



Constellation

Corporate Profile

Headquartered in Fairport, N.Y., Constellation Brands, Inc. (NYSE: STZ and STZ.B) is a leading international producer and marketer of beverage alcohol brands with a broad portfolio across the wine, imported beer and spirits categories. As the largest wine company in the world, Constellation offers a wide selection of award-winning and well-known premium wines and beverages. The company has a significant global reach, and enjoys the distinction of being the largest multi-category supplier of beverage alcohol in the United States.

Constellation is also a leading producer and exporter of wine from Australia and New Zealand, and a major producer and independent drinks wholesaler in the United Kingdom.

Today, Constellation's gross sales are more than \$5 billion. It operates over 40 production facilities, has 8,500 employees and sells its products in more than 60 countries in North America, South America, Europe and Australia.

Background

Constellation Brands enjoys a rich history, starting with the founding of The Canandaigua Industries Company in 1945 by Marvin Sands. With eight employees, the company focused on selling to bottlers in the Eastern United States. Throughout the next several decades, the company grew through the introduction of new products and acquisitions, going public in 1973 as Canandaigua Wine Company. Two decades later in 1993, Barton Incorporated was acquired, bringing some of the world's best-known beer brands into the product portfolio.

In 1997, Canandaigua Brands Inc. formed as the parent company of Canandaigua Wine Company and Barton Incorporated, reflecting a decade of acquisitions and a diversified product portfolio expanding beyond the wine business. With the launch of Arbor Mist in 1998, the company achieved another milestone in its history with the creation of a new category—"wine with fruit." The purchase of Napa Valley-based Franciscan Estates in 1999

was one of the biggest California winery deals ever, giving Canandaigua Brands a powerful presence in the California premium and luxury wine markets. Canandaigua Brands changed its name to Constellations Brands in 2000, indicating the tremendous breadth and depth of the company. In 2004, Constellation Brands acquired Robert Mondavi Corporation, yet another milestone in its history.

Situation Analysis

Constellation Brands has grown through a combination of organic growth and acquisitions. In the 1990s, Constellation embarked on its multi-category strategy as a means of achieving a balanced portfolio better able to respond to consumer preferences and to reduce dependency on a single category or geography. This strategy supports stable growth in volume, cash flow, and return on invested capital. Led by Chairman and CEO Richard Sands, President and COO Robert Sands, and Executive Vice President and CFO Tom Summer, this multi- category strategy has achieved significant, positive results.

Constellation Brands has over 200 beverage alcohol brands, providing consumers their beverage of choice, no matter what the occasion. Constellation Brands has two operating divisions – Constellation Wines and Constellation Beers and Spirits. Constellation Wines produces, markets and sells a broad portfolio of wines throughout the world. In the United Kingdom, it operates the leading independent drinks wholesaler and a cider business, while producing bulk wine and other related products. Constellation’s portfolio includes leading brands from the United States such as Almaden, Arbor Mist, Vendange, Woodbridge by Robert Mondavi, Hardys, Nobilo, Alice White, Ruffino, Robert Mondavi Private Selection, Blackstone, Ravenswood, Estancia, Franciscan Oakville Estate, Simi and Robert Mondavi Winery brands.

Constellation Beers and Spirits imports into the U.S. some of the world’s best beer brands and is one of the largest producers and marketers of distilled spirits in the United States. Some of the leading brands from this division are Corona Extra, Corona Light, Pacifico, Modelo Especial, Negra Modelo, St. Pauli Girl, Tsingtao, Black Velvet, Fleischmann’s, Mr. Boston, Paul Masson Grande Amber Brandy, Chi-Chi’s, 99 Schnapps, Ridgmont Reserve 1792, Effen Vodka.

Constellation Brands has seen quarterly net sales of its branded wine increase significantly, in some cases as much as 59% in one recent quarter. Increased enthusiasm from consumers and



retailers has made this area of Constellation's business a tremendous success, reflecting the ongoing consumer trend of trading up to premium, super-premium and fine wine brands in the marketplace. Constellation's premium beer portfolio has also shown strong growth, with popular brands and strong performers such as the Corona brand. A powerful, strategic lifestyle advertising campaign as part of an overall marketing effort combined with the high quality of Corona have helped this beer become a favorite of consumers, retailers, and distributors.

Conclusion

Constellation Brands continues its strategic growth, building its wine and spirits portfolio with products showing strong consumer and industry appeal. The company was added to the prestigious S&P 500 Index on July 1, 2005. The firm's efforts have been recognized with many prestigious awards. In 2005, Richard Sands was named the most powerful man in the global wine industry by the United Kingdom's *Decanter* magazine. Constellation Brands also received nine *Impact Hot Brands Awards* in 2005, and 14 *Adams Growth Brands Awards*. In 2004, Constellation won eight *Impact Hot Brands Awards*, more than any other firm that year. That same year, Constellation won 14 *Adams Growth Brands Awards*, also more than any other company. Richard Sands was named *Wine Enthusiast Magazine's Man of the Year* in ceremonies held in 2002, and that same year Constellation Brands was named *Large Beverage Company of the Year*.

In 2005, Constellation Brands reported record growth and continued expanding its product offerings. Constellation boosted its premium spirits portfolio when it began importing and marketing Meukow Cognac, a small yet growing brand that has received awards in its category. In addition to Meukow, Constellation offers other premium spirit brands including Effen Vodka, Balblair single-malt scotch, Danfield's Canadian Whiskey, and Ridgemont Reserve 1792 Kentucky Bourbon.

For additional information about Constellation Brands, as well as its product portfolio, visit the company's Web site at <http://www.cbrands.com>.

