FORM 10-Q
SECURITIES AND EXCHANGE COMMISSION
WASHINGTON, D.C. 20549

(Mark One)

[X] QUARTERLY REPORT PURSUANT TO SECTION 13 OR 15(d) OF THE SECURITIES EXCHANGE ACT OF 1934

For the quarterly period ended November 30, 1997

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 0-7570

DELAWARE	CANANDAIGUA BRANDS, INC.	16-0716709
	AND ITS SUBSIDIARIES:	
NEW YORK	BATAVIA WINE CELLARS, INC.	16-1222994
NEW YORK	CANANDAIGUA WINE COMPANY, INC.	16-1462887
NEW YORK	CANANDAIGUA EUROPE LIMITED	16-1195581
NEW YORK	ROBERTS TRADING CORP.	16-0865491
DELAWARE	BARTON INCORPORATED	36-3500366
DELAWARE	BARTON BRANDS, LTD.	36-3185921
MARYLAND	BARTON BEERS, LTD.	36-2855879
CONNECTICUT	BARTON BRANDS OF CALIFORNIA, INC.	06-1048198
GEORGIA	BARTON BRANDS OF GEORGIA, INC.	58-1215938
NEW YORK	BARTON DISTILLERS IMPORT CORP.	13-1794441
DELAWARE	BARTON FINANCIAL CORPORATION	51-0311795
WISCONSIN	STEVENS POINT BEVERAGE CO.	39-0638900
ILLINOIS	MONARCH IMPORT COMPANY	36-3539106
GEORGIA	THE VIKING DISTILLERY, INC.	58-2183528
(State or other jurisdiction of incorporation or organization)	(Exact name of registrant as specified in its charter)	(I.R.S. Employer Identification No.)

235 NORTH BLOOMFIELD ROAD, CANANDAIGUA, NEW YORK 14424

(Address of principal executive offices) (Zip Code)

(716) 393-4130

(Registrant's telephone number, including area code)

(Former name, former address and former fiscal year, if changed since last report)

Indicate by check mark whether the Registrants (1) have 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 Registrants were required to file such reports), and (2) have been subject to such filing requirements for the past 90 days.

Yes X No

The number of shares outstanding with respect to each of the classes of common stock of Canandaigua Brands, Inc., as of December 16, 1997, is set forth below (all of the Registrants, other than Canandaigua Brands, Inc., are direct or indirect wholly-owned subsidiaries of Canandaigua Brands, Inc.):

CLASS	NUMBER OF SHARES OUTSTANDING
Class A Common Stock, Par Value $.01 Per Share	15,377,367
Class B Common Stock, Par Value $.01 Per Share	3,330,458

PART I - FINANCIAL INFORMATION

ITEM 1. FINANCIAL STATEMENTS.

<TABLE>

CANANDAIGUA BRANDS, INC. AND SUBSIDIARIES
CONSOLIDATED BALANCE SHEETS
(in thousands, except share data)

<CAPTION>

	November 30, 1997	February 28, 1997
	(unaudited)	
ASSETS		
<S>	<C>	<C>
CURRENT ASSETS:		
Cash and cash investments	$ 2,298	$ 10,010
Accounts receivable, net	184,992	142,592
Inventories, net	419,392	326,626
Prepaid expenses and other current assets	19,295	21,787
Total current assets	625,977	501,015
PROPERTY, PLANT AND EQUIPMENT, net	241,381	249,552
OTHER ASSETS	264,155	270,334
Total assets	$ 1,131,513	$ 1,020,901
LIABILITIES AND STOCKHOLDERS' EQUITY		
CURRENT LIABILITIES:		
Notes payable	$ 161,000	$ 57,000
Current maturities of long-term debt	40,119	40,467
Accounts payable	69,838	63,492
Accrued Federal and state excise taxes	20,218	17,058
Other accrued expenses and liabilities	93,803	68,556
Total current liabilities	384,978	246,573
LONG-TERM DEBT, less current maturities	275,300	338,884
DEFERRED INCOME TAXES	64,695	61,395
OTHER LIABILITIES	7,862	9,316
COMMITMENTS AND CONTINGENCIES		
STOCKHOLDERS' EQUITY:		
Preferred Stock, $.01 par value- Authorized, 1,000,000 shares; Issued, none at November 30, 1997, and February 28, 1997	--	--
Class A Common Stock, $.01 par value- Authorized, 60,000,000 shares; Issued, 17,576,507 shares at November 30, 1997, and 17,462,332 shares at February 28, 1997	175	174
Class B Convertible Common Stock, $.01 par value- Authorized, 20,000,000 shares; Issued, 3,956,183 shares at November 30, 1997, and February 28, 1997	40	40
Additional paid-in capital	226,242	222,336
Retained earnings	210,297	170,275
	436,754	392,825
Less-Treasury stock-		
Class A Common Stock, 2,199,320 shares at November 30, 1997, and 1,915,468 shares at February 28, 1997, at cost	(34,878)	(25,885)
Class B Convertible Common Stock, 625,725 shares at November 30, 1997, and February 28, 1997, at cost	(2,207)	(2,207)
	(37,085)	(28,092)
Less-Unearned compensation-restricted stock award	(991)	--
Total stockholders' equity	398,678	364,733
Total liabilities and stockholders' equity	$ 1,131,513	$ 1,020,901

<FN>
The accompanying notes to consolidated financial statements are an integral part of these balance sheets.
</FN>
</TABLE>

<TABLE>

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

<CAPTION>

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

	1997	1996	1997	1996
	(unaudited)	(unaudited)	(unaudited)	(unaudited)
<S>	<C>	<C>	<C>	<C>
GROSS SALES	$ 1,252,372	$ 1,180,849	$ 432,046	$ 425,983
Less - Excise taxes	(322,134)	(307,405)	(109,343)	(108,250)
Net sales	930,238	873,444	322,703	317,733
COST OF PRODUCT SOLD	(666,747)	(649,019)	(224,703)	(236,050)
Gross profit	263,491	224,425	98,000	81,683
SELLING, GENERAL AND ADMINISTRATIVE EXPENSES	(171,772)	(161,139)	(60,289)	(58,269)
Operating income	91,719	63,286	37,711	23,414
INTEREST EXPENSE, net	(23,885)	(25,468)	(7,861)	(8,665)
Income before provision for Federal and state income taxes	67,834	37,818	29,850	14,749
PROVISION FOR FEDERAL AND STATE INCOME TAXES	(27,812)	(16,065)	(12,239)	(6,438)
NET INCOME	$ 40,022	$ 21,753	$ 17,611	$ 8,311
SHARE DATA:				
Net income per common and common equivalent share:				
Primary	$ 2.07	$ 1.10	$ 0.90	$ 0.42
Fully diluted	$ 2.05	$ 1.10	$ 0.90	$ 0.42
Weighted average common and common equivalent shares outstanding:				
Primary	19,324,073	19,864,901	19,544,459	19,617,854
Fully diluted	19,512,046	19,864,901	19,563,020	19,778,993

