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SECURITIES AND EXCHANGE COMMISSION
Washington, D.C. 20549

FORM 10-K

[X] ANNUAL REPORT PURSUANT TO SECTION 13 OR 15(d) OF THE SECURITIES EXCHANGE ACT OF 1934 FOR THE FISCAL YEAR ENDED AUGUST 31, 1994

OR

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

Commission File No. 0-7570

(State or other incorporation or organization)	(Exact Name of registrant as specified in its charter)	(I.R.S. Employer Identification Number)
Delaware	Canandaigua Wine Company, Inc. and its subsidiaries	16-0716709
New York	Batavia Wine Cellars, Inc.	16-1222994
Delaware	Bisceglia Brothers Wine Co.	94-2248544
California	California Products Company	94-0360780
New York	Canandaigua West, Inc.	16-1462887
New York	Guild Wineries & Distilleries, Inc.	16-1401046
South Carolina	Tenner Brothers, Inc.	57-0474561
New York	Widmer's Wine Cellars, Inc.	16-1184188
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
Wisoncsin	Stevens Point Beverage Co.	39-0638900
New York	Monarch Wine Company, Limited Partnership	36-3547524
Illinois	Barton Management, Inc.	36-3539106
New York	Vintners International Company, Inc.	16-1443663

116 Buffalo Street, Canandaigua, New York 14424
(Address of Principal Executive Offices) (Zip Code)

Registrant's Telephone Number, Including Area Code (716)394-7900

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

Title of each class	Name of each exchange on which registered
None	None

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

Class A Common Stock (Par Value $.01 Per Share)
(Title of Class)

Class B Common Stock (Par Value $.01 Per Share)
(Title of Class)

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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 Registration was required to file such reports), and (2) has been subject to such filing requirements for the past 90 days. Yes X No

Indicate by check mark if disclosure of delinquent fliers pursuant to Item 405 of Regulation S-K 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. [ ]

The aggregate market value of the voting stock held by non-affiliates of Canandaigua Wine Company, Inc. as of November 21, 1994 was $479,968,662. The number of shares outstanding with respect to each of the classes of common stock of Canandaigua Wine Company, Inc., as of November 21, 1994 is set forth below (all of the registrants, other than Canandaigua Wine Company, Inc., are direct or indirect wholly owned subsidiaries of Canandaigua Wine Company, Inc.)

Class	Number of Shares Outstanding
Class A Common Stock, Par Value $.01 Per Share	16,049,368
Class B Convertible Common Stock, Par Value $.01 Per Share	3,390,051

DOCUMENTS INCORPORATED BY REFERENCE

The Registrant's proxy statement to be issued for the annual meeting of stock holders to be held January 19, 1995 is incorporated by reference in Part III.
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PART I

Item 1. Business

Unless the context otherwise requires, the term "Company" refers to Canandaigua Wine Company, Inc. and its subsidiaries, all references to "net sales" refer to gross revenues less excise taxes and returns and allowances to conform with the Company's method of classification, and all references to the Company's fiscal year shall refer to the year ended August 31 of the indicated year. Market share and industry data disclosed in this Report have been obtained from the following industry publications: Wines & Vines; The Gomberg-Fredrikson Report; Jobson's Liquor Handbook; Jobson's Wine Handbook; The U.S. Wine Market: Impact Databank Review and Forecast, 1994 Edition; The U.S. Beer Market: Impact Databank Review and Forecast, 1994 Edition; Beer Marketer's Insights: 1994 Import Insights; and 1994 Beer Industry Update. The Company has not independently verified this data. References to market share data are based on unit volume.

The Company is a Delaware corporation organized in 1972 as the successor to a business founded in 1945 by Marvin Sands, Chairman of the Board of the Company.

The Company is a leading producer and marketer of branded beverage alcohol products, with over 125 national and regional brands which are distributed by over 1,000 wholesalers throughout the United States and in selected international markets. The Company is the second largest supplier of wines, the fourth largest importer of beers and the eighth largest supplier of distilled spirits in the United States. The Company's beverage alcohol brands are marketed in five general categories: table wines, sparkling wines, dessert wines, imported beer and distilled spirits, and include the following principal brands:

. Table Wines: Almaden, Inglenook, Paul Masson, Taylor California Cellars, Cribari, Manischewitz, Taylor New York, Marcus James, Deer Valley and Dunnewood

. Sparkling Wines: Cook's, J. Roget, Great Western and Taylor New York

. Dessert Wines: Richards Wild Irish Rose, Cisco, Taylor New York and Italian Swiss Colony

. Imported Beer: Corona, St. Pauli Girl, Modelo Especial, Tsingtao and Pacifico

. Distilled Spirits: Barton's Gin and Vodka, Ten High Bourbon Whiskey, Crystal Palace Gin and Vodka, Montezuma Tequila, Northern Light Canadian Whisky, Lauder's Scotch Whisky and Monte Alban Mezcal

Based on available industry data, the Company believes it has a 21% share of the wine market, a 10% share of the imported beer market and a 4% share of the distilled spirits market in the United States. Within the wine market, the Company believes it has a 31% share of the non-varietal table wine market, a 10% share of the varietal table wine market, a 50% share of the dessert wine market and a 32% share of the sparkling wine market. Many of the Company's brands are leaders in their respective categories in the United States, including Corona, the second largest selling imported beer brand, Almaden and Inglenook, the fifth and sixth largest selling wine brands, Richards Wild Irish Rose, the largest selling dessert wine brand, Cook's champagne, the second largest selling sparkling wine brand, Montezuma, the second largest selling tequila brand, and Monte Alban, the largest selling mezcal brand.

During the past four years, the Company has diversified its product portfolio through a series of strategic acquisitions that have resulted in an increase in the Company's net sales from $176.6 million in fiscal 1991 to $876.4 million on a pro forma basis in fiscal 1994. Through these acquisitions, the Company acquired strong market positions in growing product categories in the beverage alcohol industry, such as varietal table wine and imported beer. The Company ranks second and fourth in the varietal table wine and imported beer categories, respectively. Over the past four years, industry shipments of varietal table wine and imported beer have grown 64% and 7%, respectively. The Company has successfully integrated the acquired businesses into its existing business and achieved significant cost reductions through reduced product and organizational costs. The Company has also strengthened its relationship with wholesalers, expanded its distribution and enhanced its production capabilities as well as acquired additional management, operational, marketing and research and development expertise.

In October 1991, the Company acquired the Cook's, Cribari, Dunnewood and other brands and related facilities and assets (the "Guild Acquisition") from Guild Wineries and Distillers ("Guild"), which enabled the Company to establish a significant market position in the California sparkling wine category and to enter the California table wine market. The Company acquired Barton Incorporated ("Barton") in June 1993, further diversifying into the imported beer and distilled spirits categories (the "Barton Acquisition"). On October 15, 1993, the Company acquired the Paul Masson, Taylor California Cellars and other brands and related facilities and assets of Vintners International Company, Inc. ("Vintners") (the "Vintners Acquisition"). On August 5, 1994, the Company acquired the Almaden, Inglenook and other brands, a grape juice concentrate business and related facilities and assets (the "Almaden/Inglenook Product Lines") from Heublein Inc. (the "Almaden/Inglenook Acquisition," and together with the Barton Acquisition and the Vintners Acquisition, the "Acquisitions"). See "Recent Acquisitions."

The Company's business strategy is to continue to strengthen its market position in each of its principal product lines. Key elements of its strategy include: (i) making selective acquisitions in the beverage alcohol industry to improve market position and capitalize on growth trends within the industry; (ii) improving operating efficiencies through reduced product and organizational costs of existing and acquired businesses; (iii) capitalizing on strong wholesaler relationships resulting from its expanded portfolio of brands; and (iv) expanding distribution into new markets and increasing penetration of existing markets primarily through line extensions and promotional activities.

In furtherance of its business strategy of improving operating efficiencies of acquired businesses, the Company announced a plan to restructure the operations of its California wineries, including a consolidation of facilities, centralization of bottling operations and reduction of overhead, including the elimination of approximately 260 jobs (the "Restructuring Plan"). As a result of the Restructuring Plan, the Company has taken a charge in the fourth quarter of fiscal 1994 which reduced after-tax income for fiscal 1994 by $14.9 million, or $0.91 per share on a fully diluted basis. The Company anticipates that the Restructuring Plan will result in net cost savings of approximately $1.7 million in fiscal 1995 and approximately $13.3 million of annual net cost savings beginning in fiscal 1996. See "Management's Discussion and Analysis of Financial Condition and Results of Operations."

RECENT ACQUISITIONS

The Barton Acquisition. On June 29, 1993, the Company acquired all of the outstanding shares of capital stock of Barton. Barton is the United States' fourth largest importer of beers and eighth largest supplier of distilled spirits. The Barton Acquisition has enabled the Company to diversify within the beverage alcohol industry by participating in the imported beer and distilled spirits markets, which have similar marketing approaches and distribution channels to the Company's wine business, and to take advantage of the experienced management team that developed Barton as a successful company. With this acquisition, the Company acquired the right to distribute Corona and Modelo Especial beer in 25 primarily western states, national distribution rights for St. Pauli Girl and Tsingtao and a diversified line of distilled spirits including Barton Gin and Vodka, Ten High Bourbon Whiskey and Montezuma Tequila.

Barton is being operated independently by its current management as a subsidiary of the Company. Until August 31, 1996, consistent with past practices and subject to annual approval by the Company's Board of Directors of an annual operating plan for the coming year, Ellis M. Goodman, the Chief Executive Officer of Barton, has full and exclusive strategic and operational responsibility for Barton and all of its subsidiaries.

The Vintners Acquisition. On October 15, 1993, the Company acquired substantially all of the assets of Vintners, and assumed certain liabilities. Vintners was the United States' fifth largest supplier of wine with two of the country's most highly recognized brands, Paul Masson and Taylor California Cellars. The Vintners Acquisition enabled the Company to expand its wine portfolio to include several large and highly recognized table wine brands that are distributed by a substantially common wholesaler network. Vintners' operations were immediately integrated with those of the Company at the closing of the acquisition. With this acquisition, the Company acquired the Paul Masson, Taylor California Cellars, Taylor New York, Deer Valley, St. Regis (non-alcoholic) and Great Western brands and related facilities.

The Almaden/Inglenook Acquisition. On August 5, 1994, the Company acquired the Almaden and Inglenook brands, the fifth and sixth largest selling table wines in the United States, a grape juice concentrate business, and wineries in Madera and Escalon, California, from Heublein. The Company also acquired Belaire Creek Cellars, Chateau La Salle and Charles Le Franc table wines, Le Domaine champagne and Almaden, Hartley and Jacques Bonet brandy. The accounts receivable and the accounts payable related to the acquired assets were not acquired by the Company.

As a result of the Almaden/Inglenook Acquisition, the Company has strengthened its position as the second largest supplier of wines in the United States. The acquisition of the Inglenook brand significantly expands the Company's restaurant and bar on-premises presence. The Company intends to maintain the existing sales force and distribution network of the Almaden and Inglenook brands. Further, the Almaden/Inglenook Acquisition has resulted in the Company becoming the leading grape juice concentrate producer in the United States. The Company believes that the Almaden/Inglenook Acquisition will enable the Company to achieve significant cost savings through the consolidation of its California winery operations.

Heublein also agreed not to compete with the Company in the United States and Canada for a period of five years following the closing of the Almaden/Inglenook Acquisition in the production and sale of grape juice concentrate or sale of packaged wines bearing the designation "Chablis" or "Burgundy" except where, among other exceptions, such designations are currently used with certain brands retained by Heublein. Certain companies acquired by Heublein, however, may compete directly with the Company.

INDUSTRY

The beverage alcohol industry in the United States consists of the production, importation, marketing and distribution of beer, wine and distilled spirits products. Over the past five years there has been increasing consolidation at the supplier, wholesaler and, in some markets, retailer tiers of the beverage alcohol industry. As a result, it has become advantageous for certain suppliers to expand their portfolio of brands through acquisitions and internal development in order to take advantage of economies of scale and to increase their importance to a more limited number of wholesalers and, in some markets, retailers. From 1978 through 1993, the overall per capita consumption of beverage alcohol products in the United States has generally declined. However, table wines, and in particular varietal table wines, and imported beer consumption have increased during the period.

The following table sets forth the industry unit volumes for shipments of beverage alcohol products in the Company's five principal beverage alcohol product categories in the United States for the five calendar years ended December 31, 1993:

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	1989	1990	1991	1992	1993
Domestic Table Wines (a) (b)	283,992	284,808	285,282	308,169	300,953
Domestic Dessert Wines (a) (c)	48,959	45,197	35,181	29,403	26,506
Domestic Sparkling Wines (a)	26,577	25,410	24,386	23,794	23,600
Imported Beer (d)	119,320	121,014	109,212	114,590	127,418
Distilled Spirits (e)	155,867	159,190	147,025	148,017	144,162

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(a) Units are in thousands of gallons. Data exclude sales of wine coolers.
(b) Includes other special natural (flavored) wines under 14% alcohol.
(c) Includes dessert wines, other special natural (flavored) wines over 14% alcohol and vermouth.
(d) Units are in thousands of cases (2.25 gallons per case).
(e) Units are in thousands of 9-liter cases (2.378 gallons per case).

Table Wines. Wines containing 14% or less alcohol by volume are generally referred to as table wines. Within this category, table wines are further characterized as either "non-varietal" or "varietal." Non-varietal wines include wines named after the European regions where similar types of wines were originally produced (e.g., burgundy), niche products and proprietary brands. Varietal wines are those named for the grape that comprises the principal component of the wine. Table wines that retail at less than $5.75 per 750 ml. bottle are generally considered to be popularly priced while those that retail at $5.75 or more per 750 ml. bottle are considered premium wines.

From 1989 to 1993, shipments of domestic table wines increased at an average compound annual rate of approximately 1.5%. In 1992, domestic table wine shipments increased 8% from the previous year; this rate of increase was markedly larger than in previous years and was attributed in large part to the November 1991 CBS television 60 Minutes, French Paradox broadcast about the healthful benefits of moderate red wine consumption. In 1993, domestic table wine shipments declined by 2.3% when compared to 1992. This decline has been attributed to an overall wholesale and retail wine inventory surplus at the end of 1992. Based on shipments of California table wines, which constituted approximately 94% of the total domestically produced table wine market in 1993, shipments of varietal wines have grown at an average compound annual rate of 13.3% since 1989, with shipments in the first half of 1994 increasing 16% over the prior year. In contrast, shipments of non-varietal table wines have generally declined over the same period although they showed a slight increase in

1992 as compared to 1991. For the first half of calendar 1994, shipments of California table wines increased approximately 7% over the same period in 1993. Shipments of imported table wines have generally decreased over the last six years, decreasing from 58.9 million gallons in 1989 to 52.4 million gallons in 1993. Imported table wines constituted 15% of the United States table wine market in calendar 1993.

Dessert Wines. Wines containing more than 14% alcohol by volume are generally referred to as dessert wines. Dessert wines generally fall into the same price categories as table wines. Dessert wine consumption in the United States has been declining for many years reflecting a general shift in consumer preferences to table and sparkling wines. For calendar year 1993, shipments of domestic dessert wines decreased 9.9% over calendar year 1992, a lesser rate than from 1989 to 1993, during which period shipments of domestic dessert wines declined at an average compound annual rate of 14.2%. Dessert wines, which are generally popularly priced, have been adversely affected by the January 1, 1991 increase in federal excise taxes which had the effect of increasing the cost of these products to the consumer disproportionately with certain other beverage alcohol products. Shipments of dessert wines continued to decline during the first half of calendar 1994 as compared to the first half of calendar 1993 as is evidenced by a 7% decline during this period in shipments of California dessert wines, which constituted approximately 73% of the domestically produced dessert wine market in 1993.

Sparkling Wines. Sparkling wines include effervescent wines like champagne and spumante. Sparkling wines generally fall into the same price categories as table wines. Shipments of sparkling wines declined at an average compound annual rate of 2.9% from 1989 to 1993; with shipments of domestic sparkling wines declining 0.8% in calendar 1993 as compared to calendar 1992. The decline in sparkling wine consumption is believed to reflect mounting concerns about drinking and driving, as a large part of sparkling wine consumption occurs outside the home at social gatherings and restaurants. Shipments of sparkling wines continued to decline during the first half of 1994 as compared to the first half of 1993 as is evidenced by a decline of 12% during this period in shipments of California sparkling wines which constituted approximately 92% of the domestically produced sparkling wine market in 1993. The Company believes that shipments in the first half of 1994 were also adversely affected by high levels of retail inventory at the beginning of the period.

Imported Beer. Shipments of imported beers have increased at an average compound annual rate of 1.7% from 1989 to 1993. Shipments of Mexican beers in calendar 1993 increased 10.4% over 1992. During the first half of calendar 1994 as compared to the corresponding period in 1993, shipments of Mexican beers increased 14.5% as compared to an increase of 19.3% for the entire imported beer category. In 1993, imported beers constituted 4.9% of the United States beer market. This reflects an increase from 1992 when imported beers constituted 4.4% of the United States beer market. Imported beers are generally priced above the leading domestic premium brands. This price category also includes beers produced by microbreweries and super-premium priced domestic beers.

Distilled Spirits. Shipments of distilled spirits in the United States declined at an average compound annual rate of 1.9% from 1989 to 1993. Although shipments increased slightly in calendar 1992 as compared to calendar 1991, shipments again declined in calendar 1993 by 2.6% when compared to calendar 1992. Shipments of distilled spirits have been affected by many of the same trends evident in the rest of the beverage alcohol industry. Over the past five years, whiskey sales have declined significantly while sales of rum, tequila, cordials and liqueurs have increased. The Company believes that distilled spirits can be divided into two general price segments, with distilled spirits selling for less than $7.00 a 750 ml. bottle being referred to as price value products and those selling for over $7.00 a 750 ml. bottle being referred to as premium products.

PRODUCT CATEGORIES

The Company produces, imports and markets beverage alcohol products in five principal product categories: table wines, dessert wines, sparkling wines, imported beer and distilled spirits. The table below sets forth the unit volumes (in thousands of gallons) and net sales (in thousands) for all of the table, dessert and sparkling wines, grape juice concentrate and other wine related products and services sold by the Company and under brands and products acquired in the Vintners Acquisition and the Almaden/Inglenook Acquisition for the 1992, 1993 and 1994 fiscal years.

	1992		1993		1994	
TOTAL WINES	NET SALES	VOLUME	NET SALES	VOLUME	NET SALES	VOLUME
Company(a)	$245,243	40,908	$254,379	41,373	$245,083	36,613
Vintners(b)	182,505	27,814	157,706	24,868	125,923	20,461
Almaden/ Inglenook(c)	217,325	40,985	233,408	45,029	237,853	46,269
Total	$645,073	109,707	$645,493	111,270	$608,859	103,343

(a) Data for fiscal years ended August 31, 1992, 1993 and 1994. The data for the Company's fiscal year ended August 31, 1994 excludes the net sales for the brands and other products acquired in the Vintners Acquisition and the Almaden/Inglenook Acquisition.

(b) Data for fiscal years ended July 31, 1992 and 1993 and for the twelve months ended August 31, 1994.

(c) Data for fiscal years ended September 30, 1992 and 1993 and for the twelve months ended August 31, 1994.

Table Wines. The Company sells over 45 different brands of non-varietal table wines, substantially all of which are marketed in the popularly priced segment which constituted approximately 43% of the domestic table wine market in the United States for the 1993 calendar year. The Company also sells over 15 different brands of varietal table wines in both the popularly priced and premium categories. The table below sets forth the unit volumes (in thousands of gallons) for the domestic table wines sold by the Company and under domestic table wine brands acquired in the Vintners Acquisition and the Almaden/Inglenook Acquisition for the 1992, 1993 and 1994 fiscal years:

TABLE WINES	1992	1993	1994
Non-varietal			
Company	9,328	11,035	10,146
Vintners	20,492	17,003	14,642
Almaden/Inglenook	27,873	28,658	27,822
Varietal			
Company	1,132	1,332	1,614
Vintners	3,274	3,873	2,564
Almaden/Inglenook	5,241	7,294	8,616
Total (a)	67,340	69,195	65,404

(a) Excludes sales of wine coolers but includes sales of wine in bulk.

The Company's table wine brands include:

Almaden: The fifth largest selling table wine brand and the ninth largest varietal wine brand in the United States. Almaden is one of the oldest and best known table wines in the United States.

Inglenook: The sixth largest selling table wine brand and the seventh largest varietal wine in the United States with a significant restaurant and bar presence.

Paul Masson: The 11th largest selling table wine brand in the United States which is offered in all major varietal and non-varietal product categories in a full range of sizes.

Taylor California Cellars: The 14th largest domestic selling table wine brand in the United States which is also offered in all major varietal and non-varietal product categories in a full range of sizes.

Cribari: A well known brand of both varietal and non-varietal table wines marketed in the popularly priced segment.

Manischewitz: The largest selling brand of kosher wine in the United States.

Taylor New York: One of the United States' oldest brands of non-varietal wine marketed primarily in the eastern half of the United States.

Richards Wild Irish Rose: A brand of table wine possessing unique taste characteristics which is a line extension of the nation's leading dessert wine brand.

Deer Valley: This line of California varietal and non-varietal table wines introduced in 1989 has had significant success in California. The Company is in the process of introducing this brand in other regions of the country.

Cook's: This varietal wine was created to take advantage of the brand recognition associated with Cook's sparkling wines.

Dunnewood: From California's north coast, unit volumes of this varietal wine have also increased significantly. This brand is marketed at the lower end of the premium price category.

The Company has pursued a strategy of increasing its unit volume sales in the table wine segment by acquiring new brands and by growing existing brands. The Company's unit volume sales of non-varietal table wines increased from approximately 9.3 million gallons in fiscal 1992 to approximately 52.6 million gallons on a pro forma basis for fiscal 1994 as a result of the Vintners Acquisition and the Almaden/Inglenook Acquisition. Likewise, the Company's unit volume sales of varietal table wines increased from approximately 1.1 million gallons in fiscal 1992 to over 12.8 million gallons on a pro forma basis for fiscal 1994 as a result of the Vintners Acquisition and the Almaden/Inglenook Acquisition. The Company believes that its recent acquisition of the Almaden/Inglenook Product Lines, including the Almaden and Inglenook brands, creates additional opportunities for growth in this product category.

The 1993 decrease in unit volume of Vintners' table wines resulted from a number of factors including a significant decrease in Vintners' expenditures for advertising, promotion and selling activities during the three year period ended July 31, 1993. The Company believes that this decrease resulted in a reduction in the level of wholesaler attention paid to Vintners' brands, and the Company believes that certain of Vintners' products were not competitively priced. During the Company's fiscal 1994, unit volume sales of Vintners table wines continued to decline. During fiscal 1994, the Company implemented steps to address this decline, including a reduction in prices for its Taylor California brands, the implementation of new promotional programs and repackaging of selected products. As a result of these efforts, the Company believes that sales of Vintners' brands have begun to stabilize.

