regulation S-K.

We also have adopted a Code of Business Conduct and Ethics that applies to all employees, directors and officers, including each person who is subject to the Chief Executive Officer and Senior Financial Executive Code of Ethics. The Code of Business Conduct and Ethics is available on our Internet website, together with our Global Code of Responsible Practices for Beverage Alcohol Advertising and Marketing, our Board of Directors Corporate

Governance Guidelines and the Charters of the Board's Audit Committee, Human Resources Committee (which serves as the Board's compensation committee) and Corporate Governance Committee (which serves as the Board's nominating committee). All of these materials are accessible on our Internet website at http://www.cbrands.com/investors/corporate-governance. Amendments to, and waivers granted to our directors and executive officers under our codes of ethics, if any, will be posted in this area of our website. Copies of these materials are available in print to any shareholder who requests them. Shareholders should direct such requests in writing to Investor Relations Department, Constellation Brands, Inc., 207 High Point Drive, Building 100, Victor, New York 14564, or by telephoning our Investor Center at 1-888-922-2150.

The information regarding our website and its content is for your convenience only. The content of our website is not deemed to be incorporated by reference in this report or filed with the SEC.

Item 1A. Risk Factors.

In addition to the other information set forth in this report, you should carefully consider the following factors which could materially affect our business, financial condition or results of operations. The risks described below are not the only risks we face. Additional factors not presently known to us or that we currently deem to be immaterial also may materially adversely affect our business, cash flows, financial condition or results of operations in future periods.

Worldwide and domestic economic trends and financial market conditions

We are subject to risks associated with adverse economic conditions, including economic slowdown, inflation, and the disruption, volatility and tightening of credit and capital markets. Unfavorable global or regional economic conditions could adversely impact our business, liquidity, financial condition and results of operations. Unemployment, tax increases, governmental spending cuts or a return of high levels of inflation could affect consumer spending patterns and purchases of our products. These could also create or exacerbate credit issues, cash flow issues and other financial hardships for us and our suppliers, distributors, retailers and consumers. The inability of suppliers, distributors and retailers to access liquidity could impact our ability to produce and distribute our products. We have a committed credit facility and additional liquidity facilities available to us. While to date we have not experienced problems with accessing these facilities, to the extent that the financial institutions that participate in these facilities were to default on their obligation to fund, those funds would not be available to us.

Global operations, currency rate fluctuations, interest rate fluctuations and geopolitical uncertainty

Our products are produced and sold in numerous countries throughout the world. As a result of the Beer Business Acquisition, we also have operations in Mexico.

Risks associated with international operations, any of which could have a material adverse effect on our business, liquidity, financial condition and results of operations, include:

- changes in local political, economic, social and labor conditions;
- potential disruption from socio-economic violence, including terrorism and drug-related violence;
- restrictions on foreign ownership and investments or on repatriation of cash earned in countries outside the U.S.;
- changes in laws, governmental regulations and policies in many countries outside the U.S.;
- changes in tax laws and regulations, including with respect to income taxes in countries outside the U.S.;
- import and export requirements;
- currency exchange rate fluctuations;
- a less developed and less certain legal and regulatory environment, which among other things can create uncertainty with regard to liability issues;
- laws regarding the enforcement of contract and intellectual property rights;

- inadequate levels of compliance with applicable anti-bribery laws, including the Foreign Corrupt Practices Act; and
- other challenges caused by distance, language and cultural differences.

Our success will depend, in part, on our ability to overcome the challenges we encounter with respect to these factors and other matters generally affecting U.S. companies with global operations. Although we have implemented policies and procedures designed to ensure compliance with U.S. and foreign laws and regulations, including anti-corruption laws, there can be no assurance that our employees, business partners or agents will not violate our policies or take action determined to be in violation of the law. Any determination that our operations or activities were not in compliance with applicable U.S. or foreign laws or regulations could result in the imposition of fines and penalties, interruptions of business, terminations of necessary licenses and permits, and other legal and equitable sanctions.

We are also exposed to risks associated with currency fluctuations and risks associated with interest rate fluctuations. Currency exchange rates between the U.S. dollar and foreign currencies in the markets in which we do business have fluctuated in recent years and are likely to continue to do so in the future. We manage our exposure to foreign currency and interest rate risks utilizing derivative instruments and other means to reduce those risks. We could experience changes in our ability to hedge against or manage fluctuations in foreign currency exchange rates or interest rates and, accordingly, there can be no assurance that we will be successful in reducing those risks. We could also be affected by nationalization of our international operations, unstable governments, unfamiliar or biased legal systems or intergovernmental disputes. These currency, economic and political uncertainties may have a material adverse effect on our results of operations and financial condition, especially to the extent these matters, or the decisions, policies or economic strength of our suppliers and distributors, affect our global operations.

Competition

We are in a highly competitive industry and the dollar amount and unit volume of our sales could be negatively affected by numerous factors including:

- our inability to maintain or increase prices;
- new entrants in our market or categories;
- a general decline in beverage alcohol consumption; or
- the decision of wholesalers or consumers to purchase a competitor's product instead of ours.

Unit volume and dollar amount of sales could also be affected by pricing, purchasing, financing, operational, advertising or promotional decisions made by wholesalers, state and provincial agencies, and retailers which could affect their supply of, or consumer demand for, our products. We could also experience higher than expected selling, general and administrative expenses if we find it necessary to increase the number of our personnel or our advertising or marketing expenditures to maintain our competitive position or for other reasons.

Dependence on sales of our Mexican Beer Brands

Since the Beer Business Acquisition, sales of the Mexican Beer Brands in the U.S. have become a more significant portion of our business. Accordingly, if the growth rate, amount or profitability of our sales of the Mexican Beer Brands in the U.S. declines, our business could be more adversely affected than as compared to a time prior to the Beer Business Acquisition. Further, consumer preferences and tastes may shift away from the Mexican Beer Brands, the categories in which they compete, or beer generally due to, among other reasons, changing taste preferences, demographics or perceived value. Consequently, any material shift in consumer preferences and taste away from the Mexican Beer Brands, or from the categories in which they compete, could have a material adverse effect on our business, our financial condition and results of operations.

Supply of Mexican Beer Brands

In order to fulfill our current and projected Mexican Beer Brands product requirements, we are currently dependent on our Nava Brewery which is a single facility located in Nava, Coahuila, Mexico, and an interim supply agreement for our supply of Mexican Beer Brands through June 2017. Although we are in the process of constructing an additional brewery in Mexicali, Baja California, Mexico with the first phase targeted for completion in calendar 2019, our Nava Brewery may for a period of time become our sole source of supply for our Mexican Beer Brands. The Nava Brewery currently has the capacity to fill approximately 60% of our current product requirements and before the end of calendar 2016 its capacity is expected to increase to allow it to fill approximately 80% of our projected product requirements. We are in the process of further expanding the Nava Brewery's capacity over a three-year period. The first phase, which was intended to make us self-sufficient, is targeted to be complete in calendar 2016. The second phase to support further growth in the business is targeted for completion in calendar 2017, and the third phase, to support additional growth of the business, is targeted for completion in calendar 2018. In 2013, we entered into an interim supply agreement for a supply of additional Mexican Beer Brands products for an initial period of three years. This agreement also provides for up to two one-year extensions. However, the United States, acting though the DOJ, will have a right of approval, in its sole discretion, of any extension of the term of this interim supply agreement beyond three years. The term of this interim supply agreement has been extended for one additional year as to a select number of products to ensure additional supply beyond the initial Nava expansion to support the robust growth levels of our Mexican Beer portfolio and continue a smooth transition as we ramp up incremental capacity. The interim supply agreement will now expire in June 2017. There can be no assurance that any additional requested extension would be granted.

Our Nava Brewery supply is also dependent upon an adequate supply of glass bottles. We formed the Mexican glass plant joint venture which acquired the glass plant adjacent to our Nava Brewery. The Mexican glass plant joint venture plans to expand production of the glass plant facility by early calendar 2018 in order to increase bottle output to support increased production at our Nava Brewery.

We may not be able to satisfy all of our product supply requirements for the Mexican Beer Brands in the event of a significant partial destruction or the total destruction of the Nava Brewery or our interim supplier’s breweries. Also, if the contemplated initial expansion of our Nava Brewery is not completed within three years after consummation of the Beer Business Acquisition, and the additional incremental expansions of the Nava Brewery and construction of the Mexicali Brewery to support further growth of our business are not completed by their targeted completion dates, we may not be able to produce sufficient Mexican Beer Brands to satisfy our needs. Under such circumstances, we may be unable to obtain Mexican Beer Brands at a reasonable price from another source, if at all. A significant disruption at our Nava Brewery or at our supplier’s breweries, even on a short-term basis, could impair our ability to produce and ship products to market on a timely basis. Alternative facilities with sufficient capacity or capabilities may not readily be available, may cost substantially more or may take a significant time to start production, any of which could negatively affect our business and financial performance. Similarly, although we have additional sources of supply of glass bottles, a significant partial destruction or the total destruction of the joint venture’s Mexican glass plant or the failure of the joint venture to complete the glass plant expansion could impair our ability to bottle and ship our Mexican beer products to market. Additionally, our general insurance policies may not cover certain types of catastrophes that might affect our supply of the Mexican Beer Brands. A major uninsured catastrophe could result in significant unrecoverable losses.

Supply of quality water, agricultural and other raw materials, certain raw materials and packaging materials purchased under short-term supply contracts, limited group of suppliers of glass bottles

The quality and quantity of water available for use is important to the supply of our agricultural raw materials and our ability to operate our business. Water is a limited resource in many parts of the world and if climate patterns change and droughts become more severe, there may be a scarcity of water or poor water quality which may affect our production costs or impose capacity constraints. We are dependent on sufficient amounts of quality water for operation of our breweries, our wineries and our distillery, as well as to irrigate our vineyards and conduct our other operations. The suppliers of the agricultural raw materials we purchase are also dependent upon sufficient supplies of quality water for their vineyards and fields.

We have substantial wine operations in the state of California, which has endured an extended period of drought and has instituted restrictions on water usage. While we have undertaken a number of water saving initiatives and we currently believe we have sufficient water available for our California vineyards and wineries, continued or more severe drought conditions in California could have an adverse effect upon those operations, which effect could become more significant depending upon actual future drought conditions. Our Nava Brewery and the glass plant receive water originating from a mountain aquifer. Although we anticipate our breweries and the glass plant will receive water adequate to support their on-going requirements, including as a result of the anticipated expansions, there is no guarantee that the water available to them or their water requirements will not change materially in the future.

If water available to our operations or the operations of our suppliers becomes scarcer or the quality of that water deteriorates, we may incur increased production costs or face manufacturing constraints which could negatively affect our business and financial performance. Even if quality water is widely available, including to our breweries, our wineries, our distillery and our vineyards, water purification and waste treatment infrastructure limitations could increase costs or constrain operation of our production facilities and vineyards. Any of these factors could have a material and adverse effect on our financial condition and results of operations.

Our breweries, the glass plant, our wineries and our distillery also use a large volume of agricultural and other raw materials to produce their products. As to the Nava Brewery, these include corn starch, malt, hops and water; the glass plant uses large amounts of soda ash and silica sand; the Ballast Point breweries use large amounts of malt, hops, yeast and water, as well as corn sugars, spices and fruits; the wineries use large amounts of grapes and water; and the distillery uses large amounts of grain and water. Our breweries, our wineries and our distillery all use large amounts of various packaging materials, including glass, aluminum, cardboard and other paper products. Our production facilities, including the glass plant, also use a significant amount of energy in their operations, including electricity, natural gas and diesel fuel. Certain raw materials and packaging materials are purchased under contracts of varying maturities. The supply and price of raw materials, packaging materials and energy can be affected by a number of factors beyond our control, including market demand, global geopolitical events (especially as to their impact on crude oil prices), droughts and other weather conditions, economic factors affecting growth decisions, inflation, plant diseases and theft. To the extent any of the foregoing factors, including supply of goods and energy, affect the prices of ingredients or packaging or we do not effectively or completely hedge changes in commodity price risks, or are unable to recoup costs through increases in the price of our finished products, our financial condition and results of operations could be materially and adversely impacted.

Glass bottle costs are one of our largest components of cost of product sold. We currently have a small number of suppliers of glass bottles for our Mexican Beer Brands. In the U.S. and Canada, glass bottles have only a small number of producers. Currently, one producer supplies most of our glass container requirements for our U.S. operations and a portion of our glass container requirements for our Canadian operations, with the remaining portion of our glass container requirements for our Canadian operations supplied by another producer. The inability of any of our glass bottle suppliers to satisfy our requirements could adversely affect our business.

Catastrophic loss to wineries, production facilities or distribution systems

Throughout the years, we have consolidated several of our winery and production facility operations. Approximately 80% of our total annual wine and spirits product volume is produced in the US, and three of our largest wineries are the Woodbridge Winery in Acampo, CA, the Mission Bell Winery in Madera, CA, and the Canandaigua Winery in Canandaigua, NY. These three facilities produce approximately 36 million cases (or approximately 70% of our US production) which is approximately 55% of the total annual Constellation wine and spirits product volume globally. Additionally, many of our vineyards and production and distribution facilities, such as our California wineries, our Lodi Distribution Center in Lodi, CA, and our planned Mexicali Brewery are located in areas which are prone to seismic activity. If any of these vineyards and facilities were to experience a catastrophic loss, it could disrupt our operations, delay production, shipments and revenue, and result in potentially significant expenses to repair or replace the vineyard or facility. If such a disruption were to occur, we could breach agreements, our reputation could be harmed, and our business and operating results could be adversely affected. In addition, since we have consolidated certain of our operations and various production and distribution facilities, we are more likely to experience an interruption of our operations in the event of a catastrophic event in any one location, such as through acts of war or terrorism, fires, floods, earthquakes, hurricanes or other natural or man-made disasters. Although we carry insurance for property damage and business interruption, certain catastrophes are not covered by our insurance policies as we believe this to be a prudent financial decision. Economic conditions and uncertainties in global markets may adversely affect the cost and other terms upon which we are able to obtain insurance. If our insurance coverage is adversely affected, or to the extent we have elected to self-insure, we may be at greater risk that we may experience an adverse impact to our financial results. We take steps to minimize the damage that would be caused by a catastrophic event, but there is no certainty that our efforts would prove successful. If one or more significant uninsured events occur, we could suffer a major financial loss.

Expansion issues, construction issues and operational disruptions

We are currently expanding our Nava Brewery and constructing our Mexicali Brewery and our joint venture with Owens-Illinois is expanding the glass plant. While these multi-million dollar expansion and construction activities are progressing consistent with our plans, there is always the potential risk of completion delays and cost overruns. Our supply of Mexican Beer Brands would be negatively impacted if a serious delay in these expansion or construction activities were to occur, leading to a negative impact upon our results of operation and financial condition.

Expansion of current production facilities and construction of new production facilities required to support future growth is subject to various regulatory and developmental risks, including but not limited to: (i) our ability to obtain timely certificate authorizations, necessary approvals and permits from regulatory agencies and on terms that are acceptable to us; (ii) potential changes in federal, state and local statutes and regulations, including environmental requirements, that prevent a project from proceeding or increase the anticipated cost of the project; (iii) inability to acquire rights-of-way or land or water rights on a timely basis on terms that are acceptable to us; and (iv) inability to acquire the necessary energy supplies, including electricity, natural gas and diesel fuel.

Many of our production facilities, such as our breweries, wineries and distillery, and the Mexican glass plant held by the joint venture with Owens-Illinois are asset intensive. Our profitability could be affected by operational disruption of any of our production or bottling lines or the glass furnace. In such event we may experience an adverse effect to our business operations and profitability due to higher maintenance charges, unexpected capital spending or product supply constraints.

Acquisition, divestiture and joint venture strategy

We have made a number of acquisitions and divestitures and may, from time to time, acquire additional businesses, assets or securities of companies that we believe would provide a strategic fit with our business. Recently, these have included the Meiomi wine brand, the Ballast Point craft beer business and our agreement to acquire The Prisoner Wine Company brand portfolio. We may also divest ourselves of businesses, assets or securities of companies that we believe no longer provide a strategic fit with our business. We will need to integrate acquired businesses with our existing operations; our overall internal control over financial reporting processes; and our financial, operations and information systems. If the financial performance of our business, as supplemented by the assets and businesses acquired, does not meet our expectations, it may make it more difficult for us to service our debt obligations and our results of operations may fail to meet market expectations.

We cannot assure you that we will realize the expected benefits of acquisitions or joint ventures, such as revenue, earnings or operating efficiency, and we may not effectively assimilate the business or product offerings of acquired companies into our business successfully or within the anticipated costs or timeframes. Complications with on-going integration of any acquisition or joint venture, including our Beer Business Acquisition or the acquisition of a Mexican glass plant by our joint venture with Owens-Illinois, could result from the following circumstances, among others:

- failure to implement our business plan for the combined business;
- unanticipated issues in integrating, migrating or changing manufacturing, logistics, information, communications, financial, internal control and other systems;
- failure to retain key customers and suppliers;
- unanticipated changes in applicable laws and regulations;
- failure to retain key employees;
- operating risks inherent in the acquired businesses and assets and our business;
- unanticipated issues, expenses and liabilities;
- failure to realize fully anticipated cost savings, growth opportunities and other potential synergies; and
- unfamiliarity with operating new locations.

The integration of the Beer Business Acquisition can be further impacted by the following circumstances:

- Mexican brewery operations will be dependent upon the operational experience of employees who are relatively new to our organization;
- our ability to secure or expand Mexican brewery capacity beyond the initial Nava Brewery expansion, both incremental Nava Brewery expansions and construction of the Mexicali Brewery in order to support future growth of our beer business; and
- failure to expand the Nava Brewery under the timeline imposed by the DOJ pursuant to the final judgment.

Our joint venture with Owens-Illinois to operate a glass plant adjacent to our Nava Brewery is fully consolidated into our financial results and the entire output of that facility will be utilized to support our Mexican beer business and the production at our Nava Brewery. The integration of the Mexican glass plant acquisition can be further impacted by the following circumstances:

- we share control of the joint venture with Owens-Illinois and while Owens-Illinois has deep experience running glass plants, we are not as experienced in that particular business;
- glass plant operations will be dependent upon the operational experience of employees who are relatively new to our organization; and
- the ability of the joint venture to expand the glass plant capacity as planned in order to support the future growth of our beer business.

If any of these circumstances were to occur with respect to any of our acquisitions, including our Beer Business Acquisition or the Mexican glass plant joint venture's acquisition of the glass plant, our business, financial condition and results of operations may be negatively impacted.

We may provide various indemnifications in connection with the sale of assets or portions of our business. Additionally, our final determinations and appraisals of the estimated fair value of assets acquired and liabilities assumed in our acquisitions may vary materially from earlier estimates. We cannot assure you that the fair value of acquired businesses will remain constant.

We have entered into joint ventures such as our Mexican glass plant joint venture with Owens-Illinois and we may enter into additional joint ventures for other purposes and with other parties. We share control of our joint ventures. We have also acquired or retained ownership interests in companies which we do not control, such as investments recently made through our Constellation Ventures function, such as our minority interests in Crafthouse Cocktails and Nelson's Green Brier Tennessee Whiskey. Our joint venture partners or the other parties that hold the remaining ownership interests in companies which we do not control may at any time have economic, business or legal interests or goals that are inconsistent with our goals or the goals of the joint ventures or those companies. Similarly, in 2016, we announced that we are evaluating the merits of executing an initial public offering of a portion of our Canadian wine business. Our joint venture arrangements and the arrangements through which we acquired or hold our other equity or membership interests may require us, among other matters, to pay certain costs, to make capital investments, to fulfill alone our joint venture partners' obligations, or to purchase other parties' interests. Even though we share control of our Mexican glass plant joint venture, the financial results of that joint venture are consolidated into our financial results. Our failure to adequately manage the risks associated with any acquisition, or the failure of an entity in which we have an equity or membership interest, could adversely affect our financial condition or our valuation of these types of investments.

We cannot assure you that any of our acquisitions, investments or joint ventures will be profitable or that forecasts regarding acquisition, divestiture, joint venture or investment activities will be accurate.

Indebtedness

In recent years, we have incurred substantial indebtedness to finance acquisitions such as our acquisition of Ballast Point, repurchase shares of our common stock and fund the Beer Business Acquisition. In the future, we may continue to incur substantial additional indebtedness to finance acquisitions, repurchase shares of our stock and fund other general corporate purposes, including our Nava Brewery expansions, our Mexicali Brewery construction and expansion of the glass plant held through the Mexican glass plant joint venture. We cannot assure you that our business will generate sufficient cash flow from operations to meet all of our debt service requirements, to pay dividends and to fund our general corporate and capital requirements.

Our ability to satisfy our debt obligations will depend upon our future operating performance. We do not have complete control over our future operating performance because it is subject to prevailing economic conditions, levels of interest rates and financial, business and other factors.

Our current and future debt service obligations and covenants could have important consequences. These consequences include, or may include, the following:

- our ability to obtain financing for future working capital needs or acquisitions or other purposes may be limited;
- our funds available for operations, expansions, dividends or other distributions may be reduced because we dedicate a significant portion of our cash flow from operations to the payment of principal and interest on our indebtedness;
- our ability to conduct our business could be limited by restrictive covenants; and
- our vulnerability to adverse economic conditions may be greater than less leveraged competitors and, thus, our ability to withstand competitive pressures may be limited.

Restrictive covenants in our senior credit facility and in our indentures place limits on our ability to conduct our business. Covenants in our senior credit facility include those that restrict our ability to make acquisitions, incur debt, encumber or sell assets, pay dividends, engage in mergers and consolidations, enter into transactions with affiliates, make investments and permit our subsidiaries to enter into certain restrictive agreements. It additionally contains certain financial covenants, including a net debt coverage ratio test and an interest coverage ratio test. Covenants in our indentures are generally less restrictive than those in our senior credit facility but nevertheless, among other things, limit our ability under certain circumstances to create liens or enter into sale-leaseback transactions and impose conditions on our ability to engage in mergers, consolidations and sales of all or substantially all of our assets.

These agreements also contain certain change of control provisions which, if triggered, may result in an acceleration of our obligation to repay the debt. If we fail to comply with the obligations contained in the senior credit facility, our existing or future indentures or other loan agreements, we could be in default under such agreements, which could require us to immediately repay the related debt and also debt under other agreements that may contain cross-acceleration or cross-default provisions.

Potential decline in the consumption of products we sell

We rely on consumers’ demand for our products. Consumer preferences may shift due to a variety of factors, including changes in demographic or social trends, public health policies, and changes in leisure, dining and beverage consumption patterns. Our continued success will require us to anticipate and respond effectively to shifts in consumer behavior and drinking tastes. If consumer preferences were to move away from our premium brands, including our Mexican Beer Brands, in any of our major markets, our financial results might be adversely affected.

While over the past several years there have been modest increases in consumption of beverage alcohol in most of our product categories and geographic markets, there have been periods in the past in which there were sequential declines in the overall per capita consumption of certain beverage alcohol product categories in the U.S. and other markets in which we participate. A limited or general decline in consumption in one or more of our product categories could occur in the future due to a variety of factors, including:

- a general decline in economic or geopolitical conditions;
- concern about the health consequences of consuming beverage alcohol products and about drinking and driving;

- a general decline in the consumption of beverage alcohol products in on-premise establishments, such as may result from smoking bans and stricter laws relating to driving while under the influence of alcohol;
- consumer dietary preferences favoring lighter, lower calorie beverages such as diet soft drinks, sports drinks and water products;
- the increased activity of anti-alcohol groups;
- increased federal, state, provincial and foreign excise or other taxes on beverage alcohol products and possible restrictions on beverage alcohol advertising and marketing;
- increased regulation placing restrictions on the purchase or consumption of beverage alcohol products or increasing prices due to the imposition of duties or excise tax;
- inflation; and
- wars, pandemics, weather and natural or man-made disasters.

In addition, our continued success depends, in part, on our ability to develop new products. The launch and ongoing success of new products are inherently uncertain especially with regard to their appeal to consumers. The launch of a new product can give rise to a variety of costs and an unsuccessful launch, among other things, can affect consumer perception of existing brands and our reputation. Unsuccessful implementation or short-lived popularity of our product innovations may result in inventory write-offs and other costs.

Reliance on wholesale distributors, major retailers and government agencies

Local market structures and distribution channels vary worldwide. Within our primary market in the U.S., we offer a range of beverage alcohol products across the imported beer, craft beer, branded wine and spirits categories, with separate distribution networks utilized for our imported and craft beer portfolios and our wine and spirits portfolio. In the U.S., we sell our products principally to wholesalers for resale to retail outlets including grocery stores, club and discount stores, package liquor stores and restaurants and also directly to government agencies, while in Canada, we sell our products principally to government agencies. In the U.S., we have entered into exclusive arrangements with certain wholesalers that generate a large portion of our U.S. wine and spirits sales. The replacement or poor performance of our major wholesalers, retailers or government agencies could result in temporary or longer-term sales disruptions or could materially and adversely affect our results of operations and financial condition for a particular period. Our inability to collect accounts receivable from our major wholesalers, retailers or government agencies could also materially and adversely affect our results of operations and financial condition.

Our industry is being affected by the trend toward consolidation in the wholesale and retail distribution channels, particularly in the U.S. If we are unable to adapt successfully to this changing environment, our net income, market share and volume growth could be negatively affected. In addition, wholesalers and retailers of our products offer products which compete directly with our products for retail shelf space, promotional support and consumer purchases. Accordingly, wholesalers or retailers may give higher priority to products of our competitors.

Reliance upon complex information systems and third party global networks

We depend on information technology to enable us to operate efficiently and interface with customers and suppliers, as well as maintain financial accuracy and efficiency. If we do not allocate and effectively manage the resources necessary to build and sustain the proper technology infrastructure, we could be subject to transaction errors, processing inefficiencies, the loss of customers, business disruptions, or the loss of or damage to intellectual property through security breach. We recognize that many groups on a world-wide basis have experienced increases in cyber attacks and other hacking activity. We have dedicated internal and external resources to review and address such threats. However, as with all large information technology systems, our systems could be penetrated by outside parties intent on extracting confidential or proprietary information, corrupting our information, disrupting our business processes, or engaging in the unauthorized use of strategic information about us or our employees, customers or consumers. Such unauthorized access could disrupt our business operations and could result in the loss of assets or revenues, litigation, remediation costs, damage to our reputation, or the failure by us to retain or attract customers following such an event. Such events could have a material adverse effect on our business, financial condition or results of operations.

We have outsourced various functions to third-party service providers and may outsource other functions in the future. We rely on those third-party service providers to provide services on a timely and effective basis. Although we believe we have robust service level agreements with such third parties, closely monitor their performance and maintain contingency plans in case they are unable to perform as agreed, we do not ultimately control their performance. Their failure to perform as expected or as required by contract could result in significant disruptions and costs to our operations, which could materially affect our business, financial condition, operating results and cash flow, and could impair our ability to make required filings with various reporting agencies on a timely or accurate basis.

In connection with the Beer Business Acquisition, we currently have the right to receive various services pursuant to our amended transition services agreement with ABI. These currently include certain limited services which are available for the time periods as set forth in that transition services agreement, which include certain raw material supplies such as glass bottles and specialty malts.

The failure of ABI (or any third party that ABI is permitted to outsource to) to perform as expected or as required by our contract or the glass plant joint venture’s contract could result in significant disruptions and costs to our operations, and could also materially affect our business, financial condition, operating results and cash flow, and could impair our ability to make required filings with various reporting agencies on a timely or accurate basis.

Various diseases, pests and certain weather conditions

Various diseases, pests, fungi, viruses, drought, frosts and certain other weather conditions could affect the quality and quantity of barley, hops, grapes and other agricultural raw materials available, decreasing the supply of our products and negatively impacting profitability. We cannot guarantee that our grape suppliers or our suppliers of other agricultural raw materials will succeed in preventing contamination in existing vineyards or fields or that we will succeed in preventing contamination in our existing vineyards or future vineyards we may acquire. Future government restrictions regarding the use of certain materials used in growing grapes or other agricultural raw materials may increase vineyard costs and/or reduce production of grapes or other crops. Growing agricultural raw materials also requires adequate water supplies. A substantial reduction in water supplies could result in material losses of grape crops and vines or other crops, which could lead to a shortage of our product supply.

Climate change, or legal, regulatory or market measures to address climate change

Our business depends upon agricultural activity and natural resources. There has been much public discussion related to concerns that carbon dioxide and other greenhouse gases in the atmosphere may have an adverse impact on global temperatures, weather patterns and the frequency and severity of extreme weather and natural disasters. Severe weather events, such as drought in California or a prolonged cold winter in New York and Canada, and climate change may negatively affect agricultural productivity in the regions from which we presently source our various agricultural raw materials. Decreased availability of our raw materials may increase the cost of goods for our products. Severe weather events or changes in the frequency or intensity of weather events can also disrupt our supply chain, which may affect production operations, insurance cost and coverage, as well as delivery of our products to wholesalers, retailers and consumers.

Control by the Sands Family

Our Class B Common Stock is principally held by members of the Sands family, either directly or through entities controlled by members of the Sands family. Holders of Class A Common Stock are entitled to one vote per share and holders of Class B Common Stock are entitled to 10 votes per share. Holders of Class 1 Common Stock generally do not have voting rights. The stock ownership of the Sands family and entities controlled by members of the Sands family represents a majority of the combined voting power of all classes of our common stock as of April 19, 2016, voting as a single class. As a result, the Sands family has the power to elect a majority of our directors and approve actions requiring the approval of the stockholders of the Company voting as a single class.

Import and excise duties or other taxes or government regulations, including significant additional labeling or warning requirements or limitations in the marketing or sale of our products

The U.S., Canada and other countries in which we operate impose import and excise duties and other taxes on beverage alcohol products in varying amounts which are subject to change. Significant increases in import and excise duties or other taxes on beverage alcohol products could materially and adversely affect our financial condition or results of operations. The U.S. federal budget and individual state, provincial or local municipal budget deficits could result in increased taxes on our products, business, customers or consumers. Various proposals to increase taxes on beverage alcohol products have been made at the federal and state or provincial level in recent years. Many U.S. states have considered proposals to increase, and some of these states have increased, state alcohol excise taxes. There may be further consideration by federal, state, provincial, local and foreign governmental entities to increase taxes upon beverage alcohol products as governmental entities explore available alternatives for raising funds during the current macroeconomic climate.

In addition, federal, state, provincial, local and foreign governmental agencies extensively regulate the beverage alcohol products industry concerning such matters as licensing, warehousing, trade and pricing practices, permitted and required labeling, advertising and relations with wholesalers and retailers. Certain federal, state or provincial regulations also require warning labels and signage. New or revised regulations or increased licensing fees, requirements or taxes could also have a material adverse effect on our financial condition or results of operations. Additionally, various jurisdictions may seek to adopt significant additional product labeling or warning requirements or limitations on the marketing or sale of our products as a result of what they contain or allegations that they cause adverse health effects. If these types of requirements become applicable to one or more of our major products under current or future environmental or health laws or regulations, they may inhibit sales of such products.

Damage to our reputation

Maintaining a good reputation is critical to selling our branded products. Product contamination or tampering or the failure to maintain our standards for product quality, safety and integrity, including with respect to raw materials, naturally occurring compounds, packaging materials or product components obtained from suppliers, may reduce demand for our products or cause production and delivery disruptions. Although we maintain standards for the materials and product components we receive from our suppliers, and we also audit our suppliers' compliance with our standards, it is possible that a supplier may not provide materials or product components which meet our required standards or may falsify documentation associated with the fulfillment of those requirements. If any of our products becomes unsafe or unfit for consumption, is misbranded or causes injury, we may have to engage in a product recall and/or be subject to liability and incur additional costs. A widespread product recall, multiple product recalls, or a significant product liability judgment could cause our products to be unavailable for a period of time, which could further reduce consumer demand and brand equity. Our reputation could be impacted negatively by public perception, adverse publicity (whether or not valid), negative comments in social media, or our responses relating to:

- a perceived failure to maintain high ethical, social and environmental standards for all of our operations and activities;
- a perceived failure to address concerns relating to the quality, safety or integrity of our products;
- our environmental impact, including use of agricultural materials, packaging, water and energy use, and waste management; or
- effects that are perceived as insufficient to promote the responsible use of alcohol.

Failure to comply with local laws and regulations, to maintain an effective system of internal controls, to provide accurate and timely financial statement information, or to protect our information systems against service interruptions, misappropriation of data or breaches of security, could also hurt our reputation. Damage to our reputation or loss of consumer confidence in our products for any of these or other reasons could result in decreased demand for our products and could have a material adverse effect on our business, financial condition and results of operations, as well as require additional resources to rebuild our reputation, competitive position and brand equity.

Contamination

The success of our brands depends upon the positive image that consumers have of those brands. Contamination, whether arising accidentally or through deliberate third-party action, or other events that harm the integrity or consumer support for our brands, could adversely affect their sales. Contaminants in raw materials, packaging materials or product components purchased from third parties and used in the production of our beer, wine or spirits products or defects in the fermentation or distillation process could lead to low beverage quality as well as illness among, or injury to, consumers of our products and may result in reduced sales of the affected brand or all of our brands.

Dependence upon trademarks and proprietary rights, failure to protect our intellectual property rights

Our future success depends significantly on our ability to protect our current and future brands and products and to defend our intellectual property rights. We have been granted numerous trademark registrations covering our brands and products and have filed, and expect to continue to file, trademark applications seeking to protect newly-developed brands and products. We cannot be sure that trademark registrations will be issued with respect to any of our trademark applications. There is also a risk that we could, by omission, fail to timely renew or protect a trademark or that our competitors will challenge, invalidate or circumvent any existing or future trademarks issued to, or licensed by, us.

Cost of energy or environmental regulatory compliance

We have experienced increases in energy costs in the past, and energy costs could rise in the future, which would result in higher transportation, freight and other operating costs. We may experience significant future increases in the costs associated with environmental regulatory compliance, including fees, licenses, and the cost of capital improvements to our operating facilities in order to meet environmental regulatory requirements. Our future operating expenses and margins will be dependent on our ability to manage the impact of cost increases. We cannot guarantee that we will be able to pass along increased energy costs or increased costs associated with environmental regulatory compliance to our customers through increased prices.

In addition, we may be party to various environmental remediation obligations arising in the normal course of our business or in connection with historical activities of businesses we acquire. Due to regulatory complexities, uncertainties inherent in litigation and the risk of unidentified contaminants in our current and former properties, the potential exists for remediation, liability and indemnification costs to differ materially from the costs that we have estimated. We cannot assure you that our costs in relation to these matters will not exceed our projections or otherwise have an adverse effect upon our business reputation, financial condition or results of operations.

Intangible assets, such as goodwill and trademarks

We continue to have a significant amount of intangible assets such as goodwill and trademarks and may acquire more intangible assets in the future. Intangible assets are subject to a periodic impairment evaluation under applicable accounting standards. The write-down of any of these intangible assets could materially and adversely affect our net income.

Benefit cost increases and labor relations

Our profitability is affected by employee medical costs and other employee benefits. In recent years, employee medical costs have increased due to factors such as the increase in health care costs in the U.S. These factors, plus the enactment of the Patient Protection and Affordable Care Act in March 2010, are expected to continue to put pressure on our business and financial performance due to higher employee benefit costs. Although we actively seek to control increases in employee benefit costs and encourage employees to maintain healthy lifestyles to reduce future potential medical costs, there can be no assurance that we will succeed in limiting future cost increases. Continued employee benefit cost increases could have an adverse effect on our results of operations and financial condition.

We believe our subsidiaries have good working relations with their employees. However, if their employees were to engage in a strike or other work stoppage, they could experience an operational disruption and/or experience higher on-going labor costs which may have a material adverse effect on our results of operations and financial condition.

Class action or other litigation relating to alcohol abuse, the misuse of alcohol, product liability, or marketing or sales practices

There has been public attention directed at the beverage alcohol industry, which we believe is due to concern over problems related to harmful use of alcohol, including drinking and driving, underage drinking and health consequences from the misuse of alcohol. We also could be exposed to lawsuits relating to product liability or marketing or sales practices. Adverse developments in lawsuits concerning these types of matters or a significant decline in the social acceptability of beverage alcohol products that may result from lawsuits could have a material adverse effect on our business.

Item 1B. Unresolved Staff Comments.

Not Applicable.

Item 2. Properties.

We operate breweries, wineries, a distilling plant and bottling plants, many of which include warehousing and distribution facilities on the premises, and through a joint venture, we operate a glass production plant. In addition to our properties described below, certain of our businesses maintain office space for sales and similar activities and offsite warehouse and distribution facilities in a variety of geographic locations.

Our corporate headquarters are located in leased offices in Victor, New York. Our segments also maintain leased office spaces in other locations in the U.S. and internationally.

We believe that our facilities, taken as a whole, are in good condition and working order. Within the Wine and Spirits segment, we have adequate capacity to meet our needs for the foreseeable future, although we do possess certain underutilized assets. Within the Beer segment, we have undertaken activities to increase our production capacity to address our anticipated future needs. As of February 29, 2016, our properties include the following:

	Owned	Leased
Beer		
Breweries		
U.S.		4
Mexico	1	
Total breweries	1	4
Glass production plant [(1)]		
Mexico	1	
Warehouse, distribution and other production facilities		
U.S.		26
Mexico	1	
Total warehouse, distribution and other production facilities	1	26
Total Beer	3	30

	Owned	Leased
Wine and Spirits		
Wineries		
U.S.		
California	15	2
New York	1	
Washington	1	
Canada		
British Columbia	3	1
Ontario	3	
Quebec	1	
New Zealand	3	1
Italy		5
Total wineries	27	9
Distillery		
Canada	1	
Warehouse, distribution and other production facilities		
U.S.		4
Canada	2	1
Italy	1	8
Total warehouse, distribution and other production facilities	3	13
Total Wine and Spirits	31	22

(1) The glass production plant in Nava, Coahuila, Mexico is owned and operated by an equally-owned joint venture with Owens-Illinois and is located adjacent to our Nava Brewery.

Within our Wine and Spirits segment, as of February 29, 2016, we owned, leased or had interests in approximately 13,300 acres of vineyards in California (U.S.), 5,800 acres of vineyards in New Zealand, 1,700 acres of vineyards in Canada and 900 acres of vineyards in Italy.

As of February 29, 2016, our principal facilities, all of which are owned, consist of:

- the Nava Brewery in Nava, Coahuila, Mexico;
- the glass production plant in Nava, Coahuila, Mexico;
- two wineries in California: the Woodbridge Winery in Acampo and the Mission Bell winery in Madera;
- the Canandaigua winery in Canandaigua, New York; and
- the distillery in Lethbridge, Alberta, Canada.

Item 3. Legal Proceedings.

In the ordinary course of their business, the Company and its subsidiaries are subject to lawsuits, arbitrations, claims and other legal proceedings in connection with their business. Some of the legal actions include claims for substantial or unspecified compensatory and/or punitive damages. A substantial adverse judgment or other unfavorable resolution of these matters could have a material adverse effect on the Company's financial condition, results of operations and cash flows. Management believes that the Company has adequate legal defenses with respect to the legal proceedings to which it is a defendant or respondent and that the outcome of these pending proceedings is not likely to have a material adverse effect on the financial condition, results of operations or cash flows of the Company. However, the Company is unable to predict the outcome of these matters.

Regulatory Matters – The Company and its subsidiaries are in discussions with various governmental agencies concerning matters raised during regulatory examinations or otherwise subject to such agencies' inquiry. These matters could result in censures, fines or other sanctions. Management believes the outcome of any pending regulatory matters will not have a material adverse effect on the Company's financial condition, results of operations or cash flows. However, the Company is unable to predict the outcome of these matters.

As previously reported in the Company's Form 10-K for the fiscal year ended February 28, 2014, the United States District Court for the District of Columbia ("District Court") signed the Stipulation and Order filed by the DOJ, permitting the Company and Anheuser-Busch InBev SA/NV ("ABI") to consummate the Beer Business Acquisition. After expiration of the 60-day public comment period as required under the Antitrust Procedures and Penalties Act, the DOJ moved the District Court for entry of the Final Judgment. The Final Judgment was signed on October 21, 2013, and entered into the District Court's docket on October 24, 2013, without modification to the terms included in the Proposed Final Judgment. The Company is operating in accordance with the requirements of the Final Judgment.

As previously reported in the Company's Form 10-K for the fiscal years ended February 28, 2014 and February 28, 2015, and the Company's Form 10-Q for the fiscal quarters ended May 31, 2014, August 31, 2014, and November 30, 2014, an action had been filed by private parties against the Company, ABI, and Modelo alleging certain antitrust claims and seeking to enjoin the proposed transaction between ABI and Modelo. On June 4, 2013, the United States District Court for the Northern District of California ("Northern District") denied plaintiffs' Motion for a Temporary Restraining Order and the transaction between ABI and Modelo was consummated on June 7, 2013. Plaintiffs' Second Amended and Supplemental Complaint was filed June 25, 2013, and dismissed by the Northern District on September 13, 2013, and the district judge denied plaintiffs' other procedural motions. Plaintiffs filed their Motion for Relief from Judgment Pursuant to Fed. R. Civ. P. 59(e) or 60(b), or in the alternative, Rule 60(d) on November 11, 2013 and the Motion was denied by the Northern District on January 24, 2014. Plaintiffs filed a Notice of Appeal on February 21, 2014. Plaintiffs, now Appellants, filed their opening brief on August 29, 2014, and the Company and ABI/Modelo filed their answering briefs on October 29, 2014. Appellants' reply brief was filed January 21, 2015. Oral argument was conducted before the United States Court of Appeals for the Ninth Circuit on March 15, 2016. On April 4, 2016, the Ninth Circuit affirmed the Northern District's dismissal of the Complaint without leave to amend and affirmed that the Northern District was within its discretion to deny Plaintiff's motion. On April 18, 2016, the Ninth Circuit approved Appellants' motion to extend the date by which Appellants must file any petition for rehearing and/or rehearing *en banc* and ordered that any petition be filed on or before May 4, 2016. Management believes that this action is baseless and without merit and the Company intends to continue to defend itself vigorously against this claim.

Item 4. Mine Safety Disclosures.

Not Applicable.

PART II

Item 5. Market for Registrant's Common Equity, Related Stockholder Matters and Issuer Purchases of Equity Securities.

Our Class A Common Stock and Class B Common Stock trade on the New York Stock Exchange ® ("NYSE") under the symbols STZ and STZ.B, respectively. There is no public trading market for our Class 1 Common Stock. The following table sets forth, for the periods indicated, the high and low sales prices of our Class A Common Stock and Class B Common Stock as reported on the NYSE, and cash dividends declared for those classes of common stock. For all periods presented, the cash dividends declared for our Class 1 Common Stock are the same as those declared for our Class B Common Stock.

	Fiscal 2016			Fiscal 2015		
	High	Low	Dividends	High	Low	Dividends
Class A Common Stock						
1st Quarter	$ 121.92	$ 110.45	$ 0.31	$ 85.91	$ 76.26	$ —
2nd Quarter	$ 130.42	$ 114.49	$ 0.31	$ 94.77	$ 82.03	$ —
3rd Quarter	$ 144.60	$ 122.35	$ 0.31	$ 96.60	$ 80.70	$ —
4th Quarter	$ 155.68	$ 130.23	$ 0.31	$ 116.29	$ 89.34	$ —
Class B Common Stock						
1st Quarter	$ 121.57	$ 109.24	$ 0.28	$ 85.70	$ 76.65	$ —
2nd Quarter	$ 129.84	$ 116.22	$ 0.28	$ 94.02	$ 82.12	$ —
3rd Quarter	$ 144.36	$ 126.32	$ 0.28	$ 96.37	$ 80.89	$ —
4th Quarter	$ 156.00	$ 134.76	$ 0.28	$ 115.60	$ 90.20	$ —

At April 19, 2016, the number of holders of record of our Class A Common Stock, Class B Common Stock and Class 1 Common Stock were 606, 110 and 1, respectively.

Prior to Fiscal 2016, we had not paid any cash dividends on our common stock since our initial public offering in 1973 as we had retained all of our earnings to finance the development and expansion of our business. In April 2015, our Board of Directors approved the initiation of a dividend program under which we paid quarterly cash dividends during Fiscal 2016 and intend to continue to pay a regular quarterly cash dividend to stockholders of our common stock. On April 5, 2016, we declared an increased regular quarterly cash dividend of $0.40 per share of Class A Common Stock, $0.36 per share of Class B Convertible Common Stock and $0.36 per share of Class 1 Common Stock payable on May 24, 2016, to stockholders of record of each class on May 10, 2016.

We currently expect to pay quarterly cash dividends on our common stock in the future, but such payments are subject to approval of our Board of Directors and are dependent upon our financial condition, results of operations, capital requirements and other factors, including those set forth under Item 1A "Risk Factors" of this Annual Report on Form 10-K. In addition, the terms of our 2016 Credit Agreement may restrict the payment of cash dividends on our common stock under certain circumstances. Any indentures for debt securities issued in the future, the terms of any preferred stock issued in the future and any credit agreements entered into in the future may also restrict or prohibit the payment of cash dividends on our common stock.

ISSUER PURCHASES OF EQUITY SECURITIES

Period	Total Number of Shares Purchased	Average Price Paid Per Share	Total Number of Shares Purchased as Part of a Publicly Announced Program	Approximate Dollar Value of Shares that May Yet Be Purchased Under the Program (1) (2)
December 1 – 31, 2015	—	$ —	—	$ 703,371,679
January 1 – 31, 2016	—	—	—	$ 703,371,679
February 1 – 29, 2016	246,143	137.29	246,143	$ 669,577,800
Total	246,143	$ 137.29	246,143	

(1) In April 2012, our Board of Directors authorized the repurchase of up to an aggregate amount of$1.0 billion of our Class A Common Stock and Class B Convertible Common Stock under the 2013 Authorization. The Board of Directors did not specify a date upon which the 2013 Authorization would expire.

(2) Pursuant to the 2013 Authorization, prior toFebruary 29, 2016, we initiated the repurchase of 7,409 shares of Class A Common Stock at an aggregate cost of $1.0 million, or an average cost of $138.83 per share, through open market transactions. This repurchase settled subsequent to February 29, 2016. Accordingly, the approximate dollar value of shares that may yet be purchased under the 2013 Authorization subsequent to April 25, 2016, is $668.5 million.

Item 6. Selected Financial Data.

The following selected financial data should be read in conjunction with MD&A and our consolidated financial statements and notes thereto under Item 8 of this Annual Report on Form 10-K (the "Financial Statements").

	For the Years Ended				
	February 29, 2016	February 28, 2015	February 28, 2014 (1)	February 28, 2013	February 29, 2012
(in millions, except per share data)					
Sales	$ 7,223.8	$ 6,672.1	$ 5,411.0	$ 3,171.4	$ 2,979.1
Less – excise taxes	(675.4)	(644.1)	(543.3)	(375.3)	(324.8)
Net sales	6,548.4	6,028.0	4,867.7	2,796.1	2,654.3
Cost of product sold	(3,606.1)	(3,449.4)	(2,876.0)	(1,687.8)	(1,592.2)
Gross profit	2,942.3	2,578.6	1,991.7	1,108.3	1,062.1
Selling, general and administrative expenses	(1,177.2)	(1,078.4)	(895.1)	(585.4)	(537.5)
Impairment of goodwill and intangible assets (2)	—	—	(300.9)	—	(38.1)
Gain on remeasurement to fair value of equity method investment	—	—	1,642.0	—	—
Operating income	1,765.1	1,500.2	2,437.7	522.9	486.5
Earnings from unconsolidated investments	51.1	21.5	87.8	233.1	228.5
Interest expense	(313.9)	(337.7)	(323.2)	(227.1)	(181.0)
Loss on write-off of debt issuance costs	(1.1)	(4.4)	—	(12.5)	—
Income before income taxes	1,501.2	1,179.6	2,202.3	516.4	534.0
Provision for income taxes	(440.6)	(343.4)	(259.2)	(128.6)	(89.0)
Net income	1,060.6	836.2	1,943.1	387.8	445.0
Net (income) loss attributable to noncontrolling interests	(5.7)	3.1	—	—	—
Net income attributable to CBI	$ 1,054.9	$ 839.3	$ 1,943.1	$ 387.8	$ 445.0
Net income per common share attributable to CBI:					
Basic – Class A Common Stock	$ 5.42	$ 4.40	$ 10.45	$ 2.15	$ 2.20
Basic – Class B Convertible Common Stock	$ 4.92	$ 4.00	$ 9.50	$ 1.96	$ 2.00
Diluted – Class A Common Stock	$ 5.18	$ 4.17	$ 9.83	$ 2.04	$ 2.13
Diluted – Class B Convertible Common Stock	$ 4.79	$ 3.83	$ 9.04	$ 1.87	$ 1.96
Cash dividends declared per common share:					
Class A Common Stock	$ 1.24	$ —	$ —	$ —	$ —
Class B Convertible Common Stock	$ 1.12	$ —	$ —	$ —	$ —
Total assets (3)	$ 16,965.0	$ 15,093.0	$ 14,302.1	$ 7,638.1	$ 7,109.9
Long-term debt, including current maturities (3)	$ 7,672.9	$ 7,244.1	$ 6,963.3	$ 3,305.4	$ 2,751.6

(1) On June 7, 2013, we completed the Beer Business Acquisition. For a detailed discussion of this transaction, including the gain on remeasurement to fair value of equity method investment, refer to Note 2 of the Notes to the Financial Statements.

