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CONSTELLATION BRANDS, INC.

Form DEF 14A

June 17, 2004

SECURITIES AND EXCHANGE COMMISSION
WASHINGTON, D.C. 20549

SCHEDULE 14A INFORMATION

Proxy Statement Pursuant to Section 14(a) of the Securities Exchange Act of 1934

Filed by the Registrant [X]

Filed by a Party other than the Registrant []

Check the appropriate box:

- [] Preliminary Proxy Statement
- [] Confidential, for Use of the Commission Only (as permitted by Rule 14a-6(e)(2))
- [X] Definitive Proxy Statement
- [] Definitive Additional Materials
- [] Soliciting Material Pursuant to Section 240.14a-12

CONSTELLATION BRANDS, INC.

(Name of Registrant as Specified in its Charter)

(Name of Person(s) Filing Proxy Statement if other than the Registrant)

Payment of Filing Fee (Check the appropriate box):

- [X] No fee required.
- [] Fee computed on table below per Exchange Act Rules 14a-6(i)(1) and 0-11.

(1) Title of each class of securities to which transaction applies:

(2) Aggregate number of securities to which transaction applies:

(3) Per unit price or other underlying value of transaction computed pursuant to Exchange Act Rule 0-11 (Set forth the amount on which the filing fee is calculated and state how it was determined):

(4) Proposed maximum aggregate value of transaction:

(5) Total fee paid:

- [] Fee paid previously with preliminary materials.
- [] Check box if any part of the fee is offset as provided by Exchange Act Rule 0-11(a)(2) and identify the filing for which the offsetting fee was paid previously. Identify the previous filing by registration statement number, or the Form or Schedule and the date of its filing.

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- (1) Amount Previously Paid: _____

(2) Form, Schedule or Registration Statement No.: _____

(3) Filing Party: _____

(4) Date Filed: _____

[CONSTELLATION LOGO]

Annual Meeting of Stockholders

June 9, 2004

To Our Stockholders:

You are cordially invited to attend the Annual Meeting of Stockholders of Constellation Brands, Inc. at ONE HSBC PLAZA, 100 Chestnut Street, Rochester, New York, on Tuesday, July 20, 2004 at 11:00 a.m. (local time).

The accompanying Notice of Annual Meeting of Stockholders and Proxy Statement describe in detail the matters expected to be acted upon at the meeting. Also contained in this package is the Company's 2004 Annual Report to Stockholders that contains important business and financial information concerning the Company.

We hope you are able to attend this year's Annual Meeting.

Very truly yours,

/s/ Richard Sands

RICHARD SANDS
Chairman of the Board
and Chief Executive Officer

Please note that HSBC Plaza is located at the corner of Court Street and Chestnut Street in downtown Rochester, New York. Limited parking is available at HSBC's underground parking garage off of Broad Street. Additional parking is available, among other locations, at the Midtown Parking Garage. Entrances to the garage are on Clinton Street, Broad Street and Court Street.

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CONSTELLATION BRANDS, INC.

NOTICE OF ANNUAL MEETING OF STOCKHOLDERS
TO BE HELD JULY 20, 2004

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NOTICE IS HEREBY GIVEN that the Annual Meeting of Stockholders of CONSTELLATION BRANDS, INC. (the "Company") will be held at One HSBC Plaza, 100 Chestnut Street, Rochester, New York, on Tuesday, July 20, 2004 at 11:00 a.m. (local time) for the following purposes more fully described in the accompanying Proxy Statement:

1. To elect directors of the Company (Proposal No. 1).
2. To consider and act upon a proposal to ratify the selection of KPMG LLP, Certified Public Accountants, as the Company's independent public accountants for the fiscal year ending February 28, 2005 (Proposal No. 2).
3. To consider and act upon a proposal to approve Amendment Number Five to the Company's Long-Term Stock Incentive Plan (Proposal No. 3).
4. To transact such other business as may properly come before the Meeting or any adjournment thereof.

The Board of Directors has fixed the close of business on May 24, 2004 as the record date for the determination of stockholders entitled to notice of and to vote at the Annual Meeting or any adjournment thereof.

A Proxy Statement and proxy card are enclosed.

WE HOPE YOU WILL ATTEND THIS MEETING IN PERSON, BUT IF YOU CANNOT, PLEASE SIGN AND DATE THE ENCLOSED PROXY CARD. RETURN THE PROXY CARD IN THE ENCLOSED ENVELOPE, WHICH REQUIRES NO POSTAGE IF MAILED IN THE UNITED STATES.