The Company also markets a selection of popularly priced imported table wines. These brands include:

Marcus James: One of the largest selling imported varietal wines in the United States. Marcus James is a line of varietal table wines which includes white zinfandel, chardonnay, cabernet sauvignon and merlot. The Company owns the Marcus James brand and contracts for its production in Brazil.

Partager: A popularly priced French table wine with both varietal and non-varietal products. The Company owns the Partager brand and contracts for its production in France.

Mateus: The second largest selling Portuguese table wine and a highly recognized brand name. This brand is imported by the Company under a distribution agreement.

The Company's unit volume sales of imported wine increased steadily from 1.3 million gallons in fiscal 1992 to 1.9 million gallons in fiscal 1994. This increase is attributable primarily to increased sales of the Marcus James brand and the inclusion of a full year of Mateus sales. Including sales of Partager by Vintners prior to its acquisition by the Company, on a pro forma basis for fiscal 1994, the Company sold approximately 2.0 million gallons of imported table wines.

Dessert Wines. The Company markets substantially all of its dessert wines in the lower end of the popularly priced segment. The popularly priced segment represented approximately 88% of the dessert wine market in calendar 1993. Sales of dessert wines comprised 10.2% of the Company's total revenues during the fiscal year ended August 31, 1994, on a pro forma basis. The table below sets forth the unit volumes (in thousands of gallons) for the domestic dessert wines sold by the Company and under domestic dessert wine brands acquired in the Vintners Acquisition for the 1992, 1993 and 1994 fiscal years:

DESSERT WINES	1992	1993	1994
Company	14,717	12,358	10,484
Vintners	1,755	1,520	1,553
Total	16,472	13,878	12,037

The Company's dessert wines include:

Richards Wild Irish Rose: The largest selling dessert wine brand in the United States and the Company's leading dessert wine brand in unit volume sales.

Cisco: The fourth largest selling dessert wine brand in the United States. Cisco is a flavored dessert wine positioned higher in price than Richards Wild Irish Rose.

Taylor New York: Premium dessert wines, including port and sherry.

The Company's unit volume sales of dessert wines have declined over the last three years. The decline can be attributed to a general decline in dessert wine consumption in the United States. The Company's unit volume sales of its dessert wine brands (including the brands acquired from Vintners) have decreased 26.9% from fiscal 1992 to fiscal 1994.

Sparkling Wines. The Company markets substantially all of its sparkling wines in the popularly priced segment, which constituted approximately 48% of the domestic sparkling wine market in calendar 1993. The table below sets forth the unit volumes (in thousands of gallons) for the domestic sparkling wines sold by the Company and under domestic sparking wine brands acquired in the Vintners Acquisition and the Almaden/Inglenook Acquisition for the 1992, 1993 and 1994 fiscal years:

SPARKLING WINES	1992	1993	1994
Company	6,359	6,464	6,483
Vintners	1,089	848	668
Almaden/Inglenook	306	243	202
Total	7,754	7,555	7,353

The Company's sparkling wine brands include:

Cook's: The second largest selling domestic sparkling wine in the United States. This brand of champagne is marketed in a bell shaped bottle and is cork-finished, packaging generally associated with higher priced products.

J. Roget: The sixth largest selling domestic sparkling wine in the United States, priced slightly below Cook's.

Great Western: A premium priced champagne, fermented in the bottle.

Taylor New York: A well known premium priced champagne also fermented in the bottle.

Codorniu: The second largest Spanish sparkling wine imported in the United States; sold in the premium price category.

Jacques Bonet: Priced in the economy segment, this product appeals to restaurants and caterers.

The Company has maintained sales levels of sparkling wine over the last three years in contrast to a general industry decline in sales for this product category.

Grape Juice Concentrate. As part of its wine business, the Company produces grape juice concentrate. Grape juice concentrate is sold to the food and wine industries as a raw material for the production of juice-based products, no-sugar-added foods and beverages. Grape juice concentrate competes with other domestically produced and imported fruit-based concentrates. As a result of the Almaden/Inglenook Acquisition, the Company believes that it is the leading grape juice concentrate producer in the United States. Sales of grape juice concentrate accounted for approximately 11% and 12% of the Company's net sales for its fiscal years ended 1992 and 1993, respectively. The table below sets forth the unit volumes (in thousands of gallons) for the grape juice concentrate sold by the Company and the grape juice concentrate business acquired in the Almaden/Inglenook Product Lines for the 1992, 1993 and 1994 fiscal years:

<TABLE>

GRAPE JUICE CONCENTRATE	1992	1993	1994
Company	3,917	4,516	2,203
Almaden/Inglenook	7,565	8,835	9,623
Total	11,482	13,351	11,826

</TABLE>

Other Wine Product and Related Services. The Company's other wine related products and services include: grape juice; St. Regis, the leading non-alcoholic line of wines in the United States; Paul Masson and other brandies; wine coolers sold primarily under the Sun Country brand name; cooking wine; and wine for the production of vinegar. The Company also provides various bottling and distillation production services for third parties.

Beer. The Company is the fourth largest marketer of imported beers in the United States. The Company distributes Corona, St. Pauli Girl, Modelo Especial and Tsingtao, four of the top imported beer brands in the United States. The table below sets forth the unit volume (in thousands of cases) and net sales (in thousands) for the beer sold by Barton for the years ended August 31:

1992		1993		1994	
NET SALES	VOLUME	NET SALES	VOLUME	NET SALES	VOLUME
$131,868	10,152	$158,359	12,422	$173,883	14,100

The Company's principal imported beer brands include:

Corona: The number one selling beer in Mexico and the second largest selling imported beer in the United States. In addition, the Company believes that Corona is the largest selling import in the territory in which it is distributed by the Company. The Company has represented the supplier of Corona since 1978 and currently sells Corona and its related Mexican beer brands in 25 primarily western states.

St. Pauli Girl: The 15th largest selling imported beer in the United States, and the second largest selling German import.

Modelo Especial: One of the family of products imported from the supplier of Corona, Modelo Especial is the number one selling canned beer in Mexico and is growing in the United States with 1994 shipments into the United States increasing by 57% over 1993 shipments in the same period.

Tsingtao: The largest selling Chinese beer in the United States.

The Company's other imported beer brands include Pacifico and Negra

Modelo from Mexico, Peroni from Italy and Double Diamond from the United

Kingdom. In September 1992 the Company acquired the Stevens Point Brewery, a regional brewer located in Wisconsin, together with its brands including Point Special.

Net sales and unit volumes of the Company's beer brands have grown during the previous two fiscal years as a result of the acquisition of the St. Pauli Girl and Double Diamond brands on July 1, 1992, the acquisition of the Point brands in September 1992 and increased sales of Corona and the Company's other Mexican beer brands. The Company's selling prices were not increased significantly over this time period.

Distilled Spirits. The Company is the eighth largest producer, importer and marketer of distilled spirits in the United States. The Company produces, bottles, imports and markets a diversified line of quality distilled spirits, and also exports distilled spirits to more than 15 foreign countries. The table below sets forth the unit volumes (in thousands of 9-liter cases) and net sales (in thousands) for the distilled products case goods sold by Barton for the years ended August 31:

1992		1993		1994	
NET SALES	VOLUME	NET SALES	VOLUME	NET SALES	VOLUME
$82,677	5,609	$82,270	5,529	$81,367	5,370

The Company's leading distilled spirits brands include:

Monte Alban: A premium priced product which the Company believes is the number one selling mezcal in the United States.

Montezuma: This brand is the number two selling tequila in the United States.

Ten High Bourbon: One of the leading bourbon brands in the United States.

Barton Gin and Vodka: Well-known leading national brands.

Other products include Crystal Palace Gin and Vodka, Lauder's, House of Stuart and Highland Mist Scotch whiskeys, Kentucky Gentleman, Very Old Barton and Tom Moore bourbon whiskeys, Sabroso coffee liqueur, Northern Light, Canadian Host and Canadian Supreme Canadian whiskeys and Imperial, Barton Reserve and Barton Premium blended whiskeys. Substantially all of the Company's unit volume consists of products marketed in the price value segment, which the Company believes constituted approximately 50% of the distilled spirits market in calendar 1993.

Net sales and unit volumes of the Company's distilled spirits brands have decreased 1.6% and 4.3%, respectively, over the periods shown, there have been changes in sales of particular brands. Unit volumes of vodka and tequila have increased while Scotch and bourbon have experienced

decreases in unit volume. Net sales have generally not been affected by price increases.

In addition to the branded products described above, the Company also sells distilled spirits in bulk and provides contract production and bottling services. These activities accounted for net sales during the 12 month periods ended August 31, 1992, 1993 and 1994 of $11.8 million, $10.6 million and $7.0 million, respectively.

Marketing and Distribution

The Company's products are distributed and sold throughout the United States through over 1,000 wholesalers, as well as through state alcoholic beverage control agencies. The Company employs a full-time in-house sales organization of approximately 350 people to develop and service its sales to wholesalers and state agencies. The Company's sales force is organized in four sales units: a beer unit, a spirits unit and two wine units, one of which focuses on the newly acquired brands purchased in the Almaden/Inglenook Acquisition. The Company believes that the organization of its sales force into four divisions positions it to maintain a high degree of focus on each of its principal product categories.

The Company's marketing strategy places primary emphasis upon promotional programs directed at its broad national distribution network (and to the retailers served by that network). The Company closely manages its advertising expenditures in relation to the performance of its brands. The Company has extensive marketing programs for its brands including television, radio, outdoor and print advertising, promotional programs on both a national basis and regional basis in accordance with the strength of the brands, event sponsorship, market research, point-of-sale materials, trade advertising and public relations.

Trademarks and Distribution Agreements

The Company's wine products are sold under a number of trademarks. All of these trademarks are either owned by the Company or used by the Company under exclusive license or distribution agreements.

The Company also owns the following trademarks used in its distilled spirits business: Montezuma, House of Stuart, Highland Mist, Kentucky Gentleman, Barton, Canadian Supreme and Sabroso. The Monte Alban trademark for use outside of Mexico is jointly owned by the Company and the supplier of Monte Alban Mezcal. The Company owns the world-wide sales and marketing rights outside of Mexico.

In September 1989, Barton purchased certain assets from Hiram Walker & Sons, Inc. ("Hiram Walker") and obtained licenses to use the trade names Ten High, Crystal Palace, Northern Light, Lauder's, and Imperial for an initial seven year period. Under an agreement dated January 28, 1994, the Company paid $5.1 million to Hiram Walker for the extension of licenses to use these brand names and certain other spirits brands, for varying periods, the longest of which terminates in 2116.

All of the Company's imported beer products are marketed and sold pursuant to exclusive distribution agreements from the suppliers of these products. These agreements have terms that vary and prohibit the Company from importing other beers from the same country. The Company's agreement

to distribute Corona and its other Mexican beer brands exclusively throughout 25 states was renewed effective January 1994 and expires in December 1998 with automatic renewal thereafter for one year periods from year to year unless terminated. Under this agreement, the Mexican supplier has the right to consent to Mr. Goodman's successor as Chairman and Chief Executive Officer of Barton's beer subsidiary, which consent may not be unreasonably withheld, and, if such consent is properly withheld, to terminate the agreement. The Company's agreement for the importation of St. Pauli Girl expires in 1998 with automatic renewal until 2003 unless the Company terminates the Agreement. The Company's agreement for
the exclusive importation of Tsingtao throughout the entire United States was renewed effective January 1994 and expires in December 1996 with an automatic renewal to December 1999. Prior to their expiration, these agreements may be terminated if the Company fails to meet certain performance criteria. The Company believes it is currently in compliance with all of its material distribution agreements. Given the Company's long-term relationships with its suppliers, the Company does not believe that these agreements will be terminated and expects that such agreements will be renewed prior to their expiration.

COMPETITION

The beverage alcohol industry is highly competitive. The Company competes on the basis of quality, price, brand recognition and distribution. The Company's beverage alcohol products compete with other alcoholic and non-alcoholic beverages for consumer purchases, as well as shelf space in retail stores and for marketing focus by the Company's wholesalers. The Company competes with numerous multinational producers and distributors of beverage alcohol products, many of which have significantly greater resources than the Company. The Company's principal competitors include E&J Gallo Winery in the wine category, Van Munching & Co., Molson Breweries USA and Guinness in the imported beer category and United Distillers Glenmore and Jim Beam Brands in the distilled spirits category.

PRODUCTION

The Company's wines are produced from several varieties of wine grapes grown principally in California and New York. The grapes are crushed at the Company's wineries and stored as wine, grape juice or concentrate. Such grape products may be made into wine for sale under the Company's brand names, sold to other companies for resale under their own labels, or shipped to customers in the form of juice, juice concentrate, unfinished wines, high-proof grape spirits or brandy. Most of the Company's wines are bottled and sold within 18 months after the grape crush. The Company's inventories of wines, grape juice and concentrate are usually at their highest levels in November and December, immediately after the crush of each year's grape harvest, and are substantially reduced prior to the subsequent year's crush.

The bourbon whiskeys, domestic blended whiskeys and light whiskeys marketed by the Company are primarily produced and aged by the Company at its distillery in Bardstown, Kentucky, though it may from time to time supplement its inventories through purchases from other distillers. At its Atlanta, Georgia facility, the Company produces all of the grain neutral spirits used by it in the production of vodka, gin and blended whiskey sold by it to customers in the state of Georgia. The Company's

requirements of Canadian and Scotch whiskeys, and tequila, mezcal, and the grain neutral spirits used by it in the production of gin and vodka for sale outside of Georgia, and other spirits products, are purchased from various suppliers.

Sources and Availability of Raw Materials

The principal components in the production of the Company's branded beverage alcohol products are: packaging materials, primarily glass; grapes; and other agricultural products, such as grain.

The Company utilizes glass bottles and other materials, such as caps, corks, capsules, labels and cardboard cartons in the bottling and packaging of its products. Glass bottle costs is one of the largest components of the Company's cost of product sold. The glass bottle industry is highly concentrated with only a small number of producers. The Company has traditionally obtained, and continues to obtain, its glass requirements from a limited number of producers. The Company has not experienced difficulty in satisfying its requirements with respect to any of the foregoing and considers its sources of supply to be adequate. However, the inability of any of the Company's glass bottle suppliers to satisfy the Company's requirements could adversely affect the Company's operations.

Most of the Company's annual grape requirements are satisfied by purchases from each year's harvest, which occurs from July through October. The Company owns no vineyards in California and purchases grapes from over 1,000 independent growers principally in California and New York. In connection with the Vintners Acquisition and the Almaden/Inglenook Acquisition, the Company acquired certain long term grape purchase contracts. The Company enters into written purchase agreements with a majority of these growers on a year-to-year basis. As a result of this ample grape supply the Company believes that its exposure to phylloxera and other agricultural risks is minimal.

The distilled spirits manufactured by the Company require various agricultural products, neutral grain spirits and bulk spirits. The Company fulfills its requirements through purchases from various sources, through contractual arrangements and through purchases on the open market. The Company believes that adequate supplies of the aforementioned products are available at the present time.

GOVERNMENT REGULATION

The Company's operations are subject to extensive federal and state regulation. These regulations cover, among other matters, sales promotion, advertising and public relations, labeling and packaging, changes in officers or directors, ownership or control, distribution methods and relationships, and requirements regarding brand registration and the posting of prices and price changes. All of the Company's facilities are also subject to federal, state and local environmental laws and regulations and the Company is required to obtain permits and licenses to operate its facilities. The Company believes that it is in compliance in all material respects with all presently applicable governmental laws and regulations and that the cost of administration of compliance with such laws and regulations does not have, and is not

expected to have, a material adverse impact on the Company's financial condition or results of operations.

EMPLOYEES

The Company has approximately 2,650 full-time employees, approximately 900 of whom are covered by collective bargaining agreements. The Company's collective bargaining agreement covering 368 employees at the Mission Bell winery has expired and negotiations have commenced. Additional workers may be employed by the Company during the grape crushing season. The Company considers its employee relations to be good.

Item 2. PROPERTIES

The Company currently operates 15 wineries, two bottling and distilling plants, one bottling and rectifying plant and a brewery, all of which include warehousing and distribution facilities on the premises. The Company considers its principal facilities to be the Mission Bell winery in Madera, California, the Canandaigua, New York winery, and the Gonzales, California winery and the distilling and bottling facility located in Bardstown, Kentucky. Under the Restructuring Plan, the Central

Cellars winery located in Lodi, California and the Soledad, California winery will be closed and offered for sale to reduce excess capacity.

In New York, the Company operates four wineries located in Canandaigua, Naples, Batavia and Hammondsport. The Hammondsport winery lease, acquired in the Vintners Acquisition, expires in April 1995. Production at this winery will be consolidated at the Company's other New York wineries.

The Company currently operates 11 winery facilities in California, including Central Cellars and Soledad Cellars which are to be closed. In the Almaden/Inglenook Acquisition, the Company acquired two new facilities located in Escalon and Madera, California. The Madera winery (known as the Mission Bell winery) is a crushing, wine production, bottling and distribution facility and a grape juice concentrate production facility. The Mission Bell winery will absorb the production of Central Cellars. The Escalon facility is operated under a long-term lease with an option to buy. As part of the Restructuring Plan, the branded wine bottling operations at the Gonzales, California facility where Paul Masson and Taylor Cellars are currently bottled will be moved to the Mission Bell winery during fiscal 1995. The other wineries operated in California are located in Lodi, McFarland, Madera, Fresno and Ukiah.

The Company operates three facilities that produce and/or bottle and store distilled spirits. It owns production, bottling and storage facilities in Bardstown, Kentucky and Atlanta, Georgia, and operates a bottling plant in Carson, California, near Los Angeles, under a management contract. The Bardstown facility distills, bottles and warehouses whiskey for the Company's account and on a contractual basis for other participants in the industry. The Company also owns a production plant in Atlanta, Georgia which produces vodka, gin and blended whiskeys. The Carson plant receives distilled spirits in bulk from Bardstown and outside vendors, which it bottles and distributes. The Company also performs contract bottling at the Carson plant.

The Company owns a brewery in Stevens Point, Wisconsin where it produces and bottles Point beer. In addition, the Company owns and maintains its corporate headquarters in Canandaigua, New York, and leases office space in Chicago, Illinois, for its Barton headquarters.

The Company believes that all of its facilities are in good condition and working order and have adequate capacity to meet its needs for the foreseeable future.

Most of the Company's real property has been pledged under the terms of collateral security mortgages as security for the payment of outstanding loans under the Credit Facility.

Item 3. LEGAL PROCEEDINGS

The Company and its subsidiaries are subject to litigation from time to time in the ordinary course of business. 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 the Company's financial condition or results of operations.

In connection with an investigation in the State of New Jersey into regulatory trade practices in the beverage alcohol industry, one employee of the Company was arrested in March 1994 and another employee has subsequently come under investigation in connection with providing "free goods" to retailers in violation of New Jersey beverage alcohol laws. Employees of several wholesalers and other alcoholic beverage manufacturers were also arrested or are under active investigation. Although the New Jersey Attorney General's office may expand its criminal investigation to include the Company and other manufacturers, to date, no grand jury subpoenas have been issued and no charges have been brought. The Company has cooperated with the Attorney General's office and, as a result of extensive discussions, the Attorney General's office has requested and the Company has submitted a detailed proposal to achieve a resolution of all civil, criminal and regulatory issues. The Company does not believe that the dollar amount of such a settlement or its effect on the Company's operations, if any, will be material.

The United States Environmental Protection Agency (the "EPA") and the Georgia Environmental Protection Division (the "GEPD") conducted a Compliance Evaluation Inspection ("CEI") of Barton Brands of Georgia, Inc. ("Barton Georgia"), a subsidiary of Canandaigua Wine Company, Inc., on February 15, 1994. The CEI was conducted to determine compliance with the Resource Conservation and Recovery Act ("RCRA"). Following the inspection, the EPA sent a report of its findings together with a transmittal letter, dated March 7, 1994, to Barton Georgia.

By letter dated March 21, 1994, the GEPD implemented enforcement action by serving Barton Georgia with a formal Notice of Violation alleging that between August 1991 and August 1993, Barton Georgia has violated certain regulations pertaining to (i) generation and accumulation of hazardous waste and (ii) hazardous waste burning in boilers. These alleged violations relate to the burning of fusel oil which is a mixture of alcohols created by the distillation process used in manufacturing various types of liquor products. Accompanying the Notice of Violation was a proposed settlement agreement in the form of a Consent Order between the GEPD and Barton Georgia. Following counterproposals, on October 21, 1994, Barton Georgia entered into a settlement agreement under the terms of a final Consent Order (the "Order") with the GEPD with respect to this matter. Under the Order, Barton Georgia has paid a stipulated civil penalty of $99,000, and will incur approximately $16,000 of other costs. Barton Georgia is not burning fusel oil in its current operations. The signing of the settlement agreement by Barton Georgia does not constitute any finding, determination or adjudication of liabiity on the part of Barton Georgia, nor any finding, determination or adjudication of a violation of any State or Federal laws, rules, standards or requirements; nor did Barton Georgia make any admission with respect thereto by signing the settlement agreement.

Executive Officers of the Company

The following table sets forth information with respect to the executive officers of the Company:

NAME	AGE	OFFICE HELD
Marvin Sands	70	Chairman of the Board
Richard Sands	43	President and Chief Executive Officer
Robert Sands	36	Executive Vice President and General Counsel
Ellis M. Goodman	57	Executive Vice President of the Company and Chief Executive Officer of Barton Incorporated
Lynn K. Fetterman	47	Senior Vice President, Chief Financial Officer and Secretary
Chris Kalabokes	47	Senior Vice President, President of Wine Division
Bertram E. Silk	62	Senior Vice President

Marvin Sands is the founder of the Company, which is the successor to a business he started in 1945. He has been a director of the Company and its predecessor since 1946 and was Chief Executive Officer until October 1993. Marvin Sands is the father of Richard Sands and Robert Sands.

Richard Sands, Ph.D. has been employed by the Company in various capacities since 1979. He was elected Executive Vice President and a director in 1982, became President and Chief Operating Officer in May 1986 and was elected Chief Executive Officer in October 1993. He is a son of Marvin Sands and the brother of Robert Sands.

Robert Sands was appointed Executive Vice President, General Counsel in October 1993. He was elected a director of the Company in January 1990 and served as Vice President, General Counsel since June 1990. From June 1986, until his appointment as Vice President, General Counsel, Mr. Sands was employed by the Company as General Counsel. He is a son of Marvin Sands and the brother of Richard Sands.

Ellis M. Goodman has been a director and Vice President since July 1993 and was elected Executive Vice President in October 1993. Mr. Goodman has been Chief Executive Officer of Barton Incorporated since 1987 and Chief Executive Officer of Barton Brands, Ltd. (predecessor to Barton Incorporated) since 1982.