<FN>

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

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</TABLE>

<TABLE>

CANANDAIGUA BRANDS, INC. AND SUBSIDIARIES
CONSOLIDATED STATEMENTS OF CASH FLOWS
(in thousands)

<CAPTION>

	For the Nine Months Ended November 30,	
	1997	1996
	(unaudited)	(unaudited)
<S>	<C>	<C>
CASH FLOWS FROM OPERATING ACTIVITIES:		
Net income	$ 40,022	$ 21,753
Adjustments to reconcile net income to net		

cash (used in) provided by operating activities:		
Depreciation of property, plant and equipment	18,806	18,662
Amortization of intangible assets	6,987	7,155
Deferred tax provision	6,900	10,000
Stock-based compensation expense	529	20
Amortization of discount on long-term debt	261	29
(Gain) loss on sale of property, plant and equipment	(3,036)	201
Change in operating assets and liabilities:		
Accounts receivable, net	(42,192)	(55,635)
Inventories, net	(91,008)	(31,793)
Prepaid expenses and other current assets	2,552	9,176
Accounts payable	6,896	18,510
Accrued Federal and state excise taxes	3,161	3,150
Other accrued expenses and liabilities	21,649	17,951
Other assets and liabilities, net	(1,043)	(3,815)
Total adjustments	(69,538)	(6,389)
Net cash (used in) provided by operating activities	(29,516)	15,364
CASH FLOWS FROM INVESTING ACTIVITIES:		
Purchases of property, plant and equipment, net of minor disposals	(23,206)	(25,318)
Proceeds from sale of property, plant and equipment	12,547	5,171
Payment of accrued earn-out amounts	--	(13,848)
Net cash used in investing activities	(10,659)	(33,995)
CASH FLOWS FROM FINANCING ACTIVITIES:		
Net proceeds from notes payable	104,000	18,700
Proceeds from employee stock purchases	1,256	998
Exercise of employee stock options	1,194	10
Principal payments of long-term debt	(64,193)	(39,612)
Purchases of treasury stock	(9,233)	(19,997)
Payment of issuance costs of long-term debt	(561)	(1,478)
Proceeds from issuance of long-term debt, net of discount	--	61,668
Net cash provided by financing activities	32,463	20,289
NET (DECREASE) INCREASE IN CASH AND CASH INVESTMENTS	(7,712)	1,658
CASH AND CASH INVESTMENTS, beginning of period	10,010	3,339
CASH AND CASH INVESTMENTS, end of period	$ 2,298	$ 4,997
SUPPLEMENTAL DISCLOSURES OF NONCASH INVESTING AND FINANCING ACTIVITIES:		
Goodwill reduction on settlement of disputed final closing net current asset statement for Vintners Acquisition	$ --	$ 5,894

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

CANANDAIGUA BRANDS, INC. AND SUBSIDIARIES
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
NOVEMBER 30, 1997

1) MANAGEMENT'S REPRESENTATIONS:

The condensed consolidated financial statements included herein have been prepared by the Company, without audit, pursuant to the rules and regulations of the Securities and Exchange Commission applicable to quarterly reporting on Form 10-Q and reflect, in the opinion of the Company, all adjustments necessary to present the financial information for Canandaigua Brands, Inc. and its subsidiaries. All such adjustments are of a normal recurring nature. Certain information and footnote disclosures normally included in financial statements, prepared in accordance with generally accepted accounting principles, have been condensed or omitted as permitted by such rules and regulations. These consolidated financial statements and related notes should be read in conjunction with the consolidated financial statements and related notes included in the Company's Annual Report on Form 10-K for the fiscal year ended February 28, 1997.

2) SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES:

Certain November 1996 balances have been reclassified to conform with current year presentation.

3) INVENTORIES:

Inventories are valued at the lower of cost (computed in accordance with the last-in, first-out (LIFO) or first-in, first-out (FIFO) methods) or market. Substantially all of the inventories are valued using the LIFO method. Elements of cost include materials, labor and overhead and consist of the following:

(in thousands)	November 30, 1997	February 28, 1997
Raw materials and supplies	$ 13,203	$ 14,191
Wines and distilled spirits in process	330,987	262,289
Finished case goods	98,707	72,526
	442,897	349,006
Less - LIFO reserve	(23,505)	(22,380)
	$ 419,392	$ 326,626

Information related to the FIFO method of inventory valuation may be useful in comparing operating results to those companies not using the LIFO method of inventory valuation. If the FIFO method had been used, reported net income would have been $0.7 million, or $0.03 per share on a fully diluted basis, higher for the nine months ended November 30, 1997, and reported net income would have been $12.5 million, or $0.63 per share on a fully diluted basis, higher for the nine months ended November 30, 1996.

4) NET INCOME PER COMMON AND COMMON EQUIVALENT SHARE:

Net income per common and common equivalent share is based on the weighted average number of common and dilutive common equivalent shares outstanding during each period. Dilutive common equivalent shares consist of stock options.

5) STOCK INCENTIVE PLANS:

At the Company's Annual Meeting of Stockholders held on July 22, 1997, stockholders approved the amendment and restatement of the Company's Stock Option and Stock Appreciation Right Plan as the Long-Term Stock Incentive Plan and the adoption of the Company's Incentive Stock Option Plan.

Under the Long-Term Stock Incentive Plan, non-qualified stock options, stock appreciation rights, restricted stock and other stock-based awards may be granted to employees, officers and directors of the Company. Grants, in the aggregate, may not exceed 4,000,000 shares of the Company's Class A Common Stock.

Under the Incentive Stock Option Plan, incentive stock options may be granted to employees, including officers, of the Company. Grants, in the aggregate, may not exceed 1,000,000 shares of the Company's Class A Common Stock. The exercise price of any incentive stock option may not be less than the fair market value of the shares on the date of grant.