BY ORDER OF THE BOARD OF DIRECTORS

/s/ David S. Sorce

DAVID S. SORCE, Secretary

Fairport, New York
June 9, 2004

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CONSTELLATION BRANDS, INC.
370 WOODCLIFF DRIVE, SUITE 300
FAIRPORT, NEW YORK 14450

PROXY STATEMENT

2004 ANNUAL MEETING OF STOCKHOLDERS

This Proxy Statement is being furnished to the stockholders of the common stock of CONSTELLATION BRANDS, INC. (the "Company") in connection with the solicitation of proxies by the Board of Directors of the Company. The proxies are for use at the 2004 Annual Meeting of Stockholders of the Company and at any

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adjournment thereof (the "Meeting"). The Meeting will be held on Tuesday, July 20, 2004 at 11:00 a.m. (local time) at One HSBC Plaza, 100 Chestnut Street, Rochester, New York.

The shares represented by your proxy, if the proxy is properly executed and returned, and not revoked, will be voted at the Meeting as therein specified. You may revoke your proxy at any time before the proxy is exercised by delivering to the Secretary of the Company a written revocation or a duly executed proxy bearing a later date. You may also revoke your proxy by attending the Meeting and voting in person.

The shares represented by your proxy will be voted FOR the election of the director nominees named herein (Proposal No. 1), unless you specifically withhold authority to vote for one or more of the director nominees. Further, unless you indicate otherwise, the shares represented by your proxy will be voted FOR the ratification of the selection of KPMG LLP as the Company's independent public accountants for the fiscal year ending February 28, 2005 (Proposal No. 2) and FOR the approval of Amendment Number Five to the Company's Long-Term Stock Incentive Plan (Proposal No. 3).

The outstanding capital common stock of the Company consists of Class A Common Stock, par value \$.01 per share ("Class A Stock"), and Class B Common Stock, par value \$.01 per share ("Class B Stock"). The enclosed proxy card has been designed so that it can be used by stockholders owning any combination of the Company's outstanding Class A Stock and Class B Stock. ALL SHARE, OPTION AND SIMILAR INFORMATION INCLUDED IN THIS PROXY STATEMENT REFLECTS THE EFFECT OF THE COMPANY'S TWO-FOR-ONE STOCK SPLITS THAT WERE DISTRIBUTED IN THE FORM OF STOCK DIVIDENDS ON MAY 14, 2001 AND MAY 13, 2002 TO STOCKHOLDERS OF RECORD ON APRIL 30, 2001 AND APRIL 30, 2002, RESPECTIVELY.

This Proxy Statement and the accompanying proxy card are being first mailed to stockholders on or about June 17, 2004.

The cost of soliciting proxies will be borne by the Company. In addition to solicitation by use of the mail, directors, officers or regular employees of the Company, without extra compensation, may solicit proxies in person or by telephone or facsimile. The Company has requested persons holding stock for others in their names or in the names of nominees to forward these materials to the beneficial owners of such shares. If requested, the Company will reimburse such persons for their reasonable expenses in forwarding these materials.

VOTING SECURITIES

The total outstanding capital common stock of the Company, as of May 24, 2004 (the "Record Date"), consisted of 94,929,474 shares of Class A Stock and 12,054,630 shares of Class B Stock. Each share of Class B Stock is convertible into one share of Class A Stock at any time at the option of the holder.

Of the 94,929,474 shares of Class A Stock outstanding on the Record Date, 1,499,960 shares were held by CHES Depositary Nominees Pty Ltd. (ACN 071 346 506) ("CDN"), a wholly-owned subsidiary of the Australian Stock Exchange Limited (ACN 008 624 691) (the "ASX"). CDN has issued Constellation CHES Depositary Interests ("Constellation CDIs") that represent beneficial interests in the Class A Stock held by CDN. Constellation CDIs are traded on the electronic transfer and settlement system operated by the ASX. As of the Record Date there were 14,999,600 Constellation CDIs outstanding that were held by 981 holders of record. All references in this Proxy Statement to outstanding shares of Class A Stock include the shares of Class A Stock held by CDN and all references to holders of Class A Stock include CDN.