Lynn K. Fetterman joined the Company during April 1990 as its Vice President, Finance and Administration, Secretary and Treasurer and was elected Senior Vice President, Chief Financial Officer and Secretary in October 1993. For more than 10 years prior to that, he was employed by Reckitt and Colman in various executive capacities, including Vice President, Finance of its Airwick Industries Division and Vice President, Finance of its Durkee-French Foods Division. Mr. Fetterman's most recent position with Reckitt and Colman was as its Vice President-Controller. Reckitt and Colman's principal business relates to consumer food and household products.

Chris Kalabokes joined the Company during October 1991 as President and Chief Executive Officer of the Company's Guild Wineries & Distilleries, Inc. subsidiary. During September 1992, he was appointed to the position of Vice President, President of the Wine Division of the Company and in October 1993 was appointed a Senior Vice President. For more than five years prior to joining the Company, he was employed by Guild. Mr. Kalabokes joined Guild in April 1985 as its Chief Financial Officer and continued in that position until June 1987 when he was promoted to President and Chief Executive Officer.

Bertram E. Silk has been a director and Vice President of the Company since 1973 and was elected Senior Vice President in October 1993. He has been employed by the Company since 1965. Currently, Mr. Silk is in charge of the Company's grape grower relations in California. Before moving from Canandaigua, New York to California in 1989, Mr. Silk was in charge of production for the Company. From 1989 to August 1994, Mr. Silk was in charge of the Company's grape juice concentrate business in California.

PART II

Item 5. Market for the Registrant's Common Equity and Related Stockholder Matters.

The Company's Class A Common Stock and Class B Common Stock are quoted on the Nasdaq National Market under the symbols "WINEA" and "WINEB", respectively. The following table sets forth for the periods indicated the high and low sales prices of the Class A Common Stock and the Class B Common Stock as reported on the Nasdaq National Market.

<TABLE>

<S> <C> <C> <C> <C>

CLASS A STOCK

	Fiscal 1994		Fiscal 1993	
	High	Low	High	Low
1st Quarter	$25.75	$21.00	$15.75	$10.75
2nd Quarter	$32.00	$25.50	$18.75	$14.25
3rd Quarter	$30.50	$20.25	$19.50	$13.50
4th Quarter	$30.75	$22.25	$ 23.75	$17.50

CLASS B STOCK

	Fiscal 1994		Fiscal 1993	
	High	Low	High	Low
1st Quarter	$25.375	$20.50	$16.00	$11.25
2nd Quarter	$32.50	$25.625	$18.50	$14.75
3rd Quarter	$30.00	$25.00	$19.75	$15.00
4th Quarter	$32.00	$25.00	$25.25	$17.00

At November 21, 1994 the number of holders of record of Class A Common Stock and Class B Common Stock of the Company were 1,416 and 402, respectively.

The Company's policy is to retain all of its earnings to finance the development and expansion of its business, and the Company has not paid any cash dividends since its initial public offering in 1973. In addition, the Company's current bank credit agreement prohibits and the Company's indenture for its 8 3/4% Senior Subordinated Notes due 2003 restricts the payment of cash dividends.

/TABLE

<TABLE>

Item 6. Selected Financial Data

<S> <C> <C> <C> <C> <C>

	YEAR ENDED AUGUST 31,				
	1990	1991	1992	1993	1994
	(in thousands)				
Sales:					
Gross, including excise taxes	$201,648	$212,637	$305,118	$389,417	$861,059
Less- excise taxes	(21,803)	(36,078)	(59,875)	(83,109)	(231,475)
Net sales	179,845	176,559	245,243	306,308	629,584
Cost of product sold	(136,220)	(131,064)	(174,686)	(214,931)	(447,211)
Gross profit	43,625	45,495	70,557	91,377	182,373
Selling, general and administrative expenses	(33,355)	(30,184)	(46,491)	(59,983)	(121,388)

Nonrecurring restructuring expense	-	-	-	-	(24,005)
Operating income	10,270	15,311	24,066	31,394	36,980
Interest income	798	955	328	147	311
Interest expense	(4,640)	(4,586)	(6,510)	(6,273)	(18,367)
Income before provision for income taxes	6,428	11,680	17,884	25,268	18,924
Provision for federal and state income taxes	(1,993)	(3,970)	(6,528)	(9,664)	(7,191)
Net income	$ 4,435	$ 7,710	$ 1,356	$ 15,604	$ 11,733
Net income per common share:					
Primary	$ .46	$ .84	$ 1.08	$ 1.30	$ .74
Fully diluted	$ -	$ -	$ 1.01	$ 1.20	$ .74
Total assets	$142,868	$147,207	$217,835	$355,182	$826,562
Long-term debt	$ 63,106	$ 62,278	$ 61,909	$108,303	$289,122

For fiscal years ended August 31, 1994, 1993 and 1992, see Management's Discussion and Analysis of Financial Condition and Results of Operations under Item 7 of this Report and Notes to Consolidated Financial Statements as of August 31, 1994 under Item 8 of this Report.

Per share amounts have been appropriately adjusted to reflect the Company's stock splits (see Note 10 in the Company's consolidated financial statements).
/TABLE

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

Results of Operations of the Company

The Company has realized significant growth in sales and profitability over the last three years primarily as a result of acquisitions. The Company acquired Guild on October 1, 1991, Barton on June 29, 1993, Vintners on October 15, 1993 and the Almaden /Inglenook Product Lines on August 5, 1994. Management expects the Acquisitions to have a substantial impact on the future results of the Company's operations. The Company's results of operations for the 1992 fiscal year include only 11 months of operations of the assets acquired from Guild as compared to the 1993 fiscal year, which include such results for the complete period. The Company's results of operations for the 1993 fiscal year include the results of operations of Barton from June 29, 1993, the date of the Barton Acquisition, until the end of the period. The Company's results of operations for the 1994 fiscal year include the results of operations of Vintners from October 15, 1993, the date of the Vintners Acquisition, until the end of the period, and the results of operations of the Almaden/Inglenook Product Lines from August 5, 1994, the date of the Almaden/Inglenook Acquisition, until the end of the period.

The following table sets forth, for the periods indicated, certain items in the Company's consolidated statements of income expressed as a percentage of net sales:
<TABLE>

<S>	<C>	<C>	<C>
	Year Ended August 31,		
	1992	1993	1994
Net Sales	100.0%	100.0%	100.0%
Cost of product sold	71.2	70.2	71.0
Gross profit	28.8	29.8	29.0
Selling, general and administrative expenses . . .	19.0	19.6	19.3
Nonrecurring restructuring expenses	-	-	3.8
Operating income	9.8	10.2	5.9
Interest expense, net	2.5	1.9	2.9
Income before provision for income taxes	7.3	8.3	3.0
Provision for federal and state income taxes	2.7	3.2	1.1
Net income	4.6%	5.1%	1.9%

Fiscal Year Ended August 31, 1994 Compared to Fiscal Year Ended August 31, 1993

Net Sales

Net sales for the Company's 1994 fiscal year increased to $629.6 million from $306.3 million for the fiscal year ended August 31, 1993, an increase of $323.3 million, or approximately 106%. The increase resulted from the inclusion of (i) an additional 10 months of Barton's net sales during the fiscal year ended August 31, 1994, amounting to $210.6 million, as compared to two months of Barton's net sales in the same period a year ago, (ii) $119.2 million of net sales of Vintners' products from October 15, 1993, the date of the Vintners Acquisition and (iii) $17.1 million of net sales of products acquired in the Almaden/Inglenook Acquisition from August 5, 1994, the date of the Almaden/Inglenook Acquisition. Excluding the impact of the Acquisitions, the Company's net sales decreased $23.5 million, or 9.2%, when compared to the same period a year ago. This was principally due to a decrease in net sales of the Company's non-branded products, specifically grape juice concentrate, and to lower sales of the Company's dessert wines.

For purposes of computing the comparative data below, sales of branded wine products acquired in the Vintners and Almaden/Inglenook Acquisitions have been included in the fiscal year ended August 31, 1994 from the acquisition dates through August 31, 1994, and included for the same periods during the fiscal year ended August 31, 1993 prior to both Acquisitions. Further, sales of branded products acquired in the Barton Acquisition have been included for the entire fiscal year ended August 31, 1994, and included for the same period during the fiscal year ended August 31, 1993, ten months of which were prior to the Barton Acquisition.

Net sales and unit volume of the Company's branded beverage alcohol products for the fiscal year ended August 31, 1994 have increased 0.7% and 1.1%, respectively, as compared to the same period a year ago. This increase was principally due to increased net sales and unit volume of the Company's imported beer brands and, to a lesser extent, increased net sales and unit volume of the Company's varietal table wine brands.

Net sales and unit volume of the Company's branded wine products for the fiscal year ended August 31, 1994 declined 4.6% and 6.0%, respectively, as compared to the same period a year ago. These decreases were due to lower sales of branded wine products acquired from Vintners and, to a lesser extent, to lower sales of the Company's branded wine products, exclusive of branded wine products acquired from Vintners.

Net sales and unit volume of the Company's varietal table wine brands for the fiscal year ended August 31, 1994 increased 2.3% and 6.4%, respectively, reflecting increases in substantially all of the Company's varietal table wine brands except for varietal table wine brands acquired from Vintners which declined 13.2% and 3.1%, in net sales and unit volume, respectively. Net sales and unit volume of the Company's non-varietal table wine brands for the same period were down 4.8% and 5.8%, respectively, principally due to lower sales of non-varietal table wine brands acquired from Vintners. Net sales and unit volume of sparkling wine brands each decreased 2.1% in the fiscal year ended August 31, 1994 versus the same period a year ago. This was principally due to a general decline in most of the Company's sparkling wine brands with the exception of J. Roget. Net sales and unit volume of the Company's dessert wine brands were down 11.1% and 13.2%, respectively, in the fiscal year ended August 31, 1994 versus the same period a year ago. The Company's net sales and unit volume of dessert wine brands have declined over the last three years. These declines can be attributed to a general decline in dessert wine consumption in the United States. For the fiscal year ended August 31, 1994, net sales of branded dessert wines constituted less than 12% of the Company's overall net sales. Notwithstanding this, net sales and unit volume of the premium dessert wine brands acquired from Vintners increased and remained flat, respectively, in the fiscal year ended August 31, 1994 versus the same period a year ago.

Net sales and unit volume of the Company's beer brands for the fiscal year ended August 31, 1994 increased by 12.9% and 13.3%, respectively, when compared to net sales and unit volume of these beer brands with respect to the same period a year ago, part of which was prior to the Barton Acquisition. These increases resulted primarily from increased sales of the Company's Corona brand and other Mexican beer brands, and increased sales of its St. Pauli Girl and Point brands. The Company's new agreement to continue to distribute Corona and its other Mexican beer brands expires in December 1998.

Net sales and unit volume of the Company's spirits case goods for the fiscal year ended August 31, 1994 were down 1.5% and up 0.4%, respectively, as compared to net sales and unit volume of these spirits case goods with respect to the same period a year ago, part of which was prior to the Barton Acquisition. This decrease in net sales was primarily due to lower net sales of the Company's aged whiskeys (i.e., Canadian, bourbon and Scotch whiskeys), which was partially offset by increased net sales of the Company's blended whiskey, tequila and liqueur brands.

Gross Profit

Gross profit increased to $182.4 million in the fiscal year ended August 31, 1994 from $91.4 million in the fiscal year ended August 31, 1993, an increase of $91.0 million, or approximately 100%. This increase in gross profit resulted from the inclusion of the operations of Barton, Vintners and the Almaden/Inglenook Product Lines with those of the Company. Gross profit as a percentage of net sales decreased to 29.0% in the fiscal year ended August 31, 1994 from 29.8% in the fiscal year ended August 31, 1993. The Company's gross margin decreased primarily as a result of the inclusion of Barton's and Vintners' operations into the Company.

Selling, General and Administrative Expenses

Selling, general and administrative expenses increased to $121.4 million in the fiscal year ended August 31, 1994 from $60.0 million in the fiscal year ended August 31, 1993, an increase of $61.4 million, or approximately 102%. This increase resulted from the additional selling, general and administrative expenses associated with the operations of Barton and Vintners and higher advertising and promotional spending on brands the Company owned prior to the Barton and Vintners Acquisitions.

Nonrecurring Restructuring Expenses

The Company previously announced a plan to restructure the operations of its California wineries. The Restructuring Plan will enable the Company to realize significant cost savings from the consolidation of existing facilities and the facilities acquired in the Almaden/Inglenook Acquisition. Under the Restructuring Plan, all bottling operations at the Central Cellars Winery in Lodi, California and the branded wine bottling operations at the Monterey Cellars Winery in Gonzales, California will be moved to the Mission Bell Winery located in Madera, California which was acquired by the Company in the Almaden/Inglenook Acquisition. The Monterey Cellars Winery will continue to be used as a crushing, winemaking and contract bottling facility. The Central Cellars Winery and the winery in Soledad, California will be closed and offered for sale to reduce surplus capacity. The Company anticipates that implementation of the Restructuring Plan will result in approximately 260 jobs being eliminated. As a result of the Restructuring Plan, the Company has taken a restructuring charge in the fourth quarter of fiscal 1994 which will reduce after-tax income for fiscal 1994 by $14.9 million, or $0.91 per share on a fully diluted basis. During fiscal 1995, implementation of the Restructuring Plan will require net cash expenditures of approximately $27.1 million, including $20.0 million for capital expenditures to expand storage capacity and install certain relocated equipment. The Company expects to have the Restructuring Plan fully implemented by the end of fiscal 1995. The Company anticipates that the Restructuring Plan will result in net cost savings of approximately $1.7 million in fiscal 1995 and approximately $13.3 million of annual net cost savings beginning in fiscal 1996. See "Financial Liquidity and Capital Resources."

Interest Expense, Net

Interest expense, net increased to $18.1 million in the fiscal year ended August 31, 1994 from $6.1 million in the fiscal year ended August 31, 1993, an increase of $12.0 million. The increase resulted primarily from borrowings related to the Acquisitions.

Net Income

Net income decreased to $11.7 million in the fiscal year ended August 31, 1994 from $15.6 million in the fiscal year ended August 31, 1993, a decrease of $3.9 million, or approximately 24.8%. The decrease in net income resulted primarily from the restructuring charge of $24 million which reduced after tax net income by $14.9 million. Exclusive of the impact of the restructuring charge, net income increased 71% to $26.6 million, or $1.65 of fully diluted earnings per common share, compared with net income of $15.6 million or $1.20 of fully diluted earnings per common share in fiscal 1993. See "Nonrecurring Restructuring Expenses" and "Financial Liquidity and Capital Resources".

Fiscal Year Ended August 31, 1993 Compared to Fiscal Year Ended August 31, 1992

Net Sales

Net sales for the Company's 1993 fiscal year increased to $306.3 million from $245.2 million for the year ended August 31, 1992, an increase of $61.1 million, or 24.9%. This increase resulted from the inclusion of $52.0 million of Barton's net sales since the date of the Barton Acquisition and increased net sales of grape juice concentrate, brands acquired from Guild and private label and other specialty products. These increases, however, were partially offset by a decrease in net sales of the Company's branded wine products.

Net sales and unit volume of the Company's branded wine products, including sales of products under brands acquired from Guild for comparable 11-month periods declined 5.1% and 10.1%, respectively, as compared to the same period a year ago. These decreases were principally due to a decline in net sales and unit volume of the Company's dessert

wine brands. The change in net sales of the Company's branded wine products declined less than unit volume due to higher prices of certain brands and a favorable change in product mix.

For the 1993 fiscal year, including sales of products acquired from Guild for comparable 11-month periods, unit volume of the Company's varietal table wine brands increased by approximately 24%, reflecting significant increases in sales of substantially all of the Company's varietal table wine brands, including Marcus James varietals imported from Brazil. Unit volume of the Company's non-varietal table wines was up slightly and unit volumes of sparkling wine brands decreased by approximately 2%, as compared to the same period a year ago. Unit volume of the Company's dessert wine brands, including the Richards Wild Irish Rose brand, was down approximately 19% during this period.

The Company believes its lower dessert wine sales may be attributable to several factors including the impact of previous price increases made in response to a significant federal excise tax increase which took effect in January 1991. In addition, the Company initiated product promotions during the fourth quarter of the Company's 1992 fiscal year which resulted in higher wholesale inventories at its 1992 fiscal year end, thereby reducing dessert wine sales in the first quarter of fiscal 1993. Unit volume of the Company's dessert wines have been declining since the Company's 1990 fiscal year.

Unit volume of the Company's beer products for the period July 1, 1993 to August 31, 1993 increased by approximately 16% when compared to Barton's unit volume for the same period a year ago. This increase resulted primarily from increased sales of Corona and the Company's other Mexican beer brands and from increased sales of St. Pauli Girl. Barton began to distribute St. Pauli Girl on July 1, 1992 and net sales of St. Pauli Girl through August 31, 1992 were adversely affected by high levels of wholesaler inventories existing at the time Barton acquired the rights to distribute this brand. For the same two month period, unit volume of the Company's spirits case goods increased slightly as compared to Barton's unit volume for the same period a year ago.

Gross Profit

Gross profit increased to $91.4 million for the fiscal year ended August 31, 1993 from $70.6 million for the fiscal year ended August 31, 1992, an increase of $20.8 million, or 29.5%. The increase in gross profit resulted from the inclusion of Barton's operations into the Company's and increased sales of grape juice concentrate. Gross profit as a percentage of net sales increased to 29.8% for the fiscal year ended August 31, 1993 from 28.8% for the prior year. Gross margins improved primarily as a result of higher gross profit margins on net sales of grape juice concentrate and Cook's sparkling wines.

Selling, General and Administrative Expenses

Selling, general and administrative expenses increased to $60.0 million during the fiscal year ended August 31, 1993 from $46.5 million in fiscal 1992, an increase of $13.5 million, or 29.0%. This increase resulted from the inclusion of the expenses of Barton's operations into the Company's and higher promotional and advertising spending with respect to brands acquired from Guild.

Interest Expense, Net

Interest expense, net decreased to $6.1 million for the fiscal year ended August 31, 1993 from $6.2 million for fiscal 1992 due to lower average outstanding debt balances and lower interest rates which were somewhat offset by increased interest expense from borrowings incurred to acquire Barton.

Net Income

Net income increased to $15.6 million for the fiscal year ended August 31, 1993 from $11.4 million for the fiscal year ended August 31, 1992, an increase of $4.2 million, or 37.4%. Net income as a percentage of net sales increased to 5.1% in fiscal 1993 from 4.6% in fiscal 1992.

Financial Liquidity and Capital Resources

General

The Company's principal use of cash in its operating activities is for purchasing and carrying inventory of raw materials and finished goods. 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 November. 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 operations to repay its short-term borrowings.

Fiscal Year 1994 Cash Flows

Operating Activities

Cash flow from operating activities as of August 31, 1994 increased to $23.2 million from $8.9 million as of August 31, 1993 principally due to increased net income adjusted for non-cash items. Current assets increased by $15.5 million principally due to increased accounts receivable levels, resulting from sales of the Vintners and Almaden/Inglenook product lines acquired since the dates of the respective acquisitions. Current liabilities, net of current liabilities assumed in the Vintners and Almaden/Inglenook Acquisitions, increased due to higher accounts payable and accrued federal and state excise taxes associated with increased inventories and sales, respectively.

Investing and Financing Activities

Capital expenditures for the Company for the fiscal year ended August 31, 1994 were $7.9 million, net of the property, plant and equipment acquired in the Vintners and Almaden/Inglenook Acquisitions. Other assets, net of the effect of the Vintners and Almaden/Inglenook Acquisitions, increased due to fees associated with the Company's public sale of its $130 million 8.75% Senior Subordinated Notes due 2003 (the "Notes") and the payment to Hiram Walker & Sons, Inc. for the extension of licenses to use the Ten High, Crystal Palace and certain other spirits brands. A summary of the assets and liabilities acquired and the additional borrowings incurred in the Acquisitions is shown in the Consolidated Statements of Cash Flows set forth in the financial statements included in this Report.

As of August 31, 1994, under its Credit Facility (as defined below) the Company had outstanding Term Loans of $177.0 million, $19.0 million of Revolving Loans, and $2.2 million of Revolving Letters of Credit. As of August 31, 1994, under the Credit Facility $47.0 million of Term Loans and $163.8 million of Revolving Loans were available to be drawn by the Company.

Subsequent to August 31, 1994, the Company borrowed Term Loans of $47.0 million to finance the increase in current assets associated with the Almaden/Inglenook Acquisition and capital expenditures related to the Restructuring Plan. As of October 31, 1994, the Company had outstanding Term Loans of $224.0 million, $35.0 million of Revolving Loans, and $2.0 million outstanding under Revolving Letters of Credit. As of October 31, 1994, $148.0 million of Revolving Loans was available to be drawn by the Company.

Redemption and Convertible Debentures.

On October 18, 1993, the Company called its 7% Convertible Subordinated Debentures Due 2011 (the "Convertible Debentures") for redemption on November 19, 1993 at a redemption price 102.1% plus accrued interest. Prior to such redemption substantially all of the Convertible Debentures were converted into shares of the Company's Class A Common Stock.

Stock Offering

On November 18, 1994, the Company completed its public sale of 3,937,744 shares of its Class A Common Stock at a price to the public of $33.50 per share in simultaneous United States and international offerings (the "Offerings"). Of the total number of shares sold in the Offerings, 3 million shares were sold by the Company (the "Shares") and 937,744 shares were sold by certain selling stockholders. The Company used the net proceeds from the sale of the Shares, $96.3 million, together with the proceeds it received from certain of the selling stockholders in connection with their exercise of certain options issued to them in connection with the Vintners Acquisition, $7.8 million, to repay indebtedness under the Credit Facility. On November 21, 1994, Term Loans in the amount of $82 million and Revolving Loans in the amount of $22.1 million were prepaid with the proceeds from the Offerings. As a result of this prepayment, the Term Loan commitment in the Credit Facility has been reduced to $142.0 million from $224.0 million.

Following the prepayment of these loans, the Company had outstanding Term Loans of $142.0 million, $16 million of Revolving Loans, and $2.2 million outstanding under Revolving Letters of Credit. As of November 21, 1994, $166.8 million of Revolving Loans was available to be drawn by the Company.

The Company's Credit Facility

The Company and a syndicate of 20 banks for which The Chase Manhattan Bank, N.A. acts as agent, entered into a Second Amendment and Restatement (as amended) dated as of August 5, 1994 of Amendment and Restatement of

Credit Agreement dated June 29, 1993 (the "Credit Facility"). The Company's Credit Facility presently provides for (i) a $142 million term loan facility due in June, 2000, (ii) a $185 million revolving credit facility, which expires in June 2000 and (iii) an existing $28.2 million letter of credit related to the Barton Acquisition (the "Barton Letter of Credit"). All payments of Term Loans by the Company reduce the commitment amount. The Term Loans borrowed under the Credit Facility may be either base rate loans or eurodollar base rate loans. Base rate loans have an interest rate equal to the higher of either the Federal Funds rate plus 0.5% or the prime rate. Eurodollar rate loans currently have an interest rate equal to LIBOR plus 1.25%. The current interest rate for both base rate and eurodollar rate loans may be increased by up to 0.25% and eurodollar rate loans may be decreased by up to 0.375%, depending on the Company's debt ratio and long-term debt ratings. The principal of the Term Loans is to be repaid in 20 quarterly installments of $7 million each beginning December 15, 1994, with a final quarterly payment of $2 million due December 15, 1999. The Company may prepay the principal of the Term Loans and the Revolving Loans at its discretion and must prepay the principal with, among other sources of funds, 65% of its annual excess cash flow, proceeds from the sale of certain assets and the first $60 million of the net proceeds from any issuance of equity plus 50% of any net proceeds in excess of $60 million.