(2) For a detailed discussion of impairment of goodwill and intangible assets for the year ended February 28, 2014, refer to Note7 of the Notes to the Financial Statements. For the year ended February 29, 2012, impairment of goodwill and intangible assets represents impairment losses recorded for certain trademarks associated with our Wine and Spirits segment.

(3) February 28, 2015, amounts have been retrospectively adjusted in connection with our adoption of FASB amended guidance regarding the presentation of debt issuance costs as a direct deduction from the carrying amount of the associated debt liability (refer to Note 1 of the Notes to the Financial Statements). Amounts for periods prior to February 28, 2015, have not been retrospectively adjusted due to immateriality of adjustments.

Item 7. Management's Discussion and Analysis of Financial Condition and Results of Operations.

Introduction

This MD&A, which should be read in conjunction with our Financial Statements, provides additional information on our businesses, current developments, financial condition, cash flows and results of operations. It is organized as follows:

- *Overview.* This section provides a general description of our business, which we believe is important in understanding the results of our operations, financial condition and potential future trends.

- *Strategy.* This section provides a description of our strategy on a business segment basis and a discussion of recent developments, expansions and acquisitions.

- *Results of operations.* This section provides an analysis of our results of operations presented on a business segment basis. In addition, a brief description of transactions and other items that affect the comparability of the results is provided.

- *Financial liquidity and capital resources.* This section provides an analysis of our cash flows and our outstanding debt and commitments. Included in the analysis of outstanding debt is a discussion of the amount of financial capacity available to fund our ongoing operations and future commitments, as well as a discussion of other financing arrangements.

- *Critical accounting estimates.* This section identifies those accounting policies that are considered important to our results of operations and financial condition, require significant judgment and involve significant management estimates. Our significant accounting policies, including those considered to be critical accounting policies, are summarized in Note 1 of the Notes to the Financial Statements.

Overview

We are a leading international beverage alcohol company with a broad portfolio of consumer-preferred high-end imported and craft beer brands, premium wine and spirits brands and other select beverage alcohol products. We are the third-largest producer and marketer of beer for the U.S. market and the world's leading premium wine company. We are the largest Multi-category Supplier of beverage alcohol in the U.S., the leading producer and marketer of wine in Canada, and a leading supplier of wine from New Zealand and Italy to our core North American markets.

Our internal management financial reporting consists of two business divisions: (i) Beer and (ii) Wine and Spirits, and we report our operating results in three segments: (i) Beer, (ii) Wine and Spirits, and (iii) Corporate Operations and Other. In the Beer segment, our portfolio consists of high-end imported and craft beer brands. We have an exclusive perpetual brand license to import, market and sell in the U.S. our Mexican beer portfolio. In the

Wine and Spirits segment, we sell a large number of wine brands across all categories – table wine, sparkling wine and dessert wine – and across all price points – popular, premium and luxury categories, primarily within the $5 to $25 price range at U.S. retail – complemented by certain premium spirits brands. Amounts included in the Corporate Operations and Other segment consist of costs of executive management, corporate development, corporate finance, human resources, internal audit, investor relations, legal, public relations and information technology. The amounts included in the Corporate Operations and Other segment are general costs that are applicable to the consolidated group and are therefore not allocated to the other reportable segments. All costs reported within the Corporate Operations and Other segment are not included in our chief operating decision maker's evaluation of the operating income performance of the other reportable segments. The business segments reflect how our operations are managed, how resources are allocated, how operating performance is evaluated by senior management and the structure of our internal financial reporting.

Strategy

Our business strategy in the Beer segment focuses on strengthening our position in the high-end of the U.S. beer market, and includes the following:

- continued focus on growing our Mexican beer portfolio in the U.S. through expanding distribution for key brands, as well as new product development and innovation within the existing portfolio of brands;
- completion of the required expansion of our Nava Brewery from 10 million hectoliters production capacity to 20 million hectoliters production capacity by December 31, 2016, with a goal to complete the expansion in June 2016;
- completion of an additional 7.5 million hectoliters production capacity expansion of the Nava Brewery, from 20 million to 25 million by summer of calendar 2017 and from 25 million to 27.5 million by early calendar 2018;
- construction of the new, state-of-the-art Mexicali Brewery; and
- participation in the fast-growing craft beer category.

See "Expansions and Acquisitions" below for additional discussion regarding certain of these activities.

Our business strategy in the Wine and Spirits segment is centered on continued focus on consumer-preferred premium wine brands, complemented by premium spirits. In this segment, we continue to focus on the premiumization of our branded wine and spirits portfolio. In markets where it is feasible, we have a consolidated U.S. distribution network in order to obtain dedicated distributor selling resources which focus on our U.S. wine and spirits portfolio to drive organic growth. This consolidated U.S. distribution network currently represents about 70% of our branded wine and spirits volume in the U.S. Throughout the terms of these contracts, we generally expect shipments on an annual basis to these distributors to essentially equal the distributors' shipments to retailers. In addition, we dedicate a large share of our sales and marketing resources to our U.S. Focus Brands as they represent a majority of our U.S. wine and spirits revenue and profitability, and generally have strong positions in their respective price categories.

Marketing, sales and distribution of our products are managed on a geographic basis in order to fully leverage leading market positions. In addition, market dynamics and consumer trends vary across each of our markets. Within our primary market in the U.S., we offer a range of beverage alcohol products across the imported beer, craft beer, branded wine and spirits categories, with separate distribution networks utilized for our imported and craft beer portfolio and our wine and spirits portfolio. Within our next largest market, Canada, we offer a range of beverage alcohol products primarily across the branded wine category. The environment for our products is competitive in each of our markets.

We remain committed to our long-term financial model of growing sales, expanding margins and increasing cash flow in order to achieve earnings per share growth, reduce borrowings and pay quarterly cash dividends.

Recent Developments

Potential Canadian Wine Business Initial Public Offering

In April 2016, we announced our plan to evaluate the merits of executing an initial public offering for a portion of our Canadian wine business in order to create better visibility to this business and additional capital to develop higher growth, higher margin opportunities across our businesses. A decision regarding whether to pursue a potential initial public offering is expected to be made during calendar 2016.

Prisoner Acquisition

In April 2016, we signed a definitive agreement to acquire Prisoner for approximately $285 million, subject to customary closing conditions and adjustments. This acquisition, which includes a portfolio of five fast-growing, higher-margin, super-luxury wine brands, aligns with our portfolio premiumization strategy and strengthens our position in the super-luxury wine category. The results of operations of Prisoner will be reported in the Wine and Spirits segment and will be included in our consolidated results of operations from the date of acquisition.

Expansions and Acquisitions

Beer Segment

Construction of Mexicali Brewery

In January 2016, we announced details related to the construction of the Mexicali Brewery. Initially, the Mexicali Brewery will be built to provide 10 million hectoliters production capacity with the ability to scale to 20 million hectoliters in the future. We expect to complete construction of the 10 million hectoliters production capacity by calendar year-end 2020, with the first 5 million hectoliters production capacity expected to be completed by calendar year-end 2019.

Ballast Point Acquisition

In December 2015, we acquired Ballast Point for $998.5 million, net of cash acquired. The transaction primarily included the acquisition of goodwill, trademarks and property, plant and equipment. This acquisition provides us with a high-growth premium platform that will enable us to compete in the fast-growing craft beer category, further strengthening our position in the high-end U.S. beer market. The results of operations of Ballast Point are reported in the Beer segment and have been included in our consolidated results of operations from the date of acquisition.

Glass Production Plant Acquisition

In December 2014, we completed the formation of an equally-owned joint venture with Owens-Illinois, the world’s largest glass container manufacturer, and the acquisition of a state-of-the-art glass production plant that is located adjacent to our Nava Brewery in Mexico. The joint venture owns and operates the glass production plant which provides bottles exclusively for our Nava Brewery. The glass production plant currently has one operational glass furnace and plans are in place to expand it to four furnaces by early calendar 2018. When fully operational with four furnaces, this facility is expected to supply approximately 50% of our glass requirements for the Nava Brewery. We have determined that we are the primary beneficiary of this VIE and accordingly, the results of operations of the joint venture are reported in the Beer segment and have been included in our consolidated results of operations from the date of acquisition. In addition, we also purchased a high-density warehouse, land and rail infrastructure at the same site.

Beer Business Acquisition

In June 2013, we completed the Beer Business Acquisition for an aggregate purchase price of $5,226.4 million. The Beer Business Acquisition resulted in the acquisition of:

- the remaining 50% equity interest in Crown Imports;
- all of the equity interests of a company which owns and operates the Nava Brewery and of a company which provides personnel and services for the operation and maintenance of the Nava Brewery; and
- an irrevocable, fully-paid license to produce in Mexico (or worldwide under certain circumstances) and exclusively import, market and sell Modelo's Mexican beer portfolio sold in the U.S. and Guam as of the date of the acquisition, and certain extensions.

The Beer Business Acquisition positioned us as the third-largest producer and marketer of beer for the U.S. market and the largest Multi-category Supplier of beverage alcohol in the U.S.

In connection with the Beer Business Acquisition, we are required to build out and expand the Nava Brewery from 10 million hectoliters to a nominal capacity of at least 20 million hectoliters of packaged beer annually by December 31, 2016. In addition, an interim supply agreement and a transition services agreement were entered into in association with the Beer Business Acquisition. The interim supply agreement obligates the supplier to provide us with a supply of product not produced by the Nava Brewery and the transition services agreement provided for certain specified services and production materials, both for a specified period of time. The associated agreements provide, among other things, that the United States will have approval rights, in its sole discretion, for amendments or modifications to the associated agreements as well as a right of approval, in its sole discretion, of any extension of the term of the interim supply agreement beyond three years. While we remain on track with all Nava Brewery expansion activity, we have extended the interim supply agreement in order to support the robust growth levels of our Mexican beer portfolio and continue a smooth transition as we ramp up incremental capacity. This agreement is expected to continue through June 2017.

The results of operations of the Beer Business Acquisition are reported in the Beer segment and are included in our consolidated results of operations from the date of acquisition. It is a significant acquisition that has had and will continue to have a material impact on our future results of operations, financial position and cash flows.

In October 2014, we announced an incremental 5 million hectoliter expansion of our Nava Brewery that will increase production capacity from 20 million hectoliters to 25 million hectoliters when completed. We currently expect this incremental expansion to be completed by the summer of calendar 2017.

In January 2016, we announced an additional incremental 2.5 million hectoliter expansion of our Nava Brewery that will increase production capacity to 27.5 million hectoliters when completed. We currently expect this incremental expansion to be completed by early calendar 2018.

Wine and Spirits Segment

Meiomi Acquisition

In August 2015, we acquired Meiomi, which primarily included the acquisition of the Meiomi trademark, related inventories and certain grape supply contracts. The acquisition of this higher-margin, luxury growth brand has complemented our existing portfolio and further strengthened our position in the U.S. pinot noir category. The results of operations of Meiomi are reported in the Wine and Spirits segment and are included in our consolidated results of operations from the date of acquisition.

For additional information on these acquisitions, refer to Note 2 of the Notes to the Financial Statements.

Results of Operations

References to organic throughout the following discussion exclude the impact of (i) beer acquired in the acquisition of Ballast Point (on a consolidated and segment basis), (ii) branded wine acquired in the acquisition of Meiomi (on a consolidated and segment basis) and (iii) beer acquired in the Beer Business Acquisition on a consolidated basis, as appropriate. Prior to the Beer Business Acquisition, the results of operations of the Beer segment were eliminated in consolidation as our preexisting 50% equity interest in Crown Imports was accounted for under the equity method of accounting.

Financial Highlights

Financial Highlights for Fiscal 2016:

- Our Beer segment continued to drive improvement within our results of operations, combined with improvement in the Wine and Spirits segment.

- Our net sales increased 9% primarily due to strong consumer demand within the Mexican beer portfolio and net sales of branded wine acquired in the acquisition of Meiomi.

- Operating income increased 18% primarily due to strong consumer demand within the Mexican beer portfolio, lower cost of product sold across all segments and benefits from the acquisition of Meiomi, partially offset by increased marketing spend.

- Net income attributable to CBI and diluted net income per common share attributable to CBI increased 26% and 24%, respectively, primarily due to the items discussed above, combined with higher earnings from unconsolidated investments and lower interest expense.

Comparable Adjustments

Management excludes items that affect comparability from its evaluation of the results of each operating segment as these Comparable Adjustments are not reflective of core operations of the segments. Segment operating performance and segment management compensation are evaluated based on core segment operating income (loss). As such, the performance measures for incentive compensation purposes for segment management do not include the impact of these items.

As more fully described herein and in the related Notes to the Financial Statements, the Comparable Adjustments that impacted comparability in our results for each period are as follows:

(in millions)	Fiscal 2016	Fiscal 2015	Fiscal 2014
Cost of product sold			
Net gain (loss) on undesignated commodity derivative contracts	$ (48.1)	$ (32.7)	$ 1.5
Amortization of favorable interim supply agreement	(31.7)	(28.4)	(6.0)
Flow through of inventory step-up	(18.4)	—	(11.0)
Settlements of undesignated commodity derivative contracts	29.5	4.4	(0.5)
Other losses	—	(2.8)	—
Total cost of product sold	(68.7)	(59.5)	(16.0)

(in millions)	Fiscal 2016	Fiscal 2015	Fiscal 2014
Selling, general and administrative expenses			
Restructuring and related charges	(16.4)	—	2.8
Transaction, integration and other acquisition-related costs	(15.4)	(30.5)	(51.5)
Other gains (losses)	—	7.2	(7.0)
Total selling, general and administrative expenses	(31.8)	(23.3)	(55.7)
Impairment of goodwill and intangible assets	—	—	(300.9)
Gain on remeasurement to fair value of equity method investment	—	—	1,642.0
Earnings (losses) from unconsolidated investments	24.5	—	(0.1)
Loss on write-off of debt issuance costs	(1.1)	(4.4)	—
Comparable Adjustments	$ (77.1)	$ (87.2)	$ 1,269.3

Cost of Product Sold

Undesignated Commodity Derivative Contracts

Net gain (loss) on undesignated commodity derivative contracts represents a net gain (loss) from the changes in fair value of undesignated commodity derivative contracts. The net gain (loss) is reported outside of segment operating results until such time that the underlying exposure is recognized in the segment operating results. At settlement, the net gain (loss) from the changes in fair value of the undesignated commodity derivative contracts is reported in the appropriate operating segment, allowing the results of our operating segments to reflect the economic effects of the commodity derivative contracts without the resulting unrealized mark to fair value volatility.

Favorable Interim Supply Agreement

In connection with the Beer Business Acquisition, a temporary supply agreement was negotiated under a favorable pricing arrangement for the required volume of beer needed to fulfill expected U.S. demand in excess of the Nava Brewery's capacity. Amortization of favorable interim supply agreement reflects amounts associated with non-Nava Brewery product purchased from the date of acquisition which has been sold to our U.S. customers during the respective period.

Inventory Step-Up

In connection with acquisitions, the allocation of purchase price in excess of book value for certain inventory on hand at the date of acquisition is referred to as inventory step-up. Inventory step-up represents an assumed manufacturing profit attributable to the acquired company prior to acquisition. Flow through of inventory step-up was primarily associated with the Meiomi acquisition (Fiscal 2016) and the Beer Business Acquisition (Fiscal 2014).

Selling, General and Administrative Expenses

Restructuring and Related Charges

Restructuring and related charges consist primarily of employee termination benefit costs recognized in connection with our plan initiated in May 2015 to streamline and simplify processes, and shift resources and investment to long-term, profitable growth opportunities across the business (Fiscal 2016).

Transaction, Integration and Other Acquisition-Related Costs

Transaction, integration and other acquisition-related costs were primarily associated with the June 2013 Beer Business Acquisition (Fiscal 2016, Fiscal 2015 and Fiscal 2014) and the December 2014 glass production plant acquisition (Fiscal 2016 and Fiscal 2015), and the August 2015 Meiomi acquisition (Fiscal 2016).

Other Gains (Losses)

Other gains (losses) consist primarily of a gain from an adjustment to a certain guarantee originally recorded in connection with a prior divestiture (Fiscal 2015), a net gain on the sale of and the write-down of certain property, plant and equipment (Fiscal 2015), and a prior period correction of previously unrecognized deferred compensation costs that were associated with certain employment agreements (Fiscal 2014).

Impairment of Goodwill and Intangible Assets

Impairment losses consist of impairments of goodwill and certain trademarks related to our Wine and Spirits' Canadian reporting unit.

Gain on Remeasurement to Fair Value of Equity Method Investment

Prior to the Beer Business Acquisition, we accounted for our investment in Crown Imports under the equity method of accounting. In applying the acquisition method of accounting, our preexisting 50% equity interest was remeasured to its estimated fair value resulting in the recognition of a gain in connection with the Beer Business Acquisition.

Earnings (Losses) from Unconsolidated Investments

Earnings from unconsolidated investments consist of dividend income from a retained interest in a previously divested business (Fiscal 2016).

Fiscal 2016 Compared to Fiscal 2015

Net Sales

(in millions)	Fiscal 2016	Fiscal 2015	% Increase
Beer	$ 3,622.6	$ 3,188.6	14 %
Wine and Spirits:			
Wine	2,591.4	2,523.4	3 %
Spirits	334.4	316.0	6 %
Total Wine and Spirits	2,925.8	2,839.4	3 %
Consolidated net sales	$ 6,548.4	$ 6,028.0	9 %

Net sales increased $520.4 million due to increases in Beer's net sales of $434.0 million (driven predominately by volume growth within our Mexican beer portfolio) and Wine and Spirits' net sales of $86.4 million (due largely to net sales of branded wine acquired in the acquisition of Meiomi).

Beer

	Fiscal 2016	Fiscal 2015	% Increase
(in millions, branded product, 24-pack, 12-ounce case equivalents)			
Net sales	$ 3,622.6	$ 3,188.6	13.6 %
Shipment volume			
Total	224.1	201.4	11.3 %
Organic	223.2	201.4	10.8 %
Depletion volume [1]			12.4 %

The increase in Beer's net sales is primarily due to (i) the volume growth within our Mexican beer portfolio, which benefited from continued consumer demand and increased marketing spend; (ii) a favorable impact from pricing in select markets and (iii) net sales of beer acquired in the acquisition of Ballast Point of $27.2 million.

Wine and Spirits

	Fiscal 2016	Fiscal 2015	% Increase
(in millions, branded product, 9-liter case equivalents)			
Net sales	$ 2,925.8	$ 2,839.4	3.0 %
Shipment volume			
Total	68.2	66.0	3.3 %
Organic	67.6	66.0	2.4 %
U.S. Domestic	51.9	50.5	2.8 %
Organic U.S. Domestic	51.3	50.5	1.6 %
U.S. Domestic Focus Brands	27.8	25.6	8.6 %
Organic U.S. Domestic Focus Brands	27.2	25.6	6.3 %
Depletion volume [1]			
U.S. Domestic			1.1 %
U.S. Domestic Focus Brands			5.0 %

(1) Depletions represent distributor shipments of our respective branded products to retail customers, based on third-party data, including acquired brands from the date of acquisition and for the comparable prior year period.

The increase in Wine and Spirits' net sales is primarily due to (i) net sales of branded wine acquired in the acquisition of Meiomi of $73.8 million, (ii) organic branded wine and spirits volume growth (due partly to the overlap of a planned reduction in inventory levels by one of our exclusive distributors in the U.S. for Fiscal 2015); and (iii) favorable product mix shift (predominantly within the U.S. organic branded wine portfolio); partially offset by (i) an unfavorable year-over-year foreign currency translation impact and (ii) the unfavorable overlap of the recognition of a contractually required payment for Fiscal 2015 from the distributor noted above equal to the approximate profit lost on the reduced sales associated with the inventory reduction.

Gross Profit

(in millions)	Fiscal 2016	Fiscal 2015	% Increase (Decrease)
Beer	$ 1,776.0	$ 1,465.8	21%
Wine and Spirits	1,235.0	1,172.3	5%
Comparable Adjustments	(68.7)	(59.5)	(15%)
Consolidated gross profit	$ 2,942.3	$ 2,578.6	14%

Gross profit increased $363.7 million primarily due to increases in Beer of $310.2 million and Wine and Spirits of $62.7 million. The increase in Beer is primarily due to (i) the volume growth within our Mexican beer portfolio, (ii) the favorable impact from pricing in select markets and (iii) lower organic cost of product sold. The increase in Wine and Spirits is primarily due to (i) branded wine acquired in the acquisition of Meiomi, (ii) lower organic cost of product sold and (iii) higher organic branded wine volume; partially offset by the unfavorable year-over-year foreign currency translation impact.

Gross profit as a percent of net sales increased to 44.9% for Fiscal 2016 compared with 42.8% for Fiscal 2015 primarily due to (i) lower Beer and Wine and Spirits' cost of product sold, (ii) the favorable impact from Beer pricing in select markets and (iii) the acquisitions of Meiomi and Ballast Point.

Selling, General and Administrative Expenses

(in millions)	Fiscal 2016	Fiscal 2015	% Increase
Beer	$ 511.9	$ 448.0	14%
Wine and Spirits	508.0	498.0	2%
Corporate Operations and Other	125.5	109.1	15%
Comparable Adjustments	31.8	23.3	36%
Consolidated selling, general and administrative expenses	$ 1,177.2	$ 1,078.4	9%

Selling, general and administrative expenses increased $98.8 million primarily due to increases in Beer of $63.9 million, Corporate Operations and Other of $16.4 million and Wine and Spirits of $10.0 million.

The increases in Beer and Wine and Spirits are both primarily attributable to an increase in marketing spend due largely to planned investment behind our Mexican beer and branded wine and spirits portfolios. The increase in Corporate Operations and Other is due to higher general and administrative expenses primarily attributable to (i) an increase in compensation and benefits driven primarily by higher annual management incentive compensation expense and an increase in employer payroll taxes related to employee equity award exercise activity during Fiscal 2016, and (ii) higher consulting and information technology expenses supporting the growth of the business.

Selling, general and administrative expenses as a percent of net sales remained relatively flat at 18.0% for Fiscal 2016 as compared to 17.9% for Fiscal 2015.

Operating Income

(in millions)	Fiscal 2016	Fiscal 2015	% Increase (Decrease)
Beer	$ 1,264.1	$ 1,017.8	24 %
Wine and Spirits	727.0	674.3	8 %
Corporate Operations and Other	(125.5)	(109.1)	(15 %)
Comparable Adjustments	(100.5)	(82.8)	(21 %)
Consolidated operating income	$ 1,765.1	$ 1,500.2	18 %

Operating income increased $264.9 million primarily due to increases in Beer and Wine and Spirits of $246.3 million and $52.7 million, respectively. The increases for both segments are primarily attributable to (i) organic volume growth and lower cost of product sold and (ii) benefits from the acquisitions of Meiomi (Wine and Spirits) and Ballast Point (Beer), partially offset by increased marketing spend supporting the growth of the businesses.

Earnings from Unconsolidated Investments

Earnings from unconsolidated investments increased to $51.1 million for Fiscal 2016 from $21.5 million for Fiscal 2015, an increase of $29.6 million. This increase is primarily attributable to an increase in Comparable Adjustments for Fiscal 2016.

Interest Expense

Interest expense decreased to $313.9 million for Fiscal 2016 from $337.7 million for Fiscal 2015, a decrease of $23.8 million, or (7%). This decrease was primarily due to lower average interest rates.

Provision for Income Taxes

Our effective tax rate for Fiscal 2016 and Fiscal 2015 was 29.3% and 29.1%, respectively. For Fiscal 2016, our effective tax rate was lower than the federal statutory rate of 35% primarily due to a decrease in uncertain tax positions and lower effective tax rates applicable to our foreign businesses. For Fiscal 2015, our effective tax rate was lower than the federal statutory rate primarily due to lower effective tax rates applicable to our foreign businesses.

For additional information, refer to Note 12 of the Notes to the Financial Statements.

We expect our effective tax rate for the next fiscal year to be in the range of 28% to 31%. We continue to assess whether certain earnings of foreign subsidiaries may be permanently reinvested.

Net Income Attributable to CBI

As a result of the above factors, net income attributable to CBI increased to $1,054.9 million for Fiscal 2016 from $839.3 million for Fiscal 2015, an increase of $215.6 million, or 26%.

Fiscal 2015 Compared to Fiscal 2014

Net Sales

(in millions)	Fiscal 2015	Fiscal 2014	% Increase (Decrease)
Beer	$ 3,188.6	$ 2,835.6	12 %
Wine and Spirits:			
Wine	2,523.4	2,554.2	(1 %)
Spirits	316.0	291.3	8 %
Total Wine and Spirits	2,839.4	2,845.5	— %
Consolidation and eliminations	—	(813.4)	100 %
Consolidated net sales	$ 6,028.0	$ 4,867.7	24 %

Net sales increased $1,160.3 million primarily due to $941.1 million of net sales of products acquired in the Beer Business Acquisition, combined with organic volume growth within our Mexican beer portfolio.

Beer

(in millions, branded product, 24-pack, 12-ounce case equivalents)	Fiscal 2015	Fiscal 2014	% Increase
Net sales	$ 3,188.6	$ 2,835.6	12.4 %
Shipment volume	201.4	182.4	10.4 %
Depletion volume (1)			8.3 %

Net sales for Beer increased $353.0 million primarily due to volume growth within our Mexican beer portfolio which benefited from continued consumer demand and increased advertising spend, combined with a favorable impact from pricing in select markets. In addition, Fiscal 2015 net sales were favorably impacted by increased shipment volumes in connection with a return of wholesaler inventories in the U.S. to more historic levels.

In August 2014, we announced a voluntary product recall of select packages in the U.S. and Guam containing 12-ounce clear glass bottles of our Corona Extra beer that may contain small particles of glass (the "Product Recall"). The Product Recall was a precautionary step after routine inspections in our quality control laboratory detected defects in certain bottles that could cause small particles of glass to break off and fall into the bottle. The potentially affected bottles came from a glass plant run by a third party manufacturer that supplied us with bottles. The third-party manufacturer contractually agreed to reimburse us for all costs associated with the Product Recall; accordingly, our results of operations for Fiscal 2015 do not reflect any costs associated with the Product Recall.

Wine and Spirits

(in millions, branded product, 9-liter case equivalents)	Fiscal 2015	Fiscal 2014	% Increase (Decrease)
Net sales	$ 2,839.4	$ 2,845.5	(0.2 %)
Shipment volume			
Total	66.0	66.8	(1.2 %)
U.S. Domestic	50.5	51.3	(1.6 %)
U.S. Domestic focus brands (2)	35.2	35.9	(1.9 %)
Depletion volume (1)			
U.S. Domestic			(0.1)%
U.S. Domestic focus brands (2)			3.0 %

(1) Depletions represent distributor shipments of our respective branded products to retail customers, based on third-party data, including acquired brands from the date of acquisition and for the comparable prior year period.

(2) Focus brands include: Arbor Mist, Black Box, Blackstone, Clos du Bois, Estancia, Franciscan Estate, Inniskillin, Kim Crawford, Mark West, Mount Veeder, Nobilo, Ravenswood, Rex Goliath, Robert Mondavi, Ruffino, Simi, Toasted Head, Wild Horse, Black Velvet Canadian Whisky and SVEDKA Vodka.

Net sales for Wine and Spirits decreased $6.1 million primarily due to (i) lower branded wine volume (predominantly in the U.S. due largely to a planned reduction in inventory levels by one of our exclusive distributors), (ii) an unfavorable year-over-year foreign currency translation impact, (iii) lower nonbranded net sales and (iv) higher branded wine promotional spend; partially offset by (i) favorable product mix shift predominantly within the U.S. branded wine and spirits portfolio, (ii) the recognition of contractually required payments from the distributor noted above equal to the approximate profit lost on the reduced sales associated with the inventory reduction, (iii) the recognition of certain contractually required distributor performance payments and (iv) branded spirits volume growth.

Gross Profit

(in millions)	Fiscal 2015	Fiscal 2014	% Increase
Beer	$ 1,465.8	$ 1,132.1	29 %
Wine and Spirits	1,172.3	1,117.1	5 %
Comparable Adjustments	(59.5)	(16.0)	NM
Consolidation and eliminations	—	(241.5)	100 %
Consolidated gross profit	$ 2,578.6	$ 1,991.7	29 %

NM = Not meaningful

Gross profit increased $586.9 million primarily due to $443.5 million of gross profit from the Beer Business Acquisition and organic beer growth (driven largely by the organic volume growth and the favorable impact from pricing in select markets).

Beer increased $333.7 million primarily due to incremental gross profit from the Brewery Purchase, the volume growth and the favorable impact from pricing in select markets.

Wine and Spirits increased $55.2 million primarily due to (i) the favorable product mix shift for the branded wine and spirits portfolio, (ii) lower cost of product sold and (iii) the distributor performance payments; partially offset by (i) the higher promotional spend, (ii) lower branded wine volume and (iii) an unfavorable year-over-year foreign currency translation impact.

Gross profit as a percent of net sales increased to 42.8% for Fiscal 2015 compared with 40.9% for Fiscal 2014 primarily due to the items discussed above, partially offset by the increase in Comparable Adjustments.

Selling, General and Administrative Expenses

(in millions)	Fiscal 2015	Fiscal 2014	% Increase
Beer	$ 448.0	$ 359.2	25 %
Wine and Spirits	498.0	479.3	4 %
Corporate Operations and Other	109.1	99.8	9 %
Comparable Adjustments	23.3	55.7	58 %
Consolidation and eliminations	—	(98.9)	100 %
Consolidated selling, general and administrative expenses	$ 1,078.4	$ 895.1	20 %

Selling, general and administrative expenses increased $183.3 million primarily due to $134.2 million from the Beer Business Acquisition and an increase in organic beer selling, general and administrative expenses.

Beer increased $88.8 million primarily due to increases in general and administrative expenses of $44.5 million and advertising expenses of $44.1 million. The increase in general and administrative expenses is predominantly driven by higher compensation and benefit costs and higher information technology costs supporting the growth of the Mexican beer portfolio, combined with an overlap of prior year foreign currency transaction gains with current year foreign currency transaction losses. The increase in advertising expenses is due largely to investment behind our Mexican beer portfolio.

Wine and Spirits increased $18.7 million primarily due to increases in general and administrative expenses of $11.0 million and advertising expenses of $8.4 million. The increase in general and administrative expenses is predominantly attributable to higher compensation and benefit costs and higher consulting expenses supporting the Wine and Spirits' branded portfolio. The increase in advertising expenses is due largely to a planned investment behind our branded wine and spirits portfolio.

Corporate Operations and Other increased $9.3 million due to higher general and administrative expenses primarily attributable to the growth of our business.

Selling, general and administrative expenses as a percent of net sales decreased to 17.9% for Fiscal 2015 as compared with 18.4% for Fiscal 2014 primarily due to the Beer Business Acquisition and the associated lower fixed overhead and the decrease in Comparable Adjustments, partially offset by the increase in organic beer selling, general and administrative expenses.

Operating Income

(in millions)	Fiscal 2015	Fiscal 2014	% Increase (Decrease)
Beer	$ 1,017.8	$ 772.9	32 %
Wine and Spirits	674.3	637.8	6 %
Corporate Operations and Other	(109.1)	(99.8)	(9 %)
Comparable Adjustments	(82.8)	1,269.4	(107 %)
Consolidation and eliminations	—	(142.6)	100 %
Consolidated operating income	$ 1,500.2	$ 2,437.7	(38 %)

Operating income decreased $937.5 million primarily due to the significant decrease in Comparable Adjustments, partially offset by growth in our reportable segments as a result of the factors discussed above.

Earnings from Unconsolidated Investments

Earnings from unconsolidated investments decreased to $21.5 million for Fiscal 2015 from $87.8 million for Fiscal 2014, a decrease of $66.3 million, or (76%). This decrease is primarily due to lower equity in earnings of Crown Imports as a result of the Beer Business Acquisition and the consolidation of Crown Imports' results of operations from the date of acquisition.

Interest Expense

Interest expense increased to $337.7 million for Fiscal 2015 from $323.2 million for Fiscal 2014, an increase of $14.5 million, or 4%. The increase was driven largely by higher average borrowings, partially offset by a lower weighted average interest rate on outstanding borrowings, both primarily due to the issuance of the May 2013 Senior Notes and borrowings under our senior credit facility in connection with the financing for the Beer Business Acquisition.

Provision for Income Taxes

Our effective tax rate for Fiscal 2015 and Fiscal 2014 was 29.1% and 11.8%, respectively. Our effective tax rate for Fiscal 2015 benefited primarily from lower effective tax rates applicable to our foreign businesses. Our effective tax rate for Fiscal 2014 was favorably impacted by the Beer Business Acquisition, primarily attributable to the recognition of the nontaxable gain on the remeasurement to fair value of our preexisting 50% equity interest in Crown Imports of $1,642.0 million, partially offset by the write-off of nondeductible goodwill of $278.7 million.

Net Income Attributable to CBI

As a result of the above factors, net income attributable to CBI decreased to $839.3 million for Fiscal 2015 from $1,943.1 million for Fiscal 2014, a decrease of $1,103.8 million, or (57%).

Financial Liquidity and Capital Resources

General

Our ability to consistently generate cash flow from operating activities is one of our most significant financial strengths. Our strong cash flows enable us to invest in our people and our brands, make appropriate capital investments, provide a quarterly cash dividend program, and from time-to-time, repurchase shares of our common stock and make strategic acquisitions that we believe will enhance stockholder value. Our primary source of liquidity has been cash flow from operating activities. Our principal use of cash in our operating activities is for purchasing and carrying inventories and carrying seasonal accounts receivable. Historically, we have used cash flow from operating activities to repay our short-term borrowings and fund capital expenditures. We will continue to use our short-term borrowings, including our accounts receivable securitization facilities, to support our working capital requirements and capital expenditures.

We have maintained adequate liquidity to meet working capital requirements, fund capital expenditures and repay scheduled principal and interest payments on debt. Absent deterioration of market conditions, we believe that cash flows from operating activities and financing activities, primarily short-term borrowings, will provide adequate resources to satisfy our working capital, scheduled principal and interest payments on debt, anticipated dividend payments and anticipated capital expenditure requirements for both our short-term and long-term capital needs, including (i) our Nava Brewery and glass production plant expansions and (ii) our Mexicali Brewery construction.

Cash Flows

(in millions)	Fiscal 2016	Fiscal 2015	Fiscal 2014
Net cash provided by operating activities	$ 1,413.7	$ 1,081.0	$ 826.2
Net cash used in investing activities	(2,207.4)	(1,015.9)	(4,863.8)
Net cash provided by (used in) financing activities	776.0	(16.4)	3,777.0
Effect of exchange rate changes on cash and cash equivalents	(9.3)	(2.5)	(7.0)
Net increase (decrease) in cash and cash equivalents	$ (27.0)	$ 46.2	$ (267.6)

Operating Activities

Fiscal 2016 Compared to Fiscal 2015

Net cash provided by operating activities increased $332.7 million for Fiscal 2016. This increase resulted primarily from (i) higher cash provided by Beer (largely due to strong volume growth in the Mexican beer portfolio as well as a reduction in prepaid value-added taxes predominantly attributable to timing) and (ii) lower income tax payments. The lower income tax payments within cash flows from operating activities are primarily due to an increase in tax benefits on employee equity award exercise and vesting activity, partially offset by an increase in income taxes payable largely attributable to higher taxable income driven by Beer.

Fiscal 2015 Compared to Fiscal 2014

Net cash provided by operating activities increased $254.8 million for Fiscal 2015. This increase resulted primarily from an increase in cash provided by Beer due largely to the timing of the prior year Beer Business Acquisition combined with the strong growth in the Mexican beer portfolio for Fiscal 2015, partially offset by an increase in beer inventory levels to support the growth of the Mexican beer portfolio.

Investing Activities

Fiscal 2016 Compared to Fiscal 2015

Net cash used in investing activities increased $1,191.5 million for Fiscal 2016, primarily due to the August and December 2015 acquisitions of Meiomi and Ballast Point, respectively.

Fiscal 2015 Compared to Fiscal 2014

Net cash used in investing activities decreased $3,847.9 million for Fiscal 2015. This decrease resulted primarily from the Beer Business Acquisition for Fiscal 2014, partially offset by increased purchases of property, plant and equipment for Fiscal 2015 primarily in connection with the Beer Business Acquisition and the associated Nava Brewery expansion projects.

Financing Activities

Fiscal 2016 Compared to Fiscal 2015

Net cash provided by financing activities increased $792.4 million for Fiscal 2016, primarily from the following:

- Fiscal 2016 net proceeds from notes payable of $360.6 million compared with Fiscal 2015 net proceeds from notes payable of $13.1 million;
- Fiscal 2016 excess tax benefits from stock-based payment awards of $203.4 million compared with $78.0 million for Fiscal 2015 due to increased Fiscal 2016 employee equity award exercise and vesting activity;
- Fiscal 2015 payment of delayed purchase price arrangement of $543.3 million in connection with the June 2013 Beer Business Acquisition; and
- Fiscal 2015 principal payments of long-term debt for the repayment of our December 2007 senior notes of $500.0 million;

partially offset by:

- Fiscal 2016 proceeds from issuance of long-term debt of $610.0 million primarily from the issuance of the December 2015 Senior Notes (used to fund a portion of the purchase price for the acquisition of Ballast Point) and from term loan borrowings under the 2015 Credit Agreement (used to fund a portion of the purchase price for the acquisition of Meiomi) compared with Fiscal 2015 proceeds from issuance of long-term debt of $905.0 million primarily from the issuance of the November 2014 Senior Notes (used primarily to redeem our December 2007 Senior Notes); and
- Payment of quarterly cash dividends.

Fiscal 2015 Compared to Fiscal 2014

Net cash used in financing activities increased $3,793.4 million for Fiscal 2015, primarily from the following:

- Fiscal 2015 proceeds from issuance of long-term debt of $905.0 million primarily from the issuance of the November 2014 Senior Notes (used primarily to redeem our December 2007 Senior Notes) compared with Fiscal 2014 proceeds from issuance of long-term debt of $3,725.0 million from term loan borrowings under the 2013 Credit Agreement and the issuance of the May 2013 Senior Notes (used to fund a portion of the Beer Business Acquisition);
- Fiscal 2015 principal payments of long-term debt for the repayment of the December 2007 Senior Notes of $500.0 million; and
- Fiscal 2015 payment of delayed purchase price arrangement of $543.3 million in connection with the June 2013 Beer Business Acquisition;

partially offset by:

- Fiscal 2015 proceeds from noncontrolling interests of $115.0 million in connection with the formation of a VIE for which we are the primary beneficiary.

Debt

Total debt outstanding as of February 29, 2016, amounted to $8,081.2 million, an increase of $784.7 million from February 28, 2015. This increase was due largely to the issuance of the $400.0 million December 2015 Senior Notes and an increase in borrowings under our revolving credit facilities of $355.9 million.

The majority of our outstanding borrowings as of February 29, 2016, consisted of fixed-rate senior unsecured notes, with maturities ranging from calendar 2016 to calendar 2025, and variable-rate senior secured term loan facilities under our 2015 Credit Agreement, with maturities ranging from calendar 2020 to calendar 2021.

In March 2016, we entered into the 2016 Restatement Agreement, which resulted in the creation of a new $700.0 million European Term A-1 loan facility and an increase in the European revolving credit commitment under the revolving credit facility by $425.0 million to $1.0 billion. Proceeds from borrowings under the 2016 Credit Agreement were used to refinance (i) outstanding obligations under the 2015 Credit Agreement and (ii) short-term borrowings under our accounts receivable securitization facilities, and for other general corporate purposes.

We had the following borrowing capacity available under our senior credit facilities and our accounts receivable securitization facilities:

	Remaining Borrowing Capacity	
	February 29, 2016	April 19, 2016
(in millions)		
Revolving Credit Facility	$ 1,042.1	$ 1,133.0
CBI Facility	$ 145.0	$ 275.0
Crown Facility	$ 11.0	$ 130.0

The financial institutions participating in our senior credit facilities and our accounts receivable securitization facilities have complied with prior funding requests and we believe such financial institutions will comply with any future funding requests. However, there can be no assurances that any particular financial institution will continue to do so.

As of February 29, 2016, we also have additional credit arrangements totaling $424.1 million, with $157.1 million outstanding under these arrangements. These arrangements primarily support the financing needs of our domestic and foreign subsidiary operations.

We have entered into various interest rate swap agreements to manage our exposure to the volatility of the interest rates associated with our variable-rate senior secured term loan facilities. As a result of these hedges, as of February 29, 2016, we have fixed our interest rates on (i) $500.0 million of our floating LIBOR rate debt at an average rate of 2.8% (exclusive of borrowing margins) through September 1, 2016, and (ii) $100.0 million of our floating LIBOR rate debt at an average rate of 1.2% (exclusive of borrowing margins) through July 1, 2020.

We and our subsidiaries are subject to covenants that are contained in our senior credit facility, including those restricting the incurrence of additional indebtedness (including guarantees of indebtedness), additional liens, mergers and consolidations, the payment of dividends, the making of certain investments, prepayments of certain debt, transactions with affiliates, agreements that restrict our non-guarantor subsidiaries from paying dividends, and dispositions of property, in each case subject to numerous conditions, exceptions and thresholds. As of February 29, 2016, the financial covenants are limited to a minimum interest coverage ratio and a maximum net debt coverage ratio, both as defined in the 2015 Credit Agreement. As of February 29, 2016, the minimum interest coverage ratio was 2.5x and the maximum net debt coverage ratio was 5.5x.

Our indentures relating to our outstanding senior notes contain certain covenants, including, but not limited to: (i) a limitation on liens on certain assets, (ii) a limitation on certain sale and leaseback transactions and (iii) restrictions on mergers, consolidations and the transfer of all or substantially all of our assets to another person.

As of February 29, 2016, we were in compliance with all of our covenants under both our 2015 Credit Agreement and our indentures, and have met all debt payment obligations.

For a complete discussion and presentation of all borrowings and available sources of borrowing, refer to Note 11 of the Notes to the Financial Statements.

Common Stock Dividends

On April 5, 2016, our Board of Directors declared a quarterly cash dividend of $0.40 per share of Class A Common Stock, $0.36 per share of Class B Convertible Common Stock and $0.36 per share of Class 1 Common Stock payable on May 24, 2016, to stockholders of record of each class on May 10, 2016. We expect to return approximately $320 million to stockholders in Fiscal 2017 through cash dividends.

We currently expect to pay quarterly cash dividends on our common stock in the future, but such payments are subject to approval of our Board of Directors and are dependent upon our financial condition, results of operations, capital requirements and other factors, including those set forth under Item 1A "Risk Factors" of this Annual Report on Form 10-K.

Share Repurchase Programs

Our Board of Directors authorized the repurchase of up to $1.0 billion of our Class A Common Stock and Class B Convertible Common Stock under the 2013 Authorization. Shares repurchased under this authorization have become treasury shares.

As of February 29, 2016, total shares repurchased under this authorization are as follows:

		Class A Common Shares	
(in millions, except share data)	Repurchase Authorization	Dollar Value of Shares Repurchased	Number of Shares Repurchased
2013 Authorization	$ 1,000.0	$ 330.5	14,270,128

Share repurchases under the 2013 Authorization may be accomplished at management's discretion from time to time based on market conditions, our cash and debt position, and other factors as determined by management. Shares may be repurchased through open market or privately negotiated transactions. We may fund future share repurchases with cash generated from operations, proceeds from borrowings under the accounts receivable securitization facilities or proceeds from revolver borrowings under our senior credit facility. Any repurchased shares will become treasury shares.

For additional information, refer to Note 14 of the Notes to the Financial Statements.

Contractual Obligations and Commitments

The following table sets forth information about our contractual obligations outstanding at February 29, 2016. It brings together data for easy reference from our balance sheet and Notes to the Financial Statements. For a detailed discussion of the items noted in the following table, refer to Notes 10, 11, 12 and 13 of the Notes to the Financial Statements.

(in millions)	PAYMENTS DUE BY PERIOD Total	Less than 1 year	1-3 years	3-5 years	After 5 years
Notes payable to banks	$ 408.3	$ 408.3	$ —	$ —	$ —
Long-term debt (excluding unamortized debt issuance costs and unamortized discount)	7,724.6	857.1	1,001.1	2,687.8	3,178.6
Interest payments on long-term debt (1)	1,438.2	291.2	436.2	362.6	348.2
Operating leases	355.3	48.8	72.8	55.1	178.6
Other long-term liabilities (2)	255.2	111.4	78.2	23.3	42.3
Purchase obligations (3)	6,862.2	2,292.0	2,269.3	1,309.9	991.0
Total contractual obligations	$ 17,043.8	$ 4,008.8	$ 3,857.6	$ 4,438.7	$ 4,738.7

(1) Interest rates on long-term debt obligations range from 1.9% to 7.3% as of February 29, 2016. Interest payments on long-term debt obligations include amounts associated with our outstanding interest rate swap agreements to fix LIBOR interest rates on $600.0 million of our floating LIBOR rate debt. Interest payments on long-term debt do not include interest related to capital lease obligations or certain foreign credit arrangements, which represent approximately 0.6% of our total long-term debt, as amounts are not material.

(2) Other long-term liabilities include $17.8 million associated with expected payments for unrecognized tax benefit liabilities as of February 29, 2016, $0.6 million of which is expected to be paid in the less than one year period. The payments are reflected in the period in which we believe they will ultimately be settled based on our experience in these matters. Other long-term liabilities do not include payments for unrecognized tax benefit liabilities of $12.6 million due to the uncertainty of the timing of future cash flows associated with these unrecognized tax benefit liabilities. In addition, other long-term liabilities do not include expected payments for interest and penalties associated with unrecognized tax benefit liabilities as amounts are not material. For a detailed discussion of these items, refer to Note 12 of the Notes to the Financial Statements.

(3) Total purchase obligations consist primarily of $5,412.7 million for contracts to purchase certain raw materials and supplies over the next twelve fiscal years, $784.8 million for contracts to purchase equipment and services over the next four fiscal years and $503.3 million for contracts to purchase beer finished goods over the next two fiscal years. For a detailed discussion of our purchase obligations, refer to Note 13 of the Notes to the Financial Statements.

Off-Balance Sheet Arrangements

We do not have any off-balance sheet arrangements that either have, or are reasonably likely to have, a current or future effect on our financial condition, changes in financial condition, revenues or expenses, results of operations, liquidity, capital expenditures or capital resources that is material to investors.