6) SUMMARIZED FINANCIAL INFORMATION - SUBSIDIARY GUARANTORS:

The subsidiary guarantors are wholly owned and the guarantees are full, unconditional, joint and several obligations of each of the subsidiary guarantors. Summarized financial information for the subsidiary guarantors is set forth below. Separate financial statements for the subsidiary guarantors of the Company are not presented because the Company has determined that such financial statements would not be material to investors. The subsidiary guarantors comprise all of the direct and indirect subsidiaries of the Company, other than the non-guarantor subsidiaries which individually, and in the aggregate, are inconsequential. There are no restrictions on the ability of the subsidiary guarantors to transfer funds to the Company in the form of cash dividends or loan repayments. The subsidiary guarantors may not loan funds to the Company.

The following table presents summarized financial information for subsidiary guarantors in connection with all of the Company's 8.75% Senior Subordinated Notes:

(in thousands)	November 30, 1997	February 28, 1997
Balance Sheet Data:		
Current assets	$ 501,384	$ 401,870
Noncurrent assets	$ 390,495	$ 403,068
Current liabilities	$ 104,699	$ 100,009
Noncurrent liabilities	$ 64,480	$ 65,300

	For the Nine Months Ended November 30,		For the Three Months Ended November 30,	
	1997	1996	1997	1996
(in thousands)				
Income Statement Data:				
Net sales	$764,457	$718,676	$250,119	$264,883
Gross profit	$153,590	$127,306	$ 47,165	$ 48,599
Income before provision for Federal and state income taxes	$ 58,658	$ 34,602	$ 17,210	$ 18,043
Net income	$ 34,886	$ 19,903	$ 10,118	$ 10,466

7) ACCOUNTING PRONOUNCEMENTS:

In February 1997, Statement of Financial Accounting Standards No. 128, "Earnings per Share," (SFAS No. 128) and Statement of Financial Accounting Standards No. 129, "Disclosure of Information about Capital Structure," (SFAS No. 129) were issued. SFAS No. 128 requires the Company to present basic and diluted earnings per share in the financial statements. The Company is required to adopt SFAS No. 128 for the year ending February 28, 1998, and restate previously reported earnings per share. Early adoption is not permitted. The Company believes the effect of adoption will not be material. SFAS No. 129 consolidates specific existing disclosure requirements and establishes standards for disclosing information about an entity's capital structure. The Company is required to adopt SFAS No. 129 for the year ending February 28, 1998. The Company believes the effect of adoption will not be material.

In June 1997, Statement of Financial Accounting Standards No. 130, "Reporting Comprehensive Income," (SFAS No. 130) and Statement of Financial Accounting Standards No. 131, "Disclosures about Segments of an Enterprise and Related Information," (SFAS No. 131) were issued. SFAS No. 130 establishes standards for reporting and display of comprehensive income and its components in a full set of financial statements. The Company is required to adopt SFAS No. 130 for interim periods and fiscal years beginning March 1, 1998. Reclassification of financial statements for earlier periods provided for comparative purposes is required. The Company believes the effect of adoption will not be material. SFAS No. 131 establishes standards for reporting information about operating segments in annual financial statements and requires reporting of selected information in interim financial statements. The Company is required to adopt SFAS No. 131 for fiscal years beginning March 1, 1998, and for interim periods beginning March 1, 1999. Restatement of comparative information for earlier years is required in the initial year of adoption and comparative information for interim periods in the initial year of adoption is to be reported for interim periods in the second year of application. The Company has not yet determined the impact of SFAS No. 131 on its financial statements.

8) SUBSEQUENT EVENT - NEW CREDIT AGREEMENT:

Senior credit facility:

On December 19, 1997, the Company and a syndicate of banks (the Syndicate Banks) entered into a new $325.0 million senior Credit Agreement (the Credit Agreement). The proceeds of the Credit Agreement were used to repay all outstanding principal and accrued interest on all loans under the Company's Third Amended and Restated Credit Agreement, as amended. As compared to the previous bank credit agreement, the Credit Agreement includes, among other things, lower interest rates, lower

quarterly loan amortization and greater flexibility with respect to effecting acquisitions, incurring indebtedness and repurchasing the Company's capital stock.

The Credit Agreement provides for a $140.0 million term loan facility due in June 2003 and a $185.0 million revolving loan facility, including letters of credit up to a maximum of $20.0 million, which expires in June 2003. The rate of interest payable, at the Company's option, is a function of the London interbank offered rate (LIBOR) plus a margin, federal funds rate plus a margin or the prime rate. The margin is adjustable based upon the Company's Debt Ratio (as defined in the Credit Agreement). There are certain mandatory term loan prepayments including, if the proceeds of which are not used to finance an acquisition, aggregate net proceeds received in excess of $50.0 million from any Debt Incurrence (as defined in the Credit Agreement) and 50% of any net proceeds from the sale of equity, and net proceeds from the sale of assets not reinvested in like assets.

The term loan facility requires quarterly repayments of $6.0 million beginning March 1998 through December 2002, and payments of $10.0 million in March 2003 and June 2003. Currently, the margin on the term loan facility borrowings is 0.75% and may be decreased by up to 0.35% and increased by up to 0.5% depending on the Company's Debt Ratio.

The revolving loan facility is utilized to finance working capital requirements. The Credit Agreement requires that the Company reduce the outstanding balance of the revolving loan facility to less than $60.0 million for thirty consecutive days during the six months ending each August 31. Currently, the margin on the revolving loan facility is 0.5% and may be decreased by up to 0.25% and increased by up to 0.4% depending on the Company's Debt Ratio. In addition, the Company pays a facility fee on the revolving loan commitments. Currently, the facility fee is 0.25% and may be reduced or increased by 0.1% subject to the Company's Debt Ratio.

The Syndicate Banks have been given security interests in substantially all of the assets of the Company including mortgage liens on certain real property. The Company is subject to customary secured lending covenants including those restricting additional liens, the incurrence of additional indebtedness, the sale of assets, the payment of dividends, transactions with affiliates and the making of certain investments. The primary financial covenants require the maintenance of a Debt Ratio, a senior debt coverage ratio, a fixed charge ratio and an interest coverage ratio. Among the most restrictive covenants contained in the Credit Agreement is the requirement to maintain a fixed charge ratio of not less than 1.0 at the last day of each fiscal quarter for the most recent four quarters.