The $185 million revolving credit available under the Credit Facility may be utilized by the Company either in the form of Revolving Loans or as Revolving Letters of Credit up to a maximum of $12 million. Additionally, availability of Revolving Loans is subject to a formula based on the amount of certain eligible receivables and certain eligible inventory and is reduced by the principal amount of Revolving Letters of Credit. As with Term Loans, Revolving Loans may be either base rate loans or eurodollar rate loans. Revolving Loans will mature and must be repaid June 15, 2000. For 30 consecutive days at any time during the last two quarters of each fiscal year, the aggregate outstanding principal amount of Revolving Loans combined with the Revolving Letters of Credit cannot exceed $50 million.

The Barton Letter of Credit is an existing letter of credit issued in the face amount of $28.2 million. This amount represents the full amount committed under the Credit Facility. On January 1, 1995, the face amount of the Barton Letter of Credit will be reduced to $25 million and on January 1, 1996, will be reduced to $15 million. The Barton Letter of Credit will terminate on December 31, 1996. The Company must pay commitment and other fees based on the undrawn face amount of the Barton Letter of Credit. In the event a beneficiary makes a demand for payment under the Barton Letter of Credit, the Company must pay to the issuing bank the amount of such demand at or prior to the date the payment is to be made by the issuing bank to the beneficiary, and the Company must inform the bank if the Company is borrowing to make that payment.

The banks under the Credit Facility have been given security interests in substantially all of the assets of the Company including mortgage liens on certain real property. The Credit Facility requires the Company to meet certain covenants and provides for restrictions on mergers, consolidations and sales of assets, payment of dividends, incurring of other debt, liens or guarantees and the making of investments. The primary financial covenants as defined in the Credit Facility require the maintenance of minimum defined tangible net worth, a debt to cash flow coverage ratio, a fixed charges ratio, maximum capital expenditures, an interest coverage ratio and a current ratio. Among the most restrictive covenants contained in the Credit Facility, the Company is required to maintain a fixed charges ratio not less than 1.0 to 1.0 at the last day of each fiscal quarter of each fiscal year. The Revolving Credit Loans require commitment fees totaling .375% per annum on the daily average unused balance. Commitment fees totaled approximately $223,000, $228,000 and $154,000 in fiscal 1994, 1993 and 1992, respectively.

The Credit Facility restricts capital expenditures of the Company to $40 million and $17 million for fiscal 1995 and 1996, respectively, and $15.5 million for any fiscal year thereafter, plus in each case the amount of certain proceeds received from the sale of tangible assets. The Company believes that the $40.0 million of capital expenditures allowed to be made under the Credit Facility in fiscal 1995 will be adequate to complete the Restructuring Plan and to maintain existing facilities.

In connection with the Vintners Acquisition, the Company borrowed $130 million under a subordinated bank loan. The Company repaid the subordinated bank loan in December, 1993 from the proceeds of Notes together with Revolving Loan borrowings. The Notes are due in 2003 with a stated interest rate of 8.75% per annum. Interest is payable semi-annually on June 15 and December 15 of each year. The Notes are redeemable at the option of the Company, in whole or in part, on or after December 15, 1998. The Notes are unsecured and subordinated to the prior payment in full of all senior indebtedness of the Company, which includes the Credit Facility. The Notes are guaranteed, on a senior subordinated basis, by substantially all of the Company's operating subsidiaries.

Pursuant to the Barton Acquisition, the Company is obligated to make payments of up to an aggregate amount of $57.3 million which payments shall be payable over a three year period ending November 29, 1996 (the "Earn-Out"). The first payment of $4 million was made on December 31, 1993. The second payment of $28.3 million is required to be made to the Barton stockholders (the "Barton Stockholders") on December 30, 1994, as a result of satisfaction of certain performance goals and the achievement of targets for earnings before interest and taxes and an accrual for this payment has been recorded in the financial statements as of August 31, 1994. The Company will fund the payment due on December 30, 1994 through Revolving Loans. The remaining payments are contingent upon Barton achieving and exceeding certain targets for earnings before interest and taxes and are to be made as follows: up to $10 million is to be made on November 30, 1995; and up to $15 million is to be made on November 29, 1996. Such payment obligations are secured in part by the Company's standby irrevocable letter of credit under the Credit Facility in an original maximum face amount of the Barton Letter of Credit and are subject to acceleration in certain events. All Earn-Out payments will be accounted for as additional purchase price for the Barton Acquisition when the contingencies have been satisfied and will be allocated based upon the fair market value of the underlying assets. As a result, when the contingencies have been satisfied, depreciation and amortization expense will increase in the future over the remaining useful lives of these assets.

At the closing of the Vintners Acquisition, the Company held back from Vintners $8.4 million of the Vintners cash consideration, which represents 10% of the then estimated net current assets of Vintners purchased by the Company (the "Held-back Amount") and deposited an additional $2.8 million of the Vintners cash consideration into an escrow account to be held until October 15, 1995. Subsequent to the Vintners Acquisition, the corporation formerly known as Vintners ("Old Vintners") delivered a final closing net asset statement which indicated that the purchase price should be reduced by $700,000. The Company believes that the net current assets as reflected on the initial closing net asset statement were overstated by approximately $14 million. The Company and Old Vintners have been unable to resolve their differences and the

Company expects that the final net asset amount will be determined by an independent accounting firm (the "Unaffiliated Firm") under the terms of the acquisition agreement. The decision of the Unaffiliated Firm will be final and binding upon the parties. In the event it is determined that the purchase price should be reduced by less than $8.4 million then the Company shall pay the difference into the established escrow. If the purchase price is to be reduced by more than $8.4 million, then the Company will retain the Held-back Amount and will be paid the amount in excess of $8.4 million out of the escrow account up to the amount held in the escrow account. Any amounts remaining in the escrow account will be held to reimburse the Company for any indemnification claims arising out of the Vintners Acquisition.

As part of the Restructuring Plan, the Company has taken an after-tax restructuring charge in the fourth quarter of fiscal 1994 of $14.9 million, or $0.91 per share on a fully diluted basis. Approximately 60% of the restructuring charge relates to the revaluation of affected assets which will not involve cash expenditures. Implementation of the Restructuring Plan will require cash expenditures of approximately $27.1 million, including $20.0 million or capital expenditures, during fiscal 1995. Upon relocation of the bottling facilities and other equipment from Central Cellars and Soledad wineries, these wineries will be closed and offered for sale. Net proceeds from the dispositions of discontinued operations and other assets in excess of $10.0 million are required to pay down Term Loans if the proceeds are not reinvested within one year in similar assets. The capital expenditures will be funded through the Credit Facility. The Company anticipates that the Restructuring Plan will result in net cost savings of approximately $1.7 million in fiscal 1995 and approximately $13.3 million of annual net cost savings beginning in fiscal 1996.

The Company engages in operations at its facilities for the purpose of disposing of waste and by-products generated in its production process. These operations include the treatment of waste water to comply with regulatory requirements prior to disposal in public facilities or upon property owned by the Company or others and do not constitute a material part of the Company's overall cost of product sold. Expenditures for the purpose of maintaining or improving the Company's waste water treatment facilities have not constituted a material part of the Company's maintenance or capital expenditures over the last three fiscal years and the Company does not expect to incur any such material expenditures during its 1995 fiscal year. During the last three fiscal years the Company has not incurred, nor does it expect to incur in its 1995 fiscal year, any material expenditures related to remediation of previously contaminated sites or other non-recurring environmental matters.

The Company believes that cash flow from operations will provide sufficient funds to meet all of its anticipated short and long-term debt service. The Company is not aware of any potential impairment to its liquidity and believes that the Revolving Loans available under the Credit Facility and cash flow from operations will provide adequate resources to satisfy its working capital, liquidity and anticipated capital expenditure requirements for at least the next four fiscal quarters.

Item 8. Financial Statements and Supplementary Data

CANANDAIGUA WINE COMPANY, INC. AND SUBSIDIARIES

INDEX TO CONSOLIDATED FINANCIAL STATEMENTS AND SUPPLEMENTARY SCHEDULES

AUGUST 31, 1994

Page

The following information is presented in this report:

Schedules I, II, III, IV, VII, VIII, XI, XII, XIII and XIV are not submitted because they are not applicable or not required under the rules of Regulation S-X.

Individual financial statements of the Registrant have been omitted because the Registrant is primarily an operating company and no subsidiary included in the consolidated financial statements has minority equity interests and/or noncurrent indebtedness, not guaranteed by the Registrant, in excess of 5% of total consolidated assets.

REPORT OF INDEPENDENT PUBLIC ACCOUNTANTS

To Canandaigua Wine Company, Inc.:

We have audited the accompanying consolidated balance sheets of CANANDAIGUA WINE COMPANY, INC. (a Delaware corporation) and subsidiaries as of August 31, 1994 and 1993, and the related consolidated statements of income, changes in stockholders' equity and cash flows for each of the three years in the period ended August 31, 1994. These financial statements and supplementary schedules referred to below are the responsibility of the Company's management. Our responsibility is to express an opinion on these financial statements and supplemental schedules based on our audits.

We conducted our audits in accordance with generally accepted auditing standards. 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 financial statements referred to above present fairly, in all material respects, the financial position of Canandaigua Wine Company, Inc. and subsidiaries as of August 31, 1994 and 1993, and the results of their operations and their cash flows for each of the three years in the period ended August 31, 1994, in conformity with generally accepted accounting principles.

Our audits were made for the purpose of forming an opinion on the basic financial statements taken as a whole. The schedules listed in the index to consolidated financial statements and supplemental schedules are presented for purposes of complying with the Securities and Exchange Commission's rules and are not part of the basic financial statements. These schedules have been subjected to the auditing procedures applied in the audits of the basic financial statements and, in our opinion, fairly state in all material respects the financial data required to be set forth therein in relation to the basic financial statements taken as a whole.

ARTHUR ANDERSEN LLP

Rochester, New York
November 11, 1994
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CANANDAIGUA WINE COMPANY, INC. AND SUBSIDIARIES
CONSOLIDATED BALANCE SHEETS

ASSETS

<S>	<C>	<C>
	AUGUST 31,	
	1994	1993
CURRENT ASSETS:	(in thousands)	
Cash and cash investments	$ 1,495	$ 3,718
Accounts receivable, net	122,124	75,909
Inventories, net	301,053	147,165
Prepaid expenses and other current assets	29,377	17,263
Total current assets	454,049	244,055
PROPERTY, PLANT AND EQUIPMENT, NET	194,283	78,600
OTHER ASSETS	178,230	32,527
Total assets	$826,562	$355,182
LIABILITIES AND STOCKHOLDERS' EQUITY		
CURRENT LIABILITIES:		
Notes payable	$ 19,000	$ 9,000
Current maturities of long-term debt	31,001	11,828
Accounts payable	75,506	41,289
Accrued federal and state excise taxes	16,657	11,195
Other accrued expenses and liabilities	96,061	23,490
Total current liabilities	238,225	96,802
LONG-TERM DEBT, less current maturities	289,122	108,303
DEFERRED INCOME TAXES	43,774	20,629

OTHER LIABILITIES	51,248	3,344
COMMITMENTS AND CONTINGENCIES		
STOCKHOLDERS' EQUITY:		
Class A Common Stock, $.01 par value- Authorized, 60,000,000 shares; Issued, 13,832,597 shares in 1994 and 10,543,645 shares in 1993	138	106
Class B Convertible Common Stock, $.01 par value- Authorized, 20,000,000 shares; Issued, 4,015,776 shares in 1994 and 4,068,576 shares in 1993	40	41
Additional paid-in capital	113,348	47,202
Retained earnings	98,258	86,525
	211,784	133,874
Less- Treasury stock-		
Class A Common Stock, 1,215,296 shares in 1994 and 1,274,251 shares in 1993, at cost	(5,384)	(5,563)
Class B Convertible Common Stock, 625,725 shares in 1994 and in 1993, at cost	(2,207)	(2,207)
	(7,591)	(7,770)
Total stockholders' equity	204,193	126,104
Total liabilities and stockholders' equity	$826,562	$355,182

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

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CANANDAIGUA WINE COMPANY, INC. AND SUBSIDIARIES

CONSOLIDATED STATEMENTS OF INCOME

<S>	<C> Years Ended August 31, 1994	<C> 1993	<C> 1992
	(in thousands, except share and per share data)		
GROSS SALES	$861,059	$389,417	$305,117
Less- Excise taxes	(231,475)	(83,109)	(59,875)
Net sales	629,584	306,308	245,242
COST OF PRODUCT SOLD	(447,211)	(214,931)	(174,685)
Gross profit	182,373	91,377	70,557
SELLING, GENERAL AND ADMINISTRATIVE EXPENSES	(121,388)	(59,983)	(46,491)
NONRECURRING RESTRUCTURING EXPENSES	(24,005)	-	-
Operating income	36,980	31,394	24,066
INTEREST INCOME	311	147	328
INTEREST EXPENSE	(18,367)	(6,273)	(6,510)
Income before provision for federal and state income taxes	18,924	25,268	17,884
PROVISION FOR FEDERAL AND STATE INCOME TAXES	(7,191)	(9,664)	(6,528)
NET INCOME	$ 11,733	$ 15,604	$ 11,356
PER SHARE DATA:			
Net income per common and common equivalent share:			
Primary	$.74	$1.30	$1.08
Fully diluted	$.74	$1.20	$1.01
Weighted average shares outstanding:			
Primary	15,783,583	11,963,652	10,527,270
Fully diluted	16,401,598	15,203,114	13,820,335

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

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CANANDAIGUA WINE COMPANY, INC. AND SUBSIDIARIES

CONSOLIDATED STATEMENTS OF CHANGES IN STOCKHOLDERS' EQUITY

<S> <C> <C> <C> <C> <C> <C>

(in thousands, except share data)

FOR THE YEARS ENDED AUGUST 31, 1994, 1993 AND 1992	Class A Common Stock	Class B Common Stock	Additional Paid-in Capital	Retained Earnings	Treasury Stock	Total
BALANCE, August 31, 1991	$68	$42	$210	$59,565	$(7,910)	51,975
Conversion of 167,689 Class B Convertible Common shares to Class A Common shares	1	(1)	-	-	-	-
Issuance of 2,589,750 Class A Common shares	27	-	31,956	-	-	31,983
Employee stock purchase of 18,526 treasury shares	-	-	159	-	55	214
Fractional shares paid in cash in a three-for-two stock split	-	-	(8)	-	-	(8)
Issuance of 2,556 treasury shares to stock incentive plan	-	-	21	-	8	29
Net income for fiscal 1992	-	-	-	11,356	-	11,356
BALANCE, August 31, 1992	96	41	32,338	70,921	(7,847)	95,549
Conversion of 1,165 Class B Convertible Common shares to Class A Common shares	-	-	-	-	-	-
Issuance of 1,000,000 Class A Common shares	10	-	13,584	-	-	13,594
Conversion of 7% Convertible debentures to Class A Common shares	-	-	976	-	-	976
Employee stock purchase of 21,071 treasury shares	-	-	266	-	64	330
Issuance of 4,104 treasury shares to stock incentive plan	-	-	38	-	13	51
Net income for fiscal 1993	-	-	-	15,604	-	15,604
BALANCE, August 31, 1993	106	41	47,202	86,525	(7,770)	126,104
Conversion of 52,800 Class B Convertible Common shares to Class A Common shares	1	(1)	-	-	-	-
Conversion of 7% Convertible debentures to Class A Common shares	31	-	58,925	-	-	58,956
To write-off unamortized deferred financing costs on debentures converted, net of amortization	-	-	(1,569)	-	-	(1,569)
To write-off interest accrued on debentures, net of tax effect	-	-	850	-	-	850
Employee stock purchase of 58,955 treasury shares	-	-	878	-	179	1,057
To record exercise of 2,250 Class A stock options	-	-	10	-	-	10
To record 500,000 Class A stock options related to the Vintners Acquisition	-	-	4,210	-	-	4,210
To record 600,000 Class A stock options related to the Almaden/Inglenook asset purchase	-	-	2,842	-	-	2,842
Net income for fiscal 1994	-	-	-	11,733		

- 11,733

BALANCE, August 31, 1994	$138	$40	$113,348	$98,258
$(7,591) 204,193				

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

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CANANDAIGUA WINE COMPANY, INC. AND SUBSIDIARIES
CONSOLIDATED STATEMENTS OF CASH FLOWS

<S>	<C>	<C>	<C>
	FOR THE YEARS ENDED AUGUST 31,		
	1994	1993	1992
CASH FLOWS FROM OPERATING ACTIVITIES:	(in thousands)		
Net income	$ 11,733	$15,604	$11,356
Adjustments to reconcile net income to net cash provided by operating activities:			
Depreciation of property, plant and equipment	10,534	7,389	6,080
Amortization of intangible assets	3,281	1,286	995
Deferred income tax expense	(4,319)	1,028	387
Gain on sale of property, plant and equipment	-	(524)	-
Accrued interest on converted debentures, net of deferred taxes	161	-	-
Restructuring charges - fixed asset writedown	13,935	-	-
Change in assets and liabilities, net of effects from purchases of businesses:			
Accounts receivable	(17,946)	(5,761)	(2,617)
Inventories	784	8,966	(19,764)
Prepaid expenses	1,703	(8,571)	1,322
Accounts payable	2,680	(18,948)	17,654
Accrued federal and state excise taxes	4,405	845	699
Other accrued expenses and liabilities	23	6,687	(157)
Other	(3,795)	911	244
Net cash provided by operating activities	23,179	8,912	16,199
CASH FLOWS FROM INVESTING ACTIVITIES:			
Sale of short-term investments, net	-	-	21,789
Proceeds from sale of property, plant and equipment	-	1,337	-
Purchases of property, plant and equipment, net of minor disposals	(7,853)	(6,949)	(4,713)
Purchases of businesses, net of cash acquired	3	8,710	(26,423)
Purchase of brands	(5,100)	-	-
Net cash (used in) provided by investing activities	(12,950)	3,098	(9,347)
CASH FLOWS FROM FINANCING ACTIVITIES:			
Repayment of notes payable, short-term borrowings	(2,035)	(9,835)	-
Principal payments of long-term debt	(6,856)	(981)	(41,189)
Payment of fees for Subordinated Note offering	(4,624)	-	-
Proceeds from employee and stock appreciation right plan treasury stock purchases	1,056	330	244
Proceeds from stock issuance	-	-	31,981
Bank fees on acquisition of business	-	-	(2,544)
Fractional shares paid on stock splits	(3)	-	(7)
Exercise of employee stock option	10	-	-
Net cash used in financing activities	(12,452)	(10,486)	(11,515)
NET (DECREASE) INCREASE IN CASH AND CASH INVESTMENTS	(2,223)	1,524	(4,663)
CASH AND CASH INVESTMENTS, beginning of year	3,718	2,194	6,857
CASH AND CASH INVESTMENTS, end of year	$ 1,495	$ 3,718	$ 2,194
SUPPLEMENTAL DISCLOSURES OF CASH FLOW INFORMATION:			
Cash paid during the fiscal year for:			
Interest	$ 14,727	$ 5,910	$ 6,504
Income taxes	$ 15,751	$ 5,670	$ 5,687
SUPPLEMENTAL DISCLOSURES OF NONCASH INVESTING AND FINANCING ACTIVITIES:			
Fair value of assets acquired, including cash acquired	$428,442	$135,280	$76,194
Liabilities assumed	153,827	52,851	9,771
Cash paid	274,615	82,429	66,423
Less- Amounts borrowed	276,860	68,835	40,000
Less- Issuance of Class A Common Stock	-	13,594	-
Less- Issuance of Class A Common Stock Options	7,052	-	-
Add- Receivable from Seller	(9,297)	-	-
Net cash paid for acquisition	$ -	$ -	$26,423
Accrued Earn-Out Amounts	$28,300	$ -	$ _
Issuance of Class A Common Stock for conversion			

of debentures	$ 58,960	$ 977	$ -
Write-off of unamortized deferred financing costs on debentures	$ 1,569	$ -	$ -
Write-off of unpaid accrued interest on debentures	$ 1,371	$ -	$ -
Issuance of treasury shares to stock incentive plan	$ -	$ 51	$ -

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

CANANDAIGUA WINE COMPANY, INC. AND SUBSIDIARIES

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

AUGUST 31, 1994

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES:

Description of business -
Canandaigua Wine Company, Inc. and subsidiaries operates in the beverage alcohol industry and, as of August 31, 1994, is a producer and supplier of wine, an importer and producer of beers, a producer and supplier of distilled spirits and a producer and supplier of grape juice concentrate in the United States. It maintains a portfolio of over 125 national and regional brands of beverage alcohol which are distributed by over 1,000 wholesalers throughout the United States and selected international markets. Its beverage alcohol brands are marketed in five general categories: table wines, sparkling wines, dessert wines, imported beer and distilled spirits.

Principles of consolidation -
The consolidated financial statements include the accounts of Canandaigua Wine Company, Inc. and subsidiaries (the Company), all of which are wholly-owned. All intercompany accounts and transactions have been eliminated.

Cash investments -
Cash investments consist of money market funds that are stated at cost, which approximates market value. These investments amounted to approximately $10,000 and $8,000 at August 31, 1994 and 1993, respectively.

Fair Value of Financial Instruments -
To meet the reporting requirements of FASB Statement No. 107 ("Disclosures About Fair Value of Financial Instruments"), the Company calculates the fair value of financial instruments and includes this additional information in the notes to financial statements when the fair value is different than the book value of those financial instruments. When the fair value is equal to the book value no additional disclosure is made. The Company uses quoted market prices whenever available to calculate these fair values. When quoted market prices are not available, the Company uses standard pricing models for various types of financial instruments (such as forwards, options, swaps, etc.) which take into account the present value of estimated future cash flows.

Interest rate futures and currency forward contracts -
From time to time, the Company enters into interest rate futures and a variety of currency forward contracts in management of interest rate risk and foreign currency transaction exposure. Unrealized gains and losses on interest rate futures are deferred and recognized as a component of interest expense over the borrowing period. Unrealized gains and losses on foreign currency forward contracts are deferred and recognized as a component of the related transactions in the accompanying financial statements. Discounts or premiums on forward contracts are recognized over the life of the contract.