Capital Expenditures

During Fiscal 2016, we incurred $891.3 million for capital expenditures, including $800.3 million for the Beer segment primarily for the Mexico Beer Expansion Projects. Management reviews the capital expenditure program periodically and modifies it as required to meet current business needs. We plan to spend from $1.25 billion to $1.35 billion for capital expenditures for Fiscal 2017, including from $1.15 billion to $1.25 billion for the Beer segment associated primarily with the Mexico Beer Expansion Projects. The remaining amounts consist of improvements of existing operating facilities and replacements of existing equipment and/or buildings. In total, over the next five fiscal year periods, we expect to spend approximately $3 billion for capital expenditures associated with the Mexico Beer Expansion Projects. Upon completion, the total spend from fiscal 2014 through fiscal 2021 for the Mexico Beer Expansion Projects is estimated to approximate $4.5 billion.

Effects of Inflation and Changing Prices

Our results of operations and financial condition have not been significantly affected by inflation and changing prices. We intend to pass along rising costs through increased selling prices, subject to normal competitive conditions. There can be no assurances, however, that we will be able to pass along rising costs through increased selling prices. In addition, we continue to identify on-going cost savings initiatives.

Critical Accounting Estimates

Our significant accounting policies are more fully described in Note 1 of our Notes to the Financial Statements. However, certain of our accounting policies are particularly important to the portrayal of our financial position and results of operations and require the application of significant judgment by management; as a result, they are subject to an inherent degree of uncertainty. In applying those policies, management uses its judgment to determine the appropriate assumptions to be used in the determination of certain estimates. Those estimates are based on our historical experience, our observance of trends in the industry, information provided by our customers and information available from other outside sources, as appropriate. On an ongoing basis, we review our estimates to ensure that they appropriately reflect changes in our business. Our critical accounting estimates include:

- *Goodwill and other intangible assets.* We account for goodwill and other intangible assets by classifying intangible assets into three categories: (i) intangible assets with definite lives subject to amortization, (ii) intangible assets with indefinite lives not subject to amortization and (iii) goodwill. For intangible assets with definite lives, impairment testing is required if conditions exist that indicate the carrying value may not be recoverable. For intangible assets with indefinite lives and for goodwill, impairment testing is required at least annually or more frequently if events or circumstances indicate that these assets might be impaired. We perform annual impairment tests and re-evaluate the useful lives of other intangible assets with indefinite lives at the annual impairment test measurement date of January 1 or when circumstances arise that indicate a possible impairment might exist. The guidance for goodwill impairment testing allows an entity to assess qualitative factors to determine whether the existence of events or circumstances leads to a determination that it is more likely than not that the estimated fair value of a reporting unit is less than its carrying amount or to proceed directly to performing the two-step impairment test. In the first step, the estimated fair value of each reporting unit is compared to the carrying value of the reporting unit, including goodwill. The estimate of fair value of the reporting unit is generally calculated based on an income approach using the discounted cash flow method supplemented by the market approach. If the estimated fair value of the reporting unit is less than the carrying value of the reporting unit, a second step is performed to determine the amount of goodwill impairment we should record. In the second step, an implied fair value of the reporting unit's goodwill is determined by allocating the reporting unit's fair value to all of its assets and liabilities other than goodwill (including any unrecognized intangible assets). The resulting implied fair value of the goodwill is compared to the carrying value of the goodwill. The amount of impairment charge for goodwill is equal to the excess of the carrying value of the goodwill over the implied fair value of the goodwill. Our reporting units include the Beer segment and U.S., Canada, New Zealand and Italy for the Wine and Spirits segment. In estimating the fair value of the reporting units, management must make assumptions and projections regarding such items as future cash flows, future revenues, future earnings and other factors. The assumptions used in the estimate of fair value are based on historical trends and the projections and assumptions that are used in current strategic operating plans. These assumptions reflect management's estimates of future economic and competitive conditions and are, therefore, subject to change as a result of changing market conditions. If these estimates or their related assumptions change in the future, we may be required to record an impairment loss for these assets. The recording of any resulting impairment loss could have a material adverse impact on our financial statements.

  In the fourth quarter of fiscal 2016, we performed our annual goodwill impairment analysis. No indication of impairment was noted for any of our reporting units, as the estimated fair value of each of our reporting units with goodwill exceeded their carrying value. Based on this analysis, of all of our reporting units, the reporting unit with the lowest amount of estimated fair value in excess of its carrying value was the Wine and Spirits' U.S. reporting unit by approximately 43%. In Fiscal 2015, as a result of our annual goodwill impairment analysis, we concluded that there were no indications of impairment for any of our reporting units. In the second quarter of fiscal 2014, we recorded an impairment loss of $278.7 million in connection with the Wine and Spirits' Canadian reporting unit.

The most significant assumptions used in the discounted cash flows calculation to determine the estimated fair value of our reporting units in connection with impairment testing are: (i) the discount rate, (ii) the expected long-term growth rate and (iii) the annual cash flow projections. As of January 1, 2016, if we used a discount rate that was 50 basis points higher or used an expected long-term growth rate that was 50 basis points lower or used annual cash flow projections that were 100 basis points lower in our impairment testing of goodwill, then the changes individually would not have resulted in the carrying value of the respective reporting unit's net assets, including its goodwill, exceeding its estimated fair value, which would indicate the potential for impairment and the requirement to measure the amount of impairment, if any.

Our other intangible assets consist primarily of customer relationships and trademarks obtained through business acquisitions. Customer relationships are amortized over their estimated useful lives. The trademarks that were determined to have indefinite useful lives are not amortized. The guidance for indefinite lived intangible asset impairment testing allows an entity to assess qualitative factors to determine whether the existence of events or circumstances indicates that it is more likely than not that the indefinite lived intangible asset is impaired or to proceed directly to performing the quantitative impairment test. Our trademarks are evaluated for impairment by comparing the carrying value of the trademarks to their estimated fair value. The estimated fair value of trademarks is calculated based on an income approach using the relief from royalty method. The estimate of fair value is then compared to the carrying value of each trademark. If the estimated fair value is less than the carrying value of the trademark, then an impairment charge is recorded by us to reduce the carrying value of the trademark to its estimated fair value. In estimating the fair value of the trademarks, management must make assumptions and projections regarding future cash flows based upon future revenues and other factors. The assumptions used in the estimate of fair value are consistent with historical trends and the projections and assumptions that are used in current strategic operating plans. These assumptions reflect management's estimates of future economic and competitive conditions and are, therefore, subject to change as a result of changing market conditions. If these estimates or their related assumptions change in the future, we may be required to record an impairment loss for these assets. The recording of any resulting impairment loss could have a material adverse impact on our financial statements.

In the fourth quarter of fiscal 2016, we performed our annual review of indefinite lived intangible assets for impairment. No indication of impairment was noted for any of our indefinite lived intangible assets as a result of our review. No indication of impairment was noted for any of our indefinite lived intangible assets for Fiscal 2015. In the second quarter of fiscal 2014, we recorded an impairment loss of $22.2 million in connection with certain trademarks associated with the Wine and Spirits' Canadian business.

The most significant assumptions used in the relief from royalty method to determine the estimated fair value of intangible assets with indefinite lives in connection with impairment testing are: (i) the estimated royalty rate, (ii) the discount rate, (iii) the expected long-term growth rate and (iv) the annual revenue projections. As of January 1, 2016, if we used a royalty rate that was 50 basis points lower or used a discount rate that was 50 basis points higher or used an expected long-term growth rate that was 50 basis points lower or used annual revenue projections that were 100 basis points lower in our impairment testing of intangible assets with indefinite lives, then each change individually would not have resulted in any unit of accounting's carrying value exceeding its estimated fair value.

- *Accounting for promotional activities.* 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. Certain customer incentive programs require management to estimate the cost of those programs. The accrued liability for these programs is determined through analysis of programs offered, historical trends, expectations regarding customer and consumer participation, sales and payment trends, and experience with payment patterns associated with similar programs that have been offered previously. If assumptions included in our estimates were to change or market conditions were to change, then material incremental reductions to revenue could be required, which could have a material adverse impact on our financial statements.

- *Accounting for income taxes.* We estimate our income tax expense, deferred tax assets and liabilities and reserves for unrecognized tax benefits based upon various factors including, but not limited to, historical pretax operating income, future estimates of pretax operating income, differences between book and tax treatment of items of income and expense, and tax planning strategies. We are subject to income taxes in Canada, Luxembourg, Mexico, New Zealand, the U.S. and other jurisdictions. We recognize our deferred tax assets and liabilities based upon the expected future tax outcome of amounts recognized in our results of operations. If necessary, we record a valuation allowance on deferred tax assets when it is more likely than not that they will not be realized. We believe that all tax positions are fully supported; however, we record tax liabilities in accordance with the FASB's guidance for income tax accounting. We recognize a tax benefit from an uncertain tax position when it is more likely than not that the position will be sustained upon examination. Due to the complexity of some of these uncertainties, the ultimate resolution may result in a payment that is materially different from our current estimate of the tax liabilities. In addition, changes in existing tax laws or rates could significantly change our current estimate of our tax liabilities. These differences will be reflected as increases or decreases to income tax expense in the period in which they are determined. Changes in current estimates, if significant, could have a material adverse impact on our financial statements.

Accounting Guidance Not Yet Adopted

Accounting guidance adopted for Fiscal 2016 did not have a material impact on our consolidated financial statements. For information on Accounting Guidance Not Yet Adopted, refer to Note 21 in our Notes to the Financial Statements.

Item 7A. Quantitative and Qualitative Disclosures About Market Risk.

As a result of our global operating, acquisition and financing activities, we are exposed to market risk associated with changes in foreign currency exchange rates, commodity prices and interest rates. To manage the volatility relating to these risks, we periodically purchase and/or sell derivative instruments including foreign currency forward and option contracts, commodity swap agreements and interest rate swap agreements. We use derivative instruments to reduce earnings and cash flow volatility resulting from shifts in market rates, as well as to hedge economic exposures. We do not enter into derivative instruments for trading or speculative purposes.

Foreign Currency and Commodity Price Risk

Foreign currency derivative instruments are or may be used to hedge existing foreign currency denominated assets and liabilities, forecasted foreign currency denominated sales/purchases to/from third parties as well as intercompany sales/purchases, intercompany principal and interest payments, and in connection with acquisitions or joint venture investments outside the U.S. As of February 29, 2016, we had exposures to foreign currency risk primarily related to the Mexican peso, euro, New Zealand dollar and Canadian dollar. Approximately 57% of our balance sheet exposures and forecasted transactional exposures for the year ending February 28, 2017, were hedged as of February 29, 2016.

Commodity derivative instruments are or may be used to hedge forecasted commodity purchases from third parties as either economic hedges or accounting hedges. As of February 29, 2016, exposures to commodity price risk which we are currently hedging primarily include heating oil, diesel fuel, corn, aluminum and natural gas prices. Approximately 59% of our forecasted transactional exposures for the year ending February 28, 2017, were hedged as of February 29, 2016.

We have performed a sensitivity analysis to estimate our exposure to market risk of foreign exchange rates and commodity prices reflecting the impact of a hypothetical 10% adverse change in the applicable market. The volatility of the applicable rates and prices is dependent on many factors which cannot be forecasted with reliable accuracy. Losses or gains from the revaluation or settlement of the related underlying positions would substantially offset such gains or losses on the derivative instruments. The aggregate notional value, estimated fair value and sensitivity analysis for our open foreign currency and commodity derivative instruments are summarized as follows:

	Aggregate Notional Value		Fair Value, Net Liability		Increase in Fair Value – Hypothetical 10% Adverse Change	
(in millions)	February 29, 2016	February 28, 2015	February 29, 2016	February 28, 2015	February 29, 2016	February 28, 2015
Foreign currency contracts	$ 1,707.2	$ 2,003.3	$ 57.5	$ 24.4	$ 73.5	$ 45.8
Commodity derivative contracts	$ 198.7	$ 190.8	$ 45.2	$ 26.7	$ 13.7	$ 16.2

Interest Rate Risk

The estimated fair value of our fixed interest rate debt is subject to interest rate risk, credit risk and foreign currency risk. In addition, we also have variable interest rate debt outstanding (primarily LIBOR-based), certain of which includes a fixed margin subject to the same risks identified for our fixed interest rate debt.

As of February 29, 2016, and February 28, 2015, we had outstanding cash flow designated interest rate swap agreements which fixed LIBOR interest rates (to minimize interest rate volatility) on $600.0 million and $500.0 million, respectively, of our floating LIBOR rate debt. In addition, as of February 29, 2016, and February 28, 2015, we had outstanding offsetting undesignated interest rate swap agreements.

We have performed a sensitivity analysis to estimate our exposure to market risk of interest rates reflecting the impact of a hypothetical 1% increase in the prevailing interest rates. The volatility of the applicable rates is dependent on many factors which cannot be forecasted with reliable accuracy. The aggregate notional value, estimated fair value and sensitivity analysis for our outstanding fixed and variable interest rate debt, including current maturities, and open interest rate derivative instruments are summarized as follows:

	Aggregate Notional Value		Fair Value, Net Liability		Decrease in Fair Value – Hypothetical 1% Rate Increase	
(in millions)	February 29, 2016	February 28, 2015	February 29, 2016	February 28, 2015	February 29, 2016	February 28, 2015
Fixed interest rate debt	$ 4,796.1	$ 4,400.2	$ 5,016.6	$ 4,700.5	$ (218.1)	$ (223.6)
Variable interest rate debt	$ 3,336.8	$ 2,949.2	$ 2,643.7	$ 2,679.0	$ (81.5)	$ (92.4)
Interest rate swap contracts	$ 1,600.0	$ 1,500.0	$ 6.6	$ 19.7	$ (5.1)	$ (6.5)

For additional discussion on our market risk, refer to Notes 6 and 7 of the Notes to the Financial Statements.

Item 8. Financial Statements and Supplementary Data.

CONSTELLATION BRANDS, INC. AND SUBSIDIARIES
INDEX TO CONSOLIDATED FINANCIAL STATEMENTS
FEBRUARY 29, 2016

The following information is presented in this Annual Report on Form 10-K:

Report of Independent Registered Public Accounting Firm

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

We have audited the accompanying consolidated balance sheets of Constellation Brands, Inc. and subsidiaries (the Company) as of February 29, 2016 and February 28, 2015, and the related consolidated statements of comprehensive income, changes in stockholders' equity, and cash flows for each of the years in the three-year period ended February 29, 2016. 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 audits.

We conducted our audits in accordance with the standards of the Public Company Accounting Oversight Board (United States). 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 examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audits provide a reasonable basis for our opinion.

In our opinion, the consolidated financial statements referred to above present fairly, in all material respects, the financial position of Constellation Brands, Inc. and subsidiaries as of February 29, 2016 and February 28, 2015, and the results of their operations and their cash flows for each of the years in the three-year period ended February 29, 2016, in conformity with U.S. generally accepted accounting principles.

We also have audited, in accordance with the standards of the Public Company Accounting Oversight Board (United States), Constellation Brands, Inc.'s internal control over financial reporting as of February 29, 2016, based on criteria established in *Internal Control – Integrated Framework (2013)* issued by the Committee of Sponsoring Organizations of the Treadway Commission (COSO), and our report dated April 25, 2016 expressed an unqualified opinion on the effectiveness of Constellation Brands, Inc.'s internal control over financial reporting.

/s/ KPMG LLP

Rochester, New York
April 25, 2016

Report of Independent Registered Public Accounting Firm

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

We have audited Constellation Brands, Inc.'s (the Company) internal control over financial reporting as of February 29, 2016, based on criteria established in *Internal Control – Integrated Framework (2013)* issued by the Committee of Sponsoring Organizations of the Treadway Commission (COSO). Constellation Brands, Inc.'s management is responsible for maintaining effective internal control over financial reporting and for its assessment of the effectiveness of internal control over financial reporting, included in the accompanying Management's Annual Report on Internal Control over Financial Reporting. Our responsibility is to express an opinion on the Company's internal control over financial reporting based on our audit.

We conducted our audit in accordance with the standards of the Public Company Accounting Oversight Board (United States). Those standards require that we plan and perform the audit to obtain reasonable assurance about whether effective internal control over financial reporting was maintained in all material respects. Our audit included obtaining an understanding of internal control over financial reporting, assessing the risk that a material weakness exists, and testing and evaluating the design and operating effectiveness of internal control based on the assessed risk. Our audit also included performing such other procedures as we considered necessary in the circumstances. We believe that our audit provides a reasonable basis for our opinion.

A company's internal control over financial reporting is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles. A company's internal control over financial reporting includes those policies and procedures that (1) pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the company; (2) provide reasonable assurance that transactions are recorded as necessary to permit preparation of financial statements in accordance with generally accepted accounting principles, and that receipts and expenditures of the company are being made only in accordance with authorizations of management and directors of the company; and (3) provide reasonable assurance regarding prevention or timely detection of unauthorized acquisition, use, or disposition of the company's assets that could have a material effect on the financial statements.

Because of its inherent limitations, internal control over financial reporting may not prevent or detect misstatements. Also, projections of any evaluation of effectiveness to future periods are subject to the risk that controls may become inadequate because of changes in conditions, or that the degree of compliance with the policies or procedures may deteriorate.

In our opinion, Constellation Brands, Inc. maintained, in all material respects, effective internal control over financial reporting as of February 29, 2016, based on criteria established in *Internal Control – Integrated Framework (2013)* issued by the Committee of Sponsoring Organizations of the Treadway Commission.

We also have audited, in accordance with the standards of the Public Company Accounting Oversight Board (United States), the consolidated balance sheets of Constellation Brands, Inc. and subsidiaries as of February 29, 2016 and February 28, 2015, and the related consolidated statements of comprehensive income, changes in stockholders' equity, and cash flows for each of the years in the three-year period ended February 29, 2016, and our report dated April 25, 2016 expressed an unqualified opinion on those consolidated financial statements.

/s/ KPMG LLP

Rochester, New York
April 25, 2016

Management's Annual Report on Internal Control Over Financial Reporting

Management of Constellation Brands, Inc. and subsidiaries (the "Company") is responsible for establishing and maintaining an adequate system of internal control over financial reporting. This system is designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with U.S. generally accepted accounting principles.

The Company's internal control over financial reporting includes those policies and procedures that (i) pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the Company; (ii) provide reasonable assurance that transactions are recorded as necessary to permit preparation of financial statements in accordance with generally accepted accounting principles, and that receipts and expenditures of the Company are being made only in accordance with authorizations of management and directors of the Company; and (iii) provide reasonable assurance regarding prevention or timely detection of unauthorized acquisition, use, or disposition of the Company's assets that could have a material effect on the financial statements.

Because of its inherent limitations, a system of internal control over financial reporting can provide only reasonable assurance and may not prevent or detect misstatements. Further, because of changes in conditions, effectiveness of internal controls over financial reporting may vary over time.

Management conducted an evaluation of the effectiveness of the system of internal control over financial reporting based on the framework in *Internal Control – Integrated Framework (2013)* issued by the Committee of Sponsoring Organizations (COSO) of the Treadway Commission. Based on that evaluation, management concluded that the Company's internal control over financial reporting was effective as of February 29, 2016.

The effectiveness of the Company's internal control over financial reporting has been audited by KPMG LLP, an independent registered public accounting firm, as stated in their report which is included herein.

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

	February 29, 2016	February 28, 2015
ASSETS		
Current assets:		
Cash and cash equivalents	$ 83.1	$ 110.1
Accounts receivable	732.5	598.9
Inventories	1,851.6	1,827.2
Prepaid expenses and other	310.4	374.6
Total current assets	2,977.6	2,910.8
Property, plant and equipment	3,333.4	2,681.6
Goodwill	7,138.6	6,208.2
Intangible assets	3,403.8	3,181.0
Other assets	111.6	111.4
Total assets	$ 16,965.0	$ 15,093.0
LIABILITIES AND STOCKHOLDERS' EQUITY		
Current liabilities:		
Notes payable to banks	$ 408.3	$ 52.4
Current maturities of long-term debt	856.7	158.1
Accounts payable	429.3	285.8
Accrued excise taxes	33.6	28.7
Other accrued expenses and liabilities	544.4	605.7
Total current liabilities	2,272.3	1,130.7
Long-term debt, less current maturities	6,816.2	7,086.0
Deferred income taxes	1,022.2	818.9
Other liabilities	162.5	176.1
Total liabilities	10,273.2	9,211.7
Commitments and contingencies (Note 13)		
CBI stockholders' equity:		
Preferred Stock, $.01 par value – Authorized, 1,000,000 shares; Issued, none	—	—
Class A Common Stock, $.01 par value – Authorized, 322,000,000 shares; Issued, 255,558,026 shares and 250,839,359 shares, respectively	2.6	2.5
Class B Convertible Common Stock, $.01 par value – Authorized, 30,000,000 shares; Issued, 28,358,529 shares and 28,389,608 shares, respectively	0.3	0.3
Class 1 Common Stock, $.01 par value – Authorized, 25,000,000 shares; Issued, 2,000 shares and none, respectively	—	—
Additional paid-in capital	2,589.0	2,269.8
Retained earnings	6,090.5	5,277.5
Accumulated other comprehensive loss	(452.5)	(130.9)
	8,229.9	7,419.2
Less: Treasury stock –		
Class A Common Stock, at cost, 79,454,011 shares and 79,681,859 shares, respectively	(1,668.1)	(1,646.3)
Class B Convertible Common Stock, at cost, 5,005,800 shares	(2.2)	(2.2)
	(1,670.3)	(1,648.5)
Total CBI stockholders' equity	6,559.6	5,770.7
Noncontrolling interests	132.2	110.6
Total stockholders' equity	6,691.8	5,881.3
Total liabilities and stockholders' equity	$ 16,965.0	$ 15,093.0

The accompanying notes are an integral part of these statements.

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

	For the Years Ended		
	February 29, 2016	February 28, 2015	February 28, 2014
Sales	$ 7,223.8	$ 6,672.1	$ 5,411.0
Less – excise taxes	(675.4)	(644.1)	(543.3)
Net sales	6,548.4	6,028.0	4,867.7
Cost of product sold	(3,606.1)	(3,449.4)	(2,876.0)
Gross profit	2,942.3	2,578.6	1,991.7
Selling, general and administrative expenses	(1,177.2)	(1,078.4)	(895.1)
Impairment of goodwill and intangible assets	—	—	(300.9)
Gain on remeasurement to fair value of equity method investment	—	—	1,642.0
Operating income	1,765.1	1,500.2	2,437.7
Earnings from unconsolidated investments	51.1	21.5	87.8
Interest expense	(313.9)	(337.7)	(323.2)
Loss on write-off of debt issuance costs	(1.1)	(4.4)	—
Income before income taxes	1,501.2	1,179.6	2,202.3
Provision for income taxes	(440.6)	(343.4)	(259.2)
Net income	1,060.6	836.2	1,943.1
Net (income) loss attributable to noncontrolling interests	(5.7)	3.1	—
Net income attributable to CBI	$ 1,054.9	$ 839.3	$ 1,943.1
Net income per common share attributable to CBI:			
Basic – Class A Common Stock	$ 5.42	$ 4.40	$ 10.45
Basic – Class B Convertible Common Stock	$ 4.92	$ 4.00	$ 9.50
Diluted – Class A Common Stock	$ 5.18	$ 4.17	$ 9.83
Diluted – Class B Convertible Common Stock	$ 4.79	$ 3.83	$ 9.04
Weighted average common shares outstanding:			
Basic – Class A Common Stock	173.383	169.325	164.687
Basic – Class B Convertible Common Stock	23.363	23.397	23.467
Diluted – Class A Common Stock	203.821	201.224	197.570
Diluted – Class B Convertible Common Stock	23.363	23.397	23.467
Cash dividends declared per common share:			
Class A Common Stock	$ 1.24	$ —	$ —
Class B Convertible Common Stock	$ 1.12	$ —	$ —
Comprehensive income:			
Net income	$ 1,060.6	$ 836.2	$ 1,943.1
Other comprehensive income (loss), net of income tax effect:			
Foreign currency translation adjustments	(323.3)	(191.0)	(66.8)
Unrealized gain (loss) on cash flow hedges	(17.2)	(20.2)	11.3
Unrealized loss on available-for-sale debt securities	(0.3)	(1.0)	(2.9)
Pension/postretirement adjustments	0.1	(6.0)	12.3
Other comprehensive loss, net of income tax effect	(340.7)	(218.2)	(46.1)
Comprehensive income	719.9	618.0	1,897.0
Comprehensive loss attributable to noncontrolling interests	13.4	4.4	—
Comprehensive income attributable to CBI	$ 733.3	$ 622.4	$ 1,897.0

The accompanying notes are an integral part of these statements.

CONSTELLATION BRANDS, INC. AND SUBSIDIARIES
CONSOLIDATED STATEMENTS OF CHANGES IN STOCKHOLDERS' EQUITY
(in millions)

	Common Stock		Additional Paid-in Capital	Retained Earnings	Accumulated Other Comprehensive Income (Loss)	Treasury Stock	Non-controlling Interests	Total
	Class A	Class B						
Balance at February 28, 2013	$ 2.4	$ 0.3	$ 1,907.1	$ 2,495.1	$ 132.1	$ (1,676.7)	$ —	$ 2,860.3
Comprehensive income:								
Net income	—	—	—	1,943.1	—	—	—	1,943.1
Other comprehensive loss, net of income tax effect	—	—	—	—	(46.1)	—	—	(46.1)
Comprehensive income								1,897.0
Shares issued under equity compensation plans	0.1	—	93.4	—	—	14.4	—	107.9
Stock-based compensation	—	—	50.8	—	—	—	—	50.8
Tax benefit on stock-based compensation	—	—	65.3	—	—	—	—	65.3
Balance at February 28, 2014	2.5	0.3	2,116.6	4,438.2	86.0	(1,662.3)	—	4,981.3
Comprehensive income:								
Net income (loss)	—	—	—	839.3	—	—	(3.1)	836.2
Other comprehensive loss, net of income tax effect	—	—	—	—	(216.9)	—	(1.3)	(218.2)
Comprehensive income								618.0
Contributions from noncontrolling interests	—	—	—	—	—	—	115.0	115.0
Shares issued under equity compensation plans	—	—	21.5	—	—	13.8	—	35.3
Stock-based compensation	—	—	54.3	—	—	—	—	54.3
Tax benefit on stock-based compensation	—	—	77.4	—	—	—	—	77.4
Balance at February 28, 2015	2.5	0.3	2,269.8	5,277.5	(130.9)	(1,648.5)	110.6	5,881.3
Comprehensive income:								
Net income	—	—	—	1,054.9	—	—	5.7	1,060.6
Other comprehensive loss, net of income tax effect	—	—	—	—	(321.6)	—	(19.1)	(340.7)
Comprehensive income								719.9
Repurchase of shares	—	—	—	—	—	(33.8)	—	(33.8)
Dividends declared	—	—	—	(241.9)	—	—	—	(241.9)
Contributions from noncontrolling interests	—	—	—	—	—	—	35.0	35.0
Shares issued under equity compensation plans	0.1	—	62.3	—	—	12.0	—	74.4
Stock-based compensation	—	—	53.5	—	—	—	—	53.5
Tax benefit on stock-based compensation	—	—	203.4	—	—	—	—	203.4
Balance at February 29, 2016	$ 2.6	$ 0.3	$ 2,589.0	$ 6,090.5	$ (452.5)	$ (1,670.3)	$ 132.2	$ 6,691.8

The accompanying notes are an integral part of these statements.

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

	For the Years Ended		
	February 29, 2016	February 28, 2015	February 28, 2014
Cash flows from operating activities:			
Net income	$ 1,060.6	$ 836.2	$ 1,943.1
Adjustments to reconcile net income to net cash provided by operating activities:			
Deferred tax provision	251.0	79.3	41.6
Depreciation	180.3	162.0	139.8
Stock-based compensation	54.0	55.0	49.9
Amortization of intangible assets	40.7	40.0	15.5
Amortization of debt issuance costs	12.0	12.2	11.6
Noncash portion of loss on write-off of debt issuance costs	1.1	3.3	—
Gain on remeasurement to fair value of equity method investment	—	—	(1,642.0)
Impairment of goodwill and intangible assets	—	—	300.9
Change in operating assets and liabilities, net of effects from purchases of businesses:			
Accounts receivable	(129.8)	16.1	36.5
Inventories	10.1	(132.5)	(41.1)
Prepaid expenses and other current assets	45.9	(71.2)	(0.2)
Accounts payable	24.7	(0.8)	(49.3)
Accrued excise taxes	5.1	1.6	(5.5)
Other accrued expenses and liabilities	(116.8)	44.7	58.1
Other	(25.2)	35.1	(32.7)
Total adjustments	353.1	244.8	(1,116.9)
Net cash provided by operating activities	1,413.7	1,081.0	826.2
Cash flows from investing activities:			
Purchases of businesses, net of cash acquired	(1,316.4)	(310.3)	(4,681.3)
Purchases of property, plant and equipment	(891.3)	(719.4)	(223.5)
Other investing activities	0.3	13.8	41.0
Net cash used in investing activities	(2,207.4)	(1,015.9)	(4,863.8)

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

	For the Years Ended		
	February 29, 2016	February 28, 2015	February 28, 2014
Cash flows from financing activities:			
Proceeds from issuance of long-term debt	610.0	905.0	3,725.0
Net proceeds from notes payable	360.6	13.1	57.3
Excess tax benefits from stock-based payment awards	203.4	78.0	65.4
Proceeds from shares issued under equity compensation plans	113.0	63.7	125.9
Proceeds from noncontrolling interests	25.0	115.0	—
Dividends paid	(241.6)	—	—
Principal payments of long-term debt	(208.7)	(605.7)	(96.4)
Payments of minimum tax withholdings on stock-based payment awards	(38.6)	(28.4)	(18.0)
Purchases of treasury stock	(33.8)	—	—
Payments of debt issuance costs	(13.3)	(13.8)	(82.2)
Payment of delayed purchase price arrangement	—	(543.3)	—
Net cash provided by (used in) financing activities	776.0	(16.4)	3,777.0
Effect of exchange rate changes on cash and cash equivalents	(9.3)	(2.5)	(7.0)
Net increase (decrease) in cash and cash equivalents	(27.0)	46.2	(267.6)
Cash and cash equivalents, beginning of year	110.1	63.9	331.5
Cash and cash equivalents, end of year	$ 83.1	$ 110.1	$ 63.9
Supplemental disclosures of cash flow information:			
Cash paid during the year for:			
Interest	$ 310.4	$ 325.4	$ 313.4
Income taxes, net of refunds received	$ 80.2	$ 169.5	$ 117.9

The accompanying notes are an integral part of these statements.

CONSTELLATION BRANDS, INC. AND SUBSIDIARIES
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
FEBRUARY 29, 2016

1. DESCRIPTION OF BUSINESS, BASIS OF PRESENTATION AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Description of business –

Constellation Brands, Inc. and its subsidiaries operate primarily in the beverage alcohol industry. Unless the context otherwise requires, the terms "Company," "CBI," "we," "our," or "us" refer to Constellation Brands, Inc. and its subsidiaries. We are a leading international producer and marketer of beverage alcohol with a broad portfolio of consumer-preferred high-end imported and craft beer brands, premium wine and spirits brands and other select beverage alcohol products.

Basis of presentation –

Principles of consolidation:

Our consolidated financial statements include our accounts and our majority-owned and controlled domestic and foreign subsidiaries, as well as a certain variable interest entity ("VIE") for which we are the primary beneficiary (see Note 2). All intercompany accounts and transactions are eliminated in consolidation.

Equity method investments:

If we are not required to consolidate our investment in another entity, we use the equity method when we (i) can exercise significant influence over the other entity and (ii) hold common stock and/or in-substance common stock of the other entity. Under the equity method, investments are carried at cost, plus or minus our equity in the increases and decreases in the investee's net assets after the date of acquisition. Dividends received from the investee reduce the carrying amount of the investment.

Management's use of estimates:

The preparation of financial statements in conformity with U.S. 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 revenues and expenses during the reporting period. Actual results could differ from those estimates.

Summary of significant accounting policies –

Revenue recognition:

We record revenue (referred to in our financial statements as "sales") when persuasive evidence of an arrangement exists, delivery has occurred, the price is fixed or determinable, and collectability is reasonably assured. Delivery is not considered to have occurred until risk of loss passes to the customer according to the terms of the contract between us and our customer. Risk of loss is usually transferred upon shipment to or receipt at our customers' locations, as determined by the specific sales terms of the transactions. Our sales terms do not allow for a right of return except for matters related to any manufacturing defects on our part. Amounts billed to customers for shipping and handling are included in 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.

Excise taxes remitted to governmental tax authorities are shown on a separate line item as a reduction of sales. Excise taxes are recognized in our results of operations when the related sale is recorded.

Cost of product sold:

The types of costs included in cost of product sold are raw materials, packaging materials, manufacturing costs, plant administrative support and overheads, and freight and warehouse costs (including distribution network costs). Distribution network costs include inbound freight charges and outbound shipping and handling costs, purchasing and receiving costs, inspection costs, warehousing and internal transfer costs.

Selling, general and administrative expenses:

The types of costs included in selling, general and administrative expenses consist predominately of advertising and non-manufacturing administrative and overhead costs. Distribution network costs are included in cost of product sold. We expense advertising costs as incurred, shown or distributed. Advertising expense for the years ended February 29, 2016, February 28, 2015, and February 28, 2014, was $468.3 million, $406.1 million and $278.5 million, respectively.

Foreign currency translation:

The functional currency of our foreign subsidiaries is generally the respective local currency. The translation from the applicable foreign currencies to U.S. dollars is performed for balance sheet accounts using exchange rates in effect at the balance sheet date and for revenue and expense accounts using a weighted average exchange rate for the period. The resulting translation adjustments are recorded as a component of Accumulated Other Comprehensive Income (“AOCI”). Gains or losses resulting from foreign currency denominated transactions are included in selling, general and administrative expenses.

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.

Fair value of financial instruments:

We calculate the estimated fair value of financial instruments using quoted market prices whenever available. When quoted market prices are not available, we use standard pricing models for various types of financial instruments (such as forwards, options and swaps) which take into account the present value of estimated future cash flows (see Note 7).

Derivative instruments:

We enter into derivative instruments to manage our exposure to fluctuations in foreign currency exchange, interest rate and commodity pricing. We enter into derivatives for risk management purposes only, including derivatives designated in hedge accounting relationships as well as those derivatives utilized as economic hedges. We do not enter into derivatives for trading or speculative purposes. We recognize all derivatives as either assets or liabilities and measure those instruments at estimated fair value (see Note 6, Note 7). We present our derivative positions gross on our balance sheets.

Changes in fair values (to the extent of hedge effectiveness) of outstanding cash flow hedges are deferred in stockholders’ equity as a component of AOCI. These deferred gains or losses are recognized in our results of operations in the same period in which the hedged items are recognized and on the same financial statement line item as the hedged items. Any ineffectiveness associated with these derivative instruments is recognized immediately in our results of operations.

Changes in fair values for derivative instruments not designated in a hedge accounting relationship are recognized directly in our results of operations each period and on the same financial statement line item as the hedged item. For purposes of measuring segment operating performance, the net gain (loss) from the changes in fair value of our undesignated commodity derivative contracts, prior to settlement, is reported outside of segment operating results until such time that the underlying exposure is recognized in the segment operating results. Upon settlement, the net gain (loss) from the changes in fair value of the undesignated commodity derivative contracts is reported in the appropriate operating segment, allowing our operating segment results to reflect the economic effects of the commodity derivative contracts without the resulting unrealized mark to fair value volatility.

Cash flows from the settlement of derivatives, including both economic hedges and those designated in hedge accounting relationships, appear on our statements of cash flows in the same categories as the cash flows of the hedged items.

Inventories:

Inventories are stated at the lower of cost (primarily computed in accordance with the first-in, first-out method) or net realizable value. Elements of cost include materials, labor and overhead.

Bulk wine inventories are included as in-process inventories within current assets, in accordance with the general practices of the wine industry, although a portion of such inventories may be aged for periods greater than one year. A substantial portion of barreled whiskey and brandy will not be sold within one year because of the duration of the aging process. All barreled whiskey and brandy are classified as in-process inventories and are included in current assets, in accordance with industry practice. Warehousing, insurance, ad valorem taxes and other carrying charges applicable to barreled whiskey and brandy held for aging are included in inventory costs.

We assess the valuation of our inventories and reduce the carrying value of those inventories that are obsolete or in excess of our forecasted usage to their estimated net realizable value based on analyses and assumptions including, but not limited to, historical usage, future demand and market requirements.

Property, plant and equipment:

Property, plant and equipment is stated at cost. Major additions and improvements are recorded as an increase to the property accounts, while maintenance and repairs are expensed as incurred. The cost of properties sold or otherwise disposed of and the related accumulated depreciation are eliminated from the balance sheet 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:

	Years
Land improvements	15 to 32
Vineyards	16 to 26
Buildings and improvements	10 to 50
Machinery and equipment	3 to 35
Motor vehicles	3 to 7

Goodwill and other intangible assets:

Goodwill is allocated to the reporting unit in which the business that created the goodwill resides. A reporting unit is an operating segment, or a business unit one level below that operating segment, for which discrete financial information is prepared and regularly reviewed by segment management. We review our goodwill and indefinite lived intangible assets annually for impairment, or sooner, if events or changes in circumstances indicate that the carrying amount of an asset may not be recoverable. We use January 1 as our annual impairment test measurement date. Indefinite lived intangible assets consist principally of trademarks. Intangible assets determined to have a finite life, primarily customer relationships and a favorable interim supply agreement (see Note 2), are amortized over their estimated useful lives and are subject to review for impairment in accordance with authoritative guidance for long-lived assets. Note 9 provides a summary of intangible assets segregated between amortizable and nonamortizable amounts.

Indemnification liabilities:

We have indemnified respective parties against certain liabilities that may arise in connection with certain acquisitions and divestitures. Indemnification liabilities are recognized when probable and estimable and included in other liabilities (see Note 13).

Income taxes:

We use the asset and liability method of accounting for income taxes. This method accounts for deferred income taxes by applying statutory rates in effect at the balance sheet date to the difference between the financial reporting and tax bases of assets and liabilities. We provide for taxes that may be payable if undistributed earnings of foreign subsidiaries were to be remitted to the U.S. Interest and penalties are recognized as a component of provision for income taxes.

Net income per common share attributable to CBI:

We have two classes of outstanding common stock with a material number of shares outstanding: Class A Common Stock and Class B Convertible Common Stock (see Note 14). In addition, we have another class of common stock with an immaterial number of shares outstanding: Class 1 Common Stock (See Note 14). If we pay a cash dividend on Class B Convertible Common Stock, each share of Class A Common Stock will receive an amount at least ten percent greater than the amount of the cash dividend per share paid on Class B Convertible Common Stock. Class B Convertible Common Stock shares are convertible into shares of Class A Common Stock on a one-to-one basis at any time at the option of the holder.

We use the two-class method for the computation and presentation of net income per common share attributable to CBI (hereafter referred to as "net income per common share") (see Note 16). The two-class method is an earnings allocation formula that calculates basic and diluted net income per common share for each class of common stock separately based on dividends declared and participation rights in undistributed earnings as if all such earnings had been distributed during the period. Under the two-class method, Class A Common Stock is assumed to receive a ten percent greater participation in undistributed earnings than Class B Convertible Common Stock, in accordance with the respective minimum dividend rights of each class of stock.

Net income per common share – basic excludes the effect of common stock equivalents and is computed using the two-class method. Net income per common share – diluted for Class A Common Stock reflects the potential dilution that could result if securities or other contracts to issue common stock were exercised or converted into common stock. Net income per common share – diluted for Class A Common Stock is computed using the more dilutive of the if-converted or two-class method. Net income per common share – diluted for Class A Common Stock is computed using the if-converted method and assumes the exercise of stock options using the treasury stock method and the conversion of Class B Convertible Common Stock as this method is more dilutive than the two-class method. Net income per common share – diluted for Class B Convertible Common Stock is computed using the two-class method and does not assume conversion of Class B Convertible Common Stock into shares of Class A Common Stock.

Stock-based employee compensation:

We have two stock-based employee compensation plans (see Note 15). We apply a grant date fair-value-based measurement method in accounting for our stock-based payment arrangements and record all costs resulting from stock-based payment transactions ratably over the requisite service period. Stock-based awards are subject to specific vesting conditions, generally time vesting, or upon retirement, disability or death of the employee (as defined by the plan), if earlier. For awards granted to retirement-eligible employees, we recognize compensation expense ratably over the period from the date of grant to the date of retirement-eligibility.

Recently adopted accounting guidance –

Debt issuance costs:

Effective February 29, 2016, we adopted the FASB amended guidance which requires debt issuance costs related to a recognized debt liability be presented on the balance sheet as a direct deduction from the carrying amount of that debt liability. Previously, we had presented these costs as deferred financing costs in other assets. The adoption of this amended guidance did not have a material impact on our financial position, resulting in a retrospective reduction to previously reported February 28, 2015, balances for other assets and long-term debt, less current maturities, of $51.5 million.

2. ACQUISITIONS:

Beer Business Acquisition –

On June 7, 2013, we acquired (i) the remaining 50% equity interest in Crown Imports, a joint venture owned equally by a wholly-owned indirect subsidiary of the Company and Diblo, S.A. de C.V., an entity majority-owned by Grupo Modelo, S.A.B. de C.V. ("Modelo") (the "Crown Acquisition"); and (ii)(a) all of the issued and outstanding equity interests of Compañía Cervecera de Coahuila, S. de R.L. de C.V. (the "Brewery Company"), which owns and operates a brewery located in Nava, Coahuila, Mexico (the "Nava Brewery"), (ii)(b) all of the issued and outstanding equity interests of Servicios Modelo de Coahuila, S. de R.L. de C.V., which provides personnel and services for the operation and maintenance of the Nava Brewery (the "Service Company"), and (ii)

(c) an irrevocable, fully-paid license to produce in Mexico (or worldwide under certain circumstances) and exclusively import, market and sell primarily Modelo's Mexican beer portfolio sold in the U.S. and Guam as of the date of acquisition (the "Mexican Beer Brands"), and certain extensions (all collectively referred to as the "Brewery Purchase"). The business of the Brewery Company and Service Company that we acquired is referred to as the "Brewery Business." The Crown Acquisition and the Brewery Purchase are collectively referred to as the "Beer Business Acquisition."

In connection with the Beer Business Acquisition, we are required to build out and expand the Nava Brewery from 10 million hectoliters to a nominal capacity of at least 20 million hectoliters of packaged beer annually by December 31, 2016. In addition, an interim supply agreement and a transition services agreement were entered into in association with the Beer Business Acquisition. The interim supply agreement obligates the supplier to provide Crown Imports with a supply of product not produced by the Nava Brewery and the transition services agreement provides for certain specified services and production materials, both for a specified period of time. The associated agreements provide, among other things, that the United States will have approval rights, in its sole discretion, for amendments or modifications to the associated agreements as well as a right of approval, in its sole discretion, of any extension of the term of the interim supply agreement beyond three years. In December 2015, we extended the interim supply agreement through June 2017.

The aggregate purchase price of $5,226.4 million consists of cash paid at closing of $4,745.0 million, net of cash acquired of $106.8 million, plus the estimated fair value of an additional purchase price for the finalization of the Final EBITDA Amount (as defined in the stock purchase agreement) of $543.3 million, as well as additional cash payments for certain working capital adjustments. The fair value of the additional purchase price related to the Final EBITDA Amount was estimated by discounting future cash flows. During the third quarter of fiscal 2014, the calculation of the Final EBITDA Amount was finalized requiring us to make a payment of $558.0 million no later than June 7, 2014, consisting of the additional purchase price of $543.3 million plus imputed interest of $14.7 million.

The aggregate cash paid at closing was financed with:

- Proceeds from the issuance of $1,550.0 million aggregate principal amount of May 2013 Senior Notes (see Note 11);
- $2,175.0 million in term loans consisting of a $675.0 million U.S. Term A-2 loan facility, a $500.0 million European Term A loan facility and a $1,000.0 million European Term B loan facility under the 2013 Credit Agreement (see Note 11);
- $208.0 million in proceeds of borrowings under our accounts receivable securitization facility (see Note 11);
- $580.0 million in borrowings under our revolving credit facility under the 2013 Credit Agreement; and
- Approximately $232.0 million of cash on hand (inclusive of $13.0 million of borrowings under a subsidiary working capital facility).

On June 6, 2014, we paid the Final EBITDA Amount of $558.0 million with $150.0 million in borrowings under the revolving credit facility under the May 2014 Credit Agreement (see Note 11), $100.0 million in proceeds of borrowings under our accounts receivable securitization facilities and $308.0 million of cash on hand.

Prior to the Beer Business Acquisition, we accounted for our investment in Crown Imports under the equity method of accounting. In connection with the acquisition method of accounting, our preexisting 50% equity interest was remeasured to its estimated fair value of $1,845.0 million, and we recognized a gain of $1,642.0 million for the second quarter of fiscal 2014. The estimated fair value of our preexisting 50% equity interest was based upon the estimated fair value of the acquired 50% equity interest in Crown Imports.

The aggregate purchase price of the Beer Business Acquisition and the estimated fair value of our preexisting 50% equity interest in Crown Imports have been allocated to the assets acquired and the liabilities assumed based upon the estimated fair value of each as of the acquisition date. The following table summarizes the allocation of the estimated fair value of the Beer Business Acquisition to the separately identifiable assets acquired and liabilities assumed as of June 7, 2013:

(in millions)	
Cash	$ 106.8
Accounts receivable	193.7
Inventories	243.1
Prepaid expenses and other	103.9
Property, plant and equipment	698.9
Goodwill	3,715.8
Intangible assets	2,403.2
Other assets	0.3
Total assets acquired	7,465.7
Accounts payable	123.2
Accrued excise taxes	14.4
Other accrued expenses and liabilities	72.9
Deferred income taxes	66.4
Other liabilities	10.6
Total liabilities assumed	287.5
Total estimated fair value	7,178.2
Less – fair value of our preexisting 50% equity interest in Crown Imports	(1,845.0)
Less – cash acquired	(106.8)
Aggregate purchase price	$ 5,226.4

The acquired accounts receivable consist primarily of trade receivables, all of which have been collected. The acquired inventory was all sold during the second quarter of fiscal 2014. The intangible assets consist of definite lived customer relationships with an estimated fair value of $22.5 million which are being amortized over a life of 25 years; definite lived copyrights with an estimated fair value of $6.5 million which have been amortized over a life of 2 years; a definite lived distribution agreement with an estimated fair value of $0.4 million which has been amortized over a life of 1.6 years; a definite lived favorable interim supply agreement with an estimated fair value of $68.3 million which is being amortized over a life of 3 years; and a perpetual right to use trademarks with an estimated fair value of $2,305.5 million which is indefinite lived and therefore not subject to amortization.

In determining the purchase price allocation, we considered, among other factors, market participants' intentions to use the acquired assets and the historical and estimated future demand for the acquired Mexican Beer Brands. The estimated fair values for the customer relationships and the copyrights were determined using a cost approach. The estimated fair value for the distribution agreement was determined using an income approach. The estimated fair value for the favorable supply contract was determined using an income approach, specifically, the differential method. The estimated fair value for the trademarks was determined using an income approach, specifically, the relief from royalty method.

The intangible assets are being amortized either on a straight-line basis or an economic consumption basis, which is consistent with the pattern that the economic benefits of the intangible assets are expected to be utilized based upon estimated cash flows generated from such assets. Goodwill associated with the acquisition is primarily attributable to the distribution of the Mexican Beer Brands in the U.S. as well as complete control over the sourcing of product into the U.S. Approximately $1,647.0 million of the goodwill recognized is expected to be deductible for income tax purposes.