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Holders of Constellation CDIs receive all the economic benefits of actual ownership of Class A Stock at a ratio of ten (10) Constellation CDIs to each share of Constellation Class A Stock. Constellation CDIs can be converted to Class A Stock at any time at the option of the holder of the Constellation CDI at a ratio of one share of Class A Stock for each ten (10) Constellation CDIs. Holders of Constellation CDIs have the right to attend stockholders' meetings of the Company and to direct the vote of the shares of Class A Stock which underlie their CDIs. CDN, as the holder of record of the shares of Class A Stock underlying the Constellation CDIs, will vote such shares in accordance with the directions of the holders of the Constellation CDIs. If CDN does not receive a direction from a holder of Constellation CDIs as to how to vote the shares represented by those Constellation CDIs, those shares will not be voted and will not be considered present at the Meeting for quorum purposes. A holder of Constellation CDIs will be entitled to vote at the stockholder's meeting only if such holder directs CDN to designate such holder as proxy to vote the shares of Class A Stock underlying the Constellation CDIs held by such holder. A form to be used to direct CDN how to vote shares of Class A Stock represented by Constellation CDIs is being delivered with this Proxy Statement to each holder of Constellation CDIs.

Only holders of record of Class A Stock and Class B Stock on the books of the Company at the close of business on May 24, 2004, the Record Date for eligibility to vote at the Meeting, are entitled to notice of and to vote at the Meeting and at any adjournment thereof. However, under arrangements established between the Company and CDN in connection with the issuance of Constellation CDIs, the holders of Constellation CDIs are entitled to notice of and to attend the Meeting. Except as otherwise required by Delaware law, the holders of Class A Stock and the holders of Class B Stock vote together as a single class on all matters other than the election of the group of directors who are elected solely by the holders of the Class A Stock. Each holder of Class A Stock is entitled to one (1) vote for each share of Class A Stock registered in such holder's name, and each holder of Class B Stock is entitled to ten (10) votes for each share of Class B Stock registered in such holder's name. Therefore, holders of Class A Stock are entitled to cast a total of 94,929,474 votes and holders of Class B Stock are entitled to cast a total of 120,546,300 votes at the Meeting.

The holders of a majority of the outstanding aggregate voting power of Class A Stock (including the shares evidenced by and underlying Constellation CDIs) and Class B Stock present at the Meeting, in person or by proxy, will constitute a quorum. Shares represented by proxies marked as abstentions will be counted toward determining the presence of a quorum. Proxies relating to shares held in "street name" by brokers or other nominees that may be voted with respect to some, but not all, matters without instruction from the beneficial owner ("broker non-votes") are counted as shares present for determining a quorum. Under the rules of the New York Stock Exchange, brokers and nominees are generally permitted to vote with respect to Proposal No. 1 and Proposal No. 2 without

2

receiving direction from the beneficial owner of Class A Stock or Class B Stock but are not permitted to vote with respect to Proposal No. 3 unless such direction is received. Accordingly, the Company expects to receive broker non-votes with respect to Proposal No. 3 but does not expect to receive broker non-votes with respect to Proposal No. 1 or Proposal No. 2 unless one or more beneficial owners have withheld discretionary authority from their respective brokers or nominees.

Under Delaware law and the Company's Restated Certificate of Incorporation and By-laws, directors are elected by a plurality of the votes cast (the highest number of votes cast) by the holders of the shares entitled to vote and actually

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voting, in person or by proxy. Pursuant to the Company's Restated Certificate of Incorporation, the holders of Class A Stock (including the shares evidenced by and underlying Constellation CDIs), voting as a separate class, are entitled to elect one-fourth of the number of directors to be elected at the Meeting (rounded up to the next number if the total number of directors to be elected is not evenly divisible by four). The holders of Class A Stock (including the shares evidenced by and underlying Constellation CDIs) and Class B Stock, voting as a single class, are entitled to elect the remaining number of directors to be elected at the Meeting, with holders of Class A Stock having one (1) vote per share and holders of Class B Stock having ten (10) votes per share. Since the Board of Directors nominated seven (7) directors, the holders of Class A Stock will be entitled to elect two (2) directors and the holders of Class A Stock and Class B Stock, voting as a single class, will be entitled to elect five (5) directors. Because the directors are elected by a plurality of the votes cast in each election, votes that are withheld (including broker non-votes, if any) will not be counted and, therefore, will not affect the outcome of the elections.