Inventories -

Inventories are valued at the lower of cost (computed using the last-in, first-out (LIFO) or first-in, first-out (FIFO) methods) or market. The percentage of inventories valued using the LIFO method is 95% and 88% at August 31, 1994 and 1993, respectively. Replacement cost of the inventories determined on a FIFO basis approximated $289,209,000 and $146,421,000 at August 31, 1994 and 1993, respectively. At August 31, 1994 and 1993, the net realizable value of the Company's inventories was in excess of $301,053,000 and $147,165,000, respectively. During fiscal 1993, the Company had a liquidation of certain inventories valued on a LIFO basis, resulting in a reduction of cost of product sold of approximately $1,112,000.

Elements of cost include materials, labor and overhead and consist of the following at August 31:
<TABLE>

<C> <S> <S>

	1994	1993
	(in thousands)	
Raw materials and supplies	$ 36,477	$ 31,683
Wines and distilled spirits in process	199,183	73,401
Finished case goods	65,393	42,081
	$301,053	$147,165

</TABLE>

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

Other assets -
Other assets which consist of goodwill, distribution rights, agency license agreements, trademarks, deferred financing costs, cash surrender value of officers' life insurance and other amounts, are stated at cost, net of accumulated amortization. Amortization is calculated on a straight-line or effective interest basis over periods ranging from five to forty years. At August 31, 1994, the weighted average of the remaining useful lives of these assets was approximately thirty-five years. The face value of the officers' life insurance policies totaled $2,852,000 in both 1994 and 1993.

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

Description	Depreciable Life
Buildings and improvements	10 to 33 1/3 years
Machinery and equipment	7 to 15 years
Motor vehicles	3 to 7 years

Amortization of assets capitalized under capital leases is included with depreciation expense. Amortization is calculated using the straight-line method over the shorter of the estimated useful life of the asset or the lease term.

Income taxes -

The Company uses the liability method of accounting for income taxes. The liability 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 basis of assets and liabilities. In fiscal 1992, the Company adopted Statement of Financial Accounting Standards No. 109, "Accounting for Income Taxes" which replaced Statement of Financial Accounting Standards No. 96, which was the standard the Company previously used. The cumulative effect of this change in accounting principle was not material to the Company's financial statements and was included in the fiscal 1992 tax provision.

Environmental -
Environmental expenditures that relate to current operations are expensed or capitalized as appropriate. Expenditures that relate to an existing condition caused by past operations, and which do not contribute to current or future revenue generation, are expensed. Liabilities are recorded when environmental assessments and/or remedial efforts are probable, and the cost can be reasonably estimated. Generally, the timing of these accruals coincides with completion of a feasibility study or the Company's commitment to a formal plan of action. At August 31,1994 and 1993, liabilities for environmental costs of $100,000 and $1,300,000, respectively, are recorded in other accrued liabilities.

Common stock -
The Company has two classes of common stock: Class A Common Stock and Class B Common Stock. Class B 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 Common Stock are entitled to ten votes per share. Holders of Class A Common Stock are entitled to only one vote per share but are entitled to a cash dividend premium. If the Company pays a cash dividend on Class B 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 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 Common Stock.

On September 26, 1991 and June 1, 1992, the Company approved three-for-two stock splits of both Class A and Class B Common Stock to stockholders of record on October 11, 1991 and June 22, 1992, respectively. All references in the consolidated financial statements to weighted average number of shares and issued shares have been retroactively restated to reflect the splits (see Note 10).

Net income per common and common equivalent share -
Primary net income per common and common equivalent share is based on the weighted average number of common and common equivalent shares (stock options and stock appreciation rights determined under the treasury stock method) outstanding during the year for Class A Common Stock and Class B Common Stock. Fully diluted earnings per common and common equivalent share assumes the conversion of the 7% convertible subordinated debentures under the "if converted method" and assumes exercise of stock options and stock appreciation rights using the treasury stock method.

All share and per share amounts have been adjusted for the three-for-two stock splits (see Note 10).

2. ACQUISITIONS:

Guild -
On October 1, 1991, the Company acquired Cook's, Cribari, Dunnewood and other brands and substantially all of the assets and assumed certain liabilities (the Guild Acquisition) from Guild Wineries and Distilleries (Guild). The assets acquired included accounts receivable, inventories, property, plant and equipment and other assets. The Company also assumed certain liabilities consisting primarily of accounts payable. The aggregate purchase price, after adjustments based on a post-closing audit, was approximately $69,300,000. With respect to the purchase price, the Company paid approximately $59,400,000 in cash at closing, assumed liabilities of approximately $11,400,000 of which approximately $1,600,000 was discharged immediately and, based upon the results of a post-closing audit, received from Guild during October 1992 approximately $1,500,000, exclusive of accrued interest. The Company also paid approximately $2,700,000 of direct acquisition costs and $2,600,000 in escrow to finance the purchase of grapes related to Guild's 1991 grape harvest.

The Guild Acquisition was accounted for using the purchase method; accordingly, the assets and liabilities of Guild have been recorded at their estimated fair market value at the date of acquisition. The excess of purchase price over the estimated fair market value of the net assets acquired (goodwill), $1,344,000, is being amortized on a straight-line basis over forty years. The results of operations of Guild have been included in the Consolidated Statements of Income since the date of acquisition.

Barton -
On June 29, 1993, pursuant to the terms of a Stock Purchase Agreement (the Stock Purchase Agreement) among the Company, Barton Incorporated (Barton) and the Selling Stockholders, the Company acquired from the Selling Stockholders all of the outstanding shares of the capital stock of Barton (the Barton Acquisition), a marketer of imported beers and imported distilled spirits and a producer and marketer of distilled spirits and domestic beers.

The aggregate consideration for Barton consisted of approximately $65,510,000 in cash, one million shares of the Company's Class A Common Stock and payments of up to an aggregate amount of $57,300,000 (the Earn-Out Amounts) which are payable to the Selling Stockholders in cash over a three year period upon the satisfaction of certain performance goals. In addition, the Company paid approximately $1,981,000 of direct acquisition costs, $2,269,000 of direct financing costs, and assumed liabilities of approximately $47,926,000.

The purchase price was funded through a $50,000,000 term loan (see Note 7), through $18,835,000 of revolving loans under the Company's Credit Agreement (see Note 7), and through approximately $925,000 of accrued expenses. In addition, one million shares of the Company's Class A Common Stock were issued at $13.59 per share, which reflects the closing market price of the stock at the closing date, discounted for certain restrictions on the issued shares. Of these shares, 428,571 were delivered to the Selling Stockholders and 571,429 were delivered into escrow to secure the Selling Stockholders' indemnification obligations to the Company. Subsequent to year end, the 571,429 shares were released from escrow and delivered to the Selling Stockholders.

The Earn-Out Amounts consist of four payments scheduled to be made over a three year period ending November 29, 1996. The first payment of $4,000,000 is required to be made to the Selling Stockholders upon satisfaction of certain performance goals. These goals have been satisfied and this payment was accrued at August 31, 1993 and was made on December 31, 1993. The second payment of $28,300,000 has been accrued at August 31, 1994 and will be made to the Selling Stockholders on December 30, 1994, as a result of satisfaction of certain performance goals and the achievement of targets for earnings before interest and taxes at August 31, 1994. These additional payments have been properly accounted for as additional purchase price for the Barton acquisition. The remaining payments are contingent upon Barton achieving and exceeding certain targets for earnings before interest and taxes and certain other performance goals and are to be made as follows: up to $10,000,000 is to be made on November 30, 1995; and up to $15,000,000 is to be made on November 29, 1996. Such payment obligations are secured in part by the Company's standby irrevocable letter of credit (see Note 7) under the Credit Agreement in an original maximum face amount of $28,200,000 and are subject to acceleration in certain events as defined in the Stock Purchase Agreement. All Earn-Out amounts will be accounted for as additional purchase price for the Barton acquisition when the contingency has been satisfied in accordance with the Stock Purchase Agreement and allocated based upon the fair market value of the underlying assets.

Pursuant to Barton's Phantom Stock Plan (the Phantom Stock Plan) effective April 1, 1990 and amended and restated for Units (as defined in the Phantom Stock Plan) granted after March 31, 1992, certain participants received payments at closing amounting in the aggregate to $1,959,000 in connection with the Barton acquisition. Certain other participants will receive payments only upon vesting in the Phantom Stock Plan during years subsequent to the acquisition. All participants under the Phantom Stock Plan may receive additional payments in the event of satisfaction of the performance goals set forth in the Stock Purchase Agreement and upon release of the shares held in escrow. In the event the maximum payments are received under the Stock Purchase Agreement, the participants will receive an additional $2,137,000 in connection therewith. At August 31, 1994, $554,000 has been accrued under the Phantom Stock Plan and will be paid on January 3, 1995.

The Acquisition was accounted for using the purchase method; accordingly, Barton's assets were recorded at fair market value at the date of acquisition. The fair market value of Barton totaled $236,178,000 which was adjusted for negative goodwill of $72,390,000 and an additional deferred tax liability of $24,326,000 based on the difference between the fair market value of Barton's assets and liabilities as adjusted for allocation of negative goodwill and the tax basis of those assets and liabilities which was allocated on a pro-rata basis to noncurrent assets. The results of operations of Barton have been included in the Consolidated Statements of Income since the date of Acquisition.

Vintners -
On October 15, 1993, the Company acquired substantially all of the tangible and intangible assets of Vintners International Company, Inc. (Vintners) other than cash and the Hammondsport Winery (the Vintners Assets), and assumed certain current liabilities associated with the ongoing business (the Vintners Acquisition). Vintners was the United States fifth largest supplier of wine with two of the country's most highly recognized brands, Paul Masson and Taylor California Cellars. The wineries acquired from Vintners are the Gonzales winery in Gonzales, California and the Paul Masson wineries in Madera and Soledad, California. In addition, the Company is leasing from Vintners the Hammondsport winery in Hammondsport, New York. The lease is for a period of 18 months from the date of the Vintners Acquisition.

The aggregate purchase price of $148,900,000 (the Cash Consideration), is subject to adjustment based upon the determination of the Final Net Current Asset Amount (as defined below). In addition, the Company incurred $8,961,000 of direct acquisition and financing costs. The Company also delivered options to Vintners and Household Commercial of California, Inc., one of Vintners' lenders, to purchase an aggregate of 500,000 shares (the Vintners Option Shares) of the Company's Class A Common Stock, at an exercise price per share of $18.25, which are exercisable at any time until October 15, 1996. These options have been recorded at $8.42 per share, based upon an independent appraisal and $4,210,000 has been reflected as a component of additional paid-in capital. Subsequent to year-end, 432,067 of the Vintners Option Shares have been exercised (see Note 10).

The Cash Consideration was funded by the Company pursuant to (i) approximately $12,600,000 of Revolving Loans under the Credit Facility of which $11,200,000 funded the Cash Consideration and $1,400,000 funded the payment of direct acquisition costs; (ii) an accrued liability of approximately $7,700,000 for the holdback described below and (iii) the $130,000,000 Subordinated Bank Loan (see Note 7).

At closing the Company held back from the Cash Consideration approximately 10% of the then estimated net current assets of Vintners purchased by the Company, and deposited an additional $2,800,000 of the Cash Consideration into an escrow to be held until October 15, 1995. If the amount of the net current assets as determined after the closing (the Final Net Current Asset Amount) is greater than 90% and less than 100% of the amount of net current assets estimated at closing (the Estimated Net Current Asset Amount), then the Company shall pay into the established escrow an amount equal to the Final Net Current Asset Amount less 90% of the Estimated Net Current Asset Amount. If the Final Net Current Asset Amount is greater than the Estimated Net Current Asset Amount, then, in addition to the payment described above, the Company shall pay an amount equal to such excess, plus interest from the closing, to Vintners. If the Final Net Current Asset Amount is less than 90% of the Estimated Net Current Asset Amount, then the Company shall be paid such deficiency out of the escrow account. As of August 31, 1994, no adjustment to the established escrow was required and the Final Net Current Asset Amount has not been determined.

The Vintners Acquisition was accounted for using the purchase method; accordingly, the Vintners Assets were recorded at fair market value at the date of acquisition. The excess of the purchase price over the estimated fair market value of the net assets acquired (goodwill), $42,049,000, is being amortized on a straight-line basis over forty years. The results of operations of Vintners have been included in the Consolidated Statements of Income since the date of acquisition.

Almaden/Inglenook -

On August 5, 1994 the Company acquired the Almaden and Inglenook brands, the fifth and sixth largest selling table wines in the United States, a grape juice concentrate business, and wineries in Madera and Escalon, California, from Heublein, Inc. (Heublein) (the Almaden/Inglenook Acquisition). The Company also acquired Belaire Creek Cellars, Chateau La Salle and Charles Le Franc table wines, Le Domaine champagne and Almaden, Hartley and Jacques Bonet brandy. The accounts receivable and the accounts payable related to the acquired assets were not acquired by the Company.

The aggregate consideration for the acquired brands and other assets consisted of $130,600,000 in cash, assumption of certain current liabilities and options to purchase an aggregate of 600,000 shares of Class A Common Stock (the Almaden Option Shares). Of the Almaden Option Shares, 200,000 are exercisable at a price of $30 per share and the remaining 400,000 are exercisable at a price of $35 per share. All of the options are exercisable at any time until August 5, 1996. The 200,000 and 400,000 options have been recorded at $5.83 and $4.19 per share, respectively based upon an independent appraisal, and $2,842,000 has been reflected as a component of additional paid-in capital. The source of the cash payment made at closing, together with payment of other costs and expenses required by the Almaden/Inglenook Acquisition, was financing provided by the Company pursuant to a term loan under the Credit Facility (see Note 7).

The cash purchase price is subject to adjustment based upon the determination of the Final Net Asset Amount as defined in the Asset Purchase Agreement; and, based upon a closing statement delivered to the company by Heublein, was reduced by $9,297,000. In accordance with the terms of the Asset Purchase Agreement, Heublein is obligated to the pay Company this amount plus interest from the closing date. The purchase price for the Almaden/Inglenook Acquisition at August 31, 1994, reflects the purchase price as adjusted for the payment expected to be received from Heublein. However, as of August 31, 1994, the Final Net Asset Amount has not been determined.

Heublein also agreed not to compete with the Company in the United States and Canada for a period of five years following the closing of the Almaden/Inglenook Acquisition in the production and sale of grape juice concentrate or sale of packaged wines bearing the designation "Chablis" or "Burgundy" except where, among other exceptions, such designations are currently used with certain brands retained by Heublein. Certain companies acquired by Heublein, however, may compete directly with the Company.

The Almaden/Inglenook Acquisition was accounted for using the purchase method; accordingly, the Almaden/Inglenook assets were recorded at fair market value at the date of acquisition. The excess of purchase price over the estimated fair market value of the net assets acquired (goodwill), $43,939,000, is being amortized on a straight-line basis over forty years. The results of operations of Almaden/Inglenook have been included in the Consolidated Statement of Income since the date of the acquisition.

The following table sets forth unaudited pro forma consolidated statements of income of the Company for the years ended August 31, 1994 and 1993. The fiscal 1994 pro forma consolidated statement of income

gives effect to the Almaden/Inglenook Acquisition and the Vintners Acquisition as if they occurred on September 1, 1993. The fiscal 1993 pro forma consolidated statement of income gives effect to the Almaden/Inglenook Acquisition, the Vintners Acquisition and the Barton Acquisition as if they occurred on September 1, 1992. The August 31, 1994 and 1993 unaudited pro forma consolidated income statements are presented after giving effect to certain adjustments for depreciation, amortization of goodwill, interest expense on the acquisition financing and related income tax effects. The pro forma consolidated statements of income are based upon currently available information and upon certain assumptions that the Company believes are reasonable under the circumstances. The pro forma consolidated statements of income do not purport to represent what the Company's results of operations would actually have been if the aforementioned transactions in fact had occurred on such date or at the beginning of the period indicated or to project the Company's financial position or results of operations at any future date or for any future period.

<TABLE>

<S>	<C> August 31, 1994	<C> August 31, 1993
	(in thousands, except share and per share data)	
Net sales	$876,359	$897,610
Cost of product sold	(637,877)	(648,830)
Gross profit	238,482	248,780
Selling, general and administrative expenses	(163,144)	(169,764)
Nonrecurring restructuring expenses	(24,005)	-
Operating income	51,333	79,016
Interest expense, net	(26,431)	(28,120)
Other nonrecurring transaction costs	(953)	(1,789)
Income before provision for income taxes	23,949	49,107
Provision for income taxes	(9,669)	(20,021)
Income from continuing operations	14,280	29,086
Cumulative effect of change in accounting principle, net of tax	-	1,919
Net income	$14,280	$31,005
Per share data:		
Income from continuing operations:		
Primary	$.90	$1.91
Fully diluted	$.90	$1.90
Cumulative effect of change in accounting principle per common share:		
Primary	-	$0.13
Fully diluted	-	$0.13
Net income per common share:		
Primary	$.90	$2.04
Fully diluted	$.90	$2.03
Weighted average shares outstanding:		
Primary	15,783,583	15,203,112
Fully diluted	16,401,598	15,293,002

</TABLE>
<TABLE>

3. PROPERTY, PLANT AND EQUIPMENT :

Property, plant and equipment consists of the following at August 31:

<S>	<C> 1994	<C> 1993
	(in thousands)	
Land	$ 13,814	$ 4,306
Buildings and Improvements	62,440	30,135
Machinery and Equipment	168,222	91,161
Motor Vehicles	2,552	2,554
Construction in progress	8,989	2,074
	256,017	130,230
Less - Accumulated depreciation	(61,734)	(51,63)
	$194,283	$78,600

</TABLE>
<TABLE>

4. OTHER ASSETS:

Other assets consist of the following at August 31:

<S>	<C> 1994	<C> 1993
	(in thousands)	
Goodwill	$ 88,459	$ 2,071
Distribution rights, agency license agreements and trademarks	72,970	22,320
Other	22,296	11,416
	183,725	35,807
Less - Accumulated amortization	(5,495)	(3,280)
	$178,230	$32,527

</TABLE>
<TABLE>

5. OTHER ACCRUED EXPENSES AND LIABILITIES:

Other accrued expenses and liabilities consists of the following at

August 31:

<S>	<C> 1994	<C> 1993
	(in thousands)	
Accrued Earn-out Amounts (see Note 2)	$28,300	$ 4,000
Accrued loss on noncancelable grape contracts (see Note 11)	14,410	-
Other	53,351	19,490
	$96,061	$23,490

</TABLE>
<TABLE>

6. OTHER LIABILITIES:

Other liabilities consists of the following at August 31:

<S>	<C> 1994	<C> 1993
	(in thousands)	
Accrued loss on noncancelable grape contracts (see Note 11)	$48,254	$ -
Other	2,994	3,344
	$51,248	$3,344

/TABLE
<TABLE>

7. BORROWINGS:

Borrowings consists of the following at August 31:

<S>	<C> 1994 Current	<C> 1994 Long-Term	<C> 1994 Total	<C> 1993 Total
		(in thousands)		
Notes Payable:				
Senior Credit Facility:				
Revolving Credit Loans	$19,000	$ -	$19,000	$9,000
Long-term Debt:				
Senior Credit Facility:				
Term loan, variable rate, original proceeds $177,000, due in installments through fiscal 2000	$21,000	$156,000	$177,000	$50,000
Senior Subordinated Notes:				
8.75% redeemable after December 15, 1998, due 2003	-	130,000	130,000	-
Capitalized Lease Agreements:				
Capitalized facility and equipment leases at interest rates ranging from 8.9% to 18%, due in monthly installments through fiscal 1997	931	1,361	2,292	131
Industrial Development Agencies:				
7.25% 1975 issue, original proceeds $2,000, due in annual installments of $100 through fiscal 1994	_	_	_	100
7.50% 1980 issue, original proceeds $2,370, due in annual installments of $118 through fiscal 1999	118	474	592	711
Other Long-term Debt:				
Notes payable - 7% convertible subordinated debentures original proceeds $60,000, due 2011	-	-	-	59,023
Loans payable - 5% secured by cash surrender value of officers' life insurance policies	-	967	967	967
Notes payable at 1% below prime rate ($3,000) to prime rate ($5,632), due in yearly installments through fiscal 1995	8,632	-	8,632	8,239
Promissory note at prime rate, due in equal yearly installments through fiscal 1996	320	320	640	960
	$31,001	$289,122	$320,123	$120,131

</TABLE>

Senior Credit Facility -
During fiscal 1993, the Company amended its Credit Agreement which provided for $50,000,000 of term loans, up to $55,000,000 in revolving credit loans and a standby, irrevocable letter of credit with a maximum

face amount of $28,200,000. At August 31, 1993, the Company had outstanding borrowings of $50,000,000 under the term loan and $9,000,000 under the Revolving Credit Loans. At August 31, 1993, the Company had available Revolving Credit Loans totaling $46,000,000 under the amended Credit Agreement. Interest, as described in the agreement, was payable quarterly or on the last day of each interest period based upon either the base rate (higher of the Federal Funds Rate plus 1/2 of 1% or the bank's prime rate) or the Eurodollar rate, as defined in the Credit Agreement, at the discretion of the Company.

During fiscal 1994, the Company further amended its Credit Agreement in connection with the Vintners and the Almaden/Inglenook Acquisitions. The amended Credit facility provides for (i) a $224,000,000 Term Loan (the Term Loan) facility due in June 2000, (ii) a $185,000,000 Revolving Credit (the Revolving Credit Loans) facility, which expires in June 2000 and (iii) the continuation of the existing $28,200,000 Letter of Credit related to the contingent payments incurred with the Barton Acquisition. At August 31, 1994, the Company has outstanding Term Loan borrowings of $177,000,000 and Revolving Credit Loans of $19,000,000. On October 24, 1994 the Company borrowed an additional $47,000,000 on the Term Loan and used the proceeds to repay a portion of the outstanding balance on the Revolving Credit Loans incurred since August 31, 1994. The Term Loan Commitment was fully utilized after this borrowing. The Term Loans borrowed under the Credit Facility may be either base rate loans or Eurodollar base rate loans. Base rate loans have an interest rate equal to the higher of either the Federal Funds rate plus 0.5% or the prime rate. Eurodollar rate loans have an interest rate equal to LIBOR plus a margin of 1.25%. The current interest rate margin for both base rate and Eurodollar rate loans may be increased by up to 0.25% and Eurodollar rate loans may be decreased by up to .375%, depending on the Company's debt coverage ratio and long-term senior secured securities' ratings. The principal of the Term Loans is to be repaid in twenty-two quarterly installments of $7,000,000 each beginning December 15, 1994, with a final quarterly payment of $70,000,000 due June 15, 2000. The Company may prepay the principal of the Term Loans and the Revolving Credit Loans at its discretion and must prepay the principal with 65% of its annual excess cash flow, as defined, with proceeds from the sale of certain assets in excess of $10,000,000 and the first $60,000,000 of the net proceeds from any issuance of equity plus 50% of any net proceeds in excess of $60,000,000 (see Note 10). These prepayments must be first applied against regular payments due with respect to the Term Loans in their inverse order of maturity until the Term Loans are fully retired and any further prepayments will be applied to reduce the outstanding Revolving Credit Loans.

