

SECURITIES AND EXCHANGE COMMISSION
WASHINGTON, D.C. 20549

FORM 8-K

CURRENT REPORT

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

Date of Report (Date of earliest event reported): June 23, 1999

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
ENGLAND AND WALES	CANANDAIGUA LIMITED	---
NEW YORK	POLYPHENOLICS, INC.	16-1546354
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.)

300 WillowBrook Office Park, Fairport, New York 14450

(Address of principal executive offices) (Zip Code)

Registrant's telephone number, including area code (716) 218-2169

(Former name or former address, if changed since last report)

ITEM 5. OTHER EVENTS

Canandaigua Brands, Inc. released the following information on June 23, 1999 regarding its first quarter 2000 results:

CANANDAIGUA BRANDS REPORTS FIRST QUARTER RESULTS

Fairport, New York, June 23, 1999 - Canandaigua Brands, Inc. (Nasdaq: CBRNA and CBRNB), today reported net income of approximately \$14 million for the three months ended May 31, 1999 ("First Quarter 2000"), exclusive of nonrecurring charges of approximately \$3 million after taxes, an increase of 8 percent over net income of \$13 million for the three months ended May 31, 1998 ("First Quarter 1999"). On a comparable basis excluding nonrecurring charges, earnings per share were \$0.77 in First Quarter 2000, a 13 percent increase as compared to earnings of \$0.68 per share on a diluted basis in First Quarter 1999. Net income and earnings per share including the nonrecurring restructuring charges were \$11 million and \$0.59, respectively, for First Quarter 2000.

Richard Sands, Chief Executive Officer of Canandaigua Brands, said, "We have significantly changed the face of our Company with four acquisitions over the last six months, laying the groundwork for future earnings growth. Yet our results for the quarter demonstrate that we haven't lost sight of the need to deliver current profit growth to maintain the excellent track record we've established over the last several years."

CONSOLIDATED RESULTS

Net sales reached \$530 million in First Quarter 2000, a 69 percent increase over First Quarter 1999. While most of the sales growth resulted from the Matthew Clark and Black Velvet acquisitions (both of which were completed after First Quarter 1999), net sales of the Company's other products increased by 14

percent in First Quarter 2000 as compared to net sales of \$313 million in First Quarter 1999.

Gross profit rose to \$156 million from \$92 million in First Quarter 1999, an increase of \$64 million, or 70 percent. The improvement in gross profit was primarily related to sales from the Matthew Clark and Black Velvet acquisitions, as well as increased beer and wine sales. As a percent of net sales, gross profit remained at 29.4 percent for both First Quarter 2000 and First Quarter 1999, as margin improvements within each product line were balanced by additional sales of lower-margin products such as imported beer and U.K. wholesale sales.

Selling, general and administrative expenses reached \$111 million in First Quarter 2000, an 80 percent increase from \$61 million in First Quarter 1999. The majority of the increase resulted from the addition of the Matthew Clark and Black Velvet businesses. The Company also increased its marketing and promotional costs to generate additional sales volume, particularly of wine and beer brands.

The Company incurred nonrecurring charges of approximately \$6 million before taxes in First Quarter 2000 related to the consolidation of cider production into one facility within the Matthew Clark operating segment and to a management reorganization within the Canandaigua Wine operating segment. There were no nonrecurring charges in First Quarter 1999.

Operating income increased to \$40 million for First Quarter 2000 from \$31 million for First Quarter 1999. Exclusive of the nonrecurring charges, operating income increased by 48 percent to approximately \$46 million in First Quarter 2000. Net interest expense reached \$22 million in First Quarter 2000 from approximately \$9 million in First Quarter 1999. The increase in interest expense resulted primarily from borrowings associated with the Matthew Clark and Black Velvet acquisitions.

As a result of the above factors, net income was \$11 million for First Quarter 2000, or \$14 million excluding the nonrecurring charges, compared with net income of \$13 million for First Quarter 1999. Earnings per diluted share were \$0.59, or the equivalent of \$0.77 per share exclusive of the nonrecurring charges, in First Quarter 2000 compared with earnings per share of \$0.68 in First Quarter 1999.

For financial analysis purposes only the Company's earnings before interest, taxes, depreciation and amortization ("EBITDA") were \$53 million in First Quarter 2000, an increase of \$14 million over EBITDA of \$39 million in First Quarter 1999. (EBITDA should not be construed as an alternative to operating income or net cash flow from operating activities and should not be interpreted as an indication of operating performance or as a measure of liquidity.)