ITEM 2. MANAGEMENT'S DISCUSSION AND ANALYSIS OF FINANCIAL CONDITION AND RESULTS OF OPERATIONS.

INTRODUCTION

The following discussion and analysis summarizes the significant factors affecting (i) consolidated results of operations of the Company for the three months ended November 30, 1997 ("Third Quarter 1998"), compared to the three months ended November 30, 1996 ("Third Quarter 1997"), and for the nine months ended November 30, 1997 ("Nine Months 1998"), compared to the nine months ended November 30, 1996 ("Nine Months 1997"), and (ii) financial liquidity and capital resources for the nine months ended November 30, 1997. This discussion and analysis should be read in conjunction with the Company's consolidated financial statements and notes thereto included herein and in the Company's Annual Report on Form 10-K for the fiscal year ended February 28, 1997.

The Company operates primarily in the beverage alcohol industry. The Company is principally a producer and supplier of wines and an importer and producer of beers and distilled spirits. The Company's branded products and its other products and services are marketed by three operating divisions: Canandaigua Wine Company, Barton Beers and Barton Brands.

RESULTS OF OPERATIONS

THIRD QUARTER 1998 COMPARED TO THIRD QUARTER 1997

NET SALES

The following table sets forth the net sales (in thousands of dollars) and unit volumes (in thousands of cases), if applicable, for branded beverage alcohol products and other products and services sold by the Company for Third Quarter 1998 and Third Quarter 1997.

Third Quarter 1998 Compared to Third Quarter 1997

Branded Beverage Alcohol Products:	Net Sales 1998	Net Sales 1997	Net Sales %Increase/ (Decrease)	Unit Volume 1998	Unit Volume 1997	Unit Volume %Increase/ (Decrease)
Wine	$153,353	$152,224	0.7%	7,799	7,943	(1.8%)
Beer	92,605	74,314	24.6%	7,357	5,892	24.9%
Spirits	51,359	51,045	0.6%	2,520	2,476	1.8%
Other (a)	25,386	40,150	(36.8%)	N/A	N/A	N/A
	$322,703	$317,733	1.6%	17,676	16,311	8.4%

(a) Other consists primarily of non-branded concentrate sales, contract bottling and other production services and bulk product sales, none of which are sold in case quantities.

Net sales for Third Quarter 1998 increased to $322.7 million from $317.7 million for Third Quarter 1997, an increase of $5.0 million, or 1.6%. This increase resulted primarily from (i) $18.3 million of additional beer sales, largely Mexican beers, and (ii) $2.6 million of additional table wine sales. These increases were partially offset by lower sales of grape juice concentrate, bulk wine and other branded wine products. Unit volume for branded beverage alcohol products for Third Quarter 1998 increased 8.4% as compared to Third Quarter 1997. The unit volume increase was the result of increased sales of the Company's Mexican beer brands and its spirits brands. Unit volume of the Company's wine brands decreased slightly as compared to Third Quarter 1997.

GROSS PROFIT

The Company's gross profit increased to $98.0 million for Third Quarter 1998 from $81.7 million for Third Quarter 1997, an increase of $16.3 million, or 20.0%. As a percent of net sales, gross profit increased to 30.4% for Third Quarter 1998 from 25.7% for Third Quarter 1997. The dollar increase in gross profit resulted primarily from cost structure improvements and higher average selling prices related to branded wine sales, and additional beer sales volume.

In general, the preferred method of accounting for inventory valuation is the last-in, first-out method ("LIFO") because, in most circumstances, it results in a better matching of costs and revenues. For comparison purposes to companies using the first-in, first-out method of accounting for inventory valuation ("FIFO") only, gross profit reflected an addition of $1.8 million and a reduction of $8.0 million in Third Quarter 1998 and Third Quarter 1997, respectively, due to the Company's LIFO accounting method. The Company's gross profit for Third Quarter 1998 reflects the cumulative effect of revised cost estimates, including more favorable grape costs than had been estimated through the first six months of 1998.

SELLING, GENERAL AND ADMINISTRATIVE EXPENSES

Selling, general and administrative expenses increased to $60.3 million for Third Quarter 1998 from $58.3 million for Third Quarter 1997, an increase of $2.0 million, or 3.5%. The dollar increase in selling, general and administrative expenses resulted principally from selling and other expenses related to the Company's increased beer sales volume and overall growth. Selling, general and administrative expenses as a percent of net sales increased to 18.7% for Third Quarter 1998 as compared to 18.3% for Third Quarter 1997. The increase in percent of net sales resulted from a change in the sales mix driven by an increase in net sales of branded products, which have a higher percent of marketing and selling costs relative to sales, partially offset by a decrease in net sales of nonbranded products which have relatively little associated marketing and selling costs.

INTEREST EXPENSE, NET

Net interest expense decreased to $7.9 million for Third Quarter 1998 from $8.7 million for Third Quarter 1997, a decrease of $0.8 million, or 9.3%. The decrease was primarily due to a decrease in the Company's average borrowings.

PROVISION FOR FEDERAL AND STATE INCOME TAXES

The Company's effective tax rate for Third Quarter 1998 decreased to 41.0% from 43.7% for Third Quarter 1997 as Third Quarter 1997 reflected a higher effective tax rate in California caused by statutory limitations on the Company's ability to utilize certain deductions.

NET INCOME

As a result of the above factors, net income increased to $17.6 million for Third Quarter 1998 from $8.3 million for Third Quarter 1997, an increase of $9.3 million, or 111.9%.

For financial analysis purposes only, the Company's earnings before interest, taxes, depreciation and amortization ("EBITDA") for Third Quarter 1998 were $46.2 million, an increase of $14.2 million over EBITDA of $32.0 million for Third Quarter 1997. EBITDA should not be construed as an alternative to

operating income or net cash flow from operating activities and should not be construed as an indication of operating performance or as a measure of liquidity.

NINE MONTHS 1998 COMPARED TO NINE MONTHS 1997

NET SALES

The following table sets forth the net sales (in thousands of dollars) and unit volumes (in thousands of cases), if applicable, for branded beverage alcohol products and other products and services sold by the Company for Nine Months 1998 and Nine Months 1997.