The results of operations of the Beer Business Acquisition are reported in the Beer segment and have been included in our consolidated results of operations from the date of acquisition. The following table sets forth the unaudited pro forma financial information for the year ended February 28, 2014. The unaudited pro forma financial information presents consolidated information as if the Beer Business Acquisition had occurred on March 1, 2012. Because of different fiscal period ends, and in order to present results for comparable periods, the unaudited pro forma financial information for the year ended February 28, 2014, combines (i) the Company's historical statement of income for the year ended February 28, 2014; (ii) Crown Imports' historical statement of income for (a) the three months ended March 31, 2013, and (b) the period from June 1, 2013, through June 6, 2013; and (iii) the Brewery Business' carve-out combined income statement for the three months ended March 31, 2013. The unaudited pro forma financial information for the year ended February 28, 2014, does not give effect to the Brewery Business' carve-out combined income statement for the period from June 1, 2013, through June 6, 2013, as it is not significant. The unaudited pro forma financial information is presented after giving effect to certain adjustments for depreciation, amortization of definite lived intangible assets, interest expense on acquisition financing, amortization of debt issuance costs and related income tax effects. The unaudited pro forma financial information excludes the gain on the remeasurement to fair value of our preexisting 50% equity interest in Crown Imports and acquisition-related costs of $52.3 million as both are nonrecurring amounts directly attributable to the transaction. The unaudited pro forma financial information is based upon currently available information and upon certain assumptions that we believe are reasonable under the circumstances. The unaudited pro forma financial information does not purport to present what our results of operations would actually have been if the aforementioned transaction had in fact occurred on such date or at the beginning of the period indicated, nor does it project our financial position or results of operations at any future date or for any future period.

(in millions, except per share data)		For the Year Ended February 28, 2014
Net sales	$	5,485.1
Income before income taxes	$	707.7
Net income attributable to CBI	$	398.6
Net income per common share attributable to CBI:		
Basic – Class A Common Stock	$	2.14
Basic – Class B Convertible Common Stock	$	1.95
Diluted – Class A Common Stock	$	2.02
Diluted – Class B Convertible Common Stock	$	1.85
Weighted average common shares outstanding:		
Basic – Class A Common Stock		164.687
Basic – Class B Convertible Common Stock		23.467
Diluted – Class A Common Stock		197.570
Diluted – Class B Convertible Common Stock		23.467

Other –

Ballast Point:

In December 2015, we acquired all of the issued and outstanding common and preferred stock of Home Brew Mart, Inc. d/b/a/ Ballast Point Brewing & Spirits (“Ballast Point”). The following table summarizes the preliminary allocation of the estimated fair value for the significant assets acquired:

(in millions)		
Goodwill	$	761.8
Trademarks		222.8
Other		15.4
Total estimated fair value		1,000.0
Less – cash acquired		(1.5)
Purchase price	$	998.5

Goodwill associated with the acquisition is primarily attributable to the future growth opportunities associated with the acquisition of a high-growth premium platform that will enable us to compete in the fast-growing craft beer category, further strengthening our position in the high-end U.S. beer market. None of the goodwill recognized is expected to be deductible for income tax purposes. The results of operations of Ballast Point are reported in the Beer segment and have been included in our consolidated results of operations from the date of acquisition.

Meiomi:

In August 2015, we acquired the Meiomi wine business, consisting primarily of the Meiomi trademark, related inventories and certain grape supply contracts for a purchase price of $316.2 million (“Meiomi”). The results of operations of Meiomi are reported in the Wine and Spirits segment and are included in our consolidated results of operations from the date of acquisition.

Glass Production Plant:

In December 2014, we completed the formation of an equally-owned joint venture with Owens-Illinois and the acquisition of a state-of-the-art glass production plant that is located adjacent to our Nava Brewery in Mexico. The joint venture owns and operates the glass production plant which provides bottles exclusively for our Nava Brewery. We have determined that we are the primary beneficiary of this VIE and accordingly, the results of operations of the joint venture are reported in the Beer segment and have been included in our consolidated results of operations from the date of acquisition. In addition, we also purchased a high-density warehouse, land and rail infrastructure at the same site. The aggregate purchase price for all of these assets was $290.6 million, net of cash acquired, consisting primarily of property, plant and equipment and goodwill.

Casa Noble:

In September 2014, we acquired the Casa Noble super-premium tequila brand. This transaction primarily included the acquisition of the Casa Noble trademark, plus an earn-out over five years based on the performance of the brands, (“Casa Noble”). The results of operations of Casa Noble are reported in the Wine and Spirits segment and are included in our consolidated results of operations from the date of acquisition.

Subsequent Event –

Prisoner:

In April 2016, we signed a definitive agreement to acquire The Prisoner Wine Company portfolio of brands for approximately $285 million, subject to customary closing conditions and adjustments. The transaction primarily includes the acquisition of trademarks, related inventories and certain grape supply contracts (“Prisoner”). The results of operations of Prisoner will be reported in the Wine and Spirits segment and will be included in our consolidated results of operations from the date of acquisition.

3. INVENTORIES:

The components of inventories are as follows:

(in millions)	February 29, 2016	February 28, 2015
Raw materials and supplies	$ 107.2	$ 106.0
In-process inventories	1,218.7	1,244.0
Finished case goods	525.7	477.2
	$ 1,851.6	$ 1,827.2

4. PREPAID EXPENSES AND OTHER:

The major components of prepaid expenses and other are as follows:

(in millions)	February 29, 2016	February 28, 2015
Income taxes receivable	$ 124.5	$ 91.7
Prepaid excise, sales and value added taxes	82.6	133.8
Other	103.3	149.1
	$ 310.4	$ 374.6

5. PROPERTY, PLANT AND EQUIPMENT:

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

(in millions)	February 29, 2016	February 28, 2015
Land and land improvements	$ 338.7	$ 350.1
Vineyards	244.4	230.2
Buildings and improvements	809.1	580.3
Machinery and equipment	2,253.8	1,828.4
Motor vehicles	74.3	73.2
Construction in progress	792.4	669.6
	4,512.7	3,731.8
Less – Accumulated depreciation	(1,179.3)	(1,050.2)
	$ 3,333.4	$ 2,681.6

For the year ended February 29, 2016, we had noncash additions of $142.3 million to property, plant and equipment associated primarily with the expansion projects for the Nava Brewery. This amount is recorded primarily in accounts payable as of February 29, 2016.

6. DERIVATIVE INSTRUMENTS:

Overview –

We are exposed to market risk from changes in foreign currency exchange rates, commodity prices and interest rates that could affect our results of operations and financial condition. The impact on our results and financial position and the amounts reported in our financial statements will vary based upon the currency, commodity and interest rate market movements during the period, the effectiveness and level of derivative instruments outstanding and whether they are designated and qualify for hedge accounting.

The estimated fair values of our derivative instruments change with fluctuations in currency rates, commodity prices and/or interest rates and are expected to offset changes in the values of the underlying exposures. Our derivative instruments are held solely to manage our exposures to the aforementioned market risks as part of our normal business operations. We follow strict policies to manage these risks and do not enter into derivative instruments for trading or speculative purposes. The aggregate notional value of outstanding derivative instruments is as follows:

(in millions)	February 29, 2016	February 28, 2015
Derivative instruments designated as hedging instruments		
Foreign currency contracts	$ 731.6	$ 454.8
Interest rate swap contracts	$ 600.0	$ 500.0
Derivative instruments not designated as hedging instruments		
Foreign currency contracts	$ 975.6	$ 1,548.5
Commodity derivative contracts	$ 198.7	$ 190.8
Interest rate swap contracts (see Note 11)	$ 1,000.0	$ 1,000.0

Cash flow hedges –

Our derivative instruments designated in hedge accounting relationships are designated as cash flow hedges. We are exposed to foreign denominated cash flow fluctuations primarily in connection with third party and intercompany sales and purchases. We primarily use foreign currency forward and option contracts to hedge certain of these risks. In addition, we utilize commodity derivative contracts to manage our exposure to changes in commodity prices and interest rate swap contracts to manage our exposure to changes in interest rates. Derivatives managing our cash flow exposures generally mature within three years or less, with a maximum maturity of five years.

To qualify for hedge accounting treatment, the details of the hedging relationship must be formally documented at inception of the arrangement, including the risk management objective, hedging strategy, hedged item, specific risk that is being hedged, the derivative instrument, how effectiveness is being assessed and how ineffectiveness will be measured. The derivative must be highly effective in offsetting changes in the cash flows of the risk being hedged. Throughout the term of the designated cash flow hedge relationship on at least a quarterly basis, a retrospective evaluation and prospective assessment of hedge effectiveness is performed based on quantitative and qualitative measures. All components of our derivative instruments' gains or losses are included in the assessment of hedge effectiveness. Resulting ineffectiveness, if any, is recognized immediately in our results of operations.

When we determine that a derivative instrument which qualified for hedge accounting treatment has ceased to be highly effective as a hedge, we discontinue hedge accounting prospectively. In the event the relationship is no longer effective, we recognize the change in the fair value of the hedging derivative instrument from the date the hedging derivative instrument became no longer effective immediately in our results of operations. We also discontinue hedge accounting prospectively when (i) a derivative expires or is sold, terminated, or exercised; (ii) it is no longer probable that the forecasted transaction will occur; or (iii) we determine that designating the derivative as a hedging instrument is no longer appropriate. When we discontinue hedge accounting prospectively, but the original forecasted transaction continues to be probable of occurring, the existing gain or loss of the derivative instrument remains in AOCI and is reclassified into earnings when the forecasted transaction occurs. When it becomes probable that the forecasted transaction will not occur, any remaining gain or loss in AOCI is recognized immediately in our results of operations.

We expect $27.6 million of net losses, net of income tax effect, to be reclassified from AOCI to our results of operations within the next 12 months.

Undesignated hedges –

Certain of our derivative instruments do not qualify for hedge accounting treatment; for others, we choose not to maintain the required documentation to apply hedge accounting treatment. These undesignated instruments are primarily used to economically hedge our exposure to fluctuations in the value of foreign currency denominated receivables and payables; foreign currency investments, primarily consisting of loans to subsidiaries, and cash flows related primarily to the repatriation of those loans or investments; and commodity prices, primarily consisting of heating oil, diesel fuel, corn, aluminum and natural gas prices. Foreign currency contracts, generally less than 12 months in duration, and commodity derivative contracts, generally less than 36 months in duration, with a maximum maturity of five years, are used to hedge some of these risks. Our derivative policy permits the use of undesignated derivatives as approved by senior management.

Credit risk –

We are exposed to credit-related losses if the counterparties to our derivative contracts default. This credit risk is limited to the fair value of the derivative contracts. To manage this risk, we contract only with major financial institutions that have earned investment-grade credit ratings and with whom we have standard International Swaps and Derivatives Association agreements which allow for net settlement of the derivative contracts. We have also established counterparty credit guidelines that are regularly monitored. Because of these safeguards, we believe the risk of loss from counterparty default to be immaterial.

In addition, our derivative instruments are not subject to credit rating contingencies or collateral requirements. As of February 29, 2016, the estimated fair value of derivative instruments in a net liability position due to counterparties was $112.4 million. If we were required to settle the net liability position under these derivative instruments on February 29, 2016, we would have had sufficient availability under our available liquidity on hand to satisfy this obligation.

Results of period derivative activity –

The estimated fair value and location of our derivative instruments on our balance sheets are as follows (see Note 7):

	Assets			Liabilities	
(in millions)	February 29, 2016	February 28, 2015		February 29, 2016	February 28, 2015
Derivative instruments designated as hedging instruments					
Foreign currency contracts:					
Prepaid expenses and other	$ 5.5	$ 5.3	Other accrued expenses and liabilities	$ 33.0	$ 23.1
Other assets	$ 1.2	$ 2.0	Other liabilities	$ 26.2	$ 9.5
Interest rate swap contracts:					
Other assets	$ 0.3	$ 0.2	Other accrued expenses and liabilities	$ 1.5	$ 2.7
			Other liabilities	$ 0.4	$ —

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	Assets				Liabilities			
	February 29, 2016		February 28, 2015			February 29, 2016		February 28, 2015
(in millions)								
Derivative instruments not designated as hedging instruments								
Foreign currency contracts:								
Prepaid expenses and other	$	4.8	$	27.3	Other accrued expenses and liabilities	$ 9.8	$	26.4
Commodity derivative contracts:								
Prepaid expenses and other	$	0.6	$	0.5	Other accrued expenses and liabilities	$ 29.3	$	18.0
Other assets	$	0.3	$	0.2	Other liabilities	$ 16.8	$	9.4
Interest rate swap contracts:								
Prepaid expenses and other	$	0.7	$	3.3	Other accrued expenses and liabilities	$ 5.7	$	15.6
					Other liabilities	$ —	$	4.9

The principal effect of our derivative instruments designated in cash flow hedging relationships on our results of operations, as well as Other Comprehensive Income ("OCI"), net of income tax effect, is as follows:

Derivative Instruments in Designated Cash Flow Hedging Relationships		Net Gain (Loss) Recognized in OCI (Effective portion)	Location of Net Gain (Loss) Reclassified from AOCI to Income (Effective portion)		Net Gain (Loss) Reclassified from AOCI to Income (Effective portion)
(in millions)					
For the Year Ended February 29, 2016					
Foreign currency contracts	$	(41.7)	Sales	$	2.1
			Cost of product sold		(20.0)
Interest rate swap contracts		(1.6)	Interest expense		(8.1)
	$	(43.3)		$	(26.0)
For the Year Ended February 28, 2015					
Foreign currency contracts	$	(22.9)	Sales	$	1.8
			Cost of product sold		2.6
Interest rate swap contracts		(1.1)	Interest expense		(8.3)
	$	(24.0)		$	(3.9)
For the Year Ended February 28, 2014					
Foreign currency contracts	$	7.8	Sales	$	3.5
			Cost of product sold		0.7
Interest rate swap contracts		(0.7)	Interest expense		(8.2)
	$	7.1		$	(4.0)

The effect of our undesignated derivative instruments on our results of operations is as follows:

Derivative Instruments not Designated as Hedging Instruments	Location of Net Gain (Loss) Recognized in Income	Net Gain (Loss) Recognized in Income
(in millions)		
For the Year Ended February 29, 2016		
Commodity derivative contracts	Cost of product sold	$ (48.1)
Foreign currency contracts	Selling, general and administrative expenses	(21.1)
Interest rate swap contracts	Interest expense	(0.1)
		$ (69.3)
For the Year Ended February 28, 2015		
Commodity derivative contracts	Cost of product sold	$ (32.7)
Foreign currency contracts	Selling, general and administrative expenses	(2.5)
Interest rate swap contracts	Interest expense	(0.1)
		$ (35.3)
For the Year Ended February 28, 2014		
Commodity derivative contracts	Cost of product sold	$ 1.5
Foreign currency contracts	Selling, general and administrative expenses	(3.4)
Interest rate swap contracts	Interest expense	(0.2)
		$ (2.1)

7. FAIR VALUE OF FINANCIAL INSTRUMENTS:

Authoritative guidance establishes a framework for measuring fair value and requires disclosures about fair value measurements for financial instruments. This guidance emphasizes that fair value is a market-based measurement, not an entity-specific measurement, and states that a fair value measurement should be determined based on assumptions that market participants would use in pricing an asset or liability. It establishes a hierarchy for inputs used in measuring fair value that maximizes the use of observable inputs and minimizes the use of unobservable inputs by requiring that the most observable inputs be used when available. The hierarchy includes three levels:

- Level 1 inputs are quoted prices in active markets for identical assets or liabilities;
- Level 2 inputs include data points that are observable such as quoted prices for similar assets or liabilities in active markets, quoted prices for identical assets or similar assets or liabilities in markets that are not active, and inputs (other than quoted prices) such as interest rates and yield curves that are observable for the asset and liability, either directly or indirectly; and
- Level 3 inputs are unobservable data points for the asset or liability, and include situations where there is little, if any, market activity for the asset or liability.

Fair value methodology and assumptions –
The following methods and assumptions are used to estimate the fair value for each class of our financial instruments:

Foreign currency and commodity derivative contracts: Our foreign currency contracts consist of foreign currency forward and option contracts and our commodity derivative contracts consist of swap contracts. The fair value is estimated using market-based inputs, obtained from independent pricing services, into valuation models. These valuation models require various inputs, including contractual terms, market foreign exchange prices, market commodity prices, interest-rate yield curves and currency volatilities, as applicable (Level 2 fair value measurement).

Interest rate swap contracts: The fair value is estimated based on quoted market prices from respective counterparties. Quotes are corroborated by using discounted cash flow calculations based upon forward interest-rate yield curves, which are obtained from independent pricing services (Level 2 fair value measurement).

Available-for-sale ("AFS") debt securities: The fair value is estimated by discounting cash flows using market-based inputs (Level 3 fair value measurement).

Notes payable to banks: The revolving credit facility under our senior credit facility is a variable interest rate bearing note which includes a fixed margin which is adjustable based upon our debt ratio (as defined in our senior credit facility). Its fair value is estimated by discounting cash flows using LIBOR plus a margin reflecting current market conditions obtained from participating member financial institutions (Level 2 fair value measurement). The remaining instruments are variable interest rate bearing notes for which the carrying value approximates the fair value.

Long-term debt: The term loans under our senior credit facility are variable interest rate bearing notes which include a fixed margin which is adjustable based upon our debt ratio. The fair value of the term loans is estimated by discounting cash flows using LIBOR plus a margin reflecting current market conditions obtained from participating member financial institutions (Level 2 fair value measurement). The fair value of the remaining long-term debt, which is all fixed interest rate, is estimated by discounting cash flows using interest rates currently available for debt with similar terms and maturities (Level 2 fair value measurement).

The carrying amounts of certain of our financial instruments, including cash and cash equivalents, accounts receivable, accounts payable and notes payable to banks, approximate fair value as of February 29, 2016, and February 28, 2015, due to the relatively short maturity of these instruments. As of February 29, 2016, the carrying amount of long-term debt, including the current portion, was $7,672.9 million, compared with an estimated fair value of $7,252.0 million. As of February 28, 2015, the carrying amount of long-term debt, including the current portion, was $7,244.1 million, compared with an estimated fair value of $7,327.1 million.

Recurring basis measurements –

The following table presents our financial assets and liabilities measured at estimated fair value on a recurring basis:

	Fair Value Measurements Using			
(in millions)	Quoted Prices in Active Markets (Level 1)	Significant Other Observable Inputs (Level 2)	Significant Unobservable Inputs (Level 3)	Total
February 29, 2016				
Assets:				
Foreign currency contracts	$ —	$ 11.5	$ —	$ 11.5
Commodity derivative contracts	$ —	$ 0.9	$ —	$ 0.9
Interest rate swap contracts	$ —	$ 1.0	$ —	$ 1.0
AFS debt securities	$ —	$ —	$ 7.3	$ 7.3

	Fair Value Measurements Using			
(in millions)	Quoted Prices in Active Markets (Level 1)	Significant Other Observable Inputs (Level 2)	Significant Unobservable Inputs (Level 3)	Total
Liabilities:				
Foreign currency contracts	$ —	$ 69.0	$ —	$ 69.0
Commodity derivative contracts	$ —	$ 46.1	$ —	$ 46.1
Interest rate swap contracts	$ —	$ 7.6	$ —	$ 7.6
February 28, 2015				
Assets:				
Foreign currency contracts	$ —	$ 34.6	$ —	$ 34.6
Commodity derivative contracts	$ —	$ 0.7	$ —	$ 0.7
Interest rate swap contracts	$ —	$ 3.5	$ —	$ 3.5
AFS debt securities	$ —	$ —	$ 7.8	$ 7.8
Liabilities:				
Foreign currency contracts	$ —	$ 59.0	$ —	$ 59.0
Commodity derivative contracts	$ —	$ 27.4	$ —	$ 27.4
Interest rate swap contracts	$ —	$ 23.2	$ —	$ 23.2

Nonrecurring basis measurements –

The following table presents our assets and liabilities measured at estimated fair value on a nonrecurring basis for which an impairment assessment was performed for the period presented:

	Fair Value Measurements Using			
(in millions)	Quoted Prices in Active Markets (Level 1)	Significant Other Observable Inputs (Level 2)	Significant Unobservable Inputs (Level 3)	Total Losses
For the Year Ended February 28, 2014				
Goodwill	$ —	$ —	$ 159.6	$ 278.7
Trademarks	—	—	68.3	22.2
	$ —	$ —	$ 227.9	$ 300.9

Goodwill:

For the three months ended August 31, 2013, we identified certain negative trends within our Wine and Spirits' Canadian reporting unit which, when combined with changes in strategy within the Canadian business, indicated that the estimated fair value of the reporting unit might be below its carrying value. These trends included a reduction in market growth rates for certain portions of the domestic Canadian wine industry as well as the identification that certain improvement initiatives had not materialized in parts of the Canadian business such as refreshments and wine kits. In addition, imported brands had been experiencing market growth within the Canadian market, and certain of our non-Canadian branded wine products imported into Canada provided higher margin to us on a consolidated basis. Accordingly, we modified our strategy to capitalize on this trend and shift focus from certain portions of the domestic business to imported brands. The Canadian reporting unit realizes only a piece of the overall profit attributable to imported brands whereas it realizes all of the profit attributable to the domestic business. Therefore, we evaluated our goodwill for impairment using the two-step process.

In the first step, the estimated fair value of the reporting unit was compared to its carrying value, including goodwill. The estimate of fair value was determined on the basis of discounted future cash flows. As the estimated fair value was less than the carrying value of the reporting unit, a second step was performed to determine the amount of goodwill impairment we should record. In the second step, an implied fair value of the reporting unit's goodwill was determined by comparing the estimated fair value of the reporting unit with the estimated fair value of the reporting unit's assets and liabilities other than goodwill (including any unrecognized intangible assets). In determining the estimated fair value of the reporting unit, we considered estimates of future operating results and cash flows of the reporting unit discounted using market based discount rates. The estimates of future operating results and cash flows were principally derived from updated long-term financial forecasts, which were developed as part of the change in strategy for the Canadian business. The decline in the implied fair value of the goodwill and the resulting impairment loss was primarily driven by the updated long-term financial forecasts, which showed lower estimated future operating results primarily due to the change in strategy for the Canadian business. The implied fair value of the Canadian reporting unit's goodwill of $159.6 million compared to its carrying value of $433.9 million resulted in the recognition of an impairment of $278.7 million.

Trademarks:

For the three months ended August 31, 2013, prior to the goodwill impairment analysis discussed above, we performed a review of indefinite lived intangible assets for impairment. We determined that certain trademarks associated with the Wine and Spirits' Canadian business were impaired largely due to lower revenue and profits associated with the related products included in the updated long-term financial forecasts developed as part of the change in strategy for the Canadian business. Accordingly, trademarks with a carrying value of $90.2 million were written down to their estimated fair value of $68.3 million, resulting in an impairment of $22.2 million.

We measured the amount of impairment by calculating the amount by which the carrying value of these assets exceeded their estimated fair values. The estimated fair value was determined based on an income approach using the relief from royalty method, which assumes that, in lieu of ownership, a third party would be willing to pay a royalty in order to exploit the related benefits of trademark assets. The cash flow projections we use to estimate the fair values of our trademarks involve several assumptions, including (i) projected revenue growth rates, (ii) estimated royalty rates, (iii) after-tax royalty savings expected from ownership of the trademarks and (iv) discount rates used to derive the estimated fair value of the trademarks.

8. GOODWILL:

The changes in the carrying amount of goodwill are as follows:

(in millions)	Beer	Wine and Spirits	Consolidated
Balance, February 28, 2014	$ 3,714.6	$ 2,432.2	$ 6,146.8
Purchase accounting allocations [1]	66.7	34.0	100.7
Foreign currency translation adjustments	(5.1)	(34.2)	(39.3)
Balance, February 28, 2015	3,776.2	2,432.0	6,208.2
Purchase accounting allocations [2]	761.8	203.3	965.1
Foreign currency translation adjustments	(7.9)	(26.8)	(34.7)
Balance, February 29, 2016	$ 4,530.1	$ 2,608.5	$ 7,138.6

(1) Purchase accounting allocations associated with the acquisitions of the glass production plant (Beer) and Casa Noble (Wine and Spirits) (see Note 2).

(2) Preliminary purchase accounting allocations associated with the acquisition of Ballast Point (Beer) and purchase accounting allocations associated with the acquisition of Meiomi (Wine and Spirits) (see Note 2).

As of February 29, 2016, and February 28, 2015, we have accumulated impairment losses of $213.5 million and $231.0 million, respectively, within our Wine and Spirits segment.

9. INTANGIBLE ASSETS:

The major components of intangible assets are as follows:

(in millions)	February 29, 2016 Gross Carrying Amount	February 29, 2016 Net Carrying Amount	February 28, 2015 Gross Carrying Amount	February 28, 2015 Net Carrying Amount
Amortizable intangible assets				
Customer relationships	$ 102.5	$ 60.2	$ 100.9	$ 63.3
Favorable interim supply agreement	68.3	2.2	68.3	33.9
Other	22.3	3.5	21.0	5.5
Total	$ 193.1	65.9	$ 190.2	102.7
Nonamortizable intangible assets				
Trademarks		3,333.8		3,073.9
Other		4.1		4.4
Total		3,337.9		3,078.3
Total intangible assets		$ 3,403.8		$ 3,181.0

We did not incur costs to renew or extend the term of acquired intangible assets for the years ended February 29, 2016, and February 28, 2015. Net carrying amount represents the gross carrying value net of accumulated amortization. Amortization expense for intangible assets was $40.7 million, $40.0 million and $15.5 million for the years ended February 29, 2016, February 28, 2015, and February 28, 2014, respectively. Estimated amortization expense for each of the five succeeding fiscal years and thereafter is as follows:

(in millions)	
2017	$ 10.2
2018	$ 5.9
2019	$ 5.9
2020	$ 5.7
2021	$ 5.5
Thereafter	$ 32.7

10. OTHER ACCRUED EXPENSES AND LIABILITIES:

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

(in millions)	February 29, 2016	February 28, 2015
Salaries, commissions, and payroll benefits and withholdings	$ 142.3	$ 124.4
Promotions and advertising	109.4	104.2
Derivative liabilities	79.3	85.8
Accrued interest	64.1	67.9
Other	149.3	223.4
	$ 544.4	$ 605.7

11. BORROWINGS:

Borrowings consist of the following:

(in millions)	February 29, 2016 Current	February 29, 2016 Long-term	February 29, 2016 Total	February 28, 2015 Total
Notes payable to banks				
Senior Credit Facility – Revolving Credit Loans	$ 92.0	$ —	$ 92.0	$ —
Other	316.3	—	316.3	52.4
	$ 408.3	$ —	$ 408.3	$ 52.4
Long-term debt				
Senior Credit Facility – Term Loans	$ 137.5	$ 2,719.3	$ 2,856.8	$ 2,773.6
Senior Notes	699.0	4,017.3	4,716.3	4,315.6
Other	20.2	79.6	99.8	154.9
	$ 856.7	$ 6,816.2	$ 7,672.9	$ 7,244.1

Senior credit facility –

In connection with the Beer Business Acquisition, in May 2013, the Company, CIH International S.à r.l., a wholly-owned indirect subsidiary of ours (“CIH”), and Bank of America, N.A., as administrative agent (the “Administrative Agent”), and certain other lenders entered into a Restatement Agreement (the “2013 Restatement Agreement”) that amended and restated our then existing senior credit facility (as amended and restated by the 2013 Restatement Agreement, the “2013 Credit Agreement”). A portion of the borrowings under the 2013 Credit Agreement were used to refinance the outstanding obligations under our then existing senior credit facility with the remainder used to finance a portion of the purchase price for the Beer Business Acquisition and related expenses.

In May 2014, the Company, CIH, the Administrative Agent, and certain other lenders entered into a Restatement Agreement (the “2014 Restatement Agreement”) that amended and restated the 2013 Credit Agreement (as amended and restated by the 2014 Restatement Agreement, the “May 2014 Credit Agreement”). The principal change to the 2013 Credit Agreement effected by the May 2014 Credit Agreement was the conversion of the pre-existing $850.0 million revolving credit facility into two tranches, a $425.0 million U.S. revolving credit facility and a $425.0 million European revolving credit facility.

In August 2014, the Company, CIH, the Administrative Agent, and certain other lenders entered into Amendment No. 1 (“Amendment No. 1”) to the May 2014 Credit Agreement (as amended, the “2014 Credit Agreement”). Amendment No. 1 was entered into primarily to reduce the interest rate applicable to the then existing European Term B loan facility under the May 2014 Credit Agreement by removing the provisions imposing certain minimums, or floors, used in the calculation of the interest rate on the European Term B loan facility. This was accomplished by adding a new European Term B-1 tranche to the 2014 Credit Agreement which replaced the existing European Term B loan facility.

In July 2015, the Company, CIH, the Administrative Agent, and certain lenders entered into Amendment No. 2 (“Amendment No. 2”) to the 2014 Credit Agreement (as amended, the “2015 Credit Agreement”). Amendment No. 2 was entered into primarily for (i) the creation of a new $1.27 billion U.S. Term A loan facility into which the existing U.S. Term A and Term A-2 loan facilities were combined and increased by $200.0 million, (ii) the refinance of the existing U.S. Term A-1 loan facility and extension of its maturity to July 16, 2021, (iii) the creation of a new $1.43 billion European Term A loan facility into which the existing European Term A and Term B-1 loan facilities were combined, (iv) the extension of the maturity date of all tranches, other than the new U.S. Term A-1 loan facility, to July 16, 2020, and (v) the increase of the revolving credit facility by $300.0 million to $1.15 billion. The 2015 Credit Agreement was used to refinance the outstanding obligations under the 2014 Credit Agreement, with the incremental $200.0 million of borrowings under the new U.S. Term A loan facility used to finance a portion of the purchase price for the acquisition of Meiomi.

Amendment No. 2 also modified certain of our financial and other covenants, and provides for the automatic revision of certain covenants (including financial covenants) and the suspension of the Incremental Cap (as defined below) and the collateral requirements under the 2015 Credit Agreement if we receive an Investment Grade Rating (as defined in the 2015 Credit Agreement) on our corporate ratings from each of S&P and Moody's, and no default or event of default has occurred or is continuing (a "Covenant Suspension Period"). A Covenant Suspension Period will continue until such time as any of our corporate ratings cease to be an Investment Grade Rating.

The 2015 Credit Agreement provides for aggregate credit facilities of $4,093.6 million, consisting of the following:

(in millions)	Amount	Maturity
Revolving Credit Facility [1] [2]	$ 1,150.0	July 16, 2020
U.S. Term A Facility [1] [3]	1,271.6	July 16, 2020
U.S. Term A-1 Facility [1] [3]	241.9	July 16, 2021
European Term A Facility [1] [3]	1,430.1	July 16, 2020
	$ 4,093.6	

(1) Contractual interest rate varies based on our debt ratio (as defined in the 2015 Credit Agreement) and is a function of LIBOR plus a margin, or the base rate plus a margin.

(2) Provides for credit facilities consisting of a $575.0 million U.S. Revolving Credit Facility and a $575.0 million European Revolving Credit Facility. Includes two sub-facilities for letters of credit of up to $200.0 million in the aggregate. We are the borrower under the U.S. Revolving Credit Facility and we and/or CIH are the borrowers under the European Revolving Credit Facility.

(3) We are the borrower under the U.S. Term A and the U.S. Term A-1 loan facilities. CIH is the borrower under the European Term A loan facility.

The 2015 Credit Agreement also permits us to elect to increase the revolving credit commitments under the U.S. Revolving Credit Facility or add one or more tranches of additional term loans, subject to the willingness of existing or new lenders to fund such increase or term loans and other customary conditions. The maximum aggregate principal amount of all such incremental revolving credit commitment increases and additional term loans, other than term loans the proceeds of which are applied to repay existing term loans, may be no more than $750.0 million (the "Incremental Cap"), except during a Covenant Suspension Period, during which time the Incremental Cap would be an unlimited amount.

The U.S. obligations under the 2015 Credit Agreement are guaranteed by certain of our U.S. subsidiaries. These obligations are also secured by a pledge of (i) 100% of the ownership interests in certain of our U.S. subsidiaries and (ii) 65% of the ownership interests in certain of our foreign subsidiaries. The European obligations under the 2015 Credit Agreement are guaranteed by us and certain of our U.S. subsidiaries. These obligations are also secured by a pledge of (i) 100% of certain interests in certain of CIH's subsidiaries and (ii) 100% of the ownership interests in certain of our U.S. subsidiaries and 65% of the ownership interests in certain of our foreign subsidiaries.

We and our subsidiaries are subject to covenants that are contained in the 2015 Credit Agreement, including those restricting the incurrence of additional indebtedness (including guarantees of indebtedness), additional liens, mergers and consolidations, the payment of dividends, the making of certain investments, prepayments of certain debt, transactions with affiliates, agreements that restrict our non-guarantor subsidiaries from paying dividends, and dispositions of property, in each case subject to numerous conditions, exceptions and thresholds. The financial covenants are limited to a minimum interest coverage ratio and a maximum net debt coverage ratio.

As of February 29, 2016, information with respect to borrowings under the 2015 Credit Agreement is as follows:

(in millions)	Revolving Credit Facility	U.S. Term A Facility [(1)]	U.S. Term A-1 Facility [(1)]	European Term A Facility [(1)]
Outstanding borrowings	$ 92.0	$ 1,230.3	$ 240.3	$ 1,386.2
Interest rate	1.9%	1.9%	2.2%	1.9%
LIBOR margin	1.5%	1.5%	1.75%	1.5%
Outstanding letters of credit	$ 15.9			
Remaining borrowing capacity	$ 1,042.1			

(1) Outstanding term loan facility borrowings are net of unamortized debt issuance costs (see Note 1).

As of February 29, 2016, the required principal repayments of the term loans under the 2015 Credit Agreement (excluding unamortized debt issuance costs of $18.0 million) for each of the five succeeding fiscal years and thereafter are as follows:

(in millions)	U.S. Term A Facility	U.S. Term A-1 Facility	European Term A Facility	Total
2017	$ 63.6	$ 2.4	$ 71.5	$ 137.5
2018	63.6	2.4	71.5	137.5
2019	63.6	2.4	71.5	137.5
2020	63.5	2.5	71.5	137.5
2021	985.5	2.4	1,108.3	2,096.2
Thereafter	—	228.6	—	228.6
	$ 1,239.8	$ 240.7	$ 1,394.3	$ 2,874.8

Interest rate swap contracts –

In April 2012, we transitioned our then existing interest rate swap agreement to a one-month LIBOR base rate versus the existing three-month LIBOR base rate by entering into a new interest rate swap agreement which was designated as a cash flow hedge for $500.0 million of our floating LIBOR rate debt. In addition, our existing interest rate swap agreement was dedesignated as a hedge. We also entered into an additional interest rate swap agreement for $500.0 million that was not designated as a hedge to offset the prospective impact of the newly undesignated interest rate swap agreement. As a result of these hedges, we have fixed our interest rates on $500.0 million of our floating LIBOR rate debt at an average rate of 2.8% (exclusive of borrowing margins) through September 1, 2016. The losses in AOCI related to the dedesignated interest rate swap agreement are being reclassified from AOCI ratably into earnings in the same period in which the original hedged item is being recorded in our results of operations.

In addition, we have entered into additional one-month LIBOR base rate delayed-start interest rate swap agreements effective September 1, 2016, which are designated as cash flow hedges for $100.0 million of our floating LIBOR rate debt. As a result, we have fixed our interest rates on $100.0 million of our floating LIBOR rate debt at an average rate of 1.2% (exclusive of borrowing margins) through July 1, 2020.

For the years ended February 29, 2016, February 28, 2015, and February 28, 2014, we reclassified net losses of $8.1 million, $8.3 million and $8.2 million, net of income tax effect, respectively, from AOCI to interest expense.

Senior notes –

Our outstanding senior notes are as follows:

	Date of				Outstanding Balance [1]	
	Issuance	Maturity	Interest Payments	Principal	February 29, 2016	February 28, 2015
(in millions)						
7.25% Senior Notes [2]	August 2006	September 2016	Mar/Sep	$ 700.0	$ 699.0	$ 697.0
7.25% Senior Notes [2] [3]	January 2008	May 2017	May/Nov	$ 700.0	$ 699.0	$ 698.3
6% Senior Notes [2]	April 2012	May 2022	May/Nov	$ 600.0	$ 594.1	$ 593.4
3.75% Senior Notes [2]	May 2013	May 2021	May/Nov	$ 500.0	$ 496.8	$ 496.3
4.25% Senior Notes [2]	May 2013	May 2023	May/Nov	$ 1,050.0	$ 1,042.5	$ 1,041.6
3.875% Senior Notes [2]	November 2014	November 2019	May/Nov	$ 400.0	$ 395.7	$ 394.6
4.75% Senior Notes [2]	November 2014	November 2024	May/Nov	$ 400.0	$ 394.9	$ 394.4
4.75% Senior Notes [2]	December 2015	December 2025	June/Dec	$ 400.0	$ 394.3	$ —

(1) Amounts are net of unamortized discounts, where applicable, and debt issuance costs (see Note 1).

(2) Senior unsecured obligations which rank equally in right of payment to all of our existing and future senior unsecured indebtedness. Guaranteed by certain of our U.S. subsidiaries on a senior unsecured basis. Redeemable, in whole or in part, at our option at any time at a redemption price equal to 100% of the outstanding principal amount plus a make whole payment based on the present value of the future payments at the adjusted Treasury Rate plus 50 basis points.

(3) Issued in exchange for notes originally issued in May 2007.

Indentures –

Our Indentures relating to our outstanding senior notes contain certain covenants, including, but not limited to: (i) a limitation on liens on certain assets, (ii) a limitation on certain sale and leaseback transactions, and (iii) restrictions on mergers, consolidations and the transfer of all or substantially all of our assets to another person.

Subsidiary credit facilities –

We have additional credit arrangements totaling $424.1 million and $483.4 million as of February 29, 2016, and February 28, 2015, respectively. As of February 29, 2016, and February 28, 2015, amounts outstanding under these arrangements were $157.1 million and $207.3 million, respectively, the majority of which is classified as long-term as of the respective date. These arrangements primarily support the financing needs of our domestic and foreign subsidiary operations. Interest rates and other terms of these borrowings vary from country to country, depending on local market conditions.

Debt payments –

As of February 29, 2016, the required principal repayments under long-term debt obligations (excluding unamortized debt issuance costs and unamortized discount of $51.2 million and $0.5 million, respectively) for each of the five succeeding fiscal years and thereafter are as follows:

(in millions)	
2017	$ 857.1
2018	853.0
2019	148.1
2020	591.5
2021	2,096.3
Thereafter	3,178.6
	$ 7,724.6

Accounts receivable securitization facilities –

On September 29, 2014, we entered into an amended 364-day revolving trade accounts receivable securitization facility (the “2014 CBI Facility”). Under the 2014 CBI Facility, trade accounts receivable generated by us and certain of our subsidiaries are sold by us to our wholly-owned bankruptcy remote single purpose subsidiary (the “CBI SPV”), which is consolidated by us for financial reporting purposes. Such receivables have been pledged by the CBI SPV to secure borrowings under the 2014 CBI Facility. We service the receivables for the 2014 CBI Facility. The receivable balances related to the 2014 CBI Facility are reported as accounts receivable on our balance sheets, but the receivables are at all times owned by the CBI SPV and are included on our financial statements as required by generally accepted accounting principles. On September 28, 2015, we and the CBI SPV amended the 2014 CBI Facility (as amended, the “CBI Facility”) for an additional 364-day term. Under the CBI Facility, there are two lenders, one holding 60% of the aggregate facility and the other holding 40% of the aggregate facility. Any borrowings under the CBI Facility are recorded as secured borrowings and bear interest as follows: (i) 60% of the borrowings are charged at that lender’s cost of funds plus a margin of 80 basis points and (ii) 40% of the borrowings are charged at one-month LIBOR plus a margin of 80 basis points. The CBI Facility provides borrowing capacity of $235.0 million up to $330.0 million structured to account for the seasonality of our business, subject to further limitations based upon various pre-agreed formulas.

Also, on September 29, 2014, Crown Imports entered into an amended 364-day revolving trade accounts receivable securitization facility (the “2014 Crown Facility”). Under the 2014 Crown Facility, trade accounts receivable generated by Crown Imports are sold by Crown Imports to its wholly-owned bankruptcy remote single purpose subsidiary (the “Crown SPV”), which is consolidated by us for financial reporting purposes. Such receivables have been pledged by the Crown SPV to secure borrowings under the 2014 Crown Facility. Crown Imports services the receivables for the 2014 Crown Facility. The receivable balances related to the 2014 Crown Facility are reported as accounts receivable on our balance sheets, but the receivables are at all times owned by the Crown SPV and are included on our financial statements to comply with generally accepted accounting principles. On September 28, 2015, Crown Imports and the Crown SPV amended the 2014 Crown Facility (as amended, the “Crown Facility”) for an additional 364-day term. Under the Crown Facility, there are two lenders, one holding 60% of the aggregate facility and the other holding 40% of the aggregate facility. Any borrowings under the Crown Facility are recorded as secured borrowings and bear interest as follows: (i) 60% of the borrowings are charged at that lender’s cost of funds plus a margin of 80 basis points and (ii) 40% of the borrowings are charged at one-month LIBOR plus a margin of 80 basis points. The Crown Facility provides borrowing capacity of $100.0 million up to $190.0 million structured to account for the seasonality of Crown Imports’ business.

As of February 29, 2016, our accounts receivable securitization facilities are as follows:

(in millions)	Outstanding Borrowings	Weighted Average Interest Rate	Remaining Borrowing Capacity
CBI Facility	$ 150.0	1.3%	$ 145.0
Crown Facility	$ 109.0	1.3%	$ 11.0

Subsequent event –
2016 Credit Agreement:
In March 2016, the Company, CIH, CIH Holdings S.à r.l., a wholly-owned indirect subsidiary of ours (“CIHH”), the Administrative Agent, and certain other lenders entered into a Restatement Agreement (the “2016 Restatement Agreement”) that amended and restated the 2015 Credit Agreement (as amended and restated by the 2016 Restatement Agreement, the “2016 Credit Agreement”). The principal changes to the 2015 Credit Agreement effected by the 2016 Restatement Agreement were:

- The creation of a new $700.0 million European Term A-1 loan facility maturing on March 10, 2021;
- An increase of the European revolving commitment under the revolving credit facility by $425.0 million to $1.0 billion;
- The addition of CIHH as a new borrower under the new European Term A-1 loan facility and the European revolving commitment; and
- The entry into a cross-guarantee agreement by CIH and CIHH whereby each guarantees the other’s obligations under the 2016 Credit Agreement.

In addition, the European obligations under the 2016 Credit Agreement are guaranteed by us and certain of our U.S. subsidiaries. These obligations are also secured by a pledge of (i) 100% of certain interests in certain of CIH's subsidiaries, (ii) 100% of certain interests in certain of CIHH's subsidiaries and (iii) 100% of the ownership interests in certain of our U.S. subsidiaries and 65% of the ownership interests in certain of our foreign subsidiaries. Proceeds from borrowings under the 2016 Credit Agreement were used to refinance (i) outstanding obligations under the 2015 Credit Agreement and (ii) short-term borrowings under our accounts receivable securitization facilities, and for other general corporate purposes.

12. INCOME TAXES:

Income before income taxes was generated as follows:

	For the Years Ended		
(in millions)	February 29, 2016	February 28, 2015	February 28, 2014
Domestic	$ 599.3	$ 481.6	$ 2,050.8
Foreign	901.9	698.0	151.5
	$ 1,501.2	$ 1,179.6	$ 2,202.3

The income tax provision consisted of the following:

	For the Years Ended		
(in millions)	February 29, 2016	February 28, 2015	February 28, 2014
Current			
Federal	$ 126.2	$ 195.0	$ 141.7
State	19.9	20.1	18.5
Foreign	43.5	49.0	57.4
Total current	189.6	264.1	217.6
Deferred			
Federal	232.4	84.6	61.4
State	15.6	4.8	4.4
Foreign	3.0	(10.1)	(24.2)
Total deferred	251.0	79.3	41.6
Income tax provision	$ 440.6	$ 343.4	$ 259.2

The foreign provision (benefit) for income taxes is based on foreign pretax earnings. Earnings of foreign subsidiaries would be subject to U.S. income taxation on repatriation to the U.S. Our financial statements provide for anticipated tax liabilities on amounts that may be repatriated.

Deferred tax assets and liabilities reflect the future income tax effects of temporary differences between the financial statement carrying amounts of existing assets and liabilities and their respective tax bases and are measured using enacted tax rates that apply to taxable income.

Significant components of deferred tax assets (liabilities) consist of the following:

(in millions)	February 29, 2016	February 28, 2015
Deferred tax assets		
Net operating losses	$ 74.2	$ 13.3
Stock-based compensation	50.1	51.9
Inventory	14.1	12.5
Derivative instruments	5.1	3.4
Insurance accruals	3.8	3.4
Employee benefits	2.8	2.7
Unrealized foreign exchange	1.3	0.4
Other accruals	39.4	50.2
Gross deferred tax assets	190.8	137.8
Valuation allowances	(35.7)	(35.3)
Deferred tax assets, net	155.1	102.5
Deferred tax liabilities		
Intangible assets	(688.1)	(531.5)
Property, plant and equipment	(264.2)	(263.2)
Provision for unremitted earnings	(199.9)	(72.6)
Investments in equity method investees	(24.3)	(25.1)
Total deferred tax liabilities	(1,176.5)	(892.4)
Deferred tax liabilities, net	$ (1,021.4)	$ (789.9)

In assessing the realizability of deferred tax assets, we consider whether it is more likely than not that some or all of the deferred tax assets will not be realized. In making this assessment, we consider the projected reversal of deferred tax liabilities and projected future taxable income. Based upon this assessment, we believe it is more likely than not that we will realize the benefits of these deductible differences, net of any valuation allowances.

Operating loss carryforwards totaling $436.7 million at February 29, 2016, are being carried forward in a number of jurisdictions where we are permitted to use tax operating losses from prior periods to reduce future taxable income. Of these operating loss carryforwards, $404.3 million will expire in 2018 through 2036 and $32.4 million of operating losses in certain jurisdictions may be carried forward indefinitely.

A reconciliation of the total tax provision (benefit) to the amount computed by applying the statutory U.S. Federal income tax rate to income before provision for (benefit from) income taxes is as follows:

	For the Years Ended					
	February 29, 2016		February 28, 2015		February 28, 2014	
(in millions, except % of pretax income data)	Amount	% of Pretax Income	Amount	% of Pretax Income	Amount	% of Pretax Income
Income tax provision at statutory rate	$ 525.4	35.0%	$ 412.8	35.0%	$ 770.8	35.0%
State and local income taxes, net of federal income tax benefit	23.1	1.5%	16.1	1.4%	14.8	0.7%
Net operating loss valuation allowance	2.3	0.2%	11.1	0.9%	16.3	0.8%
Earnings of subsidiaries taxed at other than U.S. statutory rate	(103.5)	(6.9%)	(86.4)	(7.3%)	(61.2)	(2.8%)
Impairment of nondeductible goodwill	—	—%	—	—%	97.5	4.4%
Gain on remeasurement to fair value of equity method investment	—	—%	—	—%	(574.7)	(26.1%)
Miscellaneous items, net	(6.7)	(0.5%)	(10.2)	(0.9%)	(4.3)	(0.2%)
Income tax provision at effective rate	$ 440.6	29.3%	$ 343.4	29.1%	$ 259.2	11.8%

For the years ended February 29, 2016, February 28, 2015, and February 28, 2014, the state and local income taxes, net of federal income tax benefit, includes benefits resulting from adjustments to the current and deferred state effective tax rates. These benefits include the recognition of prior period income tax refunds, decreases in uncertain tax positions and adjustments to the current and deferred state effective tax rates. The effect of earnings of foreign subsidiaries includes the difference between the U.S. statutory rate and local jurisdiction tax rates, as well as the provision for incremental U.S. taxes on unremitted earnings of foreign subsidiaries offset by foreign tax credits and other foreign adjustments.

The liability for income taxes associated with uncertain tax positions, excluding interest and penalties, and a reconciliation of the beginning and ending unrecognized tax benefit liabilities is as follows:

	For the Years Ended		
(in millions)	February 29, 2016	February 28, 2015	February 28, 2014
Balance as of March 1	$ 85.5	$ 101.5	$ 100.6
Increases as a result of tax positions taken during a prior period	0.1	0.1	2.3
Decreases as a result of tax positions taken during a prior period	(1.2)	(4.0)	(3.3)
Increases as a result of tax positions taken during the current period	3.7	7.7	11.1
Decreases related to settlements with tax authorities	(54.7)	(13.9)	(6.7)
Decreases related to lapse of applicable statute of limitations	(3.0)	(5.9)	(2.5)
Balance as of last day of February	$ 30.4	$ 85.5	$ 101.5

As of February 29, 2016, and February 28, 2015, we had $32.3 million and $79.7 million, respectively, of non-current unrecognized tax benefit liabilities, including interest and penalties, recorded on our balance sheets. These liabilities are recorded as non-current as payment of cash is not anticipated within one year of the balance sheet date.