CANANDAIGUA WINE OPERATIONS

Net sales for Canandaigua Wine for First Quarter 2000 increased 12 percent to \$164 million from \$146 million in First Quarter 1999. This increase resulted primarily from the introduction of two new products (Arbor Mist and Mystic Cliffs) in Fiscal 1999, growth in the Company's international sales and increased sales of bulk wine. These increases were partially offset by declines in other wine brands and in the Company's grape juice concentrate sales.

Operating income of approximately \$6 million in First Quarter 2000 represented a decrease of almost \$2 million compared to First Quarter 1999. The decline was due to the nonrecurring charge of approximately \$3 million related to the segment's management reorganization, as well as additional marketing expenses associated with the new product introductions. Exclusive of the nonrecurring charge, operating income increased by 10 percent to \$8 million in First Quarter 2000.

BARTON OPERATIONS

Net sales for Barton for First Quarter 2000 increased to \$201 million from \$166 million in First Quarter 1999, or 21 percent. The increase resulted from higher sales of imported beers led by Corona Extra and other brands in Barton's Mexican portfolio as well as from sales of products acquired in the Black Velvet transaction, which was completed in April 1999.

Operating income grew by 22 percent to \$31 million in First Quarter 2000, led by increased sales and gross margin improvements, partially offset by increased selling, general and administrative costs associated with the sales growth.

MATTHEW CLARK OPERATIONS

The Company acquired control of Matthew Clark in December 1998. Net sales and operating income for Matthew Clark operations were \$167 million and \$7 million, respectively, in First Quarter 2000. Exclusive of a nonrecurring charge

of approximately \$3 million related to the consolidation of cider production at a single facility, operating income was approximately \$10 million.

Canandaigua Brands, Inc., headquartered in Fairport, New York, is a leader in the production, marketing and distribution of beverage alcohol products in North America and the United Kingdom. The Company markets more than 180 premier brands, including imported beers, wines, spirits, cider and bottled water, and is a leading drinks wholesaler to more than 16,000 customers in the United Kingdom.

CONSOLIDATED FINANCIAL STATEMENTS FOLLOW

CONDENSED CONSOLIDATED BALANCE SHEETS
(in thousands)

	May 31, 1999 ----- (unaudited)	February 28, 1999 -----
ASSETS -----		
CURRENT ASSETS:		
Cash and cash investments	\$ 1,930	\$ 27,645
Accounts receivable, net	327,700	260,433
Inventories, net	547,835	508,571
Prepaid expenses and other current assets	56,197	59,090
	-----	-----
Total current assets	933,662	855,739
PROPERTY, PLANT AND EQUIPMENT, net	458,229	428,803
OTHER ASSETS	614,719	509,234
	-----	-----
Total assets	\$2,006,610	\$1,793,776
 LIABILITIES AND STOCKHOLDERS' EQUITY -----		
CURRENT LIABILITIES:		
Notes payable	\$ 17,306	\$ 87,728
Current maturities of long-term debt	13,007	6,005
Accounts payable	134,339	122,746
Accrued Federal and state excise taxes	41,223	49,342
Other accrued expenses and liabilities	173,378	149,451
	-----	-----
Total current liabilities	379,253	415,272
LONG-TERM DEBT, less current maturities	1,073,140	831,689
DEFERRED INCOME TAXES	83,870	88,179
OTHER LIABILITIES	22,409	23,364
STOCKHOLDERS' EQUITY	447,938	435,272
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Total liabilities and stockholders' equity	\$2,006,610	\$1,793,776

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

	Three Months Ended May 31, 1999 (unaudited) -----	Three Months Ended May 31, 1998 (unaudited) -----	Percent Change -----
Gross sales	\$ 704,990	\$ 422,869	66.7%
Net sales	\$ 530,169	\$ 312,928	69.4%
Cost of product sold	(374,046)	(220,867)	69.4%
	-----	-----	
Gross profit	156,123	92,061	69.6%
Selling general and administrative expenses	(110,502)	(61,332)	80.2%
Other nonrecurring charges	(5,510)	--	N/A
	-----	-----	
Operating income	40,111	30,729	30.5%
Interest expense, net	(22,034)	(8,527)	158.4%
	-----	-----	
Income before taxes	18,077	22,202	-18.6%
Provision for taxes	(7,231)	(9,103)	-20.6%
	-----	-----	
Net income	\$ 10,846	\$ 13,099	-17.2%
 Earnings per common share:			
Basic	\$ 0.60	\$ 0.70	-14.3%
Diluted	\$ 0.59	\$ 0.68	-13.2%