	Nine Months 1998 Compared to Nine Months 1997					
	Net Sales			Unit Volume		
Branded Beverage Alcohol Products:	1998	1997	%Increase/ (Decrease)	1998	1997	%Increase/ (Decrease)
Wine	$400,891	$392,629	2.1%	20,961	20,809	0.7%
Beer	298,601	237,628	25.7%	23,796	18,964	25.5%
Spirits	153,093	141,266	8.4%	7,644	7,235	5.7%
Other (a)	77,653	101,921	(23.8%)	N/A	N/A	N/A
	$930,238	$873,444	6.5%	52,401	47,008	11.5%

(a) Other consists primarily of non-branded concentrate sales, contract bottling and other production services and bulk product sales, none of which are sold in case quantities.

Net sales for Nine Months 1998 increased to $930.2 million from $873.4 million for Nine Months 1997, an increase of $56.8 million, or 6.5%. This increase resulted primarily from (i) $61.0 million of additional beer sales, largely Mexican beers, (ii) $13.3 million of additional table wine sales and (iii) $11.8 million of additional spirits sales. These increases were partially offset by lower sales of grape juice concentrate, bulk wine and other branded wine products. Unit volume for branded beverage alcohol products for Nine Months 1998 increased 11.5% as compared to Nine Months 1997. The unit volume increase was largely the result of increased sales of the Company's Mexican beer brands and its spirits brands. The increase in table wine brands unit volume was partially offset by a decrease in unit volume of dessert wine brands and sparkling wine brands.

GROSS PROFIT

The Company's gross profit increased to $263.5 million for Nine Months 1998 from $224.4 million for Nine Months 1997, an increase of $39.1 million, or 17.4%. As a percent of net sales, gross profit increased to 28.3% for Nine Months 1998 from 25.7% for Nine Months 1997. The dollar increase in gross profit resulted primarily from increased beer sales, higher average selling prices and cost structure improvements related to branded wine sales, higher average selling prices in excess of cost increases related to grape juice concentrate sales and higher average selling prices and increased volume related to branded spirits sales. These increases were partially offset by lower sales volume of grape juice concentrate and bulk wine.

In general, the preferred method of accounting for inventory valuation is the last-in, first-out method ("LIFO") because, in most circumstances, it results in a better matching of costs and revenues. For comparison purposes to companies using the first-in, first-out method of accounting for inventory

valuation ("FIFO") only, gross profit reflected a reduction of $1.1 million and $21.8 million in Nine Months 1998 and Nine Months 1997, respectively, due to the Company's LIFO accounting method.

SELLING, GENERAL AND ADMINISTRATIVE EXPENSES

Selling, general and administrative expenses increased to $171.8 million for Nine Months 1998 from $161.1 million for Nine Months 1997, an increase of $10.6 million, or 6.6%. The dollar increase in selling, general and administrative expenses resulted principally from selling and other expenses related to the Company's increased sales volume and overall growth. Selling, general and administrative expenses as a percent of net sales increased to 18.5% for Nine Months 1998 as compared to 18.4% for Nine Months 1997. The increase in percent of net sales resulted from a change in the sales mix driven by an increase in net sales of branded products, which have a higher percent of marketing and selling costs relative to sales, partially offset by a decrease in net sales of nonbranded products which have relatively little associated marketing and selling costs.

INTEREST EXPENSE, NET

Net interest expense decreased to $23.9 million for Nine Months 1998 from $25.5 million for Nine Months 1997, a decrease of $1.6 million, or 6.2%. The decrease was primarily due to a decrease in the Company's average borrowings which was partially offset by an increase in the average interest rate.

PROVISION FOR FEDERAL AND STATE INCOME TAXES

The Company's effective tax rate for Nine Months 1998 decreased to 41.0%

from 42.5% for Nine Months 1997 as Nine Months 1997 reflected a higher effective tax rate in California caused by statutory limitations on the Company's ability to utilize certain deductions.

NET INCOME

As a result of the above factors, net income increased to $40.0 million for Nine Months 1998 from $21.8 million for Nine Months 1997, an increase of $18.3 million, or 84.0%.

For financial analysis purposes only, the Company's earnings before interest, taxes, depreciation and amortization ("EBITDA") for Nine Months 1998 were $117.5 million, an increase of $28.4 million over EBITDA of $89.1 million for Nine Months 1997. EBITDA should not be construed as an alternative to operating income or net cash flow from operating activities and should not be construed as an indication of operating performance or as a measure of liquidity.

FINANCIAL LIQUIDITY AND CAPITAL RESOURCES
- --

GENERAL

The Company's principal use of cash in its operating activities is for purchasing and carrying inventories. The Company's primary source of liquidity has historically been cash flow from operations, except during the annual fall grape harvests when the Company has relied on short-term borrowings. The annual grape crush normally begins in August and runs through October. The Company generally begins purchasing grapes in August with payments for such grapes beginning to come due in September. The Company's short-term borrowings to support such purchases generally reach their highest levels in November or December. Historically, the Company has used cash flow from operating activities to repay its short-term borrowings. The Company will continue to use its short-term borrowings to support its

working capital requirements. The Company believes that cash provided by operating activities and its financing activities, primarily short-term borrowings, will provide adequate resources to satisfy its working capital, liquidity and anticipated capital expenditure requirements for both its short-term and long-term capital needs.

NINE MONTHS 1998 CASH FLOWS

OPERATING ACTIVITIES

Net cash used in operating activities for Nine Months 1998 was $29.5 million which resulted from a net increase of $130.7 million in operating assets, partially offset by a net increase of $70.5 million in net income adjusted for noncash items plus a net increase of $30.7 million in operating liabilities. The net increase of $130.7 million in operating assets resulted principally from a $91.0 million net increase in inventory levels, primarily the result of the purchase of grapes from the 1997 grape harvest, and a $42.2 million increase in accounts receivable primarily due to higher seasonal sales of products. The net increase of $30.7 million in operating liabilities was primarily due to a $21.6 million increase in other accrued expenses and liabilities, including advertising and promotion accruals associated with the Company's unit volume increase, accrued income taxes and accrued interest.

INVESTING ACTIVITIES AND FINANCING ACTIVITIES

Net cash used in investing activities for Nine Months 1998 was $10.7 million which resulted from $23.2 million of capital expenditures, including $8.7 million for vineyards, partially offset by proceeds from the sale of property, plant and equipment of $12.5 million.