The $185,000,000 revolving credit available under the Credit Facility may be utilized by the Company either in the form of Revolving Credit Loans or as revolving letters of credit up to a maximum of $12,000,000. At August 31, 1994 the Company had available Revolving Credit Loans under the Senior Credit Facility of $163,753,000. As with Term Loans, Revolving Credit Loans may be either base rate loans or Eurodollar rate loans. Revolving Credit Loans will mature and must be repaid June 15, 2000. For thirty consecutive days at any time during the last two quarters of each fiscal year, the aggregate outstanding principal amount of Revolving Credit Loans combined with the revolving letters of credit cannot exceed $50,000,000.

The banks under the Credit Facility have been given security interests in substantially all of the assets of the Company including mortgage liens on certain real property. The Credit Facility requires the Company to meet certain covenants and provides for restrictions on mergers, consolidations and sales of assets, payment of dividends, incurring of other debt, liens or guarantees and the making of investments. The primary financial covenants as defined in the Credit Facility require the maintenance of minimum defined tangible net worth, a debt to cash flow coverage ratio, a fixed charges ratio, maximum capital expenditures, an interest coverage ratio and a current ratio. Among the most restrictive covenants contained in the Credit Facility, the Company is required to maintain a fixed charges ratio not less than 1.0 to 1.0 at the last day of each fiscal quarter of each fiscal year.

The Revolving Credit Loans require commitment fees totaling .375% per annum on the daily average unused balance. Commitment fees totaled approximately $223,000, $228,000 and $154,000 in fiscal 1994, 1993 and 1992, respectively.

The Company maintains in accordance with the Senior Credit Facility a collar agreement, which protects the Company against three-month London Interbank Offered Rates exceeding 7.5% per annum with a floor rate of 3.3% per annum in an amount equal to $25,000,000 expiring in July 1995. At August 31, 1993, there were no interest rate swap agreements outstanding. At August 31, 1992, the Company had a contract applicable to $22,000,000 of short-term seasonal borrowings which effectively guaranteed a fixed interest rate of 6.82% for seasonal borrowing during the four month period ended September 15, 1992. The Company is exposed to credit loss in the event of nonperformance by the other parties to the interest rate swap agreements. The Company has not incurred any credit losses in connection with these agreements.

Senior Subordinated Notes -
During fiscal 1994, the Company borrowed $130,000,000 under the Senior Subordinated Loan Agreement. The Company repaid the Subordinated Loan in December 1993 from the proceeds from the Senior Subordinated Notes offering together with revolving loan borrowings. The $130,000,000 Notes are due in 2003 with a stated interest rate of 8.75% per annum. Interest is payable semi-annually on June 15 and December 15 of each year. The Notes are unsecured and subordinated to the prior payment in full of all senior indebtedness of the Company, which includes the Credit Agreement. The Notes are guaranteed, on a senior subordinated basis, by all of the Company's significant operating subsidiaries.

The indenture relating to the Notes contains certain covenants, including, but not limited to, (i) limitation on indebtedness; (ii) limitation on restricted payments; (iii) limitation on transactions with affiliates; (iv) limitation on senior subordinated indebtedness; (v) limitation on liens; (vi) limitation on sale of assets; (vii) limitation on issuance of guarantees of and pledges for indebtedness; (viii) restriction on transfer of assets; (ix) limitation on subsidiary capital stock; (x) limitation on the creation of any restriction on the ability of the Company's subsidiaries to make distributions and other payments; and (xi) restrictions on mergers, consolidations and the transfer of all or substantially all of the assets of the Company to another person. The limitation on indebtedness covenant is governed by a rolling four quarter fixed charge coverage ratio covenant requiring a specified minimum.

Convertible subordinated debentures -

On July 23, 1986, the Company issued $60,000,000 7% convertible subordinated debentures used to expand the Company's operations through capital expenditures and acquisitions. The debentures were convertible at any time prior to maturity, unless previously redeemed, into Class A Common Stock of the Company at a conversion price of $18.22 per share, subject to adjustment in the event of future issuances of Common Stock.

During fiscal 1993, an aggregate principal amount of $977,000 of these debentures was converted to 53,620 shares of Class A Common Stock.

On October 18, 1993, the Company called its Convertible Debentures for redemption on November 19, 1993 at a redemption price of 102.1% plus accrued interest. Bondholders had until November 19, 1993 to convert their debentures to common stock; any debentures remaining unconverted after that date would be redeemed for cash in accordance with the terms of the original indenture.

During the period September 1, 1993, through November 19, 1993, debentures in an aggregate principal amount of $58,960,000 were converted to 3,235,882 shares of the Company's Class A Common Stock at a price of $18.22 per share. Debentures in an aggregate principal amount of approximately $63,000 were redeemed. Interest was accrued on the debentures until the date of conversion but was forfeited by the debenture holders upon conversion. Accrued interest of approximately $1,370,000, net of the related tax effect of $520,000 was recorded as an addition to additional paid-in capital.

At the redemption date, the capitalized debenture issuance costs of approximately $2,246,000 net of accumulated amortization of approximately $677,000 were recorded as a reduction of additional paid-in-capital.

Loans payable -
Loans payable, secured by officers' life insurance policies, carry an interest rate of 5%. The notes carry no due dates and it is management's intention not to repay the notes during the next fiscal year.

Capitalized lease agreements-Industrial Development Agencies -
Certain capitalized lease agreements require the Company to make lease payments equal to the principal and interest on certain bonds issued by Industrial Development Agencies (IDA's). The bonds are secured by the leases and the related facilities. Upon payment of the outstanding bonds, title to the facilities will be conveyed to the Company. These transactions have been treated as capital leases with the related assets acquired to date ($10,731,000) included in property, plant and equipment

and the lease commitments included in long-term debt. Accumulated amortization of the foregoing assets under capital leases at August 31, 1994 and 1993 is approximately $8,456,000 and $7,803,000 respectively.

Among the provisions under the debenture and lease agreements are covenants that define minimum levels of working capital and tangible net worth and the maintenance of certain financial ratios as defined in the debt agreements.

Principal payments required under long-term debt obligations during the next five fiscal years are as follows:

Year Ending August 31:	(in thousands)
1995	$ 31,001
1996	29,220
1997	28,698
1998	28,118
1999	28,118
Thereafter	174,968
	$320,123

8. INCOME TAXES:

Deferred income taxes are provided to reflect the effect of temporary differences primarily related to: (1) using the FIFO basis to value certain inventories for income tax purposes and the LIFO basis for financial reporting purposes; (2) the use of accelerated depreciation methods for income tax purposes and the straight-line method for financial reporting purposes; (3) differences in the treatment of advertising expense and other accruals for financial reporting and income tax purposes and (4) differences between the financial reporting and tax basis of assets and liabilities.

The provision for federal and state income taxes consists of the following for the years ended August 31:

<TABLE>

	<C>	<C>	<C>	<C>	<C>
	1994 (in thousands)				
	Federal	State & Local	Total	1993 Total	1992 Total
Current income tax provision	$10,071	$1,439	$11,510	$8,636	$6,141
Deferred income tax (benefit) provision	(3,870)	(449)	(4,319)	1,028	387
	$6,201	$990	$7,191	$9,664	$6,528

The components of the deferred income tax (benefit) provision are as follows for the years ended August 31:

	1994	1993	1992
Accelerated tax depreciation and amortization	$4,610	$ 758	$ 485
LIFO reserve	1,306	(202)	3
Prepaid advertising	258	701	59
Bad debt reserve	(285)	57	(23)
Payroll and benefit accruals	(220)	(33)	(115)
Inventory	(2,186)	(249)	130
Restructuring costs	(8,843)	-	-
Other accrual	1,060	-	-
Miscellaneous items	(19)	(4)	(152)
	(4,319)	$1,028	$ 387

</TABLE>

The deferred tax provision has been increased by approximately $45,000 and $235,000 in fiscal 1994 and 1993, respectively for the impact of the change in the federal statutory rate.

A reconciliation of total tax provision to the amount computed by applying the expected U.S. Federal income tax rate to income before provision for income taxes is as follows for the years ended August 31:

<TABLE>

<S>	<C>	<C>	<C>	<C>	<C>	<C>
	1994		1993		1992	
	Amount	% of Pre-tax Income	Amount	% of Pre-tax Income	Amount	% of Pre-tax Income
Computed "expected" tax provision	$6,623	35.0%	$8,758	34.7%	$6,081	34.0%
State and local income taxes, net of federal income tax benefit	644	3.4	870	3.4	745	4.2

Miscellaneous items, net	(76)	(0.4)	36	.1	(298)	(1.7)
	$7,191	38.0%	$9,664	38.2%	$6,528	36.5%

</TABLE>

9. PROFIT SHARING RETIREMENT PLAN AND RETIREMENT SAVINGS PLAN:

The Company's profit-sharing retirement plan, which covers substantially all employees, provides for contributions by the Company in such amounts as the Board of Directors may annually determine and for voluntary contributions by employees. The plan has qualified as tax-exempt under the Internal Revenue Code and conforms with the Employee Retirement Income Security Act of 1974. Company contributions to the plan were $3,414,000, $1,290,000, and $1,249,000 in fiscal 1994, 1993 and 1992, respectively.

The Company's retirement savings plan, established pursuant to Section 401(k) of the Internal Revenue Code, permits substantially all full-time employees of the Company to defer a portion of their compensation on a pre-tax basis. Participants may defer up to 10% of their compensation for the year. The Company makes a matching contribution of 25% of the first 4% of compensation an employee defers. Company contributions to this plan were $207,000, $131,000, and $109,000 in fiscal 1994, 1993 , 1992, respectively.

In connection with the Barton acquisition, the Company assumed Barton's profit-sharing plan which covers all salaried employees. The amount of Barton's contribution is at the discretion of its Board of Directors, subject to limitations of the plan. Contribution expense was $1,395,000 in fiscal 1994 and $230,000 from the date of acquisition to August 31, 1993.

10. STOCKHOLDERS' EQUITY:

Stock option and stock appreciation right plan -
Canandaigua Wine Company, Inc. has in place a Stock Option and Stock Appreciation Right Plan (the Plan). Under the Plan, non-qualified stock options and incentive stock options may be granted to purchase and stock appreciation rights may be granted with respect to, in the aggregate, not more than 3,000,000 shares of the Company's Class A Common Stock. Options and stock appreciation rights may be issued to employees, officers, or directors of the Company. Non-employee directors are eligible to receive only non-qualified stock options and stock appreciation rights. The option price of any incentive stock option may not be less than the fair market value of the shares on the date of grant. The exercise price of any non-qualified stock option must equal or exceed 50% of the fair market value of the shares on the date of grant.
Options are exercisable as determined by the Compensation Committee of the Board of Directors. Changes in the status of the stock option plan during fiscal 1994, 1993 and 1992 are summarized as follows:

<TABLE>

<S>	<C>	<C>	<C>
	1994	1993	1992
Options outstanding at beginning of year	452,375	154,125	160,875
Options granted	125,000	316,750	-
Options exercised	(2,250)	-	-
Options forfeited	(11,625)	(18,500)	(6,750)
Options outstanding at end of year	563,500	452,375	154,125
Number of options at end of year:			
Exercisable	2,250	-	-
Available for grant	2,397,375	1,522,375	1,839,125
Price range of options:			
Granted during year	$22.25-30.25	$11.50-18.375	-
Outstanding at end of year	$4.44-30.25	$4.44-18.375	$4.44
Exercised during the year	$4.44		

</TABLE>

Pursuant to the original Plan, on December 21, 1987, the Company granted to key employees stock appreciation rights with respect to 38,250 shares of the Company's Class A Common Stock at a base price of $4.40 per share (the average closing price per share for November 1987 adjusted for the effect of the stock splits). Such rights entitled the employees to payment in stock and cash of market price increases in the Company's stock in the excess of the base price in equal twenty-five percent increments on September 30, 1989 through 1992. In September 1992 and 1991, employees exercised their stock appreciation rights with respect to 4,104 and 2,556 shares of Class A Common Stock, respectively. In addition, an aggregate of 4,950 of the rights were canceled through August 31, 1992. During fiscal 1993, stock appreciation rights previously granted under the Plan expired in accordance with the terms of the Plan.

Employee stock purchase plan -
In fiscal 1989, the Company approved a stock purchase plan under which 1,125,000 shares of Class A Common Stock can be issued. Under the terms of the plan, eligible employees may purchase shares of the Company's 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. During fiscal 1993, the plan was amended to allow the participation of Barton employees. During fiscal 1994, 1993 and 1992, employees purchased 58,955, 21,071 and 18,526 shares, respectively.

Common stock -
On September 26, 1991 and June 1, 1992, the Company's Board of Directors declared three-for-two splits of the Company's common shares. The new shares were distributed on November 8, 1991 and July 20, 1992 to holders of record on October 11, 1991 and June 22, 1992, respectively. At August 31,1994, there were 12,617,301 shares of Class A Common Stock and 3,390,051 shares of Class B Common Stock outstanding, net of treasury stock. All per share amounts have been retroactively restated to give effect to the splits.

On June 28, 1993, the Company approved an increase in the number of authorized shares of the Company's Class A Common Stock from 15,000,000 shares to 60,000,000 shares and an increase in the number of authorized shares of the Company's Class B Common Stock from 5,000,000 shares to 20,000,000 shares.

Stock offering -
During February 1992, the Company completed a public offering of 2,589,750 shares of its Class A Common Stock resulting in net proceeds after underwriters' discounts and commissions and expenses to the Company, of approximately $31,981,000. Under the terms of the Credit Agreement, approximately $16,000,000, constituting approximately 50% of the net proceeds, was applied to reduction of the Term Loans, and $5,000,000 was applied by the Company to reduce the balances outstanding under the Revolving Credit Loans.

On November 10, 1994, the Company completed a public offering of 3,000,000 shares of its Class A Common Stock resulting in net proceeds after underwriters' discounts and commissions and estimated expenses to the Company, of approximately $95,428,000 . In connection with the offering, 432,067 of the Vintners Option Shares were exercised and the Company received proceeds of $7,885,000. Under the terms of the amended Credit Agreement, approximately $82,000,000, will be used to repay a portion of the Term Loan under the Company's Credit Agreement. The balance of net proceeds will be used for working capital purposes and will initially be used to repay Revolving Credit Loans under the Credit Facility.

11. COMMITMENTS AND CONTINGENCIES:

Operating leases -
Future payments under noncancelable operating leases having initial or remaining terms of one year or more are as follows:

Year ending August 31:	(in thousands)
1995	$1,487
1996	1,352
1997	1,358
1998	1,114
1999	831
Thereafter	3,543
	$9,685

Rental expense was approximately $3,318,000 in fiscal 1994, $1,841,000 in fiscal 1993 and $1,460,000 in fiscal 1992.

Purchase commitments -
The Company has two agreements with certain suppliers to purchase blended Scotch whisky through December 31, 1999. The purchase prices under the agreements are denominated in British pounds sterling and based upon exchange rates at August 31, 1994, the Company's aggregate future obligation will be approximately $13,124,000 to $16,306,000 for the contracts expiring on December 31, 1995 and approximately $11,160,000 to $13,640,000 for the contracts expiring on December 31, 1999.

In connection with the Vintners Acquisition, and the Almaden/Inglenook Acquisition, the Company has assumed purchase contracts with certain growers and suppliers. Under the grape purchase contracts, the Company is committed to purchase all grape production yielded from a specified number of acres for a period of time ranging up to ten years. The actual tonnage and price of grapes that must be purchased by the Company 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.

The Company purchased $ 25,167,000 of grapes under these contracts during the period October 15, 1993 through August 31, 1994. Based on current production yields and published grape prices, the Company estimates that the aggregate purchases under these contracts over the remaining term of the contracts will be approximately $394,467,000. During fiscal 1994, in connection with the Vintners Acquisition and the Almaden/Inglenook Acquisition, the Company established a reserve for the estimated loss on these firm purchase commitments of approximately $62,664,000.

The Company's aggregate obligations under the grape crush and processing contracts will be approximately $5,503,000 over the remaining term of the contracts which expire through fiscal 1997.

Currency forward contracts -
At August 31, 1994 and 1993, the Company had open currency forward contracts to purchase German deutsche marks of $6,674,000 and $6,031,000 respectively, and British pounds of $579,000 and $928,000, respectively,

all of which mature within 12 months; their fair market values, based upon August 31, 1994 and 1993 market exchange rates, were $7,382,000 and $6,262,000, respectively, for German deutsche marks and $614,000 and $929,000 respectively for British pounds.

Employment contracts -
The Company has employment contracts with certain of its executive officers and certain other management personnel with remaining terms ranging up to five years. These agreements provide for minimum salaries, as adjusted for annual increases, and may include incentive bonuses based upon attainment of specified management goals. In addition, these agreements also provide for severance payments in the event of specified terminations of employment. The aggregate commitment for future compensation and severance, excluding incentive bonuses, was approximately $7,300,000 as of August 31, 1994.

Legal matters -
The Company is subject to litigation from time to time in the ordinary course of business. 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 the Company's financial condition or results of operations.

12. SIGNIFICANT CUSTOMERS AND CONCENTRATION OF CREDIT RISK:

The Company sells its products principally to wholesalers for resale to retail outlets including grocery stores, package liquor stores, club and discount stores and restaurants. Gross sales to the five largest wholesalers of the Company represented 23.7%, 25.1% and 28.5% of the Company's gross sales for the fiscal years ended August 31, 1994, 1993 and 1992, respectively. Gross sales to the Company's largest wholesaler represented 12.3% of the Company's gross sales for the fiscal year ended August 31, 1994; no single wholesaler was responsible for greater than 10% of gross sales during the fiscal years ended August 31, 1993 and 1992. Gross sales to the Company's five largest wholesalers are expected to continue to represent a significant portion of the Company's revenues. The Company's arrangements with certain of its wholesalers may, generally, be terminated by either party with prior notice. The Company performs ongoing credit evaluations of its customers' financial position, and management of the Company is of the opinion that any risk of significant loss is reduced due to the diversity of customers and geographic sales area.

13. THE RESTRUCTURING PLAN

In the fourth quarter, the Company provided for costs to restructure the operations of its California wineries (the Restructuring Plan). Under the Restructuring Plan, all bottling operations at the Central Cellars winery in Lodi, California and the branded wine bottling operations at the Monterey Cellars Winery in Gonzales, California will be moved to the Mission Bell Winery located in Madera, California which was acquired by the Company in the Almaden/Inglenoook Acquisition. The Monterey Cellars Winery will continue to be used as a crushing, winemaking and contract bottling facility. The Central Cellars Winery and the winery in Soledad, California will be closed and offered for sale to reduce surplus capacity. The

Restructuring Plan reduced income before income taxes and net income by approximately $24,005,000 and $14,883,000, respectively or $.91 per share, on a fully diluted basis. Of the total pretax charge, approximately $16,481,000 is to recognize estimated losses associated with the revaluation of land, buildings and equipment related to the facilities described above to their estimated net realizable value; and approximately $7,524,000 relates to severance and other benefits associated with the elimination of 260 jobs. The Restructuring Plan will require the Company to make capital expenditures of approximately $20,000,000 during fiscal 1995 to expand storage capacity and install certain relocated equipment. As of August 31,1994, the Company has a remaining accrual of approximately $9,106,000 with respect to the Restructuring Plan. The Company expects to have the Restructuring Plan fully implemented by the end of fiscal 1995.

<TABLE>

CANANDAIGUA WINE COMPANY, INC. AND SUBSIDIARIES

SELECTED QUARTERLY FINANCIAL INFORMATION (UNAUDITED)

FOR THE YEARS ENDED AUGUST 31, 1994, 1993 AND 1992
(In thousands, except per share data)

<S>	<C>	<C>	<C>	<C>	<C>
QUARTER ENDED	11/30/93	2/28/94	5/31/94	8/31/94	YEAR
Net sales	$154,485	$140,031	$154,223	$180,845	$629,584
Gross profit	44,655	41,668	42,775	53,275	182,373
Net income	5,653	5,741	6,655	(6,316)	11,733
Earnings per share:					
Primary	.40	.35	.41	(.39)	.74
Fully diluted	.37	.35	.41	(.38)	.74
QUARTER ENDED	11/30/92	2/28/93	5/31/93	8/31/93	YEAR
Net sales	$71,109	$58,782	$60,495	$115,922	$306,308
Gross profit	21,537	17,693	18,411	33,737	91,378
Net income	3,604	2,952	3,391	5,657	15,604
Earnings per share:					
Primary	.31	.25	.29	.45	1.30
Fully diluted	.28	.24	.27	.41	1.20
QUARTER ENDED	11/30/91	2/28/92	5/31/92	8/31/92	YEAR
Net sales	$63,580	$56,942	$65,068	$59,652	$245,242
Gross profit	17,834	17,211	18,829	16,683	70,557
Net income	2,410	2,128	3,357	3,461	11,356
Earnings per share:					
Primary	.26	.23	.29	.30	1.08
Fully diluted	.25	.22	.27	.27	1.01

Per share amounts have been appropriately adjusted to reflect the Company's stock splits (see Note 10 in the Company's consolidated financial statements).

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

/TABLE
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SCHEDULE V

CANANDAIGUA WINE COMPANY, INC. AND SUBSIDIARIES

PROPERTY, PLANT AND EQUIPMENT

FOR THE YEARS ENDED AUGUST 31, 1994, 1993 AND 1992
(in thousands)

Classification	Balance at Beginning of Year	Addition at Cost	Transfers, Retirements or Sales	Balance at End of Year
YEAR ENDED AUGUST 31, 1992:				
Land	$ 1,206	$ 2,925	$ -	$ 4,131
Buildings and improvements	19,926	6,370	-	26,296
Machinery and equipment	57,606	25,126	60	82,672
Motor vehicles	1,792	19	-	1,811
Construction in progress	937	3,702	2,425	2,214
	$81,467	$38,142	$ 2,485	$117,124
YEAR ENDED AUGUST 31, 1993:				
Land	$ 4,131	$ 472	$ 298	$ 4,305
Buildings and improvements	26,296	3,839	-	30,135
Machinery and equipment	82,672	9,095	606	91,161
Motor vehicles	1,811	1,495	752	2,554
Construction in progress	2,214	5,404	5,543	2,075
	$117,124	$20,305	$ 7,199	$130,230
YEAR ENDED AUGUST 31, 1994:				
Land	$ 4,305	$ 9,889	$ 380	$ 13,814
Buildings and improvements	30,135	34,160	1,855	62,440
Machinery and equipment	91,161	90,006	12,936	168,222
Motor vehicles	2,554	171	173	2,552
Construction in progress	2,075	6,964	59	8,989
	$130,230	$141,190	$15,403	$256,017

The accompanying notes to consolidated financial statements are an integral part of this schedule.
/TABLE
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SCHEDULE VI

CANANDAIGUA WINE COMPANY, INC. AND SUBSIDIARIES

ACCUMULATED DEPRECIATION AND AMORTIZATION OF

PROPERTY, PLANT AND EQUIPMENT

FOR THE YEARS ENDED AUGUST 31, 1994, 1993 AND 1992
(in thousands)

Classification	Balance at Beginning of Year	Provision	Retirements and Other Disposals	Balance at End of Year
YEAR ENDED AUGUST 31, 1992:				
Buildings and improvements	$ 5,990	$ 760	$ -	$ 6,750
Machinery and equipment	31,523	5,150	3	36,670
Motor vehicles	962	172	-	1,134
	$38,475	$6,082	$ 3	$44,554
YEAR ENDED AUGUST 31, 1993:				
Buildings and improvements	$ 6,750	$ 918	$ -	$ 7,668
Machinery and equipment	36,670	6,315	9	42,976

Motor vehicles	1,134	156	304	986
	$44,554	$7,389	$313	$51,630
YEAR ENDED AUGUST 31, 1994:				
Buildings and improvements	$ 7,668	$ 1,361	$ 2	$ 9,027
Machinery and equipment	42,976	8,989	296	51,669
Motor vehicles	986	184	132	1,038
	$51,630	$10,534	$430	$61,734

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

/TABLE

<TABLE>

SCHEDULE IX

CANANDAIGUA WINE COMPANY, INC. AND SUBSIDIARIES

SHORT-TERM BORROWINGS

FOR THE YEARS ENDED AUGUST 31, 1994, 1993 AND 1992
(in thousands)

<S> <C> <C> <C>

	1994	1993	1992
Notes Payable to Banks for Short-Term Borrowings			
Balance at August 31,	$19,000	$ 9,000	$ -
Weighted average interest rate on notes payable to banks at end of year	6.45%	5.7%	-
Maximum amount of notes payable outstanding at any month-end	185,000	35,000	14,000
Weighted average amount of notes payable outstanding during the year (a)	55,375	18,500	4,000
Weighted average interest rate on notes payable outstanding during the year (b)	6.07%	5.7%	7.3%

(a) The weighted average amount of notes payable outstanding for fiscal 1994, 1993 and 1992 was calculated by dividing the sum of total short-term borrowings outstanding at each month end by the number of months in the fiscal year.