The ratification of the selection of KPMG LLP as the Company's independent public accountants for the fiscal year ending February 28, 2005 (Proposal No. 2) requires the affirmative vote of a majority of the votes entitled to be cast by stockholders present in person or represented by proxy at the Meeting. With respect to this proposal, holders of Class A Stock (including the shares evidenced by and underlying Constellation CDIs) and Class B Stock are entitled to vote as a single class at the Meeting, with holders of Class A Stock having one (1) vote per share and holders of Class B Stock having ten (10) votes per share. Therefore, abstentions will have the effect of negative votes. However, because broker non-votes, if any, are not considered entitled to vote, they will not affect the outcome of the vote.

The approval of Amendment Number Five to the Company's Long-Term Stock Incentive Plan (Proposal No. 3) requires the affirmative vote of a majority of the votes entitled to be cast by stockholders present in person or represented by proxy at the Meeting. With respect to this proposal, holders of Class A Stock (including the shares evidenced by and underlying Constellation CDIs) and Class B Stock are entitled to vote as a single class at the Meeting, with holders of Class A Stock having one (1) vote per share and holders of Class B Stock having ten (10) votes per share. Therefore, abstentions will have the effect of negative votes. However, because broker non-votes are not considered entitled to vote, they will not affect the outcome of the vote.

3

BENEFICIAL OWNERSHIP

As of May 24, 2004, the following tables and notes set forth (i) the persons known to the Company to beneficially own more than 5% of Class A Stock or Class B Stock, (ii) the number of shares beneficially owned by them, and (iii) the percent of such class so owned, rounded to the nearest one-tenth of one percent. This information is based on information furnished to the Company by or on behalf of each person concerned. Unless otherwise noted, the percentages of ownership were calculated on the basis of 94,929,474 shares of Class A Stock and 12,054,630 shares of Class B Stock outstanding as of the close of business on May 24, 2004.

CLASS A STOCK

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NAME AND ADDRESS OF BENEFICIAL OWNER	AMOUNT AND NATURE OF BENEFICIAL OWNERSHIP (1)		
	SOLE POWER TO VOTE OR DISPOSE	SHARED POWER TO VOTE OR DISPOSE	TOTAL
Richard Sands 370 Woodcliff Drive, Suite 300 Fairport, NY 14450	1,083,568 (2)	300,712 (2)	1,384,280
Robert Sands 370 Woodcliff Drive, Suite 300 Fairport, NY 14450	1,077,346 (4)	300,712 (4)	1,378,058
CWC Partnership-I 370 Woodcliff Drive, Suite 300 Fairport, NY 14450	-	236,188 (5)	236,188
Trust for the benefit of Andrew Stern, M.D. under the will of Laurie Sands 370 Woodcliff Drive, Suite 300 Fairport, NY 14450	-	236,188 (6)	236,188
Stockholders Group Pursuant to Section 13(d)(3) of the Securities Exchange Act of 1934, as amended (7)	-	2,461,626 (7)	2,461,626
FMR Corp. 82 Devonshire Street Boston, MA 02109 (8)	(8)	(8)	7,431,773 (8)
Wellington Management Company, LLP 75 State Street Boston, MA 02109 (9)	-	(9)	10,169,096 (9)

4

CLASS B STOCK

NAME AND ADDRESS OF BENEFICIAL OWNER	AMOUNT AND NATURE OF BENEFICIAL OWNERSHIP (1)		
	SOLE POWER TO VOTE OR DISPOSE	SHARED POWER TO VOTE OR DISPOSE	TOTAL
Richard Sands 370 Woodcliff Drive, Suite 300 Fairport, NY 14450	2,954,116	5,430,072 (2)	8,384,188
Robert Sands 370 Woodcliff Drive, Suite 300 Fairport, NY 14450	2,951,296	5,430,072 (4)	8,381,368

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Trust for the benefit of Andrew Stern, M.D. under the will of Laurie Sands 370 Woodcliff Drive, Suite 300 Fairport, NY 14450	-	3,331,356 (6)	3,331,356
CWC Partnership-I 370 Woodcliff Drive, Suite 300 Fairport, NY 14450	-	3,049,540 (5)	3,049,540
Trust for the benefit of the Grandchildren of Marvin and Marilyn Sands 370 Woodcliff Drive, Suite 300 Fairport, NY 14450	-	2,025,000 (10)	2,025,000
Stockholders Group Pursuant to Section 13(d)(3) of the Securities Exchange Act of 1934, as amended (7)	-	11,335,484 (7)	11,335,484