Net cash provided by financing activities for Nine Months 1998 was $32.5 million which resulted primarily from net proceeds of $104.0 million of revolving loan borrowings under the Company's bank credit agreement, partially offset by principal payments of $64.2 million of long-term debt and repurchase of $9.2 million of the Company's Class A Common Stock.

During January 1996, the Company's Board of Directors authorized the repurchase of up to $30.0 million of its Class A Common Stock and Class B Common Stock (the "Repurchase Program"). During May 1997, the Company completed the Repurchase Program with the repurchase of 362,100 shares of its Class A Common Stock at a cost of $9.2 million. With respect to the Repurchase Program, the Company repurchased a total of 1,149,550 shares of Class A Common Stock at an aggregate cost of $30.0 million, or at an average cost of $26.10 per share.

DEBT

Total debt outstanding as of November 30, 1997, amounted to $476.4 million, an increase of $40.1 million from February 28, 1997, resulting primarily from the net proceeds of revolving loan borrowings, partially offset by principal payments of long-term debt. The ratio of total debt to total capitalization decreased to 54.4% as of November 30, 1997, from 54.5% as of February 28, 1997.

As of November 30, 1997, under its bank credit agreement, the Company had outstanding term loans of $122.2 million bearing interest at 6.5%, $161.0 million of revolving loans bearing interest at 6.5%, undrawn revolving letters of credit of $7.9 million and $16.1 million available to be drawn in revolving loans.

As of November 30, 1997, the Company had outstanding $195.0 million aggregate principal amount of 8 3/4% Senior Subordinated Notes due 2003. The notes are unsecured and subordinated to the prior payment in full of all senior indebtedness of the Company, which includes the bank credit agreement. The notes are guaranteed, on a senior subordinated basis, by substantially all of the Company's operating subsidiaries.

On December 19, 1997, the Company, its principal operating subsidiaries, and a syndicate of banks (the "Syndicate Banks"), for which The Chase Manhattan Bank acts as Administrative Agent, entered into a new $325.0 million senior Credit Agreement (the "Credit Agreement"). The proceeds of the Credit Agreement were used to repay all outstanding principal and accrued interest on all loans under the Company's Third Amended and Restated Credit Agreement, as amended. As compared to the previous bank credit agreement, the Credit Agreement includes, among other things, lower interest rates, lower quarterly loan amortization and greater flexibility with respect to effecting acquisitions, incurring indebtedness and repurchasing the Company's capital stock.

The Credit Agreement provides for a $140.0 million term loan facility due in June 2003 and a $185.0 million revolving loan facility, including letters of credit up to a maximum of $20.0 million, which expires in June 2003. The rate of interest payable, at the Company's option, is a function of the London interbank offered rate (LIBOR) plus a margin, federal funds rate plus a margin or the prime rate. The margin is adjustable based upon the Company's Debt Ratio (as defined in the Credit Agreement). There are certain mandatory term loan prepayments including, if the proceeds of which are not used to finance an acquisition, aggregate net proceeds received in excess of $50.0 million from any Debt Incurrence (as defined in the Credit Agreement) and 50% of any net proceeds from the sale of equity, and net proceeds from the sale of assets not reinvested in like assets.

The term loan facility requires quarterly repayments of $6.0 million beginning March 1998 through December 2002, and payments of $10.0 million in March 2003 and June 2003. Currently, the margin on the term loan facility borrowings is 0.75% and may be decreased by up to 0.35% and increased by up to 0.5% depending on the Company's Debt Ratio.

The revolving loan facility is utilized to finance working capital requirements. The Credit Agreement requires that the Company reduce the outstanding balance of the revolving loan facility to less than $60.0 million for thirty consecutive days during the six months ending each August 31. Currently, the margin on the revolving loan facility is 0.5% and may be decreased by up to 0.25% and increased by up to 0.4% depending on the Company's Debt Ratio. In addition, the Company pays a facility fee on the revolving loan commitments. Currently, the facility fee is 0.25% and may be reduced or increased by 0.1% subject to the Company's Debt Ratio.

Each of the Company's principal operating subsidiaries has guaranteed, jointly and severally, the Company's obligations under the Credit Agreement. The Syndicate Banks have been given security interests in substantially all of the assets of the Company and its subsidiaries. The Company and its subsidiaries are subject to customary secured lending covenants including those restricting additional liens, the incurrence of additional indebtedness, the sale of assets, the payment of dividends, transactions with affiliates and the making of certain investments. The primary financial covenants require the maintenance of a Debt Ratio, a senior debt coverage ratio, a fixed charge ratio and an interest coverage ratio. Among the most restrictive covenants contained in the Credit Agreement is the requirement to maintain a fixed charge ratio of not less than 1.0 at the last day of each fiscal quarter for the most recent four quarters.

As of December 22, 1997, under the Credit Agreement, the Company had outstanding term loans of $140.0 million bearing interest at 6.7%, $116.0 million of revolving loans bearing interest at 6.4%, undrawn revolving letters of credit of $7.2 million and $61.8 million available to be drawn in revolving loans.

PART II - OTHER INFORMATION

ITEM 1. LEGAL PROCEEDINGS.

As previously reported under Item 3 in the Company's Annual Report on Form 10-K for the fiscal year ended February 28, 1997, which is incorporated herein by reference, the Company was involved in an investigation in the State of New Jersey with respect to regulatory trade practices in the beverage alcohol industry. Effective October 14, 1997, the Company entered into a Consent Order with the State of New Jersey to conclude the investigation with respect to the Company. The Company's Consent Order fully resolves the matter without any material effect on the Company.

ITEM 6. EXHIBITS AND REPORTS ON FORM 8-K.

(a) See Index to Exhibits located on Page 19 of this Report.

(b) No Reports on Form 8-K were filed with the Securities and Exchange Commission during the quarter ended November 30, 1997.

SIGNATURES

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

CANANDAIGUA BRANDS, INC.

Dated: December 22, 1997 By: /s/ Thomas F. Howe

Thomas F. Howe, Vice President,
Corporate Reporting and Controller

Dated: December 22, 1997 By: /s/ Thomas S. Summer

Thomas S. Summer, Senior Vice
President and Chief Financial
Officer
(Principal Financial Officer and
Principal Accounting Officer)

SUBSIDIARIES

BATAVIA WINE CELLARS, INC.