(b) The weighted average interest rate on notes payable outstanding during fiscal 1994, 1993 and 1992 was calculated by dividing the total interest expense on all short-term borrowings by the average daily amount outstanding.

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

/TABLE

<TABLE>

SCHEDULE X

CANANDAIGUA WINE COMPANY, INC. AND SUBSIDIARIES

SUPPLEMENTARY OPERATING STATEMENT INFORMATION

FOR THE YEARS ENDED AUGUST 31, 1994, 1993 AND 1992
(in thousands)

<S> <C> <C> <C>

	Charged to Cost and Expenses		
Item	1994	1993	1992
Excise taxes	$231,475	$83,109	$59,875
Advertising	64,540	33,002	24,285
Maintenance and repairs	5,221	2,563	2,171

The accompanying notes to consolidated financial statements are an integral part of this schedule.
/TABLE

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

Not Applicable.

PART III

Item 10. Directors and Executive Officers of the Registrant.

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 Company's proxy statement to be issued in connection with the Annual Meeting of Stockholders of the Company to be held on January 19, 1995 under the heading "Nomination and Election of Directors", which proxy statement will be filed within 120 days after the end of the Company's fiscal year.

Item 11. Executive Compensation.

The information required by this Item is incorporated herein by reference to the Company's proxy statement to be issued in connection with the Annual Meeting of Stockholders of the Company to be held on January 19, 1995, under the heading "Executive Compensation", which proxy statement will be filed within 120 days after the end of the Company's fiscal year.

Item 12. Security Ownership of Certain Beneficial Owners and Management.

The information required by this Item is incorporated herein by reference to the Company's proxy statement to be issued in connection with the Annual Meeting of Stockholders of the Company to be held on January 19, 1995, under the headings "Beneficial Ownership" and "Nomination and Election of Directors", which proxy statement will be filed within 120 days after the end of the Company's fiscal year.

Item 13. Certain Relationships and Related Transactions

The information required by this Item is incorporated herein by reference to the Company's proxy statement to be issued in connection with the Annual Meeting of Stockholders of the Company to be held on January 19, 1995, under the heading "Executive Compensation", which proxy statement will be filed within 120 days after the end of the Company's fiscal year.

PART IV

Item 14. Exhibits, Financial Statement Schedules, and Reports on Form 8-K

(a) 1. Financial Statements

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

Report of Independent Public Accountants

Consolidated Balance Sheets - August 31, 1994 and 1993

Consolidated Statements of Income for the years ended August 31, 1994, 1993 and 1992

Consolidated Statements of Changes in Stockholders' Equity for the years ended August 31, 1994, 1993 and 1992

Consolidated Statements of Cash Flows for the years ended August 31, 1994, 1993 and 1992

Notes to Consolidated Financial Statements

2. Financial Statement Schedules

The following consolidated financial information is submitted herewith:

Schedule V Property, Plant and Equipment for the years ended August 31, 1994, 1993 and 1992

Schedule VI Accumulated Depreciation and Amortization of Property, Plant and Equipment for the years ended August 31, 1994, 1993 and 1992

Schedule IX Short-term Borrowings for the years ended August 31, 1994, 1993 and 1992

Schedule X Supplementary Operating Statement Information for the years ended August 31, 1994, 1993 and 1992

Selected Financial Data -- Five-Year Summary

Selected Quarterly Financial Information (Unaudited)

All other 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.

Individual financial statements of the Registrant have been omitted because the Registrant is primarily an operating company and no subsidiary included in the consolidated financial statements has minority equity interests and/or non-current indebtedness, not guaranteed by the Registrant, in excess of 5% of total consolidated assets.

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

The following exhibits are filed herewith or incorporated herein by reference, as indicated:

2.1 Asset Purchase Agreement dated August 2, 1991 between the Registrant and Guild Wineries and Distilleries, as assigned to an acquiring subsidiary (filed as Exhibit 2(a) to the Registrant's Report on Form 8-K dated October 1, 1991 and incorporated herein by reference).

2.2 Stock Purchase Agreement dated April 27, 1993 among the Registrant, Barton Incorporated and the stockholders of Barton Incorporated, Amendment No. 1 to Stock Purchase Agreement dated May 3, 1993, and Amendment No. 2 to Stock Purchase Agreement dated June 29, 1993 (filed as Exhibit 2(a) to the Registrant's Current Report on Form 8-K dated June 29, 1993 and incorporated herein by reference).

2.3 Asset Sale Agreement dated September 14, 1993 between the Registrant and Vintners International Company, Inc. (filed as Exhibit 2(a) to the Registrant's Current Report on Form 8-K dated October 15, 1993 and incorporated herein by reference).

2.4 Amendment dated as of October 14, 1993 to Asset Sale Agreement dated as of September 14, 1993 by and between Vintners International Company, Inc. and the Registrant (filed as Exhibit 2(b) to the Registrant's Current Report on Form 8-K dated October 15, 1993 and incorporated herein by reference).

2.5 Amendment No. 2 dated as of January 18, 1994 to Asset Sale Agreement dated as of September 14, 1993 by and between Vintners International Company, Inc. and the Registrant (filed as Exhibit 2.1 to the Registrant's Quarterly Report on Form 10-Q for the fiscal quarter ended February 28, 1994 and incorporated herein by reference).

2.6 Asset Purchase Agreement dated August 3, 1994 between the Registrant and Heublein, Inc. (filed as Exhibit 2(a) to the Registrant's Current Report on Form 8-K dated August 5, 1994 and incorporated herein by reference).

2.7 Amendment dated November 8, 1994 to Asset Purchase Agreement between Heublein, Inc. and Registrant (filed as Exhibit 2.2 to the Registrant's Registration Statement on Form S-3 (Amendment No. 2) (Registration No. 33-55997) filed with the Securities and Exchange Commission on November 8, 1994 and incorporated herein by reference).

2.8 Amendment dated November 18, 1994 to Asset Purchase Agreement between Heublein, Inc. and the Registrant (filed herewith).

3.1 Restated Certificate of Incorporation of the Company (filed as Exhibit 3.1 to the Registrant's Annual Report on Form 10-K for the fiscal year ended August 31, 1993 and incorporated herein by reference).

3.2 Amended and Restated By-laws of the Company (filed as Exhibit 4.2 to the Registrant's Registration Statement on Form S-8 (Registration No. 33-56557) and incorporated herein by reference).

4.1 Specimen of Certificate of Class A Common Stock of the Company (filed as Exhibit 1.1 to the Registrant'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 Registrant'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 Registrant, its Subsidiaries and Chemical Bank (filed as Exhibit 4.1 to the Registrant'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 Registrant, Canandaigua West, Inc. and Chemical Bank (filed as Exhibit 4.5 to the Registrant's Registration Statement on Form S-8 (Registration No. 33-56557) and incorporated herein by reference).

10.1 The Canandaigua Wine Company, Inc. Stock Option and Stock Appreciation Right Plan (filed as Appendix B of the Company's Definitive Proxy Statement dated December 23, 1987 and incorporated herein by reference).

10.2 Amendment No. 1 to the Canandaigua Wine Company, Inc. Stock Option and Stock Appreciation Right Plan (filed as Exhibit 10.1 to the Company's Annual Report on Form 10-K for the fiscal year ended August 31, 1992 and incorporated herein by reference).

10.3 Amendment No. 2 to the Canandaigua Wine Company, Inc. Stock Option and Stock Appreciation Right Plan (filed as Exhibit 28 to the Company's Quarterly Report on Form 10-Q for the fiscal quarter ended November 30, 1992 and incorporated herein by reference).

10.4 Amendment No. 3 to the Canandaigua Wine Company, Inc. Stock Option and Stock Appreciation Rights Plan (filed as Exhibit 10.4 to the Registrant's Annual Report on Form 10-K for the fiscal year ended August 31, 1993 and incorporated herein by reference).

10.5 Amendment No. 4 to the Canandaigua Wine Company, Inc. Stock Option and Stock Appreciation Right Plan (filed as Exhibit 10.1 to the Registrant's Quarterly Report on Form 10-Q for the fiscal quarter ended November 30, 1993 and incorporated herein by reference).

10.6 Amendment No. 5 to the Canandaigua Wine Company, Inc. Stock Option and Stock Appreciation Right Plan (filed as Exhibit 10.1 to the Registrant's Quarterly Report on Form 10-Q for the fiscal quarter ended February 28, 1994 and incorporated herein by reference).

10.7 Employment Agreement between Barton Incorporated and Ellis M. Goodman dated as of October 1, 1991 as amended by Amendment to Employment Agreement between Barton Incorporated and Ellis M. Goodman dated as of June 29, 1993 (filed as Exhibit 10.5 to the Registrant's Annual Report on Form 10-K for the fiscal year ended August 31, 1993 and incorporated herein by reference).

10.8 Barton Incorporated Management Incentive Plan (filed as Exhibit 10.6 to the Registrant's Annual Report on Form 10-K for the fiscal year ended August 31, 1993 and incorporated herein by reference).

10.9 Ellis M. Goodman Split Dollar Insurance Agreement (filed as Exhibit 10.7 to the Registrant's Annual Report on Form 10-K for the fiscal year ended August 31, 1993 and incorporated herein by reference).

10.10 Barton Brands, Ltd. Deferred Compensation Plan (filed as Exhibit 10.8 to the Registrant's Annual Report on Form 10-K for the fiscal year ended August 31, 1993 and incorporated herein by reference).

10.11 Marvin Sands Split Dollar Insurance Agreement (filed as Exhibit 10.9 to the Registrant's Annual Report on Form 10-K for the fiscal year ended August 31, 1993 and incorporated herein by reference).

10.12 Amendment and Restatement dated as of June 29, 1993 of Credit Agreement among the Registrant, its subsidiaries and certain banks for which The Chase Manhattan Bank (National Association) acts as agent (filed as Exhibit 2(b) to the Registrant's Current Report on Form 8-K dated June 29, 1993 and incorporated herein by reference).

10.13 Amendment No. 1 dated as of October 15, 1993 to Amendment and Restatement dated as of June 29, 1993 of Credit Agreement among the Registrant, its subsidiaries and certain banks for which The Chase Manhattan Bank (National Association) acts as agent (filed as Exhibit 2(c) to the Registrant's Current Report on Form 8-K dated October 15, 1993 and incorporated herein by reference).

10.14 Senior Subordinated Loan Agreement dated as of October 15, 1993 among the Registrant, its subsidiaries and certain banks for which The Chase Manhattan Bank (National Association) acts as Agent (filed as Exhibit

2(d) to the Registrant's Current Report on Form 8-K dated October 15, 1993 and incorporated herein by reference).

10.15 Second Amendment and Restatement dated as of August 5, 1994 of Amendment and Restatement of Credit Agreement dated as of June 29, 1993 among the Registrant, its subsidiaries and certain banks for which The Chase Manhattan Bank (National Association) acts as agent (filed as Exhibit 2(b) to the Registrant's Current Report on Form 8-K dated August 5, 1994 and incorporated herein by reference).

10.16 Amendment No. 1 (dated as of August 5, 1994) to Second Amendment and Restatement dated as of August 5, 1994 of Amendment and Restatement of Credit Agreement dated as of June 29, 1993 among the Registrant, its subsidiaries and certain banks for which The Chase Manhattan Bank (National Association) acts as agent (filed herewith).

10.17 Security Agreement dated as of August 5, 1994 among the Registrant, its subsidiaries and certain banks for which The Chase Manhattan Bank (National Association) acts as agent (filed as Exhibit 2(c) to the Registrant's Current Report on Form 8-K dated August 5, 1994 and incorporated herein by reference.

11.1 Statement of computation of per share earnings (filed herewith).

21.1 Subsidiaries of Registrant (filed herewith).

23.1 Consent of Arthur Andersen & Co. (filed herewith).

(b) Reports on Form 8-K

The following Current Reports on Form 8-K were filed with the Securities and Exchange Commission during the fourth quarter of the Company's 1994 fiscal year:

1. Form 8-K dated June 23, 1994. This Form 8-K reported information under Item 5 (Other Events).

2. Form 8-K dated August 5, 1994. This Form 8-K reported information under Item 2 (Acquisition or Disposition of Assets), Item 5 (Other Events) and Item 7 (Financial Statements, Pro Forma Financial Information and Exhibits).

3. Form 8-K/A Amendment No. 1 to Form 8-K dated August 5, 1994. This Form 8-K/A was filed during the first quarter of the Company's 1995 fiscal year (September 7, 1994) and reported information under Item 5 (Other Events) and Item 7 (Financial Statements, Pro Forma Financial Information and Exhibits). The following financial statements were filed with this Form 8-K/A:

   The Heublein, Inc. and Affiliates statements of assets and liabilities related to the product lines acquired by the Registrant as of August 5, 1994 and the related Statements of Identified Income and Expenses of the Product Lines Acquired and Statements of Cash Flows for each of the three years in the period ended September 30, 1993 and the report of KPMG Peat Marwick LLP, independent auditors; and

   The unaudited Interim Financial Statements of Product Lines Acquired by the Registrant of Heublein, Inc. and Affiliates for the nine month periods ended June 30, 1994 and 1993, together with the notes thereto; and

   The unaudited condensed consolidated balance sheets and the unaudited pro forma condensed consolidated statements of income for the year ended August 31, 1993 and for the nine months ended May 31, 1994, and the notes thereto.

4. Form 8-K/A, Amendment No. 2 to Form 8-K dated August 5, 1994. This Form 8-K/A was filed during the first quarter of the Company's 1995 fiscal year (October 31, 1994) and reported information under Item 7 (Financial Statements, Pro Forma Financial Information and Exhibits). The following financial statements were filed with this Form 8-K/A:

   The Heublein, Inc. and Affiliates statements of assets and liabilities related to the product lines acquired by the Registrant as of August 5, 1994 and the related Statements of Identified Income and Expenses of the Product Lines Acquired and Statements of Cash Flows for each of the three years in the period ended September 30, 1993 and the report of KPMG Peat Marwick LLP, independent auditors; and

   The unaudited Interim Financial Statements of Product Lines Acquired by the Registrant of Heublein, Inc. and Affiliates for the ten month periods ended August 5, 1994 and July 31, 1993, together with the notes thereto; and

The unaudited condensed consolidated balance sheets and the unaudited pro forma condensed consolidated statements of income for the year ended August 31, 1993 and for the nine months ended May 31, 1994, and the notes thereto.

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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.

Dated: November 29, 1994 Canandaigua Wine Company, Inc.

By: S/
Richard 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/ Richard Sands, President, Chief Executive Officer and Director (Principal Executive Officer) Dated: November 29, 1994	S/ Lynn K. Fetterman, Senior Vice President, Chief Financial Officer and Secretary (Principal Financial and Principal Accounting Officer) Dated: November 29, 1994
S/ Marvin Sands, Chairman of the Board Dated: November 29, 1994	S/ Robert Sands, Director Dated: November 29, 1994
S/ James A. Locke, III, Director Dated: November 29, 1994	S/ Bertram E. Silk, Director Dated: November 29, 1994
S/ Ellis Goodman, Director Dated: November 29, 1994	S/ George Bresler, Director Dated: November 29, 1994
S/ Sir Harry Solomon, Director Dated: November 29, 1994	

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.

Dated: November 29, 1994 Batavia Wine Cellars, Inc.

By: S/
Richard Sands, Vice President

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/ Richard Sands, Director	Dated: November 29, 1994
S/ Ned Cooper, President (Principal Executive Officer)	Dated: November 29, 1994
S/ Lynn Fetterman, Secretary and Treasurer (Principal Financial Officer and Principal Accounting Officer)	Dated: November 29, 1994

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.

Dated: November 29, 1994 Bisceglia Brothers Wine Co.

By: S/
Richard Sands, Vice President

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/ Dated: November 29, 1994
Marvin Sands, Director

S/ Dated: November 29, 1994
Richard Sands, Vice President and Director (Principal Executive Officer)

S/ Dated: November 29, 1994
Bertram E. Silk, Chief Executive Officer and Director

S/ Dated: November 29, 1994
Lynn Fetterman, Secretary (Principal Financial Officer and Principal Accounting Officer

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.

Dated: November 29, 1994 California Products Company

By: S/
Richard Sands, Vice President

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/ Dated: November 29, 1994
Marvin Sands, Vice President, Treasurer and Director

S/ Dated: November 29, 1994
Richard Sands, Vice President and Director

S/ Dated: November 29, 1994
Melvin Cellini, President and Director (Principal Executive Officer)

S/ Dated: November 29, 1994
Lynn K. Fetterman, Secretary (Principal Financial Officer and Principal Accounting Officer)

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.

Dated: November 29, 1994 Guild Wineries & Distilleries, Inc.

By: S/
Chris Kalabokes, 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/ Dated: November 29, 1994
Richard Sands, Chairman of the
Board of Directors

S/ Dated: November 29, 1994
Robert Sands, Assistant Secretary
and Director

S/ Dated: November 29, 1994
Chris Kalabokes, President and
Chief Executive Officer
(Principal Executive Officer)

S/ Dated: November 29, 1994
Lynn K. Fetterman, Secretary and
Treasurer (Principal Financial
Officer and Principal Accounting
Officer)

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.

Dated: November 29, 1994 Widmer's Wine Cellars, Inc.

By: S/
Richard Sands, Vice President

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/ Dated: November 29, 1994
Marvin Sands, Director

S/ Dated: November 29, 1994
Richard Sands, Vice President and
Director (Principal Executive Officer)

S/ Dated: November 29, 1994
Charles E. Hetterich, President,
Treasurer and Director

S/ Dated: November 29, 1994
Lynn K. Fetterman, Secretary
(Principal Financial Officer and
Principal Accounting Officer)

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.

Dated: November 29, 1994 Tenner Brothers, Inc.

By: S/
Richard Sands, Vice President

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/ Dated: November 29, 1994
Marvin Sands, President, Treasurer
and Director

S/ Dated: November 29, 1994
Richard Sands, Vice President and

Director (Principal Executive
Officer)

S/ Dated: November 29, 1994
Lynn K. Fetterman, Secretary
(Principal Financial Officer and
Principal Accounting Officer)

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.

Dated: November 29, 1994 Vintners International Company, Inc.

By: S/
Richard Sands, President

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/ Dated: November 29, 1994
Richard Sands, President and Sole
Director (Principal Executive Officer)

S/ Dated: November 29, 1994
Lynn K. Fetterman, Secretary and
Treasurer (Principal Financial Officer
and Principal Accounting Officer)

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.

Dated: November 29, 1994 Canandaigua West, Inc.

By: S/
Richard Sands, President

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/ Dated: November 29, 1994
Richard Sands, President and Sole
Director (Principal Executive Officer)

S/ Dated: November 29, 1994
Lynn K. Fetterman, Secretary and
Treasurer (Principal Financial Officer
and Principal Accounting Officer)

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.

Dated: November 29, 1994 Barton Incorporated

By: S/
Fred R. Mardell, Vice President

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/ Dated: November 29, 1994
Ellis M. Goodman, Chairman of the
Board of Directors and Chief
Executive Officer (Principal Executive
Officer)

S/
Alexander L. Berk, President, Chief
Operating Officer and Director
Dated: November 29, 1994

S/
Fred R. Mardell, Vice President,
Secretary and Director
Dated: November 29, 1994

S/
Edward L. Golden, Vice President and
Director
Dated: November 29, 1994

S/
Raymond E. Powers, Vice
President
(Principal Financial Officer
and Principal Accounting Officer)
Dated: November 29, 1994

S/
Paul L. Kraus, Director
Dated: November 29, 1994

S/
Dated: November 29, 1994

Sir Harry Solomon, Director

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.

Dated: November 29, 1994 Barton Brands, Ltd.

By: S/
Fred R. Mardell,
Vice President

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/
Ellis M. Goodman, Chairman of the
Board of Directors
(Principal Executive Officer)
Dated: November 29, 1994

S/
Fred R. Mardell, Executive Vice President,
Secretary and Vice Chairman of the
Board of Directors
Dated: November 29, 1994

S/
Edward L. Golden, President and
Director
Dated: November 29, 1994

S/
Raymond E. Powers, Executive Vice
President-Finance
(Principal Financial Officer and
Principal Accounting Officer)
Dated: November 29, 1994

S/
Alexander L. Berk, Director
Dated: November 29, 1994

S/
Dated: November 29, 1994

Paul L. Kraus, Director

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.

Dated: November 29, 1994 Barton Beers, Ltd.

By: S/
Fred R. Mardell,
Vice President

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/ Dated: November 29, 1994
Ellis M. Goodman, Chairman of the
Board of Directors
(Principal Executive Officer)

S/ Dated: November 29, 1994
Fred R. Mardell, Vice President,
Secretary and Vice Chairman of the
Board of Directors

S/ Dated: November 29, 1994
Alexander L. Berk, Executive Vice
President and Director

S/ Dated: November 29, 1994
Raymond E. Powers, Executive Vice President
(Principal Financial Officer and
Principal Accounting Officer)

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.

Dated: November 29, 1994 Barton Brands of California, Inc.