As of February 29, 2016, and February 28, 2015, we had $30.4 million and $85.5 million, respectively, of unrecognized tax benefit liabilities that, if recognized, would decrease the effective tax rate.

We file U.S. Federal income tax returns and various state, local and foreign income tax returns. Major tax jurisdictions where we are subject to examination by tax authorities include Canada, Luxembourg, Mexico, New

Zealand and the U.S. Various U.S. Federal, state and foreign income tax examinations are currently in progress. It is reasonably possible that the liability associated with our unrecognized tax benefit liabilities will increase or decrease within the next twelve months as a result of these examinations or the expiration of statutes of limitation. As of February 29, 2016, we estimate that unrecognized tax benefit liabilities could change by a range of $1 million to $6 million. With few exceptions, we are no longer subject to U.S. Federal, state, local or foreign income tax examinations for fiscal years prior to February 28, 2009.

We provide for additional tax expense based on probable outcomes of ongoing tax examinations and assessments in various jurisdictions. While it is often difficult to predict the outcome or the timing of resolution of any tax matter, we believe the reserves reflect the probable outcome of known tax contingencies. Unfavorable settlement of any particular issue would require the use of cash. Favorable resolution would be recognized as a reduction to the effective tax rate in the year of resolution.

The Internal Revenue Service ("IRS") concluded its examination of our fiscal years ended February 28, 2010, and February 28, 2011. We received a Revenue Agent's Report ("RAR") from the IRS proposing tax assessments for those years. We disagree with certain assessments in this report and have submitted a written protest stating our formal disagreement with the conclusions presented in the RAR. We believe that our position will be successfully sustained. For other items that were effectively settled, we reduced our liability for uncertain tax positions and recorded a tax benefit of $31.9 million for the second quarter of fiscal 2016. In addition, during the year ended February 29, 2016, various U.S. state and international examinations were finalized. In total, tax benefits of $51.0 million were recorded related to the resolution of certain tax positions in connection with those examinations and the expiration of statutes of limitation.

13. COMMITMENTS AND CONTINGENCIES:

Operating leases –

The minimum lease payments for our operating leases are recognized on a straight-line basis over the minimum lease term. Step rent provisions, escalation clauses, capital improvement funding and other lease concessions, when present in our leases, are taken into account in computing the minimum lease payments.

Future payments under noncancelable operating leases having initial or remaining terms of one year or more are as follows for each of the five succeeding fiscal years and thereafter:

(in millions)	
2017	$ 48.8
2018	39.9
2019	32.9
2020	28.6
2021	26.5
Thereafter	178.6
	$ 355.3

Rental expense was $56.1 million, $58.9 million and $65.1 million for the years ended February 29, 2016, February 28, 2015, and February 28, 2014, respectively.

Purchase commitments and contingencies –

We have entered into various long-term contracts in the normal course of business for the purchase of (i) certain inventory components, (ii) property, plant and equipment and related contractor and manufacturing services, (iii) processing and warehousing services and (iv) certain energy requirements. As of February 29, 2016, the estimated aggregate minimum purchase obligations under these contracts are as follows:

(in millions)	Type	Length of Commitment	Amount
Raw materials and supplies [1]	Grapes, packaging and other raw materials	through December 2027	$ 5,412.7
In-process inventories	Bulk wine	through July 2019	34.4
Finished case goods [2]	Beer	through June 2017	503.3
Capital expenditures [3]	Property, plant and equipment, and contractor and manufacturing services	through July 2019	784.8
Other [4]	Processing and warehousing services, energy contracts	through December 2027	127.0
			$ 6,862.2

(1) Grape purchase contracts require the purchase of grape production yielded from a specified number of acres. The actual tonnage and price of grapes that we must purchase will vary each year depending on certain factors, including weather, time of harvest, overall market conditions and the agricultural practices and location of the growers and suppliers under contract.

(2) Consists of a minimum purchase obligation under the interim supply agreement for finished goods in connection with our Mexican beer portfolio.

(3) Consists of purchase commitments entered into primarily in connection with the expansion projects for the Nava Brewery and the glass production plant, and the construction of a brewery located in Mexicali, Baja California, Mexico.

(4) Includes commitments to utilize outside services to process, package and/or store a minimum volume quantity, as well as for the purchase of certain energy requirements.

Indemnification liabilities –

In connection with a prior divestiture, we indemnified respective parties against certain liabilities that may arise related to certain contracts with certain investees of the divested business, a certain facility in the U.K. and certain income tax matters. During the year ended February 28, 2015, we were released from one of our guarantees, resulting in a gain of $7.5 million. This gain is included in selling, general and administrative expenses. As of February 29, 2016, and February 28, 2015, the carrying amount of these indemnification liabilities was $3.7 million and is included in other liabilities. If the indemnified party were to incur a liability, pursuant to the terms of the indemnification, we would be required to reimburse the indemnified party. As of February 29, 2016, we estimate that these indemnifications could require us to make potential future payments of up to $71.2 million under these indemnifications with $57.6 million of this amount able to be recovered by us from third parties under recourse provisions. We do not expect to be required to make material payments under the indemnifications and we believe that the likelihood is remote that the indemnifications could have a material adverse effect on our financial position, results of operations, cash flows or liquidity.

Employees covered by collective bargaining agreements –

Approximately 16% of our employees are covered by collective bargaining agreements at February 29, 2016. Agreements expiring within one year cover approximately 2% of our employees.

Legal matters –

In the course of our business, we are subject to litigation from time to time. Although the amount of any liability with respect to such litigation cannot be determined, in the opinion of management, such liability will not have a material adverse effect on our financial condition, results of operations or cash flows.

14. STOCKHOLDERS' EQUITY:

Common stock –

We have two classes of outstanding common stock with a material number of shares outstanding: Class A Common Stock and Class B Convertible Common Stock. Class B Convertible Common Stock shares are convertible into shares of Class A Common Stock on a one-to-one basis at any time at the option of the holder. Holders of Class B Convertible Common Stock are entitled to ten votes per share. Holders of Class A Common Stock are entitled to one vote per share and a cash dividend premium. If we pay a cash dividend on Class B Convertible Common Stock, each share of Class A Common Stock will receive an amount at least ten percent greater than the amount of the cash dividend per share paid on Class B Convertible Common Stock. In addition, the Board of Directors may declare and pay a dividend on Class A Common Stock without paying any dividend on Class B Convertible Common Stock. However, our senior credit facility limits the cash dividends that we can pay on our common stock to a fixed amount per quarter but the fixed amount may be exceeded subject to various conditions set forth in the senior credit facility.

In addition, we have a class of common stock with an immaterial number of shares outstanding: Class 1 Common Stock. Shares of Class 1 Common Stock generally have no voting rights. Class 1 Common Stock shares are convertible into shares of Class A Common Stock on a one-to-one basis at any time at the option of the holder, provided that the holder immediately sells the Class A Common Stock acquired upon conversion. Because shares of Class 1 Common Stock are convertible into shares of Class A Common Stock, for each share of Class 1 Common Stock issued, we must reserve one share of Class A Common Stock for issuance upon the conversion of the share of Class 1 Common Stock. Holders of Class 1 Common Stock do not have any preference as to dividends, but may participate in any dividend if and when declared by the Board of Directors. If we pay a cash dividend on Class 1 Common Stock, each share of Class A Common Stock will receive an amount at least ten percent greater than the amount of cash dividend per share paid on Class 1 Common Stock. In addition, the Board of Directors may declare and pay a dividend on Class A Common Stock without paying a dividend on Class 1 Common Stock. The cash dividends declared and paid on Class B Convertible Common Stock and Class 1 Common Stock must always be the same.

The number of shares of common stock issued and treasury stock, and associated share activity, are as follows:

	Common Stock			Treasury Stock	
	Class A	Class B	Class 1	Class A	Class B
Balance at February 28, 2013	242,064,514	28,517,035	37	80,799,298	5,005,800
Conversion of shares	80,507	(80,470)	(37)	—	—
Exercise of stock options	6,119,923	—	—	—	—
Employee stock purchases	—	—	—	(163,817)	—
Grant of restricted stock awards	—	—	—	(12,375)	—
Vesting of restricted stock units[1]	—	—	—	(121,539)	—
Vesting of performance share units[2]	—	—	—	(309,653)	—
Cancellation of restricted shares	—	—	—	33,661	—
Balance at February 28, 2014	248,264,944	28,436,565	—	80,225,575	5,005,800
Conversion of shares	46,957	(46,957)	—	—	—
Exercise of stock options	2,527,458	—	—	—	—
Employee stock purchases	—	—	—	(117,301)	—
Grant of restricted stock awards	—	—	—	(6,424)	—
Vesting of restricted stock units[1]	—	—	—	(140,396)	—
Vesting of performance share units[2]	—	—	—	(288,021)	—
Cancellation of restricted shares	—	—	—	8,426	—
Balance at February 28, 2015	250,839,359	28,389,608	—	79,681,859	5,005,800

	Common Stock			Treasury Stock	
	Class A	Class B	Class 1	Class A	Class B
Share repurchases	—	—	—	246,143	—
Conversion of shares	31,079	(31,079)	—	—	—
Exercise of stock options	4,687,588	—	2,000	—	—
Employee stock purchases	—	—	—	(89,155)	—
Grant of restricted stock awards	—	—	—	(4,984)	—
Vesting of restricted stock units (1)	—	—	—	(157,052)	—
Vesting of performance share units (2)	—	—	—	(223,044)	—
Cancellation of restricted shares	—	—	—	244	—
Balance at February 29, 2016	255,558,026	28,358,529	2,000	79,454,011	5,005,800

(1) Net of 112,851 shares, 101,499 shares and 96,767 shares withheld for the years ended February 29, 2016, February 28, 2015, and February 28, 2014, respectively, to satisfy tax withholding requirements.

(2) Net of 216,396 shares, 248,499 shares and 267,577 shares withheld for the years ended February 29, 2016, February 28, 2015, and February 28, 2014, respectively, to satisfy tax withholding requirements.

Stock repurchases –

In April 2012, our Board of Directors authorized the repurchase of up to $1.0 billion of our Class A Common Stock and Class B Convertible Common Stock (the "2013 Authorization"). The Board of Directors did not specify a date upon which the 2013 Authorization would expire. Shares repurchased under the 2013 Authorization have become treasury shares.

As of February 29, 2016, total shares repurchased under this authorization are as follows:

		Class A Common Shares	
	Repurchase Authorization	Dollar Value of Shares Repurchased	Number of Shares Repurchased
(in millions, except share data)			
2013 Authorization	$ 1,000.0	$ 330.5	14,270,128

Common stock dividends –

In April 2016, our Board of Directors declared a quarterly cash dividend of $0.40 per share of Class A Common Stock, $0.36 per share of Class B Convertible Common Stock and $0.36 per share of Class 1 Common Stock payable in the first quarter of fiscal 2017.

15. STOCK-BASED EMPLOYEE COMPENSATION:

We have two stock-based employee compensation plans (as further discussed below). Total compensation cost and income tax benefits recognized for our stock-based awards are as follows:

	For the Years Ended		
	February 29, 2016	February 28, 2015	February 28, 2014
(in millions)			
Total compensation cost recognized in our results of operations	$ 54.0	$ 55.0	$ 49.9
Total income tax benefit recognized in our results of operations	$ 17.8	$ 18.7	$ 17.1

Long-term stock incentive plan –

Under our Long-Term Stock Incentive Plan, nonqualified stock options, restricted stock, restricted stock units, performance share units and other stock-based awards may be granted to our employees, officers and directors. The aggregate number of shares of our Class A Common Stock and Class 1 Common Stock available for awards under our Long-Term Stock Incentive Plan is 108,000,000 shares.

The exercise price, vesting period and term of nonqualified stock options granted are established by the committee administering the plan (the "Committee"). The exercise price of any nonqualified stock option may not be less than the fair market value of our Class A Common Stock on the date of grant. Nonqualified stock options generally vest and become exercisable over a four-year period from the date of grant and expire as established by the Committee, but not later than ten years after the grant date.

Grants of restricted stock, restricted stock units, performance share units and other stock-based awards may contain such vesting periods, terms, conditions and other requirements as the Committee may establish. Restricted stock and restricted stock unit awards are based on service and generally vest over one to four years from the date of grant. Performance share unit awards are based on service and the satisfaction of certain performance conditions, and vest over a required employee service period, generally from one to three years from the date of grant, which closely matches the performance period. The performance conditions include the achievement of specified financial or operational performance metrics, or market conditions which require the achievement of specified levels of shareholder return relative to other companies as defined in the applicable performance share unit agreement. The actual number of shares to be awarded upon vesting of a performance share unit award will range between 0% and 200% of the target award, based upon the measure of performance as certified by the Committee.

A summary of stock option activity, primarily under our Long-Term Stock Incentive Plan, is as follows:

	For the Years Ended					
	February 29, 2016		February 28, 2015		February 28, 2014	
	Number of Options	Weighted Average Exercise Price	Number of Options	Weighted Average Exercise Price	Number of Options	Weighted Average Exercise Price
Outstanding as of March 1	13,613,615	$ 25.46	15,314,074	$ 21.82	20,264,078	$ 19.48
Granted	838,996	$ 117.17	881,584	$ 79.86	1,284,500	$ 48.79
Exercised	(4,689,588)	$ 22.25	(2,527,458)	$ 22.02	(6,119,923)	$ 19.63
Forfeited	(220,433)	$ 71.75	(52,779)	$ 42.79	(103,497)	$ 28.86
Expired	(1,197)	$ 21.02	(1,806)	$ 19.55	(11,084)	$ 18.79
Outstanding as of last day of February	9,541,393	$ 34.03	13,613,615	$ 25.46	15,314,074	$ 21.82
Exercisable	7,348,309	$ 21.37	10,499,030	$ 19.45	10,913,019	$ 18.91

As of February 29, 2016, the aggregate intrinsic value of our options outstanding and exercisable was $1,024.7 million and $882.2 million, respectively. In addition, the weighted average remaining contractual life for our options outstanding and exercisable was 5.1 years and 4.3 years, respectively.

The fair value of stock options vested, and the intrinsic value of and tax benefit realized from the exercise of stock options, are as follows:

	For the Years Ended		
	February 29, 2016	February 28, 2015	February 28, 2014
(in millions)			
Fair value of stock options vested	$ 20.1	$ 19.6	$ 20.5
Intrinsic value of stock options exercised	$ 514.9	$ 185.8	$ 235.5
Tax benefit realized from stock options exercised	$ 193.5	$ 62.2	$ 61.4

The weighted average grant-date fair value of stock options granted and the weighted average assumptions used to estimate the fair value on the date of grant using the Black-Scholes option-pricing model are as follows:

	For the Years Ended		
	February 29, 2016	February 28, 2015	February 28, 2014
Grant-date fair value	$ 31.14	$ 27.77	$ 16.88
Expected life [1]	5.9 years	5.9 years	5.9 years
Expected volatility [2]	28.5 %	32.4 %	34.8 %
Risk-free interest rate [3]	1.6 %	2.1 %	0.9 %
Expected dividend yield [4]	1.1 %	0.0 %	0.0 %

(1) Based on historical experience of employees' exercise behavior for similar type awards.

(2) Based primarily on historical volatility levels of our Class A Common Stock.

(3) Based on the implied yield currently available on U.S. Treasury zero coupon issues with a remaining term equal to the expected life.

(4) Based on the calculated yield on our Class A Common Stock at date of grant using the current fiscal year projected annualized dividend distribution rate.

A summary of restricted Class A Common Stock activity under our Long-Term Stock Incentive Plan is as follows:

	For the Years Ended					
	February 29, 2016		February 28, 2015		February 28, 2014	
	Number	Weighted Average Grant-Date Fair Value	Number	Weighted Average Grant-Date Fair Value	Number	Weighted Average Grant-Date Fair Value
Restricted Stock Awards						
Outstanding balance as of March 1, Nonvested	117,054	$ 25.15	408,744	$ 20.18	1,128,024	$ 17.16
Granted	4,984	$ 119.37	6,424	$ 87.13	12,375	$ 50.90
Vested	(116,810)	$ 25.16	(289,688)	$ 20.90	(697,994)	$ 15.90
Forfeited	(244)	$ 20.60	(8,426)	$ 20.43	(33,661)	$ 19.00
Outstanding balance as of last day of February, Nonvested	4,984	$ 119.37	117,054	$ 25.15	408,744	$ 20.18
Restricted Stock Units						
Outstanding balance as of March 1, Nonvested	1,063,726	$ 51.16	1,104,580	$ 39.87	721,503	$ 23.65
Granted	230,742	$ 122.60	250,923	$ 80.72	656,710	$ 50.74
Vested	(269,903)	$ 44.48	(241,895)	$ 32.34	(218,306)	$ 21.30
Forfeited	(107,556)	$ 58.65	(49,882)	$ 41.05	(55,327)	$ 30.58
Outstanding balance as of last day of February, Nonvested	917,009	$ 70.23	1,063,726	$ 51.16	1,104,580	$ 39.87

	For the Years Ended					
	February 29, 2016		February 28, 2015		February 28, 2014	
	Number	Weighted Average Grant-Date Fair Value	Number	Weighted Average Grant-Date Fair Value	Number	Weighted Average Grant-Date Fair Value
Performance Share Units						
Outstanding balance as of March 1, Nonvested	617,684	$ 58.21	798,600	$ 39.67	729,010	$ 25.86
Granted	155,671	$ 146.25	108,290	$ 99.64	298,710	$ 57.88
Performance achievement [1]	219,720	$ 38.47	268,260	$ 21.65	379,780	$ 16.83
Vested	(439,440)	$ 38.47	(536,520)	$ 21.65	(577,230)	$ 16.88
Forfeited	(52,374)	$ 75.42	(20,946)	$ 47.21	(31,670)	$ 34.98
Outstanding balance as of last day of February, Nonvested	501,261	$ 92.41	617,684	$ 58.21	798,600	$ 39.67

(1) Reflects the number of awards achieved above target levels based on actual performance measured at the end of the performance period.

The fair value of shares vested for our restricted Class A Common Stock awards is as follows:

	For the Years Ended		
	February 29, 2016	February 28, 2015	February 28, 2014
(in millions)			
Restricted stock awards	$ 13.7	$ 23.6	$ 34.4
Restricted stock units	$ 31.7	$ 19.7	$ 10.7
Performance share units	$ 51.5	$ 43.6	$ 28.5

The weighted average grant-date fair value of performance share units granted with a market condition and the weighted average assumptions used to estimate the fair value on the date of grant using the Monte Carlo Simulation model are as follows:

	For the Years Ended		
	February 29, 2016	February 28, 2015	February 28, 2014
Grant-date fair value	$ 153.64	$ 101.05	$ 66.33
Grant-date price	$ 117.08	$ 79.61	$ 48.89
Performance period	3.0 years	3.0 years	3.0 years
Expected volatility [1]	33.5%	38.2%	38.7%
Risk-free interest rate [2]	0.9%	0.8%	0.4%
Expected dividend yield [3]	0.0%	0.0%	0.0%

(1) Based primarily on historical volatility levels of our Class A Common Stock.

(2) Based on the implied yield currently available on U.S. Treasury zero coupon issues with a remaining term equal to the performance period.

(3) No expected dividend yield for the year ended February 29, 2016, as units granted earn dividend equivalents.

Employee stock purchase plan –

We have a stock purchase plan (the "Employee Stock Purchase Plan") under which 9,000,000 shares of Class A Common Stock may be issued. Under the terms of the plan, eligible employees may purchase shares of our Class A Common Stock through payroll deductions. The purchase price is the lower of 85% of the fair market value of the stock on the first or last day of the purchase period. For the years ended February 29, 2016, February 28, 2015, and February 28, 2014, employees purchased 89,155 shares, 117,301 shares and 163,817 shares, respectively, under this plan.

Other –

As of February 29, 2016, there was $83.5 million of total unrecognized compensation cost related to nonvested stock-based compensation arrangements granted under our stock-based employee compensation plans. This cost is expected to be recognized in our results of operations over a weighted-average period of 2.4 years. With respect to the issuance of shares under any of our stock-based compensation plans, we have the option to issue authorized but unissued shares or treasury shares.

16. NET INCOME PER COMMON SHARE ATTRIBUTABLE TO CBI:

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

	For the Years Ended					
	February 29, 2016		February 28, 2015		February 28, 2014	
	Common Stock		Common Stock		Common Stock	
	Class A	Class B	Class A	Class B	Class A	Class B
(in millions, except per share data)						
Net income attributable to CBI allocated – basic	$ 940.0	$ 114.9	$ 745.6	$ 93.7	$ 1,720.2	$ 222.9
Conversion of Class B common shares into Class A common shares	114.9	—	93.7	—	222.9	—
Effect of stock-based awards on allocated net income	—	(3.1)	—	(4.0)	—	(10.8)
Net income attributable to CBI allocated – diluted	$ 1,054.9	$ 111.8	$ 839.3	$ 89.7	$ 1,943.1	$ 212.1
Weighted average common shares outstanding – basic	173.383	23.363	169.325	23.397	164.687	23.467
Conversion of Class B common shares into Class A common shares	23.363	—	23.397	—	23.467	—
Stock-based awards, primarily stock options	7.075	—	8.502	—	9.416	—
Weighted average common shares outstanding – diluted	203.821	23.363	201.224	23.397	197.570	23.467
Net income per common share attributable to CBI – basic	$ 5.42	$ 4.92	$ 4.40	$ 4.00	$ 10.45	$ 9.50
Net income per common share attributable to CBI – diluted	$ 5.18	$ 4.79	$ 4.17	$ 3.83	$ 9.83	$ 9.04

17. ACCUMULATED OTHER COMPREHENSIVE LOSS:

Other comprehensive loss attributable to CBI includes the following components:

(in millions)	Before Tax Amount	Tax (Expense) Benefit	Net of Tax Amount
For the Year Ended February 28, 2014			
Other comprehensive income (loss) attributable to CBI:			
Foreign currency translation adjustments:			
Net losses	$ (63.2)	$ (3.6)	$ (66.8)
Reclassification adjustments	—	—	—
Net loss recognized in other comprehensive loss	(63.2)	(3.6)	(66.8)
Unrealized gain on cash flow hedges:			
Net derivative gains	9.8	(2.7)	7.1
Reclassification adjustments	7.8	(3.6)	4.2
Net gain recognized in other comprehensive loss	17.6	(6.3)	11.3
Unrealized loss on AFS debt securities:			
Net AFS debt securities losses	(2.8)	(0.3)	(3.1)
Reclassification adjustments	(0.1)	0.3	0.2
Net loss recognized in other comprehensive loss	(2.9)	—	(2.9)
Pension/postretirement adjustments:			
Net actuarial gains	15.4	(4.0)	11.4
Reclassification adjustments	1.1	(0.2)	0.9
Net gain recognized in other comprehensive loss	16.5	(4.2)	12.3
Other comprehensive loss attributable to CBI	$ (32.0)	$ (14.1)	$ (46.1)
For the Year Ended February 28, 2015			
Other comprehensive loss attributable to CBI:			
Foreign currency translation adjustments:			
Net losses	$ (203.3)	$ 13.6	$ (189.7)
Reclassification adjustments	—	—	—
Net loss recognized in other comprehensive loss	(203.3)	13.6	(189.7)
Unrealized loss on cash flow hedges:			
Net derivative losses	(33.6)	9.6	(24.0)
Reclassification adjustments	6.8	(3.0)	3.8
Net loss recognized in other comprehensive loss	(26.8)	6.6	(20.2)
Unrealized loss on AFS debt securities:			
Net AFS debt securities losses	(1.0)	—	(1.0)
Reclassification adjustments	—	—	—
Net loss recognized in other comprehensive loss	(1.0)	—	(1.0)
Pension/postretirement adjustments:			
Net actuarial losses	(8.1)	2.1	(6.0)
Reclassification adjustments	—	—	—
Net loss recognized in other comprehensive loss	(8.1)	2.1	(6.0)
Other comprehensive loss attributable to CBI	$ (239.2)	$ 22.3	$ (216.9)

(in millions)	Before Tax Amount	Tax (Expense) Benefit	Net of Tax Amount
For the Year Ended February 29, 2016			
Other comprehensive income (loss) attributable to CBI:			
Foreign currency translation adjustments:			
Net losses	$ (310.7)	$ 6.3	$ (304.4)
Reclassification adjustments	—	—	—
Net loss recognized in other comprehensive loss	(310.7)	6.3	(304.4)
Unrealized loss on cash flow hedges:			
Net derivative losses	(59.8)	16.5	(43.3)
Reclassification adjustments	37.3	(11.0)	26.3
Net loss recognized in other comprehensive loss	(22.5)	5.5	(17.0)
Unrealized loss on AFS debt securities:			
Net AFS debt securities losses	(0.4)	—	(0.4)
Reclassification adjustments	0.1	—	0.1
Net loss recognized in other comprehensive loss	(0.3)	—	(0.3)
Pension/postretirement adjustments:			
Net actuarial losses	(0.1)	—	(0.1)
Reclassification adjustments	0.5	(0.3)	0.2
Net gain recognized in other comprehensive loss	0.4	(0.3)	0.1
Other comprehensive loss attributable to CBI	$ (333.1)	$ 11.5	$ (321.6)

Accumulated other comprehensive loss, net of income tax effect, includes the following components:

(in millions)	Foreign Currency Translation Adjustments	Net Unrealized Losses on Derivative Instruments	Net Unrealized Losses on AFS Debt Securities	Pension/ Postretirement Adjustments	Accumulated Other Comprehensive Loss
Balance, February 28, 2015	$ (86.1)	$ (29.1)	$ (2.5)	$ (13.2)	$ (130.9)
Other comprehensive income (loss):					
Other comprehensive loss before reclassification adjustments	(304.4)	(43.3)	(0.4)	(0.1)	(348.2)
Amounts reclassified from accumulated other comprehensive income (loss)	—	26.3	0.1	0.2	26.6
Other comprehensive income (loss)	(304.4)	(17.0)	(0.3)	0.1	(321.6)
Balance, February 29, 2016	$ (390.5)	$ (46.1)	$ (2.8)	$ (13.1)	$ (452.5)

18. SIGNIFICANT CUSTOMERS AND CONCENTRATION OF CREDIT RISK:

Net sales to our five largest customers represented 31.7%, 33.7% and 36.6% of our net sales for the years ended February 29, 2016, February 28, 2015, and February 28, 2014, respectively. Net sales to our five largest customers are expected to continue to represent a significant portion of our revenues. Net sales to an individual customer which amount to 10% or more of our net sales, and the associated amounts receivable from this customer as a percentage of our accounts receivable, are as follows:

	For the Years Ended		
	February 29, 2016	February 28, 2015	February 28, 2014
Southern Wine and Spirits			
Net sales	13.4%	15.4%	18.4%
Accounts receivable	32.0%	24.4%	26.6%

Net sales for the above customer are primarily reported within the Wine and Spirits segment. Our arrangements with certain of our customers may, generally, be terminated by either party with prior notice. The majority of our accounts receivable balance is generated from sales to independent distributors with whom we have a predetermined collection date arranged through electronic funds transfer. We perform ongoing credit evaluations of our customers' financial position, and management is of the opinion that any risk of significant loss is reduced due to the diversity of our customers and geographic sales area.

19. CONDENSED CONSOLIDATING FINANCIAL INFORMATION:

The following information sets forth the condensed consolidating balance sheets as of February 29, 2016, and February 28, 2015, the condensed consolidating statements of comprehensive income for the years ended February 29, 2016, February 28, 2015, and February 28, 2014, and the condensed consolidating statements of cash flows for the years ended February 29, 2016, February 28, 2015, and February 28, 2014, for the parent company, our combined subsidiaries which guarantee our senior notes ("Subsidiary Guarantors"), our combined subsidiaries which are not Subsidiary Guarantors (primarily foreign subsidiaries) ("Subsidiary Nonguarantors") and the Company. The Subsidiary Guarantors are 100% owned, directly or indirectly, by the parent company and the guarantees are joint and several obligations of each of the Subsidiary Guarantors. The guarantees are full and unconditional, as those terms are used in Rule 3-10 of Regulation S-X, except that a Subsidiary Guarantor can be automatically released and relieved of its obligations under certain customary circumstances contained in the indentures governing our senior notes. These customary circumstances include, so long as other applicable provisions of the indentures are adhered to, the termination or release of a Subsidiary Guarantor's guarantee of other indebtedness or upon the legal defeasance or covenant defeasance or satisfaction and discharge of our senior notes. Separate financial statements for our Subsidiary Guarantors are not presented because we have determined that such financial statements would not be material to investors. The accounting policies of the parent company, the Subsidiary Guarantors and the Subsidiary Nonguarantors are the same as those described for the Company in the Summary of Significant Accounting Policies in Note 1. There are no restrictions on the ability of the Subsidiary Guarantors to transfer funds to us in the form of cash dividends, loans or advances.

(in millions)	Parent Company	Subsidiary Guarantors	Subsidiary Nonguarantors	Eliminations	Consolidated
Condensed Consolidating Balance Sheet at February 29, 2016					
Current assets:					
Cash and cash equivalents	$ 6.0	$ 4.2	$ 72.9	$ —	$ 83.1
Accounts receivable	0.4	22.3	709.8	—	732.5
Inventories	151.6	1,483.5	344.0	(127.5)	1,851.6
Intercompany receivable	17,459.3	23,758.9	9,393.5	(50,611.7)	—
Prepaid expenses and other	29.6	67.8	281.1	(68.1)	310.4
Total current assets	17,646.9	25,336.7	10,801.3	(50,807.3)	2,977.6
Property, plant and equipment	63.2	879.8	2,390.4	—	3,333.4
Investments in subsidiaries	13,047.2	19.0	—	(13,066.2)	—
Goodwill	—	6,376.4	762.2	—	7,138.6
Intangible assets	—	970.9	2,430.8	2.1	3,403.8
Intercompany notes receivable	4,705.9	86.6	—	(4,792.5)	—
Other assets	20.0	69.6	22.0	—	111.6
Total assets	$ 35,483.2	$ 33,739.0	$ 16,406.7	$ (68,663.9)	$ 16,965.0
Current liabilities:					
Notes payable to banks	$ —	$ —	$ 408.3	$ —	$ 408.3
Current maturities of long-term debt	765.6	18.0	73.1	—	856.7
Accounts payable	37.7	100.7	290.9	—	429.3
Accrued excise taxes	14.7	14.7	4.2	—	33.6
Intercompany payable	22,293.3	19,018.6	9,299.8	(50,611.7)	—
Other accrued expenses and liabilities	349.1	185.1	119.4	(109.2)	544.4
Total current liabilities	23,460.4	19,337.1	10,195.7	(50,720.9)	2,272.3
Long-term debt, less current maturities	5,421.4	26.3	1,368.5	—	6,816.2
Deferred income taxes	11.9	734.8	275.5	—	1,022.2
Intercompany notes payable	—	4,776.6	15.9	(4,792.5)	—
Other liabilities	29.9	39.1	93.5	—	162.5
Total liabilities	28,923.6	24,913.9	11,949.1	(55,513.4)	10,273.2
Total CBI stockholders’ equity	6,559.6	8,825.1	4,325.4	(13,150.5)	6,559.6
Noncontrolling interests	—	—	132.2	—	132.2
Total stockholders’ equity	6,559.6	8,825.1	4,457.6	(13,150.5)	6,691.8
Total liabilities and stockholders’ equity	$ 35,483.2	$ 33,739.0	$ 16,406.7	$ (68,663.9)	$ 16,965.0

(in millions)	Parent Company	Subsidiary Guarantors	Subsidiary Nonguarantors	Eliminations	Consolidated
Condensed Consolidating Balance Sheet at February 28, 2015					
Current assets:					
Cash and cash equivalents	$ 24.5	$ 0.7	$ 84.9	$ —	$ 110.1
Accounts receivable	0.8	27.3	570.8	—	598.9
Inventories	153.3	1,419.0	357.7	(102.8)	1,827.2
Intercompany receivable	13,158.7	18,389.9	6,512.0	(38,060.6)	—
Prepaid expenses and other	46.2	94.0	427.0	(192.6)	374.6
Total current assets	13,383.5	19,930.9	7,952.4	(38,356.0)	2,910.8
Property, plant and equipment	59.3	854.5	1,767.8	—	2,681.6
Investments in subsidiaries	11,657.2	13.8	—	(11,671.0)	—
Goodwill	—	5,411.3	796.9	—	6,208.2
Intangible assets	—	703.3	2,474.3	3.4	3,181.0
Intercompany notes receivable	4,087.3	129.9	—	(4,217.2)	—
Other assets	18.0	68.4	25.0	—	111.4
Total assets	$ 29,205.3	$ 27,112.1	$ 13,016.4	$ (54,240.8)	$ 15,093.0
Current liabilities:					
Notes payable to banks	$ —	$ —	$ 52.4	$ —	$ 52.4
Current maturities of long-term debt	92.3	16.9	48.9	—	158.1
Accounts payable	41.2	113.2	131.4	—	285.8
Accrued excise taxes	12.6	11.3	4.8	—	28.7
Intercompany payable	17,206.7	14,201.6	6,652.3	(38,060.6)	—
Other accrued expenses and liabilities	462.5	211.2	156.9	(224.9)	605.7
Total current liabilities	17,815.3	14,554.2	7,046.7	(38,285.5)	1,130.7
Long-term debt, less current maturities	5,558.0	30.9	1,497.1	—	7,086.0
Deferred income taxes	17.6	633.6	167.7	—	818.9
Intercompany notes payable	—	3,863.4	353.8	(4,217.2)	—
Other liabilities	43.7	36.7	95.7	—	176.1
Total liabilities	23,434.6	19,118.8	9,161.0	(42,502.7)	9,211.7
Total CBI stockholders' equity	5,770.7	7,993.3	3,744.8	(11,738.1)	5,770.7
Noncontrolling interests	—	—	110.6	—	110.6
Total stockholders' equity	5,770.7	7,993.3	3,855.4	(11,738.1)	5,881.3
Total liabilities and stockholders' equity	$ 29,205.3	$ 27,112.1	$ 13,016.4	$ (54,240.8)	$ 15,093.0

(in millions)	Parent Company	Subsidiary Guarantors	Subsidiary Nonguarantors	Eliminations	Consolidated
Condensed Consolidating Statement of Comprehensive Income for the Year Ended February 29, 2016					
Sales	$ 2,522.8	$ 5,614.9	$ 3,024.5	$ (3,938.4)	$ 7,223.8
Less – excise taxes	(332.6)	(281.1)	(61.7)	—	(675.4)
Net sales	2,190.2	5,333.8	2,962.8	(3,938.4)	6,548.4
Cost of product sold	(1,759.6)	(3,906.2)	(1,823.8)	3,883.5	(3,606.1)
Gross profit	430.6	1,427.6	1,139.0	(54.9)	2,942.3
Selling, general and administrative expenses	(378.4)	(652.6)	(176.5)	30.3	(1,177.2)
Operating income	52.2	775.0	962.5	(24.6)	1,765.1
Equity in earnings of equity method investees and subsidiaries	1,224.2	31.2	0.5	(1,229.3)	26.6
Dividend income	—	—	24.5	—	24.5
Interest income	0.2	—	0.6	—	0.8
Intercompany interest income	191.4	268.0	0.1	(459.5)	—
Interest expense	(290.1)	(0.2)	(24.4)	—	(314.7)
Intercompany interest expense	(267.4)	(191.3)	(0.8)	459.5	—
Loss on write-off of debt issuance costs	(0.4)	—	(0.7)	—	(1.1)
Income before income taxes	910.1	882.7	962.3	(1,253.9)	1,501.2
(Provision for) benefit from income taxes	144.8	(346.3)	(247.4)	8.3	(440.6)
Net income	1,054.9	536.4	714.9	(1,245.6)	1,060.6
Net income attributable to noncontrolling interests	—	—	(5.7)	—	(5.7)
Net income attributable to CBI	$ 1,054.9	$ 536.4	$ 709.2	$ (1,245.6)	$ 1,054.9
Comprehensive income attributable to CBI	$ 733.3	$ 531.9	$ 383.7	$ (915.6)	$ 733.3

(in millions)	Parent Company	Subsidiary Guarantors	Subsidiary Nonguarantors	Eliminations	Consolidated
Condensed Consolidating Statement of Comprehensive Income for the Year Ended February 28, 2015					
Sales	$ 2,406.4	$ 5,078.3	$ 3,004.1	$ (3,816.7)	$ 6,672.1
Less – excise taxes	(324.8)	(251.6)	(67.7)	—	(644.1)
Net sales	2,081.6	4,826.7	2,936.4	(3,816.7)	6,028.0
Cost of product sold	(1,678.4)	(3,629.0)	(1,870.3)	3,728.3	(3,449.4)
Gross profit	403.2	1,197.7	1,066.1	(88.4)	2,578.6
Selling, general and administrative expenses	(388.2)	(470.1)	(273.4)	53.3	(1,078.4)
Operating income	15.0	727.6	792.7	(35.1)	1,500.2
Equity in earnings of equity method investees and subsidiaries	828.0	24.6	1.2	(832.3)	21.5
Interest income	0.1	—	1.3	—	1.4
Intercompany interest income	177.8	222.7	—	(400.5)	—
Interest expense	(296.4)	(1.4)	(41.3)	—	(339.1)
Intercompany interest expense	(222.0)	(177.6)	(0.9)	400.5	—
Loss on write-off of debt issuance costs	—	—	(4.4)	—	(4.4)
Income before income taxes	502.5	795.9	748.6	(867.4)	1,179.6
(Provision for) benefit from income taxes	336.8	(295.5)	(395.7)	11.0	(343.4)
Net income	839.3	500.4	352.9	(856.4)	836.2
Net loss attributable to noncontrolling interests	—	—	3.1	—	3.1
Net income attributable to CBI	$ 839.3	$ 500.4	$ 356.0	$ (856.4)	$ 839.3
Comprehensive income attributable to CBI	$ 622.4	$ 503.7	$ 132.2	$ (635.9)	$ 622.4

(in millions)	Parent Company	Subsidiary Guarantors	Subsidiary Nonguarantors	Eliminations	Consolidated
Condensed Consolidating Statement of Comprehensive Income for the Year Ended February 28, 2014					
Sales	$ 2,351.8	$ 3,868.3	$ 2,093.9	$ (2,903.0)	$ 5,411.0
Less – excise taxes	(317.3)	(155.9)	(70.1)	—	(543.3)
Net sales	2,034.5	3,712.4	2,023.8	(2,903.0)	4,867.7
Cost of product sold	(1,730.3)	(2,661.6)	(1,312.1)	2,828.0	(2,876.0)
Gross profit	304.2	1,050.8	711.7	(75.0)	1,991.7
Selling, general and administrative expenses	(395.4)	(361.7)	(155.0)	17.0	(895.1)
Impairment of goodwill and intangible assets	—	—	(300.9)	—	(300.9)
Gain on remeasurement to fair value of equity method investment	—	1,642.0	—	—	1,642.0
Operating income (loss)	(91.2)	2,331.1	255.8	(58.0)	2,437.7
Equity in earnings of equity method investees and subsidiaries	2,219.2	92.7	0.6	(2,224.7)	87.8
Interest income	0.1	—	7.6	—	7.7
Intercompany interest income	152.4	168.5	1.5	(322.4)	—
Interest expense	(283.2)	(2.5)	(45.2)	—	(330.9)
Intercompany interest expense	(168.1)	(153.6)	(0.7)	322.4	—
Income before income taxes	1,829.2	2,436.2	219.6	(2,282.7)	2,202.3
(Provision for) benefit from income taxes	113.9	(292.5)	(100.1)	19.5	(259.2)
Net income	1,943.1	2,143.7	119.5	(2,263.2)	1,943.1
Net income attributable to noncontrolling interests	—	—	—	—	—
Net income attributable to CBI	$ 1,943.1	$ 2,143.7	$ 119.5	$ (2,263.2)	$ 1,943.1
Comprehensive income attributable to CBI	$ 1,897.0	$ 2,167.7	$ 64.0	$ (2,231.7)	$ 1,897.0

(in millions)	Parent Company	Subsidiary Guarantors	Subsidiary Nonguarantors	Eliminations	Consolidated
Condensed Consolidating Statement of Cash Flows for the Year Ended February 29, 2016					
Net cash provided by (used in) operating activities	$ (476.2)	$ 1,249.6	$ 667.8	$ (27.5)	$ 1,413.7
Cash flows from investing activities:					
Purchases of businesses, net of cash acquired	—	(1,314.7)	(1.7)	—	(1,316.4)
Purchases of property, plant and equipment	(14.1)	(61.6)	(815.6)	—	(891.3)
Net proceeds from intercompany notes	143.9	44.9	—	(188.8)	—
Net investments in equity affiliates	(550.1)	—	—	550.1	—
Other investing activities	3.5	0.2	(3.4)	—	0.3
Net cash used in investing activities	(416.8)	(1,331.2)	(820.7)	361.3	(2,207.4)
Cash flows from financing activities:					
Dividends paid to parent company	—	—	(88.8)	88.8	—
Net contributions from equity affiliates	60.9	266.8	283.7	(611.4)	—
Net proceeds from (repayments of) intercompany notes	250.4	(106.4)	(332.8)	188.8	—
Proceeds from issuance of long-term debt	600.0	—	10.0	—	610.0
Net proceeds from notes payable	—	—	360.6	—	360.6
Excess tax benefits from stock-based payment awards	203.4	—	—	—	203.4
Proceeds from shares issued under equity compensation plans	113.0	—	—	—	113.0
Proceeds from noncontrolling interests	—	—	25.0	—	25.0
Dividends paid	(241.6)	—	—	—	(241.6)
Principal payments of long-term debt	(64.5)	(39.4)	(104.8)	—	(208.7)
Payments of minimum tax withholdings on stock-based payment awards	—	(35.9)	(2.7)	—	(38.6)
Purchases of treasury stock	(33.8)	—	—	—	(33.8)
Payments of debt issuance costs	(13.3)	—	—	—	(13.3)
Net cash provided by financing activities	874.5	85.1	150.2	(333.8)	776.0
Effect of exchange rate changes on cash and cash equivalents	—	—	(9.3)	—	(9.3)
Net increase (decrease) in cash and cash equivalents	(18.5)	3.5	(12.0)	—	(27.0)
Cash and cash equivalents, beginning of year	24.5	0.7	84.9	—	110.1
Cash and cash equivalents, end of year	$ 6.0	$ 4.2	$ 72.9	$ —	$ 83.1

(in millions)	Parent Company	Subsidiary Guarantors	Subsidiary Nonguarantors	Eliminations	Consolidated
Condensed Consolidating Statement of Cash Flows for the Year Ended February 28, 2015					
Net cash provided by (used in) operating activities	$ (553.6)	$ 784.5	$ 850.1	$ —	$ 1,081.0
Cash flows from investing activities:					
Purchases of businesses, net of cash acquired	—	—	(310.3)	—	(310.3)
Purchases of property, plant and equipment	(23.1)	(83.7)	(612.6)	—	(719.4)
Net proceeds from intercompany notes	485.4	—	—	(485.4)	—
Net investments in equity affiliates	(2.6)	—	—	2.6	—
Other investing activities	(0.1)	(5.6)	19.5	—	13.8
Net cash provided by (used in) investing activities	459.6	(89.3)	(903.4)	(482.8)	(1,015.9)
Cash flows from financing activities:					
Dividends paid to parent company	—	—	(38.8)	38.8	—
Net contributions from (returns of capital to) equity affiliates	—	(31.5)	72.9	(41.4)	—
Net proceeds from (repayments of) intercompany notes	(262.8)	(618.1)	395.5	485.4	—
Proceeds from issuance of long-term debt	800.0	—	105.0	—	905.0
Net proceeds from notes payable	—	—	13.1	—	13.1
Excess tax benefits from stock-based payment awards	78.0	—	—	—	78.0
Proceeds from shares issued under equity compensation plans	63.7	—	—	—	63.7
Proceeds from noncontrolling interests	—	—	115.0	—	115.0
Principal payments of long-term debt	(549.2)	(19.6)	(36.9)	—	(605.7)
Payments of minimum tax withholdings on stock-based payment awards	—	(26.1)	(2.3)	—	(28.4)
Payments of debt issuance costs	(11.7)	—	(2.1)	—	(13.8)
Payment of delayed purchase price arrangement	—	—	(543.3)	—	(543.3)
Net cash provided by (used in) financing activities	118.0	(695.3)	78.1	482.8	(16.4)
Effect of exchange rate changes on cash and cash equivalents	—	—	(2.5)	—	(2.5)
Net increase (decrease) in cash and cash equivalents	24.0	(0.1)	22.3	—	46.2
Cash and cash equivalents, beginning of year	0.5	0.8	62.6	—	63.9
Cash and cash equivalents, end of year	$ 24.5	$ 0.7	$ 84.9	$ —	$ 110.1

(in millions)	Parent Company	Subsidiary Guarantors	Subsidiary Nonguarantors	Eliminations	Consolidated
Condensed Consolidating Statement of Cash Flows for the Year Ended February 28, 2014					
Net cash provided by (used in) operating activities	$ (466.1)	$ 1,070.7	$ 240.4	$ (18.8)	$ 826.2
Cash flows from investing activities:					
Purchase of business, net of cash acquired	—	(1,770.0)	(2,911.3)	—	(4,681.3)
Purchases of property, plant and equipment	(5.4)	(61.4)	(156.7)	—	(223.5)
Net proceeds from intercompany notes	972.6	—	—	(972.6)	—
Net returns of capital from (investments in) equity affiliates	(1,133.2)	(5.1)	0.1	1,138.2	—
Other investing activities	—	2.4	38.6	—	41.0
Net cash used in investing activities	(166.0)	(1,834.1)	(3,029.3)	165.6	(4,863.8)
Cash flows from financing activities:					
Dividends paid to parent company	—	—	(84.3)	84.3	—
Net contributions from (returns of capital to) equity affiliates	—	(172.8)	1,376.5	(1,203.7)	—
Net proceeds from (repayments of) intercompany notes	(1,850.1)	972.9	(95.4)	972.6	—
Proceeds from issuance of long-term debt	2,225.0	—	1,500.0	—	3,725.0
Net proceeds from notes payable	—	—	57.3	—	57.3
Excess tax benefits from stock-based payment awards	65.4	—	—	—	65.4
Proceeds from shares issued under equity compensation plans	125.9	—	—	—	125.9
Principal payments of long-term debt	(49.8)	(20.2)	(26.4)	—	(96.4)
Payments of minimum tax withholdings on stock-based payment awards	—	(16.4)	(1.6)	—	(18.0)
Payments of debt issuance costs	(69.6)	—	(12.6)	—	(82.2)
Net cash provided by financing activities	446.8	763.5	2,713.5	(146.8)	3,777.0
Effect of exchange rate changes on cash and cash equivalents	—	—	(7.0)	—	(7.0)
Net increase (decrease) in cash and cash equivalents	(185.3)	0.1	(82.4)	—	(267.6)
Cash and cash equivalents, beginning of year	185.8	0.7	145.0	—	331.5
Cash and cash equivalents, end of year	$ 0.5	$ 0.8	$ 62.6	$ —	$ 63.9

20. BUSINESS SEGMENT INFORMATION:

Prior to the Beer Business Acquisition, Crown Imports was one of our reportable segments. In connection with the Beer Business Acquisition and the resulting consolidation of the acquired businesses from the date of acquisition, the Crown Imports segment, together with the Brewery Purchase, is now known as the Beer segment. Accordingly, our internal management financial reporting consists of two business divisions: (i) Beer and (ii) Wine and Spirits, and we report our operating results in three segments: (i) Beer, (ii) Wine and Spirits, and (iii) Corporate Operations and Other. In the Beer segment, our portfolio consists of high-end imported and craft beer brands. We have an exclusive perpetual brand license to import, market and sell in the U.S. our Mexican beer portfolio. In the Wine and Spirits segment, we sell a large number of wine brands across all categories – table wine, sparkling wine and dessert wine – and across all price points – popular, premium and luxury categories, primarily within the $5 to $25 price range at U.S. retail – complemented by certain premium spirits brands. Amounts included in the Corporate Operations and Other segment consist of costs of executive management, corporate development, corporate finance, human resources, internal audit, investor relations, legal, public relations and information technology. The amounts included in the Corporate Operations and Other segment are general costs that are applicable to the consolidated group and are therefore not allocated to the other reportable segments. All costs reported within the Corporate Operations and Other segment are not included in our chief operating decision maker's evaluation of the operating income performance of the other reportable segments. The business segments reflect how our operations are managed, how resources are allocated, how operating performance is evaluated by senior management and the structure of our internal financial reporting.