Dated: December 22, 1997 By: /s/ Thomas F. Howe

Thomas F. Howe, Controller

Dated: December 22, 1997 By: /s/ Thomas S. Summer

Thomas S. Summer, Treasurer
(Principal Financial Officer and
Principal Accounting Officer)

CANANDAIGUA WINE COMPANY, INC.

Dated: December 22, 1997 By: /s/ Thomas F. Howe

Thomas F. Howe, Controller

Dated: December 22, 1997 By: /s/ Thomas S. Summer

Thomas S. Summer, Treasurer
(Principal Financial Officer and
Principal Accounting Officer)

CANANDAIGUA EUROPE LIMITED

Dated: December 22, 1997 By: /s/ Thomas F. Howe

Thomas F. Howe, Controller

Dated: December 22, 1997 By: /s/ Thomas S. Summer

Thomas S. Summer, Treasurer
(Principal Financial Officer and
Principal Accounting Officer)

ROBERTS TRADING CORP.

Dated: December 22, 1997 By: /s/ Thomas F. Howe
Thomas F. Howe, Controller

Dated: December 22, 1997 By: /s/ Thomas S. Summer
Thomas S. Summer, Treasurer
(Principal Financial Officer and
Principal Accounting Officer)

BARTON INCORPORATED

Dated: December 22, 1997 By: /s/ Alexander L. Berk
Alexander L. Berk, President and
Chief Operating Officer

Dated: December 22, 1997 By: /s/ Raymond E. Powers
Raymond E. Powers, Executive Vice
President, Treasurer and Assistant
Secretary
(Principal Financial Officer and
Principal Accounting Officer)

BARTON BRANDS, LTD.

Dated: December 22, 1997 By: /s/ Alexander L. Berk
Alexander L. Berk, Executive Vice
President

Dated: December 22, 1997 By: /s/ Raymond E. Powers
Raymond E. Powers, Executive Vice
President, Treasurer and Assistant
Secretary
(Principal Financial Officer and
Principal Accounting Officer)

BARTON BEERS, LTD.

Dated: December 22, 1997 By: /s/ Alexander L. Berk
Alexander L. Berk, Executive Vice
President

Dated: December 22, 1997 By: /s/ Raymond E. Powers
Raymond E. Powers, Executive Vice
President, Treasurer and Assistant
Secretary
(Principal Financial Officer and
Principal Accounting Officer)

BARTON BRANDS OF CALIFORNIA, INC.

Dated: December 22, 1997 By: /s/ Alexander L. Berk
Alexander L. Berk, Executive Vice
President

Dated: December 22, 1997 By: /s/ Raymond E. Powers
Raymond E. Powers, Executive Vice
President, Treasurer and Assistant
Secretary
(Principal Financial Officer and
Principal Accounting Officer)

BARTON BRANDS OF GEORGIA, INC.

Dated: December 22, 1997 By: /s/ Alexander L. Berk

Alexander L. Berk, Executive Vice President

Dated: December 22, 1997 By: /s/ Raymond E. Powers

Raymond E. Powers, Executive Vice President, Treasurer and Assistant Secretary
(Principal Financial Officer and Principal Accounting Officer)

BARTON DISTILLERS IMPORT CORP.

Dated: December 22, 1997 By: /s/ Alexander L. Berk

Alexander L. Berk, Executive Vice President

Dated: December 22, 1997 By: /s/ Raymond E. Powers

Raymond E. Powers, Executive Vice President, Treasurer and Assistant Secretary
(Principal Financial Officer and Principal Accounting Officer)

BARTON FINANCIAL CORPORATION

Dated: December 22, 1997 By: /s/ Raymond E. Powers

Raymond E. Powers, President and Secretary

Dated: December 22, 1997 By: /s/ Charles T. Schlau

Charles T. Schlau, Treasurer
(Principal Financial Officer and Principal Accounting Officer)

STEVENS POINT BEVERAGE CO.

Dated: December 22, 1997 By: /s/ Alexander L. Berk

Alexander L. Berk, Executive Vice President

Dated: December 22, 1997 By: /s/ Raymond E. Powers

Raymond E. Powers, Executive Vice President, Treasurer and Assistant Secretary
(Principal Financial Officer and Principal Accounting Officer)

MONARCH IMPORT COMPANY

Dated: December 22, 1997 By: /s/ Alexander L. Berk

Alexander L. Berk, Executive Vice President

Dated: December 22, 1997 By: /s/ Raymond E. Powers

Raymond E. Powers, Executive Vice President, Treasurer and Assistant Secretary
(Principal Financial Officer and Principal Accounting Officer)

THE VIKING DISTILLERY, INC.

Dated: December 22, 1997 By: /s/ Alexander L. Berk

Alexander L. Berk, Executive Vice President

Dated: December 22, 1997 By: /s/ Raymond E. Powers

Raymond E. Powers, Executive Vice President, Treasurer and Assistant Secretary
(Principal Financial Officer and Principal Accounting Officer)

INDEX TO EXHIBITS

(2) PLAN OF ACQUISITION, REORGANIZATION, ARRANGEMENT, LIQUIDATION OR SUCCESSION.

Not applicable.

(3) ARTICLES OF INCORPORATION AND BY-LAWS.

3.1(a) Certificate of Amendment of the Certificate of Incorporation of Canandaigua Wine Company, Inc. (now known as Canandaigua Brands, Inc., hereinafter in this Index to Exhibits, the "Company") (filed as Exhibit 3.1(a) to the Company's Quarterly Report on Form 10-Q for the fiscal quarter ended August 31, 1997 and incorporated herein by reference).

3.1(b) Restated Certificate of Incorporation of the Company (filed as Exhibit 3.1 to the Company's Transition Report on Form 10-K for the Transition Period from September 1, 1995 to February 29, 1996 and incorporated herein by reference).

3.2 Amended and Restated By-Laws of the Company (filed as Exhibit 3.2 to the Company's Quarterly Report on Form 10-Q for the fiscal quarter ended August 31, 1997 and incorporated herein by reference).

(4) INSTRUMENTS DEFINING THE RIGHTS OF SECURITY HOLDERS, INCLUDING INDENTURES.

4.1 Specimen of Certificate of Class A Common Stock of the Company (filed as Exhibit 1.1 to the Company's Registration Statement on Form 8-A dated April 28, 1992 and incorporated herein by reference).

4.2 Specimen of Certificate of Class B Common Stock of the Company (filed as Exhibit 1.2 to the Company's Registration Statement on Form 8-A dated April 28, 1992 and incorporated herein by reference).