By: S/
Fred R. Mardell,
Vice President

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/ Dated: November 29, 1994
Ellis M. Goodman, President and
Director
(Principal Executive Officer)

S/ Dated: November 29, 1994
Fred R. Mardell, Vice President,
Secretary and Director

S/ Dated: November 29, 1994
Edward L. Golden, Vice President and
Director

S/ Dated: November 29, 1994
Alexander L. Berk, Executive Vice
President and Director

S/ Dated: November 29, 1994
Raymond E. Powers, Executive Vice President
(Principal Financial Officer and

Principal Accounting Officer)

S/ Dated: November 29, 1994
Paul L. Kraus, Director

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.

Dated: November 29, 1994 Barton Brands of Georgia, Inc.

By: S/
Fred R. Mardell,
Vice President

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/ Dated: November 29, 1994
Ellis M. Goodman, President and
Director
(Principal Executive Officer)

S/ Dated: November 29, 1994
Fred R. Mardell, Vice President,
Secretary and Director

S/ Dated: November 29, 1994
Edward L. Golden, Vice President and
Director

S/ Dated: November 29, 1994
Alexander L. Berk, Executive Vice
President and Director

S/ Dated: November 29, 1994
Raymond E. Powers, Executive Vice President
(Principal Financial Officer and
Principal Accounting Officer)

S/ Dated: November 29, 1994
Paul L. Kraus, Director

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.

Dated: November 29, 1994 Barton Management, Inc.

By: S/
Fred R. Mardell,
Vice President

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/ Dated: November 29, 1994
Ellis M. Goodman, President, Chairman
of the Board of Directors

S/ Dated: November 29, 1994
Fred R. Mardell, Vice President,
Secretary, Chief Executive Officer
and Director (Principal Executive Officer)

S/ Dated: November 29, 1994
Alexander L. Berk, Executive Vice
President and Director

S/ Dated: November 29, 1994
Raymond E. Powers, Executive Vice
President
(Principal Financial Officer and
Principal Accounting Officer)

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.

Dated: November 29, 1994 Stevens Point Beverage Co.

By: S/
Fred R. Mardell,
Vice President

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/ Dated: November 29, 1994
Ellis M. Goodman, Chairman
of the Board of Directors

S/ Dated: November 29, 1994
Fred R. Mardell, Vice President,
Secretary, Chief Executive Officer
and Director (Principal Executive
Officer)

S/ Dated: November 29, 1994
James P. Ryan, Chief Operating Officer,
Vice President and Director

S/ Dated: November 29, 1994
Raymond E. Powers, Executive Vice President
(Principal Financial Officer and
Principal Accounting Officer)

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.

Dated: November 29, 1994 Barton Distillers Import Corp.

By: S/
Fred R. Mardell,
Vice President

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/ Dated: November 29, 1994
Ellis M. Goodman, President and
Director (Principal Executive Officer)

S/ Dated: November 29, 1994
Fred R. Mardell, Vice President,
Secretary and Director

S/ Dated: November 29, 1994

Alexander L. Berk, Executive Vice
President and Director

S/ Dated: November 29, 1994
Raymond E. Powers, Executive Vice President
(Principal Financial Officer and
Principal Accounting Officer)

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.

Dated: November 29, 1994 Barton Financial Corporation

By: S/
Norman R. Goldstein
President

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/ Dated: November 29, 1994
Norman R. Goldstein, President,
Treasurer and Director
(Principal Executive Officer)

S/ Dated: November 29, 1994
Raymond E. Powers, Executive Vice
President, Secretary and Director
(Principal Financial Officer and
Principal Accounting Officer)

S/ Dated: November 29, 1994
Charles B. Campbell, Jr., Vice
President and Director

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.

Dated: November 29, 1994 Monarch Wine Company, Limited Partnership

By: S/
Fred R. Mardell,
Vice President of Barton Management, Inc., its general partner

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/ Dated: November 29, 1994
Ellis M. Goodman, President and Chairman
of the Board of Directors of Barton
Management, Inc.

S/ Dated: November 29, 1994
Fred R. Mardell, Vice President,
Secretary, Chief Executive Officer
and Director of Barton Management, Inc.
(Principal Executive Officer)

S/ Dated: November 29, 1994
Alexander L. Berk, Executive Vice
President and Director of Barton
Management, Inc.

S/ Dated: November 29, 1994

Raymond E. Powers, Executive Vice
President of Barton Management, Inc.
(Principal Financial Officer and
Principal Accounting Officer)
/TABLE

INDEX TO EXHIBITS

Exhibit No.		Page No. In Manually Signed Copy
2.1	Asset Purchase Agreement dated August 2, 1991 between the Registrant and Guild Wineries and Distilleries, as assigned to an acquiring subsidiary (filed as Exhibit 2(a) to the Registrant's Report on Form 8-K dated October 1, 1991 and incorporated herein by reference).	
2.2	Stock Purchase Agreement dated April 27, 1993 among the Registrant, Barton Incorporated and the stockholders of Barton Incorporated, Amendment No. 1 to Stock Purchase Agreement dated May 3, 1993, and Amendment No. 2 to Stock Purchase Agreement dated June 29, 1993 (filed as Exhibit 2(a) to the Registrant's Current Report on Form 8-K dated June 29, 1993 and incorporated herein by reference).	
2.3	Asset Sale Agreement dated September 14, 1993 between the Registrant and Vintners International Company, Inc. (filed as Exhibit 2(a) to the Registrant's Current Report on Form 8-K dated October 15, 1993 and incorporated herein by reference).	
2.4	Amendment dated as of October 14, 1993 to Asset Sale Agreement dated as of September 14, 1993 by and between Vintners International Company, Inc. and the Registrant (filed as Exhibit 2(b) to the Registrant's Current Report on Form 8-K dated October 15, 1993 and incorporated herein by reference).	
2.5	Amendment No. 2 dated as of January 18, 1994 to Asset Sale Agreement dated as of September 14, 1993 by and between Vintners International Company, Inc. and the Registrant (filed as Exhibit 2.1 to the Registrant's Quarterly Report on Form 10-Q for the fiscal quarter ended February 28, 1994 and incorporated herein by reference).	
2.6	Asset Purchase Agreement dated August 3, 1994 between the Registrant and Heublein, Inc. (filed as Exhibit 2(a) to the Registrant's Current Report on Form 8-K dated August 5, 1994 and incorporated herein by reference).	
2.7	Amendment dated November 8, 1994 to Asset Purchase Agreement between Heublein, Inc. and Registrant (filed as Exhibit 2.2 to the Registrant's Registration Statement on Form S-3 (Amendment No. 2) (Registration No. 33-55997) filed with the Securities and Exchange Commission on November 8, 1994 and incorporated herein by reference).	
2.8	Amendment dated November 18, 1994 to Asset Purchase Agreement between Heublein, Inc. and the Registrant (filed herewith).	
3.1	Restated Certificate of Incorporation of the Company (filed as Exhibit 3.1 to the Registrant's Annual Report on Form 10-K for the fiscal year ended August 31, 1993 and incorporated herein by reference).	
3.2	Amended and Restated By-laws of the Company (filed as Exhibit 4.2 to the Registrant's Registration Statement on Form S-8 (Registration No. 33-56557) and incorporated herein by reference).	
4.1	Specimen of Certificate of Class A Common Stock of the Company (filed as Exhibit 1.1 to the Registrant'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 Registrant'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 Registrant, its Subsidiaries and Chemical Bank (filed as Exhibit 4.1 to the Registrant'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 Registrant, Canandaigua West, Inc. and Chemical Bank (filed as Exhibit 4.5 to the Registrant's Registration Statement on Form S-8 (Registration No. 33-56557) and incorporated herein by reference).	

10.1 The Canandaigua Wine Company, Inc. Stock Option and Stock Appreciation Right Plan (filed as Appendix B of the Company's Definitive Proxy Statement dated December 23, 1987 and incorporated herein by reference).

10.2 Amendment No. 1 to the Canandaigua Wine Company, Inc. Stock Option and Stock Appreciation Right Plan (filed as Exhibit 10.1 to the Company's Annual Report on Form 10-K for the fiscal year ended August 31, 1992 and incorporated herein by reference).

10.3 Amendment No. 2 to the Canandaigua Wine Company, Inc. Stock Option and Stock Appreciation Right Plan (filed as Exhibit 28 to the Company's Quarterly Report on Form 10-Q for the fiscal quarter ended November 30, 1992 and incorporated herein by reference).

10.4 Amendment No. 3 to the Canandaigua Wine Company, Inc. Stock Option and Stock Appreciation Rights Plan (filed as Exhibit 10.4 to the Registrant's Annual Report on Form 10-K for the fiscal year ended August 31, 1993 and incorporated herein by reference).

10.5 Amendment No. 4 to the Canandaigua Wine Company, Inc. Stock Option and Stock Appreciation Right Plan (filed as Exhibit 10.1 to the Registrant's Quarterly Report on Form 10-Q for the fiscal quarter ended November 30, 1993 and incorporated herein by reference).

10.6 Amendment No. 5 to the Canandaigua Wine Company, Inc. Stock Option and Stock Appreciation Right Plan (filed as Exhibit 10.1 to the Registrant's Quarterly Report on Form 10-Q for the fiscal quarter ended February 28, 1994 and incorporated herein by reference).

10.7 Employment Agreement between Barton Incorporated and Ellis M. Goodman dated as of October 1, 1991 as amended by Amendment to Employment Agreement between Barton Incorporated and Ellis M. Goodman dated as of June 29, 1993 (filed as Exhibit 10.5 to the Registrant's Annual Report on Form 10-K for the fiscal year ended August 31, 1993 and incorporated herein by reference).

10.8 Barton Incorporated Management Incentive Plan (filed as Exhibit 10.6 to the Registrant's Annual Report on Form 10-K for the fiscal year ended August 31, 1993 and incorporated herein by reference).

10.9 Ellis M. Goodman Split Dollar Insurance Agreement (filed as Exhibit 10.7 to the Registrant's Annual Report on Form 10-K for the fiscal year ended August 31, 1993 and incorporated herein by reference).

10.10 Barton Brands, Ltd. Deferred Compensation Plan (filed as Exhibit 10.8 to the Registrant's Annual Report on Form 10-K for the fiscal year ended August 31, 1993 and incorporated herein by reference).

10.11 Marvin Sands Split Dollar Insurance Agreement (filed as Exhibit 10.9 to the Registrant's Annual Report on Form 10-K for the fiscal year ended August 31, 1993 and incorporated herein by reference).

10.12 Amendment and Restatement dated as of June 29, 1993 of Credit Agreement among the Registrant, its subsidiaries and certain banks for which The Chase Manhattan Bank (National Association) acts as agent (filed as Exhibit 2(b) to the Registrant's Current Report on Form 8-K dated June 29, 1993 and incorporated herein by reference).

10.13 Amendment No. 1 dated as of October 15, 1993 to Amendment and Restatement dated as of June 29, 1993 of Credit Agreement among the Registrant, its subsidiaries and certain banks for which The Chase Manhattan Bank (National Association) acts as agent (filed as Exhibit 2(c) to the Registrant's Current Report on Form 8-K dated October 15, 1993 and incorporated herein by reference).

10.14 Senior Subordinated Loan Agreement dated as of October 15, 1993 among the Registrant, its subsidiaries and certain banks for which The Chase Manhattan Bank (National Association) acts as Agent (filed as Exhibit 2(d) to the Registrant's Current Report on Form 8-K dated October 15, 1993 and incorporated herein by reference).

10.15 Second Amendment and Restatement dated as of August 5, 1994 of Amendment and Restatement of Credit Agreement dated as of June 29, 1993 among the Registrant, its subsidiaries and certain banks for which The Chase Manhattan Bank (National Association) acts as agent (filed as Exhibit 2(b) to the Registrant's Current Report on Form 8-K dated August 5, 1994 and incorporated herein by reference).

10.16 Amendment No. 1 (dated as of August 5, 1994) to Second Amendment and Restatement dated as of August 5, 1994 of Amendment and Restatement of Credit Agreement dated as of

	June 29, 1993 among the Registrant, its subsidiaries and certain banks for which The Chase Manhattan Bank (National Association) acts as agent (filed herewith) . . . . . .
10.17	Security Agreement dated as of August 5, 1994 among the Registrant, its subsidiaries and certain banks for which The Chase Manhattan Bank (National Association) acts as agent (filed as Exhibit 2(c) to the Registrant's Current Report on Form 8-K dated August 5, 1994 and incorporated herein by reference.
11.1	Statement of computation of per share earnings (filed herewith) . . . .
21.1	Subsidiaries of Registrant (filed herewith) . . . .
23.1	Consent of Arthur Andersen & Co (filed herewith). . . . .

Exhibit 2.8

Amendment to Asset Purchase
Agreement between Heublein, Inc. ("Heublein")
and Canandaigua Wine Company, Inc. ("Canandaigua")
dated August 3, 1994 (the "Agreement")

WHEREAS, the parties hereto have entered into the Agreement, pursuant to which Canandaigua was granted an option to purchase certain brandy from Heublein; and

WHEREAS, the parties hereto desire to extend the option period set forth in the Agreement to allow the parties to devise a testing procedure regarding such brandy.

NOW, THEREFORE, in consideration of the mutual promises and conditions of this Amendment, and other valuable consideration, the parties hereby agree as follows:

1. That the first sentence of paragraph 16.14 of the Agreement is hereby amended by replacing the phrase "for a period of three months following the Closing Date" and inserting in its place the phrase "expiring on 4:00 p.m., E.S.T. November 30, 1994."

2. That the second sentence of paragraph 16.14 of the Agreement is hereby amended by replacing the phrase "during the three month period" and inserting in its place the phrase "on or prior to 4:00 p.m., E.S.T. November 30, 1994."

3. That on the date hereof no exercise of the option pursuant to paragraph 16.14 has occurred.

This amendment shall be construed in accordance with, and governed in all respects by, the laws of the State of California.

IN WITNESS WHEREOF, the parties have caused this Amendment to be executed on this 18th day of November, 1994.

HEUBLEIN, INC. CANANDAIGUA WINE COMPANY, INC.

By: Mark A. Schlossberg By: Robert S. Sands
Title: Vice President Title: Executive Vice President

Exhibit 10.16

AMENDMENT NO. 1

AMENDMENT NO. 1 dated as of August 5, 1994, between CANANDAIGUA WINE COMPANY, INC., a corporation duly organized and validly existing under the laws of the State of Delaware (the "Company"); each of the Subsidiaries of the Company identified under the caption "SUBSIDIARY GUARANTORS" on the signature pages hereto (individually, a "Subsidiary Guarantor" and, collectively, the "Subsidiary Guarantors" and, together with the Company, the "Obligors"); each of the lenders that is a signatory hereto (individually, a "Bank" and, collectively, the "Banks"); and THE CHASE MANHATTAN BANK (National Association), a national banking association, as agent for the Banks (in such capacity, together with its successors in such capacity, the "Agent").

The Company, the Subsidiary Guarantors, the Banks and the Agent are parties to a Second Amendment and Restatement dated as of August 5, 1994 (as modified and supplemented and in effect on the date hereof, the "Credit Agreement") of Amendment and Restatement of Credit Agreement date as of June 29, 1993. The Obligors and the Banks wish to amend the Credit Agreement in certain respects and, accordingly, the parties hereto hereby agree as follows:

Section 1. Definitions. Except as otherwise defined in this Amendment No. 1, terms defined in the Credit Agreement are used herein as defined therein (including terms defined in the Credit Agreement as amended hereby).

Section 2. Amendments. Subject to the execution of this Amendment by each Obligor and Banks constituting the "Majority Banks" under the Credit Agreement, but effective as of the date hereof, the Credit Agreement shall be amended as follows:

A. The last paragraph of Section 9.11 of the Credit Agreement is hereby amended in its entirety to read as follows:

"Notwithstanding the foregoing, (i) on the date of any Equity Issuance in respect of which 100% of the Net Available Proceeds thereof shall have been applied pursuant to Section 2.11(d) hereof to the prepayment of Loans (and/or to provide cover for the Letter of Credit Liabilities) each of the respective amounts set forth above shall be adjusted by adding thereto an amount equal to the Net Available Proceeds in respect of such Equity Issuance (provided that, the aggregate amount of all such adjustments shall be no greater than $60,000,000) and (ii) upon the receipt by the Banks of the financial statements referred to in Section 9.01(i) hereof (so long as the amount determined pursuant to the succeeding clause (y) is greater than zero), each of the respective amounts set forth above shall be adjusted by subtracting therefrom an amount equal to the product of (x) .75 times (y) an amount equal to (A) Intangibles as reflected on the restated balance sheet of the Company and its Consolidated Subsidiaries dated as of the Effective Date delivered to the Banks pursuant to Section 9.01(i) hereof minus (B) $111,000,000."

Section 3. Miscellaneous. Except as herein provided, the Credit Agreement shall remain unchanged and in full force and effect. This Amendment No. 1 may be executed in any number of counterparts, all of which taken together shall constitute one and the same amendatory instrument and any of the parties hereto may execute this Amendment No. 1

by signing any such counterpart. This Amendment No. 1 shall be governed by, and construed in accordance with, the law of the State of New York.

IN WITNESS WHEREOF, the parties hereto have caused this Amendment No. 1 to be duly executed and delivered as of the day and year first above written.

SUBSIDIARY GUARANTORS	COMPANY
BATAVIA WINE CELLARS, INC.	CANANDAIGUA WINE COMPANY, INC.
BISCEGLIA BROTHERS WINE COMPANY	By Title:
CALIFORNIA PRODUCTS COMPANY	
GUILD WINERIES & DISTILLERIES, INC. (formerly known as Canandaigua California Acquisition Corp.)	

TENNER BROTHERS, INC.

WIDMER'S WINE CELLARS, INC.

By
Title: Assistant Secretary

BARTON INCORPORATED
BARTON BRANDS, LTD.
BARTON BEERS, LTD.
BARTON BRANDS OF CALIFORNIA, INC.
BARTON BRANDS OF GEORGIA, INC.
BARTON DISTILLERS IMPORT CORP.
STEVENS POINT BEVERAGE COMPANY
MONARCH WINE COMPANY, LIMITED
PARTNERSHIP
By Barton Management, Inc.,
Corporate General Partner
BARTON MANAGEMENT, INC.
VINTNERS INTERNATIONAL COMPANY, INC.
(formerly known as Canandaigua/
Vintners Acquisition Corp.)

By
Title: Vice President

BARTON FINANCIAL CORPORATION

By
Title: Vice President

CANANDAIGUA WEST, INC.

By
Title:

BANKS

THE CHASE MANHATTAN BANK (NATIONAL ASSOCIATION)

By
Title:

THE FIRST NATIONAL BANK OF BOSTON

By
Title:

THE CHASE MANHATTAN BANK (NATIONAL ASSOCIATION), ROCHESTER DIVISION

By
Title:

MANUFACTURERS AND TRADERS TRUST COMPANY

By
Title:

THE FIRST NATIONAL BANK OF CHICAGO

By
Title:

NATIONAL CITY BANK

By
Title:

WELLS FARGO BANK, N.A.

By
Title:

PNC BANK, NATIONAL ASSOCIATION

By
Title:

NBD BANK, N.A.

By
Title:

AMERICAN NATIONAL BANK AND TRUST
TRUST COMPANY OF CHICAGO

By
Title:

THE DAIWA BANK, LTD.

By
Title:

By
Title:

THE BANK OF NOVA SCOTIA

By

COOPERATIVE CENTRAL RAIFFEISEN-BOERENLEENBANK B.A. "RABOBANK NEDERLAND", NEW YORK BRANCH

By

Title: Title:

FLEET BANK By
Title:

By
Title:

KEY BANK OF NEW YORK NATIONAL WESTMINSTER BANK USA

By By
Title: Title:

DG BANK DEUTSCHE GENOSSENSCHAFTSBANK LTCB TRUST COMPANY

By By
Title: Title:

NATIONAL BANK OF CANADA CORESTATES BANK N.A.

By By
Title: Title:

By THE SUMITOMO BANK, LIMITED, NEW YORK BRANCH
Title:

By
Title:

THE FUJI BANK LIMITED NEW YORK BRANCH

By
Title:

AGENT

THE CHASE MANHATTAN BANK (NATIONAL ASSOCIATION), As Agent

By
Title:

<TABLE>

EXHIBIT 11

CANANDAIGUA WINE COMPANY, INC. AND SUBSIDIARIES

COMPUTATION OF NET INCOME PER COMMON SHARE

FOR THE YEARS ENDED AUGUST 31, 1994, 1993 AND 1992

<S>	<C>	<C>	<C>	<C>	<C>	<C>
	August 31, 1994		August 31, 1993		August 31, 1992	
Net income per common equivalent share:	Primary	Fully Diluted	Primary	Fully Diluted	Primary	Fully Diluted
	(in thousands, except per share data)					
Net income available to common shares-	$11,733	$11,733	$15,604	$15,604	$11,356	$11,356
Adjustments:						
(1) Assumed exercise of stock appreciation rights	-	-	-	-	(14)	(14)
(2) Assumed exercise of convertible debt		419	-	2,597	-	2,667
Net income available to common and common equivalent shares	$11,733	$12,152	$15,604	$18,201	$11,342	$14,009
Shares:						
Weighted average common shares outstanding	15,423	15,423	11,820	11,820	10,416	10,416
Adjustments:						
(1) Assumed exercise of stock appreciation rights	-	-	-	-	4	4
(2) Assumed exercise of convertible debt	-	544	-	3,239	-	3,293
(3) Assumed exercise of incentive stock options	227	257	144	144	107	107
(4) Assumed exercise of stock options	134	177				
Total shares	15,784	16,401	11,964	15,203	10,527	13,820
Net income per common share	$.74	$.74	$1.30	$1.20	$1.08	$1.01

</TABLE>

<TABLE>
<S> <C>

Exhibit 21.1

State of Incorporation	Subsidiary
New York	Batavia Wine Cellars, Inc.
Delaware	Bisceglia Brothers Wine Co.
California	California Products Company
New York	Guild Wineries & Distilleries, Inc.
South Carolina	Tenner Brothers, Inc.
New York	Widmer's Wine Cellars, Inc.
Delaware	Barton Incorporated
Delaware	Barton Brands, Inc.
Maryland	Barton Beers, Ltd.
Connecticut	Barton Brands of California, Inc.
Georgia	Barton Brands of Georgia, Inc.
New York	Barton Distillers Import Corp.
Delaware	Barton Financial Corporation
Wisconsin	Stevens Point Beverage Co.
New York	Monarch Wine Company, Limited Partnership
Illinois	Barton Management, Inc.
U.S. Virgin Islands	Barton Foreign Sales Corporation
New York	Vintners International Company, Inc.
New York	Canandaigua West, Inc.

</TABLE>

Exhibit 23.1

CONSENT OF INDEPENDENT PUBLIC ACCOUNTANTS

As independent public accountants, we hereby consent to the incorporation of our report included in this Form 10-K, into the Company's previously filed Registration Statements on Form S-8 File nos. 33-26694 and 33-56557.

ARTHUR ANDERSON LLP

Rochester, New York
November 28, 1993