Weighted average common shares

outstanding:			
Basic	17,977	18,748	-4.1%
Diluted	18,447	19,328	-4.6%
Segment Information:			
Net sales:			
Canandaigua Wine			
Branded	\$ 144,391	\$ 126,798	13.9%
Other	19,168	19,139	0.2%
	-----	-----	
Net sales	\$ 163,559	\$ 145,937	12.1%
Barton			
Beer	\$ 146,611	\$ 118,796	23.4%
Spirits	54,139	47,372	14.3%
	-----	-----	
Net sales	\$ 200,750	\$ 166,168	20.8%
Matthew Clark			
Branded	\$ 74,375	\$ --	N/A
Wholesale	92,422	--	N/A
	-----	-----	
Net sales	\$ 166,797	\$ --	N/A
Corporate Operations and Other	\$ 885	\$ 823	7.5%
Intersegment eliminations	\$ (1,822)	\$ --	N/A
	-----	-----	
Consolidated net sales	\$ 530,169	\$ 312,928	69.4%
Operating Income:			
Canandaigua Wine	\$ 5,607	\$ 7,440	-24.6%
Barton	31,497	25,788	22.1%
Matthew Clark	7,330	--	
Corporate Operations and Other	(4,323)	(2,499)	73.0%
	-----	-----	
Consolidated operating income	\$ 40,111	\$ 30,729	30.5%

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: June 23, 1999

By: /s/ Thomas S. Summer

 Thomas S. Summer, Senior Vice
 President and Chief Financial
 Officer

SUBSIDIARIES

BATAVIA WINE CELLARS, INC.

Dated: June 23, 1999

By: /s/ Thomas S. Summer

 Thomas S. Summer, Treasurer

CANANDAIGUA WINE COMPANY, INC.

Dated: June 23, 1999

By: /s/ Thomas S. Summer

 Thomas S. Summer, Treasurer

CANANDAIGUA EUROPE LIMITED

Dated: June 23, 1999

By: /s/ Thomas S. Summer

 Thomas S. Summer, Treasurer

CANANDAIGUA LIMITED

Dated: June 23, 1999

By: /s/ Thomas S. Summer

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

POLYPHENOLICS, INC.

Dated: June 23, 1999

By: /s/ Thomas S. Summer

Thomas S. Summer, Vice President
and Treasurer

ROBERTS TRADING CORP.

Dated: June 23, 1999

By: /s/ Thomas S. Summer

Thomas S. Summer, President and
Treasurer

BARTON INCORPORATED

Dated: June 23, 1999

By: /s/ Thomas S. Summer

Thomas S. Summer, Vice President

BARTON BRANDS, LTD.

Dated: June 23, 1999

By: /s/ Thomas S. Summer

Thomas S. Summer, Vice President

BARTON BEERS, LTD.

Dated: June 23, 1999

By: /s/ Thomas S. Summer

Thomas S. Summer, Vice President

BARTON BRANDS OF CALIFORNIA, INC.

Dated: June 23, 1999

By: /s/ Thomas S. Summer

Thomas S. Summer, Vice President

BARTON BRANDS OF GEORGIA, INC.

Dated: June 23, 1999

By: /s/ Thomas S. Summer

Thomas S. Summer, Vice President

BARTON DISTILLERS IMPORT CORP.

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By: /s/ Thomas S. Summer

Thomas S. Summer, Vice President

BARTON FINANCIAL CORPORATION

Dated: June 23, 1999

By: /s/ Thomas S. Summer

Thomas S. Summer, Vice President

STEVENS POINT BEVERAGE CO.

Dated: June 23, 1999

By: /s/ Thomas S. Summer

Thomas S. Summer, Vice President

MONARCH IMPORT COMPANY

Dated: June 23, 1999

By: /s/ Thomas S. Summer

Thomas S. Summer, Vice President

THE VIKING DISTILLERY, INC.

Dated: June 23, 1999

By: /s/ Thomas S. Summer

Thomas S. Summer, Vice President

INDEX TO EXHIBITS

- (1) UNDERWRITING AGREEMENT
Not Applicable.
- (2) PLAN OF ACQUISITION, REORGANIZATION, ARRANGEMENT, LIQUIDATION OR SUCCESSION
Not Applicable.
- (4) INSTRUMENTS DEFINING THE RIGHTS OF SECURITY HOLDERS, INCLUDING INDENTURES
Not Applicable.
- (16) LETTER RE CHANGE IN CERTIFYING ACCOUNTANT
Not Applicable.
- (17) LETTER RE DIRECTOR RESIGNATION
Not Applicable.
- (20) OTHER DOCUMENTS OR STATEMENTS TO SECURITY HOLDERS
Not Applicable.
- (23) CONSENTS OF EXPERTS AND COUNSEL
Not Applicable.
- (24) POWER OF ATTORNEY
Not Applicable.
- (27) FINANCIAL DATA SCHEDULE
Not Applicable.
- (99) ADDITIONAL EXHIBITS
None