4.3 Indenture dated as of December 27, 1993 among the Company, its Subsidiaries and The Chase Manhattan Bank (as successor to Chemical Bank) (filed as Exhibit 4.1 to the Company's Quarterly Report on Form 10-Q for the fiscal quarter ended November 30, 1993 and incorporated herein by reference).

4.4 First Supplemental Indenture dated as of August 3, 1994 among the Company, Canandaigua West, Inc. and The Chase Manhattan Bank (as successor to Chemical Bank) (filed as Exhibit 4.5 to the Company's Registration Statement on Form S-8 (Registration No. 33-56557) and incorporated herein by reference).

4.5 Second Supplemental Indenture dated August 25, 1995, among the Company, V Acquisition Corp. (a subsidiary of the Company now known as The Viking Distillery, Inc.) and The Chase Manhattan Bank (as successor to Chemical Bank) (filed as Exhibit 4.5 to the Company's Annual Report on Form 10-K for the fiscal year ended August 31, 1995 and incorporated herein by reference).

4.6 Indenture with respect to the 8 3/4% Series C Senior Subordinated Notes Due 2003 dated as of October 29, 1996 among the Company, its Subsidiaries and Harris Trust and Savings Bank (filed as Exhibit 4.2 to the Company's Registration Statement on Form S-4 (Registration No. 333-17673) and incorporated herein by reference).

(10) MATERIAL CONTRACTS.

10.1 Amendment Number 5 to the 1989 Employee Stock Purchase Plan of the Company (filed herewith).

(11) STATEMENT RE COMPUTATION OF PER SHARE EARNINGS.

Computation of per share earnings (filed herewith).

(15) LETTER RE UNAUDITED INTERIM FINANCIAL INFORMATION.

Not applicable.

(18) LETTER RE CHANGE IN ACCOUNTING PRINCIPLES.

Not applicable.

(19) REPORT FURNISHED TO SECURITY HOLDERS.

Not applicable.

(22) PUBLISHED REPORT REGARDING MATTERS SUBMITTED TO A VOTE OF SECURITY HOLDERS.

Not applicable.

(23) CONSENTS OF EXPERTS AND COUNSEL.

Not applicable.

(24) POWER OF ATTORNEY.

Not applicable.

(27) FINANCIAL DATA SCHEDULE.

Financial Data Schedule (filed herewith).

(99) ADDITIONAL EXHIBITS.

Not applicable.

EXHIBIT 10.1

AMENDMENT NUMBER 5
TO THE
CANANDAIGUA WINE COMPANY, INC.
1989 EMPLOYEE STOCK PURCHASE PLAN

This Amendment Number 5 to the Canandaigua Wine Company, Inc. 1989 Employee Stock Purchase Plan (the "Plan") was approved pursuant to Paragraph 20 of the Plan by the Board of Directors of Canandaigua Brands, Inc. (f/k/a Canandaigua Wine Company, Inc., the "Company"). Capitalized terms used herein which are not otherwise defined shall have the meanings ascribed to them in the Plan.

1. NAME. The name of the Plan is hereby changed to "Canandaigua Brands, Inc. 1989 Employee Stock Purchase Plan," and all references in the Plan to "Canandaigua Wine Company, Inc." are hereby replaced by references to "Canandaigua Brands, Inc."

2. DEFINITION OF COMMITTEE. Paragraph 2 of the Plan, dealing with the administration of the Plan and previously amended by Amendment No. 3 to the Plan, is hereby amended and restated to read in its entirety as follows:

> 2. ADMINISTRATION. The Plan shall be administered by the Compensation Committee of the Board of Directors of the Company as it may be constituted from time to time (the "Committee"). Subject to the express provisions of the Plan and to such instructions and limitations as the Board of Directors may establish from time to time, the Committee shall have the authority to prescribe, amend and rescind rules and regulations relating to the Plan. The Committee may interpret the Plan and may correct any defect or supply any omission or reconcile any inconsistency in the Plan to the extent necessary for the effective operation of the Plan. Any action taken by the Committee on the matters referred to in this paragraph shall be conclusive.

In witness whereof, Canandaigua Brands, Inc. has caused this instrument to be executed as of November 26, 1997.

CANANDAIGUA BRANDS, INC.

By: /s/ Richard Sands
Richard Sands, President

EXHIBIT 11

<TABLE>

CANANDAIGUA BRANDS, INC. AND SUBSIDIARIES
COMPUTATION OF NET INCOME PER COMMON AND COMMON EQUIVALENT SHARE
(in thousands, except per share data)
(unaudited)

<CAPTION>

	For the Nine Months Ended November 30,			
	1997		1996	
Net income per common and common equivalent share:	Primary	Fully Diluted	Primary	Fully Diluted
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Net income available to common and common equivalent shares	$40,022	$40,022	$21,753	$21,753
Adjustments	--	--	--	--
Net income available to common and common equivalent shares	$40,022	$40,022	$21,753	$21,753
Shares:				
Weighted average common shares outstanding	18,668	18,668	19,482	19,482
Adjustments:				
(1) Assumed exercise of incentive stock options	656	841	363	363
(2) Assumed exercise of stock options	--	3	20	20
Weighted average common and common equivalent shares outstanding	19,324	19,512	19,865	19,865
Net income per common and common equivalent share	$ 2.07	$ 2.05	$ 1.10	$ 1.10

	For the Three Months Ended November 30,			
	1997		1996	
Net income per common and common equivalent share:	Primary	Fully Diluted	Primary	Fully Diluted
Net income available to common and common equivalent shares	$17,611	$17,611	$ 8,311	$ 8,311
Adjustments	--	--	--	--
Net income available to common and common equivalent shares	$17,611	$17,611	$ 8,311	$ 8,311
Shares:				
Weighted average common shares outstanding	18,676	18,676	19,337	19,337
Adjustments:				
(1) Assumed exercise of incentive stock options	866	884	275	431
(2) Assumed exercise of stock options	2	3	6	11
Weighted average common and common equivalent shares outstanding	19,544	19,563	19,618	19,779
Net income per common and common equivalent share	$ 0.90	$ 0.90	$ 0.42	$ 0.42

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This schedule contains summary financial information extracted from the Company's November 30, 1997 Form 10-Q and is qualified in its entirety by reference to such financial statements.
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