In addition, management excludes items that affect comparability ("Comparable Adjustments") from its evaluation of the results of each operating segment as these Comparable Adjustments are not reflective of core operations of the segments. Segment operating performance and segment management compensation are evaluated based upon core segment operating income (loss). As such, the performance measures for incentive compensation purposes for segment management do not include the impact of these items.

We evaluate segment operating performance based on operating income (loss) of the respective business units. Comparable Adjustments that impacted comparability in our segment operating income (loss) for each period are as follows:

	For the Years Ended		
(in millions)	February 29, 2016	February 28, 2015	February 28, 2014
Cost of product sold			
Net gain (loss) on undesignated commodity derivative contracts	$ (48.1)	$ (32.7)	$ 1.5
Amortization of favorable interim supply agreement	(31.7)	(28.4)	(6.0)
Flow through of inventory step-up	(18.4)	—	(11.0)
Settlements of undesignated commodity derivative contracts	29.5	4.4	(0.5)
Other losses	—	(2.8)	—
Total cost of product sold	(68.7)	(59.5)	(16.0)
Selling, general and administrative expenses			
Restructuring and related charges	(16.4)	—	2.8
Transaction, integration and other acquisition-related costs	(15.4)	(30.5)	(51.5)
Other gains (losses)	—	7.2	(7.0)
Total selling, general and administrative expenses	(31.8)	(23.3)	(55.7)
Impairment of goodwill and intangible assets	—	—	(300.9)
Gain on remeasurement to fair value of equity method investment	—	—	1,642.0
Comparable Adjustments, Operating income (loss)	$ (100.5)	$ (82.8)	$ 1,269.4

The accounting policies of the segments are the same as those described for the Company in the Summary of Significant Accounting Policies in Note 1. Segment information is as follows:

	For the Years Ended		
(in millions)	February 29, 2016	February 28, 2015	February 28, 2014
Beer			
Net sales	$ 3,622.6	$ 3,188.6	$ 2,835.6
Segment operating income	$ 1,264.1	$ 1,017.8	$ 772.9
Long-lived tangible assets	$ 2,187.8	$ 1,485.6	$ 801.3
Total assets	$ 9,900.7	$ 8,281.0	$ 7,420.8
Capital expenditures	$ 800.3	$ 587.3	$ 137.3
Depreciation and amortization	$ 61.5	$ 45.4	$ 29.6
Wine and Spirits			
Net sales:			
Wine	$ 2,591.4	$ 2,523.4	$ 2,554.2
Spirits	334.4	316.0	291.3
Net sales	$ 2,925.8	$ 2,839.4	$ 2,845.5
Segment operating income	$ 727.0	$ 674.3	$ 637.8
Earnings from unconsolidated investments	$ 26.6	$ 21.5	$ 17.6
Long-lived tangible assets	$ 1,039.8	$ 1,071.8	$ 1,097.4
Investments in equity method investees	$ 76.2	$ 73.5	$ 73.3
Total assets	$ 6,770.4	$ 6,508.2	$ 6,515.5
Capital expenditures	$ 81.7	$ 96.8	$ 71.7
Depreciation and amortization	$ 100.2	$ 100.0	$ 96.7
Corporate Operations and Other			
Segment operating loss	$ (125.5)	$ (109.1)	$ (99.8)
Long-lived tangible assets	$ 105.8	$ 124.2	$ 115.6
Investments in equity method investees	$ 6.0	$ —	$ —
Total assets	$ 293.9	$ 303.8	$ 365.8
Capital expenditures	$ 9.3	$ 35.3	$ 14.8
Depreciation and amortization	$ 27.6	$ 28.2	$ 23.5
Comparable Adjustments			
Operating income (loss)	$ (100.5)	$ (82.8)	$ 1,269.4
Earnings (losses) from unconsolidated investments	$ 24.5	$ —	$ (0.1)
Depreciation and amortization	$ 31.7	$ 28.4	$ 6.0
Consolidation and Eliminations			
Net sales	$ —	$ —	$ (813.4)
Operating income	$ —	$ —	$ (142.6)
Equity in earnings of Crown Imports	$ —	$ —	$ 70.3
Capital expenditures	$ —	$ —	$ (0.3)
Depreciation and amortization	$ —	$ —	$ (0.5)

(in millions)	For the Years Ended February 29, 2016	February 28, 2015	February 28, 2014
Consolidated			
Net sales	$ 6,548.4	$ 6,028.0	$ 4,867.7
Operating income	$ 1,765.1	$ 1,500.2	$ 2,437.7
Earnings from unconsolidated investments	$ 51.1	$ 21.5	$ 87.8
Long-lived tangible assets	$ 3,333.4	$ 2,681.6	$ 2,014.3
Investments in equity method investees	$ 82.2	$ 73.5	$ 73.3
Total assets	$ 16,965.0	$ 15,093.0	$ 14,302.1
Capital expenditures	$ 891.3	$ 719.4	$ 223.5
Depreciation and amortization	$ 221.0	$ 202.0	$ 155.3

Earnings from unconsolidated investments consist of equity in earnings from equity method investees of $26.6 million, $21.5 million and $87.8 million for the years ended February 29, 2016, February 28, 2015, and February 28, 2014, respectively, and dividend income from a retained interest in a previously divested business of $24.5 million for the year ended February 29, 2016.

Our principal area of operation is in the U.S. Current operations outside the U.S. are in Mexico for the Beer segment and primarily in Canada, New Zealand and Italy for the Wine and Spirits segment. Revenues are attributed to countries based on the location of the customer.

Geographic data is as follows:

(in millions)	For the Years Ended February 29, 2016	February 28, 2015	February 28, 2014
Net sales			
U.S.	$ 5,960.9	$ 5,360.0	$ 4,169.8
Non-U.S. (primarily Canada)	587.5	668.0	697.9
	$ 6,548.4	$ 6,028.0	$ 4,867.7

(in millions)	February 29, 2016	February 28, 2015
Long-lived tangible assets		
U.S.	$ 933.3	$ 909.7
Non-U.S. (primarily Mexico)	2,400.1	1,771.9
	$ 3,333.4	$ 2,681.6

21. ACCOUNTING GUIDANCE NOT YET ADOPTED:

Revenue recognition –

In May 2014, the FASB issued guidance regarding the recognition of revenue from contracts with customers. Under this guidance, an entity will recognize revenue to depict the transfer of goods or services to customers in an amount that reflects the consideration to which the entity expects to be entitled in exchange for those goods or services. A five step process will be utilized to recognize revenue, as follows: (i) identify the contract with a customer, (ii) identify the performance obligations in the contract, (iii) determine the transaction price, (iv) allocate the transaction price to the performance obligations in the contract and (v) recognize revenue when (or as) the entity satisfies a performance obligation. Additionally, this guidance requires improved disclosures regarding the nature, amount, timing and uncertainty of revenue and cash flows arising from contracts with customers. We are required to adopt this guidance for our annual and interim periods beginning March 1, 2018, utilizing one of two methods: retrospective restatement for each reporting period presented at time of adoption, or retrospectively with the cumulative effect of initially applying this guidance recognized at the date of initial application. We are currently assessing the financial impact of this guidance on our consolidated financial statements.

Leases –

In February 2016, the FASB issued guidance for the accounting for leases. Under this guidance, a lessee will recognize assets and liabilities for most leases, but will recognize expense similar to current lease accounting guidance. For leases with a term of 12 months or less, a lessee is permitted to make an accounting policy election not to recognize lease assets and lease liabilities. We are required to adopt this guidance for our annual and interim periods beginning March 1, 2019, using a modified retrospective approach. We are currently assessing the financial impact of this guidance on our consolidated financial statements.

Stock compensation –

In March 2016, the FASB issued guidance for the accounting for certain aspects of share-based payment transactions. The guidance requires, among other things, the recognition of the income tax effect of awards in the income statement when the awards vest or are settled, thereby eliminating the recording of the income tax effect in additional paid-in capital. The guidance also requires cash flows from excess tax benefits along with other income tax cash flows to be classified as cash flows from operating activities. We are required to adopt this guidance for our annual and interim periods beginning March 1, 2017. We are currently assessing the financial impact of this guidance on our consolidated financial statements.

22. SELECTED QUARTERLY FINANCIAL INFORMATION (UNAUDITED):

A summary of selected quarterly financial information is as follows:

	QUARTER ENDED				
(in millions, except per share data)	May 31, 2015	August 31, 2015	November 30, 2015	February 29, 2016	Full Year
Fiscal 2016					
Net sales	$ 1,631.3	$ 1,733.4	$ 1,640.5	$ 1,543.2	$ 6,548.4
Gross profit	$ 737.1	$ 775.6	$ 733.5	$ 696.1	$ 2,942.3
Net income attributable to CBI	$ 238.6	$ 302.4	$ 270.5	$ 243.4	$ 1,054.9
Net income per common share attributable to CBI [(1)]:					
Basic – Class A Common Stock	$ 1.24	$ 1.56	$ 1.39	$ 1.23	$ 5.42
Basic – Class B Convertible Common Stock	$ 1.12	$ 1.42	$ 1.26	$ 1.12	$ 4.92
Diluted – Class A Common Stock	$ 1.18	$ 1.49	$ 1.33	$ 1.19	$ 5.18
Diluted – Class B Convertible Common Stock	$ 1.09	$ 1.38	$ 1.22	$ 1.10	$ 4.79

(in millions, except per share data)	QUARTER ENDED May 31, 2014	August 31, 2014	November 30, 2014	February 28, 2015	Full Year
Fiscal 2015					
Net sales	$ 1,526.0	$ 1,604.1	$ 1,541.7	$ 1,356.2	$ 6,028.0
Gross profit	$ 670.1	$ 672.0	$ 638.9	$ 597.6	$ 2,578.6
Net income attributable to CBI	$ 206.7	$ 195.8	$ 222.2	$ 214.6	$ 839.3
Net income per common share attributable to CBI [(1)]:					
Basic – Class A Common Stock	$ 1.09	$ 1.03	$ 1.16	$ 1.12	$ 4.40
Basic – Class B Convertible Common Stock	$ 0.99	$ 0.93	$ 1.06	$ 1.02	$ 4.00
Diluted – Class A Common Stock	$ 1.03	$ 0.98	$ 1.10	$ 1.06	$ 4.17
Diluted – Class B Convertible Common Stock	$ 0.95	$ 0.90	$ 1.01	$ 0.98	$ 3.83

(1) The sum of the quarterly net income per common share for Fiscal 2016 and Fiscal 2015 may not equal the total computed for the respective years as the net income per common share is computed independently for each of the quarters presented and for the full year.

Item 9. Changes in and Disagreements With Accountants on Accounting and Financial Disclosure.

Not Applicable.

Item 9A. Controls and Procedures.

Disclosure Controls and Procedures

Our Chief Executive Officer and our Chief Financial Officer have concluded, based on their evaluation as of the end of the period covered by this report, that the Company’s “disclosure controls and procedures” (as defined in the Securities Exchange Act of 1934 Rules 13a-15(e) and 15d-15(e)) are effective to ensure that information required to be disclosed in the reports that we file or submit under the Securities Exchange Act of 1934 (i) is recorded, processed, summarized and reported within the time periods specified in the Securities and Exchange Commission’s rules and forms, and (ii) is accumulated and communicated to our management, including our Chief Executive Officer and our Chief Financial Officer, as appropriate to allow timely decisions regarding required disclosure.

Internal Control over Financial Reporting

(a) See page 53 of this Annual Report on Form 10-K for Management’s Annual Report on Internal Control over Financial Reporting, which is incorporated herein by reference.

(b) See page 52 of this Annual Report on Form 10-K for the attestation report of KPMG LLP, our independent registered public accounting firm, which is incorporated herein by reference.

(c) In connection with management’s quarterly evaluation of “internal control over financial reporting” (as defined in the Securities Exchange Act of 1934 Rules 13a-15(f) and 15d-15(f)), no changes were identified in our internal control over financial reporting during our fiscal quarter ended February 29, 2016 (our fourth fiscal quarter) that have materially affected, or are reasonably likely to materially affect, our internal control over financial reporting.

Item 9B. Other Information.

Not Applicable.

PART III

Item 10. Directors, Executive Officers and Corporate Governance.

The information required by this Item (except for the information regarding executive officers required by Item 401 of Regulation S-K which is included in Part I hereof in accordance with General Instruction G(3)) is incorporated herein by reference to the Proxy Statement to be issued in connection with the Annual Meeting of Stockholders of our Company which is expected to be held on July 20, 2016, under those sections of the Proxy Statement to be titled “Director Nominees,” “The Board of Directors and Committees of the Board” and “Section 16(a) Beneficial Ownership Reporting Compliance.” That Proxy Statement will be filed within 120 days after the end of our fiscal year.

We have adopted the Chief Executive Officer and Senior Financial Executive Code of Ethics which is a code of ethics that applies to our chief executive officer and our senior financial officers. The Chief Executive Officer and Senior Financial Executive Code of Ethics is located on our Internet website at http://www.cbrands.com/investors/corporate-governance. Amendments to, and waivers granted under, our Chief Executive Officer and Senior Financial Executive Code of Ethics, if any, will be posted to our website as well. We will provide to anyone, without charge, upon request, a copy of such Code of Ethics. Such requests should be directed in writing to Investor Relations Department, Constellation Brands, Inc., 207 High Point Drive, Building 100, Victor, New York 14564 or by telephoning our Investor Center at 1-888-922-2150.

Item 11. Executive Compensation.

The information required by this Item is incorporated herein by reference to the Proxy Statement to be issued in connection with the Annual Meeting of Stockholders of our Company which is expected to be held on July 20, 2016, under those sections of the Proxy Statement to be titled “Executive Compensation,” “Compensation Committee Interlocks and Insider Participation” and “Director Compensation.” That Proxy Statement will be filed within 120 days after the end of our fiscal year. Notwithstanding the foregoing, the Compensation Committee Report included within the section of the Proxy Statement to be titled “Executive Compensation” is only being “furnished” hereunder and shall not be deemed “filed” with the Securities and Exchange Commission or subject to the liabilities of Section 18 of the Securities Exchange Act of 1934.

Item 12. Security Ownership of Certain Beneficial Owners and Management and Related Stockholder Matters.

The information required by this Item is incorporated herein by reference to the Proxy Statement to be issued in connection with the Annual Meeting of Stockholders of our Company which is expected to be held on July 20, 2016, under that section of the Proxy Statement to be titled “Beneficial Ownership.” That Proxy Statement will be filed within 120 days after the end of our fiscal year. Additional information required by this item is as follows:

Securities Authorized for Issuance under Equity Compensation Plans

The following table sets forth information with respect to our compensation plans under which our equity securities may be issued, as of February 29, 2016. The equity compensation plans approved by security holders include our Long-Term Stock Incentive Plan and our 1989 Employee Stock Purchase Plan.

Equity Compensation Plan Information

Plan Category	(a) Number of securities to be issued upon exercise of outstanding options, warrants and rights	(b) Weighted average exercise price of outstanding options, warrants and rights	(c) Number of securities remaining available for future issuance under equity compensation plans (excluding securities reflected in column (a))
Equity compensation plans approved by security holders	11,232,371 (1)	$ 34.03 (2)	15,599,645 (3)
Equity compensation plans not approved by security holders	—	—	—
Total	11,232,371	$ 34.03	15,599,645

(1) Includes 773,969 shares of unvested performance share units and 917,009 shares of unvested restricted stock units under our Long-Term Stock Incentive Plan. The unvested performance share units represent the maximum number of shares to be awarded, which ranges from 100% to 200% of the target shares granted. We currently estimate that 233,740 of the target shares granted will be awarded at 200% of target and 267,521 of the target shares granted will be awarded at 100% of target based upon our expectations as of February 29, 2016, regarding the achievement of specified performance targets.

(2) Excludes unvested performance share units and unvested restricted stock units under our Long-Term Stock Incentive Plan that can be exercised for no consideration.

(3) Includes 1,652,551 shares of Class A Common Stock under our Employee Stock Purchase Plan remaining available for purchase, of which approximately 39,200 shares are subject to purchase during the current offering period.

Item 13. Certain Relationships and Related Transactions, and Director Independence.

The information required by this Item is incorporated herein by reference to the Proxy Statement to be issued in connection with the Annual Meeting of Stockholders of our Company which is expected to be held on July 20, 2016, under those sections of the Proxy Statement to be titled “Director Nominees,” “The Board of Directors and Committees of the Board” and “Certain Relationships and Related Transactions.” That Proxy Statement will be filed within 120 days after the end of our fiscal year.

Item 14. Principal Accounting Fees and Services.

The information required by this Item is incorporated herein by reference to the Proxy Statement to be issued in connection with the Annual Meeting of Stockholders of our Company which is expected to be held on July 20, 2016, under that section of the Proxy Statement to be titled “Proposal 2 – Ratification of the Selection of KPMG LLP as Independent Registered Public Accounting Firm.” That Proxy Statement will be filed within 120 days after the end of our fiscal year.

PART IV

Item 15. Exhibits, Financial Statement Schedules.

1. Financial Statements

The following consolidated financial statements of the Company are submitted herewith:

Report of Independent Registered Public Accounting Firm – KPMG LLP

Report of Independent Registered Public Accounting Firm – KPMG LLP

Management's Annual Report on Internal Control Over Financial Reporting

Consolidated Balance Sheets – February 29, 2016, and February 28, 2015

Consolidated Statements of Comprehensive Income for the years ended February 29, 2016, February 28, 2015, and February 28, 2014

Consolidated Statements of Changes in Stockholders' Equity for the years ended February 29, 2016, February 28, 2015, and February 28, 2014

Consolidated Statements of Cash Flows for the years ended February 29, 2016, February 28, 2015, and February 28, 2014

Notes to Consolidated Financial Statements

2. Financial Statement Schedules

Schedules are not submitted because they are not applicable or not required under Regulation S-X or because the required information is included in the financial statements or notes thereto.

3. Exhibits required to be filed by Item 601 of Regulations S-K

For the exhibits that are filed herewith or incorporated herein by reference, see the Index to Exhibits located on page 112 of this Report. The Index to Exhibits is incorporated herein by reference.

SIGNATURES

Pursuant to the requirements of Section 13 or 15(d) of the Securities Exchange Act of 1934, the registrant has duly caused this report to be signed on its behalf by the undersigned, thereunto duly authorized.

April 25, 2016

CONSTELLATION BRANDS, INC.

By: /s/ Robert Sands

Robert Sands, President and
Chief Executive Officer

Pursuant to the requirements of the Securities Exchange Act of 1934, this report has been signed below by the following persons on behalf of the registrant and in the capacities and on the dates indicated.

/s/ Robert Sands	/s/ David Klein
Robert Sands, Director, President and Chief Executive Officer (principal executive officer)	David Klein, Executive Vice President and Chief Financial Officer (principal financial officer and principal accounting officer)
April 25, 2016	April 25, 2016
/s/ Richard Sands	/s/ Jerry Fowden
Richard Sands, Director and Chairman of the Board	Jerry Fowden, Director
April 25, 2016	April 25, 2016
/s/ Barry A. Fromberg	/s/ Robert L. Hanson
Barry A. Fromberg, Director	Robert L. Hanson, Director
April 25, 2016	April 25, 2016
/s/ Ernesto M. Hernández	/s/ James A. Locke III
Ernesto M. Hernández, Director	James A. Locke III, Director
April 25, 2016	April 25, 2016
/s/ Daniel J. McCarthy	/s/ Judy A. Schmeling
Daniel J. McCarthy, Director	Judy A. Schmeling, Director
April 25, 2016	April 25, 2016
/s/ Keith E. Wandell	
Keith E. Wandell, Director	
April 25, 2016	

INDEX TO EXHIBITS

Exhibit No.	
2.1	Membership Interest Purchase Agreement, dated as of June 28, 2012, among Constellation Beers Ltd., Constellation Brands Beach Holdings, Inc., Constellation Brands, Inc. and Anheuser-Busch InBev SA/NV (filed as Exhibit 2.1 to the Company's Amendment No. 1 to Current Report on Form 8-K/A dated June 28, 2012, filed November 9, 2012 and incorporated herein by reference). +
2.2	Amended and Restated Membership Interest Purchase Agreement, dated as of February 13, 2013, among Constellation Beers Ltd., Constellation Brands Beach Holdings, Inc., Constellation Brands, Inc. and Anheuser-Busch InBev SA/NV (filed as Exhibit 2.1 to the Company's Amendment No. 1 to Current Report on Form 8-K/A dated February 13, 2013, filed February 25, 2013 and incorporated herein by reference). +
2.3	First Amendment dated as of April 19, 2013, to the Amended and Restated Membership Interest Purchase Agreement, dated as of February 13, 2013, among Constellation Beers Ltd., Constellation Brands Beach Holdings, Inc., Constellation Brands, Inc. and Anheuser-Busch InBev SA/NV (filed as Exhibit 2.1 to the Company's Current Report on Form 8-K dated April 19, 2013, filed April 19, 2013 and incorporated herein by reference). +
2.4	Stock Purchase Agreement dated as of February 13, 2013, between Anheuser-Busch InBev SA/NV and Constellation Brands, Inc. (filed as Exhibit 2.2 to the Company's Amendment No. 1 to Current Report on Form 8-K/A dated February 13, 2013, filed February 25, 2013 and incorporated herein by reference). +
2.5	First Amendment dated as of April 19, 2013, to the Stock Purchase Agreement dated as of February 13, 2013, between Anheuser-Busch InBev SA/NV and Constellation Brands, Inc. (filed as Exhibit 2.2 to the Company's Current Report on Form 8-K dated April 19, 2013, filed April 19, 2013 and incorporated herein by reference). +
3.1	Restated Certificate of Incorporation of the Company (filed as Exhibit 3.1 to the Company's Quarterly Report on Form 10-Q for the fiscal quarter ended August 31, 2009 and incorporated herein by reference). #
3.2	Certificate of Amendment to the Certificate of Incorporation of the Company (filed as Exhibit 3.2 to the Company's Quarterly Report on Form 10-Q for the fiscal quarter ended August 31, 2009 and incorporated herein by reference). #
3.3	Amended and Restated By-Laws of the Company (filed as Exhibit 3.2 to the Company's Current Report on Form 8-K dated December 6, 2007, filed December 12, 2007 and incorporated herein by reference). #
4.1	Indenture, dated as of August 15, 2006, by and among the Company, as Issuer, certain subsidiaries, as Guarantors and BNY Midwest Trust Company, as Trustee (filed as Exhibit 4.1 to the Company's Current Report on Form 8-K dated August 15, 2006, filed August 18, 2006 and incorporated herein by reference). #
4.2	Supplemental Indenture No. 1, with respect to 7.25% Senior Notes due 2016, dated as of August 15, 2006, among the Company, as Issuer, certain subsidiaries, as Guarantors, and BNY Midwest Trust Company, as Trustee (filed as Exhibit 4.2 to the Company's Current Report on Form 8-K dated August 15, 2006, filed August 18, 2006 and incorporated herein by reference). #
4.3	Supplemental Indenture No. 2, dated as of November 30, 2006, by and among the Company, Vincor International Partnership, Vincor International II, LLC, Vincor Holdings, Inc., R.H. Phillips, Inc., The Hogue Cellars, Ltd., Vincor Finance, LLC, and BNY Midwest Trust Company, as Trustee (filed as Exhibit 4.28 to the Company's Quarterly Report on Form 10-Q for the fiscal quarter ended November 30, 2006 and incorporated herein by reference). #
4.4	Supplemental Indenture No. 3, dated as of May 4, 2007, by and among the Company, Barton SMO Holdings LLC, ALCOFI INC., and Spirits Marque One LLC, and BNY Midwest Trust Company, as Trustee (filed as Exhibit 4.32 to the Company's Quarterly Report on Form 10-Q for the fiscal quarter ended May 31, 2007 and incorporated herein by reference). #
4.5	Supplemental Indenture No. 4, with respect to 8 3/8% Senior Notes due 2014 (no longer outstanding), dated as of December 5, 2007, by and among the Company, as Issuer, certain subsidiaries, as Guarantors, and The Bank of New York Trust Company, N.A., (as successor to BNY Midwest Trust Company), as Trustee (filed as Exhibit 4.1 to the Company's Current Report on Form 8-K dated December 5, 2007, filed December 11, 2007 and incorporated herein by reference). #
4.6	Supplemental Indenture No. 5, dated as of January 22, 2008, by and among the Company, BWE, Inc., Atlas Peak Vineyards, Inc., Buena Vista Winery, Inc., Clos du Bois Wines, Inc., Gary Farrell Wines, Inc., Peak Wines International, Inc., and Planet 10 Spirits, LLC, and The Bank of New York Trust Company, N.A. (successor trustee to BNY Midwest Trust Company), as Trustee (filed as Exhibit 4.37 to the Company's Annual Report on Form 10-K for the fiscal year ended February 29, 2008 and incorporated herein by reference). #

4.7	Supplemental Indenture No. 6, dated as of February 27, 2009, by and among the Company, Constellation Services LLC, and The Bank of New York Mellon Trust Company National Association (successor trustee to BNY Midwest Trust Company), as Trustee (filed as Exhibit 4.31 to the Company's Annual Report on Form 10-K for the fiscal year ended February 28, 2009 and incorporated herein by reference). #
4.8	Supplemental Indenture No. 7, dated as of June 7, 2013, among the Company, Constellation Brands Beach Holdings, Inc., Crown Imports LLC, and The Bank of New York Mellon Trust Company, National Association, as Trustee (filed as Exhibit 4.2 to the Company's Current Report on Form 8-K dated June 7, 2013, filed June 11, 2013 and incorporated herein by reference).
4.9	Supplemental Indenture No. 8, dated as of May 28, 2014, among the Company, Constellation Marketing Services, Inc., and The Bank of New York Mellon Trust Company, National Association, as trustee (filed as Exhibit 4.9 to the Company's Quarterly Report on Form 10-Q for the fiscal quarter ended May 31, 2014 and incorporated herein by reference).
4.10	Supplemental Indenture No. 9, dated as of January 15, 2016, among the Company, Home Brew Mart, Inc., and The Bank of New York Mellon Trust Company, N.A. (successor trustee to BNY Midwest Trust Company), as Trustee (filed herewith).
4.11	Indenture, with respect to 7.25% Senior Notes due May 2017, dated May 14, 2007, by and among the Company, as Issuer, certain subsidiaries, as Guarantors, and The Bank of New York Trust Company, N.A., as Trustee (filed as Exhibit 4.1 to the Company's Current Report on Form 8-K dated May 9, 2007, filed May 14, 2007 and incorporated herein by reference). #
4.12	Supplemental Indenture No. 1, dated as of January 22, 2008, by and among the Company, BWE, Inc., Atlas Peak Vineyards, Inc., Buena Vista Winery, Inc., Clos du Bois Wines, Inc., Gary Farrell Wines, Inc., Peak Wines International, Inc., and Planet 10 Spirits, LLC, and The Bank of New York Trust Company, N.A. (successor trustee to BNY Midwest Trust Company), as Trustee (filed as Exhibit 4.39 to the Company's Annual Report on Form 10-K for the fiscal year ended February 29, 2008 and incorporated herein by reference). #
4.13	Supplemental Indenture No. 2, dated as of February 27, 2009, by and among the Company, Constellation Services LLC, and The Bank of New York Mellon Trust Company National Association (successor trustee to BNY Midwest Trust Company), as Trustee (filed as Exhibit 4.34 to the Company's Annual Report on Form 10-K for the fiscal year ended February 28, 2009 and incorporated herein by reference). #
4.14	Supplemental Indenture No. 3, dated as of June 7, 2013, among the Company, Constellation Brands Beach Holdings, Inc., Crown Imports LLC, and The Bank of New York Mellon Trust Company, National Association, as Trustee (filed as Exhibit 4.3 to the Company's Current Report on Form 8-K dated June 7, 2013, filed June 11, 2013 and incorporated herein by reference).
4.15	Supplemental Indenture No. 4, dated as of May 28, 2014, among the Company, Constellation Marketing Services, Inc., and The Bank of New York Mellon Trust Company, National Association, as trustee (filed as Exhibit 4.14 to the Company's Quarterly Report on Form 10-Q for the fiscal quarter ended May 31, 2014 and incorporated herein by reference).
4.16	Supplemental Indenture No. 5, dated as of January 15, 2016, among the Company, Home Brew Mart, Inc. and The Bank of New York Mellon Trust Company, N.A. (successor trustee to BNY Midwest Trust Company), as Trustee (filed herewith).
4.17	Indenture, dated as of April 17, 2012, by and among the Company, as Issuer, certain subsidiaries, as Guarantors and Manufacturers and Traders Trust Company, as Trustee (filed as Exhibit 4.1 to the Company's Current Report on Form 8-K dated April 17, 2012, filed April 23, 2012 and incorporated herein by reference).
4.18	Supplemental Indenture No. 1, with respect to 6.0% Senior Notes due May 2022, dated as of April 17, 2012, among the Company, as Issuer, certain subsidiaries, as Guarantors, and Manufacturers and Traders Trust Company, as Trustee (filed as Exhibit 4.1.1 to the Company's Current Report on Form 8-K dated April 17, 2012, filed April 23, 2012 and incorporated herein by reference).
4.19	Supplemental Indenture No. 3, with respect to 3.75% Senior Notes due May 2021, dated as of May 14, 2013, among the Company, as Issuer, certain subsidiaries, as Guarantors, and Manufacturers and Traders Trust Company, as Trustee (filed as Exhibit 4.1 to the Company's Current Report on Form 8-K dated May 14, 2013, filed May 16, 2013 and incorporated herein by reference).
4.20	Supplemental Indenture No. 4, with respect to 4.25% Senior Notes due May 2023, dated as of May 14, 2013, among the Company, as Issuer, certain subsidiaries, as Guarantors, and Manufacturers and Traders Trust Company, as Trustee (filed as Exhibit 4.2 to the Company's Current Report on Form 8-K dated May 14, 2013, filed May 16, 2013 and incorporated herein by reference).
4.21	Supplemental Indenture No. 5, dated as of June 7, 2013, among the Company, Constellation Brands Beach Holdings, Inc., Crown Imports LLC, and Manufacturers and Traders Trust Company, as Trustee (filed as Exhibit 4.4 to the Company's Current Report on Form 8-K dated June 7, 2013, filed June 11, 2013 and incorporated herein by reference).

4.22	Supplemental Indenture No. 6 dated as of May 28, 2014, among the Company, Constellation Marketing Services, Inc., and Manufacturers and Traders Trust Company, as Trustee (filed as Exhibit 4.21 to the Company's Quarterly Report on Form 10-Q for the fiscal quarter ended May 31, 2014 and incorporated herein by reference).
4.23	Supplemental Indenture No. 7, with respect to 3.875% Senior Notes due 2019, dated as of November 3, 2014, among the Company, as Issuer, certain subsidiaries, as Guarantors, and Manufacturers and Traders Trust Company, as Trustee (filed as Exhibit 4.1 to the Company's Current Report on Form 8-K dated November 3, 2014, filed November 7, 2014 and incorporated herein by reference).
4.24	Supplemental Indenture No. 8, with respect to 4.750% Senior Notes due 2024, dated as of November 3, 2014, among the Company as Issuer, certain subsidiaries, as Guarantors, and Manufacturers and Traders Trust Company, as Trustee (filed as Exhibit 4.2 to the Company's Current Report on form 8-K dated November 3, 2014, filed November 7, 2014 and incorporated herein by reference).
4.25	Supplemental Indenture No. 9, with respect to 4.750% Senior Notes due 2025, dated December 4, 2015, among the Company, as Issuer, certain subsidiaries, as Guarantors, and Manufacturer's and Traders Trust Company, as Trustee (filed as Exhibit 4.1 to the Company's Current report on Form 8-K, dated December 4, 2015, filed December 8, 2015 and incorporated herein by reference).
4.26	Supplemental Indenture No. 10, dated as of January 15, 2016, among the Company, Home Brew Mart, Inc., and Manufacturers and Traders Trust Company, as Trustee (filed herewith).
4.27	Restatement Agreement, dated as of May 28, 2014, among the Company, CIH International S.à r.l., Bank of America, N.A., as administrative agent, and the Lenders party thereto, including Third Amended and Restated Credit Agreement dated as of May 28, 2014, among the Company, CIH International S.à r.l., Bank of America, N.A., as administrative agent, and the Lenders party thereto (filed as Exhibit 4.23 to the Company's Quarterly Report on Form 10-Q for the fiscal quarter ended May 31, 2014 and incorporated herein by reference).
4.28	Amendment No. 1, dated as of August 20, 2014, to the Third Amended and Restated Credit Agreement dated as of May 28, 2014, among the Company, CIH International S.à r.l., CI Cerveza S.à r.l., the Guarantors, Bank of America, N.A., as administrative agent, and the Lenders party to the Amendment (filed as Exhibit 4.1 to the Company's Current Report on Form 8-K dated August 20, 2014, filed August 25, 2014 and incorporated herein by reference).
4.29	Amendment No. 2, dated as of July 16, 2015, to the Third Amended and Restated Credit Agreement dated as of May 28, 2014, as amended by Amendment No. 1 dated as of August 20, 2014, by and among the Company, CIH International S.à r.l., CI Cerveza S.à r.l., the Guarantors, Bank of America, N.A., as administrative agent, and the Lenders party to the Amendment (filed as Exhibit 4.1 to the Company's Current Report on Form 8-K, dated July 16, 2015, filed July 21, 2015 and incorporated herein by reference).
4.30	Restatement Agreement, dated as of March 10, 2016, by and among the Company, CIH International S.à r.l., CIH Holdings S.à r.l., CI Cerveza S.à r.l., the Guarantors, Bank of America, N.A., as administrative agent, and the Lenders party thereto, including the Fourth Amended and Restated Credit Agreement dated as of March 10, 2016, by and among the Company, CIH International S.à r.l., CIH Holdings S.à r.l., Bank of America, N.A., as administrative agent, and the Lenders party thereto (filed as Exhibit 4.1 to the Company's Current Report on Form 8-K dated March 10, 2016, filed March 15, 2016 and incorporated herein by reference).
4.31	Joinder Agreement, dated as of June 7, 2013, between CIH International S.à r.l., and Bank of America, N.A., as administrative agent and lender (filed as Exhibit 4.1 to the Company's Current Report on Form 8-K dated June 7, 2013, filed June 11, 2013 and incorporated herein by reference).
10.1	Marvin Sands Split Dollar Insurance Agreement (filed as Exhibit 10.9 to the Company's Annual Report on Form 10-K for the fiscal year ended August 31, 1993 and also filed as Exhibit 10.1 to the Company's Annual Report on Form 10-K for the fiscal year ended February 29, 2004 and incorporated herein by reference). #
10.2	Constellation Brands, Inc. Long-Term Stock Incentive Plan, amended and restated as of July 27, 2012 (filed as Exhibit 10.2 to the Company's Current Report on Form 8-K dated July 27, 2012, filed July 31, 2012 and incorporated herein by reference). *
10.3	Form of Stock Option Amendment pursuant to the Company's Long-Term Stock Incentive Plan (filed as Exhibit 99.2 to the Company's Current Report on Form 8-K dated December 6, 2007, filed December 12, 2007 and incorporated herein by reference). *#
10.4	Form of Terms and Conditions Memorandum for Employees with respect to grants of options to purchase Class A Common Stock pursuant to the Company's Long-Term Stock Incentive Plan (filed as Exhibit 99.2 to the Company's Current Report on Form 8-K dated July 26, 2007, filed July 31, 2007 and incorporated herein by reference). *#
10.5	Form of Terms and Conditions Memorandum for Employees with respect to grants of options to purchase Class 1 Stock pursuant to the Company's Long-Term Stock Incentive Plan (grants before July 26, 2007) (filed as Exhibit 99.3 to the Company's Current Report on Form 8-K dated December 6, 2007, filed December 12, 2007 and incorporated herein by reference). *#

10.6	Form of Terms and Conditions Memorandum for Employees with respect to grants of options to purchase Class 1 Stock pursuant to the Company's Long-Term Stock Incentive Plan (grants on or after July 26, 2007 and before April 1, 2008) (filed as Exhibit 99.4 to the Company's Current Report on Form 8-K dated December 6, 2007, filed December 12, 2007 and incorporated herein by reference). *#
10.7	Form of Terms and Conditions Memorandum for Employees with respect to grants of options to purchase Class 1 Stock pursuant to the Company's Long-Term Stock Incentive Plan (grants on or after April 1, 2008 and before April 6, 2009) (filed as Exhibit 10.1 to the Company's Quarterly Report on Form 10-Q for the fiscal quarter ended August 31, 2008 and incorporated herein by reference). *#
10.8	Form of Terms and Conditions Memorandum for Employees with respect to grants of options to purchase Class 1 Stock pursuant to the Company's Long-Term Stock Incentive Plan (grants on or after April 6, 2009 and before April 5, 2010) (filed as Exhibit 99.1 to the Company's Current Report on Form 8-K dated April 6, 2009, filed April 9, 2009 and incorporated herein by reference). *#
10.9	Form of Terms and Conditions Memorandum for Employees with respect to grants of options to purchase Class 1 Stock pursuant to the Company's Long-Term Stock Incentive Plan (grants on or after April 5, 2010 and before April 3, 2012) (filed as Exhibit 99.1 to the Company's Current Report on Form 8-K, dated April 5, 2010, filed April 9, 2010 and incorporated herein by reference). *#
10.10	Form of Terms and Conditions Memorandum for Employees with respect to grants of options to purchase Class 1 Stock pursuant to the Company's Long-Term Stock Incentive Plan (grants on or after April 3, 2012 and before April 28, 2014) (filed as Exhibit 99.1 to the Company's Current Report on Form 8-K dated April 3, 2012, filed April 5, 2012 and incorporated herein by reference). *
10.11	Form of Terms and Conditions Memorandum for Employees with respect to grants of options to purchase Class 1 Stock pursuant to the Company's Long-Term Stock Incentive Plan (grants on or after April 28, 2014) (filed as Exhibit 10.1 to the Company's Current Report on Form 8-K dated April 28, 2014, filed May 1, 2014 and incorporated herein by reference). *
10.12	Form of Restricted Stock Award Agreement for Employees with respect to the Company's Long-Term Stock Incentive Plan (grants before April 6, 2009) (filed as Exhibit 99.1 to the Company's Current Report on Form 8-K dated April 1, 2008, filed April 7, 2008 and incorporated herein by reference). *#
10.13	Form of Restricted Stock Award Agreement for Employees with respect to the Company's Long-Term Stock Incentive Plan (grants on or after April 6, 2009 and before April 5, 2010) (filed as Exhibit 99.2 to the Company's Current Report on Form 8-K dated April 6, 2009, filed April 9, 2009 and incorporated herein by reference). *#
10.14	Form of Restricted Stock Award Agreement for Employees with respect to the Company's Long-Term Stock Incentive Plan (grants on or after April 5, 2010 and before April 5, 2011) (filed as Exhibit 99.2 to the Company's Current Report on Form 8-K dated April 5, 2010, filed April 9, 2010 and incorporated herein by reference). *#
10.15	Form of Restricted Stock Award Agreement for Employees with respect to the Company's Long-Term Stock Incentive Plan (grants on or after April 5, 2011) (filed as Exhibit 99.2 to the Company's Current Report on Form 8-K dated April 5, 2011, filed April 8, 2011 and incorporated herein by reference). *#
10.16	Form of Restricted Stock Unit Agreement with respect to the Company's Long-Term Stock Incentive Plan (grants on or after April 3, 2012 and before April 26, 2013) (filed as Exhibit 99.2 to the Company's Current Report on Form 8-K dated April 3, 2012, filed April 5, 2012 and incorporated herein by reference). *
10.17	Form of Restricted Stock Unit Agreement with respect to the Company's Long-Term Stock Incentive Plan (grants on or after April 26, 2013 and before April 28, 2014) (filed as Exhibit 10.2 to the Company's Current Report on Form 8-K dated April 26, 2013, filed May 1, 2013 and incorporated herein by reference). *
10.18	Form of Restricted Stock Unit Agreement with respect to the Company's Long-Term Stock Incentive Plan (grants on or after April 28, 2014 and before April 28, 2015) (filed as Exhibit 10.2 to the Company's Current Report on Form 8-K dated April 28, 2014, filed May 1, 2014 and incorporated herein by reference). *
10.19	Form of Restricted Stock Unit Agreement with respect to Company's Long-Term Stock Incentive Plan (awards on or after April 28, 2015) (filed as Exhibit 10.1 to the Company's Current Report on Form 8-K dated April 28, 2015, filed May 1, 2015 and incorporated herein by reference). *
10.20	Form of Restricted Stock Unit Agreement with respect to the Company's Long-Term Stock Incentive Plan (relating to cliff vested awards) (filed as Exhibit 10.1 to the Company's Current Report on Form 8-K dated July 24, 2013, filed July 26, 2013 and incorporated herein by reference). *
10.21	Form of Restricted Stock Unit Agreement with respect to the Company's Long-Term Stock Incentive Plan (providing for ratable vesting over three years) (filed as Exhibit 10.20 to the Company's Annual Report on Form 10-K for the fiscal year ended February 28, 2015 and incorporated herein by reference). *
10.22	Form of Performance Share Unit Agreement for Executives with respect to the Company's Long-Term Stock Incentive Plan (awards before April 5, 2011) (filed as Exhibit 99.3 to the Company's Current Report on Form 8-K dated April 5, 2010, filed April 9, 2010 and incorporated herein by reference). *#

10.23	Form of Performance Share Unit Agreement for Executives with respect to the Company's Long-Term Stock Incentive Plan (awards on or after April 5, 2011 and before April 3, 2012) (filed as Exhibit 99.3 to the Company's Current Report on Form 8-K dated April 5, 2011, filed April 8, 2011 and incorporated herein by reference). *#
10.24	Final Form of Performance Share Unit Agreement for Executives with respect to the Company's Long-Term Stock Incentive Plan (awards on or after April 3, 2012 and before April 26, 2013) (filed as Exhibit 10.19 to the Company's Annual Report on Form 10-K for the fiscal year ended February 29, 2012 and incorporated herein by reference). *
10.25	Form of Performance Share Unit Agreement for Executives with respect to the Company's Long-Term Stock Incentive Plan (awards on or after April 26, 2013 and before April 28, 2014) (filed as Exhibit 10.3 to the Company's Current Report on Form 8-K dated April 26, 2013, filed May 1, 2013 and incorporated herein by reference). *
10.26	Form of Performance Share Unit Agreement for Executives with respect to the Company's Long-Term Stock Incentive Plan (awards on or after April 28, 2014 and before April 28, 2015) (filed as Exhibit 10.3 to the Company's Current Report on Form 8-K dated April 28, 2014, filed May 1, 2014 and incorporated herein by reference). *
10.27	Form of Performance Share Unit Agreement for Executives with respect to the Company's Long-Term Stock Incentive Plan (awards on or after April 28, 2015) (filed as Exhibit 10.2 to the Company's Current Report on Form 8-K dated April 28, 2015, filed May 1, 2015 and incorporated herein by reference). *
10.28	Form of Performance Share Unit Agreement for Non-Executive Employees with respect to the Company's Long-Term Stock Incentive Plan (awards on or after April 28, 2014 and before April 28, 2015) (filed as Exhibit 10.26 to the Company's Annual Report on Form 10-K for the fiscal year ended February 28, 2015 and incorporated herein by reference). *
10.29	Form of Performance Share Unit Agreement for Non-Executive Employees with respect to the Company's Long-Term Stock Incentive Plan (awards on or after April 28, 2015) (filed as Exhibit 10.4 to the Company's Quarterly Report on Form 10-Q for the fiscal quarter ended May 31, 2015 and incorporated herein by reference). *
10.30	Form of Performance Share Unit Agreement with respect to the Company's Long-Term Stock Incentive Plan (relating to brewery expansion awards) (filed as Exhibit 10.2 to the Company's Current Report on Form 8-K dated July 24, 2013, filed July 26, 2013 and incorporated herein by reference). *
10.31	Form of Performance Share Unit Agreement with respect to the Company's Long-Term Stock Incentive Plan (relating to specified performance criteria) (filed as Exhibit 10.28 to the Company's Annual Report on Form 10-K for the fiscal year ended February 28, 2015 and incorporated herein by reference). *
10.32	Form of Terms and Conditions Memorandum for Directors with respect to options to purchase Class A Common Stock pursuant to the Company's Long-Term Stock Incentive Plan (filed as Exhibit 99.3 to the Company's Current Report on Form 8-K dated July 26, 2007, filed July 31, 2007 and incorporated herein by reference). *#
10.33	Form of Terms and Conditions Memorandum for Directors with respect to grants of options to purchase Class 1 Stock pursuant to the Company's Long-Term Stock Incentive Plan (grants before July 17, 2008) (filed as Exhibit 99.5 to the Company's Current Report on Form 8-K dated December 6, 2007, filed December 12, 2007 and incorporated herein by reference). *#
10.34	Form of Terms and Conditions Memorandum for Directors with respect to grants of options to purchase Class 1 Stock pursuant to the Company's Long-Term Stock Incentive Plan (grants on or after July 17, 2008 and before July 22, 2010) (filed as Exhibit 10.2 to the Company's Quarterly Report on Form 10-Q for the fiscal quarter ended August 31, 2008 and incorporated herein by reference). *#
10.35	Form of Terms and Conditions Memorandum for Directors with respect to a pro rata grant of options to purchase Class 1 Stock pursuant to the Company's Long-Term Stock Incentive Plan (filed as Exhibit 99.1 to the Company's Current Report on Form 8-K dated April 20, 2010, filed April 22, 2010 and incorporated herein by reference). *#
10.36	Form of Terms and Conditions Memorandum for Directors with respect to grants of options to purchase Class 1 Stock pursuant to the Company's Long-Term Stock Incentive Plan (grants on or after July 22, 2010 and before July 27, 2012) (filed as Exhibit 10.1 to the Company's Quarterly Report on Form 10-Q for the fiscal quarter ended August 31, 2010 and incorporated herein by reference). *#
10.37	Form of Terms and Conditions Memorandum for Directors with respect to grants of options to purchase Class 1 Stock pursuant to the Company's Long-Term Stock Incentive Plan (grants on or after July 27, 2012 and before July 23, 2014) (filed as Exhibit 10.3 to the Company's Current Report on Form 8-K dated July 27, 2012, filed July 31, 2012 and incorporated herein by reference). *
10.38	Form of Terms and Conditions Memorandum for Directors with respect to grants of options to purchase Class 1 Stock pursuant to the Company's Long-Term Stock Incentive Plan (grants on or after July 23, 2014) (filed as Exhibit 10.1 to the Company's Current Report on Form 8-K dated July 23, 2014, filed July 25, 2014 and incorporated herein by reference). *

10.39	Form of Restricted Stock Agreement for Directors with respect to the Company's Long-Term Stock Incentive Plan (grants before July 22, 2010) (filed as Exhibit 10.13 to the Company's Annual Report on Form 10-K for the fiscal year ended February 28, 2006 and incorporated herein by reference). *#
10.40	Form of Restricted Stock Agreement for Directors with respect to a pro rata award of restricted stock pursuant to the Company's Long-Term Stock Incentive Plan (filed as Exhibit 99.2 to the Company's Current Report on Form 8-K dated April 20, 2010, filed April 22, 2010 and incorporated herein by reference). *#
10.41	Form of Restricted Stock Agreement for Directors with respect to the Company's Long-Term Stock Incentive Plan (grants on or after July 22, 2010 and before July 27, 2012) (filed as Exhibit 10.2 to the Company's Quarterly Report on Form 10-Q for the fiscal quarter ended August 31, 2010 and incorporated herein by reference). *#
10.42	Form of Restricted Stock Agreement for Directors with respect to grants of restricted stock pursuant to the Company's Long-Term Stock Incentive Plan (awards on or after July 27, 2012 and before July 23, 2014) (filed as Exhibit 10.4 to the Company's Current Report on Form 8-K dated July 27, 2012, filed July 31, 2012 and incorporated herein by reference). *
10.43	Form of Restricted Stock Award Agreement for Directors with respect to awards of restricted stock pursuant to the Company's Long-Term Stock Incentive Plan (awards on or after July 23, 2014) (filed as Exhibit 10.2 to the Company's Current Report on Form 8-K dated July 23, 2014, filed July 25, 2014 and incorporated herein by reference). *
10.44	Form of Restricted Stock Unit Agreement for Directors with respect to awards of restricted stock units pursuant to the Company's Long-Term Stock Incentive Plan (awards on or after July 23, 2014 and before July 22, 2015) (filed as Exhibit 10.3 to the Company's Current Report on Form 8-K dated July 23, 2014, filed July 25, 2014 and incorporated herein by reference). *
10.45	Form of Restricted Stock Unit Agreement for Directors with respect to awards of restricted stock units pursuant to the Company's Long-Term Stock Incentive Plan (awards on or after July 22, 2015) (filed as Exhibit 10.1 to the Company's Current Report on Form 8-K dated July 22, 2015, filed July 24, 2015 and incorporated herein by reference). *
10.46	Constellation Brands, Inc. Annual Management Incentive Plan, amended and restated as of July 27, 2012 (filed as Exhibit 10.1 to the Company's Current Report on Form 8-K dated July 27, 2012, filed July 31, 2012 and incorporated herein by reference). *
10.47	Supplemental Executive Retirement Plan of the Company (filed as Exhibit 10.14 to the Company's Annual Report on Form 10-K for the fiscal year ended February 28, 1999 and incorporated herein by reference). *#
10.48	First Amendment to the Company's Supplemental Executive Retirement Plan (filed as Exhibit 10 to the Company's Quarterly Report on Form 10-Q for the fiscal quarter ended May 31, 1999 and incorporated herein by reference). *#
10.49	Second Amendment to the Company's Supplemental Executive Retirement Plan (filed as Exhibit 10.20 to the Company's Annual Report on Form 10-K for the fiscal year ended February 28, 2001 and incorporated herein by reference). *#
10.50	Third Amendment to the Company's Supplemental Executive Retirement Plan (filed as Exhibit 99.2 to the Company's Current Report on Form 8-K dated April 7, 2005, filed April 13, 2005 and incorporated herein by reference). *#
10.51	2005 Supplemental Executive Retirement Plan of the Company (filed as Exhibit 99.3 to the Company's Current Report on Form 8-K dated April 7, 2005, filed April 13, 2005 and incorporated herein by reference). *#
10.52	First Amendment to the Company's 2005 Supplemental Executive Retirement Plan (filed as Exhibit 10.7 to the Company's Quarterly Report on Form 10-Q for the fiscal quarter ended May 31, 2007 and incorporated herein by reference). *#
10.53	Second Amendment to the Company's 2005 Supplemental Executive Retirement Plan (filed as Exhibit 10.2 to the Company's Quarterly Report on Form 10-Q for the fiscal quarter ended November 30, 2013 and incorporated herein by reference). *
10.54	Amended and Restated Guarantee Agreement, dated as of June 7, 2013, made by the subsidiaries of the Company from time to time party thereto and Constellation Brands, Inc., in favor of Bank of America, N.A., as Administrative Agent, for the ratable benefit of the Lenders party to the Credit Agreement (filed as Exhibit 10.4 to the Company's Current Report on Form 8-K dated June 7, 2013, filed June 11, 2013 and incorporated herein by reference).
10.55	Cross-Guarantee Agreement, dated as of March 10, 2016, by and among CIH International S.à r.l., CIH Holdings S.à r.l., and Bank of America, N.A., as administrative agent (filed as Exhibit 10.1 to the Company's Current Report on Form 8-K dated March 10, 2016, filed March 15, 2016 and incorporated herein by reference).

10.56	Form of U.S. Pledge Agreement (filed as Exhibit D-1 to Exhibit 4.1 to the Company's Current Report on Form 8-K dated May 2, 2013, filed May 7, 2013 and incorporated herein by reference).
10.57	Form of Luxembourg Equity Pledge Agreement (filed as Exhibit D-2 to Exhibit 4.1 to the Company's Current Report on Form 8-K dated May 2, 2013, filed May 7, 2013 and incorporated herein by reference).
10.58	Form of Luxembourg PEC Pledge Agreement (filed as Exhibit D-3 to Exhibit 4.1 to the Company's Current Report on Form 8-K dated May 2, 2013, filed May 7, 2013 and incorporated herein by reference).
10.59	Form of Barbados Charge Over Shares (filed as Exhibit D-4 to Exhibit 4.1 to the Company's Current Report on Form 8-K dated May 2, 2013, filed May 7, 2013 and incorporated herein by reference).
10.60	Form of Mexican Pledge Agreement (filed herewith).
10.61	Letter Agreement dated April 26, 2007 (together with addendum dated May 8, 2007) between the Company and Robert Ryder addressing compensation (filed as Exhibit 10.5 to the Company's Quarterly Report on Form 10-Q for the fiscal quarter ended May 31, 2007 and incorporated herein by reference). *#
10.62	Form of Executive Employment Agreement between Constellation Brands, Inc. and its Chairman of the Board and its President and Chief Executive Officer (filed as Exhibit 99.1 to the Company's Current Report on Form 8-K dated and filed May 21, 2008, and incorporated herein by reference). *#
10.63	Form of Executive Employment Agreement between Constellation Brands, Inc. and its Other Executive Officers (other than Messrs. Wright, Hackett, Kane, Newlands and Klein) (filed as Exhibit 99.2 to the Company's Current Report on Form 8-K dated and filed May 21, 2008 and incorporated herein by reference). *#
10.64	Executive Employment Agreement dated November 19, 2010, between Constellation Brands, Inc. and John Ashforth Wright (filed as Exhibit 10.54 to the Company's Annual Report on Form 10-K for the fiscal year ended February 29, 2012 and incorporated herein by reference). *
10.65	Executive Employment Agreement made as of June 17, 2013, among Crown Imports LLC, Constellation Brands, Inc., and William F. Hackett (filed as Exhibit 10.10 to the Company's Quarterly Report on Form 10-Q for the fiscal quarter ended August 31, 2013 and incorporated herein by reference). *
10.66	Executive Employment Agreement made as of June 17, 2013, between Constellation Brands, Inc. and Thomas M. Kane (filed as Exhibit 10.9 to the Company's Quarterly Report on Form 10-Q for the fiscal quarter ended August 31, 2013 and incorporated herein by reference). *
10.67	Executive Employment Agreement made as of January 26, 2015, between Constellation Brands, Inc. and William A. Newlands (filed as Exhibit 10.57 to the Company's Annual Report on Form 10-K for the fiscal year ended February 28, 2015 and incorporated herein by reference). *
10.68	Executive Employment Agreement made as of June 29, 2015, between Constellation Brands, Inc. and David Klein (filed as Exhibit 10.1 to the Company's Current Report on Form 8-K dated June 29, 2015, filed July 2, 2015 and incorporated herein by reference). *
10.69	Interim Supply Agreement, dated as of June 7, 2013, between Grupo Modelo, S.A.B. de C.V. and Crown Imports LLC (filed as Exhibit 10.1 to the Company's Current Report on Form 8-K dated June 7, 2013, filed June 11, 2013 and incorporated herein by reference). +
10.70	First Amendment, dated as of October 30, 2014, between CIH International S.à r.l., as successor by assignment to Crown Imports LLC, and Grupo Modelo, S.A.B. de C.V., to the Interim Supply Agreement dated as of June 7, 2013, between Grupo Modelo, S.A.B. de C.V. and Crown Imports LLC (filed as Exhibit 10.2 to the Company's Quarterly Report on Form 10-Q for the fiscal quarter ended November 30, 2014 and incorporated herein by reference). +
10.71	Notice of Extension, dated December 11, 2015, by CIH International S.à r.l., of Interim Supply Agreement dated as of June 7, 2013, and amended as of October 30, 2014 (filed herewith).
10.72	Amended and Restated Sub-license Agreement, dated as of June 7, 2013, between Marcas Modelo, S. de R.L. de C.V. and Constellation Beers Ltd. (filed as Exhibit 10.2 to the Company's Current Report on Form 8-K dated June 7, 2013, filed June 11, 2013 and incorporated herein by reference). +
10.73	Transition Services Agreement, dated as of June 7, 2013, between Anheuser-Busch InBev SA/NV and Constellation Brands, Inc. (filed as Exhibit 10.3 to the Company's Current Report on Form 8-K dated June 7, 2013, filed June 11, 2013 and incorporated herein by reference). +
10.74	First Amendment, dated as of December 16, 2014, to the Transition Services Agreement, dated as of June 7, 2013, between Anheuser-Busch InBev SA/NV and Constellation Brands, Inc. (filed as Exhibit 10.3 to the Company's Quarterly Report on Form 10-Q for the fiscal quarter ended November 30, 2014 and incorporated herein by reference). +

10.75	Second Amendment to Transition Services Agreement and Waiver, dated as of May 5, 2015, to the Transition Services Agreement, dated as of June 7, 2013, between Anheuser-Busch InBev SA/NV and Constellation Brands, Inc. (filed as Exhibit 10.5 to the Company's Quarterly Report on Form 10-Q for the fiscal quarter ended May 31, 2015 and incorporated herein by reference). +
12.1	Statements re computation of ratios (filed herewith).
21.1	Subsidiaries of Company (filed herewith).
23.1	Consent of KPMG LLP (filed herewith).
31.1	Certification of Chief Executive Officer pursuant to Rule 13a-14(a) or Rule 15d-14(a) of the Securities Exchange Act of 1934, as amended (filed herewith).
31.2	Certification of Chief Financial Officer pursuant to Rule 13a-14(a) or Rule 15d-14(a) of the Securities Exchange Act of 1934, as amended (filed herewith).
32.1	Certification of Chief Executive Officer pursuant to 18 U.S.C. Section 1350 (filed herewith).
32.2	Certification of Chief Financial Officer pursuant to 18 U.S.C. Section 1350 (filed herewith).
99.1	Constellation Brands, Inc. 1989 Employee Stock Purchase Plan (amended and restated as of July 24, 2013) (filed as Exhibit 99.1 to the Company's Current Report on Form 8-K dated July 24, 2013, filed July 26, 2013 and incorporated herein by reference). *
99.2	Stipulation and Order dated April 19, 2013, among Constellation Brands, Inc. Anheuser-Busch InBev SA/NV, Grupo Modelo, S.A.B. de C.V., and the Antitrust Division of the United States Department of Justice (filed as Exhibit 99.1 to the Company's Current Report on Form 8-K dated April 19, 2013, filed April 19, 2013 and incorporated herein by reference).
99.3	Final Judgment filed with the United States District Court for the District of Columbia on October 24, 2013, together with Exhibits B and C (filed as Exhibit 99.1 to the Company's Quarterly Report on Form 10-Q for the fiscal quarter ended November 30, 2013 and incorporated herein by reference).
99.4	Professional Services Contract dated February 13, 2013, effective February 12, 2013, between Constellation Brands, Inc. and Achieve Brand Integrity, LLC (filed as Exhibit 99.5 to the Company's Amendment No. 1 to the Company's Annual Report on Form 10-K/A for the fiscal year ended February 28, 2013 and incorporated herein by reference).
101.1	The following materials from the Company's Annual Report on Form 10-K for the fiscal year ended February 29, 2016, formatted in XBRL (eXtensible Business Reporting Language): (i) Consolidated Balance Sheets as of February 29, 2016 and February 28, 2015; (ii) Consolidated Statements of Comprehensive Income for the years ended February 29, 2016, February 28, 2015 and February 28, 2014; (iii) Consolidated Statements of Changes in Stockholders' Equity for the years ended February 29, 2016, February 28, 2015 and February 28, 2014; (iv) Consolidated Statements of Cash Flows for the years ended February 29, 2016, February 28, 2015 and February 28, 2014; and (v) Notes to Consolidated Financial Statements.

* Designates management contract or compensatory plan or arrangement.

\# Company's Commission File No. 001-08495. For filings prior to October 4, 1999, use Commission File No. 000-07570.

\+ Portions of this exhibit were redacted pursuant to a confidential treatment request filed with and approved by the Securities and Exchange Commission pursuant to Rule 24b-2 under the Securities Exchange Act of 1934, as amended.

We agree, upon request of the Securities and Exchange Commission, to furnish copies of each instrument that defines the rights of holders of long-term debt of the Company or its subsidiaries that is not filed herewith pursuant to Item 601(b)(4)(iii)(A) because the total amount of long-term debt authorized under such instrument does not exceed 10% of the total assets of the Company and its subsidiaries on a consolidated basis.

Exhibit 4.10

SUPPLEMENTAL INDENTURE NO. 9 (this "Supplement"), dated as of January 15, 2016, is entered into by and among CONSTELLATION BRANDS, INC., a Delaware corporation (the "Company"), HOME BREW MART, INC. a Delaware corporation (the " New Guarantor"), and THE BANK OF NEW YORK MELLON TRUST COMPANY, N.A. (successor trustee to BNY Midwest Trust Company), as trustee (the "Trustee").

RECITALS OF THE COMPANY AND THE NEW GUARANTOR

WHEREAS, the Company, the Guarantors and the Trustee have executed and delivered an Indenture, dated as of August 15, 2006 (the " August 2006 Indenture"), as supplemented by a Supplemental Indenture No. 1, dated as of August 15, 2006, with respect to the issuance by the Company of 7.25% Senior Notes due 2016 (the "First Supplemental Indenture"), and any other supplements and amendments thereto made prior to the date hereof and in effect on the date hereof (the August 2006 Indenture and the First Supplemental Indenture, together with such other supplements and amendments are collectively herein referred to as the "Indenture");

WHEREAS, the Guarantors guarantee, jointly and severally, the full and punctual payment and performance when due of all Indenture Obligations;

WHEREAS, pursuant to Section 3.4 of the First Supplemental Indenture, the New Guarantor is obligated to enter into this Supplement thereby guaranteeing the punctual payment and performance when due of all Indenture Obligations;

WHEREAS, pursuant to Section 8.1 of the First Supplemental Indenture, the Company, the New Guarantor and the Trustee may enter into this Supplement without the consent of any Holder;

WHEREAS, the execution and delivery of this Supplement have been duly authorized by resolutions of the respective Boards of Directors of the Company and the New Guarantor; and

WHEREAS, all conditions and requirements necessary to make this Supplement valid and binding upon the Company and the New Guarantor, and enforceable against the Company and the New Guarantor in accordance with its terms, have been performed and fulfilled.

NOW, THEREFORE, in consideration of the above premises, each of the parties hereto agrees, for the benefit of the others and for the equal and proportionate benefit of the Holders of the Notes, as follows:

ARTICLE ONE
THE NEW GUARANTEE

Section 1.01. For value received, the New Guarantor hereby absolutely, unconditionally and irrevocably guarantees (the " New Guarantee"), jointly and severally among itself and the Guarantors, to the Trustee and the Holders, as if the New Guarantor was the principal debtor, the punctual payment and performance when due of all Indenture Obligations (which for purposes of the New Guarantee shall also be deemed to include all commissions, fees, charges, indemnities, costs and other expenses (including reasonable legal fees and disbursements of counsel) arising out of or incurred by the Trustee or the Holders in connection with the enforcement of this New Guarantee). The agreements made and obligations assumed hereunder by the New Guarantor shall constitute and shall be deemed to constitute a Guarantee under the Indenture and for all purposes of the Indenture, and the New Guarantor shall be considered a Guarantor for all purposes of the Indenture as if the New Guarantor was originally named therein as a Guarantor.

Section 1.02. The New Guarantor shall be released upon the occurrence of the events as provided in the Indenture.

Section 1.03. In accordance with the terms of the Indenture, the New Guarantor hereby waives all rights of subrogation or contribution arising by reason of any payment by it pursuant to its Guarantee under the Indenture.

ARTICLE TWO
MISCELLANEOUS

Section 2.01. Except as otherwise expressly provided or unless the context otherwise requires, all terms used herein which are defined in the Indenture shall have the meanings assigned to them in the Indenture. Except as supplemented hereby, the Indenture (including the Guarantees incorporated therein) and the Notes issued pursuant thereto are in all respects ratified and confirmed and all the terms and provisions thereof shall remain in full force and effect.

Section 2.02. This Supplement shall be effective as of the close of business on January 15, 2016.

Section 2.03. The recitals contained herein shall be taken as the statements of the Company and the New Guarantor, and the Trustee assumes no responsibility for their correctness. The Trustee makes no representations as to the validity or sufficiency of this Supplement.

Section 2.04. This Supplement shall be governed by and construed in accordance with the laws of the jurisdiction which govern the Indenture and its construction.

Section 2.05. This Supplement may be executed in any number of counterparts each of which shall be an original, but such counterparts shall together constitute but one and the same instrument.

IN WITNESS WHEREOF, the parties hereto have caused this Supplement to be duly executed and, in the case of the Company and the New Guarantor, attested by an Assistant Secretary, all as of the day and year first above written.

CONSTELLATION BRANDS, INC.

By: /s/ Oksana S. Dominach
Name: Oksana S. Dominach
Title: Vice President and Treasurer

Attest:

/s/ Barbara J. LaVerdi
Name: Barbara J. LaVerdi
Title: Assistant Secretary

HOME BREW MART, INC.

By:	/s/ Oksana S. Dominach
Name:	Oksana S. Dominach
Title:	Vice President and Assistant Treasurer

Attest:

/s/ Barbara J. LaVerdi

Name:	Barbara J. LaVerdi
Title:	Assistant Secretary

[Signature Page to Supplemental Indenture No. 9]

THE BANK OF NEW YORK MELLON TRUST COMPANY, N.A.

By:	/s/ Manjari Purkayastha
Name:	Manjari Purkayastha
Title:	Vice President

[Signature Page to Supplemental Indenture No. 9]

Exhibit 4.16

SUPPLEMENTAL INDENTURE NO. 5 (this "Supplement"), dated as of January 15, 2016, is entered into by and among CONSTELLATION BRANDS, INC., a Delaware corporation (the "Company"), HOME BREW MART, INC. a California corporation (the " New Guarantor"), and THE BANK OF NEW YORK MELLON TRUST COMPANY, N.A. (successor trustee to The Bank of New York Trust Company, N.A.), as trustee (the "Trustee").

RECITALS OF THE COMPANY AND THE NEW GUARANTOR

WHEREAS, the Company, the Guarantors and the Trustee have executed and delivered an Indenture, dated as of May 14, 2007, with respect to the issuance by the Company of 7.25% Senior Notes due 2017 (as supplemented by any supplements and amendments thereto made prior to the date hereof and in effect on the date hereof, the "Indenture");

WHEREAS, the Guarantors guarantee, jointly and severally, the full and punctual payment and performance when due of all Indenture Obligations;

WHEREAS, pursuant to Section 4.08 of the Indenture, the New Guarantor is obligated to enter into this Supplement thereby guaranteeing the punctual payment and performance when due of all Indenture Obligations;

WHEREAS, pursuant to Section 8.01 of the Indenture, the Company, the New Guarantor and the Trustee may enter into this Supplement without the consent of any Holder;

WHEREAS, the execution and delivery of this Supplement have been duly authorized by resolutions of the respective Boards of Directors of the Company and the New Guarantor; and

WHEREAS, all conditions and requirements necessary to make this Supplement valid and binding upon the Company and the New Guarantor, and enforceable against the Company and the New Guarantor in accordance with its terms, have been performed and fulfilled.

NOW, THEREFORE, in consideration of the above premises, each of the parties hereto agrees, for the benefit of the others and for the equal and proportionate benefit of the Holders of the Notes, as follows:

ARTICLE ONE
THE NEW GUARANTEE

Section 1.01. For value received, the New Guarantor hereby absolutely, unconditionally and irrevocably guarantees (the " New Guarantee"), jointly and severally among itself and the Guarantors, to the Trustee and the Holders, as if the New Guarantor was the principal debtor, the punctual payment and performance when due of all Indenture Obligations (which for purposes of the New Guarantee shall also be deemed to include all commissions, fees, charges, indemnities, costs and other expenses (including reasonable legal fees and disbursements of counsel) arising out of or incurred by the Trustee or the Holders in connection with the enforcement of this New Guarantee). The agreements made and obligations assumed hereunder by the New Guarantor shall constitute and shall be deemed to constitute a Guarantee under the Indenture and for all purposes of the Indenture, and the New Guarantor shall be considered a Guarantor for all purposes of the Indenture as if the New Guarantor was originally named therein as a Guarantor.

Section 1.02. The New Guarantor shall be released upon the occurrence of the events as provided in the Indenture.

Section 1.03. In accordance with the terms of the Indenture, the New Guarantor hereby waives all rights of subrogation or contribution arising by reason of any payment by it pursuant to its Guarantee under the Indenture.

ARTICLE TWO
MISCELLANEOUS

Section 2.01. Except as otherwise expressly provided or unless the context otherwise requires, all terms used herein which are defined in the Indenture shall have the meanings assigned to them in the Indenture. Except as supplemented hereby, the Indenture (including the Guarantees incorporated therein) and the Notes issued pursuant thereto are in all respects ratified and confirmed and all the terms and provisions thereof shall remain in full force and effect.

Section 2.02. This Supplement shall be effective as of the close of business on January 15, 2016.

Section 2.03. The recitals contained herein shall be taken as the statements of the Company and the New Guarantor, and the Trustee assumes no responsibility for their correctness. The Trustee makes no representations as to the validity or sufficiency of this Supplement.

Section 2.04. This Supplement shall be governed by and construed in accordance with the laws of the jurisdiction which govern the Indenture and its construction.

Section 2.05. This Supplement may be executed in any number of counterparts each of which shall be an original, but such counterparts shall together constitute but one and the same instrument.

IN WITNESS WHEREOF, the parties hereto have caused this Supplement to be duly executed and, in the case of the Company and the New Guarantor, attested by an Assistant Secretary, all as of the day and year first above written.

CONSTELLATION BRANDS, INC.

By: /s/ Oksana S. Dominach
Name: Oksana S. Dominach
Title: Vice President and Treasurer

Attest:

/s/ Barbara J. LaVerdi
Name: Barbara J. LaVerdi
Title: Assistant Secretary

HOME BREW MART, INC.

By:	/s/ Oksana S. Dominach
Name:	Oksana S. Dominach
Title:	Vice President and Assistant Treasurer

Attest:

/s/ Barbara J. LaVerdi

Name:	Barbara J. LaVerdi
Title:	Assistant Secretary

[Signature Page to Supplemental Indenture No. 5]

THE BANK OF NEW YORK MELLON TRUST COMPANY, N.A.

By:	/s/ Manjari Purkayastha
Name:	Manjari Purkayastha
Title:	Vice President

[Signature Page to Supplemental Indenture No. 5]

Exhibit 4.26

SUPPLEMENTAL INDENTURE NO. 10 (this "Supplement"), dated as of January 15, 2016, is entered into by and among CONSTELLATION BRANDS, INC., a Delaware corporation (the "Company"), HOME BREW MART, INC. a California corporation (the " New Guarantor"), and MANUFACTURERS AND TRADERS TRUST COMPANY, as trustee (the "Trustee").

RECITALS OF THE COMPANY AND THE NEW GUARANTOR

WHEREAS, the Company, the Guarantors and the Trustee have executed and delivered an Indenture, dated as of April 17, 2012 (the " Base Indenture"), as supplemented by a Supplemental Indenture No. 1, dated as of April 17, 2012, with respect to the issuance by the Company of 6% Senior Notes due 2022 (the "First Supplemental Indenture"), a Supplemental Indenture No. 3, dated as of May 14, 2013, with respect to the issuance by the Company of 3.75% Senior Notes due 2021 (the "Third Supplemental Indenture"), a Supplemental Indenture No. 4, dated as of May 14, 2013, with respect to the issuance by the Company of 4.25% Senior Notes due 2023 (the "Fourth Supplemental Indenture"), a Supplemental Indenture No. 7, dated as of November 3, 2014, with respect to the issuance by the Company of 3.875% Senior Notes due 2019 (the "Seventh Supplemental Indenture"), a Supplemental Indenture No. 8, dated as of November 3, 2014, with respect to the issuance by the Company of 4.750% Senior Notes due 2024 (the "Eighth Supplemental Indenture"), a Supplemental Indenture No. 9, dated as of December 4, 2015, with respect to the issuance by the Company of 4.750% Senior Notes due 2025 (the "Ninth Supplemental Indenture") and any other supplements and amendments thereto made prior to the date hereof and in effect on the date hereof (the Base Indenture, the First Supplemental Indenture, the Third Supplemental Indenture, the Fourth Supplemental Indenture, the Seventh Supplemental Indenture, the Eighth Supplemental Indenture and the Ninth Supplemental Indenture, together with such other supplements and amendments are collectively herein referred to as the "Indenture");

WHEREAS, the Guarantors guarantee, jointly and severally, the full and punctual payment and performance when due of all Indenture Obligations;

WHEREAS, pursuant to Section 3.4 of each of the First Supplemental Indenture, the Third Supplemental Indenture, the Fourth Supplemental Indenture, the Seventh Supplemental Indenture, the Eighth Supplemental Indenture and the Ninth Supplemental Indenture, the New Guarantor is obligated to enter into this Supplement thereby guaranteeing the punctual payment and performance when due of all Indenture Obligations;

WHEREAS, pursuant to Section 12.1 of the Base Indenture and Section 8.1 of each of the First Supplemental Indenture, the Third Supplemental Indenture, the Fourth Supplemental Indenture, the Seventh Supplemental Indenture, the Eighth Supplemental Indenture and the Ninth Supplemental Indenture, the Company, the New Guarantor and the Trustee may enter into this Supplement without the consent of any Holder;

WHEREAS, the execution and delivery of this Supplement have been duly authorized by resolutions of the respective Boards of Directors of the Company and the New Guarantor; and

WHEREAS, all conditions and requirements necessary to make this Supplement valid and binding upon the Company and the New Guarantor, and enforceable against the Company and the New Guarantor in accordance with its terms, have been performed and fulfilled.

NOW, THEREFORE, in consideration of the above premises, each of the parties hereto agrees, for the benefit of the others and for the equal and proportionate benefit of the Holders of the Notes, as follows:

ARTICLE ONE
THE NEW GUARANTEE

Section 1.01. For value received, the New Guarantor hereby absolutely, unconditionally and irrevocably guarantees (the " New Guarantee"), jointly and severally among itself and the Guarantors, to the Trustee and the Holders, as if the New Guarantor was the principal debtor, the punctual payment and performance when due of all Indenture Obligations (which for purposes of the New Guarantee shall also be deemed to include all commissions, fees, charges, costs and other expenses (including reasonable legal fees and disbursements of one counsel) arising out of or incurred by the Trustee or the Holders in connection with the enforcement of this New Guarantee). The agreements made and obligations assumed hereunder by the New Guarantor shall constitute and shall be deemed to constitute a Guarantee under the Indenture and for all purposes of the Indenture, and the New Guarantor shall be considered a Guarantor for all purposes of the Indenture as if the New Guarantor was originally named therein as a Guarantor.

Section 1.02. The New Guarantor shall be released upon the occurrence of the events as provided in the Indenture.

Section 1.03. In accordance with the terms of the Indenture, the New Guarantor hereby waives all rights of subrogation or contribution arising by reason of any payment by it pursuant to its Guarantee under the Indenture.

ARTICLE TWO
MISCELLANEOUS

Section 2.01. Except as otherwise expressly provided or unless the context otherwise requires, all terms used herein which are defined in the Indenture shall have the meanings assigned to them in the Indenture. Except as supplemented hereby, the Indenture (including the Guarantees incorporated therein) and the Notes issued pursuant thereto are in all respects ratified and confirmed and all the terms and provisions thereof shall remain in full force and effect.

Section 2.02. This Supplement shall be effective as of the close of business on January 15, 2016.

Section 2.03. The recitals contained herein shall be taken as the statements of the Company and the New Guarantor, and the Trustee assumes no responsibility for their correctness. The Trustee makes no representations as to the validity or sufficiency of this Supplement.

Section 2.04. This Supplement shall be governed by and construed in accordance with the laws of the jurisdiction which govern the Indenture and its construction.

Section 2.05. This Supplement may be executed in any number of counterparts, each of which so executed shall be deemed to be an original, but all such counterparts shall together constitute but one and the same instrument.

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

CONSTELLATION BRANDS, INC.

By: /s/ Oksana S. Dominach
Name: Oksana S. Dominach
Title: Vice President and Treasurer

Attest:

/s/ Barbara J. LaVerdi
Name: Barbara J. LaVerdi
Title: Assistant Secretary

[Signature Page to Supplemental Indenture No. 10]

HOME BREW MART, INC.

By: /s/ Oksana S. Dominach
Name: Oksana S. Dominach
Title: Vice President and Assistant Treasurer

Attest:

/s/ Barbara J. LaVerdi
Name: Barbara J. LaVerdi
Title: Assistant Secretary

[Signature Page to Supplemental Indenture No. 10]

MANUFACTURERS AND TRADERS TRUST COMPANY

By: /s/ Aaron McManus
Name: Aaron McManus
Title: Vice President

Attest:

/s/ Michelle M. Wojciechowicz
Name: Michelle M. Wojciechowicz
Title: Vice President

[Signature Page to Supplemental Indenture No. 10]

Exhibit 10.60

EQUITY INTERESTS PLEDGE AGREEMENT

entered into by and among

Pledgor A

and

Pledgor B

as Pledgors,

and

Pledgee,

in its capacity as administrative agent for the benefit of the Secured Parties,

as Pledgee,

with the appearance of

Subsidiary

dated as of [______]

EQUITY INTERESTS PLEDGE AGREEMENT (the "Agreement") dated [______], entered into by and among Pledgor A (" Pledgor A") and Pledgor B ("Pledgor B"; Pledgor B, together with Pledgor A, the " Pledgors"), as pledgors, represented herein by [_______], on behalf of Pledgor A, and [___________], on behalf of Pledgor B, and Pledgee, acting in its capacity as administrative agent for the benefit of the Secured Parties (as defined in the Credit Agreement referred to below), as pledgee (the "Pledgee"), represented herein by [_________], with the appearance of Subsidiary (the "Company"), represented herein by [__________], pursuant to the following Recitals, Representations and Clauses:

RECITALS

I. WHEREAS, Constellation Brands, Inc., as borrower, Pledgor A, as European Borrower, the Lenders from time to time party thereto, the Pledgee, as Administrative Agent, and certain other parties, entered into that certain Second Amended and Restated Credit Agreement dated as of May 2, 2013 and effective as of June 7, 2013, the Restatement Effective Date (as defined therein) (as the same may be amended, restated, supplemented or otherwise modified from time to time, the "Credit Agreement"), that provides for the making of Loans (as defined in the Credit Agreement) for the account of either Borrower (as defined in the Credit Agreement), in the aggregate amount as contemplated therein. An executed copy of the Credit Agreement is attached hereto as **Exhibit A**.

II. WHEREAS, the Borrowers have agreed to execute and deliver this Agreement to the Pledgee, acting in its capacity as administrative agent for the benefit of the Secured Parties, to create a valid and perfected security interest (*prenda*) and grant a first priority lien upon one hundred per cent (100%) of the aggregate outstanding equity interests of the Company.

III. WHEREAS, it is condition subsequent to the occurrence of the Restatement Effective Date that the Pledgors shall have executed and delivered to the Pledgee this Agreement to comply with the provisions of Section 5.09 of the Credit Agreement.

IV. WHEREAS, the Pledgors and the Company hereby acknowledge that they will obtain benefits from the occurrence of the Restatement Effective Date and, accordingly, desire to execute this Agreement in order to satisfy the condition described in the preceding recital.

V. WHEREAS, this Agreement along with any exhibit or schedule hereto, is hereby designated as a Collateral Document under the Credit Agreement.

NOW THEREFORE, in consideration of the preceding Recitals, the parties hereby represent and agree to the following:

REPRESENTATIONS

I. Pledgor A, as pledgor, hereby makes, through its legal representative, the repeating representations applicable to Pledgor A as such are contained in Article III of the Credit Agreement which will be deemed as transcribed herein and further represents and warrants that:

(a) it is a private limited liability company (*société à responsabilité limitée*) incorporated under the laws of [__________], with sufficient power and authority to enter into this Agreement and to perform its obligations hereunder;

(b) it has obtained all the internal authorizations necessary to enter into this Agreement and to perform its obligations hereunder;

(c) its representative has sufficient power and authority to enter into this Agreement on its behalf, which powers and authority have not been limited, amended or revoked as of the date hereof;

(d) it is the sole and beneficial owner of (i) an equity interest with a contribution value of MX$[_____], which represents the fixed portion of the capital of the Company, and (ii) an equity interest with a contribution value of MX$[_________], which represents the variable portion of the capital of the Company (the equity interests described in (i) and (ii) above, jointly and together with any other equity interests of the Company held by Pledgor A in the future, the "Pledgor A Equity Interests"), representing ninety nine point ninety nine per cent (99.99%) of the outstanding capital of the Company, as evidenced by a copy of the notation made in the Partners' Registry Book of the Company, duly certified by the Secretary or an Assistant Secretary of the Company, and attached hereto as **Exhibit B**;

(e) it has agreed to enter into this Agreement that grants in favor of the Pledgee, acting in its capacity as administrative agent for the benefit of the Secured Parties, a first priority security interest (*prenda*) as provided herein, upon the Pledgor A Equity Interests and any corporate and economic rights therein represented, so that the Pledgor A Equity Interests pledged pursuant to the terms hereof along with the Pledgor B Equity Interest (as defined below), collectively represent one hundred per cent (100%) of the aggregate outstanding equity interests of the Company, pursuant to the provisions of Section III of article 334 of the General Law of Negotiable Instruments and Credit Transactions (*Ley General de Títulos y Operaciones de Crédito*, the "Negotiable Instruments Law"), to secure the due and punctual payment and performance in full of the Secured Obligations (as such term is herein defined);

(f) the Pledgor A Equity Interests and the corporate and economic rights therein represented, are free and clear of any lien, option or any other encumbrance, or any third party right, of any nature whatsoever, including preemptive rights or rights of first refusal (except for the pledge created pursuant to this Agreement and for the statutory rights of the Company's partners), and the Pledgor A Equity Interests have been validly issued and are fully paid;

(g) this Agreement and the security interest created hereunder, are legal, valid and binding obligations of Pledgor A, enforceable against it in accordance with their terms, and constitute a first priority pledge in favor of the Pledgee, acting in its capacity as administrative agent for the benefit of the Secured Parties, validly created in respect of the Pledgor A Equity Interests, except as it may be limited by insolvency, bankruptcy, liquidation, reorganization or any similar legislation affecting the rights of creditors generally;

(h) it does not require the consent or authorization of any third party individual or entity or any governmental authority, to enter into this Agreement and to perform its obligations hereunder;

(i) the execution and performance of this Agreement does not contravene any legal, administrative or contractual obligation, applicable or enforceable against Pledgor A, or the bylaws and/or constitutive documents of Pledgor A;

(j) it is solvent and it has not initiated, nor does it have knowledge of the initiation of any insolvency, bankruptcy, liquidation, reorganization or any similar proceeding against it;

(k) it has no intention to initiate any proceedings, nor have any proceedings been initiated or, to its knowledge, are threatened, before any court of law, governmental authority or tribunal, of any nature (whether Mexican or not), which could have a material adverse effect on the financial condition, business or assets of Pledgor A or the Company, or which in any way may materially and adversely affect any of Pledgor A's rights over the Pledgor A Equity Interests pledged hereunder or the validity or enforceability of this Agreement;

(l) it is in full compliance with all of its material obligations related to or arising from the Pledgor A Equity Interests, including without limitation, tax related obligations, and

(m) by the execution of this Agreement Pledgor A expressly recognizes the existence of the Secured Parties and the Pledgee.

II. Pledgor B, as pledgor, hereby represents and warrants, through its legal representative, that:

(a) it is a private limited liability company (*société à responsabilité limitée*) incorporated under the laws of [_____], with sufficient power and authority to enter into this Agreement and to perform its obligations hereunder;

(b) it has obtained all the internal authorizations necessary to enter into this Agreement and to perform its obligations hereunder;

(c) its representative has sufficient power and authority to enter into this Agreement on its behalf, which powers and authority have not been limited, amended or revoked as of the date hereof;

(d) it is the sole and beneficial owner of an equity interest with a contribution value of MX$[______], which represents the fixed portion of the capital of the Company (such equity interest together with any other equity interests of the Company held by Pledgor B in the future, the "Pledgor B Equity Interest"), representing zero point zero one per cent (0.01%) of the outstanding capital of the Company, as evidenced by a copy of the notation made in the Partners' Registry Book of the Company, duly certified by the Secretary or an Assistant Secretary of the Company, and attached hereto as **Exhibit B**;

(e) it has agreed to enter into this Agreement that grants in favor of the Pledgee, acting in its capacity as administrative agent for the benefit of the Secured Parties, a first priority security interest (*prenda*) as provided herein, upon the Pledgor B Equity Interest and any corporate and economic rights therein represented, so that the Pledgor B Equity Interest pledged pursuant to the terms hereof along with the Pledgor A Equity Interests, collectively represent one hundred per cent (100%) of the aggregate outstanding equity interests of the Company, pursuant to the provisions of Section III of article 334 of the Negotiable Instruments Law, to secure the due and punctual payment and performance in full of the Secured Obligations;

(f) the Pledgor B Equity Interest and the corporate and economic rights therein represented, are free and clear of any lien, option or any other encumbrance, or any third party right, of any nature whatsoever, including preemptive rights or rights of first refusal (except for the pledge created pursuant to this Agreement and for the statutory rights of the Company's partners), and the Pledgor B Equity Interest has been validly issued and is fully paid;

(g) this Agreement and the security interest created hereunder, are legal, valid and binding obligations of Pledgor B, enforceable against it in accordance with their terms, and constitute a first priority pledge in favor of the Pledgee, acting in its capacity as administrative agent for the benefit of the Secured Parties, validly created in respect of the Pledgor B Equity Interest, except as it may be limited by insolvency, bankruptcy, liquidation, reorganization or any similar legislation affecting the rights of creditors generally;

(h) it does not require the consent or authorization of any third party individual or entity or any governmental authority, to enter into this Agreement and to perform its obligations hereunder;

(i) the execution and performance of this Agreement does not contravene any legal, administrative or contractual obligation, applicable or enforceable against Pledgor B, or the bylaws and/or constitutive documents of Pledgor B;

(j) it is solvent and it has not initiated, nor does it have knowledge of the initiation of any insolvency, bankruptcy, liquidation, reorganization or any similar proceeding against it;

(k) it has no intention to initiate any proceedings, nor have any proceedings been initiated or, to its knowledge, are threatened, before any court of law, governmental authority or tribunal, of any nature (whether Mexican or not), which could have a material adverse effect on the financial condition, business or assets of Pledgor B or the Company, or which in any way may materially and adversely affect any of Pledgor B's rights over the Pledgor B Equity Interest pledged hereunder or the validity or enforceability of this Agreement;

(l) it is in full compliance with all of its material obligations related to or arising from the Pledgor B Equity Interest, including without limitation, tax related obligations, and

(m) by the execution of this Agreement Pledgor B expressly recognizes the existence of the Secured Parties and the Pledgee.

III. The Pledgee, through its legal representative, hereby represents and warrants that:

(a) it is a national association duly incorporated under the laws of the United States of America, with sufficient power and authority to enter into this Agreement and to perform its obligations hereunder, and

(b) its attorney-in-fact has sufficient power and authority to enter into this Agreement, which power and authority have not been limited, amended or revoked as of the date hereof.

IV. The Company, through its legal representative, hereby represents and warrants that:

(a) it is a limited liability company (*sociedad de responsabilidad limitada de capital variable*), duly incorporated under the laws of the United Mexican States ("Mexico"), with sufficient power and authority to enter into this Agreement and to perform its obligations hereunder, as evidenced in public deed No. [_______] dated [______], granted before [______] notary public No [___] of the State of Nuevo Leon, Mexico, which first notarial instrument is in the process of being registered in the Public Registry of Commerce of Mexico, Federal District;

(b) it has obtained all the necessary internal authorizations to enter into this Agreement and to perform its obligations hereunder, including those authorizations referred to in the Partners' Meeting Minutes dated [_________], a certified copy of which is attached hereto as **Exhibit C**;

(c) its representative has sufficient power and authority to enter into this Agreement on its behalf, which power and authority have not been limited, amended or revoked as of the date hereof;

(d) based upon the Partners' Registry Book, the Pledged Equity Interests (as such term is herein defined) constitute the aggregate outstanding equity interests of the Company and the Pledged Equity Interests are free and clear of any lien, option or any other encumbrance, or any third party right, of any nature whatsoever, including preemptive rights or rights of first refusal (except for the pledge created pursuant to this Agreement and for the statutory rights of the Company's partners), and the Pledged Equity Interests have been validly issued and are fully paid;

(e) neither party has any right to acquire, nor has the Company agreed to issue to any third party, any equity interest of the Company;

(f) this Agreement is a valid and binding obligation of the Company, enforceable against it pursuant to its terms, except as it may be limited by insolvency, bankruptcy, liquidation, reorganization, *concurso mercantil, quiebra* or any similar legislation generally affecting the rights of creditors;

(g) it does not require the consent or authorization of any third party individual or entity or any governmental authority, to enter into this Agreement and to perform its obligations hereunder;

(h) the execution and performance of this Agreement does not contravene any legal, administrative or contractual obligation, applicable or enforceable against the Company, or the bylaws or constitutive documents of the Company;

(i) it is solvent and it has not initiated, nor has knowledge of the initiation of any insolvency, bankruptcy, liquidation, reorganization, *concurso mercantil, quiebra* or any similar proceeding against it;

(j) it has no intention to initiate any proceedings, nor have any proceedings been initiated or, to its knowledge, are threatened, before any court of law, governmental authority or tribunal, of any nature (whether Mexican or not), which could have a material and adverse effect on the financial condition, business or assets of the Company, or which in any other way may materially and adversely affect any of Pledgor A's or Pledgor B's rights over the Pledged Equity Interests pledged hereunder or the validity or enforceability of this Agreement, and

(k) by the execution of this Agreement, the Company expressly recognizes the existence of the Secured Parties and the Pledgee, and the Pledgee's legal capacity to act on behalf and for the benefit of the Secured Parties in this Agreement, and the legal capacity and authority of the Pledgee's representative to execute this Agreement, in the name and on behalf of the Pledgee.

HAVING STATED THE foregoing, the parties hereto agree to the following:

CLAUSES

FIRST. Defined Terms; Interpretation. (a) Unless otherwise defined herein, terms defined in the Credit Agreement and used herein shall have the meaning ascribed to them in the Credit Agreement, as the same may be amended from time to time, and as the context may require.

(b) In the event of any conflict or inconsistency between the provisions hereof and the provisions of any Loan Document, the provisions of the Loan Documents shall prevail, except for those provisions of this Agreement required by Mexican law for this Agreement to be valid and enforceable pursuant to its terms.

SECOND. Creation of the Pledge. (a) Each Pledgor, as applicable, hereby creates a pledge pursuant to article 334, section III, of the Negotiable Instruments Law upon the Pledgor A Equity Interests, the Pledgor B Equity Interest and any and all rights arising therefrom and all proceeds thereof (collectively, the "Pledged Equity Interests"), in favor the Pledgee, acting in its capacity as administrative agent for the benefit of the Secured Parties, to secure, as a first priority lien, (i) the full and timely performance and payment of any and all the European Obligations (as defined in the Credit Agreement) of the Borrowers under the Loan Documents (as defined in the Credit Agreement), (ii) the full and timely performance of any and all the obligations of each Pledgor under this Agreement, and (iii) the payment of all fees, costs and expenses paid or incurred by the Pledgee, in connection with the execution by the Pledgee of, or the exercise of rights by the Pledgee under, this Agreement (jointly, (i), (ii) and (iii), the "Secured Obligations"). Subject to the Credit Agreement, while any Secured Obligation shall remain unsatisfied the total percentage of the Pledged Equity Interests hereunder shall not be reduced notwithstanding the partial payment or performance by the Pledgors of the Secured Obligations.

(b) For purposes of perfecting the pledge and security interest over the Pledged Equity Interests created hereunder, the Pledgors, simultaneously to the execution of this Agreement, deliver to the Pledgee, (i) the original non-negotiable certificates representing the Pledged Equity Interests with a notation evidencing that the Pledged Equity Interests have been pledged in favor of the Pledgee, acting in its capacity as administrative agent for the benefit of the Secured Parties; (ii) a certificate of the Secretary or an Assistant Secretary of the Company, together with a copy of the notation made in the Partners' Registry Book of the Company, evidencing that the Pledged Equity Interests have been pledged in favor the Pledgee, acting in its capacity as administrative agent for the benefit of the Secured Parties, pursuant to the terms of this Agreement; and (iii) a certified copy of the notarial instrument (*testimonio*) containing the Company's bylaws (and any amendments thereto).

(c) The Pledgors shall deliver to the Pledgee within five (5) Business Days immediately following the date hereof, a copy certified by a notary public of the book notation referred to in (b)(ii) above.

(d) The Pledgors and the Pledgee hereby agree that the execution and delivery of this Agreement constitutes acknowledgment of receipt by the Pledgee of the non-negotiable certificates representing the Pledged Equity Interests and the book notation referred to in paragraph (b)(ii) above, as set forth in article 337 of the Negotiable Instruments Law.

(e) For purposes of this Agreement, the term "Business Day" shall mean any day, other than Saturday, Sunday or a day in which Mexican banks are not authorized to open or are required to close in Mexico City, Mexico.

THIRD. Economic and Corporate Rights. (a) Each of the parties hereto hereby agrees that each Pledgor shall have the right to exercise any and all corporate rights (including voting rights) and economic rights that arise from the Pledged Equity Interests, except if an Event of Default or Default (as defined in the Credit Agreement) shall have occurred and be continuing unremedied in the terms set forth in Article VII of the Credit Agreement, in which case the Pledgors hereby agree that, from the date on which the Pledgors and the Company are notified in writing by the Pledgee in respect of the occurrence and continuation of an Event of Default, the corporate and economic rights pertaining to the Pledged Equity Interests, shall be exercised by the Pledgee.

(b) Each of the parties hereto hereby agrees that upon the occurrence and continuation of an Event of Default, the Pledgee shall have the right to vote the Pledged Equity Interests as it deems convenient and appropriate, and that in such event, the Pledgee shall have no obligation and incur no responsibility to the Pledgors or the Company, in connection with the exercise of such rights. The right of the Pledgee to exercise the voting and economic rights contemplated herein shall not be affected by the commencement of the enforcement proceedings set forth in Clause Eighth below.

(c) Each Pledgor by executing this Agreement, expressly authorizes the Pledgee, upon the occurrence of an Event of Default, to take possession of the Pledged Equity Interests (and any related rights, amounts and assets) pledged by such Pledgors to the Pledgee pursuant to this Agreement.

FOURTH. Distributions. (a) Subject to the provisions set forth in paragraph (b) below, if the Company redeems or reimburses, at any time, any of the Pledged Equity Interests, or pays a dividend or distribution in respect of such Pledged Equity Interests (whether in cash or in kind or by increasing the value of the Pledged Equity Interests), (i) the increase in the value of the Pledged Equity Interests or the additional equity interests arising therefrom shall be pledged or deemed to be pledged, as applicable, pursuant to this Agreement, and for purposes of this Agreement, such additional equity interests or increase of value of the Pledged Equity Interests shall be considered as "Pledged Equity Interests", and (ii) with respect to any payments in cash resulting from such redemption, reimbursement or dividend payment, each of the Pledgors and the Pledgee hereby agree that, if an Event of Default shall have occurred and be continuing, such cash shall remain pledged in accordance with article 336 of the Negotiable Instruments Law (with no transfer of title to such cash), and if no Event of Default shall have occurred, such cash shall be released to the Pledgors. If any such additional equity interest or cash were received by any of the Pledgors, and such additional equity interests and cash is to remain pledged hereunder, each of the Pledgors agrees to immediately (1) in respect of cash, deliver it to the Pledgee to create the necessary pledge hereunder (with no transfer of title to such cash), and (2) in respect of the additional equity interests, deliver (i) the original non-negotiable certificates representing such additional equity interests with a notation evidencing that such additional pledged equity interests have been pledged in favor of the Pledgee, acting in its capacity as administrative agent for the benefit of the Secured Parties, and (ii) deliver to the Pledgee a copy of the notation made by the Secretary or authorized officer of the Company in the Partners' Registry Book of the Company, evidencing that such additional equity interests have been pledged in favor of the Pledgee, acting in its capacity as administrative agent for the benefit of the Secured Parties.

(b) Notwithstanding the terms of the preceding paragraph, if no Event of Default shall have occurred, the Pledgors shall have the right to receive any cash arising from a redemption, reimbursement or dividend, in cash or in kind (other than equity interests), that shall have been approved and paid in respect of the Pledged Equity Interests. Upon written notice sent by the

Pledgee to the Pledgors and the Company, informing the existence of an Event of Default, any cash resulting from a redemption, reimbursement or dividend shall be paid exclusively to the Pledgee to be maintained in pledge (with no transfer of title to such cash).

FIFTH. **<u>Term and Release</u>.** (a) The pledge created pursuant to this Agreement shall remain in full force and effect until terminated (in whole or in part) under the circumstances specified in clause (i)(i) of Article VIII of the Credit Agreement.

(b) The parties hereby agree that upon termination of this Agreement pursuant to the provisions of this Clause Fifth, paragraph (a), the Pledgee shall execute, at any subsequent time and upon request by the Pledgors, the documents and instruments reasonably requested in writing by the Pledgors, for the total cancellation of the pledge set forth herein, provided that the Pledgors shall be solely responsible for the payment of any costs or expenses, of any nature whatsoever, arising from the cancellation of the pledge created hereunder. Upon such termination in whole having taken place, the Pledgee shall return to the Pledgor the original non-negotiable certificates representing the Pledged Equity Interests that the Pledgor delivered to the Pledgee, the pledge set forth herein will be automatically cancelled, and the Company shall be automatically authorized to record the cancellation of the pledge in the Company's Partners' Registry Book.

(c) The parties hereby agree that the Pledgee shall have no liability whatsoever as a result of any action taken to release the Pledged Equity Interests, including but not limited to the execution, granting and delivery of any document pursuant to this Clause Fifth.

SIXTH. **<u>Novation, Amendment, Etc</u>.** The execution of this Agreement and the creation of the pledge set forth herein shall not constitute a novation, amendment, release or payment, or delivery as payment (*dación en pago*) of any of the Secured Obligations.

SEVENTH. **<u>Covenants and Negative Covenants</u>.** (a) Until any and all the Secured Obligations shall have been paid in full, the Pledgors hereby agree to:

(1) take any and all action necessary to maintain any internal or third party authorizations or approvals in effect, for the pledge created pursuant to this Agreement to remain in full force and effect;

(2) allow the Pledgee, at any time, by means of a written request made at least five (5) Business Days in advance, to inspect the books and registries maintained in connection with the Pledged Equity Interests;

(3) provide, as a result of a reasonable written request, any information in respect of the Pledged Equity Interests which report shall be delivered by the Pledgors to the Pledgee as soon as possible, but in any event within the five (5) Business Days following the date of such written request;

(4) immediately inform to the Pledgee as of any circumstances that may materially and adversely affect or is reasonably likely that may materially and adversely affect, the Pledged Equity Interests;

(5) enter into, execute, deliver and file, promptly, any instruments (including powers-of-attorney) and additional documents, and perform any and all additional action that the Pledgee shall reasonably request, to perfect and protect the pledge created

hereunder, and to permit the Pledgee (and the Secured Parties) to exercise its or their rights hereunder, including, if deemed convenient at the Pledgee's discretion, the notarization of this Agreement before a notary public or commercial notary (corredor público), and the granting and delivery, within a ten (10) Business Day period as of the date hereof, of a special irrevocable power-of-attorney before a notary public in favor of the Pledgee in the specific format that for such purposes is hereby attached to this Agreement as **Exhibit D**, that authorizes the Pledgee to exercise its rights hereunder in accordance with the terms of Clause Third above;

(6) abstain from selling, assigning, exchanging or otherwise disposing of the Pledged Equity Interests, except with the prior written consent from the Pledgee;

(7) abstain from creating or allowing the existence of any lien or limitation of domain with regards to any of the Pledged Equity Interests, except for the pledge created hereunder and for the statutory rights of the Company's partners, and

(8) unless to the extent permitted in the Loan Documents, abstain from taking any action or omitting to take any action (except with the prior written consent from the Pledgee) which could prejudice the first priority lien and the first priority pledge created hereby upon the Pledged Equity Interests, including but not limited to, mergers, spin-offs, liquidation and diminishing the capital stock of the Company.

(b) Until any and all the Secured Obligations shall have been paid in full, the Company hereby agrees to:

(1) abstain from making any notations in the Partners' Registry Book or other registries maintained by the Company evidencing any sales, assignments, exchanges, pledges, transfers, encumbrances or other restrictions or limitations in connection with the Pledged Equity Interests, without the prior written consent of the Pledgee;

(2) provide, as a result of a reasonable written request, any information in respect of the Pledged Equity Interests which report shall be delivered by the Company to the Pledgee as soon as possible, but in any event within the five (5) Business Days following the date of such written request;

(3) prior notice given to the Company no less than two (2) Business Days in advance (*except* during the occurrence of an Event of Default in which case, no prior notice will be required), allow the Pledgee and its designees access, during Business Days, to the books and records of the Company regarding the Pledged Equity Interests for the purposes of inspecting and/or auditing such books and records. Unless an Event of Default has occurred and is continuing, or the Pledgee considers that the Pledged Equity Interests have been or will be adversely affected in any manner, access will only be allowed four times for each calendar year. During such access, the Pledgee and its representatives will be entitled to, and the Pledgee and its representatives may examine the books and records of the Company and make extracts or copies thereof subject to Section 9.12 of the Credit Agreement. The Company shall provide the Pledgee and its representatives such assistance as is reasonably requested for the purposes of this paragraph (3), and

(4) enter into, execute, deliver and file, promptly, any instruments (including powers-of-attorney, book notations, etc.) and additional documents, and perform any and all additional action that the Pledgee shall reasonably request, to perfect and protect the pledge created hereunder, and to permit the Pledgee (and the Secured Parties) to exercise its or their rights hereunder.

(c) The Pledgors and the Company agree to take any and all necessary action to defend, at their expense, the Pledged Equity Interests, from and against any action, judgment or procedure initiated against it by any third party before any governmental authority, court of law or judge (whether Mexican or not). The Pledgee shall have the right (but not the obligation) to defend the Pledged Equity Interests, in the event the Pledgors and/or the Company fail to conduct the appropriate defense; provided, however, that the Pledgors and the Company shall reimburse the Pledgee any cost and expense (including without limitation reasonable attorneys' fees and expenses) incurred by Pledgee in connection with such defense and such payment obligation shall constitute a Secured Obligation hereunder until paid in full.

EIGHTH. Enforcement. (a) In the event that any of the Secured Obligations fails to be timely and fully performed in accordance with the terms of the Loan Documents, once the applicable grace period shall have elapsed without the applicable default having been remedied in accordance with the Credit Agreement, the Pledgee, in its capacity as administrative agent for the benefit of the Secured Parties, may enforce the pledge granted hereunder, in accordance with the provisions of the Negotiable Instruments Law, the Commerce Code and applicable law.

(b) Proceeds resulting from the sale of the Pledged Equity Interests or any portion thereof, as a consequence of the enforcement of the Pledgee's rights hereunder, shall be applied by the Pledgee pursuant to the terms set forth in the Credit Agreement, following the prior payment of all taxes, fees, costs and expenses incurred by the Pledgee, in connection with the sale of the Pledged Equity Interests.

(c) Failure by the Pledgee to exercise its rights hereunder, shall not have the effect, under any circumstance, of a waiver of such rights, nor the individual or partial exercise by the Pledgee of any rights hereunder, shall be understood as excluding the possibility of exercising any other right.

NINTH. Taxes. The Pledgors, on a joint and several basis, agree to pay any and all taxes, interest, fines, surcharges and other accessories imposed by the Mexican tax authorities, that may be payable as a result of the sale of the Pledged Equity Interests by the Pledgee or the Secured Parties pursuant to this Agreement, and to indemnify and hold the Pledgee and the Secured Parties harmless from any taxes (payable as a withholding or in any other manner), interest, fines, surcharges and other accessories that are imposed by the Mexican tax authorities, claimed from the Pledgee or any of the Secured Parties or payable with respect to the transaction contemplated herein or relating to the sale of the Pledged Equity Interests, upon the enforcement of the pledge created hereunder, as well as any and all related fees and expenses arising therefrom.

TENTH. Indemnity. (a) The Pledgors, on a joint and several basis, agree to indemnify, reimburse and hold the Pledgee and the Secured Parties, and their respective successors, assigns and affiliates, directors, officers, employees and agents (hereinafter, each, individually, an "Indemnified Party") harmless, from any and all liabilities, losses, damages, penalties, costs and expenses (including reasonable attorneys' fees and expenses) which may be incurred by, payable by or attributable to any Indemnified Party, in any way relating to or arising out of this Agreement (including, without limitation, in connection with any judgment or proceeding or the preparation of a defense thereof), provided that no Indemnified Party shall be indemnified pursuant to this Clause for liabilities, losses, damages, penalties, costs and expenses considered by a final judgment to be caused by the gross negligence or willful misconduct of the applicable Indemnified Party.

(b) Any amounts paid by any Indemnified Party as to which such Indemnified Party has the right to indemnification and reimbursement under this Agreement, shall constitute a Secured Obligation for purposes of this Agreement, secured by the Pledged Equity Interests. The indemnity obligations of the Pledgors set forth in this Clause shall continue in full force and effect notwithstanding the termination of this Agreement or the Credit Agreement or the performance of any and all Secured Obligations.

ELEVENTH. Notices. All notices or other communications relating to this Agreement, shall be made in writing, and shall be delivered or sent to the domiciles and facsimile numbers specified below, to each of the parties hereto. Such notices and communications shall be deemed to have been given when sent, the party confirms its delivery by facsimile or, if the relevant notice or communication was delivered to the applicable domicile, at the time of delivery to any agent of the receiving party.

To the Pledgors in the English language at:

PLEDGOR A
Address:

Attention:
Fax number:

And:

PLEDGOR B
Address:

Attention:
Fax number:

With a copy to:

CONSTELLATION BRANDS, INC.

Address:	207 High Point Drive, Bldg. 100 Victor, New York 14564 USA
Attention:	General Counsel
Fax Number:	585-678-7119

And:

CONSTELLATION BRANDS, INC.

Address:	207 High Point Drive, Bldg. 100 Victor, New York 14564 USA
Attention:	Treasurer
Fax Number:	585-678-7108

And:

NIXON PEABODY LLP

Address:	100 Summer Street Boston, Massachusetts 02110 USA
Attention:	Craig D. Mills, Esq.
Fax Number:	866 947-1553

or to such other address or addresses as the Pledgors may from time to time notify to the Pledgee and the Company for such purpose in writing;

To the Pledgee in the English language at:

Address:

Mail Code:
Attention:
Fax number:

And:

Address:

Mail Code:
Attention:
Fax number:

With a copy to:

Address:

Attention:
Fax number:

or to such other address or addresses as the Pledgee may from time to time notify to the Pledgors and the Company for such purpose in writing;

To the Company:

SUBSIDIARY
Address:

Attention:
Fax number:

With a copy to:

CONSTELLATION BRANDS, INC.

Address:	207 High Point Drive, Bldg 100 Victor, New York 14564 USA
Attention:	General Counsel
Fax Number:	585-678-7119

or to such other address or addresses as the Company may from time to time notify to the Pledgee and the Pledgors for such purpose in writing.

TWELFTH. Assignment. The rights and obligations arising from this Agreement may not be assigned or in any other manner transferred, without the prior written consent of the other parties to this Agreement, except that the Pledgee and the Secured Parties may assign their respective rights hereunder pursuant to the terms set forth in, and as agreed to under, the Credit Agreement (including their rights arising from this Agreement).

THIRTEENTH. Exhibits. All exhibits attached hereto are part of this Agreement as if they were inserted herein.

FOURTEENTH. Translations. To the extent necessary at the sole discretion of the Pledgee, the Pledgors and the Company hereby agree to translate into Spanish this Agreement and its exhibits (or any amendment thereof), at its own expense. The Pledgor and the Company shall deliver to the Pledgee within ten (10) Business Days immediately following the request made in accordance with this Clause, the corresponding translation in terms satisfactory to the Pledgee and sealed by a court-approved translator duly authorized by the *Tribunal Superior de Justicia del Distrito Federal*.

FIFTEENTH. Unconditional Rights; Waiver. All rights of the Pledgee hereunder, the granting of the lien and the creation of the security interest (*prenda*) on the Pledged Equity Interests and all obligations of the Pledgors hereunder shall be absolute and unconditional irrespective of any perfection, exchange, release or non-perfection of any other collateral, or any release or amendment or waiver of or consent to or departure from any guaranty, for all or any of the Secured Obligations. Subject to the Credit Agreement, each of the Pledgors hereby waives any present or future right it may have to demand the total or partial release of the security interest (*prenda*) created hereby or of any other collateral that such Pledgor or any other party may have created, acquired or designated to secure the Secured Obligations prior to the repayment in full thereof.

SIXTEENTH. Severability. Any provision of this Agreement that is annulled or otherwise rendered unenforceable in any jurisdiction, will not be valid or enforceable in accordance with such resolution in such jurisdiction but will in no manner annul the remaining provisions of this Agreement, and such annulment or unenforceability will not affect the validity or enforceability of such provision in any other jurisdiction.

SEVENTEENTH. Waivers; Amendments. (a) No delay on the part of the Pledgee in exercising any of its rights, remedies, powers or privileges hereunder nor any partial or single exercise thereof, will constitute a waiver thereof. The giving of notice to or the filing of a claim against the Pledgors will not constitute a waiver of any rights of the Pledgee in regards to any other or further action in regards to which no notice is made or no claim is filed, as long as such an action is permitted to the Pledgee.

(b) Any amendment or supplement to the terms set forth in this Agreement shall be entered into in writing and duly signed by each of the parties hereto.

EIGHTEENTH. Costs and Expenses. (a) The Pledgors, on a joint and several basis shall pay all fees, costs, expenses, taxes, duties and charges arising from the preparation, negotiation and execution of this Agreement. Additionally, the Pledgors, on a joint and several basis shall pay to the Pledgee, all of the Pledgee's legal advisors' fees, incurred in connection with any amendment to this Agreement, as well as any fee, cost and expense related to or arising from the enforcement of the pledge created pursuant to this Agreement.

(b) The Pledgors shall, within sixty (60) days of written demand, reimburse to the Pledgee the amount of all costs and expenses (including reasonable legal fees and expenses) incurred by the Pledgee in the terms hereof. Any amounts payable to the Pledgee hereunder shall constitute Secured Obligations secured by the Pledged Equity Interests.

NINETEENTH. Novation of the Secured Obligations. The parties hereto acknowledge that in the event the Secured Obligations are novated, and pursuant to the provisions of article 2220 of the Federal Civil Code, the first priority lien granted in favor of the Pledgee and the first priority pledge created upon the Pledged Equity Interests shall remain in full force and effect regardless of such novation, and any new obligations of the Borrowers resulting from such novation will constitute Secured Obligations for all purposes hereunder.

TWENTIETH. Counterparts. This Agreement may be executed in any number of counterparts and by the parties hereto on separate counterparts, each of which when so executed and delivered shall be an original, but such counterparts together shall constitute one single and the same instrument.

TWENTY FIRST. Governing Law and Jurisdiction. (a) This Agreement shall be governed by and construed in accordance with the laws of Mexico.

(b) For the interpretation, performance and enforcement of this Agreement, each of the parties hereto, hereby irrevocably submits to the jurisdiction of the competent federal courts sitting in Mexico City, Federal District, Mexico, and expressly waives any other jurisdiction to which it may be entitled now or hereafter, by reason of its present or future domicile or otherwise.

[*INTENTIONALLY LEFT BLANK*]

IN WITNESS WHEREOF, the parties herein have caused this Agreement to be executed in four (4) copies, on the date first written above, in the places set forth below.

THE PLEDGORS

PLEDGOR A

By: ______________________________
Name:
Position:
Place:

PLEDGOR B

By: ______________________________
Name:
Position:
Place:

THE PLEDGEE

PLEDGEE

By: ______________________________

Name:

Position:

Place:

THE COMPANY

SUBSIDIARY

By: ________________________________
Name:
Position:
Place:

Exhibit A

Credit Agreement

Exhibit B

Copy of notations in Partners' Registry Book of the Company

Exhibit C

Certified Copy of the Company’s Partners Meeting Minutes

Exhibit D

Form of Irrevocable Power-of-Attorney

Constellation Brands

CIH INTERNATIONAL S.À R.L.

December 11, 2015

VIA FEDERAL EXPRESS

Grupo Modelo, S.A.B. de C.V.
Av. Javier Barnos Sierra
555-3 Piso
Col. Santa Fe
01210, Mexico, D.F.
Attention: General Counsel

RE: That certain Interim Supply Agreement between Grupo Modelo, S.A.B. de C.V. (“Supplier”) and CIH International S.à r.l., as successor by assignment to Crown Imports LLC (“**CIHI**”), dated June 7, 2013, as amended (the “**ISA**”).

Dear Sir or Madam,

Despite the reasonable efforts of CIHI and its affiliates to complete the “Brewery Expansion Plan” (as that term is defined in the ISA), continuing supply of “Product” (as that term is defined in the ISA) is required. Therefore, pursuant to Section 8.1(b) of the ISA, commencing on June 8, 2016, the terms and conditions of the ISA shall continue for an additional twelve month period.

As you are aware, the aforementioned continuation requires the approval of the United States Department of Justice Antitrust Division pursuant to the Final Judgment (as that term is defined in the ISA). Pending such approval, pursuant to the terms of the ISA Supplier will conduct itself as if the aforementioned continuation will be approved.

Very truly yours,
CIH International S.à r.l.

/s/ Nicolas Susgin

By: Nicolas Susgin
Title: Category A manager

cc:
Anheuser-Busch InBev
Brouwerijplein 1
Leuven 3000
Belgium
Attention: Chief Legal Officer and Company Secretary

Sullivan & Cromwell LLP
125 Broad Street
New York, New York 10004
Attention: Frank J. Aquila, George J. Sampas, Krishna Veeraraghavan

Exhibit 12.1

CONSTELLATION BRANDS, INC. AND SUBSIDIARIES
STATEMENT OF COMPUTATION OF RATIO OF EARNINGS TO FIXED CHARGES [a]
(in millions of dollars)

	For the Fiscal Years Ended				
	February 29, 2016	February 28, 2015	February 28, 2014	February 28, 2013	February 29, 2012
Earnings:					
Income before income taxes	$ 1,501.2	$ 1,179.6	$ 2,202.3	$ 516.4	$ 534.0
Plus fixed charges	332.3	352.3	337.5	239.4	194.0
Less interest capitalized	(12.7)	(8.2)	(0.9)	—	—
Earnings, as adjusted	$ 1,820.8	$ 1,523.7	$ 2,538.9	$ 755.8	$ 728.0
Fixed Charges:					
Interest on debt and capitalized leases, amortization of debt issuance costs, and amortization of discount on debt [b]	$ 327.8	$ 347.7	$ 332.2	$ 234.3	$ 188.0
Interest element of rentals	4.5	4.7	5.3	5.1	6.0
Total fixed charges	$ 332.3	$ 352.4	$ 337.5	$ 239.4	$ 194.0
Ratio of Earnings to Fixed Charges	5.5x	4.3x	7.5x	3.2x	3.8x

[a] For the purpose of calculating the ratio of earnings to fixed charges, “earnings” represent income before income taxes (adjusted, as appropriate, for equity in earnings of equity method investees) plus fixed charges less interest capitalized. “Fixed charges” consist of interest expensed and capitalized, amortization of debt issuance costs, amortization of discount on debt, and the portion of rental expense which management believes is representative of the interest component of lease expense.

[b] The Company’s policy is to classify interest expense recognized on uncertain tax positions as income tax expense. The Company has excluded interest expense recognized on uncertain tax positions from the Ratio of Earnings to Fixed Charges.

Exhibit 21.1

SUBSIDIARIES OF CONSTELLATION BRANDS, INC.

As of March 17, 2016

SUBSIDIARY	PLACE OF INCORPORATION/FORMATION
3022374 Canada Inc.	Canada
3112751 Nova Scotia Company	Nova Scotia
3749495 Canada Limited	Canada
3763820 Canada Limited	Canada
Accolade Wines Holdings Australia Pty Limited [1]	Australian Capital Territory
Accolade Wines Holdings Europe Limited [1]	England and Wales
Agrivin S.A.[2]	France
ALCOFI Inc.	New York
Allberry, Inc.	California
BC Tenedora Inmobiliaria, S. de R.L. de C.V.	Mexico
Ballast Point Brewing & Spirits, Inc.	Delaware
Bebidas Espirituosas Constellation Mexico, S. de R.L. de C.V.	Mexico
Black Sage Land Ltd.	British Columbia
Brant Oil & Gas Company Limited [2]	Ontario
BW Nomineeco Inc.	Ontario
Canandaigua B.V.	Netherlands
Canandaigua Limited	England and Wales
CB Cerveza Holdings S.à r.l.	Luxembourg
CB Cerveza Operations, S. de R.L. de C.V.	Mexico
CB International Finance S.à r.l.	Luxembourg
CB Nova Scotia ULC	Nova Scotia
CB Procurement LLC	Delaware
CB Spirits S.à r.l.	Luxembourg
CB Spirits Holdings S.à r.l.	Luxembourg
CBrands Mexico SA de CV	Mexico
CBMXL Servicios de Baja, S. de R.L. de C.V.	Mexico
CBUS Crew Holdings, Inc.	Delaware
CBV Canada Holdings Limited	Canada
CBV Ventures LLC	Delaware
CG Holdings S.à r.l.	Luxembourg
CI Cerveza S.à r.l.	Luxembourg
CIH Holdings Mexico, S. de R.L. de C.V.	Mexico
CIH Holdings S.à r.l.	Luxembourg

CIH International S.à r.l.	Luxembourg
Cloud Peak Corporation	California
Compañia Cervecera BC, S. de R.L. de C.V.	Mexico
Compañía Cervecera de Coahuila, S. de R.L. de C.V.	Mexico

Tradenames:

Cerveceria de Coahuila
Cerveceria Modelo

Constellation Beers Ltd.	Maryland

Tradenames:

Constellation Services

Constellation Brands Beach Holdings, Inc.	Delaware
Constellation Brands Canada, Inc.	Canada

Tradenames:

2 Origins Wine Company
Ancient Coast Wines
Bodacious Wines
Braeburn Vintners
Briarstone Vineyards
Brights Wines
California House Vintners
Cartier Wines
Cartier Wines & Beverages
Casabello Wines
Chateau-Gai Wines
Dark Horse Vineyard
East-West Wines
Entre-Lacs Vintners
Full Press Vineyards
Great Estates of Niagara
Growers Cider Co.
Hawthorne Mountain Vineyards
Inniskillin
Inniskillin Okanagan Estate
Inniskillin Okanagan Vineyards
Inniskillin Wines
Jackson-Triggs Estate Wines
Jackson-Triggs Niagara Estate Winery
Jackson-Triggs Vintners
Le Clos Jordanne

Le Clos Jordanne Estate Wines
Le Clos Jordanne Wines
Linden Bay Wines

London Wines	
Longhorn Wines	
Magnetic North Wines	
Mallee Rock Winery	
Mediterra Wines	
Meritus Wines	
Naked Grape Wines	
Open Wines	
Orion Wines	
President Sparkling Wine Company	
Saint and Sinner Wines	
Santa Isabela Wines	
Sawmill Creek Wines	
See Ya Later Ranch	
Silverthorne Vintners	
Silverthorne Wine Merchants Company	
Simply Great Wines	
Sola-Nero Wines	
Strut Wines	
Sumac Ridge Estate Winery	
TGB International Vintners	
The Canada Cooler Company	
Trove Wines	
Vex Hard Beverage Co.	
Vintage Ink Wines	
Wine-Rack	
Constellation Brands Europe Trading S.à r.l.	Luxembourg
Constellation Brands España, S.L.U.	Spain
Constellation Brands Hong Kong Limited	Hong Kong
Constellation Brands International IBC, Inc.	Barbados
Constellation Brands New Zealand Limited	New Zealand
Tradenames:	
Little Harvest Wines	
The Peoples Wine	
VNO Wines	
Constellation Brands Québec, Inc. / Marques Constellation Québec, Inc.	Québec
Tradenames:	
Atlas Marchands De Vins	
Bellini	
Bodegas Nobella	
Boomerang Peak	
Caleta Wines	

Collection Veritas	
DeNoiret	
Divin Série Prestige	
Dumont Vins & Spiritueux	
Elle	
Franchesca	
La Petite Vendange	
Les Grands Classiques Import	
Les Vins Bodacious	
Les Vins Mediterra	
Les Vins Veritas	
Louis de Lacourt	
Mallee Rock Winery	
Meritus Wines	
Nobella	
Vine & Barrel Co.	
Vino Cortes	
Vino Veritas	
Vioti Bellagio	
Wallaroo Trail	
Constellation Brands Sales Finance LLC	Delaware
Constellation Brands Schenley, Inc.	Canada
Tradenames:	
Danfield Canadian Whisky	
Schenley Distilleries	
The Black Velvet Distilling Company	
Williams & Churchill Inc.	
Constellation Brands (Shanghai) Business Consulting Co., Ltd.	Shanghai, China
Constellation Brands Singapore Pte. Ltd.	Singapore
Constellation Brands SMO, LLC	Delaware
Tradenames:	
Spirits Marque One	
Constellation Brands U.S. Operations, Inc.	New York
Tradenames:	
3 Blind Moose Cellars	
Alice White	
Alice White Vineyards	
Alice White Winery	
Almaden Brandies	
Almaden Imports	
Almaden Vineyards	
Arbor Mist Winery	

Ariesse Champagne Cellars
Axia Wine Company
Baron Philippe de Rothschild Imports
Bear Cliff Cellars
Bear Cliff Vineyards
Belaire Creek Cellars
Black Box
Black Box Wines
Blackstone Cellars
Blackstone Winery
Blossom Hill Collection
Blossom Hill Vineyards
Blossom Hill Winery
Braidenwood Estates
Brook Hollow
California Coast Winery
Callie Collection
Canandaigua Concentrate
Canandaigua West, Inc.
Caves Du Domaine
CB Vineyards
Cellars Crest Vineyards
Centerra Wine Company
Charlemont Vineyards
Chase-Limogere
Chateau LaSalle
Cheval Sauvage
Clos du Bois
Clos du Bois Estate Bottled Wines
Clos du Bois Estate Wines
Clos du Bois Vineyards
Clos du Bois Vineyards & Winery
Clos du Bois Vintners
Clos du Bois Wine Merchants
Clos du Bois Winery
Clos du Bois Winery & Vineyards
Clos du Bois Wines
Club Cellars
Club Import
Coastal Vintners
Constellation Brands

Constellation Imports
Constellation Wines U.S.
Cooks' Cellars
Cook's Champagne Cellars
Cooper & Thief Cellarmasters
Cribari & Sons
Cribari Cellars
Cribari Champagne Cellars
Cribari Winery
CWUS Imports
DC Flynt MW Selections
Deer Valley Vineyards
Delicato Cellars
Dunnewood Vineyards
Dunnewood Vineyards and Winery
Dunnewood Vineyards & Winery
Echo Falls Vineyards
Echo Falls Winery
Echo Grove Cellars
EC Vineyards
Estancia
Estancia Estate
Estancia Estates
Estancia Vineyards
Estancia Vineyards & Estates
Estancia Winery
Estate Cellars
Excelsior Wine & Spirits
FV Reserve
Farallon Vineyards
Forsythe Vineyards
Foxridge Cellars
Franciscan
Franciscan Estate
Franciscan Estate Wine Merchants
Franciscan Oakville Estate

Franciscan Vineyards
Franciscan Winery
Galleria Champagne Cellars
Hartley Cellars
Hayman & Hill
Hayman & Hill Vineyards

Hayman & Hill Wines
Heritage Village Cellars
Heritage Vineyards
Heublein
Heublein Cellars
Heublein Wines
Hidden Crush Vineyards
Hidden Crush Wines
Hoffman Grove
HRM Rex-Goliath Vineyards
HRM Rex-Goliath Winery
HRM Rex-Goliath! Wines
Inglenook Champagne Cellars
Inglenook Estate Cellars
Inglenook Vineyard Co.
Inglenook Vineyards Co.
Inglenook-Napa Valley
International Cellars
J. Roget Champagne Cellars
Jakes Fault Winery
James Arthur Field Winery
K. Cider Co.
La Terre
La Terre Cellars
La Terre Vineyards
La Terre Winery
Lodi Distribution Center
Longhorn Vineyards
Mt. Veeder Winegrowers
Mt. Veeder Winery
Madera Wineries & Distilleries
Manischewitz Vineyards
Marcus James
Marcus James Vineyards
Marcus James Winery
Mark West Winery
Mario Vincelli Cellars
Medallion Imports
Medallion Wine Imports
Meiomi Wines
Mendocino Vineyards

Milestone Winery
Mission Bell Winery
Mission Bell Wines
Monkey Bay
Motif Champagne Cellars
Nathanson Creek Cellars
Nathanson Creek Wine Cellar
Nathanson Creek Winery
Night Harvest Cellars
Nobilo Wines
North Lake Wines
No Wimpy Importers
Oakville Cellars
Oakville Vineyards
Ooh La La Wines
Paso Creek
Paul Garrett
Paul Masson Vineyards
Paul Masson Winery
Pinnacles Estate
Pinnacles Vineyard
Pinnacles Winery
Popcrush Wines
Primal Roots
Prospect Peak Cellars
PWP
R.M.E., Inc.
Ravage Wines
Ravenswood
Ravenswood Winery
R.H. Phillips
Red Guitar Winery
Rev Winery
Rex-Goliath Vineyards
Rex-Goliath Winery
Rex-Goliath Wines
Rio Vaca Vineyard
Rio Vaca Vineyards
River Oaks
River Oaks Agricorp

River Oaks Estate Bottled Wines

River Oaks Estates Vineyards

River Oaks Estates Wines

River Oaks Vineyards

River Oaks Vineyards & Winery

River Oaks Vintners

River Oaks Wine Merchants

River Oaks Winery

River Oaks Winery & Vineyards

River Oaks Wines

Robert James Ltd.
Robert Mondavi
Robert Mondavi/Baron Philippe de Rothchild
Robert Mondavi Coastal
Robert Mondavi Coastal Winery
Robert Mondavi Imports
Robert Mondavi Winery
Robert Mondavi Winery – Woodbridge
Robert Mondavi Woodbridge
Rusty Cage Wines
Rutherford Estate Cellars
Saint Regis Vineyards
Santa Lucia Winery

Santa Lucia

Santa Lucia Cellars

Santa Lucia Co.

Santa Lucia Company

Santa Lucia Orchard

Santa Lucia Vineyard

Santa Lucia Vineyards

Santa Lucia Wine

Santa Lucia Wine Cellars

Santa Lucia Wines

Sante Vineyards

Saved Wines

Shewan Jones

Simi Winery
Simply Naked Winery
Sky Rocket Wines
Sonoma Vendange
Sonoma Vendange Winery

St. Regis
St. Regis Cellars
St. Regis Vineyards
Ste. Pierre Smirnoff FLS
Stone Creek Cellars
Stonewall Canyon
Stonewall Canyon Cellars
Stonewall Canyon Creek
Stonewall Canyon Vineyards
Stonewall Canyon Winery
T.J. Swann Wines
Taco Diamonte
Talus
Talus Cellars
Talus Collection
Talus Vineyards
Talus Winery
Taylor California Cellars
The Dreaming Tree
The Jibe
The Jibe Wine Company
The R.H. Phillips Cellars
The R.H. Phillips Vineyard
Thorny Rose
Thorny Rose Wines
Toasted Head
Toasted Head Winery
Tom Gore Vineyards
Turner Road Cellars
Turner Road Vintners
Turner Road Vineyards
Turner Road Wines
Twin Fin
Twin Fin Wines
V.no Wines
Vaca Rio Olivos Vineyards
Vendange Wine Cellars
Via Firenze Vineyards
Vincor USA
Vintage Ink
W.W. Imports
Widmer California Vineyards

Wild Horse	
Wild Horse Cellars	
Wild Horse Co.	
Wild Horse Company	
Wild Horse Vineyard	
Wild Horse Vineyards	
Wild Horse Wine	
Wild Horse Wine Cellar	
Wild Horse Wine Cellars	
Wild Horse Wine Co.	
Wild Horse Wine Company	
Wild Horse Winery	
Wild Horse Winery & Vineyards	
Wild Horse Winery and Vineyards	
Wild Horse Wines	
Woodbridge Vineyards	
Woodbridge Winery	
XYZin Winery	
Zen of Zin Winery	
Constellation Canada Limited Partnership	Ontario
Constellation Capital LLC	Delaware
Constellation Europe (Holdings) Limited	England and Wales
Constellation International CWI Holdings S.C.S.	Luxembourg
Constellation International Holdings Limited	New York
Constellation Leasing, LLC	New York
Constellation Marketing Services, Inc.	Delaware
Constellation Services LLC	Delaware
Constellation Trading Company, Inc.	New York
CO Vidriera S.à r.l.[2]	Luxembourg
Crew Wine Company LLC[1]	California
Crown Imports LLC	Delaware
Tradenames:	
Constellation Brands	
Crown Imports	
Monarch Import Company	
Tocayo Brewing Company	
Crown Sales Finance LLC	Delaware
CWI Holdings LLC	New York
Franciscan Vineyards, Inc.	Delaware
Tradenames:	
Bernstein Vineyards	

Blackstone Cellars
Blackstone Winery
Burr Vineyards
California Coast Winery
Carroll Vineyards
Caymus Cellars
Chantree
Clos du Bois
Constellation Brands
Constellation Imports
Cuttings Wharf Vineyards
CWUS Imports
DC Flynt MW Selections
Dickerson Vineyard Cellars
Domaine Madeline
Dreamboat Cellars
Dreamboat Vineyards
Dreamboat Winery
Drylands Wines
Duetto
Estancia
Estancia Estates
Estancia Vineyards
Estancia Vineyards & Estates
Estancia Winery
Franciscan
Franciscan Estate
Franciscan Estate Selections
Franciscan Estate Selections, Ltd.
Franciscan Estate Wine Merchants
Franciscan Oakville Estate
Franciscan Vineyards
Franciscan Vineyards, Inc.
Franciscan Winery
Friars' Table
FV Reserve
Goldfields
Greenbrier Vineyards
Groth Vineyards
Hayman & Hill Wines

HRM Rex-Goliath Vineyards
HRM Rex-Goliath Winery

HRM Rex-Goliath! Wines
Icon Estates
J. Emerson
Kim Crawford Wines
Mathis Wine
Michael’s
Monte Verde
Moltepulciano
Mt. Veeder Winegrowers
Mt. Veeder Winery
Nap Val Winery
Nobilo Wines
No Wimpy Importers
Oakmont Vineyards
Oakville Estate
Paso Creek
Peter Mathis Wines
Pickle Canyon Vineyards
Pina Wine Cellars
Pinnacles Estate
Pinnacles Vineyard
Pinnacles Winery
Press-Oak Cellars
Press-Oak Vineyards
Press-Oak Winery
Ravenswood
Ravenswood Winery
Redwood Coast Winery
Redwood Creek Vineyards
Rio Vaca Vineyard
Rio Vaca Vineyards
River Glen Vineyards
Robert Mondavi
Round Hill Vineyards
Ruffino Import Company
Ruffino Imports
Silver Oak Cellars
Simi Winery
Simi Winescapes
Smothers Brothers Wines
Spring Creek Vineyards
Stonewall Canyon

Stonewall Canyon Cellars	
Stonewall Canyon Creek	
Stonewall Canyon Vineyards	
Stonewall Canyon Winery	
Tantalus	
Toasted Head Winery	
Tree Press Cellar	
Turtle Cellars	
Vaca Rio Olivos Vineyards	
Villa Caporicci	
Vina Caliterra	
Vineone	
Vino Bambino	
Vintage Ink	
Wild Cat Cellars	
William Scheffler Estates	
Willow Creek Cellars	
Winescapes	
Götene Västerby 1:263 AB	Sweden
Gran Caleta S.A.	Argentina
Home Brew Mart, Inc.	California
Tradenames:	
Ballast Point	
Industria Vidriera de Coahuila, S. de R.L. de C.V[3]	Mexico
Inniskillin Wines Inc.	Ontario
Kikowhero Partnership[1]	New Zealand
Kim Crawford Wines Limited	New Zealand
L.O. Smith AB[1]	Sweden
Manor Park Cellars Limited	England and Wales
Meritus Holdings Coöperatief U.A.	Netherlands
Meritus Wines Pty Limited	Australian Capital Territory
National Liquor Distributors Limited	New Zealand
Nelson's Green Brier Distillery, LLC	Delaware
Tradenames:	
Belle Meade Distillery	
Green Brier Distillery Co	
Marathon Distilling Company	
Marathon Whiskey Company	
Music City Whiskey	
Nelson's Distillery Co.	
Nelson's Green Brier	

Robertson County Distilling Company Robertson County Whiskey Company Tennessee Whiskey Company Whiskey 615	
Nk'Mip Cellars Inc.[1]	British Columbia
Nobilo Holdings	New Zealand
Nobilo Vintners Limited	New Zealand
Nobilo Wines Limited	New Zealand
Okanagan Estate Cellars Ltd.[1]	British Columbia
Okanagan Vineyards Ltd.	British Columbia
Okanagan Wine Shops Limited[2]	Canada
Opus One Winery LLC[1]	Delaware
Robert Mondavi Europe GmbH	Germany
Robert Mondavi Investments	California
Ruffino S.r.l.	Italy
Tradenames: I.L. Ruffino 1877 Srl Chianti Ruffino Srl Toscovini Srl	
Selaks Wines Limited	New Zealand
Servicios Modelo de Coahuila, S. de R.L. de C.V.	Mexico
Sociedad Vinicala Caballero De Chile Limitada	Chile
Spagnol's Wine & Beer Making Supplies Ltd.	Canada
Tradenames: R J Spagnol's Spagnol's	
Springfield Partnership[1]	New Zealand
Stanton South LLC[1]	Illinois
Tradenames: Crafthouse Cocktails	
Tenute Ruffino S.r.l. Società Agricola	Italy
Tradenames: Tenimenti Ruffino Srl Ruffino Estates Srl Tenute Ruffino S.r.l. Tenute Agricole Ruffino S.r.l.	
The Hogue Cellars, Ltd.	Washington
Tradenames: 3 Blind Moose Cellars Big O Wine Company	

Buffalo Ridge Wine Cellars
Constellation Brands
Genesis
Hayman & Hill Wines
Hogue
Hogue Cellars
Hogue Cellars, Ltd.
Horse Heaven Hills Wine
Latitudes Wine Company
Millennium
Olympic Cellars
Pacific Rim Winemakers
Paul Thomas
Peninsula
Pepper Bridge
Pepper Bridge Vineyard
Pontin Del Roza
Redwood Grove
Roza Estates Winery
Rusty Cage Wines
Salmon Harbor
Salmon Harbor Wine Cellars
Sawtooth Winery
Silver Falls
Sunridge Winery
The Magnificent Wine Company
Thorny Rose
Thorny Rose Wines
Thurston Wolfe Cellars
Washington Vineyards
Watchdog Rock Cellars

The Robert Mondavi Company LLC	Delaware

The Robert Mondavi Corporation	California
Valleyfield Vineyard Partnership[1]	New Zealand
Vidriera Holdings S.à r.l.[3]	Luxembourg
Vincor Finance, LLC	Delaware
Wicer, LLC[1]	Delaware

In addition to the tradenames listed above, which are used by subsidiaries of the registrant, the registrant uses the following tradenames:

CBI, Inc.
Alice White
Arbor Mist
Arbor Mist Winery
Aurora Valley Vineyards
Batavia Wine Cellars
Black Velvet Import Co.
Bisceglia Brothers Wine Co.
Black Box Wines
Bramble & Vine Cellars
Bristol Hills Wine Company
Canandaigua Champagne Cellars
Canandaigua Industries Co.
Canandaigua Wine Company
Carolina Wine Co.
Casa Noble Imports
Casata Vineyards
Caves du Domaine
Charles Jacquin Vineyards Co.
Chateau Donay Wine Cellars
Chateau Luzerne Vintners Co.
Chateau Martin Company
Chelsea Wine Company
Cisco Wine Company
Cisco Wine Co.
Classic Marketing Co.
Constellation Imports
Constellation Spirits
Constellation Spirits and Specialty Wines
Constellation Wines U.S.
Cook's Champagne Cellars
Cook's Sparkling Wine Cellars
Cribari & Sons
Cribari Cellars

Cribari Champagne Cellars
Cribari Winery
Crystal Wine Cellars
Dixie Wine Company
Dunnewood Vineyards & Winery
Eastern Wine Company
F. Heinrich Wine Cellars
Finger Lakes Wine Company
Gay Page Wine Cellars
Global Wine Co.
Gold Seal Vineyards
Gold Vine Winery
Golden Age Wine Cellars
Great Western Winery
Guild Wineries & Distilleries
Hammondsport Wine Company
HRM Rex-Goliath Vineyards
HRM Rex-Goliath Winery
Italian Swiss Colony
J. Roget Champagne Cellars
John MacNaughton Co.
K.C. Arey & Co.
King Solomon Wine Co.
Kings Wine Co.
La Domaine
La Petite Wine Cellars
Lake Island Champagne Cellars
Manischewitz Wine Company
Marcus James Winery
Margo Vintners
Marvino Wine Company
Masada Wine Company
McMaster Import Co.
Medallion Wine Imports
Melody Hill Vintners
Monarch Wine Co.
Monarch Wine Imports

Monte Carlo Champagne Cellars
Moselweinhaus Import Company
Mother Vineyard Wine Co.
Moulin Rouge Champagne Cellars
M-R Champagne Co.

New York State Wine Company
Old Rabbinical Bottling Co.
Paul Garrett
Paul Masson
Paul Masson Winery
Pol D'Argent Import Company
Premium Champagne Company
Red Guitar Winery
Reserve Du Domaine Vineyard
Richards Champagne Cellars
Richards Fils Et Cie Wineries
Richards Wine Company
Rosatello Wines
Satin Rose Wine Co.
Schenley Distributors
Sky Rocket Wines
Skyrocket Wines
Spirits Marque One
Southland Wine Co.
Sun Country Cellars
Taylor California Cellars
Taylor Country Cellars
Taylor Wine Cellars
Taylor Wine Company
The California Cellars of Chase-Limogere
The Great Western Winery
The Taylor Wine Company
The Taylor Wine Company, Inc.
Tiger Wine Co.
Upper Bay Wine Cellars
Vendage Wine Cellars
Vine Valley Winery
Vineyard to Wine Cellars
Virginia Dare Wine Company
Wheeler Wine Cellars
Wild Irish Rose Wine Company

Wilen Brothers Co.
Wilen Wine Co.
Winedale Vineyards
Woodbridge Winery
DNA ENTERPRISES
CDB Travel

Notes: The names of certain subsidiaries are omitted from the above schedule because such subsidiaries, considered in the aggregate as a single subsidiary, would not constitute a significant subsidiary.

The tradenames referenced in the above schedule may or may not be names registered with a governmental authority.

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[1] Less than wholly-owned entity; financial results of this entity are not consolidated with those of the registrant.

[2] Less than wholly-owned entity; financial results of this entity are consolidated with those of the registrant.

[3] Entity is wholly-owned by an entity which is less than wholly-owned by the registrant but the financial results of this entity's parent or parents, as applicable, are consolidated with those of the registrant.

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. 333-199293) and Form S-8 (Nos. 33-26694, 33-56557, 333-88391, 333-132061, 333-146849, 333-149206, and 333-161155) of Constellation Brands, Inc. (the Company) of our reports dated April 25, 2016, with respect to the consolidated balance sheets of Constellation Brands, Inc. and subsidiaries as of February 29, 2016 and February 28, 2015, and the related consolidated statements of comprehensive income, changes in stockholders' equity, and cash flows for each of the years in the three-year period ended February 29, 2016, and the effectiveness of internal control over financial reporting as of February 29, 2016, which reports appear in the February 29, 2016 annual report on Form 10-K of Constellation Brands, Inc.

/s/ KPMG LLP

Rochester, New York
April 25, 2016

Exhibit 31.1

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

Constellation Brands, Inc.
Form 10-K for Fiscal Year EndedFebruary 29, 2016

I, Robert Sands, certify that:

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

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

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

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

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

(b) Designed such internal control over financial reporting, or caused such internal control over financial reporting to be designed under our supervision, to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles;

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

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

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

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

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

Date: April 25, 2016

/s/ Robert Sands
Robert Sands
President and Chief Executive Officer

Exhibit 31.2

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

Constellation Brands, Inc.
Form 10-K for Fiscal Year EndedFebruary 29, 2016

I, David Klein, certify that:

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

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

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

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

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

(b) Designed such internal control over financial reporting, or caused such internal control over financial reporting to be designed under our supervision, to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles;

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

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

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

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

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

Date: April 25, 2016

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

Exhibit 32.1

SECTION 1350 CERTIFICATION
OF CHIEF EXECUTIVE OFFICER

Constellation Brands, Inc.
Form 10-K for Fiscal Year Ended February 29, 2016

In connection with the Constellation Brands, Inc. Annual Report on Form 10-K for the Fiscal Year Ended February 29, 2016, I, Robert Sands, certify pursuant to 18 U.S.C. Section 1350 that, to the best of my knowledge:

1. The Annual report on Form 10-K for the Fiscal Year Ended February 29, 2016 of Constellation Brands, Inc. fully complies with the requirements of section 13(a) or 15(d) of the Securities Exchange Act of 1934 (15 U.S.C. 78m or 78o(d)); and

2. The information contained in the periodic report on Form 10-K for the Fiscal Year Ended February 29, 2016 of Constellation Brands, Inc. fairly presents, in all material respects, the financial condition and results of operations of Constellation Brands, Inc.

Dated: April 25, 2016

/s/ Robert Sands
Robert Sands,
President and Chief Executive Officer

Exhibit 32.2

SECTION 1350 CERTIFICATION
OF CHIEF FINANCIAL OFFICER

Constellation Brands, Inc.
Form 10-K for Fiscal Year Ended February 29, 2016

In connection with the Constellation Brands, Inc. Annual Report on Form 10-K for the Fiscal Year Ended February 29, 2016, I, David Klein, certify pursuant to 18 U.S.C. Section 1350 that, to the best of my knowledge:

1. The Annual report on Form 10-K for the Fiscal Year Ended February 29, 2016 of Constellation Brands, Inc. fully complies with the requirements of section 13(a) or 15(d) of the Securities Exchange Act of 1934 (15 U.S.C. 78m or 78o(d)); and

2. The information contained in the periodic report on Form 10-K for the Fiscal Year Ended February 29, 2016 of Constellation Brands, Inc. fairly presents, in all material respects, the financial condition and results of operations of Constellation Brands, Inc.

Dated: April 25, 2016

/s/ David Klein
David Klein,
Executive Vice President and
Chief Financial Officer